

A Survey of Apartment Complexes in Baton Rouge: Fall 2005

*By: Cook, Moore & Associates and the
LSU Real Estate Research Institute
D. Wesley Moore, II, MAI, CCIM
Sean McDonald
Craig Davenport*

Executive Summary

Note that this information was collected in November /December 2005, shortly after Hurricanes Katrina and Rita devastated New Orleans and surrounding areas. This information provides our best reflection of the current state of the apartment market in the Baton Rouge area.

Cook, Moore & Associates, in association with the LSU Real Estate Research Institute and the Commercial Investment Division (CID) of the Greater Baton Rouge Association of REALTORS®, obtains information on apartment characteristics, rents and vacancies by contacting apartment managers, owners and agents. All apartment complexes listed in the Table “Baton Rouge Apartment Complexes” are contacted. In the past, surveys were conducted by the LSU Real Estate Research Institute every six (6) months, however, data was not collected in the Spring or Fall of 2003. Cook, Moore & Associates and CID in Spring 2004 began conducting the semi-annual surveys, with joint CMA/LSU surveying beginning in Spring 2005. The most recent survey was completed in Fall 2005.

The analyses that follow are based on the data obtained in the course of the survey. The actual number of apartments analyzed differs from the total quantity of properties listed by the number of complexes that did not participate in the survey for the period and by the number of complexes for which data is excluded due to being in the lease-up process or restricted by one or more HUD programs.

The 5 geographic areas used in this analysis are consistent with those used by the Baton Rouge Apartment Association (BRAA). This facilitates comparison of results independently obtained by independent parties. We have included information from the BRAA report (with a map of their designated areas) for comparison.

Areas Covered

The areas are outlined on the exhibits and roughly correspond to the following areas:

- Area 1: South of Florida Blvd. and West of Perkins Rd.
- Area 2: South of Florida Blvd., East of Perkins Rd. and West of Airline Hwy.
- Area 3: South of Florida Blvd., East of Airline Hwy.
- Area 4: North of Florida Blvd. and East of Plank Rd. and Airline Hwy. (including Central and Greenwell Springs)
- Area 5: North of Florida Blvd. and West of Plank Rd. and Airline Hwy. (including North Baton Rouge, Scotlandville, Baker, and Zachary)

Analysis

We analyzed two sets of data, which differ by composition and number of properties included. The results of calculations presented in Tables 1 through 4 are based on one period of data collected in Fall (November/December) 2005. This is the most representative dataset and consists of 159 complexes. **It is notable that rental increases from Spring 2005 to Fall 2005 for this matched set averaged roughly 5.5% (over a 6-month period). This appears to be directly attributable to the effects of Hurricanes Katrina and Rita.**

The second dataset is a matched sample for the last five reporting periods. It covers Fall 2002, Spring 2004, Fall 2004, Spring 2005 and Fall 2005. The sample consists of 126 properties that responded in each of the five survey periods. The results are presented in Tables 5, 6 and 7.

The results of the survey are presented in the form of tables that provide aggregate rents and vacancies sorted by areas, zip codes, and sizes of the apartment complexes. We also provide counts of bedrooms and numbers of complexes by the type of units. The structure of the tables is identical for all the samples. Vacancies, as well as rents, differ significantly for the different datasets due to a different number and composition of the properties in the samples. Because of that, direct comparison of the results is not appropriate.

Several caveats apply to this study. First, the rental rates and vacancies obtained from the managers or leasing agents were not independently verified and they are subject to change at any time. Second, the vacancies reported are physical vacancies and they are based on the number of units vacant and may or may not reflect actual economic vacancy. The data is provided in the following pages:

Table 1
Apartment Data by Area
(Fall 2005 Full Data Set)

Area	Number of Complexes	Average Rent					Average Rent per Sq. Ft.					Vacancy Rate					
		0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total
ALL	159	\$482	\$544	\$670	\$823	\$1,317	\$1.010	\$0.787	\$0.674	\$0.662	\$1.001	2.48%	0.19%	0.29%	0.40%	0.38%	0.31%
1	49	\$542	\$595	\$772	\$1,020	\$1,536	\$1.127	\$0.871	\$0.800	\$0.871	\$1.187	1.13%	0.20%	0.25%	0.29%	0.52%	0.27%
2	30	\$420	\$598	\$736	\$982	\$641	\$1.290	\$0.830	\$0.695	\$0.727	\$0.498	8.79%	0.35%	0.19%	0.00%	0.00%	0.40%
3	39	\$439	\$567	\$659	\$744	\$791	\$0.899	\$0.791	\$0.647	\$0.576	\$0.503	0.00%	0.06%	0.10%	0.00%	0.00%	0.07%
4	19	\$342	\$382	\$468	\$515	\$595	\$0.788	\$0.618	\$0.516	\$0.466	\$0.496	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	22	\$413	\$424	\$520	\$627	\$690	\$0.807	\$0.645	\$0.543	\$0.528	\$0.657	1.17%	0.43%	1.37%	2.39%	0.00%	1.12%

