Historically, housing leads us into the recession and historically, housing leads us out of the recession.
Last Year we looked at where the market was headed?

Let’s check the typical market phases again & compare to where we were last year...
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
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 🔻
### Typical Phases of Real Estate Market

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I PEAK</strong></td>
<td>Unit Sales Increasing ↑ Prices Increasing ↑ Inventory Decreasing ↓</td>
</tr>
<tr>
<td><strong>II CORRECTION</strong></td>
<td>Unit Sales Decreasing ↓ Prices Increasing ↑ Inventory Increasing ↑</td>
</tr>
<tr>
<td><strong>III TROUGH</strong></td>
<td>Unit Sales Decreasing ↓ Prices Decreasing ↓ Inventory Increasing ↑</td>
</tr>
<tr>
<td><strong>IV RECOVERY</strong></td>
<td>Unit Sales Increasing ↑ Prices Decreasing ↓ Inventory Decreasing ↓</td>
</tr>
</tbody>
</table>

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### Residential Markets

**Active Inventory vs. Sold Inventory**
Buyers Market or Sellers Market

Sellers – Under 3 Months
Buyers – Over 6 Months

Source: LATTER & BLUM Research Division

Greater New Orleans Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division

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**Historic Area**
Single Family - Active Listings vs. Sold Listings

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Source: LATTER & BLUM Research Division.

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

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Source: LATTER & BLUM Research Division.
Garden/Uptown Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division.
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Seller’s Market

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

Source: LATTER & BLUM Research Division.
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Kenner Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division.

Ormond Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division.
Laplace Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division.
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Luling Area
Single Family- Active Listings vs. Sold Listings

Source: LATTER & BLUM Research Division.
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NorthShore – East and West

-2.3% in Active Inventory
+33% in Pended Sales vs. last April

Source: LATTER & BLUM Research Division

April 2014 is a Neutral market*

Home For Sale in April 2014: 1549 units.
Home Closed in April 2014: 311 units.
Home Placed under Contract in April 2014: 425 units.

Source: LATTER & BLUM Research Division
**NorthShore – East**

**+7% in Active Inventory**

**+35% in Pended Sales vs. last April**

---

**NorthShore – East**

<table>
<thead>
<tr>
<th></th>
<th>Curnt vs. Prev Month</th>
<th>Curnt vs. Same Month 1 Yr Ago</th>
<th>Curnt vs. Same Qtr 1 Yr Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For Sale</strong></td>
<td>647 632</td>
<td>647 638</td>
<td>637 597</td>
</tr>
<tr>
<td></td>
<td>2.4%</td>
<td>1.4%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Sold</strong></td>
<td>114 79</td>
<td>114 108</td>
<td>89 102</td>
</tr>
<tr>
<td></td>
<td>44%</td>
<td>5.6%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Pend</strong></td>
<td>138 145</td>
<td>138 102</td>
<td>124 101</td>
</tr>
<tr>
<td></td>
<td>-5%</td>
<td>35%</td>
<td>23%</td>
</tr>
</tbody>
</table>

---

*Source: LATTER & BLUM Research Division*
**NorthShore –West**

- **-2.3% in Active Inventory**
- **+33% in Pended Sales vs. last April**

Source: LATTER & BLUM Research Division

### Current vs. Previous Month
<table>
<thead>
<tr>
<th></th>
<th>For Sale</th>
<th>Sold</th>
<th>Pended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 2014</td>
<td>882</td>
<td>192</td>
<td>281</td>
</tr>
<tr>
<td>Mar. 2014</td>
<td>828</td>
<td>142</td>
<td>183</td>
</tr>
<tr>
<td>% Chnge</td>
<td>6.5%</td>
<td>35%</td>
<td>53%</td>
</tr>
</tbody>
</table>

### Current vs. Same Month 1 Yr Ago
<table>
<thead>
<tr>
<th></th>
<th>For Sale</th>
<th>Sold</th>
<th>Pended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr. 2014</td>
<td>882</td>
<td>192</td>
<td>281</td>
</tr>
<tr>
<td>Apr. 13</td>
<td>930</td>
<td>172</td>
<td>211</td>
</tr>
<tr>
<td>% Chnge</td>
<td>-5.2%</td>
<td>11.6%</td>
<td>33%</td>
</tr>
</tbody>
</table>

### Current vs. Same Qtr 1 Yr Ago
<table>
<thead>
<tr>
<th></th>
<th>For Sale</th>
<th>Sold</th>
<th>Pended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. to Apr 2014</td>
<td>844</td>
<td>147</td>
<td>209</td>
</tr>
<tr>
<td>Feb. to Apr 2013</td>
<td>913</td>
<td>145</td>
<td>187</td>
</tr>
<tr>
<td>% Chnge</td>
<td>-8%</td>
<td>1.4%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: LATTER & BLUM Research Division
### Area by Area

