



# BATON ROUGE INDUSTRIAL MARKET

Presented by:  
**Scot Guidry, CCIM**  
Mike Falgoust & Associates  
Commercial Real Estate





# INDUSTRIAL COMMITTEE MEMBERS

**Todd Pevey, MPA, Co-Chairman** *MIE Properties*

**Scot Guidry, CCIM, Co-Chairman** *Mike Falgoust & Associates*  
*Commercial Real Estate*

**Marc Barker, CCIM, SIOR** *NAI/ Latter & Blum*

**Brent Garrett, CCIM, SIOR** *Beau Box Commercial Real Estate*

**Ryan Greene** *Maestri Murrel Real Estate*

**Walt Ketchings** *NAI/ Latter & Blum*

**Mathew J. Laborde** *Beau Box Commercial Real Estate*

**David Lakvold, MAI, SRA** *The Lakvold Group*



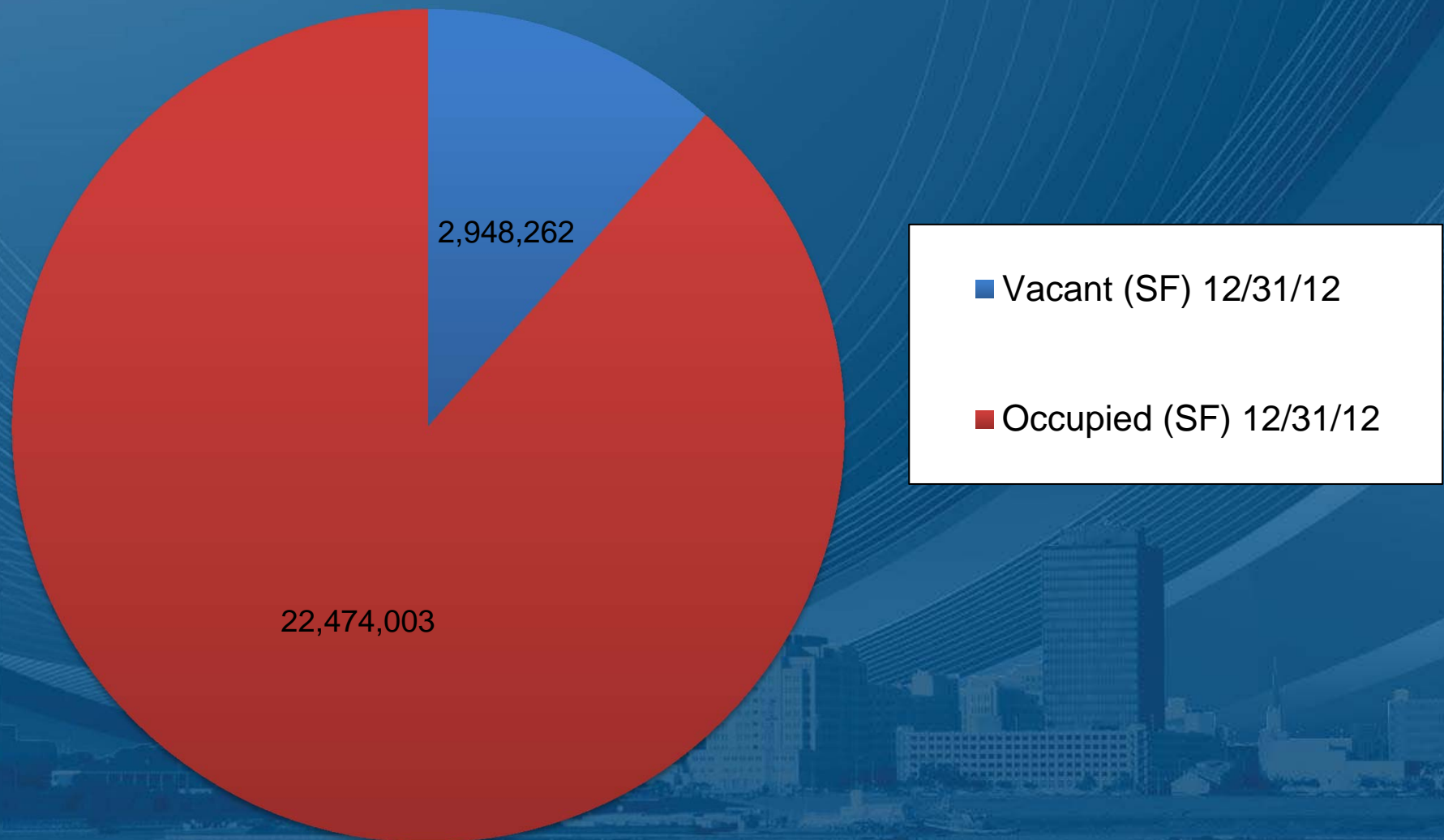
