



Oklahoma City

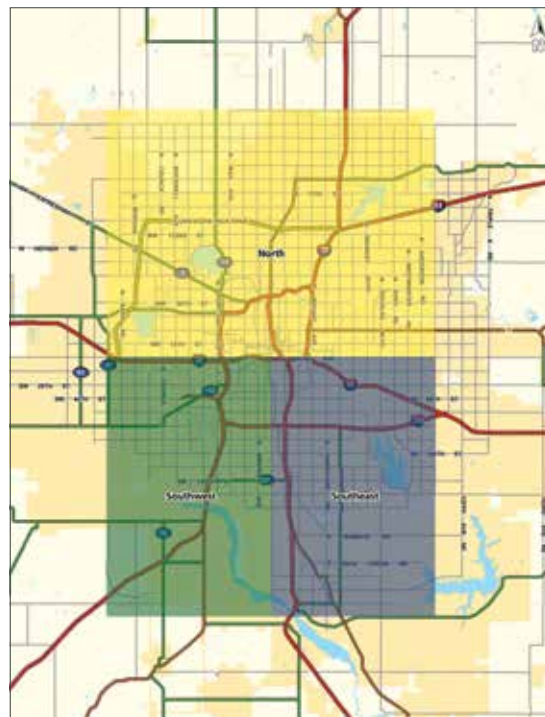
2014 Mid-Year
Industrial Market Summary





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Oklahoma City Industrial Submarket Map



Oklahoma City

2014 Mid-Year Industrial Market Summary

This report covers only multi-tenant, investment grade industrial buildings. We classify buildings according to design, intended use, and clear height into three categories:

- Flex Space is generally considered to be less than 18 feet, but also includes modern high clearance flex space developments
- Service Warehouse is from 18 to 23 feet
- Bulk Warehouse is 24 feet or greater.

Generally the minimum size building tracked in any of the property types is 35,000 square feet.

The Oklahoma City multi-tenant industrial market, for the first time since this report began, calculates vacancies in all three product types within a range of approximately one percentage point. The overall multi-tenant vacancy is 8.72% which also correlates well with the overall total industrial market (single-tenant, multi-tenant, and owner-occupied) vacancy of 8.9% (Xcelligent 1st Qtr. 2014). Accompanying this is the projected commencement of significant speculative construction in the fall of 2014 of 150,000 square feet of bulk warehouse space at 6900 N. Bryant. Pending construction beginning this Fall, modern bulk warehouse spaces over 75,000 square feet are simply unavailable in Oklahoma City at this time. This creates some real obstacles to larger tenants migrating to this market, and the economic development efforts to attract them. The general lack of quality space is pushing rents higher for most properties, and the rental rate gap between existing product and new construction is beginning to close. Don't look for major changes in either vacancy or rents within the foreseeable future, but a steady market demand and gradual increase in construction.

The bulk warehouse market rose from 4.5% vacant in 2013 to 8.2% in 2014. Some of this increase was due to the chaotic market created by the May 2013 tornados. Many tenants were displaced temporarily into previously vacant space and uncertainty about the future of the damaged buildings made true vacancy difficult to measure.

Flex space vacancy continued a multi-year market-wide absorption trend to report 9.3% vacant in 2014. This is the lowest flex vacancy since the year 2000. Fueling this is a tendency towards smaller spaces in reaction to the volatile economy nationwide.

Service Warehouse vacancy, until now the most volatile market, was 9.4 % vacant in 2014. Please keep in mind that Service Warehouse has the smallest total square

footage of the three product types, and one sizable vacancy can skew the calculation.

There were seven sales of multi-tenant properties in the last twelve months:

Sale #1 – 1401-1421 and 1725 S. Fretz, four metal and masonry flex space buildings totaling 51,396 SF, built in 2002-2003, sold in June 2013 for \$2,822,500 or \$54.92 per square foot.

Sale #2, 3, & 4 – Mid-America Business Park. This multiple sale included three metal bulk warehouse buildings sold individually to the same investor over a period of six months as follows:

- 8001 Mid America Blvd., 130,673 SF built in 1999, sold 8/1/2013, \$3,646,108 or \$27.90/SF

- 8121 Mid America Blvd., 122,000 SF built in 1999, sold 8/1/2013 for \$3,343,326.00 or \$27.40/SF

- 8120 Mid America Blvd., 129,952 SF built in 2003, sold 1/1/2014 for \$4,665,500.00 or \$35.90/SF

Sale #5 – 5251 W. Reno, Oklahoma Warehouse Center West, 120,450 SF concrete tilt-up bulk warehouse space built in 1965, sold in October 2013 for \$3,100,000.00 or \$25.74 per square foot.

