

Local real estate trends tackled
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Speakers at the New Orleans Metropolitan Association of Realtors' first annual economic and real estate forum at Loyola University offered differing assessments of the economy Tuesday, but they noted that the New Orleans area will benefit from infrastructure investment for years to come and sought to highlight opportunities in a weak real estate market.

Jed Smith, managing director of quantitative research at the National Association of Realtors, said that nationally, the real estate market appears to have bottomed out, but without meaningful job improvement, the real estate market and the national economy will probably scrape along the bottom for 12 to 18 months, he said.

Striking an optimistic tone, Smith said he doesn't see a double dip recession, barring major unforeseen risks.

"I see a slow recovery. I see an awful lot of black swans out there, any one of which could derail us, but they haven't done it yet," Smith said.

Others aren't so sure. Guy Williams, president and chief executive of Gulf Coast Bank & Trust, encouraged people to keep an eye on the Greek debt crisis because if political solutions aren't found, it will harm European banks, which in turn will affect the U.S. economy.

Wade Ragas, president of Real Property Associates and professor emeritus of finance at the University of New Orleans, said there are several encouraging signs that distinguish the local economy from what's happening nationally.

The New Orleans area added 10,500 jobs from August 2010 to August 2011, and job growth is expected to continue to be positive. The number of jobs in the New Orleans area is now in line with the region's reduced population after Hurricane Katrina. The challenge, Ragas said, is adding enough new jobs to keep up with people who are moving back to the area.

Another piece of good news is that the metro area has moved only about halfway through the pipeline of construction projects planned after Hurricane Katrina. There's about \$42.4 billion in new construction slated for the region between 2006 and 2014, and only about \$20 billion of the contracts have been awarded or built.

"Very few cities can say they've got \$300 to \$500 million a month in contract awards that are likely to happen," Ragas said. "That's helping us to behave a little differently than the economy as a whole."

Infrastructure gains ahead

Meanwhile, Cedric Grant, deputy mayor for facilities, infrastructure and community development, said the city will announce a \$50 million soft second mortgage program later this week.

Grant also spoke about the Federal City project in Algiers, a new way of integrating military installations with civilian uses, and of plans to build new schools, and invest in streets and sewerage and water infrastructure.

"We are beginning to get after some of the major infrastructure needs of this community," Grant said. "But there's much more to be done."

Jerry Bologna, director of economic development services at the Jefferson Parish Economic Development Commission,

said the widening of the Huey P. Long bridge will open the West Bank for development. Great opportunities exist at the Churchill Technology and Business Park, a 550-acre development where JEDCO moved its headquarters in May, and around the NOLA Motorsports Park, a 660-acre development under construction with the world's longest car track.

Owner Laney Chouest has already invested about \$45 million to \$50 million in the facility, Bologna said. Only a few such parks exist around the country, and none of them has the appeal of New Orleans. Auto manufacturers are excited about doing product launches at the site.

North shore demand

Other local real estate experts talked about what they're doing and where they see opportunities in the market.

Lewis Stirling, executive vice president of **Stirling Properties**, said demand for office space in western St. Tammany Parish is strong. Office rental rates can be higher in St. Tammany Parish than they are in Orleans or Jefferson. Chevron has already used all of its space at the new office campus it built after Hurricane Katrina, and small businesses based in St. Tammany are steadily creating new demand for space.

Stirling Properties is planning a six-story, 157,000-square foot office building, the start of a five-building office park near Interstate 12 at the mixed-use River Chase development.

Bennett Davis, who handles leasing for Place St. Charles in his job at Corporate Realty, said small technology companies are looking for nontraditional office space to go with "the sandal mentality," and he sees an opportunity for people to develop unique 10,000- to 20,000-square foot properties as office space for technology companies.

Paul Dastugue, president of Property One Inc., said his company sees strong demand for apartments on the north shore, but he thinks development is more likely to occur in the Hammond area of Tangipahoa Parish rather than in St. Tammany. His company would also like to develop apartments in the River Parishes because the need is great with the Nucor steel mill opening.

West Bank, N.O. opportunities

Bonnie Buras, a Realtor with Coldwell Banker TEC on the West Bank, said there is a tremendous need for apartments or homes for rent in Belle Chasse, because most military people want to rent rather than buy when they come to the area. The community has historically been resistant to apartments.

Brooke Arthurs, a Realtor with Latter & Blum, said the luxury home market in New Orleans, particularly Uptown, is booming. Across a broader income spectrum, because there are few properties available for redevelopment Uptown, she thinks there's a great opportunity for investors to buy and renovate homes between Carrollton Avenue and the Jefferson Parish line, and sell them or hold them for rent.

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