

BATON ROUGE, LOUISIANA

STEADY RENT GROWTH PROJECTED AS LOCAL TRADE ECONOMY EXPANDS

While payrolls shrank by close to 30,000 jobs in 2020, jobs recovery will be a major trend in 2021 and ultimately will be critical in buoying demand for apartments in Baton Rouge. Positive momentum is expected in the construction and the trade and transportation industries thanks to major expansions at ports that act as vital economic hubs. In October 2020, port officials entered into a lease agreement with Houston-based renewable energy company Greentech Materials. The tech firm aims to develop a 164-acre diesel fuel plant that would create 500 jobs during construction and dozens of high-paying tech jobs following completion. Likewise, energy giant Shell is considering a \$1.2 billion investment into its Geismar plant that would create approximately 150 permanent positions and 1,500 construction jobs. Despite the negative pressure on the economy caused by pandemic restrictions, pent-up demand for apartment housing encouraged operators to increase effective rent 0.8% during 2020 as occupancy rose 140 basis points annually to 93.1%. Effective rent should continue increasing in 2021 and 2022 with the expectation that the diversifying economy and low cost of living will continue to attract new renters to the area as it fully recovers from the pandemic. In the short term, occupancy will fall 10 basis points this year to 93.0% due to 323 new apartment units coming online, compared to 251 net units expected to be absorbed. Apartment operators will increase effective rent 1.0% to \$974 during this period.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

