

LOUISIANA INTERNATIONAL TERMINAL AND RESIDENTIAL PROPERTY VALUES

**A Scenario-Based Comparative Market Analysis of St. Bernard
Parish**

Version 1 — Working Draft

Prepared by Mike Fernandez
August 2026

Scope: Residential property values only. This paper evaluates the incremental effect attributable to LIT, not future nominal home prices.

Table of Contents

Executive Summary

1. Research Question and Analytical Framework

2. Existing Literature and the Port-Commissioned Study

3. Data and Methodology

4. Comparable Case Studies

5. Cross-Case Findings

6. LIT-Specific Inputs

7. Red-Team and Blue-Team Stress Test

8. Final Probability Assessment

9. Indicators That Would Change This Assessment

10. Limitations

11. Conclusion

References

Appendix A. Detailed Probability Definitions

Appendix B. Comparable Selection Summary

Executive Summary

The proposed Louisiana International Terminal (LIT) has generated substantial public concern about the future of residential property values in St. Bernard Parish. Some arguments assume that proximity to a major container terminal must materially depress home values; others assume that investment, employment, and infrastructure will necessarily increase them. Neither proposition can be established with confidence from the available evidence.

This paper uses a scenario-based framework rather than a point forecast. It asks a narrower question: how much more or less valuable might residential property be because LIT exists, relative to the same future in which LIT was not developed? This distinction is central. A home can appreciate in nominal terms while still experiencing a negative LIT-only effect if it would otherwise have appreciated more.

The analysis combines four evidence streams: (1) the Port-commissioned residential property-value study; (2) standardized FHFA House Price Index data; (3) comparative case studies of major port or industrial developments with nearby residential areas; and (4) qualitative validation from project documents, local reporting, Plaquemines MLS data, and practitioner interviews in Garden City/Savannah, North Charleston, Wilmington, and Plaquemines. The principal comparable cases are Plaquemines LNG, Garden City/Savannah, the Hugh K. Leatherman Terminal in North Charleston, and the Port of Wilmington. Wando Welch Terminal is used as a mature-operation mini-case. Jacksonville/Blount Island was reviewed but excluded from the primary set because residential exposure is too geographically indirect.

The Port-commissioned study estimates direct, primarily noise-related residential value effects of roughly 0.5% to 4.1% for 855 properties within approximately one mile of LIT. Weighted across those properties, the implied downside is approximately 3.46% during construction and 2.70% during long-run operations. The same study explicitly acknowledges that LIT-related employment and economic activity could exert upward pressure on property values but does not quantify that effect (Industrial Economics, 2024).

For the scenario assessment, those 855 properties are combined into Zone 1, the direct-impact area; all other residential property in St. Bernard is classified as Zone 2. Two horizons are used: five years and ten years. The final probability assessment does not predict nominal house-price appreciation. It estimates the probability that LIT itself produces a major positive, minor positive, neutral, minor negative, or major negative effect relative to a no-LIT counterfactual.

LIT-only impact	Zone 1 — 5 yr	Zone 1 — 10 yr	Zone 2 — 5 yr	Zone 2 — 10 yr
Major positive (> +10%)	3%	8%	8%	15%
Minor positive (> +3% to +10%)	19%	38%	35%	45%
Neutral (-3% to +3%)	36%	37%	45%	30%
Minor negative (-10% to < -3%)	37%	15%	10%	8%
Major negative (< -10%)	5%	2%	2%	2%

The simplified interpretation is that Zone 1 has a 42% probability of some negative LIT-only effect at five years, falling to 17% at ten years; Zone 2 has a 12% probability of a negative LIT-only effect at five years and 10% at ten years. The ten-year Zone 2 assessment is the most favorable: 60% probability of a positive effect, 30% neutral, and 10% negative.

These probabilities are analytical judgments informed by the evidence; they are not outputs from a statistical forecasting model and should be updated as LIT construction, freight infrastructure, employment, and actual residential transactions provide new information.

1. Research Question and Analytical Framework

1.1 The question is not “Will prices go up?”

Housing markets are affected by interest rates, insurance costs, inflation, hurricanes, construction supply, household formation, population changes, regional employment, and numerous other forces. Attempting to forecast future St. Bernard home prices and then attribute the result to one project would create false precision.

This paper therefore isolates a counterfactual question: What is the incremental effect of LIT on residential property values relative to an otherwise comparable future in which LIT is not developed? Conceptually, the metric is:

$$\text{LIT-only impact} = (\text{Value with LIT} \div \text{Value without LIT}) - 1$$

If a \$200,000 property would be worth \$260,000 in ten years with LIT but \$270,000 without LIT, the nominal value increased while the LIT-only effect was negative. Conversely, if a weak regional market caused the property to decline but LIT-related demand reduced the decline, the LIT-only effect could be positive.

1.2 Why probabilities rather than a point forecast

There is no single knowable future. The analysis therefore adapts concepts familiar from military intelligence and course-of-action analysis: define plausible outcomes, identify indicators that would make each outcome more or less likely, estimate current probabilities, and revise the assessment when new evidence appears. The objective is not to declare one future certain; it is to constrain the range of plausible outcomes and recognize which future is emerging.

Five outcome bands are used throughout the paper: major positive (> +10%), minor positive (> +3% to +10%), neutral (-3% to +3%), minor negative (-10% to < -3%), and major negative (< -10%). The ±3% neutral band intentionally treats small estimated effects as economically negligible given the uncertainty inherent in the analysis.

