2017 Dr. Ivan Miestchovich
Economic Outlook & Real Estate Forecast
for Metropolitan New Orleans

Hosted by:
Institute for Economic Development
& Real Estate Research
Executive Partner: Latter & Blum, Inc.
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Dr. John Nicklow, President, the University of New Orleans

Dr. John Nicklow is the seventh leader in the history of the University of New Orleans. He was selected President by the University of Louisiana System Board of Supervisors on March 16, 2016. Prior to his ascent to the presidency, he spent nine months as the University’s Provost and Vice President for Academic Affairs. President Nicklow brings to the position nearly 18 years of higher education experience as a faculty member and administrator with extensive experience in research, enrollment management, student success initiatives, fundraising, campus-wide collaborations and academic program innovation. As Provost, Dr. Nicklow served as the Chief Academic Officer for the University of New Orleans and was responsible for managing academic programs and support units and the policies and practices that affect the academic success of students at the University. He oversaw undergraduate and graduate education, recruitment and retention of students, faculty affairs, including promotion and tenure, outreach to the community, information technology, and institutional effectiveness and assessment. President Nicklow previously held the position of Provost and Vice Chancellor for Academic Affairs at Southern Illinois University, as well as earlier appointments as Assistant Provost for Enrollment Management, Associate Dean of Engineering, and Professor of Civil Engineering at that institution. As Provost, Dr. Nicklow led an effort that resulted in increased overall student enrollment, following more than 10 years of consecutive declines. Other highlights of his tenure included two of the largest freshmen classes in 20 years, the largest international student population in 30 years and strong gains in the number of transfer students as well as rates of student persistence. Dr. Nicklow helped triple the size of the University Honors Program; grew accredited online programs and online enrollment; managed new, successful recruitment initiatives; created centralized First-Year Advisement; and established a number of cross-disciplinary and new academic programs. President Nicklow has been widely recognized at the university level by the American Society of Civil Engineers and by industry for his teaching and research. His research interests are focused on STEM education and on environmental and water resources systems optimization. He has published more than 75 articles and is the author of four books. He is a registered professional engineer, a certified professional hydrologist, a Fellow of the American Society of Civil Engineers, and a Diplomat of the American Academy of Water Resources Engineers. President Nicklow earned B.S. and M.S. degrees in Civil Engineering from Bucknell University in Lewisburg, Pennsylvania and a Ph.D., in Civil Engineering from Arizona State University. He began his career as an Environmental Engineering Officer with the U.S. Public Health Service and was responsible for design and construction of water supply and waste disposal facilities for American Indian communities. President Nicklow is a native of Berlin, Pennsylvania. He is married with one son.

Dr. John Williams, Dean, College of Business Administration, University of New Orleans

John A. Williams, Ph.D. is Dean of the College of Business Administration and Veta Professor of Strategy at the University of New Orleans. He holds a Ph.D., Master of Science, and Bachelor of Science from the Pennsylvania State University. Prior to joining the University of New Orleans, Dr. Williams held administration positions at Penn State University, Virginia Tech, and Kansas State University. His oversight of the AACSB accredited College of Business Administration includes the Department of Accounting, Department of Economics & Finance, Department of Management and Marketing, and the Lester E. Kabacoff School of Hotel, Restaurant & Tourism Administration. In addition to undergraduate programs in those areas, graduate programs include the MBA, Master of Science in Health Care Management, MS in Accounting and Taxation, MS in Hospitality and Tourism Management, and the Ph.D. degree program in Financial Economics. Executive Education Programs include an Executive Master of Business Administration Program, Executive Master of Health Care Management Program, and the on-line Master of Science in Hospitality and Tourism Management. Dr. Williams also oversees the AT&T Center, the Center for Economic Development, the Real Estate Market Data Center, the Hospitality Research Center, and the Division of Business & Economic Research. He serves as Director of the Hospitality Research Center (HRC), a Board of Regents Center of Excellence, and the premier university-based hospitality and tourism center in the nation. He also serves as Director of the Division of Business & Economic Research (DBER). Dr. Williams has published numerous articles on hospitality and tourism and has achieved over $3 million grants and contracts focusing on the tourism industry in New Orleans and the state of Louisiana. He began his position at the University of New Orleans one month prior to Hurricane Katrina and has conducted many studies and collected a volume of longitudinal data on tourism resiliency and the transformational change of tourism in New Orleans. He is an active member on many boards in the greater New Orleans area and is the President of the South Western Business Dean’s Association.
Dr. Robert Penick, Interim Director, Institute for Economic Development & Real Estate Research and Adjunct Professor, UNO; Senior Vice President & CFO, Latter & Blum, Inc.

