



11.9%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

102K

Net Absorption, SF



\$16.60

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2022

456K

Tulsa
EmploymentYoY
Chg12-Mo.
Forecast

2.9%

Tulsa
Unemployment Rate

3.6%

U.S.
Unemployment Rate

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 2.9% (down 1.8% year-over-year (YOY)) and a current workforce of 456K (up 23k YOY).

DEMAND: A Solid Start In 2022

The Tulsa office market is beginning to show signs of a rebound in early 2022. Net Absorption has made a sizeable shift YOY from (159k) to 102k in Q2 2022. The vacancy rate has increased from 10.6% to 11.9% in the same timeframe. Tulsa's office market is beginning to show signs of improvement through early 2022 after two years of negative net absorption. While the market's vacancy rate remains elevated, the inflection point in demand is keeping vacancies from rising further. With improving demand, rent growth has returned also. Through mid-2022, rents have grown 1.7%. Steep move-outs are in the rearview mirror as the market is reporting net absorption reporting in the black through mid-2022. The market is tracking 165,000 SF in net absorption year-to-date.

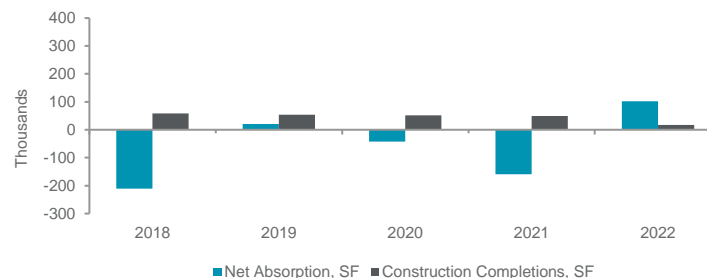
PRICING: Vacancies Impacting Rental Rates

As vacancies have increased over the past three years (.5% YOY), 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 \$.59 (\$16.60/per square foot (psf) rental rate increase YOY, with the total Central Business District (CBD) showing a \$.42 (\$17.32/psf) increase and Non-CBD a \$.58 (\$16.27/psf) increase. Class A space continues to struggle with the fluctuations in demand. As a result, total Class A vacancies were up 2.6% within the CBD and Non-CBD Class A vacancies were up 3.9% YOY.

The highest rents are found in the metro area south of the CBD. The South submarket has the highest asking rent at \$20.09/psf followed closely by the Northeast and Southwest submarkets at \$20.00/psf, and all rank ahead of the CBD at \$17.32/psf. 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	13,406,427	282,066	1,221,025	5.4%	-86,594	-102,401	104,760	260,284	\$17.32	\$18.66
East	3,341,957	295,577	657,468	28.5%	-9,681	38,528	25,680	0	\$14.66	N/A
Mid-Town	6,714,568	10,283	647,695	9.8%	42,144	68,046	73,773	0	\$15.96	\$17.24
North Central	3,717,834	0	228,406	6.1%	8,323	6,479	21,951	0	\$13.98	N/A
Northeast	1,822,535	0	407,490	22.4%	1,461	-34,817	6,160	24,505	\$20.00	N/A
Northwest	410,802	0			30,489	30,489	0	0	N/A	N/A
South	1,565,629	0	53,581	3.4%	7,280	13,275	12,928	24,991	\$22.09	N/A
South Central	14,380,978	57,327	1,822,877	13.1%	75,843	118,133	175,376	30,854	\$17.10	\$24.89
Southeast	2,725,557	0	152,307	5.6%	24,491	21,862	14,269		\$14.42	N/A
Southwest	370,749	0			8,420	8,420	8,420	0	\$20.00	N/A
West	888,022	0	48,017	5.4%	246	-2,254	2,405	0	\$11.58	N/A
TULSA TOTALS	49,351,058	645,253	5,238,866	11.9%	102,422	165,760	445,722	340,634	\$16.60	\$20.29

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6846 S Canton Ave	South Central		15,230	Direct
21 N Greenwood Ave	CBD	Pray Walker PC	12,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6120 S Yale Ave	South Central	Gemini Rosemount/Dogwood Commercial/Goldenrod Capital	489,903	\$47.83M/\$97.64
6100 S Yale Ave	South Central	Gemini Rosemount/Dogwood Commercial/Goldenrod Capital	470,025	\$53.34M/\$113.48
4750 s Garnett Rd	Southeast	Boyd Watterson Asset Mgmt/FH Land & Equipment	29,550	\$6.1M/\$206.43

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	Tom Azar

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