Table 2
Apartment Data by Area for Large Complexes
(Fall 2005 Full Data Set)

Area	Number of Complexes	Average Rent					Average Rent per Sq. Ft.					Vacancy Rate					
		0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total
ALL	43	\$560	\$599	\$727	\$879	\$1,382	\$1.123	\$0.084	\$0.717	\$0.688	\$0.979	2.40%	0.14%	0.41%	0.76%	0.88%	0.37%
1	14	\$689	\$674	\$851	\$1,065	\$1,597	\$1.331	\$0.958	\$0.865	\$0.888	\$1.182	2.74%	0.13%	0.33%	0.27%	1.20%	0.33%
2	6	\$610	\$701	\$854	\$1,128	-	\$1.344	\$0.947	\$0.806	\$0.793	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
3	18	-	\$566	\$671	\$725	\$784	-	\$0.795	\$0.656	\$0.558	\$0.496	-	0.08%	0.04%	0.00%	0.00%	0.05%
4	2	\$425	\$423	\$490	\$607	-	\$0.850	\$0.594	\$0.475	\$0.479	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
5	3	\$293	\$367	\$467	\$604	-	\$0.567	\$0.514	\$0.468	\$0.532	-	4.55%	1.05%	4.21%	6.92%	-	3.60%

Table 3
Apartment Data by Zip Code
(Fall 2005 Full Data Set)
(Zip Codes with More Than 1 Complex)

Zip Code	Number of Complexes	Number of Units	Average Rent		Vacancy
			per Unit	per Sq. Ft.	Total
70802	9	976	\$589	\$0.762	0.41%
70805	7	874	\$436	\$0.624	0.00%
70806	20	2,447	\$529	\$0.580	1.39%
70808	19	2,881	\$710	\$0.855	0.35%
70809	18	3,064	\$764	\$0.759	0.49%
70810	9	1,451	\$754	\$0.779	0.00%
70814	4	541	\$488	\$0.561	0.00%
70815	17	2,559	\$487	\$0.554	0.00%
70816	29	6,488	\$634	\$0.687	0.09%
70817	5	636	\$718	\$0.677	0.31%
70820	17	2,092	\$908	\$0.967	0.24%

Table 4
Fall 2005 Data Set Statistics
(Fall 2005 Full Data Set)

Data Set	Number of Complexes						Number of Units by Data Set					
	With 0 BR Units	With 1 BR Units	With 2 BR Units	With 3 BR Units	With 4 BR Units	Total # of Complexes	0 BR Units	1 BR Units	2 BR Units	3 BR Units	4 BR Units	Total Units
All Complexes	25	140	148	86	18	159	483	9,081	11,851	2,718	527	24,660
Large Complexes	7	42	43	27	8	43	167	5,007	6,089	1,318	227	12,808

Table 5
Apartment Data by Area
(Fall 2002 - Fall 2005 Matched Sample Data Set)

