



MARKET INSIGHTS

BATON ROUGE MSA
LOUISIANA

Q2 25



AREA SUMMARY

The Baton Rouge Metropolitan Statistical Area (MSA) comprises ten parishes: Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana—all anchored by the capital city of Baton Rouge. Situated on the natural bluffs of the Mississippi River, it serves as a critical deep-water inland port, efficiently handling grain, oil, vehicles, and container shipments.

Economically, the MSA is anchored by petrochemical refining and manufacturing, with ExxonMobil's Baton Rouge Refinery, one of the largest in the US, complemented by Dow Chemical in neighboring Iberville Parish. Key economic drivers also include heavy construction and engineering, shipping via the Port of Greater Baton Rouge, state government and higher education (especially Louisiana State University as the largest public university in Louisiana), as well as growing sectors like healthcare, logistics, and technology supported by favorable cost structures and workforce development initiatives. The natural resources and construction sector is more than two and a half times as concentrated in Baton Rouge as the U.S. average, and as such, energy prices matter greatly to the local economy.

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RETAIL MARKET INSIGHT

The Baton Rouge retail market remains stable with low vacancy despite negative absorption over the past year. As of Q2 2025, the overall vacancy rate is 3.1%, close to its five-year average of 3.0%, even after 83,000 SF of new deliveries and a net absorption decline of -309,761 SF. Neighborhood centers have the highest vacancy at 4.4%, while general retail space remains tight at 2.5%.

Rents in Baton Rouge are trending upward, averaging \$18.28/SF with a year-over-year growth of 2.7%, outpacing the national average of 2.0%. Among property types, strip centers have posted the strongest rent gains at 3.0%, and malls and general retail spaces have seen steady 2.6% growth. Long-term averages also point to healthy rent performance, with five-year annual growth at 4.1% and a 10-year rate of 3.4%. Submarkets in Baton Rouge such as Essen/Bluebonnet and Burbank/Lee (with 26 recently constructed retail properties and 6 more planned or under construction), are seeing particularly strong asking rents, demonstrating tenant demand in high-profile areas. Town Center at Cedar Lodge, Perkins Rowe, Long Farm Village, and Sportsman's Park around Cabela's particularly stand out in strong asking rents.

Investment activity over the past 12 months has been robust, with 112 retail properties trading hands totaling 1.1 million SF and a sales volume of \$106 million. Market pricing averages \$148/SF while Baton Rouge retail cap rates hover around 8.3%, offering attractive yields for investors. The most notable transaction is the sale of Town Center at Cedar Lodge for \$81 million which reflects a 7.8% cap rate. Also notable is the sale of IHOP and Capital One on College Drive which traded at \$468/PSF which reflects 6.25% cap rate.



48.2 M SF

RETAIL
INVENTORY



15.6 K SF

UNDER
CONSTRUCTION



3.1%

VACANCY
RATE



-310 K SF

12 MO.
NET ABSORPTION



\$18.28 PSF

AVERAGE
ASKING RENT



2.7%

Y.O.Y.
RENT GROWTH



\$148 PSF

AVERAGE
SALE PRICE



8.3%

MARKET
CAP RATE

RETAIL MARKET INSIGHT

NOTABLE LEASE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	TENANT
Siegen Lane Marketplace 10505 S. Mall Drive, Baton Rouge	Essen/ Bluebonnet	35,000	Q2 2025	Burlington
Spring Park Plaza 2354 S. Range Ave, Denham Springs	Livingston Parish	27,094	Q4 2024	ALDI
Mall of Louisiana 6501 Bluebonnet Blvd, Baton Rouge	Essen/ Bluebonnet	110,000	Q4 2024	Dick's House of Sport
Hammond Aire Plaza 9632 Airline Hwy, Baton Rouge	Florida/Airline	80,450	Q3 2024	Burlington
5905 Florida Blvd, Baton Rouge	Florida/Airline	63,517	Q3 2024	Fun City Adventure Park

