THE UNIVERSITY OF NEW ORLEANS

2013 ECONOMIC OUTLOOK & REAL ESTATE FORECAST SEMINAR

MARCH 1, 2013
University Center | UNO Lakefront Campus

Featuring “A Focus on the French Quarter”

Hosted by:
Institute for Economic Development & Real Estate Research & UNO College of Business Administration
## Agenda

### 8:00 – 8:30 AM
Registration & Networking

### 8:30 – 8:45 AM
Welcome & Opening Remarks
- Dr. Peter Fos, President, University of New Orleans
- Dr. John Williams, Interim Dean, College of Business Administration

### 8:45 – 9:30 AM
Economy & Tourism/Hospitality Outlook Panel
- **Moderator**: Dr. Ivan J. Miestchovich, Jr., Director UNO Institute for Economic Development & Real Estate Research
- **National/Regional**
  - Dr. Janet Speyrer, Associate Dean for Research, UNO College of Business Administration

### 9:35 – 10:15 AM
Focus on the French Quarter Panel
- **Moderator**: Dr. Ivan J. Miestchovich, Jr., Director UNO Institute for Economic Development & Real Estate Research
- **Residential & Commercial Trends**
  - Geoff Lutz, Tulane University
  - Michael Wilkinson, Owner/Agent French Quarter Realty

### 10:15 – 10:30 AM
Break

### 10:30 AM – 12:30 PM
Real Estate Panels
- **Moderator**: Dr. Ivan J. Miestchovich, Jr., Director UNO Institute for Economic Development & Real Estate Research

#### Commercial Real Estate Panel
- **Office**
  - Dr. Ivan J. Miestchovich, Jr., Director UNO Institute for Economic Development & Real Estate Research
  - Chris Abadie, Vice President & Manager of Commercial Brokerage, Stirling Properties

#### Residential Real Estate Panel
- **Single Family**
  - Richard Haase, President, Latter & Blum, Inc.
- **Apartment**
  - Larry Schedler, President, Larry G. Schedler & Associates
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<td></td>
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<td>Back Cover</td>
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</table>
Dr. Peter Fos, President, the University of New Orleans

Peter J. Fos became the sixth leader and the first president in the history of the University of New Orleans in January 2012. A UNO graduate and New Orleans native, President Fos has extensive experience as an administrator and faculty member with a proven record of conducting research, fundraising, developing collaborative relationships with other academic institutions, and implementing institutional effectiveness and student success programs.

Prior to being selected as UNO’s president, President Fos was a professor and program director of health policy and systems management at Louisiana State University Health Sciences Center. He was responsible for the academic aspects of the program, including curriculum development and assessment and student and faculty professional development.

President Fos previously spent three years as provost and executive vice president at The University of Texas at Tyler. As provost he was responsible for undergraduate and graduate programs, sponsored research, assessment and institutional effectiveness, academic success program, international education, the honors program and the university registrar. In addition, he oversaw five academic colleges, the graduate school, the Robert R. Muntz Library, and the Palestine and Longview campuses. President Fos held the Sam A. Lindsey Endowed Chair, awarded to a recognized scholar in an academic discipline that is of strategic importance to the university.

Prior to that, President Fos served as dean of the College of Health at The University of Southern Mississippi for four years. At Southern Miss, he was responsible for undergraduate and graduate programs for 3,000 students in seven departments and schools. Before his tenure at Southern Miss, President Fos also held the position of chief science officer at the Mississippi State Department of Health.

President Fos has held faculty positions at the University of Nevada, Las Vegas School of Dental Medicine, where he served as chair of the Department of Clinical Sciences, and Tulane University School of Public Health and Tropical Medicine. He spent 17 years at Tulane University in the Department of Health Systems Management, and served as assistant dean for undergraduate relations.

President Fos received his undergraduate degree in biological sciences at UNO, a doctor of dental surgery at LSU Health Sciences Center, and a master of public health and doctor of philosophy in health care decision analysis at Tulane University. He is married to Lori, who is also a UNO graduate.

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

Dr. John A. Williams became Interim Dean of the College of Business Administration at the University of New Orleans in August 2010. Dr. Williams worked in the hospitality industry for seventeen years managing both chain restaurants and independent restaurants that included a Mobile Guide four-star restaurant. He holds a Ph.D., Master of Science, Bachelors, and Associates Degree, all from the Pennsylvania State University. Prior to joining the University of New Orleans as Director of the Lester E. Kabacoff School of Hotel, Restaurant and Tourism Administration, Dr. Williams served as Director of the Department of Hotel, Restaurant, Institution Management & Dietetics at Kansas State University and as the Coordinator of the Undergraduate Program at Virginia Tech.
Dr. Ivan Miestchovich, Jr., Director, Institute for Economic Development and Real Estate Research, University of New Orleans

Dr. Ivan Miestchovich, Jr., Director of the Institute for Economic Development & Real Estate Research and an Associate Professor of Finance, authored or co-authored numerous research monographs focusing on housing and neighborhood redevelopment, business and industrial and port development, economic development strategic planning and commercial revitalization. He is the author of the Metropolitan New Orleans Real Estate Market Analysis and Northshore Region Real Estate Market Analysis and has assisted local communities, regional and state organizations throughout Louisiana to formulate economic development strategies. Dr. Miestchovich is very active in the business community and serves on the Board of Directors of the Bank of New Orleans and the First Bank & Trust Community Development Corporation and the St. Tammany Economic Development Foundation as well as the Advisory Board of the Capital One Community Renewal Fund, LLC.

Dr. Janet Speyrer, Associate Dean for Research, UNO College of Business Administration

Janet Speyrer is Professor of Economics and Associate Dean for Research of the College of Business Administration at the University of New Orleans. She holds a Ph.D. and an M.A in Economics from Johns Hopkins University and a B.A. in Mathematics and Economics from Rice University. Dr. Speyrer has served on the faculty of Tulane University and on the staff of the Office of Tax Analysis at the U.S. Treasury Department, where she participated in the development and evaluation of tax policy. Dr. Speyrer directs the Division of Business and Economic Research (DBER). The DBER's sophisticated quarterly forecasting model of employment by sector and other local indicators for the New Orleans metropolitan area are published in the Metropolitan Report: Economic Indicators for the New Orleans Area. Dr. Speyrer has published many articles, both academic and applied, in nationally recognized journals. The DBER and faculty from the Lester E. Kabacoff School of Hotel, Restaurant, and Tourism Administration at UNO, conduct a number of hospitality and tourism research studies. She has worked with local and state government leaders on a number of issues and has conducted a variety of economic impact studies. Local, national and international media representatives regularly consult with Dr. Speyrer.

