

FIRST QUARTER
OFFICE MARKET REPORT
2021

OKLAHOMA CITY, OKLAHOMA

Q1



First Quarter Office Market Report

2021

NAI Sullivan Group

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EXECUTIVE SUMMARY

This 21Q1 Oklahoma City office market report shows a positive net absorption in one of the three classes of office market space at the end of 21Q1. The total net absorption was a negative 45,399 square feet at the end of 21Q1, which decreased from the compared positive 23,383 square feet at the end of 20Q4. The office market rental rate decreased from \$18.62 per square foot per year in 20Q4 to \$18.39 per square foot per year. The overall vacancy rate increased from 10.9 percent at the end of 20Q4 to 11.1 percent at the end of 21Q1.

Class A office property net absorption was a positive 4,753 square feet, with the average rental rate of \$21.89 per square foot per year. This is down from \$21.92 per square foot per year from 20Q4. The vacancy rate remained at 13.6% at the end of 21Q1, from the previous quarter at 13.6% at the end of 21Q1.



Class B office property absorption was a positive 48,921 square feet, which increased compared to the net absorption of a negative 162,009 square feet at the end of 20Q4. The average rental rate has decreased from \$17.83 per square foot per year to \$17.63 per square foot per year in 21Q1.

Class C office property had a negative absorption rate of 99,073 square feet, which decreased from the net absorption of a positive 77,592 square feet at the end of 20Q4, or 5.7 percent, which increased from 5.4 percent at the end of 20Q4. The average rental rate has decreased to \$13.96 per square foot per year from \$14.17 per square foot at the end of 20Q4.

There was a total of 31 sales transactions in the metropolitan area totaling \$47,325,397.00 in 21Q1. The largest individual office sale based on dollar volume was the sale of the office property at 13166 N MacArthur Boulevard in Oklahoma City. Shamrock Bank purchased the 4,452 SF property from PINRIC, LLC for \$1,850,000.00 or \$415.54/SF, on February 8, 2021.

Thanks to our business-friendly government incentives, our MAPS incentives, our diverse work environment, and our quality of life, gives Oklahoma City a continued bright future in commercial real estate.

Please refer to the following report for details on the office leasing and sales activity in 21Q1.

Matthew Pierce
Office Specialist

Leasing Activities

Total Inventory	66,731,518 SF
Total Net Absorption	-45,399 SF
Overall Rental Rate	\$18.39 SF/YR
Total Vacancy Rate	11.1%
Under Construction	361,412 SF

Sales Activities

Number of Transactions	31
Total Sales Volume	\$47,325,397
Average Price per Bldg. SF	\$201.30



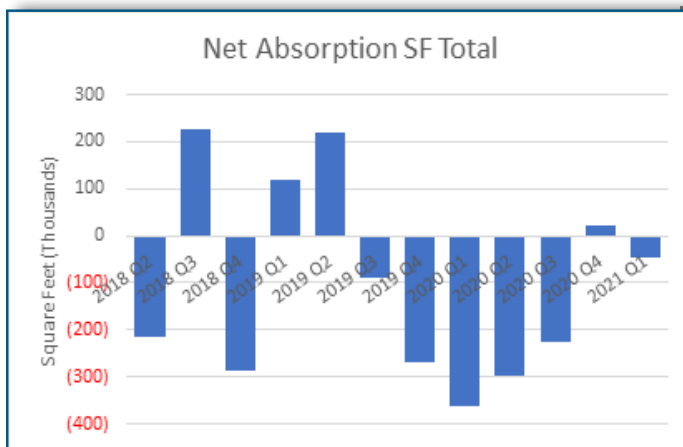
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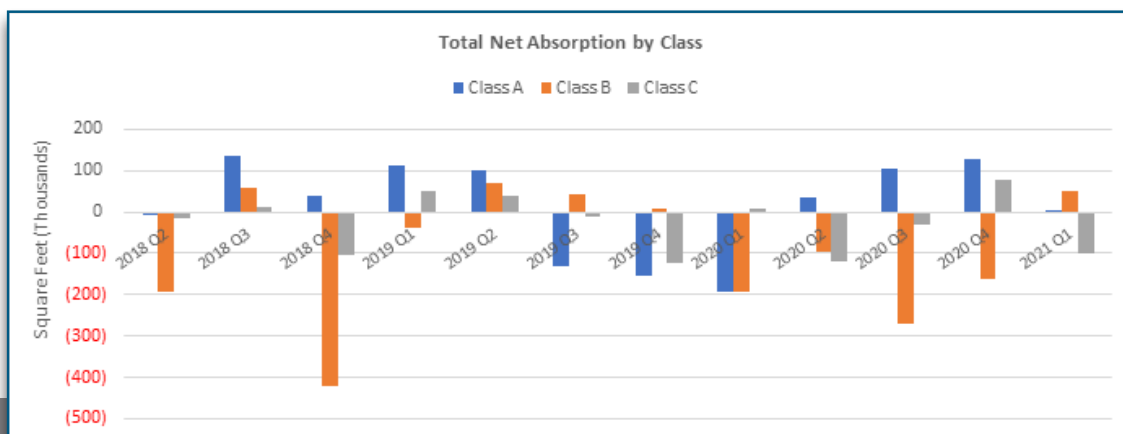
OKLAHOMA CITY OFFICE MARKET LEASING

