

2015 Greater New Orleans Annual Office Market Report





Corporate Realty, Inc. presents our 2015 Greater New Orleans
Annual Office Market Report.

We publish this report to give the reader a broad understanding of the Greater New Orleans office market as well as specific information about occupancy and rental rates of each office building. With data from the last three years, readers of this report will be able to understand what is happening in the market now, and how it got to this point.

In addition to the lists of basic occupancy and gross (including all operating expenses) rate information for every non-medical office building greater than 20,000 square feet in the Greater New Orleans region, Corporate Realty's office specialists have summarized the information they have gathered into narratives of each submarket to help share the general story of the office market.

In the narratives of each submarket, we explain our methodology and footnote 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 new buildings are developed and older buildings are redeveloped into residential or hospitality uses.

Please contact one of the many Corporate Realty office specialists if you have any questions or would like more information about the Greater New Orleans office market.

Corporate Realty also 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.

The information in this 2015 report would not be possible without the cooperation of our staff and our colleagues, and we would like to thank all those who contributed.

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, changes of price or other conditions.

Greater New Orleans Market Overview	2
Central Business District . .	4
Orleans Parish, Non-CBD . .	8
East Metairie	10
West Metairie/Kenner . . .	14
Elmwood	15
North Shore	16
West Bank	18
St. Charles Parish	19
Corporate Realty's Office Specialists	20

Greater New Orleans Market Overview



MIKE SIEGEL, PRESIDENT
CORPORATE REALTY, INC.

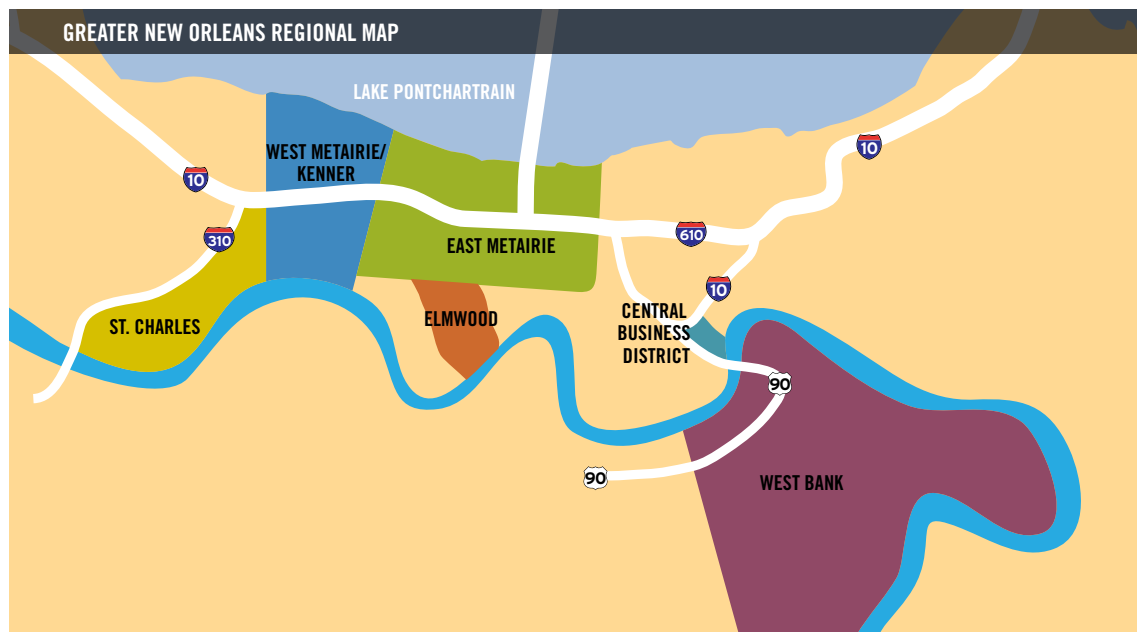
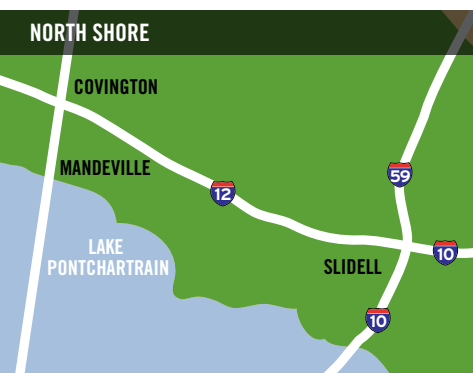
“Déjà vu all over again” is the best way to describe the office market in the New Orleans area in 2015.”

MIKE SIEGEL,
President, Corporate Realty, Inc.

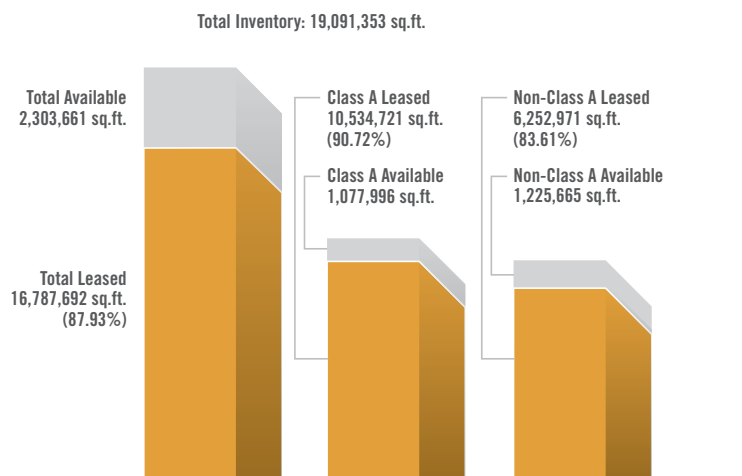
While overall real estate activity, especially new developments in and around downtown New Orleans, was exceptionally strong, our office market ended 2015 much like it began the year, and with similar performance to 2014. The CBD, Warehouse District, and the rest of the historic core of New Orleans experienced record land and building values. Most of this demand and growth was for new multi-family development or for hotel development which should continue in 2016. Unfortunately, the multi-family and hotel demand has little to no direct impact on the New Orleans office market.

The good news, as detailed in this report, is that with the combination of no new construction, growth and maturity in our East Metairie, West Metairie/Kenner submarkets and continued reduction in supply in the CBD, the New Orleans office

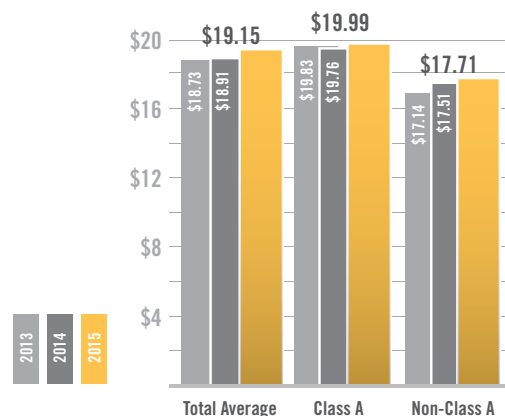
market has reached a point of equilibrium. While new tenant demand has been limited, there is now a clear balance between this demand and the fixed supply of office space. The end result is a stabilization of rental rates in the CBD and slightly increasing rates in the suburbs. While 2016 might be a more difficult year due to the downturn in the oil and gas industry, the overall trajectory of New Orleans bodes well for the long-term health of the office market. While office demand remains limited, quality of life issues in and around New Orleans are extremely strong. This has led to New Orleans gradually becoming an entrepreneurial hub as well as a magnet for a younger, well-educated workforce. Over the next several years, this entrepreneurial activity and new demographics should lead to growth in white collar jobs and new demand in our office markets.



