

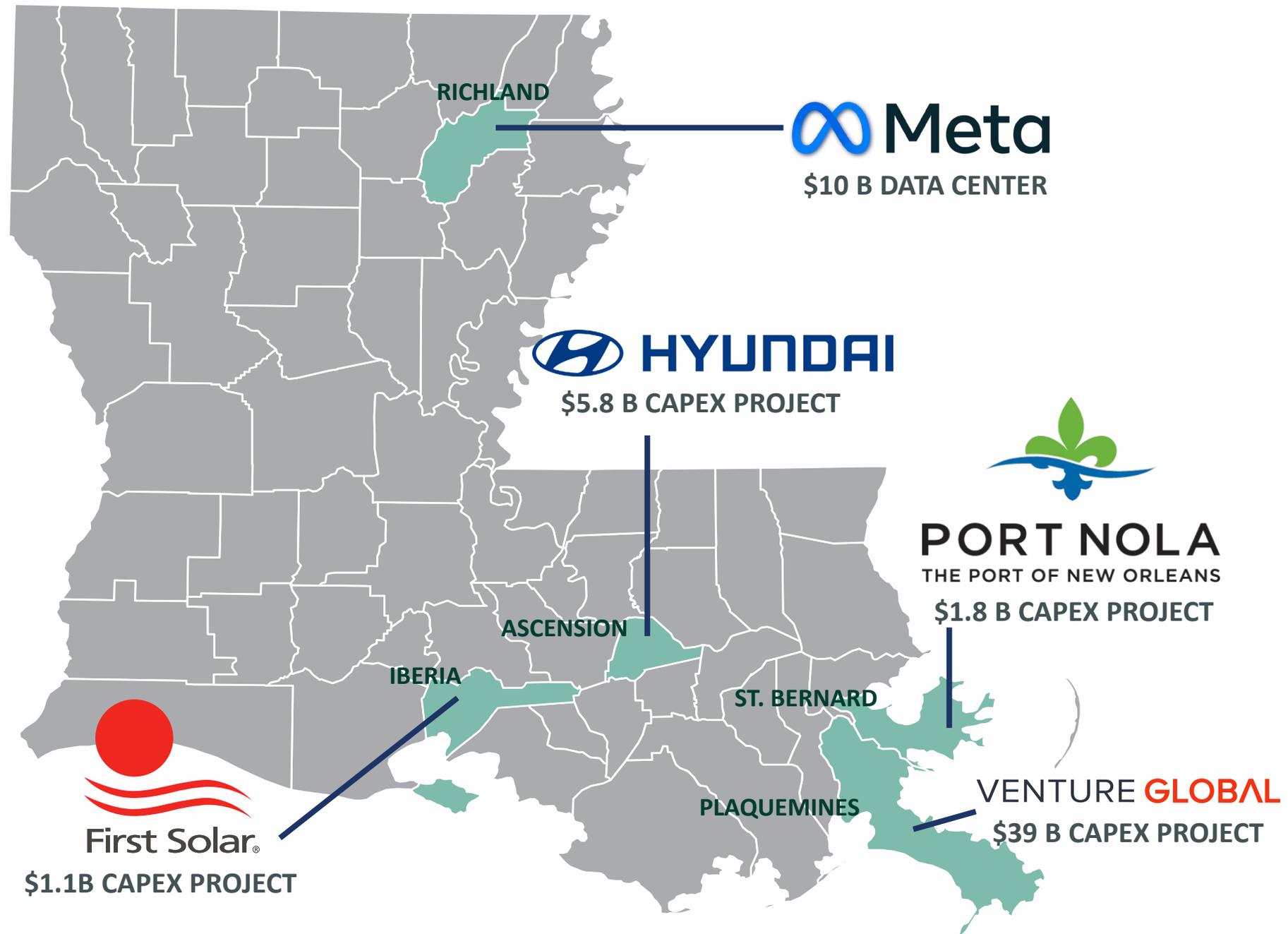
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# 2025 New Orleans Industrial Forecast

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Louisiana  
Success in  
2025:  
Big Wins  
Across LA





# Historically: Class B/C Market

New Orleans has historically been a Class B/C industrial asset market owned primarily by local owners where more developed industrial markets have a strong Class A asset presence and host active institutional developer and portfolios.

Barriers to Entry for Class A Product

# Challenges

# Storm Path Proximity



# Flood Risk Perception



# Geographic Constraints

## Development Constraints



# Limited Power



Success Stories

Concept

# Propel Park — The New Louisiana Space Campus

Location: New Orleans, LA

Development Type: Class A

Size: Up to 800,000 SF

Phase I Status: Complete



# Success Story: Industrial Realty Group (IRG)

Positioning New Orleans Favorably for Future Growth in the Logistics & Distribution Sector

## Challenge

New Orleans faces the challenge of convincing tenants to pay a rental premium above typical Class B and Class C rates to justify the costs of constructing a Class A Distribution Center. Additionally, with the Port of New Orleans Louisiana International Terminal expected to commence operations in 2028/2029, the region must begin developing new warehouse product to support an anticipated 5X growth in container volume.