93.0%
Down 10 bps YOY



EFFECTIVE RENT

\$974
Up 1.0% YOY

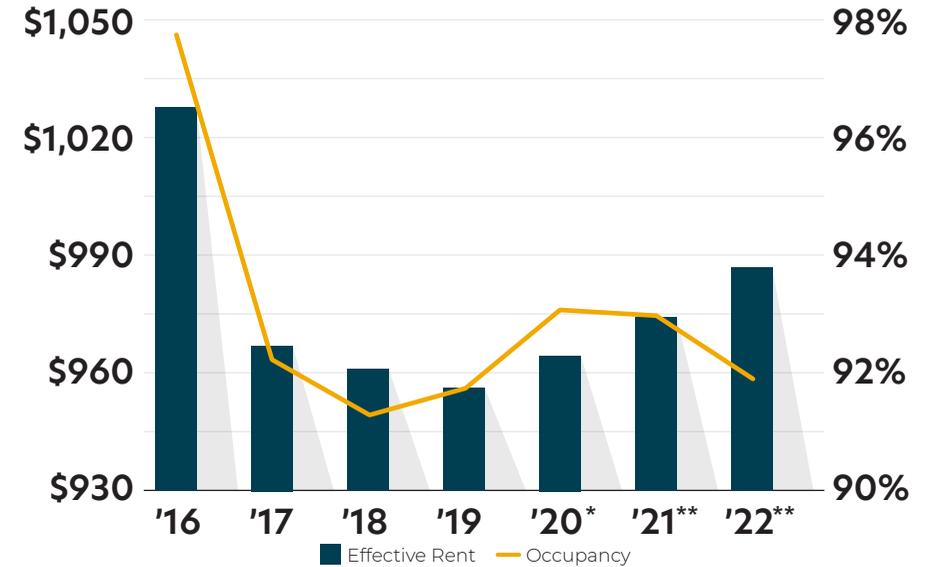


RENT SHARE OF WALLET

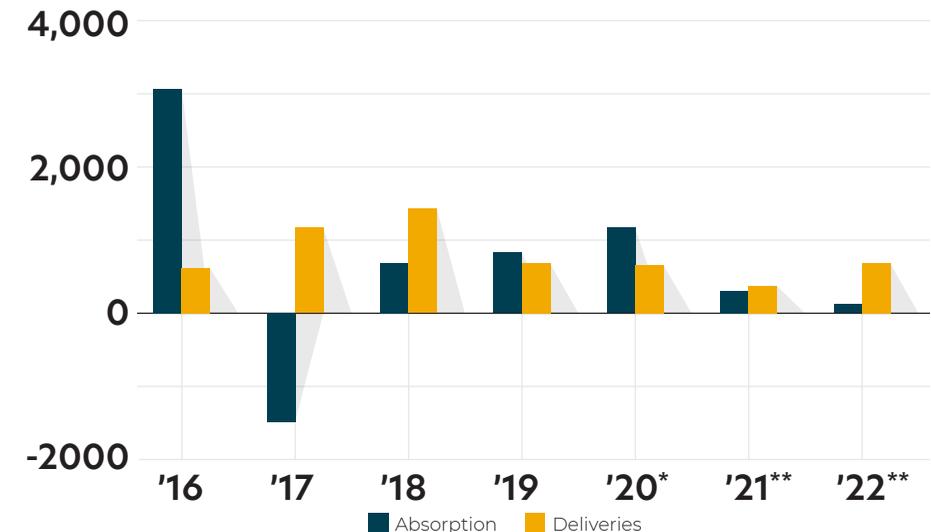
18.6%
Unchanged YOY

MARKET TRENDS

EFFECTIVE RENT AND OCCUPANCY



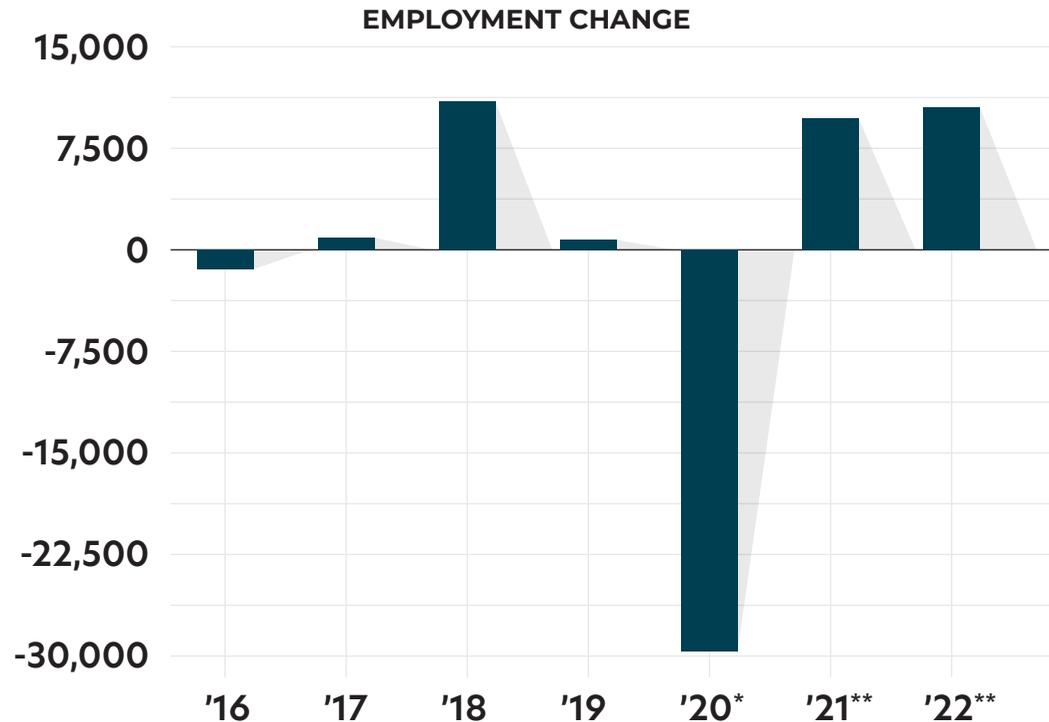
ABSORPTION AND DELIVERIES



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
416,800	-7.1%	387,100	2.5%	396,700

2019	YOY CHANGE	2020	YOY CHANGE	2021
4.1%	320 BPS	7.3%	-100 BPS	6.3%

2019	YOY CHANGE	2020	YOY CHANGE	2021
833,000	0.2%	834,900	0.2%	836,300

2019	YOY CHANGE	2020	YOY CHANGE	2021
327,700	0.6%	329,800	0.5%	331,500

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$60,548	2.9%	\$62,279	1.1%	\$62,983

SALES TRENDS

2019	YOY CHANGE	2020*
\$46,746	37.1%	\$64,077

2019	YOY CHANGE	2020
4.8%	340 BPS	8.2%



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