

The Lafayette Economic Development Authority (LEDA) collects hundreds of data points including retail sales, employment numbers, per capita income and more. It's these numbers plus anecdotal information from community and business leaders that helps LEDA to present Lafayette in the best light to individuals or businesses looking to become a part of our community. Building permits and construction valuations are two important statistics LEDA tracks. Because these numbers are made available immediately upon purchase of commercial and residential permits, we can identify businesses moving into the market and anticipate an increase in population as it happens and prior to its affect.

Construction in Lafayette Parish remains active despite recent national economic woes. Last year, the issuance of Our Lady of Lourdes' \$120 million permit for their new Ambassador Caffery facility gave a boost to construction numbers in fiscal year 2008-09. As the 2009-10 fiscal year comes to a close (it ends on October 31), the year has shaped up well with a year-to-date construction valuation of \$331 million, exceeding the \$235 million forecasted at the start of the year.

It's important to note that these numbers reflect metro code only, which is construction permitted within the city limits of Lafayette and in unincorporated areas of the parish. These numbers would be much higher if construction from Lafayette Parish's five municipalities— Broussard, Carencro, Duson, Scott and Youngsville— were included.

Over the past seven to ten years, three sectors in particular have seen increased construction activity— medical, hotel and multi-family housing. You can't go far in Lafayette without seeing some kind of construction or alternation project related to one of these sectors. As these projects are completed, often we can see related increases in industry-specific employment, retail sales or other factors. This trend continues into this fiscal year.

### **Medical**

In an effort to meet the increasing demand for medical services, \$386 million in new construction or renovation projects in the medical sector have been permitted since 2000. This year alone, 43 permits valued at \$71 million were issued for various medical facilities, including general medical, dentistry and chiropractic offices, as well as hospitals. In an effort to increase patient services, Lafayette General Medical Center has embarked on a complete renovation project with more than \$50 million in permits issued this year.

### **Hotel**

Lafayette's hotels have historically been filled with business travelers on weeknights which helped to prompt the boom in hotel development projects in recent years. Since 2000, 45 permits for new construction or alterations have been issued for hotel properties in Lafayette. Hotel permitting reached a high in FY 07-08 with 15 permits, and has since returned to numbers more in line with the steady growth we saw prior to 2006. This year, two permits were issued for new hotel developments valued at \$15.5 million.

## Multi-family

Multi-family housing has also seen a boost in construction activity in recent years. Since 2002, more than 40 permits have been issued for multi-family housing projects, with the largest share coming in the 2006-07 fiscal year. That year, the top five commercial projects were apartment complexes. Currently, permit valuations for multi-family dwellings make up nearly 30 percent of the top 35 new commercial construction projects with the issuance of a \$24 million permit for a new apartment complex in September.

## Employment

Strong employment numbers logically follow strong permitting numbers. Construction employment has remained steady in Lafayette. Since 2005, local employment in construction has grown 4.27%. In fact, Lafayette was one of only ten cities in the country to experience a growth in construction jobs between January 2009 and January 2010 according to the Associated General Contractors of America. Lafayette was ranked fifth in job growth out of 337 metro areas.

With the uncertainty of the gulf drilling moratorium still looming, it's hard to say how construction permitting may be impacted six to 12 months from now; however, during slow economic times, one of the best things government and business can do is prepare for the rebound. This could be as basic as revamping an advertising campaign or as involved as a full-blown market analysis. Sometimes, this preparation includes construction projects. Whether it's building infrastructure or constructing or upgrading new or existing facilities, having a plot of land that's shovel-ready or a move-in ready facility could be a key factor in local businesses' success once the economy bounces back.

Construction valuation is one of many economic indicators that can be found on LEDA's website, [lafayette.org](http://lafayette.org).

Total Annual Construction Valuation



Total Annual Construction Employment

