

# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Baton Rouge, LA Metro Area

Select a Metro Area  
Baton Rouge, LA Metro Area

### Demographics and Economy

#### Demographics

|                          |                         |                                   |                            |
|--------------------------|-------------------------|-----------------------------------|----------------------------|
| 0.1%                     | 30.2%                   | -2.1%                             | Net Migration in Louisiana |
| population growth (2022) | share of renters (2022) | renter household formation (2022) | -20,418 (2023)             |
| U.S.: 0.4%               | U.S.: 34.8%             | U.S.: 2.4%                        | -39,314 (2022)             |

#### Economy

|                                       |                                       |                                     |                                      |
|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
| 9.9%                                  | 11,200                                | 2.7%                                | 5.1%                                 |
| GDP growth (2022)                     | 12-month job creation (December 2023) | 1-year job growth (December 2023)   | 1-year wage growth (December 2023)   |
| U.S.: 9.1%                            |                                       | U.S.: 1.7%                          | U.S.: 3.8%                           |
| \$58,060                              | 3.1%                                  | 7.5%                                | International Migration in Louisiana |
| Average wage per year (December 2023) | unemployment rate (November 2023)     | share of workers teleworking (2022) | 9,274 (2023)                         |
| U.S.: \$61,120                        | U.S.: 3.7%                            | U.S.: 17.9%                         | 8,225 (2022)                         |

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Mo | Market Rent Growth 12 Mo   | Market Rent/SF     | Vacancy Rate    |
|---------|-------------------|-------------------------|----------------------------|--------------------|-----------------|
| 2023 Q4 | -103,138          | 46,760                  | 1.5%                       | \$20               | 6.6%            |
| 2022 Q4 | -36,615           | -4,805                  | 5.3%                       | \$20               | 6.6%            |
|         | Inventory SF      | Net Delivered SF        | Net Delivered SF 12 Months | Total Sales Volume | Market Cap Rate |
| 2023 Q4 | 28,162,925        | 7,760                   | 43,707                     | \$7.06M            | 11.8%           |
| 2022 Q4 | 28,119,218        | 3,600                   | 190,875                    | \$51.59M           | 11.0%           |

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

|         | Absorption Units | Absorption Units 12 Months | Market Asking Rent Growth 12 Months | Market Asking Rent/Unit | Market Effective Rent/Unit | Vacancy Rate |
|---------|------------------|----------------------------|-------------------------------------|-------------------------|----------------------------|--------------|
| 2023 Q4 | 182              | -129                       | 1.2%                                | \$1,132                 | \$1,119                    | 12.3%        |
| 2022 Q4 | -345             | -604                       | 2.1%                                | \$1,119                 | \$1,109                    | 10.0%        |
|         | Inventory Units  | Net Delivered Units        | Net Delivered Units 12 Mo           |                         | Market Cap Rate            |              |
| 2023 Q4 | 40,118           | 427                        | 858                                 |                         | 7.1%                       |              |
| 2022 Q4 | 39,260           | 10                         | 327                                 |                         | 6.3%                       |              |

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF            | Vacancy Rate |
|---------|-------------------|-----------------------------|------------------------------|---------------------------|--------------|
| 2023 Q4 | -180,324          | 56,396                      | 5.2%                         | \$18                      | 2.2%         |
| 2022 Q4 | 100,025           | 443,092                     | 5.4%                         | \$17                      | 2.3%         |
|         | Inventory SF      | Market Cap Rate             | Total Sales Volume           | Transaction Sale Price/SF |              |
| 2023 Q4 | 47,410,198        | 7.8%                        | \$17.46M                     | \$180                     |              |
| 2022 Q4 | 47,393,001        | 7.8%                        | \$31.38M                     | \$184                     |              |

#### 4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF  | Vacancy Rate       |
|---------|-------------------|-----------------------------|------------------------------|-----------------|--------------------|
| 2023 Q4 | 96,272            | 893,813                     | 8.0%                         | \$10            | 2.5%               |
| 2022 Q4 | 237,240           | 494,011                     | 11.1%                        | \$9             | 1.9%               |
|         | Inventory SF      | Net Delivered SF            | Net Delivered SF 12 Months   | Market Cap Rate | Total Sales Volume |
| 2023 Q4 | 42,117,485        | 0                           | 1,143,914                    | 9.5%            | \$6.44M            |
| 2022 Q4 | 40,973,571        | 4,000                       | -61,467                      | 8.9%            | \$1.68M            |

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q4 2023

## New Orleans-Metairie, LA Metro Area

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New Orleans-Metairie, LA Metro Ar...