1.3 Two zones and two horizons

The Port-commissioned study evaluated 855 properties in three groups surrounding the terminal. For this paper, all three groups are combined into Zone 1 because they collectively represent the direct-impact area. Zone 2 is the remainder of residential St. Bernard Parish. The Port study’s internal groups remain useful for understanding variation inside Zone 1, but the final probability assessment is intentionally simpler.



Figure 1. Zone 1 direct-impact area used in this analysis. The shaded area corresponds to the combined residential study area (Groups 1–3) from the Port-commissioned property-value study. Zone 2 consists of the remainder of residential St. Bernard Parish.

The study uses five- and ten-year horizons. These are not assumed to represent “construction” and “mature operation” cleanly; Industrial Economics states that construction is expected to continue over approximately fifteen years, with completion planned by 2038. The five-year horizon therefore represents construction and early development, while the ten-year horizon represents a later stage in which more economic and infrastructure effects may have materialized even if phased construction remains underway (Industrial Economics, 2024).

2. Existing Literature and the Port-Commissioned Study

2.1 Why generalized port literature has limited direct applicability

Industrial Economics reported that, after reviewing the empirical literature, it did not identify an appropriate source specifically examining shipping terminals or closely analogous facilities. Its review instead relied on studies of airports, industrial sites, highways, roads, and railroads, most of which focused on noise. This is itself a useful finding: the most directly relevant empirical literature for a residential neighborhood beside a modern container terminal is limited (Industrial Economics, 2024).

The literature does demonstrate that environmental externalities can be capitalized into housing prices. Industrial Economics summarized studies finding discounts associated with airport noise, truck traffic, road and rail noise, and proximity. Those findings establish plausible downside mechanisms, but they do not answer the full LIT question because they generally do not simultaneously measure localized externalities and local economic uplift.

2.2 What the Port study actually estimates

Industrial Economics (2024) used baseline and projected noise levels supplied by Arcadis and a benefit-transfer approach based primarily on Nelson’s meta-analysis of airport-noise studies. The memo identifies 109 properties in Group 1, 205 in Group 2, and 541 in Group 3, for 855 total properties. Estimated value losses due to noise are shown below.

Port-study group	Properties	Construction estimate	Phase 3 operation
Group 1	109	-0.6%	-0.5%
Group 2	205	-4.1%	-3.6%
Group 3	541	-3.8%	-2.8%
Weighted Zone 1	855	-3.46%	-2.70%

Source: Industrial Economics (2024), Table 5; Zone 1 weighted averages are author calculations using the study’s property counts.

The memo notes that lighting, visible structures, and related aesthetic changes are difficult to quantify separately and may be partially captured through proximity effects. It also states that LIT can create economic activity and employment opportunities that enhance local property values, but that uncertainty about timing and spatial distribution prevents the study from estimating that upside. This limitation is central to the present analysis: the Port study is treated as an important downside benchmark, not as a net forecast.

Interpretive rule

The approximately -3% weighted Zone 1 estimate should be viewed as a useful downside anchor, not a hard floor. The true direct penalty could be worse if unmodeled traffic, stigma, light, rail, or other effects are larger than assumed. Conversely, the net effect could be better if housing demand, employment, infrastructure, or other economic forces offset the direct penalty.

3. Data and Methodology

3.1 Primary housing-price data: FHFA HPI

The primary standardized pricing source is the Federal Housing Finance Agency House Price Index (FHFA HPI). FHFA publishes house-price indexes at the national, state, metropolitan, county, ZIP-code, and census-tract levels and uses a weighted repeat-sales methodology that measures changes in repeat transactions on the same properties. Annual indexes are specifically provided for small geographies such as counties, ZIP codes, and census tracts (FHFA, 2026a; FHFA, 2026b).

A repeat-sales index is preferable to simple median sale prices for this purpose because small residential markets can experience large swings in the mix of homes sold from year to year. FHFA itself cautions that annual local indexes are developmental and may be unavailable or volatile where transaction counts are small. That limitation is explicitly considered in the case studies.

3.2 Comparison design

For each comparable project, the analysis identifies a pre-project or pre-expansion baseline, the closest reliable residential geography, and one or more broader control geographies. The question is not

merely whether the near-project area appreciated. The more important question is whether it materially outperformed or underperformed the surrounding housing market during and after the project period.

Where different FHFA series use different index bases, the analysis compares percentage changes rather than raw index levels. Values reported in the case studies are author calculations from FHFA annual or quarterly HPI datasets unless otherwise stated.

3.3 Supplemental evidence

FHFA is supplemented with project timelines, port authority records, planning documents, local reporting, and qualitative market intelligence. For Plaquemines, a local MLS export covering Port Sulphur, Belle Chasse, and Braithwaite was used to validate the FHFA signal. For Savannah, a long-tenured broker interview provides qualitative context on micro-market effects that may not be visible in tract or county data. These sources are used to interpret the quantitative evidence, not replace it.

3.4 Comparable selection and rejection

A useful comparable must have a meaningful port or industrial expansion, residential properties with genuine exposure, sufficient history to observe effects, and enough data to support standardized analysis. Jacksonville/Blount Island was investigated but excluded from the primary set because water, marshland, and industrial acreage create substantial separation between the terminal and residential neighborhoods. This makes its exposure structure less comparable to Violet. The exclusion is important methodologically: cases were not included merely because they supported a preferred conclusion.

