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MARKET REPORT

Baton Rouge Hotel Market: Navigating the Path to Recovery

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Economic Drivers: A Foundation for Long-Term Demand

Major demand generators in Baton Rouge include ExxonMobil's chemical facilities, the Port of Greater Baton Rouge, Louisiana State University (LSU), and a variety of public institutions. Recent and planned developments include the following:

- A new $200-million Amazon Fulfillment Center, expected to create over 1,000 new jobs (2024)
- Placid Refining Company LLC's $66-million headquarters relocation from Dallas (2023)
- Capitol City Produce's $22-million warehouse expansion (2025)

The addition of a $109-million interdisciplinary research facility for LSU and Our Lady of the Lake medical center (late 2025) These projects may incrementally contribute to long-term lodging demand, particularly from corporate, project-based, and extended-stay visitors tied to industrial or construction activity.

Downtown Baton Rouge: Incremental Improvements

Urban redevelopment continues through Plan Baton Rouge III, a long-range urban development framework aimed at revitalizing Downtown through expanded housing, improved mobility, and mixed-use growth to create a more connected, livable, and economically diverse city center. Residential projects include the Rivermark Centre and the redevelopment of the Prince Hall Masonic Temple into mixed-income housing. Infrastructure and transportation initiatives such as MOVEBR and the Bus Rapid Transit corridor are designed to enhance downtown connectivity and ease of access. These efforts could help cultivate interest in small-scale lifestyle lodging accommodations, though limited recent development suggests this is an emerging rather than established trend.

Tourism & Events: Filling Weekends, Missing Group Business

Baton Rouge's event calendar continues to drive strong weekend demand, supported by LSU football games and cultural events like Fête Rouge. The city's gaming sector is in transition, as both the Hollywood and Belle of Baton Rouge casinos move away from riverboat operations. Hollywood Casino has completed its relocation to a new land-based facility and its rebranding as The Queen Baton Rouge. Meanwhile, the Belle of Baton Rouge has shifted its gaming operations to a temporary site as part of an ongoing, broader redevelopment. The former Belle hotel in Downtown Baton Rouge reopened as the Bally's Baton Rouge in April 2025, and construction is underway to integrate the new Belle casino with the renovated hotel. The project is expected to be completed by late 2025.

In 2024, Visit Baton Rouge reported that 92 non-collegiate sporting events generated over $32 million in direct economic impact and more than $52 million in indirect impact. These events led to an estimated 36,000 hotel room nights and brought more than 200,000 visitors to the city during the year. Looking ahead, the 2025 USBC Open Championships, scheduled in Baton Rouge from March through July, are projected to deliver approximately $110 million in economic impact, providing a major boost to hotels, restaurants, and local tourism-related businesses. When the city last hosted the USBC Open Championships in 2012, hotel revenue increased by 25.7% for the year, owing to year-over-year increases of 13.4% in occupancy and 6.3% in ADR.

While transient leisure travel continues to support weekend occupancy, construction and industrial projects remain key contributors to extended-stay demand. However, the city's lack of a headquarters hotel adjacent to the Raising Cane's River Center remains a constraint, limiting Baton Rouge's ability to compete for larger meetings, conventions, and association business.

The River Center Debate: The Future of Baton Rouge's Event Infrastructure

City officials are exploring a repositioning of the River Center into a convention-focused venue with the potential addition of a headquarters hotel. At the same time, LSU's planned multipurpose arena raises concerns that key entertainment programming could shift away from the River Center without a clear transition strategy. While some see the repositioning of the River Center as a chance to fill a longstanding convention infrastructure gap, the situation underscores the need for a coordinated approach to downtown's event economy.

