

Metro
OKLAHOMA CITY

2022 YEAR-END OFFICE REPORT



PROVIDED BY

PRICE EDWARDS AND CO.



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2022 YEAR-END OFFICE MARKET REPORT

Year-end 2022 data shows there was over 300,000 square feet of negative absorption, causing an increase in the overall total market vacancy rate from 23.4% to 25.2%. The majority of this increase in vacancy was in the Central Business District submarket, and while at first glance this could seem discouraging, a majority of this negative absorption was due to a reclassification of space. Covid-19 has still played a part in tenant consolidation, and there is good reason to believe this trend will continue for another two to three years. Despite the turbulence of recent years, Price Edwards and Company remains optimistic about Oklahoma City's office market in the future.

Price Edwards and Company invited Office Advisors - Craig Tucker, Derek James, Tom Fields, Tre Dupuy, and Ian Self - to a roundtable discussion led by Managing Partner Ford Price. Together they explored the future of Oklahoma City's office market.

Ford Price (FP): What is the General state of the office leasing market as of YE 2022?

Tré Dupuy (TD): By the numbers we experienced quite a bit of negative absorption. In part, this is a lingering effect that COVID-19 has had on our market with tenant consolidation and another large part due to a reclassification of space at BOK Plaza. Year over year the only submarkets that showed positive absorption were the North and West markets. Personally, I have not seen a dramatic downturn in transactions. 2022 was not as stagnate as I thought it could be.

FP: What has been the impact on work from home and the ramifications?

Tom Fields (TF): What I have seen is employees are demanding to some degree that it worked, and I want to continue to do so. Employers are having to find a happy medium, offering more of a hybrid work schedule.

FP: So therefore, what are the ramifications of that?

TF: Tenant's need less office space.

Derek James (DJ): Communal space, more shared office space, I think will be a part of that.

Craig Tucker (CT): I don't think work from home has impacted OKC like in bigger cities because in OKC it's a 20-minute commute for most people. It is an easier complaint for employees of bigger cities faced with an hour and a half commute.

FP: So are there any examples of consolidation due to work from home?

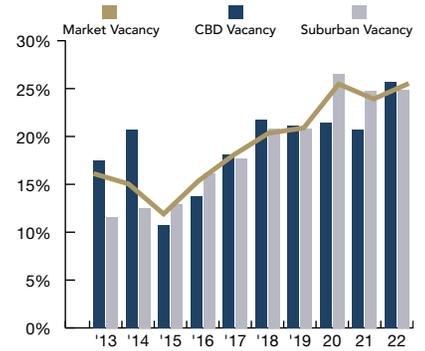
TF: AAA and their facility in Quail Springs.

CT: That is a good example of a company consolidating as a result of implementing work from home. The type of work their employees perform is easily measurable.

Ian Self (IS): Craig, I agree with you that work at home has not had the impact in OKC as in other markets, but do you see a difference in how national companies that must adhere to corporate policies are having to handle the work from home phenomenon?

CT: In certain instances, COVID has made companies realize something that probably should have been fixed a long time ago. While COVID may have not impacted how companies do business, it has made them more aware of how they use office space.

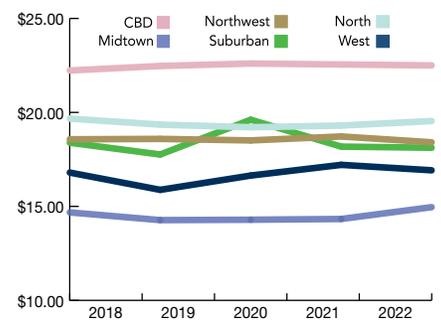
OKC Total Office Market Vacancy



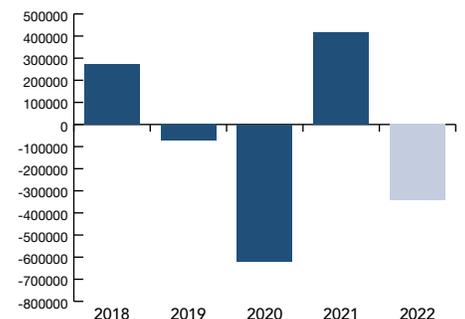
OKC Total Office Market Inventory



OKC Office Market Rental Rates



OKC Total Office Market Absorption



2 MARKET OVERVIEW

TF: I think the effects of COVID are going to be felt long term. I think the need for office space will decrease, and I don't think the tsunami has hit us yet because we still have companies that are under three and five year leases that may have signed early 2020's.

FP: What has been the impact on the rise in construction costs as well as the timeline for permitting, on leasing activity?

TD: The rise in construction prices has made margin on deals much tighter. This has been an issue that we have reported on for the past 18 months. Even the simplest of jobs has become more difficult. To refresh a space with new carpet and new paint 10 years ago was approximately \$6.00 per square foot, today we are closer to \$10 per square foot, almost a 70% increase. The permitting process also seems to be taking longer. When working with a tenant we would allocate 4 weeks for the permitting process, there are instances today that we have waited over 8 weeks to receive a permit.

CT: I find that I am managing tenant's expectations on the process. I have had more tenant's ask me about the process because they have heard stories of the long lead time. I let them know they need to allow for a couple of months of lease negotiations, a month for producing plans, allow for a couple of months for permitting and depending on the size and scope of a project 3 to 4 months for construction.

TD: I agree. I think that Price Edwards benefits from having a construction component to our operation that allows us to stay ahead on lead times and provide good cost estimates to help frame our clients' expectations.

FP: Building amenities have changed over the years, if you are a landlord of a building of significant size, what are the current set of amenities that landlords should be considering?

IS: One thing I have noticed, especially working on buildings like Grand Centre and Harvey Parkway, is that a common conference room is a huge deal to people, especially smaller tenants. It allows tenants that may be looking at a suite that doesn't have a natural conference room, the flexibility to make use of an area not within their premises.

CT: I agree. I think it is a big deal to smaller tenants. A tenant looking at 2,500 square feet can save on not having to lease another 500 sf for a conference room. That is a 20% discount on your rent.

TD: Looking at downtown, I think having a connected parking option for your tenants is almost a necessity. Oklahomans are not walking to work or taking mass transit, we want a garage, preferably covered, within a few steps to the door of our building.

FP: WeWork was all the rage a few years ago. What does the coworking environment look like in both the CBD and suburban areas?

TD: I think it is important to differentiate between a WeWork, which I see as more of a large communal shared workspace lacking true privacy, versus an executive suite, which essentially allows you to rent a single private office with shared common areas.