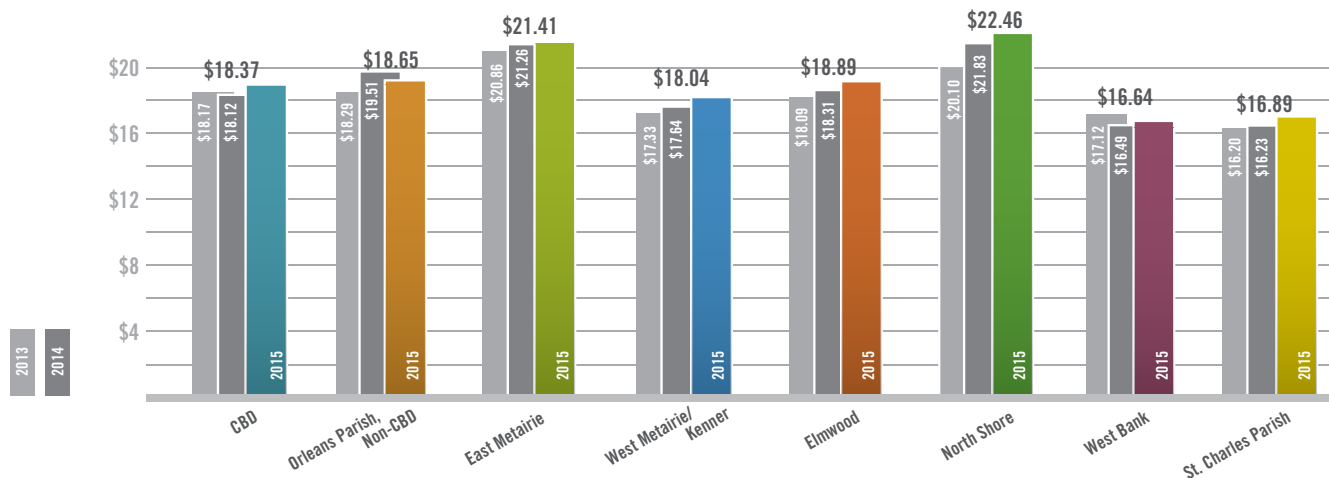
2015 Total Inventory/Total Leased for all of the Greater New Orleans Market



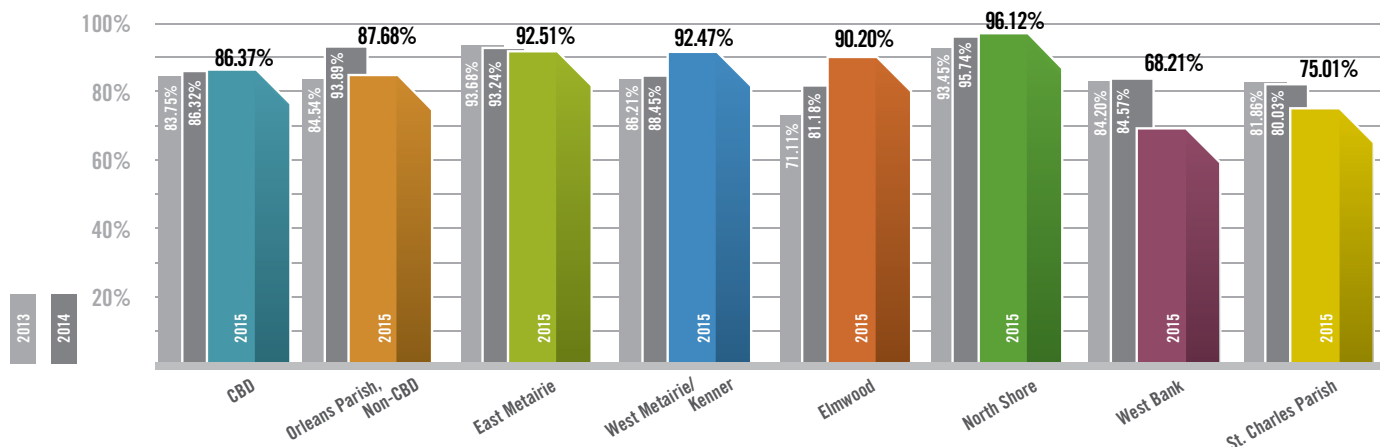
2015 Total Average Rental Rate for all of the Greater New Orleans Market



2015 Average Rental Rates For Submarkets Class A And Non-Class A Combined



2015 Total Combined Occupancy Rates for Submarkets



Central Business District



“The CBD will experience some decline due to the downturn in the oil and gas industry, but it will be in a much better position to recover quicker as the past dependence on that industry to fill up the office buildings has largely been replaced.”

BENNETT DAVIS,

Director of Leasing, Place St. Charles

Significant Events of 2015:

One Shell Square

Sold to the Hertz Investment Group

Tulane University

Renewed its lease of 186,000 sf in 1555 Poydras

Ochsner Health Systems

Leased 115,000 sf in the space formerly occupied by Lord & Taylor

Morris Bart Law Firm

Leased approximately 40,000 sf in the Pan-American Life Center

“Office inventory has shrunk but occupancies did not and at this point, the New Orleans Class A office market is steady.”

MEG CARONNE,

Director of Leasing, Energy Centre

Steady. Steady. Steady. New Orleans CBD office occupancy barely registered any positive or negative movement in total occupancy in 2015. In fact, overall occupancy of all classes declined a mere .05%. These statistics are not particularly impressive, but what is gleaned from this data may be telling.

1. The New Orleans CBD office submarket has perhaps reached equilibrium.
2. The dramatic downward movement in oil and gas has not impacted this market... yet.
3. The shadow market, which is less than 1% of the total supply, is not having any impact on the market as a whole.
4. Rates are barely increasing on the top end but are increasing on the bottom end of the market.

After decades of an oversupply of office space, inventory has finally caught up to a large extent with office space demand. This is less the result of an expanding base of office space users, but more the result of the very long process of diminishing inventory, due to numerous adaptive reuses of existing Non-Class A office buildings into apartments and hotels. This downsizing or rightsizing of inventory had been occurring for some time, but received a tremendous boost from insurance and recovery proceeds received after Hurricane Katrina allowing owners/developers to have access to funds that pushed many redevelopment projects forward. Unfortunately, there is negligible demand for Non-Class A office space, and there seems to be no change on the near horizon. What may change however are further reductions of inventory as a few of the remaining Non-Class A office buildings may be targets for conversion.

