



# Tulsa H2 2024

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## Industrial Insights

- Tulsa continues to house a healthy economic environment for industrial users.
- The total vacancy rate in the Tulsa industrial market remains low at 3.3%, keeping consistent with the previous half of 2024.
- Asking rates are slightly rising due to the lack of availability.
- The Greenhill Logistics Center brought 393,089 SF of Class A distribution space to Tulsa in H2 2024.



# Market View

## Historical Market Statistics

	2020	2021	2022	2023	H1 2024	H2 2024
Vacancy Rate	3.5%	3.2%	3.9%	4.0%	3.3%	3.3%
Net Absorption	261,567	88,338	140,416	301,512	60,671	61,763
Delivered Construction	1,033,788	587,872	816,268	982,820	64,800	393,089
Under Construction	790,116	3,603,588	4,360,856	865,216	413,893	54,921

Source: CoStar

## Notable Construction

Property	Class	Size	Est. Completion
6020 W 55 <sup>th</sup> - Polson Industrial Park	B	41,608 SF	Q2 2025
4604 W 58 <sup>th</sup>	B	13,313 SF	Q3 2025

Source: CoStar

## Notable Deliveries

Property	Class	Size	Completed
3995 N 125 <sup>th</sup> - Greenhill Logistics Center	A	393,089 SF	Q4 2024

Source: CoStar



# Market View by Submarket

## Submarket Historical Market Statistics

		2020	2021	2022	2023	H1 2024	H2 2024
Bartlesville	Net Absorption (SF)	3,200	(94,874)	5,000	(10,316)	-	(11,200)
	Asking Rent, NNN Avg. Annual	-	\$3.15	\$3.32	\$4.02	\$6.67	\$6.73
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	-	3.2	3.6	2.05	6.2	7.1
CBD	Net Absorption (SF)	(59,106)	(17,281)	(5,416)	23,985	16,124	53,424
	Asking Rent, NNN Avg. Annual	\$4.81	\$5.08	\$5.11	\$5.92	\$6.61	\$6.60
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	6.6	10.3	10.2	7.5	6.2	4.2
East	Net Absorption (SF)	265,891	128,552	173,291	(11,493)	19,557	(30,476)
	Asking Rent, NNN Avg. Annual	\$5.25	\$5.41	\$5.46	\$6.34	\$6.96	\$7.04
	Delivered Construction (SF)	72,384	133,951	169,000	26,250	-	-
	Vacancy Rate (%)	3.6	3.9	0.7	0.7	0.7	1.2
Mayes County	Net Absorption (SF)	-	-	-	61,076	11,076	(15,500)
	Asking Rent, NNN Avg. Annual	\$6.65	\$6.65	\$6.65	\$6.35	\$5.21	\$5.10
	Delivered Construction (SF)	-	-	-	150,000	-	-
	Vacancy Rate (%)	-	-	0.2	1.9	1.5	1.6
Midtown	Net Absorption (SF)	-	(15,080)	13,288	(22,138)	60,155	60,155
	Asking Rent, NNN Avg. Annual	\$5.58	\$6.00	\$5.74	-	-	\$6.89
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	-	12.8	7.1	-	-	-
Muskogee County	Net Absorption (SF)	78,020	(31,472)	10,192	79,796	71,526	24,400
	Asking Rent, NNN Avg. Annual	\$2.80	\$2.80	\$2.37	\$3.10	\$3.67	\$3.80
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	3.4	4.0	5.4	3.7	3.6	3.8
North Central	Net Absorption (SF)	(23,512)	(107,094)	20,670	64,772	(6,875)	(14,668)
	Asking Rent, NNN Avg. Annual	\$4.69	\$5.12	\$4.96	\$5.64	\$6.35	\$6.42
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	1.3	2.9	4.7	4.3	3.3	3.2
Northeast	Net Absorption (SF)	1,053,921	342,842	192,347	(257,112)	473,669	92,187
	Asking Rent, NNN Avg. Annual	\$5.21	\$5.44	\$5.64	\$5.93	\$6.73	\$6.73
	Delivered Construction (SF)	941,446	270,000	76,922	744,277	64,800	393,089
	Vacancy Rate (%)	3.0	2.5	2.2	4.3	4.2	4.5

