

**FOURTH QUARTER**  
**RETAIL MARKET REPORT**  
**2020**

*OKLAHOMA CITY, OKLAHOMA*

**4**



# Fourth Quarter Retail Market Report

# 2020

NAI Sullivan Group

## CONTENTS

- 03 Executive Summary
- 04 Oklahoma City Retail Market Leasing
- 04 Net Absorption and Inventory
- 05 Rental and Vacancy Rates
- 06 Construction, Delivery, Net Absorption and Vacancy Rate
- 07 Oklahoma City Retail Market Sales
- 08 OKC Market Significant Retail Sale Transactions during Q4 2020
- 09 About NAI Sullivan Group



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## EXECUTIVE SUMMARY

In the fourth quarter of 2020, we finally began to see a release of the market's pent up retail demand. The belief that the pandemic's effect on the market may be coming to an end as more and more news comes out about promising vaccines. This new optimism is reflected in the positive absorption of space in all three retail market classes.

However, we expect to see a lopsided rebound in the retail market. Many traditional dine-in restaurants, and traditional box-style retail stores have depleted their cash reserves and are faced with possible long-term sales reductions with customers who have migrated even further towards online shopping and food delivery services. While the winners of the pandemic market like drive-thru restaurants and grocery stores saw record breaking sales without a need for a major reinvestment. We expect this to fuel a surge of new growth in these market segments.

Small shop lease space has also seen an uptick in activity. While some franchises struggled through the pandemic (think hair salons, nail salons, and businesses with gatherings like Mattnasium), many believe that these ill effects have been only temporary and rent-abatement and government assistance has helped them survive.

-David Hartnack, Vice President-Retail



### Leasing Activities

<b>Total Inventory</b>	99,087,501 SF
<b>Total Net Absorption</b>	314,955 SF
<b>Overall Rental Rate</b>	\$14.17/SF/YR/NNN
<b>Total Vacancy Rate</b>	6.2%
<b>Under Construction</b>	524,000 SF

### Sales Activities

<b>Number of Transactions</b>	69
<b>Total Sales Volume</b>	\$109,781,566
<b>Average Price per Bldg. SF</b>	\$79.15

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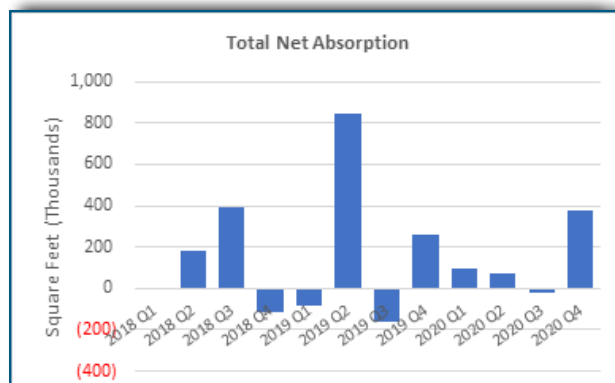
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## OKLAHOMA CITY RETAIL MARKET LEASING

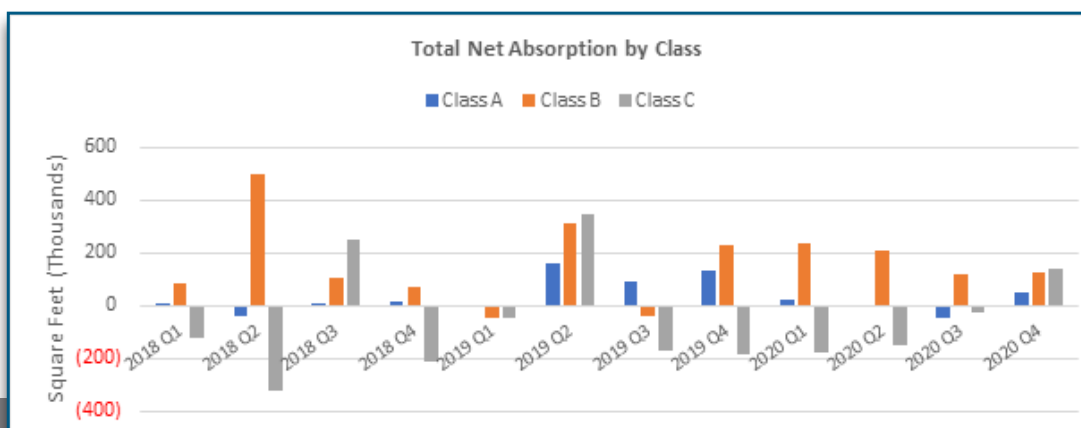
Notable retail leases based on starting rental rates during Q4 include the 7,410 SF lease at 13230 Pawnee Drive in the Chisholm Creek Development of Oklahoma City with a starting rental rate of \$35.00/SF/YR/NNN, the 2,462 SF retail lease signed 620 Danforth Road near Kelly Avenue in Edmond with a starting rental rate of \$34.60/SF/YR/NNN.