Michael Wilkinson, Owner/Agent, French Quarter Realty

A leading French Quarter Real Estate Agent with over 28 years experience in the business. He has been a resident of the French Quarter for over 30 years and specializes in historic properties. In 1990 and 1995 he received the Top Sales Award from the New Orleans Metropolitan Association of Realtors. Michael Wilkinson is very familiar with the unique characteristics of New Orleans historic buildings and neighborhoods. He is also very involved in his neighborhood and served as President of the Lower Quarter Crime Watch for four years. In 1996 he was given the Silver Spoon Award for Community Involvement, and also received an Iberville Award for community leadership. His experience and integrity have made him one of the leading Realtors in the city of New Orleans, and especially in the French Quarter.

G. Geoffrey Lutz, Tulane University

Geoffrey is a Louisiana Certified Residential Real Estate Appraiser and Real Estate Broker. He is a Tulane graduate, with degrees in Mathematics, German and Business and is currently an adjunct professor at Tulane teaching courses in real estate, management and small business and was the recipient of the John Dyer Award for Teaching Excellence in 2000. As a real estate developer he completed projects worth over $75 million including warehouse and apartment complex redevelopments, a boutique hotel conversion and a condominium conversion. Geoff has served on the boards of The Green Project and The Economics Institute and is currently serving on the board of marketumbrella.org.
Chris Abadie, Vice President and Manager of Commercial Brokerage, Stirling Properties

As Vice President and Manager of the Commercial Brokerage Division, Mr. Abadie is responsible for overseeing all aspects of commercial operations throughout each of Stirling Properties' brokerage offices. His focus includes directing sales efforts, new business development, recruitment and training of new agents. Previously, he served 11 years as a Sales and Leasing Executive with Stirling Properties where he brokered transactions, including Retail Tenant and Landlord Representation, Investment Sales, Office Leasing and Industrial Leasing and Sales, in both the State of Louisiana and Mississippi. Since joining Stirling Properties in 2001, Mr. Abadie has been an active member in the International Council of Shopping Centers, the Louisiana Chapter of Certified Commercial Investment Members and the Commercial Investment Division of the New Orleans Metropolitan Association of Realtors. Mr. Abadie is also an active member of the Retail Brokers Network (RBN), serving as a member of the National Executive Committee, as well as representing Stirling on the Southeast Region and Anchor Tenant Councils. Mr. Abadie is a graduate of Nicholls State University with a Bachelor's Degree in Business Administration with an emphasis on Marketing.

Gerard Henry, Vice President and Principal, Max Derbes, Inc.

Gerard began his real estate career in 1990 shortly after graduating with a degree in economics from Louisiana State University. Since that time, he has transacted over 1,000 sales and leases in the office and industrial market valued in excess of $200,000,000 and has been recipient of numerous top awards from the Commercial Investment Division of the New Orleans Metropolitan Association of Realtors (NOMAR). A partial list of his client representation include: Federal Express, Proctor and Gamble, Alcoa, Crescent Crown Distribution, Petroleum Helicopters, Owens and Minor, Humana Healthcare, Americare, Bank of New Orleans, LaFarge Industries, Johnson Controls, The Folger Coffee Company, Sazerac Company, Trane Industries, W. P. Carey and Co., The Besthoff Family Interests and Marrero Land and Improvement, Ltd. In addition to client representation, Gerard frequently offers consulting services to local and national lending institutions, attorneys, developers and property owners throughout the state.

Richard Haase, President, Latter & Blum, Inc.

A 33 year veteran of the real estate industry Rick has held Senior Leadership positions for over 23 years. Rick brings a wide breadth of Real Estate leadership experience and is responsible for the identification, prioritization and implementation of key strategic issues surrounding the operations of Latter and Blum. Most recently Rick served as General Manager of Prudential Gardner, Realtors. Rick is an expert and frequent lecturer at programs dealing with brokerage leadership and management, strategic planning, management training and development as well as organizational development. He is a graduate of the Gestalt Institute’s Organization Systems Development program. He holds numerous real estate industry designations.

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

Larry Schedler has been exclusively representing buyers and sellers of apartment communities for more than 27 years and has successfully handled the sale of more than 30,000 multi-family units. Schedler formed Larry G. Schedler & Associates, Inc. in April 2000. This “boutique” firm specializes exclusively in the representation of buyers and sellers of multi-family properties. 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) and with the various HUD/FHA financing programs.
New Orleans Economic Outlook

Janet F. Speyrer, Ph.D.
Associate Dean for Research
College of Business Administration
The University of New Orleans

March 1, 2013

Percent Change in Real U.S. GDP

Source: GSU Economic Forecasting Center
Initial Unemployment Claims
New Orleans Metro vs. US (Monthly)

Indexed to 1999 normal levels
*Seasonally adjusted
Per Capita Personal Income
New Orleans Metro vs. US

<table>
<thead>
<tr>
<th>Year</th>
<th>New Orleans Metro*</th>
<th>US</th>
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<tbody>
<tr>
<td>1990</td>
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<tr>
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<td>2012</td>
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<tr>
<td>2014</td>
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</tbody>
</table>

*Revised to show 2010 Census population figures
Source: Bureau of Economic Analysis, DBER

N. O. Area Average Weekly Wage

<table>
<thead>
<tr>
<th>Year</th>
<th>Q2</th>
<th>Q4</th>
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<tbody>
<tr>
<td>2005</td>
<td>660</td>
<td>857</td>
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<tr>
<td>2006</td>
<td>787</td>
<td>858</td>
</tr>
<tr>
<td>2007</td>
<td>798</td>
<td>881</td>
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<tr>
<td>2008</td>
<td>833</td>
<td>921</td>
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<tr>
<td>2009</td>
<td>835</td>
<td>932</td>
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<tr>
<td>2010</td>
<td>854</td>
<td>962</td>
</tr>
<tr>
<td>2011</td>
<td>875</td>
<td>937</td>
</tr>
<tr>
<td>2012</td>
<td>868</td>
<td></td>
</tr>
</tbody>
</table>