# Market View by Submarket

## Submarket Historical Market Statistics

		2020	2021	2022	2023	H1 2024	H2 2024
Northwest	Net Absorption (SF)	118,657	79,842	54,434	(36,989)	835	-
	Asking Rent, NNN Avg. Annual	\$3.44	\$3.98	\$4.62	\$5.47	\$5.86	\$5.86
	Delivered Construction (SF)	-	-	23,748	-	-	-
	Vacancy Rate (%)	3.6	2.4	1.4	2.5	-	2.3
South	Net Absorption (SF)	(18,225)	(4,036)	(3,964)	40,259	(19,185)	(25,747)
	Asking Rent, NNN Avg. Annual	\$6.26	\$6.11	\$6.37	\$7.63	\$7.99	\$8.34
	Delivered Construction (SF)	-	-	35,000	-	-	-
	Vacancy Rate (%)	1.0	1.1	0.8	21.5	1.0	1.64
South Central	Net Absorption (SF)	92,274	29,158	311,045	104,768	(89,221)	(142,548)
	Asking Rent, NNN Avg. Annual	\$5.58	\$6.28	\$5.47	\$5.61	\$6.90	\$6.95
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	1.6	1.6	4.3	4.4	3.7	4.1
Southeast	Net Absorption (SF)	1,857,254	5,000	34,567	178,668	184,573	89,115
	Asking Rent, NNN Avg. Annual	\$3.33	\$3.00	\$6.44	\$6.96	\$7.61	\$7.59
	Delivered Construction (SF)	1,800,000	-	25,070	138,000	-	23,000
	Vacancy Rate (%)	3.0	2.7	1.8	2.3	1.3	0.9
Southwest	Net Absorption (SF)	(351,124)	233,380	297,875	33,641	-	-
	Asking Rent, NNN Avg. Annual	\$4.77	\$5.83	\$5.88	\$5.87	\$7.61	\$7.68
	Delivered Construction (SF)	14,000	109,872	568,000	18,625	-	-
	Vacancy Rate (%)	4.3	3.7	1.7	1.0	-	-
Outlying Market Area	Net Absorption (SF)	215,466	32,420	7,400	92,325	57,115	47,224
	Asking Rent, NNN Avg. Annual	\$2.35	\$2.75	\$2.99	\$3.73	\$6.57	\$6.02
	Delivered Construction (SF)	-	-	-	-	-	-
	Vacancy Rate (%)	2.0	4.6	3.3	3.7	2.6	2.6
Tulsa Total	Net Absorption (SF)	5,802,198	847,265	1,110,729	341,242	779,349	157,366
	Asking Rent, NNN Avg. Annual	\$4.97	\$5.12	\$5.37	\$5.18	\$6.54	\$6.55
	Delivered Construction (SF)	5,433,984	538,951	897,776	1,077,152	64,800	416,089
	Vacancy Rate (%)	3.2	3.0	2.6	4.2	2.5	2.7



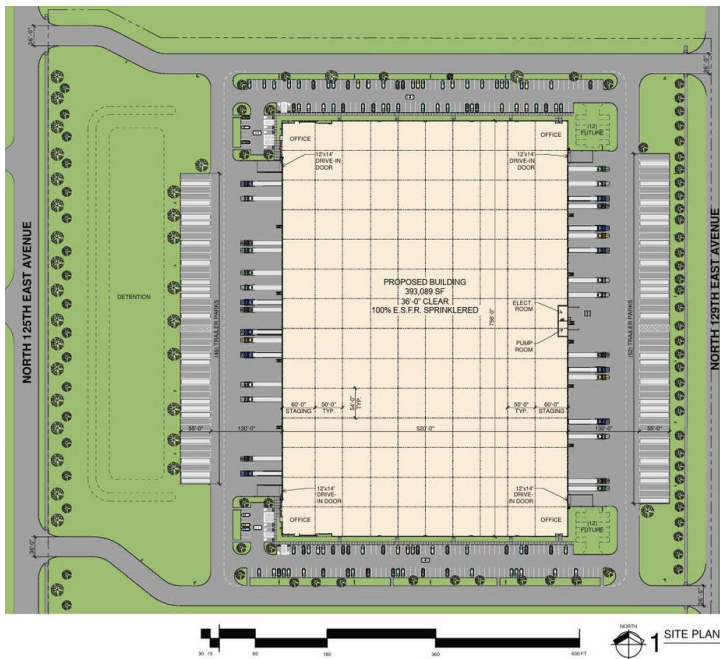


## Delivered Construction Adding Much Needed Space

The delivery of the Greenhill Logistics Center will help the Tulsa industrial market by increasing the available supply of high-quality warehouse space, which can attract new businesses and facilitate the expansion of existing ones. The addition of 393,089 square feet of Class A distribution space will enhance the region's logistics capabilities, potentially leading to job creation and economic growth. Additionally, it may improve competitive positioning for Tulsa as a logistics hub, meeting the growing demand for efficient distribution facilities in the area.

