



YoY Chg 12-Mo. Forecast

**11.8%**  
Vacancy Rate



**(132K)**  
Net Absorption, SF



**\$16.04**  
Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS Q2 2020**

YoY Chg 12-Mo. Forecast

**423.6K**  
Tulsa Employment



**14.5%**  
Tulsa Unemployment Rate



**13.0%**  
U.S. Unemployment Rate



Source: BLS

**ECONOMY: Short Term Disruption**

Before the outbreak, Tulsa's job market had been slowing. Employment gains have continued at a slower pace, trailing the national average. Developers continue to shy away from speculative development, and construction is geared towards the few companies that have found opportunities to expand. The manufacturing sector will likely anchor employment growth in the near term. Significant developments are underway, such as Amazon's new \$130 million fulfillment center, as well as Sofidel Group's \$360 million facility in Inola. The aerospace sector, another one of Tulsa's major industries, has also started to begin adding back jobs. The Tulsa area has nearly 20,000 aerospace workers, led by giant manufacturers and overhaul facilities at Spirit AeroSystems, NORDAM, and American Airlines. Spirit Aerosystems also has a planned \$80 million expansion, likely to create about 250 new jobs.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

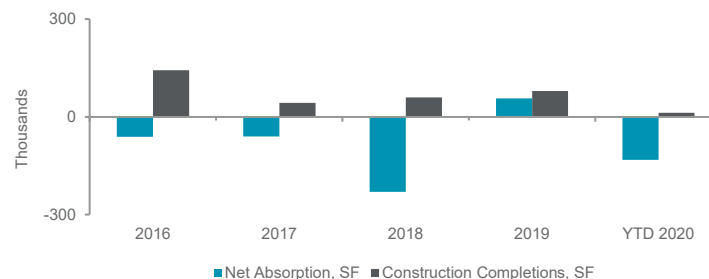
**DEMAND: Office Vacancy Continues To Rise**

Due to the concentration of energy companies in Tulsa, the impact of low oil prices continues to weigh down the office market here. Demand has remained low since 2016, with move-outs and consolidation continuing to plague the metro. Energy companies continue to right-size and have learned to do more with less. This has resulted in a slowdown in office-employment in the metro, and the office sector continues to search for steady demand. As a result, vacancies have risen consistently over the past three years.

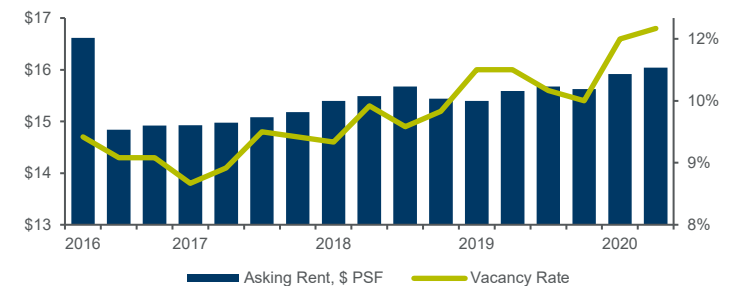
**PRICING: Rent Growth Continues To Slow**

As vacancies have increased over the past three years, rents have grown at a much slower pace compared to a decade ago. With more space becoming available, landlords have lost their pricing power, and as a result, cumulative net gains have been minimal since the start of 2015. Rent growth over the last decade has generally moved with occupancy fluctuations. Annual rent gains since the oil downturn have been roughly 1%, and with demand remaining low, this will likely be the reality in Tulsa for the near term.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**





## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	12,674,984	59,671	1,396,582	11.5%	-11,722	-322,091	66,656	115,340	\$16.49	\$18.53
East	3,401,044	289,909	294,543	17.2%	49,341	36,753	N/A	0	\$14.89	N/A
Mid-Town	6,503,923	17,647	469,656	0.3%	-3,854	-49,677	75,589	0	\$15.34	\$16.63
North Central	3,401,700	0	311,569	9.2%	-24,449	-113045	12,820	0	\$12.88	N/A
Northeast	1,757,547	0	380,768	21.6%	-8,012	-8012	9,478	0	\$14.21	N/A
Northwest	398,405	0	30,489	7.7%	-12,771	-14,771	N/A	0	\$13.00	N/A
South	1,315,438	0	74,216	5.6%	1,720	-15,628	12,970	39,147	\$16.75	\$14.21
South Central	13,872,384	4,728	1,937,573	14%	-50,725	-8,911	142,149	7,077	\$16.39	\$24.27
Southeast	2,513,904	0	216,392	8.5%	-12,337	-147595	5,423	0	\$14.58	N/A
Southwest	343,326	0	33,000	9.6%	N/A	N/A	N/A	0	\$25.00	N/A
West	859,590	0	34,070	4.0%	-90	1,656	3,712	0	\$9.92	N/A
<b>TULSA TOTALS</b>	<b>46,992,864</b>	<b>371,955</b>	<b>5,161,131</b>	<b>11.8%</b>	<b>-131,707</b>	<b>-691,276</b>	<b>330,304</b>	<b>155,374</b>	<b>\$16.04</b>	<b>\$20.27</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
N/A	N/A	N/A	N/A	N/A

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
N/A	N/A	NA	N/A	N/A

## KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
N/A	N/A	N/A	N/A	N/A

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