

Industrial Snapshot 2Q 2016

Oklahoma City



Oklahoma City, Oklahoma

Economic Indicators

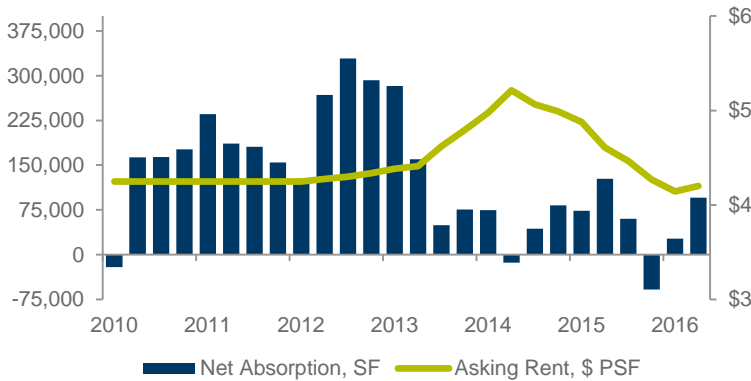
	2Q 15	2Q 16	12-Month Forecast
Oklahoma City Employment	628k	634k	▲
Oklahoma City Unemployment	3.8%	3.9%	▲
U.S. Unemployment	5.4%	4.9%	▼

Market Indicators (Overall, All Product Types)

	2Q 15	2Q 16	12-Month Forecast
Vacancy	6.3%	7.2%	▲
Net Absorption	82k	355k	▲
Under Construction	1.7M	436k	▼
Average Asking Rent	\$4.34	\$4.57	▲

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Economy

Oklahoma City's economy continues on the cautious path of recovery. The budget short fall within both the state and city has led to job cuts and posed serious challenges for government agencies - specifically education. After three quarters of low commodity prices, energy companies are beginning to enjoy rising commodity prices that have helped stabilize budgets. Further, several large companies have entered into chapter 11 bankruptcy or alternative financing structures leading to several companies being in a holding pattern. As a result of recent acquisitions and restructuring, a fair amount of sublease space is now being leased by start up energy companies. Although energy prices are still troubling and the city is bracing for possible additional energy-related job cuts, new job growth is coming from the bio-tech and aerospace sectors as a welcomed partial off-set.

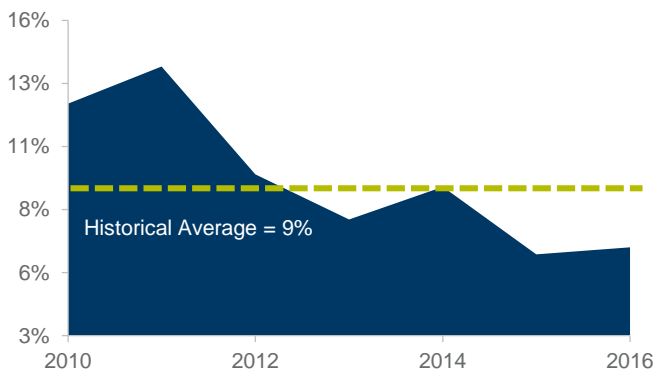
Vacancy Increases in Q2

Oklahoma City's office overall vacancy increased by nearly a full percentage point since this time last year but available Class A and B+ space is scarce. New construction set to come online in 2016 will accommodate users looking for taller clear heights and will ease the pent up demand. The high cost of construction in Oklahoma City is rising and will impact asking rental rates which are also increasing.

Outlook

As the price of oil and gas continues to stabilize, leasing transactions will continue to increase. Since investment sale transactions have not reported a significant dip in pricing, many believe that Oklahoma City will experience significant new growth in the coming months. Companies that are new to the market and existing large tenants who commit to new leases will drive this growth.

Overall Vacancy



MARKETBEAT

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SUBMARKET	TOTAL BLDGS	INVENTORY	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION	DIRECT WEIGHTED AVG. NET RENT (MF)	DIRECT WEIGHTED AVG. NET RENT (OS)	DIRECT WEIGHTED AVG. NET RENT (W/D)
CBD	204	5,380,159	7.0%	-11,546	N/A	\$3.17	N/A
Northeast	203	8,461,385	6.9%	68,141	N/A	N/A	\$3.99
Northwest	414	20,370,163	7.3%	336,624	N/A	\$6.19	\$3.89
Southeast	296	16,834,356	5.9%	-141,025	\$2.40	\$4.23	\$4.02
Southwest	398	17,829,877	9.1%	470,087	\$3.71	\$6.18	\$3.60
OKLAHOMA CITY TOTALS	1,515	68,875,940	7.2%	722,281	\$3.07	\$5.37	\$3.86

*Rental rates reflect asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
5500 W Reno Avenue	52,000	West Worldwide Services, Inc.	Warehouse – Distribution	Northwest
3701 S Thomas Road	47,187	Insulation Distributors, Inc.	Warehouse – Distribution	Southwest
200 E Hill Street	41,272	Decorative Arts	Light Industrial	Northeast

Key Sales Transactions 2Q 2016

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$ PSF	SUBMARKET
4041 N Santa Fe Avenue Portfolio Sale	629,143	Santa Fe Avenue Properties, LLC / M-D Building Products, Inc.	Warehouse Distribution	\$11,208,000/\$18	Northeast
3450 S MacArthur Boulevard	52,500	Nicol Inc / Industrial Developers of Oklahoma	Flex / R&D	\$3,215,000/\$61	Southwest

About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

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