

FIGURES | OKLAHOMA CITY INDUSTRIAL | H2 2023

# Oklahoma City’s industrial market reflects the influx of delivered construction



Note: Arrows indicate change from previous half.

Key Takeaways

- Oklahoma City has remained a sought-after location for manufacturing, warehouse and storage facilities. With the combination of affordability, location and a consistently growing population, OKC has been ranked at 9<sup>th</sup> place regionally for manufacturing. Sitting at the crossroads of I-35, I-40 and I-44, the city provides easy access to many regional markets, making it an ideal distribution and logistics hub driving the demand for growing industrial space.
- Oklahoma City has seen record-breaking sales price per sq. ft. over the past year, ranging from \$150-\$180 per sq. ft. for new construction and up to \$100-\$130 per sq. ft. for older properties.
- Oklahoma City has been deemed “Energy’s new HQ,” stemming from the city’s uptick of gas, oil and energy companies including Kimray Inc, Schlumberger and Halliburton. The Greater Oklahoma Chamber named Oklahoma City as the place to be for energy companies due to its location, wind power and sustainable low-cost environment.

FIGURE 1: Historical Market Statistics

Historical Statistics

	2019	2020	2021	2022	H1 2023	H2 2023
Vacancy Rate	4.1%	3.3%	3.0%	2.9%	3.7%	4.5%
Net Absorption (SF)	2,281,166	838,670	819,636	1,659,322	(293,836)	478,758
Delivered Construction (SF)	3,046,268	254,699	1,525,064	1,739,838	442,372	1,453,807
Under Construction (SF)	3,018,779	1,560,301	2,527,147	7,082,418	6,853,165	4,425,791

