

Industrial Snapshot Q4 2015

Tulsa, OK



Tulsa Industrial

Economic Indicators

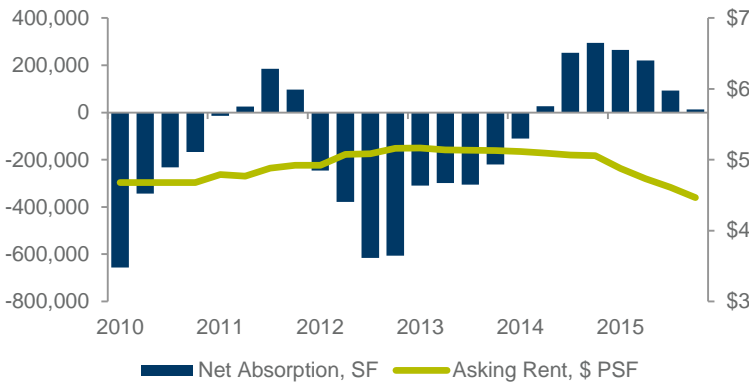
	Q4 14	Q4 15	12-Month Forecast
Tulsa Employment	441k	446k	▼
Tulsa Unemployment	4.2%	4.2%	▲
U.S. Unemployment	5.7%	5.0%	▲

Market Indicators (Overall, All Product Types)

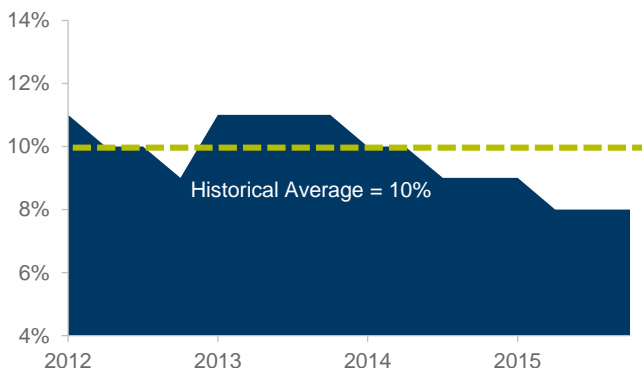
	2014	2015	12-Month Forecast
Overall Vacancy	8.7%	7.8%	▼
Net Absorption	1.2M	51k	▲
Under Construction	1.6M	335k	■
Overall Average Asking Rent	\$5.09	\$4.52	▲

Overall Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

Poor performance in the oil and gas industry continues to have a major negative impact on the local economy as well as the industrial market. In December, the Tulsa metro area unemployment rate was recorded at 4.2%, an increase from August according to the Bureau of Labor Statistics. More company closings have been announced and as a result more sublease space has come on the market.

Market Overview

Construction at CenterGate is moving along smoothly and up to one million square feet of new industrial product is planned within the project in the coming years. In addition to the 215,000 square foot (sf) of warehouse/distribution product under construction, developers are building a 37,500-sf multi-tenant service center facility. Currently 31,000 sf is still available for lease and completion is expected in summer 2016.

The highlight of the quarter is the sale of Hilti's former 401,000-sf campus to Educational Development Corporation (EDC) for \$23 million. Hilti placed the facility on the market during the third quarter when they announced the relocation of their U.S. headquarters to Plano, Texas. Hilti will still have a large presence in Tulsa by leasing back 180,000 sf from EDC.

Outlook

The Southeast submarket remains most active for new product. With limited quality product, CenterGate will see more activity for users with larger space needs. Even with oil and gas down, the market will remain stable as it is supported heavily by the aviation and aerospace industry. All manufacturing and warehouse users that facilitate this sector will keep the market strong while the price of oil and gas recover. With limited inventory, expect the market to stay active for new industrial development.

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