Area	Number of Complexes	Period	Average Rent					Average Rent per Sq. Ft.					Vacancy Rate					
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total
ALL	126	F 2005	\$437	\$526	\$644	\$824	\$1,365	\$0.932	\$0.757	\$0.647	\$0.663	\$1.042	0.95%	0.10%	0.13%	0.04%	0.00%	0.12%
		S 2005	\$424	\$498	\$610	\$778	\$1,288	\$0.905	\$0.718	\$0.612	\$0.626	\$0.983	4.73%	5.60%	5.65%	5.62%	3.18%	5.55%
		F 2004	\$410	\$490	\$604	\$774	\$1,284	\$0.875	\$0.706	\$0.606	\$0.623	\$0.980	6.94%	4.47%	5.96%	6.14%	1.91%	5.35%
		S 2004	\$398	\$486	\$598	\$767	\$1,257	\$0.850	\$0.700	\$0.600	\$0.617	\$0.960	1.89%	4.94%	6.08%	5.45%	7.63%	5.56%
		F 2002	\$398	\$475	\$591	\$755	\$1,209	\$0.849	\$0.684	\$0.593	\$0.607	\$0.923	5.05%	4.45%	6.68%	5.96%	2.12%	5.64%
1	40	F 2005	\$433	\$580	\$717	\$1,029	\$1,591	\$0.900	\$0.840	\$0.746	\$0.885	\$1.246	0.00%	0.27%	0.27%	0.17%	0.00%	0.24%
		S 2005	\$414	\$530	\$655	\$1,000	\$1,501	\$0.860	\$0.768	\$0.682	\$0.861	\$1.176	2.94%	6.56%	6.34%	3.51%	3.17%	5.85%
		F 2004	\$410	\$525	\$656	\$986	\$1,499	\$0.853	\$0.760	\$0.683	\$0.848	\$1.174	4.90%	2.35%	5.96%	2.34%	1.15%	4.01%
		S 2004	\$410	\$525	\$658	\$979	\$1,466	\$0.853	\$0.760	\$0.685	\$0.842	\$1.148	1.96%	4.86%	6.96%	3.85%	8.36%	5.90%
		F 2002	\$415	\$508	\$653	\$963	\$1,397	\$0.862	\$0.736	\$0.679	\$0.828	\$1.094	2.94%	5.12%	8.16%	7.02%	1.73%	6.50%
2	24	F 2005	\$604	\$545	\$701	\$935	\$641	\$1.339	\$0.772	\$0.657	\$0.693	\$0.498	1.96%	0.00%	0.06%	0.00%	0.00%	0.06%
		S 2005	\$568	\$524	\$672	\$845	\$660	\$1.260	\$0.742	\$0.630	\$0.626	\$0.512	7.84%	7.12%	6.26%	11.86%	0.00%	7.23%
		F 2004	\$491	\$506	\$660	\$864	\$629	\$1.090	\$0.716	\$0.619	\$0.640	\$0.488	1.96%	6.19%	7.06%	12.09%	0.00%	7.29%
		S 2004	\$443	\$502	\$656	\$868	\$628	\$0.983	\$0.710	\$0.615	\$0.643	\$0.488	1.96%	7.02%	7.01%	6.74%	3.33%	6.87%
		F 2002	\$457	\$499	\$652	\$864	\$659	\$1.013	\$0.706	\$0.612	\$0.640	\$0.512	3.92%	4.16%	4.54%	7.67%	0.00%	4.77%
3	30	F 2005	\$441	\$553	\$648	\$754	\$791	\$0.896	\$0.777	\$0.642	\$0.579	\$0.503	0.00%	0.08%	0.12%	0.00%	0.00%	0.09%
		S 2005	\$435	\$529	\$621	\$696	\$730	\$0.883	\$0.742	\$0.615	\$0.534	\$0.465	10.00%	5.80%	6.21%	5.05%	5.63%	5.92%
		F 2004	\$431	\$518	\$611	\$686	\$725	\$0.875	\$0.728	\$0.605	\$0.526	\$0.462	2.50%	5.15%	6.11%	5.41%	5.63%	5.63%
		S 2004	\$419	\$513	\$601	\$676	\$707	\$0.851	\$0.721	\$0.595	\$0.519	\$0.450	2.50%	5.04%	6.27%	4.81%	7.04%	5.60%
		F 2002	\$413	\$502	\$593	\$663	\$738	\$0.839	\$0.706	\$0.587	\$0.509	\$0.470	2.50%	3.64%	5.87%	4.33%	4.23%	4.79%
4	15	F 2005	\$425	\$400	\$472	\$518	-	\$0.850	\$0.599	\$0.494	\$0.484	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
		S 2005	\$425	\$387	\$456	\$512	-	\$0.850	\$0.580	\$0.476	\$0.479	-	0.00%	4.22%	2.30%	1.65%	-	2.93%
		F 2004	\$425	\$383	\$454	\$512	-	\$0.850	\$0.574	\$0.475	\$0.479	-	0.00%	5.16%	4.15%	4.40%	-	4.55%
		S 2004	\$425	\$380	\$446	\$499	-	\$0.850	\$0.568	\$0.466	\$0.466	-	0.00%	4.53%	3.83%	4.95%	-	4.20%
		F 2002	\$425	\$367	\$435	\$496	-	\$0.850	\$0.550	\$0.455	\$0.464	-	0.00%	8.13%	9.62%	9.89%	-	9.09%
5	17	F 2005	\$369	\$416	\$487	\$622	\$690	\$0.807	\$0.631	\$0.509	\$0.525	\$0.657	1.63%	0.00%	0.00%	0.00%	0.00%	0.08%
		S 2005	\$369	\$406	\$473	\$615	\$650	\$0.808	\$0.615	\$0.495	\$0.519	\$0.619	3.25%	2.66%	3.86%	4.78%	0.00%	3.37%
		F 2004	\$369	\$404	\$473	\$613	\$650	\$0.808	\$0.613	\$0.494	\$0.517	\$0.619	12.20%	4.37%	5.08%	8.46%	4.17%	5.51%
		S 2004	\$363	\$395	\$463	\$602	\$650	\$0.793	\$0.599	\$0.484	\$0.508	\$0.619	1.63%	2.95%	3.42%	9.19%	4.17%	3.79%
		F 2002	\$354	\$386	\$448	\$576	\$585	\$0.775	\$0.585	\$0.469	\$0.487	\$0.557	8.13%	3.33%	6.51%	3.31%	4.17%	4.80%

Table 6
Apartment Data by Area for Large Complexes
(Fall 2002 - Fall 2005 Matched Sample Data Set)