# INDUSTRIAL COMMITTEE MEMBERS





# INVENTORY

Total Inventory as of 12/31/2012 = 25,422,265 SF





# YEAR-TO-YEAR CHANGE IN INDUSTRIAL INVENTORY DATA

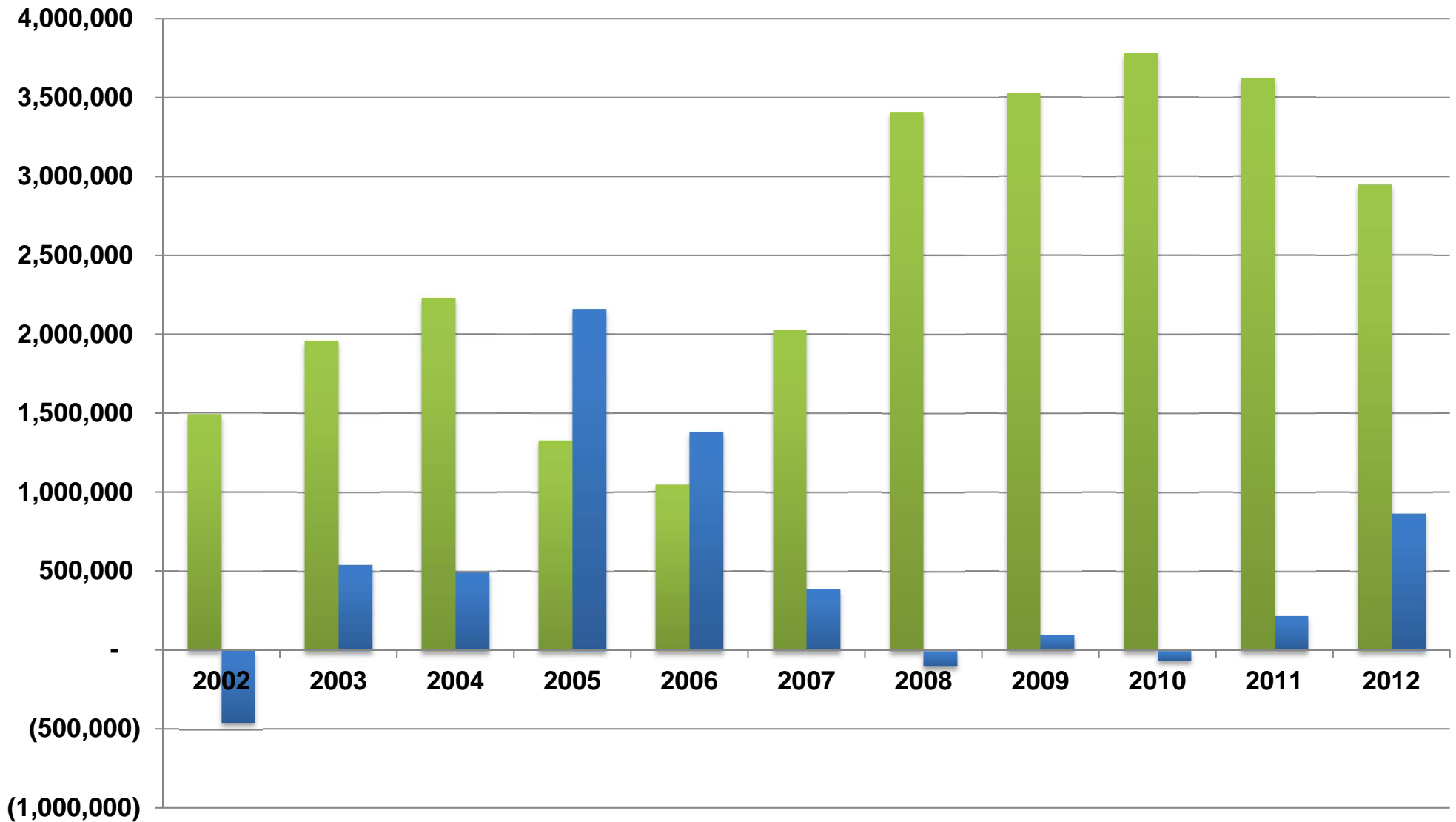
MEMO	2011	2012	% CHANGE
<b>TOTAL INVENTORY</b>	25,230,219 SF	25,422,265 SF	<b>0.76%</b>
<b>VACANT S.F.</b>	3,624,175 SF	2,948,262 SF	<b>(18.65)%</b>
<b>OCCUPIED S.F.</b>	21,606,044 SF	22,474,003 SF	<b>4.02%</b>
<b>VACANT %</b>	14.36%	11.60%	<b>(19.24)%</b>
<b>NET ABSORPTION</b>	220,945 SF	867,959 SF	<b>292.84%</b>
<b>UNDER CONSTRUCTION</b>	184,246 SF	120,546 SF	<b>(34.57)%</b>



