

FIRST QUARTER
MULTI-FAMILY MARKET REPORT
2020

OKLAHOMA CITY, OKLAHOMA

1



First Quarter Multi-Family Market Report

NAI Sullivan Group

2020

CONTENTS

- 03 Executive Summary
- 04 OKC Multi-Family Market Leasing by Class and Unit Mix
- 04 OKC Multi-Family Market Leasing Information By Submarket
- 05 Construction, Deliveries, Absorption & Vacancy Rate
- 06 Top Under Construction & Proposed Multi-Family Properties
- 06 OKC Multi-Family Market Sales
- 07 OKC Market Significant Multi-Family Sale Transactions during Q1 2020
- 08 About NAI Sullivan Group

NAI Sullivan Group





First Quarter Multi-Family Market Report

2020

NAI Sullivan Group

EXECUTIVE SUMMARY

The Q1 2020 multi-family continues to show that segment of our market very healthy. It will be interesting to see what happens to vacancy rates over the next 3 quarters of 2020. During times of economic stress there is a tendency for the Class A apartments to show greater vacancy as shrinking household budgets force residents out of higher end units to those more affordable.

It is notable to see the amount of new construction subsiding. Q1 2020 show only 1,169 units under construction with another 1,019 units planned. The Q3 2019 and Q4 2019 showing a flat to slightly negative absorption, it could be the balance of 2020 will show little movement. The same with pricing.

The investment sales remained strong for Q1 2020 but those sales happened before the COVID-19 outbreak. We are currently seeing demand for all product types with multi-family being the most in demand.



Respectfully,

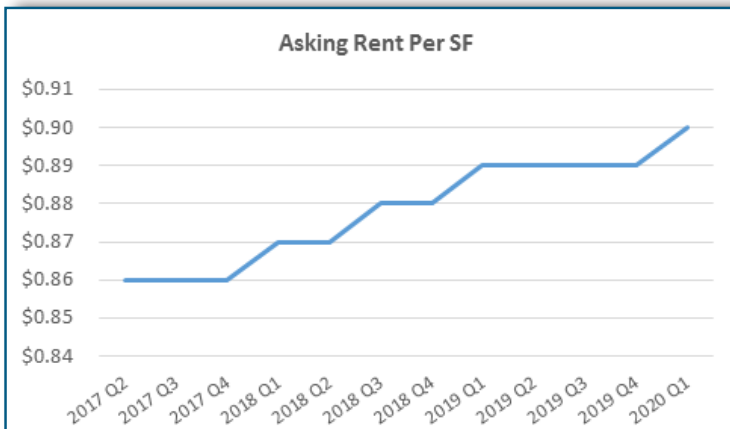
Bob Sullivan

First Quarter Multi-Family Market Report

NAI Sullivan Group

OKC MULTI-FAMILY MARKET LEASING BY CLASS AND UNIT MIX

| | Class-A | Class-B | Class-C | Overall |
|---------------------------|---------|---------|---------|---------|
| Vacancy Rate | 7.00% | 9.60% | 11.00% | 10.10% |
| Studio Asking Rent | \$909 | \$650 | \$558 | \$624 |
| 1 Bed Asking Rent | \$960 | \$724 | \$574 | \$675 |
| 2 Bed Asking Rent | \$1,109 | \$894 | \$690 | \$823 |
| 3+ Bed Asking Rent | \$1,305 | \$1,112 | \$824 | \$987 |



The overall vacancy rate for multi-family properties in the Oklahoma City market at the end of Q1 2020 was 10.10 percent, which remains the same compared to the rate at the end of Q4 2019. Average asking rental rate per SF was \$0.90/SF/YR, which increased from the \$0.89 per SF per month at the end of Q4 2019. Studio asking rental rate averaged \$624 per unit, one bedroom asking rents averaged \$675 per unit, two-bedroom asking rents averaged \$823 per unit, and three-or-more bedroom asking rents averaged \$987 per unit.