Dr. Robert Penick has been appointed the Interim Director of the Institute for Economic Development and Real Estate Research. He also serves as an Adjunct Professor of Finance, teaching undergraduate and graduate courses in real estate principles and real estate finance. He currently serves as Senior Vice President and Chief Financial Officer for the Latter & Blum Companies in New Orleans. Dr. Penick holds a B.S. in Finance and an M.B.A. in business administration and management from Loyola University of New Orleans. He also holds a M.Ed. in supervision and administration from Our Lady of Holy Cross College of New Orleans. His University of New Orleans education includes a M.S. in Urban Studies and a Ph.D. in Urban Studies with a concentration in real estate and real estate ethics. Dr. Penick also holds an Insurance license in the State of Louisiana. Dr. Penick authored his dissertation on Real Estate Ethics in the State of Louisiana. His writings were referenced in the Real Estate Journal in 2006. He also wrote a Thesis entitled A Qualitative Study of Real Estate Ethics while a student at the University of New Orleans. He is currently on the faculty of the NAR Realtor University which offers master’s degrees in real estate to Realtors across the country. He teaches Personal Finance courses at St. Joseph Abbey and Seminary College in Covington, Louisiana and previously taught at Southeastern Louisiana University in Hammond, Louisiana. In 2011 he was named one of the top Money Makers by the City Business publication in New Orleans. He is active in many civic, business, and professional organizations and serves on or has served on the boards of several of them. He currently serves on the International Alumni Association at the University of New Orleans and on the Board of the University of New Orleans Foundation. He also has served on the Board of a local school board as a member and President of that School Board. He is a veteran of the U.S. Army and the U.S. Army Reserves having served more than 30 years and retiring as a Lt. Colonel, Engineer Branch.

Cullan Maumus, Director of Development, New Orleans Redevelopment Fund

Cullan Maumus is the Director of Development for the New Orleans Redevelopment Fund (NORF). NORF is a private equity real estate fund focused on improving the City’s housing stock by eradicating blight and demonstrating that New Orleans is fertile ground for outside investment. Since 2014, Mr. Maumus has overseen the successful completion of 27 rehabilitation projects valued at $13 million. He is currently overseeing $18 million in development of 19 projects ranging from single-family new construction homes for sale, to adaptive reuse of historic churches, and mixed-use condos. Mr. Maumus was born and raised in New Orleans. He graduated from Ben Franklin High School. He holds a BS in Hospitality and Tourism Management from the University of Massachusetts where he was a four-year starter on the University's Baseball Team. He received his MBA from the A.B. Freeman School of Business at Tulane University where he focused his studies on Entrepreneurship and Real Estate Finance. While at Tulane, Mr. Maumus was the President of the Tulane Entrepreneurs’ Association and received numerous awards for his leadership, and service to the school and community. Mr. Maumus currently resides in New Orleans with his wife and son.

Chris Ross, Director, Hospitality Division, NAI/Latter & Blum, Inc.

Chris R. Ross serves as the Director for NAI/Latter & Blum, Inc. Hospitality Division where he specializes in Hotel Investment & Brokerage. He has strong expertise of construction, development and hotel operations and an in-depth knowledge of real estate finance that gives him a unique ability to manage transactions successfully for new and seasoned investors. Chris began his career 18 years ago as a commercial real estate sales associate with Latter & Blum, Inc. working in site selecting, lease & contract negotiations, and property acquisition & disposition. Chris was the co-lead Broker of one of the largest industrial office sales transaction in the metro New Orleans market and was a pivotal team player in a premier 276-unit apartment transaction in 2013. In 2015, Latter & Blum, Inc. Hospitality Division was a part of the leadership that closed 5 new hotel developments in the CBD- over 850 rooms totaling approximately $200,000,000 in completed transaction cost. The 182-room Oil and Gas Building, the 110-room Moxy by Marriott, the 185-room Cambria Suites by Choice, and the 210-room Luxury Boutique Independent NOPSI Building. Chris is a native of New Orleans, LA where he was raised and educated. He previously served as the Director of Housing for New Orleans Neighborhood Development Collaborative, and thru a partnership with McCormack Baron Salazar, work on the team to successfully redevelop the former CJ Peete Public Housing Development into 450 mixed use units and generated income of $120 million dollars. In 2010, Chris served on New Orleans Mayor Mitch Landrieu’s Housing transition team and was the founding Board President of the ARISE Academy Charter School in New Orleans. He is a former board member of Café’ Reconcile and a member of the Urban Land Institute. Chris was also recognized by New Orleans City Business magazine “Success Guide” as one of New Orleans top business people to watch in 2005 and was the 1999 commercial sales rookie of the year within Latter & Blum.
Kurt Weigle, President & CEO, Downtown Development District of New Orleans

Kurt Weigle has been President & CEO of the Downtown Development District (DDD) of New Orleans since 2003. During his tenure, the DDD’s focus on quality of life and place-based economic development strategies to retain & attract Industries of the Mind has led to international recognition of New Orleans as a creative hub, now home to dozens of digital media and tech firms. Downtown is the epicenter for New Orleans’ tech growth, adding an average of 350 new digital media & tech jobs per year. The DDD was instrumental in securing the state of the art University Medical Center, opening in 2015, and VA Medical Center opening in 2016. Since 2006, Downtown New Orleans has welcomed over $6.5 billion of new real estate investment and its residential population has doubled and more than fifty new retail establishments have opened downtown. Mr. Weigle serves on the boards of the National New Markets Fund, New Orleans Police & Justice Foundation, Health Education Authority of Louisiana, Arts Council of New Orleans, New Orleans Medical Complex and public radio station WWNO. He is a past director of the International Downtown Association and the Committee for a Better New Orleans, and a member of the Super Bowl XLVII Host Committee. Mr. Weigle received the Excellence in Government Award in 2007 from the Bureau of Governmental Research and is a graduate of the New Orleans Regional Leadership Institute. Mr. Weigle earned his Master of Urban Planning and Bachelor of Arts degrees from the University of Michigan in Ann Arbor.