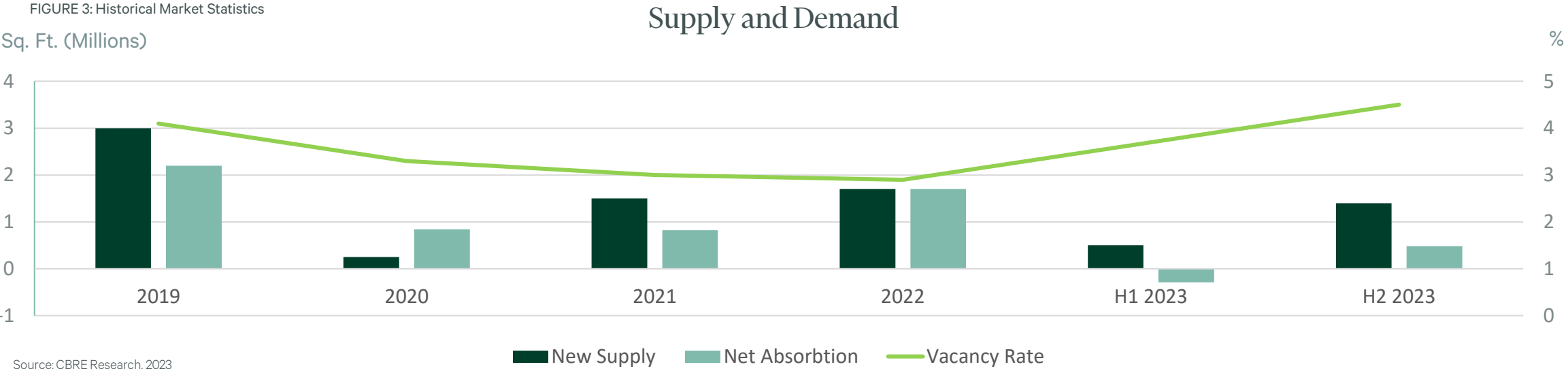
Source: CBRE Research, 2023

FIGURE 2: Historical Market Statistics

		2019	2020	2021	2022	H1 2023	H2 2023
CENTRAL	Net Absorption (SF)	118,746	14,516	96,125	27,624	127,528	(210,987)
	Delivered Construction (SF)	-	-	25,000	58,284	140,000	-
	Vacancy Rate (%)	3.8	3.4	3.1	4.7	4.1	4.6
NORTHEAST	Net Absorption (SF)	(11,042)	98,715	314,248	427,289	31,335	457,339
	Delivered Construction (SF)	22,500	81,070	54,043	460,000	-	80,000
	Vacancy Rate (%)	4.0	4.8	1.6	0.8	0.4	1.2
NORTHWEST	Net Absorption (SF)	(15,021)	(10,280)	20,199	126,732	(188,092)	23,811
	Delivered Construction (SF)	80,997	30,000	-	156,450	-	17,520
	Vacancy Rate (%)	3.5	5.7	4.8	2.8	3.8	5.8
SOUTHEAST	Net Absorption (SF)	31,753	115,903	52,183	317,805	(159,623)	208,595
	Delivered Construction (SF)	44,000	16,500	42,000	4,3791	70,000	30,000
	Vacancy Rate (%)	3.7	3.0	3.8	3.4	5.0	5.3
SOUTHWEST	Net Absorption (SF)	2,094,410	569,410	97,246	759,872	(104,984)	(505,666)
	Delivered Construction (SF)	2,800,591	59,824	1,231,405	661,313	232,372	1,326,287
	Vacancy Rate (%)	5.6	3.3	2.9	2.1	3.0	4.6
OKLAHOMA CITY TOTAL*	Net Absorption (SF)	2,281,166	838,670	819,636	1,659,322	(293,836)	478,758
	Delivered Construction (SF)	3,046,268	256,699	1,525,064	1,739,838	442,372	1,453,807
	Vacancy Rate (%)	4.1	3.3	3.0	2.9	3.7	4.5

Source: CBRE Research, 2023.

FIGURE 3: Historical Market Statistics



### Notable Deliveries

Development	Classification	Building Size	Completed	Submarket
OKC SW 13th	SPEC	239,453 SF	Q3 2023	Southwest
OKC Logistics	SPEC	1,006,931 SF	Q3 2023	Southwest

### Development Pipeline

### Notable Construction

Development	Classification	Building Size	Estimated Completion	Submarket
OKC 577	BTS	340,000	2024	Southeast
9500 W Reno	SPEC	457,600	Q1 2024	Southwest

# Notable Transactions

5601 SW 13<sup>th</sup>

LEASE



Newmark Robinson Park

Tenant	Stafford-Smith, Inc
SF Leased	119,715 SF
Sign Date	Undisclosed
Lease Term	Undisclosed
Effective Rent	Undisclosed
Details	A national distributor and installer of commercial food service equipment leased nearly half of this newly constructed 5 Star Industrial building.

4701 WPoint Blvd

LEASE



Horizon Commercial Real Estate

Tenant	International Paper
SF Leased	115,488 SF
Sign Date	Undisclosed
Lease Term	Undisclosed
Effective Rent	\$6.35/NNN
Details	A paper manufacturing company, International Paper, long term leased a Class B warehouse.

8707 Pole Road

LEASE



CoStar

Tenant	Undisclosed Distributor
SF Leased	181,008 SF
Sign Date	Undisclosed
Lease Term	Undisclosed
Effective Rent	Undisclosed
Details	4 Star Industrial distribution center within 10-minute drive to Tinker Air Force Base.

6612 SW44<sup>th</sup>

LEASE



CBRE

Tenant	Monday Trailers and Equipment
SF Leased	26,486 SF
Sign Date	Undisclosed
Lease Term	Undisclosed
Effective Rent	\$11.50/NNN
Details	Lease to Missouri-based, regional trailer outfit opening first location in Oklahoma.

# Notable Transactions

## 5200 SW36<sup>th</sup> Street, Suite 600

LEASE



CBRE

<b>Tenant</b>	Undisclosed
<b>SF Leased</b>	60,000 SF
<b>Sign Date</b>	Undisclosed
<b>Lease Term</b>	Undisclosed
<b>Effective Rent</b>	\$6.50/NNN – 3% annual increase
<b>Details</b>	7-year lease of a 60,000 sq. ft. distribution property with a 3% annual rental rate increase..

