## Commercial Real Estate Metropolitan New Orleans

- Moderator: Patrick Beard
   Corporate Services Advisor,
   NAI/Latter & Blum
- Panel:
- Nate Pierre
   Murphy Appraisal Services
- Paysse McWilliams
   Voelkel McWilliams Construction
   Services
- Michael Saucier
   Gulf States Real Estate Services &
   Development



Sample Feasibility Rent Analysis						
	20	21	Curre	ent		
Sq. Ft.	13,500		13,500			
Acquisition Costs	\$1,000,000	\$74.07	\$1,000,000	\$74.07		
Construction Costs	\$2,500,000	<b>\$185.19</b>	\$3,250,000	\$240.74	*increase of 30%	
Total Development Costs	\$3,500,000	\$259.26	\$4,250,000	\$314.81		
Capitalization Rate	7.00%		7.25%			
Net Operating Income	\$245,000	\$18.15	\$308,125	\$22.82		
Operating Expenses	(\$101,250)	(\$7.50 <u>)</u>	(\$114,750)	(\$8.50)	*increase of \$1.00 psf (~13%)	
Effective Gross Income	\$346,250	\$25.65	\$422,875	\$31.32		
Stabilized Vacancy & Collection Loss	(\$18,224)	(\$1.35)	(\$22,257)	(\$1.65)		
Feasibility Rent/sq. ft. (for construction)	\$364,474	\$27.00	\$445,132	\$32.97	*increase of ~22%	
Down Payment	25%		25%			
Term (yrs.)	20		20			
Interest rate (prime)	3.25%		8.50%		*increase of ~160%	
Debt service/mo.	(\$14,889)		(\$27,662)			
Net Operating Income	\$245,000		\$308,125			
Debt service/yr.	(\$178,667)		(\$331,942)			
Cash Flow/yr.	\$66,333		(\$23,817)			

## The 3 major factors hindering development

- 1. Construction costs
- 2. Increase in operating costs due to inflation (i.e., insurance)
- 3. Interest rates







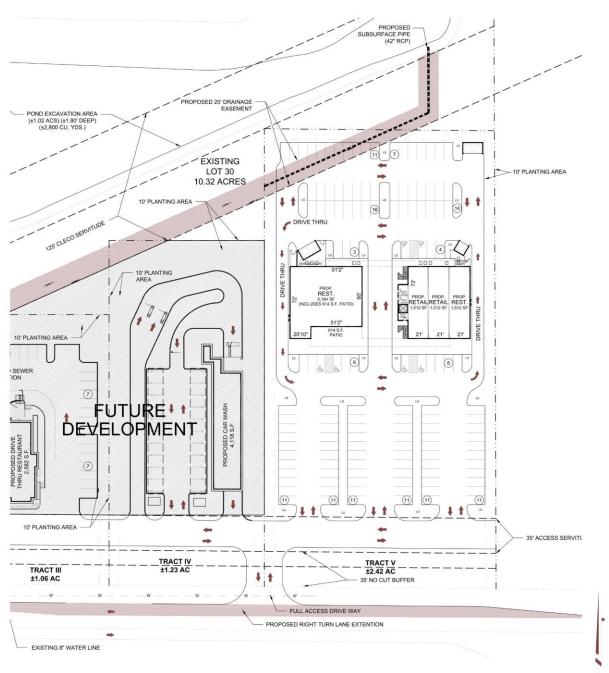






DATE MARCH 28, 2023
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## 2nd FLOOR PLAN

SCALE: 1" = 40'

SITE DATA					
TOTAL BUILDING AREA					
1st FLOOR WEST	5.184 SF				
1ST FLOOR EAST	4.824 SF				
2ND FLOOR	12,282 SF				
TOTAL	22,290 SF				
REQUIRED PARKING					
RESTAURANTS: 6,696 SF (ESTIMATED PKG)	89 SPACES				
RET/OFFICE/BUSINESS: 15,306 SF @ 1/350	44 SPACES				
TOTAL REQUIRED PARKING:	133 SPACES				
PROVIDED PARKING:	133 SPACES				

SITE PLAN-FIRST FLOOR PLAN

SCALE: 1" = 40'