



# Oklahoma City

## 2010 Mid-Year Industrial Market Summary



## TABLE OF CONTENTS

Industrial Market Summary	1
North Submarket	2
Southeast Submarket	3
Southwest Submarket	4-5
2009 Mid-Year Forecast	Back Cover



# Oklahoma City

## 2010 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.

Twenty months into the worldwide financial crisis the impact is evident, though far from catastrophic, in the Oklahoma City multi-tenant industrial market. Present locally are increased vacancies, downward pressure on rents, and aggressive incentives by Landlords to capture tenants. Absent are the rampant vacancy and significant foreclosures seen in other markets. Overall, Oklahoma City is weathering the storm. In April 2010 Oklahoma City and Washington D.C. had the lowest unemployment rates for MSA's over 1.0 million population, 6.1%. There is a general consensus of more leasing activity in the market, although the perceived recovery is proceeding very slowly and in no way resembles a "normal" market. A legacy of the financial crisis is the effect seemingly unrelated international financial events now project on local economies.

There were some significant leases in the last 12 months including a 300,000 square foot lease at the former AT&T facility. Many major warehousing users are taking advantage of high vacancy rates and slow market activity to demand short lease terms to help control operating costs. Overall multi-tenant market vacancy has increased from 12.9% in 2009 to 19.8% in 2010.

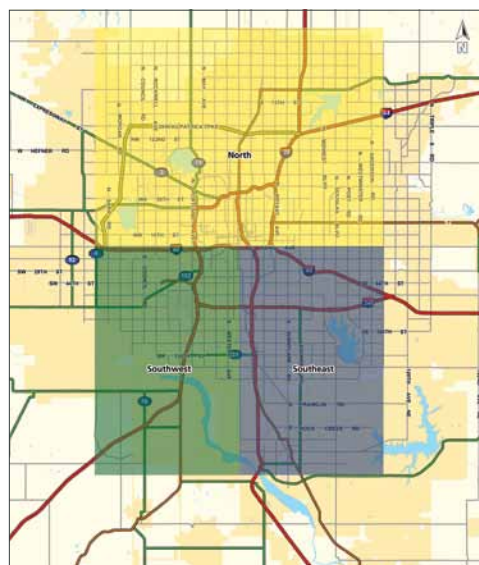
The Flex space market actually decreased in vacancy from 2009, 10.2% vs. 10.5%, fueled to a great extent by the Southeast submarket. In

this area Flex is filling the gap created by a small office building base generally located away from new development in the area.

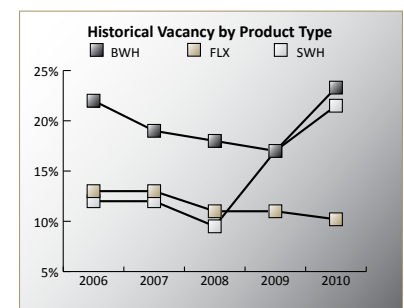
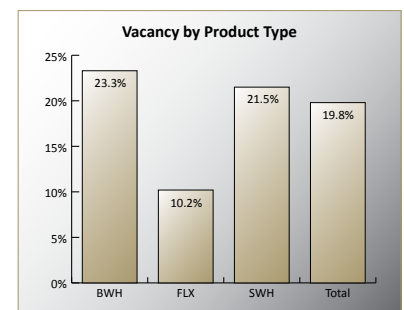
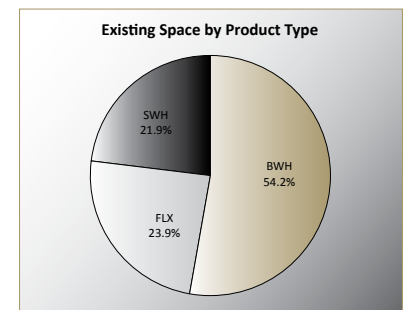
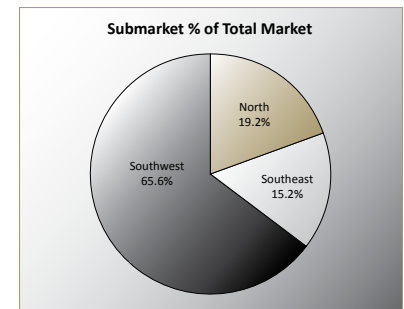
The bulk warehouse market has been especially hard hit by the trend of short term leases and by consolidations into regional distribution centers. Bulk warehouse vacancy increased from 17% in 2009 to 23.3%. This increase is due partly to vacated space and partly due to new space availability at the re-furbished Will Rogers Business Park, the former Dayton Tire plant. The prevalence of short term leases further complicates vacancy interpretation as relatively large spaces are vacated or absorbed on a short time frame.

