

Residential Real Estate Panel

Moderator: Dr. Bob Penick

Director, UNO Institute for Economic Development
& Real Estate Research

Panelists:

- Larry Schedler
President, Larry G. Schedler & Associates
- Donald “Bubba” Jenkins
Jenkins Homes;
Chairman of the Board, Northshore Home Builders Association
- Rick Sedberry
Branch Leader, Movement Mortgage





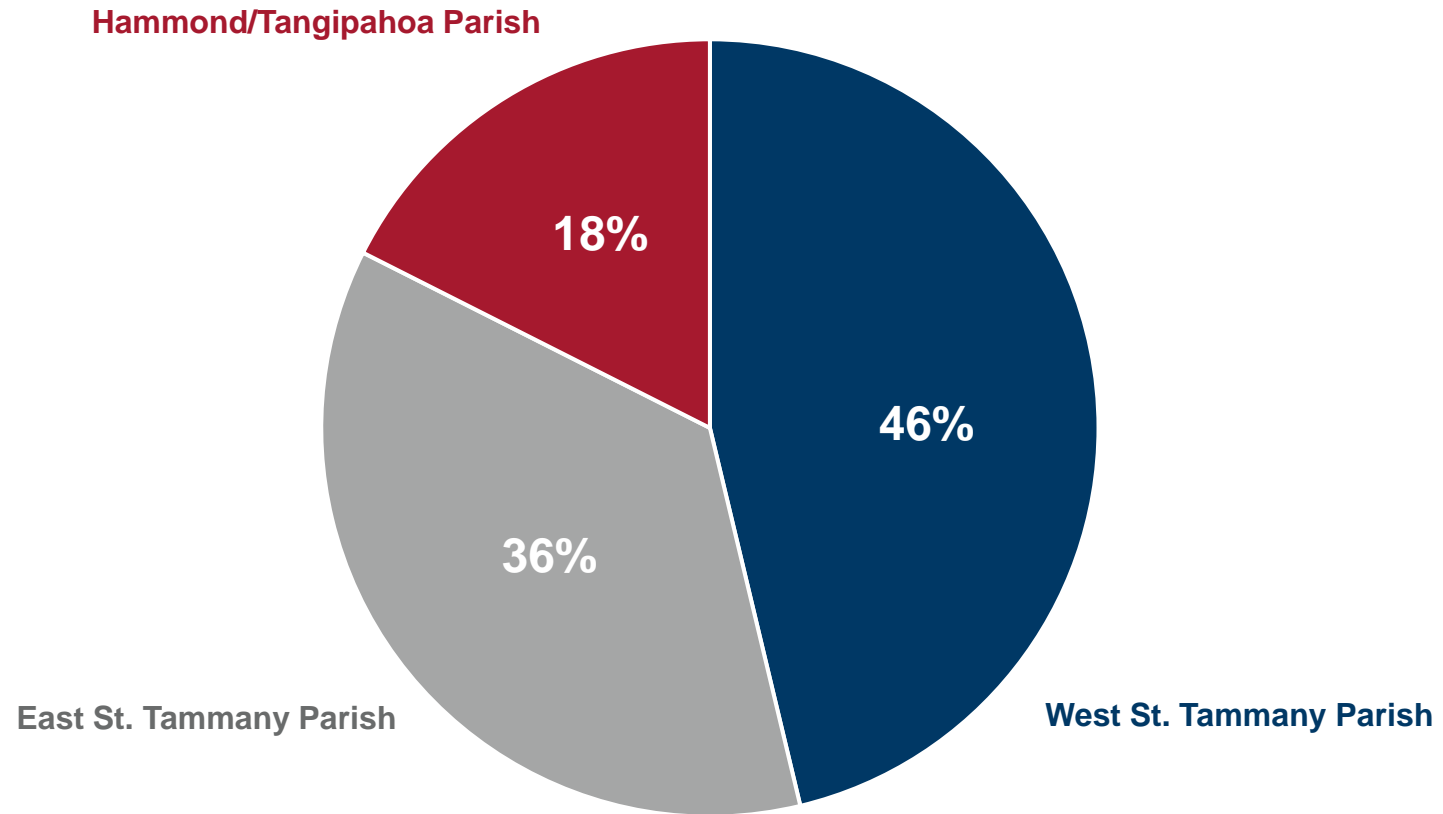
Northshore Multifamily Overview

MAY 2024

Northshore Multifamily Overview



INVENTORY BREAKDOWN



Northshore Multifamily Overview

Hammond/Tangipahoa Parish

Inventory (Units)	Occupancy Rate	Effective Rent	Units Delivered 2019-Present	Units Under Construction
1,582	91.2%	\$981	779	0

West St. Tammany Parish

Inventory (Units)	Occupancy Rate	Effective Rent	Units Delivered 2019-Present	Units Under Construction
4,169	94.9%	\$1,312	536	0

