



## Office Q1 2023

YoY Chg      12-Mo. Forecast

**9.7%**  
Vacancy Rate



**19K**  
Net Absorption, SF



**\$19.41**  
Asking Rent, PSF FSG



*(Overall, All Property Classes)*

### ECONOMIC INDICATORS Q1 2023

YoY Chg      12-Mo. Forecast

**1.8 M**  
Oklahoma City Labor Force



**3.1%**  
Oklahoma City Unemployment Rate



**3.5%**  
U.S. Unemployment Rate



Source: BLS

### ECONOMY:

“Sometimes change comes at you hard and fast, and other times it’s a gradual shift.” Oklahoma City’s local economy continues to effectively resist the fallout of the unofficial recession the nation has been enduring as of late. Relatively speaking, there have been consistent parallels between growth in the job market and unemployment rates; Oklahoma City sales tax revenues experienced a strong increase above from 2022 at 10% year-over-year; and 85% of the proposed school bond elections have passed, indicating the taxpayer’s willingness to allocate dollars towards an elective mission. The previously mentioned metrics, and a few additional others, lead us to believe that the local Oklahoma City economy will continue to remain strong in the short and near term.

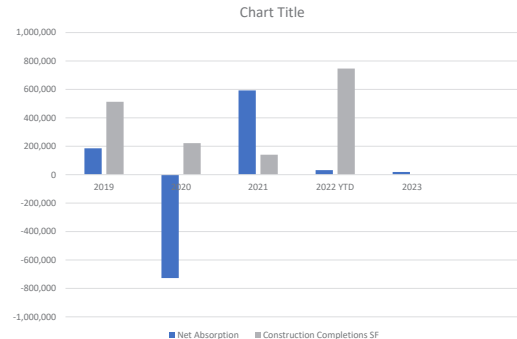
### MARKET OVERVIEW:

The Q1 2023 Oklahoma City office market paints a fairly optimistic picture, going into the summer months, which historically, typically experience an uptick in overall activity. Although net absorption remains negative, Q1 2023 has seen 30,000 square feet positive net absorption as compared to Q4 2022. Vacancy rates continue to trend below the national average at 9.7%, months-on-market continues to remain steadily on the decline, and lease rates continue to see positive growth. We see a rise in product competition with several Class A office projects recently announced and expect to bring more than 200,000 sf online over the next 3-5 years. While this might appear excessive, existing product is still trading cap rates above the national average at 9.37%, leaving significant levels of opportunity for both institutional and local groups seeking to uncover solid investment opportunities.

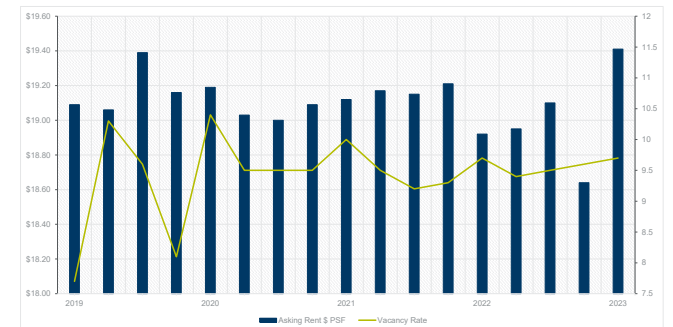
### OUTLOOK:

Yes, the challenges that come with the continued rise in interest rates, tenants continuing to navigate through their transition back to the office, and landlords not having the same capacity to provide concession packages akin to the 2020 office market exist. However, current leasing activity, a meaningful pool of active buyers, and public dollars continuing to be invested into the city fortifies our belief that the Oklahoma City office market will have another strong year, comparable, if not better than 2022.

### SPACE DEMAND / DELIVERIES OKC



### OVERALL VACANCY & ASKING RENT OKC



# OKLAHOMA CITY

Office Q1 2023



CUSHMAN &  
WAKEFIELD

COMMERCIAL  
OKLAHOMA

## MARKET STATISTICS

SUBMARKET	INVENTORY (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	13,307,470	2,161,108	14.0%	40,901	40,901	31,239	0	\$20.94	\$24.01
Edmond	4,309,536	369,924	6.6%	8,281	8,281	18,116	0	\$18.88	\$22.94
Midtown	5,790,857	257,597	3.7%	(9,987)	(9,987)	10,468	0	\$20.12	\$26.42
Moore	1,777,962	169,352	7.7%	9,108	9,108	10,717	0	\$18.63	\$25.77
Norman	4,099,606	334,683	5.8%	(7,854)	(7,854)	36,846	0	\$19.43	\$24.80
North	11,248,121	1,410,646	6.2%	51,402	51,402	40,804	0	\$19.88	\$26.47
Northwest	14,738,993	2,592,461	15.4%	(59,269)	(59,269)	228,751	0	\$18.99	\$22.77
South	3,290,541	171,522	3.8%	308	308	10,378	0	\$17.35	\$27.83
West/Central	4,072,929	499,308	10.8%	50,649	50,649	191,434	0	\$16.69	\$23.40
<b>SUBMARKET TOTALS</b>	<b>62,636,015</b>	<b>7,966,601</b>	<b>8.2%</b>	<b>83,539</b>	<b>83,539</b>	<b>578,753</b>	<b>0</b>	<b>\$18.99</b>	<b>\$24.93</b>
<b>OKLAHOMA CITY TOTALS</b>	<b>69,801,863</b>	<b>6,502,150</b>	<b>9.7%</b>	<b>19,400</b>	<b>19,400</b>	<b>67,709</b>	<b>0</b>	<b>\$19.41</b>	<b>\$25.06</b>

## KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7725 W Reno Ave	West/Central	Paycom	168,000	New
7340 W Memorial Ave	Northwest	Farmers Insurance	82,475	New
3201 Quail Springs Pky	Northwest	Phillips 66	25,000	New
3030 NW Expressway St	Northwest	PC Executive Suites	27,094	New
3030 NW Expressway St	Northwest	New York Life Insurance Co	12,620	New

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
5112 Gaillardia Corporate Pl	Northwest	Cocreate, LLC/Hope Center Ministries	6,324	\$2,200,000/\$347.88
1016 NW 42nd St	North	Robert L Sullivan Properties, LLC/4200, LLC	1,649	\$1,700,000/\$1,030.93
2610 NW Expressway	Northwest	Cox Enterprises, LLC/Citizen Potawatomi Nation Oklahoma	5,860	\$1,240,998/\$211.77
12344 Market Dr	North	Roc Fitness Building, LLC/Lks 12344 Market, LLC	6,200	\$1,185,000/\$191.13
2630 NW Expressway	Northwest	Cox Enterprises, LLC/Citizen Potawatomi Nation Oklahoma	6,050	\$1,156,709/\$191.19

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