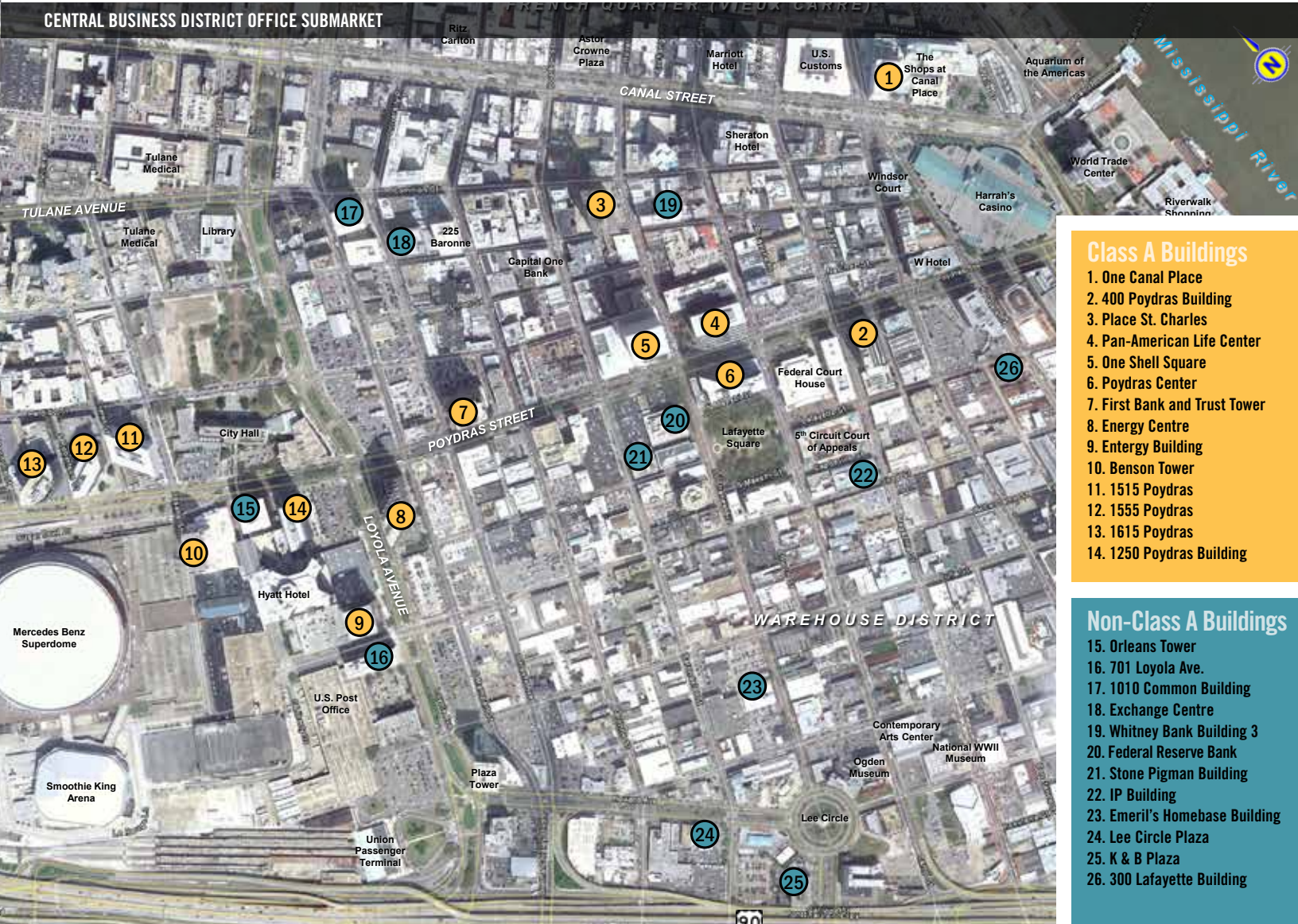
There was a time when the majority of office users in the CBD were directly or indirectly related to the oil and gas industry. Those days are long gone and so

are the companies that occupied so much of New Orleans' office buildings. With only one major oil company left in the CBD, Shell Oil, massive layoffs resulting in lease cancellations, large blocks of sublease space, and bankruptcies have not occurred despite the drastic drop in oil prices. Is New Orleans completely out of the woods? Probably not. One company, Energy XXI, left the market at the end of 2015, and there are probably others to come. The good news is that the diversity of tenant mix has improved dramatically since the time of the 1980's oil bust and the New Orleans CBD of today can withstand what it could not thirty years ago. In fact, the Energy XXI floor that was given back was almost entirely leased by other tenants within two weeks of the space coming back into the market.

As of the end of 2015, only a tiny fraction of the total amount of office space in the CBD was being offered for sublease. About a third of the sublease space available is one space, which will be coming back to the property next year. While sublease space was a non-factor in 2015, more sublease space will be on the market in 2016 as a result of the oil and gas slowdown.

The quoted rental rate range in the CBD Class A market was \$17-\$21 per square foot at the end of 2015. That represents very little growth on the upper end of the range, but the lower end range has increased as more and more properties are quoting rates of \$18-18.50, and at least three buildings are quoting rates at \$20 or above. In 2014, two buildings quoted rates above \$20. Today, only two buildings are quoting rates under \$18 per square foot compared to seven buildings quoting rates under \$18 at the end of 2014. In all of the fourteen Class A CBD office buildings, ten buildings have raised rates in the last year, four remained the same and none decreased rates.

CENTRAL BUSINESS DISTRICT OFFICE SUBMARKET



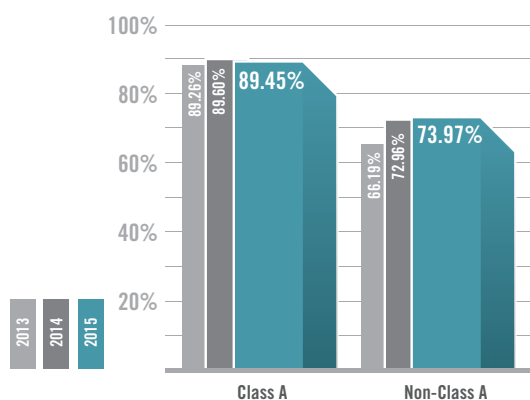
Class A Buildings

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 Building
10. Benson Tower
11. 1515 Poydras
12. 1555 Poydras
13. 1615 Poydras
14. 1250 Poydras Building

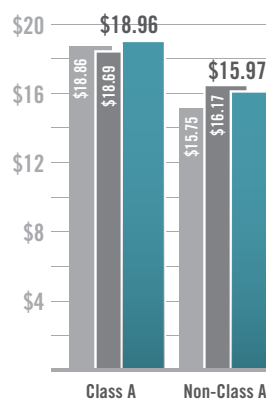
Non-Class A Buildings

15. Orleans Tower
16. 701 Loyola Ave.
17. 1010 Common Building
18. Exchange Centre
19. Whitney Bank Building 3
20. Federal Reserve Bank
21. Stone Pigman Building
22. IP Building
23. Emeril's Homebase Building
24. Lee Circle Plaza
25. K & B Plaza
26. 300 Lafayette Building