## Solution

IRG built a speculative 263,000 square foot Class A Distribution Center within Propel Park. Within one year of receiving a Certificate of Occupancy, the building achieved 100% occupancy with two national credit tenants at double-digit annual rents and ten-year lease terms. Notably, neither tenant was directly related to the Port container business, indicating that national tenants accustomed to Class A buildings are willing to occupy such spaces in New Orleans. Given construction timelines for this type of product typically range from 8 to 15 months, IRG prioritized having a building ready when tenants were actively searching, which proved critical for successful lease-up.



## Results

IRG's Propel Park represents the only true Class A Distribution Center constructed in the New Orleans Market. The 263,000 square foot building was fully leased within a one-year period, with one tenant occupying 96,000 square feet and another taking the remaining 167,000 square feet, both with 10-year terms at double-digit rental rates. The building features several modern amenities, including:

- Tilt Wall Construction
- High Eaves (Typically 30 - 36 Feet)
- Front Loaded Buildings
- Dock Doors With Levelers
- Speed Bays
- Led Lights With Motion Sensors
- Advanced Fire Suppression Systems
- Truck Courts
- Employee Parking
- Security Features (Cameras, Access Control)
- Office Space For Administration
- Good Transportation Access (Proximity To Highways And Rail)
- High Volume Low Speed Fans
- Sustainable Building Features (Solar Panels, Green Roofs)
- Modern Technology Infrastructure (Wi-Fi, Power Outlets)

# The Next Domino to Fall....

## Rue Sucre - Luling Business Park

Location: Luling, LA

Development Type: Class A

Size: 125,000 SF

Phase I Status: Complete



Class A vs. Class B/C

Three Differences?

## CLASS B/C

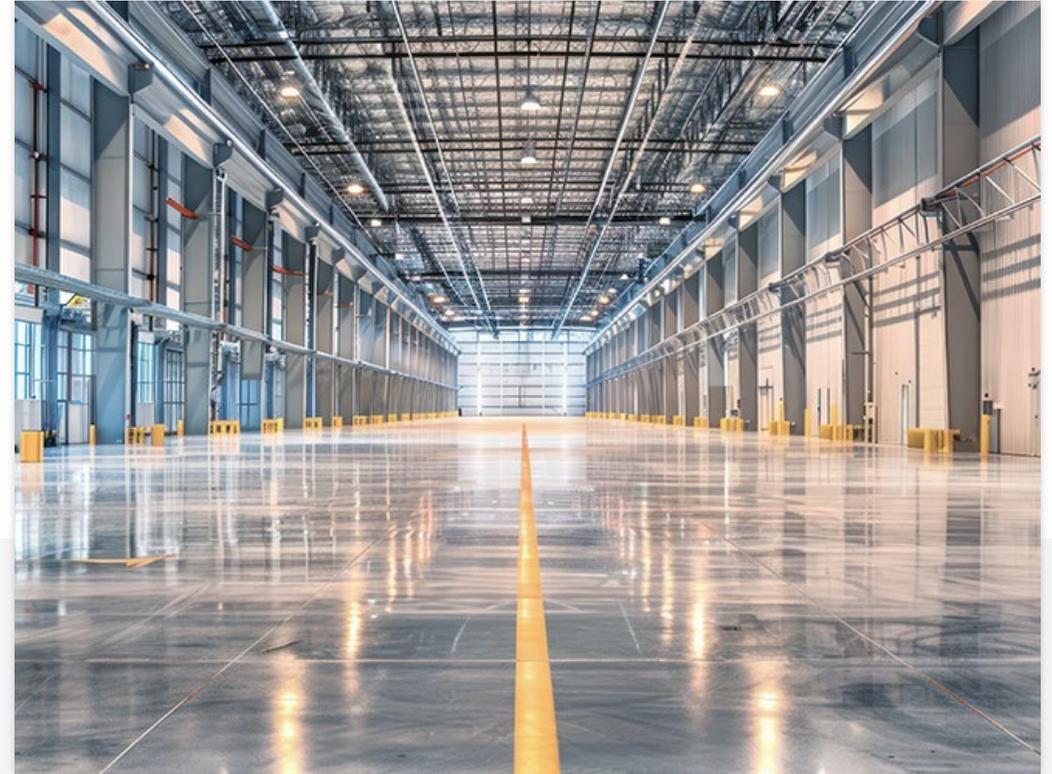


**Metal Buildings**



- Low Eave Heights
- Poor Loading
- Poor Lamping
- Poor Parking
- Poor Sized Truck Courts

## CLASS A



**Tilt Wall Buildings**



- High Eaves/Clear Heights
- Superior Loading w/ Dock Levelers
- Auto LED Lights
- Ample Parking
- Full Sized Truck Courts
- Speed Bays



Metal

Tilt Wall



Poor

Ample



Migration to Amenities

# Flight to Quality

# Tenants Willing to Pay a Premium

A wide-angle photograph of a modern industrial building with a large parking lot. The building features a mix of light-colored panels and dark window sections. The parking lot is paved and has several small trees planted in circular islands. The sky is bright blue with scattered white clouds.

