

NEW ORLEANS, LA

2023 MARKET AT A GLANCE

Occupancy Rate

95.0%



DOWN 10 BPS YOY

Effective Rent

\$1,314



UP 3.0% YOY

Rent Share of Wallet

23.6%



DOWN 30 BPS YOY

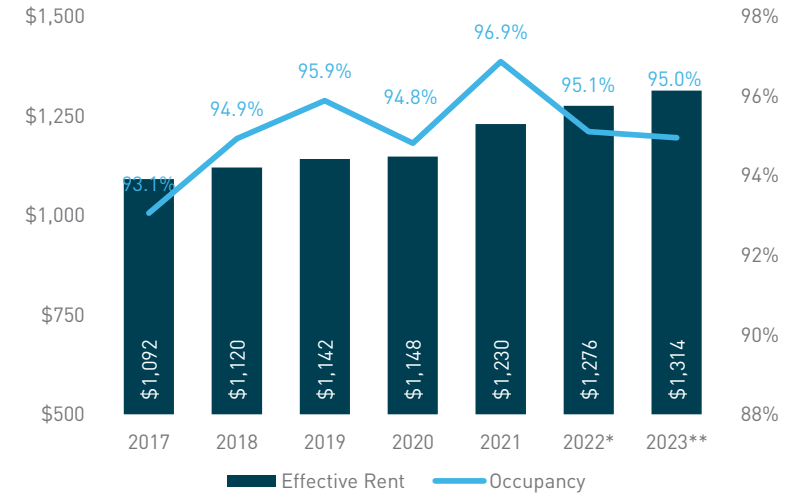
Measured Development to Benefit Apartment Fundamentals

Since the onset of the pandemic, multifamily builders have scaled back activity across Greater New Orleans, and that should benefit apartment fundamentals this year. Construction is scheduled to finish on 439 units in 2023, the lowest annual total in a decade as builders faced supply chain disruptions and labor shortages. Approximately three out of four deliveries metrowide will be in the Metairie/Kenner submarket this year. With access to Interstate 10 and U.S. Route 61, the submarket offers residents more affordable rental options in proximity to the urban core. The submarket is also home to major employers that include the Ochsner Health System and BLD Services. The new apartment inventory will facilitate leasing activity in the Metairie/Kenner submarket, and the area is projected to lead all other submarkets for net absorption. Across Greater New Orleans, more renters are forecast to move into apartments than move out, reversing the trend in 2022 as payrolls are expected to grow 2.2%. Leasing activity is expected to nearly keep pace with inventory growth as metrowide occupancy is projected to settle at 95.0% by year-end. Even with the 10-basis-point dip in occupancy, the year-end rate would be significantly higher than the pre-pandemic cycle average of 94.2% between 2017 and 2019. With healthy occupancy, apartment operators are forecast to advance monthly effective rent 3.0% by year-end, more than double the annual average during the pre-pandemic cycle. Renters should be able to manage the increase as the median household income is projected to grow 4.6%.

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.

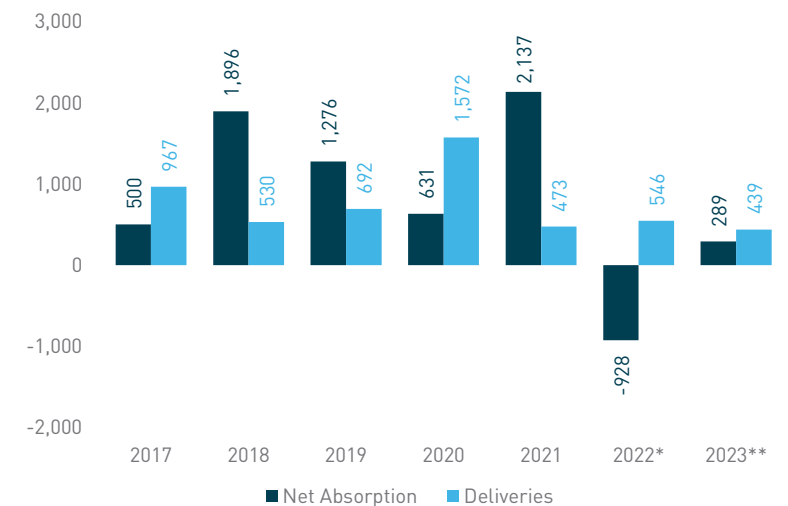
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

