



# 2014 Greater New Orleans Annual Office Market Report



CORPORATE REALTY





**Corporate Realty, Inc.** is proud to present our third annual Greater New Orleans Office Market Report. The following report lists basic occupancy and rental rate information for every non-medical office building greater than 20,000 square feet in the Greater New Orleans region, along with summaries of submarkets and market changes over the last few years.

This report is intended to give the reader a broad understanding of the market as well as specific information about occupancy and rental rates of each building. It was created to be a resource for our agents as well as tenants, landlords, developers, lenders, fellow brokers and anyone else looking for information about the Greater New Orleans office market.

In the narratives of each submarket, we mention the changes in the inventory of office buildings, including the changes in building names, as well as additions and subtractions to the market that occur as buildings are developed or redeveloped for other uses, such as hotels or multi-family residential.

In addition to this annual report, Corporate Realty publishes quarterly reports of the office market compiled by Bruce Sossaman. These reports present an immediate snapshot of the market and can be found on our website alongside previous annual reports at [corp-realty.com/reports/](http://corp-realty.com/reports/).

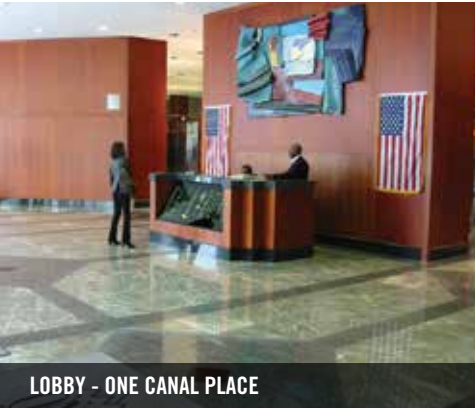
The information contained herein has been obtained from sources that we deem reliable. No representation or warranty is made as to the accuracy thereof, and it is submitted subject to errors, omissions and changes.

The information in this 2014 report would not be possible without the cooperation of our staff and colleagues and we would like to thank all of those who contributed. This is the result of a collaborative effort. Please contact us if you have any questions or would like more information about the Greater New Orleans office market.

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# Greater New Orleans Market Overview



LOBBY - ONE CANAL PLACE

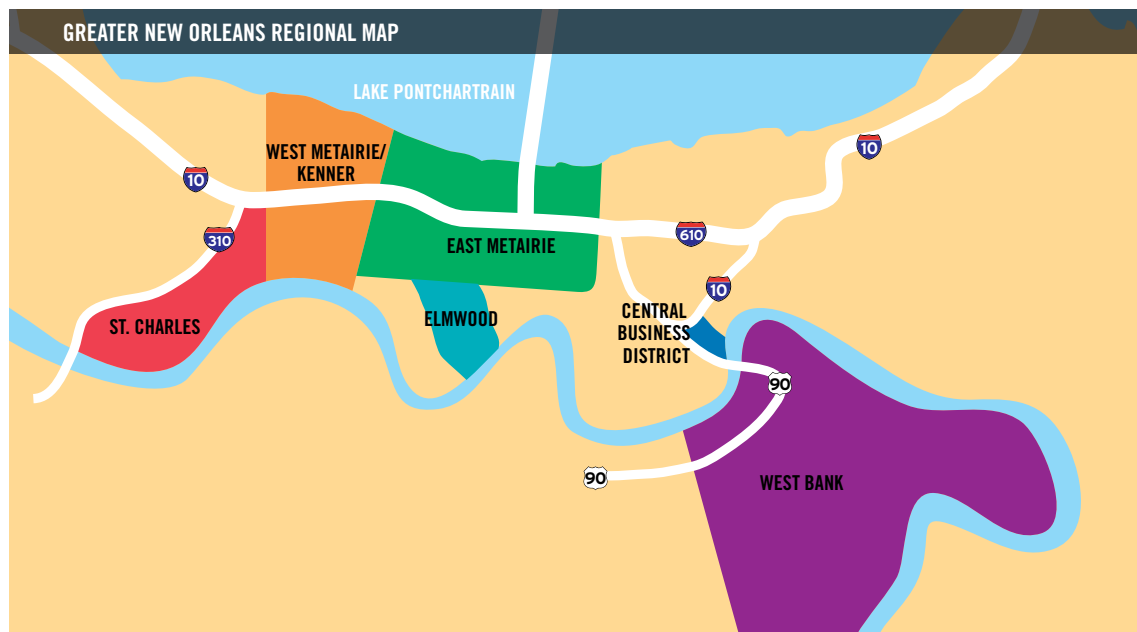
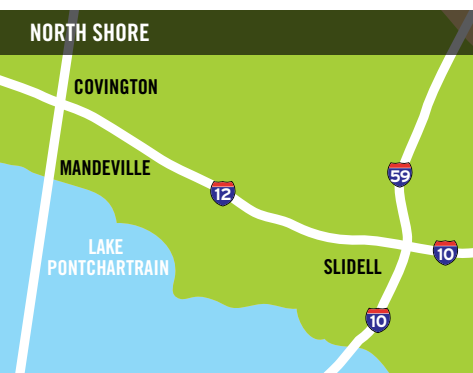


ONE SHELL SQUARE

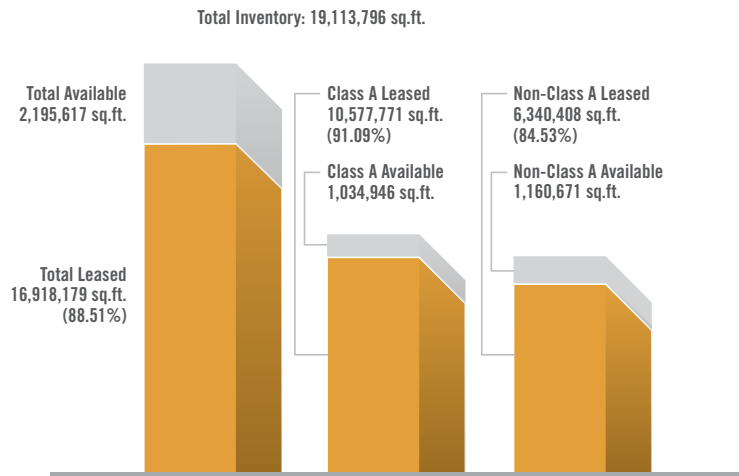
**2014** saw continued improvement and strengthening of the overall New Orleans office market. With the continued reduction of supply (conversion of office buildings to alternative uses) in the Central Business District (CBD) and steady demand in most of the suburban submarkets, 2014 saw slightly increased rental rates and continued stability. The CBD should still be characterized as a very competitive market, while our major suburban submarket (East Metairie), with one or two exceptions, has clearly become a landlord's market.

- Hard to believe, but there has not been a new major multi-tenant office building built in the New Orleans CBD since 1989 (Benson Tower) and since 1987 in Metairie (Three Lakeway).
- The total supply of office space in the CBD has shrunk from over 16.5 million sf in the late 1980s to less than approximately 11 million sf now. The good news is that this reduction in supply has created some equilibrium in the market and the CBD Class A office submarket is slightly less than 90% leased.

