

	YoY Chg	12-Mo. Forecast
<b>3.7%</b> Vacancy Rate	—	▲
<b>(266)K</b> Net Absorption, SF	▼	▼
<b>\$5.29</b> Asking Rent, PSF	▲	▲
Overall, Net Asking Rent		

ECONOMIC INDICATORS  
Q1 2022

	YoY Chg	12-Mo. Forecast
<b>442.8K</b> Tulsa Employment	▲	▲
<b>2.7%</b> Tulsa Unemployment Rate	▼	▼
<b>3.8%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

## ECONOMY:

Tulsa's economy is steadily rebounding over the past year. By the end of 2021, overall employment was at 96% of pre-pandemic levels with a current unemployment rate of 2.7% (down 2.0% year over year) and a current workforce of 442.8K (up 10K YOY). The population of the Tulsa area has topped 1 million for the first time, adding over 7,000 new residents last year alone. The Tulsa job market continued to grow through all of 2021, with the economy just beginning to recover. Low rents, energy costs, and taxes help to make the cost of doing business in Tulsa 11% less than the national average. 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.

## DEMAND: Industrial Demand Soft in Q1

The Tulsa industrial market enjoyed consistent absorption and rent growth in 2021. Even though the industrial market has proven to be better insulated and served as a point of strength in the commercial real estate market compared to other assets, the market has taken a step back in Q1; showing a net absorption of (267,527) sf and a vacancy rate of 3.7%. Demand has continued to be focused on logistics properties and development has reflected this growth, and industrial tenants in Tulsa continue to take space at a consistent pace through early 2022. Future demand will likely hinge on the continued growth of the e-commerce sector. The rise of medical marijuana has resulted in an increased need for overlooked and often considered obsolete-low tier flex and warehouse space. While the total impact is still unknown, demand will likely continue for medical marijuana in the short term.

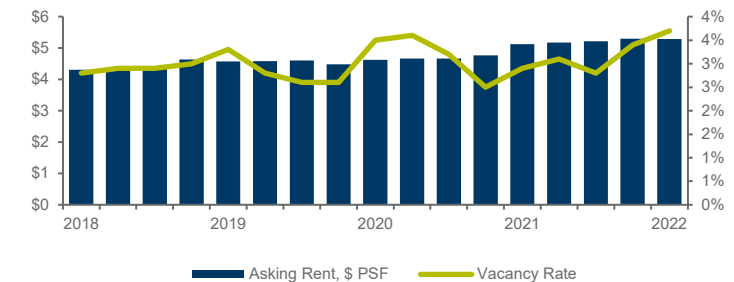
## PRICING: Industrial Rents - Flat Into 2022

Industrial rents saw a +.03% increase (\$5.29/\$5.12 psf) YOY but took a decrease of -.01% going into 2022. Asking rents are slightly higher in warehouse space compared with manufacturing and flex properties. Among the large area submarkets, the highest rents are found in Southwest (\$10.25 /psf), South (\$7.00 /psf), and Southeast (\$6.76/psf) Tulsa. In contrast, rents are typically lower in West (\$5.06/psf) and Northeast (\$5.33/psf) Tulsa. Tulsa's asking rents remain affordable relative to the national average (\$7.89/psf) and are on par with regional metros like Oklahoma City and Northwest Arkansas.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; ASKING RENT



# MARKETBEAT TULSA

## Industrial Q1 2022



### 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 (FX)	OVERALL WEIGHTED AVG NET RENT (W/D)
East Tulsa Ind	2,320,515	23,504	1.0%	(16,000)	(16,000)	137,500	0	\$5.38	\$7.00	N/A
Midtown Tulsa Ind	0	0	0	0	0	0	0	N/A	N/A	N/A
North Central Tulsa Ind	4,015,448	289,881	7.2%	(155,478)	(155,478)	0	0	\$4.08	\$5.89	\$3.50
Northeast Tulsa Ind	25,326,495	1,149,005	4.1%	(321,457)	(321,457)	0	45,000	\$4.95	\$4.94	\$5.67
Northwest Tulsa Ind	653,250	0	0	0	0	0	0	N/A	N/A	\$5.50
South Central Tulsa Ind	8,335,603	458,726	4.8%	183,698	183,698	0	0	\$4.63	\$7.46	\$4.77
South Tulsa Ind	2,978,638	24,300	0.8%	0	0	0	0	N/A	N/A	\$7.00
Southeast Tulsa Ind	10,544,902	276,522	1.5%	56,637	56,637	0	0	\$4.77	\$8.28	\$6.76
Southwest Tulsa Ind	258,376	8,600	3.3%	(1,100)	(1,100)	0	0	N/A	\$10.25	N/A
Tulsa CBD Ind	848,293	90,640	10.7%	0	0	0	0	N/A	N/A	\$4.00
West Tulsa Ind	10,387,470	392,174	3.8%	(12,827)	(12,827)	283,766	0	\$5.34	N/A	\$4.94
<b>TULSA TOTALS</b>	<b>65,668,990</b>	<b>2,437,860</b>	<b>3.7%</b>	<b>(266,527)</b>	<b>(266,527)</b>	<b>421,266</b>	<b>45,000</b>	<b>\$4.98</b>	<b>\$6.23</b>	<b>\$5.44</b>

\*Rental rates reflect weighted net asking \$psf/year

### KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4901 W 66 <sup>th</sup> St S	Creek County	N/A	72,471	Direct
5500 S Garnett Rd	Southeast	Action Powersports	25,436	Direct
2502-2628 Hemlock Cir	Southeast	N/A	25,226	Sublease
12505 E 55 <sup>th</sup> St	Southeast	N/A	25,000	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4401 S Sheridan	South Central	Twenty First Properties LLC / Harm T Holdings LLC	103,600	\$4.25M/\$41.02
8602 S Peoria Ave	Southwest	Brook West LLC / Platinum Investments LLC	60,738	\$1.1M/\$18.11
1354 S Sheridan	North Central	Siemens Energy Inc / Slam Management Sheridan LLC	59,232	\$2.73M/\$46.01

### KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1660 N Mingo Rd	Northeast	N/A	45,000	N/A

MF = Manufacturing FX = Flex W/D = Warehouse/Distribution

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