OKC MULTI-FAMILY MARKET LEASING INFORMATION BY SUBMARKET

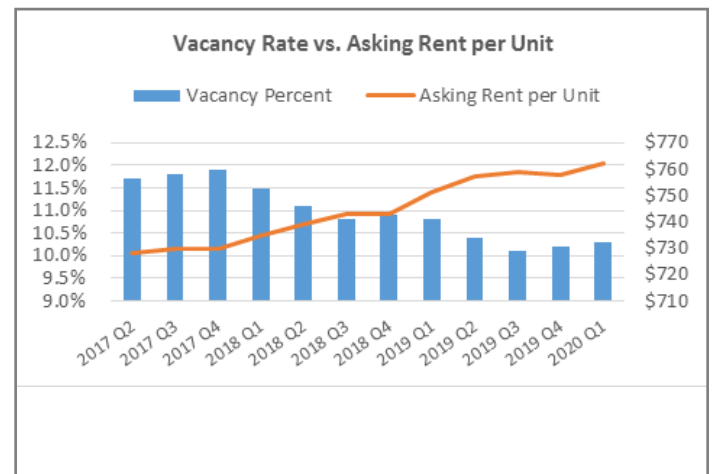
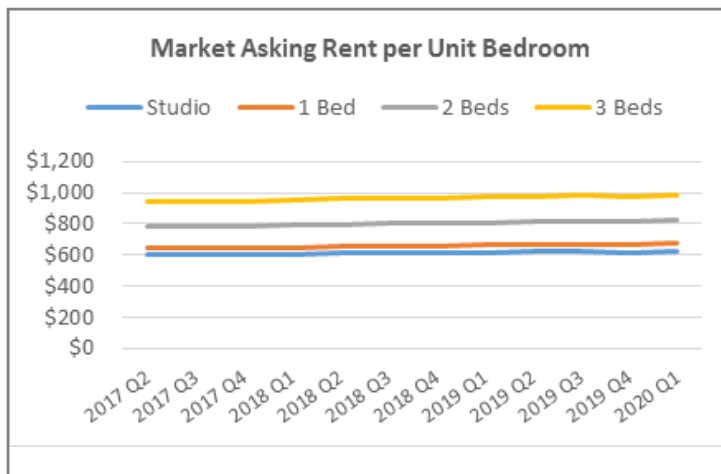
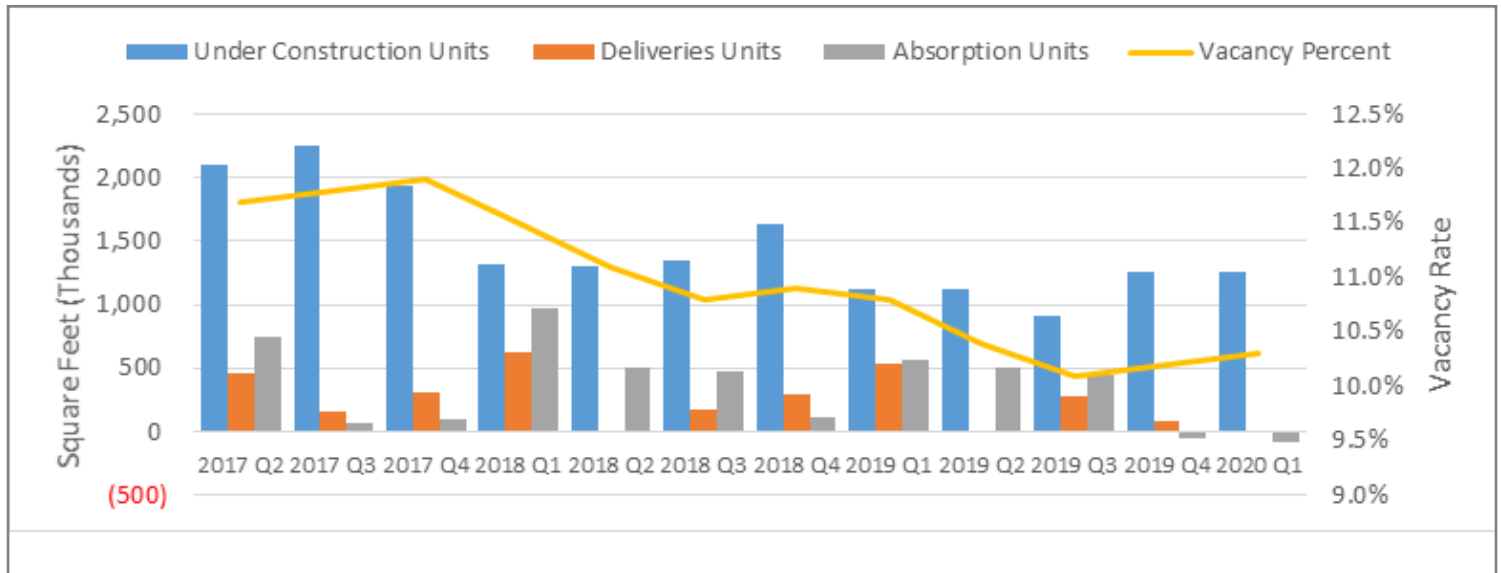
| | CBD | NW OKC | Edmond | Moore/Norman |
|---------------------------|---------|---------|---------|--------------|
| Vacancy Rate | 10.00% | 13.00% | 8.90% | 7.70% |
| Studio Asking Rent | \$935 | \$557 | \$651 | \$601 |
| 1 Bed Asking Rent | \$1,140 | \$656 | \$741 | \$692 |
| 2 Bed Asking Rent | \$1,475 | \$809 | \$902 | \$818 |
| 3+ Bed Asking Rent | \$2,105 | \$1,039 | \$1,126 | \$990 |



First Quarter Multi-Family Market Report

NAI Sullivan Group

CONSTRUCTION, DELIVERIES, ABSORPTION & VACANCY RATE



There were more than 1,169 units of multi-family space under construction at the end of Q1 2020. The two largest multi-family properties that have the most rentable building area under construction were the 516-unit at Liberty Creek Village at 6929 Sooner Rd. in Oklahoma City, which is scheduled to be delivered in June 2020, and the 360-unit at The Links at Mustang Creek Phase II at 2004 S Mustang Rd. in Yukon, which is scheduled to be delivered in April 2020.