East St. Tammany Parish

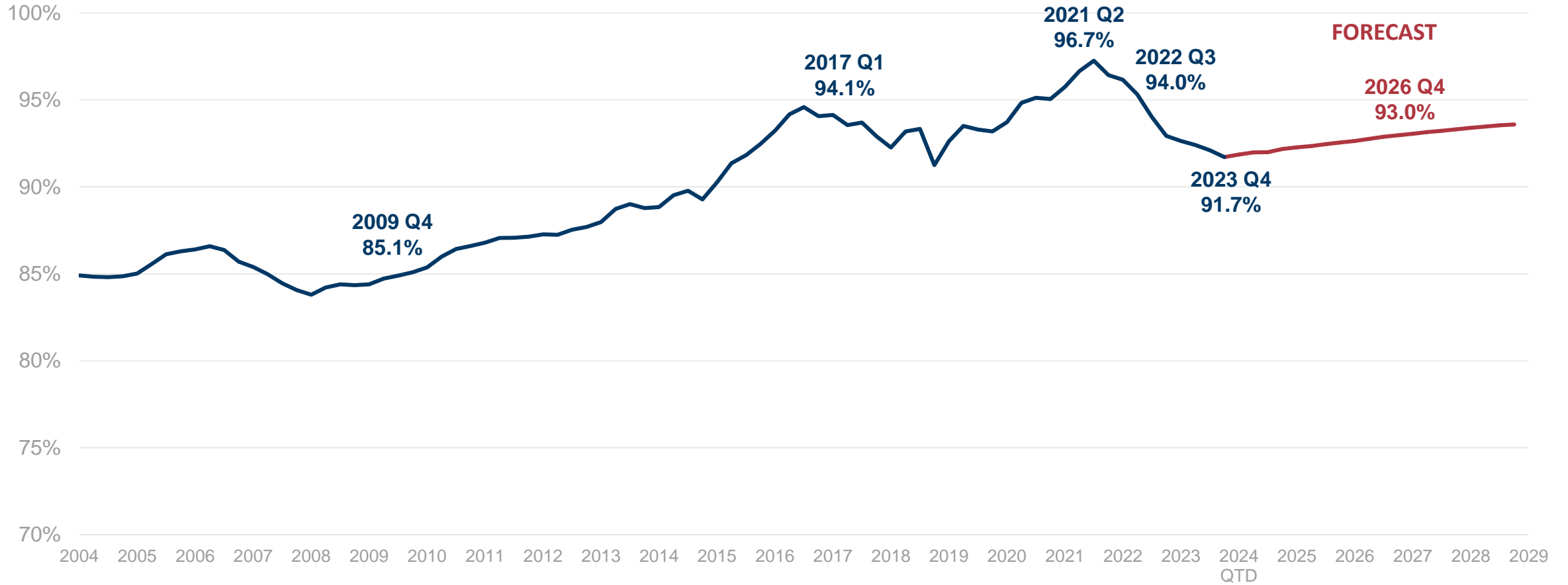
Inventory (Units)	Occupancy Rate	Effective Rent	Units Delivered 2019-Present	Units Under Construction
3,261	87.9%	\$1,279	715	0