# INVENTORY & ABSORPTION

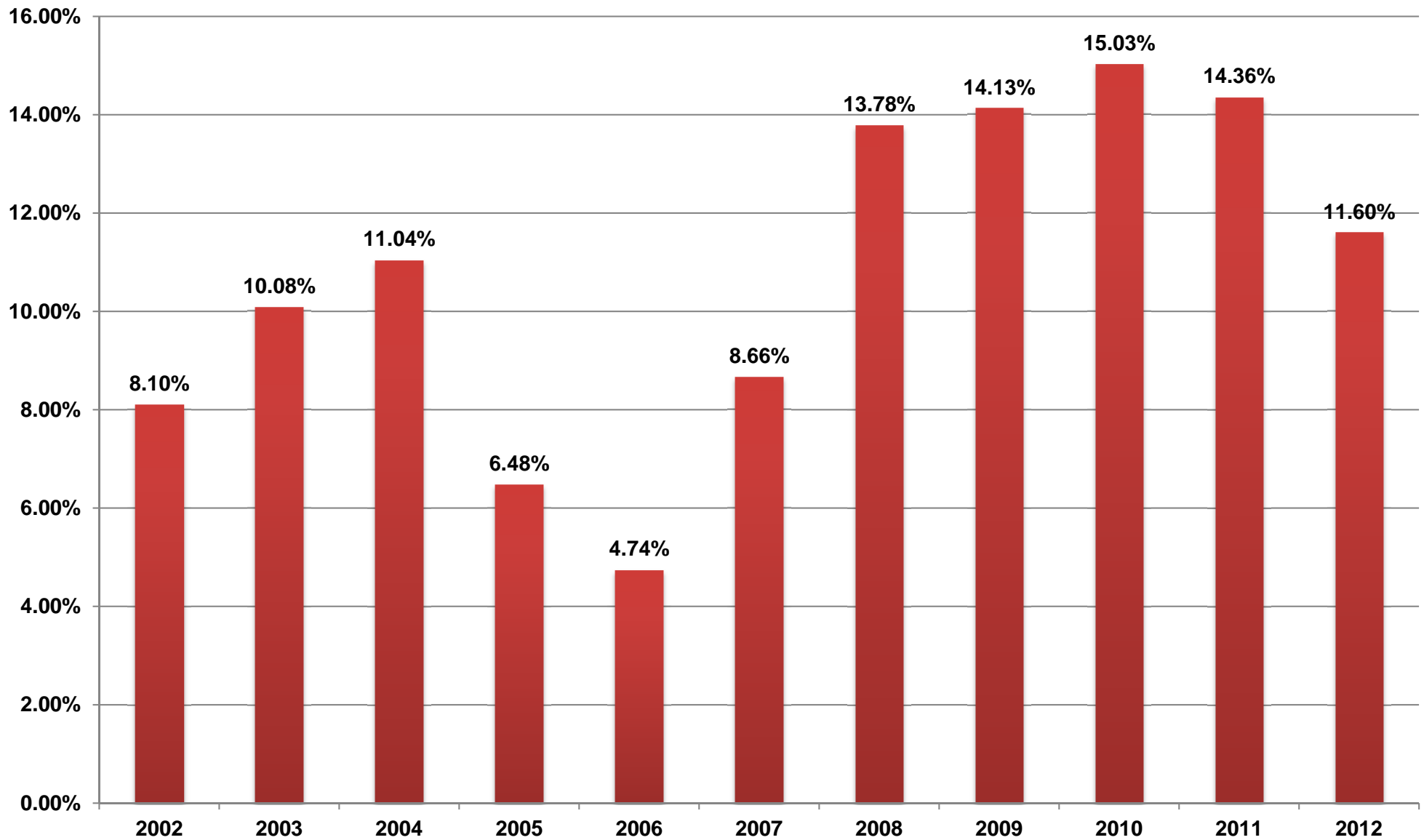
Vacancy (SF)

