

# MARKETBEAT

# Tulsa, Oklahoma

Industrial Q1 2017



## TULSA INDUSTRIAL

### Economic Indicators

	Q1 16	Q1 17	12-Month Forecast
Tulsa Employment	446k	443k	▼
Tulsa Unemployment	4.1%	4.8%	▲
U.S. Unemployment	4.9%	4.8%	■

### Market Indicators (Overall, All Property Types)

	Q1 16	Q1 17	12-Month Forecast
Vacancy	8.0%	8.8%	▼
Net Absorption (sf)	-90k	-200k	▲
Under Construction (sf)	190k	0	■
Average Asking Rent*	\$4.49	\$4.52	▲

\*Rental rates reflect net asking \$psf/year

### Overall Net Absorption/Overall Asking Rent

#### 4-QTR TRAILING AVERAGE



## Economy

The Tulsa metro area unemployment rate reached 4.8% in January according to the Oklahoma Employment Security Commission. The Tulsa economy added around 1,500 jobs during the month of January but is still down roughly 3,200 jobs since the first quarter a year ago. 2016 was the worst year Tulsa experienced since 2008 in terms of jobs as the employment rate increased for eight consecutive months from January through August.

## Market Overview

The 60.2-million square foot industrial market remained relatively strong and stable. The overall vacancy reported 8.8% at the end of first quarter 2017 and average asking rents remained consistent as year-end at \$4.52 per square foot. There are few options available for companies with larger space needs. The Southeast submarket is still the most active area and where all new speculative development is taking place.

The highlight of the first quarter was the sale of the Airpark Distribution Center which sold for \$21 million in January. Airpark is a three-building, 300,000-square-foot project located in the Airport submarket.

## Outlook

Many energy industry leaders are optimistic about 2017 which is a good sign for the real estate market. The rebound is likely to be slow but appears to be underway as numerous local manufacturing companies are seeing more activity and deal flow. We expect the Tulsa industrial market to remain stable throughout 2017.

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