

 **Latter & Blum**

HOSPITALITY ADVISORY SERVICES

— A BOUTIQUE INVESTMENT CONSULTING FIRM —

THE SARATOGA BUILDING

SENIOR LIVING CONVERSION OPPORTUNITY





THE SARATOGA BUILDING

212 LOYOLA AVENUE, NEW ORLEANS

OFFERING SUMMARY

NAI Latter & Blum, in conjunction with HREC, has been retained to exclusively market 212 Loyola — **The Saratoga Building**. The 15-story historic building in the Central Business District of New Orleans, Louisiana currently has 155 residential apartments along with a popular downtown lounge, Krewe. The building has approximately 155,000 square feet, located one block off Canal Street.

The property is immediately adjacent to the brand new New Orleans Biodistrict containing the following developments:

- University Medical Center — \$1.2 Billion, 424 bed complex which serves as a world class teaching facility for approximately 2,000 medical students.
- Veterans Affairs Medical Center — \$995 Million budget, 200 beds with a targeted enrollment of 70,000 veterans and 1,100 new employees.
- LSU Health Sciences Center — Comprised of 3,000 students and 2,200 employees, LSU Health Sciences Center generates more than \$390 Million in earnings and 6,900 new jobs in the New Orleans Metropolitan Statistical Area (MSA) each year.
- New Orleans BioInnovation Center — \$47 Million, intended to house around 15 biotech and life sciences companies, as well as support research at four area universities with the creation of 200 jobs from 80 companies.
- Tulane Medical Center — 218 bed facility established in 1976, employing 1,300 physicians, 615 RNs/LPNs, and 1,500 full time employees.

The New Orleans Biodistrict is one of the largest developments of its kind occupying over 1,500 acres in MidCity. The Biodistrict is expected to create over 34,000 jobs with an average salary of \$93,000+. Ancillary redevelopments in the surrounding neighborhoods will drastically increase the demand for the already highly desirable location of the Saratoga Building.

