



Oklahoma City

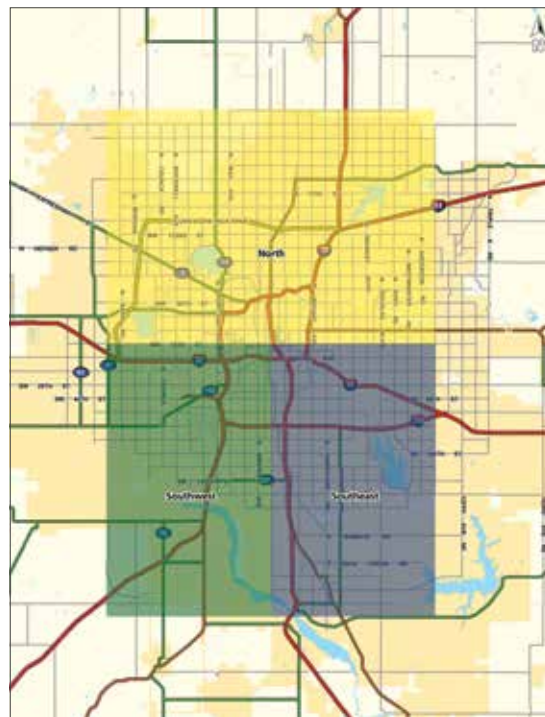
2019 Mid-Year
Industrial Market Summary





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Oklahoma City Industrial Submarket Map



Oklahoma City

2019 Mid-Year Industrial Market Summary

This report covers only multi-tenant, investment grade industrial buildings. We classify buildings according to design, intended use, and clear height into three categories:

- Flex Space is generally considered to be less than 18 feet, but also includes modern high clearance flex space developments
- Service Warehouse is from 18 to 23 feet
- Bulk Warehouse is 24 feet or greater.

Generally, the minimum size building tracked in any of the property types is 35,000 square feet.

Current multi-tenant industrial vacancy for the Oklahoma City metro area now stands at 16.96%, down from 20.31% in mid-year 2018. These swings seem to be the new normal – multi-year strong absorption and rent growth periods followed by multi-year double-digit vacancy and relative quiescence (a kinder term to use around your developer friends than “stagnation”), culminating in eight to ten-year cycles overall. The current cycle may be an under-built market leading into a slightly over-built market waiting for industrial real estate supply and demand to balance. Some hoped-for market events have not materialized such as a rush of suppliers into the market to support the Amazon fulfillment center. The influx of national distribution companies has slowed but not stopped, as has construction of new bulk warehouse facilities capable of multi-tenant configuration. It is usually difficult to correlate the local Oklahoma City market conditions with national industrial trends, but the number of recently constructed bulk warehouse projects points to a change in this market’s perception by nation and regional logistics companies.

The takeaway here is the fundamentals of this multi-tenant market that we have been repeating for decades: Oklahoma City is a long-term ownership market. There are not radical short-term swings in vacancy, the market is not going to crash, and the key to investing here is patience. These current vacancies will be temporary as long as the principles of development

and ownership specific to this market are followed.

The bulk warehouse market vacancy declined slightly from 12.76% in 2018 to 11.92% in 2019. Gains in the North and Southeast submarkets were offset by a significant rise in vacancy in the Southwest, where total square footage equals the sum of the other submarkets.

