



Oklahoma City

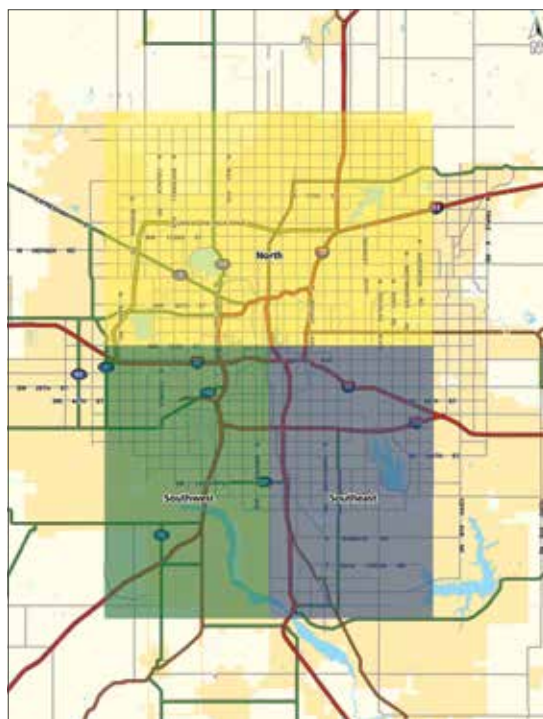
2018 Mid-Year
Industrial Market Summary





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Oklahoma City Industrial Submarket Map



Oklahoma City

2018 Mid-Year Industrial Market Summary

This report covers only multi-tenant, investment grade industrial buildings. We classify buildings according to design, intended use, and clear height into three categories:

- Flex Space is generally considered to be less than 18 feet, but also includes modern high clearance flex space developments
- Service Warehouse is from 18 to 23 feet
- Bulk Warehouse is 24 feet or greater.

Generally, the minimum size building tracked in any of the property types is 35,000 square feet.

The past twelve months have seen a rise in multi-tenant industrial vacancy from 17.63% in 2017 to 20.13% in 2018. Over 40% of the total vacant square footage is due to a single large vacancy of over 950,000 square feet in the southwest sub-market. The increase of vacant space in this particular location from 630,000 square feet in 2017 to the current level of accounts for the total increase in vacancy in the multi-tenant industrial market as a whole in 2018. Without that additional 320,000 square feet, the market-wide industrial multi-tenant vacancy for 2018 would be slightly less than in 2017. These adjusted figures reflect the relatively quiet market conditions seen in the past twelve months for multi-tenant space. This applies to previously existing space as well as much of the newly constructed bulk warehouse space completed in the last 12-24 months. Given the strength of the national economy and the resurgence in oil prices, this quiescence is difficult to explain. These market dynamics do not represent a stampede of tenants away from Oklahoma City metro, but more accurately represent a decrease in new-location move-ins of companies not previously in this market, and a lack of significant expansions of current tenants. We expect this low-level demand for space to be a temporary

event, especially in context with other large single-tenant projects such as the recently announced Amazon Fulfillment Center. A yet-to-be quantified influence on the local market will be the amount of space absorbed by bulk warehouse users supporting the Amazon center.

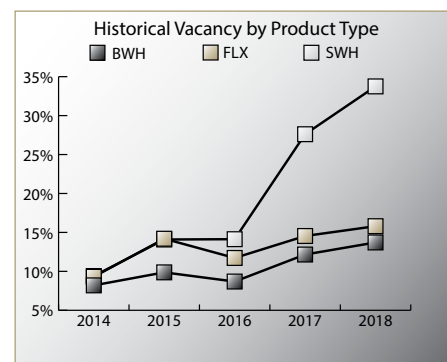
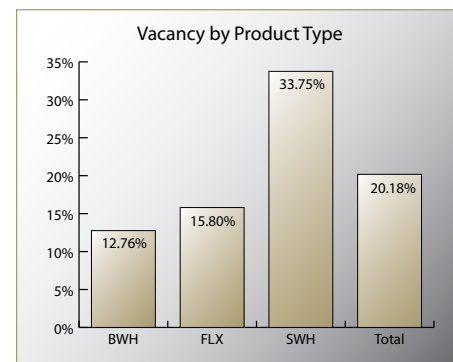
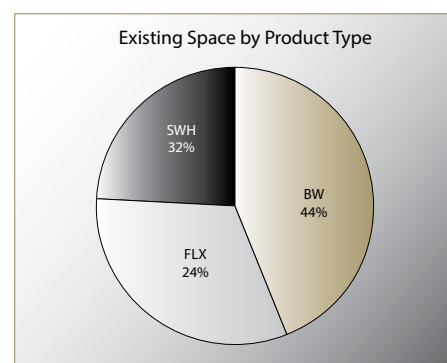
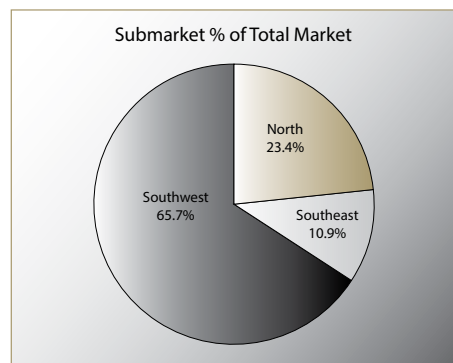
The bulk warehouse market rose slightly from 12.16% vacant in 2017 to 12.76% in 2018. In a market of this size, this difference can be a function of one or two medium-sized vacancies.

