

# BATON ROUGE, LA

## 2022 MARKET AT A GLANCE

### Occupancy Rate

94.7%



DOWN 50 BPS YOY

### Effective Rent

\$1,094



UP 1.7% YOY

### Rent Share of Wallet

21.4%



DOWN 40 BPS YOY

## Apartment Deliveries Rise as Rental Demand Grows with Hiring

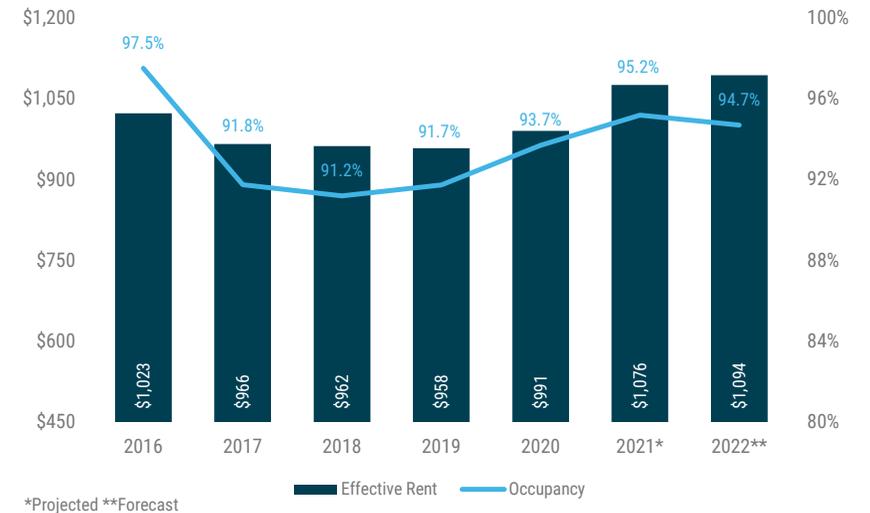
After breaking the two-year trend of net job losses in 2021, the Baton Rouge MSA employment is projected to increase throughout 2022. The metro employers are predicted to add or to restore 11,700 net jobs to the economy, increasing payrolls 2.9% annually. Hiring in the trade, transportation, and utilities sector will be a major contributor to Baton Rouge's economic recovery. By year-end 2022, approximately 1,700 trade, transportation, and utilities positions will be added to the payrolls to bring headcounts to about 72,400 workers, representing 17.5% of the total nonfarm employment in the metro. Part of the additions will come with an incoming 820,000-square-foot Amazon.com Inc. fulfillment center. The project is set to be completed by December 2022 and will add about 2,100 jobs. The sector will also benefit in the near term with S&W Foods' distribution center that will be fully operational in 2023. With more jobs, the metro's unemployment rate is predicted to drop to 4.1%, the lowest jobless rate since the beginning of the pandemic. The employment growth should contribute a rise in household income, providing operators leeway to continue raising rent. By the fourth quarter of 2022, average effective rent is forecast to reach \$1,094 per month. This year's rent growth of 1.7% would slow from the 8.6% annual increase in 2021 as average occupancy drops closer to the historic norm. At an average of 94.7% in the fourth quarter of 2022, apartment occupancy would be 190 basis points higher than the five-year average.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