Service Warehouse, traditionally the most volatile of the industrial product types, increased from 16.7% in 2009 to 21.5%. Rent sensitive tenants continue to drive this market sector, and the older warehouse properties have been impacted by the bargain rates available in more modern bulk warehouse facilities.

There were no sales of industrial multi-tenant properties tracked by s report in the last 12 months.



Oklahoma City Industrial Submarket Map



# 2010 Mid-Year Oklahoma City Industrial Market Summary

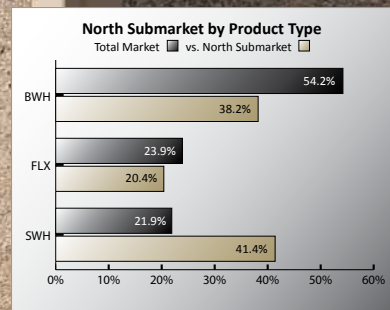
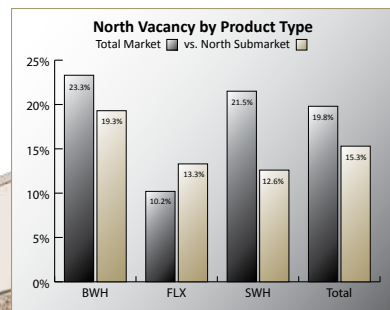
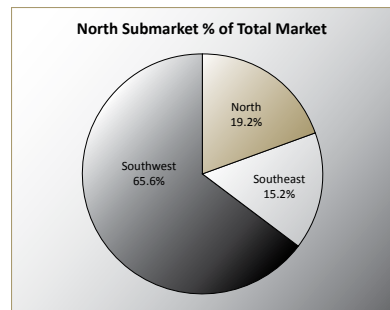
## North Submarket

### Current Market

Average Vacancy is 15.3%

Aggregate available rental rates:

- Bulk Warehouse \$3.50 - \$5.00
- Flex Space \$6.00 - \$10.00
- Service Warehouse \$2.25 - \$6.00



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0%	\$3.85
11300 Partnership Dr	BWH	145,000	0	0%	\$4.50
11301 Partnership Dr	BWH	138,600	0	0%	\$4.50
420 NE 48th St	BWH	37,000	27,000	73%	\$3.50
4401 E Hefner Rd	BWH	100,000	30,000	30%	\$5.00
615 W Wilshire Blvd	BWH	193,280	104,270	54%	\$4.00
<b>North Bulk Space Total</b>		<b>834,680</b>	<b>161,270</b>	<b>19.3%</b>	<b>\$4.23</b>
100 - 200 W. Wilshire Ave	FLX	217,834	16,038	7.36%	\$6.00
401 E Memorial Rd	FLX	58,400	35,000	59.93%	\$12.00
430 W Wilshire Blvd	FLX	38,250	3,594	9.40%	\$10.00
7504 Broadway Ext	FLX	66,038	0	0%	\$6.00
8100 N Classen Blvd	FLX	64,750	4,750	7.34%	\$6.00
<b>North Flex Space Total</b>		<b>445,272</b>	<b>59,382</b>	<b>13.3%</b>	<b>\$8.00</b>
14400 N Lincoln Blvd	SWH	52,395	12,500	23.9%	\$6.00
1825 N Walnut Ave	SWH	159,014	35,000	22%	\$2.50
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	0	0%	\$2.25
3815 N Santa Fe Ave	SWH	140,000	30,000	21.4%	\$3.00
3905 - 3909 NW 36th St	SWH	77,099	36,100	46.8%	\$4.00
4228 N Santa Fe Ave	SWH	163,201	0	0%	\$3.90
7501 Broadway Ext	SWH	50,400	0	0%	\$6.00
<b>North Service Space Total</b>		<b>905,109</b>	<b>113,600</b>	<b>12.6%</b>	<b>\$3.46</b>
<b>North Submarket Total</b>		<b>2,185,061</b>	<b>334,252</b>	<b>15.3%</b>	<b>\$4.89</b>

