THE DR. IVAN MIESTCHOVICH
UNIVERSITY OF NEW ORLEANS / LATTER & BLUM, INC.
ECONOMIC OUTLOOK AND REAL ESTATE FORECAST
FOR THE NORTHSHORE REGION

Hosted by:
UNO Institute for Economic Development & Real Estate Research
and Executive Partner: Latter & Blum, Inc.

Tuesday, May 15, 2018
Clarion Inn & Suites Conference Center
Covington, LA
8:00 – 8:30AM  Registration & Networking

8:30 – 8:45AM  Welcome & Opening Remarks
Dr. John Williams, Dean, College of Business Administration, UNO
Dr. Mahyar Amouzegar, Provost & Vice President for Academic Affairs, UNO

Seminar Moderator  Dr. Robert Penick, Director, UNO Institute for Economic Development and Real Estate Research, Adjunct Professor, UNO; Vice President & CFO, Latter & Blum, Inc.

8:45 – 9:45AM  Northshore Region Economy
Don Pierson, Secretary of Louisiana Economic Development

9:45 – 10:00AM  Break

10:00 – 11:30AM  Commercial Real Estate Market
Joseph Moore, Division Director, RE/MAX First
Matt Galofaro and Jason Lipscomb, Latter & Blum Classic Homes & Properties
Michael Saucier, President, Gulf States Real Estate Services

11:30AM – 12:30PM  Residential Real Estate Market
Larry Schedler, President, Larry G. Schedler & Associates, Inc.
Priscilla Morse, Managing Broker, Mandeville - Latter & Blum, Inc.
# Table of Contents

Agenda 1

Table of Contents 2

Speaker Biographies 3

Commercial Real Estate

*Livingston Parish, Joseph Moore* 7

*St. Tammany Parish, Michael Saucier* 18

Residential Real Estate Panel

*Multi-Family Market, Larry Schedler* 48

*Residential Market, Priscilla Morse* 53

Institute for Economic Development & Real Estate Research Partners Back Cover
Dr. Mahyar Amouzegar, Provost and Senior Vice President of Academic Affairs
Dr. Mahyar Amouzegar, Provost and Senior Vice President for Academic Affairs, is the Chief Academic Officer for the University of New Orleans. The Provost, through the Office of Academic Affairs, is responsible for managing academic programs and support units and the policies and practices that affect the academic success of students at the University. Dr. Amouzegar earned a B.S. in Applied Mathematics from San Francisco State University. He earned his M.S. in Electrical Engineering, D. Engineering and Ph.D. in Operations Research from the University of California, Los Angeles. He began his career as an Assistant Professor of Mathematics at Massey University in New Zealand. Dr. Amouzegar then spent several years at California State University, Long Beach, serving as the Associate Dean for Research and Development. He previously held the position of Dean of the College of Engineering at Cal Poly Pomona. Dr. Amouzegar was also a Senior Policy Analyst at RAND Corporation, which is internationally recognized as a premier policy think tank. There he served as a researcher supporting military policy issues and was responsible for managing a large group of research and support staff across three sites. Dr. Amouzegar is passionate about championing student success, engaging with the community, expanding the diversity of the faculty and student body and finding new resources in support of our students, faculty and staff.

Dr. John Williams, Dean, College of Business Administration
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 undergraduate, graduate and Executive programs. Dr. Williams also oversees the AT&T Center, the Institute for Economic Development & Real Estate Research, the Hospitality Research Center, and the Division of Business & Economic Research. He serves as Director of the Hospitality Research Center (HRC) and 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

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 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 UNO 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 is active in many civic, business, and professional organizations, including UNO International Alumni Association and the board of the UNO Foundation. He is a veteran of the U.S. Army and the U.S. Army Reserve having served more than 30 years and retiring as a Lt. Colonel, Engineer Branch.
Don Pierson, Secretary of Louisiana Economic Development

In January 2016, Gov. John Bel Edwards appointed Don Pierson to serve as Secretary of Louisiana Economic Development (LED). Pierson served as assistant secretary and senior director of business development for LED since January 2005. With executive-level leadership, his duties include the implementation of domestic and international economic development programs and job retention and creation efforts for the State of Louisiana. He is Gov. John Bel Edwards’ primary representative to governmental officials, local communities and site selector consultants on all economic issues. Pierson has over 27 years of economic development experience, and is a certified economic development professional.

Gov. Kathleen Blanco appointed Pierson in 2005 to serve as assistant secretary for LED. In 2008, Gov. Bobby Jindal appointed Pierson as assistant secretary for LED and designated Pierson as his appointee for The Aerospace Alliance for Aviation 2009.