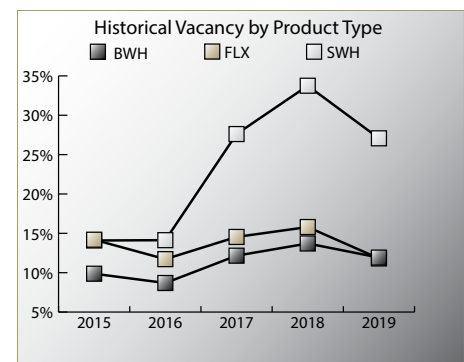
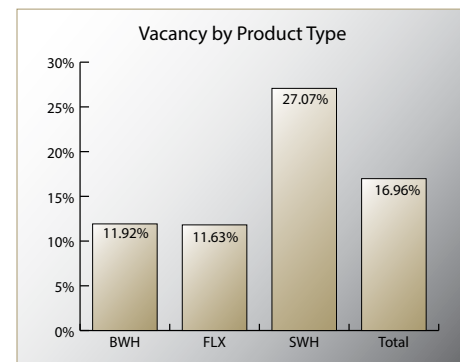
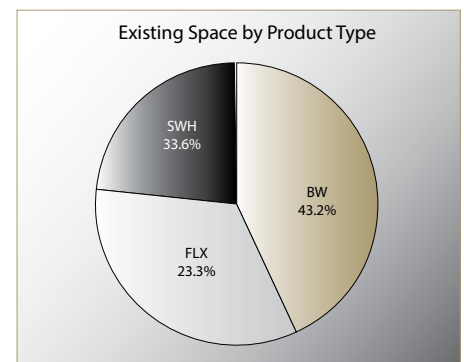
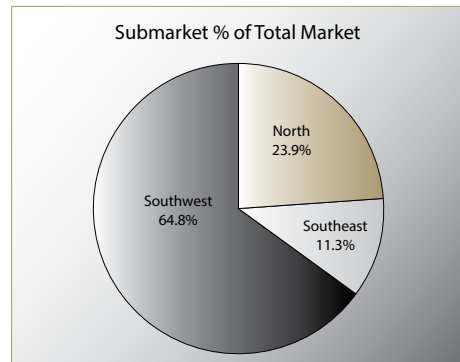
Flex space vacancy declined from 15.63% in 2018 to 11.63% currently. Flex space is the smallest square footage of the three industrial property types tracked and generally consists of 3,000 to 10,000 square foot suites. This represents the largest single year decline in Flex vacancy since this report began in 1999. Flex space has long suffered from low and inconsistent demand. A major component

of this absorption is the marijuana industry, including product production, processing, and sales, but also companies that supply and service the industry. While most owners (especially institutional owners) cannot, or will not, lease to cannabis product related uses, equipment and services suppliers present no obstacles.

Service Warehouse, always the most volatile of the product types, decreased from 33.75% vacant in 2018 to 27.07% vacant in 2019. We define this sector as 18-24 feet in clear height including some shorter but functionally obsolete properties. While attributable to both the marijuana industry and the generally low vacancies in the single-tenant industrial market, this kind of drama is “business as usual” for the Service Warehouse sector.

There were four sales of tracked multi-tenant properties in the last twelve months:

Address	Size (SF)	Sale Date	Sale Price	Price/SF
7501 Broadway Extension	50,400	Sep-18	\$1,600,000	\$31.75
3940 E. I-240	72,000	Aug-18	\$3,100,000	\$43.05
3501 N. Santa Fe	208,000	Oct-18	\$5,420,000	\$26.71
11400 N. I-35 Service Rd.	125,000	Dec-18	\$8,125,000	\$65.00
TOTAL	683,657		\$36,695,089	\$54.79



2019 Mid-Year Oklahoma City Industrial Market Summary

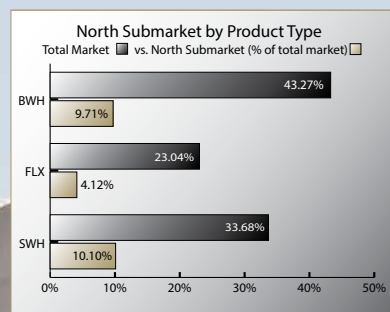
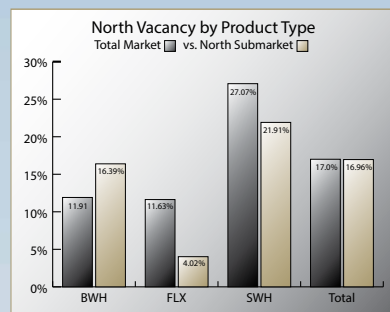
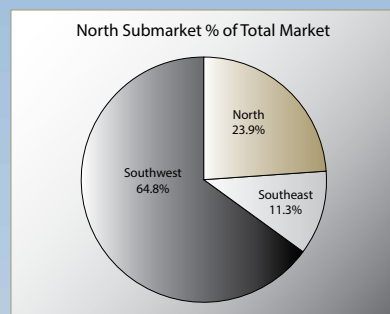
NORTH SUBMARKET

CURRENT MARKET

Average Vacancy is 17.9%

Aggregate available rental rates:

Bulk Warehouse	\$3.00 - \$6.75
Flex Space	\$6.75 - \$13.50
Service Warehouse	\$2.50 - \$12.00