Stephanie Hilferty, Sales & Leasing Associate, SRSA Commercial Real Estate

Stephanie Hilferty joined SRSA in 2007. Stephanie specializes in office leasing throughout the New Orleans metropolitan area and retail representation throughout the state of Louisiana and gulf coast of Mississippi. Working in a market as unique as Southern Louisiana, Stephanie possesses the tenacity and creativity to assist her clients in making the deal. Some of Stephanie’s retail tenants include Mattress Firm, Tuesday Morning, Anna’s Linens, Chuck E Cheese, Chuy’s, Charles Schwab, and Nothing Bundt Cakes. Stephanie works closely with physicians/medical groups in the New Orleans area. She has represented Diagnostic Imaging Services, Crescent City Physicians, Touro Hospital and several physician groups. In 2011, Stephanie received the highest volume, first time recipient award from the New Orleans Metropolitan Association of Realtors (NOMAR) for sales and lease transactions in excess of $4.4 million. Every year since, Stephanie has received the NOMAR Achievement Award. Hilferty is a member of the Urban Land Institute (ULI), International Council of Shopping Centers (ICSC), X Team Retail Services Network, and is a licensed real estate agent in Louisiana. She serves on the Lake Vista Property Owners Association Board and as President of the New Orleans Alpha Chi Omega alumni chapter. Prior to joining SRSA, Hilferty attended Loyola University New Orleans and graduated summa cum laude with a B.A. in 2007.

Cres Gardner, Vice President, Beau Box of New Orleans

Cres Gardner has worked in the commercial real estate industry since 1998. During his time in the business he has worked with a number of local and national clients to meet their real estate needs, such as the Hertz Investment Group, Progressive Insurance, Fresenius Medical, Men’s Warehouse and Children’s Hospital Medical Practice Corporation. Cres joined Beau Box Commercial Real Estate in 2012 as a Vice President and Manager of the New Orleans Office after 12 years with Transwestern. Cres holds the prestigious CCIM designation and is a Past President of the Louisiana CCIM chapter and has served on the National Board of Directors for CCIM. He is a member of the Commercial Investment Division (CID), New Orleans Association of Realtors. Cres graduated from Rhodes College and obtained his MBA from the University of New Orleans.
Richard Haase, President, Latter & Blum, Inc.

Richard “Rick” Haase is the President of Latter & Blum Inc. (LBI), the largest independently owned Real Estate brokerage in the Gulf South with more than thirty offices located throughout Louisiana, Texas and Southern Mississippi. LBI is comprised of Latter & Blum Inc./REALTORS®, C.J. Brown REALTORS® Inc., Noles-Frye Realty®, Van Eaton & Romero REALTORS®, Realty Associates, NAI Latter & Blum Commercial Real Estate, Latter & Blum Insurance Services, Essential Mortgage Company and Platinum Title & Settlement Services. Established in 1916, the company’s service footprint has grown to include the markets of Greater New Orleans, Greater Baton Rouge, Houston, Alexandria, Acadiana, Lake Charles, Houma, Thibodaux, South Lafourche Parish, and Southern Mississippi. The firm handles all phases of residential and commercial sales, leasing, property management, insurance, appraisals, title and mortgage services. Latter & Blum’s residential operation is currently ranked number one in Louisiana and is the twenty-seventh largest in the nation. Mr. Haase has been active in residential Real Estate sales and brokerage management for more than thirty-five years. Before being named President of Latter & Blum Inc., Mr. Haase served as President of Latter & Blum’s residential operations and has held senior leadership positions with market-leading companies in the United States. Mr. Haase continues to focus on process improvements and growth of Latter & Blum Inc. and its Real Estate services in the Gulf South and oversees the operations and strategic direction of the Latter & Blum Family of Companies. He is an expert in strategic planning and management and is a graduate of the Gestalt Institute’s Organizational Systems Development program. Mr. Haase serves on the Board of Directors and Executive Committee of the New Orleans Police & Justice Foundation. He is a member of the Business Council of New Orleans and the River Region and the University of New Orleans Research and Technology Foundation Board. He is a member of the Board of Directors of Greater New Orleans, Inc. and the Southeast Super-Region Committee. Mr. Haase is also a member of the Board of Directors of The Real Estate Services Providers Council. He serves on the Board of Trustees of the United Way of Southeast Louisiana (UWSELA) and was the organization’s 2015 Fundraising Campaign Chair.

Larry Schedler, President, Larry G. Schedler & Associates, Inc.

Larry G. Schedler has been exclusively representing buyers and sellers of apartment communities for 30 years, and has successfully handled the sale of more than 40,000 multi-family units, with a market capitalization in excess of $1,000,000,000 in value. Mr. Schedler began his career as an acquisition representative for a private, regional investment firm that specialized in multi-family assets and then as a multi-family broker. Larry formed Larry G. Schedler & Associates, Inc. to specifically represent buyers and sellers of multi-family properties throughout the Gulf South. He has consistently been recognized by various professional organizations as the top multi-family broker in the State of Louisiana and the Gulf South. Larry has successfully represented conventional market-rate buyers and sellers, as well as non-profit housing organizations, institutional investors, insurance companies, and financial institutions. He has experience in working with not only all cash and conventionally financed transactions, but also on tax-exempt and taxable bond transactions, Low Income Housing Tax Credits (LIHTC), Historic Tax Credits and with the various HUD/FHA financing programs. He is a graduate of Loyola University of the South and holds the Certified Commercial Investment Member designation (CCIM). Larry is a licensed real estate broker in Louisiana, Mississippi and Alabama. Larry is a frequent guest speaker as a representative of the local and regional apartment market for The University of New Orleans, as well as numerous professional organizations. He has been a guest on local radio broadcasts and was asked to testify at a Congressional Hearing of the Gulf South Apartment Market in the wake of Hurricanes Katrina and Rita. Larry currently chairs the Board of Directors of Christopher Homes, Inc. and serves on an advisory board of the Willwoods Foundation. Larry is a co-publisher of the Greater New Orleans Multi-Family Report, which is a bi-annual publication on the local multi-family market which provides an overview of rental rates, occupancy and sales and construction activity.
Background