The largest office lease signings based on SF during Q1 2021 include the 26,560 SF office lease signed by Blue Cross at 3817 NW Expressway, 5th Floor in Oklahoma City, the 23,750 SF office lease signed by Avens Group at 14400 Hertz Quail Springs Parkway in Oklahoma City and the 10,414 SF office lease at 2601 NW Expressway, 7th Floor in Oklahoma City.

NET ABSORPTION AND INVENTORY



- The total net absorption was a negative 45,399 SF at the end of Q1 2021
- The total net absorption decreased from the compared positive 23,383 SF at the end of Q4 2020
- The total inventory was 66,731,518 SF at the end of Q1 2021
- The total inventory increased from the 66,644,028 SF at the end of Q4 2020



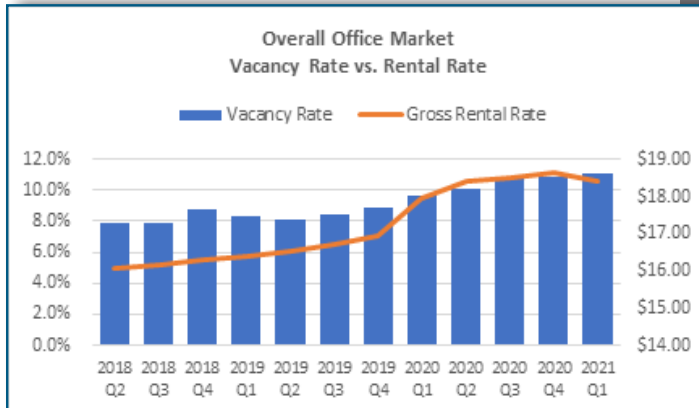
- The Class-A property absorption was a positive 4,753 SF, which decreased compared to the net absorption of a positive 128,349 SF at the end of Q4 2020
- The Class-B property absorption was a positive 48,921 SF, which increased compared to the net absorption of a negative 162,009 SF at the end of Q4 2020
- The Class-C property absorption was a negative 99,073 SF, which decreased from the net absorption of a positive 77,592 SF at the end of Q4 2020



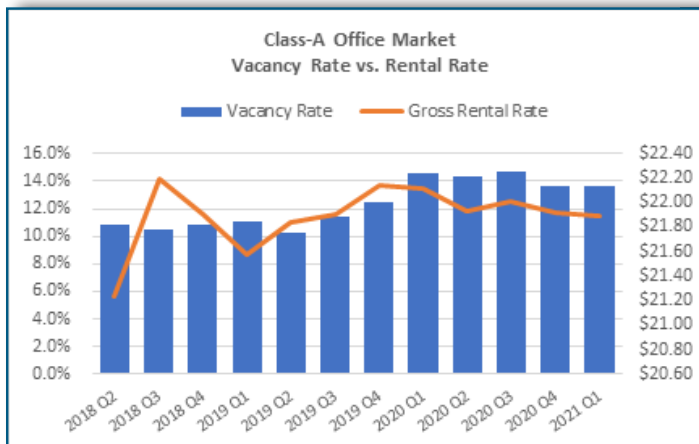
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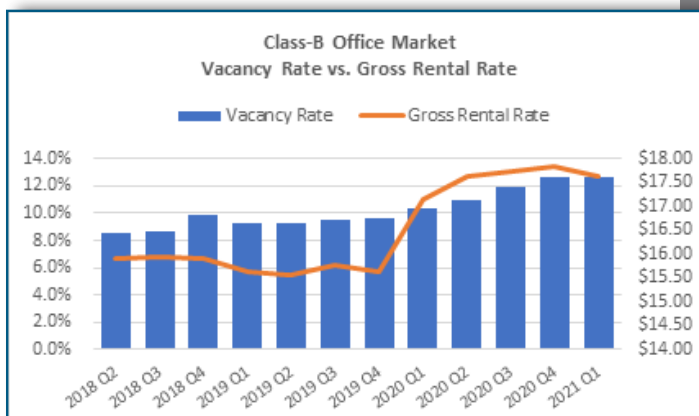
RENTAL AND VACANCY RATES