NOTABLE SALE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	PRICE	PSF
Town Center at Cedar Lodge 7529 Corporate Blvd, Baton Rouge	Bocage	196,812	Aug 2025	\$81 M	\$411.56
Perkins Rowe 10202 Perkins Rowe, Baton Rouge	Perkins / Bluebonnet	384,171 <i>retail</i> 144,656 <i>office</i>	May 2025	\$62.5 M	\$188
Range USA 13505 Millerville Baton Rouge	Millerville / I-12	14,933	May 2025	\$4.3 M	\$287
Walmart Outparcels - IHOP & Capital One 3006 & 3110 College Dr, Baton Rouge	College / I-10	10,878 <i>Combined</i>	May 2025	\$5.1 M	\$468
(2) Walmart Neighborhood Markets 5255 Highland Rd, Baton Rouge 123 Lee Dr, Baton Rouge	Highland / LSU	72,485 <i>Combined</i>	Feb 2025	\$8.3 M	\$114.50
Former Ethan Allen Furniture Building 10300 Perkins Rd, Baton Rouge	Essen/ Bluebonnet	54,500	Dec 2024	\$4.4M	\$80.73

OFFICE MARKET INSIGHT

The Baton Rouge office market remains relatively stable in mid-2025, with a vacancy rate of 5.9%, slightly below its five- and ten-year historical averages. Over the past year, the market experienced negative net absorption of 33,000 SF despite 59,000 SF in new deliveries. Asking rents average \$20.09/SF across the market, with a few Class A properties commanding about \$27/SF. Rent growth for the year was 1.7%, outpacing the national average of 0.7%.

Leasing activity was relatively concentrated in a few submarkets, with strong performance in properties like United Plaza II and Rivermark Centre. The Essen/Bluebonnet and North CBD areas saw notable leasing deals, including LSU Online School of Business and McGlinchey Stafford. Construction remains subdued, with just 33,300 SF underway—well below the market’s 10-year average of 94,000 SF. The majority of construction is preleased, indicating cautious but targeted development.

Sales activity picked up, with 65 properties trading over the past year totaling \$61.4 million in volume—below the five-year average of \$82.4 million. The average price per SF was \$103, with cap rates averaging a high 12.2%, signaling investor caution. Baton Rouge’s broader economy remains diversified with strengths in construction, energy, and government employment, while major institutions like Louisiana State University and the Port of Greater Baton Rouge serve as economic anchors.



28.6 M SF

OFFICE
INVENTORY



33.3 K SF

UNDER
CONSTRUCTION



5.9%
VACANCY
RATE



-33 K SF

12 MO.
NET ABSORPTION



\$20.09 PSF

AVERAGE
ASKING RENT



1.7%
Y.O.Y.
RENT GROWTH



\$103 PSF

AVERAGE
SALE PRICE



12.2%

MARKET
CAP RATE

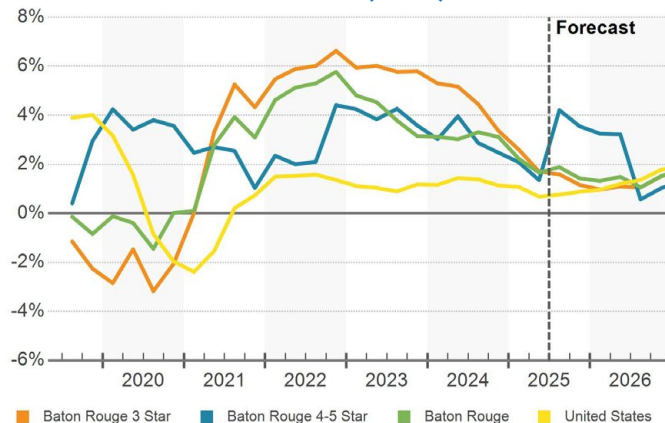
OFFICE MARKET INSIGHT

NOTABLE LEASE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	TENANT
III United Plaza 8545 United Plaza Blvd, Baton Rouge	Essen/ Bluebonnet	9,000	Q2 2025	Dashiell Corporation
United Plaza XII 8585 Archives Blvd, Baton Rouge	Essen/ Bluebonnet	29,658	Q1 2025	LSU Online School of Business
United Plaza I 4041 Essen Lane, Baton Rouge	Essen/ Bluebonnet	21,668	Q1 2025	Taylor, Wellons, Politz & Duhe, LLC
I & II Rivermark Centre 451 Florida St, Baton Rouge	CBD	15,887	Q3 2024	McGlinchey Stafford PLLC
United Plaza II 8550 United Plaza Blvd, Baton Rouge	Essen/ Bluebonnet	7,600	Q3 2024	ARA Consulting