Northshore Multifamily Occupancy



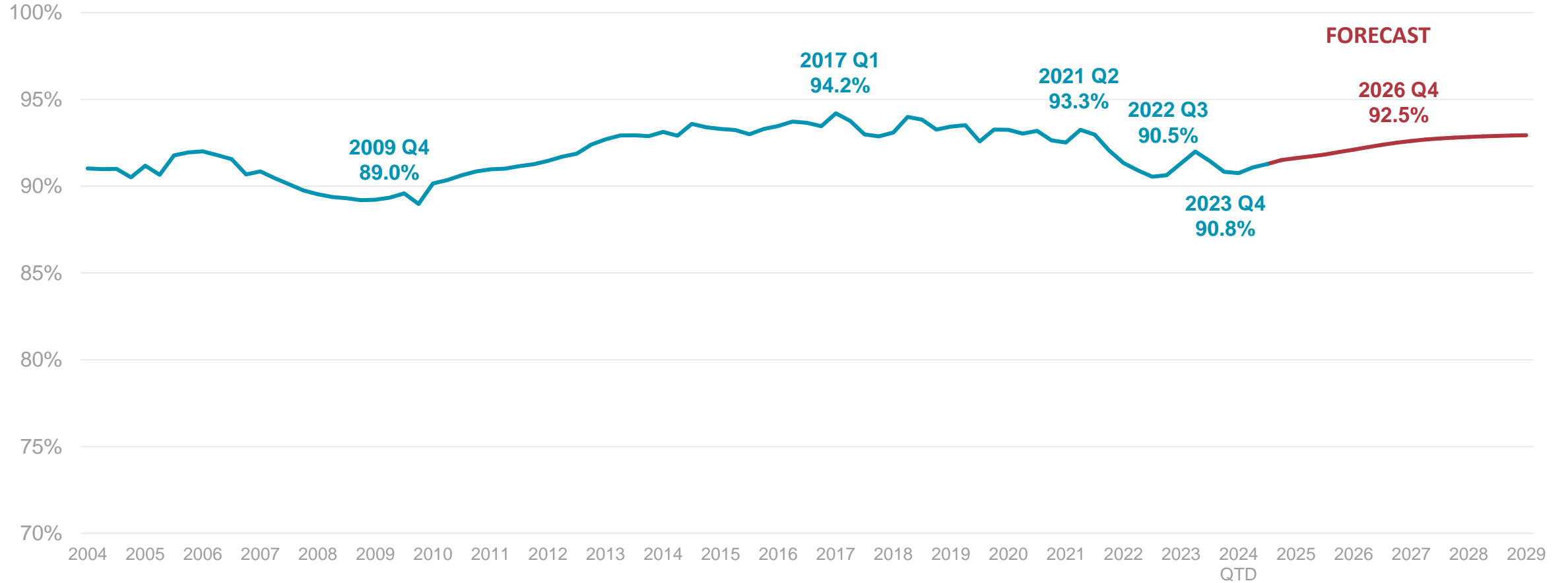
Stable Over Past Decade at 84-98%



New Orleans Metro Multifamily Occupancy

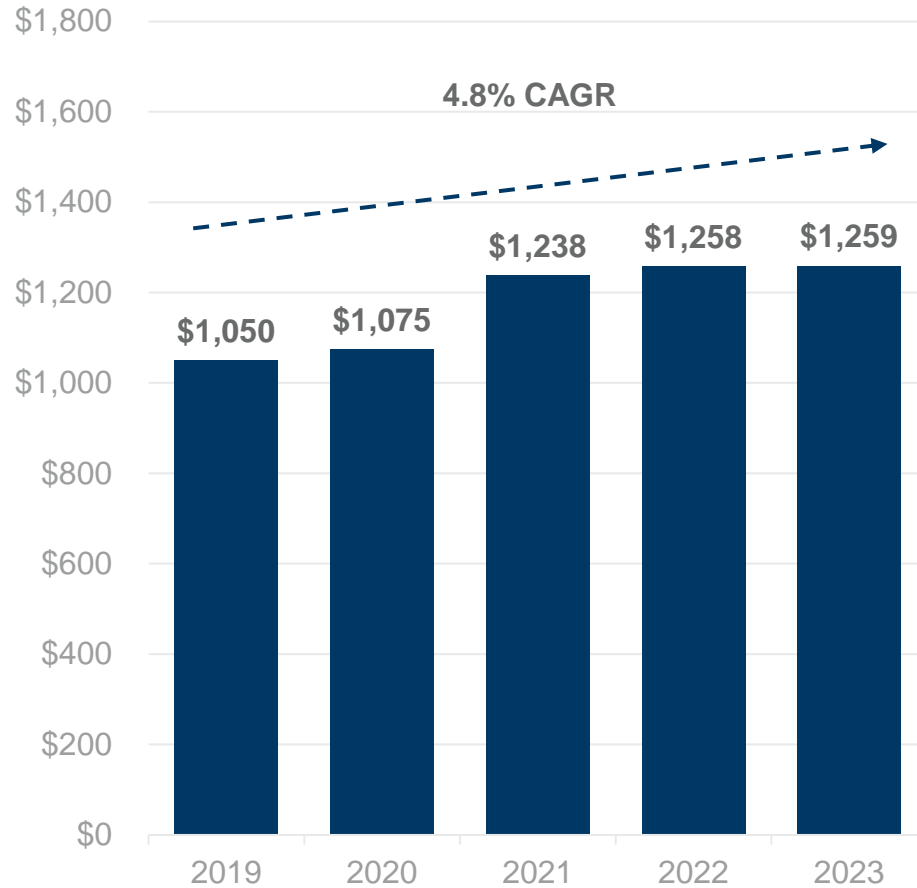


Stable Over Past Decade at 91-94%

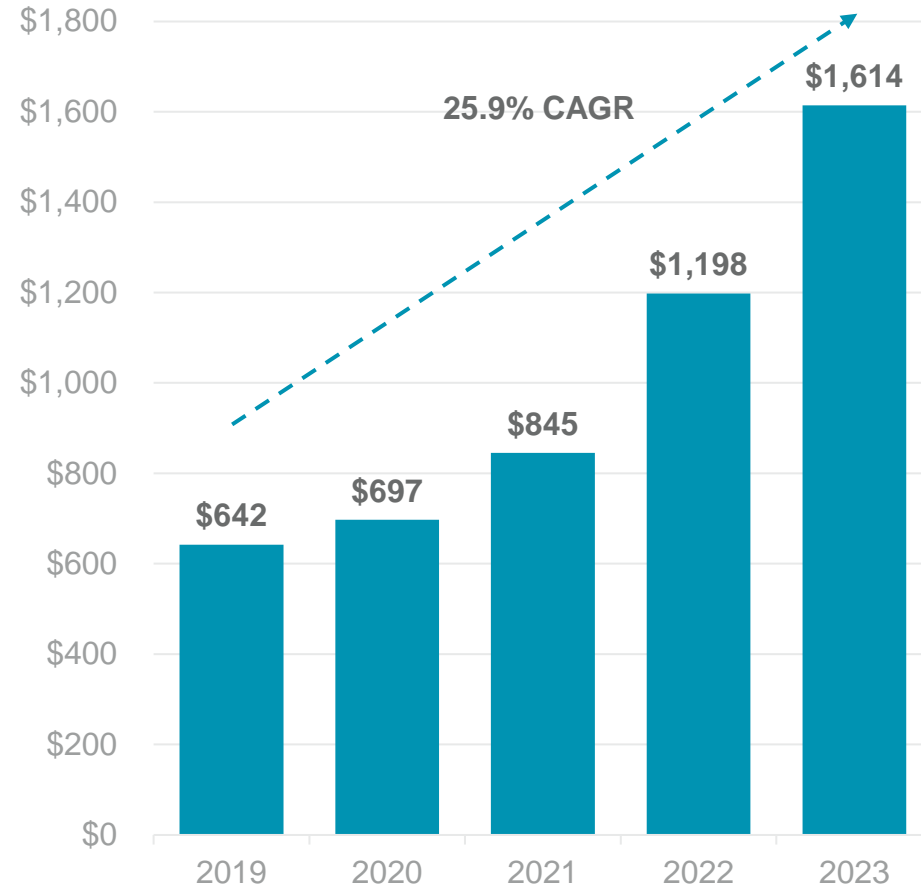


Effective Rent Vs. Insurance Per Unit

EFFECTIVE RENT



ANNUAL AVERAGE INSURANCE RATE



- Average multifamily rents have been largely unchanged over the past five years in the Northshore area with a cumulative average growth rate of 4.8%.
- Insurance rates climbed dramatically over the same period at a CAGR of 25.9%.
- In the three years prior to the pandemic, insurance rates decreased -4.4%.