Flex space vacancy rose from 14.54% in 2017 to 15.63% currently.

Service Warehouse, always the most volatile of the product types, rose from 27.61% vacant in 2017 to 33.75% vacant in 2018. We define this sector as 18-24 feet in clear height including some shorter but functionally obsolete properties. This product type includes the large single vacancy previously discussed and indicates some significant positive absorption if the large vacancy was deleted.

There were nine sales of tracked multi-tenant properties in the last twelve months:

Address	Size (SF)	Sale Date	Sale Price	Price/SF
4401 E. Hefner	99,577	August, 2017	\$7,430,000	\$74.16
1101-1121 Cornell Parkway	41,720	November, 2017	\$2,571,500	\$61.63
901 Enterprise Ave.	80,428	December, 2017	\$4,785,652	\$59.50
1001 Enterprise Ave.	80,256	December, 2017	\$4,775,418	\$59.50
1131 Enterprise Ave.	80,256	December, 2017	\$4,775,418	\$59.50
6100 NW 2nd Ave.	110,080	December, 2017	\$4,573,850	\$41.55
1101 Enterprise Ave.	63,840	December, 2017	\$3,798,628	\$59.50
5324 W. Reno Ave.	73,500	March, 2018	\$3,100,000	\$42.18
4400-4412 SW 25th St	54,000	March, 2018	\$884,623	\$35.61
TOTAL	683,657		\$36,695,089	\$54.79



2018 Mid-Year Oklahoma City Industrial Market Summary

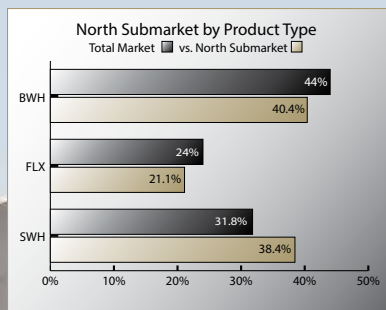
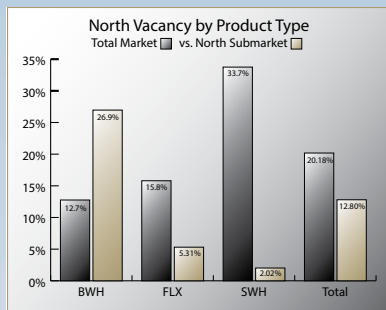
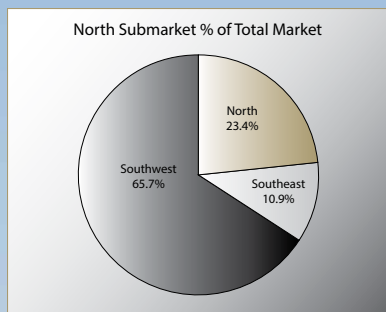
NORTH SUBMARKET

CURRENT MARKET

Average Vacancy is 12.8%

Aggregate available rental rates:

Bulk Warehouse	\$3.00 - \$6.50
Flex Space	\$6.75 - \$12.00
Service Warehouse	\$2.50 - \$6.50