CT: I think executive suites are more of a popular option right now in OKC compared to a WeWork.

TD: I think an executive suite was a great solution for a landlord that had a large block of space that they had trouble repositioning. The single user tenant benefits from the flexibility, and bluntly, the economics on a per square foot basis are attractive for a landlord. I am starting to wonder if we maybe have too much of that product on the market though, and if it will start to slow.



YEAR-END OKC

RSF
17,246,650

Vacant SF
4,343,762

DJ: I think the Midtown location works well for executive suite type space. The biggest issue with this type of space is having a good management system in place.

FP: **There has been substantial investment in the Downtown area, both public and private. Are we beginning to see a yield on that investment, in terms of office leasing? At the very least, did it entice tenants to stay?**

TF: When we (Price Edwards) moved down here, there was only one hotel open, and you could lay flat on Park Ave at noon and not get hit by a car. There were no cars on the street, no activity, and it was depressing. I don't think we realized it at the time, but looking back on it, now at 8 AM, there are cars everywhere, people walking their dogs, etc. I don't have stats to back it up, but it has to help the office market.

CT: I don't know that it's attracted anyone new, but I think it has been effective in keeping people in the area.

FP: **Speaking of downtown, we now have a new multi-tenant office building that will be under construction soon, The Citizen. What are your thoughts on this addition to the market?**

TF: I remember a conversation Craig and I had some time ago, we both were wondering, do we really need any more office space in Oklahoma City? It's quite interesting to see more of these deals popping up in the market, especially with some of the highest lease rates in town.

TD: While these concerns may be valid, I think this project brings a good amount of positives as well. I think it will affect the skyline substantially, I think it will be an attractive, appealing product to the general public. It's also in a great location. We also can't forget that it's a good morale boost for general activity and shows we're making progress.

CT: Another positive of the project is it doesn't require additional parking. And, it will likely attract Class A tenants that are gravitating towards high quality buildings and locations to attract and retain talent, but taking on a smaller footprint to keep their rental expense virtually the same.

FP: **How about the suburban market? What were some of the bigger lease transactions in that area?**

TD: LifeChurch leased ~20k SF of space at 9400 Broadway, taking down the entire second floor. They were a great tenant to work with as they were open and willing to investing in their space.

IS: There were some other notable leases in 2022 as well. The most notable would be Phillips Murrah's lease of ~46k SF in Midtown, and their departure from the CBD. This deal was unique as their new landlord, Midtown Renaissance, is making them the anchor of a to-be-constructed mixed-use development at 10th and Hudson. The Gulfport lease for nearly 29,000 SF at the Market Center in Q2 comes to mind as well.

FP: **How many large, contiguous chunks of space are available in the suburbs? Would you say there are more of these than there were three years ago?**

CT: I don't think that's changed significantly, though we could see that going forward with some bigger leases expiring in 2023.

TD: Farmers building on Memorial comes to mind, that's a big block of about 90,000 SF since Farmers downsized. The space that Centene vacated at Quail Springs also stands out, as that is a big block that is available. The entire Quail Springs area has large chunks of space available.

MARKET TOTALS

Vacant %
25.2

Rate
\$19.59

4 MARKET OVERVIEW

FP: Typically, when the market gets soft, there has been a “migration to quality” per se. Are we seeing that now, similar to how we have in the past?

TD: For us, the flight hasn’t been specific to quality, but to space that is in fairly rent ready condition. We’ve seen it a few times in several of our listings, where we have a fully furnished space ready, and we’re able to get a lease signed in a timely manner.

DJ: I think long term, we might see something similar to an apartment setup. The spaces are already built, in a thoughtful fashion. When a tenant moves in, if they want improvements, it will be up to them to make those improvements, at their cost. I think this is the direction we’re going with smaller spaces, especially with tenants generally wanting shorter lease terms as of late.

FP: How about Midtown? Midtown has long been a boutique destination, for smaller, higher end tenants. Recently, there have been two big announcements, with Phillips Murrah moving into a new building, as well as the JE Dunn building being developed by the Pivot group. Is Midtown changing in terms of its stature as an office location?

DJ: When we did the Enel Green Power lease, a big reason why they moved out of Downtown, into Midtown is so they could better recruit young talent. Younger people are naturally attracted to the Midtown area and its vast amenities. I think general decision makers would like to remain downtown, but they know this move is necessary in efforts to continue to attract talent.

IS: As one of these “younger people” you all speak of, I think Midtown is the premier spot for my peers. It is an area that has some of the nicest apartments in the area, along with endless options of restaurants, bars, and shops. If a younger employee happens to live in the neighborhood as well, it effectively lends itself to a “Live-Work-Play” scenario. When a student at OU graduates, and is looking for a place to live in OKC, Midtown is at the top of their list, time and time again. You can see living proof of this if you venture to the area on a Friday or Saturday night, it is truly buzzing with activity. I think the walkability of the area plays a huge role in that activity.

FP: What did you all see in 2022 for office building sales? Are most buyers local or out of state?

TD: Big year on the surface, as Heartland traded for nearly \$50MM, to an out of state institutional buyer.

IS: Two that jump out to me would be Enterprise Plaza, as well as the Parkway Building at 63rd and Hefner Parkway.

TD: It does seem like most transactions have involved local players, with a few exceptions. I also think it’s a bit telling that we’ve sold two high-rise buildings, in 101 Broadway and 100 Park, in the last year that are essentially at Main and Main, and neither of them will be office centric going forward.

FP: With the state of the market, and other factors, this would have to lead to office values trending downwards, correct?

TD: It is difficult to predict a rise in values given the rise in interest rates, and I think the add-value plays become much tougher since the cost of “adding-value” is significantly higher today. Adaptive reuse may become a more viable option for buildings that struggle with tenancy and are constructed in a way that allows for conversion.



FP: What would be your prediction for the overall status of the OKC office market looking forward in 2023?

TF: Employers are learning and responding to their work force’s desire to work from home (both on a full and part-time basis) which reduces the need for office space. As five-year lease agreements signed in 2018-19 expire over the next few years; there could potentially be a good amount of office space hitting the market. This could require landlords to get more aggressive to attract tenants. A counterpoint to that, would be the idea of moving offices has become more and more cumbersome, in that regard, landlords could be handed a lifeline. It will be interesting to see how employers tackle this issue in 2023 and beyond.