New Orleans Redevelopment Fund (NORF)

NORF 1

NORF 2

Challenges

Opportunities

Trends

NORF 1

Investment Thesis:
Build upon the Public / Private investment in Mid-City to acquire, redevelop, and rent residential properties to the population locating to the area.

- Initial Capital Raise $1.5 million – January 2014
- Fund size approximately $6 million levered
- Acquired and redeveloped 19 properties in 2 years
- Returned 167% of investor capital in 3 years
- Achieved 24% IRR
- Generated additional $640,000 in Historic Tax Credit Equity

315-317 S. SALCEDO

A shotgun double built in the early 20th century in the Mid-City neighborhood, between Banks and Canal Streets.

- Double: 2 bedrooms / 1 bathroom each unit
- Purchased for $19,500
- Renovated for $101,000
- Total Investment $142,500
- Leased-up for June 1, 2014
- Total monthly revenue: $2,500 ($30,000 annually)
- Sold in 2016: $330,000
4007 – 4009 BANKS

Last property purchased by NORF 1. An up/down double built in the early 20th century 1 block from Jesuit High School.

- 3,000 SF Double: 3 bedrooms / 1.5 bathrooms each unit
- Purchased for $195,000 in June 2014
- Renovated for $165,000
- Total Investment $360,000
- Leased-up for January 1, 2016
- Total monthly revenue: $4,000 ($48,000 annually)
- Historic Tax Credit Equity: $90,000
- Appraised Value: $600,000

NORF 1 Takeaways
NORF 2

Investment Thesis:
Opportunities exist to expand on NORF 1. In addition to scattered site multi-family redevelopment, acquire vacant lots, commercial, and mixed use properties in New Orleans to redevelop, lease and/or sell.

- Initial Capital Raise $4.2 million – August 2015
- Targeted Fund size approximately $18 million levered
- Acquired 22 properties - 4 under contract
- Will continue to acquire through October 2019
- Delivered 8 properties
Mixed-Use New Construction
Mid-City

Historic Commercial Rehabilitation
Mid-City Greenway

Adaptive Re-use Historic Rehabilitation
Mid-City

NORF 2 Takeaways
The Road Ahead
Recently Completed Hotels

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<tr>
<th>Address</th>
<th>Property</th>
<th>Room Count</th>
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<tbody>
<tr>
<td>1111 Gravier Street</td>
<td>The Troubadour</td>
<td>185</td>
</tr>
<tr>
<td>600 Carondelet Street</td>
<td>The Ace Hotel</td>
<td>245</td>
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In Progress

<table>
<thead>
<tr>
<th>Address</th>
<th>Property</th>
<th>Planned Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>1111 Gravier Street</td>
<td>The NOPSI Hotel</td>
<td>2017 225</td>
</tr>
<tr>
<td>632 Tchopitolous Street</td>
<td>Cambria Inn &amp; Suites</td>
<td>2017 162</td>
</tr>
<tr>
<td>1500 Canal Street</td>
<td>The Jung Hotel</td>
<td>2017 220</td>
</tr>
<tr>
<td>1600 Canal Street</td>
<td>TownPlace &amp; SpringHill Suites</td>
<td>2017 200</td>
</tr>
<tr>
<td>1633 Canal Street</td>
<td>Independent</td>
<td>2018 220</td>
</tr>
<tr>
<td>1100 Tulane Avenue</td>
<td>Canopy Hotel</td>
<td>2018 176</td>
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<tr>
<td>744 St. Charles Avenue</td>
<td>Moxy Hotel</td>
<td>2018 96</td>
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<tr>
<td>200 St. Charles Avenue</td>
<td>Residence Inn Hotel</td>
<td>2018 250</td>
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<tr>
<td>Magazine Street</td>
<td>D-Day Hotel</td>
<td>2019 225</td>
</tr>
<tr>
<td>550 Baronne Street</td>
<td>The Virgin Hotel</td>
<td>2019 200</td>
</tr>
<tr>
<td>2 Canal Street</td>
<td>Four Seasons Hotel</td>
<td>2019 336</td>
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<tr>
<td>Convention Center Blvd.</td>
<td>Convention Center Hotel</td>
<td>2021 1,200</td>
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<tr>
<td>1020 Annunciation</td>
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<tr>
<td>1031 Canal Street</td>
<td>Hard Rock Hotel</td>
<td>TBD TBD</td>
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<tr>
<td>252 Canal Street</td>
<td>Fischer Jewelry Building Hostel</td>
<td>TBD 43</td>
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Planned Hotels

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<tr>
<td>1111 Gravier Street</td>
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<td>Tupadour Hotel</td>
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<td>346 Baronne Street</td>
<td>Fairfield Inn &amp; Suites</td>
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<tr>
<td>2031 St. Charles Avenue</td>
<td>The Pontchatrain Hotel</td>
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<tr>
<td>317 North Rampart Street</td>
<td>Homewood Suites</td>
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<td>TBD 43</td>
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Total

