



MARKET AT A GLANCE



OCCUPANCY RATE **94.2%**
Up **40 bps** since 3Q16



ASKING RENT **\$1,032**
Up **1.3%** since 3Q16

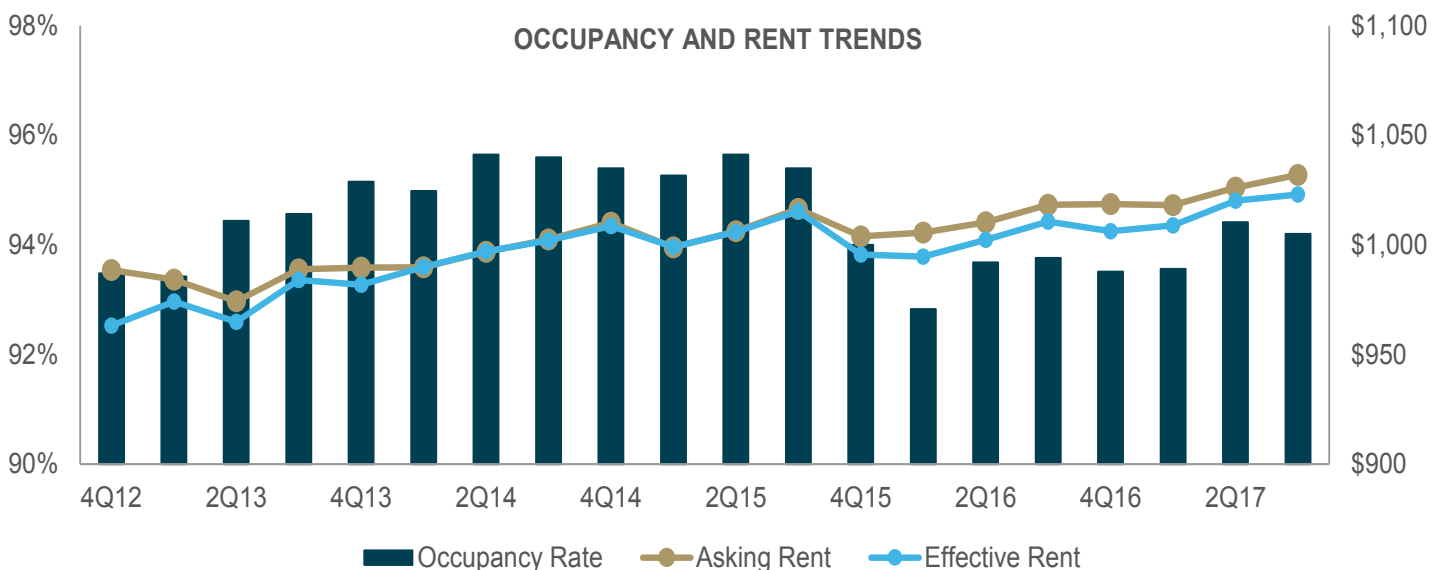


CONCESSIONS **0.9%**
Down **10 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

RENT ADVANCES 1.3% AS OCCUPANCY TICKS UP 40 BPS

Robust leasing activity in the New Orleans metropolitan area in the first half of the year helped keep annual absorption net positive, despite negative apartment absorption of 391 units in third quarter. Apartment demand in the St. Tammany Parish submarket was brisk, which supported overall absorption and accounted for more than one-third of all newly occupied apartments during the 12 months ending in September 2017. St. Tammany Parish is the fastest-growing parish by population in the state, up 7.5% from 2010 to 2016, representing a steady inflow of new or returning residents. Metrowide, sturdy leasing activity outmatched new supply on a year-over-year basis, as third quarter occupancy of 94.2% was 40 basis points above the year-ago rate. One of the largest multifamily construction projects to be completed in New Orleans was the 296-unit Springs at River Chase apartment community. At the same time, the Reagan Crossing development began lease-up, slated to finish 96 units of the 288-unit project by year-end. Asking rents across the metro advanced 1.3% since last year, reaching \$1,032 per month in September.