2015 Occupancy



2015 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
One Shell Square 701 Poydras St.	1972	51	1,256,991	46,151	96%	\$18.50 - \$20.00	10,434	6,300
Place St. Charles 201 St. Charles Ave.	1985	52	1,004,484	51,909	94.83%	\$20.00 - \$21.00	24,633	10,000
Energy Centre 1100 Poydras St.	1984	39	761,500	82,318	89.19%	\$18.50 - \$19.50	14,900	0
Pan-American Life Center 601 Poydras St.	1980	28	671,883	84,965	89.35%	\$19.00	38,160	0
One Canal Place 365 Canal St.	1979	32	630,581	113,115	82.06%	\$18.00 - \$19.00	60,000	6,413
400 Poydras Building 400 Poydras St.	1983	32	606,608	87,171	85.68%	\$17.00 - \$18.00	45,000	0
First Bank and Trust Tower 909 Poydras St.	1987	36	545,157	91,886	83.15%	\$18.00 - \$19.00	34,200	31,000
Benson Tower 1450 Poydras St.	1989/ 2011	26	531,871	0	100%	\$18.50 - \$19.00	0	0
1515 Poydras 1515 Poydras St.	1983	27	529,474	117,758	77.76%	\$19.00 - \$20.00	60,000	0
Entergy Building 639 Loyola Ave.	1983	28	526,041	9,221	98.25%	\$19.50	5,394	2,099
1615 Poydras 1615 Poydras St.	1984	23	509,565	77,490	84.79%	\$17.50	45,310	5,196
1555 Poydras 1555 Poydras St.	1982	22	467,671	92,034	80.32%	\$19.00	59,911	3,800
Poydras Center 650 Poydras St.	1983	28	453,255	33,867	92.53%	\$18.00 - \$19.00	6,200	2,485
1250 Poydras Building 1250 Poydras St.	1980	24	422,899	52,721	87.53%	\$18.50 - \$19.00	13,336	19,112
TOTAL CLASS A			8,917,980	940,606	89.45%	\$18.96		

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
1010 Common Building 1010 Common St.	1971	31	512,593	266,726	47.97%	\$15.00	167,981	0
Orleans Tower 1340 Poydras St.	1977	21	378,895	141,549	62.64%	\$14.50	29,600	0
Exchange Centre 935 Gravier St.	1983	21	355,274	39,089	89.00%	\$16.50 - \$18.50	20,811	0
Whitney Bank Building 228 St. Charles Ave.	1910/ 1996	14	339,504	25,397	92.52%	\$16.50	9,632	820
701 Loyola Ave.	1964	14	234,067	98,308	58.00%	\$12.00 - \$13.50	42,879	0
The Federal Reserve Bank Building 525 St. Charles Ave.	1966	5	100,000	4,780	95.52%	\$18.00 - \$20.00	3,430	0
IP Building 643 Magazine St.	1900	4	84,585	0	100%	\$18.00	0	0
K & B Plaza 1055 St. Charles Ave.	1962	7	70,000	0	100%	\$19.00 - \$20.00	0	0
Stone Pigman Building 546 Carondelet St.	1910/ 2007	6	51,081	0	100%	N/A	0	0
Emeril's Homebase 839 St. Charles Ave.	1910/ 1996	3	43,403	0	100%	\$18.00	0	0
818 Howard Ave.	1917/ 1991	4	27,259	0	100%	\$16.50 - \$17.00	0	3,774
300 Lafayette Building 300 Lafayette St.	1910/ 1984	2	20,000	1,093	94.53%	\$19.00	1,093	0
TOTAL NON-CLASS A			2,216,661	576,942	73.97%	\$15.97		
TOTAL/AVERAGE OF THE CBD			11,134,641	1,517,548	86.37%	\$18.37		

*615 Baronne Building has been removed from the list because it is being redeveloped into residential

Orleans Parish, Non-CBD



INFORMATION TECHNOLOGY CENTER #2

“Free parking is becoming more valued by office tenants as the price of parking is increasing in both the New Orleans and Metairie Central Business Districts.”

AUSTIN LAVIN,
Sales and Leasing Associate, Tenant Representation



1231 PRYTANIA BUILDING

The Orleans Parish, Non-CBD

submarket is not a traditional submarket, but rather one created for this report to capture the office buildings that are not located in the Central Business District. Clusters of small office spaces that lie outside of the Central Business District are found within Mid-City on, or near, Canal St., around the University of New Orleans (UNO) and in New Orleans East. Other areas such as Central City and St. Roch have small office buildings under 10,000 square feet which are not included in this report. Each area is unique but the common theme for all is that the parking is free, and usually ample and easily accessible. With little increase in inventory, many landlords continue to enjoy increases in rates and lower

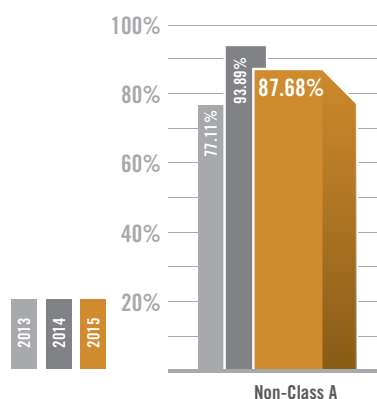
upfront concessions. Some of the dormant inventory since Katrina is being sold around the University Medical Center / VA Hospital site to be redeveloped into office/retail /other commercial uses. Central

City has continued to grow with smaller buildings being redeveloped by non-profits, and as “shared office” concepts to allow flexible terms for start-up tech companies or other small companies. Many properties in Mid-City are being converted from warehouses to alternate uses including apartments, office and retail. The Lafitte Greenway opening late last year is also creating interest for a wide variety of uses in areas that were previously industrial or older outdated office.

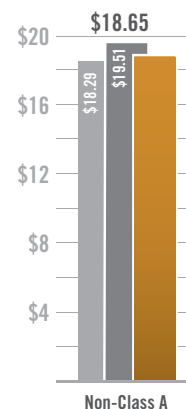
New Orleans East is still lagging behind other submarkets, but with the New Orleans East Hospital established, and new retail continuing to slowly open, one anticipates that the office market will follow suit. This year’s report includes information from Executive Plaza in New Orleans East which dramatically reduced the average occupancy and rental rates of the submarket.

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

2015 Occupancy



2015 Average Rental Rates



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
1215 Prytania Building 1215 Prytania St.	1952	5	119,269	9,000	92.45%	\$15.00 - \$18.00	3,202	0
Executive Plaza 10001 Lake Forest Blvd.	1974	11	114,650	67,070	48.50%	\$14.00	10,000	0
Center for Energy Resources Management 2045 Lakeshore Dr.	2002	5	104,506	28,592	76.24%	\$20.00 - \$22.00	6,875	0
Information Technology Ctr #1 2219 Lakeshore Dr.	2002	5	103,943	17,106	83.54%	\$22.00 - \$25.00	8,412	0
Information Technology Ctr #2 2233 Lakeshore Dr.	1998	5	103,943	0	100%	N/A	0	0
Information Technology Ctr #3 2251 Lakeshore Dr.	1999	5	103,943	0	100%	N/A	0	0
Information Technology Ctr #4 2285 Lakeshore Dr.	2000	5	103,943	0	100%	N/A	0	0
Advanced Technology Center 2021 Lakeshore Dr.	2001	5	78,500	8,784	88.81%	\$21.00 - \$23.50	3,487	0
Mid-City Center 320 N. Carrollton Ave.	1925/ 2006	2	48,000	0	100%	\$18.00 - \$19.00	0	0
1231 Prytania Building 1231 Prytania St.	1967	6	39,000	0	100%	\$16.00 - \$20.00	0	0
Smith Lupo Center 145 Robert E. Lee Blvd.	1971/ 2006	5	38,000	2,000	94.74%	\$15.00	1,000	1,000
Norman Mayer Memorial Building 2515 Canal St.	1957/ 2006	4	34,594	0	100%	N/A	N/A	N/A
101 W. Robert E. Lee Blvd.	1982 / 2008	4	33,380	0	100%	\$18.00	0	0
4640 S. Carrollton Ave.	1950	2	26,142	0	100%	N/A	0	0
Lake Willow Professional Building 7240 Crowder Blvd.	1980 / 2011	4	24,000	0	100%	\$15.00	0	0
TOTAL/AVERAGE OF ORLEANS PARISH, NON-CBD			1,075,813	132,552	87.68%	\$18.65		

