

FOURTH QUARTER
INDUSTRIAL MARKET REPORT
2019

OKLAHOMA CITY, OKLAHOMA

4

Fourth Quarter Industrial Market Report

NAI Sullivan Group

CONTENTS

- 03 Executive Summary
- 04 Oklahoma City Industrial Market Leasing
- 04 Net Absorption and Inventory
- 05 Rental and Vacancy Rates
- 06 OKC Industrial Market Information by Submarket, Class and Size
- 07 Construction, Delivery, Net Absorption and Vacancy Rate
- 08 Oklahoma City Industrial Market Sales
- 08 OKC Market Significant Industrial Sale Transactions during Q4 2019
- 09 About NAI Sullivan Group



Fourth Quarter Industrial Market Report

NAI Sullivan Group

EXECUTIVE SUMMARY

The industrial market in Q4 2019 shows continued strength with a positive absorption of just 54,000 SF. The 3 largest lease signings were all at one complex, the Will Rogers Industrial Business Park at 7401 SW 29th. Those three signing leases were Wal-Mart with 152,850 SF, Siemens Games signing 96,990 square feet, and a signing of 79,910 SF at Will Rogers.

The lack of new construction of larger industrial space will obviously be an issue in the next few years as larger industrial users will have few if no options. There are currently two projects on the drawing board for 100,000 SF of industrial space with no start date and currently on 4 options for 100,000 SF available immediately.

Lease rates continue to be very firm with average lease rates at \$6.16 per SF NNN and a vacancy rate of 4.40%.

Oklahoma City industrial sales remained strong with 76 transactions totaling \$46,279,500 SF. The average for all sales was \$61.90 per square foot. See our attached report with details of these sales.

Respectfully,



Bob Sullivan
CEO



Leasing Activities

Total Inventory	133,829,587 SF
Total Net Absorption	54,585 SF
Overall Rental Rate	\$6.16 /SF/YR/NNN
Total Vacancy Rate	4.40%
Under Construction	629,585 SF

Sales Activities

Number of Transactions	76
Total Sales Volume	\$46,279,500
Average Price per Bldg. SF	\$61.90

