

FIGURES | OKLAHOMA CITY INDUSTRIAL | H1 2023

# Oklahoma City’s industrial sector sees another six months of heightened spec space development



Note: Arrows indicate change from previous half.

### Key Takeaways

- Recently completed spec projects totaling over 3,000,000 sq. ft. have increased Oklahoma City’s industrial vacancy rate up to 3.7%. Oklahoma City has seen eleven new warehouse developments over 100,000 sq. ft. in the past two years. New developers to the market include Blue Road Investments, Flint Development and Scannell Properties.
- The presence of a major distribution hub, a diverse economy with strong sectors like aerospace and manufacturing and a strategic location in the heartland of the United States are all driving demand for industrial space in Oklahoma City.
- Oklahoma City’s geographical position adds to its appeal, as it sits at the crossroads of major interstate highways including I-35 & I-40, providing easy access to other Midwest markets, making it an ideal distribution and logistics hub.
- Recent trends have introduced a variety of new tenants to Oklahoma City’s industrial market, including countertops, flooring and home furnishing tenants as well as electric vehicle manufacturers and part suppliers.

### Historical Statistics

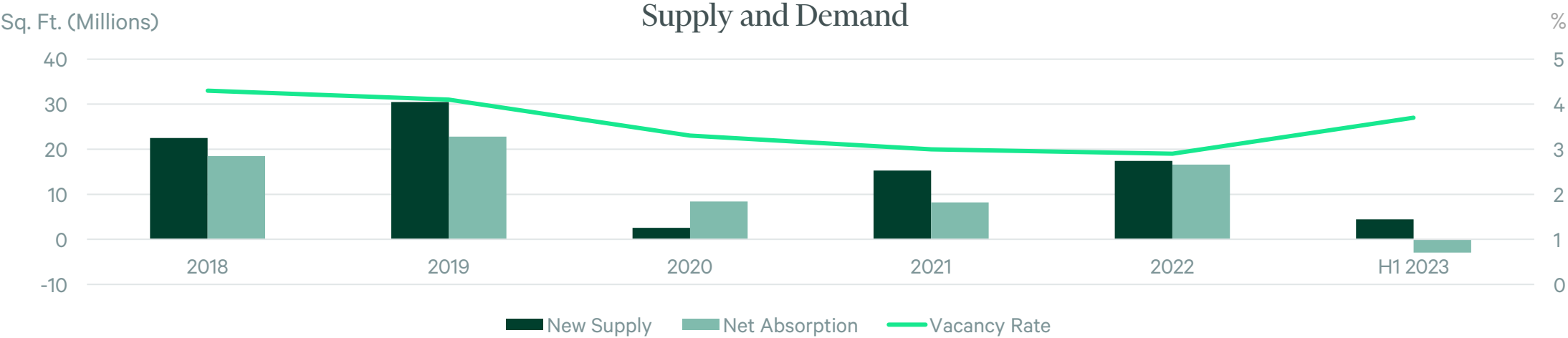
	2018	2019	2020	2021	2022	H1 2023
Vacancy Rate	4.3%	4.1%	3.3%	3.0%	2.9%	3.7%
Net Absorption (SF)	1,850,054	2,281,166	838,670	819,636	1,659,322	(293,836)
Delivered Construction (SF)	2,247,512	3,046,268	254,699	1,525,064	1,739,838	442,372
Under Construction (SF)	2,233,555	3,018,779	1,560,301	2,527,147	7,082,418	6,853,165

