2018 ECONOMIC OUTLOOK & REAL ESTATE FORECAST

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KEY POINTS

- WHAT'S DRIVING THE MARKET? 1
- REAL ESTATE TRENDLINE 2
- CURRENT MARKET PHASE 3
- MULTI-PARISH BREAKDOWN & KEY SUBMARKETS 4
- 2018-2019 FORECAST 5

What factors are driving the market?

Market in Transition

Interest Rates

Affordability

Low Market Inventory

Prices Still Increasing

Demand for Labor

1

Demand for Labor

LEGACY INDUSTRIES:

Oil & Gas
Tourism
Port

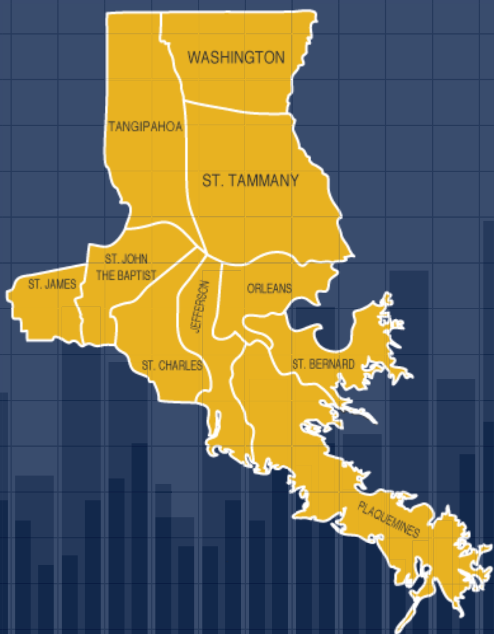
Demand for Labor

DEVELOPING INDUSTRIES:

Digital –DXC, iMerit
Medical – BioScience/BioMedical District
Airport – Online 2019
Former Avondale Shipyards
Michoud/Orion
Formosa