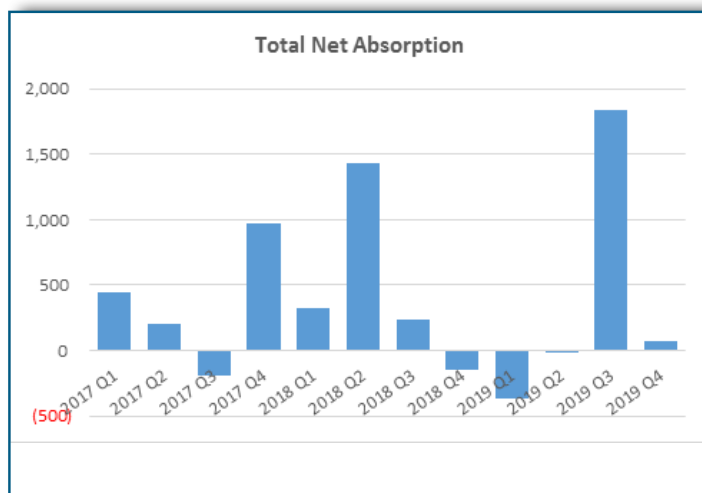
Fourth Quarter Industrial Market Report

NA Sullivan Group

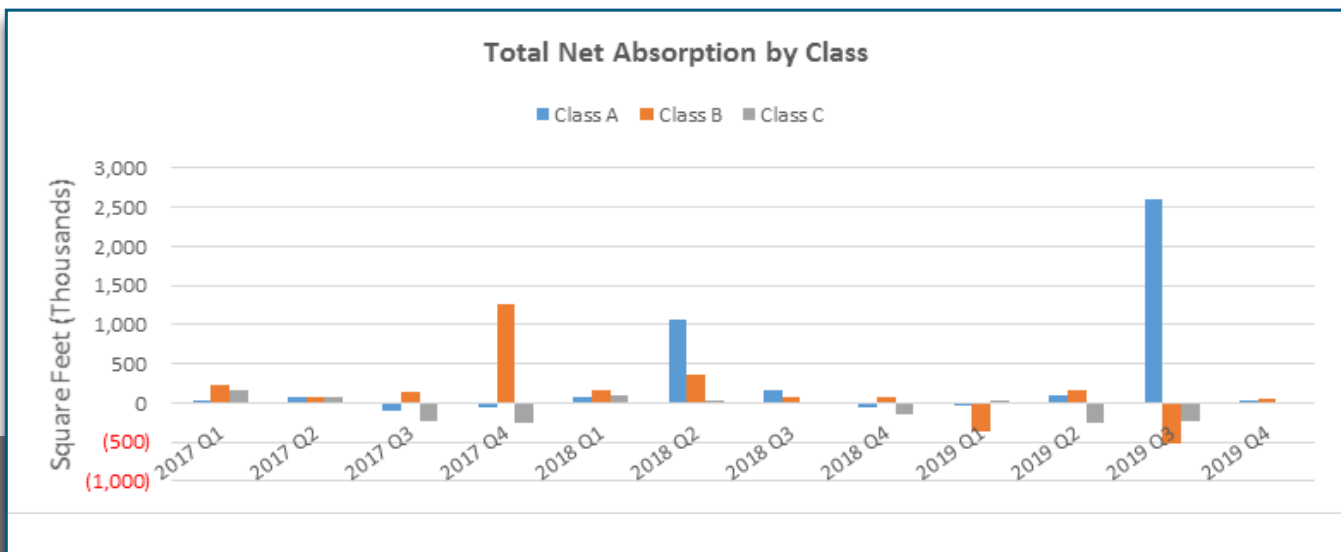
OKLAHOMA CITY INDUSTRIAL MARKET LEASING

The largest industrial lease signings during Q4 2019 include the 152,850 SF industrial warehouse lease signed by Walmart at 7501 SW 29th St. in Oklahoma City, the 96,990 SF industrial building lease signed by Seaman's at 7501 SW 29th St. in Oklahoma City, and the 79,910 SF industrial lease signed at 7501 SW 29th St. in Oklahoma City.

NET ABSORPTION AND INVENTORY



- The total net absorption was a positive 54,585 SF at the end of Q4 2019
- The total net absorption decreased from the positive absorption of 1,836,844 SF at the end of Q3 2019
- The total inventory was 133,829,587 SF at the end of Q4 2019
- The total inventory increased from the 132,209,187 SF at the end of Q3 2019

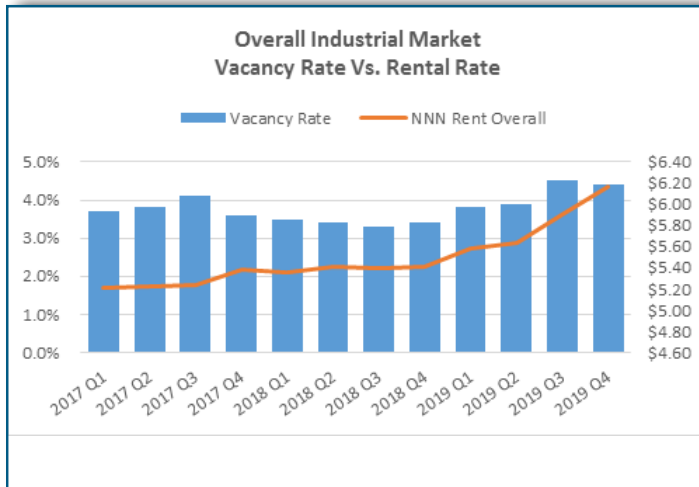


- Class-A net absorption was a positive 1,250 SF, which decreased from the net absorption of 2,595,097 SF at the end of Q3 2019
- Class-B net absorption was a positive 55,399 SF, which decreased from the net absorption of 516,137 SF at the end of Q3 2019
- Class-C net absorption was a negative 2,064 SF, which decreased from the net absorption of a negative 242,116 at the end of Q3 2019