Includes 8 parish area: New Orleans Metro plus St. James parish
Source: Louisiana Workforce Commission
Foreclosures per Household
New Orleans Metro vs. US

Percentage

2007 Avg 2008 Q4 2009 Q4 2010 Q4 2011 Q4 2012 Q4

New Orleans Metro US

Source: RealtyTrac

Bankruptcies per Capita
Eastern District of LA vs. US (Quarterly)

Percentage


East District LA US

For 2011 per capita figures, the 2010 population estimates were used

Source: Eastern District Court of Louisiana, American Bankruptcy Institute
N. O. Metro Total Employment (Quarterly)


New Orleans Jobs by Industry (% pre-Katrina)


New Orleans Metro  US

-16% -12% -8% -4% 0% 4% 8% 12%


N. O. Metro Construction Activity
Per Month

Source: McGraw Hill Construction, Dodge
Total Tonnage Moving Through the Port of New Orleans

![Graph showing total tonnage moving through the Port of New Orleans from 1989-2011. The graph includes data for exports and imports.]

Source: Port of New Orleans

Crude Oil and Natural Gas Prices

![Graph showing crude oil and natural gas prices from January 2002 to January 2013. The graph includes data for oil and gas prices.]

Source: Georgia State University
## The Ten Most Regressive State And Local Tax Systems

<table>
<thead>
<tr>
<th>State</th>
<th>Poorest 20%</th>
<th>Middle 60%</th>
<th>Top 1%</th>
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<tbody>
<tr>
<td>Washington</td>
<td>16.9%</td>
<td>10.5%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Florida</td>
<td>13.2%</td>
<td>8.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>11.6%</td>
<td>8.2%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Illinois</td>
<td>13.8%</td>
<td>11.1%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Texas</td>
<td>12.6%</td>
<td>8.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>11.2%</td>
<td>8.6%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Arizona</td>
<td>12.9%</td>
<td>9.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>12.0%</td>
<td>9.8%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Indiana</td>
<td>12.3%</td>
<td>10.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Alabama</td>
<td>10.2%</td>
<td>9.4%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Louisiana</td>
<td><strong>10.6%</strong></td>
<td><strong>9.9%</strong></td>
<td><strong>4.6%</strong></td>
</tr>
</tbody>
</table>

And...

Source: Institute on Taxation & Economic Policy, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, January 2013"

Note: Total taxes as a percentage of income are post-federal offset

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## State and Local Tax as a Percentage of Family Income

[Graph showing tax rates for different income brackets for Louisiana, Texas, and Florida.]

Source: Institute on Taxation & Economic Policy & OBER graphs, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, January 2013"
Sales and Excise Tax as a % of Family Income

Source: Institute on Taxation & Economic Policy & OBER graphs, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, January 2013"

Property Tax as a Percent of family income

Source: Institute on Taxation & Economic Policy & OBER graphs, "Who Pays? A Distributional Analysis of the Tax Systems in All 50 States, January 2013"
Hospitality & Tourism Industry Outlook

John A. Williams, Ph.D.
Interim Dean
The College of Business Administration
Director
The Lester E. Kabacoff School of Hotel, Restaurant and
Tourism Administration
March 1, 2013

Hotel Sales Jefferson and Orleans
($Millions/Monthly Average)

Source: Louisiana Department of Revenue, Superdome Tax
Convention Roomnights
(Thousands/Monthly Average)

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<td>87</td>
<td>98</td>
<td>97</td>
<td>91</td>
<td>110</td>
<td>109</td>
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Source: NOCVB

Average Booking Window
(In Months)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<tr>
<td>Value</td>
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<td>39</td>
<td>36</td>
<td>38</td>
<td>47</td>
<td>46</td>
<td>38</td>
<td>58</td>
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</tbody>
</table>

Source: NOCVB
Hotel Room Rate
(In dollars/Annual Average)

Source: Smith Travel Research

Hotel Occupancy Rate
(Percent/Annual Average)

Source: Smith Travel Research
Hotel Room Supply
(Annual Average)

Source: Smith Travel Research

Casino Revenues
($Millions/Monthly Average)

Source: Louisiana State Police
Leisure and Hospitality Employment
(Jobs in Thousands/Annual Average)

Employment
(Jobs in Thousands/Annual Average)

Source: Bureau of Labor Statistics
Thank you
French Quarter
Condominium Market Trends

The overall results for the past several years reflect units of all sizes and condition.

G. Geoffrey Lutz
French Quarter Condominium Market Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Sold (Units)</th>
<th>Sold (Average)</th>
<th>Sold (Size)</th>
<th>Shift</th>
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<tbody>
<tr>
<td>1997</td>
<td>55</td>
<td>143,969</td>
<td>650</td>
<td>150,38</td>
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<td>1998</td>
<td>62</td>
<td>138,729</td>
<td>615</td>
<td>165,31</td>
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<tr>
<td>1999</td>
<td>103</td>
<td>139,399</td>
<td>647</td>
<td>160,84</td>
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<td>2000</td>
<td>131</td>
<td>161,319</td>
<td>785</td>
<td>200,29</td>
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<td>2001</td>
<td>109</td>
<td>160,842</td>
<td>760</td>
<td>222,75</td>
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<td>2002</td>
<td>109</td>
<td>186,056</td>
<td>832</td>
<td>246,15</td>
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<td>2003</td>
<td>139</td>
<td>210,940</td>
<td>891</td>
<td>244,99</td>
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<td>2004</td>
<td>118</td>
<td>237,748</td>
<td>984</td>
<td>350,79</td>
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<td>2005</td>
<td>94</td>
<td>292,155</td>
<td>1035</td>
<td>395,98</td>
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<td>2006</td>
<td>90</td>
<td>295,736</td>
<td>1078</td>
<td>368,07</td>
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<td>2007</td>
<td>99</td>
<td>289,828</td>
<td>1029</td>
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<td>2008</td>
<td>86</td>
<td>316,463</td>
<td>1037</td>
<td>382,29</td>
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<td>2009</td>
<td>69</td>
<td>256,419</td>
<td>982</td>
<td>356,67</td>
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<tr>
<td>2010</td>
<td>63</td>
<td>273,876</td>
<td>1050</td>
<td>387,46</td>
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<tr>
<td>2011</td>
<td>73</td>
<td>238,586</td>
<td>1032</td>
<td>357,00</td>
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<tr>
<td>2012</td>
<td>104</td>
<td>284,912</td>
<td>1040</td>
<td>384,51</td>
</tr>
</tbody>
</table>

The 2012 data indicate continued recovery in all measures of the French Quarter condo market. Sales volume by unit is up 41% and dollar volume is up by more than 75%, at just under $30 million for the year. Unit sales are at the highest level since before Katrina with the largest average unit size since before the storm. The average price per unit is up more than 50% to pre-recession levels along with increasing price per square foot.

