

MARKETBEAT

Tulsa, Oklahoma

Industrial Q3 2016



TULSA INDUSTRIAL

Economic Indicators

	Q3 15	Q3 16	12-Month Forecast
Tulsa Employment	446k	445k	▼
Tulsa Unemployment	4.3%	5.2%	▲
U.S. Unemployment	5.2%	4.9%	▼

Market Indicators (Overall, All Property Types)

	Q3 15	Q3 16	12-Month Forecast
Vacancy	8.3%	7.4%	▼
Net Absorption (sf)	47k	235k	▲
Under Construction (sf)	335k	152k	■
Average Asking Rent*	\$4.56	\$4.52	▲

*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Economy

The metro area unemployment rate for Tulsa was recorded at 5.4% in August according to the Oklahoma Employment Security Commission. The Tulsa metro area added 900 jobs over the month but lost a total of 1,400 over the past year. So far in 2016 the unemployment rate has progressively increased each month from January through August mainly due to lost jobs in the oil and gas industry. Since July, the Oklahoma unemployment rate has climbed above the 4.9% national average. Over the last three quarters, the state's two major industries, manufacturing and mining, have lost almost 20,000 jobs total.

Market Overview

The Tulsa industrial market reported an overall vacancy of 7.4% with average asking rent of \$4.52 per square foot (PSF) as of third quarter 2016. The Southeast submarket remains the most active with an average vacancy rate of 5.9% and average asking rent of \$4.71 PSF. There were no notable leasing transactions to report during the quarter. Out of the 225,000 square feet (SF) of new development in the Southeast market, nearly 70% has already been pre-leased.

Outlook

Companies with larger space requirements from 40,000 SF and above will still look at new construction to meet their needs as the market lacks available big blocks of space. New development has slowed slightly but as all the new inventory is leased the market will report more speculative construction moving forward.

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