Across asset classes, tenants are migrating to highly amenities buildings and are willing to pay a premium when compared to Class B or Class C

# National Tenants are Seeking Comparable Class A Space as in Other Markets



# Port Driver

5x

TEU Capacity

3m

TEU Capacity



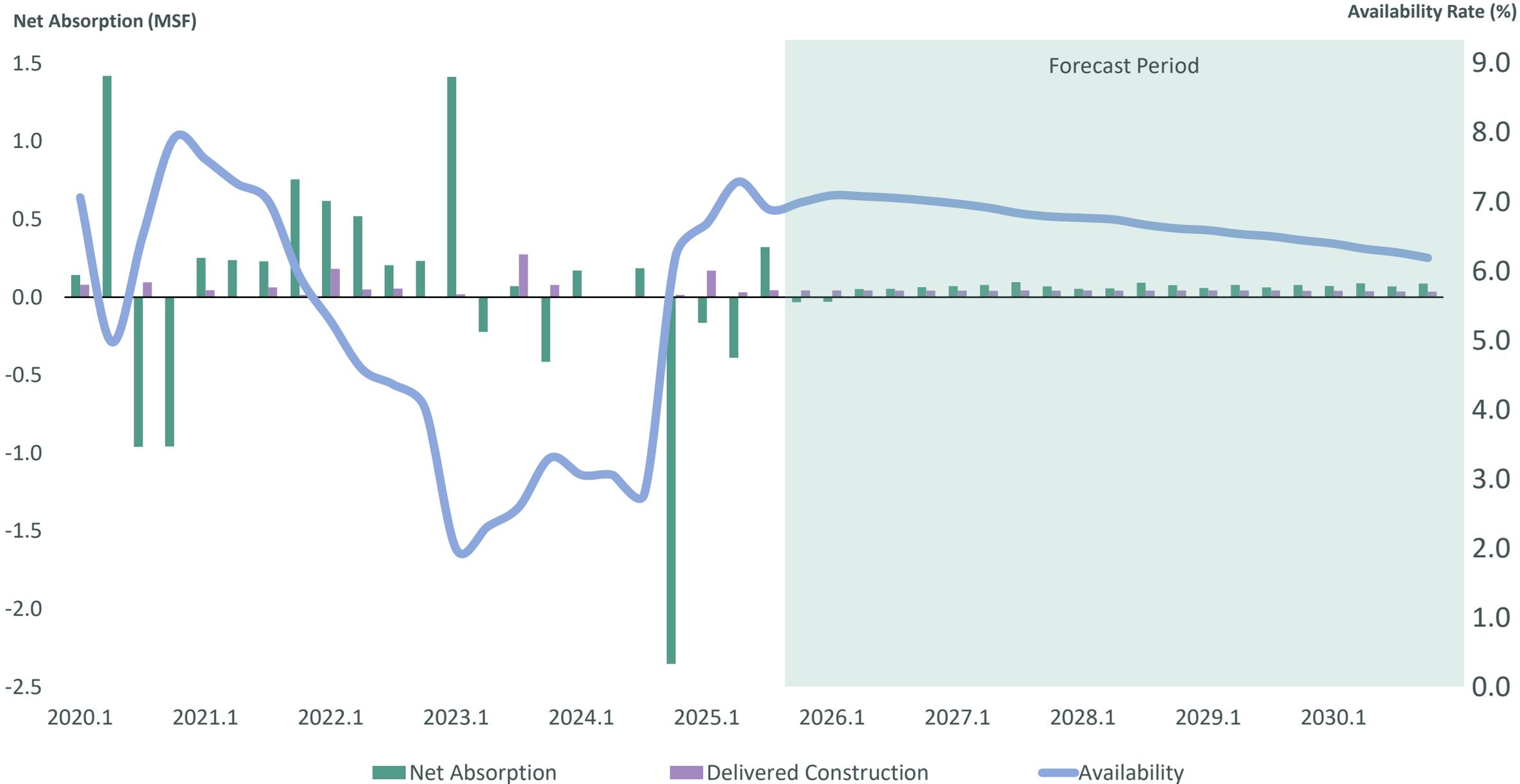
**PORT NOLA**  
THE PORT OF NEW ORLEANS



INDUSTRIAL STATISTICS

# FORECAST

# New Orleans Industrial History and Forecast



Source: CBRE Econometric Advisors, October 2025

FORECAST

## What to expect in 2026-2030



**1.3M SF**

Total Absorption  
by 2030



**878K SF**

Completions by  
2030



**6.2%**

Availability Rate  
by 2030

Source: CBRE Econometric Advisors, October 2025

# What can we do as a market?

- 1 Encourage local developers to advance Class A projects
- 2 Offer competitive amenities
- 3 Ensure national tenant reps are incentivized through offering competitive commissions

# Forecast Summary

More Class A developments

Higher Rental Growth

Influx of out of state developers

Bigger national tenant presence

# Forecasted Outcomes

Diminishing Availability – Average 6.7%

Average 62,000 SF Annual Absorption

Average 42,000 SF New Deliveries

# Thank you.

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