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Division (CID) has had a mission to bring the individuals and companies within the commercial real estate industry in the Greater Baton Rouge area closer together to share information and knowledge so that all can prosper and better serve their clients and customers.

Welcome to Trends, 2021!





CHAIRMAN

WELCOME TO YOUR 2021 TRENDS

The Best Real Estate Seminar in Louisiana!



CATHY CRADDOCK ABR, CIAS, CDPE, CRS, GRI, MRP, PSA, RENE, SRES, SRS Chairman 2021 TRENDS Mike Walker & Associates

Real Estate Co., LLC

As the 2021 TRENDS
Chairperson and past
president of the Commercial
Investment Division (CID) I
want to welcome you to this
year's seminar. The Greater
Baton Rouge Real Estate
community has had some
significant losses this past
you due to COVID-19, and
we send our prayers to
families, friends, and
colleagues of those who are

no longer with us. [I hope this finds you and your family in good health.]

The past year has been a trying time for all, and the Commercial Investment Division Board of Directors, along with the Greater Baton Rouge Association of REALTORS®, has done its best to keep you informed and updated. As always, the 2021 TRENDS in Real Estate Seminar will give you information for the past year while looking forward at trends and expectations. But, just as with all aspects of life, we also must examine how the pandemic has affected the market and what may come (at least as much as we can tell in these unprecedented times).

Unfortunately, the TRENDS in Real Estate seminar was canceled last year in response to the pandemic and public health crisis. Fortunately, this year, we are able to host TRENDS, albeit with some adjustments.

For the first time in TRENDS history, we will have it both live and streamed on-line.

We are excited about this expansion of service and are eager to once again come together to provide the expert and in-depth knowledge you've come to expect. I would like to thank and recognize all of the individuals and company sponsors that donated their time and effort to make this one the most informational events in our market. This event is the culmination of the dedication of committee volunteers and the LSU Department of Finance and LSU Real Estate Research Institute. The committees have compiled data and statistics and provided context to aid you in all sectors of the real estate world: Finance, Industrial, Multi-Family, Office, Residential, and Retail. This expert information and analysis will benefit everyone in real estate, from buyers and sellers to owners and developers to financial entities and more.

Our population in the Baton Rouge metro area has risen to just over 830,000, all of whom need homes, places to work, and financing. The individual presenters have a detailed knowledge in their specific areas of Real Estate and how these areas affect our metro area, it's people and development.

Thank you to all of the presenters. Our incoming
Chairman of the TRENDS in Real Estate Seminar for 2022
will be Evan Scroggs, with NAI Latter & Blum. He is
also serving as the current 2021 CID President. I want to
welcome Evan and look forward to another exciting year
for real estate in Baton Rouge!

Best Regards,

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MULTI-FAMILY



BATON ROUGE APARTMENT MARKET INTRODUCTION & SUMMATION

The far-reaching effects generated by the COVID-19 global pandemic have not yet been fully realized. The temporary (and, in some cases, potentially permanent) impact on the local and regional area's economy, job market, housing market, etc. (all of which can directly affect the demand for, and pricing of, real estate in a specific locale), has been, and is expected to continue to be, profound. The magnitude and longevity of the recessionary period that has resulted (a temporary decline in the demand for certain types of real estate often occurs during recessionary cycles), and the ultimate impact on demand and pricing for any real estate segment, cannot yet be fully gauged. Any projections of such would be highly speculative. It is reasonable to expect an eventual shift toward a new point of equilibrium, once the pandemic has fully passed, after which domestic and global economies are expected to recover and stabilize, while governmental entities should continue to implement restorative and mitigatory efforts. This study reflects consideration of the pandemic, as it is based on data compiled in January and February 2021, prior to broad distribution of the COVID-19 vaccine.

Prior to the advent of the pandemic, rental and occupancy figures for the Baton Rouge area apartment market had been on a declining trend for 2 years. The Spring 2021 rental and occupancy figures for the Baton Rouge area apartment market reflect a stabilizing/recovering trend. Substantial construction of new apartments throughout the region in 2017-2020 had adversely affected rents and occupancies. When combined with the anomalous impacts generated by the pandemic, we had anticipated

MULTI-FAMILY TRENDS COMMITTEE

Craig Davenport, MAI **TRENDS** *Speaker* Cook, Moore, Davenport & Associates

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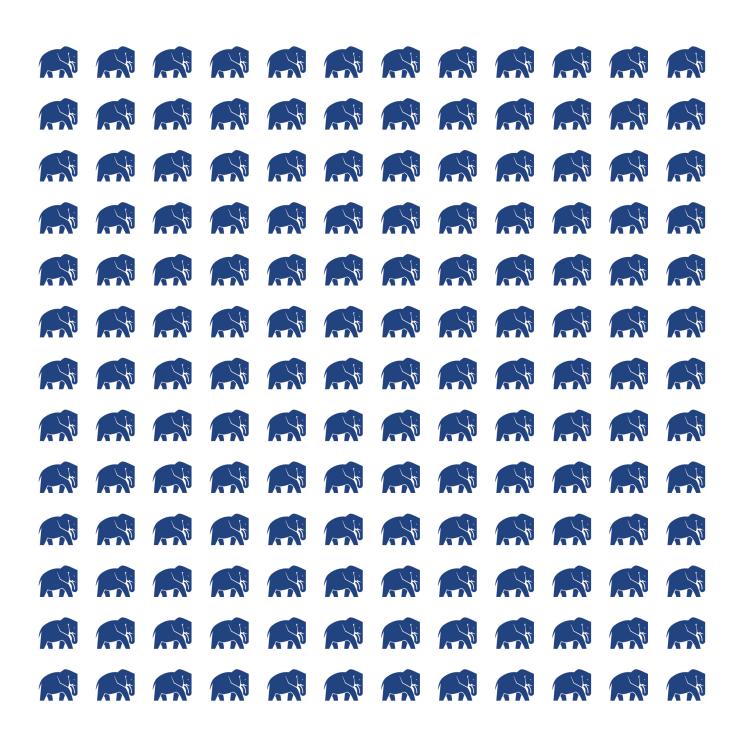
Chris Gremillion, CCIM Multifamily Divison of NAI Latter & Blum

Chad RigbyStirling Investment Advisors

Mark Segalla Elifin Realty Multifamily Division

Data collected and analyzed each year (most recently in January-February 2021) regarding apartment rentals and vacancies by Cook, Moore, Davenport & Associates (CMDA), in conjunction with LSU's Real Estate Research Institute, the CID of GBRAR and the Baton Rouge Apartment Association (BRAA), indicate that apartment vacancies in the Baton Rouge area over the past 12± months declined to 9.22% from Spring 2020's 10.05% (based on our full

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survey of 233 apartment complexes), which is still materially higher than the historical norm of 6%, while quoted rentals in our matched set of 214 complexes increased 1% from 2020 levels (up to \$1.05/sf from an average of \$1.04/sf in 2020).

Job growth (which drives population growth, which drives incremental demand apartments) has been adversely affected by the pandemic. The Baton Rouge metro area shed 20,700 jobs (5.1%) in the 12-month period that ended January 2021. This is anomalous, and a direct result of the pandemic's recessionary effects on a global basis, but it is a factor that must be considered in any market analysis. The fact that such job losses have not directly resulted in substantial increases in apartment vacancies is likely attributable to the fact that substantial subsidies in the form of stimulus payments, PPP loans, rental assistance payments, temporary eviction prohibitions, and other federal and state relief efforts have forestalled the magnitude of adversity that such an employment decline would have normally produced. The fact that many competing markets have suffered similarly (there are few "greener pastures" in other parts of the country to lure away residents and prospective renters) may have also limited the outmigration that might normally have been expected under such conditions.

As the pandemic winds to an end (we hope), employment figures should reflect strong recovery, particularly with the various stimulus projects and governmental infrastructure expenditures expected to promote job growth. It is possible that such recovery in coming months will help with absorption of the substantial incoming supply of new units (to be subsequently detailed).

A historically significant number of units under construction (and planned) will be delivered to the market in 2021 and 2022. Apartment owners and managers in certain submarkets should continue to brace for competitive pressures (and concessionary measures) as these new units fight to capture market share.

Apartment vacancies in the region hovered around 5% to 6% from 2012 to early-2016. The Great Flood of 2016 temporarily changed the market dynamics (short-term anomaly, with vacancies dropping to 2% in early 2017), however, with substantial new supply entering the market, vacancies grew to historical highs (10%) in 2018 and 2019. In the 30+ years since this survey was first assembled (in 1989), we have not seen citywide vacancies average this high over a multi-year span.

We have analyzed two sets of rental data, which differ by composition and number of properties included. The matched dataset consists of 214 complexes, with a smaller matched sample of 77 larger (200+ unit) complexes also analyzed. Quoted rentals for the 214-complex matched sample increased 1% from 2020 to 2021 (over a 12-month period), after remaining flat in 2019-2020. The reported vacancy rate for the matched sample in 2020 is 9.11% (note that this figure excludes consideration of any newly-built units in initial lease-up, nor does it reflect the impact of concessions and giveaways on economic rents).

A bulleted summary of our key observations & expectations is provided:

☐ The supply of rental units in the Baton Rouge MSA has grown substantially since 2005. Relevant stats include:

☐ 6,937± new apartment units were completed in the decade following when Hurricane Katrina hit on August 29, 2005 (major event that drove local housing demand) through the end of 2014. The average number of units absorbed each year (for that decade) was 867±.
☐ 1,531± units were built (completed) in 2015
\Box 1,296± units were built (completed) in 2016
\Box 1,136± units were built (completed) in 2017
2,282± units were built (completed) in 2018
\Box 1,577± units were built (completed) in 2019
728± units were built (completed) in 2020
\square 1,399 \pm units are under construction for delivery (or have been delivered thus far) in 2021
☐ 2,382± units are proposed for construction in 2022-23;
Of the proposed units (those not yet under construction), we consider 1,671± units to be more likely to be built than the remaining 711± proposed units.
☐ The total new rental supply (built or currently under construction) for 2015-2021 will be 8,550 units, which will equate to 1,221 units per year over a 7-year span. This is roughly 70% greater than the pace of construction for the preceding decade (including the post-Katrina "boom").
☐ The total new rental supply (built or currently under construction) for 2021-2023 will be 3,798± units, which will equate to 1,266± units per year over a 3-year span.

It is notable that construction costs for apartments locally are reported to have materially risen in recent years, though the cost of construction financing (mortgage interest rates) has fallen to near historic lows. It remains probable that some of the announced projects (those listed on the following pages, as well as others still on the drawing board) will not be built in the short-term (some will likely be tabled until such time that conditions are more strongly supportive of construction feasibility).

☐ The basic mechanics of housing demand are as follows: the national and local norm has historically been roughly 2.75 people per household, so, if the population grows by 1,000 people, we should need to have roughly 360 additional housing units to satisfy the incremental demand created. As roughly 33% of the local households have historically been renters, roughly 120 of those 360 units (per 1,000 residents) need to be rental units. To absorb the 8,550 apartment units built in 2015-2021, the Baton Rouge area=s long-term population would normally need to increase by 70,000± people (which is materially more than the longterm population increase that resulted from Hurricane Katrina), though other factors like the need to replace physically or functionally obsolete units (termed "depletion"), the evershrinking average household size (this stat has been getting smaller for years, and fewer people per household means the more housing units can be needed to satisfy the demand per 1,000 residents), and displaced former homeowners that opt (or have no choice but) to remain in apartments could all have offsetting effects. The number of households in certain segments of the Baton Rouge area (such as the LSU student market) has not grown sufficiently to need the number of units being added to the supply in those submarkets, so a state of oversupply in certain submarkets has resulted. This could (and likely will) eventually have, and

appears to already be generating, an adverse impact on the existing rental housing stock in other submarkets.

☐ The vast majority of the new units have been "upscale, Class A," oriented toward the higher end of the rental scale. As such, existing Class A properties have felt the brunt of the competitive pressures from the incoming supply. Their competitive adjustments are expected to eventually forced rental adjustments by the Class B properties, who then will (and have) put pricing pressure on Class C properties. Nobody is bullet-proof. These competitive conditions have been steadily increasing, as new units have generated new competitive pressures. We expect concessions and other competitive measures to become more commonplace in 2021-2022.

☐ The critical factors that will ultimately drive the long-term demand for, and absorption of, additional housing units in the Baton Rouge area are the number of jobs that can be recovered/ generated and retained locally (where the jobs go, the population will follow) and the ability of our infrastructure (roads, schools, governing bodies) to accommodate this growth and maintain the character and marketability of the Baton Rouge region as a place to live. Baton Rouge has positive dynamics, and the area remains positioned to prosper long-term, but the population growth necessary to support absorption of so many units in such a short period can unlikely be generated. The depth of the area's incremental demand for rental housing will certainly continue to be strongly tested in 2021-2022.

A substantial portion of the units built since 2010 have been oriented toward LSU students (typically leased "by the bed" and/or built near the LSU campus), with 2,229 of the 6,242 units (35.7%) built in 2016-2018 (no student

units were built in 2019, nor are any under construction for completion in 2020) falling in the "student-oriented" category. The demand for student rentals has, in part, been historically buoyed by the state-funded TOPS program, which subsidizes tuition costs and, indirectly, facilitates the leasing of apartment units by students that might otherwise not be able to afford to do so. With the net number of studentoriented beds added since 2010 (a total of 9,595 beds added, including those completed in 2018 in the Nicholson Gateway project) substantially exceeding the increase in enrollment at LSU (6,328 student increase 2010-20), an oversupply of student-oriented units has resulted. Vacancies for complexes in the 70820 Zip Code (the area immediately south of LSU) are at 15.6%. We expect this oversupply of student-oriented units to continue to generate a ripple effect, adversely affecting other segments of the local market. Starting in the Fall of 2018, LSU began requiring all freshmen (with some exemptions) to live oncampus. In March 2020, LSU announced that upperclassmen no longer have the option to live in traditional dorm-style units. Upperclassmen only have the option to live in apartment-style units on-campus. As these are priced higher than dorm-style units, the propensity for upperclassmen to move off-campus (especially to those complexes within walking distance of campus) has likely increased, potentially helping to reduce the high vacancy rates in off-campus apartments.

On the following pages will be presented synopses of new multi-family residential construction projects and tables illustrating historical rental/vacancy trends. For more detailed discussions and/or information, please call us (we provide professional consulting services) or go to www.CookMoore.com or www.BatonRougeTrends.net.



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II. New Apartment Construction

Baton Rouge has been experiencing a boom in apartment construction since 2015. Very few of the new complexes offer standard, mid-grade apartment units. The vast majority of the new rental housing supply over the past 20± years has been oriented toward either more affluent tenants (either conventional residents or LSU students), or lower-income households.

The new apartment complexes built, underway and/or planned in the Greater Baton Rouge area are listed on the following pages:

Apartment Complexes Completed/Under Construction in 2020-2021 in the Baton Rouge MSA

Complex Name	Location	# Units	Completed	Comments		
Completed 2020						
Cottages on Corporate	5522 Corporate Boulevard	80	2020	Conversion of F	ormer Hotel	
Sugar Mill - Phase III (Addis)	Belle Vale Drive (Addis)	72	2020	Upscale/Luxury	Units	
Sweetwater	LA Highway 1 (Addis)	276	2020	Upscale/Luxury	Units	
Shoecreek	Sullivan Road (Central)	210	2020	Upscale/Luxury	Units	
Hollywood Heights	4065 Hollywood Street	45	2020	Affordable - Sca	attered Site	
Hollywood Acres	3901 Hollywood Street	45	2020	Affordable - Sca	attered Site	
				Conventional	Student	Affordable
Total Completed in 2020		728		638	0	90
Under Construction 2021	- 2022					
Royal Palms	10245 Airline Highway @ I-12	126	2021	Upscale/Luxury	Units - 5/20	
200 Water Street	200 Water Street	20	2021	Upscale/Luxury	Units	
MidCity Flats	4501-4659 North Boulevard	59	2021	Upscale/Luxury	Units - 10/20	
Lofts at Dawson Creek	Picardy Drive and Summa Avenua	144	2021	Upscale/Luxury	Units	
River House Office Bldg	Nicholson Drive	42	2021	Upscale/Luxury	Units	
River Mark Centre	451 Florida Street (CBD)	144	2022	Upscale/Luxury	Units in CBD	
Oak Grove Towmhomes	LA Highway 42 (Prairieville)	88	2021	Upscale/Luxury	Units	
The Palms at Sunset Lake I	McHugh Road (Zachary)	144	2021	Upscale/Luxury	Units	
Drakes Landing	North Ardenwood Blvd	216	2022	Affordable Hou	sing Units	
The Elysian - Phase III	1092 Spanish Town Road	42	2021	Mixed-Income V	Units	
Valencia Park	Spanish Town Park at North 13th Street	122	2022	Affordable Hou	sing Units - VO)A
Reserve at Juban Lakes	Buddy Ellis Road (Denham Springs)	132	2022	Affordable Unit	s	
Morningside at Juban Lakes	Buddy Ellis Road (Denham Springs)	120	2022	Affordable Seni	ors Units	
	2022	4.000		Conventional	Student	Affordable
Total Under Construction 20	021 - 2022	1,399		767	0	632
Total Completed or Under C	onstruction	2,127		1,405	0	722

Apartment Complexes Announced (But Not Yet Under Construction) for 2022 - 2023 in the Baton Rouge MSA

Complex Name	Location	# Units	Expected Completion	Comments		
Proposed Apartments 202	22 - 2023 - Likely					
Electric Depot - Phase II	1509 Government Street	100	2023	Upscale/Luxury	Units	
Rue Venelle	Rouzan - Perkins Road	280	2023	Upscale/Luxury	Units	
The Bend on Bluebonnet	Bluebonnet at Burbank (behind Wal Mart)	309	2023	Upscale/Luxury	Units	
Midway	Edison Street	34	2023	Market Rate		
The Palms at Sunset Lake II	McHugh Road (Zachary)	84	2023	Upscale/Luxury	Units	
Heritage Crossing	LA Highway 30 @ 44 (Gonzales)	280	2023	Upscale/Luxury	Units	
Lotus Village Seniors	Gracie and Gayosa Streets	116	2023	Affordable Hous	ing Units - GO	CHP/EBRCOA
Motor City Apartments	North Boulevard at Scenic Highway	110	2023	Affordable Hous	ing Units - VO	OA .
The Cypress at Gardere	501 Gardere Lane	99	2023	Affordable Elder	ly Units - EBR	L'HA
Cypress River Lofts	Oklahoma and Duane Street	19	2022	Mixed-Income L	ofts - EBRHA	
Cypress at Ardendale - Phase I	North Ardenwood Blvd	170	2023	Affordable Hous	ing Units - EF	BRHA
Cypress at Ardendale Senior	North Ardenwood Blvd	70	2023	Affordable Elder	ly Housing U	nits - EBRHA
				Conventional	Student	Affordable
				4.00=	0	#O.4
Total Proposed 2022-2023 Like	ely	1,671		1,087	0	584
Total Proposed 2022-2023 Like Proposed Apartments 202	·	1,671		1,087	0	584
Î	·	1,671	2023	Upscale/Luxury	•	584
Proposed Apartments 202	22 - 2023 - Less Likely	,	2023 2023	,	Units	584
Proposed Apartments 202 Mansions in Park - Phase II	22 - 2023 - Less Likely Perkins Road	144		Upscale/Luxury	Units Units	584
Proposed Apartments 202 Mansions in Park - Phase II Parker District	22 - 2023 - Less Likely Perkins Road Burnett Street (St Francisville)	144 155	2023	Upscale/Luxury Upscale/Luxury	Units Units Units	584
Proposed Apartments 202 Mansions in Park - Phase II Parker District Conway Plantation	Perkins Road Burnett Street (St Francisville) LA Highway 44 (Gonzales)	144 155 280 132	2023 2023	Upscale/Luxury Upscale/Luxury Upscale/Luxury Upscale/Luxury Conventional	Units Units Units Units Student	Affordable
Proposed Apartments 202 Mansions in Park - Phase II Parker District Conway Plantation	Perkins Road Burnett Street (St Francisville) LA Highway 44 (Gonzales) West Parker/Gourier/Janet Avenue	144 155 280	2023 2023	Upscale/Luxury Upscale/Luxury Upscale/Luxury Upscale/Luxury	Units Units Units Units	
Proposed Apartments 202 Mansions in Park - Phase II Parker District Conway Plantation The Vue on Parker	Perkins Road Burnett Street (St Francisville) LA Highway 44 (Gonzales) West Parker/Gourier/Janet Avenue	144 155 280 132	2023 2023	Upscale/Luxury Upscale/Luxury Upscale/Luxury Upscale/Luxury Conventional	Units Units Units Units Student	Affordable
Proposed Apartments 202 Mansions in Park - Phase II Parker District Conway Plantation The Vue on Parker Total Proposed 2022-2023 Less Total Proposed/Announced 202	Perkins Road Burnett Street (St Francisville) LA Highway 44 (Gonzales) West Parker/Gourier/Janet Avenue S Likely 2-2023	144 155 280 132 711 2,382	2023 2023	Upscale/Luxury Upscale/Luxury Upscale/Luxury Upscale/Luxury Conventional 579 1,666	Units Units Units Units Student 132	Affordable 0 584
Proposed Apartments 202 Mansions in Park - Phase II Parker District Conway Plantation The Vue on Parker Total Proposed 2022-2023 Less	Perkins Road Burnett Street (St Francisville) LA Highway 44 (Gonzales) West Parker/Gourier/Janet Avenue S Likely 2-2023	144 155 280 132 711	2023 2023	Upscale/Luxury Upscale/Luxury Upscale/Luxury Upscale/Luxury Conventional 579	Units Units Units Units Units 132	Affordable 0

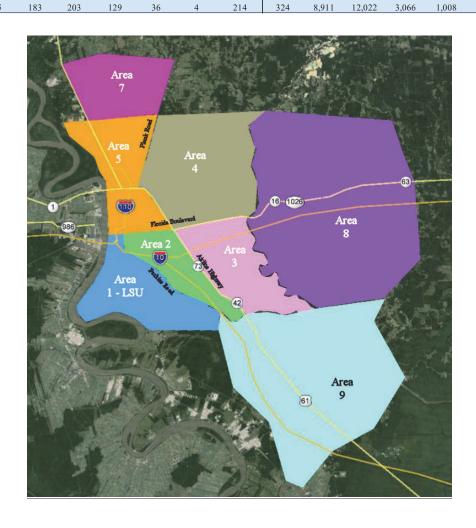
Matched Sample

Not included in the preceding lists may be additional properties (in the planning and/or financing stages) for which the site has not been purchased, site plan approval has not been granted and/or plans have not been publicly announced. As construction of new units cannot occur without site plan approval and the process of acquiring such approval is highly political and speculative (as can be the site acquisition process), inclusion of such properties in a traditional "pipeline" analysis would be inappropriate.

III. Apartment Rent & Vacancy Statistics

On the following pages are presented tables summarizing the figures compiled from the LSU/CMDA apartment surveys performed in early 2021.

					2021 -		able 1 Data Set	Statist	tics					
		Num	ber of (Complex	es by D	ata Set			Nu	ımber o	f Units b	y Data	Set	
							Total # of							
	0BR	1BR	2BR	3BR	4BR	5BR	Complexe	0BR	1BR	2BR	3BR	4BR	5BR	Total
Data Set	Units	Units	Units	Units	Units	Units	S	Units	Units	Units	Units	Units	Units	Units
All Complexes	25	199	220	138	39	4	233	459	12,547	17,140	4,575	1,434	196	36,351
										,		,		
Large Complexes	10	74	77	55	15	2	77	254	8,100	10,134	2,463	846	143	21,940





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Table 2
Apartment Data by Area for Large Complexes (2021 Full Data Set)

		Av	Average Rent	ent			Aver	Average Rent per Sq.Ft.	it per Sa	q.Ft.				Vacancy Rate	y Kate		
Complexe																	
	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total	0 BR	1 BR	2 BR	3 BR	4 BR	Total
	669\$	\$88	\$1,052	\$1,308	\$2,101	\$1.49	\$1.22	\$1.01	\$1.01	\$1.33	\$1.09	7.09%	8.77%	9.15%	12.18%	18.32%	9.72%
	\$780	866\$	\$1,188	\$1,603	\$2,112	\$1.77	\$1.37	\$1.15	\$1.27	\$1.37	\$1.26	12.82%	10.18%	12.46%	16.44%	18.95%	12.97%
	\$69\$	\$961	\$1,127	\$1,447	\$1,021	\$1.53	\$1.27	\$1.04	\$0.96	\$9.0\$	\$1.09	2.04%	7.15%	7.58%	7.52%	4.17%	7.32%
	608\$	\$822	\$985	\$1,120	\$1,092	\$1.90	\$1.14	\$0.93	\$0.89	\$0.81	\$0.99	6.25%	6.71%	7.11%	12.90%	18.33%	7.58%
	\$550	\$656	\$740	\$938	,	\$1.10	\$0.95	\$0.75	\$0.72	ı	\$0.80	%00.0	25.07%	16.28%	13.68%		19.17%
	\$556	\$681	\$843	\$871	\$2,316	\$1.19	\$1.10	\$0.97	\$0.72	\$1.74	\$1.03	5.45%	11.02%	10.47%	11.43%	16.67%	10.62%
		() () () () () () () () () ()	() ()				Č	•	6				000	j C	i i		
		\$1,098	\$1,385	\$1,605		1	\$1.21	\$1.16	\$1.08		\$1.15		10.58%	7.69%	11.54%		9.62%
	1	\$834	\$949	\$1,103	1	ı	\$1.11	\$0.91	\$0.88		\$0.94	1	6.11%	5.91%	%60.6	1	6.52%
	1	\$973	\$1,232	\$1,460	1	ı	\$1.24	\$1.08	\$1.05	1	\$1.11		6.85%	5.50%	6.50%	1	6.08%

Table 3
Apartment Data by Area (2021 Full Data Set)

			Av	erage R	ent			Aver	age Rei	nt per S	q.Ft.				Vacano	cy Rate		
	Complexe																	
Are	a s	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total	0 BR	1 BR	2 BR	3 BR	4 BR	Total
Al	233	\$694	\$841	\$990	\$1,214	\$1,916	\$1.51	\$1.18	\$0.97	\$0.97	\$1.27	\$1.05	6.10%	8.39%	8.58%	11.04%	18.13%	9.22%
1	69	\$678	\$1,013	\$1,252	\$1,572	\$2,124	\$1.66	\$1.33	\$1.14	\$1.25	\$1.32	\$1.25	8.21%	10.21%	11.98%	16.15%	19.34%	12.84%
2	42	\$631	\$957	\$1,090	\$1,305	\$1,285	\$1.61	\$1.25	\$0.99	\$0.94	\$0.82	\$1.06	1.43%	7.15%	7.26%	7.13%	3.70%	7.12%
3	46	\$702	\$798	\$926	\$1,032	\$819	\$1.56	\$1.12	\$0.91	\$0.84	\$0.81	\$0.96	3.51%	7.37%	7.13%	12.30%	18.33%	7.84%
4	17	\$550	\$633	\$740	\$862	-	\$1.10	\$0.97	\$0.78	\$0.73	-	\$0.83	0.00%	14.04%	10.44%	11.42%	_	11.85%
5	34	\$551	\$635	\$746	\$830	\$1,098	\$1.18	\$1.00	\$0.83	\$0.75	\$1.25	\$0.89	6.45%	7.52%	8.23%	7.25%	14.41%	7.95%
7	3	-	\$1,081	\$1,368	\$1,556	\$1,000	_	\$1.25	\$1.19	\$1.11	\$0.74	\$1.18	_	8.64%	9.52%	13.19%	0.00%	9.91%
8	12	-	\$845	\$1,079	\$1,088	\$1,172	-	\$1.14	\$0.89	\$0.87	\$0.65	\$0.91	-	4.98%	6.44%	6.53%	5.88%	6.21%
9	10	-	\$904	\$1,054	\$1,382	_	-	\$1.23	\$1.02	\$0.99	_	\$1.06	_	6.12%	4.94%	6.08%	_	5.41%

				Averag	ge Rent	Vacancy
	Zip Code	Number of Complexes	Number of Units	per Unit	per Sq. Ft.	Total
et)	70726	9	1,203	\$964	\$0.91	6.73%
S	70737	8	997	\$1,061	\$1.00	3.71%
Apartment Data by Zip Code (2021 Full Data Set)	70785	2	203	\$1,164	\$1.01	6.90%
	70791	4	520	\$1,216	\$1.12	8.85%
Fu	70801	4	113	\$1,597	\$1.70	9.73%
021	70802	15	1,920	\$1,253	\$1.47	9.74%
e (2	70805	9	874	\$666	\$0.93	5.95%
po;	70806	26	3,252	\$774	\$0.85	7.60%
p C	70807	3	444	\$1,148	\$1.39	10.59%
Zij	70808	19	3,247	\$1,041	\$1.18	12.23%
by	70809	24	4,673	\$1,066	\$1.07	5.78%
ata	70810	9	1,738	\$1,057	\$1.04	10.93%
ıt D	70814	4	541	\$692	\$0.79	3.14%
nen	70815	18	2,201	\$730	\$0.81	13.31%
ırtı	70816	37	8,316	\$898	\$0.96	8.61%
Apa	70817	5	917	\$1,144	\$1.06	6.11%
7	70820	28	3,850	\$1,391	\$1.24	15.61%
	70836	2	331	\$1,245	\$1.47	5.44%