The sales to list increased to 24% and average days on the market rose to 108 days from 114 days, as that monthly inventory has been absorbed and demand is causing prices to decline.

As of 3/2013, MLS data showed 99 active listings, down 40% from 166 at the end of 2011. This is just over 6 months of inventory at current levels, continuing the decline in inventory from recession levels. The average asking price is fairly robust at $456,023, 10% above the market, with a price point of $426,271 SF, or just over 16% above market. This reflects the average size of these listings at 1,294 SF, well above even the historically large average size of units sold. There were 13 units under contract at an average size of 962 SF and average list price of $295,377, or 74% above market.

G. Geoffrey Lutz
4528 Ist, New Orleans, LA 70119
glutz@glutz.com

CBD/Warehouse District Condominium Market Trends

The overall results for the past several years reflect units of all sizes and condition.

G. Geoffrey Lutz
CBD/Warehouse District
Condominium Market Trends

Year | $ Sold (000) | Units Sold | Avg. ($000) | Size | $SF
--- | --- | --- | --- | --- | ---
1997 | 53,952 | 44 | 1,469 | 1,963 | 97.65
1998 | 71,583 | 41 | 1,745 | 1,665 | 146.87
1999 | 119,459 | 52 | 2,264 | 2,204 | 166.35
2000 | 195,912 | 77 | 2,386 | 2,260 | 165.68
2001 | 148,607 | 72 | 2,386 | 1,567 | 194.89
2002 | 209,520 | 100 | 2,386 | 1,116 | 167.64
2003 | 353,467 | 163 | 2,386 | 1,116 | 167.64
2004 | 483,364 | 203 | 2,386 | 1,116 | 167.64
2005 | 502,156 | 240 | 2,386 | 1,116 | 167.64
2006 | 88,105 | 247 | 2,386 | 1,116 | 167.64
2007 | 521,476 | 179 | 2,386 | 1,116 | 167.64
2008 | 368,983 | 148 | 2,386 | 1,116 | 167.64
2009 | 359,304 | 111 | 2,386 | 1,116 | 167.64
2010 | 384,150 | 107 | 2,386 | 1,116 | 167.64
2011 | 309,205 | 107 | 2,386 | 1,116 | 167.64
2012 | 127,600 | 106 | 2,386 | 1,116 | 167.64

EDY 2012 data indicate continued strong volume with rising price per SF in the CBD/Warehouse District condominium market. Dollar and unit volumes are up by 56% and 49%, respectively, while the price per square foot is at its highest level ever. The average sales price is up in second-tier cities, up more than 1% to just over $330,000 as the size of the average unit sold rose to the highest level in a decade.

Sales to list price was a healthy 95.5% and units sold after an average of 72 days on market.

As of 2013, MLS data showed just 25 active listings, or just over 57 days of inventory. The average list price was $440,000, or almost 36% above the market average, mostly due to larger size. Sales and inventory levels should prompt new development as long as the production cost allows a comfortable profit margin.

There were 246 units under contract with an average list price of $330,205 for a 1,100 square foot unit.

This is $304.19 per square foot, or just 0% above market and almost equal to the average listing price per SF for the units sold in 2013. With little in the way of new product in the pipeline, prices may rise for some time to come.

Marigny
Condominium Market Trends

The overall results for the past several years reflect units of all sizes and conditions.

G. Geoffrey Lutz

---

2013 Economic Outlook & Real Estate Forecast for New Orleans
23
Marigny
Condominium Market Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Sold (00,000)</th>
<th>Units Sold</th>
<th>Avg. (#)</th>
<th>Size S/Ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>21,223.00</td>
<td>11</td>
<td>192.94</td>
<td>775</td>
</tr>
<tr>
<td>2006</td>
<td>70,702.00</td>
<td>38</td>
<td>260.67</td>
<td>251.56</td>
</tr>
<tr>
<td>2007</td>
<td>25,602.40</td>
<td>14</td>
<td>184.64</td>
<td>216.77</td>
</tr>
<tr>
<td>2008</td>
<td>25,602.00</td>
<td>13</td>
<td>196.69</td>
<td>359.57</td>
</tr>
<tr>
<td>2009</td>
<td>22,495.00</td>
<td>13</td>
<td>176.23</td>
<td>236.11</td>
</tr>
<tr>
<td>2010</td>
<td>23,509.00</td>
<td>15</td>
<td>165.53</td>
<td>238.70</td>
</tr>
<tr>
<td>2011</td>
<td>36,600.00</td>
<td>21</td>
<td>173.62</td>
<td>233.39</td>
</tr>
<tr>
<td>2012</td>
<td>25,623.00</td>
<td>13</td>
<td>196.64</td>
<td>224.28</td>
</tr>
</tbody>
</table>

EOY 2012 data indicate a continued fall in price per S/F as higher sales prices reflect larger units. Outper sale volume is down from the previous year, seemingly reversing the trend. The sales to list price was 96.4% vs. 96.9% in 2011 and average days on the market fell to 110 days so the limited inventory (about 7 months) is continuing to sell through.