DJ: Despite record profits in the oil and gas industry in 2022, I don’t see it having a large effect on the market. Coupled with the Covid push to isolate, many employees found working from the comforts of home to be more productive than the traditional style office. It will be interesting to see if employers see it the same way. Tenants will be driven towards a simplified model where there are several smaller, private meeting rooms, a larger conference room and private offices that would serve as a “hot desk”. For landlords, I see construction trending to more of an apartment style model, with a build it out and they will come approach. There should continue to be a need for traditional office space, but we will continue to see limited growth in this market with a number of class B/C buildings that are well positioned converting to multi-family.

IS: While it is true that a decent number of leases have yet to “burn off” per se, I think there’s reason to be cautiously optimistic going forward. Make no mistake, we’re in a downturn, but I think you could make the case that we are at or near the bottom. At some point over the next year, I think we’ll move into a recovery stage. We should start to see marked improvement. As some office buildings continue to get converted, and floors of buildings become repositioned as executive suites, the market should be able to find a balance where we can begin to improve.

PRICE EDWARDS AND COMPANY OFFICE DIVISION

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FORD PRICE, MANAGING PARTNER

Ford Price is co-founder and Managing Partner of Price Edwards and Company. In that capacity, he is responsible for the overall growth, direction, and profitability of the commercial real estate services firm. Price Edwards and Company was founded in 1988 and has grown to become the most recognized commercial real estate firm in Oklahoma. Through its Oklahoma City and Tulsa offices, it manages roughly 175 office, retail, industrial and multi-family properties across the state. The firm also has leasing and/or sales listings on another 300 properties. It has closed roughly \$10 billion in real estate transactions. The firm also includes in house construction capabilities where it serves as general contractor and closes approximately 50 jobs per year.



CRAIG TUCKER, MANAGING BROKER

Craig Tucker serves as the Managing Broker for Price Edwards and Company. His primary responsibilities include the supervision of the brokers within the Office/Industrial Division and actively marketing all office buildings for which the firm has responsibility. As one of the most active office building brokers in Oklahoma City, Tucker has represented various landlords in successfully negotiated transactions with such notable firms as Unocal, American Airlines, Ford Motor Credit Company, Merrill Lynch, Pierce, Fenner & Smith, Hewlett-Packard, UBS Paine Webber, Aetna Insurance and Allstate Insurance, as well as numerous local and regional firms.



TOM FIELDS, OFFICE SPECIALIST

Tom Fields is a 38 year veteran in commercial real estate and has been with Price Edwards and Company for 36 years. Upon joining Price Edwards and Company in 1987, Fields became part of the Office Division marketing team responsible for the company's office portfolio. Fields has successfully negotiated transactions with such firms as Unisys, Genzyme, Halliburton, The National Weather Service, General Services Administration, Veterans Administration, Walgreen's, New York Life Insurance, Labcorp, the State of Oklahoma, as well as hundreds of local and regional firm. Tom is an 11-time CoStar Broker of the Year award recipient, with his most recent award earned in 2023.



DEREK JAMES, OFFICE SPECIALIST

Derek James is an office leasing and investment specialist with over 24 years experience in the Oklahoma City Market. Prior to joining Price Edwards ten years ago, Mr. James owned and operated a full services brokerage, leasing, and management real estate company in Oklahoma City. Mr. James brings a broad spectrum of experience in leasing and investment sales serving clients such as British Petroleum, Canaan Resource Partners, REHCO, St. Anthony's Hospitals, McBride Orthopedics, Lockheed Martin, NAPA Automotive and many other local and national clientele.



TRÉ DUPUY, OFFICE SPECIALIST

Tre Dupuy has 16 years of experience in office leasing, office investment, and tenant representation in the Oklahoma City market. He has spent a good portion of his career in project leasing of Class-A office space in the heart of downtown OKC. Dupuy has negotiated over 1 Million square feet of office product and has been directly responsible for over 2 Million square feet of class-A office product in OKC. Dupuy understands the entire leasing process and has experience in creating marketing plans and materials, as well as other creative solutions for leasing and sales.



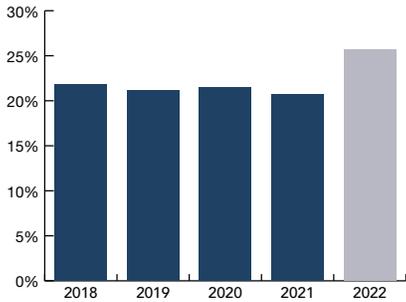
IAN SELF, OFFICE SPECIALIST

Ian Self joined Price Edwards and Company in January of 2021 as an Associate in the Office Division. Ian graduated from The University of Oklahoma in 2020 with a Bachelor's Degree in Business Administration, concentrating in Finance. He was previously an Intern at Price Edwards in the Summer of 2018, working primarily with the Office and Retail divisions. In his time at Price Edwards, Ian has focused on landlord representation as well as investment sales of office properties. Ian is a member of the Commercial Real Estate Council and currently serves on both the Heritage Hall Alumni Association Board and the Oklahoma Cleats For Kids Young Professionals' Board.

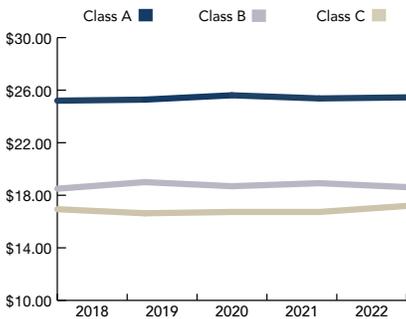
100 Park Building
100 Park Ave



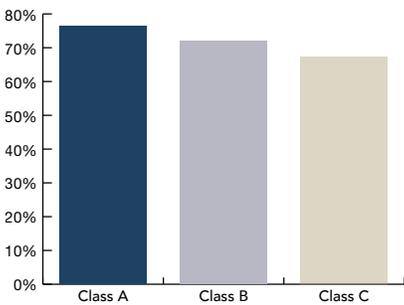
Historical CBD Vacancy



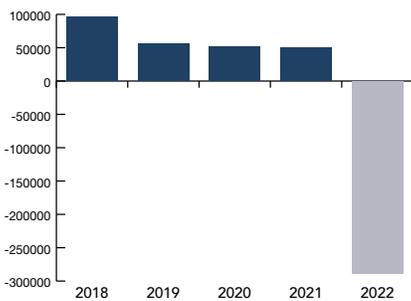
Historical CBD Rental Rates By Class



CBD Occupancy by Class



Historical CBD Absorption



CENTRAL BUSINESS DISTRICT REVIEW

Aggregate vacancy rates increased from 20.7% to 25.7%

- **Class A** vacancy increased from 14.7% to 23.7%
- **Class B** vacancy decreased from 28.3% to 28.0%
- **Class C** vacancy decreased from 34.8% to 32.6%

Aggregate rental rates decreased from \$22.55 per SF to \$22.50

- **Class A** rates increased from \$25.37 per SF to \$25.45
- **Class B** rates decreased from \$18.92 per SF to \$18.62
- **Class C** increased at \$16.73 per SF to \$17.19



Submarket Forecast: The CBD experienced negative absorption of -289,008 SF during 2022. Expect rental rates to remain at current levels and overall vacancy to slightly decrease over 2023.