Location	Type	GLA	Vacant	% Vacant	Rate
11300 Partnership Dr	BWH	145,000	19,503	13.45%	\$5.85
11301 Partnership Dr	BWH	138,600	37,620	27.14%	\$5.00
11400 N I-35	BWH	125,000	62,775	50.22%	\$5.50
201 N. Harvard Avenue	BWH	39,580	0	0%	\$0.00
311 N.W. 122nd	BWH	181,648	39,100	21.53%	\$4.25
420 NE 48th St	BWH	37,000	0	0%	\$3.00
4401 E Hefner Rd	BWH	100,000	60,000	60%	\$5.50
615 W Wilshire Blvd	BWH	192,353	41,241	21.44%	\$3.50
6910 N Bryant	BWH	80,000	20,000	25%	\$6.50
N - BWH Total		1,039,181	280,239	26.97%	\$4.34

14400 N Lincoln Blvd	SWH	52,395	0	0%	\$6.00
1825 N Walnut Ave	SWH	159,014	0	0%	\$3.20
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	0	0%	\$2.50
3815 N Santa Fe Ave	SWH	216,000	20,000	9.26%	\$3.00
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.00
4224 N Santa Fe Ave	SWH	171,139	0	0%	\$6.50
7501 Broadway Ext	SWH	50,400	0	0%	\$6.50
N - SWH Total		989,047	20,000	2.02%	\$3.96

100 - 200 W. Wilshire Ave.	FLX	217,834	18,575	8.53%	\$7.50
401 E Memorial Rd	FLX	58,400	8,403	14.39%	\$7.50
430 W Wilshire Blvd	FLX	38,250	0	0%	\$10.50
7504 Broadway Ext	FLX	66,038	0	0%	\$12.00
8100 N Classen Blvd	FLX	64,750	1,875	2.90%	\$8.64
13700 N. Lincoln	FLX	97,749	0	0%	\$6.75
N - FLX Total		543,021	28,853	5.31%	\$8.82

N Totals		2,571,249	329,092	12.80%	
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NORTH SUBMARKET

2018 Mid-Year Oklahoma City Industrial Market Summary SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
6501 S I-35 Service Road	BWH	102,020	0	0%	\$3.00
6601 S Air Depot Blvd	BWH	144,000	20,871	14.49%	\$5.00
9401 S Pole Rd	BWH	60,000	0	0%	\$5.50
8001 Mid America Blvd.	BWH	130,000	11,350	8.73%	\$10.00
8121 Mid America Blvd	BWH	121,000	121,000	100%	\$4.25
8120 Mid America Blvd	BWH	131,507	0	0%	\$0.00
SE - BWH Total		688,527	153,221	22.25%	\$4.63

2020 S Eastern Ave.	SWH	48,250	13,125	27.20%	\$4.50
SE - SWH Total		48,250	13,125	27.20%	\$4.50

1125 SE Grand Blvd	FLX	72,000	3,334	4.63%	\$6.00
1533 SE 66th St	FLX	41,276	0	0%	\$6.00
2300-2700 N Moore Ave	FLX	155,735	16,000	10.27%	\$5.75
3634 E I-240 Service Road	FLX	44,000	8,000	18.18%	\$8.00
3940 E I-240 Service Road	FLX	72,000	0	0%	\$5.70
5701 SE 74th St	FLX	40,605	3,480	8.57%	\$6.00
SE - FLX Total		425,616	30,814	7.24%	\$6.24

SE Totals		1,162,393	197,160	16.96%	
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CURRENT MARKET

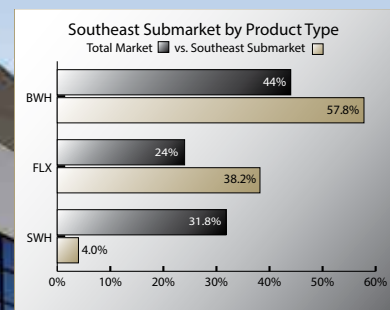
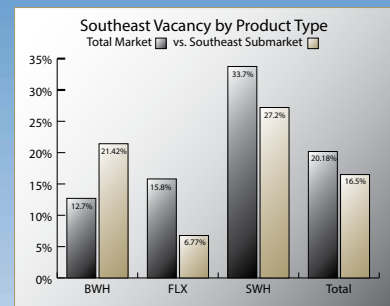
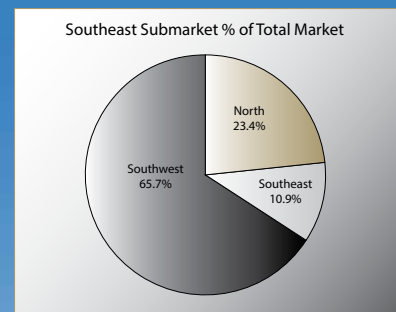
Average Vacancy is 16.5%