	Table 5 Apartment Data by Area 2018 - 2021 Matched Sample Data Set	et	
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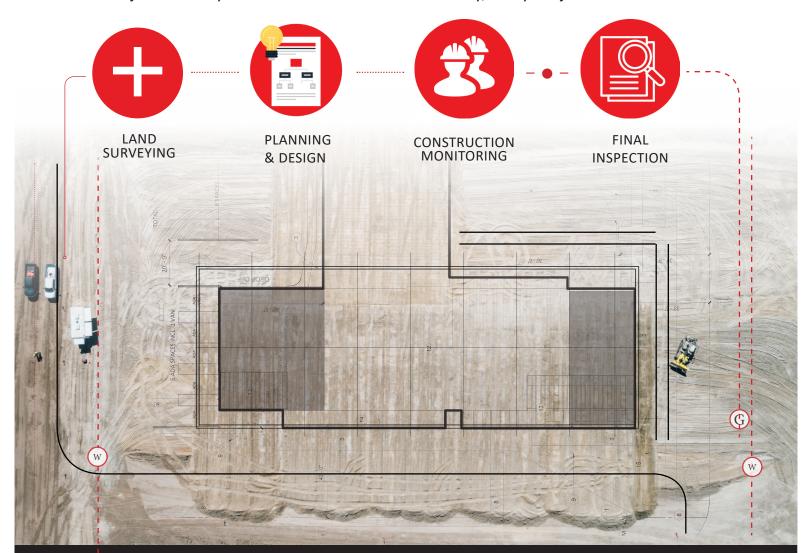
				Av	Average Rent	ent			Ave	Average Rent per Sq.Ft.	it per Sa	l.Ft.				Vacan	Vacancy Rate		
	Number of	Time																	
Area (Complexes	Period	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total	0 BR	1 BR	2 BR	3 BR	4 BR	Total
		2021	\$694	\$840	\$991	\$1,213	\$1,955	\$1.51	\$1.18	\$0.97	86.08	\$1.29	\$1.05	6.10%	8.45%	8.38%	10.80%	18.18%	9.11%
All	214	2020	\$681	\$819	\$973	\$1,206	\$1,989	\$1.48	\$1.15	\$0.95	80.97	\$1.31	\$1.04	12.42%	9.51%	9.93%	11.87%	12.68%	10.26%
		2019	\$675	\$816	\$972	\$1,203	\$2,032	\$1.47	\$1.15	\$0.95	80.97	\$1.34	\$1.04	11.55%	8.27%	9.39%	10.48%	16.50%	9.54%
		2018	\$671	\$821	\$973	\$1,223	\$2,159	\$1.46	\$1.15	\$0.95	\$0.99	\$1.43	\$1.05	8.53%	9.65%	7.68%	%86.6	14.01%	8.01%
		2021	\$785	\$910	\$1,112	\$1,554	\$2,028	\$1.66	\$1.33	\$1.14	\$1.26	\$1.32	\$1.24	8.21%	10.88%	12.11%	16.29%	19.34%	13.19%
1	63	2020	692\$	\$902	\$1,112	\$1,595	\$2,074	\$1.63	\$1.31	\$1.13	\$1.29	\$1.35	\$1.25	14.01%	12.75%	13.91%	18.31%	13.51%	14.35%
		2019	\$758	\$877	\$1,102	\$1,572	\$2,132	\$1.60	\$1.28	\$1.13	\$1.27	\$1.39	\$1.25	8.70%	11.51%	13.18%	17.42%	17.57%	13.93%
		2018	\$749	\$911	\$1,128	\$1,643	\$2,281	\$1.58	\$1.33	\$1.15	\$1.33	\$1.48	\$1.30	12.20%	9.02%	10.41%	16.35%	13.61%	11.61%
		2021	\$670	\$923	\$1,061	\$1,248	\$1,137	\$1.61	\$1.25	\$0.99	\$0.94	\$0.82	\$1.06	1.43%	7.15%	7.26%	7.13%	3.70%	7.12%
7	42	2020	\$631	\$910	\$1,037	\$1,175	\$1,118	\$1.51	\$1.23	80.97	\$0.88	\$0.81	\$1.03	10.00%	%06.6	8.85%	9.62%	11.11%	9.37%
		2019	\$703	\$911	\$1,034	\$1,208	\$1,067	\$1.69	\$1.23	80.97	\$0.91	\$0.77	\$1.04	2.86%	6.35%	8.47%	8.19%	2.56%	7.55%
		2018	\$682	\$911	\$1,029	\$1,203	\$1,025	\$1.64	\$1.23	\$0.96	\$0.90	\$0.74	\$1.03	1.43%	5.02%	6.45%	%90.9	1.85%	5.78%
		2021	\$735	\$820	\$947	\$1,057	\$975	\$1.56	\$1.12	\$0.91	\$0.82	\$0.70	\$0.97	3.51%	7.17%	6.23%	11.47%	33.33%	7.12%
3	42	2020	\$673	\$780	\$916	\$1,039	\$992	\$1.43	\$1.06	\$0.88	\$0.80	\$0.71	\$0.93	10.53%	6.14%	7.91%	9.54%	16.67%	7.37%
		2019	\$659	\$791	\$929	\$1,049	\$792	\$1.40	\$1.08	\$0.89	\$0.81	\$0.57	\$0.94	10.53%	7.40%	7.91%	7.35%	16.67%	7.68%
		2018	969\$	\$785	\$923	\$1,045	\$786	\$1.48	\$1.07	\$0.89	\$0.81	\$0.56	\$0.94	10.53%	4.73%	5.73%	%98.9	16.67%	5.47%
		2021	\$550	\$654	\$743	\$802	,	\$1.10	\$0.97	\$0.78	\$0.73	,	\$0.83	%00.0	14.11%	10.91%	11.42%	,	12.15%
4	15	2020	\$525	\$632	\$722	\$785		\$1.05	\$0.93	\$0.76	\$0.71		80.80	%00.0	15.11%	14.07%	6.39%		13.66%
		2019	\$525	\$644	\$740	\$784	,	\$1.05	\$0.95	\$0.78	\$0.71	,	\$0.82	100.00%	7.81%	8.75%	7.76%	,	8.34%
		2018	\$550	\$628	\$724	\$764		\$1.10	\$0.93	\$0.76	\$0.70		80.80	%00.0	7.93%	6.04%	3.79%		6.52%
		2021	\$538	\$658	\$787	\$806	\$1,730	\$1.18	\$1.01	\$0.84	\$0.76	\$1.34	80.90	6.45%	7.41%	8.26%	7.16%	12.50%	7.84%
5	32	2020	8569	\$642	\$785	\$846	\$1,659	\$1.25	80.99	\$0.84	\$0.80	\$1.28	80.90	12.10%	8.11%	6.38%	5.45%	4.81%	7.01%
		2019	\$527	\$635	\$760	\$803	\$1,621	\$1.15	86.08	\$0.81	\$0.76	\$1.25	80.87	20.97%	8.39%	%66.8	4.60%	11.54%	8.56%
		2018	\$524	\$633	\$752	\$807	\$1,607	\$1.15	\$6.0\$	\$0.80	\$0.76	\$1.24	80.87	2.65%	%61.6	10.94%	7.33%	25.96%	10.20%
t		2021	-	\$1,057	\$1,283	\$1,567	\$1,000		\$1.20	\$1.15	\$1.07	\$0.74	\$1.14	,	10.00%	6.67%	10.91%	%00.0	8.74%
_	7	2020		\$1,039	\$1,283	\$1,524	\$1,100		\$1.20	\$1.15	\$1.04	\$0.81	51.14		5.45%	5.00%	16.36%	%00.0	7.34%
		2018		\$1,008	\$1,246	\$1,533	\$1,100		\$1.15	\$1.11	\$1.05	\$0.81	\$1.11		3.64%	3.33%	12.73%	0.00%	5.24%
		2021		\$858	\$1,001	\$1,108	\$1,286		\$1.14	\$0.90	\$0.87	\$0.77	\$0.92		5.14%	6.22%	6.41%	0.00%	6.04%
∞	10	2020		\$827	\$951	\$1,057	\$1,286		\$1.10	\$0.86	\$0.83	\$0.77	80.88	·	8.70%	9.93%	13.37%	%00.0	10.50%
		2019		\$813	\$957	\$1,069	\$1,092		\$1.08	\$0.87	\$0.84 \$0.84	\$0.65	\$0.88 20.88		8.30%	8.73%	10.31%	%00.0 0.00%	8.99%
		2021		\$910	\$1.036	\$1,350			\$1.14	\$0.97	\$1.01	1	\$1.01		3.28%	4.04%	4.59%	- 0000	3.91%
6	~	2020		8890	\$1,023	\$1,326			\$1.12	\$0.95	\$0.99		80.99		4.51%	5.59%	6.42%		5.42%
		2019		\$916	\$999	\$1,329			\$1.15	\$0.93	\$1.00		80.98		6.56%	4.04%	6.42%		4.91%
		2018		3918	\$1,019	\$1,500			61.16	\$0.95	\$1.02		31.00		0.53%	0.710.7	11.01%		1.42%

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			Total	9.58%	11.089	10.32	8.18%	13.369	15.81	15.02	10.72	7.32%	10.24	7.22%	6.20%	6.60%	6.97%	7.94%	4.98%	19.17	20.21	10.169	9.40%	10.62	4.47%	13.119	17.58
			4 BR	18.55%	14.04%	19.17%	14.54%	18.95%	14.25%	19.94%	13.11%	4.17%	25.00%	4.17%	%00.0	33.33%	16.67%	16.67%	16.67%	,	,			16.67%	%29.9	16.67%	36.67%
	y Rate		3 BR	11.82%	13.90%	11.82%	%89.6	16.44%	18.63%	17.81%	15.89%	7.52%	11.28%	7.52%	6.20%	11.69%	10.74%	9.55%	3.82%	13.68%	9.47%	13.68%	%06.9	11.43%	0.71%	2.14%	2.86%
	Vacancy Rate		2 BR	8.92%	11.09%	10.14%	8.01%	12.83%	16.25%	14.66%	9.50%	7.58%	10.28%	8.32%	6.62%	5.92%	7.55%	8.51%	5.48%	16.28%	19.54%	9.39%	8.81%	10.47%	2.20%	11.82%	20.44%
			1 BR	8.79%	9.41%	8.68%	6.83%	10.71%	13.32%	11.84%	7.70%	7.15%	9.58%	%00.9	5.93%	6.46%	2.66%	7.07%	4.51%	25.07%	24.21%	10.09%	10.95%	11.02%	6.48%	15.12%	19.01%
			0 BR	7.09%	16.93%	15.35%	5.12%	12.82%	26.92%	11.54%	5.13%	2.04%	12.24%	4.08%	2.04%	6.25%	18.75%	6.25%	18.75%	%00.0	0.00%	100.00%	0.00%		·		,
ces			Total	\$1.09	\$1.07	81.08	81.09	\$1.25	\$1.25	\$1.28	\$1.32	81.09	\$1.06	\$1.07	\$1.05	\$1.00	\$0.95	80.96	80.96	80.80	80.77	80.79	80.78	\$1.03	\$1.02	80.96	80.96
ompley a Set	.Ft.		4 BR	\$1.36	\$1.36	\$1.40	\$1.48	\$1.37	\$1.37	\$1.42	\$1.52	89.08	\$9.0\$	89.08	\$9.0\$	\$0.70	\$0.71	\$0.57	\$0.56	,	,	,		\$1.74	\$1.62	\$1.61	\$1.56
arger C ple Dat	ıt per Sq		3 BR	\$1.02	\$0.99	\$1.02	\$1.03	\$1.27	\$1.28	\$1.32	\$1.36	\$0.96	\$0.88	\$0.92	\$0.92	\$0.86	\$0.83	\$0.83	\$0.83	\$0.72	80.69	\$0.70	80.69	\$0.72	\$0.82	\$0.71	80.67
by Area for Larger Comp Matched Sample Data Set	Average Rent per Sq.Ft.		2 BR	\$1.01	\$0.98	\$0.99	\$0.99	\$1.14	\$1.14	\$1.16	\$1.18	\$1.04	\$1.01	\$1.01	\$0.99	\$0.93	\$0.89	\$0.91	\$0.90	\$0.75	\$0.72	\$0.75	\$0.73	\$0.97	\$0.95	80.88	80.90
by Are	Ave		1 BR	\$1.21	\$1.17	\$1.17	\$1.17	\$1.34	\$1.32	\$1.32	\$1.34	\$1.27	\$1.26	\$1.25	\$1.25	\$1.14	\$1.07	\$1.08	\$1.08	\$0.95	\$0.91	\$0.92	\$0.91	\$1.10	\$1.04	\$1.02	\$1.04
tment Data 2018 - 2021			0 BR	\$1.49	\$1.48	\$1.48	\$1.47	\$1.77	\$1.73	\$1.72	\$1.75	\$1.53	\$1.42	\$1.71	\$1.64	\$1.90	\$1.71	\$1.66	\$1.61	\$1.10	\$1.05	\$1.05	\$1.10	\$1.19	\$1.27	\$1.16	\$1.15
Apartment Data by Area for Larger Complexes 2018 - 2021 Matched Sample Data Set			4 BR	\$2,147	\$2,138	\$2,205	\$2,338	\$2,191	\$2,194	\$2,276	\$2,431	\$1,021	\$1,021	\$1,021	\$1,021	\$975	\$992	\$792	\$786	,	,	,		\$2,316	\$2,160	\$2,140	\$2.080
V	ent		3 BR	\$1,315	\$1,281	\$1,313	\$1,323	\$1,601	\$1,610	\$1,669	\$1,711	\$1,298	\$1,186	\$1,247	\$1,247	\$1,124	\$1,076	\$1,082	\$1,077	\$911	\$871	\$888	998\$	\$820	\$935	\$808	\$755
	Average Rent		2 BR	\$1,048	\$1,023	\$1,032	\$1,030	\$1,140	\$1,145	\$1,163	\$1,185	\$1,119	\$1,088	\$1,087	\$1,062	886\$	\$944	096\$	\$953	\$749	\$717	\$748	\$729	\$901	\$881	\$821	\$833
	A		1 BR	\$883	\$855	\$857	\$857	\$948	\$935	\$931	\$947	\$956	\$949	\$946	\$940	\$833	\$785	\$794	\$789	699\$	\$640	\$648	\$637	\$737	969\$	8679	\$691
			0 BR	669\$	\$692	\$694	689\$	\$915	\$895	068\$	\$904	\$69\$	\$645	\$775	\$745	608\$	\$725	\$705	\$685	\$550	\$525	\$525	\$550	\$532	\$566	\$519	\$513
		Time	Period	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
		Number of	Complexes		73				22				14				21				4				S		
			Area (All				1				2				Э				4				5		

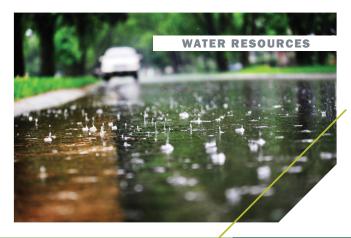
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						Averas	ge Rent	Vacancy
		Zip Code	Number of Complexes	Number of Units	Period	per Unit	per Sq. Ft.	Total
					2021	\$982	\$0.93	6.56%
		70726	7	1,083	2020	\$943	\$0.90	11.36%
					2019	\$928	\$0.88	9.14%
					2018	\$916	\$0.87	6.46%
	;				2021	\$1,051	\$1.01	3.70%
	Set	70737	7	973	2020	\$1,033	\$0.99	5.55%
					2019	\$1,024	\$0.99	4.32%
	Apartment Data by Zip Code - 2021 Matched Sample Data				2018	\$1,044	\$1.01	6.99%
					2021	\$1,164	\$1.01	6.90%
	e .	70785	2	203	2020	\$1,052	\$0.91	14.78%
	ji. P				2019	\$1,151	\$1.00	15.76%
	Z				2018	\$1,153	\$1.00	13.30%
_	<u>S</u> .				2021	\$1,150	\$1.05	7.31%
4)		70791	3	342	2020	\$1,148	\$1.05	11.70%
	ta ed				2019	\$1,154	\$1.05	6.14%
Table	ient Data Matched				2018	\$1,120	\$1.02	4.39%
्ब	i te				2021	\$1,597	\$1.70	9.73%
	n Ia	70801	4	113	2020	\$1,513	\$1.61	12.39%
	ıe				2019	\$1,528	\$1.63	8.85%
	oartn 2021				2018	\$1,513	\$1.62	12.15%
	1 02				2021	\$1,268	\$1.47	11.52%
	p:	70802	12	1,580	2020	\$1,261	\$1.46	7.66%
	▼ -				2019	\$1,144	\$1.32	12.09%
	$\frac{A}{2018}$				2018	\$1,234	\$1.43	11.13%
	0.0				2021	\$666	\$0.93	5.95%
	7	70805	9	874	2020	\$672	\$0.94	11.21%
					2019	\$633	\$0.89	11.78%
					2018	\$622	\$0.87	5.73%
					2021	\$794	\$0.86	7.41%
		70806	24	3,008	2020	\$788	\$0.86	6.38%
					2019	\$781	\$0.85	7.08%
					2018	\$782	\$0.85	9.28%

						Averag	ge Rent	Vacancy
			Number of	Number of				
		Zip Code	Complexes	Units	Period	per Unit	per Sq. Ft.	Total
					2021	\$1,148	\$1.39	10.59%
		70807	3	444	2020	\$1,082	\$1.31	5.63%
					2019	\$1,055	\$1.28	11.94%
					2018	\$1,035	\$1.25	25.23%
	*				2021	\$1,042	\$1.18	12.24%
	Set	70808	18	3,227	2020	\$1,048	\$1.18	14.63%
					2019	\$1,043	\$1.18	13.54%
	ਰ <u>ਦ</u>				2018	\$1,073	\$1.21	10.01%
				4,673	2021	\$1,066	\$1.07	5.78%
		70809	24		2020	\$1,026	\$1.03	9.82%
	.e. fd				2019	\$1,035	\$1.04	6.87%
	by Zip Code Sample Data				2018	\$1,038	\$1.04	5.95%
L	ਣ ਫ਼				2021	\$1,075	\$1.05	10.30%
	- 2	70810	8	1,611	2020	\$1,067	\$1.04	18.06%
<u> </u>	Apartment Data by Zip Code 2018 - 2021 Matched Sample Data				2019	\$1,078	\$1.05	12.04%
Table					2018	\$1,098	\$1.07	5.83%
	t D				2021	\$692	\$0.79	3.14%
	nt [a	70814	4	541	2020	\$689	\$0.79	5.73%
	tme 1 N				2019	\$694	\$0.79	3.70%
rtm					2018	\$682	\$0.78	4.81%
	E 2				2021	\$729	\$0.81	13.65%
	23 23	70815	16	2,147	2020	\$737	\$0.82	14.39%
	₹ '				2019	\$734	\$0.81	8.06%
	` ∞				2018	\$708	\$0.78	5.66%
	=				2021	\$889	\$0.97	7.89%
	7	70816	33	7,334	2020	\$855	\$0.93	7.28%
					2019	\$865	\$0.94	8.84%
					2018	\$862	\$0.94	6.01%
					2021	\$1,144	\$1.06	6.11%
		70817	5	881	2020	\$1,089	\$1.02	7.60%
					2019	\$1,115	\$1.04	4.99%
					2018	\$1,059	\$0.99	2.84%

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Table 8
Apartment Data by Select Submarkets (2021 Full Data Set)

	Average Rent					Average Rent per Sq.Ft.					Vacancy Rate							
Area	Complexe s	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total	0 BR	1 BR	2 BR	3 BR	4 BR	Total
All	233	\$694	\$841	\$990	\$1,214	\$1,916	\$1.51	\$1.18	\$0.97	\$0.97	\$1.27	\$1.05	6.10%	8.39%	8.58%	11.04%	18.13%	9.22%
ASCA	5	-	\$973	\$1,232	\$1,458	_	_	\$1.24	\$1.08	\$0.99	_	\$1.10	_	6.85%	5.50%	6.12%	_	6.03%
BRA	22	-	\$1,085	\$1,314	\$1,557	_	_	\$1.38	\$1.16	\$1.12	_	\$1.25	_	6.93%	7.61%	9.02%	_	7.33%
CBD	8	_	\$1,389	\$1,850	\$2,452	_	_	\$1.63	\$1.53	\$1.74	_	\$1.59	_	10.64%	6.45%	0.00%	_	8.75%
LIVA	8	_	\$899	\$1,140	\$1,151	\$1,495	_	\$1.15	\$0.92	\$0.89	\$0.78	\$0.94		6.74%	5.19%	6.97%	0.00%	5.89%
LSUA	17	\$939		\$1,373	\$1,889		\$2.13	\$2.02	\$1.49	\$1.42		\$1.44	9.47%	15.44%	14.97%	18.16%	19.63%	17.08%
		•	\$1,113			\$2,308					\$1.34	·						
LSUB	17	\$632	\$749	\$897	\$1,116	\$1,125	\$1.74	\$1.11	\$0.95	\$1.01	\$1.05	\$1.02	8.33%	13.34%	15.00%	12.17%	11.11%	13.90%
ME	7	-	\$438	\$604	\$600	\$625	-	\$0.86	\$0.75	\$0.83	\$0.52	\$0.79	-	6.42%	8.44%	4.88%	28.57%	7.45%

Table 9 2021 - Full Data Set Statistics by Class										
Construction Class	Number of Complexes	Number of Units	Avg Rent/ Unit	Avg Rent/ Sq.Ft.	% Vacant					
A	56	11,120	\$1,364	\$1.30	10.4%					
В	44	8,419	\$1,015	\$1.03	8.4%					
С	133	16,812	\$768	\$0.87	8.8%					

Table 10 Apartment Data by Class 2018 - 2021 Matched Sample Data Set

				Avera	ge Rent	Vacancy Rate	
Construction Class	Number of Complexes	Number of Units	Period	per Unit	per Sq. Ft.	Total	
	,		2021	\$1,370	\$1.29	10.60%	
A	52	10,420	2020	\$1,361	\$1.29	11.90%	
			2019	\$1,360	\$1.28	12.32%	
			2018	\$1,403	\$1.32	9.90%	
			2021	\$1,009	\$1.04	7.85%	
В	42	7,771	2020	\$970	\$1.00	10.07%	
			2019	\$981	\$1.01	7.77%	
			2018	\$995	\$1.02	8.39%	
			2021	\$772	\$0.87	8.76%	
С	120	15,767	2020	\$763	\$0.86	9.28%	
			2019	\$760	\$0.86	8.57%	
			2018	\$751	\$0.85	6.56%	



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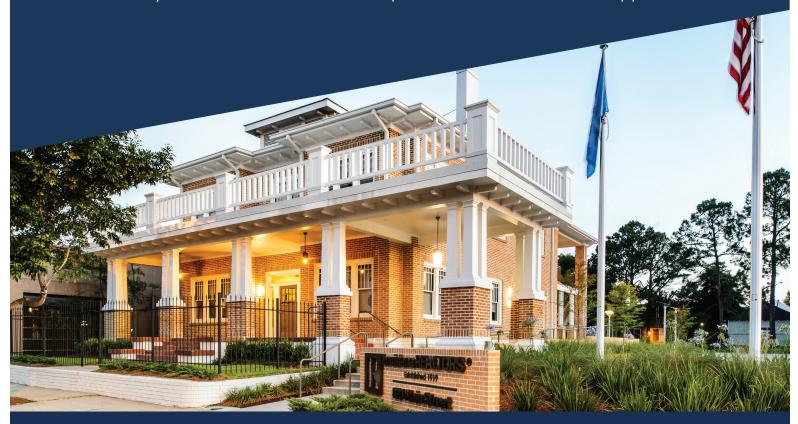
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OFFICE



EXECUTIVE OVERVIEW - What Just Happened?

2020 was a roller coaster – the year we all wanted to leave behind but could not. It was a train wreck that kept our eyes fixated and will continue to do so for the foreseeable future. To top it off, we set the world record for hurricanes and political attack ads. And yet despite it all, America is still here, and we are all still working toward a light at the end of the tunnel. For the office market in particular, however, there remains a little murkiness in our crystal ball. That said, we will attempt to wade through the uncertainty as a Committee and relay what we know as of today.

OFFICE TRENDS COMMITTEE

Ty Gose, CCIM, SIOR *Trends Speaker* NAI Latter & Blum

Jonann Stutzman NAI Latter & Blum

Gary BlackWampold Companies

Michael Cashio, CCIM, NAI Latter & Blum

George Bonvillain, J.D Elifin Realty

Andrew D'OstilioNAI Latter & Blum

Jake Loach NAI Latter & Blum Regarding the BIG picture, Baton Rouge had an office problem before Covid, and the introduction of the disease only exacerbated the problem. There was a 4-month window last year with zero office calls, and most of the calls that were received throughout the year were focused on short term renewals and downsize transactions in an effort to monitor where the world was going.

From a real estate sub-category standpoint, the office market has been an "in-between." Unlike retail, office workers continued working (albeit from home) and, unlike industrial (which exploded), office buildings were basically vacated. In many parking lots to this day, fully leased office buildings are relatively void of workers. Changes in the white-collar segment of the workforce have landlords extremely concerned. There is evidence that the home office honeymoon is ending, but the real answer as to where the office segment in general is headed is complicated. We will do our best to forecast what comes next.

Office Condo - Garden Office

We normally present our data each year with the strongest sector in our market – garden office – and there are some interesting points to note from our findings. Class B occupancies actually rose. Our dataset consists of roughly 500,000 sq ft, which we estimate to be between 25-35% of the actual inventory in Baton Rouge of Class B garden office. As a team, we cannot possibly check every office suite, but we have a consistent dataset comprised of the most relevant Class B buildings that provides enough statistical information to observe some trends. Class B



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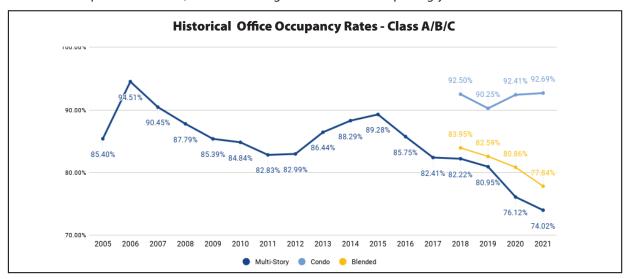








inventory rose from 95% to 99% and Class A inventory only dropped 1% in 2020 to 89% occupancy. When you consider the number of tenants that may not have renewed their leases in 2020, this information is fairly reliable data that smaller office suites with drive-up buildings were consistently backfilled or that many tenants maintained a "wait and see" mindset. Considering that 20-30% of the inventory probably had a lease expiration in 2020, this market segment remained surprisingly resilient.



New Construction - Office Condos

The only new office condo project announcement in 2020 was The Exchange, located off of Jefferson near Airline Hwy. That project is projected to have roughly 22,000 sq ft total of buildings when completed. The lack of new announcements should come as no surprise with office buildings remaining largely empty in 2020. Furthermore, lumber is up over 100% since the beginning of 2020, and it remains to be seen how this cost increase will play a role in limiting new supply in the near-future or if rental rates on new construction will increase to accommodate the massive price adjustments.

The Exchange



New Construction Office Condos

On the office condo side, only one project was announced while several from 2019 continued their lease up:

The Exchange – 10201 Jefferson Hwy – Total 22,205 2019 □ Drusilla Office Park located at Drusilla and Interline - Total 30,000 sq ft □ Goodwood Office Park located at Jefferson Near Town Center - Total 18,000 sq ft □ Long Farm Village located on Airline at Baringer Foreman - Building 1 Roughly 12,000 sq ft with potential to add another 100,000 sq ft □ Mercantile by Dantin and Bruce on Bluebonnet near Izzo's will have a total of 39,000 sq ft of buildings - Under construction with 1 pad remaining □ Hide Park on Bluebonnet next to Ironstone will have 23,500 sq ft □ Westminster Office Park on Jefferson Hwy across from the Business Report office will house 32,000 sq ft - 11,000 sq ft remaining □ Metro Office Park is also planned along Jefferson near Bluebonnet. This development totals 42,000 sq ft of garden style office and is now under construction. - 24,000 sq ft remaining □ Baringer Block - 44,055 sq ft total

Office Leasing Activity 2020

There were not many large lease deals to speak of in 2020. As earlier stated, the majority of activity dealt with short term renewals and downsizes and the data in the multi-story reflect that activity.

Perkins 8 - Recent Office park announced on Perkins near Highland - 26,220 sq ft total

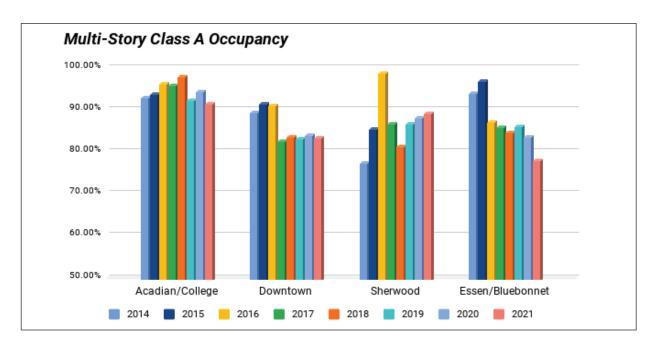
We removed some inventory from last year's data set that improved the overall occupancy rate Downtown, as River House and the top 10 floors of the South Tower are being converted to Multi-Family. Downtown Class A occupancies held steady at 83% while Class B dropped almost 4 percentage points to 95% Occupancy.

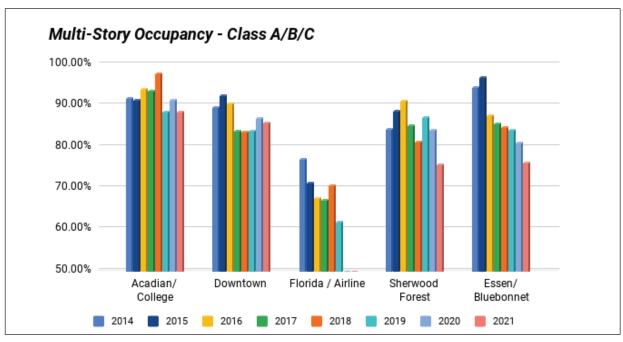
The two sub-markets that fell a few percentage points consistent with our expectations were Acadian/ College and Essen/Bluebonnet, 91% and 77% respectively. Both of those sub-markets have newer inventory with higher average rates, while the older inventory Downtown and in Sherwood remained consistent with 2019 occupancy levels. It is too soon to assume tenants are moving to better-valued office buildings, but this is something our team believed worth mentioning.

If you assume that most multistory lease terms are for 5 years, we draw the conclusion that 20% of tenants were able to make a move last year if they needed to, thereby making the job of deciphering what is occurring in this sector a little coded. To better understand the market, we combed through the sub-lease availabilities which total about 4% of the Class A inventory currently. That would bring the total available space in Class A multi-story to approximately 1,000,000 sq ft or nearly 23% of total inventory. This could place additional pressure on multistory rental rates in the near future.

Last year, we also commented on the large block spaces that for years have remained vacant. A majority of those spaces like Bon Carre are still sitting idle. Based on what we could find, that sub-market remained steady at 38% through 2020. Call center and large block administrative tenants are often prospects for this segment; however, as a state, Louisiana has historically had little success attracting these types of tenants. Covid only further detracted from any progress in this sector.

Overall, Multi-Story Occupancies dropped another 2 percentage points to 74% in the capital city. While expected in 2020, this continues a downward occupancy slide that started in 2015.







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Bon Carre



Office Sales Activity

Despite the chaos, a few sales made the rolls for 2020. The largest two were Bon Carre in the Florida/ Airline submarket and Sherwood Tower in the Sherwood Sub-Market. There were two others of note: 7434 Perkins Rd and 10500 Coursey Blvd. Interestingly, all of the sales last year were to owner-occupants in older sub-markets with the possible exception of Bon Carre, which was also debatably an owner occupant transaction. The prices scaled from a low of \$11 / SF to a whopping \$84 / SF. Bottom line – owner occupants are finding value in these older assets and outbidding investors who are fighting increasing CAPEX, OPEX and vacancies.

The Bon Carre sale is most intriguing. This asset was foreclosed on in 2018 with a loan value approaching the \$40MM mark. Roughly two years later, and on the market for the same time period, the lender sold the asset for \$8MM or about \$11 per ft. That is a significant decrease in just two years, and very telling of the occupancy rates and future prospects for the Florida/Airline sub market. One of the other major structures, Cortana, is currently being demolished to make way for a new fulfillment center which will hopefully help to revitalize the sub-market.

Sherwood Tower is a two-building portfolio of 100,000 sq ft that sold for roughly \$50 / sq ft to an owneruser. The building needed some capital improvements to the HVAC system and the elevators.

Investar Tower and 7434 Perkins were smaller buildings that have gone through some upgrades over the years. Once again, both were owner occupant purchases and sold for \$100 PSF on Perkins and \$82 per ft on Coursey. The 7434 Perkins building had about 8,000 ft of shell space that required buildout after closing.

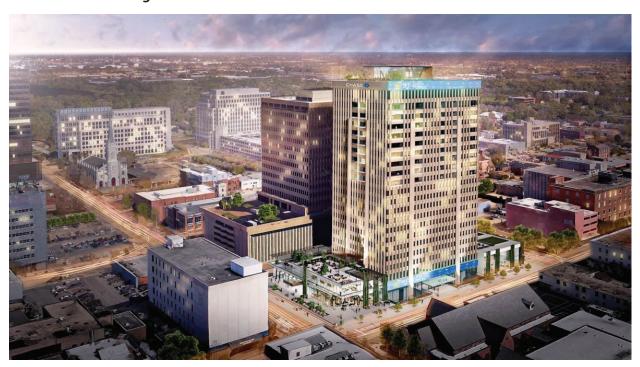
Investar Tower



New Construction - Multistory

There is not much to report on new construction deliveries in 2020. 1200 Brick Yard Lane was turned over in Water Campus and Wampold commenced construction on the South Tower, now called Rivermark, which we reported in 2020.

Rivermark Rendering



1200 Brickyard



Baton Rouge Office Market - April 2021 Forecast

Where we go from here is a question our Committee is tasked with answering, and as mentioned, the answer is a complex one. Polling different owners and buildings throughout the year resulted in just as many differing opinions; however, we have seen a subtle shift in the last few months. Early on in the pandemic there was a resounding narrative that office was no longer relevant. Productivity rates at home were just as high as compared to the office and the increased savings from the reduction in occupancy costs directly impacted the bottom line of many companies. This contradicts what we are hearing as of late; that is, businesses are finding it more difficult to hire and train new employees remotely.