Prior to joining LED, Pierson served for 17 years in the Shreveport/Bossier community as Executive Director of the Greater Bossier Economic Development Foundation. In 2000, Gov. Mike Foster appointed Pierson to the Louisiana Economic Development Council. A year later, Gov. Foster again appointed him, this time to the Department of Economic Development Reorganization Task Force.

Pierson is a past-president of the Louisiana Industrial Development Executives Association. He has served on the Board of Directors for the Southern Economic Development Council, an organization with representatives from all southern states. Pierson is also a past-president of the Louisiana Chamber of Commerce Executives Association.

A graduate of the United States Military Academy at West Point, Pierson served as an Airborne and Ranger Qualified Infantry Officer in the 82nd Airborne Division for five years. He has also served as a deacon at Kings Highway Christian Church in Shreveport.

Joseph Moore, Division Director, RE/MAX First

Mr. Moore has been a licensed Realtor in LA & MS for 15 years and has been a developer for over 25 years. Projects he has developed include 6 residential subdivisions, 2 hotel/motels, 3 office/commercial projects and he developed the original master plan for the Mississippi Gulf Coast Casino Development. Two of his most recent project developments include Riverside Landing at Bass Pro Shopes and Pointe of Isle, both in Livingston Parish. Mr. Moore areas of expertise includes Community & Development Block Grant Certification in Mississippi, HUD – CDBG Block Programs, Commercial Investment Construction/Contracting Commercial, Multi-Family and Industrial Leasing, Mortgage Brokerage and Net Leased Properties. He belongs to the International Council of Shopping Centers and Counselors of Real Estate. He earned his Bachelor of Science and Masters of Science in Planning, Management and Administration at the University of Missouri.
Michael Saucier, President, Gulf States Real Estate Services

Michael Saucier, Founder, President and Broker of Record at GSRES, has over thirty-five years experience in developing and managing projects, with well over one billion dollars in contracting and construction management. Mike holds a bachelor’s degree in Civil Engineering from LSU and possesses Residential and Commercial Contracting and Real Estates Broker licenses in Louisiana and Mississippi. He is heavily involved in the initial visioning and planning of most projects, also overseeing the Gulf States Development and Construction Divisions. In addition to applying his keen insight and vast experience in a multitude of disciplines, Mike is responsible for Capital Acquisitions and for identifying corporate client and project opportunities within the communities Gulf States serves. Mike is also has served on the Board of State of Louisiana Economic Development corporation and is currently serving as a Board member on the West St. Tammany Chamber of Commerce.

Matt Galofaro, CCIM, Latter & Blum Classic Homes & Properties

Matthew J. Galofaro, CCIM has been a multi-million dollar producer since 2007. Primarily focused on Hospitality, Multi-Family and income producing properties, he quickly became an elite broker in these sectors by utilizing CCIM financial knowledge along with cutting edge technology to effectively market the properties. With his determination and expertise, he will to continue building a strong network of clients with his knowledge and experience. He handles each transaction with care and ensures that his client’s needs come first. Galofaro has the respect of his clients through building trust and offering the best solutions to their commercial needs. From large $40MM franchise hotels, 200+ unit apartment complexes to 400 lot RV Parks, Galofaro has sold them all. His unique background, focus on building relationships and deal making skills perfectly mesh with the Latter & Blum philosophy.

Jason Lipscomb, Latter & Blum Classic Homes & Properties

As a licensed agent for more than ten years, Jason eats, sleeps and breathes real estate. His track record of success is proven with his multi-million dollar real estate producer status. Jason is the team leader for yourHOMETeam at Latter and Blum Classic Homes and Properties and takes pride in selectively hand picking the most dedicated professionals to join his real estate team.

Jason was born and raised in Ponchatoula, Louisiana. Upon graduating from Ponchatoula High School, he attended Southeastern Louisiana University for Business Management and staked claim in his hometown of Ponchatoula where he still resides. Following college, Jason’s career led him to be the Director for World Series of Poker Circuit Events. However, his passion for real estate led to his current role of leading his Latter and Blum Classic Homes and Properties team as a Listing Specialist, as well as branch manager at our new Ponchatoula office.

In his spare time, Jason enjoys spending time with his wife and four children. He is an active member of Hammond Chamber of Commerce and enjoys coaching his son’s little league baseball team.

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region
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.

