

	YoY Chg	12-Mo. Forecast
9.7% Vacancy Rate	▲	▲
21K Net Absorption, SF	▼	▼
\$18.92 Asking Rent, PSF FSG	▼	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.8 M Oklahoma City Labor Force	▲	▲
2.7% Oklahoma City Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY:

As the US economy enters into its post COVID-19 era, the Oklahoma City economy continues to see a strong and resilient comeback. According to the St. Louis Federal Reserve and Bureau of Labor Statistics, Oklahoma City has performed better than the national average in Unemployment Rate and Employment Index. Although the energy sector has historically been one of Oklahoma City's primary economic drivers, the Trade/Transportation/Utilities, Education & Health Services, Leisure & Hospitality, and Government sectors now rank higher when compared to the national average. Companies such as Paycom, Heartland Payment Systems, Costco, and Boeing have all announced expansions or relocations into the Oklahoma City market. This trend is expected to continue as companies find the market's pro-business environment and quality labor force part of the region's unique value proposition. Furthermore, the Oklahoma City Economic Development Trust's Strategic Investment Program offers various economic development incentives for employers looking to expand existing operations into the city.

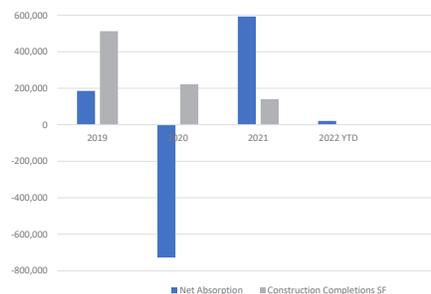
MARKET OVERVIEW:

Oklahoma City saw positive first quarter net absorption (+20,863 SF) for the first time in two years, which results in a fourth consecutive quarter of positive net absorption overall. Vacancy rates continue to remain below 10% for a third consecutive quarter and remain at least 2% below the national average for fourth consecutive quarter. Market rent growth in the OKC market continues to outpace the national average. For third party investors, the Oklahoma City market is seeing favorable trends in the areas of year-over-year transactional volume, increasing market sale price on a square foot basis, increased average sale price, and improving cap rates.

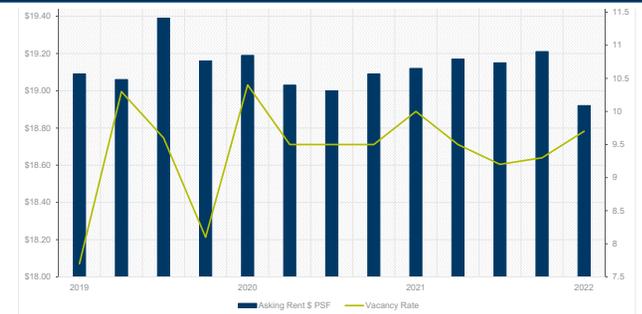
OUTLOOK:

The Oklahoma City office market is expected to have a strong 2022 with all measurable indicators setting the expectation that we will continue to recover well from the COVID-19 pandemic. Strong credit tenants, both local and national, are actively searching for new office space and executing multi-year leases. While we anticipate relatively stable rates going forward, ownership groups of office product should expect an increased spend on tenant improvements for the foreseeable future due to the inflationary environment currently seen in construction prices.

SPACE DEMAND / DELIVERIES OKC



OVERALL VACANCY & ASKING RENT OKC





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	13,297,441	1,750,058	13.3%	63,309	63,309	42,307	0	\$20.43	\$21.80
Midtown	5,761,097	244,843	4.3%	34,242	34,242	9,447	0	\$18.96	\$22.64
South	3,325,745	168,127	5.3%	(26,317)	(26,317)	14,987	0	\$16.83	\$20.64
Northwest	14,492,256	1,992,405	13.9%	94,967	94,967	92,357	34,944	\$18.64	\$21.82
North	11,406,215	873,774	8.4%	(98,830)	(98,830)	49,924	24,618	\$19.43	\$22.61
West/Central	3,978,293	416,061	10.5%	(93,198)	(93,198)	6,078	5,000	\$16.48	\$20.05
Moore	1,719,339	99,480	5.8%	(319)	(319)	4,172	36,168	\$18.03	\$21.53
Norman	4,012,708	275,746	6.9%	12,623	12,623	13,492	78,563	\$18.81	\$23.67
Edmond	4,335,804	332,507	8.1%	43,288	43,288	57,008	72,567	\$18.53	\$22.25
SUBMARKET TOTALS	62,328,898	6,308,715	8.5%	29,765	29,765	289,772	251,860	\$18.46	\$21.89
OKLAHOMA CITY TOTALS	69,187,736	69,200,217	9.7%	20,863	20,863	297,648	310,453	\$18.92	\$22.72

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9400 N Broadway Ave	North	Le Norman Properties	18,628	New
123 NW 8th St	CBD	N/A	13,000	New
210 Park Ave	CBD	Fox Rothschild LLP	10,485	New
4727 Gaillardia Pky	Northwest	Kimley-Horn	9,095	New
5600 N May Ave	Northwest	The Insurance Center Agency, Inc	8,885	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
9658 N May Ave	Northwest	Collonade Court, LLC/Ksmi Properties, LLC	12,400	\$2,150,000/\$173.39
3847 S Boulevard St	Edmond	3847 Boulevard, LLC/ROK Properties, LLC	9,000	\$1,340,000/\$148.89
2932 NW 122nd St	Northwest	Hurley Bradley Square, LP/JBDM Texas, LLC	31,000	\$1,150,000/\$37.10
501-507 NE 12th St	Moore	Hicks Jess E & Mary A/Greystone Comm Invs, LLC	4,815	\$738,000/\$153.27
1821 N Classen Blvd	Midtown	Walker Geraldine/Coach Investments, LLC	18,918	\$675,000/\$35.68

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