



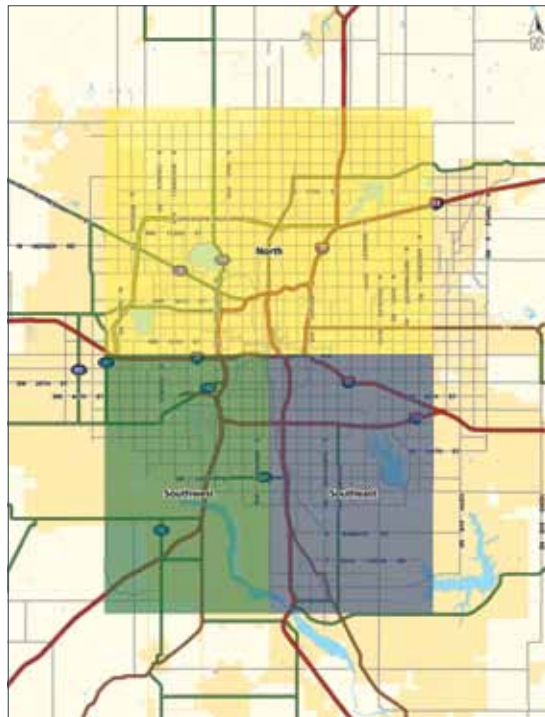
# Oklahoma City

2013 Mid-Year  
Industrial Market Summary



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*Oklahoma City Industrial Submarket Map*



# Oklahoma City

## 2013 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.

It is the general consensus of local brokers and developers that the Oklahoma City industrial real estate market was at historic-low vacancies even before the tornados and severe weather that repeatedly struck the Oklahoma City metro area in May 2013. The displacement of an unknown number of industrial companies due to storm damage, and the absorption of warehouse space by charitable disaster relief agencies have combined to push the vacancy numbers to unprecedented lows. Many of the displaced tenants will revert to their original space once repairs or rebuilding is completed and most, if not all of the relief agencies will vacate their temporary space with time. However, calculation of the long-term vacancy in multi-tenant industrial buildings is just not possible at this time. We publish this report with the acknowledgement that some vacancies were reported before the storms, and some after. In discussing the calculated vacancy, we will try to arrive at a likely range for long-term vacancy, essentially the vacancy after the emergency re-locations return to their original facilities. Whether or not the actual numbers reported here are correct, the overarching conclusion is that this market is at very low vacancies, and is likely to remain so for the foreseeable future.

The bulk warehouse market dropped from 20.4% vacant in 2011 to 6.5% in 2012. Given the drop in 2011-2012 the estimated rate is not unreasonable. The lowest rate is in the southwest which was hardest hit by the May 31st tornado. We estimate a true vacancy for bulk warehouse at 5% to 6%.



Flex space vacancy has floated between 10% and 13% since 2006. The 2012 rate was 11%. There has been absorption in this market in the last 12 months as well as a shuffling of tenants due to the storms. We estimate a true vacancy of 8% to 9%.

Service Warehouse, always the most volatile market, was 9.5 % vacant in 2012. Current vacancy calculates at 12.1%. This is considered an accurate vacancy. Please keep in mind that Service Warehouse has the smallest total square footage of the three product types, and one sizable vacancy can skew the calculation.

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

**Sale #1** - 5500 W. Reno, 336,750 SF concrete tilt-up bulk warehouse space, built in 1975. Sold in July 2012 for \$10,480,000 or \$31.12 per square foot.

**Sale #2** - 5201 W. Reno, 121,675 SF concrete tilt-up bulk warehouse space, built in 1967. Sold in October 2012 for \$2,900,000 or \$23.83 per square foot.

**Sale #3** - 4345 S.W. 23rd, 51,200 SF concrete tilt-up bulk warehouse space, built in 1998. Sold in October 2012 for \$1,800,000 or \$35.16 per square foot.