First Quarter Multi-Family Market Report

2020
NAI Sullivan Group

TOP UNDER CONSTRUCTION & PROPOSED MULTI-FAMILY PROPERTIES

| Under Construction | Property Name | City | Number Of Units | RBA | Delivery Time |
|---------------------|-------------------------------------|---------------|-----------------|------------|---------------|
| 6929 Sooner Rd | Liberty Creek Village | Oklahoma City | 516 | 516,000 SF | Jun 2020 |
| 2004 S Mustang Rd | The Links at Mustang Creek Phase II | Yukon | 360 | 360,000 SF | Apr 2020 |
| 120 N Robinson Ave | First National Center – Apartments | Oklahoma City | 193 | 254,321 SF | Jan 2021 |
| 501 E Robinson St | Rosewood Manor Senior Living | Norman | 80 | 75,000 | Apr 2020 |
| 1701 N Classen Blvd | Classen 16 | Oklahoma City | 20 | 55,015 | Apr 2020 |

There were 914,000 SF of multi-family space proposed at the end of Q1 2020 totaling 1,019 units. The proposed projects with the most rentable building area were the 346,000 SF or 346-unit at the Thirty Five Degrees North at 2800 NW 192nd St. in Edmond, and at The Residences at Classen Curve at 6259-6297 N Western Ave. in Oklahoma City a 325-unit development to deliver in 2021.

| Proposed Property Address | Property Name | City | Number Of Units | RBA | Estimated Delivery Time |
|---------------------------|---------------------------------|--------|-----------------|------------|-------------------------|
| 2088 NW 92nd St | Thirty Five Degrees North | Edmond | 346 | 346,000 SF | 2021 |
| 6259-6297 N Western Ave | The Residences at Classen Curve | OKC | 325 | 260,000 SF | 2021 |
| 24th Ave NW | - | Norman | 188 | 188,000 SF | 2021 |
| Classen Dr | Wilshire Point | OKC | 160 | 120,000 SF | 2021 |

OKC MULTI-FAMILY MARKET SALES

| | 2019 Q1 | 2019 Q2 | 2019 Q3 | 2019 Q4 |
|----------------------------|--------------|---------------|--------------|---------------|
| Number of Transactions | 26 | 20 | 33 | 38 |
| Total Sales Volume | \$78,843,499 | \$161,846,000 | \$89,293,000 | \$318,280,834 |
| Total Units | 1,489 | 1,841 | 1,642 | 4,642 |
| Average Price per Bldg. SF | \$61.37 | \$90.71 | \$59.37 | \$71.10 |
| Average Price per Unit | \$55,917 | \$88,248 | \$60,482 | \$75,193 |
| Actual Cap Rate | 7.17% | 8.47% | 7.65% | 6.37% |

There were 18 transactions totaling \$131,482,500 recorded during Q1 2020. The two largest transaction based on dollar volume was the sale of the 303-unit at the Aviare Arts District at 301-409 N Walker Ave. in Oklahoma City. Weidner Property Management, LLC from Kirkland, WA purchased the 285,102 SF property from Greystar Investment Group, LLC from Charleston, SC on January 14, 2020.



First Quarter Multi-Family Market Report

NAI Sullivan Group

NAI OKC MARKET SIGNIFICANT MULTI-FAMILY SALE TRANSACTIONS DURING Q1 2020



Property Name: Aviare Arts District
Property Address: 301-409 N Walker Ave., OKC
Sale Price: \$58,900,000
Price per SF: \$206.59
Price per Unit: \$194,389
Sale Date: 01/14/2020



Property Name: Legacy Trail Apartments
Property Address: 2501 Pendleton Dr., Norman
Sale Price: \$19,337,500
Price per SF: \$84.43
Price per Unit: \$92,968
Sale Date: 02/27/2020



Property Name: City Heights North
Property Address: 8501-8557 Candlewood Dr., OKC
Sale Price: \$16,500,000
Price per SF: \$49.53
Price per Unit: \$50,304
Sale Date: 02/21/2020



Property Name: The Del Norte Duplexes
Property Address: 11600-12221 Angeles Way, Yukon
Sale Price: \$14,300,000
Price per SF: \$217.99
Price per Unit: \$174,390
Sale Date: 02/06/2020



Property Name: Seminole Ridge Apartments
Property Address: 141 W Interstate Service Rd., OKC
Sale Price: \$10,750,000
Price per SF: \$57.71
Price per Unit: \$47,991
Sale Date: 02/27/2020



Property Name: Vines at Meridian
Property Address: 5418 N Meridian Ave., OKC
Sale Price: \$4,560,000
Price per SF: \$52.38
Price per Unit: \$46,530
Sale Date: 03/18/2020



First Quarter Multi-Family Market Report

2020
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



Jeff Lester, CCIM

(405) 990-4067

jeffl@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