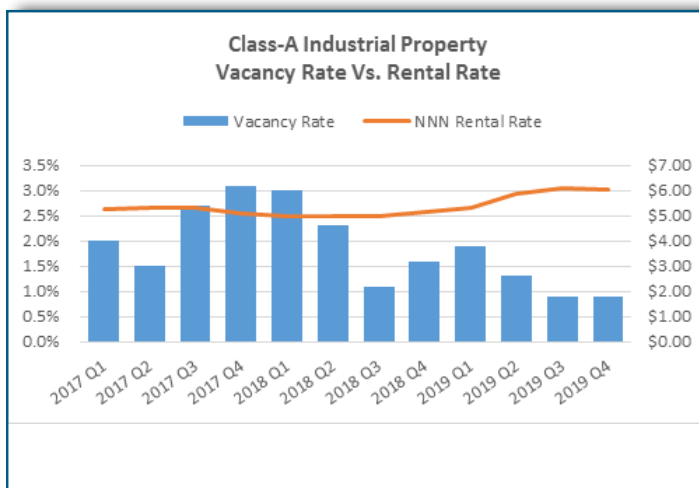
Fourth Quarter Industrial Market Report

NAI Sullivan Group

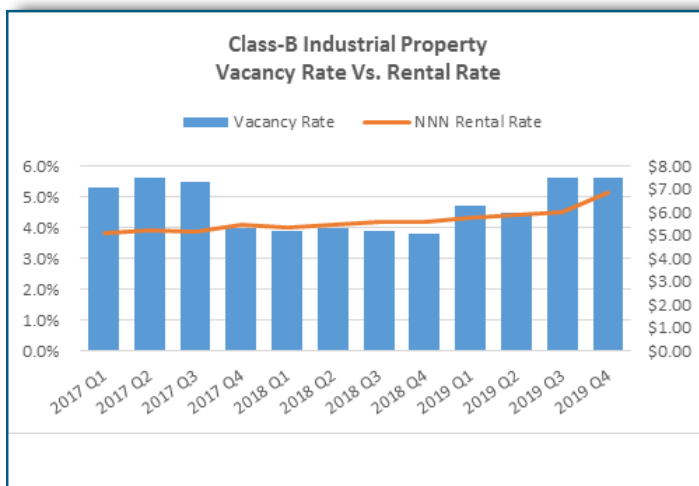
RENTAL AND VACANCY RATES



- The overall industrial rental rate was \$6.16/SF/YR NNN at the end of Q4 2019
- The overall industrial rental rate increased from \$5.88/SF/YR NNN at the end of Q3 2019
- The overall industrial vacancy rate was 4.4% at the end of Q4 2019
- The overall industrial vacancy rate remained the same compare to the rate at the end of Q3 2019

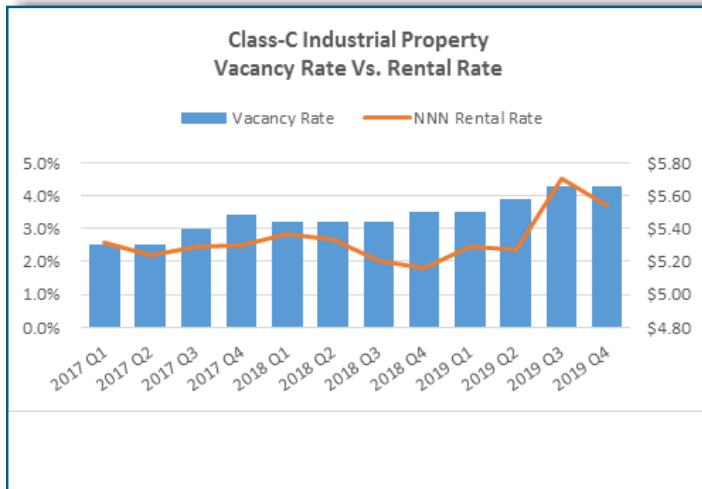


- Class-A property rental rate averaged \$6.06/SF/YR NNN at the end of Q4 2019
- Class-A property rental rate decreased from the \$6.19/SF/YR NNN at the end of Q3 2019
- Class-A property vacancy rate was 0.9% at the end of Q4 2019
- Class-A property vacancy rate decreased from the 1.1% at the end of Q3 2019



- Class-B property rental rate averaged \$6.83/SF/YR NNN at the end of Q4 2019
- Class-B property rental rate increased from the \$5.98/SF/YR NNN at the end of Q3 2019
- Class-B property vacancy rate was 5.6% at the end of Q4 2019
- Class-B property vacancy rate increased from the 5.4% at the end of Q3 2019

Fourth Quarter Industrial Market Report



- Class-C property rental rate averaged \$5.54/SF/YR NNN at the end of Q4 2019
- Class-C property rental rate decreased from the \$5.71/SF/YR NNN at the end of Q3 2019
- Class-C property vacancy rate was 4.3% at the end of Q4 2019
- Class-C property vacancy rate decreased from the 4.4% at the end of Q3 2019



OKC INDUSTRIAL MARKET INFORMATION BY SUBMARKET

	CBD	Midtown	West/Central	OKC South	Moore/Norman
Rent per SF	\$6.84	\$5.66	\$5.90	\$6.03	\$6.89
Vacancy Rate	10.70%	4.60%	6.00%	4.20%	1.50%
Existing Buildings	128	416	655	1,263	590
12 Months Net Absorption SF	-53.3 K	95.9 K	-944 K	-420 K	2.7 M

