

COMMERCIAL REAL ESTATE REVIEW

U.L. COLEMAN PROPERTIES, LLC

IREM MACY AWARD WINNING NEWSLETTER

SPRING 2018

THE U.L. COLEMAN PROPERTIES

The U. L. Coleman Properties, LLC has served the Louisiana and Texas markets for 45 years in the areas of Real Estate Brokerage, Leasing, Property Management, Asset Management, Market Research, Consulting, Commercial, Industrial, Multi-family, Development, and Construction Services. As a result of this experience, we have compiled market information that is useful to those interested in and affected by the commercial real estate market. The purpose of this report is to inform investors, managers, clients, and business associates of market trends and conditions for the Shreveport-Bossier City area. All data is based on information quoted by building owners, managers and other sources as noted, and is factual and historical. No forecasts or conclusions are made.



APARTMENT MARKET

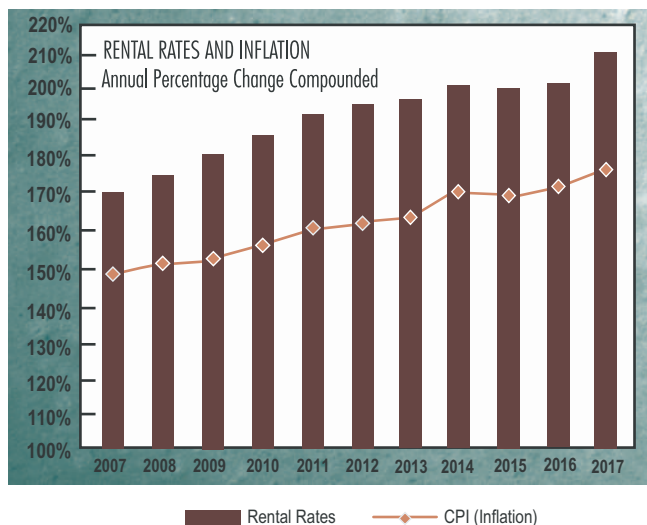
The Shreveport-Bossier City area apartment occupancy was 90.3% at the end of the fourth quarter 2017, an increase of 1.0% when compared to the fourth quarter of 2016. Our apartment market survey examines 91 properties in the Shreveport-Bossier City area containing 17,414 units. Market-wide rental rates increased from \$0.860 per square foot to \$0.892 per square foot from the fourth quarter 2016 to the fourth quarter 2017.

One class A apartment property in Bossier City, Kingston Crossing with 280 units, was added to the survey in 2017. One class A apartment property in Shreveport, Coates Bluff at Wright Island with 252 units, was added to the survey in 2016. In 2015, one class A apartment property in Shreveport, Boulders on Fern, with 222 units was added to the survey. In 2014, one class A apartment property in Shreveport, Riverscape, with 208 units was added to the survey.

Eight apartment properties were reclassified in the first quarter of 2015. This is the first reclassification of apartments since the

first quarter of 2012, where twelve apartments were reclassified. Factors affecting reclassification of a property include, but are not limited to, rental rates, age of property and overall condition. Due to the reclassification, the following changes are reflected in the data as of the first quarter of 2015: class B decreased 3.3% or 164 units; class C decreased 11.7% or 806 units; and class D decreased 19.7% or 409 units. This includes the eight apartment properties that were removed from the survey in the first quarter of 2015.

The chart shows the increase in rental rates compared to changes in the Consumer Price Index (CPI). Rental rates increased 3.6% over the past year, while the CPI rose 2.7% during the same period.



Source: U. L. Coleman Properties, LLC, Quarterly Market Report (Rates) U. S. Department of Labor (CPI)
2017 Rates as of the 4th quarter, 2017

*Figures Above Represent Percentage Increase Compared to 1992 Data.



SINGLE-FAMILY RESIDENTIAL HOUSING - NEW DEVELOPMENT

Through the fourth quarter of 2017, a total of 483 new home permits were issued in the Shreveport-Bossier City combined market, a 5.5% increase compared to the same period in 2016. During the fourth quarter of 2017, permit value increased 6.9% to \$99.4 million compared to fourth quarter 2016. The following table displays a history of the building permit activity in value and number for 2011 through the fourth quarter of 2017.