#### March Months of Inventory 2013 vs. 2014

<table>
<thead>
<tr>
<th>Area</th>
<th>2013</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. St. Tammany</td>
<td>6.3</td>
<td>4.7</td>
<td>+22.8%</td>
</tr>
<tr>
<td>W. St. Tammany</td>
<td>4.4</td>
<td>3.1</td>
<td>+12%</td>
</tr>
<tr>
<td>Kenner</td>
<td>4.1</td>
<td>4.3</td>
<td>-15%</td>
</tr>
<tr>
<td>East Jefferson</td>
<td>3.6</td>
<td>3.8</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Metairie</td>
<td>3.5</td>
<td>3.6</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Lakefront/Gntlly</td>
<td>4.8</td>
<td>3.2</td>
<td>+41.3%</td>
</tr>
</tbody>
</table>

#### Q1 Pended

<table>
<thead>
<tr>
<th>Area</th>
<th>2013</th>
<th>2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden/Uptown</td>
<td>2</td>
<td>2.3</td>
<td>-5.3%</td>
</tr>
<tr>
<td>New Orleans East</td>
<td>6.6</td>
<td>5.2</td>
<td>+32.7%</td>
</tr>
<tr>
<td>LaPlace</td>
<td>7.3</td>
<td>5.5</td>
<td>-3%</td>
</tr>
<tr>
<td>West Bank</td>
<td>5.4</td>
<td>4.5</td>
<td>+15.5%</td>
</tr>
<tr>
<td>River Parishes</td>
<td>6.7</td>
<td>5.2</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Hist. District</td>
<td>4.5</td>
<td>2.8</td>
<td>+29.4%</td>
</tr>
</tbody>
</table>

Source: LATTER & BLUM Research Division

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GNO – Median Price $165,000.
Resale

Source: LATTER & BLUM Research Division
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GNO – Median Price $218,000.
New Construction

Source: LATTER & BLUM Research Division
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GNO – Median Price

<table>
<thead>
<tr>
<th>New Construction</th>
<th>Resale</th>
</tr>
</thead>
<tbody>
<tr>
<td>$218,000.00</td>
<td>$165,000.00</td>
</tr>
</tbody>
</table>

$53,000.00 Premium - 24%

Top Expected Influencers 2014

- Consumer Confidence
  - Jobs - “stronger than last year numbers and sentiment”
  - Price stability – “3rd year of price increases”
- Mortgage Interest Rates – have ticked up, but not substantially enough to curtail the activity.
Mortgage Rates Trend - 30 years

Top Expected Influencers 2014

- Consumer Confidence
  - Jobs - “will I have one”
  - Price stability – “will I overpay if I act now”

- Mortgage Interest Rates – For how long?
  - March 20th Fed Announced more tapering
  - Continued burn off of excess inventory
Greater New Orleans Area
Inventory Burn Off

2012 – 7.5 Months
2013 – 6.9 Months
2014 – 4.2 Months

+10.2% Pended Sales
+3.4% increase in Average S.P.

Source: LATTER & BLUM Research Division

Top Expected Influencers 2014

• Flood insurance - Biggert-Waters Changed by Grimm-Cassidy… a good start!

Source: LATTER & BLUM Research Division
Shadow inventory

Default, short sales, pre-foreclosures, foreclosures 31% decline in distressed mortgages in LA - 7.5% to 5.1% year over year

Source: LATTER & BLUM Research Division
Top Expected Influencers 2014

- Biggert-Waters must be dramatically reformed. Grimm-Cassidy a good start!
- Shadow Inventory
- Default, short selling: pre-foreclosures, foreclosures. 31% decline in distressed mortgages in LA. 7.5% to 5.1% year over year
- Dodd-Frank bill – massive over correction
  - Over 300 rules many disproportionately & negatively impact LA
  - Credit scores & loan foreclosures

Source: LATTER & BLUM Research Division

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

Median priced home, 100% LTV, 30 year mortgage vs. Adjusted Rent for GNO
Under 1 is Rents are Cheaper, Over 1 Mortgage payments are Cheaper
Two Wrong Predictions

1. BP Oil spill will cause a 25% decline in the region’s property values
2. Foreclosures will swamp our area and drive down all housing prices for years to come

Potential Disaster Issues for Housing

• Loss of Home Mortgage Tax Deductibility

• Elimination of the GSE’s (Freddie Mac & Fannie Mae) as Mortgage Financing Market Makers
**Potential Disaster Issues for Housing**

- Loss of Home Mortgage Tax Deductibility
- Elimination of the GSE’s (Freddie Mac & Fannie Mae) as Mortgage Financing Market Makers

*Information provided by the LATTER & BLUM Research Division*

**Today…**

Greater New Orleans, Louisiana and the Nation are in the early stages of a housing recovery.

*Information provided by the LATTER & BLUM Research Division*
Thank You.

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