Source: CBRE Research, 2023

FIGURE 7: Historical Market Statistics

		2018	2019	2020	2021	2022	H1 2023
CENTRAL	Net Absorption (SF)	7,408	118,746	14,516	96,125	27,624	127,528
	Delivered Construction (SF)	-	-	-	25,000	58,284	140,000
	Vacancy Rate (%)	4.1	3.8	3.4	3.1	4.7	4.1
NORTHEAST	Net Absorption (SF)	675,450	(11,042)	98,715	314,248	427,289	31,335
	Delivered Construction (SF)	64,800	22,500	81,070	54,043	460,000	-
	Vacancy Rate (%)	7.4	4.0	4.8	1.6	0.8	0.4
NORTHWEST	Net Absorption (SF)	(81,137)	(15,021)	(10,280)	20,199	126,732	(188,092)
	Delivered Construction (SF)	-	80,997	30,000	-	156,450	-
	Vacancy Rate (%)	4.4	3.5	5.7	4.8	2.8	3.8
SOUTHEAST	Net Absorption (SF)	454,020	31,753	115,903	52,183	317,805	(159,623)
	Delivered Construction (SF)	-	44,000	16,500	42,000	403,791	70,000
	Vacancy Rate (%)	3.2	3.7	3.0	3.8	3.4	5.0
SOUTHWEST	Net Absorption (SF)	636,793	2,094,410	569,410	97,246	759,872	(104,984)
	Delivered Construction (SF)	1,185,322	2,800,591	59,824	1,231,405	661,313	232,372
	Vacancy Rate (%)	4.3	5.6	3.3	2.9	2.1	3.0
OKLAHOMA CITY TOTAL*	Net Absorption (SF)	1,850,054	2,281,166	838,670	819,636	1,659,322	(293,836)
	Delivered Construction (SF)	2,247,512	3,046,268	254,699	1,525,064	1,739,838	442,372
	Vacancy Rate (%)	4.3	4.1	3.3	3.0	2.9	3.7

Source: CBRE Research, 2023.



Source: CBRE Research. 2023

### Notable Deliveries

### Development Pipeline

### Notable Construction

Development	Classification	Building Size	Completed	Submarket
Hobby Lobby Technology	BTS	208,372 SF	Q2 2023	Southwest
Britton Commerce	SPEC	160,000 SF	Q2 2023	Central
25 <sup>th</sup> & Meridian	SPEC	30,000 SF	Q1 2023	Southeast

Development	Classification	Building Size	Estimated Completion	Submarket
Hobby Lobby Corporate	BTS	3,625,181 SF	Q3 2023	Southwest
OKC 577	BTS	1,500,000	2024	Southeast
OKC Logistics	SPEC	1,006,931 SF	Q3 2023	Southwest
9500 W Reno	SPEC	457,600 SF	Q4 2023	Southwest
OKC SW 13th	SPEC	239,453 SF	Q3 2023	Southwest

# Notable Transactions

## OKC Logistics Park – Phase 1, Building 1

LEASE



Photo courtesy of Flint Development

Tenant	Undisclosed Retailer
SF Leased	295,757 SF
Sign Date	April 2023
Lease Term	10 Years
Effective Rent	Undisclosed
Details	CBRE represented a large national retailer to lease space in the newly constructed OKC Logistics Park.

## 9528 I-40 Service Road

LEASE



Photo courtesy of KW Commercial

Tenant	Terex Corporation
SF Leased	150,000 SF
Sign Date	April 2023
Lease Term	5 Years
Effective Rent	\$7.50/NNN
Details	Sale-leaseback transaction between machinery and equipment company, Terex, and electric vehicle manufacturer, Canoo. Terex previously occupied entire 637,041 SF building

## 6801 S Sunnylane

LEASE



CBRE, Inc.

Tenant	Cox Automotive
SF Leased	387,000 SF
Sign Date	May 2023
Lease Term	5 Years
Effective Rent	Undisclosed
Details	CBRE represented a state-of-the-art re-manufacturer in renewing their lease at 6801 S Sunnylane in Oklahoma City.

## 50 N Council

LEASE



CBRE, Inc.

Tenant	Undisclosed Manufacturer
SF Leased	467,490 SF
Sign Date	February 2023
Lease Term	10 Years
Effective Rent	Undisclosed
Details	CBRE worked with a manufacturing company to lease 467,760 SF in OKC Works to produce and distribute paper goods.

# Notable Transactions

## 9528 I-40 Service Road

SALE



Photo courtesy of KW Commercial

Buyer	Canoo
Seller	Terex Corporation
Sale Price	\$34,275,000
Total GLA	637,041 SF
Sale Date	April 2023
Details	This property is electric vehicle manufacturer, Canoo's, first Oklahoma City location. Canoo plans to use this facility for vehicle assembly, powered by clean energy.

