

FIRST QUARTER
RETAIL MARKET REPORT
2021

OKLAHOMA CITY, OKLAHOMA

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First Quarter Retail Market Report

2021

NAI Sullivan Group

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EXECUTIVE SUMMARY

The COVID lock down is over, and the retail sector is surging with pent up demand. After a year of uncertain sales, and hesitant rent growth we are now seeing retailers rush to catch up with pre-pandemic growth targets. We expect to the economic recovery to be much stronger and much faster than we have seen from previous recessions. Thanks to government assistance many businesses are not as cash strapped as they would otherwise be. This mean that businesses like dine-in restaurants and gym that were heavily affected by the pandemic are still financially strong. However, the true winner remains those businesses that have adapted to the new normal with strong delivery, order ahead, and drive-thru operations.



We expect to see strong rent growth in next couple of quarters, and for vacancy rates to push even lower. However, it's likely that new deliveries will lag as construction costs continue to trend up.

-David Hartnack, Vice President-Retail

Leasing Activities

Total Inventory	99,124,684 SF
Total Net Absorption	68,258 SF
Overall Rental Rate	\$14.51/SF/YR/NNN
Total Vacancy Rate	6.3%
Under Construction	304,389 SF

Sales Activities

Number of Transactions	58
Total Sales Volume	\$70,090,321
Average Price per Bldg. SF	\$129.99

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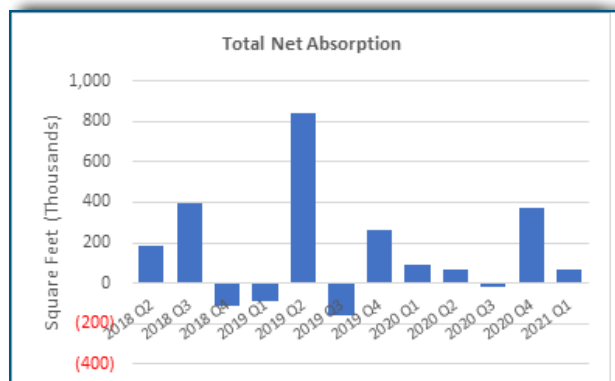
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NA OKLAHOMA CITY RETAIL MARKET LEASING

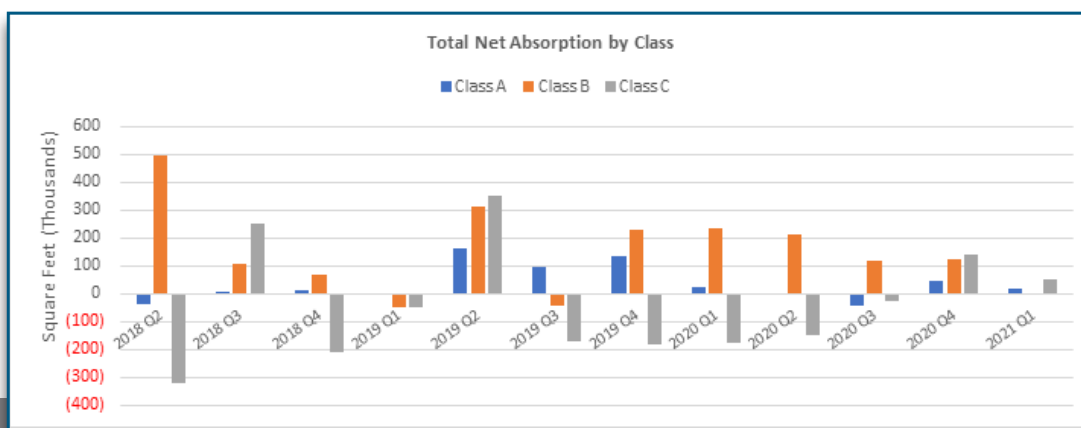
Notable retail leases based on starting rental rates during Q1 include the 1,156 SF lease at 5616 W Memorial Road in Oklahoma City signed by Nail Salon & Spa with a starting rental rate of \$26.00/SF/YR/NNN, the 1,500 SF retail lease at 2737 S I-35 Service Road in Moore with a starting rental rate of \$26.00/SF/YR/NNN.