Priscilla Morse, Managing Broker, Latter & Blum, Inc. Mandeville

Priscilla began her working career with Keesler Federal Credit Union in Biloxi, MS from 1988-1990 as a training officer and then Assistant Marketing Director. From Biloxi, she moved to Dallas where she worked as a loan officer for a savings and loan in 1991 before taking time off to raise her children. In 1997, Priscilla started working with a custom builder which led her to a real estate career. She began working with RE/MAX Cross Country in 1999 and then moved to Covington, LA. Once licensed in Louisiana, Priscilla began working with The Morse Team at RE/MAX Northlake and eventually became their managing broker. After that she moved to Stirling Properties in 2006, which was eventually acquired by Latter and Blum. Priscilla became the assistant branch manager in October 2017 and the managing broker in February 2018. When she is not at the office with her family of 120+ agents she can usually be found up at her barn in Amite with her husband, dog and grandsons on a tractor. Like the old Virginia Slims slogan, “I’ve come a long way baby” from growing up in Uptown New Orleans to the life on The NorthShore, I got here as fast as I could!! Priscilla is a 1981 graduate of LSU with a Bachelor of Arts degree.
A Look Back at The Great Flood of 2016

BASS PRO AND RANGE AVENUE IN DENHAM SPRINGS

Juban Crossing at Peak of Flood

Interstate 12 at Juban with Flood Water Level with Center Barrier Wall
Bass Pro Outparcels on Morning of August 8th 2016
Range Avenue at Range 12 Blvd and I 12 Exit Ramp

Bass Pro Shops High and Dry throughout the Flood
Parking lot received water and store closed 1 week to serve as Emergency FEMA Logistics Center

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region
Springs Plaza Early on August 16 2016
Water Levels Rising Fast

Video Compliments of Dev/Null on YOUTUBE by Aaron Colona

https://www.youtube.com/watch?v=u2ahvQRFIT0
Juban Crossing Restored and East Side Juban Market Place
All Retail Has Re-Opened and 200 New Upscale Apartments have recently come on line at Juban Crossing
Frontage Pads Underway on East Side of Juban Road Include 2 Auto Dealerships, 6 Pad Sites for Retail, QSR and Special Service

Where are We 1+ Years Post Flood?
LET'S LOOK AT LIVINGSTON PARISH AND JUBAN RECOVERY FIRST
Juban Crossing Recovery and Major Additions – All Star Nissan/Kia

The Crossing at Juban Adds 220 Unit Luxury Apartments
Frontage Pad Site Under Development on Juban East Side

Phase 2 - Juban Marketplace Coming Soon to East Side
WAIT!! What About Denham Springs, Walker, & the Northshore?

- Let's Look At A Historical Record of the Amite River Flood Events
- And the Record of Major Storm Events

History of Major Storms & Floods

**RECENT STORMS**

- 1977 Flood
- 1983 Flood (prior flood of record)
- 1985 Hurricane Juan
- 1992 Hurricane Andrew
- 2001 Tropical Storm Allison
- 2002 Tropical Storm Isidore
- 2005 Hurricane Katrina
- 2005 Hurricane Rita
- 2008 Hurricane Gustav
- 2012 Hurricane Isaac
- 2016 Flood
Our Growing Concerns Over Increasing Frequency of Floods

1983 Flood Inundation

2016 Flood Inundation

What was the Economic Impact of the 2016 Flood – Just in Denham
Denham Springs Flooded Structures

4,025 TOTAL STRUCTURES
3,114 DAMAGED STRUCTURES
   (18 inches of water or more)
508 SUBSTANTIALLY DAMAGED STRUCTURES
   (Restoration costs greater than 50% of market value)

And Now A PLAN TO IMPLEMENT and RECOVER by Working STRONG
NEW PROGRAMS FOR LIVINGSTON AND NORTH SHORE APPROVED

Federal Jobs Act to INCLUDE Opportunity Zones in Livingston, Tangipahoa, and St. Tammany
Presented by Joe Moore, Re/Max
First Commercial
Recovery Is Well Underway
Economic Outlook & Real Estate Forecast Seminar

Retail/Office/Mixed Use

GLOBAL INFORMATION
## Growth Projections and Land Consumption Implications

The U.S. Census Bureau projects that St. Tammany Parish’s population will almost double in the next 15 years. Many interviewees thought that projections too high, but it is not difficult to imagine how it—or an even greater re—could materialize. Even if actual growth in not that high, or the time frame over which such growth will occur is much longer, population growth in the parish is clearly going to continue.

The changes that come with increased population—in demographics, land use, traffic patterns, and the need for services, among others—will have a huge effect on land consumption in the parish. An increase of 225,423 people translates into roughly 85,000 new households, equivalent to 25 town the size of Covington. Under current development strategies, that growth would consume about 50 percent of available land for future development.