In a recent article entitled "Gen Z is Getting "Crushed" by Remote Working" which covered a Microsoft Survey of 31,000 Gen Zers in the workforce, the author, Ian Sherr, reported that the study found young employees to be struggling relative to their older counterparts (CNET, March 22, 2021). As a result of working from home, they are missing opportunities to sit next to senior employees, overhear phone conversations and essentially learn by interacting with the rest of the office face-to-face. Employers are also facing difficulties training and creating a culture over Zoom. Long term, the effects of isolation can lead to a loss of productivity and an erosion of culture which will ultimately lead to companies being less effective and less competitive in the marketplace.

This of course varies widely depending on the type of job, and there seems to be a litany of uses for which businesses intend to maintain an office presence. Everything from rotational office usage, social gatherings, charrette meetings, and trainings are being utilized in the new frontier of the post-covid world. Some office users like ourselves are right back at it like the old days. Office may serve different purposes as companies learn to adapt to an ever changing environment, but our team believes the office space serves a vital role for industry in the long run.

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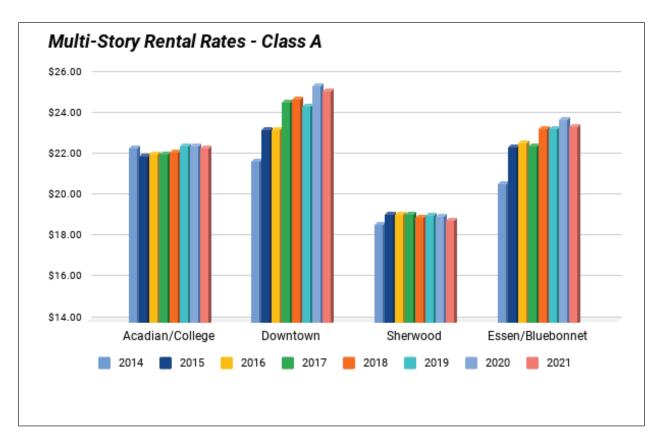


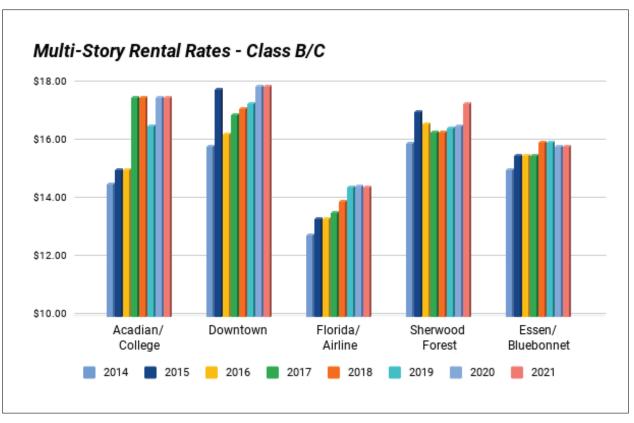
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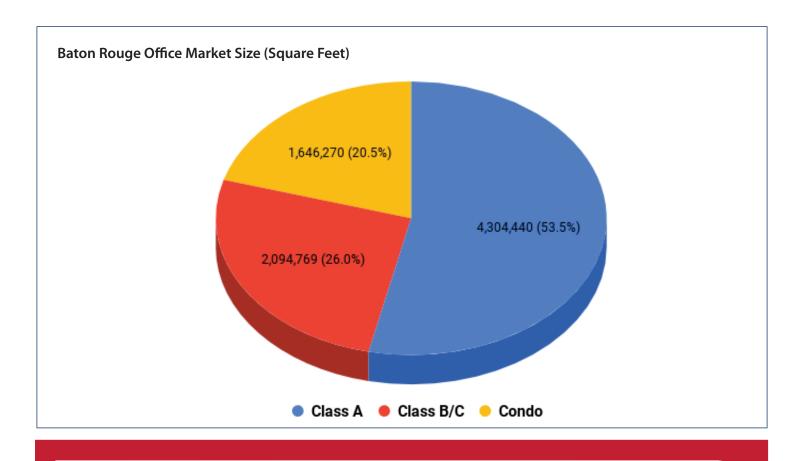
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SUMMARY

Office Market By Area • Class A Buildings • 4 29 2021

		, , ,					
		ACAD	IAN / CO	DLLEGE			
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	Acadian Centre	A	74,589	57,729	77.40%	\$21.00	0
2	CitiPlace Centre I (Hancock Bank Building @ CitiPlace)	A	82,023	80,245	97.83%	\$23.00	0
3	CitiPlace Centre II	A	31,516	28,162	89.36%	\$22.00	0
4	CitiPlace Centre III (The Bancorp Bank Center @ CitiPlace)	A	42,659	33,505	78.54%	\$23.00	0
5	Acadia Trace	A	121,000	121,000	100.00%	\$20.00	0
6	Corporate Atrium	A	76,447	69,051	90.33%	\$20.00	0
7	Corporate Center	A	48,000	48,000	100.00%	\$22.50	0
8	Republic Finance	A	27,000	27,000	100.00%	\$24.00	0
9	2370 Towne Centre	A	66,000	66,000	100.00%	\$24.50	0
10	5551 Corporate	A	52,142	35,416	67.92%	\$24.00	16,726
	TOTALS		621,376	566,108	91.11%	\$22.40	16,726
		D	OTNWC	WN			
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	One American Place	A	333,306	297,509	89.26%	\$22.00	0
2	II Rivermark (former North Tower)	A	207,572	145,300	70.00%	\$22.50	0
3	I Rivermark (former South Tower)	A	150,272	87,158	58.00%	\$21.50	0
4	City Plaza	A	166,473	161,479	97.00%	\$23.50	0
5	II City Plaza	A	255,344	250,237	98.00%	\$28.00	27,211
6	La Cap Building	A	75,000	53,128	70.84%	\$22.00	0

86,196

140,651

1,414,814

A

Α

A

43,098

140,651

1,178,560

50.00%

100.00%

83.30%

\$34.00

\$28.00

\$25.19

0

0

27,211

8

10

11

Water Campus

IBM

Water Campus 2.0 (REMOVED)

River House (REMOVED) TOTALS

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	ES	SEN /	BLUEBO	NNET			
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	Essen Center	Α	113,000	0	0.00%	\$20.00	0
2	Jefferson Brentwood	Α	63,625	61,004	95.88%	\$23.50	0
3	I United Plaza	Α	94,204	94,204	100.00%	\$22.00	0
4	II United Plaza	Α	197,010	147,758	75.00%	\$22.00	0
5	III United Plaza	Α	60,389	40,042	66.31%	\$22.00	0
6	IV United Plaza	Α	71,547	44,631	62.38%	\$24.00	0
7	V United Plaza	A	58,365	56,762	97.25%	\$22.00	0
8	VII United Plaza	Α	58,000	58,000	100.00%	N/A	0
9	VIII United Plaza	A	57,932	57,932	100.00%	\$24.00	0
10	IX United Plaza	A	97,000	97,000	100.00%	N/A	0
11	XII United Plaza	Α	154,000	142,665	92.64%	\$24.00	0
12	Bluebonnet Centre	Α	71,656	63,756	88.98%	\$22.00	0
13	Louisiana School Employee Retirement	A	112,253	112,253	100.00%	N/A	0
14	Jacobs Plaza	A	192,600	192,600	100.00%	N/A	0
15	Aptim	A	240,000	240,000	100.00%	N/A	140,000
16	Perkins Rowe	A	126,328	84,735	67.08%	\$28.00	0
17	7290 Bluebonnet	A	152,000	0	0.00%	\$21.00	0
18	Advocate Building	A	53,000	45,500	85.85%	\$25.50	0
19	@Highland	A	54,000	36,320	67.26%	\$28.00	0
	TOTALS		2,026,909	1,575,162	77.71%	\$23.43	140,000
	SI	HERW	OOD FO	REST			
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	4000 S. Sherwood Office Building	A	78,183	74,126	94.81%	\$19.95	0
2	Investar Tower	A	57,486	57,486	100.00%	\$17.50	0
3	Westfork Building	Α	105,720	82,806	88.00%	\$19.00	0
	TOTALS		241,389	214,418	88.83%	\$18.82	0
		_ 1	TOTAL				
# of Buildings	AREA	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
10	ACADIAN/COLLEGE	A	621,376	566,108	91.11%	\$22.40	16,726
9	DOWNTOWN	A	1,414,814	1,178,560	83.30%	\$25.19	27,211
19	ESSEN/BLUEBONNET	A	2,026,909	1,575,162	77.71%	\$23.43	140,000
3	SHERWOOD FOREST	A	241,389	214,418	88.83%	\$18.82	0
41	TOTALS		4,304,488	3,534,248	82.11%	\$22.46	183,937

SUMMARY

Office Market By Area • Class B/C Buildings • 4 29 2021

E RATE \$18.00 \$17.00 \$17.50	5,338
\$18.00 \$17.00	5,338
\$18.00 \$17.00	5,338
\$17.00	,
	0
\$17.50	
	5,338
ERATE	SUBLEASE
\$12.76	0
\$16.00	0
\$15.00	0
\$16.00	0
\$17.50	0
\$21.00	0
\$27.00	0
\$17.89	0
ERATE	SUBLEASE
\$11.51	0
\$10.00	0
\$20.00	0
\$16.25	
\$14 44	0
	\$17.89 TE RATE \$11.51 \$10.00 \$20.00 \$16.25 \$14.44

	SHERWOOD FOREST						
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	11000 Mead	В	51,878	18,102	34.89%	\$19.00	0
2	3029 Sherwood	В	36,000	20,425	56.74%	\$19.00	0
3	Sherwood II	В	26,637	21,090	79.18%	\$17.00	
4	Sherwood Oaks Office Park	В	101,157	61,443	60.74%	\$15.00	0
5	Sherwood Plaza Business Park	В	61,000	44,419	72.82%	\$14.00	0
6	10719 Airline	В	37,500	37,500	100.00%	\$17.50	0
7	3854 American Way	В	119,945	89,335	74.48%	\$18.50	0
8	Security National	В	45,378	45,378	100.00%	\$18.50	0
9	Sherwood Tower	В	76,584	48,209	62.95%	\$17.00	0
	TOTALS		556,079	385,901	69.40%	\$17.28	0
	ESSEN/BLUEBONNET						
	BUILDING	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	7414 Perkins Road	В	72,145	57,960	80.34%	\$15.50	0
2	Essen Crossing	В	56,538	33,917	59.99%	\$16.00	0
3	7434 Perkins	В	20,290	20,290	100.00%	\$13.75	0
4	Essen Business Park	В	45,000	17,462	38.80%	\$18.00	0
	TOTALS		193,973	129,629	66.83%	\$15.81	0
		•	TOTAL	•		•	
# of Buildings	AREA	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
2	ACADIAN/COLLEGE	В	87,579	58,430	66.72%	\$17.50	5,338
10	DOWNTOWN	В	357,521	341,707	95.58%	\$17.89	0
6	FLORIDA/AIRLINE	В	899,617	346,617	38.53%	\$14.44	0
9	SHERWOOD FOREST	В	556,079	385,901	69.40%	\$17.28	0
2	ESSEN/BLUEBONNET	В	193,973	129,629	66.83%	\$15.81	0
29	TOTALS		2,094,769	1,262,284	60.26%	\$16.58	5,338

		Office o	SUMMA f Class A Office C		ea	
#	AREA	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE
6	PERKINS	A	129,784	78,951	96.58%	\$19.38
3	HIGHLAND	A	101,077	63,323	85.95%	\$19.13
10	JEFFERSON HWY	A	355,088	252,972	92.32%	\$20.48
4	SIEGEN	A	103,511	101,243	97.81%	\$17.33
14	BLUEBONNET	A	354,181	320,176	92.69%	\$19.65
7	SHERWOOD FOREST	A	190,686	109,341	71.99%	\$15.38
4	O'NEAL	A	109,069	81,149	88.06%	\$14.38
48	TOTALS		1,343,396	1,007,155	89.73%	\$17.96





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		Office of	SUMMAF Class B/C Office C		a	
#	AREA	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE
2	PERKINS	B/C	85,962	85,962	100.00%	\$14.00
3	ESSEN	B/C	49,346	49,346	100.00%	\$12.51
3	JEFFERSON	B/C	178,592	178,592	100.00%	\$15.75
2	SIEGEN	B/C	62,554	61,404	98.16%	\$16.92
1	BLUEBONNET	B/C	10,749	10,749	100.00%	\$15.00
4	SHERWOOD	B/C	111,239	108,421	97.47%	\$13.31
2	S HARRELL'S FERRY	B/C	25,413	24,359	95.85%	\$13.50
17	TOTALS		523,856	518,833	99.04%	\$14.43

		Multisto	SUMI ry Office A & B/	MARY C Office Cor	ndos By Area		
	AREA	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE	SUBLEASE
1	ACADIAN/COLLEGE	A & B/C	708,955	624,538	88.09%	\$19.95	22,064
2	DOWNTOWN	A & B/C	1,772,335	1,520,267	85.78%	\$20.70	27,211
3	FLORIDA/AIRLINE	A & B/C	899,617	286,889	31.89%	\$14.44	0
4	SHERWOOD FOREST	A & B/C	797,468	600,319	75.28%	\$18.05	0
5	ESSEN/BLUEBONNET	A & B/C	2,220,882	1,704,791	76.76%	\$19.62	140,000
			6,399,257	4,736,804	74.02%	\$18.55	189,275

	Histor	ical Occupa	ncy Trend: I	Multistory B	uildings	
AREA	CLASS	OCCUPANCY % Spring 2017	OCCUPANCY % Spring 2018	OCCUPANCY % Spring 2019	OCCUPANCY % Spring 2020	OCCUPANCY % Spring 2021
ACADIAN/ COLLEGE	A & B/C	93.32%	97.55%	88.27%	90.95%	88.09%
DOWNTOWN	A & B/C	83.56%	83.30%	83.45%	86.64%	85.78%
FLORIDA/ AIRLINE	A & B/C	66.77%	70.38%	61.38%	38.53%	31.89%
SHERWOOD FOREST	A & B/C	84.78%	80.90%	86.80%	83.87%	75.28%
ESSEN/ BLUEBONNET	A & B/C	85.27%	84.40%	83.83%	80.61%	76.76%
TOTALS		82.41%	82.22%	80.95%	76.12%	74.02%

	Office Condos F		MARY A & B/C Buildi	ngs • 4 4 20	0	
# of Office Parks	Area	CLASS	SQUARE FEET	OCCUPIED	OCCUPANCY RATE	RATE
8	Perkins	A &B/C	167,710	164,913	98.33%	\$16.69
6	Highland / Essen	A &B/C	123,017	112,669	91.59%	\$15.82
13	Jefferson Hwy	A &B/C	452,619	431,564	95.35%	\$18.11
6	Siegen	A &B/C	166,065	162,647	97.94%	\$17.13
15	Bluebonnet	A &B/C	356,180	330,925	92.91%	\$17.33
11	Sherwood Forest	A &B/C	263,117	217,762	82.76%	\$14.34
6	O'Neal / S Harrells Ferry	A &B/C	117,562	105,508	89.75%	\$13.94
65	TOTALS	A &B/C	1,646,270	1,525,988	92.69%	\$16.19

	Histor	ical Occ	upancy Trend	: Office Condo	s
#	CONDOS	CLASS	OCCUPANCY % Spring 2019	OCCUPANCY % Spring 2020	OCCUPANCY % Spring 2021
8	PERKINS	A & B/C	96.17%	96.58%	96.58%
6	JEFFERSON	A & B/C	90.88%	84.79%	92.32%
1 3	SHERWOOD FOREST	A & B/C	85.62%	88.45%	71.99%
6	BLUEBONNET	A & B/C	96.88%	95.93%	92.69%
1 5	SIEGEN	A & B/C	95.85%	92.64%	97.81%
1 1	HIGHLAND / ESSEN	A & B/C	67.29%	87.09%	85.95%
6	O'NEAL / S HARRELL'S FERRY	A & B/C	79.95%	89.69%	88.06%
6 5	TOTALS	A & B/C	87.52%	90.75%	89.73%

Total	Blended Office	Market - Spring 2020	
PROPERTY TYPE	TOTAL SF	OCCUPIED SF	OCCUPANCY
Multistory	6,399,257	4,736,804	74.02%
Condo	1,646,270	1,525,988	92.69%
TOTAL	8,045,527	6,262,791	77.84%

INDUSTRIAL



EXECUTIVE OVERVIEW - Industrial is Sexy

Think about walking into your house, and what type of products do you see? Look under your sink, there is probably a bottle Clorox, Windex, Dish Detergent, right? Now look in your laundry room, what do you see? You probably have a box of laundry detergent, stain release, cleaning supplies, right? Now, think about walking up to your house after a typical day

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Special Thanks to, Alex McCollam and Brooks Lawley for research of work. What do you see that was not there on a very similar day 5 years ago? That smiling face of Amazon looking at you and waiting for you to open the new package, or 8. You probably have to ask your 10 year old what they ordered!

What does this have to do with the Industrial Market in the Greater Baton Rouge Area? Of the 482,000 SF of new construction last year, 420,000 were Amazon. The Siegen Lane Distribution center is 120,000 that is built and operational in front of Bethany Church. 300,000 SF of the overall 480,000 SF of new construction in 2020 was the West Baton Rouge Amazon Distribution Center.



Siegen Lane Distribution Center



West Baton Rouge Amazon Distribution Center



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INDUSTRIAL

5 Years ago, Baton Rouge had 2 major distribution centers that totaled approximately 400,000. Today, 88% of the new product that is being built has to do with Retail. Not included in the total SF this year obviously on everyone's mind is the 3.5 Million SF at the former Cortana Mall. That is over 10% of our TOTAL SF in Baton Rouge. There is a total of 30 Million SF in the GBRAR market, and Amazon is building 4 Million SF in distribution space here.

What o	does this mean for the Industrial Market for Baton Rouge?
The	Landscape is changing. Baton Rouge is situated in a great transportation hub that include:
	Highway- The interaction of I-10 and I-12, 40 miles from I-55, 40 miles from I-49, and out of
	major hurricane issues with NOLA, make Baton Rouge an attractive play for the retail distribution market
	Rail - The rail transportation for the Kansas City Southern, Canadian National, and Union Pacific all
	intersect near the "Old" Mississippi Bridge. The KCS feeds everything to the East of the Mississippi and
	then goes north over the Old Bridge to Omaha. The Union Pacific goes East and West to Houston.
	These rail arteries make Baton Rouge an attractive spot for Third-Party Logistics (3PL) companies.
	Water-Baton Rouge is the last deep-water port for any ocean-bound vessel. A deep-water vessel
	needs a minimum of 40 feet of draft. Because of the height of the Old Mississippi River Bridge, an
	Aframax Vessel (Average Freight Rate Assessment of 132,000 average tons) or a Panamax (a ship that
	is designed to go through the Panama Canal with 58,000 average tons), cannot go any further north of
	the Old Bridge (Thanks Ole Huey Long!). That means we are the last game in town for these ships.
Reta	il is shifting and Industrial is adapting to that change. A recent study done by the SIOR Magazine shows some
	eresting stats related to the shift from retail only to a retail and industrial hybrid model.
cry mic	eresting states related to the sime norm retain only to directain and modestial rijoria modeli
	59 retail to industrial conversions since 2017
	15.5 Million just a fraction of the 14 billion SF of warehouse/industrial inventory
	US E-commerce had a surge of 44.5% since the shutdown
	25,000 US Retailers will permanently close their doors 55-60% of those in US Malls
	Best Buy reported that 60% of their business were Curbside pickup
N/b = 4 .4	do on this was an fourth of returns of Daton Dougla Industrial Dool Fetato?
	does this mean for the future of Baton Rouge Industrial Real Estate?
	rs this change in market dynamic mean that Baton Rouge will change to a heavily retail and Third Party Logistic arket? No.
orl) III	urket: NO.
	With the majority of the Baton Rouge lifeblood still stemming from the Petro-Chemical Industry, there
	will not be a tectonic shift in the marketplace. There will be a dilution of the heavily petro-chemical
	related supply companies with the Amazon and distribution-related products. However, old Uncle Tim
	will still rule the roost when it comes to this market.



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Amazon Fulfillment Center

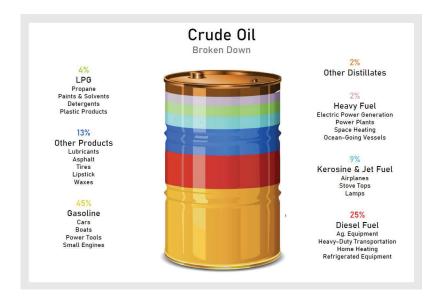
- Does this mean that developers should think about the retail market and other suppliers for potential tenants? Yes.
 - ☐ With a compressed vacancy rate of sub-six percent, developers should consider building more office/warehouse space that would fit an online retail business. The area in and around the new Amazon Fulfillment Center at the Cortana location will receive a much-needed facelift, and that area will see more traffic, more retail, and a revitalization for sure over the coming years.

The Future of Renewables

The other major factor to consider going into the coming years will be the impact of Renewable Energies, Green Energy, and Clean Energy on the industrial market overall. There is no doubt that the change of the election this last year, will have some impact on the industrial market for South Louisiana and the Greater Baton Rouge Area. By the time you read this report, you would have heard from the inerrant Dr. Loren Scott (get your red pens out!) about what we are to see in this economy. From this humble committee's point of view, there will be change. How much change, we don't know, but the policies put in place will impact our market. The barometers to look for in this change include:

• **Electric Vehicles** - Will there be a major shift toward electric vehicles over gas? How much of that industry will change is outside of the paygrade and expertise of this committee. However, there will be a shift in this market. The way this committee has discussed this issue, is where does a gallon of oil go today? Below is a breakdown of that use. These percentages will change over the coming years and is a factor to consider.

• Solar and other Alternative Energy Sources- We all saw the pictures of the frozen wind turbines during the great freeze of 2021 (oops!), but even with that failure, we do know there will be an emphasis toward alternative energy sources. The West Baton Rouge Solar farm was completed in 2019, and if you have not driven by it, take a drive down Rosedale Road just to see it. It's 350 Acres of solar panels and is impressive to see. Other farms are in the pipeline as well.



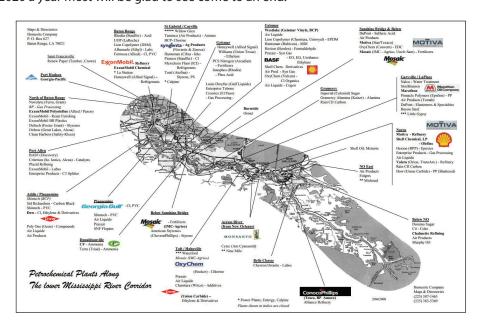
• Industrial Construction Pipeline - With the emphasis on renewables and alternative energy sources, is there an impact on the Industrial Projects Pipeline? Two years ago (which seems like a lifetime ago now), this committee reported to you that there were approximately \$10 Billion in industrial projects to begin in 2021 through 2023. How does the current administration's stance against these projects and industry really impact the larger companies' long-term outlook and plans? A good use case for this is the Formosa Project near Donaldsonville.



West Baton Rouge Solar Farm

Strong to Quite Strong

Uncertainty was the theme for 2020. At this time last year, few could have predicted what we would face as a community, state, and nation with the onset of Covid-19. Shutdowns, social distancing, virtual learning, mask mandates, and canceled events were not part of our 2020 outlook. The closure of businesses, lost jobs (21,800 jobs or 5.3% of all jobs in the Baton Rouge MSA), record unemployment, social unrest, and a hyperactive hurricane season made 2020 a year most will be glad to see come to an end.



Petrochemical Plants along the Lower Mississippi River

Local Report

МЕМО	YE 2019	YE 2020
TOTAL INVENTORY	30,638,840 SF	31,121,651 SF
VACANT SPACE	1,833,529 SF	1,806,320 SF
OCCUPIED SPACE	28,805,311 SF	29,315,331 SF
VACANCY RATE	6.20%	5.80%
NET ABSORPTION	986,982 SF	577,610 SF
SPACE UNDER CONSTRUCTION AT YEAR END	149,178 SF	149,178 SF

For all the bad news that 2020 brought, one bright spot was the performance of Industrial Real Estate in the Baton Rouge MSA. Of all the commercial real estate sectors, the industrial real estate sector in the Baton Rouge market appears to have fared the best during a tumultuous 2020 and may even be stronger because of the Pandemic. Demand from both tenants and buyers remained high throughout the year while supply continued to dwindle within the sector. The committee observed that this was the case across industrial subtypes (distribution warehouse, flex, and office warehouse). Flex space that had experienced long-term vacancy in the Industriplex was absorbed during 2020. Existing distribution warehouse space remains extremely limited within the market.



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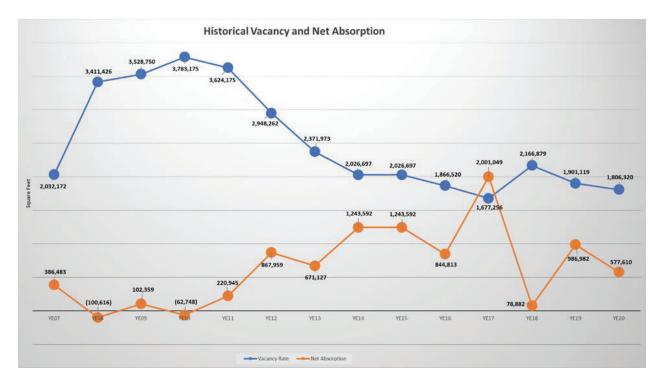
Gain access to a community of industry leaders



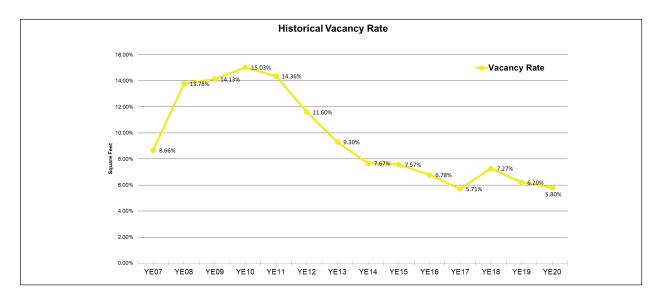
Existing tenants continue to renew and expand their footprints, while new tenants trying to enter the market are having difficulty securing space due to limited vacancy. For the first time in several years, there are a handful of vacancies of recently constructed office warehouses along the Highway 30 corridor. This is expected to be shortlived and most vacancies in Geismar should be absorbed within 180 days. Overall, the committee believes the Baton Rouge Industrial Real Estate Market is as strong and healthy as it has ever been.

Trends and Data

By the numbers, there was an increase in overall inventory from 30,638,840 SF for year-end 2019 to 31,121,651 SF for year-end 2020. There was a decrease in vacancy from 1,901,119 SF for YE 2019 to 1,806,320 YE 2020. The overall market vacancy rate decreased from 6.20% for YE 2019 to 5.80% for YE 2020. A sub-six percent vacancy rate is excellent regardless of qualifiers, but a deeper dig into the data suggests that the industrial real estate in the Baton Rouge MSA is functionally, at full occupancy. Of the 1,806,320 square feet of vacant space, nearly 41% is in North Baton Rouge. Many of these buildings would be classified as functionally obsolete because of age, condition, low eave heights, limited site size, environmental issues, etc. Without the north Baton Rouge vacancies, the market vacancy rate for the Baton Rouge MSA would be 3.4%.



Compounding the supply problem is the lack of speculative construction within the sector. Most of the new construction occurring within the market are build-to-suits with tenants or users already in place. As supply chain and logistics continue to be a focus and distribution warehouse within the MSA remaining in short supply, look for national developers to realize this opportunity. Cap rates are compressed because of prolonged, historically low interest rates making yield hard to find. This is especially true in major markets. As a result, some institutional capital, and private equity funds are beginning to see the opportunity of higher returns in tertiary markets like Baton Rouge.



Outlook

Look for vacancy rates to continue to decrease and Landlords to have leverage on lease negotiations. Demand will remain high from tenants and owner-occupants as supply lags demand. There will continue to be a steady appetite from local investors and private equity for single tenant, NNN leased industrial assets. Finding willing sellers of this product type will prove to be a challenge. The Amazon effect on the market was barley noticed in this year's data because only the 111,918 square foot distribution center on Rieger Road was developed within the timeframe surveyed. The Port Allen sorting facility (300K SF) is currently under construction and demolition has begun on Cortana Mall to construct a 3.5M SF sorting facility. The addition of 4.0M+ SF of distribution center space will represent a 10% increase in total inventory in the MSA. To provide some historical context, the industrial inventory in the MSA has grown at an average of 2.4% annually over the last ten years. To put it another way, these two sorting facilities equate to more than the total square footage of new industrial real estate inventory added throughout the market since 2015.

By every metric, the Baton Rouge industrial real estate market is healthy and looks to remain that way for the foreseeable future. Energy policies and regulations from a new administration and congress are of some concern but new growth to accommodate supply chain and logistics requirements should act as a stabilizing force over the next 12 – 24 months.

Product Type	Size (SF)	Lease Rate Range (/SF)	Lease Type	
Flex Space	5,000 -15,000	\$8.00 - \$12.00	Net	
Office Warehouse Older	5,000-15,000	\$4.00 - \$6.00	MG	
Office Warehouse New	5,000-15,000	\$9.50 - \$12.00	Net	
Bulk Warehouse Older	20,000+	\$3.50 - \$5.00	Net/MG	
Bulk Warehouse New	20,000+	\$5.50 - \$7.00	Net	

RESIDENTIAL

Platinum Sponso



2020 RESIDENTIAL RECAP

RESIDENTIAL TRENDS COMMITTEE

TOM COOK, MAI TRENDS *Speaker*Cook, Moore, Davenport & Associates

Executive Summary

The COVID-19 Pandemic has had very little impact on the Greater Baton Rouge residential market. The increase in Dollar Volume from 2019 to 2020 was 21.95%. The average annual increase in dollar volume for the previous 4 years was 4.99%. Dollar Volume reported to the Greater Baton Rouge Multiple Listing Service for 2020 increased nearly 4 times the average increase over the previous 4 years. Residential markets in most sectors have been healthy, showing increases in volume, but the increase in volume from 2019 to 2020 was phenomenal. Total Sales Volume reported to the Greater Baton Rouge MLS area was \$3.13 billion. The market also experienced an increase in the median home price from \$207,000 in 2019 to \$220,000 in 2020, a 6.28% increase, while the increase for the previous four years averaged 2.59%. Decreases in inventory also took place. The median month's supply decreased from 2019 to 2020 by 28.57%. The average change in median month supply the previous 4 years was an increase of 2.4%. Homes also sold more quickly, decreasing from a median days on market in 2019 of 34 to 26 in 2020, a decrease of 23.53%. The December 31, 2020 data takes into consideration a year of the impact of the Pandemic and any related stimulus package that took place in 2020. It reflects the political turmoil of 2020 and the slowdown in the service sector. None of these factors seem to have had a negative impact on the Greater Baton Rouge Residential Real Estate Market.

Market Study Overview

The data studied includes all sales reported to the Greater Baton Rouge Area Multiple Listing Service, which includes East Baton Rouge, West Baton Rouge, Livingston, Ascension, Iberville, Pointe Coupee, East Feliciana, and West Feliciana Parishes. Sales reported to MLS represent over 80% of the residential real estate transactions in the Baton Rouge MSA. The study included nearly \$3.130 billion in sales reported by over 3,500 members and affiliates. The study applies to market data from January of 2015 to January of 2021. Some of the graphs presented extend into March of 2021, but the data analyzed is as of January of 2015 to January of 2021. Data will be presented on the entire multiple listing service area (those parishes noted above), East Baton Rouge, Ascension and Livingston Parishes. Those three parishes were studied because they offer the largest amount of data available and represent the largest segment of sales reported to MLS. The study focuses on Total Dollar Volume, Median Sale Prices, Months' Supply, and Median Days on Market, along with permitting data.

