

YoY Chg 12-Mo. Forecast

11.4%
Vacancy Rate



18.5K
Net Absorption, SF



\$16.82
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2023

YoY Chg 12-Mo. Forecast

459K
Tulsa Employment



3.2%
Tulsa Unemployment Rate



3.5%
U.S. Unemployment Rate



Source: BLS

ECONOMY: Consistent Outlook For 2023

Tulsa's economy has been steadily rebounding over the past year and is considered to have entered an expansion mode. The unemployment rate remained flat from Q4 to Q1 at 3.1% and the current workforce has dropped 6.8k from Q1 to 471.7k (up 4.8k year-over-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.

DEMAND: Investment Activity Trending

Investment activity is trending higher in the Tulsa office market. The market is reporting \$208 million in sales over the past 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 60.3k to 18.5k in Q1 2023. The vacancy rate has decreased from 12.0% to 11.4% 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. With improving demand, rent growth has also returned. Annual rent growth is positive at 1.0%. Despite moveouts over the past year, investors logged \$328 million in sales in 2022, the highest volume reported on record.

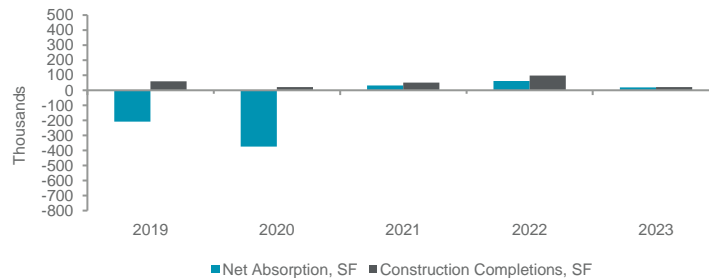
Despite ongoing uncertainty surrounding the office market, the area is reporting annual rent growth of 1.4%.

PRICING: Small Market Rent Increase For Q4

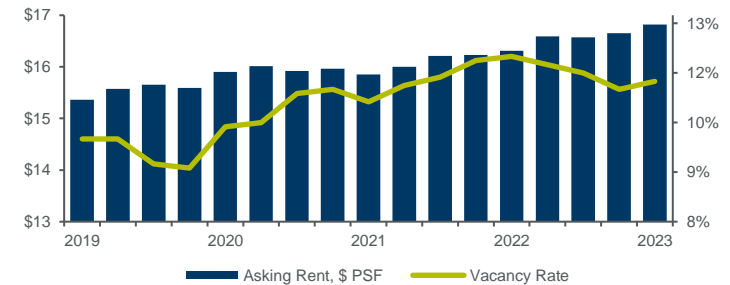
The Tulsa total market saw a \$.17 per square feet (psf) increase finishing the quarter at \$16.82 psf, with the total Central Business District (CBD) showing a \$.15 (\$17.25/psf) increase and Non-CBD a \$.17 (\$16.59/psf) increase. Class A space continues to struggle with fluctuations in demand. Total Class A vacancies were up .08% (up 2% YOY) within the CBD and Non-CBD. Class A vacancies were down 1.8% (down 4.2% YOY).

The highest rents are found in the metro area outside of the CBD. The South submarket has the highest asking rent at \$22.21/psf followed closely by the Southwest submarket at \$20.00/psf, and all rank ahead of the CBD with a near \$3/psf premium at \$17.25/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	13,597,598	304,626	1,507,360	11.1%	- 63,518	- 63,518	56,284	425,000	\$17.25	\$18.37
East	3,344,044	0	686,230	20.5%	- 16,498	- 16,498	0	0	\$15.16	N/A
Mid-Town	6,690,060	6,751	395,314	5.9%	91,971	91,971	28,190	0	\$15.99	\$17.00
North Central	3,982,623	0	259,803	6.5%	10,763	10,763	10,763	0	\$13.96	N/A
Northeast	1,832,992	0	378,253	20.6%	- 5,936	- 5,936	7,124	0	\$17.40	N/A
Northwest	410,802	0	0	0	0	0	0	0	N/A	N/A
South	1,600,568	0	35,071	2.2%	17,597	17,597	3,919	5,000	\$22.21	N/A
South Central	14,401,914	45,81	1,894,354	13.2%	- 38,131	- 38,131	86,070	19,462	\$17.28	\$24.37
Southeast	2,655,551	0	72,878	2.7%	23,708	23,708	17,942	5,000	\$15.26	N/A
Southwest	370,749	0	0	0	0	0	0	0	\$20.00	N/A
West	894,735	0	66,077	7.5%	- 1,449	- 1,449	2,665		\$9.82	N/A
TULSA TOTALS	49,781,636	357,195	5,296,789	11.4%	18,507	18,507	216,170	454,462	\$16.82	\$20.04

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6120 S Yale Ave	South Central	NGL Energy Partners	27,330	Direct
2 W 2 nd St	CBD	N/A	18,896	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4700 S Garnett Rd	Southeast	USCC Services LLC/4700 S Garnett	133,449	\$8.67M/\$64.93/SF
6111 E Skelly Dr	Mid-Town	Tula Community College/Grand Mental Health	117,376	\$3.1M/\$26.41/SF

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
7690 E 126 TH St South	South	N/A	15,000	

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