To encourage investors to build in Tulsa, there needs to be a balance between the asking rates of new construction, like the Greenhill Logistics Center at \$8.00 per square foot, and existing construction rents. Bridging this gap involves several factors:

- 1. Market Demand:** Increasing demand for logistics and warehouse space can justify higher rents for new construction, making it more appealing to investors.
- 2. Cost of Construction:** If the costs of building new facilities can be minimized through favorable regulations or incentives, it may lower the asking rate, attracting more investors.
- 3. Comparative Value:** Investors need to perceive that new construction offers superior value, such as modern amenities, energy efficiency, and better location advantages over existing spaces.
- 4. Long-term Leases:** Securing long-term leases with credible tenants can provide assurance to investors about the return on investment, fostering confidence in the viability of new developments.



# Vacancy Remains Low

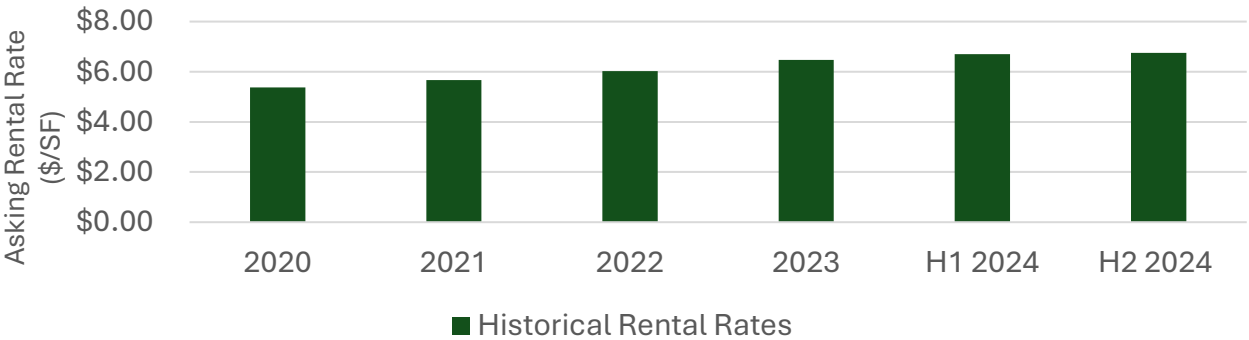
The low vacancy rates in the Tulsa Industrial market indicate strong demand for industrial space, driven by various factors such as economic growth, increased e-commerce activity, and supply chain needs. The lack of new supply means fewer available properties for businesses looking to expand or relocate, which intensifies competition for existing buildings. As a result, existing properties are being fully leased, further tightening the market.

## Class A Industrial Multiple Tenant Occupancy

Property	Submarket	Class	SF	Occupancy (%)
7021 N Whirlpool	Northeast	A	798,600 SF	100%
11605 E 27 <sup>th</sup> St N	Northeast	A	100,000 SF	100%
13033-13050 E 59 <sup>th</sup>	Southeast	A	113,508 SF	100%
12122 E 55 <sup>th</sup>	Southeast	A	112,500 SF	100%
13505-13555 E 61 <sup>st</sup>	Southeast	A	100,000 SF	100%
5443 S 108 <sup>th</sup> E	Southeast	A	119,978 SF	100%
9105-9111 E Pine	Northeast	A	305,815 SF	100%

Source: CoStar

As occupancy rates increase, the competition for available spaces intensifies, allowing landlords to raise rental rates. Overall, the combination of high occupancy and rising rental rates reflects a robust industrial market in Tulsa.







# Industrial Demand

The Tulsa industrial market is highly sought after due to several key economic factors:

- 1. Corporate Tax Standing:** With a state corporate tax rate ranking of 9, Tulsa offers a competitive environment for businesses, encouraging investment and expansion.
- 2. Property Tax Rank:** Ranking at 15 in property taxes makes Tulsa attractive for industrial operations, as lower property tax burdens can enhance profitability for companies.
- 3. Unemployment Insurance Tax Rank:** Holding the top position (#1) for unemployment insurance taxes indicates a favorable environment for businesses, as lower unemployment taxes reduce operational costs.

These factors, combined with a stable economy and strategic location, create an appealing industrial market that attracts companies looking to establish or expand their operations.