4. Comparable Case Studies

4.1 Plaquemines LNG — Geographic and infrastructure analogue

Plaquemines LNG is not a container terminal, but it is unusually relevant geographically. Plaquemines and St. Bernard are both long, narrow Mississippi River parishes with residential development concentrated along limited north-south transportation corridors, industrial uses embedded in riverfront communities, hurricane and insurance pressures, and access to the same broader New Orleans labor and housing market. This physical form makes Plaquemines especially useful for examining whether a very large industrial project in a constrained corridor necessarily produces residential-value collapse.

Plaquemines LNG entered major construction in 2022. The project produced documented congestion and a peak construction workforce measured in the thousands. Yet parish-level FHFA data show no broad residential collapse: the Plaquemines Parish HPI rose from 179.75 in 2022 to 182.12 in 2025. Looking from the clean pre-construction year 2021, the index rose from 172.30 to 182.12 by 2025 (FHFA/FRED, 2026).

The more important limitation is geographic aggregation. Parish-wide data can conceal a negative near-site effect if upper-parish markets offset lower-parish weakness. FHFA tract data for the Port Sulphur area likewise did not show an obvious construction-period collapse, but small-market volatility warranted a local MLS validation.

The author-supplied MLS export contained more than 1,400 records across the relevant ZIP codes. Port Sulphur transaction counts were thin, and annual median price-per-square-foot readings were volatile, which illustrates why simple medians are inadequate. Nevertheless, construction-period transaction volume did not collapse, median days on market improved, and a rough controlled comparison against Belle Chasse did not identify a statistically significant negative post-2022 break. The data are insufficient to estimate a precise LNG premium or discount, but they are inconsistent with a large, obvious construction-phase housing shock.

Local economic context is also relevant. Venture Global reported more than \$20 billion in spending related to the export terminal, more than 400 direct employees already hired, and more than \$500 million in sales taxes paid to Louisiana and parish authorities; Louisiana Economic Development estimated approximately 1,400 total jobs including roughly 400 direct jobs (Venture Global/DOE, 2026). The project therefore represents a major local economic shock, yet job creation did not translate mechanically into population growth. This supports a key caution for LIT: employment can increase housing demand, but the local “housing capture rate” depends on where workers choose to live and whether they commute from elsewhere in the region.

Plaquemines takeaway

A massive industrial project can generate real traffic and quality-of-life impacts while the nearby residential market remains functional and resilient. The case strongly weakens the claim that large industrial development in a constrained Southeast Louisiana corridor necessarily produces severe residential depreciation, but it does not establish that industrial development increases home values.

A 2026 interview with an active broker in Belle Chasse and the lower Plaquemines market adds an important mechanism beneath the aggregate data. The broker described a pronounced construction-era demand surge accompanied by significant resident frustration with traffic and elevated housing costs. After the temporary workforce receded, the broker observed a softer market and a sharp increase in rental availability, which was attributed in part to investors having treated temporary construction demand as permanent. The broker also emphasized that the number of long-term operating jobs is far smaller than the peak construction workforce (anonymized broker interview, August 25, 2026).

The implication for LIT is not that the same boom-bust pattern should be expected. Rather, Plaquemines demonstrates that construction demand, permanent operating demand, and ancillary-business demand should be treated as separate housing-demand channels. Temporary workforce demand can support rents and values in the short run, but overbuilding against a temporary peak can create later softness.

4.2 Garden City / Savannah — Container-terminal expansion analogue

Garden City Terminal is a stronger project-type analogue because it is a major container terminal surrounded by established residential communities. Georgia Ports pursued a sustained capacity-expansion program involving container yards, berth improvements, rail infrastructure, new cranes, and Garden City Terminal West. Garden City Terminal West alone represents roughly \$200 million of investment, approximately 100 new acres, and about one million TEUs of additional annual capacity (Georgia Ports Authority, 2023; Georgia Ports Authority, 2026a).

Using 2018 as the broad expansion baseline, the closest reliable FHFA residential tract evaluated in this analysis increased approximately 102% through 2025. Over roughly the same period, the Savannah metropolitan HPI increased approximately 101% and Chatham County approximately 87%. Thus, the near-terminal geography did not show a broad price collapse and, over the full window, roughly kept pace with the metro while outperforming the county. During a narrower 2021–2025 period, however, the near-port tract performed more like Chatham County and less strongly than the broader metro. That pattern is consistent with a modest opportunity cost from immediate adjacency even while nominal prices rise strongly.

Qualitative market intelligence points in the same direction. A broker with more than three decades of experience in the Garden City area, including ownership of rental property near the port, described nearby neighborhoods as continuing to appreciate but sometimes more slowly than stronger portions of Savannah, while areas farther from direct exposure captured more of the regional growth (anonymized broker interview, August 2026).

The case also underscores the role of freight infrastructure. In July 2026 Georgia opened the \$126 million Brampton Road Connector, a four-lane freight route linking Garden City Terminal directly to the interstate system and explicitly removing truck traffic and an at-grade rail crossing from local neighborhood streets (Georgia Ports Authority, 2026b). This is relevant to LIT because the real-estate effect of a terminal may depend materially on whether freight movement is successfully separated from residential streets.

Garden City takeaway

Immediate port proximity did not prevent strong appreciation. The more plausible adverse effect is relative underperformance versus stronger surrounding neighborhoods, not nominal price collapse. The case also supports treating dedicated freight access as a major variable in the LIT scenario model.

4.3 Hugh K. Leatherman Terminal / North Charleston — New-build analogue

The Hugh K. Leatherman Terminal provides a direct new-terminal analogue. Site development and construction accelerated in 2018, and Phase One opened in 2021 as a \$1 billion greenfield terminal adding approximately 700,000 TEUs of capacity. SC Ports also built a dedicated Port Access Road connecting the terminal to the regional highway system (South Carolina Ports Authority, 2021).