CBD	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
100 Park Ave Building 100 Park Ave	1923/64	12	99,752	45,463	46%	\$14.50	16%
101 Park Ave Building 101 Park Ave	1936	14	197,042	96,175	49%	\$16.50	16%
20 N Broadway 20 N Broadway	1981	19	307,388	0	0%	\$20.00	20%
701 N Broadway 701 N Broadway	1930/1999	5	51,288	1,309	3%	\$22.00	12%
Arvest Tower 201 Robert S Kerr	1972	16	203,007	51,681	25%	\$17.50	20%
BancFirst Tower 100 N Broadway	1971/2020	36	507,038	57,186	11%	\$18.50	18%
BOK Park Plaza 499 W Sheridan	2018	27	663,297	380,388	57%	\$32.00	13%
Braniff Building 324 N Robinson Ave	1923/2013	10	83,545	0	0%	\$24.00	24%
Buick Building 1101 N Broadway	1924/2015	4	59,500	0	0%	\$22.00	15%
Century Center Building 100 W Main	2014	2	98,000	0	0%	\$21.00	20%
City Place 204 N Robinson Ave	1931/85	33	251,449	79,827	32%	\$19.00	14%
Corporate Tower 101 N Robinson Ave	1980	14	277,849	69,311	25%	\$22.00	18%
Court Plaza 228 Robert S Kerr	1923/79	10	78,381	38,124	49%	\$16.00	16%
Federal Reserve Building 226 Dean A McGee Ave	1922/97	4	77,813	0	0%	\$18.00	20%
Heartland Building 616 N Broadway	2020	7	106,532	24,346	23%	\$24.00	0%
Hightower Building 105 N Hudson Ave	1929	10	107,152	29,997	28%	\$18.00	15%
Leadership Square 211 N Robinson Ave	1984	21	735,514	237,666	32%	\$24.50	20%
Metropolitan Building 400 N Walker Ave	1929/2011	3	64,077	13,324	21%	\$17.30	10%
Monarch Building 1133 N Robinson Ave	2019	4	53,347	0	0%	\$24.00	10%
Oklahoma Commons 123 Robert S Kerr	1973/2008	30	493,185	28,407	6%	\$24.00	0%
Oklahoma Tower 210 Park Ave	1982	31	568,960	124,057	22%	\$24.50	20%
Parkside Building 120 Robert S Kerr	2015	6	76,413	0	0%	\$22.00	0%
Robinson Plaza 55 N Robinson Ave	1992	10	195,702	108,325	55%	\$18.00	18%
Robinson Renaissance 119 N Robinson Ave	1927/88	12	176,060	107,385	61%	\$18.00	25%
Sonic Building 300 Johnny Bench Dr	2003	4	100,654	0	0%	\$26.00	8%
The Candy Factory 1 E Sheridan	1914/2009	7	67,600	0	0%	\$17.95	0%
The Heritage 621 N Robinson	1923/2017	6	102,740	0	0%	\$26.00	20%
CBD Totals			5,803,285	1,492,971	26%	\$22.50	

New Construction: The Citizen – 12 floors – 123,000 SF (to be completed 2025)

Atrium Tower South
3501 NW 63rd St



NORTHWEST SUBMARKET REVIEW

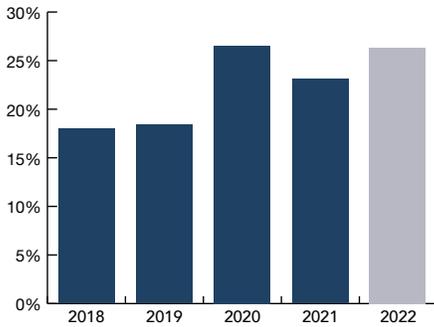
Aggregate vacancy rates increased from 23.1% to 26.3%

- Class A vacancy increased from 15.5% to 19.0%
- Class B vacancy increased from 26.6% to 30.4%
- Class C vacancy increased from 23.7% to 24.6%

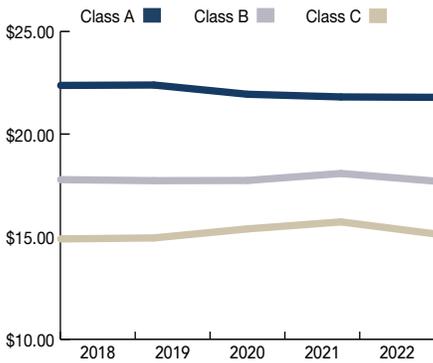
Aggregate rental rates decreased from \$18.57 per SF to \$18.41

- Class A rates decreased from \$21.81 per SF to \$21.79
- Class B rates decreased from \$18.08 per SF to \$17.71
- Class C rates decreased from \$15.72 per SF to \$15.14

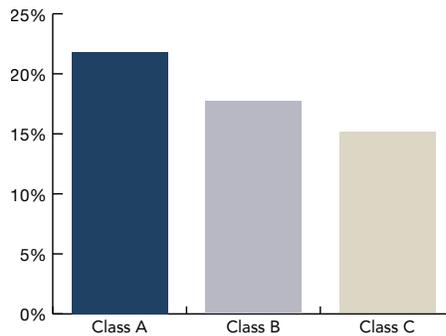
Historical Northwest Vacancy



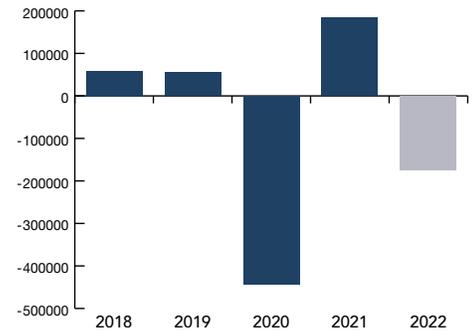
Historical Northwest Rental Rates by Class



Northwest Occupancy by Class



Historical Northwest Absorption



Submarket Forecast: The Northwest Submarket experienced negative absorption of -174,079 SF during 2022. Expect a decrease in vacancy and rental rates to remain near current levels.