Sale #6 – 6601 S. Air depot, 144,000 SF concrete tilt-up bulk warehouse space built in 2008, sold in November 2013 for \$7,600,000.00 or \$52.78 per square foot.

Sale #7 – 401 E. Memorial, Northpoint Commerce Center, 58,400 SF concrete tilt-up bulk warehouse space built in 1996, sold in March 2014 for \$3,30,000.00 or \$56.51 per square foot.

2014 Forecast

Vacancy

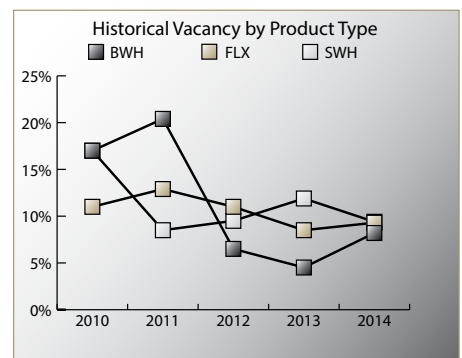
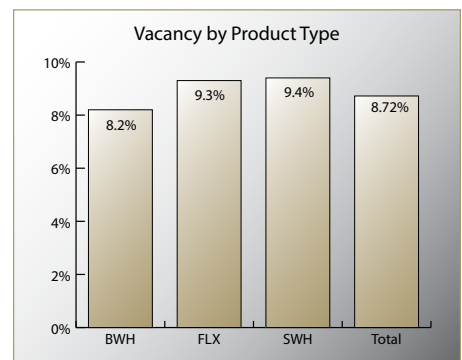
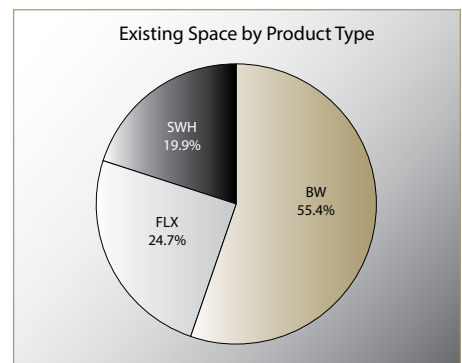
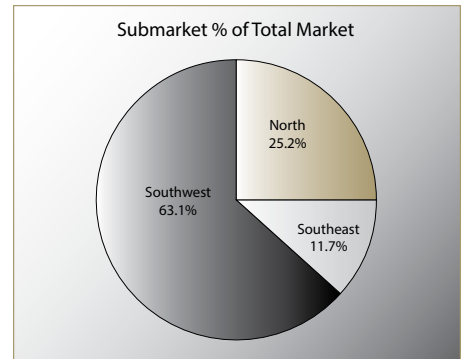
Although significant new construction will begin in 2014, vacancy is forecast to continue to remain steady for the next 12 months.

Rental Rate

Rental rates will see modest increases, further narrowing the gap between existing-building and new-construction rates.

New Construction

Speculative development has begun and will accelerate as modern, functional space in the bulk warehouse sector is increasingly difficult to find.



2014 Mid-Year Oklahoma City Industrial Market Summary

NORTH SUBMARKET

CURRENT MARKET

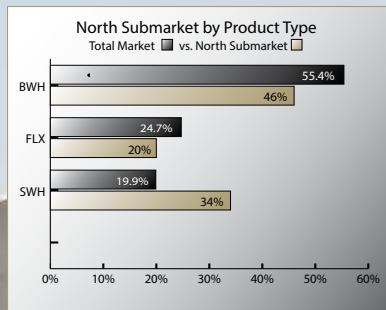
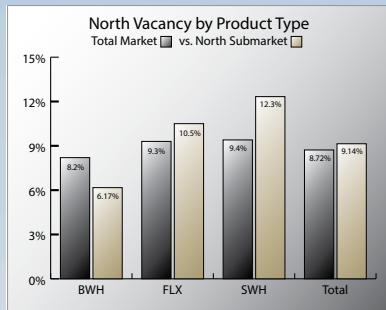
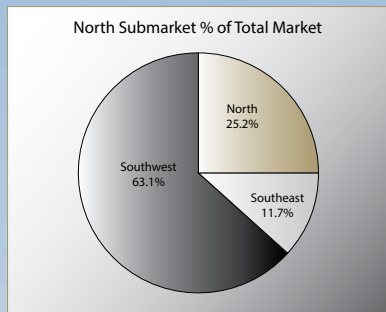
Average Vacancy is 9.14%