The closest practical FHFA geography used in this analysis, ZIP 29405, appreciated strongly from the construction period through 2025. The observed change was broadly comparable to the Charleston metro and stronger than Charleston County over the same broad window. During the actual construction interval, the nearby ZIP also did not show a negative break. This makes Leatherman a strong construction-and-proximity case.

Its value as a mature-operation case is weaker. A labor dispute caused carrier members to stop calling at the terminal, and the National Labor Relations Board summarized evidence that all carrier members ceased calling within approximately a month after the dispute began. Other public sources described the new terminal as significantly underutilized (NLRB, 2023; Federal Maritime Commission reporting summarized by Port Technology, 2022). As a result, nearby households have not experienced the full operational intensity originally contemplated.

Leatherman takeaway

Construction of a major new container terminal beside residential neighborhoods did not produce an obvious housing-value collapse. Because the terminal was underutilized after opening, the case provides stronger evidence about construction and physical proximity than about mature high-volume operations.

Qualitative evidence from a broker who spent roughly twelve years building a Charleston practice and specialized in Park Circle provides an important neighborhood-level check. He described established residents as frustrated by additional trains, access infrastructure, and port-related change, while also reporting continued residential appreciation, new housing development, and redevelopment in formerly distressed areas leading toward the port. He characterized the immediate area as experiencing slower growth in some instances, but not negative value trends (Charleston-area broker, personal communication, August 2026).

This distinction is particularly relevant to St. Bernard: established residents evaluate change against the neighborhood they remember, while new buyers, renters, and developers evaluate the neighborhood as it exists today relative to competing alternatives. A deterioration in resident satisfaction can therefore coexist with continued market demand and rising values.

4.4 Wando Welch Terminal — Mature-operation reality check

Wando Welch Terminal supplies the mature-operation context missing from Leatherman. SC Ports identifies Wando Welch as its largest container terminal, handling approximately 78% of annual container volume, with four container-ship berths and direct access to I-526 via Long Point Road (South Carolina Ports Authority, 2024). Residential neighborhoods in Mount Pleasant sit close to the terminal.

The analytical value of Wando is not a clean before-and-after causal estimate. Instead, it answers a narrower reality-check question: can a mature, heavily utilized container terminal coexist with a high-value residential market immediately nearby? Recent sales in Hobcaw Creek Plantation include 504 Willow Branch Way at \$1,000,000 in February 2025 and 509 Chimney Bluff Drive at \$1,000,000 in June 2026; other nearby transactions have exceeded those levels (Realtor.com, 2026; Redfin, 2026).

These transactions do not prove there is no proximity discount; the homes could theoretically be worth more in a no-terminal counterfactual. They do demonstrate that direct proximity to a mature container terminal is compatible with seven-figure residential values.

Wando takeaway

Mature terminal operations and expensive residential property can coexist. Wando is therefore evidence against the strongest form of the “nobody will want to live near a container port” argument, while not resolving the size of any relative discount.

4.5 Port of Wilmington — Direct adjacency with documented nuisance

The Port of Wilmington underwent a substantial modernization beginning around 2017–2018. NC Ports received two neo-Panamax cranes in March 2018, a third in 2019, completed more than 2,600 contiguous feet of container berth space, expanded the turning basin, and pursued a broader capital program exceeding \$200 million. The terminal improvements were designed to double annual container throughput capacity to approximately 1.2 million TEUs (NC Ports, 2018; NC Ports, 2020).

The Sunset Park neighborhood is directly adjacent to the terminal, and negative externalities are documented rather than hypothetical. Local reporting describes late-night alarms, train horns, truck traffic, and other port noise audible from homes in the neighborhood (Port City Daily, 2013). Thus Wilmington is especially useful for separating quality-of-life nuisance from actual housing-market performance.

FHFA data for ZIP 28401, which includes the port-adjacent area, increased approximately 122% from 2017 through 2025. Over the same broad period, New Hanover County increased approximately 102% and the Wilmington metro approximately 113%. Again, the result does not prove that port expansion caused appreciation. It does show that documented port nuisance and major terminal modernization did not produce broad residential depreciation in the surrounding ZIP.

Wilmington takeaway

Documented truck, rail, and industrial nuisance can coexist with a resilient or strongly appreciating housing market. Quality-of-life impact and property-value impact are related but should not be treated as interchangeable.

A separate interview with a Wilmington-area broker with 28 years in real estate and substantial experience in the Historic District did not identify a clear port-driven decline in either sales or rental demand. The broker described the current market as somewhat slower, but attributed that primarily to broader conditions and substantial apartment construction rather than the port. Speaking as both a Realtor and

resident, the broker also described rapid ongoing growth even while expressing personal concern about the pace and character of development (anonymized broker interview, August 25, 2026).

5. Cross-Case Findings

5.1 Severe residential depreciation was not the normal outcome

Across the primary U.S. comparables, the analysis did not identify a case in which construction or expansion of a major port or industrial facility clearly produced a broad residential decline exceeding 10% in the directly relevant housing geography. This does not make a major-negative LIT outcome impossible. It does move that outcome away from the base case and into the tail of the probability distribution.

5.2 Proximity can still create relative underperformance

The absence of nominal decline does not imply zero port effect. Garden City is the clearest example: nearby property can appreciate strongly while underperforming stronger portions of the surrounding metro. This is why the study's counterfactual framing is essential. A port-related discount may manifest as reduced appreciation rather than a literal decline from today's price.