Housing Nationally

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 14,858

Number of Sales

$3,673,077 $3,498,051

Volume of Sales

61 63

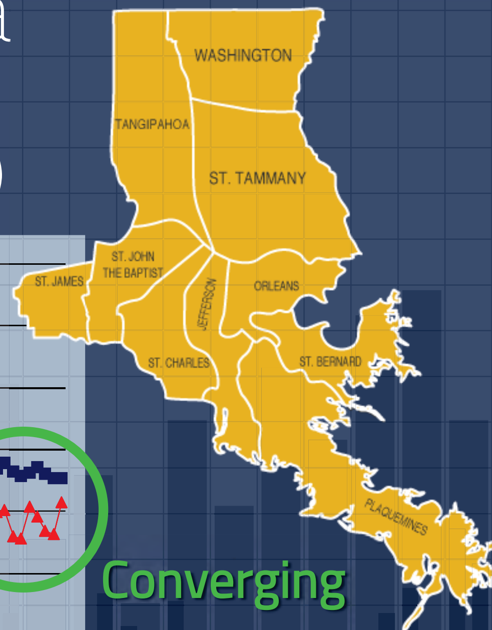
Average Days on Market

2

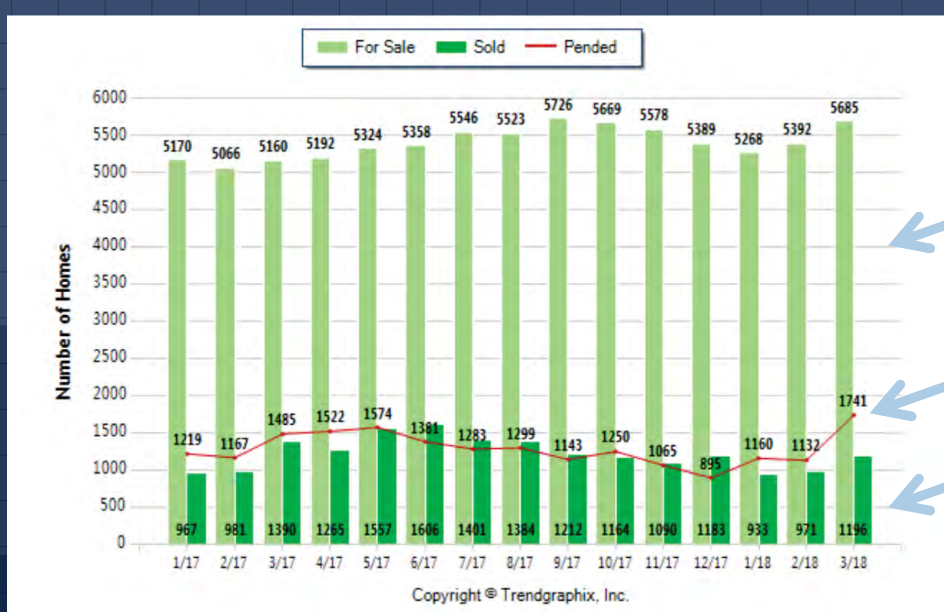
Greater New Orleans Area

Active Listings vs. Sold Listings

Jan. 1989 – Dec. 2017 (Single Family)



2017 Greater New Orleans Area



For Sale

Pending

Sold

Source: LATTER & BLUM Research Division

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NEW ORLEANS 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

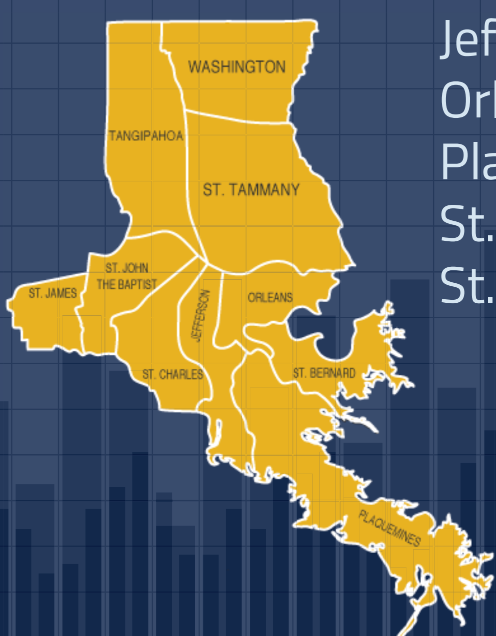
NEW ORLEANS REAL ESTATE MARKET
2017 – IN TRANSITION

- **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)

GNO Parish Marketplace



- Jefferson
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- Washington

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Parish Breakdown (2017) (2016)

	# OF SOLD LISTINGS (2017)		# OF SOLD LISTINGS (2016)		VOLUME TOTAL (2017)		VOLUME TOTAL (2016)	
Jefferson	4,203	↓	4,322	(-2.8 %)	$914,263	↑	$865,736	(5.6 %)
Orleans	3,548	↑	3,466	(2.4 %)	$1,162,991	↑	$1,145,129	(1.6 %)
Plaquemines	111	↑	101	(9.9 %)	$32,565	↑	$27,635	(17.8 %)
St. Bernard	397	↑	365	(8.8 %)	$63,676	↑	$53,138	(19.8 %)
St. Charles	460	↓	461	(-0.2 %)	$104,869	↑	$99,161	(5.8 %)
St. James	43	↑	31	(38.7 %)	$5,615	↑	$5,032	(11.6 %)
St. John the Baptist	404	↑	404	(0 %)	$61,122	↑	$55,697	(9.7 %)
St. Tammany	4,151	↑	4,094	(1.4 %)	$1,037,959	↑	$986,062	(5.3 %)
Tangipahoa	1,374	↑	1,282	(7.2 %)	$236,423	↑	$215,664	(9.6 %)
Washington	209	↑	191	(9.4 %)	$26,512	↑	$20,951	(26.5 %)

Key SubMarkets

MARKETS IN TRANSITION:

Garden/Uptown

Lakefront/Gentilly

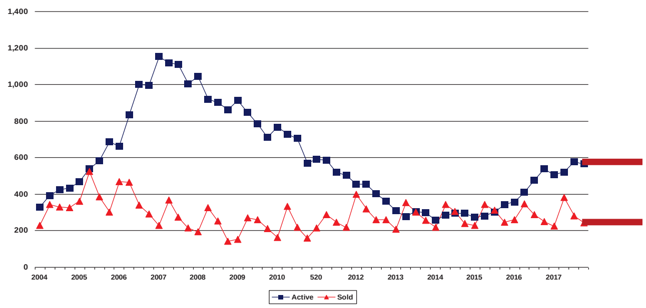
Warehouse/Downtown

Historic

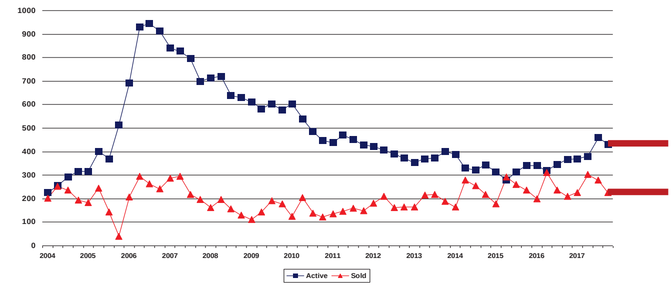
(Bywater, Marigny,
New Marigny, Holy Cross)

MARKETS IN TRANSITION

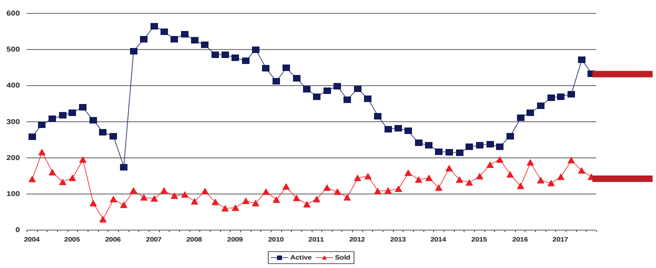
Garden/Uptown Area



Lakefront/Gentilly



Historic



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

Active
Sold

Source: LATTER & BLUM Research Division.

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Key SubMarkets

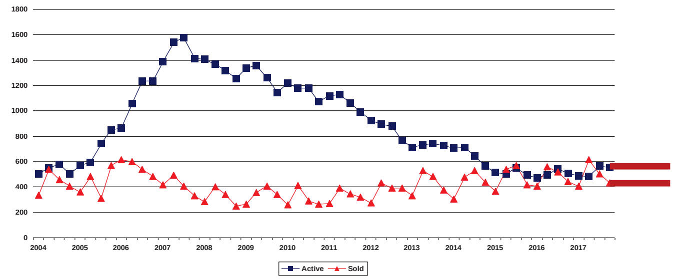
<u>NEUTRAL TO CONVERGENCE:</u>

Metairie
Kenner
Ormond
Luling
LaPlace
New Orleans East
West St. Tammany
East St. Tammany