FEATURES & INVESTOR BENEFITS

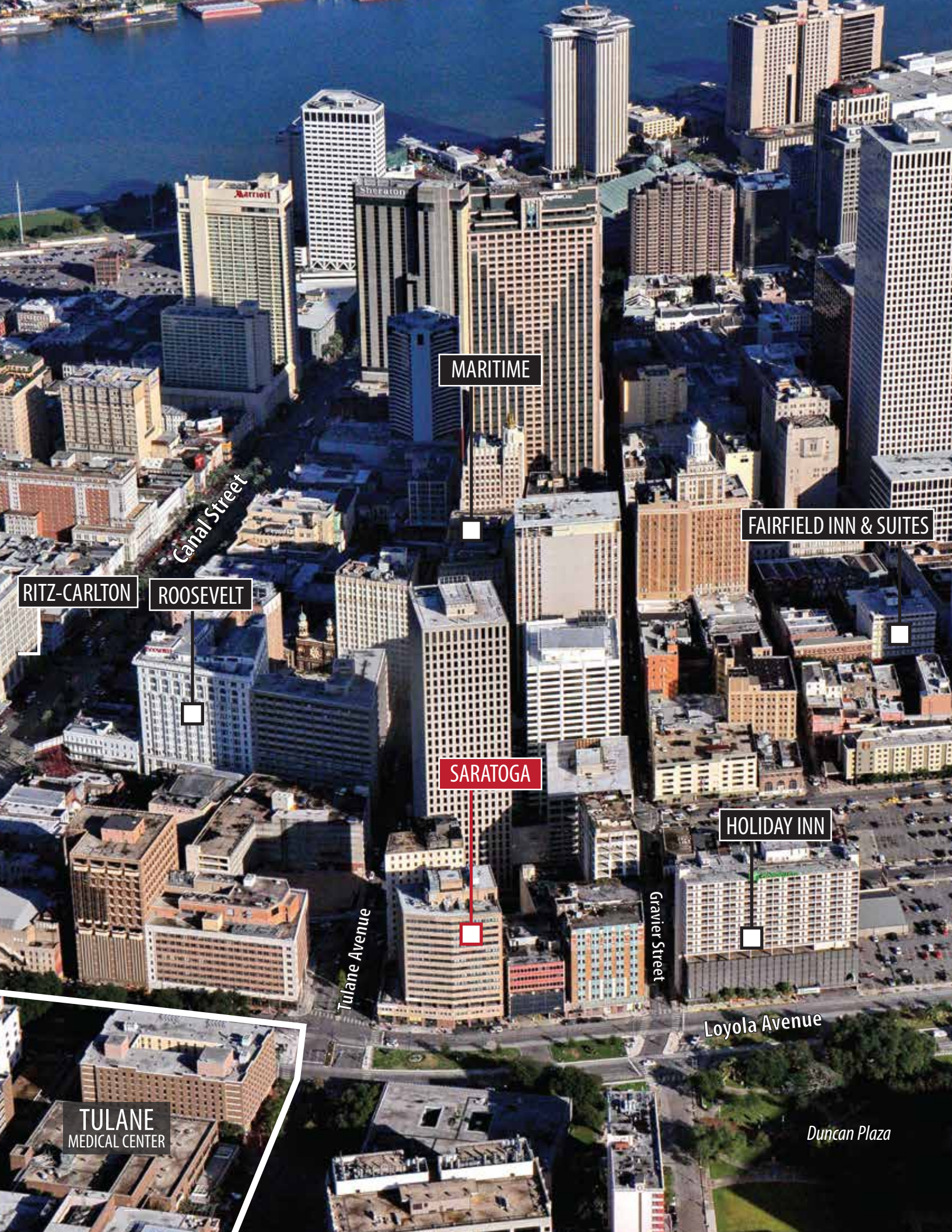
- A unique opportunity to convert a beautifully renovated, currently operating apartment complex into a top quality senior housing facility in the heart of New Orleans.
- Assumable HUD 221(d)4 Mortgage.
- Existing Operating Multi-Family Property.
- Minimal capital outlays associated with conversion.
- Outstanding location in the heart of the CBD across the street from the French Quarter, the City's main tourist attraction.
- High barriers to market entry due to a scarcity of comparable buildings available for redevelopment in the CBD.



CONVERSION POTENTIAL

- Expected licensed capacity of 200 beds.
- The current 1,400 Sq.Ft. Krewe Lounge, along with 6,562 Sq. Ft. of vacant ground floor space, can be converted into 5,000 Sq.Ft. of community dining space and a 2,962 Sq.Ft. general common area.
- Converting 8 apartments to common space, combined with the existing 3rd floor patio and entertainment area, 15th floor patio, and the community fitness center, would provide the additional square footage of common space needed to meet the senior housing facility requirements for the state of Louisiana.





RITZ-CARLTON

ROOSEVELT

MARITIME

FAIRFIELD INN & SUITES

SARATOGA

HOLIDAY INN

Canal Street

Tulane Avenue

Gravier Street

Loyola Avenue

TULANE
MEDICAL CENTER

Duncan Plaza

AN URBAN OPTION FOR SENIORS

Residents of New Orleans are attracted to the city by the many festivals and the city's unique culture, seeking local cuisine and enjoying the wide variety of lifestyle options New Orleans has to offer. Retiring seniors and baby boomers are no different, seeking opportunities to retire in the city where they have all the amenities of New Orleans readily available.

All across the country, seniors are looking to urban neighborhoods for retirement where they can be less reliant on transportation and be more independent, allowing for a more active lifestyle.

This shift from suburban to urban retirement is expected to see an increase in demand as the number of Americans over the age of 50 is nearing **252 million**.

ADVANTAGES OF URBAN LIVING:

Social Opportunities.

One of the most crucial components of retirement is to establish a strong social network. The exceptional downtown location of the Saratoga Building allows for residents to make use of the surrounding social draws such as religious institutions, hobby clubs, and volunteer organizations.

Public Transportation.