Aggregate available rental rates:

Bulk Warehouse \$3.00 - \$10.00

Flex Space \$5.70 - \$10.50

Service Warehouse \$4.50



SOUTHEAST SUBMARKET

2018 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

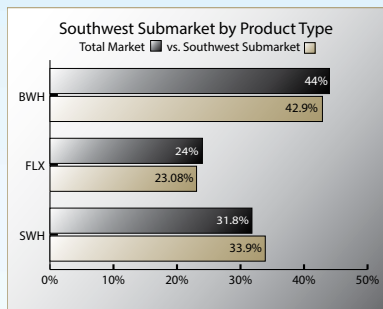
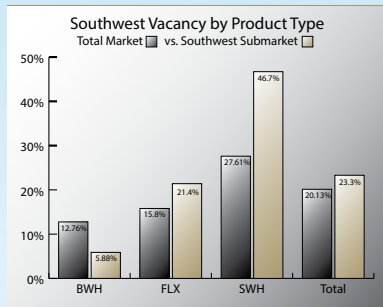
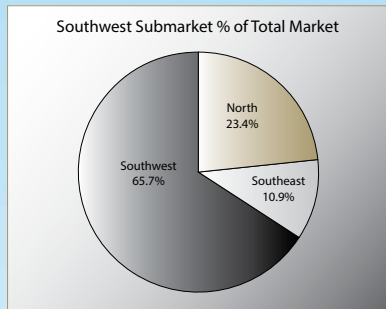
Average Vacancy is 23.25%

Aggregate available rental rates:

Bulk Warehouse \$2.95 - \$6.00

Flex Space \$4.00 - \$10.00

Service Warehouse \$2.95 - \$13.00



SW	Type	GLA	Vacant	% Vac	Rate
1330-1398 Metropolitan	BWH	69,167	24,626	35.60%	\$4.25
2000 S. Council	BWH	256,500	0	0%	\$5.50
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,000	0	0%	\$4.75
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3701 S Thomas Rd	BWH	94,373	0	0%	\$4.50
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	0	0%	\$0.00
4001 NW 3rd St	BWH	95,000	0	0%	\$0.00
4001 Will Rogers Parkway	BWH	101,504	0	0%	\$4.50
4680 NW 3rd St	BWH	151,200	44,100	29.17%	\$4.50
5001 SW 36th St	BWH	122,945	20,635	16.78%	\$4.50
5024 SW 36th St	BWH	102,567	0	0%	\$0.00
5200 SW 36th St	BWH	210,600	20,000	9.50%	\$6.00
5201 W Reno Ave	BWH	121,475	0	0%	\$3.50
5500 SW 36th St	BWH	76,500	0	0%	\$4.25
5500 W. Reno	BWH	336,750	0	0%	\$2.95
5555 Morton Ave	BWH	99,360	0	0%	\$3.25
5600 SW 36th St	BWH	87,200	0	0%	\$0.00
600 N Sara Rd	BWH	120,000	0	0%	\$4.75
6100 NW 2nd St	BWH	110,080	34,416	31.26%	\$4.25
6120 SW 29th Street	BWH	61,000	38,000	62.30%	\$6.50
6200 SW 29th	BWH	63,461	0	0%	\$0.00
6220 SW 29th	BWH	61,461	0	0%	\$0.00
SW - BWH Total		3,093,647	181,777	5.88%	\$4.65