At the same time, new and continuing constraints on land use have imposed greater limits on how growth occurs: the storm-based redlining of land south of I-12, increasingly expensive restrictions on the use of wetlands, and the coke points of water and sewer infrastructure and roadways. The challenge is to maintain the Northshore’s character while addressing these pressure points comprehensively. The panel learned that residents think it will be possible—thought difficult—to do that while retaining what they like about St. Tammany Parish. By better using smart-growth techniques and slightly increasing density, there is more opportunity to grow in a more sustainable way, *“villages-in-the-woods.”* Under this strategy, only 6 percent of available land for future development would be consumed. (See Table below.)

### Growth Consumption Calculation

<table>
<thead>
<tr>
<th>Growth Index</th>
<th>Parish total acres</th>
<th>Already urbanized in acres (a)</th>
<th>High protection lands (b)</th>
<th>Available for future development</th>
<th>Units per acre</th>
<th>New Development for 85,000 units</th>
<th>% of remaining acres consumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend approach</td>
<td>546,560</td>
<td>123,814</td>
<td>189,000</td>
<td>233,746</td>
<td>0.71 (c)</td>
<td>119,000</td>
<td>50.9</td>
</tr>
<tr>
<td>Village-in-the-woods strategy</td>
<td>546,560</td>
<td>123,814</td>
<td>189,000</td>
<td>233,746</td>
<td>6.00 (c)</td>
<td>14,164</td>
<td>6.1</td>
</tr>
</tbody>
</table>

(a) Source: Design workshop calculation using National Land Cover Database data.
(b) Source: Design Workshop calculation based on Trust for Public Land Greenprint study.
(c) Calculated by dividing already urbanized area by total existing units for 88,000 per briefing book.
(d) Estimated gross density within development areas. Note that this is still below the industry standard of eight units per acre for minimum level of sustainable development.
• Perhaps not since H.G. Wells penned “The Wars of the Worlds” has so much been written and discussed about an alien invasion threatening the very foundations of our society!

  **No Desire to own?**

• Among the millennials we surveyed globally, more than a third of current non-homeowners said a lack of affordability would likely prevent them from buying in the future.

  ![Image: 60% plan to buy](Image)

• By 2020, millennials born between 1980 and 2000 will make up half of the global workforce.

• Millennials use the internet primarily to research products.
In This Issue...

Last Week in Review: The April Jobs Report disappointed while inflation ticked up in March. Plus, the Fed meets.

Forecast for the Week: Inflation news dominates an otherwise quiet economic calendar.

View: These social media ideas will make posting a breeze this May.

Crittenden® Retail Tenants

Crittenden Research, Inc.
P.O. Box 1150
Novato, CA 94948
(800) 421-3483

Vol 31, No. 20

RESIZING KEY IN BIG-BOX REDEVELOPMENT

Smaller retailers will become the next tenants in the redevelopment of big-box space which, depending upon the mix, may lead to higher average rental rates. Faced with the prospect of a large, empty space and few tenants, some owners may try to make the best of it by finding new uses for the space.

Retailers emerging as the most likely to take part of former big box spaces include the likes of the TJX Companies' concepts, clothing discounters, T.J. Maxx, and Marshall's; and its Homegoods chains, as well as discount food chains, such as Trader Joe's, Lucky's Market, and possibly others. While many retailers have long been considered a go-to option for big space, a general consensus shift to younger, more experiential concepts of tenants such as American Girl Place, Crayola Experience and Distillery better candidates.

Subdividing a big box into numerous, small spaces typically works better in densely populated, high-quality locales. It's less effective in exurbs that are struggling to generate in average economic growth. In all cases, the one main driver of redevelopment is the repurposing of big-box and anchor space in the potential for a better bottom line over the long term. While no one is excited at the prospect of having to fill hundreds of Sears, Kmart, JCPenny, and Macy's locations, higher rents may be in the offing. Another option may be to turn the anchor into a quality anchor that pulled in foot traffic, creating a higher market value than leasing the space. Redeveloping and repurposing these spaces can lead to significantly higher per-square-foot rents. Higher rents can also be secured for non-traditional uses. This subdivision of big box space can then feed into many retailers changing distribution models, which may move inventory from stores to stores to suit the need for multiple warehouses.
St. Tammany Office/Mixed Use
Economic Outlook & Real Estate Forecast Seminar