Public transportation can play a key factor in the favorability of a senior living facility. The Saratoga Building has access to public transportation in front of the building, allowing easy access around the city.

Access to Medical Services.

It is safe to assume that most retirees will require some sort of medical attention on a long-term basis. Being situated in walking distance from the brand new Biodistrict development, the Saratoga Building makes access to medical services as easy as walking across the street.

Access to Local Businesses.

The outstanding location in the heart of the Central Business District makes it easier than ever for residents to hit the grocery store, pick up a newspaper, or find any other daily living items they may need. Whether by a quick walk around the block, or a short ride on public transportation, access to local grocery and drug stores is readily available by foot.

Restaurants.

From Galatoire's to Lûke's, New Orleans is renowned for its many excellent restaurants. Whether reading the morning paper at a nearby PJ's coffee shop or people watching on Canal Street, the city offers a wide variety of dining experiences to fit any budget or appetite.

Fitness.

Exercise is a key part in maintaining and improving health in seniors. Not only is the Saratoga in walking distance to the hospitals for specialized exercise, but the building also offers an on-site fitness center for easy access to exercising at home.

Continuing Education.

Many seniors find themselves wanting to further their education as a way of staying active. With countless museums and numerous local universities such as Tulane and Loyola, there are many opportunities for seniors to further their education without needing to travel far.

Entertainment.

One of the main goals of most retirees is to enjoy the things they didn't have time to experience as parents and working adults. Situated in downtown New Orleans, it couldn't be easier to experience the many festivals and parades the city has to offer, not to mention the close proximity to the Convention Center as well as the numerous theaters throughout the city: Saenger, Joy, and Orpheum, to name a few.

KEY DEMOGRAPHICS



2017 NEW ORLEANS MEDICAL EXPENDITURES

\$3,405,572,759	Health Care
\$2,222,556,583	Health Insurance
\$445,891,385	Fee for Service Health Plan*
\$356,887,937	Medicare Payments
\$448,296,585	HMO*
\$20,987,215	Medical Services -
	Convalescent/Nursing Home Care
\$629,025,450	Medical Services