SINGLE FAMILY BUILDING PERMIT VALUE AND VOLUME							
SHREVEPORT	2011	2012	2013	2014	2015	2016	2017*
Permits, Value**	\$74.6	\$65.0	\$48.8	\$58.5	\$52.9	\$52.2	\$62.5
Permits, Number	297	249	199	232	245	200	260
BOSSIER CITY							
Permits, Value**	\$53.5	\$57.4	\$46.7	\$43.0	\$36.2	\$40.8	\$36.9
Permits, Number	361	347	277	265	242	258	223
COMBINED							
Permits, Value**	\$128.1	\$122.5	\$95.5	\$101.5	\$89.1	\$93.0	\$99.4
Permits, Number	658	596	476	497	487	458	483

Source: LSUS Center for Business & Economic Research *2017 data represents 4th quarter year-to-date figures (**In millions of dollars)

construction through the fourth quarter of 2017. The table below, "Houses and Lots Sold," presents sales from the 107 subdivisions with new construction. Lucky Estates subdivision, in Bossier City, was added to the survey in the fourth quarter of 2015. A total of six new subdivisions were added to the inventory in 2014; Willow Brook and River Bluff in Bossier City, Spring Creek and Southern Oaks in Haughton, Belmere in Benton, and Reunion in Shreveport. As of the fourth quarter 2017, the average house price decreased to \$244,717, and the average lot price decreased to \$45,831 when compared to the fourth quarter 2016 figures. We will continue to monitor the development of new subdivisions and their impact on the market.

HOUSES AND LOTS SOLD	2011	2012	2013	2014	2015	2016	2017*
Lots Sold	819	697	694	562	564	454	333
Average Price	\$42,724	\$50,217	\$48,901	\$51,542	\$46,359	\$51,479	\$45,831
Houses Sold	1,688	1,721	1,572	1,747	1,777	1,744	1,799
Average Price	\$252,514	\$253,609	\$249,644	\$252,397	\$250,270	\$249,501	\$244,717

Source: U.L.Coleman Properties, LLC, Quarterly Market Report

Note: The data is based on house and lot sales in 107 newly developed subdivisions. The entire market is not represented.

*2017 Data represents 4th quarter year-to-date.

OFFICE MARKET

Downtown: U. L. Coleman

Properties, LLC conducts surveys at the end of the first and third quarter of each year. The survey includes 20 multi-tenant office buildings, composing 2.08 million rentable square feet in the Shreveport Central Business District. The latest survey indicates an overall occupancy rate of 79.5%, which decreased 5.1% compared to first quarter of 2017. Average rental rates range from \$12.20 to \$14.34 per square foot. There was one sale of an inventoried CBD office building in 2017. Spring Street Plaza located at 800 Spring Street sold for \$1.3 million or \$74.68 per square foot. There was one sale of an inventoried CBD office building in 2016. The building at 509 Market sold for \$2,200,000 or \$31.42 per square foot.

DOWNTOWN OFFICE MARKET	2011	2012	2013	2014	2015	2016	2017*
Occupancy	87.7%	85.5%	83.1%	80.0%	80.4%	79.2%	79.5%
Upper Rent, Avg.	\$14.65	\$13.66	\$13.53	\$13.26	\$13.22	\$14.15	\$14.34
Lower Rent, Avg.	\$12.45	\$12.31	\$12.72	\$12.32	\$12.72	\$13.23	\$12.20

SUBURBAN OFFICE MARKET

Occupancy	87.7%	82.3%	85.0%	84.1%	84.3%	88.7%	91.3%
Upper Rent, Avg.	\$15.18	\$15.32	\$14.70	\$15.25	\$16.10	\$15.13	\$15.35
Lower Rent, Avg.	\$13.40	\$13.63	\$14.02	\$13.88	\$13.52	\$14.40	\$14.39

Source: U.L.Coleman Properties, LLC, Quarterly Market Report

Note: Office sampling is done in the 1st and 3rd quarters.

*As of the 3rd quarter, 2017

Suburban: The suburban market incorporates 42 multi-tenant office buildings with a total of 1.68 million square feet of rentable space, including 146,628 vacant square feet. The suburban office building market indicates an occupancy rate of 91.3%, which increased 2.2% compared to first quarter of 2017. Rental rates decreased during this period. There was one sale of interest in the fourth quarter 2017. An office building located at 329 Southfield sold for \$175,000 or \$118.54 per square foot. There were two office condo sales in fourth quarter 2017. An office building located at 7607 Fern, Ste. 704 sold for \$175,000 or \$145.83 per square foot. Chinaberry Square, located at 1000 Chinaberry Ste. 804 sold for \$175,000 or \$132.88 per square foot.