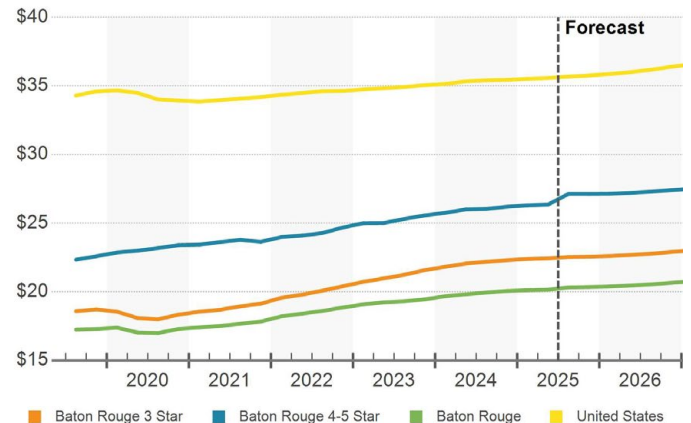
NOTABLE SALE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	PRICE	PSF
18444 Highland Rd, Baton Rouge	Essen/ Bluebonnet	17,981	Jun 2025	\$3.98 M	\$211
Bon Carré Technology Park 7117-7139 Florida Blvd, Baton Rouge	Florida / Airline	89,381	May 2025	\$9.4 M	\$105
Bluebonnet Centre 9118 Bluebonnet Centre Blvd	Essen/ Bluebonnet	25,269	May 2025	\$3.58 M	\$142
5551 Corporate Blvd. Baton Rouge	College / Acadian	51,920	Mar 2025	\$2 M	\$39
United Plaza IV 8555 United Plaza Blvd, Baton Rouge	Essen/ Bluebonnet	71,935	Oct 2024	\$8.65 M	\$120

Highlight is a Stirling-involved transaction

ASKING RENT GROWTH (YOY)



ASKING RENT PSF



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INDUSTRIAL MARKET INSIGHT

The Baton Rouge industrial market as of end of Q2 2025 continues to reflect a tightening environment with a vacancy rate of 2.6%. Net absorption was negative over the past 12 months at approximately -734,000 SF, driven largely by weak leasing activity across logistics and flex sectors. Only 10,500 SF of new space was delivered during this period, contributing to a stagnant inventory total of 44.5 million SF. Of that, logistics properties account for nearly 31 million SF, followed by 10.3 million SF in specialized and 3.3 million SF in flex inventory. Asking rents averaged \$10.33/SF across the market, showing a 3.7% increase year over year, outpacing national industrial rent growth.

Construction activity remains modest, with just two projects totaling 640,000 SF under way, and about 42% of that space preleased. Sales activity has been stronger, with 46 properties trading in the past year for a total of \$80.1 million—well above the five- and ten-year annual averages. The average market price sits at \$77/SF, significantly below the national average of \$143/SF, and cap rates remain high at 9.8%, reflecting conservative investor expectations.

Despite a slight year-over-year job loss of 2,100 positions, Baton Rouge's economic fundamentals remain relatively solid compared to peer Louisiana metros. Key anchors such as the petrochemical corridor in Ascension Parish, the Port of Greater Baton Rouge, LSU as well as state government continue to support the region's long-term growth. Baton Rouge's industrial economy has seen considerable activity lately with the \$4 billion investment in an ammonia production facility in Ascension Parish (the world's largest) involving CF Industries, JERA and Mitsui. Additionally, the recent ground breaking of John H. Carter's \$69 million Center for Industrial Excellence in Ascension Parish and Hood Container's announcement of a \$118.9 million modernization project at its St. Francisville paper mill further highlight the robust pipeline of major industrial investments shaping the future of the Baton Rouge market.