The Marigny market suffers from a lack of product. MLS data as of 2/22/13 show just 8 active listings and a further 5 units under contract. The average list price is $222,413, well above the average sales price, while the units currently under contract are listed slightly nearer the average sales price at $218,760 for 901 S/F, or $269.23 / S/F.
Office Market
New Orleans Metro

Dr. Ivan Miestchovich, Jr., Director
Institute for Economic Development & Real Estate Research

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre K '05</th>
<th>Post K '05</th>
<th>Ave Rent (in $)</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$14.25</td>
<td>$14.50</td>
<td>$14.75</td>
<td>70.0%</td>
</tr>
<tr>
<td>2005</td>
<td>$15.00</td>
<td>$15.25</td>
<td>$15.50</td>
<td>75.0%</td>
</tr>
<tr>
<td>2006</td>
<td>$15.75</td>
<td>$16.00</td>
<td>$16.25</td>
<td>80.0%</td>
</tr>
<tr>
<td>2007</td>
<td>$16.25</td>
<td>$16.50</td>
<td>$16.75</td>
<td>85.0%</td>
</tr>
<tr>
<td>2008</td>
<td>$16.75</td>
<td>$17.00</td>
<td>$17.25</td>
<td>90.0%</td>
</tr>
<tr>
<td>2009</td>
<td>$17.25</td>
<td>$17.50</td>
<td>$17.75</td>
<td>95.0%</td>
</tr>
<tr>
<td>2010</td>
<td>$17.75</td>
<td>$18.00</td>
<td>$18.25</td>
<td>100.0%</td>
</tr>
<tr>
<td>2011</td>
<td>$18.25</td>
<td>$18.50</td>
<td>$18.75</td>
<td>95.0%</td>
</tr>
<tr>
<td>2012</td>
<td>$18.75</td>
<td>$19.00</td>
<td>$19.25</td>
<td>90.0%</td>
</tr>
</tbody>
</table>

Office Average Rent & Occupancy
Metro – 2004 to 2012
Office Average Rent & Occupancy
Orleans Parish – 2004 to 2012

CBD Class A Skyline

- Current Class A Inventory: 9.7 million SF in 16 buildings
- 61% completed between 1980 and 1985
- Last addition (now Benson Tower) in 1989
Comparative Occupancy Rate Trends
Class B and C Buildings
Orleans Parish – 2010 to 2012

Office Average Rent & Occupancy
Jefferson Parish – 2004 to 2012

2013 Economic Outlook & Real Estate Forecast for New Orleans
Comparative Occupancy Rate Trends
Class B and C Buildings
Jefferson Parish – 2010 to 2012

Office Average Rent & Occupancy
St. Tammany Parish – 2004 to 2012
Outlook: Opportunities & Challenges Going Forward

- Sustained Economic and Job Growth
  - Key Demand Driver
- New and Expanding Business
  - Entrepreneurial Start-ups
  - Information/Digital Technology
  - BioMedical/Health Sciences
  - “New” Energy-Related Activities
  - Coastal Restoration and Water Management
- Refilling Vacated B and C Buildings
  - Not at Nexus of Creative Nourishment
  - Attractive Rents and Concessions to Offset

Outlook: Opportunities & Challenges Going Forward

- Monkey Wrenches in the Works
  - Sputtering US Economy
- Mugging Business Growth – Costs, Burdens and Risks of Regulation
  - Affordable Care Act
  - Wall Street Reform Act (Dodd-Frank)
  - Executive Order (Environmental, Energy, Etc.)
- Silver Lining of Sorts
  - Armies of New Regulators
  - Office Space Demand
Outlook: Opportunities & Challenges Going Forward

• Technology and How It Affects Space Needs and Use
  • Hoteling, Shared Space, Etc.
• Collaborative Office Consumption
  • Short-term Sub-leases
• Net Effect: Less SF/Office Worker =
  • More Jobs Needed to Fill Vacant Space
2013 Retail Market Outlook

Economic Outlook & Real Estate Forecast for Greater New Orleans

March 1, 2013

Chris Abadie, CCIM
Vice President & Manager of Commercial Brokerage

National Retail Trends

• Online sales
  – Marketplace Fairness Act of 2013
  – Distribution
• On-site retail technology
• Contraction of store footprint
  – Potential for subleasing space
National Retail Trends

• High-end retailers gaining traction
• Value-oriented retailers continue to perform
• More store openings in 2013
  – More conservative philosophy

Local Retail Trends

• Urban Development / Redevelopment
  – Downtown & Warehouse District
  – Street Retail & Walkability
  – Infrastructure Improvements
• Traditional Retail Penetrates NOLA
  – Big Box, Groceries, Junior Anchors, Outlets
• Mixed-use
Local Retail Trends

- Continued Suburban Development Activity
  - Beating National trend
- New Orleans still loves food!
  - Growth of restaurant industry
  - National & regional chains break into NOLA
  - Pop-up restaurants

New Retail Developments
New Orleans Metro
The Fresh Market
St. Charles & Louisiana Avenues, New Orleans

Walgreens
5518 Magazine Street, New Orleans
OPENING 2013:

Mid-City Market
N. Carrollton Ave. & Bienville St., New Orleans

Westgate Plaza
Veterans near Power Boulevard, Metairie
Elmwood Center Expansion
S. Clearview Parkway, Harahan

OPENING 2013:
DSW
DESIGNER SHOE WAREHOUSE
Frock Candy
FIVE GUYS
BURGERS and FRIES

River Chase & Colonial Pinnacle Nord du Lac
Interstate 12 and LA 21, Covington
Retail Developments - Breaking Ground in 2013
New Orleans Metro

Costco
Interstate 10 & Carrollton Ave., New Orleans

Walmart (Gentilly Woods)
Walmart (Bullard)
The Outlet Collection at Riverwalk
Costco
Whole Foods
Magnolia Marketplace
2 Planned Walmart Locations
Gentilly Woods & Bullard Ave., New Orleans

Former Gentilly Woods S/C
Open by Mid-2014
118,000 SF

I-10 & Bullard Ave
Open by Early 2014
187,500 SF

Magnolia Marketplace
S. Claiborne & Toledano Avenues, New Orleans
The Outlet Collection at Riverwalk
500 Port of New Orleans Place, New Orleans

Whole Foods – 2nd NOLA Location
Broad & Bierville Streets, New Orleans
What’s on the Horizon?

- City of New Orleans
  - Urban Infill – Downtown, Mid-City, Bywater
  - Jazzland Outlet Center – Wildcard
- Metro
  - Continued suburban stability and growth
  - Retailers considering the market for the first time
- National
  - Long-term Uncertainty = New Normal
INDUSTRIAL MARKET OVERVIEW

2013 UNO Economic Outlook
And Real Estate Forecast
Industrial Market Overview

Gerard E. Henry, SIOR
Vice President
Max J. Derbes, Inc.