Location	Type	GLA	Vacant	% Vacant	Rate
11300 Partnership Dr	BWH	145,600	0	0%	\$5.85
11301 Partnership Dr	BWH	138,600	0	0%	\$0.00
11400 N I-35	BWH	125,000	62,775	50.22%	\$5.50
311 N.W. 122nd	BWH	181,648	39,100	21.53%	\$4.25
420 NE 48th St	BWH	37,000	0	0%	\$3.00
4401 E Hefner Rd	BWH	100,000	0	0%	\$0.00
615 W Wilshire Blvd	BWH	192,353	42,102	21.89%	\$4.00
6910 N Bryant	BWH	80,000	20,000	25%	\$6.75
N - BWH Total		1,000,201	163,977	16.39%	\$3.67

14300 N Lincoln Boulevard	SWH	110,640	62,640	56.62%	\$8.25
14400 N Lincoln Blvd	SWH	53,212	25,000	46.98%	\$7.00
1825 N Walnut Ave	SWH	159,104	52,250	32.84%	\$3.50
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	37,442	18%	\$2.50
3815 N Santa Fe Ave	SWH	216,000	18,899	8.75%	\$12.00
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.50
4224 N Santa Fe Ave	SWH	110,312	6,000	5.44%	\$10.50
7501 Broadway Ext	SWH	50,427	25,600	50.77%	\$9.00
N - SWH Total		1,039,794	227,831	21.91%	\$6.36

100 - 200 W. Wilshire Ave.	FLX	217,834	9,000	4.13%	\$7.88
430 W Wilshire Blvd	FLX	16,458	3,558	21.62%	\$13.50
7504 Broadway Ext	FLX	66,038	0	0%	\$12.00
8100 N Classen Blvd	FLX	25,900	4,500	17.37%	\$9.60
13700 N. Lincoln	FLX	97,749	0	0%	\$6.75
N - FLX Total		423,979	17,058	4.02%	\$9.95

N Totals		2,463,974	408,866	16.59%	
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2019 Mid-Year Oklahoma City Industrial Market Summary SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
6501 S I-35 Service Road	BWH	102,020	0	0%	\$3.00
6601 S Air Depot Blvd	BWH	144,000	47,593	33.05%	\$6.00
9401 S Pole Rd	BWH	60,000	0	0%	\$5.50
8001 Mid America Blvd.	BWH	130,000	4,546	3.50%	\$10.00
8121 Mid America Blvd	BWH	121,000	0	0%	\$4.25
8120 Mid America Blvd	BWH	131,507	0	0%	\$0.00
SE - BWH Total		688,527	52,139	7.57%	\$4.79

2020 S Eastern Ave.	SWH	48,450	9,500	19.61%	\$5.50
SE - SWH Total		48,450	9,500	19.61%	\$5.50

1125 SE Grand Blvd	FLX	72,000	0	0%	\$6.00
1533 SE 66th St	FLX	41,276	0	0%	\$6.00
2300-2700 N Moore Ave	FLX	155,735	10,420	6.69%	\$6.00
3634 E I-240 Service Road	FLX	44,172	9,116	20.64%	\$0.00
3940 E I-240 Service Road	FLX	72,000	0	0%	\$5.70
5701 SE 74th St	FLX	40,605	3,480	8.57%	\$7.25
SE - FLX Total		425,788	23,016	5.41%	\$6.19

SE Totals		1,162,765	84,655	7.28%	
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CURRENT MARKET

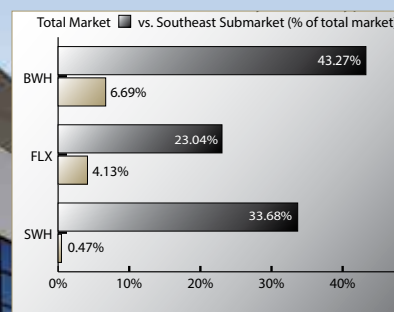
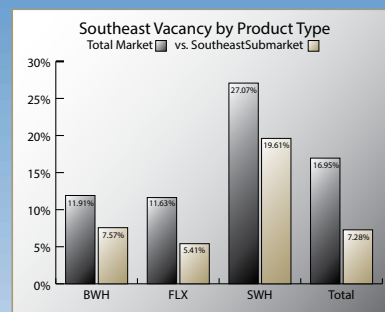
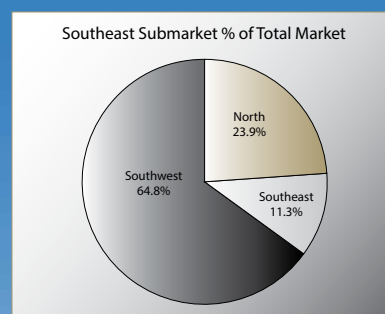
Average Vacancy is 7.28%

