

YoY Chg 12-Mo. Forecast

3.1%

Vacancy Rate



367K

Net Absorption, SF



\$5.63

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2021

YoY Chg 12-Mo. Forecast

440.9K

Tulsa Employment



3.5%

Tulsa Unemployment Rate



5.2%

U.S. Unemployment Rate



Source: BLS

ECONOMY: Short Term Disruption

During the second half of 2020, the economy had a strong recovery. As of mid-2021, employment was at 97% of pre-pandemic levels. Tulsa is running below the national unemployment rate at 3.5% with 440.9K workers employed. We see a few bright spots in the Tulsa market. E-commerce giant Amazon has opened its four-story, 2.5 million square foot (msf) distribution center. The company has started hiring 1,500 employees to operate the facility. Milo's Tea opened a new production and distribution center at the Cherokee Extension Industrial Park. The company invested \$60 million in manufacturing equipment and construction of an operations center spanning more than 100,000 on a 20-acre site. The facility will have 100 employees.

DEMAND: Industrial Demand Continue To Rise

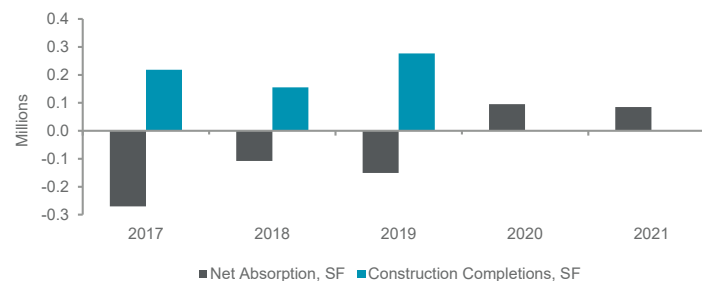
The Tulsa industrial market is enjoying consistent absorption and rent growth over the past year, in spite of widespread economic disruption from the pandemic. Investment activity in Tulsa for industrial assets has continued to rise year-over-year since 2018. Through the third quarter of 2021, the momentum has continued with 109 sales of \$194M and 25 leases of 1.4 million square feet (msf). Similar to many metros across the country, the bulk of the transactions have been primarily distribution and warehouse facilities.

PRICING: Industrial Rents On The Rise In Q3

With consistent leasing activity, industrial rents in Tulsa continue to register healthy growth. Overall, the industrial market is proving to be better insulated and will serve as a point of strength in the commercial real estate market compared to other assets. Asking rents are slightly higher in warehouse space compared with distribution centers. Tulsa's asking rents remain affordable relative to the national average at Manufacturing (MF) - \$4.66 per square foot (psf), Office/Flex (OS) - \$7.35 psf, and Warehouse/Distribution (W/D) - \$5.81 psf. However, they are on par with regional metros like Oklahoma City and Northwest Arkansas.

Tulsa's low cost of doing business continues to drive companies to the metro. With aviation, aerospace, and to some extent, oil and gas industries providing demand, the industrial market has remained stable. As a result, landlords have found opportunities to raise rents at a constant pace, averaging about 3% annually over the past three years. This growth may be stymied by the subsequent economic recession from the coronavirus pandemic. Furthermore, the lack of speculative construction has also factored into limited availability, allowing landlords to have pricing power over tenants searching for space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
East Tulsa Ind	2,533,817	18,891	.07%	76,733	-9,201	137,500	0	\$5.25	\$6.73	\$7.75
Midtown Tulsa Ind	N/A	N/A	N/A	N/A	0	0	0	N/A	N/A	N/A
North Central Tulsa Ind	4,188,204	56,142	1.3%	113,367	-24,118	0	0	\$4.02	\$5.89	\$4.50
Northeast Tulsa Ind	26,018,744	528,789	2.0%	53,668	202,326	315,000	0	\$4.70	\$6.00	\$5.62
Northwest Tulsa Ind	653,250	4,800	.07%	-4,800	-4,800	0	0	N/A	N/A	\$5.50
South Central Tulsa Ind	9,048,074	663,725	7.3%	20,347	-222,437	0	0	\$4.79	\$7.08	\$4.64
South Tulsa Ind	3,046,642	24,300	0.8%	N/A	-19,500	0	0	N/A	N/A	\$7.00
Southeast Tulsa Ind	11,170,777	288,069	2.6%	-28,614	248,617	0	0	\$4.50	\$8.13	\$6.83
Southwest Tulsa Ind	197,638	5,000	2.5%	2,500	7,000	0	0	N/A	\$10.25	N/A
Tulsa CBD Ind	912,315	37,340	4.1%	0	-37,340	0	0	N/A	N/A	N/A
West Tulsa Ind	10,856,092	408,918	3.8%	-147,958	140,259	283,766	0	\$4.68	N/A	\$4.65
TULSA TOTALS	68,625,553	2,035,974	2.45%	85,243	280,806	736,266	0	\$4.66	\$7.35	\$5.81

*Rental rates reflect weighted net asking \$psf/year *Statistics are not reflective of the U.S. MarketBeat tables.

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	33,064,901	1,041,371	3.1%	11,392	506,881	598,766	0	\$5.44
Manufacturing	27,320,691	820,075	3.0%	5,916	-218,020	137,500	0	\$4.80
Office Service / Flex	4,965,006	136,702	2.7%	19,000	-9,299	0	0	\$7.00

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
8531 E. 44th St	South Central	Kline Oilfield Equipment	76,760	MF
15336 E Admiral Place South	East	Aristocrat Gaming	137,500	MF

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7655 E 46th St	South Central	Baker Hughes/Moore DM Group	144,553	\$6,116,331/\$42.31
1007 E Admiral	Northeast	Larkin Products/Industrial Controls of Oklahoma	104,855	\$2.1M/\$20.03
1140 N 129th E Ave	Northeast	Undisclosed/Roxtec Inc.	39,967	\$3.8M/\$95.08

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