INDUSTRIAL MARKET OVERVIEW

NATIONAL INDUSTRIAL REAL
ESTATE TRENDS
INDUSTRIAL MARKET OVERVIEW

E-commerce trade continues to grow. As a result, distribution centers in strategic markets are seeing lower vacancy rates and some new development. i.e. Amazon, Overstock, etc.

INDUSTRIAL MARKET OVERVIEW

E-commerce is driven by the need for faster delivery times directly to the consumer.

A key player in household delivery is FedEx Ground which realized a 43% increase in shareholder dividends from 2011.
INDUSTRIAL MARKET OVERVIEW

Hottest national industrial market is San Francisco with rents rising by 34%, followed by Los Angeles at 30%, Miami at 28%, and Houston at 25%.

All are major port cities.

REGIONAL INDUSTRIAL REAL ESTATE TRENDS
INDUSTRIAL MARKET OVERVIEW

Our regional industrial market experienced slower growth than other markets.

A bright spot for Louisiana has been incentive packages which have succeeded in bringing in several large corporations to the state.

INDUSTRIAL MARKET OVERVIEW

Of particular note is the $700 million Mosaic Ammonia Plant in St. James Parish, which will nearly triple its existing Faustina Plant production.
INDUSTRIAL MARKET OVERVIEW

And the $2.2 billion Magnolia LNG plant project at the Port of Lake Charles

INDUSTRIAL MARKET OVERVIEW

The widening of the Panama Canal may have future impacts on S. Louisiana Ports
The largest vessels will carry as many as 13,200 containers, at least doubling the current weight of bulk cargo.
INDUSTRIAL MARKET OVERVIEW

Local real estate markets have not paralleled national trends

Rental rates have remained static for the last 12 months

<table>
<thead>
<tr>
<th>SUBMARKET</th>
<th>WAREHOUSE (S. F.)</th>
<th>SERVICE CENTER (S. F.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Charles/John</td>
<td>$4.00-$5.50</td>
<td>$6.00-$10.00</td>
</tr>
<tr>
<td>Kenner</td>
<td>$3.00-$5.50</td>
<td>N/A</td>
</tr>
<tr>
<td>Elmwood/Labarre</td>
<td>$3.00-$6.00</td>
<td>$6.50-$9.00</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$2.50-$4.00</td>
<td>N/A</td>
</tr>
<tr>
<td>N. O. East</td>
<td>$2.25-$3.25</td>
<td>N/A</td>
</tr>
<tr>
<td>West Bank</td>
<td>$2.50-$4.50</td>
<td>N/A</td>
</tr>
</tbody>
</table>

INDUSTRIAL MARKET OVERVIEW

Quality investment real estate is difficult to obtain. Investors are buying vacant or partially vacant buildings and creating value over holding periods of 12 - 24 months.
INDUSTRIAL MARKET OVERVIEW

Incoming metals have little or no place to be stored due to lack of heavy floor load capabilities of remaining buildings in this market

INDUSTRIAL MARKET OVERVIEW

Very little viable land remains on the south shore; Elmwood is nearly 100% improved
INDUSTRIAL MARKET OVERVIEW

Widening of Huey P. Long Bridge greatly improves access to the Westbank. Currently, there has not been a major impact on Westbank markets due to bridge improvements.

INDUSTRIAL MARKET OVERVIEW

LEED is a national trend, but has had little impact in the local industrial market.
INDUSTRIAL MARKET OVERVIEW

The Besthoff Family developed a 40,000 s. f. speculative building in 2012, the first spec building since its 901 LaBarre Road development in 2005.

Links to further readings and analysis on the preceding information may be found on our website:

www.maxderbes.com/news/uno
So...how is the housing market doing?
“...I think that it is an attractive investment as you can make...”

Warren Buffett
New Orleans, Louisiana Home Rent-to-Mortgage Payment Ratio - 1.21

The New Orleans Median Income Can Now Afford $247,250.00
Greater New Orleans Area

Single Family - Active Listings vs. Sold Listings

1989 thru 2012 FOURTH QUARTER

Source: LATTER & BLUM Research Division

Numbers are in hundreds for existing residential property only.

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Greater Baton Rouge Area

Single Family - Active Listings vs. Sold Listings

1989 thru 2012 FOURTH QUARTER

Source: LATTER & BLUM Research Division

Numbers are in hundreds for existing residential property only.

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**Mississippi Gulf Coast**

Single Family - Active Listings vs. Sold Listings
1989 thru 2011 FOURTH QUARTER

Source: LATTER & BLUM Research Division

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**Typical Phases of Real Estate Market**

- **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
## Greater New Orleans

### This Year

![Bar Chart](chart.png)

Source: LATTER & BLUM Research Division

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### Current vs. Previous Month

<table>
<thead>
<tr>
<th></th>
<th>Jan. 13</th>
<th>Dec. 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Sale</td>
<td>7045</td>
<td>7127</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Sold</td>
<td>781</td>
<td>1013</td>
<td>-22.9%</td>
</tr>
<tr>
<td>Pended</td>
<td>1183</td>
<td>878</td>
<td>34.7%</td>
</tr>
</tbody>
</table>

### Current vs. Same Month 1 Year Ago

<table>
<thead>
<tr>
<th></th>
<th>Jan. 13</th>
<th>Dec. 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Sale</td>
<td>7045</td>
<td>8689</td>
<td>-18.9%</td>
</tr>
<tr>
<td>Sold</td>
<td>781</td>
<td>746</td>
<td>4.7%</td>
</tr>
<tr>
<td>Pended</td>
<td>1183</td>
<td>1027</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

### Current vs. Same Qtr 1 Year Ago

<table>
<thead>
<tr>
<th></th>
<th>Nov. 12 to Jan. 13</th>
<th>Nov. 11 to Jan. 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Sale</td>
<td>7241</td>
<td>89.6</td>
<td>-18.7%</td>
</tr>
<tr>
<td>Sold</td>
<td>945</td>
<td>862</td>
<td>12.2%</td>
</tr>
<tr>
<td>Pended</td>
<td>1016</td>
<td>918</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