East Metairie



Significant Leases of 2015:

Carr, Riggs, & Ingram

New lease at Heritage Plaza for 26,088 sf

CCMSI

New lease at Causeway Plaza for 22,147 sf

Regus Metairie

New lease at Galleria for 14,330 sf

Audubon Engineering

Renewal at Heritage Plaza for 58,945 sf

Allstate Insurance

Renewal at One Lakeway for 45,000 sf

University of Phoenix

Renewal at Galleria for 34,194 sf

The East Metairie office

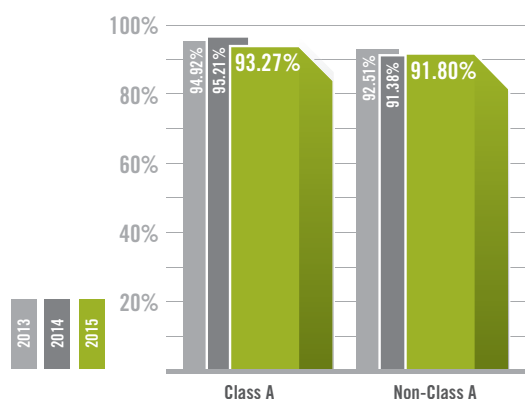
submarket continues to be one of the strongest office markets in the metro area. Year-end occupancy was approximately 93% for Class A and Non-Class A product, with average Class A rental rates of \$23.89 per square foot and average Non-Class A rental rates of \$18.84 per square foot. Metairie office rental rates are typically higher than CBD office rates, but when CBD parking costs are factored in the analysis, the difference between the Metairie and CBD market is significantly less. Several factors including ample parking (free or low cost), proximity to large North Shore residential communities, and lack of new office product development contribute to the strong office market. Due to the lack of developable land, its soaring cost and the high cost of construction, new high rise office building development is not economically feasible unless rental rates grow substantially. The largest blocks of contiguous office space currently available in East Metairie are 26,000 square feet at One Lakeway and 44,000 square feet at 2121 Airline Drive. The amount of sublease space in the Class A and Non-Class A market remains very low at less than two percent of the market.

With the aging metro office market, landlords that invest in updating common areas and building infrastructure, add amenities, and offer superior service will be able to increase occupancy and command higher rental rates.

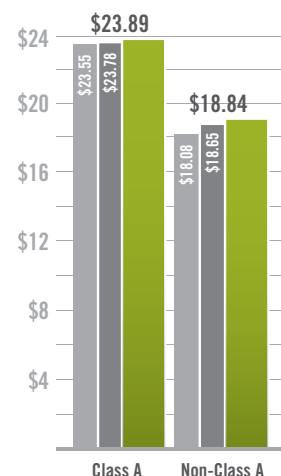
Sale activity in the Non-Class A office market has been very active, due in part to low interest rates and owner user demand. Three of the larger Non-Class A office building sales in East Metairie included:

- The 123,000 square foot 2121 Airline Drive Building (former Cox Communications Building); sold for approximately \$111 per square foot to an owner/user that will occupy one floor of the building. Cox will continue to lease two floors in the building.
- Severn Place; 94,000 square feet sold for approximately \$101 per square foot, the building was 90%+ leased at time of sale. The buyer will occupy ground floor space in the building.
- 3330 North Causeway; a 55,000 square foot office building with 88,000 square feet of land sold for \$95 per square foot based on building square feet, and \$60.00 per square foot based on land value (plus demolition cost). Excellent site for future redevelopment of retail or hotel.

2015 Occupancy



2015 Average Rental Rates



“Investment activity in East Metairie should remain strong in 2016 with several office buildings currently under contract.”