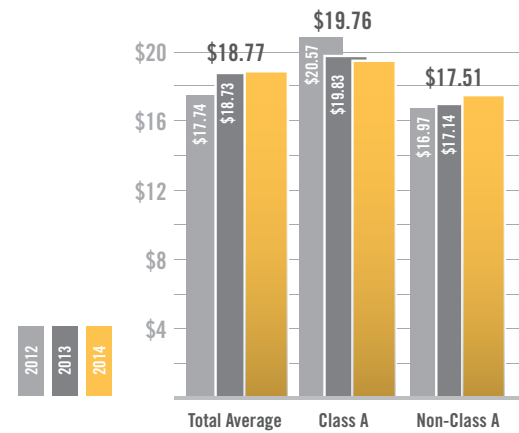
- The CBD office submarket accounts for almost 60% of the total New Orleans office market, approximately 11 million sf of the total 19 million sf in the market. The CBD is still the heart and the soul of our business community, and it is showing life over the past several years with new tenants, including GE, Gameloft, Search Influence and Ryan LLC.
- We are predicting an increase in rental rates in the CBD not as a result of increasing demand but because of increasing operating expenses and capital costs. Several buildings in the CBD are already achieving rates of \$20.00 prsf or more with several others doing their best to push rates whenever possible.
- The East Metairie submarket continues to be our "superstar." Top of the market rates in Metairie are now in the \$23.00 - \$25.00 prsf range with lower Tenant Improvement Allowances and other concessions than in the past. We believe rates in all building classifications in Metairie will continue to rise in 2015 pulled upward by the top of the market Class A properties.



## 2014 Total Inventory/Total Leased for all of the Greater New Orleans Market



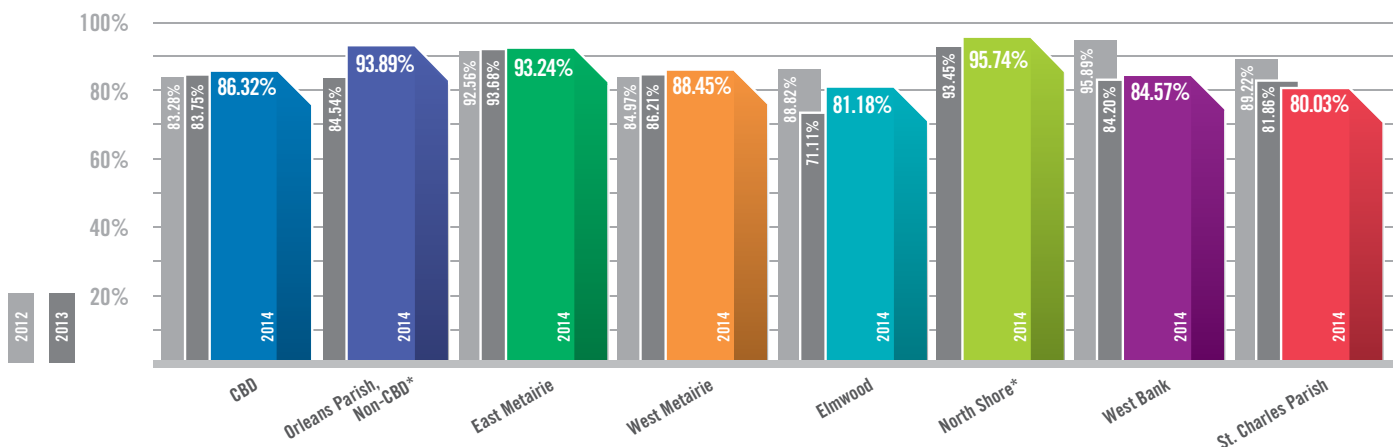
## 2014 Total Average Rental Rate for all of the Greater New Orleans Market



## 2014 Average Rental Rates For Submarkets Class A And Non-Class A Combined



## 2014 Total Combined Occupancy Rates for Submarkets



\* Orleans Parish, Non-CBD and the North Shore submarkets were added in 2013

# Central Business District



LOBBY - ENERGY CENTRE

“Though the CBD office submarket demand may not be deep, it remains very stable.”

**BENNETT DAVIS,**

Director of Leasing, Place St. Charles

## Significant Leases of 2014:

### Freeport-McMoran

Renewal at Freeport-McMoran Building for 216,000 sf

### Pan-American Life

Renewal at Pan-American Life Center for 75,000 sf

“The new retail developments in the CBD will be a great addition for downtown residents and workers alike.”

**MEG CARONNE,**

Director of Leasing, Energy Centre

‘Steady as she goes’ is the best way to describe the New Orleans Central Business District (CBD) office submarket in 2014. Overall occupancy rates of the Class A office properties climbed just under .5% from the previous year leaving occupancy at 89.60% by year’s end. The relatively large tenant renewals of Freeport-McMoran and Pan-American Life in 2014 greatly assisted in stabilizing the market.

As a result of this last round of large tenant renewals in the CBD and the reduction in supply, tenants over 60,000 square feet are finding fewer and fewer options of contiguous vacant Class A office space without landlords having to incur the expense of relocating tenants to assemble space. One such example was 1250 Poydras, which recaptured a space under lease to ENI Petroleum and combined it with vacant space for an approximately 135,597 square foot Hyatt House hotel conversion. Once again, the office space recovery in New Orleans is aided by adaptive reuse of existing inventory, hence shrinking the amount of CBD office space and tightening the CBD office submarket, not so much by strong demand, but rather by diminishing supply.

Not only is the CBD Class A office submarket buoyed by a continued right sizing due to redevelopment and a diversified tenant base, there are barriers to entry that make any new office development unlikely for years to come. Due to the lack of developable land, land costs are relatively high making only large dense high-rises economically feasible. The costs of land and high-rise construction preclude development, as rental rates for a new building would have to exceed the current market rate by \$10 or more per square foot. In addition to finding a market for office users willing to pay those rates, a developer would most likely need to fulfill substantial pre-leasing requirements to obtain financing. For these reasons, no major office building has been built in New Orleans since 1989, and it may be another ten to fifteen years before we see another built.

The Non-Class A CBD office submarket is made up of a handful of buildings. This market segment has been reduced over time by adaptive reuse, but peaked after Hurricane Katrina when high demand for hospitality and apartments in the CBD combined with insurance payments to make conversions possible. While there are a few bright spots in this small sector such as the Exchange Center and the IP Building, two larger Non-Class A properties, 1010 Common and Orleans Tower, weighed down the sector’s occupancy as a whole, and thus this sector ended 2014 at approximately 70% leased. The slim disparity in rental rates between Class A office rates and Non-Class A properties make it difficult for Non-Class A properties to compete; 80% of the CBD submarket is made of Class A office buildings, and 87% of all the office tenants in downtown New Orleans occupy Class A buildings. Tenants are unlikely to downgrade unless the savings are substantial, which they currently are not. Therefore significant improvement in the Non-Class A submarket in the near term is not realistic unless, of course, the submarket size is reduced by further adaptive reuse.