Source: LATTER & BLUM Research Division

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### Greater New Orleans

<table>
<thead>
<tr>
<th>Unit Sales</th>
<th>Median Price</th>
<th>Inventory in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>2013</td>
<td>2012</td>
<td>Change</td>
</tr>
<tr>
<td>945</td>
<td>842</td>
<td>12.2%↑</td>
</tr>
</tbody>
</table>

#### 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

### Uptown / Garden District

<table>
<thead>
<tr>
<th>Unit Sales</th>
<th>Median Price</th>
<th>Inventory in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>2013</td>
<td>2012</td>
<td>Change</td>
</tr>
<tr>
<td>103</td>
<td>97</td>
<td>6.2%↑</td>
</tr>
</tbody>
</table>

#### 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

Source: LATTER & BLUM Research Division

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### East Jefferson

<table>
<thead>
<tr>
<th>Unit Sales变化</th>
<th>Median Price变化</th>
<th>Inventory in Months变化</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current vs. Same Qtr 1 Year Ago</td>
<td>Current vs. Same Qtr 1 Year Ago</td>
<td>Current vs. Same Qtr 1 Year Ago</td>
</tr>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>164</td>
<td>124</td>
<td>32.3%↑</td>
</tr>
</tbody>
</table>

- **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

Source: LATTER & BLUM Research Division

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### West St. Tammany

<table>
<thead>
<tr>
<th>Unit Sales变化</th>
<th>Median Price变化</th>
<th>Inventory in Months变化</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current vs. Same Qtr 1 Year Ago</td>
<td>Current vs. Same Qtr 1 Year Ago</td>
<td>Current vs. Same Qtr 1 Year Ago</td>
</tr>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>134</td>
<td>123</td>
<td>8.9%↑</td>
</tr>
</tbody>
</table>

- **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

Source: LATTER & BLUM Research Division

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### Westbank

<table>
<thead>
<tr>
<th>Unit Sales</th>
<th>Median Price</th>
<th>Inventory in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
</tr>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>133</td>
<td>128</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

- **Phase I PEAK**
  - Unit Sales Increasing
  - Prices Increasing
  - Inventory Decreasing

- **Phase II CORRECTION**
  - Unit Sales Decreasing
  - Prices Increasing
  - Inventory Increasing

- **Phase III TROUG**
  - Unit Sales Decreasing
  - Prices Decreasing
  - Inventory Increasing

- **Phase IV RECOVERY**
  - Unit Sales Increasing
  - Prices Decreasing
  - Inventory Decreasing

**Source:** LATTER & BLUM Research Division

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### N.O. East

<table>
<thead>
<tr>
<th>Unit Sales</th>
<th>Median Price</th>
<th>Inventory in Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
<td><strong>Currt vs. Same Qtr 1 Yr Ago</strong></td>
</tr>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>30</td>
<td>23</td>
<td>30.4%</td>
</tr>
</tbody>
</table>

- **Phase I PEAK**
  - Unit Sales Increasing
  - Prices Increasing
  - Inventory Decreasing

- **Phase II CORRECTION**
  - Unit Sales Decreasing
  - Prices Increasing
  - Inventory Increasing

- **Phase III TROUG**
  - Unit Sales Decreasing
  - Prices Decreasing
  - Inventory Increasing

- **Phase IV RECOVERY**
  - Unit Sales Increasing
  - Prices Decreasing
  - Inventory Decreasing

**Source:** LATTER & BLUM Research Division

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.
River Parishes

Unit Sales

<table>
<thead>
<tr>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>53</td>
<td>43</td>
<td>23.3% ▲</td>
</tr>
<tr>
<td>136</td>
<td>138</td>
<td>-1.4% ▼</td>
</tr>
</tbody>
</table>

Median Price

<table>
<thead>
<tr>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>7.2</td>
<td>11.6</td>
<td>-37.7% ▼</td>
</tr>
</tbody>
</table>

Inventory in Months

<table>
<thead>
<tr>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>8</td>
<td>12.1</td>
<td>-33.7% ▼</td>
</tr>
</tbody>
</table>

- **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 ▼

East St. Tammany

Unit Sales

<table>
<thead>
<tr>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 12 to Jan. 13</td>
<td>Nov. 11 to Jan. 12</td>
<td>% Change</td>
</tr>
<tr>
<td>85</td>
<td>73</td>
<td>16.4% ▲</td>
</tr>
<tr>
<td>127</td>
<td>130</td>
<td>-2.3% ▼</td>
</tr>
</tbody>
</table>

Median Price

<table>
<thead>
<tr>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
<th>Currt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
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Inventory in Months

<table>
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<tr>
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</tr>
<tr>
<td>8</td>
<td>12.1</td>
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</tr>
</tbody>
</table>

- **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 – Median Price

New Construction

<table>
<thead>
<tr>
<th></th>
<th>Nov. 12 to Jan. 13</th>
<th>Nov. 11 to Jan. 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currt vs. Same Qtr 1 Yr Ago</td>
<td>194</td>
<td>185</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Resale

<table>
<thead>
<tr>
<th></th>
<th>Nov. 12 to Jan. 13</th>
<th>Nov. 11 to Jan. 12</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currt vs. Same Qtr 1 Yr Ago</td>
<td>158</td>
<td>146</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

$36,000.00 Premium - 23%

Top Expected Influencers 2013

- Consumer Confidence
  - Jobs - “will I have one”
  - Price stability – “will I overpay if I act now”
- Mortgage Interest Rates – For how long?
- Continued burn off of excess inventory
- Mortgage Financing Changes (tightening)
Home Mortgage Financing

1. Shadow inventory (aka distressed sales - (Short sales, pre-foreclosures, foreclosures)
2. Dodd-Frank bill - massive over correction
   1. Over 300 rules many disproportionately & negatively impact LA
   2. Credit scores, loan foreclosures, underwriting standards

THANK YOU

Rick Haase, President
Latter & Blum, Inc.
rhaase@latterblum.com
(504) 251-3757
Metro New Orleans Multi-Family Market
-- An Overview --

