

	YoY Chg	12-Mo. Forecast
3.9% Vacancy Rate	▲	▲
45K YTD Net Absorption, SF	▼	▼
\$5.37 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2022

	YoY Chg	12-Mo. Forecast
461K Tulsa Employment	▲	▲
3.4% Tulsa Unemployment Rate	▲	▲
3.7% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY: Turning The Corner

Tulsa's economy has been steadily rebounding over the past year and is considered to have entered an expansion mode. The Q4 unemployment rate rose 0.1% from Q3 to 3.4% (up 0.7% year-over-year (YOY)) and the current workforce has dropped 33k from Q3 to 461k (up 21k YOY). The population of the Tulsa area has topped 1.0 million for the first time, adding over 7,000 new residents last year alone. The Tulsa job market also grew throughout the year. 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. With aviation, aerospace, and to some extent, oil and gas industries providing demand, the industrial market has remained stable.

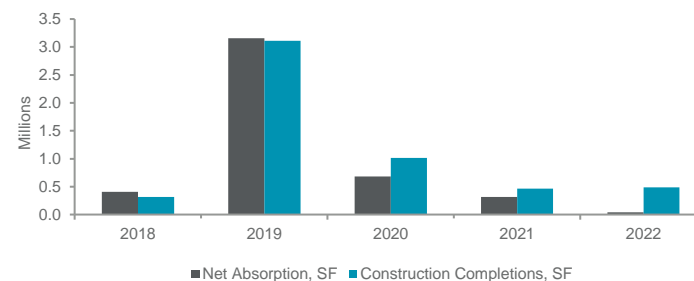
DEMAND: Consistent Pace Into 2023

The Tulsa industrial market has enjoyed consistent occupancy and rent growth over the past year. 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. The passing of medical marijuana in Oklahoma has contributed to the budding demand for industrial space also. Consistent leasing has kept vacancy rates tight at 4.1%. In turn, annual rent growth measured 6.6% at year-end 2022, the best performance on record. There has been a lack of speculative construction in the metro, resulting in increased competition among tenants, and rent growth has averaged around 3% annually over the past five years.

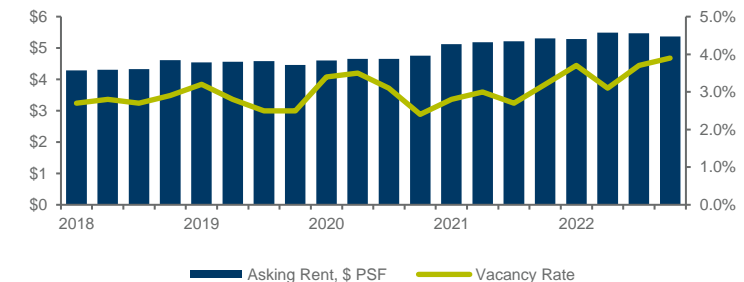
PRICING: Industrial Rents – Softened In Q4

Overall Industrial Rents dropped \$.10/per square foot (psf) since third quarter. While Flex properties continue showing the highest overall rents in Q4 2022 (\$6.55 psf) this category took a \$0.45 psf loss from Q3. Among the large area submarkets, the highest rents are found in Southwest (\$10.25 psf), South Central (\$9.70 psf), and East (\$7.00 psf) Tulsa. In contrast, rents are typically lower in North Central (\$4.00/psf) and the CBD (\$4.00 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



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	2,454,015	24,900	1.0%	0	131,104	0	21,000	N/A	\$7.00	\$6.81
Midtown Tulsa Ind	0	0	0	0	0	0	0	N/A	N/A	N/A
North Central Tulsa Ind	4,064,449	301,052	7.4%	(600)	(166,649)	0	0	\$3.79	\$5.83	\$7.29
Northeast Tulsa Ind	25,300,865	858,637	3.4%	(23,389)	(374,641)	684,616	0	\$5.39	\$5.38	\$4.93
Northwest Tulsa Ind	682,500	0	0	0	0	0	0	N/A	N/A	N/A
South Central Tulsa Ind	8,286,043	476,021	5.7%	30,510	88,024	0	0	\$5.41	\$9.7	\$4.92
South Tulsa Ind	2,978,638	6,300	0.2%	0	18,000	26,000	0	N/A	N/A	N/A
Southeast Tulsa Ind	10,560,150	457,973	4.3%	(106,800)	(132,598)	0	0	\$5.34	\$7.81	\$5.91
Southwest Tulsa Ind	258,376	2,000	0.8%	1,600	6,600	0	0	N/A	\$10.25	N/A
Tulsa CBD Ind	855,493	58,760	6.9%	(4)	31,880	0	0	N/A	N/A	\$4.00
West Tulsa Ind	10,814,878	425,995	3.9%	(23,000)	237,118	283,766	0	\$4.83	N/A	\$5.87
TULSA TOTALS	66,255,407	2,611,638	3.9%	50,746	45,487	710,616	21,000	\$5.14	\$6.55	\$5.38

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

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

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
13445 E 59 th St	Southeast	Ship Premier Logistics	360,000	Direct
7655 E 41 st St	South Central	G2 Growers	60,000	Direct
10000-10050 E 52 nd St	South Central	N/A	51,192	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5524 E 12 th St	Southwest	Select Industrial Properties 0321/Mingo Road Holdings	103,428	\$3.83M/\$37.04

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
6000 W 55 th St S	West Tulsa	Green Bay Packaging	283,766	Green Bay Packaging
15336 E Admiral Place South	East Tulsa	Aristocrat Gaming	137,500	Miller Truck Llnes

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