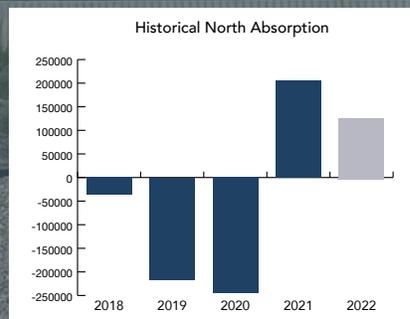
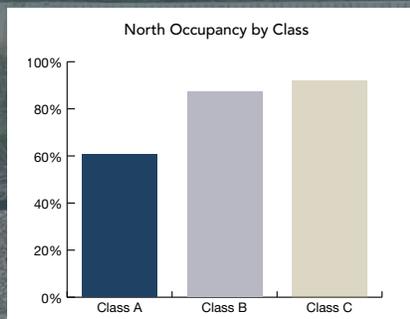
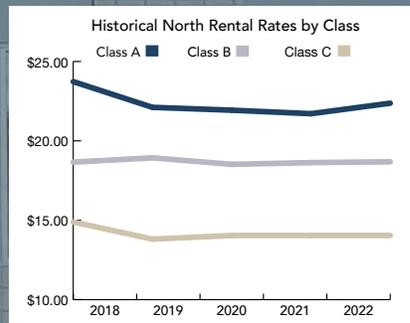
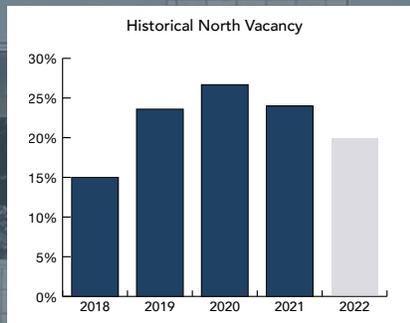
Northwest	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
14101-14201 Wireless Way 14101-14201 Wireless Way	2001	3	147,492	7,146	5%	\$22.50	17%
14701 Quail Springs Parkway 14701 Hertz Quail Springs Parkway	2015	4	108,000	0	0%	\$17.00	22%
3121 Quail Springs Parkway 3121 Quail Springs Parkway	1999	2	40,140	4,596	11%	\$18.00	15%
3250 Parkway Center 3250 Quail Springs Parkway	2015	2	38,405	0	0%	\$26.00	13%
4100 Perimeter Center 4100 Perimeter Center Dr	1982	3	47,317	30,976	65%	\$13.00	15%
4101 Perimeter Center 4101 Perimeter Center Dr	1982	3	47,317	12,156	26%	\$13.00	15%
4141 Northwest Expressway 4141 Northwest Expressway	1982	3	46,464	0	0%	\$16.00	16%
4200 Perimeter Center 4200 Perimeter Center Dr	1982	2	61,327	2,165	4%	\$13.00	15%
4700 Gaillardia 4700 Gaillardia Parkway	2007	2	42,970	6,455	15%	\$23.50	15%
4727 Gaillardia 4727 Gaillardia Parkway	2009	2	37,624	12,812	34%	\$22.00	18%
4747 Gaillardia 4747 Gaillardia Parkway	2009	2	26,016	4,292	16%	\$22.00	18%
4801 Gaillardia 4801 Gaillardia Parkway	2000	3	74,432	12,607	17%	\$23.50	18%
4811 Gaillardia 4811 Gaillardia Parkway	2008	3	30,744	0	0%	\$26.00	15%
5100 Brookline 5100 Brookline	1974	10	107,496	40,178	37%	\$18.00	15%
5909 NW Expressway 5909 Northwest Expressway	1982	7	101,146	50,086	50%	\$14.50	15%
6303 Portland 6303 N Portland Ave	1976	4	54,109	10,476	19%	\$17.00	14%
7800 NW 85th Terrace 7800 NW 85th Terrace	1999	1	100,000	0	0%	\$19.00	0%
AAA Operations Center 3100 Quail Springs Parkway	2009	3	145,635	145,635	100%	\$20.00	0%
American Cancer Society 8400 Silver Crossing	2000	1	46,468	46,468	100%	\$17.50	0%
Atrium Towers 3501-3503 NW 63rd	1980	6	156,106	19,300	12%	\$18.50	16%
Avaya Building 14400 Hertz Quail Springs Parkway	1998	1	57,000	12,000	21%	\$22.00	0%
Bradley Square 2932 NW 122nd	1984	1	31,100	3,400	11%	\$17.00	0%
Brookline Offices 6051 N Brookline	1972/2011	1	40,920	0	0%	\$16.00	12%
Caliber Park One & Two 14201-14301 Caliber Dr	2007	6	83,206	10,983	13%	\$21.00	17%
Center 3000 3000 United Founders Blvd	1972	2	104,500	11,535	11%	\$13.00	12%
Chase Park 4323 NW 63rd	1981	2	30,281	978	3%	\$15.00	17%
Commerce Center 9520 N May Ave	1982	3	65,857	0	0%	\$16.00	11%
Cross Rock I 13801 Wireless Way	1984	3	60,749	60,749	100%	\$21.00	15%
Cross Rock Place 3600 NW 138th	1992/2008	2	50,570	11,369	22%	\$21.00	12%



Northwest	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
Enterprise Plaza 5600 N May	1981	3	95,271	21,158	22%	\$17.00	15%
FBI Building 3301 W Memorial	1999	1	110,000	0	0%	\$24.00	0%
Fifty Six Expressway Place 5601 NW 72nd	1982	3	58,340	4,955	8%	\$17.00	11%
Five Corporate Plaza 3625 NW 56th	2020	3	49,486	15,567	31%	\$17.50	15%
Grand Centre 5400 NW Grand Blvd	1979	5	101,217	32,933	33%	\$17.50	15%
IBC Center 3817 Northwest Expressway	1983	10	278,843	36,802	13%	\$22.50	15%
Jamestown Office Park 3037 NW 63rd	1972/79	2	76,458	10,565	14%	\$14.50	12%
Lake Park Tower 6525 N Meridian Ave	1983/2019	6	106,435	78,758	74%	\$18.75	18%
Lakepointe Towers 4005-4013 Northwest Expressway	1982	6	174,378	76,824	44%	\$18.00	15%
Lakepointe West 4045 NW 64th	1982	6	85,246	11,779	14%	\$15.25	15%
Lakeshore Tower 4301 NW 63rd	1982	3	32,250	6,396	20%	\$14.00	15%
Landmark Towers 3535-3545-3555 NW 58th	1969/72	10	306,960	125,497	41%	\$17.00	12%
Mercury Insurance Building 7301 Northwest Expressway	1986	2	100,103	62,000	62%	\$15.00	13%
Metro Business Tower 2525 Northwest Expressway	1974	6	72,960	23,709	32%	\$15.00	15%
North Shore Office Plaza 10900 Hefner Drive	2000	5	56,248	3,520	6%	\$25.50	16%
Northwest Office Center 4334 Northwest Expressway	1973	2	88,111	30,249	34%	\$14.50	15%
Oil Center 2601 Northwest Expressway	1973/1994	12	249,657	96,979	39%	\$18.00	13%