State	Corporate Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
Oklahoma	9	15	1
California	32	13	13
Illinois	36	45	42
Georgia	10	23	38
New York	7	47	30
Texas	49	37	26

Source: 2020 State Business Tax Climate Index, Greater Oklahoma City Partnership



# Notable Sale Transactions

4401 S Sheridan



<b>Seller</b>	Ben Beeler
<b>Buyer</b>	York Plumbing Inc
<b>Sale Date</b>	August 2024
<b>Sale Price</b>	\$4,675,000
<b>SF</b>	103,600 SF
<b>Submarket</b>	South Central

8635 W 21<sup>st</sup>



<b>Seller</b>	Tulsa Industrial Holdings
<b>Buyer</b>	Mazoch Capital
<b>Sale Date</b>	November 2024
<b>Sale Price</b>	\$4,000,000
<b>SF</b>	119,521 SF
<b>Submarket</b>	Northwest

24304 Amah Pkwy



<b>Seller</b>	Marteli Holdings
<b>Buyer</b>	Hayden Industrial
<b>Sale Date</b>	December 2024
<b>Sale Price</b>	\$2,450,000
<b>SF</b>	92,451 SF
<b>Submarket</b>	Northeast

8510 E 44<sup>th</sup>



<b>Seller</b>	York Plumbing Inc
<b>Buyer</b>	Airetech Corporation
<b>Sale Date</b>	August 2024
<b>Sale Price</b>	\$2,100,000
<b>SF</b>	40,522 SF
<b>Submarket</b>	South Central





# Notable Lease Transactions

7301 Whirlpool



Tenant	Whirlpool
Sign Date	December 2024
Asking Rate	\$4.69
SF	800,000 SF
Submarket	Northeast

1240 N Harvard



Tenant	Endurance Lift Solutions
Sign Date	November 2024
Asking Rate	\$3.82
SF	157,000 SF
Submarket	Northeast

8831 E Pine



Tenant	Spectrum Paint Distribution Center
Sign Date	August 2024
Asking Rate	\$5.50
SF	80,000 SF
Submarket	Northeast

12502 E 55<sup>th</sup>



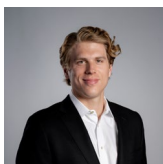
Tenant	Extract Companies
Sign Date	July 2024
Asking Rate	\$5.15
SF	106,667 SF
Submarket	Southeast



## Tulsa Industrial Brokers



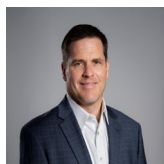
Matthew Klimisch, SIOR, CCIM  
First Vice President  
918.392.7258  
Matthew.klimisch@cbre.com



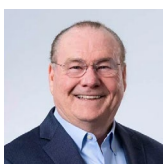
Alex Powell, CCIM  
Vice President  
918.392.7231  
Alex.powell@cbre.com



Bob Pielsticker, SIOR  
SVP/ Director – Tulsa,  
Fayetteville & Little Rock  
918.392.7268  
Bob.pielsticker@cbre.com



David Glasgow, SIOR, CCIM  
First Vice President  
918.392.7205  
David.glasgow@cbre.com



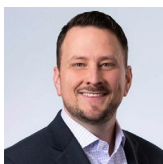
Dwayne Flynn, SIOR, CCIM  
Senior Vice President  
918.392.7249  
Dwayne.flynn@cbre.com



Matt Reese, SIOR, CCIM  
First Vice President  
918.392.7261  
Matt.reese@cbre.com



Kurt Giller, CCIM  
Senior Associate  
918.392.7265  
Kurt.giller@cbre.com



Ryan Shaffer, SIOR, CCIM  
First Vice President  
918.392.7203  
Ryan.shaffer@cbre.com



Spencer Sheets  
Senior Associate  
918.665.3830  
Spencer.sheets@cbre.com



Jamie Hill, SIOR, CCIM  
First Vice President  
918.665.3830  
Jamie.hill@cbre.com



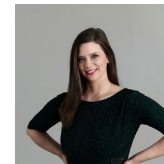
Tony Aaronson  
Senior Associate  
918.392.7257  
Tony.aaronson@cbre.com

CBRE  
521 E 2<sup>nd</sup> St Suite 701  
Tulsa, OK 74120

## Tulsa Research Team



Samantha Johnson  
Senior Research Analyst  
405.607.4049  
Samantha.johnson1@cbre.com



Lauren Breen  
Field Research Manager - TX  
214.979.6587  
Lauren.breen@cbre.com