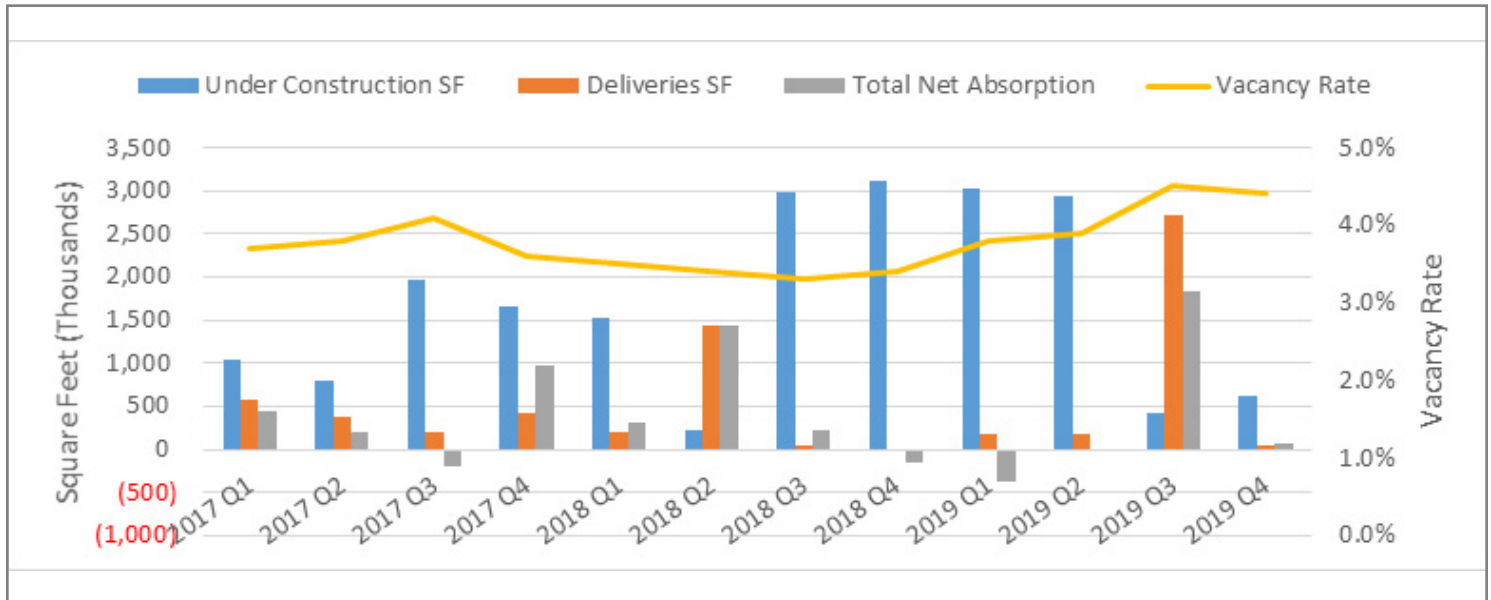
	Class-A	Class-B	Class-C
Rent per SF	\$6.06	\$6.83	\$5.54
Vacancy Rate	0.90%	5.60%	4.30%
Existing Buildings	64	1,963	4,520
12 Months Net Absorption SF	2.7 M	-634 K	-532 K

	Up to 30,000 SF	From 30,000 SF
Rent per SF	\$7.03	\$5.87
Vacancy Rate	3.10%	5.30%
Existing Buildings	5,889	779
12 Months Net Absorption SF	231 K	1.3 M

Fourth Quarter Industrial Market Report

NAI Sullivan Group

CONSTRUCTION, DELIVERY, NET ABSORPTION & VACANCY RATE



There was 629,585 SF of industrial space under construction at the end of Q4 2019. The largest two industrial properties under construction are the 172,000 SF at 3700 S Purdue Ave. in Oklahoma City, which is scheduled to be delivered in April 2020, and the 120,000 SF industrial warehouse at 3401 S Council Rd. in Oklahoma City, which is scheduled to be delivered in May 2020. We are seeing asking rental rates for under construction industrial properties average at \$9.04/SF/YR in the Oklahoma City market at the end of Q4 2019.