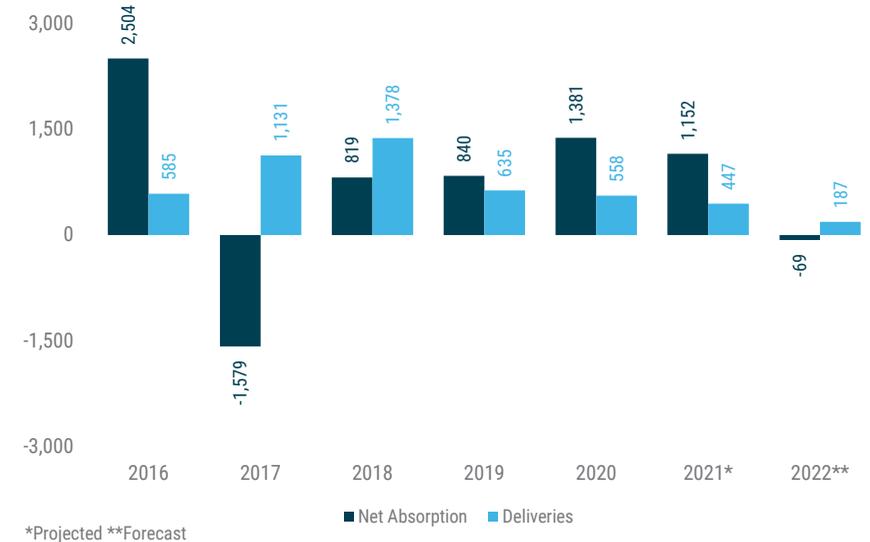
2022 FORECAST

## APARTMENT TRENDS

### Effective Rent & Occupancy



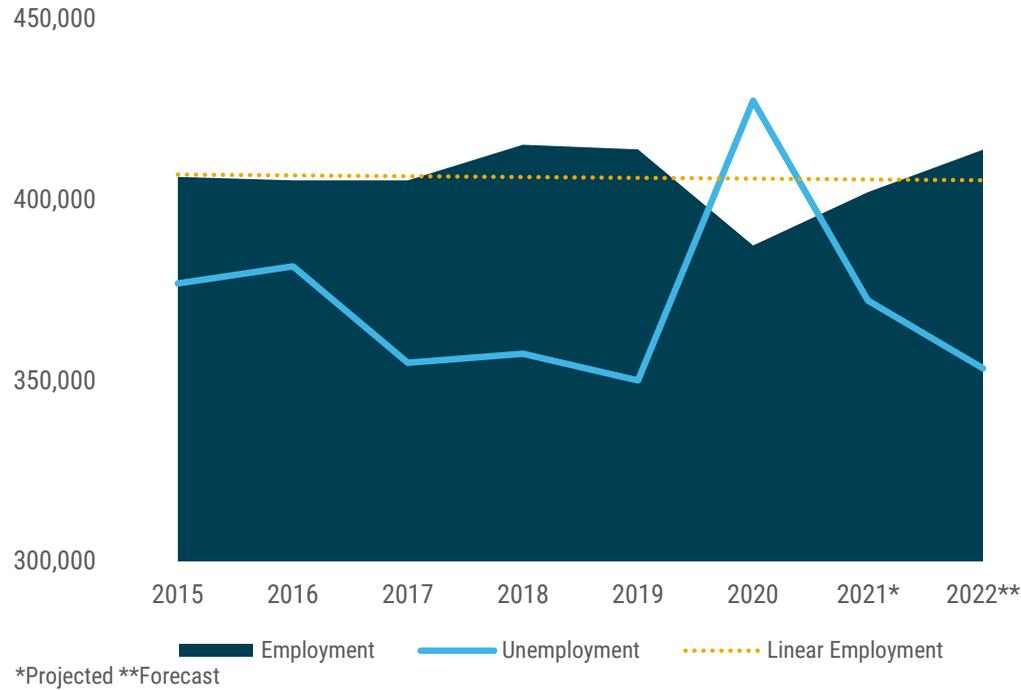
### Absorption & Deliveries



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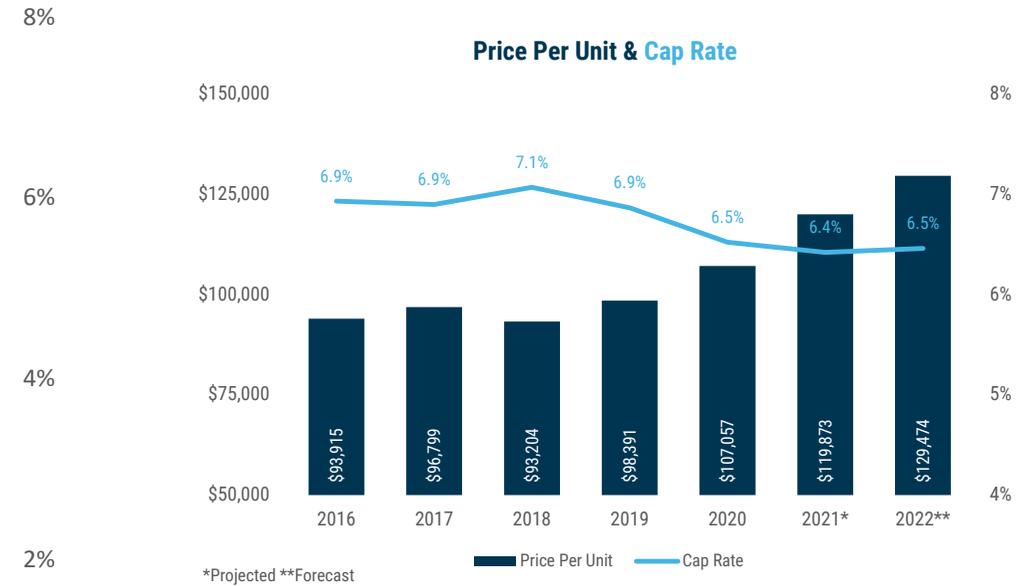
## EMPLOYMENT TRENDS

Market Employment Trends



## SALES TRENDS

Price Per Unit & Cap Rate



### Employment

413,900



UP 2.9% YOY

### Unemployment

4.1%



DOWN 80 BPS YOY

### Median Household Income

\$61,291



UP 3.6% YOY

### Price Per Unit

\$129,474



UP 8.0% YOY

### Cap Rate

6.5%



UP 10 BPS YOY