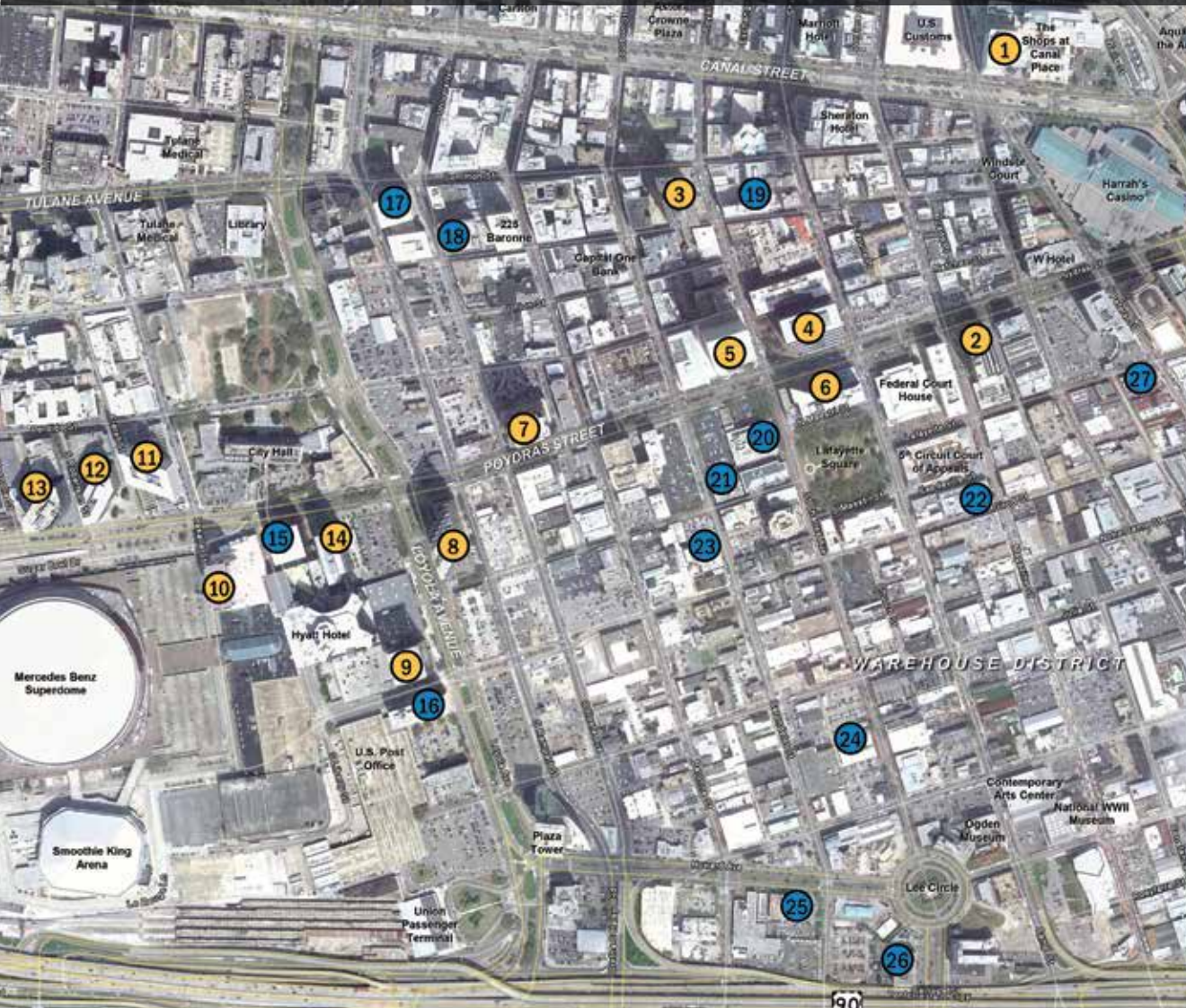
### Fast Facts and Highlights:

- The Class A CBD submarket closed 2014 at 89.60% leased.
- The Class A CBD office submarket represents 80% of the entire submarket.
- While making some headway in 2014, Non-Class A CBD buildings continue to struggle at 73.26% leased.
- The sublease market remains small relative to the submarket with only approximately 65,000 sf available, most of which is Class A.

*Note: 1250 Poydras has been reclassified as a Class A Building based on the conversion of seven floors to a hotel and related building upgrades. The reclassification of this building has resulted in a slight decrease in the reported average rental rate for the CBD Class A Buildings.*



## CENTRAL BUSINESS DISTRICT OFFICE MARKET



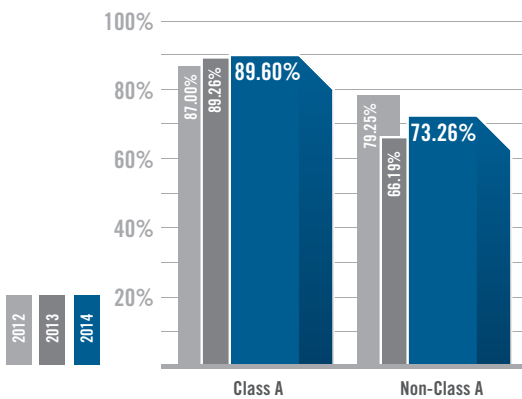
### Class A Buildings

1. One Canal Place
2. 400 Poydras Building
3. Place St. Charles
4. Pan-American Life Center
5. One Shell Square
6. Poydras Center
7. First Bank and Trust Tower
8. Energy Centre
9. Entergy Tower
10. Benson Tower
11. 1515 Poydras
12. 1555 Poydras
13. 1615 Poydras
14. 1250 Poydras Building

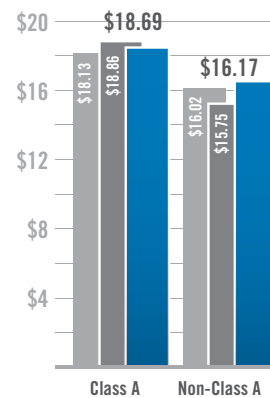
### Non-Class A Buildings

15. Orleans Tower
16. 701 Loyola Ave.
17. 1010 Common Building
18. Exchange Centre
19. Whitney Bank Building
20. Federal Reserve Bank Building
21. Stone Pigman Building
22. IP Building
23. 615 Baronne Building
24. Emeril's Homebase
25. Lee Circle Plaza
26. K & B Plaza
27. 300 Lafayette Building

### 2014 Occupancy



### 2014 Average Rental Rates



# Central Business District Class A

Building Name	Year Built/Year Renovated	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>One Shell Square</b> 701 Poydras St.	1972	51	1,256,991	50,041	96.02%	\$18.00 - \$20.00	8,775	8,346
<b>Place St. Charles</b> 201 St. Charles Ave.	1985	52	1,004,484	58,461	94.18%	\$20.00 - \$21.00	24,633	4,800
<b>Energy Centre</b> 1100 Poydras St.	1984	39	761,500	69,046	90.93%	\$18.50 - \$19.50	16,635	0
<b>Pan-American Life Center</b> 601 Poydras St.	1980	28	671,883	68,857	89.75%	\$19.00	38,160	42,673
<b>One Canal Place</b> 365 Canal St.	1979	32	630,581	112,423	82.17%	\$17.00 - \$19.00	50,000	0
<b>400 Poydras Building</b> 400 Poydras St.	1983	32	606,608	96,185	84.14%	\$16.50 - \$18.00	45,000	3,800
<b>First Bank and Trust Tower</b> 909 Poydras St.	1987	36	545,157	82,330	84.90%	\$18.00 - \$19.00	35,000	4,700
<b>Benson Tower</b> 1450 Poydras St.	1989/ 2011	26	531,871	6,240	98.83%	\$18.50 - \$19.00	6,240	0
<b>1515 Poydras</b> 1515 Poydras St.	1983	27	529,474	126,673	76.08%	\$17.50 - \$18.50	60,000	0
<b>Entergy Tower</b> 639 Loyola Ave.	1983	28	526,041	26,544	94.95%	\$19.50	8,196	0
<b>1615 Poydras</b> 1615 Poydras St.	1984	23	509,565	69,139	86.43%	\$17.00	22,565	0
<b>1555 Poydras</b> 1555 Poydras St.	1982	22	467,671	79,198	83.07%	\$17.50 - \$18.50	40,814	0
<b>Poydras Center</b> 650 Poydras St.	1983	28	453,255	37,624	91.70%	\$18.00 - \$19.00	11,000	0
<b>1250 Poydras Building</b> 1250 Poydras St.	1980	24	422,899	44,306	89.52%	\$18.50	13,336	0
<b>TOTAL CLASS A</b>			<b>8,917,980</b>	<b>927,067</b>	<b>89.60%</b>	<b>\$18.69</b>		