5.3 Quality-of-life impacts do not map one-for-one to value impacts

Wilmington and Plaquemines demonstrate that traffic, noise, construction activity, and other nuisances can be real without creating an equivalent residential price penalty. A household can rationally dislike an externality while the market simultaneously values employment access, location, housing scarcity, or broader economic growth.

The practitioner interviews reinforce a behavioral reason for this divergence. Established residents often experience port expansion as a loss relative to a remembered baseline: more trains, more traffic, more industrial activity, or less quiet than before. New buyers and renters do not share that before-and-after reference point. They evaluate the current neighborhood as a package of price, location, commute, amenities, employment access, and nuisance relative to other available choices. Developers evaluate future demand still differently. As a result, existing residents can become less satisfied at the same time that new households and investors continue to place substantial market value on the area.

5.4 Freight routing repeatedly appears as a high-leverage variable

Garden City, Leatherman, and Wilmington each highlight the importance of how freight reaches the terminal. From a residential perspective, routing that reduces heavy-truck interaction with neighborhood streets should reduce congestion, noise, and safety burdens. At the same time, completely isolating freight activity from commercial corridors could reduce some opportunities for logistics-oriented clustering and supporting businesses. The relevant policy question is therefore not simply whether trucks are separated from local streets, but whether freight-routing design minimizes residential nuisance while preserving efficient commercial access for port-related businesses. The success, timing, and design of St. Bernard freight infrastructure should materially affect the LIT probability assessment.

5.5 Negative externalities are concentrated; economic effects can diffuse

Noise, lighting, visual exposure, rail interaction, and industrial adjacency diminish with distance. Employment, tax revenue, business investment, and housing demand can spread much farther. This creates an asymmetry: Zone 1 can receive both direct downside and economic upside, while Zone 2

receives much less direct terminal exposure but can still participate in broader economic effects. That asymmetry is the principal reason the final Zone 2 distribution is more favorable.

6. LIT-Specific Inputs

6.1 Zone 1 downside benchmark

The Port study's weighted Zone 1 downside is approximately -3.46% during construction and -2.70% in Phase 3 operations. The estimates are useful because they are LIT-specific and incorporate measured baseline noise plus modeled future noise. They should not be treated as certain because they rely on benefit transfer, Port-supplied noise modeling, and judgments about whether light, visual change, and other impacts are material (Industrial Economics, 2024).

The red-team case therefore retains the possibility that the Port study understates the true direct penalty. Buyer stigma, unexpected truck routing, rail interaction, lighting, or operational noise could create a larger effect. The literature summarized by Industrial Economics itself includes examples of substantially larger discounts in some airport and railroad contexts. Those are not direct LIT comparables, but they justify retaining a low-probability major-negative tail.

6.2 Potential upside and its uncertainty

Greater New Orleans, Inc.'s 2026 analysis projects 4,339 new direct and indirect St. Bernard jobs at full buildout, equal to approximately 37% of the 11,868-job current employment base used in the analysis. The projection path shows approximately 1,858 jobs in 2031 and 2,334 in 2036. It also projects \$18.1 million in new recurring annual parish taxes from Phase I and \$33.3 million at full buildout (GNO, Inc., 2026).

These figures are forecasts, not observed outcomes. More importantly for housing, job creation is not equivalent to new local households. Plaquemines demonstrates that a large employment shock can coexist with population decline because workers may commute or reside elsewhere. The relevant housing variable is therefore not simply the number of jobs but the proportion of incremental economic activity that St. Bernard's residential market captures.

6.3 Why the Port study is only one side of the ledger

Industrial Economics explicitly acknowledges that LIT-related employment and output may increase demand and exert upward pressure on property values but does not estimate the magnitude. The present paper does not attempt to manufacture a precise additive formula such as “-3% noise + 5% jobs = +2%.” The empirical comparables are instead used to judge whether the net outcome after both positive and negative forces operate tends to fall in a major-negative, minor-negative, neutral, or positive range.

7. Red-Team and Blue-Team Stress Test

7.1 Strongest credible bearish case

The strongest bearish argument is not that ports invariably destroy residential markets. The comparable evidence does not support that proposition. The stronger case is that the LIT-specific downside study may understate the combined bundle of noise, light, rail, traffic, industrial perception, and buyer stigma, while projected economic benefits may leak outside St. Bernard.

- The Port study is a commissioned benefit-transfer analysis rather than observed LIT market evidence.
- Noise may not be the dominant externality; traffic and freight routing could be more important.

- Workers can live elsewhere in the New Orleans region, reducing the local housing-demand effect.
- The selected comparables each have confounders: Savannah and Wilmington are strong markets; Leatherman was underutilized; Wando is in high-amenity Mount Pleasant; Plaquemines is a different facility type.
- Construction-period stigma may precede the actual long-run operating experience and temporarily depress relative demand.

These arguments justify meaningful minor-negative probability in Zone 1, especially at five years, and prevent the Port study's approximately -3% estimate from being treated as a hard floor.

7.2 Strongest credible bullish case

The strongest bullish argument begins with the same Port study: its modeled direct downside is in the low single digits, while the study leaves potential economic uplift unquantified. If freight mitigation works reasonably well and even a portion of the projected local employment and ancillary development translates into St. Bernard housing demand, the net result can move from a modest direct penalty toward neutral or positive territory.