44.5 M SF

INDUSTRIAL
INVENTORY



640 K SF

UNDER
CONSTRUCTION



2.6%

VACANCY
RATE



-734 K SF

12 MO.
NET ABSORPTION



\$10.33 PSF

AVERAGE
ASKING RENT



3.7%

Y.O.Y.
RENT GROWTH



\$77 PSF

AVERAGE
SALE PRICE



9.8%

CAP
RATE

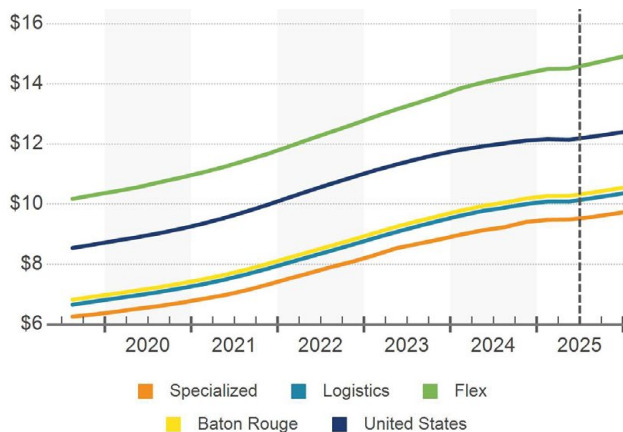
INDUSTRIAL MARKET INSIGHT

NOTABLE LEASE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	TENANT
2001 Oak Villa Blvd, Baton Rouge	East BR Parish	57,500	Q2 25	Logistics Tenant
36226 E. Hwy 30, Geismar	Ascension Parish	10,500	Q2 25	LA Environmental Transportation
RIVERMARK 185 Industrial Park 6535 Industrial Dr, Geismar	Ascension Parish	60,000	Q4 24	DeIVal Flow Controls
3000 Main St, Baton Rouge	East BR Parish	25,130	Q4 24	Precision Pipeline
11723 Sun Belt Ct, Baton Rouge	East BR Parish	35,636	Q3 24	Intertek

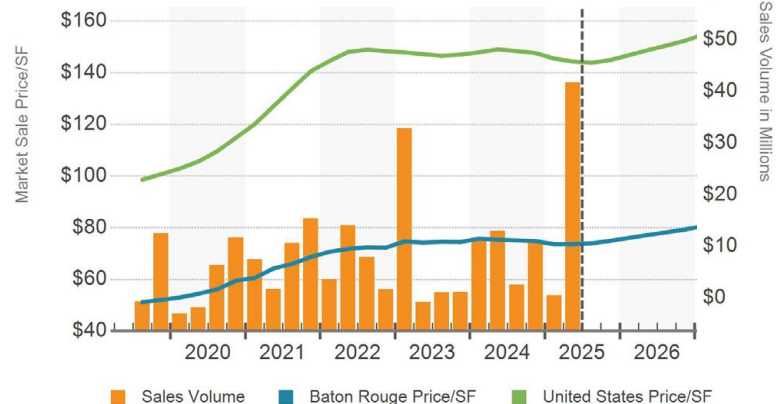
NOTABLE SALE TRANSACTIONS	SUBMARKET	SIZE SF	DATE	PRICE	PSF
RIVERMARK 185 Industrial Park 6535 Industrial Dr, Geismar	Ascension Parish	200,000	Apr 2025	\$34.45 M	\$172
30128 Eden Church Rd. Denham Springs	Livingston Parish	36,000	Apr 2025	\$1.28 M	\$35
305 E. Highway 30, Gonzales	Ascension Parish	23,500	Nov 2024	\$2.5 M	\$106
Port Allen Distribution 775 Allendale Dr, Port Allen	West BR Parish	15,011	Sept 2024	\$2.19 M	\$146
College Drive Service Center 3154-3156 College Dr, Baton Rouge	East BR Parish	36,720	Sept 2024	\$2.86 M	\$78

