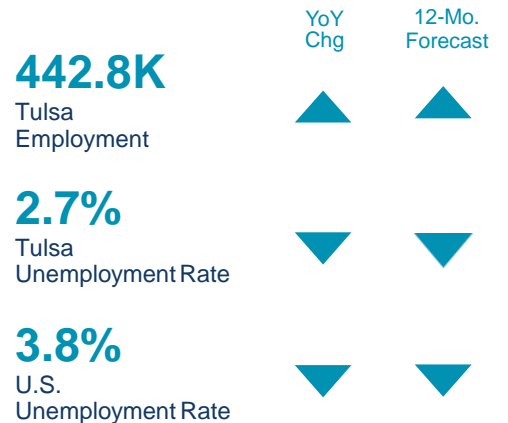


(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022



Source: BLS

ECONOMY: Turning The Corner

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 (YOY)) and a current workforce of 442.8K (up 10k YOY).

DEMAND: A Solid Start In 2022

The Tulsa office market is beginning to show signs of a rebound in early 2022 after eight quarters of negative net absorption totaling 1.4 million square feet (msf). Net Absorption has made a sizeable shift YOY from 656k to 439k in Q1 2022. The vacancy rate has increased from 11.1% to 12.0% in the same timeframe.

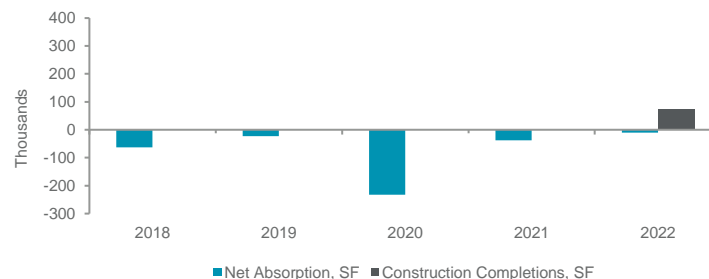
PRICING: Rental Rates Increasing At Slow Pace

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. As a result, cumulative net gains have been minimal since the start of 2015.

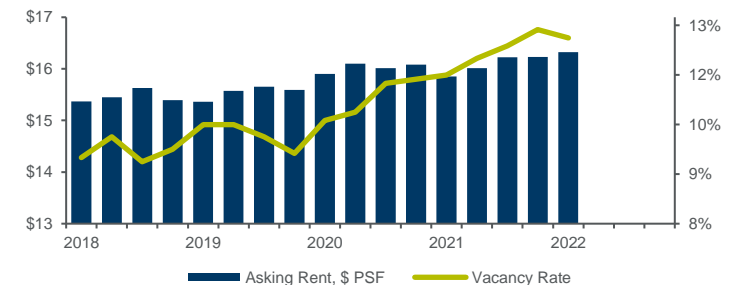
The Tulsa total market saw a 1.6% rental rate increase YOY, with total Central Business District (CBD) showing a 1.7% increase and Non-CBD a 1.4% increase. Class A space continues to struggle with the fluctuations in demand. As a result, total Class A was down 1.9% with the CBD at a 1.6% decrease and Non-CBD Class A down 1.8% YOY.

The highest rents are found in the metro area south of the CBD. The South submarket has the highest asking rent at \$20.54/square feet (sf) followed closely by the Northeast and Southwest submarkets at \$20.00/sf, and all rank ahead of the CBD at \$17.16/sf. Due to continued consolidations and closing in the downtown area, the CBD has struggled to see any significant rent gains. Average growth for downtown has been below 1% YOY in each of the past three years.

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	13,344,594	282,816	1,132,562	10.6%	43,191	43,191	34,727	685,284	\$17.16	\$18.34
East	3,341,957	328,142	644,964	29.1%	56,192	56,192	16,383	0	\$14.63	N/A
Mid-Town	6,713,511	22,283	549,636	8.3%	198,955	198,955	37,060	0	\$15.91	\$17.13
North Central	3,616,828	0	387,923	6.4%	14,338	14,338	12,726	0	\$13.50	N/A
Northeast	1,825,913	0	408,951	22.4%	1,274	1,274	1,644	24,505	\$20.00	\$21.00
Northwest	406,734	0	30,489	7.5%	0	0	0	0	N/A	N/A
South	1,556,050	0	53,255	3.4%	15,612	15,612	10,105	24,991	\$20.54	N/A
South Central	14,382,362	184,239	1,850,866	14.0%	100,260	100,260	74,295	30,854	\$16.53	\$21.75
Southeast	2,589,337	0	159,323	5.9%	9,400	9,400	6,468	18,697	\$15.07	N/A
Southwest	370,749	0	8,420	2.3%	0	0	0	0	\$20.00	N/A
West	894,022	0	48,263	5.4%	0	0	0	0	\$11.58	N/A
TULSA TOTALS	49,042,057	817,480	5,288,616	12.0%	439,222	439,222	191,773	784,331	\$16.32	\$19.26

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2 W 2 nd St	CBD	Cherokee Nation Management	19,177	Direct
2 W 2 nd St	CBD	Cherokee Nation Management	18,841	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4800-4808 S 109 th E Ave	Southwest	Remedy Medical Properties/Tulsa Medical Properties	146,648	\$72.5M/\$374.09
244 S Gateway PL	South	Tulsa Fee Owner/Syndicated Equities	87,304	NA
2424 E 21 st St	Mid-Town	21 LP, LLC/10545 South Memorial LLC	58,846	\$6.9M/\$117.26

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
21 N Greenwood Ave	CBD	N/A	72,500	Tulsa Development Authority
1225 N Birch Ave	Southeast	N/A	14,500	Azar Tom

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