

# BATON ROUGE, LA

## 2023 MARKET AT A GLANCE

Occupancy Rate

93.1%



DOWN 90 BPS YOY

Effective Rent

\$1,230



UP 2.8% YOY

Rent Share of Wallet

20.6%



DOWN 10 BPS YOY

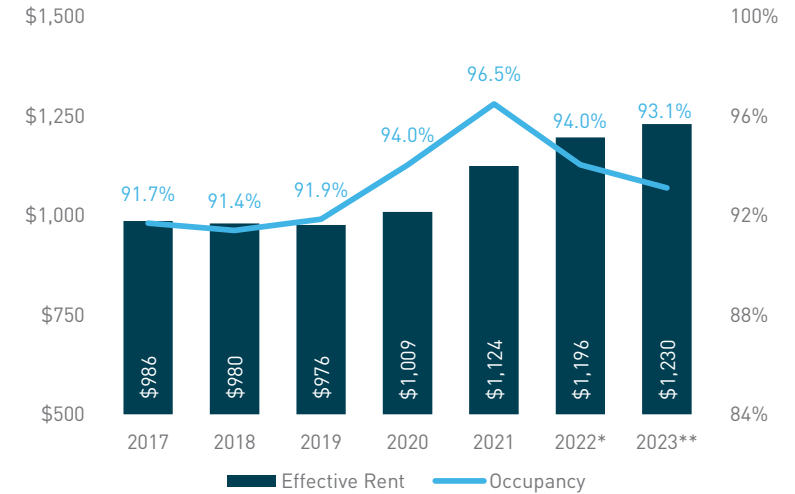
## Stable Economy Underscores Apartment Demand in Suburbs

Baton Rouge's economy is set to grow again in 2023, including a 1.4% increase in employment. The leisure and hospitality sector will make up most of these new hires by adding 1,700 jobs in 2023. The leisure and hospitality positions being added are jobs returning after a slower than average recovery from the pandemic. This economic recovery is set to provide the foundation for healthy fundamentals in the Baton Rouge apartment market over the next year. Developers are expected to bring 403 new units to the market's inventory this year. More than half of these units are slated to come online in the South Baton Rouge/Gonzales submarket. This submarket is desirable because of its suburban setting, good schools, and proximity to employment centers. The South Baton Rouge/Gonzales submarket will also lead the metro in net absorption in 2023, further underscoring its desirability. The overall market is projected to have 81 net move-outs due to residents leaving the metro. As a result, the occupancy rate is predicted to settle at 93.1% by the fourth quarter of 2023. With occupancy rates still at solid levels, apartment operators can still expect to raise effective rents, albeit at a slower pace than the past two years. By the fourth quarter of 2023, monthly effective rent is expected to reach \$1,230, a year-over-year increase of 2.8%. This is more than double the 2010 to 2019 pre-pandemic cycle rent growth average. With median household income set to rise 3.5% in 2023, renters should be well-equipped to absorb rising rents.

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 2022 are projected values. 2023 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.

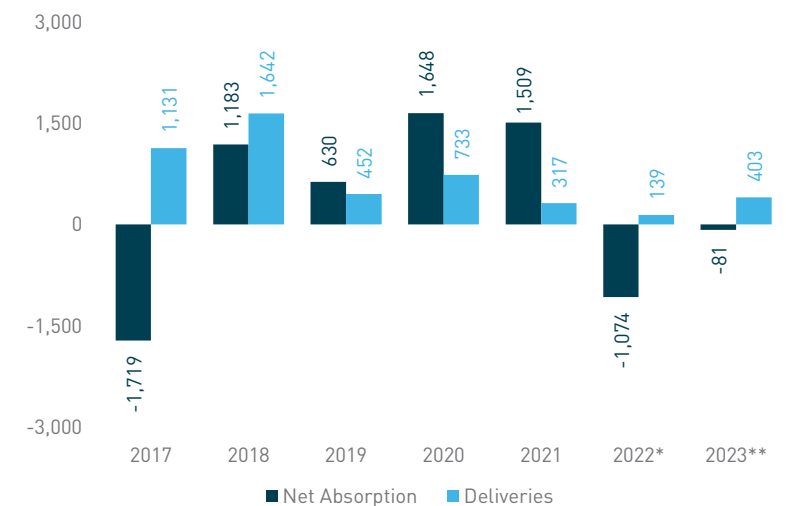
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