NEW ORLEANS

MULTIFAMILY REPORT

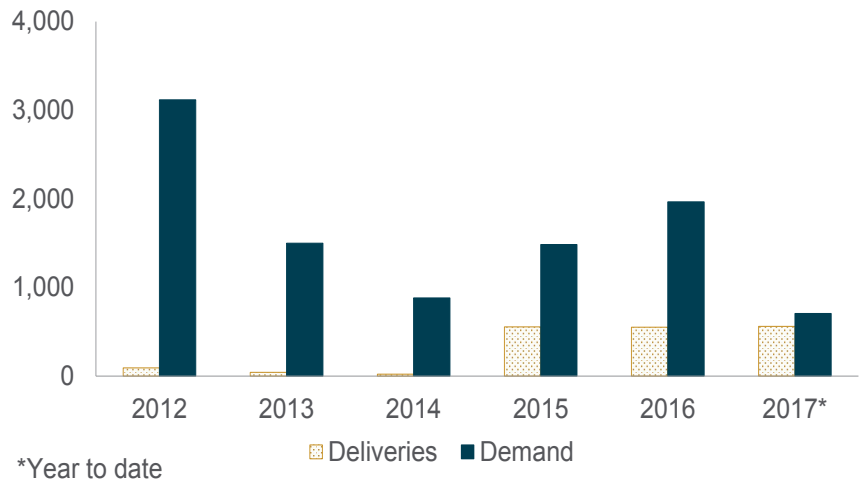
DELIVERIES AND DEMAND



DELIVERIES 561
Units YTD



NET ABSORPTION 706
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
5.5% **-60 BPS** 4.9%
CHANGE

2016 **EMPLOYMENT*** 2017
576.5k **0.4%** 578.8k
CHANGE

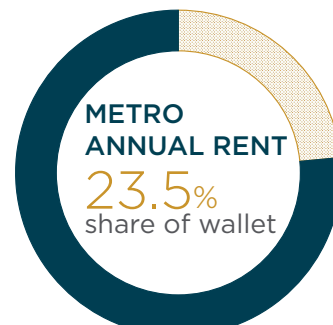
2016 **EXISTING SFH SALES**** 2017
16.1k **9.9%** 17.7k
CHANGE

2016 **MEDIAN SFH PRICE**** 2017
\$190.5k **1.2%** \$192.8k
CHANGE

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS** 2.20%
CHANGE

*August; **September

Companies in the professional and business services sector created 2,700 new jobs, to lead annual job creation in the New Orleans metropolitan area since August 2016. Education and health services employers created 1,300 jobs, a 1.3% advance. The opening of the 446-bed downtown hospital at the university medical complex partially supported the sector, attracting an estimated 1,110 medical professionals to the region. In 2016, New Orleans hosted a record-breaking 10.45 million visitors, surpassing the pre-Hurricane Katrina record set in 2004, and a 6.9% increase compared to 2015. To support this upswing in tourism, companies hired an additional 1,900 hospitality employees, a 2.2% expansion. Meanwhile, construction trades expanded 5.4% when it added 1,600 laborers to local payrolls. Growth in these segments was offset by headwinds in five employment sectors. Expected declines occurred in the government sector which shed 3,400 jobs, as federal spending tapered off by the U.S. Army Corps of Engineers. Metrowide employment growth was 0.4% or by 2,300 workers since August 2016.



NEW ORLEANS

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Central New Orleans	93.1%	93.0%	-4.3%	0.4%	\$1,491	\$1,496	-302	180	58	220
East Orleans Parish	95.5%	96.7%	-	5.2%	\$728	\$766	-16	81	0	0
Gretna/Terrytown/Jefferson Parish	92.7%	93.2%	3.3%	7.8%	\$808	\$871	-176	48	0	0
Jefferson/River Ridge	90.1%	95.8%	-	16.4%	\$874	\$1,017	11	285	0	0
Kenner	-	88.9%	-	-	-	\$772	1	48	0	0
Metairie	94.9%	95.8%	-	11.7%	\$842	\$941	-88	138	0	0
Southeast Orleans	-	91.4%	-	-	-	\$870	-3	-54	0	0
St. Bernard Parish	97.9%	96.7%	3.3%	2.4%	\$1,036	\$1,061	3	-7	0	0
St. Charles Parish	94.6%	97.0%	-	4.6%	\$892	\$933	0	23	0	0
St. Tammany Parish	95.4%	95.1%	-0.9%	0.3%	\$1,058	\$1,061	179	442	144	486
TOTALS	93.8%	94.2%	0.2%	1.3%	\$1,018	\$1,032	-391	1,183	202	706



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