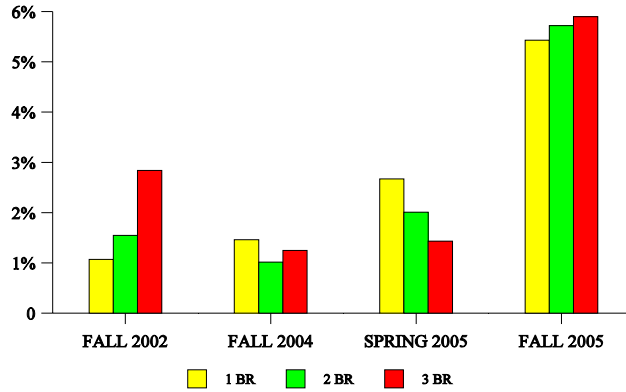
Area	Number of Complexes	Period	Average Rent					Average Rent per Sq. Ft.					Vacancy Rate					
			0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	0 BR	1 BR	2 BR	3 BR	4 BR	Total
ALL	33	F 2005	\$498	\$562	\$684	\$865	\$1,465	\$1.046	\$0.794	\$0.679	\$0.674	\$1.045	1.61%	0.10%	0.15%	0.09%	0.00%	0.14%
		S 2005	\$481	\$528	\$646	\$810	\$1,392	\$1.010	\$0.746	\$0.641	\$0.631	\$0.993	5.65%	5.82%	5.46%	5.89%	7.33%	5.69%
		F 2004	\$447	\$515	\$635	\$810	\$1,403	\$0.938	\$0.728	\$0.630	\$0.631	\$1.001	9.68%	4.64%	6.16%	5.62%	2.09%	5.47%
		S 2004	\$427	\$513	\$629	\$801	\$1,341	\$0.897	\$0.725	\$0.624	\$0.624	\$0.956	0.81%	5.31%	6.90%	49.70%	6.28%	5.99%
		F 2002	\$439	\$499	\$624	\$782	\$1,312	\$0.922	\$0.705	\$0.619	\$0.609	\$0.935	6.45%	5.18%	6.84%	5.25%	1.57%	5.92%
1	11	F 2005	\$620	\$654	\$802	\$1,067	\$1,777	\$1.369	\$0.922	\$0.827	\$0.886	\$1.346	0.00%	0.18%	0.43%	0.30%	0.00%	0.30%
		S 2005	\$605	\$583	\$724	\$1,036	\$1,705	\$1.336	\$0.822	\$0.746	\$0.860	\$1.292	0.00%	3.76%	6.74%	3.96%	8.40%	5.33%
		F 2004	\$595	\$574	\$718	\$1,029	\$1,719	\$1.313	\$0.810	\$0.741	\$0.854	\$1.302	0.00%	1.88%	5.88%	2.44%	0.76%	3.73%
		S 2004	\$595	\$577	\$425	\$1,013	\$1,638	\$1.313	\$0.813	\$0.748	\$0.841	\$1.241	0.00%	5.01%	7.31%	3.35%	6.11%	5.90%
		F 2002	\$630	\$554	\$724	\$989	\$1,579	\$1.391	\$0.782	\$0.746	\$0.821	\$1.197	3.33%	6.45%	7.38%	3.96%	0.00%	6.30%
2	4	F 2005	\$610	\$579	\$760	\$1,066	-	\$1.344	\$0.847	\$0.719	\$0.731	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
		S 2005	\$575	\$578	\$739	\$970	-	\$1.267	\$0.846	\$0.700	\$0.665	-	8.16%	11.95%	8.00%	15.92%	-	10.43%
		F 2004	\$495	\$532	\$707	\$1,018	-	\$1.090	\$0.779	\$0.670	\$0.698	-	0.00%	5.54%	8.57%	11.46%	-	7.64%
		S 2004	\$445	\$543	\$705	\$1,019	-	\$0.980	\$0.794	\$0.667	\$0.698	-	2.04%	11.95%	12.19%	5.10%	-	10.61%
		F 2002	\$460	\$544	\$707	\$1,004	-	\$1.013	\$0.796	\$0.670	\$0.688	-	4.08%	5.25%	5.14%	6.37%	-	5.31%
3	14	F 2005	-	\$544	\$643	\$725	\$784	-	\$0.767	\$0.637	\$0.558	\$0.496	-	0.10%	0.04%	0.00%	0.00%	0.06%
		S 2005	-	\$521	\$620	\$660	\$710	-	\$0.734	\$0.614	\$0.508	\$0.449	-	5.74%	4.55%	4.15%	5.00%	5.01%
		F 2004	-	\$509	\$608	\$649	\$714	-	\$0.718	\$0.602	\$0.499	\$0.451	-	5.20%	6.16%	5.34%	5.00%	5.66%
		S 2004	-	\$502	\$593	\$641	\$692	-	\$0.708	\$0.587	\$0.493	\$0.438	-	4.70%	6.20%	4.74%	6.67%	5.44%
		F 2002	-	\$489	\$585	\$622	\$727	-	\$0.689	\$0.580	\$0.478	\$0.460	-	4.26%	6.50%	5.14%	5.00%	5.41%
4	2	F 2005	\$425	\$423	\$490	\$607	-	\$0.850	\$0.594	\$0.475	\$0.479	-	0.00%	0.00%	0.00%	0.00%	-	0.00%
		S 2005	\$425	\$399	\$467	\$589	-	\$0.850	\$0.561	\$0.453	\$0.465	-	0.00%	6.80%	2.80%	1.59%	-	3.90%
		F 2004	\$425	\$399	\$470	\$589	-	\$0.850	\$0.561	\$0.455	\$0.465	-	0.00%	10.88%	5.60%	6.35%	-	7.38%
		S 2004	\$425	\$399	\$464	\$581	-	\$0.850	\$0.561	\$0.450	\$0.458	-	0.00%	1.36%	2.00%	3.17%	-	1.95%
		F 2002	\$425	\$380	\$456	\$581	-	\$0.085	\$0.534	\$0.441	\$0.458	-	0.00%	10.88%	10.80%	7.94%	-	10.41%
5	2	F 2005	\$293	\$359	\$416	\$525	-	\$0.567	\$0.499	\$0.385	\$0.523	-	4.55%	0.00%	0.00%	0.00%	-	0.36%
		S 2005	\$293	\$348	\$411	\$525	-	\$0.567	\$0.483	\$0.381	\$0.523	-	6.82%	6.67%	3.91%	12.50%	-	5.88%
		F 2004	\$293	\$348	\$411	\$525	-	\$0.567	\$0.483	\$0.381	\$0.523	-	27.27%	7.45%	3.04%	12.50%	-	7.49%
		S 2004	\$293	\$348	\$411	\$525	-	\$0.567	\$0.483	\$0.381	\$0.523	-	0.00%	4.71%	4.78%	28.13%	-	5.70%
		F 2002	\$286	\$341	\$401	\$495	-	\$0.555	\$0.474	\$0.372	\$0.494	-	11.36%	3.53%	6.52%	9.38%	-	5.70%