- The overall office market rental rate averaged \$18.39 SF/YR at the end of Q1 2021
- The overall office market rental rate decreased from the \$18.62 SF/YR at the end of Q4 2020
- The overall vacancy rate was 11.1% at the end of Q1 2021
- The overall vacancy rate increased from the 10.9% at the end of Q4 2020



- Class-A property rental rate averaged \$21.89 SF/YR at the end of Q1 2021
- Class-A property rental rate decreased from the \$21.92 SF/YR at the end of Q4 2020
- Class-A property vacancy rate was 13.6% at the end of Q1 2021
- Class-A property vacancy rate remained the same at 13.6% as Q4 2020

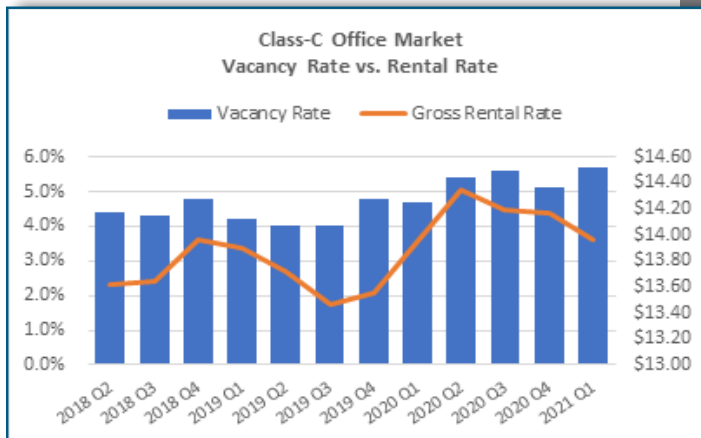


- Class-B property rental rate averaged \$17.63 SF/YR at the end of Q1 2021
- Class-B property rental rate decreased from the \$17.83 SF/YR at end of Q4 2020
- Class-B property vacancy rate was 12.7% at the end of Q4 2021
- Class-B property vacancy rate remained the same at 12.7% from Q4 2020



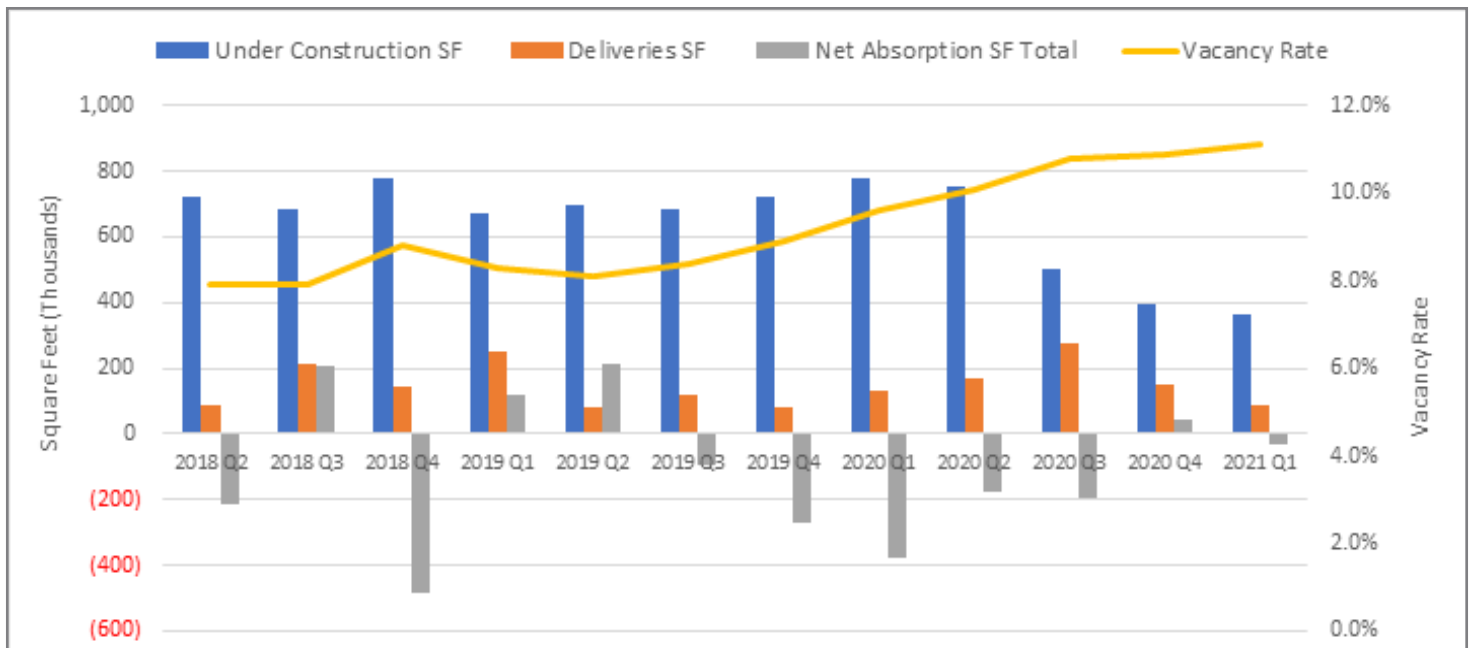
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- Class-C property rental rate averaged \$13.96 SF/YR at the end of Q1 2021
- Class-C property rental rate decreased from the \$14.17 SF/YR at the end of Q4 2020
- Class-C property vacancy rate was 5.7% at the end of Q1 2021
- Class-C property vacancy rate increased from the 5.1% at the end of Q4 2020