SOUTHWEST SUBMARKET



5200 SW 36th St

2018 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

1001 Enterprise	SWH	80,256	21,888	27.27%	\$5.75
1101 Enterprise Dr	SWH	63,840	0	0%	\$4.75
1101 Metropolitan Ave	SWH	33,038	0	0%	\$3.50
1131 Enterprise Dr	SWH	80,256	23,712	29.55%	\$5.25
301-397 N Harvard Ave	SWH	81,500	27,000	33.13%	\$4.35
3600 S MacArthur Blvd	SWH	44,750	0	0%	\$13.00
4116 Will Rogers Parkway	SWH	65,520	10,023	15.30%	\$4.25
417 Hudiburg Circle	SWH	30,000	0	0%	\$10.50
4210 Will Rogers Parkway	SWH	60,000	0	0%	\$0.00
4220-4232 Charter Ave.	SWH	56,275	14,143	25.13%	\$4.50
4243 Will Rogers Parkway	SWH	50,208	0	0%	\$4.25
4301 Will Rogers Parkway	SWH	22,551	6,176	27.39%	\$5.50
4400 S.W. 25th Street	SWH	68,000	27,000	39.71%	\$5.50
4601-4627 NW 3rd St	SWH	68,408	0	0%	\$0.00
4700-4728 NW 1st St	SWH	52,340	0	0%	\$4.95
4917 - 4923 S.W. 7th St.	SWH	20,935	0	0%	\$4.00
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.50
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 - 729 Overhead Dr.	SWH	24,512	8,000	32.64%	\$4.25
900 Metropolitan Ave	SWH	61,600	0	0%	\$0.00
901 Enterprise Dr	SWH	80,428	50,248	62.48%	\$4.75
7501 SW 29th St	SWH	1,300,000	955,350	73.49%	\$2.95
SW - SWH Total		2,448,946	1,143,540	46.70%	\$4.34

1000 Cornell Parkway	FLX	27,018	17,267	63.91%	\$5.50
1101-1121 Cornell Parkway	FLX	41,720	5,680	13.61%	\$6.50
1233 Sovereign Row	FLX	39,805	21,364	53.67%	\$8.00
1301 Cornell Parkway	FLX	33,609	16,828	50.07%	\$5.50
2236 NW 10th St	FLX	80,960	22,100	27.30%	\$7.50
235 N MacArthur Blvd	FLX	68,229	9,724	14.25%	\$8.50
304-306 N Meridian Ave	FLX	196,000	64,000	32.65%	\$7.00
340-350 S Vermont Ave	FLX	118,565	20,000	16.87%	\$5.90
3800 S MacArthur	FLX	60,000	45,000	75%	\$7.50
400 S Vermont Ave	FLX	143,750	7,500	5.22%	\$6.50
401 N Meridian Ave	FLX	41,190	2,800	6.80%	\$5.14
4020 Will Rogers Parkway	FLX	64,298	10,350	16.10%	\$4.75
4100 Will Rogers Parkway	FLX	69,027	9,000	13.04%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	45,426	69.33%	\$4.25
4141 Highline Blvd	FLX	74,310	4,050	5.45%	\$10.00
416 Hudiburg Circle	FLX	29,371	13,000	44.26%	\$10.50
4309-4325 SW 21st St	FLX	64,568	14,348	22.22%	\$6.50
4703 Enterprise Dr	FLX	34,000	4,000	11.76%	\$5.00
4901 W Reno Ave	FLX	43,630	4,641	10.64%	\$9.00
6000 NW 2nd St	FLX	79,071	18,072	22.86%	\$5.50
7114 Melrose Ln	FLX	124,200	1,200	0.97%	\$5.00
7624 Melrose Ln	FLX	164,500	0	0%	\$4.00
SW - FLX Total		1,663,341	356,350	21.42%	\$6.49

SW Totals		7,205,934	1,681,667	23.34%
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OKC Industrial Totals		10,968,947	2,207,919	20.18%
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Price Edwards & Company
Market Research

Price Edwards & Company has been the leader in the Oklahoma City commercial real estate market for over 25 years not only in terms of completed transactions, but in market research as well. This report, as well as our other market summaries, are available either by request or can be freely downloaded online from our website at:

www.priceedwards.com

Our website continues to feature downloadable PDF versions of all of our Oklahoma City market summaries for the past several years, including Oklahoma City market information, market outlooks, as well as news and information about current activity in the market.



Oklahoma City

2018 Mid-Year Industrial Market Summary

2018 Forecast

Vacancy

We do not expect substantial changes in the vacancy rate in either direction. New construction will likely be mostly pre-leased resulting in limited effects on occupancy rates.

Rental Rates

Competition for tenants in certain product types such as Flex space will motivate owners to offer incentives, but rate decreases are not anticipated.

New Construction

Overall, new construction is expected to remain at current levels focused primarily on oilfield service companies or owner-occupied space. The recently announced Amazon Fulfillment center may facilitate some new construction of bulk warehouse space for distribution firms supporting this location.