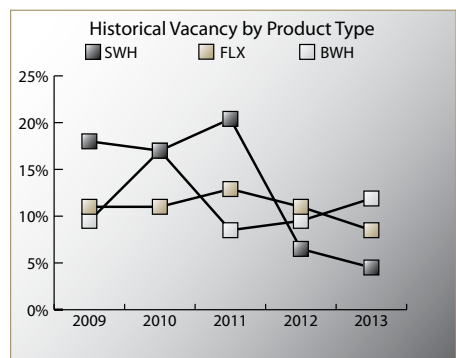
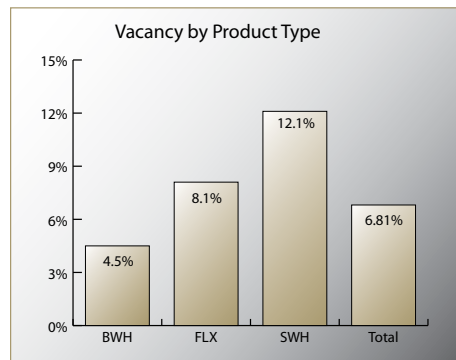
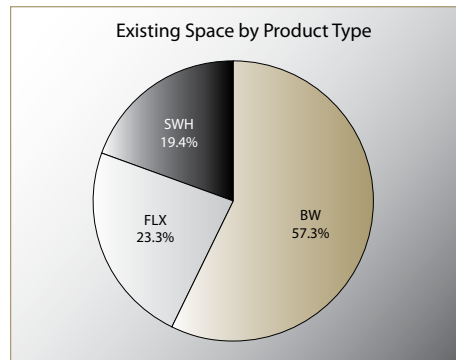
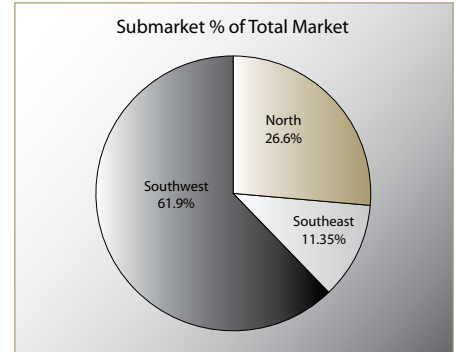
**Sale #4** - 14400 N. Lincoln, 52,395 SF metal flex space, built in 1997. Sold in February 2013 for \$1,985,000 or \$37.89 per square foot.

### 2013 Forecast

**Vacancy:** With no significant new construction in sight at this time, vacancy is forecast to continue to remain very low for the next 12 months.

**Rental Rates:** Rental rates will continue to rise, hopefully closing the gap between existing-building and new-construction rates.

**New Construction:** Continued demand will result in the resurgence of speculative development by those few developers who can finance such projects.



# 2013 Mid-Year Oklahoma City Industrial Market Summary

## NORTH SUBMARKET

### CURRENT MARKET

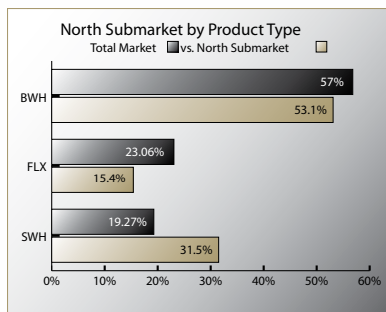
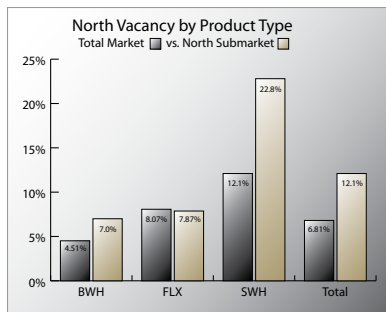
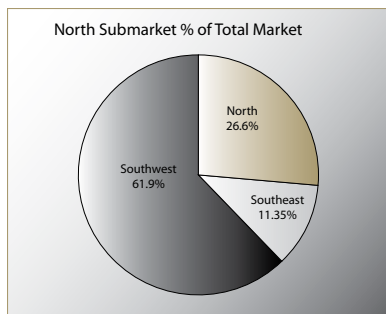
Average Vacancy is 12.12%