Table 7

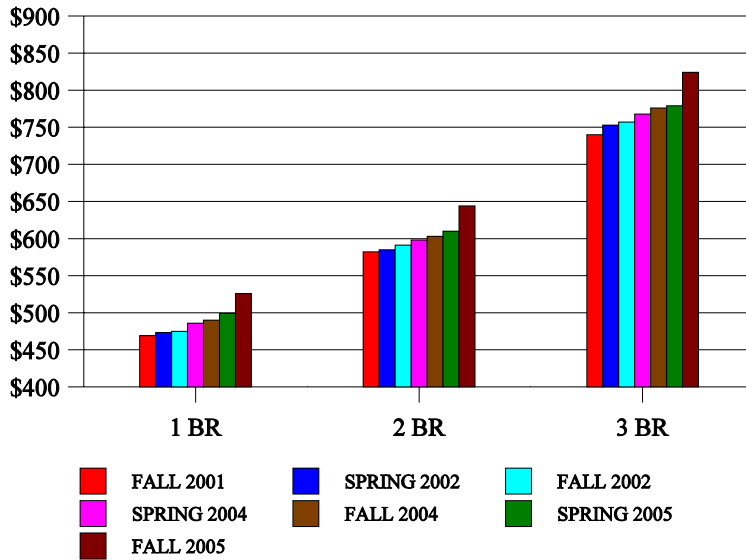
Apartment Data by Zip Code
 (Fall 2002 - Fall 2005 Matched Sample Data Set)
 (Zip Codes with More Than 1 Complex)