# Central Business District Non-Class A

Building Name	Year Built/Year Renovated	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>1010 Common Building</b> 1010 Common St.	1971	31	512,593	269,023	47.52%	\$15.00	167,981	0
<b>Orleans Tower</b> 1340 Poydras St.	1977	21	378,895	171,769	54.67%	\$14.50	39,382	0
<b>Exchange Centre</b> 935 Gravier St.	1983	21	355,274	31,427	91.15%	\$16.50 - \$18.50	20,811	0
<b>Whitney Bank Building</b> 228 St. Charles Ave.	1910	14	339,504	17,511	94.84%	\$16.50	7,737	752
<b>701 Loyola Ave.</b>	1964	14	234,067	81,986	64.97%	\$13.50	41,000	0
<b>The Federal Reserve Bank Building</b> 525 St. Charles Ave.	1966	5	100,000	5,675	94.33%	\$17.00 - \$19.00	4,325	0
<b>IP Building</b> 643 Magazine St.	1900/ 1982	4	84,585	0	100%	\$17.50	0	0
<b>K &amp; B Plaza</b> 1055 St. Charles Ave.	1962	7	70,000	880	98.74%	\$19.00	880	0
<b>Stone Pigman Building</b> 546 Carondelet St.	1910	6	51,081	0	100%	N/A	0	0
<b>Emeril's Homebase</b> 839 St. Charles Ave.	1910	3	43,403	0	100%	\$17.50	0	0
<b>818 Howard Ave.</b>	1917/ 1991	4	27,259	2,291	91.60%	\$12.00 - \$13.00	2,291	0
<b>615 Baronne Building</b> 615 Baronne St.	1910	3	25,096	18,777	25.18%	\$13.00 - \$14.75	3,484	0
<b>300 Lafayette Building</b> 300 Lafayette St.	1910	2	20,000	0	100%	\$18.00	0	0
<b>TOTAL NON-CLASS A</b>			<b>2,241,757</b>	<b>599,339</b>	<b>73.26%</b>	<b>\$16.17</b>		
<b>TOTAL/AVERAGE OF THE CBD</b>			<b>11,159,737</b>	<b>1,526,406</b>	<b>86.32%</b>	<b>\$18.12</b>		

# Orleans Parish, Non-CBD



INFORMATION TECHNOLOGY CENTER #4

“The Non-CBD portions of New Orleans continue to provide opportunities for office users with smaller requirements on a budget.”

**ANDREA ARONS HUSEMAN,**  
Director of Leasing, One Canal Place



CENTER FOR ENERGY RESOURCES MANAGEMENT

The Orleans Parish, Non-CBD submarket is not a traditional submarket, but rather one created for this report to capture the unique office buildings located throughout the city that are not in the Central Business District. Most New Orleans office space that lies outside of the Central Business District can be found within small multi-tenant buildings scattered in Mid-City on Canal St., around the University of New Orleans (UNO) and in New Orleans East. While there is a great deal of diversity in these buildings, they generally provide easy access and free parking, which are becoming more and more valued by office tenants. As there has been little increase in inventory, many landlords have benefitted from the higher demand by increasing rates and lowering concessions.

The University of New Orleans Research and Technology Foundation owns several office buildings that lease office space to the University and primarily to third party office users who have relationships with UNO. Last year, the 103,943 sf Information Technology Center #4 Building was empty

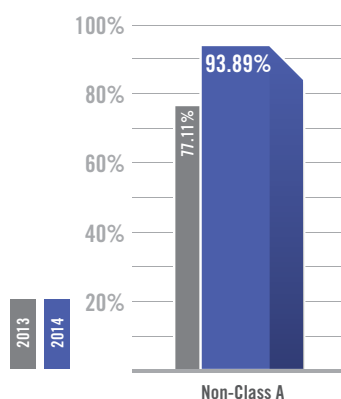
but it has since been completely leased by Whitney Bank, which will take possession in 2015. This lease was the largest new office transaction in the market this year, and it moves this building from 0% to 100% occupied.

As the new University Medical Center and Veterans Affairs hospital complexes near completion in Mid-City, demand should increase in the surrounding neighborhoods. While most of the neighboring development is currently focused on increasing housing and retail options, we expect to see new office inventory developed at some point.

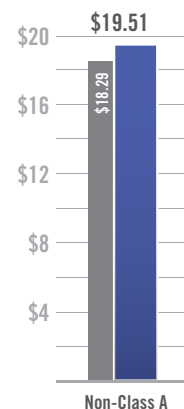
The New Orleans East area still lags behind the other submarkets, but may begin to see an increase in demand as public infrastructure projects like the New Orleans East Hospital establish themselves and as retail projects continue to open.

*Note: None of the buildings in the Orleans Parish, Non-CBD submarket are classified as Class A buildings, so building classifications are not included in this submarket chart.*

## 2014 Occupancy



## 2014 Average Rental Rates



\* Orleans Parish, Non-CBD submarket was added in 2013

# Orleans Parish, Non-CBD

Building Name	Year Built/Year Renovated	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>1215 Prytania Building</b> 1215 Prytania St.	1952	5	119,269	9,000	92.45%	\$16.00 - \$18.00	N/A	0
<b>Executive Plaza</b> 10001 Lake Forest Blvd.	1974	11	114,650	N/A	N/A	N/A	N/A	N/A
<b>Center for Energy Resources Management</b> 2045 Lakeshore Dr.	2002	5	104,506	23,322	77.68%	\$20.00 - \$22.00	7,232	0
<b>Information Technology Ctr #1</b> 2219 Lakeshore Dr.	2002	5	103,943	17,106	83.54%	\$22.00 - \$25.00	8,412	0
<b>Information Technology Ctr #2</b> 2233 Lakeshore Dr.	1998	5	103,943	0	100%	N/A	0	0
<b>Information Technology Ctr #3</b> 2251 Lakeshore Dr.	1999	5	103,943	0	100%	N/A	0	0
<b>Information Technology Ctr #4</b> 2285 Lakeshore Dr.	2000	5	103,943	0	100%	N/A	0	0
<b>Advanced Technology Center</b> 2021 Lakeshore Dr.	2001	5	78,500	7,682	90.21%	\$21.00 - \$23.50	3,487	0
<b>Mid-City Center</b> 320 N. Carrollton Ave.	1925/ 2006	2	48,000	0	100%	\$18.00	0	0
<b>1231 Prytania Building</b> 1231 Prytania St.	1967	6	39,000	7,500	80.77%	\$16.00 - \$18.00	N/A	0
<b>Smith Lupo Center</b> 145 Robert E. Lee Blvd.	1971/ 2006	5	38,000	0	100%	\$17.00	0	0
<b>Norman Mayer Memorial Building</b> 2515 Canal St.	1957/ 2006	4	34,594	0	100%	N/A	0	0
<b>101 W. Robert E. Lee Blvd.</b>	1982 / 2008	4	33,380	1,118	96.65%	\$18.00	1,118	0
<b>4640 S. Carrollton Ave.</b>	1950	2	26,142	0	100%	\$18.50	0	0
<b>Lake Willow Professional Building</b> 7240 Crowder Blvd.	1980 / 2011	4	24,000	0	100%	\$12.00 - \$15.00	0	0
<b>TOTAL/AVERAGE OF ORLEANS PARISH, NON-CBD</b>			<b>1,075,813</b>	<b>65,728</b>	<b>93.89%</b>	<b>\$19.51</b>		