### Absorption & Deliveries

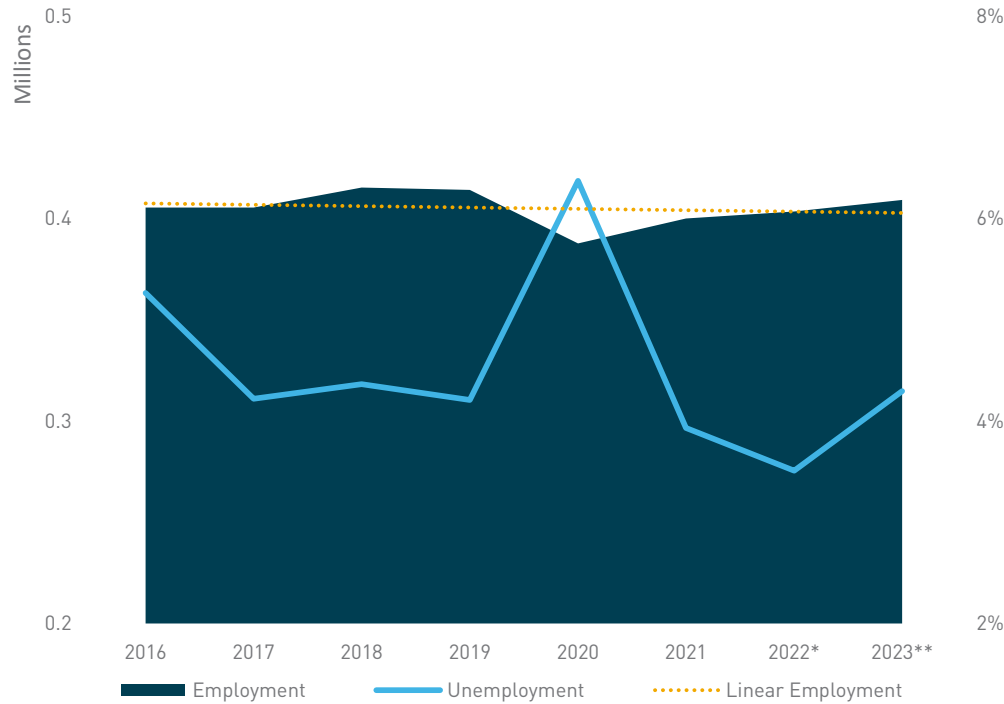


\*Projected \*\*Forecast

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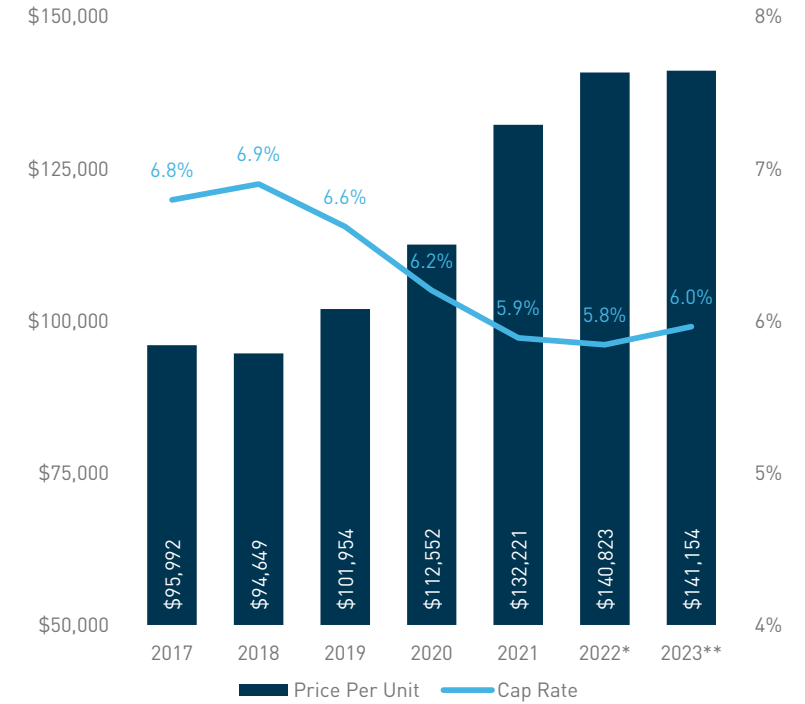
## Employment Trends

Market Employment Trends



## Sales Trends

Price Per Unit & Cap Rate



Employment

409,300



UP 1.4% YOY

Unemployment

4.3%



UP 80 BPS YOY

Median Household Income

\$71,642



UP 3.5% YOY

Price Per Unit

\$141,154



UP 0.2% YOY

Cap Rate

6.0%



UP 20 BPS YOY