

	YoY Chg	12-Mo. Forecast
11.9% Vacancy Rate	▼	▼
366K Net Absorption, SF	▲	▲
\$16.62 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

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: Consistent Outlook For 2023

Tulsa's economy is steadily rebounding over the past year. 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).

DEMAND: The Market Is Improving Ahead Of The New Year

Steep move-outs are in the rearview mirror as the market is reporting net absorption in the black through late 2022. Net Absorption has made a sizeable shift YOY from - 170k to 366k in Q4 2022. The vacancy rate has decreased from 14.5% to 11.9% in the same timeframe. Through the fourth quarter, CoStar is reporting a total of 283,000 square feet (sf) of move-ins by the end of 2022. While the market's vacancy rate remains elevated, demand's inflection point keeps vacancies from rising further. As of Q4, the market reported 388 new leases totaling 1 million sf along with 283,000 sf of move-ins. The average deal size was 2,900 sf.

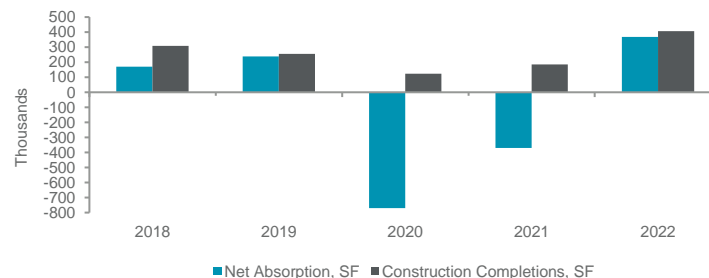
Despite ongoing uncertainty surrounding the office market, the area is reporting annual rent growth of 1.6%.

PRICING: Small Market Rent Increase For Q4

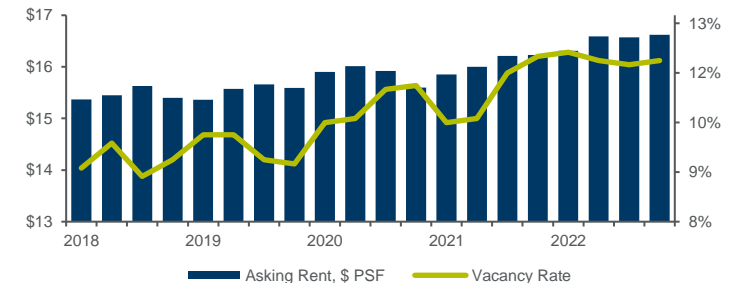
The Tulsa total market saw a \$.05 per square feet (psf) increase finishing the quarter at \$16.62 psf, with the total Central Business District (CBD) showing a \$.06 (\$17.10/psf) decrease and Non-CBD a \$.07 (\$16.37/psf) increase. Class A space continues to struggle with fluctuations in demand. Total Class A vacancies were up .5% (up 2.2% YOY) within the CBD and Non-CBD Class A vacancies were down .3% (down 2.3% YOY).

The highest rents are found in the metro area outside of the CBD. The South submarket has the highest asking rent at \$21.84/psf followed closely by the Northeast and Southwest submarkets at \$20.00/psf, and all rank ahead of the CBD with a near \$3/psf premium at \$17.10/psf. Due to continued consolidations and closing in the downtown area, the CBD has struggled to see any significant rent gains.

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	1,3576,956	307,832	1,365,802	10.1%	53,692	(95,804)	272,110	425,000	\$17.10	\$17.79
East	3,342,005	287,580	669,132	28.6%	(10,854)	34,861	0	0	\$15.16	N/A
Mid-Town	6,680,900	6,751	479,516	7.3%	(20,475)	245,876	135,206	0	\$15.90	\$17.14
North Central	3,982,623	0	284,315	7.1%	27,399	(49,430)	60,184	0	\$13.95	N/A
Northeast	1,808,487	0	379,441	21%	(7)	(6,768)	25,935	0	\$18.17	N/A
Northwest	410,802	0	0	0	0	30,489	0	0	N/A	N/A
South	1,585,815	0	34,396	2.2%	21,346	53,244	22,617	5,000	\$21.90	N/A
South Central	14,407,056	81,497	1,824,598	13.2%	(3,125)	133,923	378,855	19,462	\$17.00	\$24.72
Southeast	2,653,461	0	143,519	5.4%	3,616	31,872	52,903	46,024	\$14.34	N/A
Southwest	370,749	0	0	0	0	0	0	0	\$20.00	N/A
West	894,735	0	66,077	7.4%	(7,330)	(20,314)	20,880		\$9.82	N/A
TULSA TOTALS	49,713,589	683,660	5,246,796	11.9%	64,262	366,369	968,690	519,991	\$16.62	\$19.90

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
222 N Detroit	CDB	Helmerich & Payne	85,639	Direct
2950 S Elm Pl	Southeast	Arvest Bank	23,247	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
406 S Boulder Ave	CBD	Beacon Bldg of Tulsa/West Family Dev. Services	115,237	\$5.75M/\$49.92
21 N Greenwood Ave	CDB	Hille Family Charitable Foundation/21 North Greenwood LLC	72,500	Not Released

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
222 N Detroit	CBC	N/A	260,283	Devon-WPX
21 N Greenwood Ave	CBD	N/A	72,500	Tulsa Development Authority
11298 N 135 th E Ave	Northeast	Co-Working	24,505	

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