

NEW ORLEANS, LOUISIANA

PANDEMIC, HURRICANES PUSH OUT MARKET RECOVERY TO 2022

New Orleans' economy and apartment market were challenged in 2020 by the COVID-19 pandemic and Hurricanes Laura and Zeta. Damage from the two hurricanes forced approximately 12,000 residents to flee homes and apartments for temporary refuge in hotels. Amid these challenges, builders completed 1,370 apartments in the New Orleans metro area in 2020, the greatest annual deliveries since 2008. Consequently, apartment occupancy descended 140 basis points to 94.5% by year-end as net absorption trailed significantly. At the same time, average effective rent decreased 0.6% to \$1,027 per month in December. Apartment deliveries will diminish in 2021, but economic malaise will persist in some employment segments, further affecting apartment fundamentals, albeit to a much lesser extent than in 2020. Effective rent this year is forecast to decrease 0.4% to \$1,023 per month while occupancy descends 60 basis points to 93.9%. In 2022, metrowide employment recovery is expected to continue, and this expansion will lift apartment occupancy and rent. Apartment net absorption is forecast to significantly outpace the 33 apartments scheduled for delivery in 2022, resulting in a projected 30-basis-point increase in occupancy to 94.2% by year-end. Meanwhile, average effective rent is forecast to rise 2.3% to \$1,047 per month. Aiding the employment bounceback and the apartment outlook in 2022 will be the return of NOLA-based hospitality jobs. For example, hotels, shops, and restaurants will ramp up hiring for the return of Mardi Gras in 2022, which historically draws 1.4 million visitors who spend about \$1 billion in New Orleans.



2021 MARKET AT A GLANCE

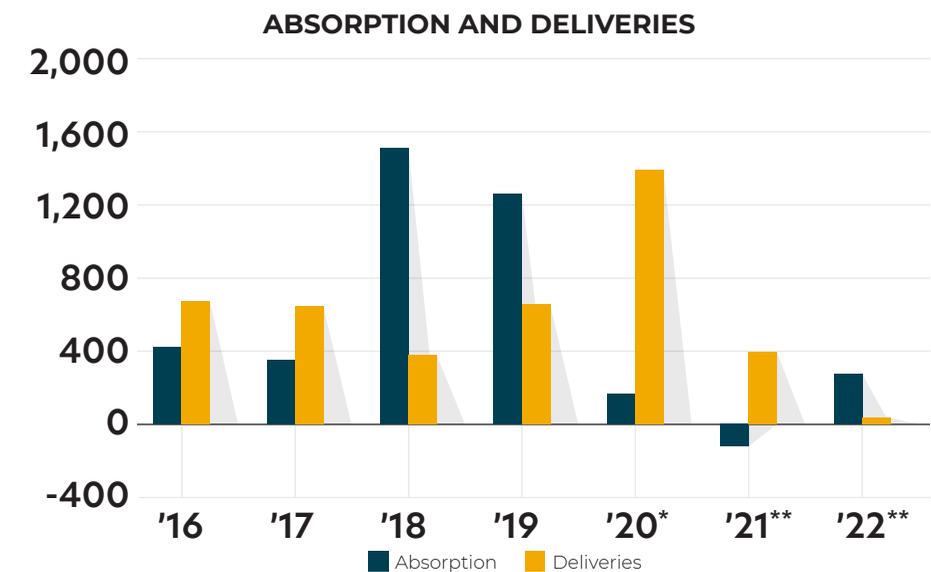
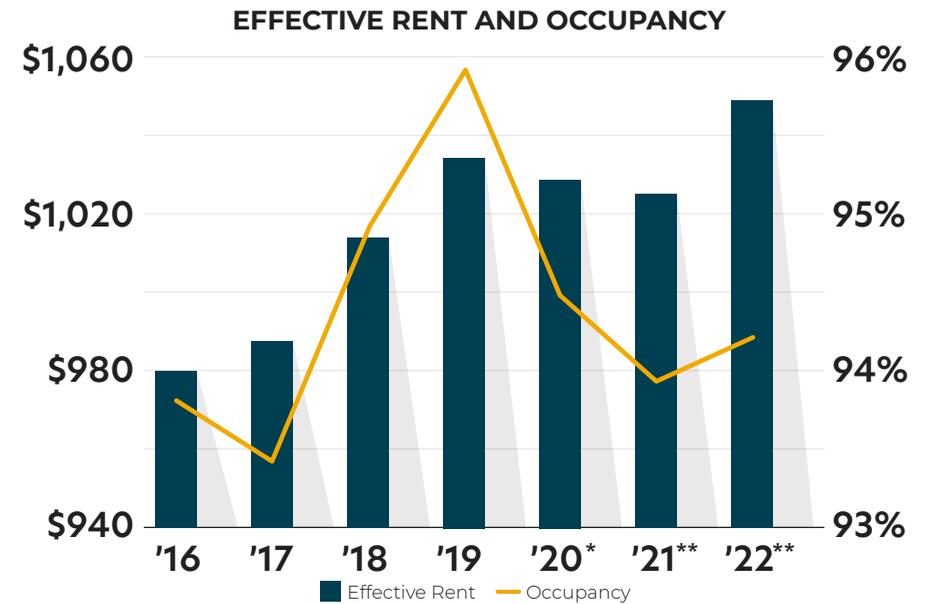
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OCCUPANCY RATE
93.9%
 Down 60 bps YOY
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EFFECTIVE RENT
\$1,023
 Down 0.4% YOY
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RENT SHARE OF WALLET
20.0%
 Down 130 bps YOY

