

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.0% Vacancy Rate	▼	▼
374K YTD Net Absorption, SF	▲	▲
\$18.04 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
478.2K Tulsa Employment	▲	▲
3.4% Tulsa Unemployment Rate	—	—
4.1% Country Unemployment Rate <i>Source: BLS</i>	▲	▼

ECONOMY: INVESTMENT ACTIVITY SLIDING

Tulsa's economy is expanding, and the local employment base has grown 2.4% in the past year, based on the latest data from Oxford Economics. The pace of growth has slowed as the labor market has retightened and competition for talent has normalized.

The unemployment rate decreased 0.2% from Q2 to Q3 to 3.4% (0.7% below U.S. rate, up .0.8% YOY) and the current workforce increased from 477k to 478.2k (up 15k 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.

DEMAND: holding steady with fragile demand

Tulsa's office market is holding steady, though demand remains fragile. At 10.9%, vacancy has shifted 100 basis points higher since the end of 2019, more shallow than the U.S. average of 440 basis points. Total available space has climbed to 5.5 million, translating to 10.9% of inventory, holding below the U.S. average of 16.4%.

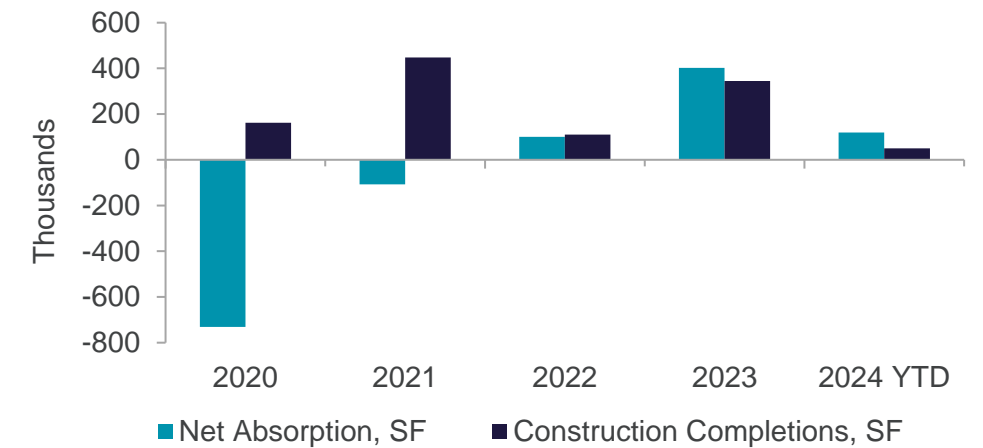
With demand holding relatively stable, asking rents continue to rise, growing 1.5% over the past 12 months. Market asking rents came in at \$18.04 per square foot (psf), slightly below neighboring Oklahoma City with rents of \$20 per SF.

PRICING: SOUTH AND NORTHEAST LEAD Q3 RENTAL RATES

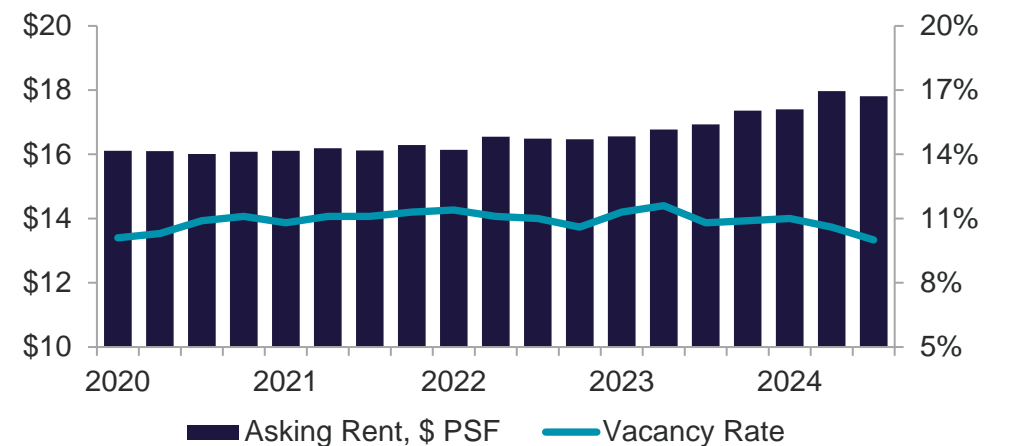
The Tulsa total market saw a \$.2/psf decrease in rents, finishing the quarter at \$18.04 psf (up \$.95 psf YOY), the Central Business District (CBD) showed a \$1.88 increase (YOY) at \$19.38/psf, and Non-CBD down \$0.46 from Q2 at \$17.30/psf (up \$.43 YOY). The highest rents are found in the metro area outside of the CBD. The South submarket has the highest asking rent at \$22.95/psf, followed by the Northeast at \$21.27/psf.

Market participants confirm owners continue to offer concessions and tenant improvement packages, eroding effective rent growth.

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 (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	13,955,420	236,803	1,326,094	11.2%	63,059	128,178	183,150	50,000	\$19.38	\$21.29
East	3,339,548	0	705,289	21.1%	76,779	84,148	50,414	0	\$14.84	-
Mid-Town	6,984,037	12,324	584,383	8.5%	25,104	23,501	112,126	0	\$16.02	\$17.78
North Central	3,950,527	0	253,073	6.4%	-1,421	88,505	0	0	\$13.99	\$14.00
Northeast	1,844,910	0	3,028	0.2%	1,250	1,106	1,898	0	\$21.27	-
Northwest	436,014	0	0	0	0	4,600	0	0	-	-
South	1,703,080	0	61,120	3.6%	-4,983	1,849	28,096	6,000	\$22.95	-
South Central	14,464,383	9,624	1,791,645	12.5%	106,501	45,267	236,808	0	\$18.48	\$21.29
Southeast	2,729,242	0	78,883	2.9%	-2,990	-2,202	20,925	0	\$17.50	-
Southwest	370,749	0	0	0	0	0	0	0	-	-
West	912,973	0	17,344	1.9%	0	-855	0	0	\$14.00	-
TULSA TOTALS	50,714,708	258,751	4,820,859	10.0%	263,299	374,097	635,168	56,000	\$18.04	\$21.03

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
320 S Boston Ave	CBD	Not Released	31,192	Office
320 S Boston Ave	CBD	Not Released	30,488	Office
6100 S Yale Ave	South Central	Sulzer Chemical	23,598	Office

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
823 S Detroit Ave	CBD	Not Disclosed	66,402	\$5.5M/\$82.83 PSF
5555 E 71st St	South Central	Oil Capital/Not Disclosed	61,713	Not Disclosed
7127-7133 Riverside Pky	South Central	Ryvers Reeder Trust	37,700	\$5.977M/\$156.56 PSF

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
12231 S 74 th E Ave	South	Glove America	26,000	Huxley Holdings LLC
7643 126 th St South	South	Axis Healthcare	7550	Rh3 Properties LLC

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