# East Metairie



LOBBY - TWO LAKEWAY CENTER

## Significant Leases of 2014:

### Humana

Renewal and expansion at The Galleria for 45,270 sf

### Project Consulting

Renewal at Causeway Plaza for 22,320 sf

### Arthur Gallagher

Renewal at Heritage Plaza for 12,785 sf

### Sessions Law Firm

New lease at Two Lakeway for 12,000 sf

### Blue Williams

Renewal at 3421 N. Causeway for 34,000 sf

### Newman Mathis Brady & Spedale

New lease at Metairie Tower for 9,700 sf

**The** East Metairie office submarket continues to be one of the strongest in the Greater New Orleans area. Absorption in the Class A and Non-Class A office submarket totaled approximately 29,000 square feet in 2014. Occupancy increased from 94.9% in the fourth quarter of 2013 to 95.2% in the fourth quarter of 2014 in the Class A office submarket and remained steady in the Non-Class A office submarket. We also observed increases in rental rates in both the Class A and Non-Class A office submarkets. In the Non-Class A submarket, the average rental rate increased from \$18.08 to \$18.65 per rentable square foot, and the Class A submarket increased from \$23.55 to \$23.78 per rentable square foot. The largest amount of absorption and percentage increase in rental rates was noted in the Non-Class A office submarket in 2014.

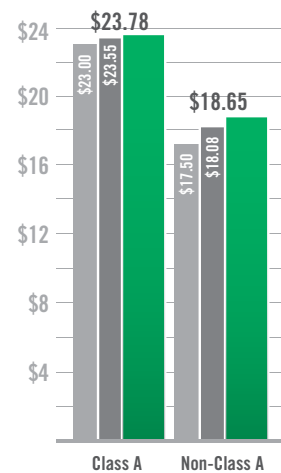
In 2014 we saw several smaller Non-Class A office buildings change ownership, and we expect this trend to continue with changes in larger Non-Class A office ownership as well in 2015. Metairie Center and Severn Place office buildings (total square footage of 176,000 sf) have been marketed for sale, and the 185,000 sf Executive Tower office building is also currently being marketed. This past year, the office building at 3616 S. I-10 Service Road was sold to an owner-occupant.

We anticipate any new office construction in the East Metairie office submarket to be limited to medical buildings and smaller owner-occupied office buildings. Due to the high cost of land and increasing cost of construction, current rental rates do not support ground-up development of new speculative office product at this time.

## 2014 Occupancy



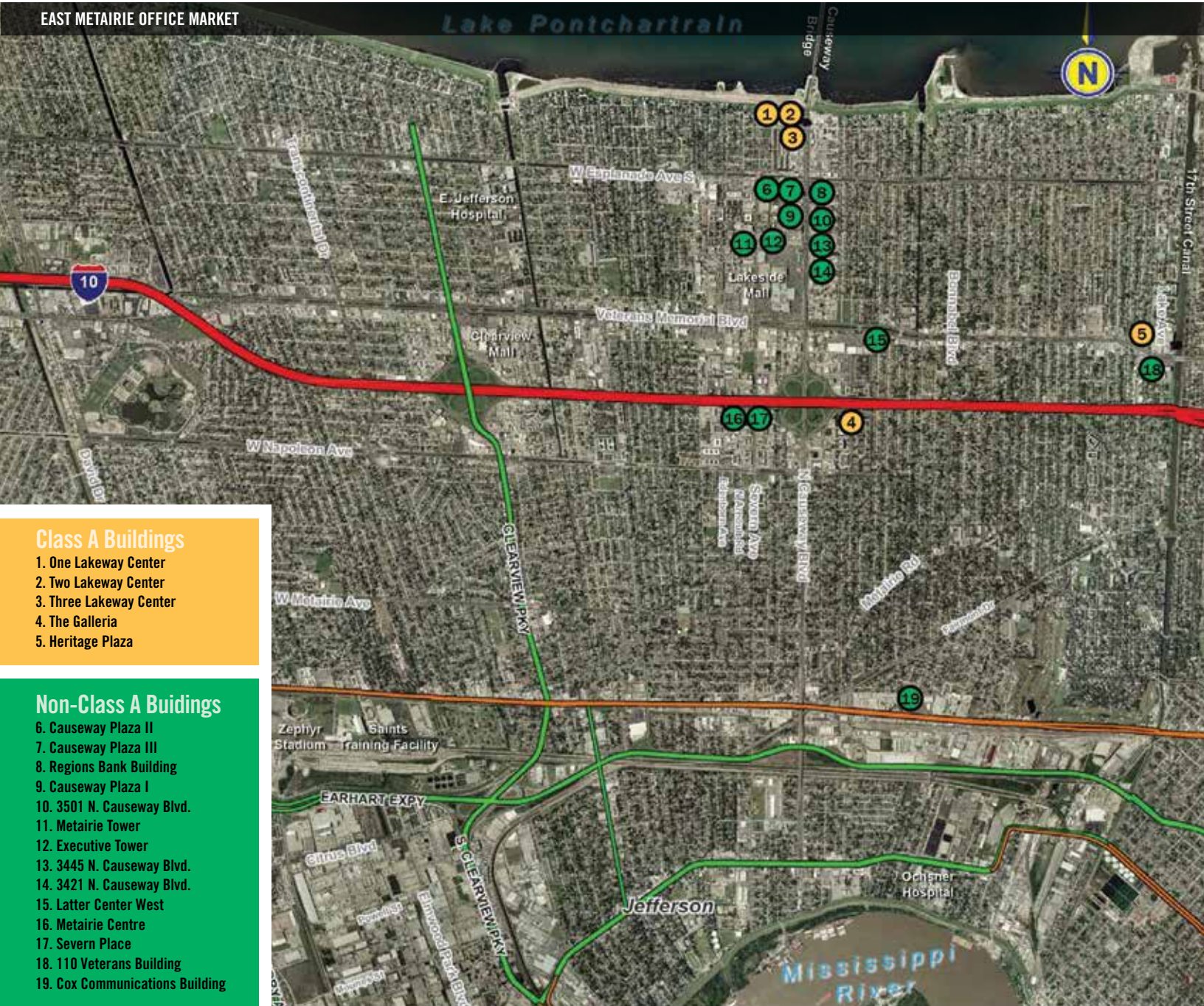
## 2014 Average Rental Rates



“With the cost of construction continuing to increase, we expect the length of leases for tenants relocating or entering the submarket to increase depending on the amount of build-out and customization of space required.”