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<tr>
<th></th>
<th>Recently Completed Hotels</th>
<th>In Progress</th>
<th>Planned Hotels</th>
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<td>Total Room Count</td>
<td>1,395</td>
<td>1,027</td>
<td>2,696</td>
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The Troubadour

1111 Gravier Street
Opened 2016
Room Count 185

The Ace Hotel
600 Carondelet Street
Opened 2016
Room Count 245
Fairfield Inn & Suites
346 Baronne Street
Opened 2016
Room Count 103

Homewood Suites
317 North Rampart Street
Opened 2017
Room Count 207

The Quisby Hotel
1225 St. Charles Avenue
Opened 2017
Room Count 30 / 120 Beds

In Progress
The NOPSI Hotel
317 Baronne Street
Opening Mid - 2017
Room Count 225
The NOPSI Hotel

Cambria Inn & Suites
632 Tchopitolous Street
Opening: Mid-2017
Room Count: 162

The Jung Hotel
1500 Canal Street
Opening: Late-2017
Room Count: 225

TownPlace & Springhill Suite
1600 Canal Street
Opening: Late-2017
Room Count: 200

Independent
1633 Canal Street
Opening: Early 2018
Room Count: 220

Planned Hotels
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<tr>
<th>Hotel Name</th>
<th>Address</th>
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<td>Luxury Hotel</td>
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<td>Hard Rock Hotel</td>
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New Orleans Forecast

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<th>Year</th>
<th>Occupancy (%)</th>
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<tr>
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<td>69.72%</td>
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<tr>
<td>2017</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
<td>68.88%</td>
</tr>
</tbody>
</table>
New Orleans ADR & RevPar Forecast 2015 - 2019

Highest Transactions Prices in New Orleans

Le Pavillon Hotel
- $62,500,000
- $275,500/Key
- May 2015

AC Marriott
- $63,500,000
- $284,753/Key
- August 2015

Queen & Crescent
- $51,000,000
- $260,200/Key
- December 2015

New Orleans Available Vs Sold Room Count

New Orleans Available Inventory

New Orleans Hotel Values 2006 - 2019

Demand Generators

Infrastructure Improvements
- $400 million in hotel improvements
- $350 million of improvements at the Mercedes-Benz Superdome
- $320 million of expansion project at the National World War II Museum
- $92.7 million of improvements into the New Orleans Ernest N. Morial Convention Center
- $70 million French Quarter Rail Expansion
- $38 Million, 8.5 acre New Orleans Children’s Museum and learning center in City Park
Theater Renovations

- Saenger: $52 Million
- Civic: $10 Million
- Mahalia Jackson: $27 Million
- Orpheum: $13 Million
- Joy: $5 Million

Cruising New Orleans

Carnival Dream and Triumph are responsible for 450,000 cruise passengers annually

- Carnival Dream: 3,646 Guest
- Carnival Triumph: 2,754 Guest

Paddle Wheeling New Orleans

February 2017
- Cleveland – new destination, 2x weekly
- Raleigh-Durham – new destination, 2x weekly

March 2017
- London, England – new destination, 4x weekly
- Indianapolis – new departure, seasonal, 1x weekly
- Pittsburgh – new departure, seasonal, 1x weekly

April 2017
- Columbus – new destination, seasonal, 1x weekly
- Raleigh-Durham – new departure, seasonal, 2x weekly

May
- Frankfurt, Germany – new destination, seasonal, 2x weekly
- Cleveland – new departure, daily
- Baltimore – new departure, daily
- Orlando – new departure, daily

September 2017
- San Francisco – new departure, daily

New Orleans Airlift

- 15 Airlines, 57 non-stop destinations

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Who We Are

DDD Mission:
To drive the development of Downtown New Orleans and be the catalyst for a prosperous, stimulating, innovative heart of the Crescent City.

We do this by:
• Cultivating economic development in such industries as bioscience, the arts, digital media and tourism
• Ensuring Downtown is clean and safe
• Serving as a voice and advocate for Downtown’s future
• Promoting Downtown as a world-class destination for residents and visitors

UMC and VA Hospitals
• $2.1 billion project
• Annual $1.26 billion economic impact
• Expected to create more than 3,000 permanent jobs
• 7,000 jobs retained
• Average salary $90k
• UMC opened 8/1/15
• VA opened 11/18/16

Residential Developments

Lafayette Square & Warehouse District Neighborhoods
Existing, Recently Completed:
A. Saratoga Residences
B. 935 Common
C. Roosevelt Hotel
D. Maritime Residences
E. 144 Elk
F. 235 Baronne
G. Four Winds
H. AC Hotel
I. The Pythian
J. Troubadour Hotel
K. California Residences
L. Orpheum

Under Construction, Financed or Planned:
1. Loew’s Theatre
2. 1100 Tulane

Gravier-Common Neighborhood

Canal Street

New Streetscape

Downtown by the Numbers
- $6.5 billion in investment since 2005
- Over 45 national retailers added recently including Neiman Marcus, Nordstrom, Tiffany & Co., True Religion, The Art of Shaving and many more
- 175 restaurants & bars and 59 sidewalk cafes
- Over 60% of “Vacant and Underutilized Properties” either redeveloped or under development since 2012
- More than 62,000 jobs
- 142,764 people are in Downtown on the average weekday
- Number of apartments and condos have doubled since 2008 (6,775 units)
- 19,769 hotel rooms