Notable retail leases based on SF in Q4 2020 include the 11,677 SF lease signed by Steak Experience at 9410-9494 N May Avenue in Oklahoma City, the 9,951 SF retail lease at 7900 NW Expressway.

## NET ABSORPTION AND INVENTORY



- The net absorption was a positive 372,886 SF at the end of Q4 2020
- The total net absorption increased from the net absorption of positive 70,223 SF at the end of Q3 2020
- The total inventory was 99,087,501 SF at the end of Q4 2020
- The total inventory increased from the 96,602,919 SF at the end of Q3 2020



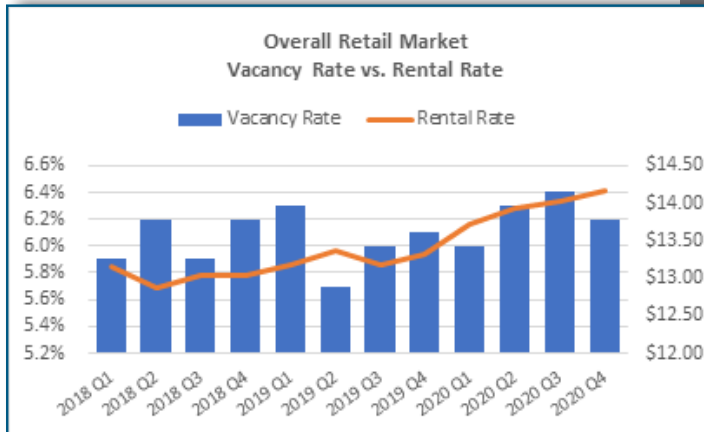
- Class-A retail property net absorption was a positive 48,324 SF, which increased compared to the negative 43,538 SF at the end of Q3 2020
- Class-B retail property net absorption was a positive 125,613 SF, which decreased from the positive 156,519 SF at the end of Q3 2020
- Class-C retail property net absorption was a positive 141,018 SF, which increased compared to the negative 42,748 SF at the end of Q3 2020



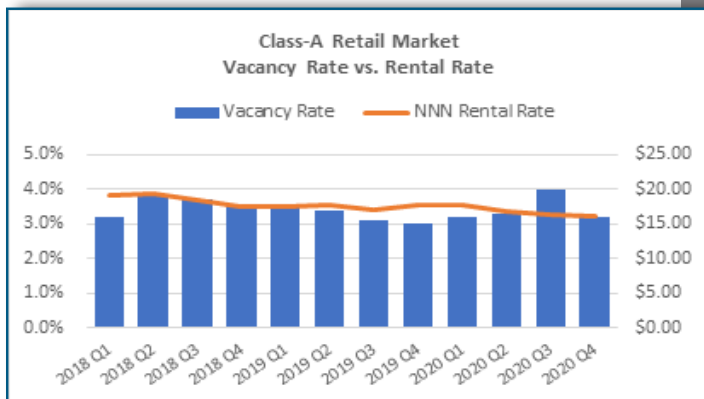
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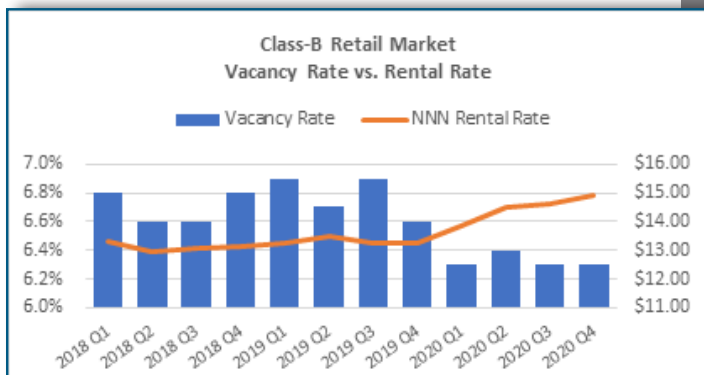
## RENTAL AND VACANCY RATES



