

YoY
Chg 12-Mo.
Forecast**3.2%**

Vacancy Rate

**200K**

Net Absorption, SF

**\$5.64**

Overall Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q4 2023YoY
Chg 12-Mo.
Forecast**465K**Tulsa
Employment**3.2%**Tulsa
Unemployment Rate**3.7%**U.S.
Unemployment Rate

Source: BLS

ECONOMY:

Tulsa's economy has been steadily rebounding over the past year and is considered to have entered an expansion mode. The unemployment rate dropped slightly from Q3 to Q4 to 3.2%, with the current workforce at 465,000 (up 4,000 year-over-year (YOY)). Low rents, energy costs, and taxes help to make the cost of doing business in Tulsa below 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 substantial fluctuations.

DEMAND: Stable Market Through Q4

The Tulsa industrial market remains stable, with vacancy rates trending 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 3.2%. There has been a lack of speculative construction in the metro, resulting in increased competition among tenants, and rent growth has averaged approximately 5.2% annually over the past five years.

PRICING: Industrial Rents – Flex Space Leads Q4 Rent Rates

Overall industrial rental rate increased \$0.09 per square foot (psf) from Q3 and up \$0.27 YOY. Flex properties boast the highest overall rents in Q4 2023. While rates were flat between Q3 & Q4, Flex asking rents boasted a \$2.18 increase YOY (\$8.73). Among the large area submarkets, the highest rents are found in Southwest (\$12.50 psf), South (\$12.00 psf), and South Central (\$9.42 psf) Tulsa. In contrast, rents are typically lower in the West (\$3.66 psf) and North Central (\$3.79 psf). Asking rents come at a premium in warehouse space compared to distribution centers. Among large area submarkets, the highest rents are found in East Tulsa (\$7.50 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 Q4 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	2,541,705	25,489	1.0%	0	41,661	0	0	N/A	\$6.36	\$7.50
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	243,366	6.0%	-1,880	28,041	0	0	\$3.79	\$7.52	\$5.50
Northeast Tulsa Ind	26,528,556	1,161,458	4.4%	223,682	437,667	0	0	\$3.79	N/A	\$5.41
Northwest Tulsa Ind	803,760	0	-	4,800	0	0	0	\$5.25	N/A	\$5.25
South Central Tulsa Ind	8,439,882	327,332	3.5%	9,756	146,023	0	0	\$5.61	\$9.42	\$5.30
South Tulsa Ind	3,696,197	4,300	0.1%	-	25,000	40,000	0	N/A	\$12.00	\$7.00
Southeast Tulsa Ind	10,611,740	129,630	1.2%	90,467	94,112	0	0	\$8.50	\$7.90	\$7.14
Southwest Tulsa Ind	258,376	0	0	0	0	0	0	N/A	\$12.50	N/A
Tulsa CBD Ind	855,493	58,727	6.9%	0	33	0	0	N/A	N/A	\$4.00
West Tulsa Ind	10,390,695	167,839	1.6%	6,184	113,430	0	0	\$3.66	N/A	\$6.52
TULSA TOTALS	68,351,497	2,178,296	3.2%	335,009	827,812	40,000	0	\$4.91	\$8.73	\$5.82

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

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

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
4477 S 70 th E Ave	South Central	Unidentified Tenant	88,562	Direct
12402 E 60 th St	Southeast	Haliburton Energy Services	59,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5402 SE 129 th Ave	Southeast	IDO/Saint Francis Hospital Inc.	200,000	\$22.5M/\$112.5 PSF
6930 N Lakewood Ave	Northeast	Honeywell Int'l Inc/Wisco Investments LP	137,320	\$3.5M/\$25.49 PSF

Brett Beaver

Director

+1 918 488 8418 /bbeaver@commercialoklahoma.com

Mike Murnan

Director

+1 918 895 7699 /mmurnan@commercialoklahoma.com

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