South Market District
- Mixed-use development combining luxury apartments, retail, restaurants and entertainment venues
- Over 700 new luxury apartments
- 200,000 square feet of retail space including a 40,000 SF full-service gourmet grocer
- 1,300 garage parking spaces

Façade Improvement
- 28 Canal Street Projects
- $1,949,439 Private Façade Investment
- $573,219 DDD Match
1098 New Hotel Rooms

926 New Apartments & Condos

The Saint

1201 Canal

Theater Redevelopment

- The Saenger Theatre
- The Joy Theater
- The Orpheum

New Retail
- True Religion
- Tiffany and Co.
- The Art of Shaving
- M.A.C
- Ruby Slipper Café
- Starbucks
- Fogo de Chao
- IHOP
- Creole House Restaurant
- JUVE3
- Nouveau
- The Athlete’s Foot
- Pinkberry
- Walgreens boutique
- CVS
- New Era
- The Sunglass Shop
- Denim Den Co.
- Serenity Boutique

Jung Hotel

- Mixed-use development
  - 175 apartments
  - 145 hotel rooms

Montgomery Building

- Vacant 40 years
- The Sazerac House Museum
UNO Building
- Dual-branded Marriott Hotel
- 183 rooms

Canal Street Hotel
- 225-room hotel

Canal St. Private Investment
- University Medical Center: 2006 Canal Street - $1,100,000,000
- Roosevelt Hotel: 1200 Bourbon St - $120,000,000
- 1201 Canal: 1201 Canal Street - $76,000,000
- The Saint Hotel: 911 Canal Street - $45,300,000
- Saenger Theatre: 1111 Canal Street - $65,000,000
- Orpheum: 1206 Bourbon Way - $1,300,000
- Joy Theater: 1206 Canal Street - $8,900,000
- Marais Apartments: 1001 Canal Street - $15,900,000
- Lafitte Apartments: 1113 Canal Street - $11,400,000
- Olin Building: 600 Canal Street - $16,000,000
- 1414 E. Place - $20,000,000
- Long Hotel: 1006 Canal Street - $18,300,000
- Towne Place Suites: 1006 Canal Street - $10,800,000
- Canal Street Hotel: 1608 Canal Street - $55,300,000
- Marriott Hotel Renovations: Canal Street - $38,000,000
- Ritz Carlton Renovations: 911 Canal Street - $16,000,000
- Astor Crowne Plaza Renovations: 790 Canal Street - $13,000,000
- Doubletree Renovations: 300 Canal Street - $25,000,000
- 621 Canal - $1,000,000
- Vichy Springs: 801 Canal Street - $2,000,000
- The Four Seasons: 2 Canal Street - $985,000,000
- VA Medical Center: 1900 Canal Street - $1,000,000,000

Total Since 2005 - $3,471,460,000

Canal Street Upper Floor Development

Parks & Open Space
- Quality of place matters more than ever to residents, workers, and visitors
- Partners: ULI, AIA, ASLA, APA
- ULI Technical Assistance Panel (TAP):
  - DDD should manage more public space Downtown
  - Prepare a Green Space Master Plan
  - Start with Duncan Plaza
  - CEA with City of New Orleans
Duncan Plaza Re-Envisioned

Legacy Park

Community Resource & Referral Center Expansion

Community Resource & Referral Center (CRRC) Expansion – Low Barrier Homeless Shelter

Current CRRC

Low Barrier Shelter and Engagement Center
NEW ORLEANS RETAIL MARKET OVERVIEW

Presented By: Stephanie Hilferty with SRSA COMMERCIAL REAL ESTATE

RETAIL: EVOLUTION, REVOLUTION OR APOCALYPSE?

Source: Cushman & Wakefield

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<th></th>
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<tbody>
<tr>
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<td>Federated</td>
<td>Campeau</td>
<td>Amazon</td>
<td>Lowes</td>
</tr>
</tbody>
</table>

Only One Top Ten Retailer From 1980 is Still In Top Ten

Source: Cushman & Wakefield

NUMBER OF RETAIL STORES CLOSING IN EARLY 2017

RETAIL REVOLUTION DRIVERS

Source: Cushman & Wakefield

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“Thousands of new doors opened and rents soared. This created a bubble, and like housing, that bubble has now burst.”

- Richard Hayne, Urban Outfitters CEO, March 2017

U.S. HAS TOO MUCH RETAIL

THE SURVIVORS

- Medical
- Restaurants
- Impulse Driven Brands
- Grocery
- Fitness
- Bargain/Discount
- Services
- Home Improvement

Experiential Retail

Nordstrom

Ulta Beauty

Lowe's

Anthropologie
OMNICHANNEL RETAILING

- E-Commerce gains significant momentum
- Integration: online & brick-and-mortar
- Two essential agents of change: smartphones & customer analytics
- 62% of shoppers more likely to shop online if they can return the items in store
THE NEXT GENERATION: GEN Z
CHANGING SHOPPING FOREVER

THE NEXT, NEXT GENERATION:
THE ALPHA GENERATION

POLITICS & RETAIL

Border Adjustment Tax
Value Added Tax
Commercial Activities Tax

New Orleans Metro
Local Trends

Source: U.S. Census Bureau
KENNER AREA:
AIRPORT EXPANSION

➤ $1 Billion Terminal
➤ Est. Opening Day: Oct. 2018
➤ New non-stop international flights (Frankfurt, Germany and London, England)

