

MARKETBEAT

Tulsa, Oklahoma

Industrial Q1 2019



TULSA INDUSTRIAL

Economic Indicators

	Q1 18	Q1 19	12-Month Forecast
Tulsa Employment	448k	461k	▲
Tulsa Unemployment	3.7%	3.3%	▼
U.S. Unemployment	4.1%	3.8%	▼

Market Indicators (Overall, All Property Types)

	Q1 18	Q1 19	12-Month Forecast
Vacancy	3.1%	3.9%	▲
Net Absorption (sf)	612k	405k	▼
Under Construction (sf)	509k	985k	▲
Average Asking Rent*	\$4.69	\$4.83	▲

*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Economy

The Tulsa metro area unemployment rate remains around 3.3% in March 2019. In comparison, the unemployment rate in March 2018 was 3.8%. The economy is performing better than this time last year, and Tulsa continues to increase the production of job growth.

Market Overview

At the close of Q1 2019, the Tulsa industrial market has acquired a strong demand for product, which in turn has increased occupancies. Close to 6.0 million square feet (msf) of inventory has delivered in this time, but net absorption exceeded supply gains. The quarter reported an overall vacancy of 3.9% with an average asking rate for available space at \$4.83 per square foot annually NNN (psf). The largest sale transaction of the previous quarter was the purchase of the 460,000 square feet (sf) Green Valley Center. This high-end facility sold for over 12 million to the Tulsa-based Industrial Developers of Oklahoma. Investments in the Tulsa area continue to gain momentum and ended the year with over \$100 million total in 2018. For the sixth year in a row, sales volume exceeded the historical average for the metro.

Outlook

Tulsa's cost of doing business is 11% under the U.S. average due to low rent, energy costs and taxes, which play a predominant role as to why the industrial market will remain stable. In addition, with the help of the stability seen in the aviation, aerospace and oil & gas industries, the overall economy will continue to gain momentum throughout all industries.

Cushman & Wakefield
4111 S. Darlington Ave.
Tulsa, Oklahoma 74135
cushmanwakefield.com

For more information, contact:
Director Brett Beaver
Tel: +1 918 488 8418
bbeaver@commercialoklahoma.com

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