

# VIEWPOINT



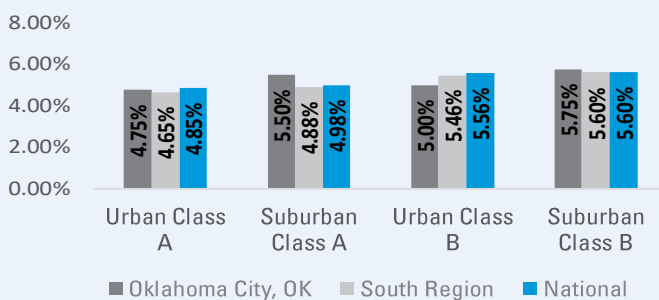
## 2023 OKLAHOMA CITY, OK MULTIFAMILY ANNUAL REPORT

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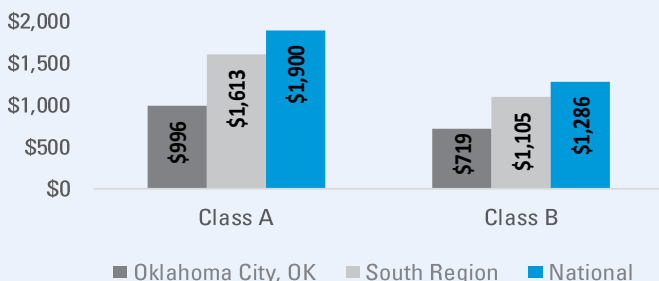
### Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▲	▼

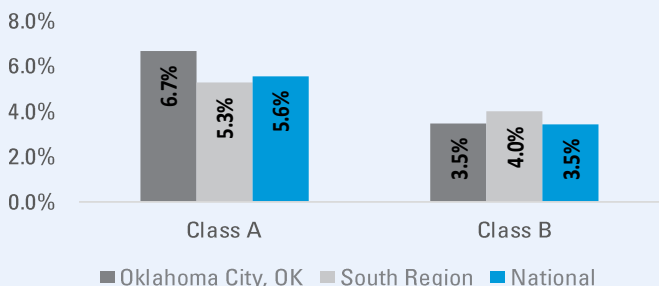
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/Unit)



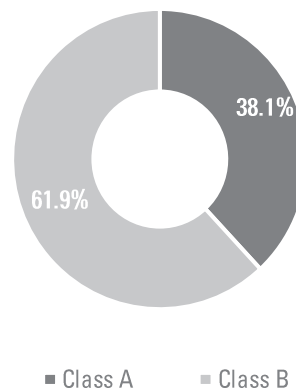
### Vacancy Rates (%)



### Oklahoma City, OK Multifamily Market Overview

The Oklahoma City multifamily continues to report low vacancy rates and above average rent growth thanks to the surge in demand for apartments last year. Rent growth continues to outperform, though the pace of growth is beginning to soften over the summer of 2022. Before the recession, vacancy rates benefited from healthy job growth and a lower threat of new supply. A slower pace of development has allowed vacancy rates to compress and enabled apartment owners and operators to push rents. That trend also placed the Oklahoma City multifamily market in a good position heading into the current downturn. While vacancy rates and rent growth have outperformed over the past year, there are risks to the multifamily market moving forward as employment and population growth have shown signs of slowing. Vacancy rates in Oklahoma City are drifting higher with softer net absorption in 2022 compared to the wave of demand pushed them to 20-year lows last year. The pace of rent growth is softening in 2022, after an aggressive run up in rents last year thanks to a surge in household formation yielding record levels of net absorption. Lower vacancy rates through the near term should support continued rent growth through 2022 but below record-setting performances last year. Due to impressive performances over the past two years, deal volume has accelerated in Oklahoma City. In 2021, total multifamily investment posted the best performance on record, at \$983 million. Central and Northwest drove total investment sales, each submarket contributing over \$200 million last year. Since the metro contains a large portion of 2-and 3-Star properties, investors have found opportunities for value-add projects. With above-average rent growth and a lower barrier to entry compared to other markets, investment activity for multifamily assets is expected to remain healthy in Oklahoma City.

### Distribution of Total Inventory



93,740 Units  
Multifamily Inventory

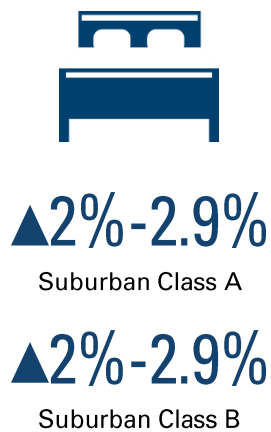
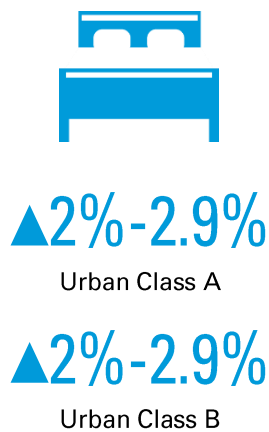
0.16% - 12 Mo. Proj.  
Construction/Inventory

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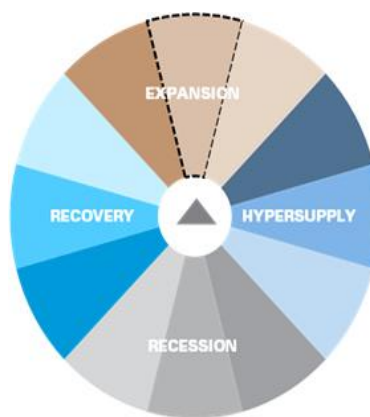
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## Change In Value Next 12 Months



## Market Cycle: Expansion Stage 2



- Decreasing Vacancy Rates
- High Absorption
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction

## Forecasts

### Oklahoma City, OK 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Decrease 1-24 bps	Decrease 1-24 bps	Remain Steady - no change	Remain Steady - no change
Discount Rate	Decrease 1-24 bps	Decrease 1-24 bps	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Decrease 1-24 bps	Decrease 1-24 bps	Remain Steady - no change	Remain Steady - no change
Construction (Units)	148			
Market Rent Change	+5.00%	+5.00%	+5.00%	+5.00%
Expense Rate Change	+3.00%	+3.00%	+3.00%	+3.00%
Years to Balance	2			

### Oklahoma City, OK 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+11.82%			
Change in Value	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%

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