

MARKET AT A GLANCE



OCCUPANCY RATE

91.8%

Up **80 bps** since 1Q19



EFFECTIVE RENT

\$961

Down **0.7%** since 1Q19



DELIVERIES

83

Units YTD

MARKET IMPACT ANALYSIS

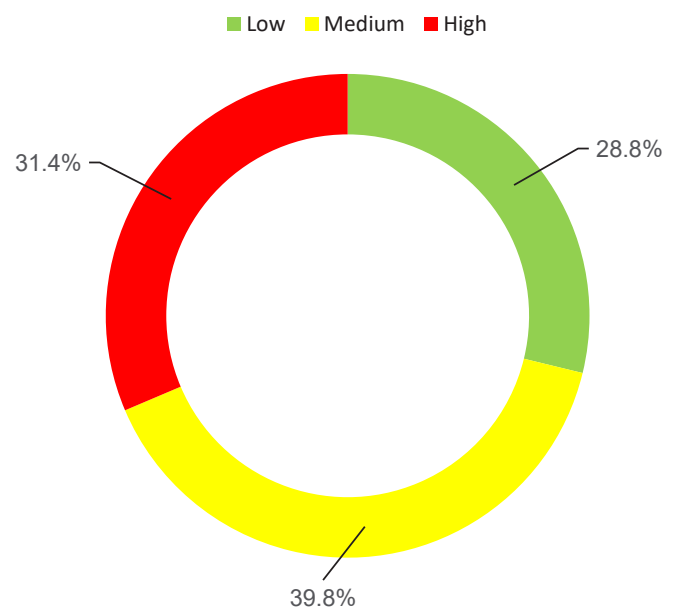
HEALTH AND GOVERNMENT SECTORS RESILIENT DESPITE ECONOMIC DISRUPTION

The ripple effects of the COVID-19 pandemic, including a global oil price war, have done damage to the Baton Rouge economy. The construction industry, comprising close to 14% of the metro's workforce, has been hard hit. While some essential projects continue, billions of dollars' worth of construction projects statewide have ground to a halt and stay-at-home orders have recently been extended to May 15. Major employers affected by the health care crisis include manufacturer Turner Industries, which announced temporary layoffs for many of its 10,000 employees starting in June. ExxonMobil, doubly impacted by the crash in oil prices and the precipitous drop in demand, cut 1,800 contractors as the company converts production resources into manufacturing sanitizer and emergency equipment. Thankfully, hiring has remained steady across Baton Rouge's other major job sectors. In the metro's health care industry, hospitals like Baton Rouge General have ramped up hiring to accommodate the surge in activity. The metro's largest employer, the state government, has remained operating and keeps close to 25,000 metro residents employed, though state offices are currently closed to the public. Recent efforts by health care workers have shortened the local testing process from two weeks to under 72 hours, a development that will make it easier to accurately assess public health and develop a viable timeline for reopening the economy.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	3.5%	4.7%
Health care & social assistance	15.6%	16.0%
Information	1.6%	2.2%
Transportation & warehousing	3.4%	4.4%
Utilities	0.4%	0.4%
Wholesale trade	4.1%	4.7%
Total	28.8%	33.4%
MEDIUM		
Administrative & waste services	7.0%	7.4%
Educational services	1.6%	2.3%
Manufacturing	7.5%	10.1%
Mining, quarrying, & oil & gas extraction	0.2%	0.5%
Other services, except public administration	3.5%	3.6%
Professional & technical services	6.9%	7.5%
Retail trade	13.0%	12.2%
Total	39.8%	43.6%
HIGH		
Accommodation & food services	11.2%	11.1%
Arts, entertainment, & recreation	2.0%	1.9%
Construction	13.9%	6.1%
Management of companies & enterprises	1.9%	1.9%
Real estate & rental & leasing	2.3%	1.8%
Unclassified	0.0%	0.1%
Total	31.4%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

Document sources: Axiometrics; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's

© 2020 Berkadia Proprietary Holding LLC

Berkadia® is a trademark of Berkadia Proprietary Holding LLC.
Axiometrics® is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx