

# COMPREHENSIVE HOUSING MARKET ANALYSIS

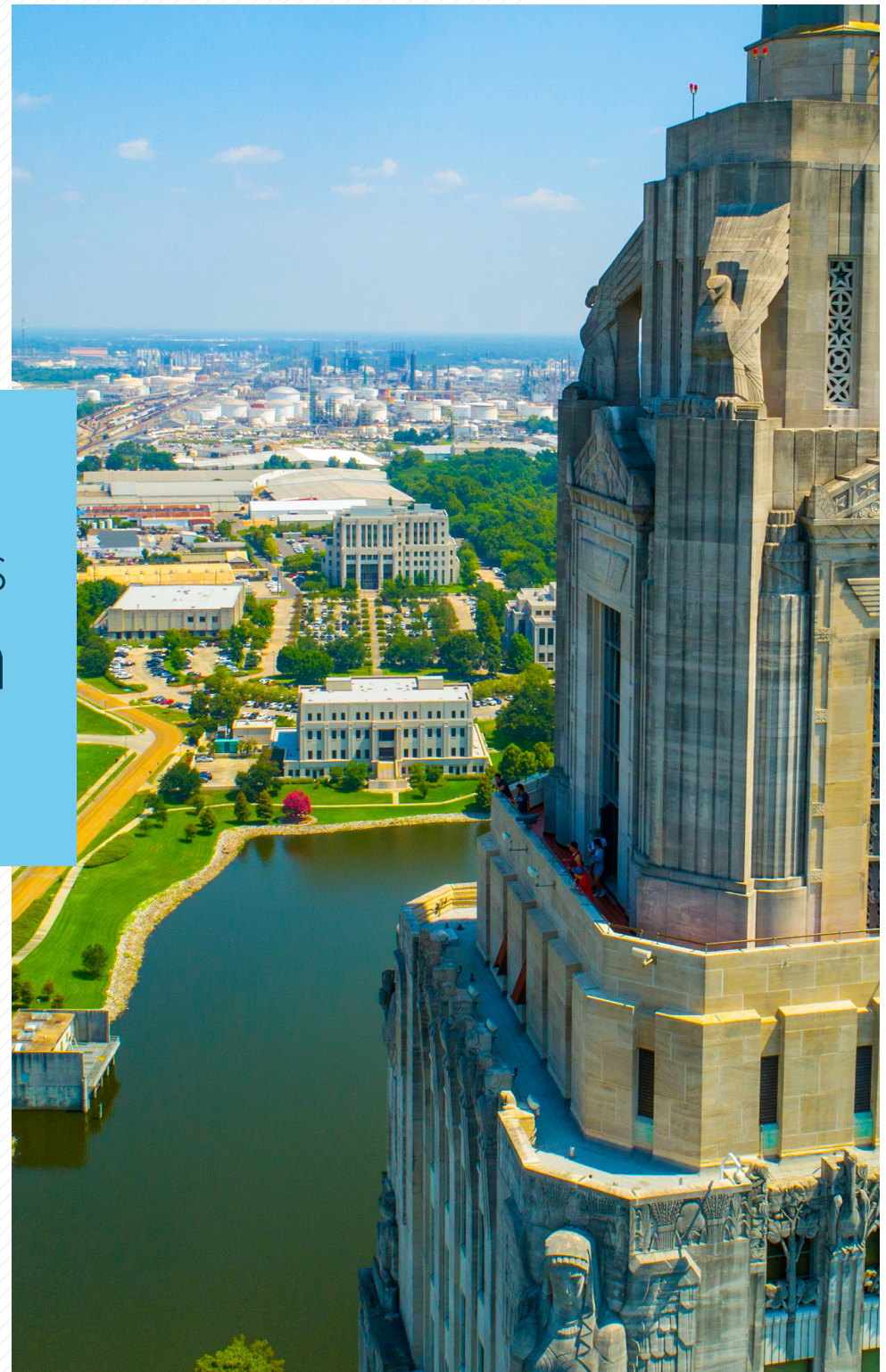
# Baton Rouge, Louisiana

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of July 1, 2023



Share on:   



# Executive Summary

## Housing Market Area Description

The Baton Rouge Housing Market Area (HMA) is coterminous with the Baton Rouge, LA Metropolitan Statistical Area (MSA), which has nine parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana. The HMA is in southeast Louisiana and adjacent to portions of the Lafayette MSA to the west, the New Orleans-Metairie MSA to the southeast, and the Hammond MSA to the east. The principal city of Baton Rouge is the second most populous city in the state (U.S. Census Bureau).

The current population of the HMA is estimated at 855,900.

The city of Baton Rouge is the state capital and home to the flagship campus of the Louisiana State University System (LSU). The Baton Rouge campus of LSU had an economic impact of approximately \$2.27 billion and supported approximately \$774 million in earnings in the state of Louisiana during the 2021–22 fiscal year (LSU). The primary industry in the HMA is petrochemical refining and exporting due to the proximity of natural gas pipelines and the Mississippi River, which provides deepwater access to the Gulf of Mexico.



## Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



**Strong:** During the 12 months ending June 2023, nonfarm payroll growth in the Baton Rouge HMA outpaced payroll growth each year from 2010 through 2021.

During the 12 months ending June 2023, the local economy recovered the total number of nonfarm payroll jobs lost during the 2020 national recession. During the current 12 months, nonfarm payrolls in the HMA averaged 417,600 jobs, up by 13,200, or 3.3 percent, from the 12 months ending June 2022. Job gains occurred in 8 of the 11 sectors. The mining, logging, and construction and the education and health services sectors added the most jobs, accounting for a combined 42 percent of job gains in the HMA. Job growth is expected to average 1.2 percent annually during the 3-year forecast period.

Sales Market



**Balanced:** During the 12 months ending June 2023, new and existing home sales prices fell 1 percent compared with a year earlier. The price decline was due to falling existing home sales prices, which more than offset the increase in new home sales prices.

The sales housing market in the HMA currently has an estimated 1.7-percent vacancy rate, which is unchanged from April 2020. Home sales began falling in 2022, because rising mortgage interest rates made purchasing a home more expensive and caused demand for sales housing to decline. During the 12 months ending June 2023, new home sales fell nearly 25 percent to 2,150, and existing home sales decreased 30 percent to approximately 11,550 (CoreLogic, Inc.). During the next 3 years, demand is estimated for 9,700 new homes. The 1,475 homes currently under construction are expected to satisfy some of that demand in the first year of the forecast period.

Rental Market



**Slightly Soft:** In the second quarter of 2023, the average apartment rent was \$1,129, down by \$6 from a year ago (CoStar Group).

The current overall rental housing market is slightly soft, with an estimated vacancy rate of 11.5 percent, down from 13.2 percent in April 2020. Apartment market conditions are also slightly soft, with a 10.4-percent vacancy rate in the second quarter of 2023, up from 7.4 percent a year earlier when conditions were balanced. During the next 3 years, demand is estimated for 320 new rental units. The approximately 2,300 units currently under construction are expected to satisfy all demand for rental housing and create an oversupply of rental units in the HMA.

TABLE OF CONTENTS

Economic Conditions 4

Population and Households 9

Home Sales Market 12

Rental Market 16

Terminology Definitions and Notes 20

3-Year Housing Demand Forecast			
		Sales Units	Rental Units
Baton Rouge HMA	Total Demand	9,700	320
	Under Construction	1,475	2,300

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2023. The forecast period is July 1, 2023, to July 1, 2026.  
Source: Estimates by the analyst



## Economic Conditions

### Largest Sector: Government

Since 2022, the goods-producing sectors have grown faster than the service-providing sectors in the Baton Rouge HMA.

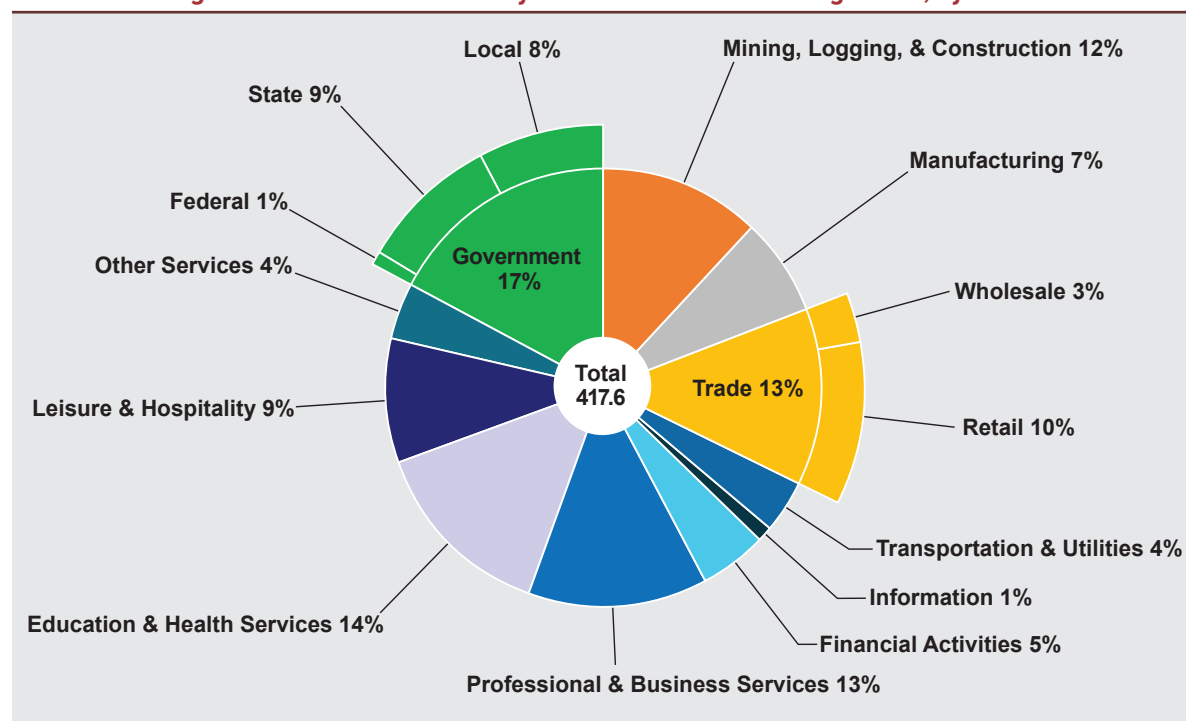
### Primary Local Economic Factors

The goods-producing sectors account for 19 percent of the nonfarm payroll jobs in the HMA compared with nearly 14 percent nationally. The manufacturing and the mining, logging, and construction sectors are influential in the local economy because of the prominence of the petrochemical industry. Manufacturers of petrochemical products are attracted to the HMA because of the proximity to pipelines, intracoastal waterways, the deepwater shipping channel from the Port of Greater Baton Rouge, major rail lines, and Interstate 10. CF Industries Holdings, Inc., Methanex Corporation, Shintech Inc., and Exxon Mobil Corporation currently have facilities in the HMA that produce petrochemical products such as methanol, polyvinyl chloride, various fuels, and other products used to make goods. Natural gas is a main input for making many of these products, and the availability of relatively cheap natural gas during the 2010s was a catalyst for notable expansion of capital-intensive and expensive industrial facilities in the HMA. In response to the goal of reaching net zero greenhouse gas emissions by the Louisiana

Office of the Governor Climate Initiatives Task Force 2050, some companies have begun or are planning large expansions of their facilities to capture more greenhouse gasses in the production of products. The mining, logging, and construction sector, which accounts for 12 percent of payroll jobs (Figure 1), has been the most influential sector in the economy of the HMA due to ongoing expansions among petrochemical companies. Construction on these facilities ending and operations commencing will add new high-paying manufacturing jobs to the local economy.

The government and the education and health services sectors are also influential, because they are the largest nonfarm payroll sectors in the HMA, accounting for 17 and 14 percent of nonfarm payroll jobs in the HMA, respectively. State government jobs are an important part of the local economy. With state capital

**Figure 1. Share of Nonfarm Payroll Jobs in the Baton Rouge HMA, by Sector**



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through June 2023.  
Source: U.S. Bureau of Labor Statistics

offices and LSU, the second largest employer in the HMA in 2020 (Table 1), in the city of Baton Rouge, the state government subsector accounts for 52 percent of all government jobs in the HMA. The prominence of the education and health services sector is primarily due to the presence of two major medical centers—Baton Rouge General Medical Center and Our Lady of the Lake Regional Medical Center. *U.S. News and World Report* ranked Our Lady of the Lake Regional Medical Center second in the state of Louisiana and first in the city of Baton Rouge in the “High Performing in 12 Procedures/Conditions” category for 2023–24.

## Current Conditions—Nonfarm Payrolls

Nonfarm payrolls in the HMA have been increasing since 2021. However, the pace of growth has slowed since 2022, when the local economy recovered the total number of jobs lost due to the national recession in 2020. On a monthly basis, the 56,400 nonfarm payroll jobs lost during the national recession in early 2020 were recovered by August 2022, although not every sector has recouped all lost jobs (monthly data, not seasonally adjusted). As of June 2023, monthly nonfarm payroll jobs in the government and the other services sectors were 11.1 and 7.6 percent below February 2020 levels, respectively. The wholesale and retail trade sector briefly recouped all jobs by December 2021. However, due to the increase in e-commerce, the sector lost jobs, and monthly nonfarm payrolls are 2.4 percent below the February 2020 level as of June 2023. All other sectors have fully recovered lost jobs, with sectors surpassing the February 2020 job levels ranging from 16 percent in the transportation and utilities sector to 3 percent in the manufacturing sector.

Nonfarm payrolls increased by 13,200 jobs, or 3.3 percent, to 417,600 jobs on an annualized basis during the 12 months ending June 2023 and are 1 percent above 2019 levels (Table 2). By comparison, payrolls increased by 14,900 jobs, or 3.8 percent, during the same period a year earlier. During the most recent 12 months, job gains were greatest in the mining, logging, and construction and the education and health services sectors, both increasing by 2,800 jobs each, or 5.9 and 5.0 percent, respectively. By comparison, during the 12 months ending June 2022, the mining, logging,

**Table 1. Major Employers in the Baton Rouge HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Turner Industries	Mining, Logging, & Construction	11,500
Louisiana State University System	Government	6,250
Exxon Mobil Corporation	Manufacturing	6,000
Performance Contractors, Inc.	Mining, Logging, & Construction	5,500
Our Lady of the Lake Regional Medical Center	Education & Health Services	4,700
Baton Rouge General Medical Center	Education & Health Services	4,000
Dow Chemical Company	Manufacturing	3,504
AT&T Inc.	Information	3,000
Entergy Louisiana	Transportation & Utilities	2,822

Note: Excludes local school districts.

Source: Baton Rouge Area Chamber, 2020

**Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Baton Rouge HMA, by Sector**

	12 Months Ending June 2022	12 Months Ending June 2023	Absolute Change	Percentage Change
<b>Total Nonfarm Payroll Jobs</b>	<b>404.4</b>	<b>417.6</b>	<b>13.2</b>	<b>3.3</b>
<b>Goods-Producing Sectors</b>	<b>75.5</b>	<b>80.1</b>	<b>4.6</b>	<b>6.1</b>
Mining, Logging, & Construction	47.2	50.0	2.8	5.9
Manufacturing	28.3	30.0	1.7	6.0
<b>Service-Providing Sectors</b>	<b>328.9</b>	<b>337.5</b>	<b>8.6</b>	<b>2.6</b>
Wholesale & Retail Trade	54.1	53.9	-0.2	-0.4
Transportation & Utilities	17.3	18.4	1.1	6.4
Information	5.5	5.8	0.3	5.5
Financial Activities	17.9	19.3	1.4	7.8
Professional & Business Services	52.0	53.4	1.4	2.7
Education & Health Services	56.2	59.0	2.8	5.0
Leisure & Hospitality	37.5	39.5	2.0	5.3
Other Services	15.5	15.5	0.0	0.0
Government	72.8	72.8	0.0	0.0

Notes: Based on 12-month averages through June 2022 and June 2023. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics



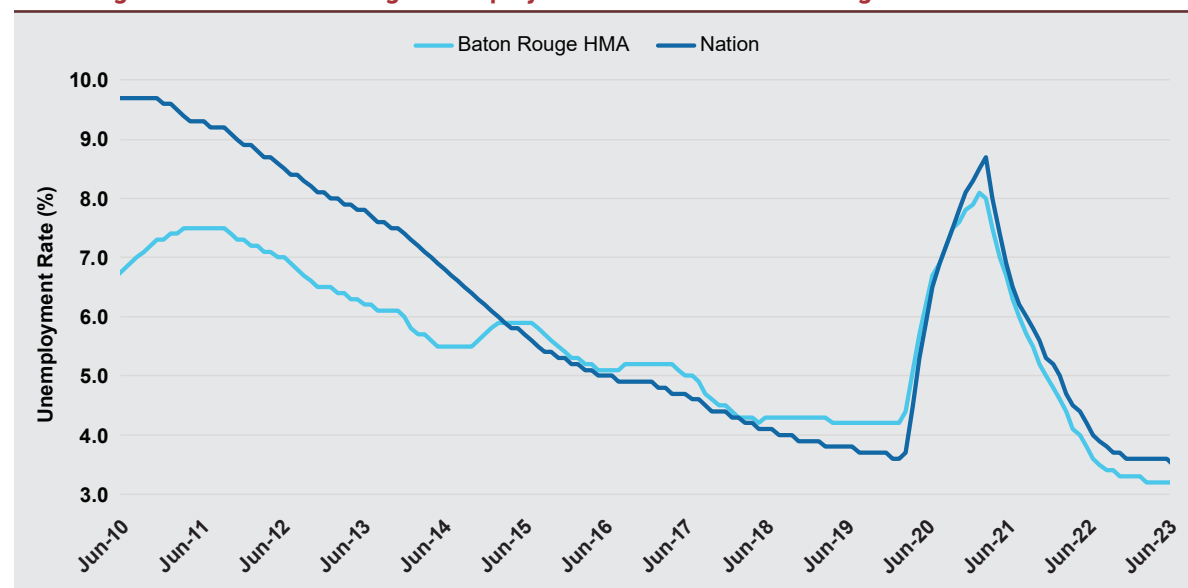
and construction sector increased by 2,900 jobs, or 6.4 percent, and the education and health services sector increased by 3,100 jobs, or 5.8 percent. Industrial expansion projects currently under construction include the \$750 million BASF methylene diphenyl diisocyanate facility and the estimated \$750 million Kindle Energy energy-efficient power plant, which support some of the jobs increase in the mining, logging, and construction sector. The leisure and hospitality sector had the third largest gain during the 12 months ending June 2023, increasing by 2,000 jobs, or 5.3 percent, compared with an increase of 2,500 jobs, or 7.2 percent, from a year earlier. Tourism in the city of Baton Rouge contributed to job growth in the leisure and hospitality sector. In 2022, meetings and conventions had an economic impact of nearly \$33.3 million compared with \$27.7 million in 2021 (Visit Baton Rouge). The manufacturing sector had the fourth largest gain, increasing by 1,700 jobs, or 6.0 percent, during the 12 months ending June 2023, partly due to the commencement of operations at the Honeywell International Inc. Solstice Air manufacturing facility. By comparison, during the 12 months ending June 2022, jobs in the manufacturing sector remained unchanged from the previous 12-month period. The wholesale and retail trade sector fell by 200 jobs, or 0.4 percent, compared with an increase of 600 jobs, or 1.1 percent, a year earlier, slightly offsetting job gains in 8 of the 11 payroll sectors

during the most recent period. Jobs in the other services and the government sectors were unchanged from a year earlier. By comparison, the other services sector increased by 200 jobs, or 1.2 percent, to 15,500 jobs, and the government sector decreased by 1,600 jobs, or 2.1 percent, to 72,800 jobs during the 12 months ending June 2022 when losses occurred in all three government subsectors.

## Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.2 percent during the 12 months ending June 2023 compared with an average of 3.8 percent a year earlier and down from the recent high of 8.1 percent during the 12 months ending February 2021 (Figure 2). By comparison, the national unemployment rate averaged 3.6 percent during the 12 months ending June 2023, down from 4.2 percent a year earlier. The unemployment rate decreased in the HMA during the most recent 12-month period, because the 2.6-percent resident employment growth outpaced the 2.0-percent labor force increase.

**Figure 2. 12-Month Average Unemployment Rate in the Baton Rouge HMA and the Nation**



Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics

## Economic Periods of Significance

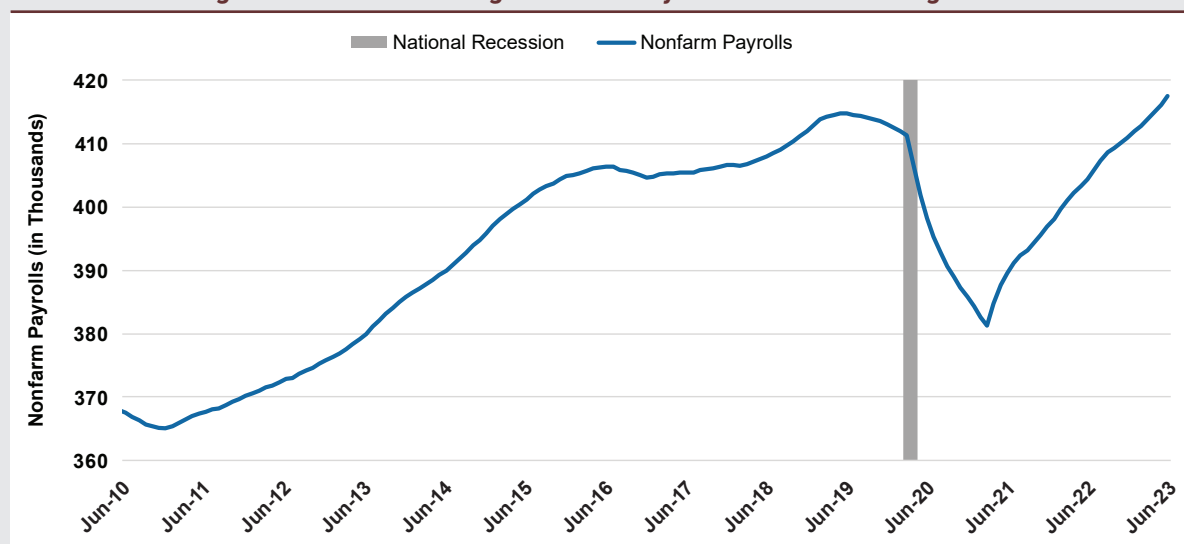
### 2011 Through 2015

In 2013, the HMA economy recovered the total number of nonfarm payrolls lost during the late 2000s through 2010 and continued to grow through 2015. Nonfarm payrolls in the HMA increased by an average of 5,400 jobs, or 1.5 percent, annually in 2011 and 2012 before rising by an average of 9,700 jobs, or 2.5 percent, annually during the next 3 years to 404,900 jobs in 2015 when the local economy expanded (Figure 3). Job gains during the latter period were strongest in the mining, logging, and construction sector, which increased by an average of 3,400 jobs, or 7.6 percent, annually, when the number of construction jobs rose. Companies such as Dow Chemical, which invested nearly \$2 billion to build two facilities, and Methanex Corporation, which relocated two facilities from Chile to the HMA, supported industrial expansions. The HMA also benefited from several other construction projects that commenced from 2013 to 2015, including the \$110 million renovation and expansion of the LSU engineering complex and The Water Campus. Gains were also strong in the professional and business services and the leisure and hospitality sectors with payrolls increasing annually by averages of 1,600 and 1,100 jobs, or 3.5 and 3.0 percent, respectively.

### 2016 Through 2019

Job growth was interrupted in 2016 before resuming in 2017 because of a catastrophic

Figure 3. 12-Month Average Nonfarm Payrolls in the Baton Rouge HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

flood in the HMA in August 2016 that resulted in more than 90,000 flooded homes and more than 11,000 disrupted businesses (*The Economic Impact of the August 2016 Floods on the State of Louisiana*, Louisiana Economic Development). Nonfarm payrolls declined by 200 jobs in 2016 before increasing by an average of 3,700 jobs, or 0.9 percent, annually from 2017 through 2018, when the HMA recovered from the flood. Largely because of rebuilding efforts, nearly 57 percent of the job growth in 2017 and 2018 occurred in the mining, logging, and construction sector, adding an average of 2,100 jobs, or 3.9 percent, annually. Likewise, manufacturing jobs increased by an average of 200 jobs, or 0.7 percent, annually in 2017 and 2018, when several large-scale construction projects were completed and operations commenced. During 2019, payroll growth slowed and increased by 1,100 jobs, or 0.3 percent, to 413,100 jobs. Losses in the goods-producing sectors partially offset growth in the service-providing sectors, 42 percent of which was in the government sector. The government sector rose by 2,200 jobs, or 3.0 percent, due to increases in the state and the local government subsectors, which rose by 1,700 and 400 jobs, or 4.4 and 1.2 percent, respectively. The mining, logging, and construction sector decreased by 4,800 jobs, or 8.6 percent, partly because of the completion of facility expansions, and the manufacturing sector rose by 500 jobs when production in the facilities commenced.

## 2020

Job losses associated with the national recession of 2020 severely affected the HMA. Recovery of the 56,400 jobs lost in March and April 2020 began in May 2020 on a monthly basis (monthly data, not seasonally adjusted). However, nonfarm payrolls declined by 27,300 jobs, or 6.6 percent, annually to 385,800 jobs in 2020 compared with a year earlier, with job losses in every

sector. The mining, logging, and construction, the leisure and hospitality, and the wholesale and retail trade sectors accounted for approximately 61 percent of the job losses in the HMA. Those sectors declined by 7,700, 6,700, and 2,300 jobs, respectively, or 15.1, 16.7, and 4.2 percent. By comparison, jobs decreased nationally nearly 6 percent in 2020.

## Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are expected to increase an average of 1.2 percent annually. Both the goods-producing and the service-providing sectors are expected to contribute to payroll growth, with the greatest job growth occurring during the third year of the

forecast period. Job gains are expected to be strong in the mining, logging, and construction sector, because at least two petrochemical companies, CF Industries and Clean Hydrogen Works, plan to build clean ammonia production facilities to reduce carbon emissions during the forecast period.





# Population and Households

Current Population: 855,900

The population of the Baton Rouge HMA has grown more quickly since July 2022, because net in-migration has increased compared with population growth from July 2015 through July 2022, when net out-migration occurred.

## Population Trends

As of July 1, 2023, the estimated population of the HMA is 855,900, representing an average increase of 1,950, or 0.2 percent, annually since April 2020 (Table 3). That population growth rate is slower than the average population increase of 4,700, or 0.6 percent, annually from 2010 to 2020, which was boosted by in-migration during the mid-2010s due to the expansion of the petrochemical industry in the HMA. From April 2010 to July 2012, the population increased by an average of 4,750, or 0.6 percent, annually (Figure 4). Despite improving local economic conditions in 2011 and 2012, nearly all population growth was from net natural change, and net in-migration averaged 50 people annually. During the next 3 years, the population grew by an average of 7,875, or 1.0 percent, annually, and net natural change averaged 4,325 people annually. Net in-migration averaged 3,550 people each year mostly because construction workers temporarily moved to the HMA to work

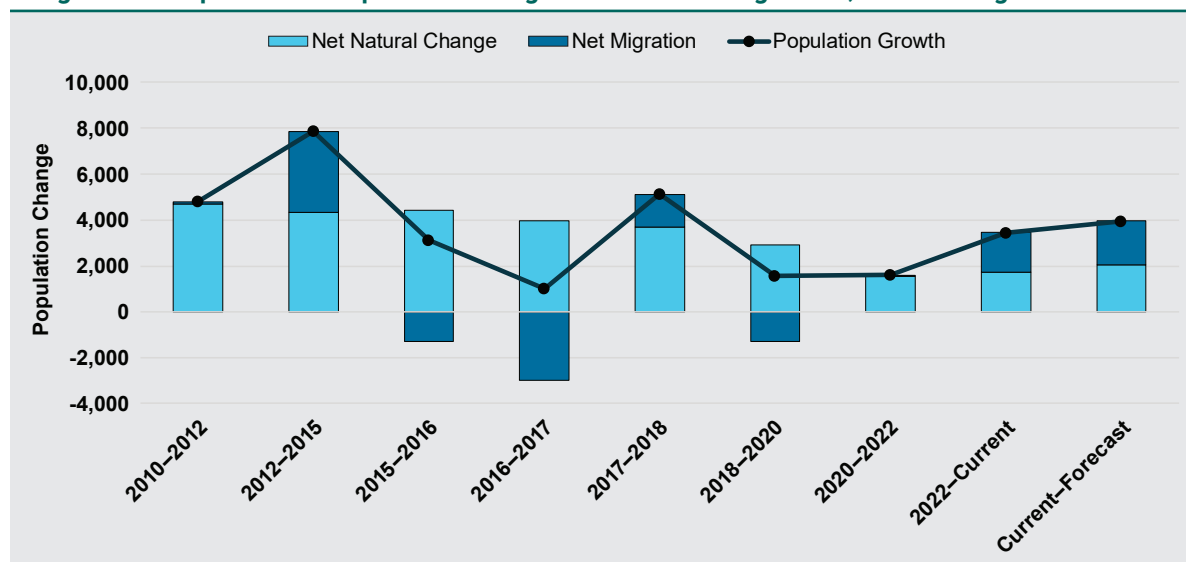
Table 3. Baton Rouge HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast
	Population	849,530	855,900
	Average Annual Change	4,700	1,950
	Percentage Change	0.6	0.2
Household Quick Facts	2020	Current	Forecast
	Households	325,279	330,400
	Average Annual Change	2,525	1,575
	Percentage Change	0.8	0.5

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (July 1, 2023) to July 1, 2026.

Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Baton Rouge HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (July 1, 2023) to July 1, 2026.

Sources: U.S. Census Bureau, with estimates by the analyst; current to forecast—estimates by the analyst

on building the multiple petrochemical facilities. During this period, net in-migration was at its highest level since 2010 but below the net in-migration of 32,000 from 2005 to 2006, when people from the New Orleans metropolitan area fled Hurricane Katrina and temporarily moved to the HMA. Population growth slowed to 3,125 people, or 0.4 percent, from 2015 to 2016. Net out-migration of 1,300 people began with the

wrapping up of facility expansions and partially offset the net natural change of 4,425 people that accounted for all the population growth. From 2016 to 2017, a period that included the flood of 2016, the population increased by 990, or 0.1 percent. Out-migration of 2,975 people occurred mostly because the flood displaced people. Some residents returned to the HMA the following year, and the population increased by 5,125, or 0.6 percent. Net in-migration rose to 1,425 people, and net natural change totaled 3,700 people. From July 2018 to April 2020, population growth averaged 1,975 people, or 0.2 percent, annually. Population growth slowed from the previous period, partly because net out-migration, which averaged 1,350 people annually, offset net natural change, which averaged 3,325 people annually. Factors affecting net out-migration were twofold. Jobs in the mining, logging, and construction sector fell in 2019 and 2020, with some construction workers leaving the HMA and some university students in the HMA moving home due to the COVID-19 pandemic.

Population growth, affected by COVID-19, remained slow from April 2020 to July 2022 before increasing from July 2022 to July 2023. From April 2020 to July 2022, population growth averaged 1,300 people, or 0.2 percent. All population growth during the period was attributed to net natural change, which averaged 1,325 people annually when the pace of resident births slowed compared with the increased rate of resident deaths, partly a consequence of COVID-19. Despite the swift return of many university students in the fall of 2020 and economic conditions improving monthly, beginning in May 2020, net out-migration averaged 25 people annually. During the fall of 2020, LSU campus enrollment, not including online enrollment, increased by approximately 2,200 students, or 7 percent, to 32,350 students compared with the spring of 2020 campus enrollment, up by approximately 1,700 students, or nearly 6 percent, compared with the fall of 2019 campus enrollment of nearly 30,650 (LSU). Campus enrollment continued rising to approximately 33,500 students as of the fall of 2021. From July 2022 to July 2023, the HMA population increased by an average of 3,450, or 0.4 percent. Mostly due to strong job growth in the goods-producing and the education and health services sectors, net in-migration averaged 1,700 people annually and accounted for 49 percent of the population growth, slightly less than net natural change, which averaged 1,750 people annually.

## Population by Geography

Of the nine parishes in the HMA, East Baton Rouge Parish is the most populous, followed by Livingston and Ascension Parishes. East Baton Rouge Parish is the employment center of the HMA and home to the state capital and four of the five ExxonMobil facilities in the HMA. In 2022, an estimated 53 percent of the population resided in East Baton Rouge Parish. The population of the parish increased throughout the 2010s when the local economy added jobs. However, since 2020, the population of the parish has fallen, although the population of the suburban parishes of Livingston and Ascension has continued rising. The population of East Baton Rouge Parish increased by an average of 1,650, or 0.4 percent, annually from 440,171 in April 2010 to 456,781 in April 2020 but has recently declined to approximately 450,500 in July 2022 (Census Bureau decennial census counts and population estimates as of July 1). By contrast, the population of Livingston Parish increased by an average of 1,425, or 1.1 percent, annually from 128,026 in April 2010 to 142,282 in April 2020, before rising by an average of 2,725, or 1.9 percent, annually to an estimated 148,400 in July 2022. The population in Livingston Parish has grown partly because people have moved to the parish for a more suburban lifestyle while still living near the city of Baton Rouge. Likewise, the population of Ascension Parish has grown partly because it is in the southern portion of the HMA and adjacent to the northern portion of the New Orleans-Metairie MSA, offering commuting options to employment centers in both MSAs. The population of Ascension Parish increased by an average of 1,925, or 1.7 percent, annually from 107,215 in April 2010 to 126,500 in April 2020, before rising by an average of 2,725, or 1.9 percent, annually to an estimated 148,400 in July 2022.

## Household Trends

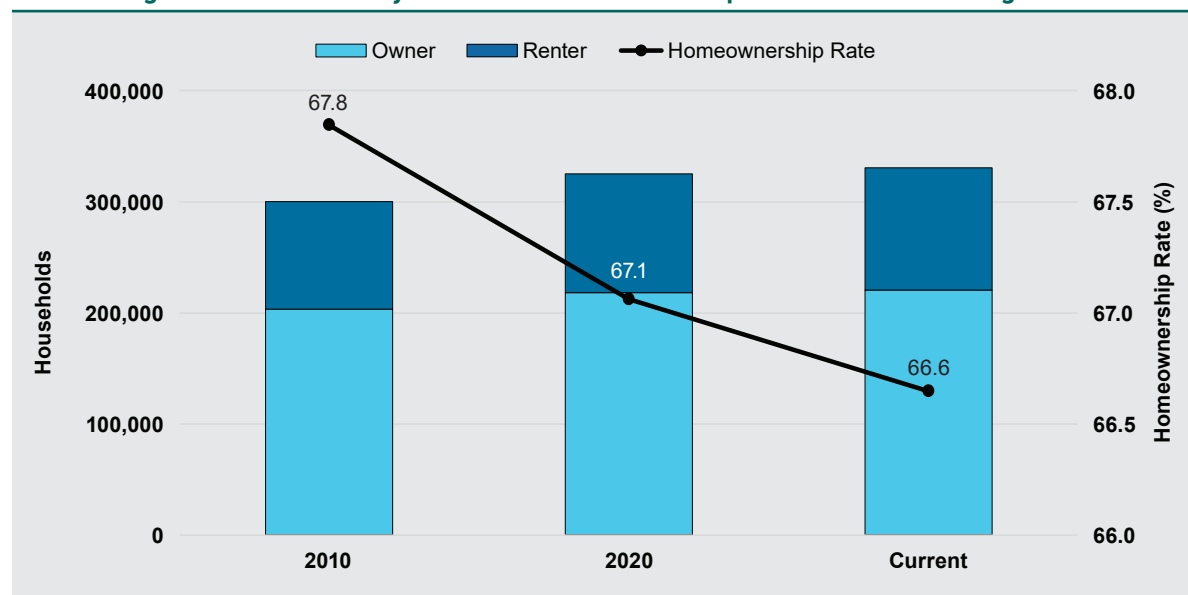
Household growth in the HMA has increased at a faster pace compared with population growth trends since 2010. The current number of households in the HMA is estimated at 330,400, representing an average annual increase of 1,575 households, or 0.5 percent, since April 2020—a faster pace than

the 0.2-percent population growth rate during the same period. The number of households increased an average of 0.8 percent annually during the 2010s, slightly faster than the 0.6-percent population growth rate during the same period. Since 2010, the propensity to rent has increased, with renter households currently accounting for 33.4 percent of all households in the HMA, up from 32.2 percent during 2010 (Figure 5).

## Forecast

Population growth in the HMA is expected to continue during the 3-year forecast period, with the population reaching 867,800 by July 1, 2026, reflecting an average increase of 3,950 people, or 0.5 percent, annually. Net in-migration is expected to average 1,900 people annually and account for 48 percent of population growth due to increasing job growth. Household growth is expected to average 2,500, or 0.8 percent, annually, with the number of households in the HMA reaching 337,900 by the end of the forecast period, continuing the trend of household formation outpacing population growth.

**Figure 5. Households by Tenure and Homeownership Rate in the Baton Rouge HMA**



Note: The current date is July 1, 2023.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

# Home Sales Market

## Market Conditions: Balanced

Total home sales in the Baton Rouge HMA declined from historically high levels shortly after mortgage interest rates rose rapidly in March 2022.

## Current Conditions

The sales housing market in the HMA is balanced but easing, with an estimated 1.7-percent sales vacancy rate, unchanged from April 2020 (Table 4). Sales housing market conditions became tight in 2021 when demand for homes rose, and the inventory of homes for sale fell. Rising mortgage interest rates since March 2022 have decreased homebuying affordability and led to a decline in home sales and an increase in for-sale inventory relative to sales during the past year. The supply of for-sale homes in June 2023 was 2.2 months, up from 2.0 months a year ago (Redfin, a national real estate brokerage). New and existing home sales in the HMA fell 29 percent to approximately 13,700 during the 12 months ending June 2023 compared with a year ago, when sales decreased

Table 4. Home Sales Quick Facts in the Baton Rouge HMA

Home Sales Quick Facts	Baton Rouge HMA		Nation
	Vacancy Rate	1.7%	NA
	Months of Inventory	2.2	2.4
	Total Home Sales	13,700	5,404,000
	1-Year Change	-29%	-28%
	New Home Sales Price	\$332,300	\$496,700
	1-Year Change	9%	8%
	Existing Home Sales Price	\$239,300	\$388,400
	1-Year Change	-4%	0%
	Mortgage Delinquency Rate	2.0%	1.1%

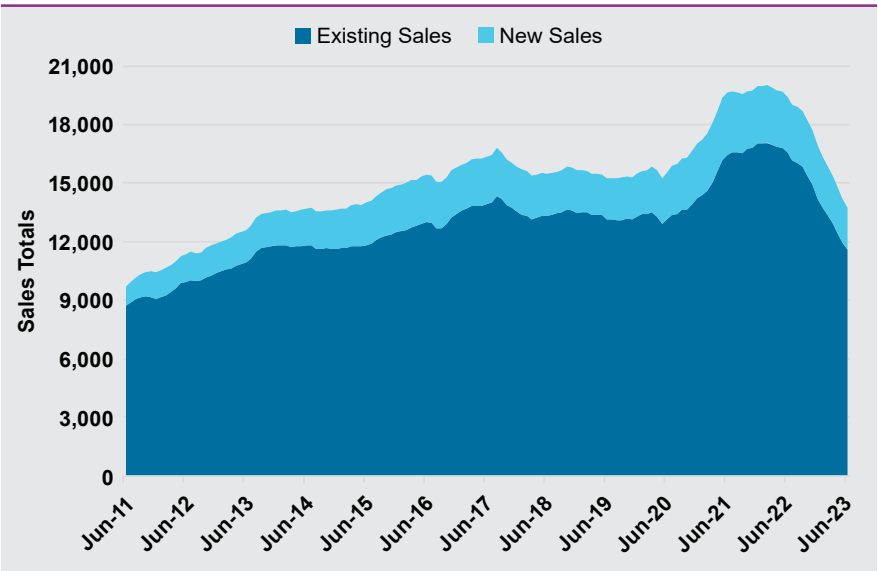
NA = data not available.  
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2023; and months of inventory and mortgage delinquency data are as of June 2023. The current date is July 1, 2023.  
Sources: Vacancy rate—estimates by the analyst; national months of inventory and mortgage delinquency rate—CoreLogic, Inc.; HMA months of inventory—Redfin, a national real estate brokerage; HMA mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc.

1 percent year over year to 19,450 homes sold (CoreLogic, Inc.). The average home sales price also declined from a year earlier when the pace of price increases slowed. During the 12 months ending June 2023, the average home sales price decreased by \$2,700, or 1 percent, to \$253,900. By comparison, the average home sales price increased by \$21,900, or 9 percent, to \$256,600 during the 12 months ending June 2022 following an average home sales price increase of nearly 12 percent during the same period a year earlier.

## New Home Sales and Prices

Despite fluctuating since the mid-2010s, new home sales in the HMA rose from 1,375 homes sold in 2011 to 2,725 in 2022; however, on a year-over-year basis, sales have been declining since March 2022. New home sales averaged 1,450 homes annually in 2011 and 2012 before rising an average of 16 percent annually to 2,375 homes in 2015, when the local economy added jobs at a fast pace, and population growth was strong (Figure 6). During the

Figure 6. 12-Month Sales Totals by Type in the Baton Rouge HMA



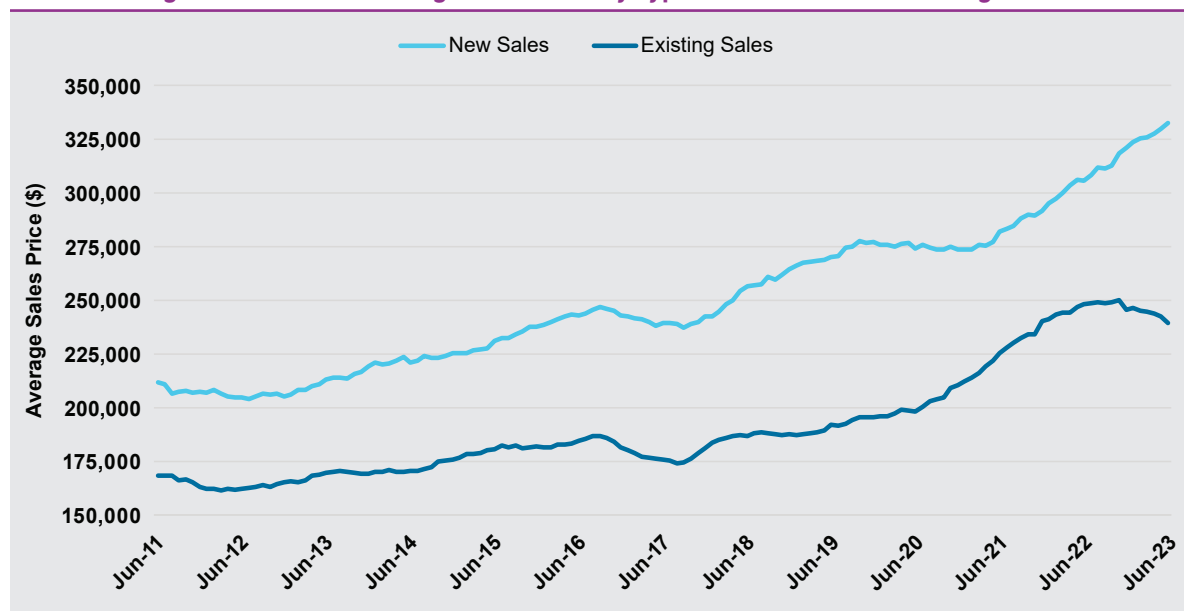
Source: CoreLogic, Inc.



next 3 years, the 2016 flood partially influenced population trends, and despite strong job growth in 2018 led by an increase in industrial construction workers, new home sales fell an average of 3 percent annually to 2,175 homes in 2018. Mortgage interest rates began to fall, and new home sales rose 1 percent in 2019. In 2020, new home sales increased 27 percent to 2,800 homes, because demand for new homes rose, partly because of the continued decrease in mortgage interest rates coupled with the preference of some home buyers to purchase new homes due to pandemic-related concerns. During 2021, building material shortages and supply chain disruptions that increased construction times hindered new home sales, and demand shifted to existing homes. New home sales increased 6 percent to 2,975 before declining 8 percent in 2022 when rapidly rising mortgage interest rates affected homeowner affordability. During the 12 months ending June 2023, new home sales fell nearly 25 percent to 2,150 homes compared with a decline of 11 percent to 2,850 homes during the previous 12-month period.

Since 2021, the average new home sales price in the HMA has risen at the fastest pace since at least 2011. The average new home sales price declined by an average of \$9,450, or 4 percent, annually in 2011 and 2012 before rising an average of 5 percent annually during the next 3 years to \$237,700 in 2015, when stronger demand for new homes led to higher sales prices (Figure 7).

**Figure 7. 12-Month Average Sales Price by Type of Sale in the Baton Rouge HMA**



Source: CoreLogic, Inc.

From 2016 through 2018, the new home sales price rose by an average of \$8,925, or 4 percent, annually, a slightly slower pace than the previous period. In 2019, the average home price rose 5 percent to \$277,300 before falling to \$273,500 in 2020. The average new home sales price rose 7 percent to \$291,500 in 2021 when rising costs for homebuilding supplies led to higher new home sales prices. Since 2021, the average new home sales price has continued to rise. During the 12 months ending June 2023, the average new home sales price rose nearly 9 percent to approximately \$332,300 compared with the previous 12-month period, when the average new home sales price also rose nearly 9 percent to \$305,800.

## Existing Home Sales and Prices

Despite fluctuating since 2011, existing home sales have generally trended upward through 2021. However, recent existing home sales have fallen significantly. Existing home sales averaged 9,725 annually in 2011 and 2012 before rising an average of 6 percent annually to 12,500 homes in 2015, when population and job growth in the HMA were strong. In 2016, existing home sales rose 7 percent to 13,450 homes, boosted by strong sales from January through July, prior to the 2016 flood. During the next 3 years, the flood,

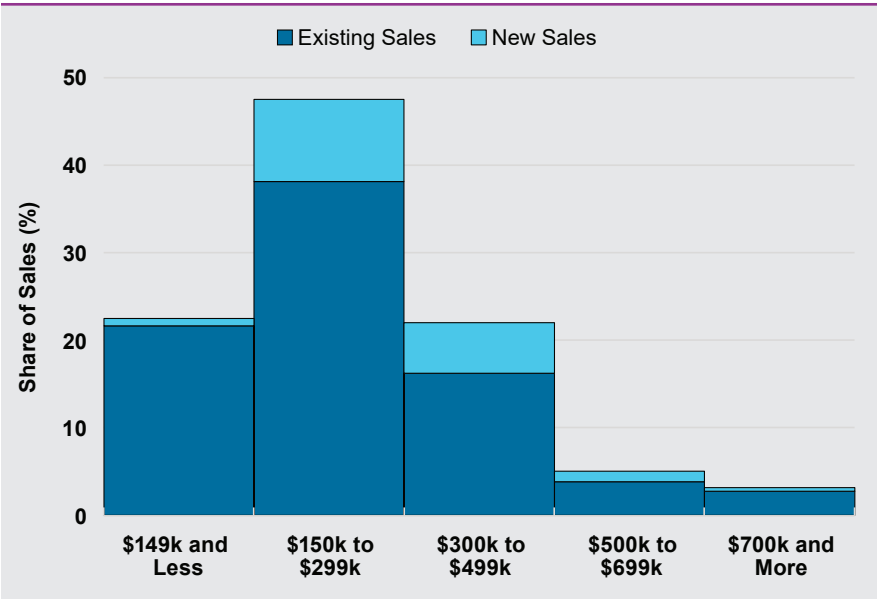
followed by slowing job growth in 2019 affected existing home sales, falling by an average of 45 homes annually to 13,300 in 2019. Historically low mortgage interest rates incentivized homebuying during the next 2 years, and existing home sales rose an average of 13 percent annually to 17,000 homes in 2021. Since 2022, rapidly rising interest rates have led to fewer existing home sales. During the 12 months ending June 2023, existing home sales declined 30 percent to 11,600 homes compared with a 1-percent increase to 16,600 homes sold during the same 12-month period a year earlier.

The average existing home sales price in the HMA generally trended upward through 2022 but has fallen recently. The average existing home sales price rose from \$162,200 in 2011 to \$165,400 in 2012 before rising an average of 3 percent annually during the next 3 years to \$181,900 in 2015. The average price for an existing home remained relatively unchanged in 2016 and 2017 before rising an average of 4 percent annually to \$195,500 in 2019 despite slowing existing home sales since 2017. During the following 2 years, demand for existing homes was strong, and the average existing sales price rose an average of 11 percent annually to \$240,100 in 2021. The average sales price of an existing home in the HMA has recently declined, because the demand for existing homes has fallen. During the 12 months ending June 2023, the average price of an existing home decreased nearly 4 percent to \$239,300 compared with the previous 12-month period when the average sales price of an existing home increased nearly 10 percent to \$248,200. During the 12 months ending June 2023, 46 percent of existing home sales were in the \$150,000–\$300,000 price range (Zonda; Figure 8).

### Seriously Delinquent Mortgages and Real Estate Owned Properties

The percentage of seriously delinquent mortgages (90 or more days delinquent or in foreclosure) and real estate owned (REO) properties increased significantly during the early stages of the COVID-19 pandemic, because weakened economic conditions made it more difficult for many

Figure 8. Share of Overall Sales by Price Range During the 12 Months Ending June 2023 in the Baton Rouge HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.  
Source: Zonda

homeowners to stay current on mortgage payments, and many homeowners participated in mortgage forbearance. The percentage of seriously delinquent mortgages and REO properties increased from 2.5 percent in March 2020 to a 5.9-percent high in August 2020, due entirely to a rise in the number of delinquent mortgages (CoreLogic, Inc.). The percentage of seriously delinquent mortgages and REO properties began to fall in March 2021. In June 2023, 2.0 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 2.6 percent a year earlier, well below the 6.2-percent January 2010 peak. By comparison, the national percentage of seriously delinquent mortgages and REO properties was 1.1 percent in June 2023, down from 1.4 percent a year earlier and significantly below the 8.6-percent January 2010 peak rate.

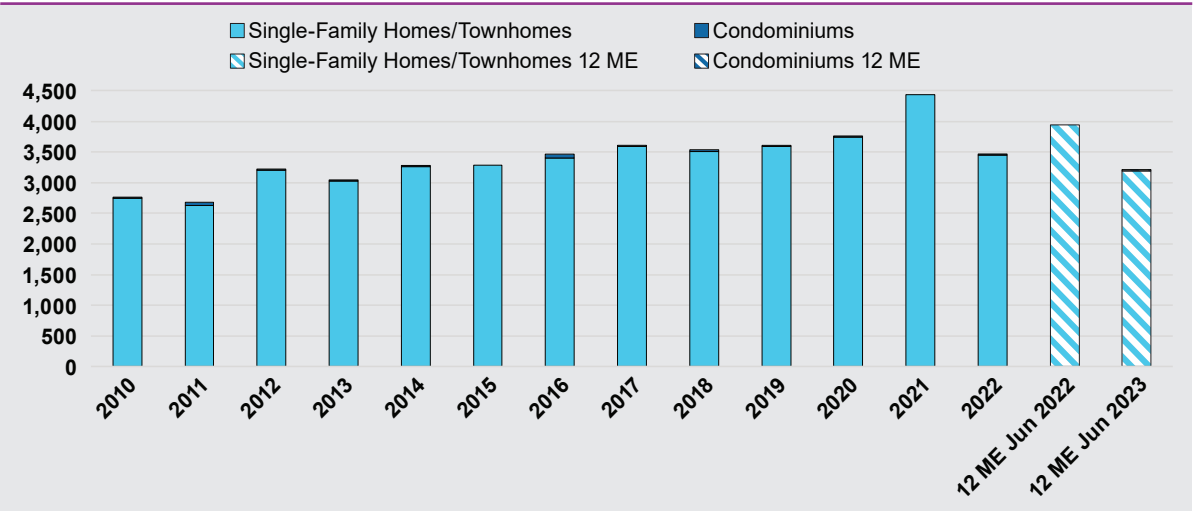
### Sales Construction Activity

Construction of new sales housing in the HMA—as measured by the number of single-family homes, townhomes, and condominiums permitted (building permits)—has been higher since 2016 compared with the average annual permitting during the first five years of the 2010s. The number of homes permitted averaged 2,950 annually in 2011 and 2012 before increasing to an average of 3,200 homes permitted annually from 2013 through 2015 (Figure 9), when the local economy expanded quickly and the demand for homes increased. By comparison, an average of 3,575 homes were permitted each year from 2016 through 2020, buoyed by rising sales demand in 2019 and 2020. During 2021, sales construction activity increased 18 percent compared with the previous year to a high of 4,425 homes permitted. Since 2021, sales construction activity in the HMA has declined due to declining demand for new homes. During the 12 months ending June 2023, approximately 3,200 homes were permitted, an 18-percent decrease from the 3,950 homes permitted during the 12 months ending June 2022 (preliminary data, with adjustments by the analyst).

### New Home Developments

Although new homes are being built throughout the HMA, most new subdivisions are in the cities of Baton Rouge, Denham Springs, Gonzales, and Zachary. Construction is under way at the Americana neighborhood development in the city of Zachary. Level Homes is building a large portion of homes in the subdivision. Currently, 208 homes

Figure 9. Annual Sales Permitting Activity in the Baton Rouge HMA



12 ME = 12 months ending.  
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

are planned at buildout; 174 homes have sold, and 3 are under construction. Starting prices range from \$327,000 for a 1,482-square-foot, three-bedroom, two-bathroom home to \$512,000 for a 3,021-square-foot, four-bedroom, three-bathroom home. Construction is under way at the Inniswyld subdivision in the city of Baton Rouge, with 70 homes planned at buildout. Bardwell Homes is building a portion of the homes in the development. To date, 13 homes have been completed, with 5 homes currently under construction and 14 lots currently for sale. Base prices for new homes currently range from \$485,000 for a three-bedroom, two-bathroom home to \$599,900 for a 2,764-square-foot, four-bedroom, three-bathroom home.

### Forecast

During the next 3 years, demand is expected for 9,700 new homes in the HMA (Table 5). The 1,475 homes currently under construction are expected to satisfy a portion of the estimated demand during the first year of the 3-year forecast period. Demand is expected to increase each year of the forecast period.

Table 5. Demand for New Sales Units in the Baton Rouge HMA During the Forecast Period

Sales Units	
Demand	9,700 Units
Under Construction	1,475 Units

Note: The forecast period is from July 1, 2023, to July 1, 2026.  
Source: Estimates by the analyst



# Rental Market

## Market Conditions: Slightly Soft

The average apartment vacancy rate in the Baton Rouge HMA has increased since the second quarter of 2022, and the average apartment rent has fallen.

## Current Conditions and Recent Trends

Rental housing market conditions in the HMA are currently slightly soft, with an estimated rental vacancy rate of 11.5 percent, down from 13.2 percent in 2020 when market conditions were soft (Table 6). Apartment market conditions are also slightly soft, with a 10.4-percent vacancy rate in the second quarter of 2023, which is up 3.0 percentage points from the second quarter of 2022 when conditions were balanced. Many renter households in the HMA live in multifamily structures with five or more units, typically apartments. In 2022, 41 percent of all renter households in the HMA lived in multifamily structures with five or more units, down slightly from 42 percent in 2021 (American Community Survey [ACS] 1-year data). By comparison, approximately 33 percent of all renter households in the HMA lived in single-family homes in 2022, up slightly from 32 percent in 2021. Most occupied rental housing in the HMA is in East Baton Rouge Parish, with nearly 73 percent of all occupied rental units in 2022, including 68 percent of all occupied single-family rental homes and 87 percent of the occupied apartments.

Table 6. Rental and Apartment Market Quick Facts in the Baton Rouge HMA

Rental Market Quick Facts		2020 (%)	Current (%)
	Rental Vacancy Rate	13.2	11.5
		2021 (%)	2022 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	32	33
	Multifamily (2–4 Units)	17	18
	Multifamily (5+ Units)	42	41
	Other (Including Mobile Homes)	9	8
Apartment Market Quick Facts		2Q 2023	YoY Change
	Apartment Vacancy Rate	10.4	3.0
	Average Rent	\$1,129	-1%

2Q = second quarter. YoY = year-over-year.  
Notes: The current date is July 1, 2023. Percentages may not add to 100 due to rounding. Occupied units by structure are based on the Office of Management and Budget Bulletin dated September 14, 2018.  
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2019 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

## Single-Family Rental Housing Market

In 2022, approximately 93 percent of the occupied single-family rental units in the HMA were detached single-family homes, and nearly 7 percent were attached homes (ACS 1-year data). Since 2013, the monthly average single-family home vacancy rate for professionally managed detached homes has fluctuated slightly in a narrow range from 2.1 to 2.5 percent (CoreLogic, Inc.). The average single-family home vacancy rate for professionally managed detached homes was 2.5 percent in June 2023, up from 2.4 percent in June 2022. The average rent for a detached single-family home was \$1.15 per square foot, which was nearly unchanged from a year earlier. In June 2023, rents for professionally managed detached homes averaged \$1,189, \$1,421, \$1,745, and \$2,156 for one-, two-, three-, and four-bedroom homes, respectively.

## Apartment Market Conditions

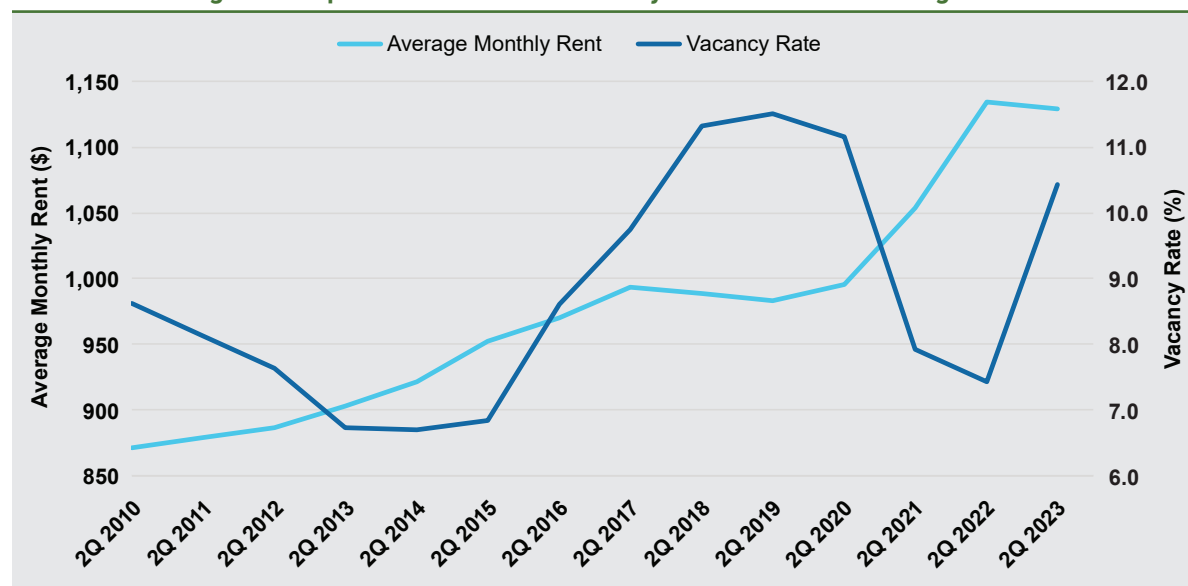
Apartment market conditions in the HMA have fluctuated between slightly tight and soft since 2010 and are currently slightly soft. The apartment vacancy rate fell from 8.6 percent in the second quarter of 2010 to 7.6 percent by the second quarter of 2012 (CoStar Group), when the local economy added jobs. During this period, the average apartment rent increased by an average of \$8, or 1 percent, annually from





\$871 to \$886 (Figure 10). During the following 3 years, the local economy and population grew quickly, and the average apartment vacancy rate fell to 6.8 percent by the second quarter of 2015, and the average apartment rent rose by an average of \$22, or 2 percent, annually. Beginning in 2015, builders responded to the slightly tight apartment market conditions that had prevailed since 2013 and began building more apartments. During the following 4 years, economic conditions and population growth fluctuated, and apartment market conditions weakened when new apartment units entering the market outpaced the number of apartments absorbed. The apartment vacancy rate rose from 8.6 percent as of the second quarter of 2016 to 11.5 percent by the second quarter of 2019, when apartment market conditions were soft. During this time, new apartment units entered the market, and the average apartment rent rose from \$970 as of the second quarter of 2016 to a peak of \$994 as of the second quarter of 2017 before falling an average of 1 percent each year to \$983 as of the second quarter of 2019. During the following year, fewer new apartment units entered the market, and the apartment vacancy rate fell slightly to 11.2 percent as of the second quarter of 2020, causing the average apartment rent to rise 1 percent from a year earlier to \$996. Apartment market conditions in the HMA became balanced as of the second quarter of 2021 when the apartment vacancy rate fell to 7.9 percent, and the average rent rose 6 percent to \$1,054

**Figure 10. Apartment Rents and Vacancy Rates in the Baton Rouge HMA**



2Q = second quarter.  
Source: CoStar Group

from a year ago as the absorption of apartment units outpaced new apartment units entering the market. Apartment market conditions remained balanced as of the second quarter of 2022 when the apartment vacancy rate fell to 7.4 percent, and the average rent rose 8 percent to \$1,135. Despite generally strong net in-migration starting in the second half of 2022, apartment market conditions shifted to slightly soft, partly because more new apartment units entered the market, and the absorption of apartment units did not keep pace. As of the second quarter of 2023, the apartment vacancy rate rose 3 percentage points to 10.4 percent, and the average apartment rent fell \$6 to \$1,129.

## Student Housing

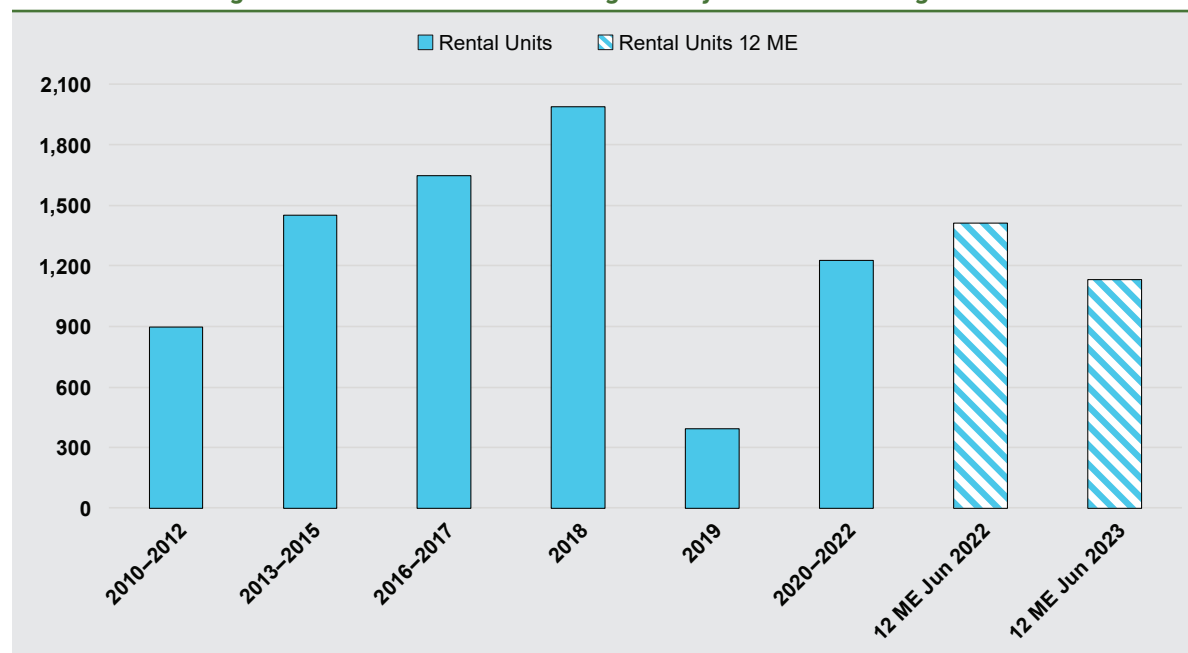
The flagship campus of LSU is the largest university in the HMA, and nearly 27 percent of the approximately 34,500 students enrolled at LSU during the fall of 2022 lived on campus, and the remainder lived off campus (LSU, Office of Residential Housing). Student households account for an estimated 6 percent of renter households in the HMA (estimate by the analyst). Because on-campus housing options are limited, and with some exceptions, LSU requires first year students to live in on-campus residence halls, the

off-campus college student apartment (CSA) market in the HMA has expanded. The market has grown from approximately 4,925 beds in the second quarter of 2010 to approximately 14,600 beds as of the second quarter of 2020, remaining unchanged through the second quarter of 2023 (CoStar Group). However, a new CSA development is currently under construction and preleasing units for the fall 2023 semester. As of the second quarter of 2023, the off-campus CSA vacancy rate was 10.9 percent, up from 7.8 percent a year earlier. The average asking rent for an off-campus CSA was \$689 per bed in the second quarter of 2023, up nearly 8 percent from \$639 per bed in the second quarter of 2022.

## Rental Construction Activity

In response to soft rental market conditions that prevailed during the latter part of the 2010s, builders have decreased the number of rental units permitted since 2019. Rental construction activity averaged 900 units permitted annually from 2010 through 2012 before increasing to an average of 1,450 units permitted annually from 2013 through 2015 (Figure 11). During the latter period, rental construction rose due to strong rental demand stemming from net in-migration. Despite net out-migration during 2016 and 2017, building activity increased to an average of 1,650 units permitted annually before reaching a peak of 1,975 units permitted in 2018, when apartment market conditions were soft. In 2019, builders responded to the soft apartment market

**Figure 11. Annual Rental Permitting Activity in the Baton Rouge HMA**



12 ME = 12 months ending.

Note: Includes apartments and units intended for renter occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2010-22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

conditions, and rental permitting fell to 390 units. From 2020 through 2022, as rental market conditions transitioned from soft to balanced, construction activity rose to an average of 1,225 units annually. However, pandemic-related construction delays led to fewer new apartment units entering the rental market during this time. Rental market conditions began easing in 2022, when new apartment units became available, and builders responded by slowing construction activity. During the 12 months ending June 2023, an average of 1,125 rental units were permitted, down nearly 20 percent from 1,400 rental units permitted a year earlier (preliminary data, with adjustments by the analyst).

## Recent Developments

Most apartment construction has been in East Baton Rouge Parish, although notable developments have been completed or are under way in Ascension and Livingston Parishes. Recent apartment construction activity includes The Reserve at Juban Lakes, a 132-unit development in the city of Denham Springs in

Livingston Parish. The affordable development completed in September 2022 offers units ranging from \$763 to \$1,263 for one-bedroom, \$917 to \$1,517 for two-bedrooms, \$1,061 to \$1,522 for three-bedrooms, and \$1,693 to \$1,981 for four-bedrooms. The 299-unit Waters at Heritage apartments in the city of Gonzales in Ascension Parish is under construction and expected to be complete in February 2024. Two of eight buildings are complete and available for occupancy, with rents ranging from \$1,342 to \$1,507 for one-bedroom units, \$1,667 to \$1,776 for two-bedroom units, and \$1,767 to \$1,876 for three-bedroom units. Of the nine apartment developments currently under construction in the HMA, eight are in the city of Baton Rouge, including the Flatiron off-campus student apartment development, which is expected to open in August 2023. The development will offer studio, one-, four-, and five-bedroom apartments when complete. The Reserve at Howell Place development will offer 300 units when complete. The development opened the first of 13 buildings for occupancy in June 2023 and offers one-, two-, three-, and four-bedroom units with rents starting at \$815, \$1,003, \$1,150, and \$1,291, respectively. Other developments under construction in the city of Baton Rouge include the 309-unit Bend On Bluebonnet, expected

to open in 2023, and the 277-unit Federal Housing Administration-insured LeQuartier at Rouzan Apartments, expected to be complete in 2024.

Forecast

During the 3-year forecast period, demand is estimated for 320 new rental units in the HMA (Table 7). Demand is expected to increase in the second and third years of the forecast period when more people are expected to move to the HMA. The 2,300 units currently under construction in the HMA are expected to satisfy all demand for rental units during the forecast period. To prevent the market from further softening, developers should not plan for additional units beyond what are already under construction.

Table 7. Demand for New Rental Units in the Baton Rouge HMA During the Forecast Period

Rental Units	
Demand	320 Units
Under Construction	2,300 Units

Note: The forecast period is July 1, 2023, to July 1, 2026.  
Source: Estimates by the analyst

# Terminology Definitions and Notes

## A. Definitions

<b>Building Permits</b>	Building permits do not necessarily reflect all residential building activity that occurs in a housing market area. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
<b>Demand</b>	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
<b>Existing Home Sales</b>	Include resale sales, short sales, and REO sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
<b>Forecast Period</b>	7/1/2023–7/1/2026—Estimates by the analyst.
<b>Home Sales/ Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.
<b>Net Natural Change</b>	Resident births minus resident deaths.
<b>Rental Market/ Rental Vacancy Rate</b>	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
<b>Seriously Delinquent Mortgages</b>	Mortgages 90 or more days delinquent or in foreclosure.



**B. Notes on Geography**

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.

**C. Additional Notes**

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

**D. Photo/Map Credits**

Cover Photo	Adobe Stock
-------------	-------------

## Contact Information

Nancy Smith, Economist  
 Fort Worth HUD Regional Office  
 817-978-9415  
[nancy.j.smith@hud.gov](mailto:nancy.j.smith@hud.gov)