Zip Code	Number of Complexes	Number of Units	Period	Average Rent		Vacancy
				per Unit	per Sq. Ft.	Total
70802	5	604	F 2005	\$469	\$0.603	0.33%
			S 2005	\$451	\$0.580	7.45%
			F 2004	\$442	\$0.568	6.13%
			S 2004	\$419	\$0.539	3.31%
			F 2002	\$410	\$0.528	7.78%
70805	6	816	F 2005	\$438	\$0.631	0.00%
			S 2005	\$440	\$0.634	0.98%
			F 2004	\$436	\$0.629	2.94%
			S 2004	\$425	\$0.613	3.06%
			F 2002	\$415	\$0.598	4.29%
70806	13	1564	F 2005	\$516	\$0.549	0.13%
			S 2005	\$503	\$0.535	3.96%
			F 2004	\$503	\$0.535	6.84%
			S 2004	\$503	\$0.535	4.86%
			F 2002	\$486	\$0.517	4.09%
70808	17	2192	F 2005	\$652	\$0.803	0.27%
			S 2005	\$583	\$0.718	8.71%
			F 2004	\$576	\$0.710	5.43%
			S 2004	\$580	\$0.715	10.45%
			F 2002	\$570	\$0.703	5.34%
70809	13	2283	F 2005	\$716	\$0.710	0.00%
			S 2005	\$684	\$0.678	6.66%
			F 2004	\$673	\$0.667	7.31%
			S 2004	\$667	\$0.661	5.12%
			F 2002	\$657	\$0.652	4.64%
70810	8	1179	F 2005	\$732	\$0.733	0.00%
			S 2005	\$672	\$0.672	5.60%
			F 2004	\$672	\$0.672	3.39%
			S 2004	\$678	\$0.678	5.17%
			F 2002	\$671	\$0.672	3.56%
70814	4	541	F 2005	\$488	\$0.561	0.00%
			S 2005	\$468	\$0.538	2.77%
			F 2004	\$568	\$0.537	2.59%
			S 2004	\$453	\$0.520	4.07%
			F 2002	\$450	\$0.516	6.28%
70815	14	2191	F 2005	\$495	\$0.544	0.00%
			S 2005	\$489	\$0.537	2.97%
			F 2004	\$475	\$0.522	6.21%
			S 2004	\$475	\$0.521	5.43%
			F 2002	\$466	\$0.512	8.31%
70816	24	5705	F 2005	\$632	\$0.684	0.11%
			S 2005	\$591	\$0.640	6.21%
			F 2004	\$583	\$0.630	5.64%
			S 2004	\$571	\$0.618	5.40%
			F 2002	\$562	\$0.608	5.36%
70817	3	384	F 2005	\$664	\$0.643	0.52%
			S 2005	\$661	\$0.639	13.80%
			F 2004	\$663	\$0.642	6.25%
			S 2004	\$664	\$0.643	5.73%
			F 2002	\$653	\$0.631	1.30%
70820	15	1992	F 2005	\$933	\$0.976	0.25%
			S 2005	\$892	\$0.933	3.82%
			F 2004	\$889	\$0.930	2.91%
			S 2004	\$881	\$0.922	4.32%
			F 2002	\$863	\$0.903	8.28%

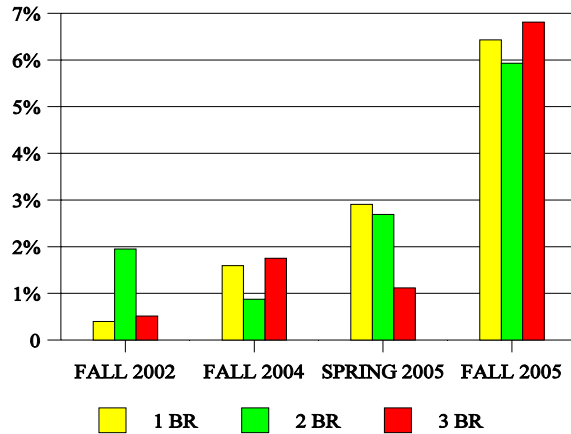
**ANNUAL PERCENTAGE INCREASE IN APARTMENT RENTAL RATES BY UNIT TYPE
BASED ON MATCHED SAMPLE OF 126 COMPLEXES**



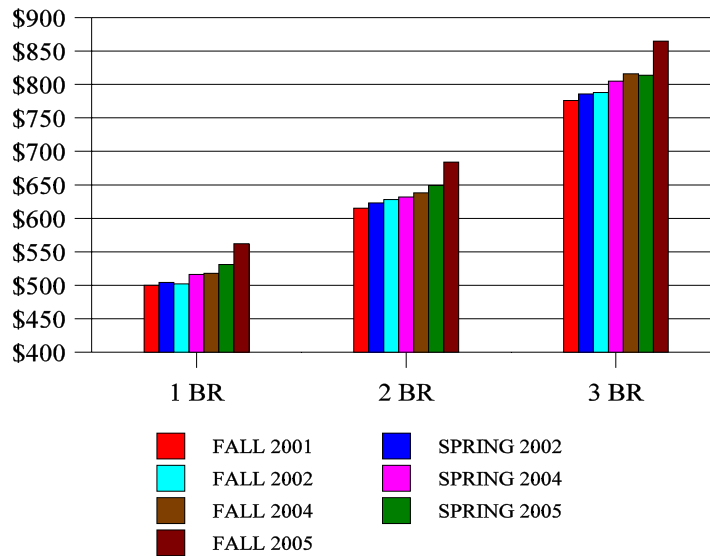
**AVERAGE APARTMENT RENTAL RATES BY UNIT TYPE
BASED ON MATCHED SAMPLE OF 122 COMPLEXES**