Dollar Volume

Dollar Volume has risen steadily since 2015 throughout the Greater Baton Rouge Area. In 2015, there were about \$2.15 billion in sales reported to MLS. That number increased steadily to about \$2.565 billion in 2019, before the rather dramatic increase from 2020 to 2021 to \$3.13 billion, or an increase from 2019 to 2020 of 21.95%. The average annual dollar volume increase from 2015 to 2019 was 4.99%.

Similar increases were experienced in New Home Sales throughout the Greater Baton Rouge Area.



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RESIDENTIAL

New Home Dollar Volume for all sales reported increased an average of 5% from 2015 to 2019 and the increase from 2019 to 2020 was 23.82%. New home sales volume from 2019 to 2020 was up from about \$575 million in 2019 to \$712 million in 2020. In 2015, total sales volume reported was about \$475 million. By 2019 that number had risen to about \$575 million and jumped to \$712 million in 2020. New home sales made up about 22.76% of the total sales volume in 2020.

Increases in dollar volume for all homes reported to the Greater Baton Rouge Area MLS service were also experienced in East Baton Rouge Parish. From 2015 to 2019, total dollar volume in EBR had an average annual increase of 3.48%. The increase from 2019 to 2020 was 20.44%, increasing from about \$1.39 billion to \$1.67 billion. Dollar Volume for houses selling in the \$177,000 to \$274,999 market increased by 20.40%, and those homes selling for \$274,999 and up were up 27.98%. Dollar volume in the lower price home market was down due to lack of inventory. Dollar volume in homes selling below \$89,999 fell by 12.22%, while those selling at prices from \$89,000 to \$177,000 increased a modest 0.72%. Dollar Volume of Sales in the higher price range segment have driven increases in sales volume in East Baton Rouge Parish.

New home sales in East Baton Rouge Parish have also shown strong increases from 2019 to 2020 Increasing by 15.15%. The average annual increase over the previous 4 years was 2.86%. New home sales volume was up over 5 times the previous 4-year average increase. This increase is most prominent in those new homes selling in the \$177,000 to \$274,999 range. Sales in this price category increased in volume by 21.57% from 2019 to 2020. The average annual increase from 2016 to 2020 was 3.6%. Sales of new homes priced above \$274,999 increased by 12.29% from 2019 to 2020, while the average annual increase from 2015 to

2019 in this category was about 9.11% Ascension Parish also exhibited similar patterns. Total sales volume in all price ranges had an average annual increase of 6.05% from 2015 to 2019, while the increase from 2019 to 2020 was 20.25%. Lower priced home sales volume decreased in Ascension. The largest loss is represented in the \$134,999 and under price range, which decreased in sales volume by 18.44%. All homes in the \$134,999 to \$208,999 showed a modest decrease last year of about 0.34% The decreases in lower priced homes were offset by larger increases in the higher price market where homes ranging from \$209,000 to \$285,999 increased by 10.41%, and homes at about \$286,000 increase by 11.03% in 2020.

The new home volume in Ascension increased by 29.32% last year and that was up over the previous 4-year average of 5.87%. There was very little inventory to sell in the Ascension market as there was no new home product for sale in the price category of \$134,999 and under. Significant increases in new home sale price volume in the \$209,000 to \$285,000 range, which increased by 29.91%, and the \$286,000 and up price range category, where volume increased by 31.66%.

In Livingston Parish, dollar volume increased by 29.76% from 2019 to 2020, while the average dollar volume increase from the previous four years was 7.19%. The Livingston market saw dollar volume decreases in the category of homes priced under \$84,999 of 17.61% from 2019 to 2020, and 4.40% in the category of homes priced from \$85,000 to \$161,999. Dollar volume in homes priced above \$162,000 experienced increases, and signals a rise in prices for Livingston Parish.

The highest increase in Dollar Volume of Sales in all categories was in Livingston Parish. New home sales dollar volume in Livingston for all price ranges was up 32.32% from 2019 to 2020. The average annual

increase from 2015 to 2019 was 11.56%. There were no sales of new homes under \$84,999 in Livingston, and an increase in volume in the sale price category of homes in the \$85,000 to \$161,999 was 47.68%. This category has a fluctuating inventory that impacts dollar volume of sales. Sales volume in 2018 in this category was about \$8.3 million and only \$5.7 million in 2019. Dollar volume in 2020 was back up to \$8.5 million in this category, therefore, the 47.68% increase from 2019 to 2020 is somewhat deceptive. Higher priced homes in Livingston had strong increases. Dollar volume of homes in the \$162,999 to \$285,999 price range increased by 27.35%, while homes in the \$215,000 and up category increased in dollar volume by 34.39%.

A grid representing Dollar Volume Changes from January 1st 2015 to December 31st 2019 follows:

Entire MLS							Change	Average Change
	2015	2016	2017	2018	2019	2020	2019 to 2020 21.95%	2015 to 2019
All Sales All Price Ranges	\$2,115,878,940	\$2,300,954,659	\$2,417,919,496	\$2,414,750,605	\$2,566,063,304	\$3,129,363,927	21.95%	4.999
Sale Price \$93,999 or Less	\$62,252,448	\$81,824,617	\$84,700,701	\$63,646,235	\$54,865,652	\$47,828,787	-12.83%	-0.929
Sale Price \$94,000 to \$177,999	\$484,401,917	\$490,163,411	\$488,584,855	\$439,629,470	\$421,313,669	\$430,741,572	2.24%	-3.339
Sale Price \$178,000 to \$261,999	\$653,043,117	\$713,191,225	\$780,499,650	\$786,141,124	\$831,918,931	\$1,003,378,762	20.61%	6.309
\$262,000 or More	\$916,181,458	\$1,015,775,406	\$1,064,134,260	\$1,125,333,776	\$1,257,965,052	\$1,647,414,806	30.96%	8.299
New Homes Entire MLS								
All Sales All Price Ranges	\$473,883,739	\$483,498,025	\$521,466,471	\$533,912,148	\$575,102,897	\$712,088,512	23.82%	5.009
Sale Price \$93,999 or Less	\$0	\$0	\$90,000	\$0	\$89,000	\$92,000	3.37%	N.
Sale Price \$94,000 to \$177,999	\$66,173,476	\$61,855,933	\$56,805,815	\$30,407,584	\$26,928,664	\$36,393,737	35.15%	-18.159
Sale Price \$178,000 to \$261,999	\$210,715,955	\$193,915,512	\$243,218,618	\$219,183,628	\$232,879,577	\$273,867,599	17.60%	3.459
\$262,000 or More	\$196,994,308	\$227,636,580	\$221,441,039	\$284,320,936	\$315,205,656	\$402,144,274	27.58%	13.029
EBR Parish All Homes								
All Sales All Price Ranges	\$1,216,286,711	\$1,323,938,986	\$1,367,141,904	\$1,332,855,326	\$1,390,464,960	\$1,674,654,716	20.44%	3.489
Sale Price \$88,999 or Less	\$33,627,183	\$48,128,325	\$47,354,938	\$33,749,494	\$30,166,884	\$26,480,514	-12.22%	0.549
Sale Price \$89,000 to \$176,999	\$235,534,547	\$246,919,432	\$250,442,210	\$235,948,850	\$220,938,338	\$222,539,662	0.72%	-1.479
Sale Price \$177,000 to \$274,999	\$369,374,336	\$393,196,343	\$412,567,056	\$408,608,680	\$415,602,351	\$500,369,204	20.40%	3.03
\$275,000 or More	\$577,750,645	\$635,694,886	\$656,244,556	\$648,867,895	\$722,994,500	\$925,265,336	27.98%	5.899
EBR New Home Sales								
All Sales All Price Ranges	\$226,191,615	\$240,272,603	\$225,714,115	\$221,884,831	\$250,630,311	\$288,608,410	15.15%	2.869
Sale Price \$88,999 or Less	\$0	\$0	\$0	\$0	\$0	\$0	NA	
Sale Price \$89,000 to \$176,999	\$8,948,351	\$11,121,365	\$9,493,697	\$2,834,900	\$5,334,000	\$5,560,300	4.24%	6.92
Sale Price \$177,000 to \$274,999	\$97,819,747	\$95,740,247	\$101,781,850	\$85,252,493	\$82,017,931	\$99,709,402	21.57%	-3.96
\$275,000 or More	\$119,423,517	\$133,410,991	\$114,437,568	\$133,797,438	\$163,278,380	\$183,338,708	12.29%	9.119

DOLLAR VOLU	JME CHA	NGES FR	OM JAN	UARY 1 ^s	^T 2015 —	DECEMI	BER 31 ST 2	020
Ascension Parish All Homes								
All Sales All Price Ranges	\$406,031,253	\$447,679,615	\$464,071,849	\$486,610,472	\$513,085,425	\$616,962,977	20.25%	6.05
Sale Price \$134,999 or Less	\$18,379,932	\$16,974,799	\$18,605,203	\$14,226,357	\$11,985,839	\$9,775,427	-18.44%	-9.33
Sale Price \$135,000 to \$208,999	\$122,063,851	\$124,943,266	\$125,049,719	\$98,657,053	\$105,080,414	\$104,722,841	-0.34%	-3.049
Sale Price \$209,000 to \$285,999	\$117,756,130	\$131,902,980	\$150,507,125	\$174,376,387	\$173,806,766	\$209,298,433	20.42%	10.419
\$286,000 or More	\$147,831,340	\$173,858,570	\$169,909,802	\$199,350,675	\$222,212,406	\$299,166,276	34.63%	11.039
Ascension Parish New Homes Sales	3							
All Sales All Price Ranges	\$124,736,765	\$120,644,878	\$153,125,985	\$163,061,362	\$152,223,947	\$196,852,821	29.32%	5.879
Sale Price \$134,999 or Less	\$391,800	\$132,000	\$134,900	\$115,000	\$0	\$0	NA	
Sale Price \$135,000 to \$208,999	\$39,457,814	\$34,279,526	\$48,956,535	\$21,796,270	\$17,429,145	\$20,388,153	16.98%	-11.469
Sale Price \$209,000 to \$285,999	\$41,575,124	\$35,126,838	\$52,208,735	\$66,207,049	\$57,359,619	\$74,514,611	29.91%	11.649
\$286,000 or More	\$43,312,027	\$51,238,514	\$51,825,815	\$74,943,043	\$77,435,183	\$101,950,057	31.66%	16.849
Livingston Parish All Homes								
All Sales All Price Ranges	\$324,186,691	\$339,075,472	\$363,460,333	\$362,601,058	\$425,055,465	\$551,565,101	29.76%	7.199
Sale Price \$84,999 or Less	\$7,790,642	\$10,008,065	\$14,726,542	\$9,792,276	\$6,905,693	\$5,689,886	-17.61%	3.169
Sale Price \$85,000 to \$161,999	\$103,300,927	\$89,668,643	\$85,683,427	\$83,303,694	\$72,078,490	\$68,975,584	-4.30%	-8.479
Sale Price \$162,000 to \$285,999	\$107,294,479	\$123,871,028	\$127,083,088	\$131,418,692	\$151,735,494	\$199,347,313	31.38%	9.239
\$215,000 or More	\$107,294,479	\$123,871,028	\$127,083,088	\$131,418,692	\$151,735,494	\$277,652,318	82.98%	9.23%
Livingston Parish New Home Sales								
All Sales All Price Ranges	\$82,440,368	\$84,513,448	\$77,044,112	\$84,988,474	\$120,910,264	\$159,994,043	32.32%	11.56%
Sale Price \$84,999 or Less	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
Sale Price \$85,000 to \$161,999	\$21,858,179	\$15,785,435	\$12,972,349	\$8,297,685	\$5,735,142	\$8,469,679	47.68%	-28.139
Sale Price \$162,000 to \$285,999	\$39,595,115	\$41,087,984	\$34,926,298	\$33,789,873	\$46,285,419	\$58,944,352	27.35%	5.639
\$215,000 or More	\$20,987,074	\$27,640,029	\$29,145,465	\$42,900,916	\$68,889,703	\$92,580,012	34.39%	36.23
High Dollar Residential Entire MLS								
All Homes \$1,000,000 and More	\$47,173,000	\$58,643,250	\$59,074,650	\$61,129,814	\$63,329,575	\$77,193,500	21.00%	
72,000,000 0.10 1.10.0	Ç .,, z, 3,300	\$30,0 t3,230	Ç55,07 1,050	V01,125,014	Ç00,020,010	<i>ϕ , 1233,333</i>	22.0070	

New Homes \$1,000,000 and More

\$1,073,000

\$2,407,500

\$7,891,500

\$13,569,636

\$11,930,000

\$7,104,000

-43%





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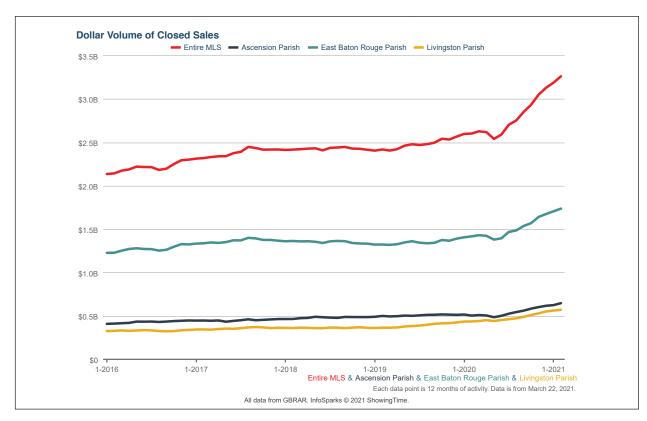
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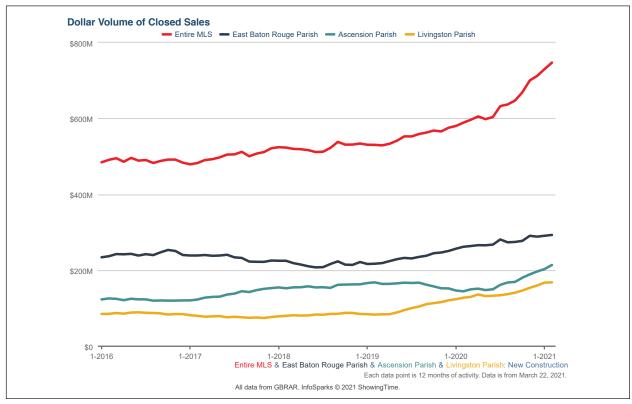






Graphic representation of total dollar volume in the categories studied follows:





Median Sale Price

Median sale prices are those prices that fall within the middle of the data set; one half of the homes sell below this price and the other half sells above this price. The study used median sale price indications rather than the average price. Median price better represents the typical home within an area because it is not affected by the extreme low and high prices that might skew the average price up or down.

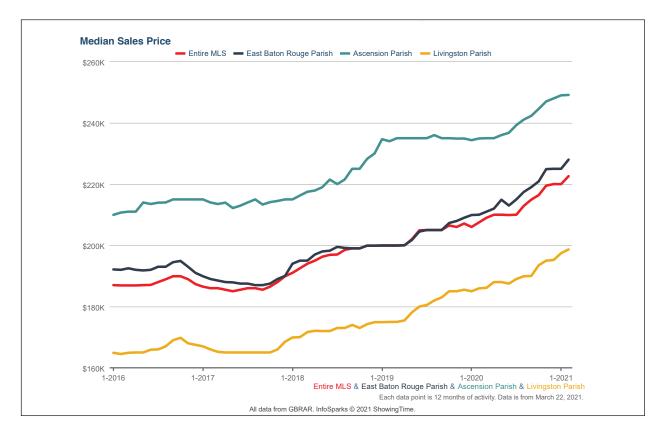
Median home prices in most market segments showed increases over 2019. The only exception was new homes in East Baton Rouge Parish which showed a slight decrease of 0.82%. All sales reported to the Greater Baton Rouge MLS system indicated an increase in the median price of 6.28%. The average median price increase in the Greater Baton Rouge Area has increased an average of 2.59% from 2015 to 2019. So, the increase in this category of 6.28% is significant. The largest gain in median home prices was in East Baton Rouge Parish where the median home price increased by 7.66% from \$209,000 in 2019 to \$225,000 in 2020.

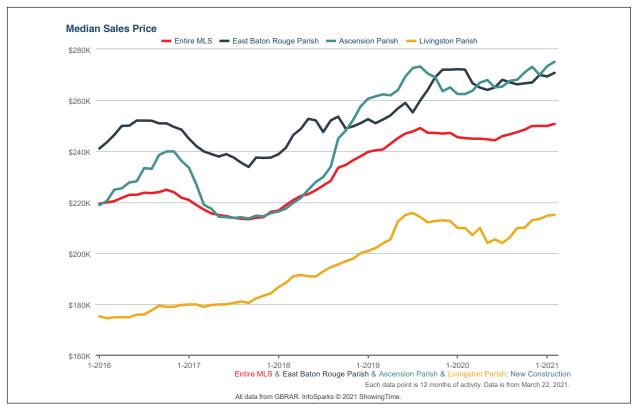
A grid representing Median Prices in all categories follows:

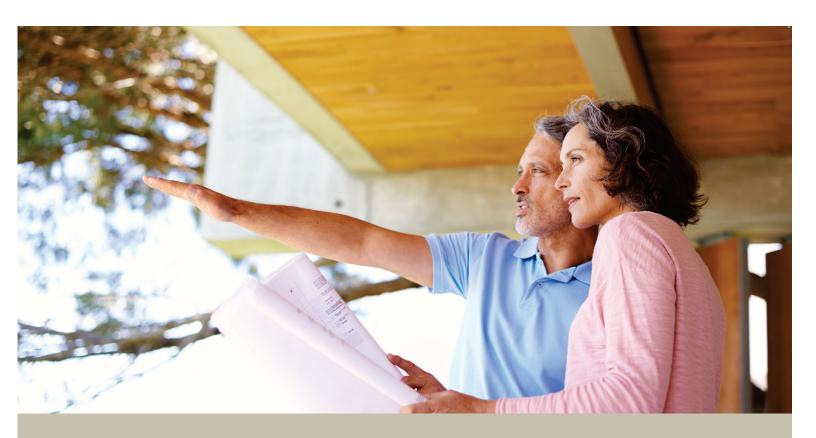
						Change from	Average Change
2015	2016	2017	2018	2019	2020	2019 to 2020	2015 to 2019
\$187,000	\$187,330	\$189,900	\$199,900	\$207,000	\$220,000	6.28%	2.59%
\$218,045	\$221,745	\$216,241	\$238,000	\$247,185	\$249,900	1.10%	2.32%
\$192,000	\$191,000	\$190,000	\$199,900	\$209,000	\$225,000	7.66%	1.04%
4	4	4					
\$240,740	\$248,450	\$237,500	\$250,970	\$272,133	\$269,900	-0.82%	1.12%
\$209,000	\$215,000	\$215,000	\$230,000	\$234,900	\$248,000	5.58%	2.46%
\$219,143	\$236,203	\$215,764	\$257,500	\$265,000	\$269,900	1.85%	4.62%
\$164,000	\$167,500	\$168,500	\$174,900	\$185,500	\$195,210	5.23%	1.63%
¢172.000	¢170.71F	Ć104 20F	¢200.000	¢212 C20	¢212.400	0.20%	3.60%
	\$187,000 \$218,045 \$192,000 \$240,740 \$209,000 \$219,143	\$187,000 \$187,330 \$218,045 \$221,745 \$192,000 \$191,000 \$240,740 \$248,450 \$209,000 \$215,000 \$219,143 \$236,203 \$164,000 \$167,500	\$187,000 \$187,330 \$189,900 \$218,045 \$221,745 \$216,241 \$192,000 \$191,000 \$190,000 \$240,740 \$248,450 \$237,500 \$209,000 \$215,000 \$215,000 \$219,143 \$236,203 \$215,764 \$164,000 \$167,500 \$168,500	\$187,000 \$187,330 \$189,900 \$199,900 \$218,045 \$221,745 \$216,241 \$238,000 \$192,000 \$191,000 \$190,000 \$199,900 \$240,740 \$248,450 \$237,500 \$250,970 \$209,000 \$215,000 \$215,000 \$230,000 \$219,143 \$236,203 \$215,764 \$257,500 \$164,000 \$167,500 \$168,500 \$174,900	\$187,000 \$187,330 \$189,900 \$199,900 \$207,000 \$218,045 \$221,745 \$216,241 \$238,000 \$247,185 \$192,000 \$191,000 \$190,000 \$199,900 \$209,000 \$240,740 \$248,450 \$237,500 \$250,970 \$272,133 \$209,000 \$215,000 \$215,000 \$230,000 \$234,900 \$219,143 \$236,203 \$215,764 \$257,500 \$265,000 \$164,000 \$167,500 \$168,500 \$174,900 \$185,500	\$187,000 \$187,330 \$189,900 \$199,900 \$207,000 \$220,000 \$218,045 \$221,745 \$216,241 \$238,000 \$247,185 \$249,900 \$192,000 \$191,000 \$190,000 \$199,900 \$209,000 \$225,000 \$240,740 \$248,450 \$237,500 \$250,970 \$272,133 \$269,900 \$209,000 \$215,000 \$215,000 \$230,000 \$234,900 \$248,000 \$219,143 \$236,203 \$215,764 \$257,500 \$265,000 \$269,900 \$164,000 \$167,500 \$168,500 \$174,900 \$185,500 \$195,210	2015 2016 2017 2018 2019 2020 2019 to 2020 \$187,000 \$187,330 \$189,900 \$199,900 \$207,000 \$220,000 6.28% \$218,045 \$221,745 \$216,241 \$238,000 \$247,185 \$249,900 1.10% \$192,000 \$191,000 \$199,900 \$209,000 \$225,000 7.66% \$240,740 \$248,450 \$237,500 \$250,970 \$272,133 \$269,900 -0.82% \$209,000 \$215,000 \$230,000 \$234,900 \$248,000 5.58% \$219,143 \$236,203 \$215,764 \$257,500 \$265,000 \$269,900 1.85% \$164,000 \$167,500 \$168,500 \$174,900 \$185,500 \$195,210 5.23%



Graphic representation of the numerical data follows:







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Months' Supply

Months' supply is a fairly accurate indication of absorption of homes at current sale rates. As long as absorption of homes remains relatively constant, the months of supply of homes for sale can provide a good indication of how long it takes to absorb homes that are on the market in different categories.

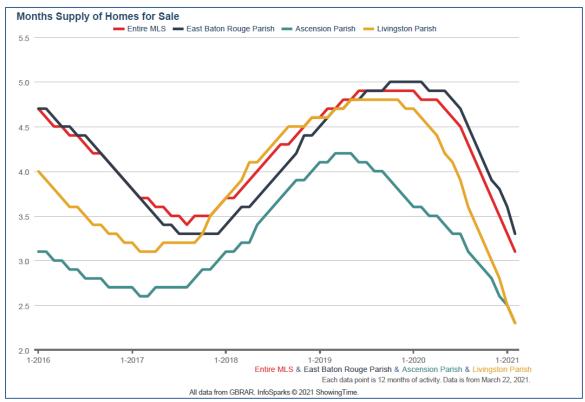
Studied were months of supply in price ranges for the geographic areas previously noted. The study analyzed the change from 2019 to 2020 and the average change in the months' supply from 2015 to 2019. The market experienced dramatic reductions in inventory from 2019 to 2020 in almost every category studied with most markets experiencing less than a 4-month supply. The Livingston Parish new home category experienced the largest decrease with a reduction of inventory of 52.54%, while all categories of homes in Livingston, both new and existing, had a reduction of 40.43%. Ascension was not far behind with a reduction in the months supply of 29.73%. The entire MLS market experienced a month's supply reduction of 28.57%.

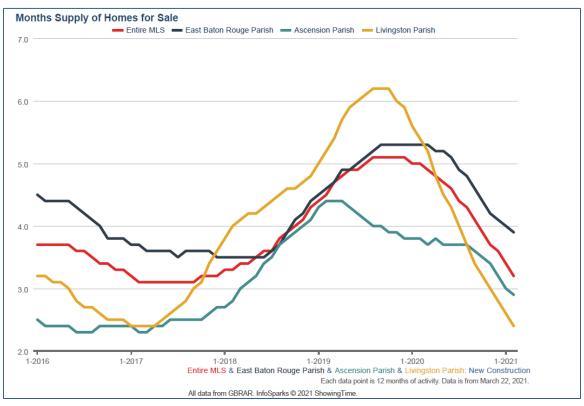
There was an increase of months' supply in every category from 2018 to 2019, but that seems to have corrected itself with reductions from 2019 to 2020 in every category. The lack of availability of lots and increasing prices of lumber and other materials should continue to keep inventories low. With rising median prices and reduced days on market, the residential market in the Greater Baton Rouge Area should strengthen the market for sellers.

Months' Supply is illustrated numerically on the following grid:

							Change from	Average Change
Months' Supply All Price Ranges	2015	2016	2017	2018	2019	2020	2019 to 2020	2015 to 2019
Entire MLS	4.7	3.9	3.6	4.6	4.9	3.5	-28.57%	2.40%
New Homes Entire MLS	3.8	3.3	3.2	4.3	5.1	3.6	-29.41%	9.20%
EBR Parish All Homes	4.8	3.9	3.3	4.4	4.9	3.8	-22.45%	2.64%
EBR New Home Sales	4.6	3.8	3.5	4.5	5.4	4.1	-24.07%	5.82%
Ascension Parish All Homes	3.2	2.7	3	4	3.7	2.6	-29.73%	5.33%
Ascension Parish New Homes Sales	2.5	2.4	2.7	4.1	3.8	3.2	-15.79%	13.26%
Livingston Parish All Homes	4.1	3.2	3.6	4.6	4.7	2.8	-40.43%	5.13%
Livingston Parish New Home Sales	3.2	2.5	3.6	4.8	5.9	2.8	-52.54%	19.59%
High Dollar Homes \$1,000,000 or More	17.3	17.2	15.6	20.5	20.3	18.3	-9.85%	5.14%

The numeric figures are represented graphically below:





Median Days on Market

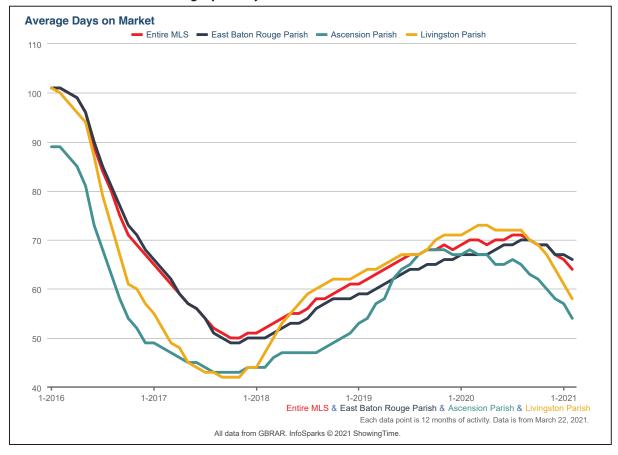
Another indicator of the strength or weakness of the market is the amount of time it takes to sell a home. That data is exhibited in the Median Days on Market. Most market participants would agree that 30 to 60 days is an acceptable marketing time period to generate a contract for purchase. In 2019, the median days on market for the entire MLS was 34. In 2020, the median days on market had dropped to 26, a reduction of 23.53%. That was down from its high in 2015 of 73 days. The lowest median days on market for all categories studied was Ascension Parish new home sales. In this category, the median days on market was 14. Only two categories reported median days on market over 30 days, and they were new homes in East Baton Rouge Parish at 36 days and Livingston Parish new homes at 38. Residential use properties sold much more quickly in 2020 than in 2019.

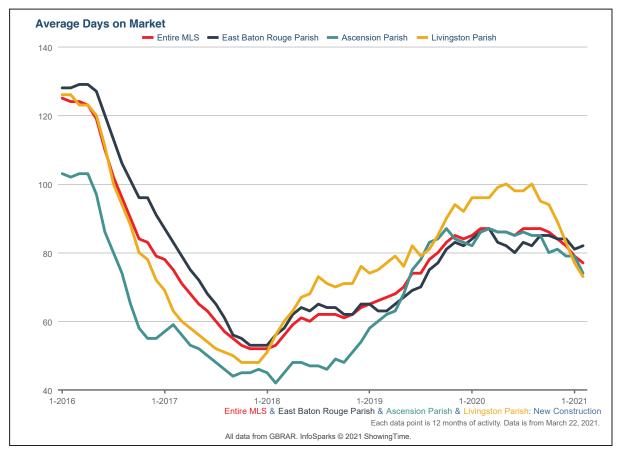
Median Days on Market is illustrated numerically on the following grid:

							Change from
Median Days on Market	2015	2016	2017	2018	2019	2020	2019 to 2020
All Price Ranges							
Entire MLS	73	29	19	29	34	26	-23.53%
New Homes Entire MLS	112	35	2	11	29	28	-3.45%
EBR Parish All Homes	70	31	18	29	33	28	-15.15%
EBR New Home Sales	111	50	6	12	21	36	71.43%
Ascension Parish All Homes	65	18	15	24	33	20	-39.39%
Ascension Parish New Homes Sales	90	0	0	2	23	14	-39.13%
Livingston Parish All Homes	79	25	19	31	36	25	-30.56%
Livingston Parish New Home Sales	126	35	3	24	55	38	-30.91%
High Dollar Homes \$1,000,000 or More	130	29	81	43	74	106	43.24%



Those numbers are illustrated graphically as follows:





Permitting Data

Included in the residential study is an analysis of building permit data. Total single family permits for the Baton Rouge MSA in 2019 was 3,569, and that number rose to 3,823 in 2020. Permit applications for new construction of residential use properties has hovered between 3,450 and 3,550 for the last 5 years. The highest number of permits taken out for residential construction over the last 5 years was in 2017, when 3,856 permits were obtained after the Great Flood of 2016. New Permits for the Baton Rouge MSA rose by 7.12% in 2020 over 2019.

Limited data is available for building permits issued in most parishes except East Baton Rouge. Open Data BR provides very detailed data on single family permits taken out. East Baton Rouge had a total of 934 single family permits taken out in 2019, which was down slightly from 2018 when 954 permits were obtained. That number rose in 2020 to 1,014, or an increase of 8.57%, over 2019. Permit levels have fluctuated from a low in 2017 of 843 to a high of 1,175 in 2015. Open Data BR provided the following permitting data.

The U.S. Census Bureau provides the following information with regard to and for the entire Baton Rouge, LA MSA:

	Baton Rouge MSA					
New Single Family Homes						
Year	Permits	Change				
2015	3463					
2016	3402	-15.40%				
2017	3586	-15.19%				
2018	3509	13.17%				
2019	3569	-2.10%				
2020	3823	7.12%				

EBR Permit Data							
N	New Single Family Homes						
Year	Permits	Change					
2015	1175						
2016	994	-15.40%					
2017	843	-15.19%					
2018	954	13.17%					
2019	934	-2.10%					
2020	1014	8.57%					

Summary

Most market indicators seem to point toward a very strong residential market. Dollar Volume and median prices have risen significantly, and inventory and the time period a home stays on the market have dropped significantly. This all points to a strong sellers' market. Agents are reporting that well priced houses in good locations are getting multiple offers some of which are above the list price. Prior to 2020, the residential market had been relatively stable. The summary of last year's study included this statement; "the study of the residential market from January of 2015 to December of 2019 does not take into account the COVID-19 pandemic. The severity of the pandemic and the speed of the recovery will likely have an impact on the residential market moving forward. Another factor that will have an impact on the residential market is the fall in oil and gas prices that began in early 2020. The price of crude oil has fallen to less than \$30 per barrel, and that will also impact the market if the low price holds for an extended period of time, as the Baton Rouge economy is strongly influenced by the price of oil. Only time will tell how those phenomena will impact the housing market." Statistical information from this years study would indicate that none of those factors had a negative impact on the market.

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Live, Work & Play

Americana Engquist Development

· Location: Zachary, Louisiana

Lot Count: 700+

Home Size: 1,600 SF to 3,800 SF
Home Price Range: \$320s - \$600s
Market Date: Currently for Sale

Phase 5B is NOW SELLING!