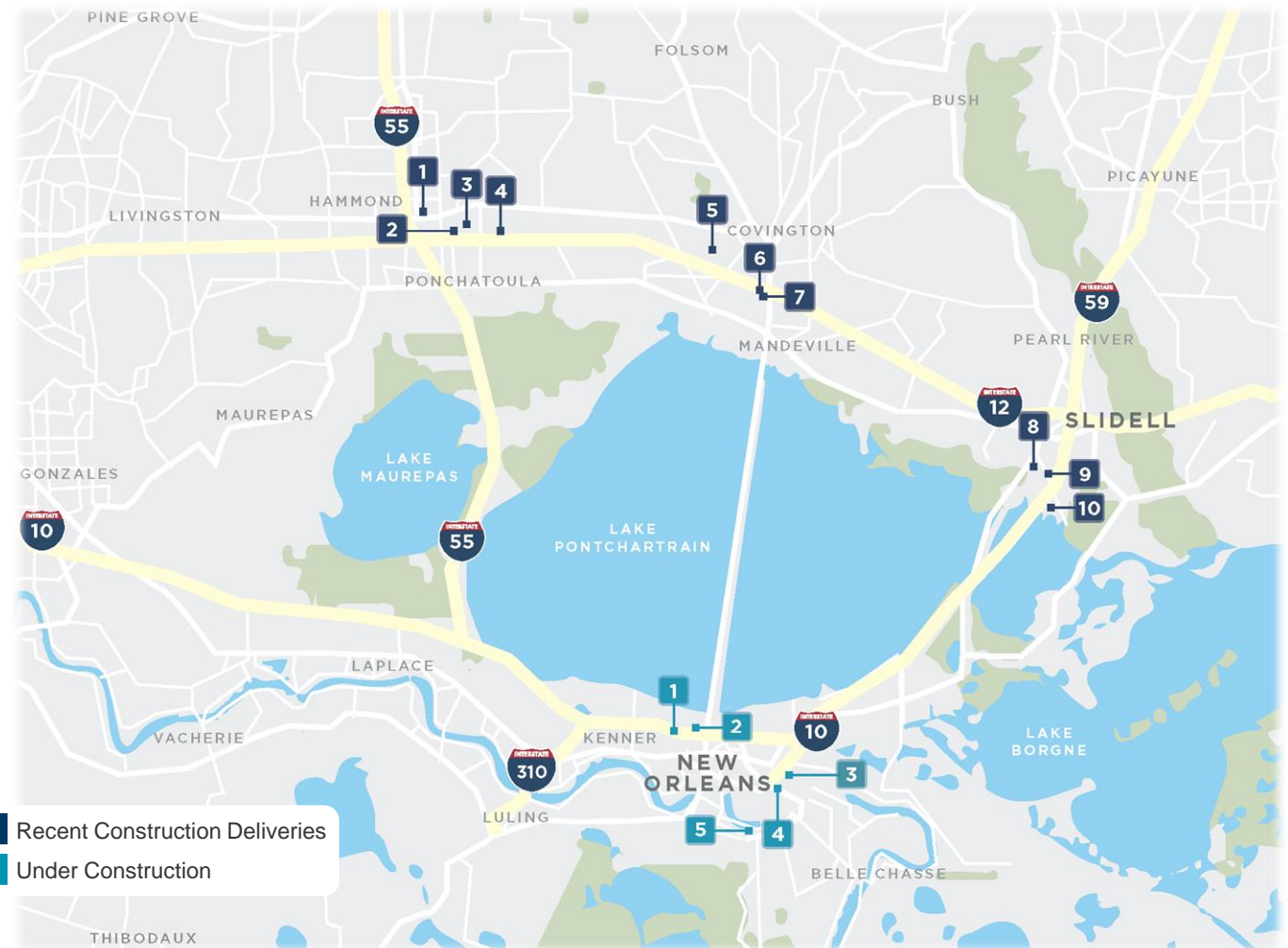
Metro New Supply

Northshore Submarket: 11 Buildings, Totaling 2,110 Units Delivered Since 2019 | 0 Currently Under Construction

New Orleans Metro Market: 17 Buildings, Totaling 2,842 Units Delivered Since 2019 | 5 Currently Under Construction

Select Recent Construction Deliveries				
Map #	Property Name	# Units	Vacancy	Year Built
1	The Burrow	64	4.7%	2023
2	Waters at Hammond	312	8.7%	2021
3	Hammond Station	67	10.2%	2022
4	The Heights at Hammond	336	14.0%	2019
5	Elan at Terra Bella	178	6.3%	2019
6	The Fairlane	86	7.1%	2023
7	The Collins	272	5.9%	2019
8	The Lofts at Canterbury	270	29.4%	2020
9	The Mason at Fremaux Park	276	3.3%	2020
10	Nautical Point at Lakeshore Villages	169	11.3%	2022