Notable retail leases based on SF in Q1 2021 include the 19,871 SF lease at 141-200 N Mustang Road in Mustang signed by OKC Gymnastics, 15,460 SF retail lease signed by The Sweat Society at 7417 N May Avenue in Oklahoma City.

NA NET ABSORPTION AND INVENTORY



- The net absorption was a positive 68,258 SF at the end of Q1 2021
- The total net absorption increased from the net absorption of positive 372,886 SF at the end of Q4 2020
- The total inventory was 99,124,684 SF at the end of Q1 2021
- The total inventory increased from the 99,087,501 SF at the end of Q4 2020

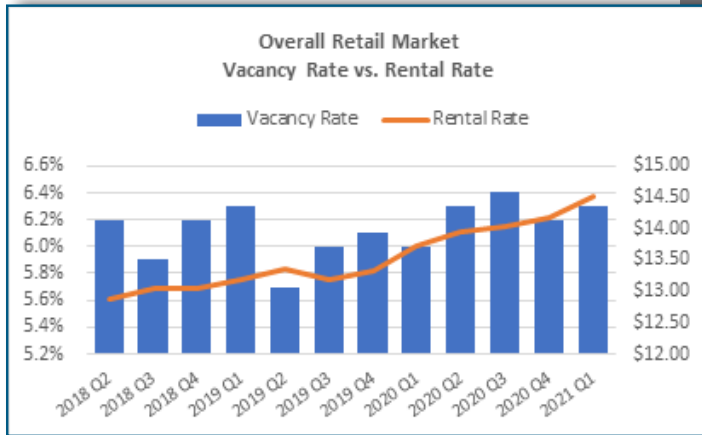


- Class-A retail property net absorption was a positive 20,369 SF, which decreased compared to a positive 48,324 SF at the end of Q4 2020
- Class-B retail property net absorption was a negative 3,112 SF, which decreased from the positive 125,613 SF at the end of Q4 2020
- Class-C retail property net absorption was a positive 51,001 SF, which decreased compared to the positive 141,018 SF at the end of Q4 2020

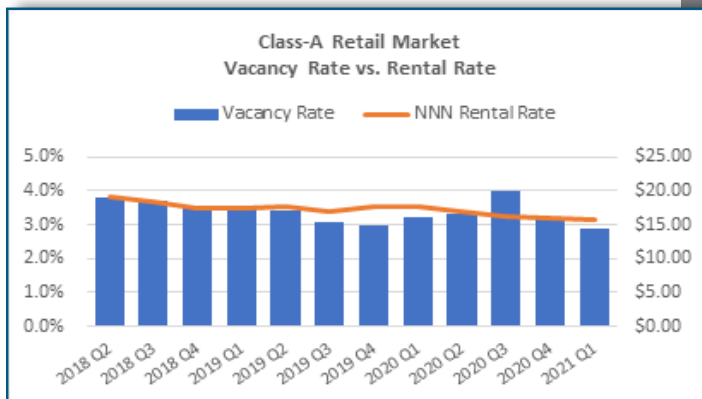
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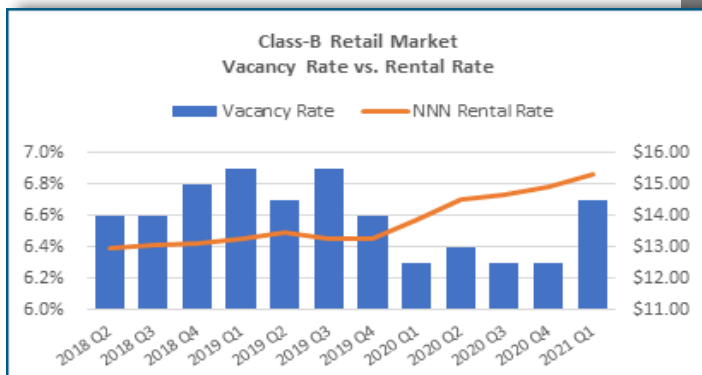
RENTAL AND VACANCY RATES