Highlight is a Stirling-involved transaction

MARKET ASKING RENT PSF



SALES VOLUME & MARKET SALE PSF



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MULTI-FAMILY MARKET INSIGHT

The Baton Rouge multi-family market is balancing strong absorption with elevated vacancy rates as new supply continues to enter the market. Over the past 12 months, 1,228 units were delivered and 1,097 units were absorbed, leaving the overall vacancy at 14.2%. Demand has been driven largely by newly built product in supply-heavy areas like South Baton Rouge and Downtown, which also report some of the highest vacancy levels due to ongoing construction. In contrast, outlying areas with limited new supply, such as West Feliciana Parish, maintain lower vacancy rates. Older properties are struggling, with vacancies topping 20.8% and over 1,000 units lost to negative absorption since 2022.

Rent growth has been modest but stable. Market-wide asking rents average \$1,202 per unit per month, about \$100 below New Orleans and nearly \$500 below the national average. Annual rent growth is 1.4%, slightly above the pre-pandemic historical average of 1.2%, with mid-level assets outperforming with 1.9% growth while luxury units lag at 1.1% due to concentrated new supply. Looking forward, with a lighter construction pipeline and steady demand, rent growth is projected to accelerate to around 2.3–2.5% annually through 2027. Tenants in Baton Rouge benefit from relative affordability, spending roughly 21% of median household income on rent.

Construction activity is tapering after a significant five-year building wave that added roughly 4,200 units, or a 10.5% inventory increase. Investment activity has picked up despite higher borrowing costs, with \$55 million in disclosed 2024 sales volume, driven primarily by private buyers. Notable trades include the 212-unit Atlas at Legacy2020 in Gonzales at \$180,000 per unit. With ongoing economic development initiatives, including continued downtown revitalization and LSU's regional influence, Baton Rouge's multifamily fundamentals are expected to remain resilient despite near-term headwinds.