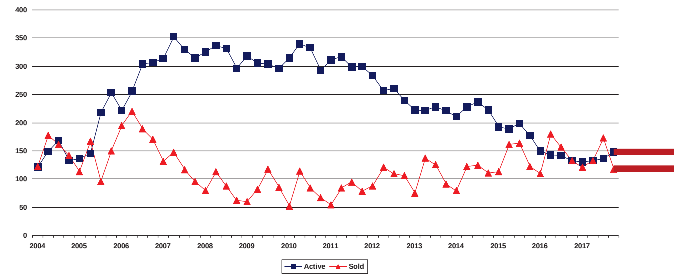
NEUTRAL TO CONVERGENCE MARKETS

Active
Sold

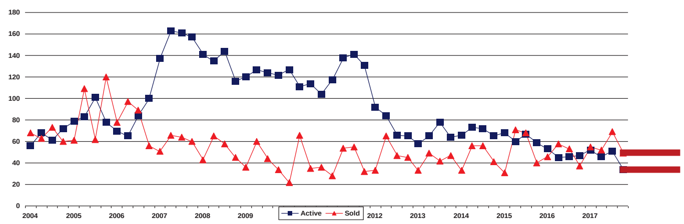
Metairie



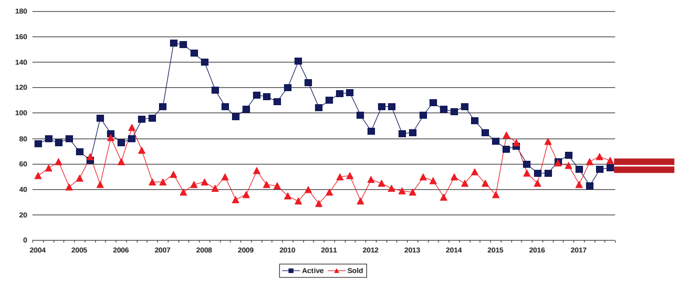
Kenner



Ormond



Luling

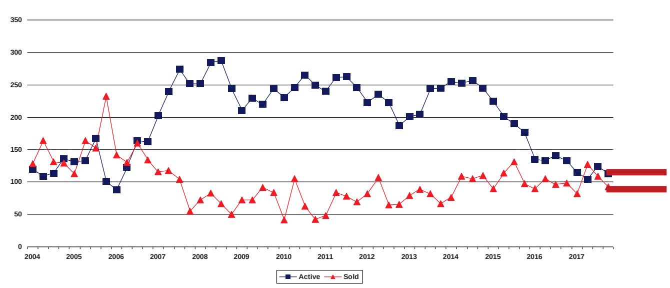


Single Family- Active Listings vs. Sold Listings 2004 –2017

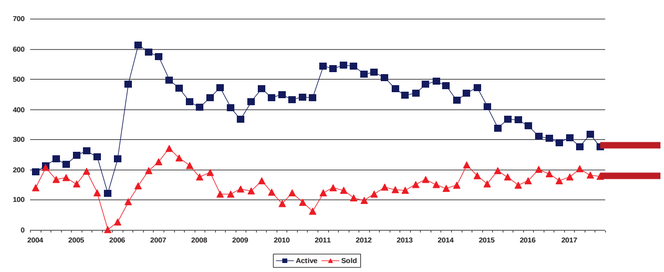
NEUTRAL TO CONVERGENCE MARKETS

Active
Sold

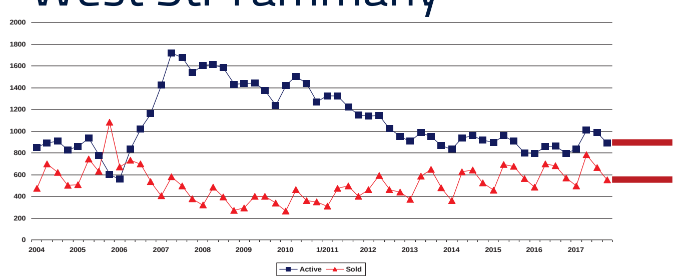
LaPlace



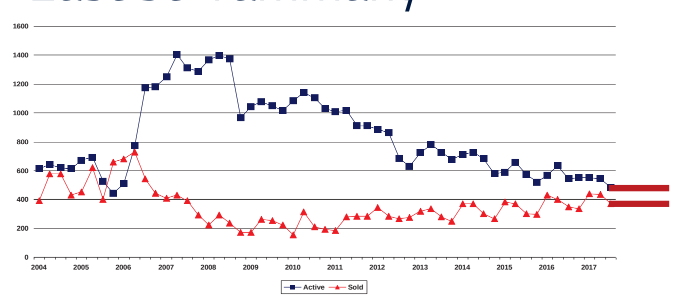
New Orleans East



West St. Tammany



East St. Tammany



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

FORECAST

- Continued Healthy Market
- Average GNO sales price is increasing
- Steady demand, low inventory market
- Affordability is still a factor
- Many new projects, cause for excitement

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LATTER & BLUM COMPANIES
Since 1916

Source: LATTER & BLUM Research Division.

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