## Santa Fe Industrial Portfolio

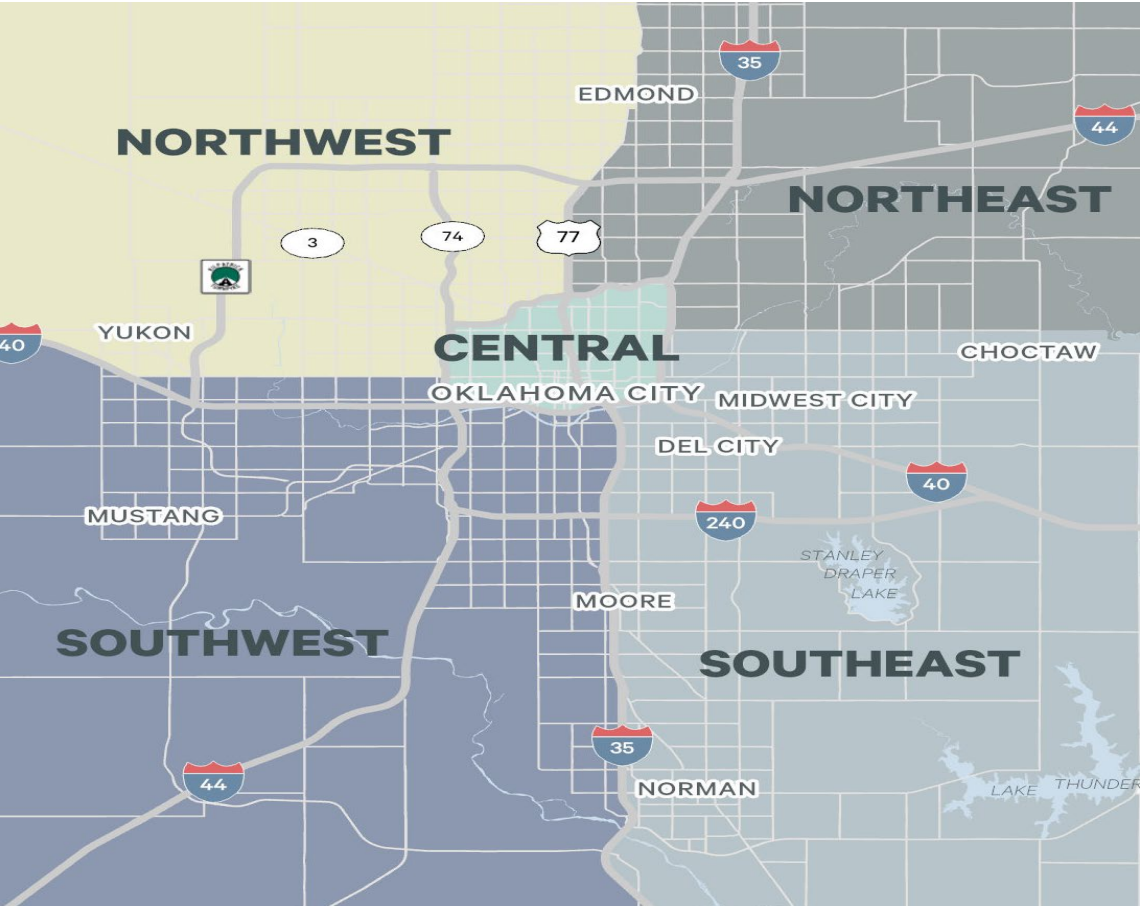
SALE



Photo courtesy of Newmark Robinson Park

Buyer	Michael Schau, Tenmark Holdings
Seller	Nortek, Inc.
Sale Price	\$8,800,000
Total GLA	182,684 SF
Sale Date	April 2023
Details	9 property portfolio sale of vacant manufacturing, warehouse and office buildings located off NW 50 <sup>th</sup> St. between N Santa Fe Ave. and N Sewell Ave., just east of I-235.

Market Area Overview



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