May 15, 2018

Economic Outlook & Real Estate Forecast Seminar

May 15, 2018

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region

25
### Economic Outlook & Real Estate Forecast Seminar

May 15, 2018

#### LACDB 20,000-100,000 SF

<table>
<thead>
<tr>
<th>Building</th>
<th>Location</th>
<th>Max SF Available</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 New Global Star</td>
<td>Holiday Square Blvd, Covington</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>2 Former Chevron</td>
<td>Holiday Blvd, Covington</td>
<td>28,855.00</td>
<td>28,855.00</td>
</tr>
<tr>
<td>3 Former NASA</td>
<td>Gause Blvd, Slidell</td>
<td>47,973.00</td>
<td>47,973.00</td>
</tr>
<tr>
<td>4 Former Nursing Home</td>
<td>Hwy 21, Covington</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>5 Market Place 21 (Winn-Dixie)</td>
<td>Hwy 21, Covington</td>
<td>100,000.00 (Proposed)</td>
<td>100,000.00 (Proposed)</td>
</tr>
<tr>
<td>6 Versailles Office Bldg</td>
<td>Holiday Square Blvd, Covington</td>
<td>75,000.00 (Proposed)</td>
<td>75,000.00 (Proposed)</td>
</tr>
<tr>
<td>7 Wink Bldg (Former Global Star)</td>
<td>Holiday Square Blvd, Covington</td>
<td>27,048.00</td>
<td>27,048.00</td>
</tr>
<tr>
<td>8 River Chase</td>
<td>Brewer Road, Covington</td>
<td>33,500.00</td>
<td>33,500.00</td>
</tr>
<tr>
<td>9 Whse/Office</td>
<td>South Lane, Covington</td>
<td>73,000.00 (misclassified)</td>
<td>73,000.00 (misclassified)</td>
</tr>
<tr>
<td>10 Delgado Adult Campus</td>
<td>Howze Beach Rd, Slidell</td>
<td>25,000.00 (misclassified)</td>
<td>25,000.00 (misclassified)</td>
</tr>
</tbody>
</table>

---

#### 2017 Greater New Orleans Annual Office Market Report

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region

26
Economic Outlook & Real Estate Forecast Seminar

May 15, 2018

North Shore

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region

27
As the oil and gas industry continued to suffer through a general downturn in 2017, Chevron and Hornbeck, two of the larger employers on the North Shore, both experienced layoffs. While oil and gas certainly lead the economic path for the general health of the North Shore office market, it is by no means the only factor. The North Shore experienced a 40% increase of new business incorporations and a 25% increase in commercial building permits. Additionally, a significant number of employees (approximately 30%) continue to earn their incomes in Jefferson and Orleans Parishes which are both relatively more diverse economically.

The Offices at River Chase, a 42,000 sf, two-story Class A property opened in 2017 with a single 14,000 sf tenant. This is an interesting project as it is a part of a larger mixed-use development project that includes both retail and residential. As the North Shore continues to develop from a bedroom community to a live and work environment, the market should see more mixed-use developments like this one.

The two other major office developments on the North Shore (Versailles Business Center and Wadsworth Estates, LLC) failed to gain significant traction.

Sublease space on the North Shore remains unforecasted, boding well for new construction. However, most new construction is of the smaller variety (<20,000 sq ft), which will not be tracked for this Market Report.

Looking forward to 2018, mixed-use developments permeate the region. While not an office development, the South Market District in Downtown New Orleans continues to be one of the most important real estate developments to be built in the region over the past decade. This project, along with the Offices at River Chase, are prime examples of mixed-use projects that are becoming more popular across the region. The project consists of The Pavilion, a 211-unit residential project with 21,345 st of ground floor retail, The Beacon, a 124-unit residential project with 20,019 sf of ground floor retail, and The Park, a parking garage with 435 spaces and 27,506 sf of ground floor retail. In 2018, The Standard, a 95-unit high end residential condominium project, will open and construction of the 26-story, 250-unit Jones apartment building will begin.
1313 Holiday Square Blvd
1313 Holiday Square Blvd, Covington, LA 70433

Listing #:
30024659
Status: 
For Leases
Property Type:
Office for Lease
Office Type:
Office Building
Certified Space:
20,010 SF
Total Available:
20,010 SF
Lease Rate:
$21 - $25 SF (Lease)
Revenue: 
$36,000 - $41,000
Leased Type: 
NNN

Overview/Comments:
New construction in Versailles Business Park at the I-12/I-10 interchange:
- 20,006+/- SF Class A office space located within the new office/
  headquarters building
- 3rd floor space
- High parking ratio
- New construction, shell delivery, build-out negotiable
- Contact agent for more information on this offering

**Leased rental rate is an extended rate. Final rental rate will be
  determined based upon lease terms and building delivery**

