

K+30

Analysis of the residential market based on activity reported to MLS, within the first thirty days following Hurricane Katrina.

Big Picture What Happened?

Initial activity reports indicate a remarkable ability for the market to produce inventory to meet the demand.

3400 Average # Active Listings Pre-Katrina

-1400 SOLD
-3000 PENDING
+4100 NEW & BOM

3100 Active Residential Listings Post-Katrina

What went under contract?

According to numbers run at the end of September there were nearly 2987 unique properties that were reported as under contract during that month. This is approximately three times the number of contracts that were written during the same time period in 2004.

What happened to listings under contract?

Of those 2987 unique properties that went under contract in the first month following Katrina, 543 (or about 18%) had a status change of BOM following their being reported as under contract. This doesn't necessarily mean that all of these contracts "fell through" however.

Further analysis of those 543 listings revealed that as of the end of September,

49 were reported as SOLD
35 were reported as WITHDRAWN
4 were reported as EXPIRED
192 were reported as PENDING (again)
261 were reported as ACTIVE
2 were reported as CONTINGENT

What happened with new inventory coming online?

In the roughly one month following the hurricane, 3,215 new RES MLS listings were loaded and 852 previously listed properties with an existing MLS number reappeared BOM.

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FOR IMMEDIATE RELEASE:

**RESIDENTIAL REAL ESTATE MARKET SHOWS INCREDIBLE
RESILLIANCE FOLLOWING HURRICANE KATRINA**

If you ask any local REALTOR® what they were doing in the first couple of weeks of September most of them will tell you that they were busier than ever.

Recent numbers from the Greater Baton Rouge Association of REALTORS® Multiple Listing Service bear this out. According to the MLS, there were over 3 times as many residential purchase agreements written in the 30 days after Katrina hit than during the same time period in 2004.

For many REALTORS® their biggest fear was that inventories would dry up and there wouldn't be anything left to sell. That fear may have been justified, as the inventory of available properties in the MLS was already declining as a part of the normal housing cycle from a near 8-month supply in January down to just under a 4-month supply at the end of August just as Hurricane Katrina hit.

"That created a scary situation where there appeared to be a limited inventory and an immediate explosion in the demand for housing that spurred wild rumors about massive price increases," said Judy Burkett, President of the Greater Baton Rouge Association of REALTORS®.

There is no doubt that there was significant sales activity. In the first 30 days after Katrina the number of listings that were reported as sold or under contract through the MLS system exceeded the total number of active residential listings available before the hurricane.

How is that possible? After the Hurricane hit, REALTORS® performed what may be one of the greatest unsung acts of hurricane relief – they were able to identify and rapidly bring to market massive amounts of new inventory to help meet the increasing demand, thereby helping to stabilize the residential housing market.

"We were able to quickly replace large portions of the inventory that had been sold or put under contract during that same time period. It really speaks to the hard work of the REALTOR® community and the efficiency of the Multiple Listings Service as a marketplace," said Burkett. "At only about one month after the storm, overall inventory levels in the MLS are already beginning to return to what one might expect to see under normal circumstances. The market has demonstrated tremendous resilience so far."

Whether or not it continues to do so will depend heavily on restoration efforts in affected areas. "If the clean-up continues to drag-on," said Burkett, "then we could see another spike in demand for Baton Rouge area homes sometime in February or March of 2006 as many of the evacuees who are now in short-term leases may decide to settle down in the Baton Rouge metro area and buy a home."

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