- The overall retail market rental rate averaged \$14.17/SF/YR at the end of Q4 2020
- The overall retail market rental rate decreased from the \$14.21/SF/YR at the end of Q3 2020
- The overall retail market vacancy rate was 6.2% at the end of Q4 2020
- The overall retail market rental rate decreased from the 6.4% rate at the end of Q3 2020



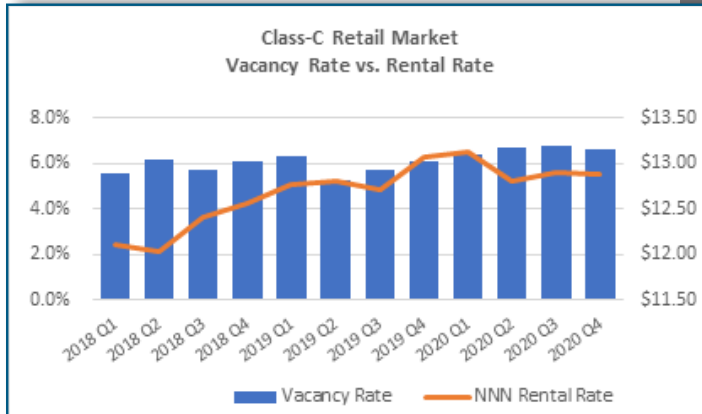
- Class-A retail property rental rate averaged \$16.04/SF/YR NNN at the end of Q4 2020
- Class-A retail property rental rate decreased from the \$16.34/SF/YR NNN at the end of Q3 2020
- Class-A retail property vacancy rate was 3.2% at the end of Q4 2020
- Class-A retail property vacancy rate decreased from the 4.1% at the end of Q3 2020



- Class-B retail property rental rate averaged \$14.90/SF/YR NNN at the end of Q3 2020
- Class-B retail property rental rate increased from the \$14.74/SF/YR NNN at the end of Q3 2020
- Class-B retail property vacancy rate was 6.3% at the end of Q4 2020
- Class-B retail property vacancy rate stayed steady at 6.3% from Q3 2020

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- Class-C retail property rental rate averaged \$12.89/SF/YR NNN at the end of Q3 2020
- Class-C retail property rental rate decreased from the \$13.21/SF/YR NNN at the end of Q3 2020
- Class-C retail property vacancy rate was 6.6% at the end of Q4 2020
- Class-C retail property vacancy rate decreased from the 6.8% at the end of Q3 2020