General Information:
Tax ID:
54673101
Office Type:
Office Building
Class of Space:
Class A

Available Space:

<table>
<thead>
<tr>
<th>Suite/Size (SF)</th>
<th>Lease Rate</th>
<th>Lease Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>15000-20000</td>
<td>$21.00SF</td>
<td>08/01/2018</td>
</tr>
<tr>
<td>20000-25000</td>
<td>$21.00SF</td>
<td>08/01/2018</td>
</tr>
<tr>
<td>25000-30000</td>
<td>$25.00SF</td>
<td>08/01/2018</td>
</tr>
</tbody>
</table>

Parking Spaces:
0

Building Features:
- Rents: 
- Floors: 

Location:
Address:
1313 Holiday Square Blvd, Covington, LA 70433
City:
Covington
State:
Louisiana
Zip:
70433

Economic Outlook & Real Estate Forecast Seminar

May 15, 2018
Slidell East St. Tammany Area
Fremaux Town Center, anchored by Dillard’s, Dick’s Sporting Goods, Kohl’s and Best Buy, is a roughly 350-acre regional mixed-use development located at the southwest corner of Interstate 10 and Fremaux Avenue in Slidell, Louisiana. The center includes approximately 640,000 square feet of retail and restaurant options, as well as Springs at Fremaux Town Center’s 296 luxury residential apartment units, and Springhill Suites by Marriott now under construction. Additional phases are coming soon with added residential, retail, and office park.

Stirling Properties and CBL Properties formed a joint venture to develop the center.

<table>
<thead>
<tr>
<th>Tenants</th>
<th>Tenants</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albasha Greek &amp; Lebanese Cafe</td>
<td>Dillard’s dressbarn</td>
<td>Luxe 83 Boutique</td>
</tr>
<tr>
<td>Aveda</td>
<td>Exit 16 Boutique</td>
<td>Marble Slab Creamery</td>
</tr>
<tr>
<td>Bath &amp; Body Works</td>
<td>European Wax Center</td>
<td>Massage Envy</td>
</tr>
<tr>
<td>Bellagio Nail Spa</td>
<td>Five Below</td>
<td>Mattress Direct</td>
</tr>
<tr>
<td>Best Buy</td>
<td>Five Guys</td>
<td>Michaels</td>
</tr>
<tr>
<td>BJ’s Restaurant &amp; Brewhouse</td>
<td>F21 Red</td>
<td>Off Broadway Shoes</td>
</tr>
<tr>
<td>Books-A-Million Buckle</td>
<td>Francesca’s</td>
<td>Panera Bread</td>
</tr>
<tr>
<td>Capital One</td>
<td>GNC</td>
<td>Payless ShoeSource</td>
</tr>
<tr>
<td>Carter’s</td>
<td>Goodyear</td>
<td>PetSmart</td>
</tr>
<tr>
<td>Cheddar’s Scratch Kitchen</td>
<td>Great American Cookies</td>
<td>Pier 1 Imports</td>
</tr>
<tr>
<td>Charlotte Russe</td>
<td>Journeys</td>
<td>Rack Room Shoes</td>
</tr>
<tr>
<td>Chico’s</td>
<td>Kay Jewelers</td>
<td>Red Robin</td>
</tr>
<tr>
<td>Chipotle Mexican Grill</td>
<td>Kirkland’s</td>
<td>Rock N Roll Sushi</td>
</tr>
<tr>
<td>Claire’s</td>
<td>Kohl’s</td>
<td>rue21</td>
</tr>
<tr>
<td>Dentists of Slidell</td>
<td>LA Fitness</td>
<td>Smoothie King</td>
</tr>
<tr>
<td>Dick’s Sporting Goods</td>
<td>Lane Bryant</td>
<td>Sports Clips</td>
</tr>
<tr>
<td></td>
<td>LensCrafters</td>
<td>Starbucks</td>
</tr>
<tr>
<td></td>
<td>LOFT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LongHorn Steakhouse</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenants Coming Soon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pizza Platoon</td>
</tr>
<tr>
<td>Saltgrass Steak House</td>
</tr>
<tr>
<td>Springhill Suites by Marriott</td>
</tr>
</tbody>
</table>
North Shore Square

Potential “Re-purpose” Project
One Redevelopment

Mid Sized Retail Redevelopment

10,000 SF
to 3 Suites
Mandeville Area
West St. Tammany
“Highest Median Incomes”