BRUCE SOSSAMAN,

Director of Leasing, Lakeway Complex and One Shell Square

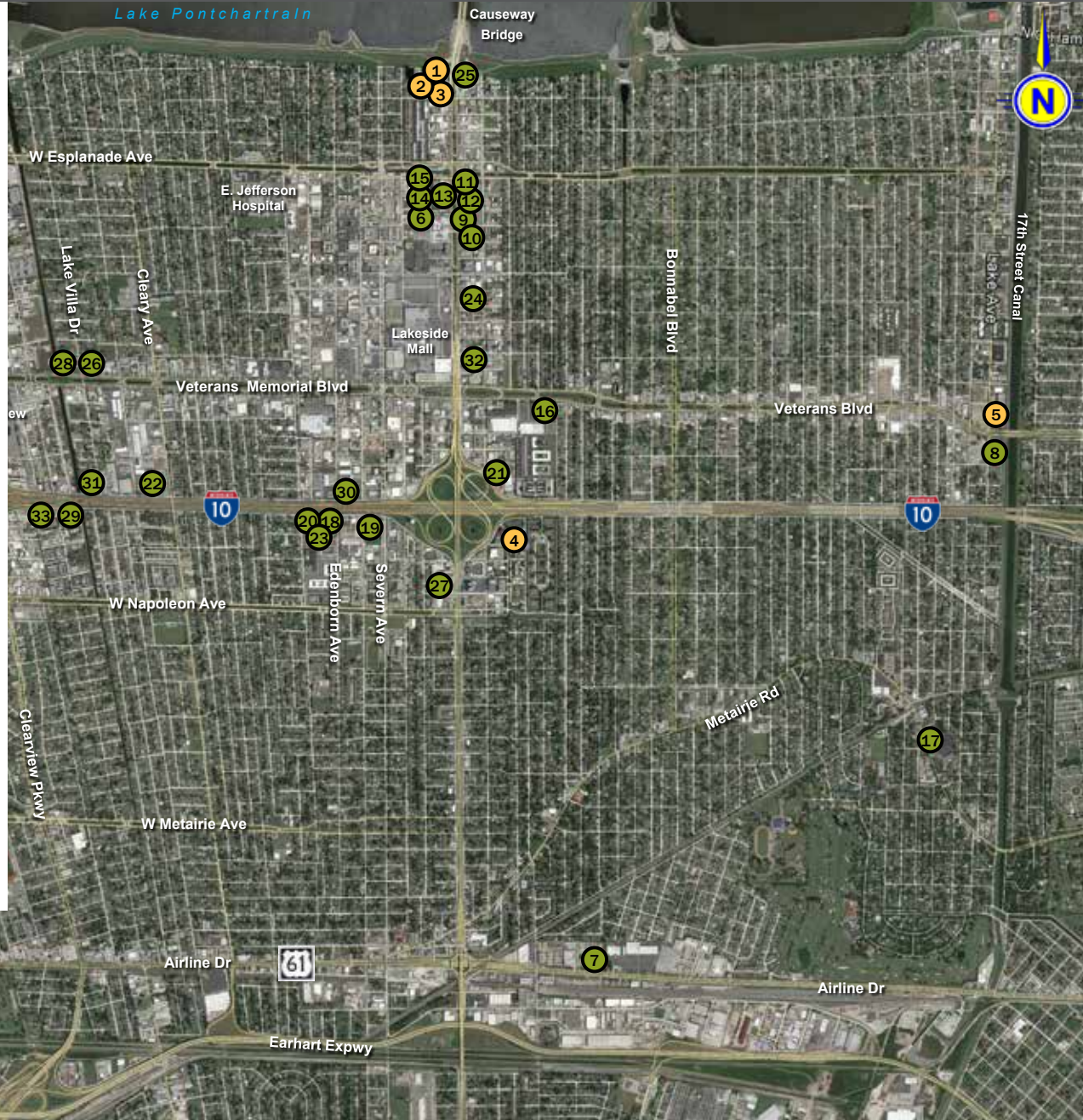
EAST METAIRIE OFFICE SUBMARKET

Class A Buildings

1. One Lakeway Center
2. Two Lakeway Center
3. Three Lakeway Center
4. The Galleria
5. Heritage Plaza

Non-Class A Buildings

6. Executive Tower
7. Cox Communications Building
8. 110 Veterans Building
9. 3445 N. Causeway Blvd
10. 3421 N. Causeway Blvd
11. Regions Bank Building
12. 3501 N. Causeway Blvd
13. Causeway Plaza I
14. Causeway Plaza II
15. Causeway Plaza III
16. Latter Center West
17. Metairie Tower
18. Metairie Centre
19. Severn Place
20. 3636 S. I-10 Service Rd
21. 3131 N. I-10 Service Rd
22. Favrot & Shane Building
23. 3616 S I-10 Service Rd
24. 3200 Ridgelake Building
25. 3939 N. Causeway Blvd
26. Coldwell Banker Building
27. Causeway West
28. 4141 Veterans Blvd
29. The Boy Scouts Building
30. Crutcher-Tufts Building
31. NY-II Office Building
32. 2900 Ridgelake Dr.
34. FGS Building



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
Three Lakeway Center 3838 N. Causeway Blvd.	1987	34	A	471,745	20,139	95.73%	\$24.00 - \$25.00	8,901	0
The Galleria One Galleria Blvd.	1986	22	A	465,985	23,454	94.97%	\$24.00 - \$25.00	14,403	18,111
Two Lakeway Center 3850 N. Causeway Blvd.	1984	19	A	449,309	42,954	90.44%	\$24.00 - \$24.50	13,668	993
Heritage Plaza 111 Veterans Blvd.	1983	18	A	353,003	20,982	94.06%	\$21.00 - \$22.00	6,379	0
One Lakeway Center 3900 N. Causeway Blvd.	1981	14	A	300,816	29,861	90.07%	\$24.00 - \$24.50	26,049	0
Executive Tower 3500 N. Causeway Blvd.	1972	14	Non-A	185,463	11,476	93.81%	\$18.00 - \$18.25	8,841	0
Cox Communications Building 2121 Airline Dr.	1987	6	Non-A	129,045	0	100%	N/A	0	0
110 Veterans Building 110 Veterans Blvd.	1972	5	Non-A	129,000	5,067	96.07%	\$19.00	2,495	0
AAA Building 3445 N. Causeway Blvd.	1969	10	Non-A	127,887	13,883	89.14%	\$18.50 - \$19.00	3,922	0
3421 N. Causeway Blvd.	1973	10	Non-A	125,243	0	100%	\$18.50	0	0
Regions Bank Building 3525 N. Causeway Blvd.	1970	10	Non-A	123,000	29,168	76%	\$16.50 - \$18.00	6,318	0
3501 N. Causeway Blvd.	1973	10	Non-A	112,741	0	100%	\$19.50	0	0
Causeway Plaza I 3510 N. Causeway Blvd.	1982	6	Non-A	108,718	6,656	93.88%	\$20.00	4,607	0
Causeway Plaza II 3330 W. Esplanade Ave.	1982	6	Non-A	108,718	1,069	99.02%	\$20.00	1,069	0
Causeway Plaza III 3300 W. Esplanade Ave.	1983	6	Non-A	108,718	4,404	95.95%	\$20.00	3,889	8,443
Latter Center West 2800 Veterans Blvd.	1978	3	Non-A	96,979	6,626	93.17%	\$20.00	3,460	0
Metairie Tower 433 Metairie Rd.	1970	6	Non-A	94,055	8,353	91.12%	\$20.00	5,000	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
Metairie Centre 2424 Edenborn Ave.	1986	6	Non-A	90,637	8,359	90.78%	\$19.50	3,297	0
Seyern Place 2450 Seyern Ave.	1982	5	Non-A	86,219	7,830	90.92%	\$19.50	N/A	0
3636 S. I-10 Service Rd.	1980	3	Non-A	60,000	0	100%	\$17.50 - \$17.75	0	N/A
3131 N. I-10 Service Rd.	1979	4	Non-A	48,250	0	100%	\$19.00	0	3,500
Favrot & Shane Building 3925 N. I-10 Service Rd.	1981	2	Non-A	44,992	1,868	95.85%	\$19.00	1,868	0
3616 S. I-10 Service Rd.	1979	2	Non-A	40,000	0	100%	N/A	0	0
3200 Ridgelake Building 3200 Ridgelake Dr.	1984	4	Non-A	40,000	4,237	89.41%	\$17.50	3,113	0
3939 N. Causeway Blvd.	1979	4	Non-A	40,000	0	100%	\$20.00		1,060
Coldwell Banker Building 4051 Veterans Blvd.	1970	4	Non-A	40,000	7,510	81%	\$14.00 - \$19.00	2,136	1,200
Causeway West 3229 36th St.	1974	2	Non-A	40,000	17,071	57.32%	\$17.50	10,000	0
4141 Veterans Blvd.	1969	3	Non-A	32,755	0	100%	\$18.50	0	0
The Boy Scouts Building 4200 S. I-10 Service Rd.	1984	2	Non-A	31,947	8,264	74.13%	\$14.50	3,464	0
Crutcher-Tufts Building 3545 N. I-10 Service Rd.	1970	3	Non-A	30,940	0	100%	\$18.80	0	0
NY-II Office Building 2750 Lake Villa Dr.	1985	3	Non-A	30,114	2,564	91.50%	\$18.00 - \$18.50	1,762	0
2900 Ridgelake Dr.	1982	4	Non-A	30,000	0	100%	N/A	N/A	N/A
FGS Building 4300 S. I-10 Service Rd.	1981	2	Non-A	25,026	0	100%	\$16.75	0	0
TOTAL CLASS A				2,040,858	137,390	93.27%	\$23.89		
TOTAL NON-CLASS A				2,160,447	177,160	91.80%	\$18.84		
TOTAL/AVERAGE OF EAST METAIRIE				4,201,305	314,550	92.51%	\$21.41		

West Metairie/Kenner



2400 VETERANS BLVD.

The West Metairie/Kenner

submarket remains steady with tenants renewing leases at slightly higher rates and the amount of available office space continuing to decline.

The largest new lease in the West Metairie office submarket in 2015 was Aetna at the 2400 Veterans Blvd. building for approximately 15,000 rentable square feet.

Kingfish Development purchased the 2400 Veterans Blvd. building in January

of 2014 and has redeveloped the common areas and made other improvements to the building, making it more enticing to tenants.