Net Absorption (SF)





# VACANCY RATE





# EAST BATON ROUGE PARISH BUILDING PERMITS DATA

	2010	2011	2012
NUMBER OF PERMITS	22,565	21,759	21,698
VALUE OF PERMITS (\$)	\$710,536,043	\$729,876,485	\$603,507,068
PERMIT FEES (\$)	\$4,878,466	\$5,214,726	\$5,028,836





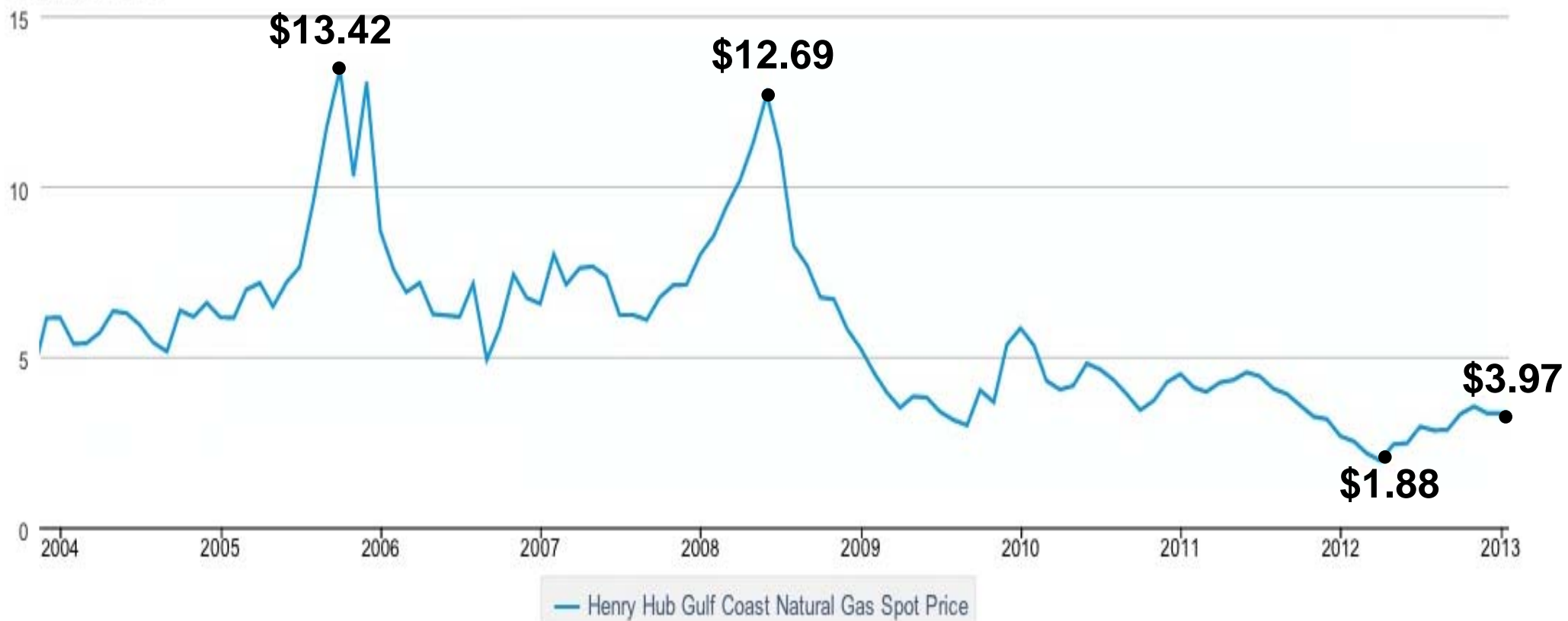
# SAMPLE LEASE RATES

Product Type	Size/Sq. Ft.	Lease Rate /\$Sq. Ft.	Lease Type
<b>Flex Space</b>	1,000 – 15,000	\$8 - \$12	Net
<b>Office Warehouse Older</b>	5,000 – 15,000	\$3 - \$4.50	Net
<b>Office Warehouse New</b>	5,000 – 15,000	\$6 - \$8	Net
<b>Bulk Warehouse Older</b>	20,000+	\$2 - \$2.50	Modified Gross
<b>Bulk Warehouse New</b>	20,000+	\$4-\$5.50	Net