 Additional Features/Amenities: The Villages at Americana completely occupied. Children's playground, Walk-On's, LIT Pizza are all open for business, state-of-the-art YMCA in Americana NOW OPEN - features tennis courts and swimming pool. The Kidz Physicians & Dog Park NOW OPEN. Blvd. finished, stocked ponds, walking trial coming soon.

· www.lifeatamericana.com

Americana Level Homes

• Location: Zachary, Louisiana

Lot Count: 159

Home Size: 1,600 SF to 3,000+ SF
Home Price Range: \$320s - \$500s

Market Date: Currently for Sale

· Phase 5B is NOW SELLING!

Additional Features/Amenities: Children's playground, Walk-On's,
LIT Pizza are all open for business, state-of-the-art YMCA in
Americana NOW OPEN – features tennis courts and swimming pool,
and the Kidz Karousel Early Childhood Development is NOW OPEN!
 Baton Rouge General Physicians NOW OPEN. Dog park now open,
blvd finished, stocked ponds, walking trail coming soon

www.lifeatamericana.com

Conway Level Homes

· Location: Gonzales, Louisiana

• Lot Count: 27

Price Range: Starting in \$290sHome Size: 1,470 to 2,200+ SF

· Currently Selling

· Model Home NOW OPEN

 Additional Features/Amenities: future community pool and clubhouse, lakes and walking trails NOW OPEN, vibrant town center with shopping and dining coming soon

Long Farm Village Developer: Russell Mosely

· Location: Baton Rouge

- A 237 acre master planned community with a mix of retail, office, multi-family, detached single family, senior living and more than 40 acres of parks/green space.
- Antioch Road has been re-aligned and extended from Old Jefferson to Airline Hwy through Long Farm Village; new signalized intersections at Airline Highway and Old Jefferson
- Rouses grocery open, 55,000 square foot store; 9350 sq. ft. retail building completed (tenants: Starbucks, Five Guys, AT&T, Pacific Dental Services); 9450 sq. ft. retail building completed (tenants: Orangetheory Fitness, Massage Envy, Avatar Nail Salon); 9750 sq. ft. retail building completed (tenants: Home Bank, Title Boxing, Modern Acupuncture); Main Squeeze Juice Company (fresh pressed juices and smoothies) and Zaxby's restaurant open for business
- 6,572 square foot office building opened in January, 2021 (tenants: Campus Federal Credit Union, Nations Title)
- 276 upscale multi-family units complete; developer is Arlington Properties (Birmingham, AL)
- 160 residential lots completed; Construction of the 4th Filing (12 lots) currently underway and scheduled to be complete in May, 2021. Lot prices average \$171,000.
- New home prices range from \$500,000 to \$900,000; custom home plans designed by local architects.
- A nursing home with more than 100 beds will be built between Long Farm Road and Old Jefferson Highway. Time frame for construction is still to be determined.
- Overall project will eventually have more than 300 detached single family homes, more than 1100 total housing units (including detached single family, townhome, multi-family, senior living), and up to 690,000 square feet of retail, office or mixed-use space.
- Amenities: Pool/Clubhouse; Paved walks around residential
 Phases 1, 2 and 3 including 2 lakes, providing a walking loop.
 Privacy brick wall (roughly 2,380 ft.) along Jefferson Hwy. A
 park, benches and a bike rack are installed and a mail kiosk
 is constructed for use of homeowners in Phases 2 and 3. An
 athletic field has been built behind the clubhouse/pool. This can
 be used by the residents for playing sports, flying kites, etc. As
 other residential phases of Long Farm are developed, additional
 parks and trails will be installed.

Celebrate the Return of Neighborhood Living.



———Now Selling Custom Home Lots —Now Leasing Retail, Restaurant & Office Sites—



Visit www.longfarmbr.com for more information.

Live, Work & Play

Materra Enquist Development

- NEW Location: Baton Rouge, near Woman's Hospital
- · Lot Count: 140 in Phase 1; Total Lot Count: 268+
- Home size: 1,470 SF to 4,500+ SF
- Price Range: Starting in \$334,900 \$900,000+
- Lots for sale starting from the \$90,000+
- Market Date: Now selling, starting construction in April
- Additional Features/Amenities: Traditional Neighborhood Living.
 The BASIS Charter School OPEN! This TND will have Pavilion
 & Community Pool, Outdoor Fitness, Commercial space Shopping and Dining, and a Children's Playground with Parks & Recreational Space ALL COMING SOON
- · www.materrabr.com

Materra Level Homes

- NEW Location: Baton Rouge, near Woman's Hospital
- Lot Count Phase 1: 79
- Home size: 1,470 SF to 3,000+ SF
- Price Range: Starting in \$334,900 \$600s
- · Market Date: Now selling, starting construction in April
- Additional Features/Amenities: Traditional Neighborhood Living.
 The BASIS Charter School OPEN! This TND will have Pavilion
 & Community Pool, Outdoor Fitness, Commercial space Shopping and Dining, and a Children's Playground with Parks & Recreational Space ALL COMING SOON
- www.materrabr.com

Pointe Marie Pointe Marie Community Development

- Location: Off Staring Lane
- Location: Baton Rouge, Louisiana off River Road, adjacent to L'auberge Casino
- Total Lots: Approx. 400 SFR lots, 75 commercial mixed-use lots, 20 artist mixed-use lots, 2 hotel sites
 - Phase I: 102 SFR lots (only 19 remaining), 7 Townhome, 37 commercial mixed-use, 1 hotel site.
 - o Phase II will offer 16 lots (14 pre-sold, only 2 remaining).
- Home Size: 1,500 SF to 3,000+ SF
- Home Price Range: Mid-\$400s to \$1M+
- Completed Homes: 30+ homes occupied
- Market Date: Currently for Sale
- Central Square District a variety of sized single family residential lots
- Village Estate Distract larger and wider residential lots
- Custom Homes Starting in the Mid \$600s
- · Additional Features/Amenities:
 - o Pointe-Marie Square including raised bandstand, 1,000 SF

- Pavilion, resort-style restroom facilities, terraced seating and 6 Food Truck Terminals with 30 and 50 amp hookups.
- o Blouin's Café Open 6 days a week.
- o Discovery Center
- o Community Garden
- o Dog Park
- o Village Center Playground
- Village Center Park and Pool ALMOST COMPLETE. Grand Opening May, 2021.

Rouzan Engquist Development

- · Location: Baton Rouge, Louisiana off Perkins Road
- Lot Count: Approx. 450+ SFR lots
- Home Size: 1,500 SF to 8,000+ SF
- Home Price Range: \$400s to \$2M+
- · Lots for sale starting from the \$120s
- · Completed Homes: 200+ occupied
- · Market Date: Currently for Sale
- New Residential Phase Starting Q3 starting in \$400s
- Additional Features/Amenities: Sprouts Grocery Store NOW OPEN!
 New Neighborhood Library coming soon. The Bridge to Perkins
 Road is now open, Silo Farm is now under construction, and the
 Community Clubhouse and Pool COMPLETE, ocean nails
 NOW OPEN, Pizza Artista coming soon. Outdoor fitness
 and children's playground open.
- www.liverouzan.com

Rouzan Level Homes

- · Location: Baton Rouge, Louisiana off Perkins Road
- Lot Count: 125
- Home Size: 1,500 SF to 3,000+ SF
- Home Price Range: from \$400s \$700s
- · Market Date: Currently for Sale
- New Residential Phase Starting Q3 starting in \$400s
- Additional Features/Amenities: Sprouts Grocery Store NOW OPEN!
 New Neighborhood Library coming soon. The Bridge to Perkins
 Road is now open, Silo Farm is now under construction, and the
 Community Clubhouse and Pool COMPLETE, ocean nails NOW
 OPEN, Pizza Artista coming soon. Outdoor fitness and children's
 playground open.
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Rouzan Phase VIII 9 Southdowns near Perkins Road

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Live, Work & Play

The Lakes at Harveston Phase 1 John Fetzer and Mike Wampold

- Location: Bluebonnet Blvd., near Nicholson Drive (Hwy 30), East Baton Rouge Parish
- · Number of Lots: 186
- · Homes sales to date: 24 Letters of Intent to purchase homes
- Lot Price(s) from \$108,000
- Lot Size: 45 to 65 x 120' to 140'
- Home Size: 2,000 to 3,000 Sq.Ft.
- Home Price Range: \$550,000 to \$750,000
- · Additional Features:
 - Community Center overlooking the 50 acre Harveston Lake with fountains
 - o Community Building
 - o Fitness Center
 - o Cabana with Grill
 - o Pool and Splash Pad
 - o Mail Center
 - o Multi-Use Trails and Walks

The Settelment at Willow Grove Richard Carmouche

- · Location: Baton Rouge, LA
- 12 of 21 lots remain for sale in the 11th filing
- Home Size in Willow Grove: 1900 5400 Living Area
- Home Price Range in Willow Grove: \$600,000 to 2M
- Features: TND conveniently located on Perkins Road between Bluebonnet and Siegen Lane; 14 acre park with two ponds, neighborhood pool and playground, retail village center with shops and restaurants.

The Village at Willow Grove Condos Richard Carmouche

- · Location: Baton Rouge, LA
- 3rd Phase: 5 of 12 condos remain for sale
- Price Range: \$228,500 \$399,500
- Condo Size: 830 1464 Living Area
- Features: High end condos featuring 10' ceilings, wood floors, upper end appliances including gas range and refrigerator, fireplace with gas logs. Located in The Village at Willow Grove, the retail/ office/condo center at the front of The Settlement at Willow Grove.
 7,000 new retail space

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COMMUNITIES ... on the move

Guide To Your Next Move

Arbor Walk DSLD Homes

• Location: Denham Springs , LA

· Total Lots: 434

• Price Range lots/home price: \$179,990 - \$225,990

Living Area: 1,426 SF – 2,072 SF

 Additional Features/Amenities: 3 ponds for homeowners to enjoy. A community playground with covered pavilion. Located in Livingston Parish School District. (Ranked Top 3 in State) Close proximity to Juban Crossing for Shopping, Dining, and Entertainment. Close proximity to Denham Springs Antique Village, and Energy Efficient Homes With Tons of Features That Come Standard.

Bedico Creek – Deer Trail Phase Alvarez Construction

Project Type: Detached Single-FamilyLocation: Madisonville, Louisiana

Number of Lots: 61Current Status: Site Work

 Features: pool, miles of trails with beautiful wilderness views, natural wildlife habitats along hundreds of acres of lakes, parks and nature preserves, and a comforting horse fence backdrop lining the property.

Bellacosa D.R. Horton

 Location: Jones Creek Road between S. Harrells Ferry Rd. and Coursey Blvd. in Baton Rouge

Total lots: 400Lot Sizes: 50 x 120

Home Sizes: 1,613 - 3,309 sq. ft. living area
Home Price Range: Starting in the \$260,000's

 Features: Ponds, playground, pool and amenity center, sidewalks, curb and gutter, and community green spaces.

Belle Savanne at Dutchtown Level Homes

· Location: Geismar, Louisiana

Lot Count: 284

Home size: 1,600 SF to 3,000+ SF
 Price Range: Starting at \$300s+
 Market Date: Now Selling

 Additional Features/Amenities: The Community Pool and Cabana is NOW OPEN.

Phase 1 is SOLD OUT, and only 4 homes left in phase 2

3rd and Final Phase (96 lots) — Starting Q4 2021
 o Phase 3 homes: 1,600 SF – 3,000 SF; TBD soon

Bent Tree Cout Kevin Nguyen/ Rusty Golden, LeJardin Development, Developer / Builder

• Location: Parcel 21, The Country Club of Louisiana

• Total Lots: 6

• Price Range of Lots/ Home Prices: Lots are not for sale, \$800,000+

• Home Size/ Living Area: 2400+

• Presold Lots: 2

• New specs starting in June, 2020

Additional Features: Architect, Matthew Savoie, has designed
a 6 home concept using his experience on 30-A, Rosemary
Beach and Alys Beach homes. The "little or no maintenance"
courtyard living is blended with Bermudan styling, thus creating
a modern upscale choice for homeowners who wants a new
look, less square footage and better use of space. Lushly
landscaped front and interior courtyards will complete the
look of this new CCLA private enclave.

Cambre Oaks DSLD Homes

· Location: Gonzales,LA

• Total Lots: 90

• Price Range lots/home price: \$209,990 - \$255,990

Living Area 1,461 SF – 2,130 SF

 Additional Features/Amenities: Close proximity to Tanger Outlets for dining, shopping and entertainment. Close proximity to Lamar Dixon Expo Center which host 1000's of events each year. Energy Efficient Homes With Tons of Features That Come Standard

Carter Plantation Level Homes

· Location: Springfield, Louisiana

• Lot Count: 77

Price Range: Starting in \$320s+Home Size: 2,200 to 3,200+ SF

 Additional Features/Amenities: world-class golf course designed by Louisiana native and PGA champion David Toms, Proshop and restaurant and bar NOW OPEN, resort-style swimming pool coming soon

Guide To Your Next Move

Cottages at Savannah Row

DSLD Homes

- Location: Prairieville, LA
- Total Lots: 52
- Price Range lots/home price: \$229,990 \$259,990
- Living Area 1601 SF 2072 SF
- · When will the development come online: Currently Online
- Additional Features/Amenities: Great Location! Community Pond for Homeowners to enjoy, and Energy Efficient Homes With Tons of Features That Come Standard

Dawsons Creek Alvarez Construction

- Project Type: Detached Single-Family Location: Baton Rouge, Louisiana
- · Number of Lots: 246
- Current Status: Subdivision under construction
 Villas Crossing | Alvarez Construction Project Type: Attached
 Single-Family Location: Baton Rouge, Louisiana

Number of Lots: 42

Current Status: Subdivision under construction

Fairview Gardens

DSLD Homes

- · Location: Zachary, LA
- · Total Lots:166
- Price Range lots/home price: \$230,990 \$312,990
- Living Area: Living Area 1689 SF 2471 SF
- Additional Features/Amenities: Gorgeous Community Entrance and Neighborhood Lake. Located in the #1 School System in the State. Easy Access to a Vast Array of Outdoor Activities Including a Walking Trail, Biking Trails, Golf, and Other Sporting Activities. Conveniently Located Near Dining, Shopping, Entertainment, Medical Facilities, YMCA, LA Art and Science Museum, and the Baton Rouge Zoo.Close Proximity to Several Major Employers, Including Exxon, Georgia Pacific, River Bend, and Lane Memorial Hospital to Name a Few. Energy Efficient Homes with Tons of Features that Come Standard

FoxGlove D.R. Horton

- · Location: Off Duff Road in Walker
- Total Lots: 104
- Lot Sizes: 63 x 140
- Home Sizes: 895 1,496 sq. ft. living area
- Home Price Range: Starting in the \$170,000s
- Features: Amenity Center, Playground, Picnic Pavilion, BBQ Grills, Greenspace, Sidewalks, Fishing Ponds

Germany Oaks D.R. Horton

- · Location: Germany Rd. (Hwy 931) in Prairieville
- Total Lots: 76
- Lot Sizes: 60 x 140
- Home Sizes: 2,093 3,168 sq. ft. living area
- · Home Price Range: Starting in the \$320,000s
- Features: Pond with fountain, playground, sidewalks, and community green spaces.

Hidden Lake Estates

DSLD Homes

- · Location: Denham Springs, LA
- · Total Lots: 123
- Price Range lots/home price: \$199,990 \$272,990
- Living Area 1,538 SF 2,750 SF
- Additional Features/Amenities: Ponds for Homeowners to enjoy with Designated Greenspace Areas.

Highcroft Townhomes

Alvarez Construction

- · Project Type: Attached Single-Family
- · Location: Baton Rouge, Louisiana
- · Number of Lots: 44
- · Current Status: Subdivision under construction

Isabella Lakes

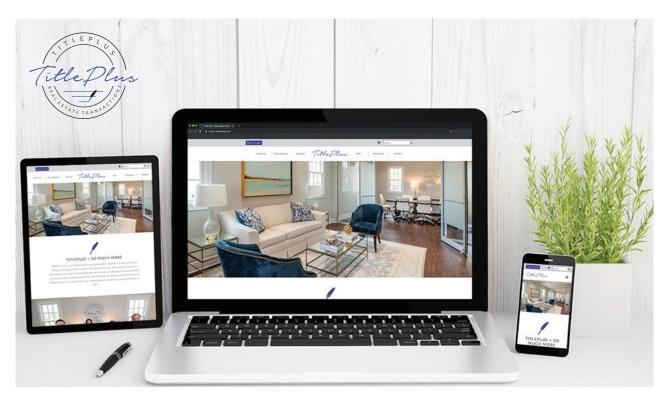
D.R. Horton

- · Location: HWY 447 and HWY 1029 in Walker
- Total lots: 113Lot Sizes: 60 x 140
- Home Sizes: 1,190 1,847 sq. ft. living area
- Home Price Range: Starting in the \$180,000s
- · Features: playground, ponds

Jamesgtown Crossing

DSLD Homes

- · Location: Prairieville, LA
- Total Lots: 86
- Price Range lots/home price: \$259,990 \$297,990
- Living Area: 1,825 SF 2,139 SF
- Additional Features/Amenities: A beautiful community pond,
 with common areas for homeowners to enjoy. This community is
 the best of country living with city conveniences, located in
 the heart of Prairieville, but only 10 minutes outside of Baton
 Rouge. With Jamestown being in a great school district and its
 prime location in Prairieville, it will be one of the top places to live
 in Ascension Parish! Energy Efficient Homes With Tons of Features
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5 Locations

Baton Rouge

Denham Springs

Prairieville

Guide To Your Next Move

Nickens Lake DSLD Homes

 Location: Model Home Located at 8897 Providence Dr. Denham Springs, LA 70726

· Total Lots: 227

• Price Range lots/home price: \$209,990 - \$276,990

• Living Area: 1,613 SF – 2,750 SF

 Additional Features/Amenities: Four separate common areas for homeowners to enjoy. Proposed school site at the front of the community

Oak Colony | Alvarez Construction

• Project Type: Detached Single-Family

· Location: Baton Rouge, Louisiana

· Number of Lots: 114

Lot Sizes: 70x140, 70x200 with also estate lots of 80x300+

· Current Status: Final Plat

 Features: Community includes over 19 acres of green spaces, sidewalks, and curb and gutter

Parks at Water Oak Alvarez Construction

Project Type: Detached Single-Family
 Location: Ascension Parish, Louisiana
 Number of Lots: 102 – 14 Sold

Home Sizes: 1861-2793 living area
Lot Sizes: 65x145 and 72x140

• Home Price Range: starting in the \$299,000's

· Current Status: Active

 Features: walkable neighborhood has sidewalks, a pond with a walking path around, multiple green spaces, and curb and gutter.

Reserve at Eden Heights Alvarez Construction

Project Type: Detached Single-FamilyLocation: Livingston Parish, Louisiana

· Number of Lots: 72

• Current Status: Subdivision under construction

River Hills Farm Alvarez Construction

Location: Innovation Park and HWY 30

Total Lots: 90

• Current Status: Subdivision under construction

Sanctuary West D.R. Horton

Location: East Worthey Street and South Purpera Ave in Gonzales

Total lots: 42

• Lot Sizes: 70 x 150

• Home Sizes: 1,447 - 2,079 sq. ft. living area

• Home Price Range: sStarting in the \$240,000s

Features: pond, greenspace

South Creek Alvarez Construction

• Project Type: Detached Single-Family

· Location: Denham Springs, Louisiana

• Number of Lots: 103 – 7 Sold

• Home Sizes: 1861-2069

• Lot Sizes: 60x140 and 50x140

• Home Price Range: starting in the \$274,000's

· Current Status: Grand opening

 Features: walkable neighborhood a pond, multiple green spaces, and curb and gutter.

Spring Lake D.R. Hortonn

· Location: Walker area of Livingston Parish off Hwy 447

Total lots: 133Lot Sizes: 64 x 125

Home Sizes: 1,613 - 2,717 sq. ft. living area
Home Price Range: Starting in the \$230,000s

 Features: Lakes, playground, pool and amenity center, curb and gutter, and community green spaces.

Stoney Point Estates | Stoney Point Estates, LLC

Location: Off Hwy 73 in Dutchtown, between Hwy 74 and Hwy 30;
 Geismar, LA

• Total Lots: 120 - Sold: 82

• Lot size: Half acre up to 2 acres in size

Lot prices starting at \$129,900

 Home size: Min living area is 2,500; Larger homes with increasingly larger non-living being built due to the space available on these estate-sized lots. Home prices starting in the upper \$500,000's

• Lots available for purchase by Buyers and Home Builders alike

Additional Features: Gated community attracting residents with its spacious half acre to 2-acre lot sizes. Designed to have private custom home sites that do not back up to one another and do not require flood insurance. These estate lots feel even larger by the beautiful scenery of the 30 acres of green spaces adorned by mature live oaks, jogging trails, and large lakes with lighted fountains. When you build your custom home here, you have the confidence of lasting property value and attraction of stunning neighboring homes being built by premiere custom home builders.

Guide To Your Next Move

Sugar Mill DSLD Homes

Location:West Baton Rouge, LA

Total Lots: 672

• Price Range lots/home price: \$234,990 - \$308,990

Living Area 1,856 SF – 2,622 SF

· Additional Features/Amenities:

Separate Ponds for Homeowners to Enjoy

o Designated Greenspace Areas

 Located in highly ranked West Baton Rouge School District

o Construction of new schools — Caneview (Grades K-8) and Brusly High School (Grades 9-12)

 Located just minutes from Baton Rouge, the town of Addis and the surrounding area is a thriving family-friendly community with growing job opportunities in businesses and industries along the river

o Energy Efficient Homes with Tons of Features That Come Standard

The Cove at Oak Hills Alvarez Construction

Project Type: Detached Single-FamilyLocation: Livingston Parish, Louisiana

• Number of Lots: 109

· Current Status: Preliminary Plats pending city approval

The Sanctuary Corbin Ladner

• Location: Off Tiger Bend in Baton Rouge, near Babin Rd.

• Total Lots: 105 - Sold: 61

 Lot size: 0.3 acres up to 1.4 acres with more than 40 lots being a half-acre and larger in size

Lot Prices: \$130,000 - \$250,000Home Size: Min living area is 2,400

· Home prices starting in mid \$500,000s

Lots available for purchase by Buyers and Home Builders
alike Additional Features: 75 acre development consisting
of 105 private, higher-end custom home sites that do not require
flood insurance. Over 700 acres around the development that
will remain mostly undeveloped as natural habitat full of wildlife,
creating a true Sanctuary for the local communities. With
over 27 acres of lakes and green spaces inside the development,
Mr. Ladner further accentuated the richness and cultural history
of the land by designing the first-class entrance, monuments,
hardscape and landscaping; highlighting the great history this
property holds dating back 600-700 years ago.

The Sanctuary at Juban Crossing Alvarez

· Project Type: Detached Single-Family

· Location: Denham Springs, Louisiana

Number of Lots: 139 – 3 lots left and 9 available home

Home Sizes: 1861-2069

• Lot Sizes: 60x140 and 50x140

• Home Price Range: starting in the \$229,000's

· Current Status: Grand opening

 Features: curb and gutter, neighborhood green spaces, a large lake, and a fishing pier with a play=

Water's Edge | Level Homes

• **NEW** - Baton Rouge, Lexington Estates

Lot Count: 168Starting in \$300s+

Home Size: 1,670 to 2,600 SFStarting 4th quarter 2021

Willows at Bayou Fountain Alvarez Construction

· Location: Off Burbank Drive and Siegen Lane

 Total Lots: 161 total lots in community – 12 lots left and 10 available homes

• Home Sizes: 1761-2407 living area

• Lot Sizes: 50 x 120

• Home Price Range: starting in the \$318,000s

 Features: Central lake setting, sidewalks, curb and gutter, and neighborhood green spaces.

Woodstock Alvarez Construction

• Project Type: Detached Single-Family

· Location: Baton Rouge, Louisiana

• Home Sizes: 1861-2793 living area

Lot Sizes: 50x120

• Home Price Range: starting in the \$324,000's

 Number of Lots: 213 – 4 presold with 18 lot reservations as of 3/24/21

Current Status: site work. To begin home construction within 45 days.

 Features: Central lake setting, sidewalks, curb and gutter, neighborhood green spaces, and community pool

RETAIL



EXECUTIVE OVERVIEW

The Greater Baton Rouge area retail market, along with the rest of the nation, was thrown into the COVID-19 pandemic, and from March to December 2020 there were very few retail leases signed. Landlords and Tenants alike were

RETAIL TRENDS COMMITTEE

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thrown into survival mode with landlords forced to focus on tenant retention rather than leasing vacant space. Negotiations between landlords, tenants and lenders continued into the 1st Ouarter of 2021 as the market continue to stabilize. As state-mandated closures were instituted, many retail stores, restaurant and hotels were among the first negatively impacted businesses. However, businesses deemed essential such as grocery, hardware and drug stores fared far better. With this change, the customer experience was altered with dedicated parking for online ordering, curbside orders, limited store occupancy, mask mandates and sanitization stations. Some retailers have found that with the turnover, they have been able to get into shopping centers that were previously

In the Baton Rouge area, as one would expect, vacancy has risen (10.5%) to a level that has not been seen since 2014. However, if landlords, lenders and tenants had not cooperated to restructure many leases, the results might have been far worse. We continue to see demand from dollar stores, grocery stores, medical services & quick service restaurants. Over the last year, many tenants have relocated and optimized their stores within our market. As we would expect, there were not many new retail developments that broke ground in 2020. The most significant project was the acquisition and subsequent demolition of Cortana Mall to make way for an Amazon fulfillment center.

unavailable or unaffordable.

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A Survey of Shopping Centers in Baton Rouge: Spring 2021

This report was prepared from data collected from e-mail and telephone surveys of shopping center managers, leasing agents, and owners conducted by members of the Baton Rouge TRENDS in Real Estate Retail Committee. Surveys were conducted in February and March 2021. Extensive independent verification was not provided, however quoted rents and/or vacancies that appeared out of the ordinary were checked.

Description of the Analysis

Once again our survey included breaking down data for anchored and non-anchored spaces. Our committee believes this is the best indicator of what "small shop" space is actually leasing for. Our survey tracks rental rates on a highlow basis, with an average rental rate for each property calculated based on the data gathered. We break out anchored spaces, whose lower rental rates skew the rental rates downward. We

have surveyed the retail properties consistently now for ten years enabling us to track accurate trends in rental rates and vacancies.

The shopping center survey analysis is structured as follows:

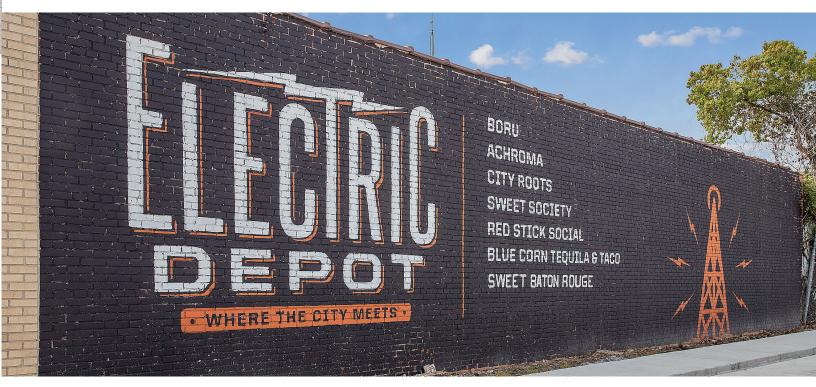
- Suites over 15,000 square feet are considered to be anchor spaces.
- Rental rates for non-anchor spaces are collected on a high-low basis, with an average rental rate for each property calculated based on the data provided.
- The rentals indicated are reflective of varying lease terms, with some shopping centers requiring expense reimbursements from tenants in addition to base rentals and some shopping centers requiring no additional reimbursements. To arrive at consistent rental rates, any additional reimbursements paid by tenants (generally for common area maintenance (CAM), taxes and insurance) are added to each shopping center's average rental to arrive at a total average rental.

- Attempts to survey each shopping center are made each year, however, due to turnover in management and/or ownership, results for each shopping center are not available every year. Comparison of the total surveyed leasable space and number of shopping centers indicated in each time period should not be taken as an indication of new construction and/ or demolition, but as an indication of properties for which data was provided.
- Only shopping centers of over 15,000 square feet of leasable space are included in the survey.
 Numerous small strip centers throughout the Baton Rouge area are excluded from the analysis due to the minimum size requirement for the survey.

- spaces, these properties have historically caused significant skewing of the vacancy and average rental results when included in past reports.
- Analyses are performed by Vacancy Rate (Table 1), Size/Type (Table 2), Age (Table 3), Location (Table 4) and both Location and Type (Table 5).

Summary of Spring 2021 Retail Survey

• Attempts were made to contact 132 shopping centers in East Baton Rouge, Ascension and Livingston Parishes, with responses obtained from 120 shopping centers.



- Baton Rouge's two enclosed malls, the Mall of Louisiana and Cortana Mall, are excluded from the survey. Also excluded are our three lifestyle centers Towne Center, The Boulevard at the Mall of Louisiana, and Perkins Rowe. Due to the large size of these properties and significantly higher rentals collected for mall spaces and lifestyle centers compared to standard multi-tenant retail
- Excluding the lifestyle centers, a total of 8,382,526 square feet of leasable space was surveyed, with 880,077 square feet (10.5%) reported to be vacant. This vacancy rate is higher than the 9.0% reported in the 2020 survey, and reverses the trend from last year

• Average Total Collections (rent and expense reimbursements) for non-anchor space were \$19.78/square foot, which reflects a slight increase in rental rates from the 2020 survey (\$19.60) surpassing the highest level ever reported in our survey.

Analysis by Vacancy Rate

The overall vacancy rate has increased to 10.5% from 9.0% in spring of 2020, and represents the highest vacancy rate since 2014. 57% of surveyed centers in Spring 2019, 58% in 2020, and 53% in 2021 reported vacancy rates of 10% or less. The number of centers reporting vacancies over 50% increased from 2% to 4% from the Spring 2020 to the Spring of 2021, which reverts back to the historical average of 3-5% from 2017-2019. 28% of the surveyed centers reported vacancies of 10.01% to 25% (down slightly from 30% in Spring 2020), while 15% reported vacancies of 25.01% to 50% (showing an increase from 10% in Spring 2020).

Analysis by Size/Type

Table 2 contains the analysis by shopping center size/type. The surveyed shopping centers are categorized based on discussions with local leasing agents in cooperation with the Commercial Investment Division (CID) of the Greater Baton Rouge Association of Realtors and definitions used by the Urban Land Institute (ULI) and International Council of Shopping Centers (ICSC). The shopping center types are as follows:

- Convenience Centers (under 30,000 square feet) typically provide for the sale of convenience goods and personal services without having a standard anchor space.
- Neighborhood Centers (30,001 to 100,000 square feet) typically provide for the sale of convenience goods and personal services with a grocery anchor space.

- Community Centers (100,001 to 250,000 square feet) typically provide clothing, hardware, and appliances, in addition to convenience goods and personal services. Typically, these are built around a small department, variety, or discount store.
- Regional Centers (over 250,000 square feet) typically provide general merchandise, furniture and home furnishings, as well as services and recreational facilities. These larger centers are often built around one or two full-line department stores that are generally larger than 50,000 square feet. These are often called Power Centers.

44% of the surveyed centers are considered to be Convenience Centers, though only 13% (1,048,563 square feet) of the surveyed leasable space is located in these centers. 35% of the surveyed centers are considered to be Neighborhood Centers, which contain 28% (2,319,134 square feet) of the surveyed leasable space. 18% of the surveyed centers are considered to be Community Centers, which contain 36% (2,997,136 square feet) of the surveyed leasable space. While 3% of the surveyed centers and 24% of the surveyed leasable space (2,017,693 square feet) are considered to be Regional Centers.

The highest vacancies are noted in the Neighborhood Centers (16.10%), while Regional Centers continue to have the lowest vacancy rate (4.19%) but a significant increase over the historical average under 1%. Unanchored Centers have a vacancy rate of 13.93%, while Community Centers have a vacancy rate of 9.21%, the only category to show a decrease in Vacancy Rate.