Supply > Demand: The Ongoing Challenge

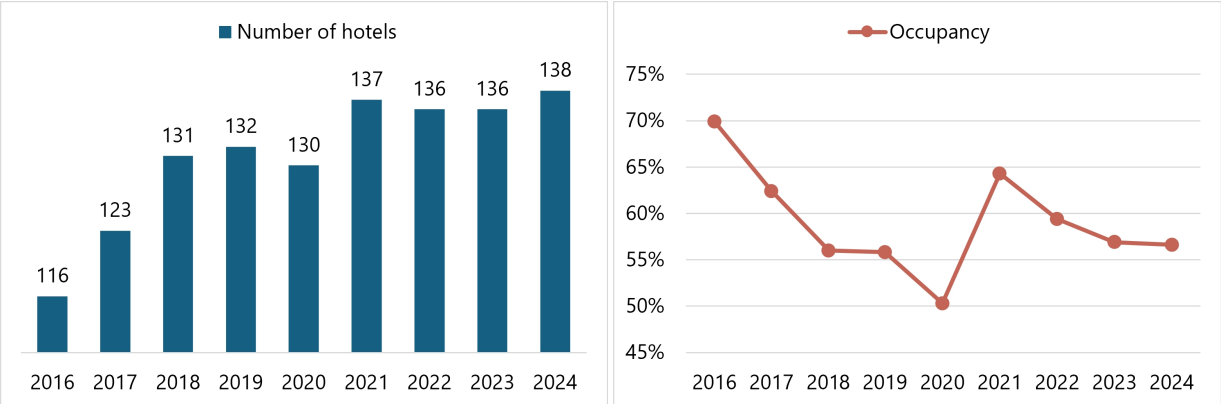
Baton Rouge Hotel Market Trends

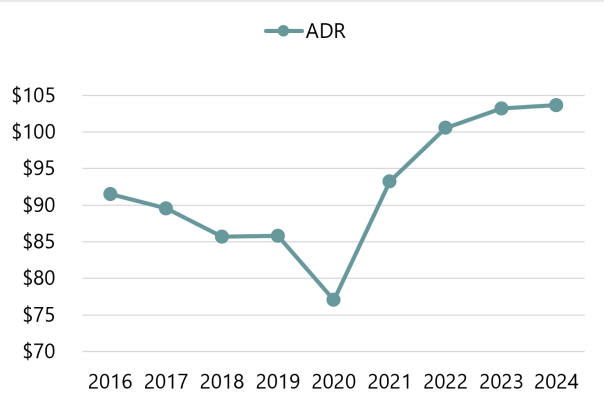


Source: STR

From 2016 to 2024, the Baton Rouge hotel market added 22 properties—a 19% increase in hotel count—yet total room inventory grew by only 6%. This reflects a trend toward smaller-scale developments as well as the replacement of larger, older hotels. However, guest demand declined in five of those nine years, contributing to a drop in occupancy from 70% in 2016 to 57% in 2024. Despite fewer rooms being filled, average daily rates (ADR) rose steadily—from $92 to a record $104—though total revenue growth in 2024 was limited to just 1.5%. The market continues to show signs of imbalance, with too much product chasing uneven demand.

Baton Rouge Occupancy Declined as Supply Grew, While Rate Rebounded





Source: STR

What's Next: Strategic Priorities for 2025

Hotel operators and meeting planners should continue to focus marketing and sales efforts on more stable demand segments, such as industrial, logistics, and health care. Public-private coordination remains important to address the group travel infrastructure gap. Maintaining pricing discipline while managing operational efficiency will be critical in a soft occupancy environment. Future supply decisions should be based on realistic market demand, not speculative growth expectations. Because Baton Rouge is the state capital, hotel operators should also monitor government-related demand, as the spending cuts by the Department of Government Efficiency may affect this travel during the current administration.

Conclusion

Baton Rouge's hotel market is not in decline—but it is not yet in recovery, either. Long-term success will require disciplined planning, alignment with local economic trends, and sharper focus on infrastructure that supports high-value visitor segments.

Our strategic positioning within local markets empowers us to conduct primary interviews with key market participants. This approach ensures we obtain real-time insights and current data for each market we operate in. Learn more about the impact of the expansion on hotel demand in Baton Rouge by contacting Bunmi Oyinloye or Lauren Hock, your local HVS Gulf Coast hospitality experts.