

COMMERCIAL REAL ESTATE REPORT Q3 2022

Baton Rouge, LA Metro Area

Demographics and Economy

Demographics

0.2%	32.2%	16.4%	53.4%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-5.8%	9,800	2.5%	2.2%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$52,332	3.2%	8.3%	44.2%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-261,806	246,116	2.6%	\$20	6.6%
Q3 2021	181,145	290,586	3.7%	\$19	6.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	28,113,403	170,965	194,307	\$23,636,236	9.9%
Q3 2021	27,919,096	4,800	10,603	\$24,666,132	9.7%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and 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
Q3 2022	-201	-241	4.1%	\$1,116	\$1,109	8.7%
Q3 2021	350	1,567	8.2%	\$1,072	\$1,066	7.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	38,731	55	148	5.8%		
Q3 2021	38,583	155	473	6.0%		

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
Q3 2022	147,990	311,693	5.9%	\$17	2.5%
Q3 2021	225,894	-1,462,730	3.7%	\$16	3.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	46,799,403	7.7%	\$27,388,612	\$230	
Q3 2021	46,854,085	7.8%	\$69,830,472	\$109	

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
Q3 2022	-58,207	513,775	12.7%	\$9	2.7%
Q3 2021	32,747	566,404	8.0%	\$8	4.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	37,035,926	0	-44,756	8.3%	\$5,527,515
Q3 2021	37,080,682	0	157,067	8.2%	\$17,005,650

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

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COMMERCIAL REAL ESTATE REPORT Q3 2022

New Orleans-Metairie, LA Metro Area

Demographics and Economy

Demographics

-0.7%	34.7%	1.3%	53.1%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-8.3%	49,300	9.7%	-0.7%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$53,558	3.8%	12.2%	45.7%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-103,711	571,644	1.4%	\$20	6.9%
Q3 2021	19,213	-568,292	0.2%	\$20	8.2%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	53,502,608	5,000	-131,080	\$14,664,260	9.4%
Q3 2021	53,623,688	32,645	117,162	\$16,269,505	9.3%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and 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
Q3 2022	-66	-1,104	4.6%	\$1,203	\$1,196	9.6%
Q3 2021	224	1,496	7.1%	\$1,151	\$1,144	7.1%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
Q3 2022	71,655	86	738	6.4%
Q3 2021	70,917	76	342	6.7%

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail 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
Q3 2022	-167,761	754,768	5.9%	\$21	2.5%
Q3 2021	-500,342	80,197	2.1%	\$20	4.0%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
Q3 2022	85,086,951	6.9%	\$88,102,816	\$244
Q3 2021	85,648,784	7.0%	\$91,820,000	\$133

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
Q3 2022	93,698	1,689,869	13.2%	\$9	1.9%
Q3 2021	29,117	382,314	8.5%	\$8	3.8%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	81,730,936	-13,150	175,131	7.7%	\$7,184,000
Q3 2021	81,553,905	7,540	29,900	7.7%	\$39,368,048

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

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Shreveport-Bossier City, LA Metro Area

Demographics and Economy

Demographics

-0.9%	38.8%	1.5%	52.6%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-11.0%	4,400	2.6%	12.5%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$47,936	3.6%	6.8%	43.0%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 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 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-117,502	53,112	2.7%	\$15	6.9%
Q3 2021	-24,121	354,601	4.4%	\$15	7.3%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	13,037,681	2,520	2,520	\$6,890,981	9.6%
Q3 2021	13,035,161	0	0	\$1,465,293	9.5%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and 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
Q3 2022	-159	-796	4.4%	\$922	\$916	11.8%
Q3 2021	-205	86	9.5%	\$884	\$880	8.4%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
Q3 2022	23,574	0	0	6.7%
Q3 2021	23,574	-162	-162	6.7%

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, 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
Q3 2022	26,582	205,323	5.8%	\$15	4.5%
Q3 2021	179,857	546,274	4.0%	\$15	5.0%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
Q3 2022	29,000,019	7.1%	\$43,326,008	\$71
Q3 2021	28,951,640	7.2%	\$23,963,492	\$109

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
Q3 2022	117,115	600,525	14.0%	\$7	9.5%
Q3 2021	548,802	-593,390	7.9%	\$6	11.1%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	37,718,395	0	15,000	8.4%	\$1,353,000
Q3 2021	37,703,395	0	0	8.6%	\$8,687,500

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

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