The highest collections for non-anchor space were noted in Regional Centers (\$24.69/square foot). The lowest average collections were noted in Neighborhood Centers (\$18.71/square foot).

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Analysis by Age

Table 3 contains the analysis by age, with the shopping centers categorized based on the year of their construction.

The category of new centers is based on centers built in 2006 or later. We now have fifteen years of data that we are collecting from "newer" shopping centers. Consisting of 1,162,248 square feet, they have a vacancy rate at 6.60%, and have the highest rental rate at \$28.62 square foot.

The second set of shopping centers consists of 28 properties constructed from 2000 - 2005. Livingston and Ascension Parishes, as well as the City of Central have been included in the past few surveys. All of these markets have continued to grow in population as well as retail footprint. These 28 centers report a Spring 2021 vacancy rate of 9.72%, which is an increase over the 8.42% Vacancy rate reported in 2020. 35.28% of the space is anchor space and average total

collections for non-anchor space are \$23.02/ square foot.

The next set of shopping centers consists of 12 centers constructed between 1995 and 1999. These centers report a Spring 2021 vacancy rate of 5.07%, which is higher than the Spring 2020 vacancy rate of 2.69% but still far below the market wide average. These properties are located in some of the most desirable locations in our area. 55.73% of the space is anchor space and average total collections for non-anchor space are \$20.78/square foot, showing a very slight decrease over the rates in 2020.

18 surveyed shopping centers were constructed between 1985 and 1995. These centers report a Spring 2021 vacancy of 11.06%, which is significantly higher from the Spring 2020 vacancy rate of 8.10%. 45.44% of the space is anchor space and average total collections for non-anchor space are \$19.09/square foot.

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12 surveyed shopping centers were constructed between 1980 and 1984. These centers report a Spring 2021 vacancy rate of 18.07%, which is higher than the Spring 2020 vacancy rate of 15.03%. 40.61% of the space is anchor space and average total collections for non-anchor space are \$13.43/square foot.

28 surveyed shopping centers (representing 23% of the surveyed leasable space and 32% of the vacant space) were constructed before 1980. These centers report a Spring 2021 vacancy rate of 12.33%, down from the from the Spring 2020 vacancy rate of 13.49%. 26.67% of the space is anchor space and average total collections for non-anchor space are \$15.61/square foot, an increase from the 2020 levels.

The lowest rentals and highest vacancy are noted in the shopping centers built between 1980-1984. These centers represent 10% of the surveyed shopping centers, 11% of the surveyed leasable space and 19% of the total vacant space.

Analysis by Geographic Area

Table 4 contains the Analysis by Geographic Area. The Geographic Areas used in this survey for shopping centers in the Greater Baton Rouge area are and are defined as follows:

- Area 1 South of Interstates 10 and 12 and west of Airline Highway
- Area 2 North of Interstates 10 and 12 and south and west of Airline Highway – also includes shopping centers along Plank Road between Airline Highway and Hooper Road.
- Area 3 North of Choctaw Drive and Airline Highway, excluding Zachary and Plank Road shopping centers between Airline Highway and Hooper Road
- Area 4 South of Choctaw Drive and east of Airline Highway – also includes shopping centers along Airline Highway between Interstate 12 and Florida Boulevard
- Area 5 Zachary
- Area 6 Ascension Parish
- Area 7 Livingston Parish

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The highest average non-anchor collections (\$25.01/square foot) and the lowest vacancy rate (5.71%) is noted in Area 1, while Area 3 continues to report the lowest total non-anchor collections (\$12.45/square foot) and the highest vacancy rate (22.03%). Area 7 is Livingston Parish and includes only 2 responding centers (both non-anchored), while Area 1 contains many of the more desirable retail corridors in Baton Rouge (along Bluebonnet Boulevard, Siegen Lane, and Perkins Road).

Analysis by Geographic Area and Type

Table 5 presents a breakdown of responses from anchored and unanchored centers in each of the geographic areas. The lowest vacancy in anchored centers are noted in Area 6 Ascension Parish (1.50%) due in large part of redevelopment the former K-Mart on Airline Hwy. While the highest vacancy rate is noted in Area 3 (22.50%), overtaking Area 2 which had previously had the highest vacancy rate. The highest collections for anchored centers are noted in Area 1 (\$24.07/square foot) and the lowest collections are noted in Area 3 (\$10.20/square foot).

The lowest vacancies in unanchored centers are noted in Area 1 (10.45%), while the highest vacancies are noted in Area 2 (26.06%). The highest collections for unanchored centers are noted in Area 1 (\$26.28/square foot) and the lowest collections are noted in Area 4 (\$13.38/square foot).

Summary & Future Forecast

Of the 120 shopping centers represented in our survey, we expected vacancy to rise, and we were correct with our prediction. Although our prediction of drastic market-wide vacancies did not come to fruition, we expected market wide rental rates to remain flat and they are virtually the same as 2020.

In our opinion, the unknown is the long-term effect of governmental assistance and intervention on retailer's sustainability. Whether it was the Paycheck Protection Program (PPP) or the Federal Reserve's accommodative monetary policy, these measures have helped sustain retail businesses and saved jobs. The changes to consumer habits that the pandemic forced has required retailers to adapt rapidly. The retailers that have invested heavily in digital infrastructure over the last five years have reaped the greatest rewards during the last twelve months.

Our belief is that the momentum carried forward from 2019 will help insulate our market from the worst effects of the COVID-19 pandemic. As our population continues to become vaccinated, we are anticipating a return to more normal occupancy and capacity numbers. We expect retail leasing to continue to strengthen in 2021 with relocations leading the way over net new openings.



TABLE 1 Shopping Centers by Vacancy Rate (Excluding Lifestyle Centers)

hor ons imb.)	[+	6 50 2 2 2	- 2 + - 2	# = 0.5.5	0.10.10.10.11	× 0 0 = 2	28.2
Non-Anchor Collections (Rent + Reimb.)	in S/SF	\$19.72 \$19.86 \$19.07 \$18.75 \$17.96	\$18.71 \$17.72 \$15.54 \$15.44 \$16.09	\$19.04 \$19.61 \$17.62 \$17.07 \$17.22	\$24.69 \$24.25 \$24.26 \$23.56 \$23.32	\$19.78 \$19.60 \$17.90 \$17.73	\$37.77 \$35.23 \$34.92 \$36.47 \$35.70
Percent	Anchor Space	1.53% 3.36% 4.20% 0.00% 0.00%	30.52% 29.82% 27.95% 28.11% 27.45%	38.35% 38.16% 39.78% 42.27% 43.30%	66.35% 66.35% 67.75% 67.75% 60.93%	38.32% 38.15% 37.49% 38.71% 39.35%	4.55% 5.50% 4.67% 5.64% 4.67%
Change from Previous	Period	141 -248 183 517	-1,298 -2,952 2,444 1,226	-204 -384 1,538 0	0 0 0	400 2,148 -4,606 2,403	0 8,333 -79,187 0
Average Center	Size	19,784 19,643 19,891 19,708 19,191	55,217 56,515 59,467 57,023 55,797	142,721 142,925 143,309 141,771	504,423 504,423 504,423 504,423 504,423	69,854 69,454 67,306 71,912 69,509	336,707 336,707 328,374 407,561 407,561
Change from Previous	Period	4.00% -1.77% 0.60% 1.30%	3.12% -1.30% 0.32% -0.59%	-1.70% 1.53% 0.59% 1.71%	3.26% 0.09% 0.34% -0.37%	1.49% -0.32% 0.53% 0.68%	2.50% 2.37% 0.98% -0.25%
Vacancy	Rate	13.93% 9.93% 11.70% 11.10% 9.80%	16.10% 12.98% 14.28% 13.96%	9.21% 10.91% 9.37% 8.78% 7.07%	4.19% 0.93% 0.84% 0.51% 0.88%	10.50% 9.00% 9.33% 8.80% 8.12%	12.72% 10.22% 7.85% 6.87% 7.12%
Change from Previous	Period	42,726 -38,563 12,848 35,064	50,634 -84,759 25,381 16,884	-35,806 43,156 7,218 50,948	65,802 1,815 6,782 -7,462	123,356 -78,351 52,229 95,434	25,224 25,924 21,326 -2,000
Percent of Total	Responding	17% 14% 17% 16% 16%	42% 43% 49% 49% 53%	31% 41% 32% 33% 31%	10% 2% 2% 1% 3%		
Total	Vacant Space	146,079 103,353 141,916 129,068 94,004	373,373 322,739 407,498 382,117 365,233	275,986 311,792 268,636 261,418 210,470	84,639 18,837 17,022 10,240 17,702	880,077 756,721 835,072 782,843 687,409	128,474 103,250 77,326 56,000 58,000
Change from Previous	Period	7,503 -172,292 50,577 203,212	-167,515 -367,782 117,322 226,224	138,645 -7,691 -111,000 0	0 0 0	-21,367 -547,765 56,899 429,436	0 25,000 170,000 0
Percent of Total	Responding	13% 12% 14% 13% 11%	28% 30% 32% 31% 31%	36% 34% 32% 33% 35%	24% 24% 23% 23% 24%		
Total Surveyed Leasable	Space	1,048,563 1,041,060 1,213,352 1,162,775 959,563	2,319,134 2,486,649 2,854,431 2,737,109 2,510,885	2,997,136 2,858,491 2,866,182 2,977,182 2,977,182	2,017,693 2,017,693 2,017,693 2,017,693 2,017,693	8,382,526 8,403,893 8,951,658 8,894,759 8,465,323	1,010,122 1,010,122 985,122 815,122 815,122
Change from Previous	Period	0 8 2 9	-2 -4 0 3	1 0 -1 0	0	-1 -12 1 12	0 0 1 0
Percent of Total	Responding	44% 44% 46% 45% 42%	35% 36% 36% 36% 38%	18% 17% 15% 16% 18%	3% 3% 3% 3% 3%		
Number of Responding	Centers	53 53 61 59 50	24 4 4 4 8 8 8 8 4 5 5 5 5 5 5 5 5 5 5 5	21 20 21 21	4 4 4 4 4	120 121 133 132 120	55333
	Period	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017					
Shopping Center	Type	Convenience Center (30,000 SF & Under)	Neighborhood Center (30,001 to 100,000 SF)	Community Center (100,001 to 250,000 SF)	Regional Center (Over 250,000 SF)	Total (Excluding Lifestyle Centers)	Lifestyle Centers

TABLE 2 Shopping Centers by Size / Type (Excluding Lifestyle Centers)

				Change	Total		Change			Change		Change		Change		Non-Anchor
Shopping Center		Number of Responding	Percent of Total	from Previous	Surveyed Leasable	Percent of Total	from Previous	Total	Percent of Total	from Previous	Vacancy	from Previous	Average Center	from Previous	Percent	Collections (Rent + Reimb.)
Type	Period	Centers	Responding	Period	Space	Responding	Period	Vacant Space	Responding	Period	Rate	Period	Size	Period	Anchor Space	in \$/SF
Convenience Center (30,000 SF	Spring 2021 Spring 2020 Spring 2019	53 53 61	44% 44% 46%	0 -8 7	1,048,563 1,041,060 1,213,352	13% 12% 14%	7,503 -172,292 50,577	146,079 103,353 141,916	17% 14% 17%	42,726 -38,563 12,848	13.93% 9.93% 11.70%	4.00% -1.77% 0.60%	19,784 19,643 19,891	141 -248 183	1.53% 3.36% 4.20%	\$19.72 \$19.86 \$19.07
& Under)	Spring 2018 Spring 2017	59	45% 42%	6	1,162,775 959,563	13% 11%	203,212	129,068 94,004	16% 14%	35,064	9.80%	1.30%	19,708 19,191	517	%00.0 0.00%	\$18.75 \$17.96
Veighborhood Center (30,001 to 100,000 SF)	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017	24 4 4 4 8 8 8 8 4 4 8 8 8 4 5 5 4 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6	35% 36% 36% 36% 38%	2-4-0 %	2,319,134 2,486,649 2,854,431 2,737,109 2,510,885	28% 30% 32% 31% 30%	-167,515 -367,782 117,322 226,224	373,373 322,739 407,498 382,117 365,233	42% 43% 49% 49% 53%	50,634 -84,759 25,381 16,884	16.10% 12.98% 14.28% 13.96% 14.55%	3.12% -1.30% 0.32% -0.59%	55,217 56,515 59,467 57,023 55,797	-1,298 -2,952 2,444 1,226	30.52% 29.82% 27.95% 28.11% 27.45%	\$18.71 \$17.72 \$15.54 \$15.44 \$16.09
Community Center (100,001 to 250,000 SF)	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017	21 20 20 21 21	18% 17% 15% 16% 18%	1 0 -1 0	2,997,136 2,858,491 2,866,182 2,977,182 2,977,182	36% 34% 32% 33% 33%	138,645 -7,691 -111,000 0	275,986 311,792 268,636 261,418 210,470	31% 41% 32% 33% 31%	-35,806 43,156 7,218 50,948	9.21% 10.91% 9.37% 8.78% 7.07%	-1.70% 1.53% 0.59% 1.71%	142,721 142,925 143,309 141,771	-204 -384 1,538 0	38.35% 38.16% 39.78% 42.27% 43.30%	\$19.04 \$19.61 \$17.62 \$17.07 \$17.22
Regional Center (Over 250,000 SF)	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017	44444	3% 3% 3% 3%	0 0 0	2,017,693 2,017,693 2,017,693 2,017,693 2,017,693	24% 24% 23% 23% 24%	0 0	84,639 18,837 17,022 10,240 17,702	10% 2% 2% 1% 3%	65,802 1,815 6,782 -7,462	4.19% 0.93% 0.84% 0.51% 0.88%	3.26% 0.09% 0.34% -0.37%	504,423 504,423 504,423 504,423 504,423	0 0	66.35% 66.35% 67.75% 67.75% 60.93%	\$24.69 \$24.25 \$24.26 \$23.56 \$23.32
Total (Excluding Lifestyle Centers)	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017	120 121 133 132 120		-1 -12 1	8,382,526 8,403,893 8,951,658 8,894,759 8,465,323		-21,367 -547,765 56,899 429,436	880,077 756,721 835,072 782,843 687,409		123,356 -78,351 52,229 95,434	10.50% 9.00% 9.33% 8.80% 8.12%	1.49% -0.32% 0.53% 0.68%	69,854 69,454 67,306 71,912 69,509	400 2,148 4,606 2,403	38.32% 38.15% 37.49% 38.71% 39.35%	\$19.78 \$19.60 \$17.90 \$17.73
Lifestyle Centers	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017	5 5 3 3 3		0 0 0	1,010,122 1,010,122 985,122 815,122 815,122		0 25,000 170,000 0	128,474 103,250 77,326 56,000 58,000		25,224 25,924 21,326 -2,000	12.72% 10.22% 7.85% 6.87% 7.12%	2.50% 2.37% 0.98% -0.25%	336,707 336,707 328,374 407,561 407,561	0 8,333 -79,187 0	4.55% 5.50% 4.67% 5.64% 4.67%	\$37.77 \$35.23 \$34.92 \$36.47

TABLE 3 Shopping Centers by Age (Excluding Lifestyle Centers)

Non-Anchor Collections (Rent + Reimb.) in \$/SF	\$28.62 \$28.07 \$25.72 \$25.54 \$24.73	\$23.02 \$23.20 \$22.90 \$22.35 \$21.96	\$25.56 \$25.51 \$24.13 \$23.76 \$23.03	\$20.78 \$20.87 \$20.31 \$20.08 \$20.06	\$19.09 \$18.53 \$18.08 \$17.77 \$18.39	\$13.43 \$15.20 \$12.52 \$12.25 \$12.12	\$15.61 \$15.01 \$13.97 \$13.73 \$14.23	\$19.78 \$19.60 \$17.90 \$17.73 \$17.19
Percent Anchor Space	36.57% 36.18% 35.13% 32.68% 36.82%	35.28% 36.89% 38.35% 36.82% 33.18%	35.86% 36.56% 36.95% 35.06% 34.63%	55.73% 56.75% 55.73% 55.73% 56.96%	45.44% 45.59% 45.16% 48.95% 49.86%	40.61% 42.07% 37.99% 44.49%	26.67% 25.27% 25.67% 26.87% 27.92%	38.32% 38.15% 37.49% 38.71% 39.35%
Change from Previous Period	1,758 5,277 -803 -6,928	-1,525 1,109 -97 -1,429	-49 3,017 -472 -3,848	7,057 7,057 0 0 -6,677	4,068 2,203 0 -2,203	7,957 -7,531 4,257 1,202	-699 5,831 -784 -2,202	400 2,148 -4,606 2,403
Average Center Size	52,829 51,071 45,794 46,597 53,525	50,642 52,167 51,058 51,155 52,584	51,604 51,653 48,636 49,108 52,956	98,949 106,006 98,949 98,949 105,626	77,830 73,762 71,559 71,559 73,762	78,282 70,325 77,856 73,599 72,397	81,236 81,935 76,104 76,888 79,090	69,854 69,454 67,306 71,912 69,509
Change from Previous Period	2.29% 0.68% -1.56% 0.90% 4.29%	1.31% 0.21% 2.73% -1.07% 6.55%	1.80% 0.28% 0.87% -0.29% 5.65%	2.39% 0.45% 0.12% 0.46% 1.65%	2.96% 3.49% 0.18% -0.73% 5.17%	3.04% -0.81% 2.11% 0.94% 12.78%	-1.16% -1.66% 0.02% 1.99% 13.15%	1.49% -0.32% 0.53% 0.68% 8.12%
Vacancy Rate	6.60% 4.31% 3.63% 5.19% 4.29%	9.72% 8.42% 8.21% 5.47% 6.55%	8.31% 6.51% 6.23% 5.35% 5.65%	5.07% 2.69% 2.23% 2.11% 1.65%	11.06% 8.10% 4.62% 4.44% 5.17%	18.07% 15.03% 15.84% 13.72% 12.78%	12.33% 13.49% 15.15% 15.13% 13.15%	10.50% 9.00% 9.33% 8.80% 8.12%
Change from Previous Period	26,041 12,375 -14,924 14,140	23,711 979 37,557 -13,921	49,752 13,354 22,633 219	28,917 4,805 1,472 5,897	35,454 50,189 2,678 -9,539	53,524 -56,366 31,220 21,123	-51,146 -83,478 -3,774 75,734	123,356 -78,351 52,229 95,434
Percent of Total Responding	9% 7% 5% 7% 6%	16% 15% 14% 10%	24% 22% 18% 16%	7% 4% 3% 3% 3%	18% 16% 8% 11%	19% 15% 21% 18% 17%	32% 44% 50% 54% 50%	
Total Vacant Space	76,693 50,652 38,277 53,201 39,061	137,851 114,140 113,161 75,604 89,525	214,544 164,792 151,438 128,805 128,586	60,241 31,324 26,519 25,047 19,150	155,008 119,554 69,365 66,687 76,226	169,792 116,268 172,634 141,414 120,291	280,492 331,638 415,116 418,890 343,156	880,077 756,721 835,072 782,843 687,409
Change from Previous Period	-12,393 121,383 28,124 115,212	61,642 -22,231 -2,610 14,000	49,431 98,970 25,514 129,212	21,320 -21,320 0 25,500	-74,287 -27,500 0 27,500	165,808 -316,412 59,600 89,224	-183,457 -281,685 -28,215 158,000	-21,367 -547,765 56,899 429,436
Percent of Total Responding	14% 14% 12% 12% 11%	17% 16% 15% 16% 16%	31% 30% 27% 27% 27%	14% 14% 13% 13% 14%	17% 18% 17% 17% 17%	11% 9% 12% 12% 11%	27% 29% 31% 31% 31%	
Total Surveyed Leasable Space	1,162,248 1,174,641 1,053,258 1,025,134 909,922	1,417,974 1,356,332 1,378,563 1,381,173 1,367,173	2,580,222 2,530,791 2,431,821 2,406,307 2,277,095	1,187,385 1,166,065 1,187,385 1,187,385 1,187,385	1,400,943 1,475,230 1,502,730 1,502,730 1,475,230	939,378 773,570 1,089,982 1,030,382 941,158	2,274,598 2,458,055 2,739,740 2,767,955 2,609,955	8,382,526 8,403,893 8,951,658 8,894,759 8,465,323
Change from Previous Period	-1 0 1	2 -1 -1 1	1 -1 6	1 -1 0	-3 0 0	1 -3 0	3 0 0 3	-1 -12 1
Percent of Total Responding	18% 19% 17% 17% 14%	23% 21% 20% 20% 22%	42% 40% 38% 37% 36%	10% 9% 10% 10%	15% 18% 18% 18% 18%	10% 9% 12% 12% 11%	23% 25% 30% 30% 28%	
Number of Responding Centers	22 23 23 22 17	28 26 27 27 26	50 49 50 49 43	12 11 12 12 11	18 21 21 21 20	12 11 14 14 13	28 30 36 36 33	120 121 133 132 120
Period	Spring 2021 Spring 2020 Spring 2019 Spring 2018 Spring 2017							
Year of Construction or Rehab	2006 or Later	2000-2005	2000 or Later	1995-1999	1985-1994	1980-1984	Before 1980	Total

TABLE 4 Shopping Centers by Geographic Area (Excluding Lifestyle Centers)

ı							
\$25.01 \$25.12 \$24.24 \$23.72 \$23.30	\$17.25 \$17.01 \$15.21 \$15.75 \$15.47	\$12.45 \$13.35 \$10.89 \$10.58 \$10.41	\$17.22 \$16.12 \$14.93 \$15.27 \$15.46	\$18.84 \$18.19 \$18.05 \$14.90 \$14.38	\$18.22 \$18.01 \$17.89 \$17.42 \$17.41	\$19.86 \$20.38 \$20.96 \$20.96 \$21.33	\$19.78 \$19.60 \$17.90 \$17.73 \$17.19
47.10% 46.43% 47.47% 46.59% 46.26%	14.07% 13.32% 16.17% 14.43% 16.85%	35.88% 30.49% 29.32% 30.56% 28.70%	46.08% 45.50% 43.50% 47.48% 49.39%	20.11% 23.57% 23.57% 29.83% 29.98%	19.50% 21.74% 22.77% 31.91% 31.91%	0.00% 0.00% 0.00% 0.00% 0.00%	38.32% 38.15% 37.49% 38.71% 39.35%
3,390 1,131 11 -7,411	-6,232 5,128 -1,690 1,304	4,982 -2,438 0 1,969	7,091 -1,440 2,126 -10,723	-2,475 0 -6,683 171	-5,014 4,682 8 0	0 0 0	400 2,148 -4,606 2,403
91,287 87,897 86,766 86,755 94,166	54,834 61,066 55,938 57,628 56,324	66,170 61,188 63,626 63,626 61,657	82,499 75,408 76,848 74,722 85,445	25,199 27,674 27,674 34,357 34,186	41,296 46,310 41,628 41,620 41,620	37,266 37,266 37,266 37,266 37,266	69,854 69,454 67,306 71,912 69,509
1.65% 1.12% -0.68% -0.60%	-1.82% -0.53% 3.14% -0.18%	4.64% 0.49% 3.57% 0.95% 12.38%	1.44% -0.92% 0.60% 3.03% 6.84%	9.81% 1.12% -8.72% 0.26%	-2.20% 1.69% 1.09% -0.20%	0.00% -1.88% 1.97% -6.31%	1.49% -0.32% 0.53% 0.68%
5.71% 4.06% 2.94% 3.62% 4.22%	16.54% 18.36% 18.90% 15.75% 15.93%	22.03% 17.39% 16.89% 13.33%	11.00% 9.56% 10.48% 9.88% 6.84%	20.11% 10.30% 9.18% 17.90% 17.64%	7.49% 9.69% 8.00% 6.91% 7.11%	12.81% 12.81% 14.69% 12.72% 19.03%	10.50% 9.00% 9.33% 8.80% 8.12%
53,735 42,114 -22,339 -15,645	-9,232 -41,918 32,825 11,266	43,324 -33,464 31,780 19,479	23,437 -43,191 30,286 85,598	12,663 2,486 -28,628 700	-7,426 3,877 6,836 -1,264	0 -1,400 1,469 -4,700	123,356 -78,351 52,229 95,434
22% 18% 12% 15% 20%	21% 25% 28% 26% 27%	18% 15% 18% 15% 14%	29% 30% 33% 31% 23%	4% 3% 2% 6% 7%	5% 7% 6% 6% 6%	1% 1% 1% 1% 2%	
192,866 139,131 97,017 119,356 135,001	181,403 190,635 232,553 199,728 188,462	160,349 117,025 150,489 118,709 99,230	254,042 230,605 273,796 243,510 157,912	35,470 22,807 20,321 48,949 48,249	46,397 53,823 49,946 43,110 44,374	9,550 9,550 10,950 9,481 14,181	880,077 756,721 835,072 782,843 687,409
-50,377 130,883 437 95,037	58,563 -192,501 -37,184 85,000	54,808 -217,699 0 89,314	-103,087 -199,747 146,990 158,803	-45,000 0 -52,096 0	63,726 -68,701 124 0	0 0 0	-21,367 -547,765 56,899 429,436
40% 41% 37% 37% 38%	13% 12% 14% 14% 14%	%6 8% 10% 10%	28% 29% 29% 28% 28%	2% 3% 2% 3% 3%	7% 7% 7% 7% 7%	1% 1% 1% 1% 1%	
3,377,615 3,427,992 3,297,109 3,296,672 3,201,635	1,096,689 1,038,126 1,230,627 1,267,811 1,182,811	727,873 673,065 890,764 890,764 801,450	2,309,983 2,413,070 2,612,817 2,465,827 2,307,024	176,390 221,390 221,390 273,486 273,486	619,445 555,719 624,420 624,296 624,296	74,531 74,531 74,531 74,531	8,382,526 8,403,893 8,951,658 8,894,759 8,465,323
2 - 1 0 4	3 -5 0	-1 -2 0	-4 -2 1 6	-1 0 0 0	3 0 0	0 0 0	-1 -12 1
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Area 1 (South of I-10 & West of Airline)	Area 2 (North of 1-10 & South/West of Airline)	Area 3 (North of Choctaw & North/East of Airline)	Area 4 (South of Choctaw & East of Airline)	Area 5 (Zachary)	Area 6 (Ascension Parish)	Area 7 (Livingston Parish)	Total
	Spring 2021 37 31% -2 3,377,615 40% -50,377 192,866 22% 53,735 5.71% 1.65% 91,287 3.390 47,10% Spring 2020 39 32% 1 3,427,992 41% 130,131 18% 42,114 40% 1,137 46,43% 47,47% Spring 2019 38 29% 4 3,297,109 37% 437 97,017 12% 2.24% 6.68% 86,756 11 47,47% Spring 2018 38 29% 4 3,296,672 37% 95,037 119,356 15% -15,645 36,27% -0.60% 86,755 -7,411 46,59% Spring 2017 34 28% 95,037 119,356 15% -15,645 36,766 11 46,59%	Spring 2021 37 31% -2 3,377,615 40% -50,377 192,866 22% 53,735 5.71% 1.63% 91,287 3,390 47.10% Spring 2020 39 33% 1 3,477,615 40% -50,377 192,866 22% 53,73 1.12% 87.897 1,131 46,43% Spring 2020 38 29% 4 3,297,109 437 97,017 12% -15,445 20,68% 86,755 -7,411 46,43% Spring 2017 3 1,096,689 13% 95,037 119,356 15% -1,22% 0.60% 86,755 -7,411 46,28% Spring 2017 3 1,096,689 13% 58,563 181,403 21% -9,232 16,54% -1,82% -1,82% -1,417% Spring 2019 17 14% -192,501 190,635 25% 4,1918 18,36% -1,83% -1,83% -1,83% -1,83% -1,184 -1,184 -1,184 -1,184	Spring 2021 37 31% -2 3,377,615 40% -50,377 192,866 22% 53,735 57.1% 1,65% 91,287 3,390 47.10% Spring 2020 39 32% 1 3,477,902 41% 190,883 11,12% 87,897 1,131 46,43% Spring 2019 38 29% 4 3,297,109 37% 119,356 15% -15,445 36,756 11 46,43% Spring 2019 38 29% 4 3,297,109 37% 11,9356 15% -15,645 3,62% -0.60% 86,755 -7,411 46,43% Spring 2019 38 29% 3,90,675 37% 97,017 12% -15,645 3,62% -0.60% 86,755 -7,411 46,43% Spring 2019 22 17% 4 3,20,537 14% 35,533 18,440 -1,54% 1,63% 1,419% 46,43% 1,11,266 1,53% -0,18% 5,128 1,410% 46,43%	Spring 2021 37 31% -2 3,377,615 40% -50,377 192,866 21% 1,53% 1,131 46,43% Spring 2020 39 32% 1 3,427,992 41% 130,881 18,737 1,131 46,43% Spring 2020 39 29% 4 3,277,109 37% 437 97,017 12% -22339 0,60% 86,755 1,131 46,43% Spring 2019 38 29% 4 3,206,622 37% 97,017 12% -22339 94,66 16,68% 86,755 7,411 46,43% Spring 2019 38 29% 49,86 1,88 4,22% 1,88 4,22% 1,88 4,22% 1,88 6,06% 1,136 1,14% 1,98 1,14%	Spring 2020 34 2.1 3.37.7 (61) 4.0 5.0.7.7 1.2.8.6 2.2.% 3.7.3 3.7.8 1.6.% 9.1.37 3.3.7.9 Spring 2020 3.8 2.9% 4 4.0.4 5.0.7 1.9.8.8 2.2.39 2.9.% 4.0.6% 87.87 1.1.9.4 4.0.0% 87.87 1.1.9.4 4.0.0% 87.87 1.1.9.4 4.0.0% 87.87 1.1.1.9.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89 1.1.1.1 4.0.0% 87.89	Spring 2010 31 5 31% -2 3,377,613 40% 10,24% 51,373 51,376 31,47,902 41% 10,24% 51,414 40,60% 11,26% 91,327 31,40% 41,60% 11,26% 51,27% 31,40% 41,60% 11,26% 51,27% 31,40% 41,60% 11,26% 51,27% 31,40% 41,60% 11,26% 51,27% 31,40% 41,60% 11,26% 51,28% 40,50% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 50,40% 86,575 71,411 41,46% 87,971 11,46% 87,971 11,46% 87,971 11,46% 87,971 11,46% 87,971 11,46% 87,972 11,46% 87,972 11,46% 87,972 11,46% 87,972 11,46% 87,972 11,46% 87,973 11,46% <	Syming 2013 37 31,54 47,5 43,74,51 19,386 42,136 41,186 1,387 41,186 41,186 41,386 41,186 </th

Note: Airline Hwy Shopping Centers between 1-12 and Florida Blvd Interchange are included in Area 4, Plank Rd Shopping Centers south of Hooper Rd are included in Area 2

Shopping Centers by Geographic Area and Type (Excluding Lifestyle Centers) **TABLE 5**

Non-Anchor Collections (Rent + Reimb.) in \$/SF	\$24.07 \$26.28 \$25.01	\$15.69 \$18.11 \$17.25	\$10.20 \$18.14 \$12.45	\$18.71 \$13.38 \$17.22	\$17.30 \$19.33 \$18.84	\$16.85 \$19.23 \$18.22	\$19.62 \$20.43 \$19.78
Percent Anchor Space	62.05% 0.00% 47.10%	31.59% 0.00% 14.07%	43.87% 0.00% 35.88%	54.56% 0.00% 46.08%	35.07% 0.00% 20.11%	36.21% 0.00% 19.50%	53.62% 0.00% 38.32%
Average Center Size	183,135 35,379 91,287	81,386 43,455 54,834	99,222 26,509 66,170	130,061 27,621 82,499	57,535 19,809 25,199	111,191 23,823 41,296	133,101 31,906 69,854
Vacancy Rate	4.21% 10.45% 5.71%	4.68% 26.06% 16.54%	22.50% 19.93% 22.03%	11.08% 10.57% 11.00%	16.89% 21.67% 20.11%	1.50% 14.47% 7.49%	8.27% 16.07% 10.50%
Percent of Total Responding (In Area)	56% 44%	13% 87%	84%	85% 15%	27% 73%	11% 89%	56% 44%
Total Vacant Space	107,829 85,037 192,866	22,870 158,533 181,403	133,935 26,414 160,349	216,083 37,959 254,042	9,717 25,753 35,470	5,020 41,377 46,397	495,454 384,623 880,077
Percent of Total Responding (In Area)	76% 24%	45% 55%	82% 18%	84% 16%	33% 67%	54% 46%	71% 29%
Total Surveyed Leasable Space	2,563,890 813,725 3,377,615	488,315 608,374 1,096,689	595,330 132,543 727,873	1,950,914 359,069 2,309,983	57,535 118,855 176,390	333,572 285,873 619,445	5,989,556 2,392,970 8,382,526
Percent of Total Responding (In Area)	38% 62%	30% 70%	55% 45%	54% 46%	14% 86%	20% 80%	38%
Number of Responding Centers	14 23 37	6 14 20	6 5 11	15 13 28	1 6 7	3 12 15	45 75 120
Property Type	Anchored Unanchored Total	Anchored Unanchored Total	Anchored Unanchored Total	Anchored Unanchored Total	Anchored Unanchored Total	Anchored Unanchored Total	Anchored Unanchored Total
Geographic Area	Area 1 (South of I-10 & West of Airline)	Area 2 (North of I-10 & South/West of Airline)	Area 3 (North of Choctaw & North/East of Airline)	Area 4 (South of Choctaw & East of Airline)	Area 5 (Zachary)	Area 6 (Ascension Parish)	Total

Note: Airline Hwy Shopping Centers between I-12 and Florida Blvd Interchange are included in Area 4, Plank Rd Shopping Centers south of Hooper Rd are included in Area 2 Both Livingston Parish responding centers are un-anchored

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FINANCE





REAL ESTATE FINANCE OVERVIEW

As uncertain as we were last year when forecasting finance trends for 2020, we are equally as uncertain in 2021 as we begin to emerge from the constraints of the pandemic. Social distancing, working from home, ordering goods and services remotely via the internet – all these issues and more have seriously impacted the real estate industry and caused concern from lenders trying to price risk and structure loans. In this year's written presentation we look back at analysis from some the country's brightest minds and thought leaders and look forward to 2021 and beyond. The image from last year still applies:

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Our intent is to report financial results as of the end of 2020 and pass on the best analysis of knowledgeable parties doing their best to make sense of historically complex times plus suggestions for going forward as of March/April 2021. Compiling and writing this overview has been somewhat like painting the exterior of an airplane while in flight with an uncertain flight plan and who knows where we will land, but we are confident in the quality of our sources and the data/opinions presented.