Northwest	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
One Corporate Plaza 3525 NW 56th	1979	1	63,011	33,545	53%	\$16.50	15%
Parkway Commons 13900 N Portland	2003	2	40,729	3,772	9%	\$22.00	15%
Portland Plaza 5700 N Portland	2016	3	35,426	2,581	7%	\$17.00	15%
Quail Commerce Center 3201 Quail Springs Parkway	1998	1	128,500	0	0%	\$18.50	0%
Quail Creek North 11032 Quail Creek Rd	1973	2	36,124	1,696	5%	\$12.52	15%
Quail Ridge Tower 11212 N May Ave	1975	4	49,600	2,303	5%	\$13.50	15%
Quail Springs Parkway Plaza I & II 14000 Quail Springs Parkway	1986	6	298,610	52,092	17%	\$22.00	14%
Rees Plaza at East Wharf 9211 Lake Hefner Parkway	2002	3	40,998	0	0%	\$30.50	17%
Silver Springs Professional Center 7720 NW 85th Terrace	1998	1	35,862	0	0%	\$19.50	0%
Sprint PCS Building 8525 Silver Crossing	1999	1	89,132	0	0%	\$15.00	0%
The Banker's Bank building 9020 N May Ave	1990	2	59,712	7,100	12%	\$18.00	13%
The Parkway Building 3401 NW 63rd	1977	6	71,619	9,732	14%	\$16.00	15%
The Summit Building 5929 N May Ave	1975	5	50,000	3,550	7%	\$12.00	13%
Three Corporate Plaza 3613 NW 56th	1980	3	51,607	21,698	42%	\$17.50	15%
Two Corporate Plaza 5555 NW Grand Blvd	1982	3	85,551	0	0%	\$15.00	14%
Union Plaza 3030 Northwest Expressway	1982	18	246,001	132,442	54%	\$19.00	14%
Northwest Submarket Totals			5,407,836	1,424,564	26%	\$18.41	





Aggregate vacancy rates decreased from 24.0% to 19.9%

- **Class A** vacancy increased from 33.7% to 39.4
- **Class B** vacancy decreased from 20.9% to 12.7
- **Class C** vacancy decreased from 10.6% to 7.9%

Aggregate rental rates increased from \$19.30 per SF to \$19.54

- **Class A** rates increased from \$21.71 per SF to \$22.37
- **Class B** rates increased from \$18.63 per SF to \$18.68
- **Class C** rates remained at \$14.04 per SF

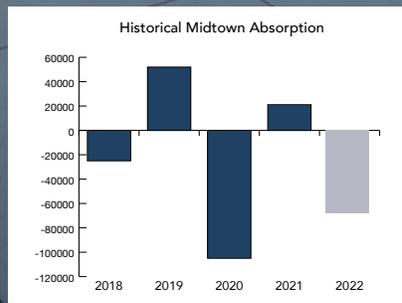


Submarket Forecast: The North Submarket experienced positive absorption of 126,345 SF during 2022. Expect rental rates to remain near current levels and vacancy to decrease in 2023.

North	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
1001 Wilshire 1001 W Wilshire Blvd	2003	4	50,376	0	0%	\$17.50	13%
12701 N Santa Fe 12701 N Santa Fe	2016	3	92,000	0	0%	\$20.00	15%
4345 N Lincoln 4345 N Lincoln	2014	3	160,000	0	0%	\$15.00	0%
50 Penn Place 1900 NW Pennsylvania	1973	16	178,315	45,000	25%	\$17.50	12%
5100 Circle Building 5100 N Classen Blvd	1981	6	74,799	0	0%	\$17.50	14%
5701 N Shartel 5701 N Shartel	1982	4	97,102	0	0%	\$18.00	13%
7 & 9 Broadway Executive Park 200 NW 66th	1979	1	30,505	0	0%	\$17.00	0%
777 NW 63rd St 777 NW 63rd St	1982	5	61,725	15,048	24%	\$24.00	0%
9400 Broadway 9400 N Broadway	1984	8	152,959	30,045	20%	\$19.50	15%
Broadway North 7301 N Broadway	1974/2008	2	27,456	6,181	23%	\$17.00	13%
Broadway Plaza 16 NW 63rd	1982	3	50,726	0	0%	\$12.00	13%
Broadway Sixty-Eight 6801 N Broadway	1979	4	40,000	5,583	14%	\$15.00	14%