RETAIL MARKET

Occupancy for the overall retail market was 93.5% in the fourth quarter of 2017. There have been two sales of inventoried properties in 2017 year-to-date. Shreve City Shopping Center sold for \$21,348,364 or \$68.28 per square foot. Eastside Plaza sold for \$9,050,000 or \$170.35 per square foot. There was one sale of inventoried property in 2016. Northwood Shopping Center sold for \$3,564,000 or \$170.95 per square foot. There were three sales of inventoried properties in the third quarter of 2015. Shoppes at Bellemead sold for \$24,150,000 or \$241.44 per square foot. North Market Place Shopping Center sold for \$7,000,000 or \$79.36 per square foot. Bossier Corners Shopping Center sold for \$14,075,000 or \$101.33 per square foot. There were two sales of inventoried properties in 2014; Broadmoor Village sold for \$2,065,000 or \$95.96 per square foot. University Place sold for \$39,900,000 or \$192.19 per square foot. There were two sales of inventoried properties in 2013; King's Crossing Shopping Center sold for \$35,595,000 or \$257.26 per square foot. The sale included 138,362 of the 284,344 rentable square feet, five outparcel ground leases and 2.9 acres of adjoining undeveloped land. Louisiana Boardwalk, in Bossier City, sold for \$67,600,000 or \$123.51 per square foot. In 2012, University Place sold for \$29,571,400 or \$146.64 per square foot. Phase V of Stirling Bossier was completed in 2012, which added an additional 6,981 square feet.

The accompanying table shows the performance of individual retail types by occupancy and range of rental rates. Rates are quoted by managers who often quote a range of rents that encompass larger and smaller lease spaces.

RETAIL OCCUPANCY BY TYPE	2011	2012	2013	2014	2015	2016	2017*
Regional	87.1%	98.3%	96.6%	94.5%	92.3%	93.4%	99.7%
Community	91.4%	93.7%	92.5%	91.3%	93.5%	92.8%	93.8%
Neighborhood	91.9%	89.4%	93.5%	94.5%	89.7%	90.7%	91.1%
Specialty	86.5%	85.7%	88.1%	86.6%	84.0%	90.5%	89.5%

RETAIL RENTAL RANGE BY TYPE		2011	2012	2013	2014	2015	2016	2017*
Regional	High:	\$17.00	\$12.00	\$18.00	\$18.00	\$18.00	\$37.50	\$25.00
	Low:	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$17.50	\$25.00
Community	High:	\$15.08	\$15.44	\$15.73	\$15.38	\$12.23	\$13.13	\$16.23
	Low:	\$13.13	\$13.25	\$11.34	\$13.30	\$9.20	\$7.78	\$7.92
Neighborhood	High:	\$14.47	\$14.63	\$14.81	\$15.06	\$14.97	\$14.18	\$13.50
	Low:	\$12.53	\$12.53	\$13.31	\$13.28	\$12.75	\$12.48	\$11.34
Specialty	High:	\$16.46	\$17.40	\$15.66	\$16.17	\$15.70	\$16.13	\$17.15
	Low:	\$15.84	\$16.92	\$14.63	\$15.28	\$14.74	\$15.04	\$14.74

Source: U.L.Coleman Properties, LLC Quarterly Market Report *As of the 4th quarter, 2017

INDUSTRIAL MARKET

The industrial market is comprised of two categories: office/service center and multi-tenant warehouse. The current survey contains 76 properties of which 59 are bulk warehouses and 17 are office/service center properties. The quarterly survey now samples 502,631 square feet of office/service center space, and 7,666,196 square feet of bulk warehouse space. The table is provided to show trends in rental rates and occupancy for these two property types from 2011 through the fourth quarter 2017.