The Village Shopping Center, Suite D2
$22 PSF (Annual)
ID: 30274288

Northlake Shopping Center, Suite 2
See Agent
ID: 30029160

Pontchartrain Square Shopping Center, Suite 3547
$16 PSF (Annual)
ID: 29896663

Retail Hot Spot!
2735 Hwy 190, Suite A
$18 PSF (Annual)
ID: 30139347

3659/3663 Hwy 190
Mandeville, Suite 3659
See Agent
ID: 30045656

Parkview Plaza,
4700 Hwy 22, Suite 21
$15 PSF (Annual)
ID: 29562175
Former Gulf Coast Bank
Building in Mandeville, Suite 1
$22 PSF (Annual)
ID: 30045616

Audubon Center, Hwy 22,
Mandeville, Suite C6
$12 PSF (Annual)
ID: 28238367

Office/Retail Available
Hwy 22, Mandeville, Suite 1
$16 PSF (Annual)
ID: 29721400

K-Mart - Mandeville

Redevelopment Opportunities/Challenges
“Store is no longer there”

Highway 21
West St. Tammany
Still “HOT”
Highway 21 Corridor

Highway 21 Retail or Medical Office For Lease, Suite A
$22.50 PSF (Annual)
ID: 30152529

Now Leasing! New Construction Hwy 21 Retail Center, Suite 9
$26 PSF (Annual)
ID: 30001714

1,200 SF Turn Key Retail Unit, Hwy 21, North of I-12, Suite 6
$24 PSF (Annual)
ID: 29765515

Pinnacle Nord Du Lace Shopping Center, Suite Building D
See Agent
ID: 30039296

New Office/Medical/Retail, Excellent Visibility Hwy 21, Suite F
$20 PSF (Annual)
ID: 29728889

Hwy 1077, Copperstill Marketplace for Lease
$25 PSF (Annual)
ID: 30178217
Thibodaux Bank with PJ’s Drive-Thru

New Trend In Banking.
"In Conclusion"
New Development Challenges/Opportunities

**Challenges**
- Inadequate Infrastructure
- Unstable Regulatory Environment
- Some Quality of life gaps exist
- Negative 1st Impressions
- High property tax burdens
- True Coordinated Regional Marketing
- Business Groups Coordination/Consolidation
- Wetlands Mitigation

**Opportunities**
- Direct Economic Development Incentives to Infrastructure
- Provide for clear cut & fair code and ordinance (now in progress)
- Identify them & focus on them (Education, Family, Entertainment)
- Cut grass, Clean up major corridors, lighting
- Create new development property tax incentives (TIF’S)
- Create Regional Marketing material for Local Commute, with Regional & Statewide Links.
- Northshore HBA/E-W Chamber
- Defund the CORP!

**Anatomy of Community Development**

- JOBS IS WHERE IT ALL STARTS
  - Workforce
  - Lower, Middle, High School Education
  - Bodies/#'s
  - Community/Technical Colleges
  - Manufacturing/High Tech
  - Residential Development
  - Construction & Wholesaling Jobs
  - Retail Development
  - Services Jobs
  - Office Development
  - The Class “A” Jobs

- Incentives
  - Tax Breaks
  - Land & Business Park Inventory
  - Regulatory Environment (zoning, etc.)
Quality of Life is Often what seals the deal.

- Housing Choices/ Cost of Living
- Recreation/Entertainment
- Quality Education Options
- Shopping Choices
- Infrastructure/Traffic/Law Enforcement/ Political/ Etc.

THANK YOU!

TURNING IDEAS INTO REALITY

WWW.GSRES.COM
Northshore Multi-Family Market
-- An Overview --

UNO Real Estate Market Forecast
May 15, 2018

Larry G. Schedler & Associates, Inc.
Northshore Multi-Family Inventory

<table>
<thead>
<tr>
<th>Location</th>
<th>Percentage</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>East St. Tammany</td>
<td>35%</td>
<td>2,824</td>
</tr>
<tr>
<td>West St. Tammany</td>
<td>53%</td>
<td>4,222</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>12%</td>
<td>976</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>8,022</strong></td>
</tr>
</tbody>
</table>

Occupancy: 94.5%

Average Rents: $1,142
**East vs. West**

<table>
<thead>
<tr>
<th></th>
<th>East St. Tammany</th>
<th>West St. Tammany</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Units (100 Units+)</td>
<td>2,824</td>
<td>4,222</td>
</tr>
<tr>
<td>Occupancy</td>
<td>96.4%</td>
<td>92.7%</td>
</tr>
<tr>
<td>Average Monthly Rent</td>
<td>$1,126</td>
<td>$1,158</td>
</tr>
<tr>
<td>New Construction (Units)</td>
<td>135</td>
<td>778</td>
</tr>
</tbody>
</table>