**BRUCE SOSSAMAN,**  
Director of Leasing, Lakeway Complex

## EAST METAIRIE OFFICE MARKET





# East Metairie

Building Name	Year Built	No. of Floors	Building Class	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Three Lakeway Center</b> 3838 N. Causeway Blvd.	1987	34	A	471,745	15,212	96.78%	\$24.00 - \$25.00	8,671	0
<b>The Galleria</b> One Galleria Blvd.	1986	22	A	465,985	9,744	97.91%	\$24.00	2,901	0
<b>Two Lakeway Center</b> 3850 N. Causeway Blvd.	1984	19	A	449,309	48,143	89.29%	\$24.00 - \$24.50	25,931	835
<b>Heritage Plaza</b> 111 Veterans Blvd.	1983	18	A	353,003	19,911	94.36%	\$21.00 - \$22.00	7,501	0
<b>One Lakeway Center</b> 3900 N. Causeway Blvd.	1981	14	A	300,816	4,656	98.45%	\$24.00 - \$24.50	3,000	0
<b>Executive Tower</b> 3500 N. Causeway Blvd.	1972	14	Non-A	185,463	9,769	94.73%	\$17.75 - \$18.00	3,042	0
<b>Cox Communications Building</b> 2121 Airline Dr.	1987	6	Non-A	129,045	0	100%	N/A	0	0
<b>110 Veterans Building</b> 110 Veterans Blvd.	1972	5	Non-A	129,000	6,352	95.08%	\$18.50 - \$19.00	2,495	0
<b>AAA Building</b> 3445 N. Causeway Blvd.	1969	10	Non-A	127,887	16,653	86.98%	\$18.50	6,500	0
<b>3421 N. Causeway Blvd.</b>	1973	10	Non-A	125,243	10,057	91.97%	\$18.50	2,810	1,425
<b>Regions Bank Building</b> 3525 N. Causeway Blvd.	1970	10	Non-A	123,000	30,448	75.25%	\$16.50	6,318	0
<b>3501 N. Causeway Blvd.</b>	1973	10	Non-A	112,741	16,066	85.75%	\$19.50	8,576	0
<b>Causeway Plaza I</b> 3510 N. Causeway Blvd.	1982	6	Non-A	108,718	2,053	98.11%	\$20.00	2,053	0
<b>Causeway Plaza II</b> 3330 W. Esplanade Ave.	1982	6	Non-A	108,718	6,036	94.45%	\$20.00	3,864	0
<b>Causeway Plaza III</b> 3300 W. Esplanade Ave.	1983	6	Non-A	108,718	4,457	95.90%	\$20.00	3,937	0
<b>Latter Center West</b> 2800 Veterans Blvd.	1978	3	Non-A	96,979	9,941	89.75%	\$19.50 - \$20.00	5,970	0
<b>Metairie Tower</b> 433 Metairie Rd.	1970	6	Non-A	94,055	17,579	81.31%	\$20.00	3,445	0



# East Metairie (continued)

Building Name	Year Built	No. of Floors	Building Class	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Metairie Centre</b> 2424 Edenborn Ave.	1986	6	Non-A	90,637	4,235	95.33%	\$19.00	3,246	0
<b>Severn Place</b> 2450 Severn Ave.	1982	5	Non-A	86,219	84	99.90%	\$19.00	84	0
<b>3636 S. I-10 Service Rd.</b>	1980	3	Non-A	60,000	3,042	94.93%	\$17.50	2,024	0
<b>3131 N. I-10 Service Rd.</b>	1979	4	Non-A	48,250	3,173	93.42%	\$20.00	3,173	0
<b>Favrot &amp; Shane Building</b> 3925 N. I-10 Service Rd.	1981	2	Non-A	44,992	3,843	91.46%	\$16.75	1,172	0
<b>3616 S. I-10 Service Rd.</b>	1979	2	Non-A	40,000	0	100%	N/A	0	0
<b>3200 Ridgelake Building</b> 3200 Ridgelake Dr.	1984	4	Non-A	40,000	2,970	92.58%	\$17.75	2,970	0
<b>3939 N. Causeway Blvd.</b>	1979	4	Non-A	40,000	4,240	89.40%	\$21.00	4,240	0
<b>4501 Veterans Blvd.</b>	1970	4	Non-A	40,000	6,342	84.15%	\$14.00 - \$19.00	2,136	1,200
<b>Causeway West</b> 3229 36th St.	1974	2	Non-A	40,000	20,000	50.00%	\$17.50	20,000	0
<b>4141 Veterans Blvd.</b>	1969	3	Non-A	32,755	0	100%	\$18.50	0	0
<b>The Boy Scouts Building</b> 4200 S. I-10 Service Rd.	1984	2	Non-A	31,947	4,007	87.46%	\$13.50	1,681	N/A
<b>Crutcher-Tufts Building</b> 3545 N. I-10 Service Rd.	1970	3	Non-A	30,940	0	100%	\$18.80	0	0
<b>NY-II Office Building</b> 2750 Lake Dr.	1985	3	Non-A	30,114	2,485	91.75%	\$18.80	1,605	0
<b>2900 Ridgelake Dr.</b>	1982	4	Non-A	30,000	0	100%	N/A	0	0
<b>FGS Building</b> 4300 S. I-10 Service Rd.	1981	2	Non-A	25,026	2,465	90.15%	\$15.50	1,300	0
<b>TOTAL CLASS A</b>				<b>2,040,858</b>	<b>97,666</b>	<b>95.21%</b>	<b>\$23.78</b>		
<b>TOTAL NON-CLASS A</b>				<b>2,160,447</b>	<b>186,297</b>	<b>91.38%</b>	<b>\$18.65</b>		
<b>TOTAL/AVERAGE OF EAST METAIRIE</b>				<b>4,201,305</b>	<b>283,963</b>	<b>93.24%</b>	<b>\$22.47</b>		

# West Metairie/Kenner



2400 VETERANS BLVD.

## Significant Leases of 2014:

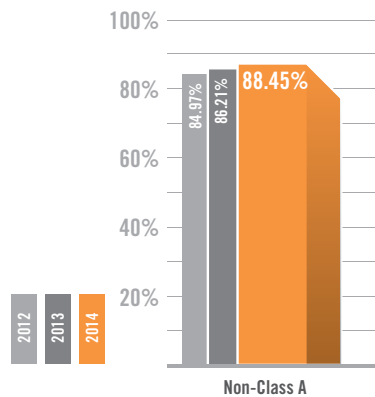
**Aetna Health Insurance**  
New lease at 2400 Veterans Blvd.  
for 15,000 sf

**The** West Metairie / Kenner submarket remains secondary to the East Metairie submarket in size and interest levels. Activity levels remain busy with occupancy rates close to 90%, and rental rates remain stable. Proximity to the airport, few quality options, and quoted rental rates 10% below what can be found in East Metairie are the main reasons this submarket has done so well. The main activity this year was Kingfish Development's purchase of the five-story building formerly known as the

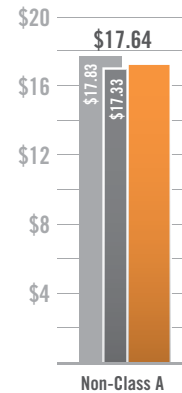
Rault Center and former Xerox Center at 2400 Veterans Blvd. Kingfish has pledged to make improvements to the building and recruit new tenants such as information technology company 4th Source, which moved their corporate headquarters to 2400 Veterans Blvd. from Atlanta.

*Note: None of the buildings in the West Metairie / Kenner submarket are classified as Class A buildings, so building classifications are not included in this submarket chart.*

## 2014 Occupancy



## 2014 Average Rental Rates



“The West Metairie / Kenner submarket continues to benefit from the high demand and low inventory of East Metairie.”