NOTABLE PROPERTIES ANNOUNCED FOR CONSTRUCTION

Property Address	City	RBA	Delivery Time
3700 S Purdue Ave	OKC	172,000 SF	Apr 2020
3401 S Council Rd	OKC	120,000 SF	May 2020
525 NW 11th St	OKC	39,094 SF	Apr 2020
4700 SW 25th Cir	OKC	30,000 SF	Oct 2020
SW 134th St & Meridian Rd	OKC	26,000 SF	Jun 2020
1800 W Tecumseh Rd	Norman	24,000 SF	Mar 2020
2855 W Indian Hills Rd	Norman	19,810 SF	Jan 2020

Fourth Quarter Industrial Market Report

NAI Sullivan Group

OKLAHOMA CITY INDUSTRIAL MARKET SALES

There were 76 transactions totaling \$46,279,500 recorded during the fourth quarter 2019. The largest individual sale based on dollar volume was the sale of the industrial manufacturing building at 8301 N. I-35 Service Rd. in Oklahoma City. DRA Advisors LLC from New York, NY purchased the 280,000 SF building from Sealy & Company for \$18,981,500 or \$67.79/SF.

Summary

Number of Transactions	76
Total Sales Volume	\$46,279,500
Total Bldg. SF	2,076,899 SF
Total Land in Acres	185.95 Acres
Average Price per Bldg. SF	\$61.90
Median Price per Bldg. SF	\$57.56
Average Cap Rate	8.00%

OKC MARKET SIGNIFICANT INDUSTRIAL SALE TRANSACTIONS DURING Q4 2019



Property Name: ShurTec Brands
Property Address: 8301 N I-35 Service Rd., OKC
Sale Price: \$18,981,500
Price per SF: \$67.79
Sale Date: 12/12/2019



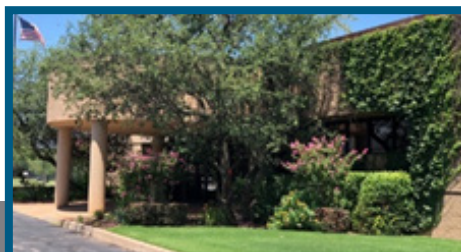
Property Name: United Rentals
Property Address: 201 N Sara Rd., Yukon
Sale Price: \$2,750,000
Price per SF: \$369.13
Sale Date: 10/10/2019



Property Name: 101-193 Triad Village Dr.
Property Address: 101-193 Triad Village Dr., Norman
Sale Price: \$2,225,000
Price per SF: \$45.79
Sale Date: 10/31/2019



Property Name: 2024 S Main St.
Property Address: 2024 S Main St., Newcastle
Sale Price: \$1,600,000
Price per SF: \$25.88
Sale Date: 12/11/2019



Property Name: 4111 Perimeter Center Pl.
Property Address: 4111 Perimeter Center Pl., OKC
Sale Price: \$1,525,000
Price per SF: \$97.89
Sale Date: 10/25/2019



Property Name: 2110-2130 W Reno Ave.
Property Address: 2110-2130 W Reno Ave., OKC
Sale Price: \$1,400,000
Price per SF: \$74.95
Sale Date: 12/17/2019



Fourth Quarter Industrial Market Report

NAI Sullivan Group

NAI SULLIVAN GROUP

NAI Sullivan Group is a leading global service provider offering a full range of premier services, customized to fit your need and exceed your expectations. Our talented and experienced professionals provide benefits to large institutions and small business owners alike. We are your single point of contact for customized real estate services.

NAI Sullivan Group strives for excellence in all facets of real estate services in order to maintain our position as an industry leader. Our team transforms forward-thinking ideas into cutting-edge applications, to achieve maximum results for our clients, company and community.

For more information, please visit our website: www.naisullivangroup.com

INDUSTRIAL TEAM



Bob Sullivan, CCIM

(405) 641-9798

rsullivan@ccim.net



Darryl Meason

(405) 205-9440

darryl@naisullivangroup.com



Brad Baker

(405) 412-4432

brad@naisullivangroup.com



Irmon Gray

(405) 474-7286

irmon@naisullivangroup.com



Amir Shams

(405) 313-0333

amir@naisullivangroup.com



Zac McQueen

(405) 476-9199

zac@naisullivangroup.com

Resources mainly come from CoStar, The Oklahoman, and The POINT.
Research & Information Compiled by NAI Sullivan Group

4045 N.W. 64th Street, Suite 340 | Oklahoma City, OK 73116
Office: 405 840 0600 | Fax: 405 840 0610
www.naisullivangroup.com