

YoY
Chg12-Mo.
Forecast**3.9%**

Vacancy Rate

**756K**

Net Absorption, SF

**\$5.43**

Overall Asking Rent, PSF



Overall, Net Asking Rent

**ECONOMIC INDICATORS
Q2 2023**YoY
Chg12-Mo.
Forecast**459K**Tulsa
Employment**2.9%**Tulsa
Unemployment Rate**3.6%**U.S.
Unemployment Rate

Source: BLS

ECONOMY: Expanding in 2023

Tulsa's economy has been steadily rebounding over the past year and is considered to have entered an expansion mode. The unemployment rate dropped 0.3% from Q1 to Q2 to 2.9% and the current workforce remained steady at 459,000 (up 3,000 year-over-year (YOY)). Low rents, energy costs, and taxes help to make the cost of doing business in Tulsa 11% lower than the national average. Tulsa's low cost of doing business continues to drive companies to the metro.

Relatively stable industries like healthcare and education are significant drivers of employment here and help keep the economy in check when the more volatile energy industry experiences significant fluctuations.

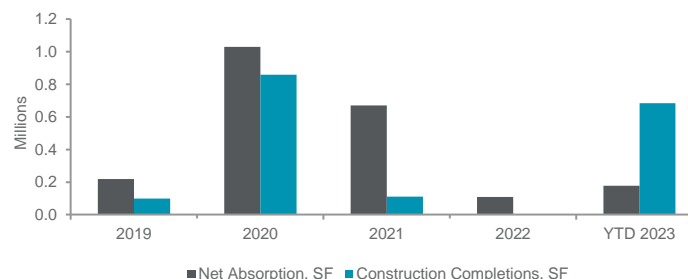
DEMAND: Consistent Pace Into 2023

The Tulsa industrial market remains on stable footing with vacancy rates still trending at near lows. Overall, the industrial market is proving to be better insulated and is a point of strength in the commercial real estate market compared to other assets. Demand has continued to be focused on logistics properties, and development has reflected this growth. Consistent leasing has kept vacancy rates tight at 3.9%. In turn, annual rent growth measured 5.7%. There has been a lack of speculative construction in the metro, resulting in increased competition among tenants, and rent growth has averaged approximately 3% annually over the past five years. Through the second quarter of 2023, the market has registered \$26.6 million in annual sales, on track for another strong year.

Industrial vacancy rates in Tulsa have consistently trended below the U.S. average since 2006. The market reported net absorption of 1.0 million square feet (msf) in the past year.

PRICING: Industrial Rents – Soft Start to 2023

Overall industrial rents increased \$0.07 per square foot (psf) Q2 over Q1 but fell \$0.5 YOY. Flex properties continue to boast the highest overall rents in Q2 2023 (+\$0.35 to \$7.89 psf) and up \$.93 YOY (\$6.93). Among the large area submarkets, the highest rents are found in South Central (\$9.04 psf), Southeast (\$7.79 psf), and East (\$6.30 psf) Tulsa. In contrast, rents are typically lower in the West (\$3.75 psf) and the CBD (\$4.00 psf). Asking rents come at a premium in warehouse space compared to distribution centers. Among large area submarkets, the highest rents are found in North Central Tulsa (\$8.68 psf). Tulsa's asking rents remain affordable relative to the national average and are on par with regional metros like Oklahoma City and Northwest Arkansas.

SPACE DEMAND / DELIVERIES**OVERALL VACANCY & ASKING RENT**

MARKETBEAT TULSA

Industrial Q2 2023



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	2,515,455	4,400	0.2%	-500	36,500	0	0	N/A	\$6.30	\$6.81
Midtown Tulsa Ind	159,434	60,155	37.7%	-	(60,155)	0	0	N/A	N/A	N/A
North Central Tulsa Ind	4,065,659	198,425	4.9%	72,662	5,185	0	0	\$3.79	\$7.47	\$8.68
Northeast Tulsa Ind	25,918,933	1,372,624	5.3%	7,621	86,624	0	684,616	\$5.37	\$5.38	\$4.96
Northwest Tulsa Ind	682,500	0	0	0	0	0	0	N/A	N/A	N/A
South Central Tulsa Ind	8,277,737	373,513	4.5%	64,613	(671)	0	0	\$5.30	\$9.04	\$5.23
South Tulsa Ind	3,004,638	6,300	0.2%	23,000	23,000	40,000	0	N/A	N/A	N/A
Southeast Tulsa Ind	10,525,103	186,996	1.8%	490,557	(11,366)	0	0	\$5.19	\$7.79	\$7.02
Southwest Tulsa Ind	258,376	2,000	0.8%	0	0	0	0	N/A	N/A	N/A
Tulsa CBD Ind	855,493	58,727	6.9%	33	33		0	N/A	N/A	\$4.00
West Tulsa Ind	10,893,595	327,797	3.0%	98,198	98,198	0	0	\$3.75	N/A	\$6.06
TULSA TOTALS	67,156,923	2,590,937	3.9%	756,184	177,348	40,000	684,616	\$4.89	\$7.89	\$5.70

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

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

KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
640 W 41 st St	West	C&S Technical Services, LLC	42,123	Direct
7704 E 38 th St	South Central	TBA	40,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1007 E Admiral Blvd	Northeast	SLAM Mgmt/Noitavonne Inc	94,000	\$3.2M/\$34.04 PSF
2020 S Union Ave	West	Flint Services Company/Aaon, Inc.	50,010	\$4.73M/\$94.48 PSF

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