As always these are the individual thoughts of committee members and do not reflect the official positions of their employers.

The Economy and Prospects for the Future

General (Adapted from First Quarter 2021 Survey of Professional Forecasters published February 12, 2021 by the Federal Reserve Bank of Philadelphia)

The Survey of Professional Forecasters is the oldest quarterly survey of macroeconomic forecasts in the United States. The survey began in 1968 and was conducted by the American Statistical Association and the National Bureau of Economic Research. The Federal Reserve Bank of Philadelphia took over the survey in 1990. The Survey should give Greater Baton Rouge area real estate practitioners some sense of what is coming down the road in terms of the economy.

The Survey starts off with good news regarding an economic rebound with lower unemployment:

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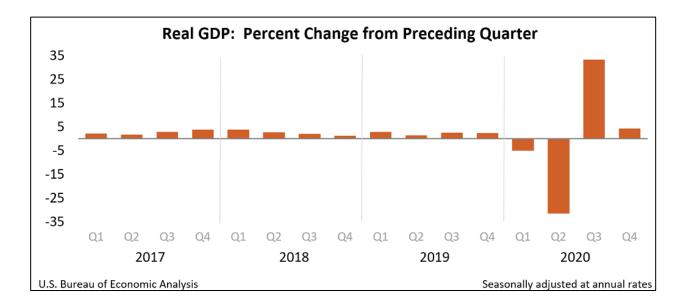
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"The outlook for the U.S. economy over the next three years looks stronger now than it did three months ago, according to 39 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel predicts real GDP will grow at an annual rate of 3.2 percent this quarter, unchanged from the prediction in the last survey. However, over the remaining quarters in 2021 and the following two years, the panelists see a stronger rebound in output growth than they predicted previously. On an annual-average over annual-average basis, the forecasters expect real GDP to grow at an annual rate of 4.5 percent in 2021 and 3.7 percent in 2022. The projections for 2021 and 2022 are up from 4.0 percent and 3.0 percent, respectively, in the last survey."

After years of sluggish growth followed by some ups and downs in 2020 (can you see the impact of COVID in 2Q20 in the chart below?), sustained growth of 4.5% in 2021 and 3.7% in 2022 is welcome news. On the unemployment front, the Survey has more good news:

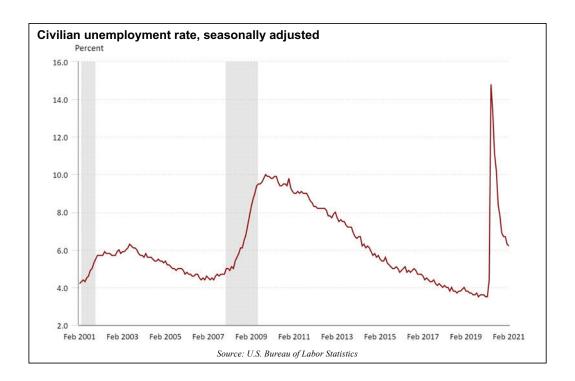


"A brighter outlook for the unemployment rate accompanies the outlook for growth. The forecasters predict unemployment will decrease from a projected 6.3 percent this quarter to 5.1 percent in the first quarter of 2022. On an annual-average basis, the panelists predict the unemployment rate will decline from a projected 5.9 percent in 2021 to 4.0 percent in 2024."

The flip side of that coin is the Survey comments on employment with signs of growth, but not as optimistic as was projected just one quarter ago:

"The projections for the annual-average level of nonfarm payroll employment suggest job gains at a monthly rate of 223,400 in 2021, down from 321,600 projected three months ago."

The following chart from the U.S. Bureau of Labor Statistics shows the incredible impact that COVID had on rates of unemployment and how much further we have to go to get back to pre-COVID levels in the sub-4% range.



So if we are still hanging on in early to mid-2021, relief seems to be on the way. Unless we experience an overabundance of inflation. And the jury is out.

Commercial Real Estate Finance

From the Mortgage Bankers Association's Q4 2021 Commercial/Multifamily Mortgage Debt Outstanding quarterly report

<u>Mortgage Originations</u> - Commercial and multifamily mortgage loan originations were 18 percent lower in the fourth quarter of 2020 compared to a year ago, and increased 76 percent from the third quarter of 2020, according to the Mortgage Bankers Association's (MBA) Quarterly Survey of Commercial/Multifamily Mortgage Bankers Originations.

A preliminary MBA measure of commercial and multifamily mortgage originations volumes shows borrowing and lending in 2020 was 30 percent lower than in 2019, with all major property types and most capital sources – outside government-backed loans – seeing lower levels of activity.

"The last three months of 2020 were stronger than earlier quarters for borrowing backed by commercial and multifamily properties," said Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research. "Commercial mortgage loan originations during last year's fourth quarter were 18% lower than a year earlier, but up significantly from the very low third quarter. Borrowing and lending remain weakest for the property types most impacted by the pandemic – particularly hotel and retail buildings. Multifamily, led by government-backed financing from FHA, Freddie Mac and Fannie Mae, continued to see the strongest commercial mortgage activity."

In the fourth quarter of 2020, agency and GSE portfolios and MBS saw the largest rise in dollar terms in their holdings of commercial/multifamily mortgage debt, with an increase of \$40.2 billion (5.0 percent). Commercial banks increased their holdings by \$7.0 billion (0.5 percent),

Mortgage Debt Outstanding - The level of commercial/multifamily mortgage debt outstanding at the end of 2020 was \$212 billion (5.8 percent) higher than at the end of 2019, according to the Mortgage Bankers Association's (MBA) latest Commercial/Multifamily Mortgage Debt Outstanding quarterly report.

MBA's report found that total mortgage debt outstanding in the final three months of 2020 rose by 1.5 percent (\$58.2 billion) compared to last year's third quarter, with all four major investor groups increasing their holdings. Multifamily mortgage debt grew by \$41.8 billion (2.5 percent) to \$1.69 trillion during the fourth quarter, and by \$127.9 billion (8.2 percent) for the entire year.

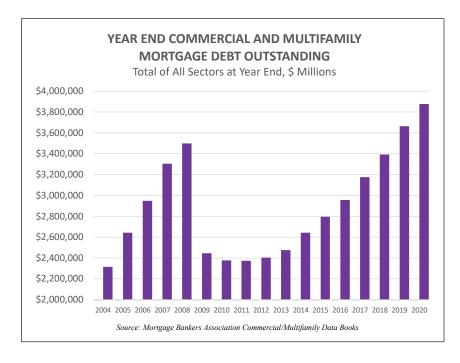
"Despite a fall-off in borrowing and lending during 2020, the total amount of commercial and multifamily mortgage debt outstanding increased during the year," said Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research. "Continuing the trend

of previous quarters, growth in multifamily mortgage debt outpaced other property types, with increases in federally-backed mortgages from Fannie Mae, Freddie Mac, and FHA driving that growth. Strong appetites from all the major capital sources should keep growth going in 2021, but with key differences across property types."

In the fourth quarter of 2020, agency and GSE portfolios and MBS saw the largest rise in dollar terms in their holdings of commercial/multifamily mortgage debt, with an increase of \$40.2 billion (5.0 percent). Commercial banks increased their holdings by \$7.0 billion (0.5 percent),

CMBS, CDO and other ABS issues increased their holdings by \$4.7 billion (0.9 percent), and life insurance companies increased their holdings by \$3.0 billion (0.5 percent).

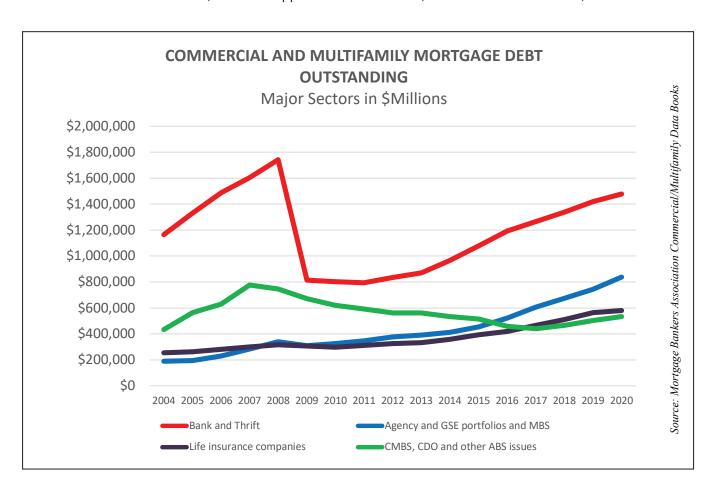
In percentage terms, agency and GSE portfolios and MBS saw the largest increase – 5.0 percent – in their holdings of commercial/multifamily mortgages.

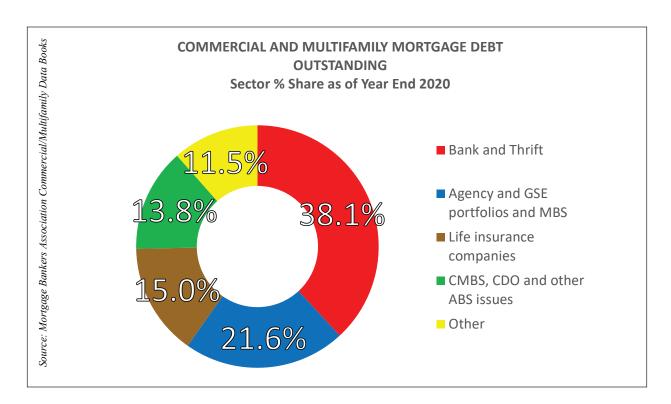


The four major investor groups are: bank and thrift; commercial mortgage-backed securities (CMBS), collateralized debt obligation (CDO) and other asset backed securities (ABS) issues; federal agency and government sponsored enterprise (GSE) portfolios and mortgage-backed securities (MBS); and life insurance companies.

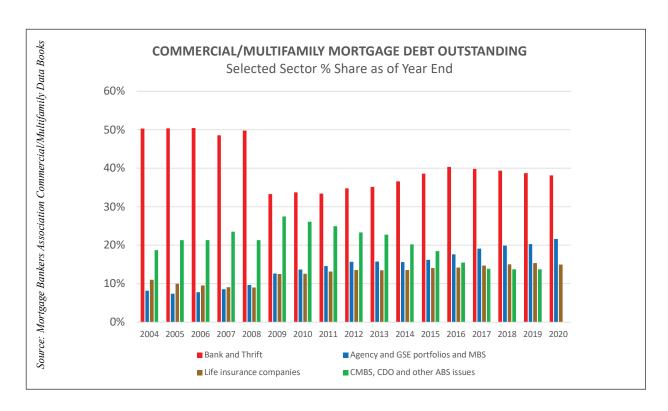
MBA's analysis summarizes the holdings of loans or, if the loans are securitized, the form of the security. For example, many life insurance companies invest both in whole loans for which they hold the mortgage note (and which appear in this data

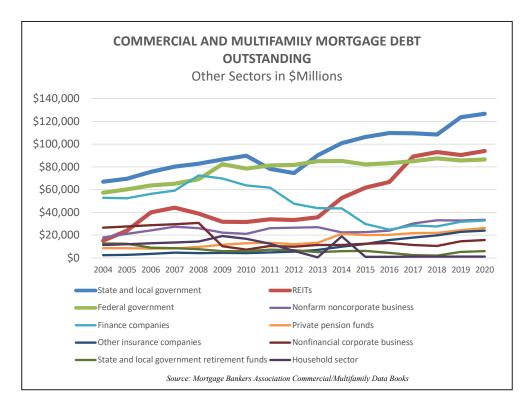
under "Life Insurance Companies"), and in CMBS, CDOs and other ABS for which the security issuers and trustees hold the note (and which appear here under CMBS, CDO and other ABS issues).





Commercial banks continue to hold the largest share (38 percent) of commercial/multifamily mortgages at \$1.5 trillion. Agency and GSE portfolios and MBS are the second largest holders of commercial / multifamily mortgages, at \$838 billion (22 percent of the total). Life insurance companies hold \$580 billion (15 percent), and CMBS, CDO and other ABS issues hold \$533 billion (14 percent).





The other or non-major sectors together represent 11.8% of the total mortgage debt outstanding, barely changed from last year's 11.9% share. REITs, who have been steadily increasing their share and dollar outstandings for several years now, have stalled out for the moment but promise to be a major source of debt financing going forward.



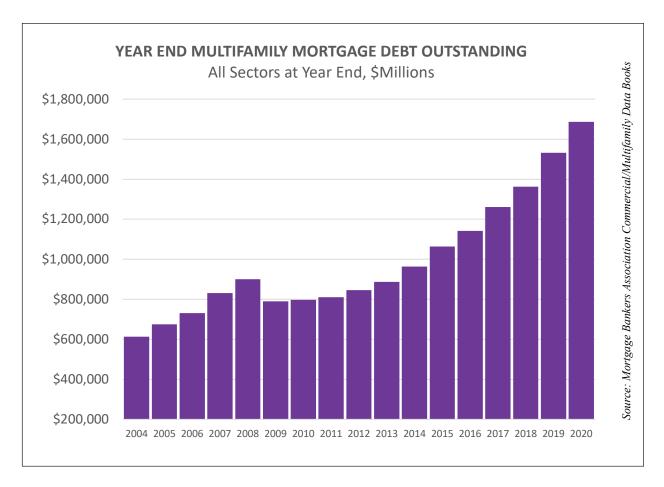
The Multifamily Sector

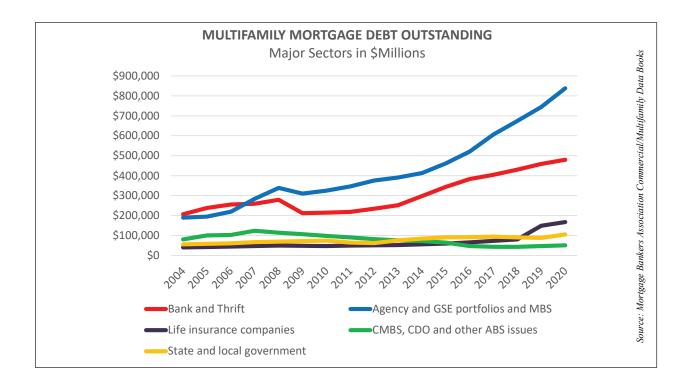
The \$127.9 billion rise in multifamily mortgage debt outstanding during 2020 represents an 8.2 percent increase. In dollar terms, agency and GSE portfolios and MBS saw the largest increase in their holdings of multifamily mortgage debt at 13 percent (\$93.7 billion). Federal government saw the largest decrease in their holdings down \$479 million (4.1 percent).

In percentage terms, agency and GSE portfolios and MBS recorded the largest increase in their holdings of multifamily mortgages, 13 percent, while private pension funds saw the largest decrease, 31 percent.

The \$41.8 billion rise in multifamily mortgage debt outstanding between the third and fourth quarters of 2020 represented a 2.5 percent increase. In dollar terms, agency and GSE portfolios and MBS saw the largest increase, at \$40.2 billion (5.0 percent), in their holdings of multifamily mortgage debt. Commercial banks increased their holdings of multifamily mortgage debt by \$1.4 billion (0.3 percent). State and local government increased holdings by 0.9 percent to \$992 million. CMBS, CDO, and other ABS issues saw the largest decline (1.7 percent) in their holdings, by \$893 million.

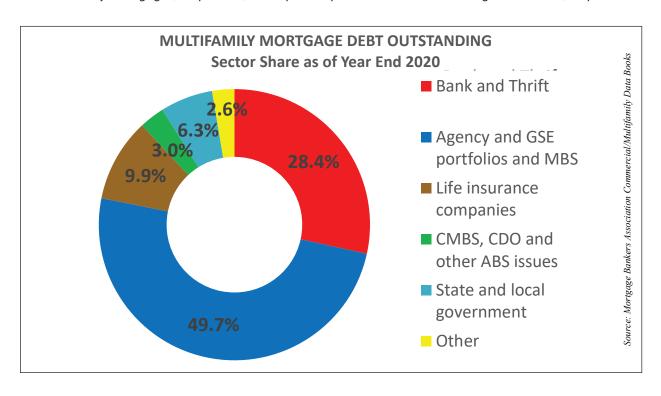
In percentage terms, REITs recorded the largest increase in holdings of multifamily mortgages (16.1 percent), and private pension funds saw the biggest decrease (10.0 percent).





The \$127.9 billion rise in multifamily mortgage debt outstanding during 2020 represents an 8.2 percent increase. In dollar terms, agency and GSE portfolios and MBS saw the largest increase in their holdings of multifamily mortgage debt at 13 percent (\$93.7 billion). Federal government saw the largest decrease in their holdings down \$479 million (4.1 percent).

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The Lenders

Bank Lending

As we said last year, banks have always been and will always be the major source for acquisition, development, and construction financing. The immediate issue last year was not what banks have done in the past, but how the COVID-19 pandemic would impact bank lending in the then-chaotic present and the uncertain near-term future.

Our source for this subject has traditionally been Jim Dobbs of *American Banker* who last year discussed the impact of the pandemic in his February 28, 2021 article, "Will coronavirus permanently change CRE

lending?" Apparently the answer to his question is "yes." This year, Jim writes about CRE lending from a community bank perspective in his February 28, 2021 article, "How the pandemic has changed small banks' views of CRE" which starts off with an ominous opening:

"Fallout from the pandemic is reshaping community banks' views of commercial real estate."

Dobbs explains as follows:

"Social distancing measures have restricted retail and restaurant capacity, while forcing people to rely more on digital channels for their purchases. The potential for permanent work-from-home policies is expected to alter how much office space companies need.

Those changes could have an outsize impact on small and midsize banks, where commercial real estate made up 26.8% of total loans at Dec. 31, based on the most recent data from the Federal Deposit Insurance Corp. CRE only made up 10.5% of loans at banks with at least \$50 billion of assets."

Dobbs spoke with Edward Barry, president and CEO of Capital Bancorp in Rockville, Maryland, for specifics:

"Social distancing measures have restricted retail and restaurant capacity, while forcing people to rely more on digital channels for their purchases.

The potential for permanent work-from-home policies is expected to alter how much office space companies need.

"Current challenges and impending change have forced bankers such as Edward Barry ... to assess his approach to CRE. The \$1.9 billion-asset Capital Bancorp, like other banks, could stop lending in projects involving retail and office space, restaurants and hotels. And the pandemic is altering how bankers underwrite certain loans, as well as their methods for watching out for potential issues with existing borrowers."

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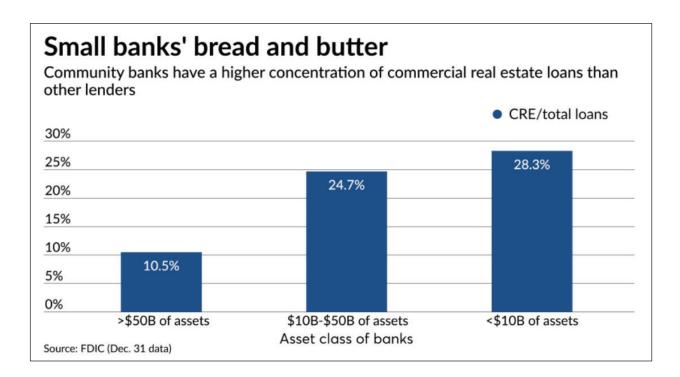


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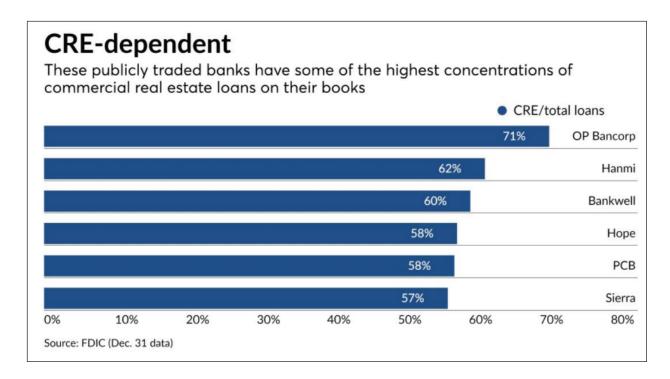


Other key issues from the article:

- Banks that rely heavily on commercial real estate will need to fill a hole if they pare back, perhaps by making more commercial loans or developing fee-based businesses. Another option would be to merge with banks that are less CRE dependent.
- More than three-fourths of lenders surveyed by PrecisionLender at the beginning of this year said they were uncertain about the future of CRE. "There's a sentiment that there are long-term implications from the pandemic ... and real estate may be one of the casualties as we look ahead," Gita Thollesson, a senior vice president at PrecisionLender, said during a recent commercial lending webinar.
- A January poll by the small-business referral network Alignable found that a third of small-business owners were concerned they could not pay rent on their properties which, by extension, jeopardizes their landlords' ability to make loan payments. The survey found even

more concerning numbers in hard-hit sectors, with 57% of restaurants and bars reporting the potential for a missed rent payment, followed by yoga studios (46%), retailers (44%), massage therapists (43%) and beauty salons (42%).

- When bankers start lending again to higherrisk subsectors of CRE, they will undoubtedly be using tighter standards, industry observers said. Some lenders tightened their multifamily standards by lowering loan-to-value ratios, increasing debt coverage ratios and raising the required reserves from borrowers from six months to 12 months.
- Many CRE-heavy lenders have been putting more resources into mortgage and commercial and industrial lending (C&I), in hopes of reducing their dependency on commercial real estate. Bulking up in C&I will be difficult, however, because the skill set for lenders is much different than that of CRE loan officers, and there is only so much business to go around amid the pandemic and a slow-growth economy.

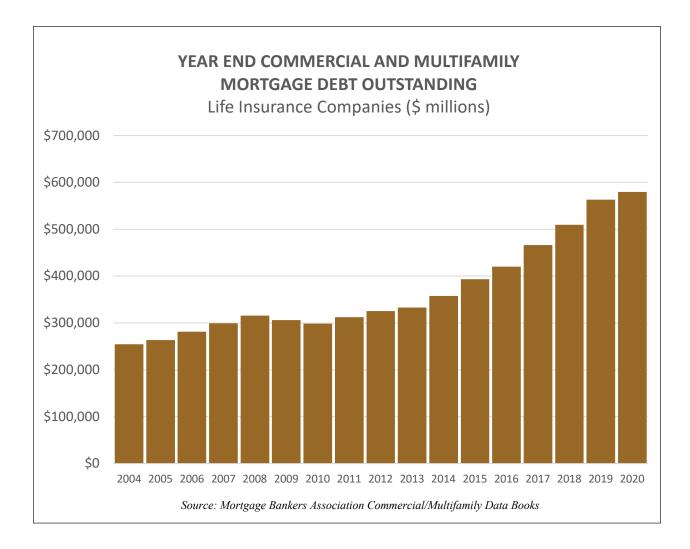


Life Insurance Company Lending

Russell Hughes, head of data consortia initiatives at Trepp, published his LifeComps report on life insurance commercial mortgages in February 2021 with the following major points:

- Commercial mortgage investments held by life insurance companies posted a positive 1.22 percent total return in the fourth quarter of 2020, a slight decrease from the positive 1.71 return realized in the third quarter. "The volatility in valuations caused by the pandemic appears to have receded, with returns having stabilized for the second consecutive quarter," said Hughes.
- Income contributed 1.01 percent, and appreciation added 0.21 percent in the fourth quarter. "While interest rates remain near record lows, signs point to lenders remaining cautiously optimistic about where the market is heading," Hughes said.

- Credit concerns remain evident among lenders but not as concerning as we have seen in previous quarters. The overall delinquency rate decreased from 0.06 percent in Q3 to 0.04 percent in Q4. Lender deferrals and forbearance are down in Q4 with only \$24M in interest capitalized than Q3, where there was \$33M in capitalized interest.
- Cumulative charge-offs on existing loans decreased by a net of \$3.1 to \$16.7M after an increase of \$1.5M for office properties and reversals of prior charge-offs of \$4.5M on retail properties. The specific reserves for the portfolio increased \$342K to \$148M, or 0.098% of ending book value.
- Of the four major property types, multifamily properties remain strong. Performing best over 12 months with a total return of 8.06 percent, followed by industrial at 7.54 percent, and office at 6.45 percent.



GSE Lending

Freddie Mac released their Multifamily 2021 Outlook on January 20, 2021. In the Outlook the researchers were able to look back on trends through the end of 2020 with, well, 20-20 hindsight:

The impact of the COVID-19 pandemic on the multifamily market has been severe and has had a lasting impact on both landlords and renters. Unemployment led to unpaid rents, a sharp decline in investment, and economic interruptions that halted construction of new units. However, the multifamily market entered the pandemic on solid footing, with 10 years of steady growth. Combined with forbearance relief and stimulus legislation, as well as historically low interest rates, some 2020 outcomes did not veer too far from previous years.

Given the timing of their publication, and given what we know of the Biden administration's proposed legislation as of the end of March 2021, Freddie Mac's forecasts for 2021 may have to be updated:

These outcomes may prove helpful to the market's recovery in 2021, though our projections are not inclusive of any future federal economic relief that may occur.

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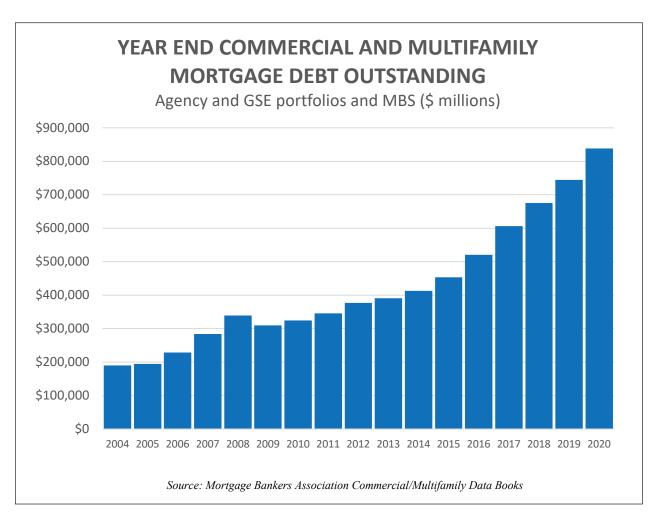




With those disclaimers in mind, let's look at what Freddie Mac had to say about 2020 and their preliminary forecast for 2021:

After a decade of growth, multifamily originations were on a roller coaster in 2020. Origination volume started the year strong, then dropped as the effects of the virus took hold in the second quarter of the year, followed by emerging strength over the second half of the year. The upward trend has been encouraged by low interest rates, and rent fundamentals and collections holding up better than first expected.

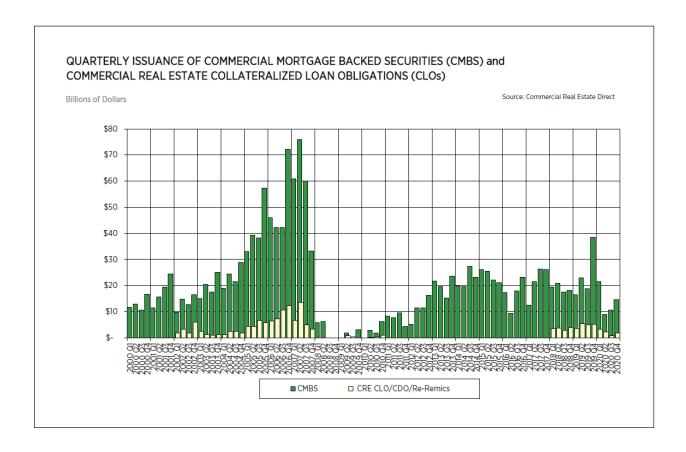
The net effect of all of this is a decline. For 2020, we estimate total multifamily volume will have been \$287 billion, down about 21% compared with the record level of 2019, shown in Exhibit 15. For reference, the projected 2020 multifamily volume of \$287 billion is nearly equal to the 2017 level. Our 2021 origination volume forecast is based on an economy that is recovering from the destruction wrought by the virus, with strong GDP growth, the 10-Year U.S Treasury Rate up slightly but still at historically low levels, with an unemployment rate that is not yet fully recovered. Considering these factors, 2021 multifamily volume is expected to increase 18.5% to \$340 billion, nearly identical to 2018 originations. However, most properties have net operating income that is above 2018 levels, and mortgage rates are lower, so both of these factors suggest robust demand for debt in 2021.



CMBS and CDO Lending

Trepp *CMBS Research* is a trusted source for information on CMBS operations, so when the headline of their January 2021 issue read "U.S. Private-Label CMBS Issuance Plunges 43 Percent Amid Coronavirus," you knew that was trouble with this capital source. Key poinst from their report:

- Private-label CMBS issuance in the United States totaled \$56 billion in 2020. That is down nearly 43% from the \$96.7 billion of issuance 2019 had registered.
- The year could have been far worse. After all, the last market collapse, the Global Financial Crisis, resulted in a lengthy market shutdown. After Lehman Brothers failed in the latter half of 2008, CMBS issuance, already reeling, just about collapsed. In 2009, only \$2.8 billion of private-label deals were issued. And those were either very low-leveraged single-borrower deals or net-leased transactions.