**JEFF COHN**, Sales and Leasing Associate,  
The Galleria, Causeway Plaza and 3445 N. Causeway

Building Name	Year Built	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>2400 Veterans Blvd.</b>	1982	5	133,195	16,446	87.65%	\$18.50	5,091	0
<b>Riverside II</b> 6620 Riverside Dr.	1983	3	58,057	3,648	93.72%	\$18.00	1,848	0
<b>2200 Veterans Building</b> 2200 Veterans Blvd.	1985	2	44,874	12,626	71.86%	\$12.75 - \$16.00	6,530	0
<b>Riverside I</b> 6660 Riverside Dr.	1980	3	32,181	948	97.05%	\$18.00	948	0
<b>Metairie Bank Building</b> 7809 Airline Dr.	1967	3	23,250	0	100%	N/A	0	0
<b>TOTAL/AVERAGE OF WEST METAIRIE/KENNER</b>			<b>291,557</b>	<b>33,668</b>	<b>88.45%</b>	<b>\$17.64</b>		

**Elmwood** is a submarket of East Jefferson Parish that is changing from a predominantly industrial area to a mixed-use community. The widening of the Huey P. Long Bridge has helped lead to the development of more retail and restaurant offerings in Elmwood.

This submarket offers a little more than 600,000 square feet of office space in seven buildings, three of which are owner-occupied. Most of the office inventory is smaller flex space connected to larger warehouse properties.

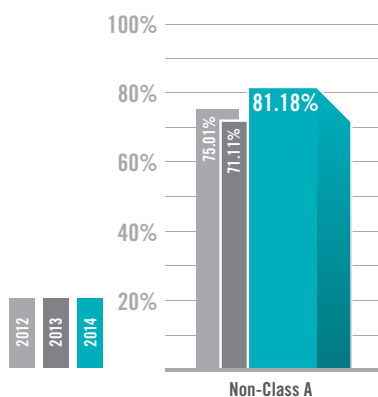
Stewart Enterprises was acquired by fellow funeral home and cemetery operator Service Corporation International in 2014. While Service Corporation International has retained ownership of Stewart Enterprises building in Elmwood, it remains to be seen what Service Corporation International's long-term plans are for the building.

*Note: The square footage for 824 Elmwood Park Blvd. has been updated upon the receipt of new information from the owner. None of the buildings in the Elmwood submarket are classified as Class A buildings, so building classifications are not included in this market chart.*

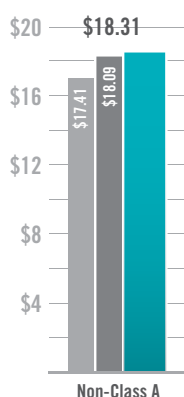


STEWART SERVICES CENTER

## 2014 Occupancy



## 2014 Average Rental Rates



“The Elmwood area continues to get busier with the addition of new retail and housing options.”

COLLEEN BERTHELOT, Sales and Leasing Associate

Building Name	Year Built	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Elmwood Tower</b> 1201 Elmwood Park Blvd.	1982	10	205,313	0	100%	\$17.50	0	0
<b>880 Commerce Rd. West</b>	1979	5	93,629	68,120	27.24%	\$18.50	68,210	0
<b>800 Commerce Rd. West</b>	1979	5	91,628	24,011	73.80%	\$19.50	19,490	0
<b>Stewart Services Center</b> 1333 S. Clearview Pkwy.	1974	5	90,000	0	100%	N/A	0	0
<b>990 N. Corporate Park Rd.</b>	1979	3	58,646	22,285	62.00%	\$18.50	10,419	0
<b>800 Commerce Rd. East</b>	1979	3	53,024	0	100%	N/A	0	0
<b>824 Elmwood Park Blvd.</b>	1984	2	39,600	4,513	88.60%	\$19.00	3,215	0
<b>TOTAL/AVERAGE OF ELMWOOD</b>			<b>631,840</b>	<b>118,929</b>	<b>81.18%</b>	<b>\$18.31</b>		



# North Shore



**NORTH PARK CORPORATE CENTER**

“With relatively large tracts of vacant land available, flexible utility companies and pro-growth local governments, St. Tammany Parish is poised for significant growth throughout the next decade.”

**RANDALL WHITE,**  
Sales and Leasing Associate, Tenant Representation



**RESOURCE BANK BUILDING**

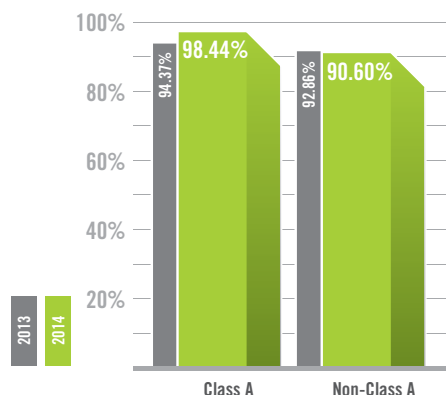
**St. Tammany** Parish on the North Shore continues to maintain its position as the fastest growing parish in the state, and the office component of that growth was buoyed by the completion of the Greengate One Office building (36,908 square feet on three floors and the new home to Rain Cii Carbon) in Northpark, Covington. Additionally, the original Northpark development is embarking on a planned 76-acre development, which will focus on corporate clients interested in building office buildings from 20,000 to 50,000 sf. The main corporate client moving this submarket is Chevron, which recently purchased 10 acres for the future expansion of its 300,000 sf building. This expansion is just north of the original 200-acre park (half of which became a residential community) and has provided the opportunity to increase the size of the park from its current 22 buildings to 30 – 35 buildings.

Another sign of continued commercial growth in the St. Tammany Parish was the increase in commercial building permits in the third quarter of 2014. In July alone, commercial building permits increased by 144% over the same month in 2013, bringing the third quarter totals for permits issued to 127 and year-to-date totals to 231 commercial building permits, which virtually negated and reversed any stagnant growth measured in the beginning of the year.

Both the primary retail Nord du Lac and River Chase developments in Covington include plans for office developments dotting the I-12 corridor. The River Chase development, on the south side of I-12, also includes plans for a Class A six-story 157,000 SF office building in Phase 1.

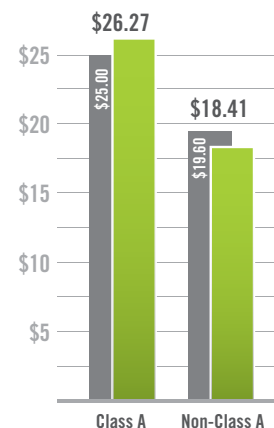
*Note: The Greengate One Office building was completed in 2014 and added to our list of buildings in this submarket.*