- The comparable markets repeatedly failed to show major negative residential breaks despite real proximity and nuisance.
- Zone 2 receives little direct terminal exposure while retaining access to parish-wide employment, tax-base, and investment effects.
- Dedicated freight infrastructure can reduce one of the most damaging potential externalities: heavy truck interaction with residential streets.
- The magnitude of projected St. Bernard employment is material relative to the parish's current employment base, even at the five- and ten-year horizons.

The bullish case is strongest in Zone 2 and at the ten-year horizon. It is weaker during early construction, when direct disruption can precede the realization of employment, infrastructure, and ancillary investment.

8. Final Probability Assessment

The final probabilities are judgment-based scenario weights informed by the Port study, FHFA case-study evidence, project characteristics, and the red-team/blue-team stress test. They are not generated by a statistical forecasting model. Their purpose is to communicate uncertainty explicitly rather than hide it behind a single point estimate.

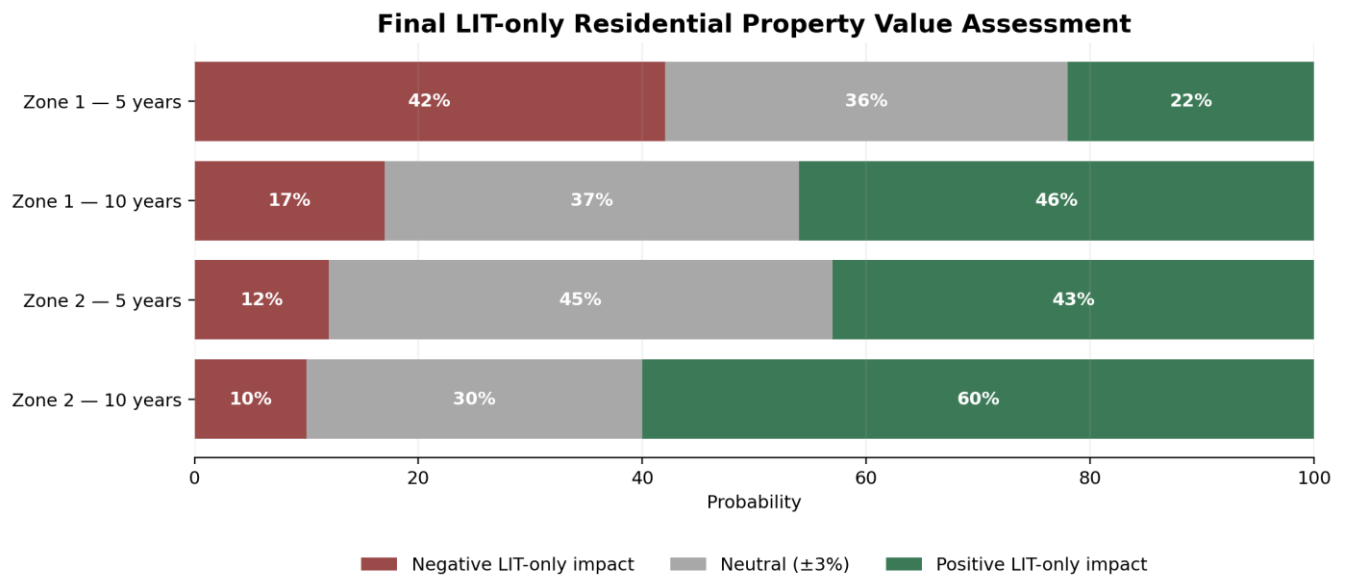


Figure 1. Simplified probability assessment. “Negative,” “neutral,” and “positive” refer only to LIT’s incremental effect relative to a no-LIT future; they do not indicate whether nominal home prices rise or fall.

LIT-only impact	Zone 1 — 5 yr	Zone 1 — 10 yr	Zone 2 — 5 yr	Zone 2 — 10 yr
Major positive (> +10%)	3%	8%	8%	15%
Minor positive (> +3% to +10%)	19%	38%	35%	45%
Neutral (-3% to +3%)	36%	37%	45%	30%
Minor negative (-10% to < -3%)	37%	15%	10%	8%
Major negative (< -10%)	5%	2%	2%	2%
TOTAL	100%	100%	100%	100%

8.1 Plain-English interpretation

Zone 1 — five years: The direct-impact area carries the most near-term risk. Construction disruption arrives early, while economic benefits take time. The assessment assigns a 42% probability to some negative LIT-only effect, but only 5% to a major negative effect greater than 10%.

Zone 1 — ten years: The distribution shifts materially as employment, infrastructure, and ancillary investment have more time to develop. The assessment assigns an 83% probability that the net LIT-only effect is neutral or positive and a 17% probability that it is negative.

Zone 2 — five years: With much less direct exposure, the broader parish has an 88% probability of neutral or positive LIT-only impact.

Zone 2 — ten years: This is the most favorable distribution: 60% probability of a positive effect, 30% neutral, and 10% negative.

9. Indicators That Would Change This Assessment

The probability estimates in this paper should be treated as a current assessment, not a permanent conclusion. As construction begins, operations expand, infrastructure is completed, and the housing market responds, new evidence should cause the distribution to change.

This approach borrows from military intelligence analysis. Analysts do not rely on one fixed prediction; they identify observable indicators that help determine which anticipated scenario is actually developing. In military planning, many such observations are organized around Named Areas of Interest (NAIs). The framework below applies the same logic to LIT by identifying measurable conditions that should increase or decrease confidence in the positive, neutral, or negative housing scenarios.