Aggregate available rental rates:

Bulk Warehouse \$2.50 - \$5.00

Flex Space \$6.00 - \$8.82

Service Warehouse \$2.50 - \$6.50



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0%	\$4.50
11300 Partnership Dr	BWH	145,000	0	0%	\$0.00
11301 Partnership Dr	BWH	138,600	0	0%	\$0.00
201 N. Harvard Avenue	BWH	39,580	0	0%	\$0.00
311 N.W. 122nd	BWH	174,247	0	0%	\$4.75
420 NE 48th St	BWH	37,000	0	0%	\$3.00
4401 E Hefner Rd	BWH	100,000	0	0%	\$5.00
615 W Wilshire Blvd	BWH	192,353	75,749	39.38%	\$2.50
311 NW 122nd St	BWH	180,060	0	0%	\$3.50
North Bulk Space Total		1,227,640	75,749	6.17%	\$3.91
14400 N Lincoln Blvd	SWH	52,395	0	0%	\$6.00
1825 N Walnut Ave	SWH	159,014	97,125	61.08%	\$2.50
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	0	0%	\$2.50
3815 N Santa Fe Ave	SWH	140,000	0	0%	\$3.00
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.00
4224 N Santa Fe Ave	SWH	171,139	15,464	9.04%	\$6.50
7501 Broadway Ext	SWH	50,400	0	0%	\$6.50
North Service Space Total		913,047	112,589	12.33%	\$4.22
100 - 200 W. Wilshire Ave.	FLX	217,834	23,875	10.96%	\$6.50
401 E Memorial Rd	FLX	58,400	9,600	16.44%	\$7.50
430 W Wilshire Blvd	FLX	38,250	0	0%	\$8.82
7504 Broadway Ext	FLX	66,038	9,867	14.94%	\$12.00
8100 N Classen Blvd	FLX	64,750	8,760	13.53%	\$7.20
13700 N. Lincoln	FLX	97,749	4,900	5.01%	\$6.00
North Flex Space Total		543,021	57,002	10.50%	\$7.43
North Submarket Totals		2,683,708	245,340	9.14%	



2014 Mid-Year Oklahoma City Industrial Market Summary SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
SE					
6401 S High Ave	BWH	102,020	0	0%	\$3.00
6601 S Air Depot Blvd	BWH	144,000	0	0%	\$0.00
9401 S Pole Rd	BWH	60,000	0	0%	\$0.00
8001 Mid America Blvd.	BWH	130,000	32,243	24.80%	\$4.25
8121 Mid America Blvd	BWH	121,000	121,000	100%	\$4.25
8120 Mid America Blvd	BWH	131,507	0	0%	\$0.00
Southeast Bulk Total		688,527	153,243	22.26%	\$3.89
Service					
2020 S Eastern Ave.	SWH	48,250	0	0%	\$0.00
Southeast Service Total		48,250	0	0%	\$0.00
Flex					
1125 SE Grand Blvd	FLX	72,000	22,594	31.38%	\$5.50
1533 SE 66th St	FLX	104,288	2,295	2.20%	\$6.00
2200 N Moore Ave	FLX	147,080	8,110	5.51%	\$5.50
416 Hudiburg Circle	FLX	29,371	8,185	27.87%	\$10.50
3634 E I-240 Service Road	FLX	44,000	3,204	7.28%	\$6.50
3940 E I-240 Service Road	FLX	72,000	6,000	8.33%	\$5.70
5701 SE 74th St	FLX	40,605	9,015	22.20%	\$6.00
Southeast Flex Total		509,344	59,403	11.66%	\$6.04
Southeast Submarket Totals		1,246,121	212,646	17.06%	