Bradway Business Park

## 2010 Mid-Year Oklahoma City Industrial Market Summary Southeast Submarket

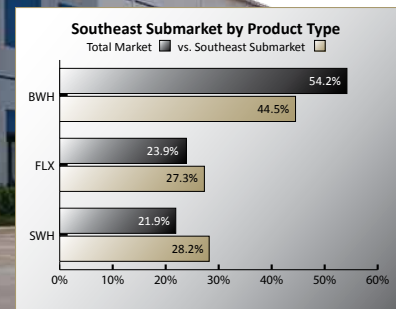
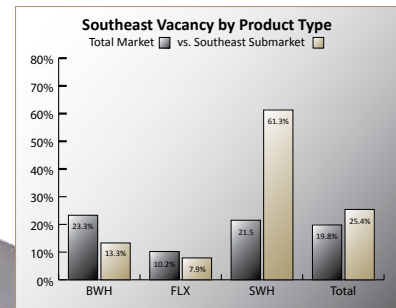
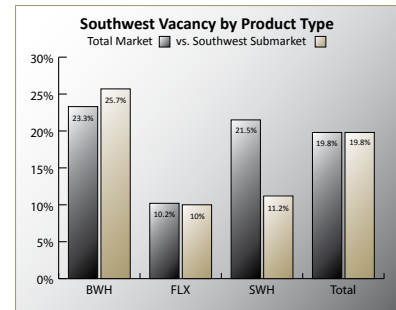
Location	Type	GLA	Vacant	% Vac.	Rate
6401 S High Ave	BWH	102,020	0	0%	\$4.00
6601 S Air Depot Blvd	BWH	144,000	48,000	33.3%	\$4.75
6400 E I-240	BWH	465,000	54,516	11.7%	\$3.75
9401 S Pole Rd	BWH	60,000	0	0%	\$4.10
9401 S Pole Rd	BWH	60,000	0	0%	\$4.10
<b>Southeast Bulk Space Total</b>		<b>771,020</b>	<b>102,516</b>	<b>13.3%</b>	<b>\$4.15</b>
1125 SE Grand Blvd	FLX	72,000	9,000	12.5%	\$7.50
1533 SE 66th St	FLX	104,288	0	0%	\$6.00
2200 N Moore Ave	FLX	139,000	6,000	4.3%	\$4.00
3600 E I-240	FLX	44,000	8,000	18.2%	\$6.00
4000 E I-240	FLX	72,000	6,000	8.3%	\$6.00
5701 E I-240	FLX	40,605	8,157	20.1%	\$5.00
<b>Southeast Flex Space Total</b>		<b>471,893</b>	<b>37,157</b>	<b>7.9%</b>	<b>\$5.75</b>
1101 SE 59th St	SWH	440,000	299,455	68.1%	\$2.75
2020 SE 18th St	SWH	48,250	0	0%	\$0.00
<b>Southeast Service Space Total</b>		<b>488,250</b>	<b>299,455</b>	<b>61.3%</b>	<b>\$1.38</b>
<b>Southeast Submarket Total</b>		<b>1,731,163</b>	<b>439,128</b>	<b>25.4%</b>	<b>\$4.49</b>

### Current Market

Average Vacancy is 25.4%

Aggregate available rental rates:

- Bulk Warehouse \$3.75 - \$4.75
- Flex Space \$4.00 - \$7.50
- Service Warehouse \$2.75 - \$2.75