Aggregate available rental rates:

Bulk Warehouse \$2.50 - \$5.00

Flex Space \$6.00 - \$8.82

Service Warehouse \$2.50 - \$6.50



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0%	\$0.00
11300 Partnership Dr	BWH	145,000	0	0%	\$0.00
11301 Partnership Dr	BWH	138,600	0	0%	\$0.00
420 NE 48th St	BWH	37,000	0	0	\$3.00
4401 E Hefner Rd	BWH	100,000	0	0%	\$5.00
615 W Wilshire Blvd	BWH	193,280	107,719	55.73%	\$2.50
<b>North Bulk Space Total</b>		<b>1,539,740</b>	<b>107,719</b>	<b>7%</b>	
100 - 200 W. Wilshire Ave.	FLX	217,834	33,815	15.52%	\$6.00
401 E Memorial	FLX	58,400	0	0%	\$0.00
430 W Wilshire Blvd	FLX	38,250	0	0%	\$8.82
7504 Broadway Ext	FLX	66,038	0	0%	\$8.50
8100 N Classen Blvd	FLX	64,750	1,250	1.93%	\$6.00
<b>North Flex Space Total</b>		<b>445,272</b>	<b>35,065</b>	<b>7.87%</b>	
14400 N Lincoln Blvd	SWH	52,395	0	0%	\$6.00
1825 N Walnut Ave	SWH	159,014	74,500	46.85%	\$2.50
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	37,442	18%	\$2.50
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.00
4224 N Santa Fe Ave	SWH	171,139	15,464	9.04%	\$4.00
7501 Broadway Ext	SWH	50,400	6,000	11.90%	\$6.50
<b>North Service Space Total</b>		<b>913,047</b>	<b>208,406</b>	<b>22.83%</b>	
<b>North Submarket Totals</b>		<b>2,898,059</b>	<b>351,190</b>	<b>12.12%</b>	



# 2013 Mid-Year Oklahoma City Industrial Market Summary SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
6401 S High Ave	BWH	102,020	60,000	58.81%	\$2.75
6601 S Air Depot Blvd	BWH	144,000	0	0%	\$0.00
9401 S Pole Rd	BWH	60,000	0	0%	\$4.50
8001 Mid America Blvd.	BWH	130,000	65,000	50%	\$3.75
8121 Mid America Blvd	BWH	121,000	0	0%	\$0.00
8120 Mid America Blvd	BWH	131,507	0	0%	\$0.00
<b>Southeast Bulk Space Total</b>		<b>688,527</b>	<b>125,000</b>	<b>18.15%</b>	
1125 SE Grand Blvd	FLX	72,000	9,620	13.36%	\$6.00
1533 SE 66th St	FLX	104,288	10,600	10.16%	\$5.00
2200 N Moore Ave	FLX	147,080	13,775	9.37%	\$4.38
3634 E I-240 Service Road	FLX	44,000	6,500	14.77%	\$4.75
3940 E I-240 Service Road	FLX	72,000	18,000	25%	\$4.50
5701 SE 74th St	FLX	40,605	13,222	32.56%	\$5.00
<b>Southeast Flex Space Total</b>		<b>509,344</b>	<b>80,532</b>	<b>15.81%</b>	
2020 S Eastern Ave.	SWH	48,250	0	0%	\$0.00
<b>Southeast Service Space Total</b>		<b>48,250</b>	<b>0</b>	<b>0%</b>	
<b>Southeast Submarket Totals</b>		<b>1,246,121</b>	<b>205,532</b>	<b>16.49%</b>	