- The overall retail market rental rate averaged \$14.51/SF/YR at the end of Q1 2021
- The overall retail market rental rate increased from the \$14.17/SF/YR at the end of Q4 2020
- The overall retail market vacancy rate was 6.3% at the end of Q1 2021
- The overall retail market rental rate increased from the 6.2% rate at the end of Q4 2020



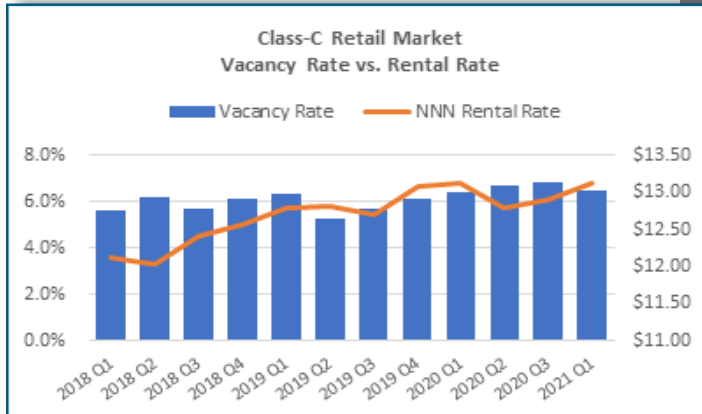
- Class-A retail property rental rate averaged \$15.78/SF/YR NNN at the end of Q1 2021
- Class-A retail property rental rate decreased from the \$16.04/SF/YR NNN at the end of Q4 2020
- Class-A retail property vacancy rate was 2.9% at the end of Q1 2021
- Class-A retail property vacancy rate decreased from the 3.2% at the end of Q4 2020



- Class-B retail property rental rate averaged \$15.31/SF/YR NNN at the end of Q1 2021
- Class-B retail property rental rate increased from the \$14.90/SF/YR NNN at the end of Q4 2020
- Class-B retail property vacancy rate was 6.7% at the end of Q4 2020
- Class-B retail property vacancy rate increased from the 6.3% at the end of Q4 2020

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- Class-C retail property rental rate averaged \$13.13/SF/YR NNN at the end of Q1 2021
- Class-C retail property rental rate increased from the \$12.89/SF/YR NNN at the end of Q4 2020
- Class-C retail property vacancy rate was 6.5% at the end of Q1 2021
- Class-C retail property vacancy rate decreased from the 6.6% at the end of Q4 2020