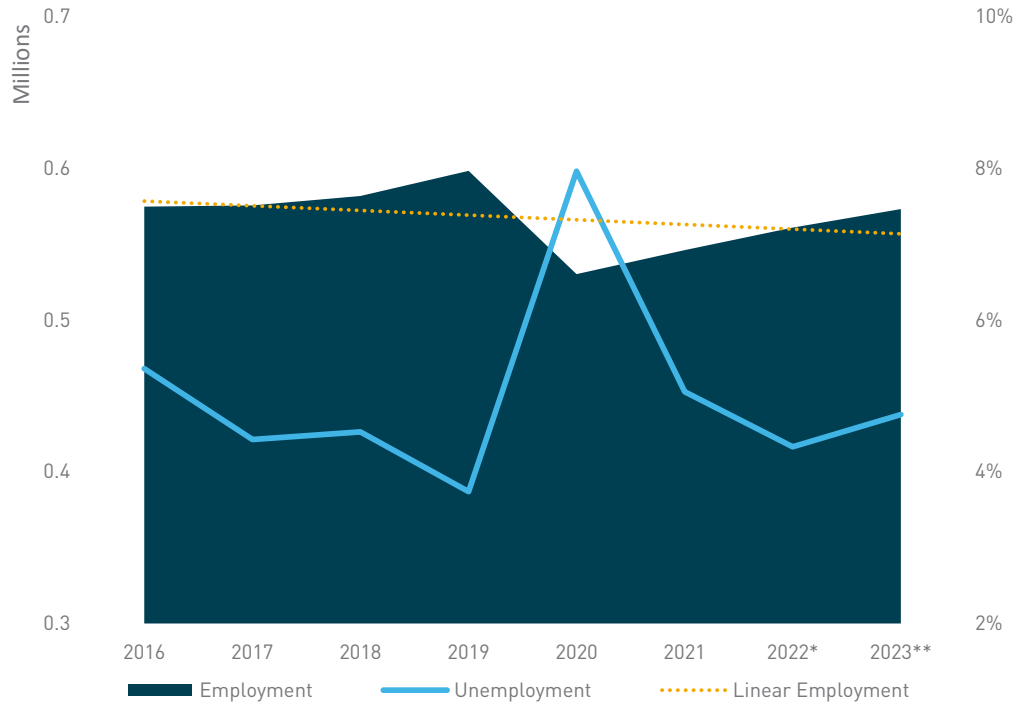


*Projected **Forecast

NEW ORLEANS, LA

Employment Trends

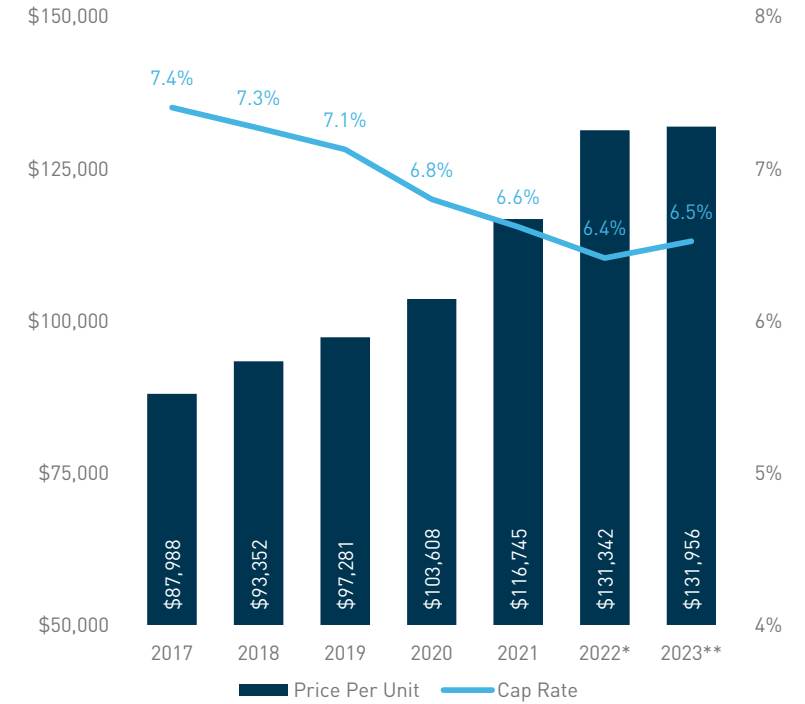
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

Employment

573,100



UP 2.2% YOY

Unemployment

4.8%



UP 50 BPS YOY

Median Household Income

\$66,881



UP 4.6% YOY

Price Per Unit

\$131,956



UP 0.5% YOY

Cap Rate

6.5%



UP 10 BPS YOY