# HENRY HUB GULF COAST NATURAL GAS SPOT PRICE

Dollars/ Mil. BTU's





← **Sunshine Bridge Hwy 70**

**Donaldsonville** →

**CF INDUSTRIES**

← Ascension



Baton Rouge →

Highland Rd

**DMC CARTER**



Hwy 190

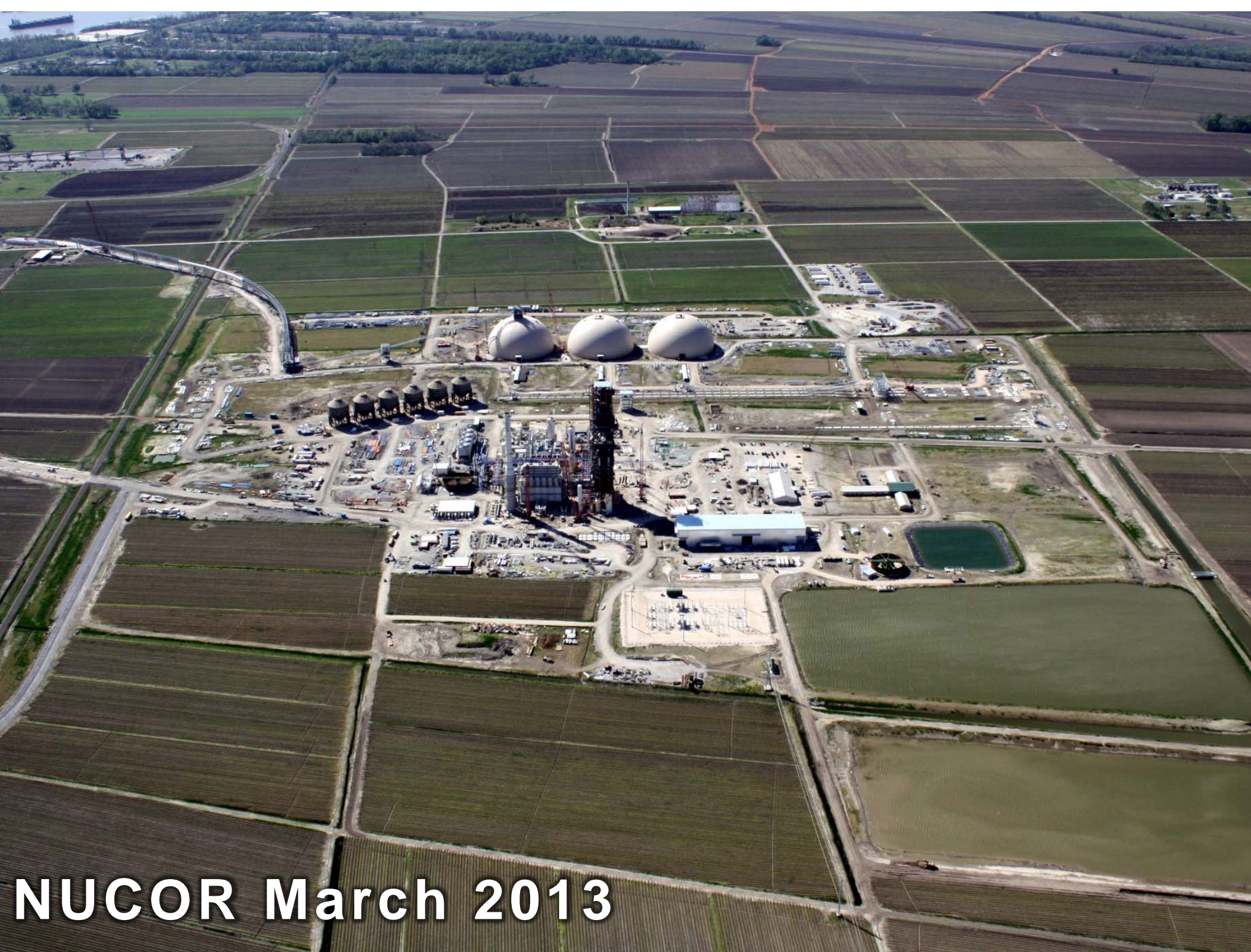
Livonia



Union Pacific Rail



**NUCOR March 2012**



**NUCOR March 2013**

# PORT OF BATON ROUGE







MISSISSIPPI

West Feliciana

East Feliciana

St. Helena

St. Francisville

Clinton

Greensburg

New Roads

Pointe Coupee

East Baton Rouge

Katoen Natie - \$150mil

Exxon - \$200mil

West BR

Louis Dreyfus - \$100mil

BATON ROUGE

Livingston

Port Allen

DMC - \$10mil

Livingston

Waller - \$200mil

Kinder Morgan - \$58mil

Plaquemine

Shintech - \$120mil

Ascension

Huntsman - \$78mil

Methanex - \$550mil

Westlake - \$300mil

Iberville

BASF - \$300mil

Donaldsonville

Nucor - \$3.4bil

SLA Methanol - \$1.3bil

CF  
\$2.1bil

# NOTEWORTHY PROJECTS





# 2012 NOTICEABLE TRENDS

- 3% Vacancy reduction on buildings 5,000 SF and larger.
- Increased demand for LA produced raw products from US factories.
- Increased demand for land along Mississippi River with access to feedstock.
- Increased demand for bulk oil storage.
- Increased demand for bulk warehouse spaces.
- Increased rental rates for smaller office-warehouses.
- Stagnant rates and steady vacancy in North Baton Rouge.
- Improved absorption rate.
- Natural gas prices lower/stabilized and abundant supply.
- Improved lending environment, especially for owner occupants.
- Oil and gas interest remains vibrant.
- No significant change in land values but pressure is mounting.



# 2013 FORECAST

- Improved absorption rate and declining vacancy rate expected to continue.
- Large-scale industrial projects are investments worth billions of dollars.
- Small scale building will continue to satisfy demand.
- Katoen Natie's construction of 2,000,000 SF bulk warehouse in Baton Rouge may have an effect on existing numerous small warehouses.
- National industrial and heavy commercial companies will seek locations for consolidation of multiple facilities.
- Rents should improve modestly in the growth areas.
- Older facilities will remain locked in at the same rates or decrease.