**ANNUAL PERCENTAGE INCREASE IN APARTMENT RENTAL RATES BY UNIT TYPE
BASED ON MATCHED SAMPLE OF 33 LARGE COMPLEXES (201+ UNITS ONLY)**



**AVERAGE APARTMENT RENTAL RATES BY UNIT TYPE
BASED ON MATCHED SAMPLE OF 32 LARGE COMPLEXES (201+ UNITS ONLY)**



Vacancy Analysis

Data collected for the matched set suggests that the average vacancy for Baton Rouge as a whole is 0.31%, down significantly from the Spring 2005 rate of 5.74% and the Spring 2004 rate of 5.77%. Note that this is due to the devastation that Hurricanes Katrina and Rita caused to the housing markets from the Gulf Coast of Mississippi through New Orleans and to Lake Charles. Many of the rental complexes and private residences within the New Orleans area received significant (if not catastrophic) damage due to the hurricanes. This has resulted in a relocation of many of the residents to other areas throughout the country. As Baton Rouge is the closest metropolitan area to New Orleans, it received a major influx of displaced residents, which explains the extremely high occupancy rates throughout all areas of Baton Rouge.

The Fall 2005 data also indicates that the average vacancy rate for the matched set of Baton Rouge area apartment complexes with 201 or more units is 0.37% (Table 6), down from 5.72% in Spring 2005 and 6.13% in Spring 2004. The average vacancy rate for large complexes is consistent with the average vacancy rate of all complexes combined. Any particular area or zip code may have only a few observations, so large changes like this can occur.

Note that while all participating apartment managers/owners provide rental information, only a limited number provide vacancy information to the surveyors. It is again noted that the data used in determining vacancy rates was obtained by Cook, Moore & Associates, LSU RERI and CID from apartment owners and managers and is not independently verified. The accuracy is therefore directly dependent on the quality of information supplied. *It is known that not all surveyed apartment managers/owners provide vacancy information to the surveyors and the data collection quality controls (i.e., guidelines as to what precisely qualifies as a vacant unit, etc.) are dubious.* Any inferences made from this data must be tempered by this qualification. Apartment vacancy data collected and published by the Baton Rouge Apartment Association (presented subsequently) is considered more reliable.

Analysis by Zip Code

The highest average rent per unit (\$908) is observed in the 70820 zip code area (which is immediately south of LSU - some of the units are fully-furnished). The lowest rent per unit (\$436) is found in zip code 70805. On a rent-per-square-foot basis, 70820 also has the highest rental rates at \$0.967/sf. The highest vacancy rate of 1.39% is found in the 70806 zip code area, followed by 70809 with a vacancy rate of 0.49% and 70802 with a vacancy rate of 0.41%.

Vacancy per BR Apartment Association

The Baton Rouge Apartment Association (BRAA) has surveyed area occupancies since 1983. These surveys reflect a larger subset of the local market, with much stronger data collection controls and more open dialogue with apartment professionals, and are given much greater credence than the previously-presented vacancy figures. The following is a breakdown of the BRAA vacancy information for the past 13± years and a map showing the corresponding areas surveyed:

BATON ROUGE APARTMENT ASSOCIATION

		AREA (% VACANCY)					
		1	2	3	4	5	City
1990	January	8	6	9	10	23	10
	April	5.5	5	7.4	8.1	18.8	8.2
	July	N/A	6	5	8	20	8
	October	2	4	4	10	17	6
1991	January	5	4	7	13	21	8
	April	3	4	6.9	15	20	7.7
	July	N/A	2.8	4.0	14.1	16.9	6.8
	October	6	3	5	15	17	7
1992	January	2	3	4	8	11	5
	April	1	3	4	4	15	4.8
	July	N/A	2.6	3	4.9	11.2	4.5
	October	4	2	3	3	13	5
1993	January	2	3.7	4	3	10.6	4.7
	April	3	3.4	3.8	2.9	7.6	4.1
	July	N/A	3	2.9	2.8	8.7	4
	October	4.6	5.9	4.9	2.6	13.6	6.3
1994	January	3.6	4.1	4.4	10.9	11	5.9
	April	4.5	3.1	4	11	13.6	5.6
	July	N/A	3	4.3	4.9	13.5	5.8
	October	1.7	2.1	3.2	3.0	17	4.8
1995	January	2.9	4.0	6.3	4.9	15	6.6
	April	3.8	4.7	6.7	5.9	12.9	6.7
	July	N/A	5.8	3.8	5.9	11.2	6.2
	October	3.7	7.3	5.0	7.8	9.5	6.4
1996	January	3.3	6.8	6.8	7.1	10	6.7
	April	3.2	7.5	7.2	11.3	9.5	7.3
	July	N/A	5.9	6.2	5.0	8.6	6.6
	October	2.0	6.4	6.8	7.0	9.7	6.4
1997	January	3.0	8.2	7.6	15.2	11.3	8.2
	April	3.2	8.7	6.0	7.6	6.1	6.4
	July	N/A	7.8	4.7	12.7	6.5	6.8
	October	3.0	11.3	7.5	8.3	8.3	8.3