*Excluding Blue Cross/Blue Shield



Age 75+
Age 85+

Total Population



Total Population
Population Age 75+
Population Age 85+

NEW ORLEANS POPULATION

2017	2022
74,361	89,809
22,324	23,319

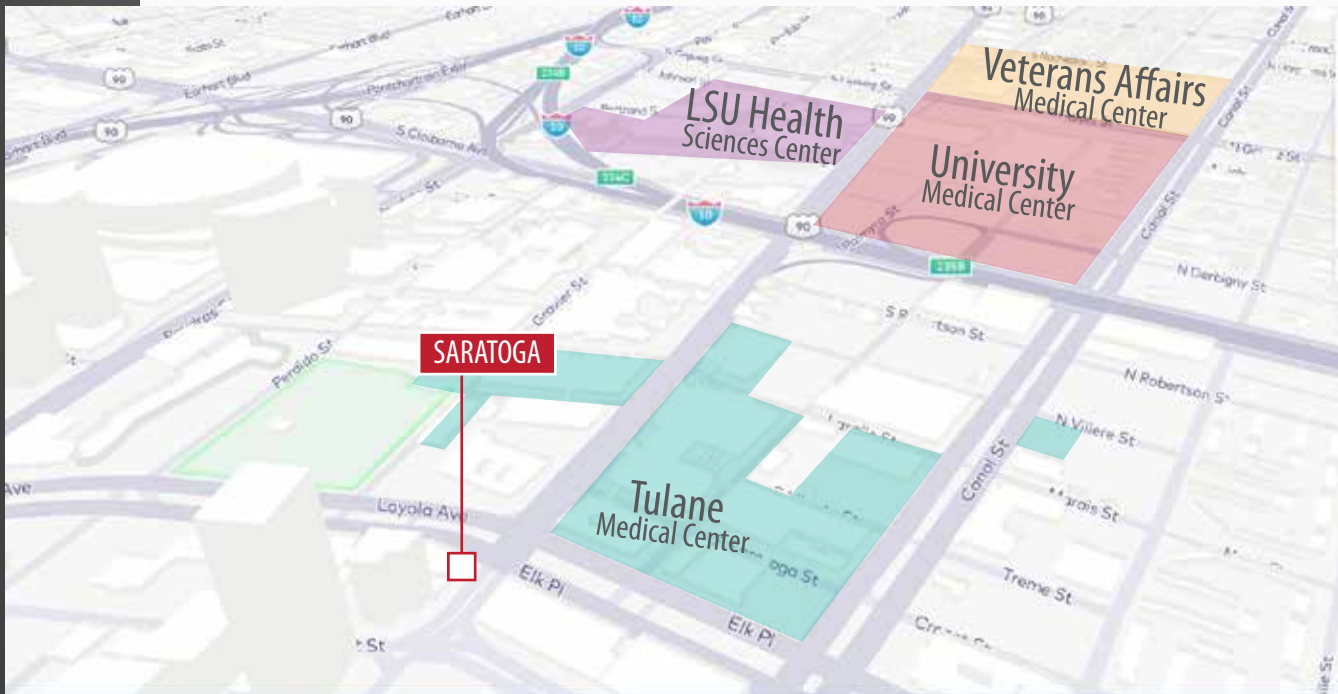
1,265,004

2017-2022 ANNUAL GROWTH RATE

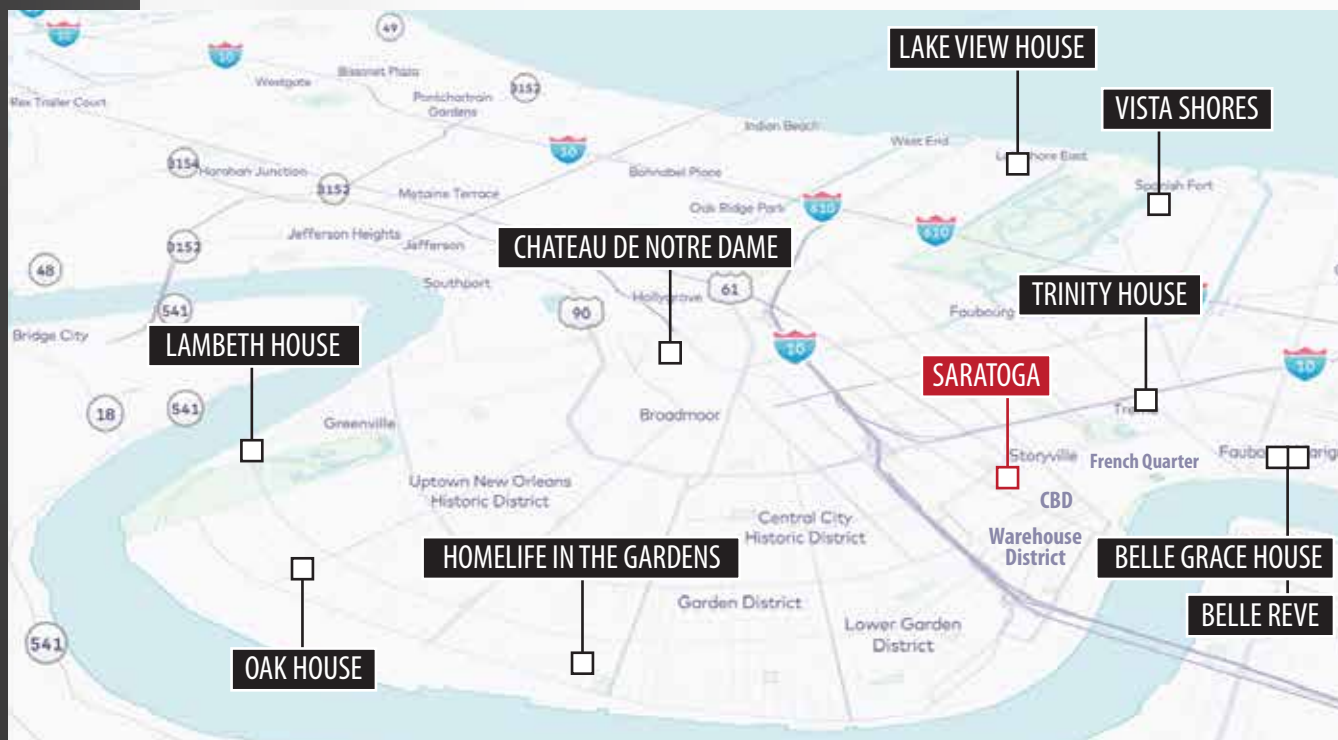
New Orleans	United States
0.85%	0.83%
4.15%	3.69%
0.89%	0.94%