**St. Tammany – New Unit Inventory 2008 – 2018**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>538</td>
</tr>
<tr>
<td>2009</td>
<td>312</td>
</tr>
<tr>
<td>2010</td>
<td>566</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>160</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>296</td>
</tr>
<tr>
<td>2015</td>
<td>514</td>
</tr>
<tr>
<td>2016</td>
<td>288</td>
</tr>
<tr>
<td>2017</td>
<td>913</td>
</tr>
</tbody>
</table>

*2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region*
New Construction / Lease Up

<table>
<thead>
<tr>
<th>Property</th>
<th>Location</th>
<th># of Units</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reagan Crossing</td>
<td>Covington</td>
<td>288</td>
<td>GRMG, LLC</td>
</tr>
<tr>
<td>The Green at Northpark</td>
<td>Covington</td>
<td>218</td>
<td>Key Real Estate</td>
</tr>
<tr>
<td>Artesia (Phase II)</td>
<td>Covington</td>
<td>70</td>
<td>Favrot &amp; Shane</td>
</tr>
<tr>
<td>Springs at River Chase</td>
<td>Covington</td>
<td>296</td>
<td>Continental Properties</td>
</tr>
<tr>
<td>The Lofts at Canterbury</td>
<td>Slidell</td>
<td>135</td>
<td>Herman &amp; Kittle</td>
</tr>
</tbody>
</table>

“Big House Design” (Unnamed)  
Covington, LA

- Developer: Dobbins Group (Birmingham, AL)
- 272 Units (Market Rate)
- 1, 2, & 3 Bedroom Units
- Late 2019 Completion
2018 ECONOMIC OUTLOOK & REAL ESTATE FORECAST

Presented by:
PRISCILLA MORSE
Mandeville Branch Manager, Latter & Blum, Inc.

KEY POINTS

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

Market in Transition
Interest Rates
Affordability
Spring Market Inventory
Prices Still Increasing
Population Projections

St. Tammany:
2015 – 288,710
2025 – 395,210

Tangipahoa:
2015 – 116,990
2025 – 126,740

Demand for Labor

MAJOR INDUSTRIES:
Oil & Gas
Construction/Manufacturing
Healthcare - Medical/Hospital
Retail/Restaurants/Hospitality
Education
Government
Housing by the Numbers

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

15,074
Number of Sales

14,858

$3,673,077,000
Volume of Sales

$3,498,051,000

61
Average Days on Market

63

Greater New Orleans Area
Active Listings vs. Sold Listings
CURRENT MARKET PHASE:
Are we in correction or in transition?
GNO REAL ESTATE MARKET
2016 (2 Years Ago)

- **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
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)
Northshore Marketplace
St. Tammany
Tangipahoa

West St. Tammany

Single Family - Active Listings vs. Sold Listings 2004 – 2017
East St. Tammany

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

Tangipahoa Parish

Single Family - Active Listings vs. Sold Listings 2004 – 2017
### Parish Breakdown (2017)

<table>
<thead>
<tr>
<th>Parish</th>
<th># OF SOLD LISTINGS</th>
<th>VOLUME TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany</td>
<td>4,151</td>
<td>$1,037,959</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>1,374</td>
<td>$236,423</td>
</tr>
<tr>
<td>Washington</td>
<td>209</td>
<td>$26,512</td>
</tr>
<tr>
<td>Jefferson</td>
<td>4,203</td>
<td>$914,263</td>
</tr>
<tr>
<td>Orleans</td>
<td>3,548</td>
<td>$1,162,991</td>
</tr>
<tr>
<td>Plaquemines</td>
<td>111</td>
<td>$32,565</td>
</tr>
<tr>
<td>St. Bernard</td>
<td>397</td>
<td>$63,676</td>
</tr>
<tr>
<td>St. Charles</td>
<td>460</td>
<td>$104,869</td>
</tr>
<tr>
<td>St. James</td>
<td>43</td>
<td>$5,615</td>
</tr>
<tr>
<td>St. John the Baptist</td>
<td>404</td>
<td>$61,122</td>
</tr>
</tbody>
</table>

### Key SubMarkets

**MARKETS IN TRANSITION:**
- Mandeville
- Covington
- Slidell
- Ponchatoula
- Hammond
Slidell

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region

2018 Dr. Ivan Miestchovich Economic Outlook & Real Estate Forecast for the Northshore Region

65

Ponchatoula
Hammond

2018 Economic Forecast
FORECAST

- Continued healthy market
- Prices are increasing
- Interest rates increasing
- Steady demand
- Affordability is still a factor
- Continued population increase