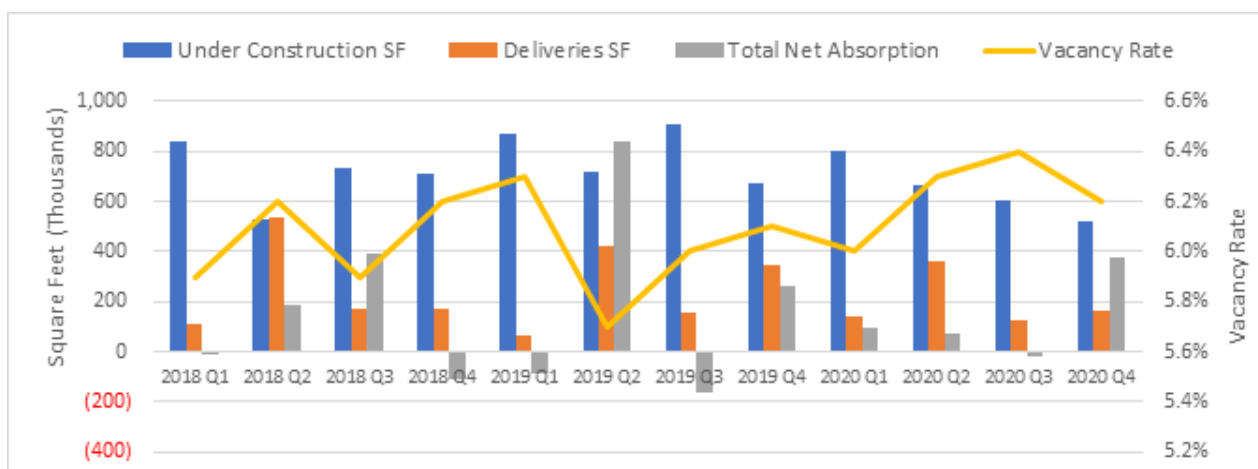


## OKC RETAIL INFORMATION BY SUBMARKET

	Northwest	Edmond	Moore/Norman
<b>NNN Rental Rate per SF</b>	\$15.15	\$17.85	\$17.02
<b>Vacancy Rate</b>	6.6%	5.3%	4.3%
<b>Existing Buildings</b>	1,337	745	1,318
<b>12 Months Net Absorption</b>	-151K	-2.1K	399K



## CONSTRUCTION, DELIVERY, NET ABSORPTION AND VACANCY RATE



There was 524,000 SF of retail space under construction at the end of Q4 2020. The top two retail properties by size under construction are the 30,000 SF retail building at Westend Point Drive & 10th Street in Yukon, which is scheduled to be delivered March 2021, and the 20,000 SF retail building at 725 N Mustang Road in Yukon, which is scheduled to be delivered in January 2021. We are seeing an average asking rental rate for under construction retail properties at \$15.85/SF/YR.

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## NOTABLE RETAIL PROPERTIES UNDER CONSTRUCTION

Property Name	Property Address	City	RBA	Delivery Time
-	West End Pointe Drive	Yukon	30,000 SF	Mar 2021
-	725 N Mustang Road	Yukon	20,000 SF	Jan 2021
-	Garth Brooks Blvd @ Vandament	Yukon	16,000 SF	Feb 2021
-	2825 NW 164th St	Edmond	15,000 SF	Feb 2021

## **NA** OKLAHOMA CITY RETAIL MARKET SALES

The fourth quarter of 2020 saw 69 transactions totaling \$109,781,566. The largest individual property sale based on dollar volume was the sale at 2563 W Memorial Road. The 181,840 SF health club was purchased from Life Time Inc. by Ltre-okc, LLC for \$37,000,000, or \$203.48/SF, on November 23rd, 2020.

### Summary

<b>Number of Transactions</b>	69
<b>Total Sales Volume</b>	\$109,781,566
<b>Total Bldg. SF</b>	730,738
<b>Total Land in Acres</b>	86.21 Acres
<b>Average Price per Bldg. SF</b>	\$179.15
<b>Median Price per SF</b>	\$133.75
<b>Actual Cap Rate</b>	7.03%

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## **NA** OKC MARKET SIGNIFICANT RETAIL SALE TRANSACTIONS DURING Q4 2020



Property Name: Life Time Fitness  
Property Address: 2563 W Memorial Rd, OKC  
Sale Price: \$37,000,000  
Price per SF: \$203.48/SF  
Sale Date: 11/23/2020



Property Name: The Exchange  
on 19th  
Property Address: 705 SW 19th St, Moore  
Sale Price: \$6,050,000  
Price per SF: \$452.34/SF  
Sale Date: 11/05/2020



Property Name: Cornerstone Crossing  
Property Address: 3907-3939 NW MacArthur Blvd, OKC  
Sale Price: \$5,200,000  
Price per SF: \$70.47/SF  
Sale Date: 12/30/2020



Property Name: 9001 NW Expressway Street  
Property Address: 9001 NW Expressway St, Yukon  
Sale Price: \$4,440,000  
Price per SF: \$1,733.91/SF  
Sale Date: 12/01/2020



Property Name: Fritts Boulevard Shops  
Property Address: 740 SW 19th St, Moore  
Sale Price: \$4,280,000  
Price per SF: \$568.94/SF  
Sale Date: 10/21/2020



Property Name: Boulevard Market Place  
Property Address: 101 N Douglas Blvd, Midwest City  
Sale Price: \$3,800,000  
Price per SF: \$106.25/SF  
Sale Date: 11/12/2020



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## 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](http://www.naisullivangroup.com)

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