North	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
Cedar Lake Plaza 701 Cedar Lake Blvd	2003	4	141,003	1,000	1%	\$19.00	18%
Central Park One 525 Central Park Dr	1983	6	113,134	7,050	6%	\$19.00	14%
Central Park Two 515 Central Park Dr	1984	6	126,286	38,076	30%	\$19.00	14%
Chase Bank Building 1200 NW 63rd	1981	4	34,701	0	0%	\$20.00	15%
Chesapeake Energy Building 13 900 NW 63rd	2009	5	134,229	134,229	100%	\$21.00	10%
Columbus Square 1001 NW 63rd	1982	3	36,559	2,008	5%	\$18.00	15%
First Mortgage Building 6701 N Broadway	1974	3	48,700	0	0%	\$22.00	12%
Five North Broadway 6601 N Broadway	1972	3	44,805	3,874	9%	\$16.50	15%
Harvey Parkway 301 NW 63rd	1982	6	97,912	15,218	16%	\$18.00	17%
Market Center I 701 Market Dr	2008	2	46,368	0	0%	\$22.75	0%
Market Center II 713 Market Dr	2009	2	57,000	0	0%	\$19.50	12%
Market Center III 715 NE 122nd	2016	2	65,000	5,242	8%	\$26.00	0%
Market Center IV 901 NE 122nd Street	2015	2	30,000	0	0%	\$24.00	0%
Nichols Hills Executive Center 1000 W Wilshire	1979	2	55,000	10,100	18%	\$23.50	0%
One Broadway Center 100 NW 63rd	1980	3	34,984	0	0%	\$16.50	9%
One Broadway Executive Park 201 NW 63rd	1979	3	58,832	22,996	39%	\$17.50	12%
One Western Plaza 5500 N Western Ave	1977	2	52,715	8,220	16%	\$16.00	16%
Paragon Building 5801 N Broadway	1981	5	110,791	4,665	4%	\$19.50	20%
Registry 2200 NW 50th	1980	2	93,167	34,086	37%	\$14.00	15%
Reserve National Building 601 E Britton Rd	2009	3	48,830	0	0%	\$27.50	0%
Richmond Square 4900 Richmond Square	1983/2006	2	30,949	13,254	43%	\$16.00	12%
Santa Fe North 6 NE 63rd	1981	4	44,000	0	0%	\$14.00	14%
The Commons on Broadway 11600 Broadway Extension	2009	3	49,417	9,303	19%	\$23.50	19%
The Nicholas 6501 N Classen Blvd	2021	4	40,000	27,216	68%	\$29.00	0%
Three Broadway Executive Park 6501 N Broadway	1977	3	45,256	14,633	32%	\$17.50	10%
Two Broadway Executive Park 205 NW 63rd	1980	3	52,205	17,657	34%	\$17.50	11%
Valliance Tower 1601 Northwest Expressway	1983	22	299,137	103,661	35%	\$23.00	18%
Waterford A 6301 Waterford Blvd	1983	4	136,907	29,138	21%	\$22.00	16%
Waterford B 6303 Waterford Blvd	1983	2	33,269	21,266	64%	\$22.00	16%
Waterford C 6305 Waterford Blvd	1983	4	79,643	19,004	24%	\$22.00	16%
Waterford D 6307 Waterford Blvd	1983	2	29,824	8,889	30%	\$22.00	16%
North Submarket Totals			3,286,586	652,642	20%	\$19.54	

Medical	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
Coppertree Centre 3727 NW 63rd	1982	3	26,928	10,414	39%	\$16.00	10%
Edgewater Medical Center 3705 NW 63rd	2006	2	42,187	6,376	15%	\$22.00	15%
Integrus North and South MOB 5401 - 5701 N Portland Ave	1996	3	186,301	57,119	31%	\$20.00	0%
McAuley Physician Offices 4205 McAuley Blvd	1986	4	115,821	23,732	20%	\$19.50	12%
Memorial Springs Medical Building 13100 N Western Ave	2017	3	61,410	0	0%	\$26.00	0%
Meridian Medical Tower 13321 N Meridian Ave	1984	4	47,920	15,682	33%	\$21.50	10%
NeuroScience Institute 4120 W Memorial Rd	1998	3	54,558	0	0%	\$22.00	12%
Northwest Medical Center 3330 NW 56th St	1981	6	81,705	16,113	20%	\$19.50	13%
Parkway Commons Medical Center 14100 Parkway Commons Dr	2008	2	27,000	0	0%	\$22.00	15%
Parkway Medical Center 3500 NW 56th St	1980	2	22,365	0	0%	\$20.00	10%
Physicians & Surgeons Bldg 1211 N Shartel	1962	11	111,740	10,890	10%	\$15.00	0%
Physicians Bldg - A 3435 NW 56th St	1970	10	68,676	0	0%	\$17.00	14%
Physicians Bldg - B 3433 NW 56th St	1986	9	146,533	0	0%	\$20.50	14%
Physicians Bldg - C 3400 NW Expressway	1975	8	75,762	15,896	21%	\$17.00	14%
Physicians Bldg - D 3366 NW Expressway	1994	8	133,771	0	0%	\$19.00	14%
Plaza Physician Offices 4140 W Memorial Rd	1992	7	70,050	0	0%	\$21.00	12%
Presbyterian Professional Bldg 711 Stanton L Young	1995	4	91,122	0	0%	\$14.00	15%
Quail Brook Medical 13901 McAuley Blvd	2008	3	34,222	0	0%	\$21.50	15%
Saints Medical Plaza 535 NW 9th St	2008	5	82,010	0	0%	\$30.00	17%
SMC Medical Office Bldg 4200 S Douglas Ave	1967	3	29,130	6,907	24%	\$14.50	0%
SMC Medical Plaza 4221 S Western Ave	1994	5	62,270	0	0%	\$17.50	0%
St. Anthony Healthplex East 3400 S Douglas Blvd	2012	3	52,675	0	0%	\$26.00	12%
St. Anthony Healthplex North 13401 N Western Ave	2015	4	96,422	10,676	11%	\$26.00	0%
St. Anthony Healthplex South 13500 S Tulsa Ave	2011	3	52,675	8,286	16%	\$26.00	12%
St. Anthony North 6205 6205 N Santa Fe Ave	1998	2	36,551	13,659	37%	\$19.00	0%
St. Anthony North POB 6201 N Santa Fe Ave	1990	2	28,281	0	0%	\$19.00	19%
St. Anthony Professional Bldg 608 NW 9th St	1987	6	83,898	5,921	7%	\$19.00	12%
Tower Physicians Offices 4200 W Memorial Rd	1986	11	117,556	0	0%	\$18.00	12%
Medical Submarket Totals			2,062,157	193,627	9%	\$20.67	





Aggregate vacancy rates increased from 32.1% to 34.0%

- **Class B** vacancy increased from 35.8% to 37.8%
- **Class C** vacancy increased from 8.7% to 16.5%

Aggregate rental rates increased from \$14.33 per SF to \$14.96

- **Class B** rates increased from \$14.37 per SF to \$15.00
- **Class C** rates increased from \$14.06 per SF to \$14.80



Submarket Forecast: The Midtown Submarket experienced negative absorption of -67,931 SF for 2022. Expect rental rates and vacancy to remain near current levels.