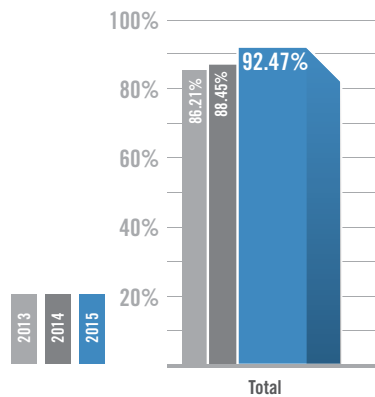
Otherwise, the occupancy rates of this submarket have remained fairly constant with little new demand and no new inventory.

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

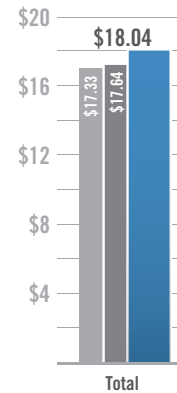
“With construction of the new terminal at the Louis Armstrong International Airport starting in 2016, we may see some additional demand for office space from contractors and vendors, which would positively impact the West Metairie market.”

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

2015 Occupancy



2015 Average Rental Rates



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
2400 Veterans Blvd.	1982/2014	5	133,195	13,331	89.99%	\$18.50	9,779	0
Riverside II 6620 Riverside Dr.	1983	3	58,057	0	100%	\$18.00	0	0
2200 Veterans Building 2200 Veterans Blvd.	1985	2	44,874	8,631	80.77%	\$16.75	2,724	0
Riverside I 6660 Riverside Dr.	1980	3	32,181	0	100%	\$18.00	0	0
Metairie Bank Building 7809 Airline Dr.	1967	3	23,250	0	100%	N/A	0	0
TOTAL/AVERAGE OF WEST METAIRIE/KENNER			291,557	21,962	92.47%	\$18.04		

Landlords in the Elmwood submarket spent 2015 improving their properties and increasing leasing efforts. After losing some of their largest tenants to the CBD and other submarkets, these efforts are starting to pay dividends.

The owners of 800 Commerce Road West have made infrastructure improvements and common area updates, which have led to increased occupancy and made this property more competitive.

The landlord of 990 N. Corporate Park building has been relocating tenants to neighboring sister properties in order to sell this 58,646 square foot building to a purchaser/user occupant. Even though

existing tenants are being moved out of the property, the building is not being marketed for lease, and noted as 100% occupied in our report.

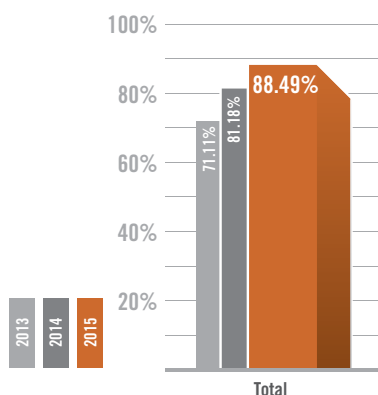
Although the Elmwood area competes with nearby Metairie with comparable rental rates, Elmwood offers free surface parking and large contiguous blocks of office space on one floor in low-rise structures. Tenants enjoy the dining, shopping and hospitality venues which continue to expand in the immediate area.

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

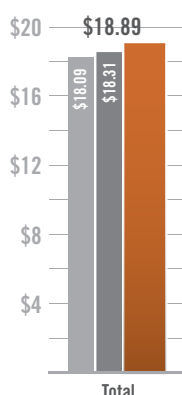


800 COMMERCE RD.

2015 Occupancy



2015 Average Rental Rates



“While there has been a great deal of leasing activity in Elmwood, most involve relocating existing tenants.”

COLLEEN LEWIS, Broker 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
Elmwood Tower 1201 Elmwood Park Blvd.	1982	10	205,313	0	100%	N/A	0	0
880 Commerce Rd. West	1979	5	93,629	23,405	75%	\$18.50	13,360	0
800 Commerce Rd. West	1979	5	91,628	22,921	74.98%	\$19.50	18,400	0
Stewart Services Center 1333 S. Clearview Pkwy.	1974	5	90,000	0	100%	N/A	0	0
990 N. Corporate Park Rd.	1979	3	58,646	0	100%	\$18.50	0	0
800 Commerce Rd. East	1979	3	53,024	0	100%	N/A	0	0
824 Elmwood Park Blvd.	1984	2	39,600	2,977	92.48%	\$19.00	1,218	0
TOTAL/AVERAGE OF ELMWOOD			631,840	49,303	92.20%	\$18.89		

North Shore



FARA INSURANCE BUILDING

“The decline in oil prices has already impacted the North Shore market and will continue to do so in 2016.”

RANDALL WHITE,
Sales and Leasing Associate, Tenant Representation

2015 proved to be a year of caution for the North Shore office market because of the impact of the recession currently affecting the oil industry. While numbers remained fairly stable, the challenges will be felt more strongly in 2016, and potentially beyond.

Existing office buildings generally were able to maintain high occupancy levels and rental rate structure. The average rental rates for older buildings were between \$20 and \$24 psf while new buildings were leasing for \$25 to \$28 psf.

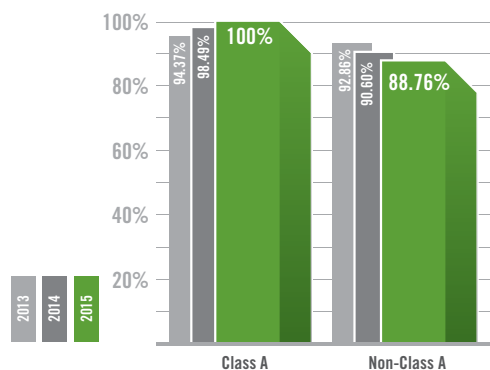
One concern that recently exposed the gravity of the oil recession has been the resurgence of sublease spaces in the market. At the end of 2015, there were two 10,000 + sf sublease options in the Covington market. While this is certainly not anything to create panic, it is something to watch in 2016.

The economic downturn did not dissuade the development of the Netchex Building (four floors with 48,000 sf just south of I-12 on the Highway 190 Service Road), a new Class A office development. This will be one of the larger new multi-tenant projects, not just on the North Shore, but in the entire Greater New Orleans office market last year.

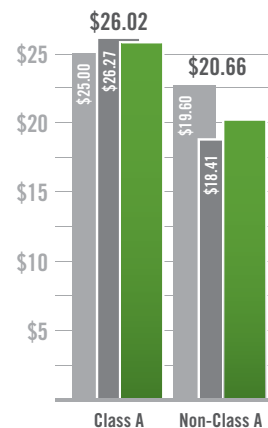
Also, with the tremendous success of the River Chase development at I-12 and Highway 21 in Covington from both a retail and residential perspective, it is interesting that there still have been no new office buildings constructed within the project. The developer recognizes that the demand, while good, needs to be treated respectfully and without a lead tenant, it is wise not to test the market.