OFFICE/SERVICE CENTER	2011	2012	2013	2014	2015	2016	2017*	
Occupancy	95.7%	80.1%	86.2%	84.9%	91.7%	91.6%	84.1%	
Upper Rent, Avg.	\$7.22	\$5.74	\$6.41	\$6.32	\$7.12	\$7.12	\$7.00	
Lower Rent, Avg.	\$7.14	\$5.06	\$5.89	\$5.73	\$6.75	\$6.75	\$5.25	
MULTI-TENANT BULK WAREHOUSE		2011	2012	2013	2014	2015	2016	2017*
Occupancy	51.1%	51.8%	55.3%	59.9%	72.7%	79.8%	81.4%	
Upper Rent, Avg.	\$2.95	\$2.73	\$2.81	\$2.73	\$2.96	\$2.85	\$3.18	
Lower Rent, Avg.	\$2.77	\$2.52	\$2.77	\$2.73	\$2.81	\$2.51	\$2.55	

Source: U.L.Coleman Properties, LLC Quarterly Market Report *As of the 4th quarter, 2017

LOCAL ECONOMIC UPDATE (SELECTED FACTS)

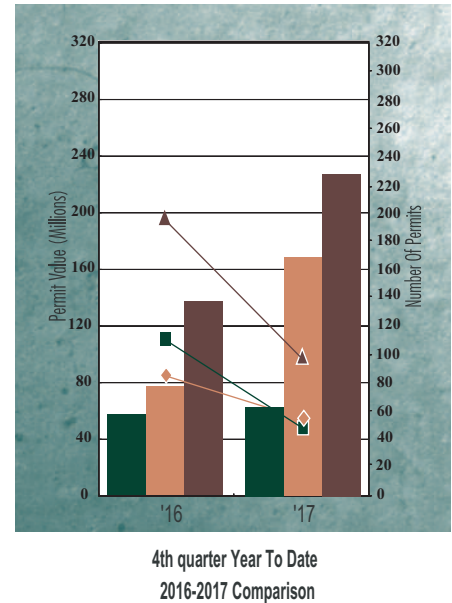
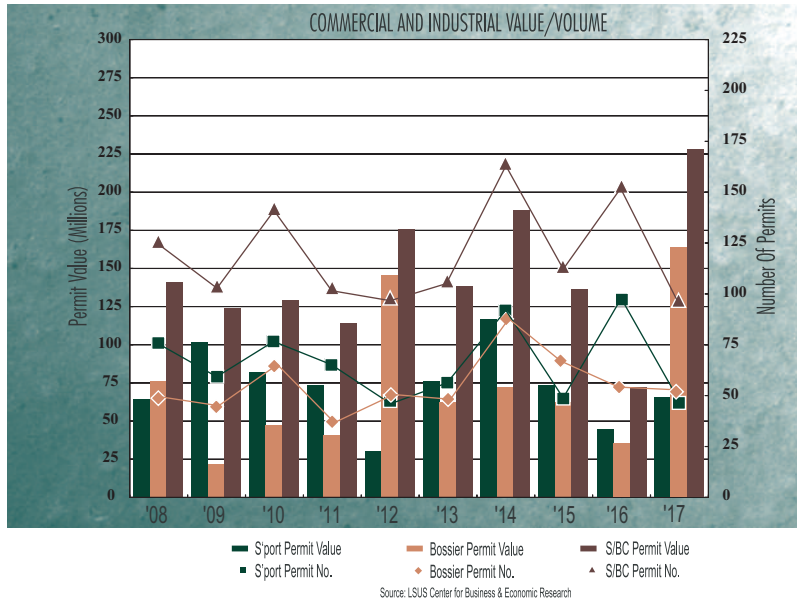
Population: This table provides a three-decade review of the population statistics for the Shreveport-Bossier City area and compares them with state and national figures. 2016 population forecasts have been added for the same purpose.

It is noteworthy when comparing 2010 figures to the 2000 census data, that while the population of the State of Louisiana increased only 1.4%, the population of Caddo and Bossier Parishes combined increased 6.1%. The 2016 Caddo Parish population decreased by 2.4% while the Bossier Parish population increased by 7.8% in comparison to the 2010 census data.