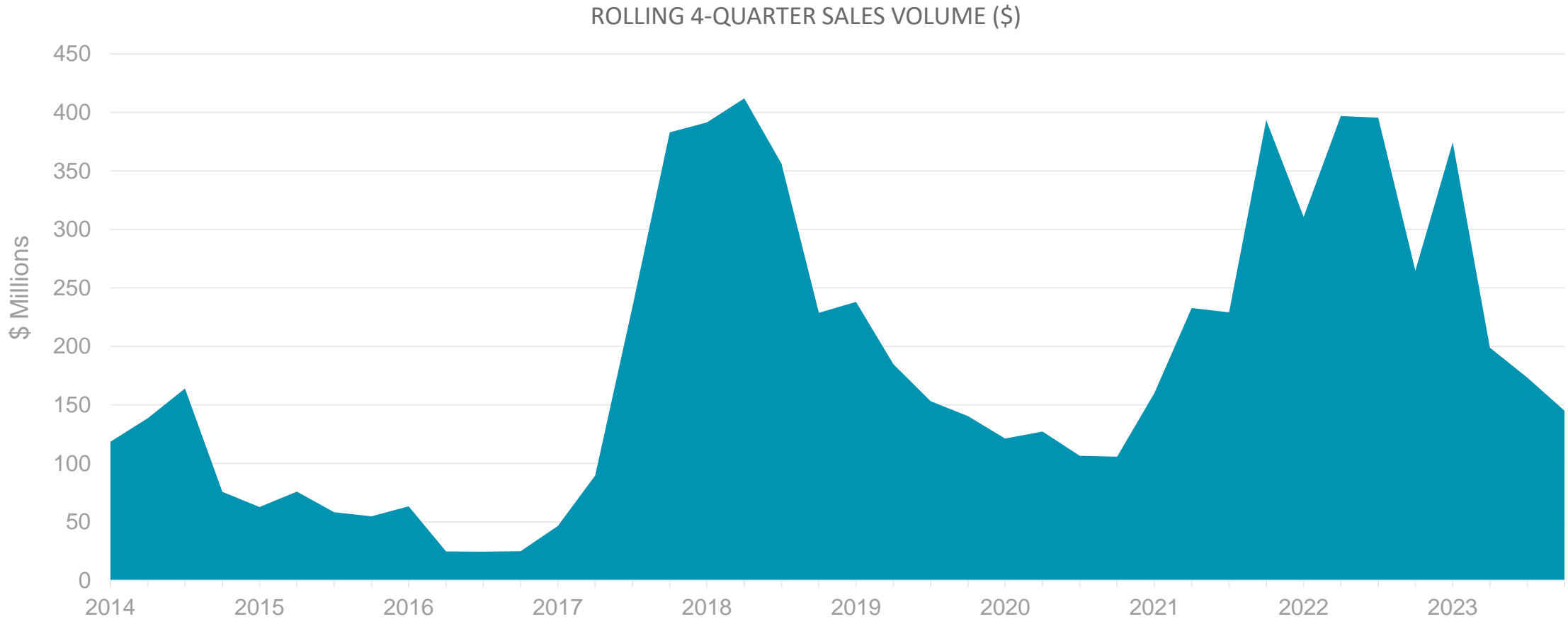
Metro Under Construction		
Map #	Property Name	# Units
1	The Metro at Clearview	270
2	Latitude	196
3	St. Bernard Circle	51
4	Memoir Warehouse District	113
5	Jackson Oaks	211



Multifamily Investment Trends



Sales Volume Exceeded Historical Averages in 2023 Despite Decrease from Record-Breaking 2021-2022 Figures



2024 Look Forward



Indicator	Outlook
Occupancy	Continue to Increase
Rents	Steady, then Uptick at End of Year
Rent Growth	Modest
Interest Rates	?
Insurance	?
New Construction	Flat
Sales Activity	Tempered Q1, Pick-up in Q2/Q3