		AREA (% VACANCY)					
		1	2	3	4	5	City
1998	January	5.1	11.9	7.1	7.9	7.8	8.5
	April	3.9	7.8	5.6	7.9	10.2	6.9
	July	N/A	6.4	5.0	8.2	8.9	6.5
	October	1.9	6.8	4.8	7.1	8.2	5.7
1999	January	4.0	6.6	5.4	5.5	6.6	5.7
	April	4.1	4.8	5.3	6.6	6.0	5.2
	July	N/A	3.1	5.9	3.4	7.3	5.0
	October	3.3	3.8	5.4	5.3	4.8	4.5
2000	January	5.7	6.0	6.6	4.4	6.0	6.0
	April	5.4	6.2	5.0	3.0	6.6	5.5
	July	N/A	5.7	4.7	4.7	6.0	5.3
	October	4.0	6.4	5.1	4.8	7.0	5.6
2001	January	6.1	6.3	8.3	9.8	6.7	7.2
	April	6.9	5.9	7.9	8.1	9.3	7.4
	July	N/A	5.2	6.2	8.1	6.9	6.1
	October	5.8	5.2	5.8	8.7	8.5	6.3
2002	January	8.2	6.7	6.1	10.0	6.1	6.9
	April	8.9	6.3	5.1	7.1	6.0	6.9
	July	N/A	4.3	5.2	7.5	6.9	5.4
	October	6.6	3.8	4.6	7.6	8.1	5.6
2003	January	7.3	5.2	5.9	6.1	11.3	6.9
	April	6.9	5.4	5.3	4.4	8.0	6.1
	July	N/A	6.8	5.7	7.2	7.5	6.6
	October	7.2	6.1	7.5	6.0	5.7	6.7
2004	January	8.8	8.0	7.0	5.3	6.5	7.4
	April	5.7	6.8	7.6	4.0	4.9	6.3
	July	N/A	9.0	6.3	3.5	5.8	6.9
	October	5.9	6.3	5.7	3.2	4.8	5.6
2005	January	6.4	7.1	11.0	5.0	5.1	7.9
	April	6.7	8.7	8.3	5.9	10.8	8.5
	July	N/A	6.9	6.9	6.6	10.9	7.9
	October	0.0	0.0	0.0	0.0	0.0	0.0

The October 2005 vacancy survey (the most recent available) conducted by the Baton Rouge Apartment Association indicated that citywide vacancy was 0.0% (7 of 24,768 units surveyed). This is reflective of the Baton Rouge rental market after Hurricanes Katrina and Rita, which caused damage to a large portion of housing in the Gulf Coast (New Orleans and Mississippi) and Southwest Louisiana (Lake Charles) areas. The Baton Rouge apartment market has essentially been leased to capacity since Hurricane Katrina devastated the Gulf Coast (these numbers are reflected in the October 2005 survey). Area 1 (the LSU corridor) is strongly influenced by student-generated demand and is not surveyed in the summer. Most well-maintained and managed complexes in the LSU area stay at or near full occupancy during fall and spring semesters, with seasonal fluctuations during the summer months of June and July. Note that this survey is conducted by the Baton Rouge Apartment Association of its member properties. It is noted, however, that some of the complexes in the local market are not members of the Apartment Association.

Note that Hurricane Katrina has had a profound effect on the rental housing market in Baton Rouge (and throughout the State of Louisiana). Virtually all rental housing is 100% occupied throughout the region. While this may prove to be a short-term anomaly, the long-term effects of this natural disaster are unknown. A marginal physical vacancy rate of 5% is projected (under stabilized market conditions).

Summary

The Cook, Moore & Associates/LSU Real Estate Research Institute's studies indicate that apartment rentals in Baton Rouge increased steadily at a pace of 2% to 3% until roughly Fall 2001, with a slowing in the rate of increase noted until Spring 2005 (from annual increases in the 5%+ range in the early 1990s, slowing to roughly 3% per year in 1996-01, and then 1% to 2% range in 2002-2005). This all changed when Hurricanes Katrina and Rita destroyed a large number of residential structures (both single-family and multi-family complexes) in the Gulf Coast of Mississippi, Greater New Orleans and Lake Charles areas. As Baton Rouge is the closet metropolitan area to New Orleans, many of the displaced residents from these devastated areas migrated to where there was available housing. Virtually all of the habitable units throughout Baton Rouge are occupied (with an extremely small amount of vacancy noted in the area - some of which is likely due to turnover). Rental increases from Spring 2005 to Fall 2005 for a matched sample of Baton Rouge complexes averaged roughly 5.5% (over a 6-month period). This appears to be directly attributable to the effects of Hurricanes Katrina and Rita.