2018 ECONOMIC OUTLOOK & REAL ESTATE FORECAST

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KEY POINTS

▫ WHAT’S DRIVING THE MARKET?
▫ REAL ESTATE TRENDLINE
▫ CURRENT MARKET PHASE
▫ MULTI-PARISH BREAKDOWN & KEY SUBMARKETS
▫ 2018-2019 FORECAST
What factors are driving the market?

Market in Transition
Interest Rates
Affordability
Low Market Inventory
Prices Still Increasing
Demand for Labor

Demand for Labor

LEGACY INDUSTRIES:

Oil & Gas
Tourism
Port
Demand for Labor

DEVELOPING INDUSTRIES:

Digital – DXC, iMerit
Medical – BioScience/BioMedical District
Airport – Online 2019
Former Avondale Shipyards
Michoud/Orion
Formosa

Housing Nationally
Greater New Orleans (GNO) Parishes

- Jefferson
- Orleans
- Plaquemines
- St. Bernard
- St. Charles
- St. James
- St. John the Baptist
- St. Tammany
- Tangipahoa
- Washington

How much real estate was sold in GNO in 2017? 2016 numbers

- **Number of Sales**: 15,074 (2017) vs. 14,858 (2016)
- **Volume of Sales**: $3,673,077 (2017) vs. $3,498,051 (2016)
- **Average Days on Market**: 61 (2017) vs. 63 (2016)
Greater New Orleans Area
Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division

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CURRENT MARKET PHASE:
Are we in correction or in transition?

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

NEW ORLEANS REAL ESTATE MARKET
2016 (2 Years Ago)
NEW ORLEANS REAL ESTATE MARKET
2017 – IN TRANSITION

- **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
Buyers Market or Sellers Market?

DEFINITION:
Sellers – Under 3 Months Inventory
Buyers – Over 6 Months Inventory
Neutral – In transition (3 to 6 Months Inventory)

GNO Parish Marketplace

Jefferson
Orleans
Plaquemines
St. Bernard
St. Charles

St. James
St. John the Baptist
St. Tammany
Tangipahoa
Washington
### Parish Breakdown (2017) (2016)

<table>
<thead>
<tr>
<th>Parish</th>
<th># Of Sold Listings</th>
<th>Volume Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson</td>
<td>4,203</td>
<td>$914,263</td>
</tr>
<tr>
<td>Orleans</td>
<td>3,548 ↑ 3,466 (2.4%)</td>
<td>$1,162,991 ↑ $1,145,129 (1.6%)</td>
</tr>
<tr>
<td>Plaquemines</td>
<td>111 ↑ 101 (9.9%)</td>
<td>$32,565 ↑ $27,635 (17.8%)</td>
</tr>
<tr>
<td>St. Bernard</td>
<td>397 ↑ 365 (8.8%)</td>
<td>$63,676 ↑ $53,138 (19.8%)</td>
</tr>
<tr>
<td>St. Charles</td>
<td>460 ↓ 461 (-0.2%)</td>
<td>$104,869 ↑ $99,161 (5.8%)</td>
</tr>
<tr>
<td>St. James</td>
<td>43 ↑ 31 (38.7%)</td>
<td>$5,615 ↑ $5,032 (11.6%)</td>
</tr>
<tr>
<td>St. John the Baptist</td>
<td>404 ↑ 404 (0%)</td>
<td>$61,122 ↑ $55,697 (9.7%)</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>4,151 ↑ 4,094 (1.4%)</td>
<td>$1,037,959 ↑ $986,062 (5.3%)</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>1,374 ↑ 1,282 (7.2%)</td>
<td>$236,423 ↑ $215,664 (9.6%)</td>
</tr>
<tr>
<td>Washington</td>
<td>209 ↑ 191 (9.4%)</td>
<td>$26,512 ↑ $20,951 (26.5%)</td>
</tr>
</tbody>
</table>

### Key SubMarkets

MARKETS IN TRANSITION:
- Garden/Uptown
- Lakefront/Gentilly
- Warehouse/Downtown
- Historic
  - (Bywater, Marigny, New Marigny, Holy Cross)
MARKETS IN TRANSITION

Garden/Uptown Area

Single Family-
Active Listings vs.
Sold Listings
2004 – 2017

Lakefront/Gentilly

Historic

Single Family-
Active Listings vs.
Sold Listings
2004 – 2017

Source: LATTER & BLUM Research Division.

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Key SubMarkets

NEUTRAL TO CONVERGENCE:

Metairie
Kenner
Ormond
Luling
LaPlace
New Orleans East
West St. Tammany
East St. Tammany
FORECAST

- Continued Healthy Market
- Average GNO sales price is increasing
- Steady demand, low inventory market
- Affordability is still a factor
- Many new projects, cause for excitement