KENNER AREA:
ESPLANADE MALL

➤ Pacific Retail Capital Partners bought property for an undisclosed price.
➤ Developers looking at a variety of uses:
  • Restaurants
  • Entertainment
  • Non-Retail Uses:
  • Multi-family housing
  • Hotel

METAIRIE AREA:
LAKESIDE MALL

➤ Vacancy opportunities
➤ New retailers
➤ Mall powerhouse expansions
➤ Incorporating experiential retail

METAIRIE AREA:
VACANT BOXES

➤ HHGregg, Kmart at Elmwood, and Office Depot on Veterans Blvd.
➤ Vacant boxes lead to opportunities

OPENINGS

➤ New Adlers and Trader Joe’s
➤ Tolmas Tract finally developed
➤ Elmwood getting a new look

NEW ORLEANS EAST:
SOUTHSHORE HARBOR REVIVAL

THE WESTBANK: HHG REG G

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NEW ORLEANS AREA:
FOOD HALL CRAZE

- St. Roch Market (Open)
- Dryades Public Market (Open)
- Pythian Market (Fall 2017)
- Auction House Market (Winter 2017)

FRENCH MARKET:
THE ORIGINAL FOOD HALL

PLAYING GAMES IN NOLA

NEW RETAILERS IN NOLA
LOCAL RETAILERS EXPANDING
2017 New Orleans Office Market Outlook
Presented by: Cres Gardner, CCIM, SIOR
Beau Box Commercial Real Estate

Market Occupancy Trend - CBD

- 5 year Class "A" occupancy trend CBD
- Market comparison – higher occupancy, lower demand and no new supply
- New Orleans has lost 3 million square feet of space while the other markets have expanded dramatically

New Orleans CBD Market

Market Occupancy Trend – Metairie

- The office market ranged from 92.1% – 95.15%
- Less consolidation in Metairie vs CBD

CBD OFFICE MARKET
CLASS A – 8.8 M SF


CBD OFFICE MARKET
CLASS B – 1.6M SF

CLASS "B" OCCUPANCY 2015 v. 2016

CLASS "B" AVERAGE RATES 2015 v. 2016

*Source = Bruce Sossaman, Corporate Realty Office and Occupancy Survey
KEY 2016 CBD DEALS
Stone Pigman Walther & Wittmann
First Bank & Trust Tower
- Relocated from single tenant leased building
- 66,000 sf
- Long Term Lease
- Occupancy Summer 2017

KEY 2016 CBD DEALS
Reily Foods
400 Poydras Tower
- Relocated from owned single tenant building currently being redeveloped into a mixed use project
- 24,500 sf
- Long term lease

KEY 2016 CBD DEALS
Launch Pad
400 Poydras Tower
- Version 2.0 of original NOLA co-working concept
- Relocated from 643 Magazine
- 22,500 SF
- Long term lease

The Shop – CAC
- Domain Companies building 40,000 sf co-working space
- Space will house Domain’s Corporate Office, Idea Village, Caesar’s GNO Inc incubator space

Metairie Office Market


*Source: Bruce Sossaman Corporate Realty Office and Occupancy Survey

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**METAIRIE OFFICE MARKET**

**CLASS B – 1.4M SF**

**CLASS “B” OCCUPANCY 2015 v. 2016**

![Graph showing occupancy comparison](image)

**CLASS “B” RATES 2015 v. 2016**

![Graph showing rate comparison](image)

*Source = Bruce Sossaman Corporate Realty Office and Occupancy Survey

---

**KEY 2016 METAIRIE DEALS**

- Crescent Bank & Trust
  - Burns & Wilcox Center
  - 35,000 SF
  - Occupancy mid 2017

- Lammico Galleria Building
  - Long term renewal
  - 42,000 SF

- Metairie Centre Sale
  - 90,000 sf – Class B
  - Rumored Price* - $10,100,000 ($111.11 psf)

*Sale was recorded at $100,000

---

**New Orleans Office Trends**

An inflection point or more of the same?
• CBD amenity and residential environment the best its ever been.
• Emergence of co-working spaces.
• High level of conversion activity has pushed office tenants into the Class A market.
• British Airways flight provides direct connections to Europe.
• Growing creative and entrepreneurial class.

“People ask the question: Can you build a category defining unicorn outside of the coasts?” he said. “The answer is yes.”

Patrick Comer – Founder & CEO @ Lucid

• Absorption
  • 2 years of negative absorption in Metairie A and CBD.
  • Projected negative absorption in 2017.
  • What industries will drive future office absorption?
  • Can we continue to keep market stable by trimming supply?

Jobs & Population
• The New Orleans economy is producing low wage jobs and exporting high wage jobs.
• More people left New Orleans than moved here for the first time since Katrina.*

*US Census data

What can we do as an industry to help?
• We are an industry with national reach – use it.
• Tell our story – it often goes beyond the numbers.
• Encourage our policy makers to undertake serious fiscal reform that attracts business.
Impacts

• Further redevelopment of office building into residential and hospitality

• Lack of quality space to attract new tenants

New Orleans: A boutique city?
Market Conditions

Housing Supply at the National Level

Buyers Market or Sellers Market?

