



MARKET AT A GLANCE



OCCUPANCY RATE **95.8%**

Up **90 bps** since 3Q16



ASKING RENT **\$1,091**

Up **2.0%** since 3Q16



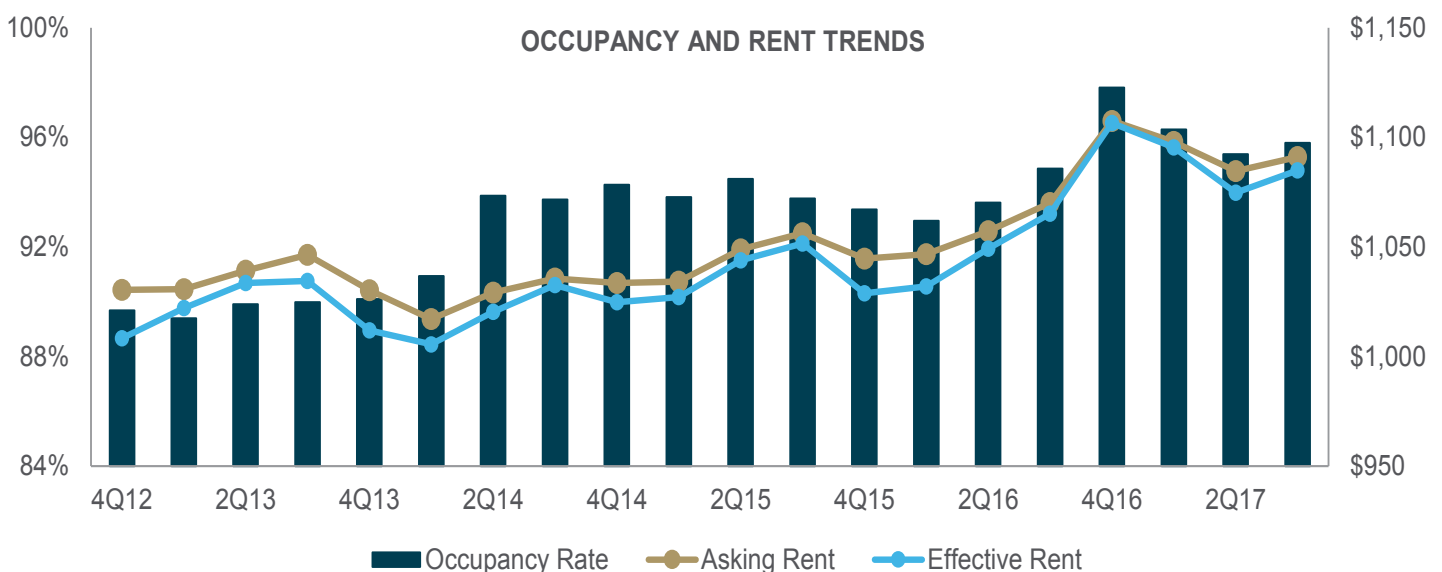
CONCESSIONS **0.5%**

Down **20 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

RISING DEMAND, PAYROLLS SPUR APARTMENT DEVELOPMENT

Multifamily developers ramped up activity amid healthy rental demand in the Baton Rouge metropolitan area. Construction completed on 879 units year to date. Deliveries through the first nine months of the year already outpaced the 548 additions in all of 2016. Overall, 1,015 units came online among six properties during the last four quarters. The largest community to complete by the end of the third quarter was a 262-unit apartment community in southeast Baton Rouge. Construction was underway on four communities in the third quarter that will bring 702 additional units online by year-end 2018. Even with the rise of apartment inventory, development could not keep pace with rental demand across Greater Baton Rouge. Leasing activity totaled 2,817 net units over the last four quarters to push occupancy up 90 basis points to 95.8% in September. Operators capitalized on elevated occupancy by trimming the average concession 20 basis points year over year to 0.5% of asking rent. At the same time, average asking rent advanced 2.0% to \$1,091 per month in September 2017.



BATON ROUGE

MULTIFAMILY REPORT

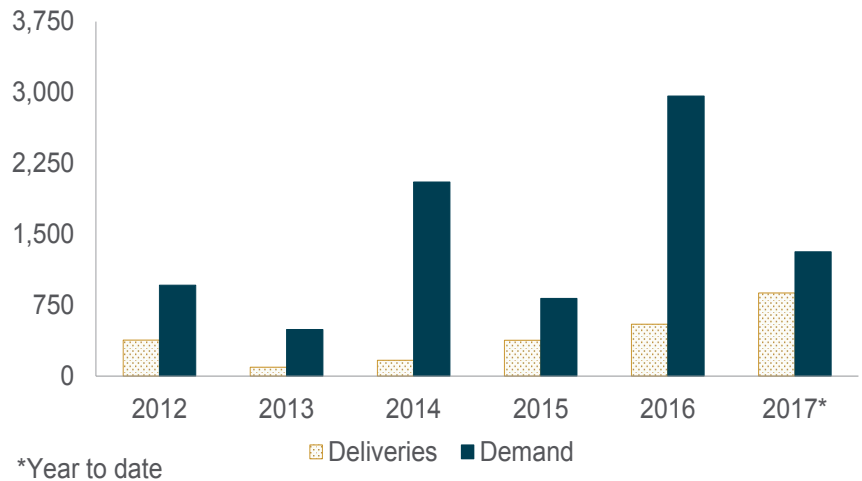
DELIVERIES AND DEMAND



DELIVERIES 879
Units YTD



NET ABSORPTION 1,315
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
5.2% **-70 BPS CHANGE** 4.5%

2016 **EMPLOYMENT*** 2017
399.1k **2.5% CHANGE** 409.1k

2016 **EXISTING SFH SALES**** 2017
12.0k **9.2% CHANGE** 13.1k

2016 **MEDIAN SFH PRICE**** 2017
\$187.5k **5.4% CHANGE** \$197.7k

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS CHANGE** 2.20%

Greater Baton Rouge employers accelerated hiring, which underpinned the rise in apartment demand. Baton Rouge total nonfarm employment expanded 2.5%, or by 10,000 net jobs, annually through August 2017. Job growth shifted positive from the 1.7% contraction during the preceding year. With the upswing, local employment expansion outpaced the 1.4% national average annual increase since August 2016. Hiring in the education and health services sector was a significant economic driver across Baton Rouge, adding a metro-leading 3,500 workers for a 6.7% year-over-year expansion. The increase followed the loss of 300 education and health services jobs during the preceding year. The construction industry also had substantial impact on the local economy with the addition of 3,300 jobs, for a 6.8% annual growth through August 2017. With the majority of employment sectors posting gains, the unemployment rate was 4.5% in August 2017, down 70 basis points from one year prior. Jobless claims were at their lowest level since mid-2008.

*August; **September



BATON ROUGE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Baton Rouge	94.9%	95.8%	1.3%	2.0%	\$1,070	\$1,091	610	2,817	431	1,015
TOTALS	94.9%	95.8%	1.3%	2.0%	\$1,070	\$1,091	610	2,817	431	1,015



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