POPULATION (IN 1,000's)	1990	2000	2010	2016*
United States	248,765	281,422	308,746	323,128
% Change From Prior Period	9.8%	13.1%	9.7%	4.7%
Louisiana	4,220	4,469	4,533	4,682
% Change From Prior Period	0.3%	5.9%	1.4%	3.3%
Caddo Parish	248.3	252.1	255.0	248.9
% Change From Prior Period	(1.6%)	1.5%	1.2%	(2.4%)
Bossier Parish	86.1	98.4	117.0	126.1
% Change From Prior Period	6.7%	14.3%	18.9%	7.8%
Caddo and Bossier Combined	334.3	350.5	371.9	375.0
% Change From Prior Period	0.4%	4.8%	6.1%	0.8%

Source: U.S. Bureau of the Census, 2010 Census of Population and Housing
*2016 population data is forecasts from U.S. Bureau of the Census

Commercial Construction: Comparing the fourth quarter year to date totals for 2017 to 2016, the total number of commercial and industrial construction permits issued decreased 50.0%. During the same period, the dollar value of commercial construction permits issued increased 5.1% in Shreveport, and increased 109.9% in Bossier City. The result was a 65.1% overall increase in commercial construction permit value. The chart shows the history of commercial construction activity in both cities through the fourth quarter 2017. Comparing the 2017 and 2016 fourth quarter year to date totals, the number of permits decreased from 198 to 99, while the total dollar value of permits increased from \$138.0 million to \$227.8 million.



Employment: Figures at the end of the fourth quarter of 2017 showed the combined Shreveport-Bossier MSA labor force to be 187,400, with 179,300 employed, resulting in an unemployment rate of 4.3%. The accompanying

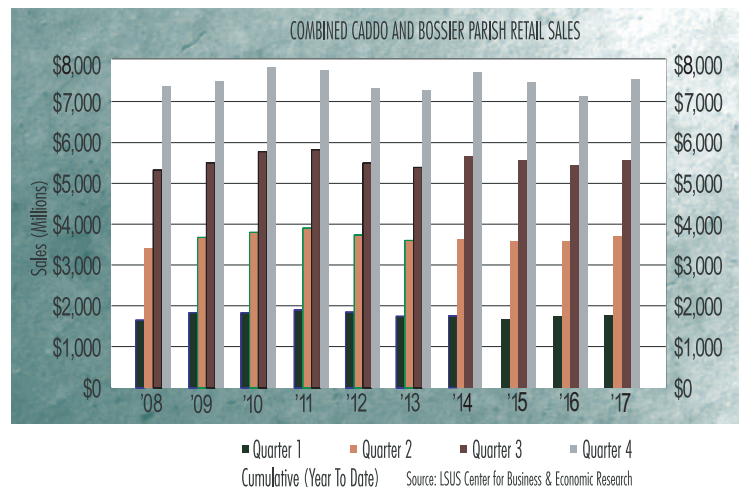
Year (As of end of the year)	2011	2012	2013	2014	2015	2016	2017*
Labor Force (1,000's)	203.1	202.5	200.3	199.7	188.6	187.0	187.4
Number Employed (1,000's)	186.1	185.3	182.8	184.3	178.2	176.3	179.3
Caddo/Bossier MSA Unemployment Rate	6.1%	5.7%	5.0%	6.5%	5.5%	5.7%	4.3%
Louisiana Unemployment Rate	6.6%	5.5%	5.4%	6.7%	6.1%	6.0%	4.7%
United States Unemployment Rate	8.3%	7.6%	6.7%	5.6%	5.0%	4.7%	4.1%

Source: Louisiana Department of Labor, Office of Employment Security *As of the 4th quarter, 2017

table shows employment figures since the end of 2011, and compares local unemployment with state and national figures.

Riverboat Casinos: Through year end 2017, Casino River boat admissions increased 2.6% compared to year end 2016. Casino revenues increased 6.4% during the same period.

Retail: Retail sales for the fourth quarter of 2017 increased 7.3% compared to 2016. In the fourth quarter of 2017, retail sales for Caddo Parish increased 8.8%, and Bossier Parish retail sales increased 4.5% compared to 2016. The accompanying chart shows annual retail sales through the fourth quarter 2017.



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ADDITIONAL INFORMATION. A full report is available by subscription. Brokerage, property management, consulting, and construction services are also available by contacting U.L.Coleman Properties, LLC at (207 Milam St., Ste. C, Shreveport, LA 71101), phone (318-221-0541), fax (318-221-0568), or e-mail (ulcoleman@ulcoleman.com). You may also visit our web site at <http://www.ulcoleman.com>.