CURRENT MARKET

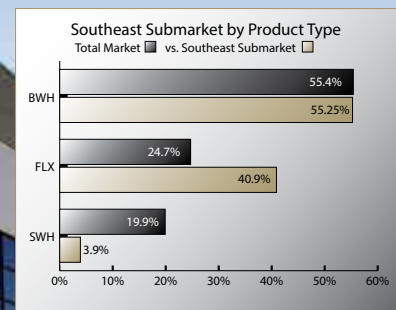
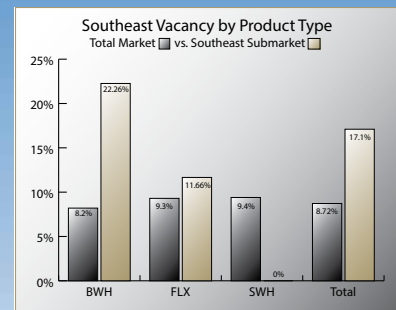
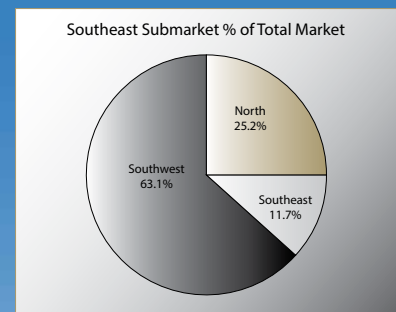
Average Vacancy is 17.06%

Aggregate available rental rates:

Bulk Warehouse \$3.00 - \$4.25

Flex Space \$5.50 - \$10.50

Service Warehouse NA



SOUTHEAST SUBMARKET

2014 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

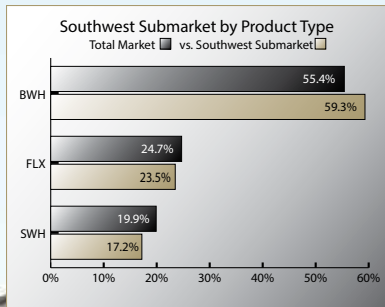
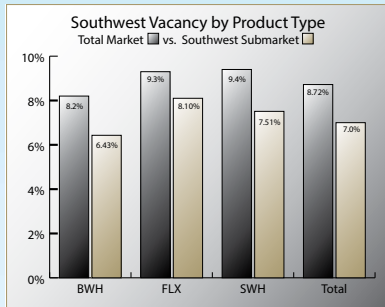
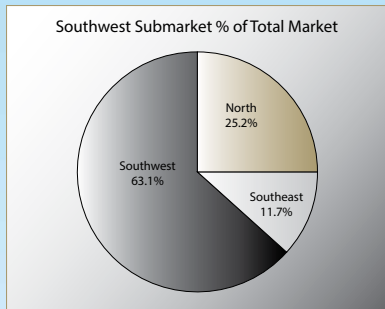
Average Vacancy is 7.0%

Aggregate available rental rates:

Bulk Warehouse \$2.95 - \$5.50

Flex Space \$3.50 - \$8.00

Service Warehouse \$2.50 - \$10.50



Location	Type	GLA	Vacant	% Vacant	Rate
1301 Cornell Parkway	BWH	34,086	34,086	100%	\$5.50
1330-1398 Metropolitan	BWH	69,167	0	0%	\$4.50
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,672	0	0%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3701 S Thomas Rd	BWH	93,610	23,141	24.72%	\$4.25
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	52,500	43.86%	\$3.75
4001 NW 3rd St	BWH	95,000	0	0%	\$0.00
4001 Will Rogers Parkway	BWH	101,504	0	0%	\$4.50
4680 NW 3rd St	BWH	151,200	0	0%	\$0.00
5001 SW 36th St	BWH	122,945	42,574	34.63%	\$3.75
5024 SW 36th St	BWH	102,567	0	0%	\$0.00
5200 SW 36th St	BWH	210,000	0	0%	\$0.00
5201 W Reno Ave	BWH	121,475	0	0%	\$3.00
5500 SW 36th St	BWH	76,500	30,851	40.33%	\$4.25
5500 W. Reno	BWH	336,750	15,000	4.45%	\$3.75
5555 Morton Ave	BWH	99,360	0	0%	\$3.25
5600 SW 36th St	BWH	87,200	30,453	34.92%	\$4.25
600 N Sara Rd	BWH	120,000	0	0%	\$0.00
6100 NW 2nd St	BWH	110,080	27,645	25.11%	\$5.50
7501 SW 29th St	BWH	1,300,000	0	0%	\$2.95
Southwest Bulk Total		3,984,620	256,250	6.43%	\$3.48