## CURRENT MARKET

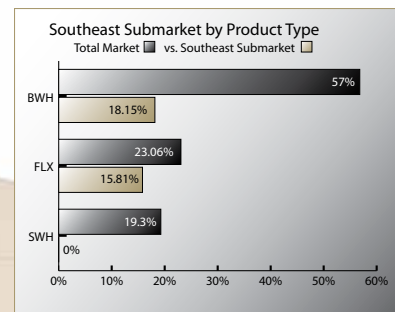
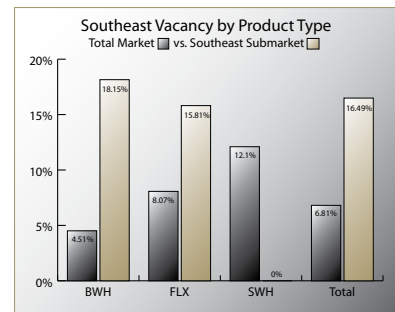
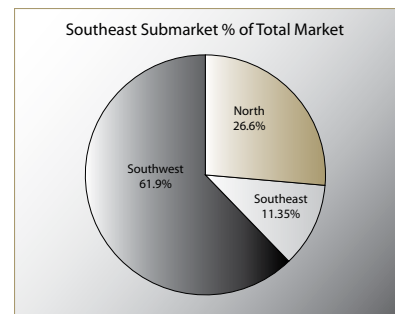
Average Vacancy is 16.49%

Aggregate available rental rates:

Bulk Warehouse \$2.75- \$4.50

Flex Space \$4.38 -\$6.00

Service Warehouse \$0.00



SOUTHEAST SUBMARKET

# 2013 Mid-Year Oklahoma City Industrial Market Summary

## SOUTHWEST SUBMARKET

### CURRENT MARKET

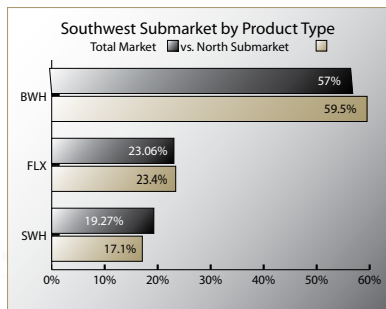
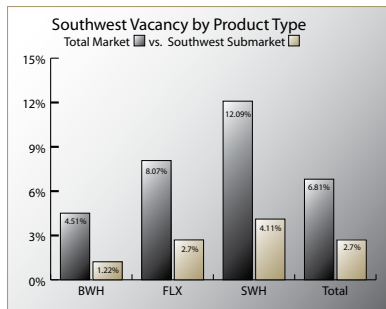
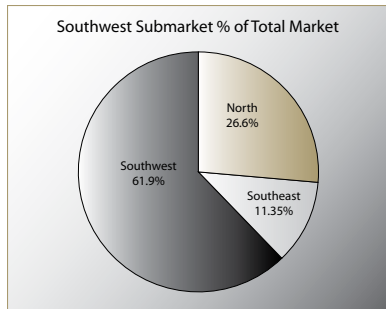
Average Vacancy is 2.70%

Aggregate available rental rates:

Bulk Warehouse \$2.75 - \$4.50

Flex Space \$3.50 - \$10.00

Service Warehouse \$2.50 - \$10.00



Location	Type	GLA	Vacant	% Vacant	Rate
1301 Cornell Parkway	BWH	33,609	3,390	10.09%	\$4.25
1330-1398 Metropolitan	BWH	69,167	14,900	21.54%	\$4.50
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,672	23,000	21.56%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	0	0%	\$3.75
4001 NW 3rd St	BWH	95,000	0	0%	\$3.00
4001 Will Rogers Parkway	BWH	101,504	0	0%	\$4.50
4680 NW 3rd St	BWH	151,200	0	0%	\$0.00
5001 SW 36th St	BWH	122,945	0	0%	\$0.00
5024 SW 36th St	BWH	102,567	0	0%	\$3.75
5200 SW 36th St	BWH	210,000	0	0%	\$3.85
5201-5251 W Reno Ave	BWH	242,935	0	0%	\$3.00
5500 SW 36th St	BWH	76,500	0	0%	\$3.25
5500 W. Reno	BWH	336,750	7,500	2.23%	\$3.75
5555 Morton Ave	BWH	99,360	0	0%	\$2.75
5600 SW 36th St	BWH	87,200	0	0%	\$3.50
600 N Sara Rd	BWH	120,000	0	0%	\$0.00
6100 NW 2nd St	BWH	110,080	0	0%	\$3.50
7501 SW 29th St	BWH	1,300,000	0	0%	\$0.00
<b>Southwest Bulk Space Total</b>		<b>4,011,993</b>	<b>48,790</b>	<b>1.22%</b>	

1000 Cornell Parkway	FLX	27,018	3,354	12.41%	\$3.75
1101-1121 Cornell Parkway	FLX	41,720	3,280	7.86%	\$6.00
1233 Sovereign Row	FLX	37,854	16,920	44.70%	\$7.50
2236 NW 10th St	FLX	80,960	14,400	17.79%	\$6.50
235 N MacArthur Blvd	FLX	68,229	0	0%	\$7.25
304-306 N Meridian Ave	FLX	196,000	5,700	2.91%	\$6.00



## 2013 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

340-350 S Vermont Ave	FLX	118,565	10,000	8.43%	\$4.00
3400 S Thomas Rd	FLX	40,960	0	0%	\$3.50
400 S Vermont Ave	FLX	143,750	0	0%	\$4.75
401 N Meridian Ave	FLX	41,190	6,000	14.57%	\$5.00
4020 Will Rogers Parkway	FLX	65,438	0	0%	\$4.75
4100 Will Rogers Parkway	FLX	66,732	0	0%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	10,000	15.26%	\$3.75
4141 Highline Blvd	FLX	74,310	0	0%	\$7.75
4311-4325 SW 21st St	FLX	64,568	5,270	8.16%	\$6.50
4703 Enterprise Dr	FLX	34,000	4,000	11.76%	\$4.00
4901 W Reno Ave	FLX	43,630	8,290	19%	\$10.00
6000 NW 2nd St	FLX	79,071	0	0%	\$3.85
7114 Melrose Ln	FLX	124,200	1,500	1.21%	\$5.00
7624 Melrose Ln	FLX	164,500	0	0%	\$4.00
<b>Southwest Flex Space Total</b>		<b>6,839,362</b>	<b>185,004</b>	<b>2.70%</b>	

1001 Enterprise	SWH	80,256	0	0%	\$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	0	0%	\$4.75
301-397 N Harvard Ave	SWH	81,000	0	0%	\$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	7,000	23.33%	\$10.50
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	0	0%	\$2.50
4301 Will Rogers Parkway	SWH	33,647	0	0%	\$5.50
4400 S.W. 25th Street	SWH	68,000	40,500	59.56%	\$4.00
4601-4627 NW 3rd St	SWH	68,408	0	0%	\$3.25
4700-4728 NW 1st St	SWH	52,340	0	0%	\$3.75
4917 - 4923 S.W. 7th St.	SWH	20,935	0	0%	\$3.25
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.25
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 - 729 Overhead Dr.	SWH	24,512	0	0%	\$3.25
900 Metropolitan Ave	SWH	61,600	27,976	45.42%	\$3.50
901 Enterprise Dr	SWH	80,256	0	0%	\$3.50
<b>Southwest Service Space Total</b>		<b>1,155,544</b>	<b>47,500</b>	<b>4.11%</b>	
<b>Southwest Submarket Totals</b>		<b>6,839,362</b>	<b>185,004</b>	<b>2.70%</b>	

<b>OKC Industrial Totals</b>		<b>10,983,542</b>	<b>741,726</b>	<b>6.75%</b>	
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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 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

## 2013 Mid-Year Industrial Market Summary

### 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.