Data reflects the New Orleans Metropolitan Area as a whole and was collected from ESRI's Business Analyst.

PROXIMITY TO MEDICAL FACILITIES



EXISTING COMPARABLE SENIOR LIVING FACILITIES



ORLEANS PARISH ARCP BED COUNTS

Quoted bed counts represent licensed capacity which may not be fully utilized

COMMUNITY	ADDRESS	BEDS	LEVEL	TYPE OF CARE
Lake View House	858 Mouton Street	6	1	Assisted & Memory Care
Vista Shores	5958 Saint Bernard Avenue	162	2	Assisted & Memory Care
Chateau de Notre Dame	2820 Burdette Street	107	3	Independent & Assisted
Trinity House	1422 Kerlerec Street	6	1	Assisted
Belle Grace House	3035 Royal Street	7	1	Assisted
Belle Reve	3027 Royal Street	8	1	Assisted
Oak House	5354 Magazine Street	107	3	Independent & Assisted
HomeLife in the Gardens	1101 Aline Street	82	3	Assisted & Memory Care
Lambeth House	150 Broadway	118	3	Independent
St Anne's at Lambeth House	150 Broadway	56	3	Nursing Care
TOTAL BED COUNT 735		15		Secured Memory Care
		61		Assisted Living

NEW ORLEANS HIGHLIGHTS

TOURISM

- 10.45 Million Visitors in 2016
- 6.9% Increase from 2014
- 50.8% of 2016 Visitors Aged 50+
- \$7.41 Billion tourism industry
- No.11 in STR's Top 25 US Markets
- No.11 in terms of RevPAR in 2016

INFRASTRUCTURE IMPROVEMENTS

New Orleans Armstrong International (MSY)

- Fastest growing airport in USA
- New Terminal opening in 2018
- 15 Airlines, 57 non-stop destinations ranging from Munich, Germany to Panama.

National World War II Museum

- \$320 million expansion

Orleans Ernest N. Moril Convention Center

- \$92.7 million in renovations

Hotel Industry

- \$400 million in improvements

Mercedes-Benz Superdome

- \$350 million in renovations

French Quarter Rail

- \$70 million expansion

New Orleans Children's Museum

- \$38 million construction on 8.5 acres

POPULATION

- More than 40% of householders are over the age of 55
- Over 60% of 55+ Householders do not have family living with them

ACCOLADES

Fastest Median Wage Growth (Forbes 2015)

- 6.5% Since 2006

Number #1 in the World for Nightlife (Travel & Leisure 2014)

Number #2 in the Nation for Dining (Travel & Leisure 2014)

Number #2 in USA for Growth of Knowledge Industry (Economic Modeling Specialists Intl. 2015).

- 37% Growth 2007 – 2015

Number #2 Most Cost-Competitive Markets in the Nation (KPMG 2016)

- Business Cost 6.9% below the U.S. National baseline
- Lowest Corporate income Tax rate

Number #1 City for Creative Professionals (Smartasset 2016)

Number #1 in USA in Foreign Direct Investment per capita and export growth (GNO Inc. 2016)

DISCLAIMER: Information concerning the property described herein has been obtained from sources other than NAI Latter & Blum and we make no representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all references to age, square footage, income, expenses and other property specific information are approximate. Any opinions, or assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a buyer. Buyers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change.

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