### Demographics and Economy

#### Demographics

|                          |                         |                                   |                            |
|--------------------------|-------------------------|-----------------------------------|----------------------------|
| -1.2%                    | 34.1%                   | -3.6%                             | Net Migration in Louisiana |
| population growth (2022) | share of renters (2022) | renter household formation (2022) | -20,418 (2023)             |
| U.S.: 0.4%               | U.S.: 34.8%             | U.S.: 2.4%                        | -39,314 (2022)             |

#### Economy

|                                       |                                       |                                     |                                      |
|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
| 11.2%                                 | 11,800                                | 2.1%                                | 4.4%                                 |
| GDP growth (2022)                     | 12-month job creation (December 2023) | 1-year job growth (December 2023)   | 1-year wage growth (December 2023)   |
| U.S.: 9.1%                            |                                       | U.S.: 1.7%                          | U.S.: 3.8%                           |
| \$57,390                              | 3.5%                                  | 11.3%                               | International Migration in Louisiana |
| Average wage per year (December 2023) | unemployment rate (November 2023)     | share of workers teleworking (2022) | 9,274 (2023)                         |
| U.S.: \$61,120                        | U.S.: 3.7%                            | U.S.: 17.9%                         | 8,225 (2022)                         |

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Mo | Market Rent Growth 12 Mo   | Market Rent/SF     | Vacancy Rate    |
|---------|-------------------|-------------------------|----------------------------|--------------------|-----------------|
| 2023 Q4 | 31,067            | -270,089                | 0.8%                       | \$22               | 6.7%            |
| 2022 Q4 | 276,015           | 488,105                 | 2.8%                       | \$22               | 6.2%            |
|         | Inventory SF      | Net Delivered SF        | Net Delivered SF 12 Months | Total Sales Volume | Market Cap Rate |
| 2023 Q4 | 54,907,409        | 0                       | 24,300                     | \$3.56M            | 11.3%           |
| 2022 Q4 | 54,883,109        | 19,826                  | -126,138                   | \$27.95M           | 10.7%           |

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

|         | Absorption Units | Absorption Units 12 Months | Market Asking Rent Growth 12 Months | Market Asking Rent/Unit | Market Effective Rent/Unit | Vacancy Rate |
|---------|------------------|----------------------------|-------------------------------------|-------------------------|----------------------------|--------------|
| 2023 Q4 | -218             | 822                        | 2.9%                                | \$1,250                 | \$1,242                    | 8.4%         |
| 2022 Q4 | 74               | -160                       | 3.3%                                | \$1,215                 | \$1,207                    | 9.3%         |
|         | Inventory Units  | Net Delivered Units        | Net Delivered Units 12 Mo           |                         | Market Cap Rate            |              |
| 2023 Q4 | 70,632           | 0                          | 181                                 |                         | 7.3%                       |              |
| 2022 Q4 | 70,451           | 8                          | 816                                 |                         | 6.8%                       |              |

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF            | Vacancy Rate |
|---------|-------------------|-----------------------------|------------------------------|---------------------------|--------------|
| 2023 Q4 | -8,075            | -499,047                    | 4.7%                         | \$22                      | 2.9%         |
| 2022 Q4 | -586              | 485,097                     | 5.6%                         | \$21                      | 2.4%         |
|         | Inventory SF      | Market Cap Rate             | Total Sales Volume           | Transaction Sale Price/SF |              |
| 2023 Q4 | 85,232,223        | 7.0%                        | \$13.06M                     | \$188                     |              |
| 2022 Q4 | 85,283,745        | 6.9%                        | \$29.01M                     | \$233                     |              |

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF  | Vacancy Rate       |
|---------|-------------------|-----------------------------|------------------------------|-----------------|--------------------|
| 2023 Q4 | -311,588          | -384,141                    | 8.4%                         | \$10            | 2.5%               |
| 2022 Q4 | -51,822           | 1,257,070                   | 11.6%                        | \$9             | 1.9%               |
|         | Inventory SF      | Net Delivered SF            | Net Delivered SF 12 Months   | Market Cap Rate | Total Sales Volume |
| 2023 Q4 | 83,059,209        | 68,400                      | 121,138                      | 8.8%            | \$3.45M            |
| 2022 Q4 | 82,938,071        | 0                           | 232,629                      | 8.3%            | \$9.20M            |

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Shreveport-Bossier City, LA Metro Area

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Shreveport-Bossier City, LA Metro Area

