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## **Experts: N.O. commercial real estate may be shielded from national crisis**

**by Katie Urbaszewski News Intern**

NEW ORLEANS - Although many national experts fear that 2009 may be the worst year for commercial real estate since 1992, many real estate agents in New Orleans say that their city may be insulated.

Because of Hurricane Katrina, New Orleans never experienced the sky-high prices in the past that are now causing the crash, said Mark Inman, office manager of Coldwell Banker Commercial TEC Realtors New Orleans.

"It's kind of business as usual for us," he said.

Properties that are still recovering from the storm and need remodeling money put into them immediately are already priced significantly below the market price, said Donald Melancon, broker of Century 21 Signature Properties New Orleans. New Orleans is insulated because property values can't go down.

The it-can't-get-any-worse theme was prevalent in the opinions of many New Orleans-area commercial real estate agents.

"There's no way it can be as bad as 2006," said Inman.

Melancon insisted that commercial real estate agents will probably sell more in 2009 than in 2008 despite investors making it harder to borrow. Agents will only have to make sure offers are more solid than they have been in the past.

"People need these properties. The need is there," he said.

However, while 2009 may not be a particularly hard year, New Orleans may just face commercial foreclosures later than the rest of the country, said **Marty Mayer**, president and chief executive officer of Covington-based **Stirling Properties**.

"I do think that commercial real estate is lagging behind the residential cycle," he said. "While I don't think it's going to be crisis-proportional, we haven't seen the result of commercial foreclosures yet. A lot of loans are going to be coming over for refinancing, and I think commercial real estate will have some problem areas to get through."

Bruce Sossaman, leasing director of Equity Office in New Orleans, said occupancies in the Central Business District and Metairie are stable because of a static supply of office space.

Sossaman said commercial real estate agents shouldn't expect any crisis outside of New Orleans historic norms.

Government tenants coming into the private office market, as well as companies that traditionally have their own buildings that are beginning to move into multitenanted offices, have all helped stabilize the market, Sossaman said. •