9.1 NAI-style indicators

Indicator	What to monitor	Shifts more positive if...	Shifts more negative if...
Zone 1 home-sale performance	Price/sf, days on market, sale-to-list ratio, concessions, and volume versus comparable St. Bernard neighborhoods	Zone 1 continues to track or outperform comparable parish neighborhoods	Zone 1 develops persistent relative underperformance
Zone 1 rental performance	Rents, vacancy, lease-up time, and concessions	Demand strengthens without excessive vacancy or speculative overbuilding	Vacancy rises, concessions widen, or rents materially underperform the parish
Freight-routing effects	Truck volumes, routes, neighborhood interaction, congestion, safety, and access to commercial corridors	Commercial access improves while residential nuisance remains limited	Truck or rail activity increasingly burdens residential streets or access design impairs economic clustering
Actual noise and operating impacts	Measured noise, complaints, rail activity, lighting, and operating hours	Observed impacts remain near or below modeled assumptions	Actual nuisance materially exceeds modeled assumptions
Local employment capture	St. Bernard jobs associated with LIT and supporting businesses	Projected employment materializes locally and expands over time	Employment materially misses projections or is captured elsewhere
Housing capture of employment	Where LIT-related workers actually live	A meaningful share of workers chooses St. Bernard	Most workers commute from surrounding parishes
Supporting-business investment	Logistics, warehousing, suppliers, manufacturing, maintenance, and related business announcements	Port-related firms locate and invest in St. Bernard	Supporting development bypasses the parish
Construction-to-operation transition	Temporary workforce, permanent jobs, rents, vacancy, and new housing supply	Temporary demand transitions into durable demand without major oversupply	Construction demand recedes while excess housing or rental supply remains
Parishwide relative housing performance	St. Bernard pricing, marketability, and rents versus comparable New Orleans-area controls	Zone 2 begins to outperform comparable regional markets	St. Bernard persistently underperforms despite LIT activity
Public infrastructure and services	Roads, drainage, public safety, schools, and other visible improvements	Additional revenue and investment create tangible residential benefits	Economic activity creates burdens without corresponding improvements

The most important indicators will often be relative rather than absolute. Rising home prices alone would not demonstrate that LIT is helping the market. If Zone 1 prices rise 10% while otherwise comparable St. Bernard neighborhoods rise 20%, that would still be evidence of a negative LIT-related effect. Conversely, a declining regional housing market could coexist with a positive LIT effect if Zone 1 or the broader parish materially outperforms comparable areas.

9.2 Housing-focused policy implications

The comparative evidence suggests that the housing outcome is not determined solely by whether the terminal exists. It will also depend on how the project and surrounding economy develop. From a housing perspective, the highest-leverage policy questions are whether freight routing can reduce residential nuisance without sacrificing commercial access; whether St. Bernard captures a meaningful share of permanent and ancillary employment; whether supporting businesses locate in the parish; and whether new housing supply is calibrated to durable demand rather than a temporary construction peak.

The practitioner interviews add two recurring qualitative mechanisms. First, existing residents may reasonably become less satisfied with added trains, traffic, or industrial activity while new buyers, renters, and developers continue to value the area based on its current price, access, amenities, and future opportunity. Second, the Plaquemines experience cautions against treating temporary construction demand as permanent: strong short-run rental demand can be followed by softness if supply expands faster than the long-term employment base.

Plaquemines provides a specific caution: temporary construction demand can support rents and property values while simultaneously encouraging investors to build or buy against a demand level that may not persist. Recruiting long-lived logistics, warehousing, manufacturing, supplier, and service businesses can help convert temporary project activity into a more durable employment and housing-demand base. This implication is included here only because it directly affects the probability of the residential scenarios evaluated in this paper.

10. Limitations

- This is not a peer-reviewed causal econometric study and should not be represented as one.
- FHFA small-area annual indexes are developmental and can be volatile or unavailable where repeat-sales samples are thin.
- Comparable projects differ from LIT in terminal type, scale, market conditions, infrastructure, and timing; no case is a perfect analogue.
- Broad housing appreciation can mask a relative project penalty; the analysis attempts to address this through control-market comparisons but cannot fully isolate causation.
- Economic-impact projections for LIT are forecasts. Actual employment, timing, wages, local residency, and ancillary investment may differ materially.
- The Port-commissioned property-value study is an important LIT-specific source but is itself model-based and commissioned by the project sponsor.
- The final probability assignments are structured judgment, not statistically estimated probabilities. Their value lies in transparency and updateability, not mathematical certainty.

11. Conclusion

The strongest claim supported by the evidence is narrower than either side of the public debate often suggests. The comparable-market evidence does not support treating severe residential depreciation as the normal consequence of a major container terminal or industrial development near residential property. At the same time, immediate proximity can impose a real opportunity cost, particularly through noise, traffic, rail interaction, industrial perception, and buyer stigma.

For LIT, the Port's own commissioned study places the modeled direct penalty for the 855 nearest properties in the low single digits on average and explicitly leaves potential economic uplift unquantified.

The comparable cases show that real-world residential outcomes after major port or industrial projects have generally been more resilient than a simple “proximity equals collapse” model would predict. The central uncertainty is therefore not whether externalities exist—they do—but whether localized negative effects outweigh the share of economic and infrastructure benefits captured by St. Bernard housing.

The resulting scenario assessment is intentionally probabilistic. Zone 1 carries meaningful near-term risk but becomes predominantly neutral-to-positive at ten years. Zone 2 is assessed as predominantly neutral-to-positive at both horizons, with a positive outcome becoming the most likely result at ten years. These are not promises. They are the current balance of evidence.