7200 S Sunnylane Rd



# 2010 Mid-Year Oklahoma City Industrial Market Summary

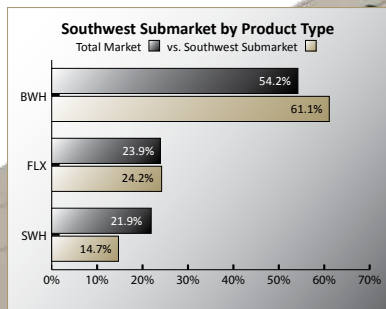
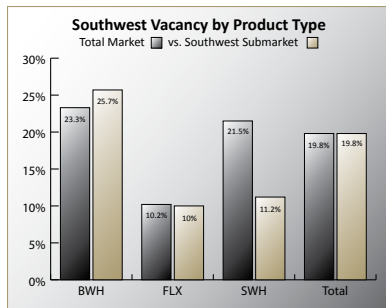
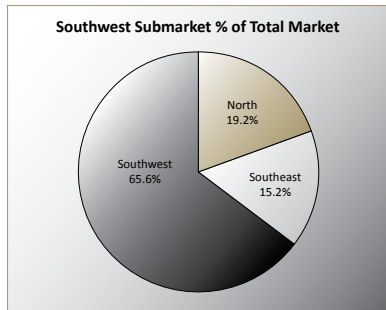
## Southwest Submarket

### Current Market

Average Vacancy is 19.8%

Aggregate available rental rates:

- Bulk Warehouse \$2.75 - \$4.25
- Flex Space \$2.75 - \$7.50
- Service Warehouse \$2.50 - \$5.50



Location	Type	GLA	Vacant	% Vac.	Rate
1301 Cornell Parkway	BWH	33,609	27,989	83.3%	\$4.25
1330-1398 Metropolitan	BWH	69,167	14,845	21.5%	\$0.00
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,672	93,000	87.2%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3701 S Thomas Rd	BWH	93,610	0	0%	\$3.50
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	28,764	24%	\$3.50
4001 NW 3rd St	BWH	95,000	0	0%	\$3.00
4001 Will Rogers Parkway	BWH	101,504	0	0%	\$0.00
4680 NW 3rd St	BWH	151,200	44,100	29.2%	\$0.00
5001 SW 36th St	BWH	122,945	0	0%	\$0.00
5001 W Reno Ave	BWH	242,935	20,000	8.2%	\$2.75
5024 SW 36th St	BWH	102,567	0	0%	\$3.75
5200 SW 36th St	BWH	210,000	0	0%	\$3.85
5500 SW 36th St	BWH	76,500	0	0%	\$3.25
5500 W. Reno	BWH	336,750	210,000	62.4%	\$3.00
5555 Morton Ave	BWH	99,360	35,696	35.9%	\$3.25
5600 SW 36th St	BWH	87,200	16,100	18.5%	\$3.50
600 N Sara Rd	BWH	120,000	43,864	36.6%	\$4.50
6100 NW 2nd St	BWH	110,080	0	0%	\$3.50
7738 SW 34th St	BWH	180,000	41,800	23.2%	\$3.00
7815 Gemini Blvd	BWH	142,500	0	0%	\$3.00
7900 SW 34th St	BWH	142,500	0	0%	\$3.00
7501 SW 29th St	BWH	1,300,000	600,000	46.2%	\$0.00
<b>Southwest Bulk Space Total</b>		<b>4,570,603</b>	<b>1,176,158</b>	<b>25.7%</b>	<b>\$2.45</b>
1000 Cornell Parkway	FLX	27,000	3,350	12.4%	\$4.00
1101-1121 Cornell Parkway	FLX	41,720	3,000	7.2%	\$6.00
1233 Sovereign Row	FLX	37,854	10,663	28.2%	\$7.50