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

2015 Occupancy



2015 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
Chevron Building 1001 Northpark Blvd.	2009	4	A	290,500	0	100%	N/A	N/A	0
Cypress Bend Office Building 1001 Ochsner Blvd.	2009	4	A	105,157	0	100%	\$28.00	N/A	9,436
Northpark Corporate Center 109 Northpark Blvd.	1986	5	A	103,222	0	100%	\$24.00	0	10,082
FARA Insurance Building 1625 West Causeway Approach	2006	2	A	55,000	0	100%	N/A	0	2,012
1010 W. Gause Blvd.	1968	2	Non-A	100,000	12,000	88%	\$14.25	12,000	0
Northpark Corporate II 103 Northpark Blvd.	1998	3	Non-A	69,905	0	100%	\$24.00	0	0
Resource Bank Building 5100 Village Walk	2001	3	Non-A	43,405	11,719	73%	\$18.00	7,359	0
830 West Causeway Approach	2006	2	Non-A	40,000	6,817	83%	\$24.00	6,817	0
GreenGate One Office Building 1330 Greengate Dr.	2014	3	Non-A	36,908	8,166	78%	\$28.00	8,166	0
Loop Building 137 Northpark Blvd.	2009	2	Non-A	30,000	0	100%	N/A	0	0
No. 2 Sanctuary Blvd. Building 2 Sanctuary Blvd.	1998	3	Non-A	21,000	0	100%	\$20.00 - \$21.00	0	0
No. 3 Sanctuary Blvd. Building 3 Sanctuary Blvd.	2000	3	Non-A	21,000	0	100%	\$20.00 - \$21.00	0	0
No. 4 Sanctuary Blvd. Building 4 Sanctuary Blvd.	2004	3	Non-A	21,000	0	100%	\$20.00 - \$21.00	0	0
No. 5 Sanctuary Blvd. Building 5 Sanctuary Blvd.	2006	3	Non-A	21,000	0	100%	\$20.00 - \$21.00	0	0
The Allstate Building 111 Park Place	1998	1	Non-A	20,153	0	100%	\$22.00	0	0
2050 E. Gause Blvd.	2006	2	Non-A	20,000	0	100%	\$26.00	0	20,000
TOTAL CLASS A				653,879	0	100%	\$26.02		
TOTAL NON-CLASS A				344,371	58,702	88.76%	\$20.66		
TOTAL/AVERAGE OF NORTH SHORE				998,250	38,702	96.12%	\$22.46		

West Bank



OAKWOOD CORPORATE CENTER

“The sale of Westpark in 2015 may be an indicator of renewed interest and optimism about the West Bank.”

ANDREA HUSEMAN,
Director of Leasing, One Canal Place

The West Bank submarket remained generally sluggish and stable except for one building, the Westpark Office Building. This submarket is small enough that a drastic change in one building dramatically impacts occupancy rates for the entire submarket. This was the case when the Federal Emergency Management Agency (FEMA) vacated the Westpark Office Building, bringing the occupancy rates of the 114,931 sf from 100% to 0%.

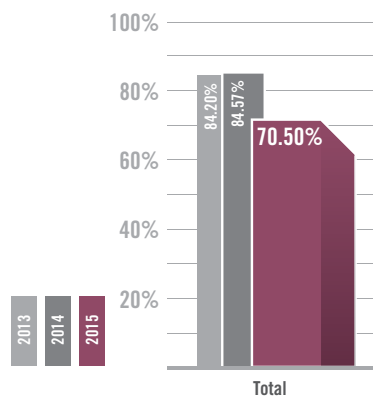
In 2015, Corporate Realty represented the owners of Westpark in a sale of the

property and are representing the new owners in leasing the property. While the property is listed as 0% occupied in 2015, Louisisana Children's Hospital (LCMC) leased the entire 108,889 sf Westpark Office building in early 2016 bringing the occupancy rate back to 100%.

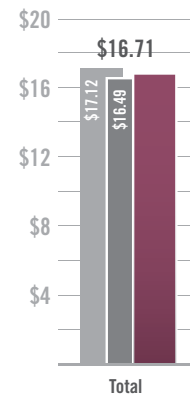
Aside from the dramatic swings caused by Westpark, occupancy rates and rental rates remain steady for this submarket.

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

2015 Occupancy



2015 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
Oakwood Corporate Center 401 Whitney Ave.	1985	6	133,421	21,734	83.60%	\$19.00 - \$19.50	8,028	0
Timbers Office Building 3520 General Degaulle Dr.	1985	5	128,163	23,024	82.04%	\$14.00	20,942	0
Westpark Office Building 1 Seine Ct.	1983	6	108,889	108,889	0%	\$16.00 - \$18.00	108,889	0
Manhattan Place 2439 Manhattan Blvd.	1978	5	62,066	5,652	90.89%	\$18.00	2,400	0
2550 Belle Chasse Hwy.	1983	3	45,000	0	100%	\$16.50 - \$17.00	0	0
Stone Plaza 1601 Belle Chasse Hwy.	1984	3	32,653	0	100%	\$15.50	0	0
Mac Arthur Professional Bldg. 3712 Mac Arthur Blvd.	1971	2	27,766	3,000	90.20%	\$14.50	3,000	0
Cypress Park 405 Gretna Blvd.	1976	2	24,248	22,818	5.90%	\$15.00	13,184	0
Marrero Land Office Plaza 5201 Westbank Expy.	1971	4	23,310	1,000	95.71%	\$15.00 - \$18.00	1,000	0
TOTAL/AVERAGE OF WESTBANK			585,516	186,117	68.21%	\$16.64		

The St. Charles Parish

submarket has continued to see a slight decrease in occupancy levels. While it may seem like a sizable decrease based on the percentages, the actual amount of square footage that has come back to the market is relatively small.

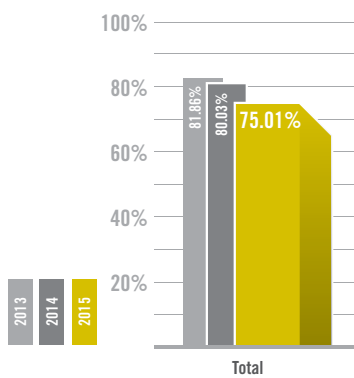
Kongsberg Maritime is in the process of building an 82,980 sq ft office and training

facility in the James Business Park that should be open in the middle of 2016. It is not included in this report because it was not open in 2015, but it is a major addition to the amount of office space in this submarket.

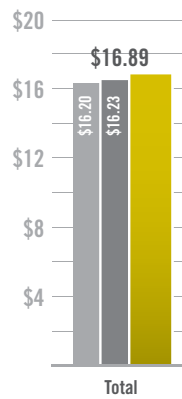
** Note: None of the buildings in this submarket are classified as Class A buildings, so building classifications are not included.*



2015 Occupancy



2015 Average Rental Rates



“The third floor of the Kongsberg Maritime project became available for sublease in 2016, before the building was even completed.”

DONNA WHALEN LITTLE,
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
Two James Park 120 Mallard St.	1981	3	53,520	9,786	82%	\$16.50 - \$17.00	4,160	0
One James Park 100 James Dr.	1980	3	43,055	9,513	78%	\$17.00	6,949	0
Campus Center 104 Campus Dr. E.	1982	2	26,066	0	100%	\$17.00 - \$18.00	0	785
160 James Dr. E.	1981	1	25,772	9,340	64%	\$16.50	9,340	0
Five James Park 110 James Dr. W.	1983	2	24,018	14,288	41%	\$16.00 - \$16.50	7,338	0
TOTAL/AVERAGE OF ST. CHARLES PARISH			172,431	42,927	75.01%	\$16.89		

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