Larry G. Schedler & *Associates, Inc.*
Multifamily Investment Advisors

www.larryschedler.com

multifamily.cushwake.com/Offices/NewOrleans



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New Construction

Donald “Bubba” Jenkins

Jenkin Homes

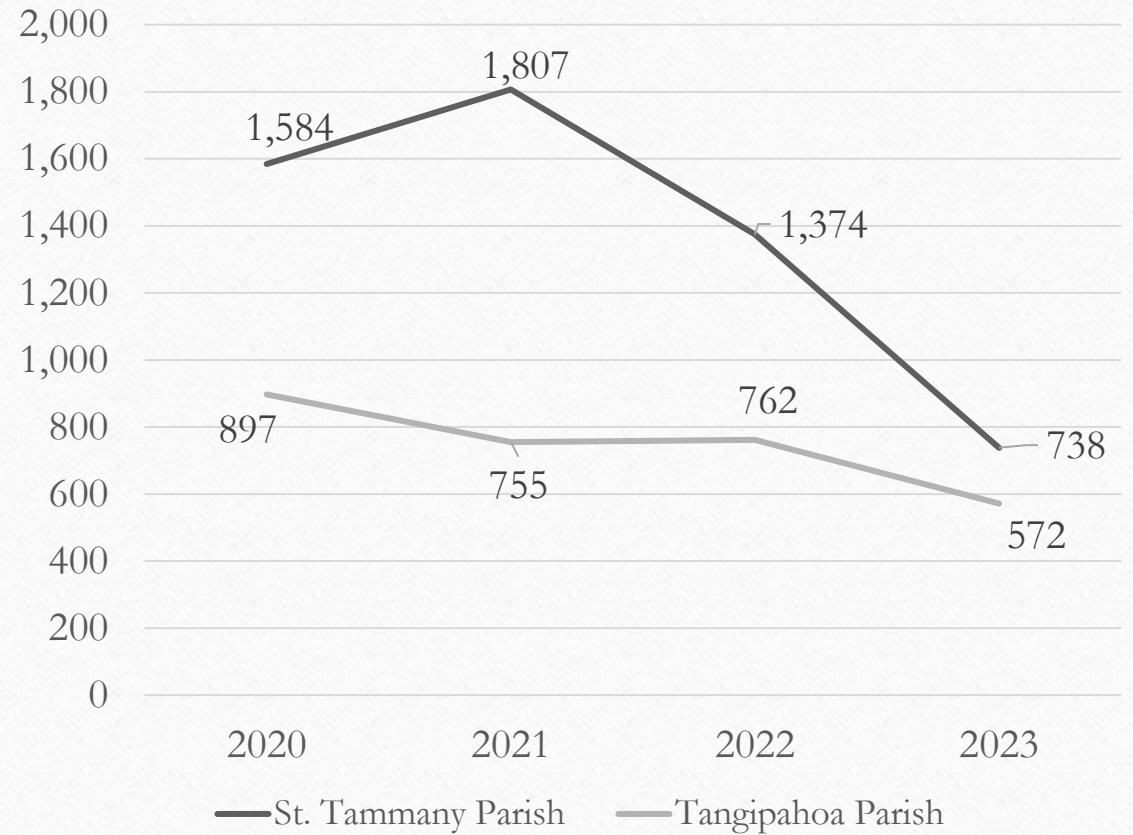
Northshore Home Builders Association



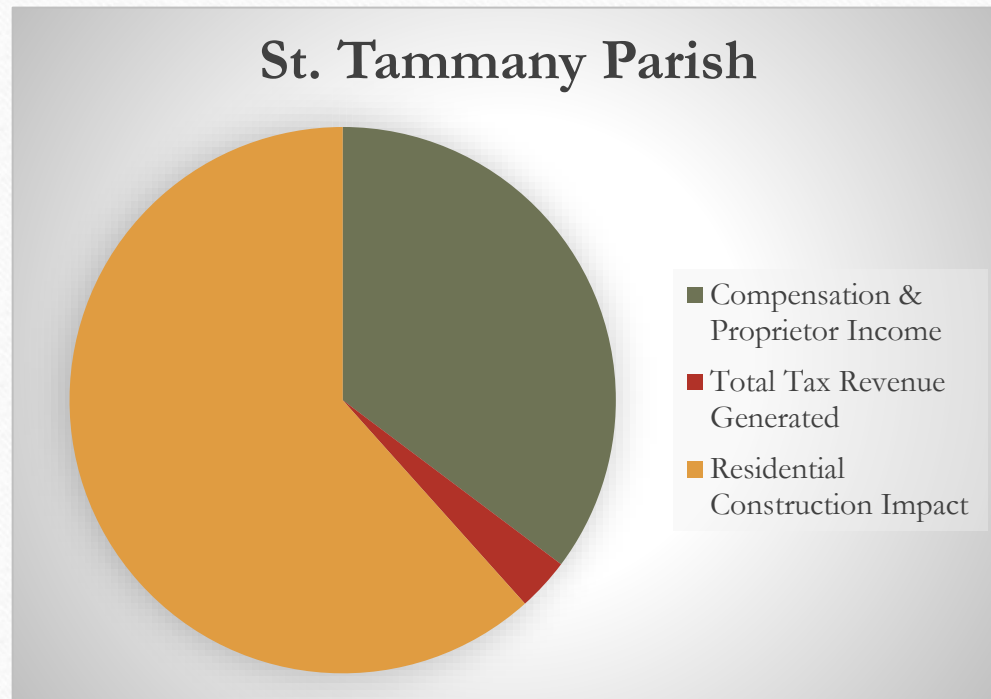
New Residential Construction Projects 2020 - 2023

- Total Residential Construction Units Combined
 - 2020: 2,481 Units
 - 2021: 2,562 Units
 - 2022: 2,136 Units
 - 2023: 1,310 Units
- Trends for 2024
 - St. Tammany Parish YTD: 352
 - Tangipahoa Parish YTD: 246