Aggregate available rental rates:

Bulk Warehouse \$3.00 - \$6.00

Flex Space \$5.70 - \$7.25

Service Warehouse \$5.50



2019 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

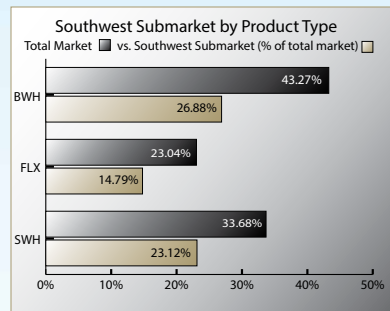
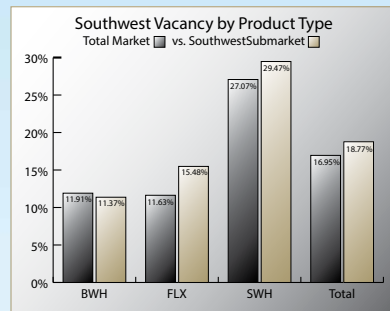
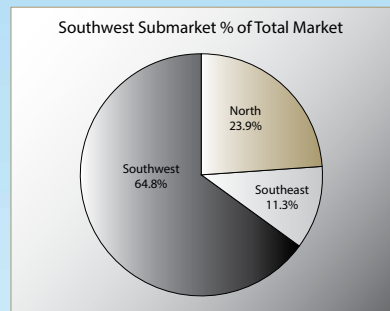
Average Vacancy is 18.77%

Aggregate available rental rates:

Bulk Warehouse \$3.25 - \$6.50

Flex Space \$4.25 - \$10.50

Service Warehouse \$3.50 - \$13.00



Location	Type	GLA	Vacant	% Vac	Rate
1330-1398 Metropolitan	BWH	69,167	24,626	35.60%	\$4.25
2000 S. Council	BWH	256,500	0	0%	\$5.50
201 N. Harvard Avenue	BWH	39,580	23,190	58.59%	\$4.63
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,000	0	0%	\$4.75
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3701 S Thomas Rd	BWH	94,373	47,186	50%	\$5.35
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	0	0%	\$0.00
4001 NW 3rd St	BWH	95,000	0	0%	\$0.00
4001 Will Rogers Parkway	BWH	101,540	0	0%	\$4.50
4400-4412 SW 25th St.	BWH	54,000	40,500	75%	\$6.67
4680 NW 3rd St	BWH	151,200	44,100	29.17%	\$4.50
5001 SW 36th St	BWH	122,945	20,635	16.78%	\$4.50
5024 SW 36th St	BWH	102,476	44,704	43.62%	\$4.68
5200 SW 36th St	BWH	210,600	20,000	9.50%	\$6.00
5201 W Reno Ave	BWH	40,200	0	0%	\$3.50
5500 SW 36th St	BWH	76,500	0	0%	\$4.25
5555 Morton Ave	BWH	99,360	0	0%	\$3.25
5600 SW 36th St	BWH	87,200	0	0%	\$0.00
600 N Sara Rd	BWH	120,000	0	0%	\$4.75
6100 NW 2nd St	BWH	110,080	19,511	17.72%	\$4.25
6120 SW 29th Street	BWH	61,000	0	0%	\$6.50
6200 SW 29th	BWH	63,461	0	0%	\$0.00
6220 SW 29th	BWH	60,800	30,400	50%	\$6.25
SW - BWH Total		2,768,486	314,852	11.37%	\$4.82