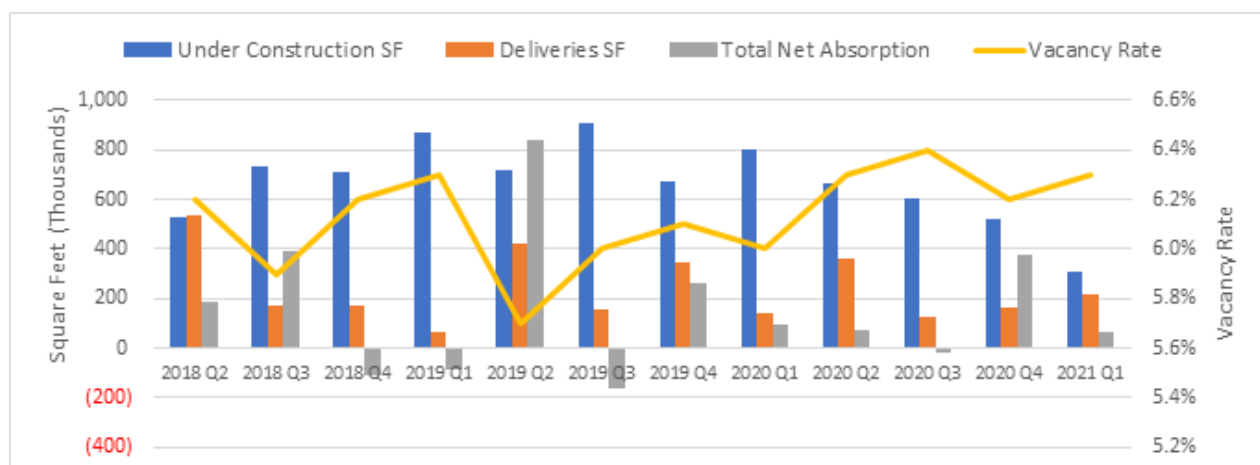


OKC RETAIL INFORMATION BY SUBMARKET

	Northwest	Edmond	Moore/Norman
NNN Rental Rate per SF	\$14.32	\$18.02	\$16.87
Vacancy Rate	7.6%	5.4%	5.1%
Existing Buildings	567	544	1,321
12 Months Net Absorption	2.9K	29.9K	53.5K



CONSTRUCTION, DELIVERY, NET ABSORPTION AND VACANCY RATE



There was 304,389 SF of retail space under construction at the end of Q1 2021. The top two retail properties by size under construction are the 31,620 SF retail building at 122nd & Council Road in Oklahoma City, which is scheduled to be delivered May 2021, and the 31,033 SF retail building at 2424 150th Street, which is scheduled to be delivered in June 2021. We are seeing an average asking rental rate for under construction retail properties at \$20.64/SF/YR.

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NOTABLE RETAIL PROPERTIES UNDER CONSTRUCTION

Property Name	Property Address	City	RBA	Delivery Time
	122nd & Council Rd	OKC	31,620 SF	May 2021
Quail Plaza	2424 150th St	OKC	31,033 SF	Jun 2021
	1600 Center Dr	OKC	17,451 SF	Oct 2021
	1511 S Western Ave	OKC	15,000 SF	Apr 2021

NA OKLAHOMA CITY RETAIL MARKET SALES

The first quarter of 2021 saw 58 transactions totaling \$70,090,321. The largest individual property sale based on dollar volume was the sale at 1621 S Division Street. The 10,500 SF Walgreens was purchased from MM-Guthrie, LLC by Yaz Properties, LLC for \$4,220,000 or \$401.67/SF, on January 19, 2021.

Summary

Number of Transactions	58
Total Sales Volume	\$70,090,321
Total Bldg. SF	572,891
Total Land in Acres	142.32 Acres
Average Price per Bldg. SF	\$129.99
Median Price per SF	\$108.39
Actual Cap Rate	6.82%

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NA OKC MARKET SIGNIFICANT RETAIL SALE TRANSACTIONS DURING Q1 2021



Property Name: Walgreens
Property Address: 1621 S
Division St., Guthrie
Sale Price: \$4,220,000
Price per SF: \$401.67/SF
Sale Date: 01/19/2021



Property Name: 13220 Pawnee
Drive
Property Address: 13220
Pawnee Dr., OKC
Sale Price: \$3,200,000
Price per SF: \$758.29/SF
Sale Date: 01/15/2021



Property Name: 733 Village
Parkway
Property Address: 733 Village
Pkwy., Edmond
Sale Price: \$3,080,000
Price per SF: \$350.52/SF
Sale Date: 01/29/2021



Property Name: 5425 Tinker
Diagonal Street
Property Address: 5425 Tinker
Diagonal St., Del City
Sale Price: \$2,510,000
Price per SF: \$1,118.82/SF
Sale Date: 03/12/2021



Property Name: Stanton Optical
Property Address: 2550 W Main
St., Norman
Sale Price: \$2,270,000
Price per SF: \$621.21/SF
Sale Date: 03/22/2021



Property Name: Burger King
Property Address: 2212 S 4th
St., Chickasha
Sale Price: \$2,230,000
Price per SF: \$754.36/SF
Sale Date: 03/10/2021

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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

RETAIL TEAM



David Hartnack

(405) 761-8955

davidh@naisullivangroup.com



Sam Swanson

(405) 208-2046

sam@naisullivangroup.com



Nathan Wilson

(405) 760-5327

nathan@naisullivangroup.com



Krystal Deak

(580) 512-3631

krystal@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