

Marcus & Millichap Exclusively Lists Joint Venture Equity Investment Opportunity in New Orleans

NEW ORLEANS--(BUSINESS WIRE)-- [Marcus & Millichap \(NYSE:MMI\)](#), a leading commercial real estate brokerage firm specializing in investment sales, financing, research and advisory services, announced today an exclusive representation agreement with Deep South Studios LLC to secure joint venture equity in connection with the development of Deep South Studios Phase I. The project is a 262,560-gross-square-foot, full-service motion picture and television production facility in New Orleans, Louisiana. Upon completion the facility will be the largest of its kind in the Southeastern United States. The remaining 85% construction is expected to take 12 to 18 months. Eric Michael Anton and Henri M. Kessler of Marcus & Millichap's [Global Capital Division](#) are representing the sponsor, Deep South Studios LLC.

Kessler stated: "In 2022, \$220.2 billion was spent globally to make and acquire new feature films and TV programming industrywide. Louisiana is the fourth-largest entertainment market in the United States. We are seeking an investment of over \$100 million for Deep South Studios Phase I, which will be completed and managed by a talented team of professionals with many years of motion picture industry experience."

Deep South Studios is led by CEO Scott Niemeyer, who has over 30 years of experience with all aspects of film production. The facility's major utilities are in place and three buildings are operating and generating income. The site is fully entitled and ready for construction. Upon completion the project will contain six sound stages ranging in size from 16,500 to 30,000 square feet, two production offices and related vendor buildings totaling 99,000 square feet. There will be a construction mill for building world-class sets, a grip and lighting building and up to 1,000 parking spaces.

"Deep South Studios Phase I is projected to generate \$10.4 million in net-operating income, which equates to approximately \$173 million at a 6% cap rate and 20% internal rate of return," said Anton. "The \$119.2 million in construction costs translates to an 8.72% return on cost."

The facility is located on a 20-acre site that forms the largest contiguous undeveloped land-assemblage in central New Orleans. Located on high ground on the west bank of the Mississippi River in the Algiers neighborhood, the site is easily accessible from Louis Armstrong New Orleans International Airport and Interstate 10. The city's central business district and French Quarter are close by.

"Deep South Studios will address Louisiana's under-served, yet highly lucrative film and television production market," said Brian Hosey, first vice president and division manager with Marcus & Millichap's Global Capital Division. "As the only full-service solution for Louisiana media production, Deep South Studios will provide economies of scale and scope

to capitalize on a growing production ecosystem fueled by the 2002 Louisiana Motion Picture Tax Incentive Act, which offers incoming productions a 25% tax credit on qualifying in-state expenditures and up to 40% on in-state labor costs.” Chris Shaheen is Marcus & Millichap’s broker of record in Louisiana.

About Marcus & Millichap, Inc. (NYSE: MMI)

Marcus & Millichap, Inc. is a leading brokerage firm specializing in commercial real estate investment sales, financing, research and advisory services with offices throughout the United States and Canada. As of December 31, 2021, the company had 1,994 investment sales and financing professionals in 82 offices who provide investment brokerage and financing services to sellers and buyers of commercial real estate. The company also offers market research, consulting and advisory services to clients. Marcus & Millichap closed 13,255 transactions in 2021, with a sales volume of approximately \$84.4 billion. For additional information, please visit www.MarcusMillichap.com.

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Gina Relva, VP of Public Relations

Gina.Relva@marcusmillichap.com

510-999-1284

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