The appropriate response to uncertainty is not false precision. It is disciplined updating. If freight routing fails, noise exceeds expectations, jobs disappoint, or Zone 1 sales begin to underperform, the probabilities should move negative. If dedicated infrastructure works, employment and investment materialize, and local housing demand strengthens, they should move positive. The purpose of the framework is not to predict one inevitable future; it is to identify the plausible futures and recognize which one is actually unfolding.

References

- Federal Housing Finance Agency. (2026a). FHFA House Price Index®. [Source](#)
- Federal Housing Finance Agency. (2026b). FHFA House Price Index® frequently asked questions. [Source](#)
- Federal Housing Finance Agency. (2026c). FHFA House Price Index® datasets. [Source](#)
- Federal Reserve Bank of St. Louis. (2026). All-Transactions House Price Index for Plaquemines Parish, LA [ATNHPIUS22075A], sourced from FHFA. [Source](#)
- Federal Reserve Bank of St. Louis. (2026). All-Transactions House Price Index for Savannah, GA (MSA) [ATNHPIUS42340Q], sourced from FHFA. [Source](#)
- Industrial Economics, Incorporated. (2024, November 19). Potential residential property value effects of the LIT development. Prepared for the Port of New Orleans. [Source](#)
- Greater New Orleans, Inc. (2026, April 7). Louisiana International Terminal: Economic and fiscal benefits to St. Bernard Parish. [Source](#)
- Georgia Ports Authority. (2023, March 20). Growing Big — Garden City Terminal West. [Source](#)
- Georgia Ports Authority. (2026a). Garden City Terminal West. [Source](#)
- Georgia Ports Authority. (2026b, July 7). Savannah’s Brampton Road Connector opens July 16. [Source](#)
- Georgia Ports Authority. (2022). Annual comprehensive financial report: Garden City Terminal West, Phases 1 and 2. [Source](#)
- National Labor Relations Board. (2023). Summary of NLRB decisions for week of July 24–28, 2023. [Source](#)
- North Carolina Ports. (2018, March 29). North Carolina Ports welcomes two new neo-Panamax cranes to the Port of Wilmington. [Source](#)
- North Carolina Ports. (2020, April 7). North Carolina Ports completes turning basin expansion project. [Source](#)
- North Carolina Ports. (2020). Completed upgrades — Port of Wilmington. [Source](#)
- Port City Daily. (2013, May 15). What’s that sound? Sunset Park, port talk noise, being good neighbors. [Source](#)
- Port Technology International. (2022, July 1). FMC Commissioner calls on Biden to resolve ILA South Carolina labour dispute. [Source](#)
- South Carolina Ports Authority. (2021). FY2021 annual report: Hugh K. Leatherman Terminal. [Source](#)
- South Carolina Ports Authority. (2024). Air emissions inventory: Wando Welch Terminal description. [Source](#)
- U.S. Environmental Protection Agency. (n.d.). Ports primer: Land use and near-port communities. [Source](#)

U.S. Department of Energy / Venture Global Plaquemines LNG. (2026). Plaquemines LNG uprate application (project investment, employment, and tax information). [Source](#)

Realtor.com. (2026). 504 Willow Branch Way, Mount Pleasant, SC — sale history. [Source](#)

Redfin. (2026). 509 Chimney Bluff Drive, Mount Pleasant, SC — sale history. [Source](#)

Unpublished comparative analysis memorandum provided to the author. (2026). LNG Comparative Analysis.

Author-supplied MLS export. (2018–2025). Plaquemines Parish residential transactions: Port Sulphur, Belle Chasse, and Braithwaite.

Practitioner interviews (personal communications; interview notes/transcripts on file with author):

Anonymized broker interview. Savannah / Garden City–area broker with more than 30 years of local experience and ownership of rental property near the port. Personal communication, August 2026.

Charleston-area broker. Former Park Circle specialist with approximately 12 years of experience building a Charleston real-estate practice. Personal communication, August 2026.

Anonymized broker interview. Wilmington-area broker with 28 years of real estate experience and substantial Historic District experience. Personal communication, August 25, 2026.

Anonymized broker interview. Belle Chasse / lower Plaquemines–area broker. Personal communication, August 25, 2026.

Appendix A. Detailed Probability Definitions

Category	Definition	Interpretation
Major positive	> +10%	Property is estimated to be more than 10% more valuable because of LIT than in the no-LIT counterfactual.
Minor positive	> +3% to +10%	Meaningful positive LIT-only effect, but not transformative.
Neutral	-3% to +3%	Effect is small enough to be treated as negligible given uncertainty.
Minor negative	-10% to < -3%	Meaningful relative underperformance attributable to LIT.
Major negative	< -10%	Severe LIT-only value penalty; treated as a tail-risk scenario in the final assessment.

Appendix B. Comparable Selection Summary

Case	Status	Primary analytical value	Principal limitation
Plaquemines LNG	Include	Geographic / infrastructure analogue; same regional labor-housing market	Different facility type; thin lower-parish housing market
Garden City / Savannah	Include	Major container-terminal expansion with adjacent residential neighborhoods	Strong regional growth creates confounding upside
Leatherman / North Charleston	Include	New container terminal and construction-phase exposure	Post-opening utilization unusually low
Wando Welch	Mini-case	Mature high-volume terminal beside high-value housing	Not a clean before/after causal design
Wilmington	Include	Direct adjacency plus documented nuisance and terminal expansion	Downtown/regional market strength may confound effect
Jacksonville / Blount Island	Exclude	Major port expansion	Residential areas too buffered by water, marsh, and industrial land