

YoY Chg 12-Mo. Forecast

**10.8%**

Vacancy Rate



**463K**

Net Absorption, SF



**\$17.07**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS Q3 2023**

YoY Chg 12-Mo. Forecast

**462K**

Tulsa Employment



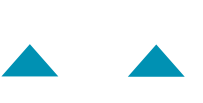
**2.8%**

Tulsa Unemployment Rate



**3.7%**

U.S. Unemployment Rate



Source: BLS

**ECONOMY: Expanding in 2023**

Tulsa's economy has been steadily rebounding over the past year and is considered to have entered an expansion mode. The unemployment rate increased 0.2% from Q2 to Q3 to 3.1%, and the current workforce slightly increased from 459k to 461k (down 33k 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. Tulsa's low cost of doing business continues to drive companies to the metro.

Relatively stable industries like healthcare and education are significant drivers of employment here and help keep the economy in check when the more volatile energy industry experiences substantial fluctuations.

**DEMAND: Holding Steady in Q3**

Tulsa's office market is holding steady, but demand remains fragile. CoStar reported 317.9k square feet (sf) of net absorption through the third quarter. While the market's vacancy rate remains elevated (11.5%, down 0.3% YOY), it remains below the U.S. average, and manageable construction keeps vacancies from rising further. With improving demand, rent growth has returned also. Annual rent growth is positive at 0.8%. Despite moveouts over the past year, investors logged \$328 million in sales in 2022, the highest volume reported on record.

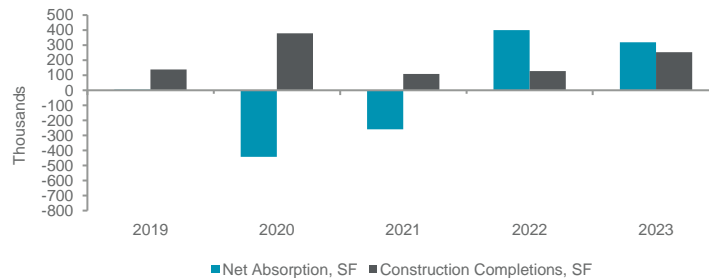
Despite ongoing uncertainty surrounding the office market, the area is reporting annual rent growth of 1.2%.

**PRICING: Steady Rent Increase For Q3**

The Tulsa total market saw a \$.06 per square feet (psf) increase in rents, finishing the quarter at \$17.07 psf (down \$.26 YOY), the entire Central Business District (CBD) remained flat at \$17.45/psf and Non-CBD a \$.11 (\$16.86/psf) increase. Class A space continues to struggle with fluctuations in demand. Total Class A vacancies were down 0.7% (up 1.8% YOY) within the CBD and Non-CBD. Class A vacancies in the CBD were down 0.6% (up 1.3% YOY).

The highest rents are found in the metro area outside of the CBD. The South submarket has the highest asking rent at \$23.08/psf, followed by the Northeast submarket at \$18.17/psf, with the CBD at \$17.45/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	13,773,626	254,169	1,546,903	13.1%	28,186	60,012	395,270	0	\$17.45	\$18.74
East	3,364,403	41,752	734,435	23.1%	-10,593	-118,535	60,747	0	\$15.00	N/A
Mid-Town	6,698,109	0	619,818	9.3%	-12,998	-153,047	160,042	0	\$16.00	\$17.00
North Central	3,882,597	0	246,810	6.4%	-27,041	-63,272	43,384	0	\$14.09	N/A
Northeast	1,835,777	0	4,134	0.2%	370,718	375,307	15,189	0	\$18.17	N/A
Northwest	410,802	0	0	0	0	0	0	0	N/A	N/A
South	1,622,644	0	36,511	2.3%	-4,056	17,725	34,895	57,816	\$23.08	N/A
South Central	14,429,523	35,305	1,762,582	12.5%	98,830	116,898	305,374	0	\$17.87	\$24.38
Southeast	2,680,478	0	83,202	3.1%	-5,056	34,244	43,173	10,000	\$15.41	N/A
Southwest	370,749	0	0	0	0	0	0	0	N/A	N/A
West	908,039	0	35,805	3.9%	17,313	41,099	54,853	0	\$14.00	N/A
<b>TULSA TOTALS</b>	<b>49,976,747</b>	<b>331,226</b>	<b>5,070,200</b>	<b>10.8%</b>	<b>463,415</b>	<b>317,982</b>	<b>1,112,927</b>	<b>67,816</b>	<b>\$17.07</b>	<b>\$20.37</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
521 E 2 <sup>nd</sup> St	CBC	Vital Energy	64,800	Direct
521 E 2 <sup>nd</sup> St	CBD	Hall/Estill	43,200	Direct

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
101 E 81 <sup>st</sup> St	Southwest	Titan Sports & Performace/FC Tulsa	190,000	\$14.35M/\$75.57/SF
3550 W Tacoma St	West	Cameron Glass, Inc/TruCore Investments, LLC	160,000	\$8.7M/\$54.86 PSF

## KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
521 E 2 <sup>nd</sup> St	CBD	N/A	173,200	IDO3

## Jared Andresen, SIOR

President

+1 918 359 3522

jandresen@commercialoklahoma.com

## Scott Schlotfelt

Managing Director

+1 918 359 3521

sschlotfelt@commercialoklahoma.com

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