44.3 K UNITS
MULTI-FAMILY
INVENTORY



4,200 UNITS
ADDED TO MARKET
LAST 5 YEARS



14.2%
VACANCY
RATE



1,097 UNITS
12 MO.
NET ABSORPTION



\$1,202
AVERAGE MONTHLY
RENT PER UNIT



1.4%
Y.O.Y.
RENT GROWTH



\$108.6 K
AVERAGE SALE
PRICE PER UNIT

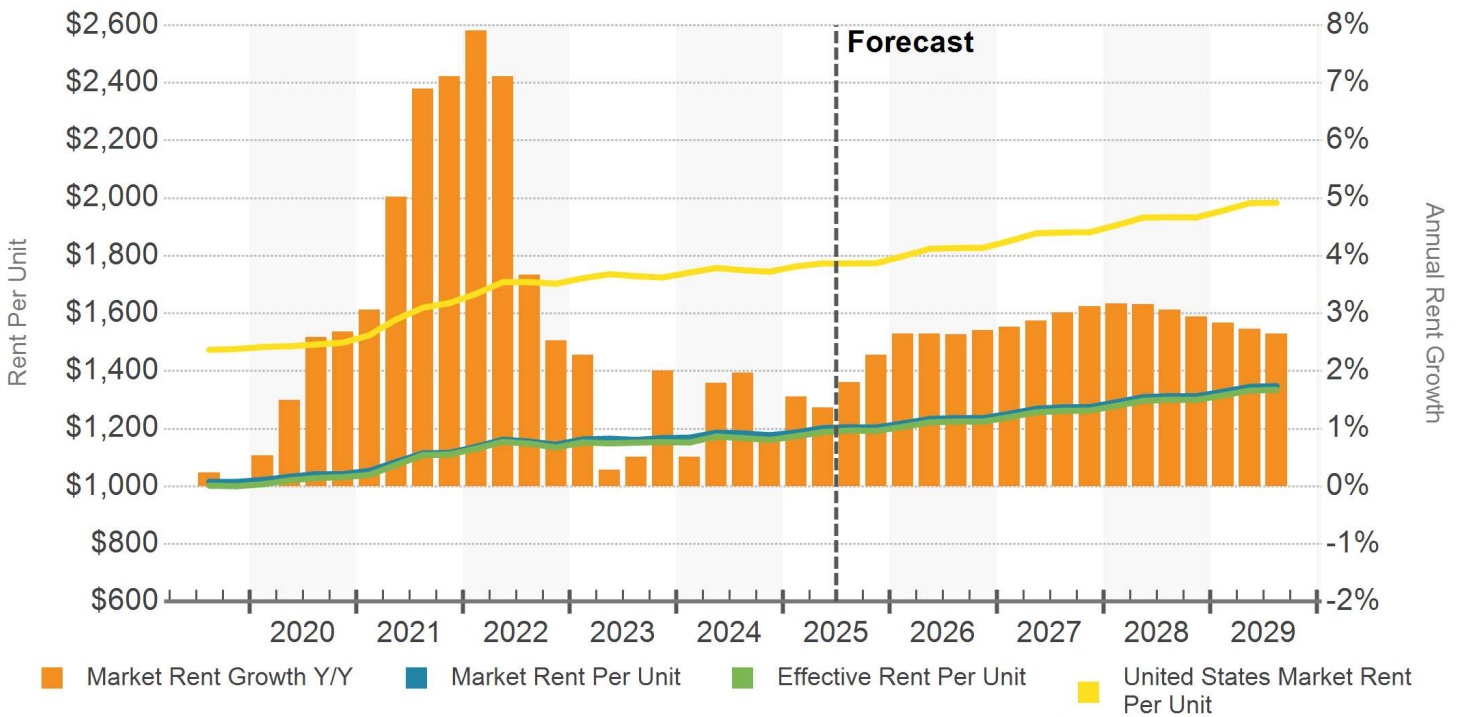


7.9%
MARKET
CAP RATE

MULTI-FAMILY MARKET INSIGHT

NOTABLE SALE TRANSACTIONS LAST 12 MONTHS	BUILT	UNITS	SALE DATE	PRICE	PER UNIT
Pine Square Apartments 2888 Dougherty Dr, Baton Rouge	1972	183	June 2025	\$4.95 M	\$27,049
Gates at Citiplace 2500 Gates Circle, Baton Rouge	1996	369	May 2025	\$53 M	\$143,718
The Terraces at Perkins Rowe 10156 Perkins Rowe, Baton Rouge	2007	226	May 2025	\$26.6 M	\$117,876
The Veridian 515 Gardere Lane, Baton Rouge	1974	135	Jan 2025	\$6.7 M	\$49,629
Atlas at Legacy2020 2020 S Veterans Blvd, Gonzales	2019	212	Oct 2024	\$38.2 M	\$180,188

MARKET RENT PER UNIT & RENT GROWTH



HOSPITALITY MARKET INSIGHT

The Baton Rouge hospitality market remains steady, though key performance indicators show signs of mild softening. The market encompasses approximately 140 hotel properties totaling around 13,000 rooms, distributed across luxury/upper-upscale (1,456 rooms), upscale/upper-midscale (5,912 rooms), and midscale/economy (5,591 rooms).

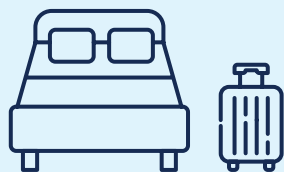
Over the past 12 months, occupancy averaged 56.2%, down 1.9% year-over-year. Despite the slight decline in occupancy, average daily rate (ADR) increased 2.3% to \$106.02, resulting in a RevPAR of \$59.60. Room supply held steady at 4.6 million available room nights, with total demand reaching 2.6 million. Luxury and upper-upscale hotels led market performance, achieving an average occupancy of 68.4% and ADR of \$159.88, while midscale and economy properties lagged behind with 47.6% occupancy and an ADR of \$66.74.

DEVELOPMENT PIPELINE

New development remains limited but not stagnant. Two projects—a WoodSpring Suites near the airport and a Homewood Suites in Gonzales—account for the 241 rooms currently under construction. Another 892 rooms are progressing through various stages of planning and proposal, indicating a potential uptick in construction activity over the next 12–24 months. While no new hotel rooms were delivered over the past year, the controlled pipeline continues to position Baton Rouge favorably, allowing it to absorb future demand fluctuations without significant oversupply risk.