SOUTHWEST SUBMARKET



5200 SW 36th St

2019 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

1001 Enterprise	SWH	80,262	3,648	4.55%	\$5.75
1101 Enterprise Dr	SWH	63,840	4,560	7.14%	\$6.50
1101 Metropolitan Ave	SWH	33,038	0	0%	\$3.50
1131 Enterprise Dr	SWH	80,256	23,712	29.55%	\$5.25
301-397 N Harvard Ave	SWH	81,500	27,000	33.13%	\$4.35
3600 S MacArthur Blvd	SWH	44,750	0	0%	\$13.00
4116 Will Rogers Parkway	SWH	65,520	10,023	15.30%	\$4.25
417 Hudiburg Circle	SWH	30,000	0	0%	\$10.50
4210 Will Rogers Parkway	SWH	60,000	0	0%	\$0.00
4220-4232 Charter Ave.	SWH	56,275	14,143	25.13%	\$4.50
4243 Will Rogers Parkway	SWH	50,208	0	0%	\$4.25
4301 Will Rogers Parkway	SWH	22,551	6,176	27.39%	\$5.50
4601-4627 NW 3rd St	SWH	68,408	0	0%	\$0.00
4700-4728 NW 1st St	SWH	52,340	0	0%	\$4.95
4917 - 4923 S.W. 7th St.	SWH	20,935	474	2.26%	\$4.00
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.50
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 - 729 Overhead Dr.	SWH	24,512	8,000	32.64%	\$4.25
900 Metropolitan Ave	SWH	61,600	0	0%	\$0.00
901 Enterprise Dr	SWH	80,428	10,944	13.61%	\$5.35
7501 SW 29th St	SWH	1,300,000	593,000	45.62%	\$3.60
SW - SWH Total		2,380,952	701,680	29.47%	\$4.43

1000 Cornell Parkway	FLX	27,018	17,267	63.91%	\$5.50
1101-1121 Cornell Parkway	FLX	41,720	0	0%	\$6.50
1233 Sovereign Row	FLX	39,805	0	0%	\$8.00
1301 Cornell Parkway	FLX	33,609	16,828	50.07%	\$5.50
2236 NW 10th St	FLX	81,600	0	0%	\$9.25
235 N MacArthur Blvd	FLX	31,017	13,113	42.28%	\$7.88
304-306 N Meridian Ave	FLX	92,000	66,000	71.74%	\$4.25
340-350 S Vermont Ave	FLX	118,565	12,000	10.12%	\$6.50
3800 S MacArthur	FLX	60,000	0	0%	\$7.50
400 S Vermont Ave	FLX	143,750	3,750	2.61%	\$6.50
401 N Meridian Ave	FLX	41,190	0	0%	\$5.20
4020 Will Rogers Parkway	FLX	64,298	10,350	16.10%	\$4.75
4100 Will Rogers Parkway	FLX	69,027	9,000	13.04%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	45,426	69.33%	\$4.25
4141 Highline Blvd	FLX	74,310	0	0%	\$10.00
416 Hudiburg Circle	FLX	30,000	10,000	33.33%	\$10.50
4309-4325 SW 21st St	FLX	64,568	4,000	6.20%	\$6.50
4703 Enterprise Dr	FLX	34,000	4,000	11.76%	\$5.00
4901 W Reno Ave	FLX	43,630	3,021	6.92%	\$9.00
6000 NW 2nd St	FLX	79,071	19,860	25.12%	\$6.25
7114 Melrose Ln	FLX	124,200	1,200	0.97%	\$5.00
7624 Melrose Ln	FLX	164,500	0	0%	\$5.00
SW - FLX Total		1,523,398	235,815	15.48%	\$6.53

SW Totals	6,672,836	1,252,347	18.77%
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OKC Industrial Totals	10,299,575	1,745,868	16.96%
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Price Edwards & Company
Market Research

Price Edwards & Company has been the leader in the Oklahoma City commercial real estate market for over 25 years not only in terms of completed transactions, but in market research as well. This report, as well as our other market summaries, are available either by request or can be freely downloaded online from our website at:

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Our website continues to feature downloadable PDF versions of all of our Oklahoma City market summaries for the past several years, including Oklahoma City market information, market outlooks, as well as news and information about current activity in the market.



Oklahoma City

2019 Mid-Year Industrial Market Summary

2019 Forecast

Vacancy

Continued general improvement in vacancy rates including absorption of new construction.

Rental Rates

Probably a stable overall market with rental rate discrepancy between existing space and new construction.

New Construction

Moderate levels of new construction of speculative mid-sized bulk warehouse properties. Most new construction market-wide will be owner-user driven.



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