Midtown	Year Built	Floors	RSF	Vacant SF	Vacant %	Rate	CAF
2000 Classen Center 2000 N Classen Blvd	1965	10	366,597	134,174	47%	\$16.80	13%
4801 Classen Building 4801 N Classen Blvd	1974	2	33,151	0	0%	\$11.00	0%
Cameron Building 2901 N Classen Blvd	1955/57	5	81,493	10,505	13%	\$13.50	15%
Classen Park I 3700 N Classen Blvd	1980	3	52,800	9,283	18%	\$13.00	15%
Classen Park II 3800 N Classen Blvd	1982	3	52,800	0	0%	\$13.00	15%
Colcord Center 421 NW 13th St	1966/2007	3	77,259	0	0%	\$16.50	15%
Pasteur Building 1111 N Lee Ave	1959	5	83,858	35,074	42%	\$16.00	18%
Santa Fe Building 3814 N Santa Fe Ave	1954/82/2011/2016	4	64,239	28,060	44%	\$13.50	10%
Shepherd Center 2401 NW 23rd	1964/95	2	709,000	299,599	42%	\$14.50	0%
Midtown Submarket Totals			1,521,197	516,695	34%	\$14.96	

New Construction: 1201 N Hudson – 4 floors – 45,000 RSF (to be completed 2024)



WEST SUBMARKET REVIEW

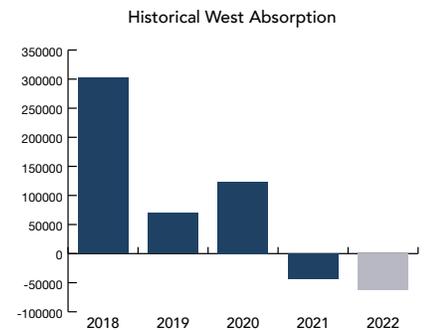
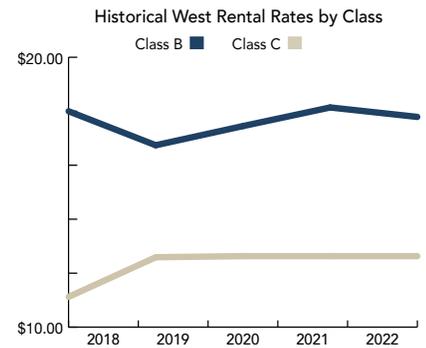
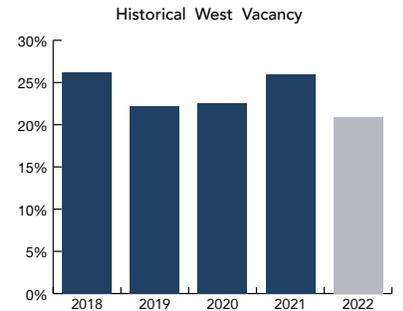
Aggregate vacancy rates decreased from 26.0% to 20.9%

- **Class B** vacancy decreased from 23.8% to 19.0%
- **Class C** vacancy decreased from 37.3% to 30.7%

Aggregate rental rates decreased from \$17.21 per SF to \$16.92 per SF

- **Class B** rates decreased from \$18.14 per SF to \$17.79
- **Class C** rates remained at \$12.63 per SF

West	Yr. Built	Floors	RSF	Vac. SF	Vacant %	Rate	CAF
300 Meridian Place 300 N Meridian Ave	1982	2	81,227	41,713	51%	\$12.00	11%
Chickasaw Community Bank 909 S Meridian Ave	1975	7	65,520	19,196	29%	\$14.00	12%
Metro Office Park 4300 Highline Blvd	1981	3	60,000	2,500	4%	\$12.00	0%
OKCWorks - OKC20 7725 W Reno Ave	1963	4	160,000	0	0%	\$17.50	15%
OKCWorks - OKC30 7725 W Reno Ave	1963/2016	1	469,000	65,600	14%	\$18.75	15%
Sovereign Office Park 1300 Sovereign Row	1983	1	42,260	0	0%	\$12.00	0%
The Parkway 1300 S Meridian Ave	1982	6	96,960	52,330	54%	\$14.50	15%
Westgate One 10401 W Reno	2017	5	200,000	75,551	38%	\$20.00	10%
Will Rogers Office Park 1 4400 Will Rogers Parkway	1984	1	52,779	0	0%	\$12.50	16%
West Totals			1,227,746	256,890	21%	\$16.92	

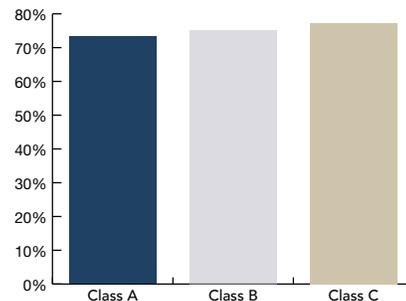


Submarket Forecast: The West submarket experienced positive absorption of 62,690 SF for 2022. Expect vacancy and rental rates to remain near current levels.

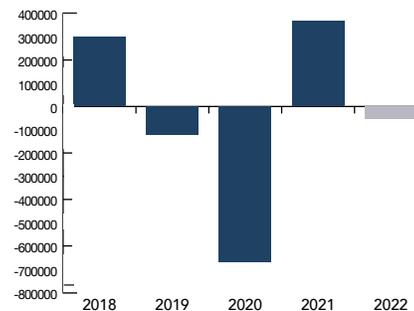


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Suburban Occupancy by Class



Historical Suburban Absorption



SUBURBAN SUBMARKET REVIEW

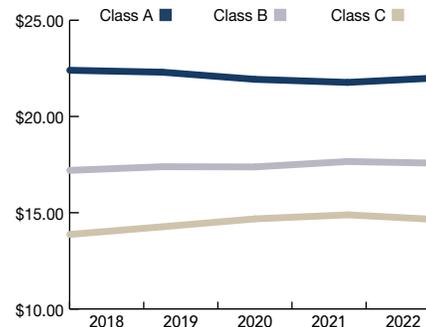
Aggregate vacancy rates increased from 24.8% to 24.9%

- **Class A** vacancy increased from 22.2% to 26.7%
- **Class B** vacancy decreased from 26.0% to 24.8%
- **Class C** vacancy increased from 22.6% to 22.7%

Aggregate rental rates decreased from \$18.18 per SF to \$18.12

- **Class A** rates increased from \$21.77 per SF to \$22.01
- **Class B** rates decreased from \$17.66 per SF to \$17.57
- **Class C** rates decreased from \$14.89 per SF to \$14.64

Historical Suburban Rental Rates by Class



SUBURBAN MARKET TOTALS

RSF 11,443,365	Vacant SF 2,850,791	Vacant % 24.9%	Rate \$18.12
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Submarket Forecast: Suburban OKC experienced negative absorption of -52,975 SF for 2022.

Expect vacancy rates to decrease and rental rates to remain near current levels in 2023.



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