INVESTMENT ACTIVITY

Hotel investment activity has picked up modestly compared to the previous year. Over the past 12 months, nine hotel properties traded, generating a total reported sales volume of \$14.67 million. However, this figure does not include the unreported sale of the Crowne Plaza Executive Center, which was previously listed at \$22 million. Most transactions took place in the midscale and economy segments, reflecting buyer interest in stabilized assets with room to reposition or improve operations. Despite moderate revenue growth and some softness in occupancy, investor interest remains active, particularly in well-located assets with long-term upside.



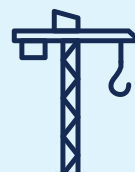
56.2%

12-MO. OCCUPANCY RATE



\$106.02

AVG DAILY RATE (ADR)



241 ROOMS

UNDER CONSTRUCTION

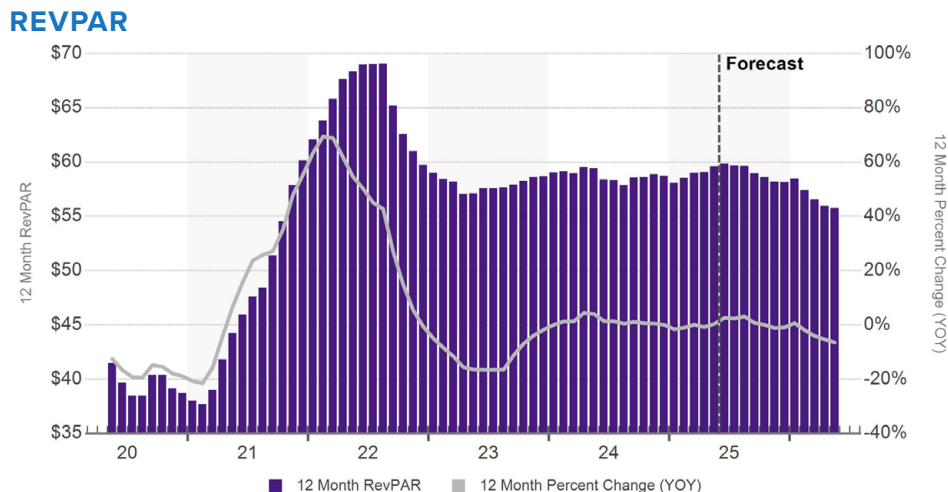
MARKET PERFORMANCE	YTD	2024	2023	2022
▼ Occupancy	59.2%	56.4%	56.9%	58.5%
▲ ADR (Per Room)	\$107.25	\$104.10	\$103.15	\$102.16
▼ PevPAR (Per Room)	\$63.44	\$58.71	\$58.69	\$59.73

HOSPITALITY MARKET INSIGHT

SUPPLY & DEMAND	YTD	2024	2023	2022
Available Rooms	1,926,426	4,633,928	4,626,635	4,687,687
▲ Supply % Change	0.5%	0.2%	-1.3%	1.5%
Occupied Rooms	1,139,595	2,613,341	2,632,366	2,740,946
▲ Demand % Change	-0.2%	-0.7%	-4.0%	-6.3%

NOTABLE SALE TRANSACTIONS	BUILT	ROOMS	SALE DATE	PRICE	PER ROOM
Motel 6 Denham Springs 125 Rushing Rd W, Denham Springs	1999	50	Feb 2025	\$2.6 M	\$52,500
Crown Extended Stay Hotel 7271 Airline Hwy, Baton Rouge	1981	97	May 2025	\$2.5 M	\$25,773
Sonesta Essential Baton Rouge Airport 2949 Varsity St, Baton Rouge	2000	77	June 2025	\$2.1 M	\$27,273
America's Best Value Inn 2179 Highway 70, Donaldsonville	1999	61	Dec 2024	\$1.5 M	\$24,590

UNDER CONSTRUCTION	UNITS	STORIES	START	COMPLETE	DEVELOPER / OWNER
WoodSpring Suites Baton Rouge	122	4	Nov 2024	Dec 2025	Athena Hospitality Group
Homewood Suites by Hilton Gonzales	119	4	June 2025	Jan 2027	Athena Hospitality Group



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