CONSTRUCTION, DELIVERY, NET ABSORPTION AND VACANCY RATE





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There was a 351,990 SF of office space under construction at the end of Q1 2021. The asking rental rate of under construction rentable office space averaged \$20.47 SF/YR. The two properties with the largest building area under construction are the 42,348 SF building at 2801 36th Avenue NW in Norman, which is scheduled to be delivered in April 2021, and the 40,000 SF building at 6501 N Classen Blvd in Oklahoma City which is scheduled to be delivered in October 2021.

NOTABLE OFFICE PROPERTIES UNDER CONSTRUCTION

Property Name	Property Address	City	RBA	Delivery Time
	2801 36th Ave NW	Norman	42,348 SF	April 2021
	6501 N Classen Blvd	OKC	40,000 SF	Oct 2021
Penlen Plaza	SW 134th St	OKC	30,000 SF	May 2021
Site B	5400 E Memorial Rd	Edmond	28,000 SF	May 2021
	1801 Wheeler St	OKC	27,000 SF	Jul 2021
Site A	5400 E Memorial Rd	Edmond	20,750 SF	May 2021
Integrus Edmond Primary Care Clinic	2557 Old Timbers Dr	Edmond	18,000 SF	Aug 2021

OKLAHOMA CITY OFFICE MARKET SALES

There were 31 office transactions recorded in Q1 2021 totaling \$47,325,397. The largest individual office sale based on dollar volume was the sale of the office property at 13166 N. MacArthur Boulevard in Oklahoma City. Shamrock Bank purchased the 4,452 SF property from PINRIC, LLC for \$1,850,000 or \$415.54 SF, on February 8, 2021.

Summary

Number of Transactions	31
Total Sales Volume	\$47,325,397
Total Bldg. SF	260,672 SF
Total Land in Acres	35.48 Acres
Average Price per Bldg. SF	\$201.30
Median Price per Bldg. SF	\$156.58
Actual Cap Rate	5.85%



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NA OKC MARKET SIGNIFICANT OFFICE SALE TRANSACTIONS DURING Q1 2021



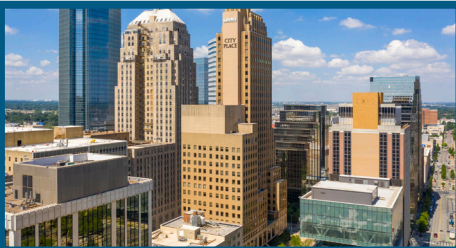
Property Name: 13116 N MacArthur Boulevard
Property Address: 13116 N MacArthur Blvd., OKC
Sale Price: \$1,850,000
Price per SF: \$415.54/SF
Sale Date: 02/08/2021



Property Name: 464 E Financial Terrace
Property Address: 464 E Financial Terr., Mustang
Sale Price: \$1,170,000
Price per SF: \$153.90/SF
Sale Date: 03/17/2021



Property Name: Quail Lakes Office Park
Property Address: 14816 Serenita Ave., OKC
Sale Price: \$1,090,000
Price per SF: \$192.89/SF
Sale Date: 01/22/2021



Property Name: City Place
Property Address: 204 N Robinson Ave, 19th Flr., OKC
Sale Price: \$934,000
Price per SF: \$192.10/SF
Sale Date: 01/18/2021



Property Name: 6819 N Shartel Avenue
Property Address: 6819 N Shartel Ave., OKC
Sale Price: \$915,000
Price per SF: \$246.17/SF
Sale Date: 03/08/2021



Property Name: 3520 Charleston Road
Property Address: 3520 Charleston Rd, Norman
Sale Price: \$750,000
Price per SF: \$150.00/SF
Sale Date: 02/09/2021



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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

OFFICE TEAM



Amanda Sullivan
(405) 323-6423
amanda@naisullivangroup.com



Matthew Pierce
(405) 203-3636
matt@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