## 6612 SW44<sup>th</sup>

SALE



CBRE

<b>Buyer</b>	HL American Investments
<b>Seller</b>	Seventy Seven Land Company
<b>Sale Price</b>	\$3,800,000
<b>Total GLA</b>	26,486 SF
<b>Sale Date</b>	August 2023
<b>Details</b>	Former Patterson-UTI facility on 17.8 acres of graveled and fenced land right off US Highway 152/ Airport Road/ Kilpatrick Turnpike.

## West Reno Business Park

SALE



CBRE

<b>Buyer</b>	Hassan Properties
<b>Seller</b>	Madrona on West Reno
<b>Sale Price</b>	\$4,692,818
<b>Total GLA</b>	42,409 SF
<b>Sale Date</b>	November 2023
<b>Details</b>	Fully leased flex industrial building sold to a local investor.

## 7915 SW34<sup>th</sup>

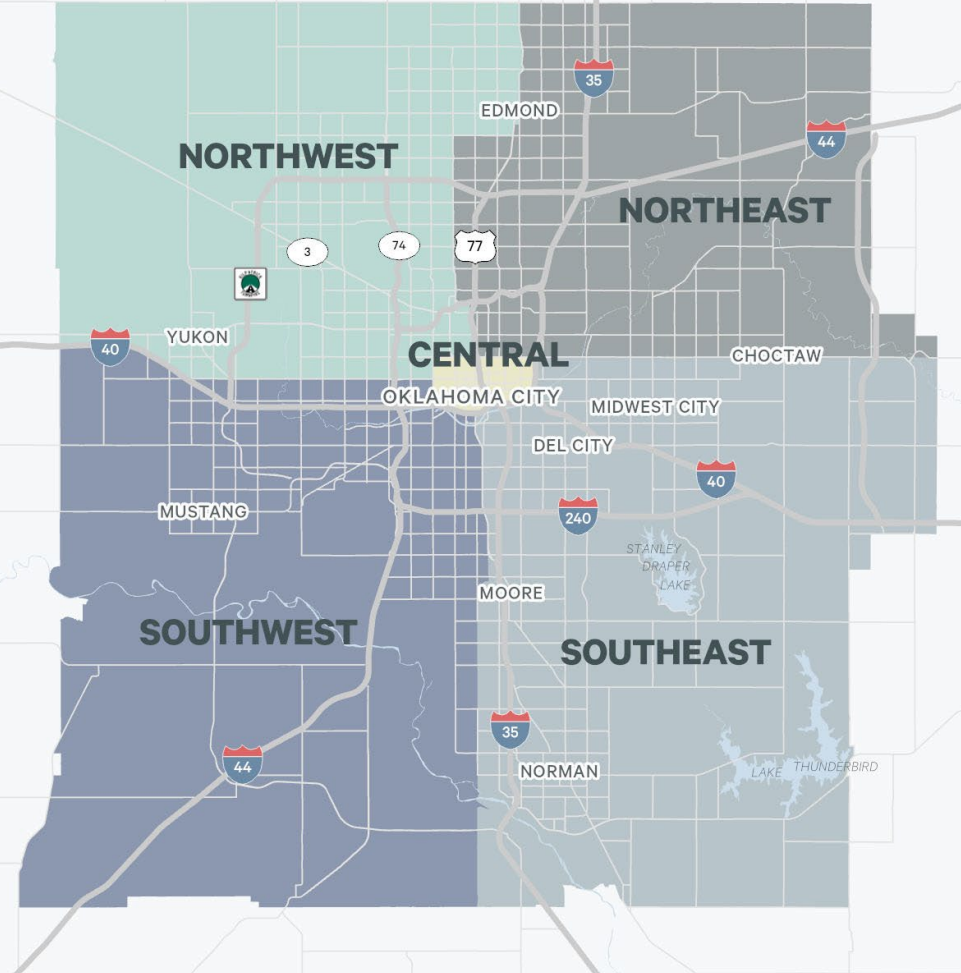
SALE



CBRE

<b>Buyer</b>	HL American Investments
<b>Seller</b>	JSK
<b>Sale Price</b>	\$2,440,237
<b>Total GLA</b>	30,000 SF
<b>Sale Date</b>	October 2023
<b>Details</b>	Former Nalco Chemical and Custom Wood Fibers building on 3.6 acres sold to nearby investor.

Market Area Overview



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