### Demographics and Economy

#### Demographics

|                          |                         |                                   |                            |
|--------------------------|-------------------------|-----------------------------------|----------------------------|
| -1.0%                    | 38.4%                   | 0.5%                              | Net Migration in Louisiana |
| population growth (2022) | share of renters (2022) | renter household formation (2022) | -20,418 (2023)             |
| U.S.: 0.4%               | U.S.: 34.8%             | U.S.: 2.4%                        | -39,314 (2022)             |

#### Economy

|                                       |                                       |                                     |                                      |
|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|
| 15.9%                                 | 1,600                                 | 0.9%                                | -7.2%                                |
| GDP growth (2022)                     | 12-month job creation (December 2023) | 1-year job growth (December 2023)   | 1-year wage growth (December 2023)   |
| U.S.: 9.1%                            |                                       | U.S.: 1.7%                          | U.S.: 3.8%                           |
| \$46,590                              | 3.7%                                  | 6.5%                                | International Migration in Louisiana |
| Average wage per year (December 2023) | unemployment rate (November 2023)     | share of workers teleworking (2022) | 9,274 (2023)                         |
| U.S.: \$61,120                        | U.S.: 3.7%                            | U.S.: 17.9%                         | 8,225 (2022)                         |

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

|         | Net Absorption SF | Net Absorption SF 12 Mo | Market Rent Growth 12 Mo   | Market Rent/SF     | Vacancy Rate    |
|---------|-------------------|-------------------------|----------------------------|--------------------|-----------------|
| 2023 Q4 | -249,359          | -339,500                | 1.9%                       | \$16               | 9.1%            |
| 2022 Q4 | 94,187            | 141,941                 | 5.4%                       | \$15               | 6.1%            |
|         | Inventory SF      | Net Delivered SF        | Net Delivered SF 12 Months | Total Sales Volume | Market Cap Rate |
| 2023 Q4 | 13,610,016        | 78,000                  | 81,784                     | \$9.87M            | 11.5%           |
| 2022 Q4 | 13,528,232        | 23,000                  | 29,120                     | \$7.13M            | 10.9%           |

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

|         | Absorption Units | Absorption Units 12 Months | Market Asking Rent Growth 12 Months | Market Asking Rent/Unit | Market Effective Rent/Unit | Vacancy Rate |
|---------|------------------|----------------------------|-------------------------------------|-------------------------|----------------------------|--------------|
| 2023 Q4 | -22              | 65                         | 2.6%                                | \$931                   | \$922                      | 12.9%        |
| 2022 Q4 | -117             | -943                       | 3.9%                                | \$908                   | \$902                      | 13.0%        |
|         | Inventory Units  | Net Delivered Units        | Net Delivered Units 12 Mo           |                         | Market Cap Rate            |              |
| 2023 Q4 | 23,757           | 0                          | 32                                  |                         | 8.4%                       |              |
| 2022 Q4 | 23,725           | 0                          | 0                                   |                         | 7.4%                       |              |

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF            | Vacancy Rate |
|---------|-------------------|-----------------------------|------------------------------|---------------------------|--------------|
| 2023 Q4 | -18,181           | -4,737                      | 4.7%                         | \$16                      | 4.8%         |
| 2022 Q4 | -57,005           | -163,888                    | 5.5%                         | \$15                      | 4.6%         |
|         | Inventory SF      | Market Cap Rate             | Total Sales Volume           | Transaction Sale Price/SF |              |
| 2023 Q4 | 29,337,913        | 7.5%                        | \$16.80M                     | \$55                      |              |
| 2022 Q4 | 29,301,019        | 7.3%                        | \$13.30M                     | \$97                      |              |

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

|         | Net Absorption SF | Net Absorption SF 12 Months | Market Rent Growth 12 Months | Market Rent/SF  | Vacancy Rate       |
|---------|-------------------|-----------------------------|------------------------------|-----------------|--------------------|
| 2023 Q4 | -532,869          | -2,533,962                  | 7.4%                         | \$7             | 14.2%              |
| 2022 Q4 | 178,946           | 314,188                     | 12.1%                        | \$7             | 7.3%               |
|         | Inventory SF      | Net Delivered SF            | Net Delivered SF 12 Months   | Market Cap Rate | Total Sales Volume |
| 2023 Q4 | 38,314,898        | 0                           | 124,823                      | 9.7%            | \$5.73M            |
| 2022 Q4 | 38,190,075        | 0                           | 15,000                       | 9.1%            | \$2.93M            |

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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