New Residential Construction Projects:
St. Tammany & Tangipahoa Parish

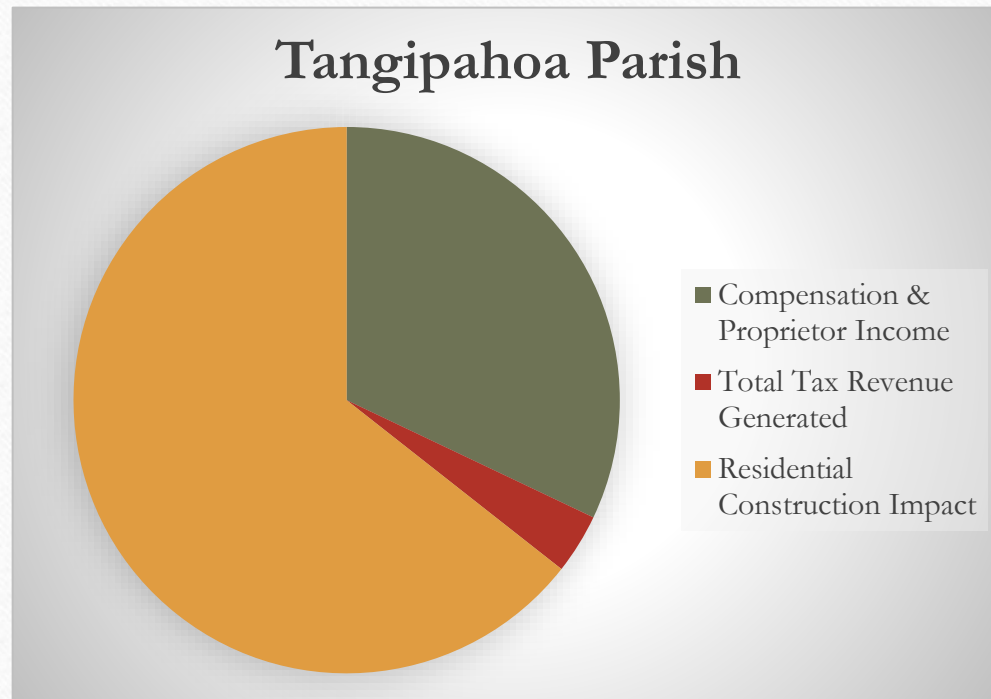


Economic Impact of New Construction



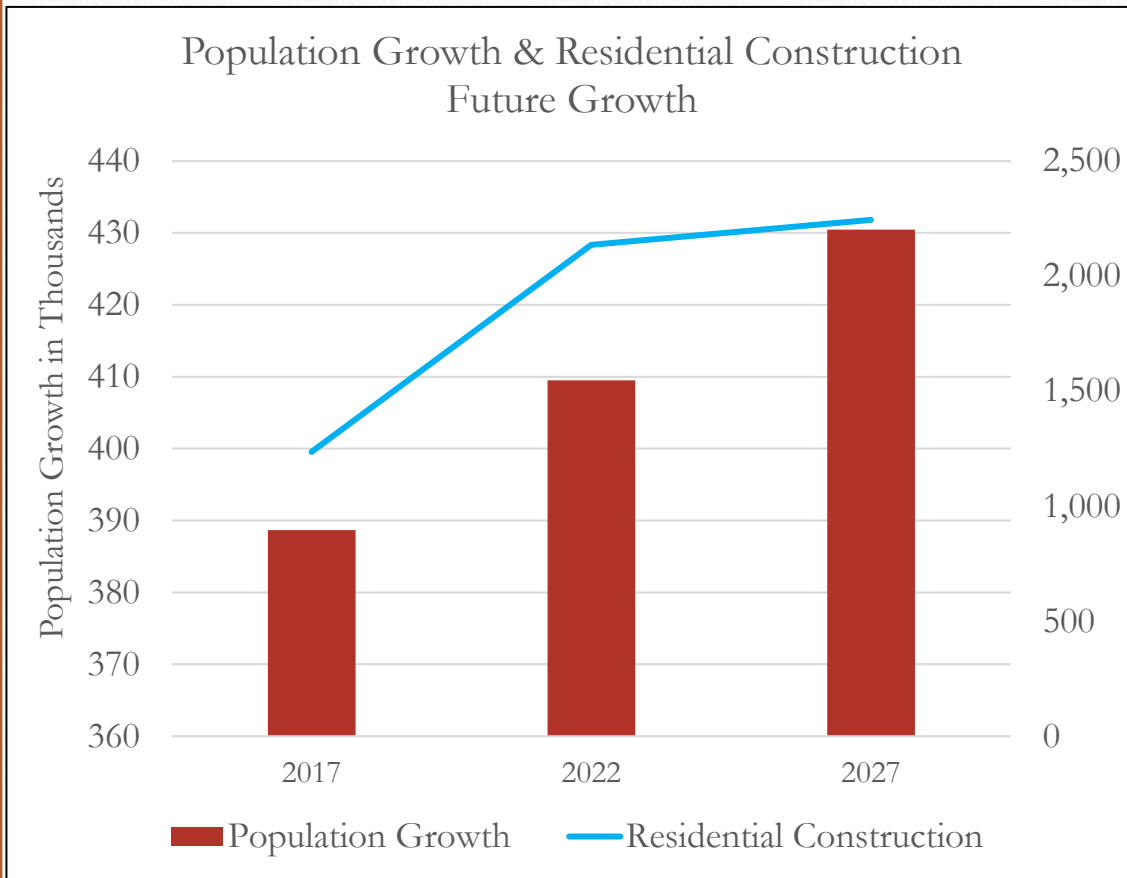
- Direct jobs supported by residential construction: 4,004
- Total Employment Supported: 6,422
- Total employee compensation: \$370.7 Million
- Total tax revenue generated (sales and property taxes): \$32.8 Million
- Residential construction impact: \$648 Million
- Total economic impact: \$1.05 Billion
- Output multiplier: 1.62

Economic Impact of New Construction



- Direct jobs supported by residential construction: 634
- Total employment supported: 3,060
- Total employee compensation: \$98.6 Million
- Total tax revenue generated (sales and property taxes): \$10.9 Million
- Residential construction impact: \$198 Million
- Total economic impact: \$307.57 Million
- Output multiplier: 1.55

Opportunities and Future Outlook



- **Total Residential Construction Units Combined (2020-2024 YTD):**
 - 2020: 2,481
 - 2021: 2,562
 - 2022: 2,136
 - 2023: 1,310
 - 2024: YTD 598
- **Population Growth (2017-2027)**
 - 2017: 388,657 (baseline)
 - 2022: 409,482 (Current)
 - 2027: Projected to be approximately 430,452 (5.1% growth over 2022)
- **Key Demographic:** 76,397 millennials in the region as of 2022, significant for market targeting despite a decrease in the 25-29 age group by 6% from 2017 to 2022. Millennials composed 43% of home buyers nationally in 2022.



