

GLOBAL SPOTLIGHT

New Orleans, Louisiana



Louisiana's adopted recovery theme of Recover, Rebuild, Rebirth rings true for the New Orleans economy and for the spirit of the people of New Orleans.

- Recent population estimates indicate a 14% increase in New Orleans' population over the past seven months, as some of the hardest hit areas are now beginning to see tangible improvements to city services. For the most part, the suburban population centers to the west of the city have fully recovered. St. Bernard Parish, which had 66,000 residents pre-Katrina is now back to about 28,000 residents.
- The area's office market remains in balance, with a downtown Class A occupancy rate of 88%, a slight increase over pre-Katrina levels. Suburban Class A offices are currently 93% occupied, also slightly higher than pre-Katrina. During the past year, building operating costs increased by \$1.00 to \$2.00 per sq. ft., caused primarily by a rise in insurance premiums and labor costs. These costs are expected to level out over the next year.
- The industrial market remains tight, although the post-Katrina frenzy for space has now somewhat eased. Good demand for industrial space should continue over the next several years as the area rebuilds. Most of the new product added to inventory over the past year has been for office/warehouses of less than 10,000 SF.
- Retail sales for the metro area are at historic highs, bolstered by record high sales in the areas west and north of the city. It has been a tough year for downtown and French Quarter retailers, whose fortunes closely follow the level of tourists and conventioners to the area. Lowe's and Home Depot have been particularly active in placing new stores in the area.

New Orleans At A Glance

City Population	454,000 Pre-Katrina 255,000 Post-Katrina
MSA Population	1,313,787 Pre-Katrina 1,050,000 Post-Katrina
Location	Largest city in Louisiana on the banks of the Mississippi River
Interest	4.61% (US 10yr Treasury Note)
Unemployment	4.1% (Louisiana)

Property	Rent/SF/Year		Effective Avg.
	Low	High	
Downtown Office Class A (Prime)	\$16.50	\$18.00	\$17.50
Suburban Office Class A (Prime)	\$20.00	\$23.00	\$22.00
Industrial Bulk Warehouse	\$3.00	\$4.50	\$3.60
Retail Downtown	\$10.00	\$40.00	\$22.00

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