5200 SW 36th St

## 2010 Mid-Year Oklahoma City Industrial Market Summary Southwest Submarket

2236 NW 10th St	FLX	80,960	37,200	46%	\$5.00
235 N MacArthur Blvd	FLX	68,229	13,050	19.1%	\$6.50
304-306 N Meridian Ave	FLX	196,000	11,400	5.8%	\$5.50
312 Quadrum Dr	FLX	189,829	13,500	7.1%	\$7.00
340-350 S Vermont Ave	FLX	118,565	8,000	6.8%	\$3.80
3400 S Thomas Rd	FLX	40,960	0	0%	\$3.50
400 S Hudiburg Circle	FLX	15,000	0	0%	\$4.75
400 S Vermont Ave	FLX	143,750	3,750	2.6%	\$4.75
401 N Meridian Ave	FLX	41,190	16,914	41.1%	\$6.00
4020 Will Rogers Parkway	FLX	65,438	22,115	33.8%	\$4.75
406 Hudiburg Circle	FLX	25,000	0	0%	\$4.75
4100 Will Rogers Parkway	FLX	66,732	3,370	5.1%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	15,340	23.4%	\$2.75
4141 Highline Blvd	FLX	74,310	4,100	5.5%	\$7.25
4311-4325 SW 21st St	FLX	64,568	4,000	6.2%	\$6.50
4703 Enterprise Dr	FLX	34,000	0	0%	\$0.00
4901 W Reno Ave	FLX	43,630	0	0%	\$0.00
6000 NW 2nd St	FLX	79,071	7,865	10%	\$4.75
6924 Melrose Ln	FLX	164,500	0	0%	\$5.00
7114 Melrose Ln	FLX	124,200	3,000	2.4%	\$4.50
<b>Southwest Flex Space Total</b>		<b>1,808,026</b>	<b>180,617</b>	<b>10%</b>	<b>\$4.75</b>
1001 Enterprise	SWH	80,256	14,592	18.2%	\$4.00
1101 Enterprise Dr	SWH	63,840	0	0%	\$3.50
1101 Metropolitan Ave	SWH	29,220	0	0%	\$3.50
1131 Enterprise Dr	SWH	80,256	3,728	4.7%	\$3.50
301-397 N Harvard Ave	SWH	81,000	27,500	34%	\$2.50
3600 S MacArthur Blvd	SWH	44,750	0	0%	\$0.00
4116 Will Rogers Parkway	SWH	65,800	0	0%	\$3.50
417 Hudiburg Circle	SWH	30,000	0	0%	\$0.00
4210 Will Rogers Parkway	SWH	60,000	0	0%	\$3.00
4220-4232 Charter Ave.	SWH	56,275	0	0%	\$3.75
4243 Will Rogers Parkway	SWH	49,920	27,000	54.1%	\$2.50
4301 Will Rogers Parkway	SWH	33,647	4,611	13.7%	\$5.50
4601-4627 NW 3rd St	SWH	68,408	9,882	14.5%	\$3.25
4700-4728 NW 1st St	SWH	52,340	8,100	15.5%	\$3.75
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 Overhead Dr	SWH	91,086	0	0%	\$3.25
900 Metropolitan Ave	SWH	61,600	27,946	45.4%	\$3.50
901 Enterprise Dr	SWH	80,256	0	0%	\$3.50
<b>Southwest Service Space Total</b>		<b>1,100,954</b>	<b>123,359</b>	<b>11.2%</b>	<b>\$2.92</b>
<b>Southwest Submarket Total</b>		<b>7,479,583</b>	<b>1,480,134</b>	<b>19.8%</b>	<b>\$3.38</b>
<b>OKC Industrial Market Total</b>		<b>11,395,807</b>	<b>2,253,514</b>	<b>19.8%</b>	<b>\$3.81</b>

### Price Edwards & Company Market Research

Price Edwards & Company has been the leader in the Oklahoma City commercial real estate market for over decade 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:

[www.pricedwards.com](http://www.pricedwards.com)

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



# Oklahoma City

## 2011 Industrial Market Forecast

### Vacancy

The market seems to have stabilized and barring unforeseen catastrophic events globally, a generally flat vacancy environment is forecast.

### Rental Rates

Rental rates will continue to experience downward pressure as Landlords compete for tenants. Significant incentives such as free rent will become more dominant in the market.

### New Construction

No significant speculative construction is anticipated.