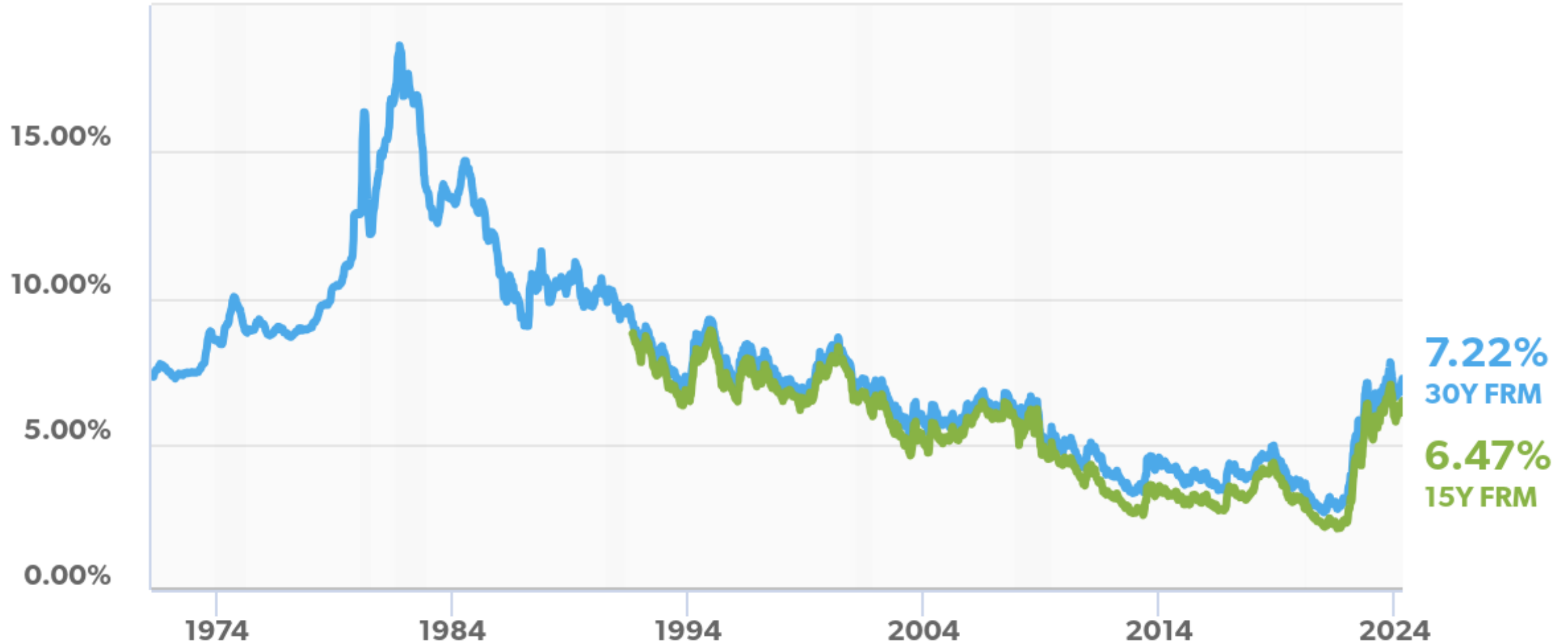
The
Sedberry
Home Lending Team

 MOVEMENTMORTGAGE



Primary Mortgage Market Survey[®]

U.S. weekly average mortgage rates as of 05/02/2024



Betting against the champ

Change in home values

73-7-1 Since 1941

Year	Nominal	Year	Nominal	Year	Nominal
1942	3%	1972	3%	1999	8%
1943	11%	1973	3%	2000	9%
1944	17%	1974	10%	2001	7%
1945	12%	1975	7%	2002	10%
1946	24%	1976	8%	2003	10%
1947	21%	1977	15%	2004	14%
1948	2%	1978	16%	2005	14%
1949	0%	1979	14%	2006	2%
1950	4%	1980	7%	2007	-5%
1951	6%	1981	5%	2008	-12%
1952	4%	1982	1%	2009	-4%
1953	12%	1983	5%	2010	-4%
1954	1%	1984	5%	2011	-4%
1955	0%	1985	7%	2012	6%
1956	1%	1986	10%	2013	11%
1957	3%	1987	8%	2014	5%
1958	1%	1988	7%	2015	5%
1959	0%	1989	4%	2016	5%
1960	1%	1990	-1%	2017	6%
1961	1%	1991	0%	2018	5%
1962	0%	1992	1%	2019	4%
1963	2%	1993	2%	2020	10%
1964	1%	1994	3%	2021	19%
1965	2%	1995	2%	2022	6%
1966	1%	1996	2%		
1967	2%	1997	4%		
1968	4%	1998	6%		
1969	7%				
1970	8%				
1971	4%				

Data Sources: S&P/Case-Shiller, BLS

@CharlieBilello

PROPERTY INSURANCE CHALLENGES FOR HOME BUYERS



Louisiana Home Insurance Crisis

Since 2020, over 20 insurance
companies have left Louisiana

THE ROOF THE ROOF THE ROOF



- In Louisiana, the roof is the number one factor
- Roof age 10 years or newer can get a home buyer 8 to 10 options to quote as compared to 11 year roof age or older gives 2 options.
- Buying a home with a new roof that is Fortified compared to a new one without can save you 25% a year in premium
- A Fortified Roof could be mandatory in Louisiana in the near future
- Don't believe what you hear. With a new roof, Louisiana Citizens isn't the only option in Orleans, Jefferson, and St Bernard Parish any longer.

Deductible Challenges

- Since the Insurance Crisis Wind/Hail and Hurricane Deductibles have become an issue.
- Before 2020 property owners could get deductibles as low as 1% of homes value to even a straight \$1,000.
- Today depending on the parish finding anything below 3% and 5% is very difficult even with a new roof.
- Some carriers stopped offering a Hurricane or Named Storm deductible and only now offer the more broad Wind/Hail deductible

Opportunities Abound

- Year of the First Time Homebuyer
- Multiple Products with Assistance Available
- Renovation Loans
- Return of the Non QM Loan

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