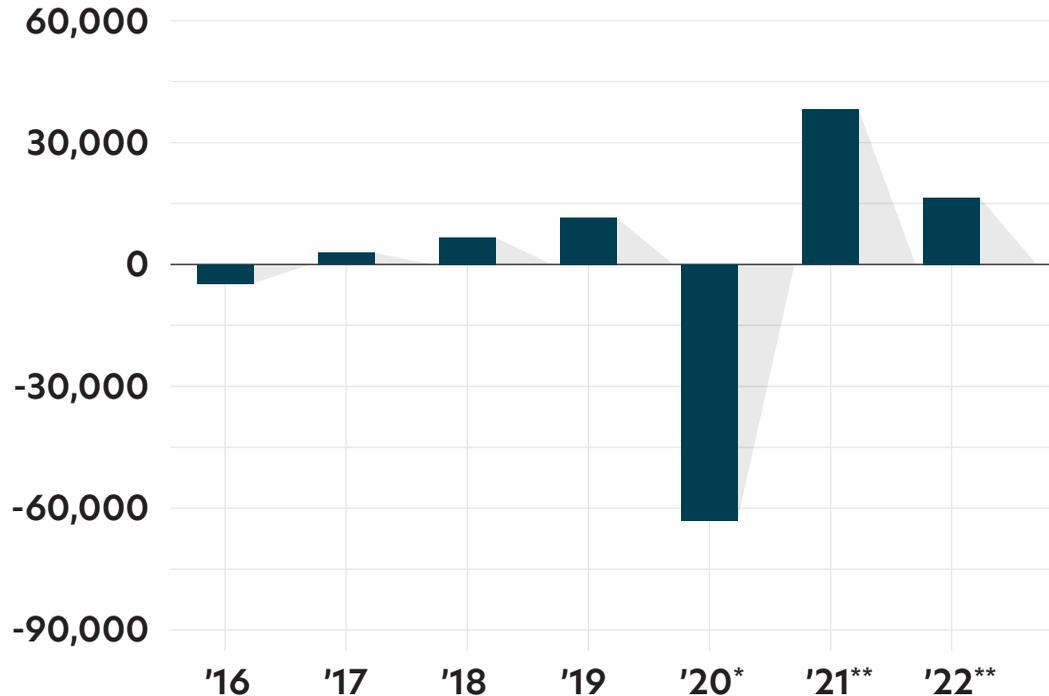
MARKET TRENDS



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



EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
592,800	-10.4%	530,900	7.2%	569,100

UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
3.8%	620 BPS	10.0%	-190 BPS	8.1%

POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
1,266,200	0.4%	1,271,200	0.2%	1,274,100

HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
523,800	0.9%	528,500	0.6%	531,700

MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$54,556	6.0%	\$57,808	6.4%	\$61,485

SALES TRENDS

PRICE PER UNIT

2019	YOY CHANGE	2020*
\$81,101	-3.1%	\$78,612

CAP RATE

2019	YOY CHANGE	2020
6.3%	220 BPS	8.5%



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