## 2014 Occupancy



\* North Shore submarket was added in 2013

## 2014 Average Rental Rates



# North Shore

Building Name	Year Built	No. of Floors	Building Class	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Chevron Building</b> 1001 Northpark Blvd.	2009	4	A	290,500	0	100%	N/A	N/A	0
<b>Cypress Bend Office Building</b> 1001 Ochsner Blvd.	2009	4	A	105,157	6,000	94.29%	\$28.00	4,000	0
<b>Northpark Corporate Center</b> 109 Northpark Blvd.	1986	5	A	103,222	4,213	95.92%	\$24.50	2,227	0
<b>FARA Insurance Building</b> 1625 West Causeway Approach	2006	2	A	55,000	0	100%	N/A	0	0
<b>1010 W. Gause Blvd.</b>	1968	2	Non-A	100,000	0	100%	\$15.00	0	0
<b>Northpark Corporate II</b> 103 Northpark Blvd.	1998	3	Non-A	69,905	0	100%	N/A	0	0
<b>Resource Bank Building</b> 5100 Village Walk	2001	3	Non-A	43,405	4,360	89.96%	\$20.00	2,722	0
<b>830 West Causeway Approach</b>	2006	2	Non-A	40,000	0	100%	\$23.00	0	0
<b>GreenGate One Office Building</b> 1330 Greengate Dr.	2014	3	Non-A	36,908	8,001	78.32%	\$20.00	4,010	0
<b>Loop Building</b> 137 Northpark Blvd.	2009	2	Non-A	30,000	0	100%	N/A	0	0
<b>No. 2 Sanctuary Blvd. Building</b> 2 Sanctuary Blvd.	1998	3	Non-A	21,000	0	100%	\$21.00	0	0
<b>No. 3 Sanctuary Blvd. Building</b> 3 Sanctuary Blvd.	2000	3	Non-A	21,000	0	100%	\$21.00	0	0
<b>No. 4 Sanctuary Blvd. Building</b> 4 Sanctuary Blvd.	2004	3	Non-A	21,000	0	100%	\$21.00	0	0
<b>No. 5 Sanctuary Blvd. Building</b> 5 Sanctuary Blvd.	2006	3	Non-A	21,000	0	100%	\$21.00	0	0
<b>The Allstate Building</b> 111 Park Place	1998	1	Non-A	20,153	0	100%	\$24.00	0	0
<b>2050 E. Gause Blvd.</b>	2006	2	Non-A	20,000	20,000	0.00%	\$16.00	20,000	20,000
<b>TOTAL CLASS A</b>				<b>553,879</b>	<b>10,213</b>	<b>98.16%</b>	<b>\$21.83</b>		
<b>TOTAL NON-CLASS A</b>				<b>444,371</b>	<b>32,361</b>	<b>92.72%</b>	<b>\$26.27</b>		
<b>TOTAL/AVERAGE OF NORTH SHORE</b>				<b>998,250</b>	<b>42,574</b>	<b>95.74%</b>	<b>\$18.41</b>		

# West Bank



WESTPARK OFFICE BUILDING

“The West Bank is a small enough submarket that the drastic change in occupancy in just one building, the Westpark Office Building, makes a huge impact on occupancy for the entire submarket.”

**AUSTIN LAVIN,**  
Sales and Leasing Associate, Tenant Representation

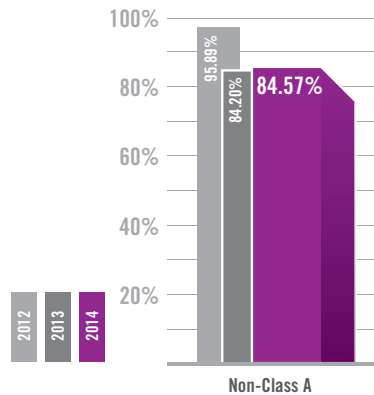
The West Bank office submarket remained stagnant.

The Westpark Office Building, one of the largest office buildings on the West Bank, is currently being offered for sale by Corporate Realty. It is being marketed in conjunction with LFC, a global online auction platform. The 114,931 sf building was 100% occupied at the end of 2014, but is 100% vacant in 2015 now that FEMA has moved out. The grounds are expansive and available to be developed for

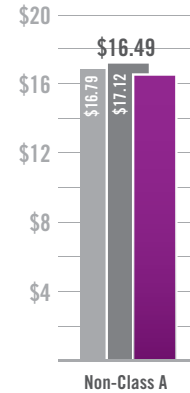
multiple uses (retail, commercial, multi-family or other redevelopment options) to take advantage of the prime location on General DeGaulle. This is a pivotal year for the West Bank submarket, and the future of Westpark will have a large impact.

*Note: Since none of the buildings in the West Bank submarket are classified as Class A buildings, building classifications are not included in this market chart. The square footage of Manhattan Place has been updated upon the receipt of new information.*

## 2014 Occupancy



## 2014 Average Rental Rates



Building Name	Year Built	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Oakwood Corporate Center</b> 401 Whitney Ave.	1985	6	133,421	20,327	84.76%	\$19.50	8,028	0
<b>Timbers Office Building</b> 3520 General Degaulle Dr.	1985	5	128,163	26,156	79.59%	\$14.00	N/A	0
<b>Westpark Office Building</b> 1 Seine Crt.	1983	6	108,889	0	100%	\$16.00 - \$18.00	0	0
<b>Manhattan Place</b> 2439 Manhattan Blvd.	1978	5	62,066	28,448	54.16%	\$16.00	7,899	0
<b>2550 Belle Chasse Hwy.</b>	1983	3	45,000	N/A	N/A	N/A	N/A	0
<b>MG Plaza</b> 1601 Belle Chasse Hwy.	1984	3	30,000	0	100%	\$15.50	0	0
<b>Mac Arthur Professional Bldg.</b> 3712 Mac Arthur Blvd.	1971	2	27,766	4,990	82.03%	\$15.00	4,990	0
<b>Cypress Park</b> 405 Gretna Blvd.	1976	2	24,248	10,000	58.76%	\$15.00	4,000	0
<b>Marrero Land Office Plaza</b> 5201 Westbank Expy.	1971	4	23,310	0	100%	\$13.75 - \$19.00	0	0
<b>TOTAL/AVERAGE OF WESTBANK</b>			<b>582,863</b>	<b>89,921</b>	<b>84.57%</b>	<b>\$16.49</b>		

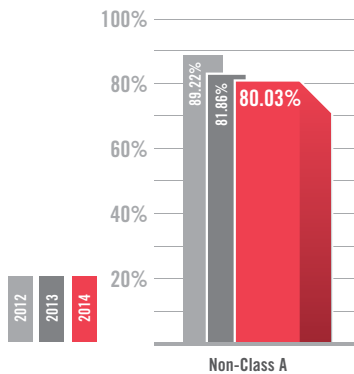


# St. Charles Parish

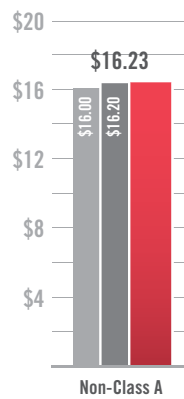
The amount of office space available in St. Charles Parish increased from 31,271 sf to 34,428 sf out of 172,431 sf. In such a small submarket, every tenant's decisions makes a substantial impact on the marketplace.

*Note: None of the buildings in the St. Charles Parish submarket are classified as Class A buildings, so building classifications are not included in this market chart.*

## 2014 Occupancy



## 2014 Average Rental Rates



ONE JAMES PARK

“St. Charles Parish remains the home of more warehouse space than office space, but there are opportunities available for tenants looking for space past the airport.”

**DONNA WHALEN LITTLE,**  
Sales and Leasing Associate, Tenant Representation

Building Name	Year Built	No. of Floors	Total Rentable Square Feet	Total Rentable Square Feet Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
<b>Two James Park</b> 120 Mallard St.	1981	3	53,520	6,165	88.48%	\$16.50 - \$17.00	4,160	0
<b>One James Park</b> 100 James Dr.	1980	3	43,055	10,178	76.36%	\$16.50 - \$17.00	6,949	0
<b>Plantation Campus Center</b> 104 Campus Dr. E.	1982	2	26,066	2,407	90.77%	\$14.50	2,407	0
<b>160 James Dr. E.</b>	1981	1	25,772	0	100%	N/A	0	0
<b>Five James Park</b> 110 James Dr. W.	1983	2	24,018	15,678	34.72%	\$16.00	7,338	0
<b>TOTAL/AVERAGE OF ST. CHARLES PARISH</b>			<b>172,431</b>	<b>34,428</b>	<b>80.03%</b>	<b>\$16.23</b>		

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