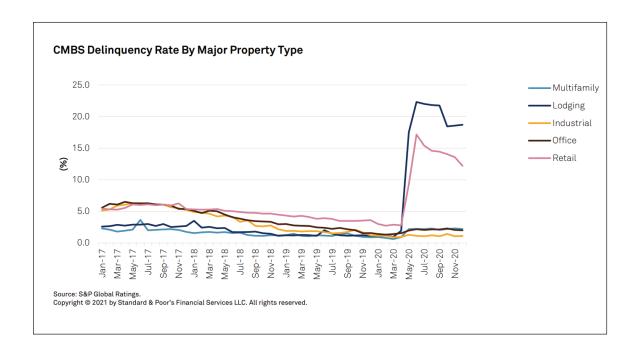
• Issuance halted briefly in April 2020, after a relatively busy first quarter when \$21.6 billion of deals priced. But the reaction to, and uncertainty surrounding, the pandemic caused spreads to blow out in April. Benchmark bonds, those with 10-year average lives and the highest possible ratings, had hovered at about 80 basis points more than swaps in January and February. But they started widening in early March and spiked to 277.5 bps more than swaps by mid-March. Lending by those planning to securitize their originations ground to a halt as it became challenging to securitize loans profitably.

- With market conditions on more stable footing, lenders gradually restarted their operations. But they avoided loans against retail or hotel properties, which were especially hard hit by the pandemic. With vast swaths of the country shut down, save for what governments deemed to be essential businesses, roughly 20% of all CMBS hotel loans were delinquent by November. And nearly 15% of all retail loans were in the same boat.
- Those numbers mask the true distress as servicers have been actively negotiating debt-service deferral agreements. At the peak last April, \$41.06 billion of loans, or 8.07 % of all CMBS loans, were subject to such forbearance agreements. And 64 % of all loans receiving such benefits were backed by hotels.

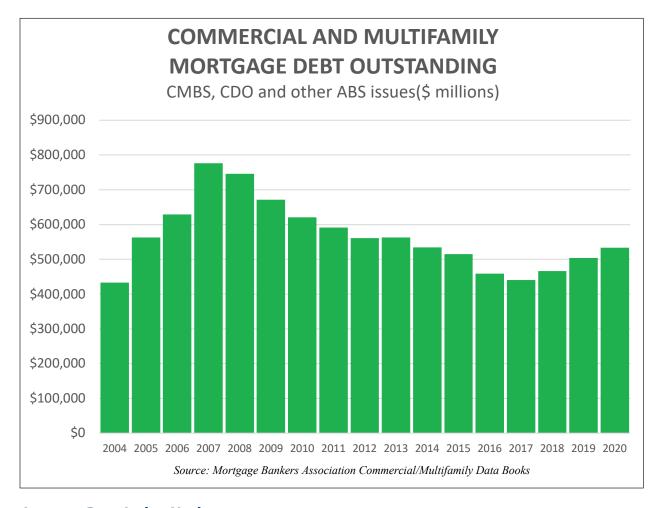
S&P Global paints a rosy future for structured finance in 2021 in their January 8, 2021 publication titled "Global Structured Finance 2021 Outlook: Market Resilience Could Bring Over \$1 Trillion In New Issuance." Their forecast for CMBS:

We project \$70 billion in 2021 new issuance, with roughly an even split between conduits and single-asset single-borrower (SASB)/other transactions, up from \$53 billion in 2020.

S&P noted the same trend as identified by Trepp in that Lodging and Retail showed the largest jump in delinquency rates of any major property type.



Conduit lending and CMBS issuance was important to the south Louisiana market prior to the Global Financial Crisis, but with very few exceptions, it appears that the capital source has not rebounded to a point where it will be a significant avenue for financing quite yet.



Interest Rate Index Update

(Adapted from United States Economic Forecast 1st Quarter 2021 by Dr. Daniel Bachman, published March 31, 2021 in **Deloitte Insights**)

Dr. Daniel Bachman's research has been our go-to source for years. It is comprehensive and concise, easy to understand, and, most importantly, he has been right year after year. So I am cautiously optimistic when his most recent economic forecast starts with this:

Granted, after a grueling year of lockdowns, the light at the end of the tunnel metaphor may be overused. But the accelerating rate of vaccination in the United States suggests that the end of the pandemic — or, at least, of the immediate economic impact of the pandemic —may really be in sight.

Dr. Bachman's analysis focuses on Federal Reserve policy and the impact of that policy on short-term rates. We in real estate know that short-term rates drive our pricing on construction loans and short-term bridge loans and that long-term rates drive our pricing on residential mortgages, longer-term bridge loans, and permanent loans on commercial real estate. While Fed policy has that direct impact on short-

term rates, longer-term rates have their own market-driven dynamics beyond the reach and influence of the policy makers. So let's see what Dr. Bachman says, keeping in mind that the Biden administration has proposed historic programs in the early days of 2021 that will have a significant impact on what Dr. Bachman predicts:

"But there is a limit to what the Fed can do. It can keep financial markets operating, provide liquidity for markets, and even lend directly to companies so that they don't shut down."

- The Fed's operations have been one of the bright spots of the US response to the pandemic. When the disease first began spreading, there was a significant possibility that a financial market meltdown would exacerbate the country's economic problems. The Fed's prompt and strong actions kept financial markets liquid and operating, preventing that additional level of pain.
- There was a cost, of course: the Fed's intervention in many different markets. The traditional concerns about the Fed buying private assets have gone out the window, and the Fed has created methods for direct lending from US states, counties, and cities (Municipal Liquidity Facility), small and medium-sized businesses (Main Street Lending Program), and purchases of corporate bonds (Primary and Secondary Corporate Credit Facilities).16 This is unprecedented: The Fed has traditionally avoided lending directly to nonfinancial firms. Other programs are aimed at stabilizing specific financial markets. Although the volume of lending for many of these facilities is still at a small fraction of the announced level, the Fed's willingness to lend has calmed credit markets.
- But there is a limit to what the Fed can do. It can keep financial markets operating, provide liquidity for markets, and even lend directly to companies so that they don't shut down. But it can't maintain the incomes of unemployed people, lend to state and local governments, or fund necessary health care spending.

That's why Fed Chairman Jerome Powell has emphasized the importance of action by Congress and the president. As he points out, the Fed has "lending, not spending, powers." It would be foolish to expect Fed action alone to solve this economic crisis.

• In the longer term, the Fed will want to wean markets off of its aid. But this is likely several years away. And since sales of these assets will precede hiking the Fed funds rate, we have assumed that the funds rate remains near zero over the five-year forecast horizon. We do assume a slow rise in long-term interest rates as financial markets "normalize." But that leaves the 10-year Treasury yield at 2.5% by 2025. Interest rates are always the least certain part of any forecast: Any significant news could, and will, alter interest rates significantly.

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Financial markets												
	History						Forecast					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Federal funds rate	0.14	0.39	0.97	1.78	2.16	0.42	0.13	0.13	0.13	0.31	1.06	1.13
Yield on 10-year Treasury note	2.14	1.84	2.33	2.91	2.14	0.89	1.47	1.82	2.05	2.29	2.48	2.50
Interest rate on 30-year fixed-rate mortgage	3.85	3.65	3.99	4.54	3.94	3.11	2.97	3.36	3.69	4.02	4.26	4.28
Net household wealth (US\$ trillions)	91	96	105	106	118	135	151	150	150	149	151	153

Short Term Rate Indices

Source: Deloitte analysis.

On March 17, 2021, the Federal Reserve issued the regularly scheduled Federal Open Market Committee (FOMC) statement. We typically post a brief portion of the release but are posting more this year so readers can appreciate the impact of COVID-19 on economic policy:

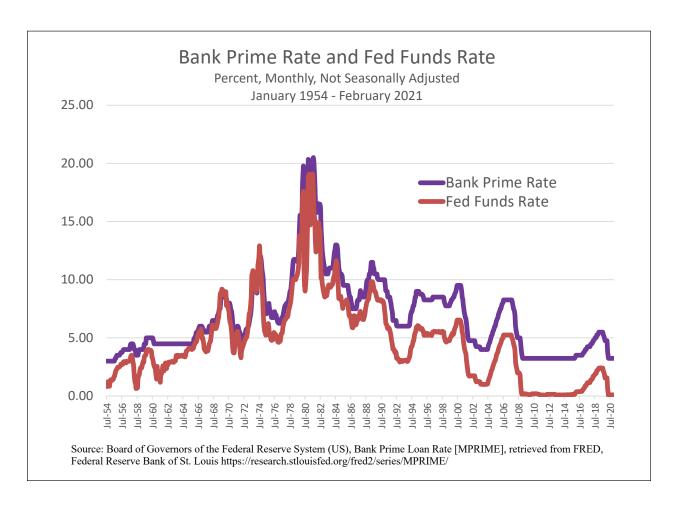
The COVID-19 pandemic is causing tremendous human and economic hardship across the United States and around the world. Following a moderation in the pace of the recovery, indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak. Inflation continues to run below 2 percent. Overall financial conditions remain accommodative, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy will depend significantly on the course of the virus, including progress on vaccinations. The ongoing public health crisis continues to weigh on economic activity, employment, and inflation, and poses considerable risks to the economic outlook.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. With inflation running persistently below this longer-run goal, the Committee will aim to achieve inflation moderately above 2 percent for some time so that inflation averages 2 percent over time and longer-term inflation expectations remain well anchored at 2 percent. The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved. The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and expects it will be appropriate to maintain this target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time. In addition, the Federal Reserve will continue to increase its holdings of Treasury securities by at least \$80 billion per month and of agency mortgage-backed securities by at least \$40 billion per month until substantial further progress has been made toward the Committee's maximum employment and price stability goals. These asset purchases help foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

To give some historical perspective of what a low federal funds rate means for prime rate-based lending, we look at the relationship between those two rates over time.



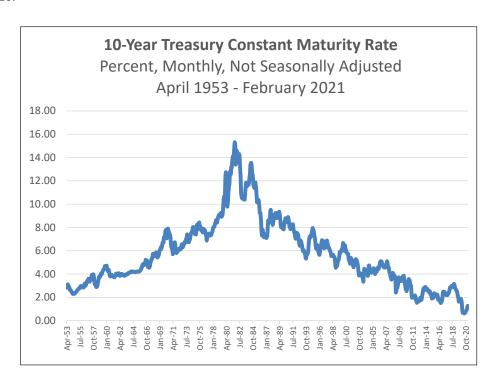
If this relationship holds going forward, the Deloitte projections would imply a prime rate of 3.25% through the end of 2024. Last year's prediction considered the possibility of lower rates in 2021 and 2022 but economic conditions are more stable now and thoughts of lower rates are gone for the moment.

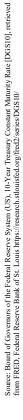
The wild card? INFLATION. If the economic packages proposed by the Biden administration have the desired impact on the economy, inflation will return to healthy levels and the Fed will use monetary policy to keep those rates from getting too high. This means that despite all projections, the Fed will stand ready to increase short term rates if the need arises.

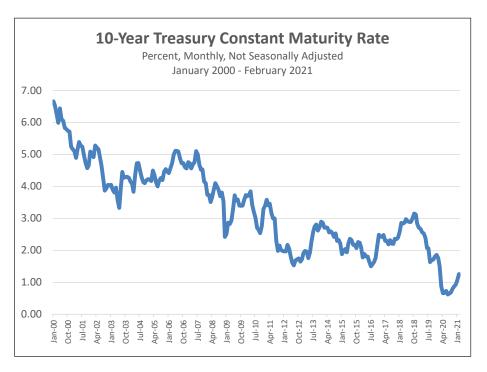
Long Term Rate Indices

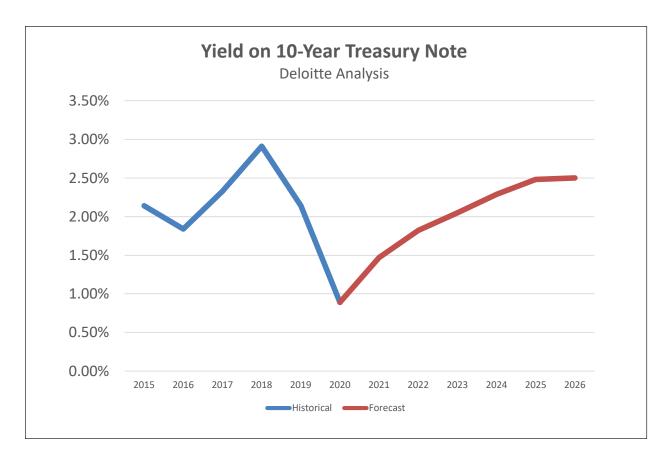
While not as low as they were last year at this time, and they have been lower during the year, long-term rates are still near historic lows.

Remember that Dr. Bachman and Deloitte are forecasting higher rates over the next few years reaching 2.50% in 2026.









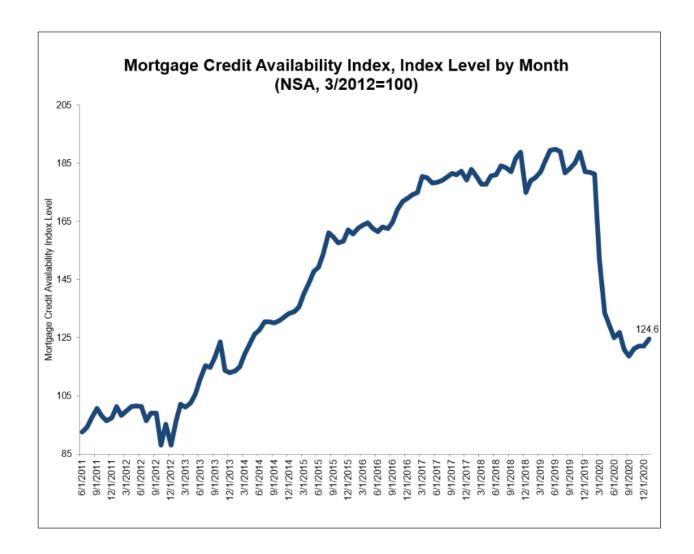
This will translate into higher residential mortgage rates and higher rates on long-term commercial real estate mortgages including permanent loans.

Residential Real Estate Finance

The Mortgage Bankers Association (MBA) publishes a monthly Mortgage Credit Availability Index (MCAI), a report that analyzes data from Ellie Mae's AllRegs® Market Clarity® business information tool. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012.

"Credit availability in February 2021 was unchanged from January 2021, remaining close to its lowest level since 2014," said Joel Kan, MBA's Associate Vice President of Economic and Industry Forecasting. "The housing market is in strong shape heading into the spring, with robust growth in purchase applications, home sales, and new residential construction. Government credit supply has increased in five of the past six months, albeit in small increments, but remains tight by historical standards. This adds another obstacle for many aspiring first-time buyers who are already navigating supply and affordability constraints."

Added Kan, "Expected home sales growth this year is still likely to be driven by first-time buyers, spurred by millennials reaching peak first-time homebuyer age. Many of these potential buyers will likely utilize FHA and other low down payment loans to purchase a home."



Conventional Mortgage Rates

While availability of residential mortgage loans is tight, the rates are still near historic lows, though those rates show signs of increasing at the time of this writing.

Fannie Mae published an article on March 17, 2021 titled I in which they make several comments on rising rates and the impact on home sales:

• The 10-year Treasury rate as of this writing is 1.63 percent, up from 1.09 percent at the start of February. While the level remains modest compared to pre-COVID years (the 10-year Treasury rate averaged 2.32 percent from 2011 to 2019), the rate of increase has been rapid. We have noted in recent months our belief that a larger increase in interest rates and inflationary expectations are significant risks. Even if inflation expectations remain subdued, given our forecast for nominal GDP growth, it is entirely plausible that the 10-year Treasury rate could reach the 2.5 to 3.0 percent range by the end of 2022.

- Despite this risk, our baseline view is that the recent rapid rise will not continue but that rates will drift only modestly higher over the remainder of this year. Essentially, we believe the Fed will keep policy accommodative for longer, not tightening until inflation clearly exceeds its 2.0-percent target for a substantial period. This view is consistent with current market measures, such as Fed Funds futures, not anticipating any rate hikes until 2023 and, even then, at a slow pace. If the Fed's response to labor market tightening and accelerating inflation is slower than in the past, then long-run rates should remain low relative to what would have been expected in past cycles, under the expectation that it will take longer for the Fed to move the short-run rate higher. If inflationary expectations do not permanently move much higher, pushing up the long-run rate, this regime could be maintained well past our forecast horizon.
- Compared to a given rise in the 10-year Treasury, we expect the 30-year fixed mortgage rate to move up somewhat less in the short-run. The roughly 55 basis point increase in the 10-year Treasury since the beginning of February, corresponded with about a 30-basis point increase in the mortgage rate. Over the past year, a surge in originations led lenders to build out operating capacity. Therefore, in the short run we expect originators to absorb some of the increase in funding costs to maintain production volumes. This is supported by Fannie Mae's Q1 Mortgage Lender Sentiment Survey® (MLSS) which showed that the share of mortgage lenders expecting their profit margins to decline rose for the second straight quarter, with





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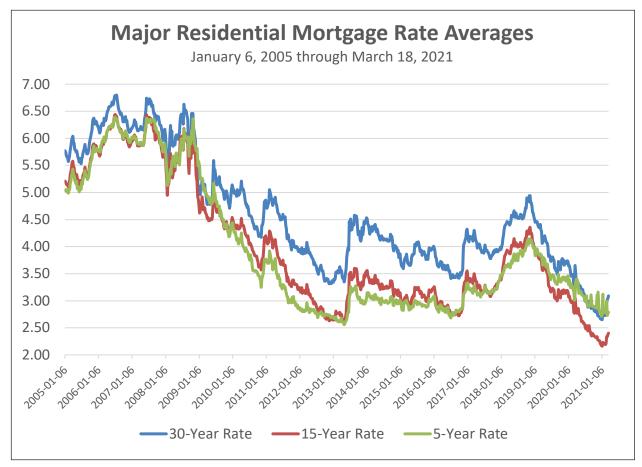
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an even greater share expecting profit margins to fall further in the coming months. While the primary spread (30-year fixed mortgage rate minus 10-year Treasury) has already compressed significantly, we believe there is a modest amount of room still available in the near-term. We expect future drifts upward in the mortgage rate to therefore be somewhat less than movements in the 10-year Treasury rate.

• We continue to forecast a slowdown in home sales over the course of 2021 (though the yearly total will likely be higher than 2020). However, we do not expect this deceleration to be primarily rate driven, but rather due to waning timing effects of homebuyers' delaying or moving forward purchases due to COVID-19 and an extremely tight supply of homes for sale

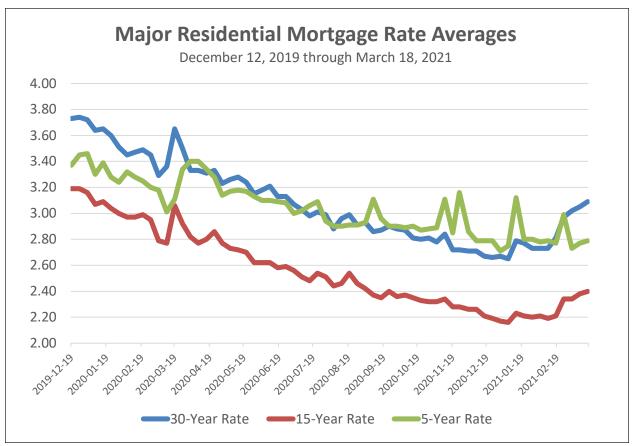
limiting transactions. The rise in mortgage rates over the past month, and our upwardly revised rate forecast, led to only a slight decline in our sales outlook.

• However, if rates move up more aggressively than our baseline forecast, it's useful to examine the last period of significantly increasing mortgage rates as a comparison. In 2018, the 30-year mortgage rate rose a little more than 100 basis points in a 14-month period. On a quarterly basis, total home sales fell by about 8 percent peak-to-trough, despite employment and incomes continuing to expand. If something similar were to occur over the next year, there are reasons to believe that the drag on sales would be considerably smaller:



Source: Board of Governors of the Federal Reserve System (US), retrieved from FRED, Federal Reserve Bank of St. Louis





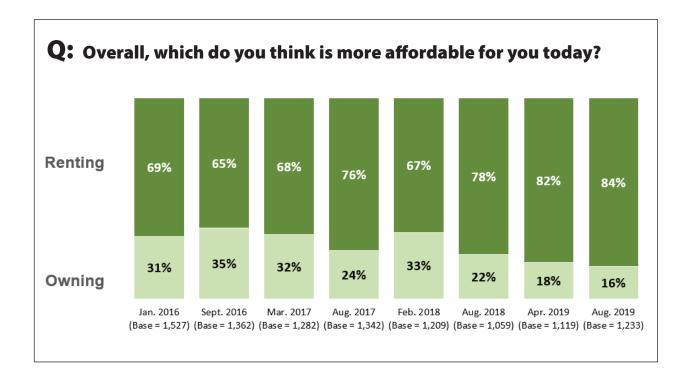
Source: Board of Governors of the Federal Reserve System (US), retrieved from FRED, Federal Reserve Bank of St. Louis

We have seen what the Federal Reserve says about short-term interest rates and what Fannie Mae says about the residential housing market. Let's see what Freddie Mac had to say in their February 11, 2021 Consumer Research article titled "New Survey Shows Affordability Continues to Drive Purchase and Rental Decisions."

A new Freddie Mac survey shows that affordability remains top of mind for those individuals looking to rent or purchase a home. In fact, Freddie Mac's "Profile of Today's Renter and Owner" shows vast majorities of both renters and homeowners believe their current living situation is the most affordable option. However, the survey illustrates that issues of affordability remain pervasive throughout these groups. In addition, the survey takes a look at the impact of the current interest rate environment on buying preferences, including a close look at the preferences of Baby Boomers in particular.

Renters Perceive Renting as More Affordable

When it comes to renting, the survey finds that an unprecedented number of renters (84%) believe renting is more affordable than owning, an all-time high for the survey and up 17 percentage points from just two years ago in February 2018.



However, while renters do feel renting is the more affordable option, the new survey does paint a concerning picture about many renters' ability to make housing work within their family budget. Specifically:

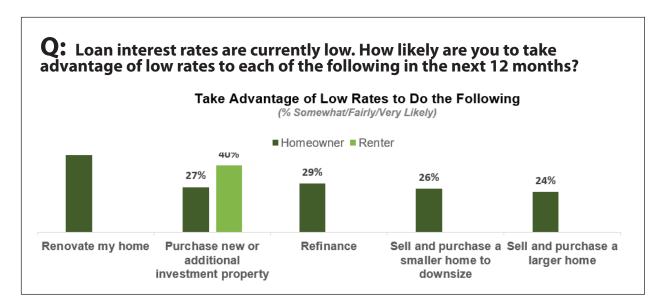
- Forty-two percent of renters surveyed are currently cost-burdened, i.e., paying more than one-third of their income for rent, up eight points from just April of 2019. This is compared with only 24% of owners spending the same amount, a number that has not changed in recent years.
- Eighteen percent of renters are not interested in ever purchasing a home, up four points from August 2017.
- Renters are growing more concerned about their rent going up in the next 12 months (69%) and not being able to pay for their larger expenses (68%).

- Sixty-seven percent of renters have made spending changes or have moved to afford their monthly housing payment, up five points from April 2019. Among those who live in rural areas, 70% made changes to afford their monthly payment (up from 59% in April 2019). Eighty-two percent of renters in the "essential workforce" also had to adjust (up from 76% in April 2019).
- Half of all renters are finding it difficult to find affordable housing that is close to work, up 12% since April 2019. This includes 57% of essential workers, up 23% from April.

Interest Rate Environment

With mortgage rates near historic lows, both renters and homeowners are interested in taking advantage of low rates in the next several months. In fact, 40% of renters plan to purchase a home given current interest rates.



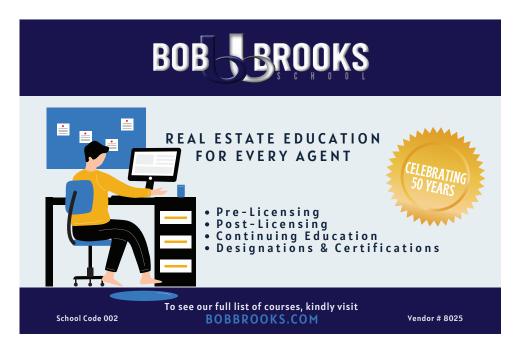


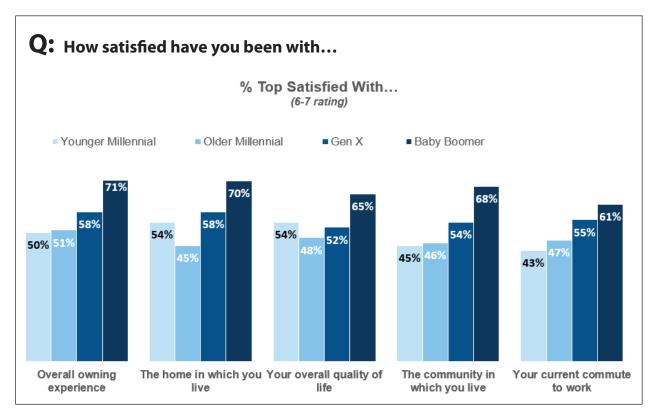
Forty-six percent of owners plan to renovate their home. In addition:

- Twenty-nine percent of owners plan to refinance;
- Twenty-seven percent would like to purchase a new home or additional investment property;
- · Twenty-six percent plan to sell their current home and purchase a smaller one; and
- Twenty-four percent think it is likely they would sell and purchase a larger home.

Boomers are Comfortable and Unmoved by Rate Changes

As compared to other generations, Baby Boomers stood out in the survey. As owners, they are highly satisfied with their overall experience (71%) and prefer to live in a small home (61%). Similarly, Boomer renters are more satisfied (50%) with their rental experience than other generations (older Millennials 39%, Gen X 35%, younger Millennials 33%). Growing portions of Boomer renters (27%) say they will never move, as compared to Gen X (9%) and Millennials (6%). The same is true for Boomer owners, with an increasing percentage (34%) saying they will never move, as compared to 18% Gen X and 8% of Millennials.





The American Rescue Plan Act of 2021

The \$1.9 trillion COVID-19 stimulus bill, the American Rescue Plan Act of 2021, has passed the Senate and House of Representatives and was signed quickly into law by President Biden.

Highlights of the legislation that affect the commercial and multifamily industry include:

- Direct rental assistance,
- Targeted business assistance (including PPP and help for restaurants and shuttered venues),
- Unemployment insurance,
- · Direct assistance to individuals, and
- State and federal assistance (including assistance that may be used for rental and other COVID-related assistance and for critical infrastructure projects).

The Mortgage Bankers Association quickly signaled their support for the legislation in a statement from President and CEO Robert D. Broeksmit, CMB on March 11, 2021:

"MBA commends passage of the American Rescue Plan Act of 2021, by both the Senate and House, which will deliver essential relief to millions of individuals and families affected by the COVID-19 pandemic. Specifically, we appreciate the bill's provisions that provide additional assistance to tenants, homeowners and businesses – particularly those in the retail and hospitality sectors. We look forward to continuing to work with Congress, policymakers and other stakeholders on ways to help consumers and strengthen the overall housing and rental markets."

Broeksmit called on President Biden to quickly sign the bill into law, which was done the following Friday.

The MBA summarized the key provisions of the legislation as follows:

TARGETED ASSISTANCE FOR AFFECTED HOMEOWNERS AND RENTERS

• Sec. 3201. Emergency Rental Assistance (ERA) (p. 123). \$21.55 billion to Treasury for ERA to cover rent, rent arrearages, utilities, home energy costs, arrearages for utilities and energy costs, as well as other expenses related to housing.

Each state will receive a minimum of \$152 million, and \$2.5 billion is set aside for high need areas. "High need" will be determined by Treasury based on "the number of very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020."

- Sec. 3202. Emergency Housing Vouchers (p. 134). \$5 billion for emergency Housing Choice Vouchers.
- Sec. 3203. Emergency Assistance for Rural Housing (p. 139). \$100 million for rent support for households living in U.S. Department of Agriculture (USDA)-subsidized properties.
- Sec. 3204. Housing Counseling (p. 139). \$100 million for housing counseling services through NeighborWorks to households facing instability, such as eviction, default, foreclosure, loss of income, or homelessness.
- Sec. 3206. Homeowners Assistance Fund (HAF) (p. 146). Approximately \$10 billion to provide direct assistance through state housing finance agencies to help homeowners with COVID-19

hardships by supporting mortgage payments; providing funding for deeper loan modifications; assisting with utility payments, property tax and insurance payments, and homeowner association dues; and offering other support to prevent the loss of home equity, mortgage delinquency, default, or foreclosure.

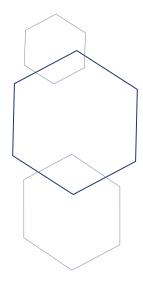
Eligible loans cannot be above the conforming loan limit at the time of origination. At least 60% of funds must go to homeowners with income at or below 100% of AMI (or the national median income).

• Sec. 11003. Housing Assistance for Native Americans (p. 620). \$750 million to support Native American Housing Block Grants, Native Hawaiian Housing Block Grants, and Indian Community Development Block Grants.

TARGETED ASSISTANCE FOR AFFECTED BUSINESSES

- Sec. 5001. Modifications to Paycheck Protection Program (p. 195). \$7.25 billion in PPP funding and extending eligibility to certain non-profits and other organizations.
- Sec. 5002. Targeted Economic Injury Disaster Loans (EIDL) (p. 205). \$15 billion for SBA's EIDL program for the purpose of ensuring that qualified small businesses can obtain the full \$10,000 EIDL Advance Grant as defined by CARES Act.
- Sec. 5003. Support for Restaurants (p. 206). \$25 billion for a Small Business Administration (SBA) grant program to target food and food service-related businesses, which would provide up to \$10 million per entity and \$5 million per location.

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2021

- Sec. 5004. Community Navigator Pilot Program (p. 217). \$175 million for the newly created SBA Community Navigator Program to increase awareness of, and participation in, COVID-19- related assistance programs available to small businesses.
- **Sec. 5005. Shuttered Venues Grant** (p. 222). \$1.25 billion in additional funding for the SBA's shuttered venues grant program.

OTHER PROVISIONS OF NOTE

EXTENSION OF CARES ACT UNEMPLOYMENT PROVISIONS

• Sec. 9011. Extension of Pandemic Unemployment Assistance (p. 290). Temporary federal unemployment and benefits extension of \$300 per week through September 6, 2021. The first \$10,200 of unemployment insurance is exempt from taxation for individuals earning up to \$150,000.

2021 RECOVERY REBATES TO INDIVIDUALS

• **Sec. 9601. 2021 Recovery Rebates to Individuals** (p. 342). Direct payments of \$1,400 per qualified individual. Phase out begins at \$75,000 for single filers and ends at \$80,000; for joint filers, phase out begins at \$150,000 and ends at \$160,000.

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

- Sec. 9901. Coronavirus State and Local Fiscal Recovery Funds (p. 569). Appropriation of \$219.8 billion, including:
- o Coronavirus state and local fiscal recovery funds (p. 571). Reservation of \$195.3 billion of the \$219.8 billion appropriation for state and local relief for local economic recovery efforts: "(A) to respond to the public health emergency with respect to the Coronavirus Disease or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (B) for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to such emergency; (C) to make necessary investments in water, sewer, or broadband infrastructure."
- o Coronavirus Capital Projects (critical infrastructure projects) (p. 602) New \$10 billion Critical Infrastructure Projects program to help States, territories, and Tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19.

There is so much to digest in the pages of this legislation. At first glance we might think that the program provides much needed support to the sectors of the US economy who are suffering. But will the return on investment be enough to cover the costs of the program and/or reduce the existing requirements for public support? That will most likely be the opening paragraph of next year's Finance presentation.

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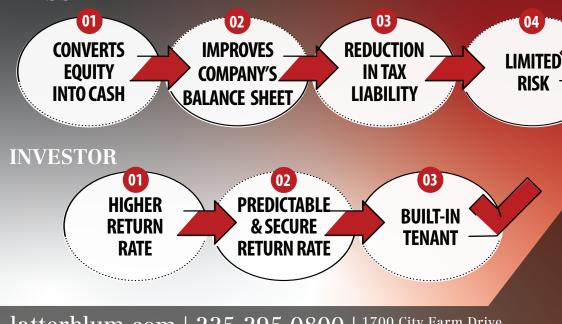


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