UNO Real Estate Market Forecast
March 1, 2013

Metro New Orleans Multi-Family Inventory

<table>
<thead>
<tr>
<th>Location</th>
<th>Percentage</th>
<th>Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenner</td>
<td>10%</td>
<td>4,356</td>
</tr>
<tr>
<td>East Bank Jeff</td>
<td>32%</td>
<td>14,244</td>
</tr>
<tr>
<td>West Bank Jeff</td>
<td>18%</td>
<td>7,810</td>
</tr>
<tr>
<td>Algiers</td>
<td>9%</td>
<td>4,040</td>
</tr>
<tr>
<td>N.O. East</td>
<td>10%</td>
<td>4,358</td>
</tr>
<tr>
<td>East St. Tammany</td>
<td>5%</td>
<td>2,305</td>
</tr>
<tr>
<td>West St. Tammany</td>
<td>7%</td>
<td>3,142</td>
</tr>
<tr>
<td>N.O. Historic Center</td>
<td>9%</td>
<td>3,925</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>44,180</strong></td>
</tr>
</tbody>
</table>

2013 Economic Outlook & Real Estate Forecast for New Orleans
Metro New Orleans
Snapshot– March 2013

Occupancy: 92%
Average Rents: $877
Average Rent/Sq Ft: $1.02

Submarket
Occupancy

<table>
<thead>
<tr>
<th>AREA</th>
<th>Average Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORLEANS</td>
<td></td>
</tr>
<tr>
<td>Historic Center</td>
<td>96%</td>
</tr>
<tr>
<td>New Orleans East</td>
<td>86%</td>
</tr>
<tr>
<td>Algiers</td>
<td>89%</td>
</tr>
<tr>
<td>JEFFERSON</td>
<td></td>
</tr>
<tr>
<td>West Bank - Jefferson Parish</td>
<td>92%</td>
</tr>
<tr>
<td>East Bank - Jefferson Parish</td>
<td>97%</td>
</tr>
<tr>
<td>Kenner</td>
<td>85%</td>
</tr>
<tr>
<td>ST. TAMMANY (East and West)</td>
<td>89%</td>
</tr>
</tbody>
</table>
## Historic Center New Orleans
(CBD, Uptown, Downtown, Mid-City)

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,925</td>
<td>9%</td>
<td>96%</td>
<td>$927 - $1,267</td>
<td>$1,267</td>
<td>175 +</td>
</tr>
</tbody>
</table>

Historic Center New Orleans includes the following neighborhoods: (CBD, Uptown, Downtown, Mid-City)

**Hibernia Building**
Recently Completed

- 175 Units
- Mixed Income/Use
  - 85 Units – Market Rate
  - 55 Units – 80% of median income
  - 36 Units – 60% of median income
- Office Space (Class A)
  - 2 floors
- Retail Space: First Floor
- Capital One
- Developer: HRI Properties, Woodward Interest, LLC
- $57,000,000
- Financing: Combination of new market tax credits, along with historic tax credits, a loan from Capital One and a PILOT (Payment In Lieu of Taxes) for 10 years
- Completion Date: Completed
St. Tammany
(East and West)

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,447</td>
<td>12%</td>
<td>89%</td>
<td>$858 – $1,300</td>
<td>$1,009</td>
<td>0</td>
</tr>
</tbody>
</table>

Brewster Commons Apartments, Covington
Recently Completed

- Luxury Market Rate
- 240 Units
- Developer: Favrot & Shane
- Conventional Financing
- Now Leasing
Brookstone Park Apartments, Covington
Recently Completed

Luxury Market Rate

128 Units (Phase I)
-112 units (Phase II) breaking ground

Developer: PPQ Development

Conventional Financing

-Now Leasing – Phase I

East Bank – Jefferson Parish
(Metairie, Harahan, River Ridge)

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,244</td>
<td>32%</td>
<td>97%</td>
<td>$549 - $1,196</td>
<td>$831</td>
<td>300 units proposed (Elmwood)</td>
</tr>
</tbody>
</table>

Larry G. Schedler, Associates, Inc.
### West Bank – Jefferson Parish
(Gretna, Harvey, Terrytown)

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,810</td>
<td>18%</td>
<td>92%</td>
<td>$593 - $1,045</td>
<td>$816</td>
<td>0</td>
</tr>
</tbody>
</table>

### Kenner – Jefferson Parish

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,356</td>
<td>10%</td>
<td>85%</td>
<td>$573 - $979</td>
<td>$821</td>
<td>0</td>
</tr>
</tbody>
</table>
### New Orleans East

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,358</td>
<td>10%</td>
<td>86%</td>
<td>$647 - $961</td>
<td>$713</td>
<td>0</td>
</tr>
</tbody>
</table>

### Algiers

<table>
<thead>
<tr>
<th># of Units</th>
<th>% of Total</th>
<th>Occupancy</th>
<th>Rental Rate Range</th>
<th>Average Monthly Rent</th>
<th>New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,040</td>
<td>9%</td>
<td>89%</td>
<td>$549 - $967</td>
<td>$698</td>
<td>0</td>
</tr>
</tbody>
</table>
## Multi-Family Sales Activity

<table>
<thead>
<tr>
<th>PARC FONTAINE APARTMENTS</th>
<th>BAYWOOD APARTMENTS</th>
<th>CEDARWOOD APARTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>702 Units</td>
<td>226 Units</td>
<td>226 Units</td>
</tr>
<tr>
<td>$27,500,000</td>
<td>$13,000,000</td>
<td>$10,500,000</td>
</tr>
<tr>
<td>$39,174 / Unit</td>
<td>$57,522 / Unit</td>
<td>$46,460 / Unit</td>
</tr>
<tr>
<td>Algiers, LA</td>
<td>Gretna, LA</td>
<td>Gretna, LA</td>
</tr>
<tr>
<td>Date of sale: December 2012</td>
<td>Date of sale: August 2012</td>
<td>Date of sale: August 2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CARLYLE APARTMENTS</th>
<th>HIDDEN LAKE APARTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>288 Units</td>
<td>421 Units</td>
</tr>
<tr>
<td>$62,760 / Unit</td>
<td>Note Sale</td>
</tr>
<tr>
<td>Gretna, LA</td>
<td>New Orleans, LA</td>
</tr>
<tr>
<td>Date of sale: February 2013</td>
<td></td>
</tr>
</tbody>
</table>
Institute for Economic Development & Real Estate Research

Managing Partner

LATTER & BLUM INC/REALTORS®
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Senior Partners

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Established 1909

Capital One Bank

First NBC
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FAVROT & SHANE Companies, Inc.

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Multifamily Acquisitions and Dispositions

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Jack Stumpf & Associates
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The Park Companies