SOUTHWEST SUBMARKET



2014 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

1001 Enterprise	SWH	80,256	10,944	13.64%	\$5.75
1101 Enterprise Dr	SWH	63,840	5,472	8.57%	\$4.75
1101 Metropolitan Ave	SWH	29,220	0	0%	\$3.50
1131 Enterprise Dr	SWH	80,256	18,240	22.73%	\$5.25
301-397 N Harvard Ave	SWH	81,000	0	0%	\$2.50
3600 S MacArthur Blvd	SWH	44,750	0	0%	\$0.00
4116 Will Rogers Parkway	SWH	65,800	0	0%	\$0.00
417 Hudiburg Circle	SWH	30,000	0	0%	\$10.50
4210 Will Rogers Parkway	SWH	60,000	0	0%	\$0.00
4220-4232 Charter Ave.	SWH	56,275	0	0%	\$0.00
4243 Will Rogers Parkway	SWH	49,920	0	0%	\$0.00
4301 Will Rogers Parkway	SWH	33,647	0	0%	\$5.50
4400 S.W. 25th Street	SWH	68,000	3,500	5.15%	\$8.50
4601-4627 NW 3rd St	SWH	68,408	0	0%	\$0.00
4700-4728 NW 1st St	SWH	52,340	8,000	15.28%	\$4.25
4917 - 4923 S.W. 7th St.	SWH	20,935	0	0%	\$0.00
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.25
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 - 729 Overhead Dr.	SWH	24,512	19,500	79.55%	\$3.50
900 Metropolitan Ave	SWH	61,600	0	0%	\$0.00
901 Enterprise Dr	SWH	80,256	21,100	26.29%	\$3.75
Southwest Service Total		1,155,544	86,756	7.51%	\$4.74
1000 Cornell Parkway	FLX	27,018	0	0%	\$3.75
1101-1121 Cornell Parkway	FLX	41,720	0	0%	\$6.00
1233 Sovereign Row	FLX	37,854	7,850	20.74%	\$7.50
2236 NW 10th St	FLX	80,960	9,600	11.86%	\$6.50
235 N MacArthur Blvd	FLX	68,229	11,498	16.85%	\$7.25
304-306 N Meridian Ave	FLX	196,000	1,700	0.87%	\$8.00
340-350 S Vermont Ave	FLX	118,565	8,000	6.75%	\$4.10
3400 S Thomas Rd	FLX	40,960	0	0%	\$3.50
400 S Vermont Ave	FLX	143,750	0	0%	\$4.75
401 N Meridian Ave	FLX	41,190	4,000	9.71%	\$5.00
4020 Will Rogers Parkway	FLX	65,438	16,312	24.93%	\$4.75
4100 Will Rogers Parkway	FLX	66,732	5,390	8.08%	\$5.50
4130 Will Rogers Parkway	FLX	65,520	32,966	50.31%	\$4.25
4141 Highline Blvd	FLX	74,310	0	0%	\$7.75
4311-4325 SW 21st St	FLX	64,568	7,153	11.08%	\$6.50
4703 Enterprise Dr	FLX	34,000	0	0%	\$4.50
4901 W Reno Ave	FLX	43,630	8,290	19%	\$0.00
6000 NW 2nd St	FLX	79,071	13,867	17.54%	\$5.50
7114 Melrose Ln	FLX	124,200	1,200	0.97%	\$5.00
7624 Melrose Ln	FLX	164,500	0	0%	\$4.00
Southwest Flex Total		1,578,215	127,826	8.10%	\$5.58
Southwest Submarket Totals		6,718,379	470,832	7.0%	

OKC Industrial Totals	10,648,208	928,818	8.7%
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Price Edwards & Company Market Research

Price Edwards & Company has been the leader in the Oklahoma City commercial real estate market for over 25 years not only in terms of completed transactions, but in market research as well. This report, as well as our other market summaries, are available either by request or can be freely downloaded online from our website at:

www.pricedwards.com

Our website continues to feature downloadable PDF versions of all of our Oklahoma City market summaries for the past several years, including Oklahoma City market information, market outlooks, as well as news and information about current activity in the market.



Oklahoma City

2014 Mid-Year Industrial Market Summary

Vacancy

Although significant new construction will begin in 2014, vacancy is forecast to continue to remain steady for the next 12 months.

Rental Rates

Rental rates will see modest increases, further narrowing the gap between existing-building and new-construction rates.

New Construction

Speculative development has begun and will accelerate as modern, functional space in the bulk warehouse sector is increasingly difficult to find.



Price Edwards & Company Expands into the Tulsa Market

Following the acquisition of Beacon Commercial Group, Price Edwards & Company has expanded into the Tulsa market. Tanda Francis has been named as the firm's Managing Broker for the Tulsa area. With the combination of the new Tulsa office and Price Edwards' 25 years of experience and expertise, the company will be poised to better serve their clients in the Tulsa Metro Area.



Tanda Francis

Managing Broker - Tulsa