Sellers – Under 3 Months Inventory
Buyers – Over 6 Months Inventory

The markets behave differently...relative to pricing!
Greater New Orleans Area
Single Family - Active Listings vs. Sold Listings

GNO Real Estate Market - 2015 (last year)

- Phase I - PEAK
  Unit Sales Increasing ➔ Prices Increasing ➔ Inventory Decreasing ➔
- Phase II CORRECTION
  Unit Sales Decreasing ➔ Prices Increasing ➔ Inventory Increasing ➔
- Phase III TROUGH
  Unit Sales Decreasing ➔ Prices Decreasing ➔ Inventory Increasing ➔
- Phase IV RECOVERY
  Unit Sales Increasing ➔ Prices Decreasing ➔ Inventory Decreasing ➔

GNO Real Estate Market - 2016

- Phase I - PEAK
  Unit Sales Increasing ➔ Prices Increasing ➔ Inventory Decreasing ➔
- Phase II CORRECTION
  Unit Sales Decreasing ➔ Prices Increasing ➔ Inventory Increasing ➔
- Phase III TROUGH
  Unit Sales Decreasing ➔ Prices Decreasing ➔ Inventory Increasing ➔
- Phase IV RECOVERY
  Unit Sales Increasing ➔ Prices Decreasing ➔ Inventory Decreasing ➔

Garden/Uptown Area
Single Family - Active Listings vs. Sold Listings

Garden/Uptown Area
Seller’s Market in Transition

Historic Area
Single Family - Active Listings vs. Sold Listings

Historic Area
Market in Transition
Metairie Area
Single Family - Active Listings vs. Sold Listings

West St. Tammany Area
Single Family - Active Listings vs. Sold Listings

Kenner Area
Single Family - Active Listings vs. Sold Listings

Lakefront/Gentilly Area
Single Family - Active Listings vs. Sold Listings

New Orleans East
Single Family - Active Listings vs. Sold Listings

East St. Tammany Area
Single Family - Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division

Disclaimer: This representation is based in whole or in part on data supplied by New Orleans Metropolitan Association of Realtors, St. Tammany Association of Realtors, Tangipahoa Board of Realtors, Baton Rouge Board of Realtors or their Multiple Listing Services. Neither the Boards, Associations, nor their MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Boards, Associations or their MLS may not reflect all real estate activity for all years.

2017 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast Seminar - 40
Ormond Area
Single Family - Active Listings vs. Sold Listings

Luling Area
Single Family - Active Listings vs. Sold Listings

Laplace Area
Single Family - Active Listings vs. Sold Listings

Tangipahoa Parish
Single Family - Active Listings vs. Sold Listings

Seller's Market

GNO Area - Months of Inventory
Pended Sales Rate

2017 – 3.1 Months
2016 – 4.0 Months
2015 – 5 Months
2014 – 5.8 Months
2013 – 7.1 Months
2012 – 7.5 Months
2011 – 10.4 Months

GNO - Median Price $231,000.00
New Construction

Source: LATTER & BLUM Research Division

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Latter & Blum Companies are cautiously optimistic...

- Opportunities – 1st time buyers, pent up demand & household creation
- Threats - jobs, mtg rates, MID, low inventory
- Non-events - GSE reform & election

Forecast
- Closed sales volume up 6%
  - 50% units & 50% price

Budgets
- Based on “Flat Market Performance”

Top Expected Influencers 2017

- Interest Rates
- Pent Up Demand
- Consumer & CEO Confidence
- Jobs layoffs
- Oil & Gas Prices & Investments

THANK YOU!

Rick Haase, Latter & Blum
rhaase@latterblum.com
METRO NEW ORLEANS MULTI-FAMILY MARKET
-- AN OVERVIEW --

UNO Real Estate Market Forecast
May 5, 2017
Larry G. Schleder
Associates, Inc

Metro New Orleans
Snapshot

Occupancy: 95%
Average Rent: $1,218
Average Rent Per Sq. Ft.: $1.07

SUBMARKET OCCUPANCY

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<tr>
<td>West Metairie</td>
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<tr>
<td>River Ridge</td>
<td>94%</td>
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<td>East Metairie</td>
<td>97%</td>
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<tr>
<td>Mid-City/Lakefront</td>
<td>97%</td>
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<td>Warehouse District/CBD</td>
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<tr>
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OCCUPANCY TREND
2004 - 2016

HISTORIC CENTER DEVELOPMENTS

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<tr>
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<td>Kailas Companies</td>
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"Select Developments"
**REAGAN CROSSING**
COVINGTON

- Developer: McMath & Riecke
- 288 Luxury Units
- 1,2, & 3 Bedroom Units
- 792-1,371 Square Feet
- $820-$1,350 Rent Range

**NORTH PARK**
COVINGTON

- Developer: AMG Development
- 218 Luxury Units
- Studio, 1, & 2 Bedroom Units
- 550 - 1,200 Square Feet
- $900 - $1,450 Rent Range

**ARTESIA**
COVINGTON

- Developer: Favrot & Shane
- 264 Luxury Units
- 1 & 2 Bedroom Units
- 877 - 1,292 Square Feet
- $1,225 - $1,650 Rent Range

**SPRINGS AT RIVER CHASE**
COVINGTON

- Developer: Continental Properties
- 296 Luxury Units
- Studio, 1, 2, & 3 Bedroom Units
- 550 - 1,430 Square Feet
- $799 - $2,359 Rent Range

**CLEARWATER CREEK PHASE II**
RIVER RIDGE

- Developer: Favrot & Shane Companies
- 108 Luxury Units
- 1 & 2 Bedroom Units
- 830 - 1,270 Square Feet
- $1,200 - $1,710 Rent Range