



Oklahoma City

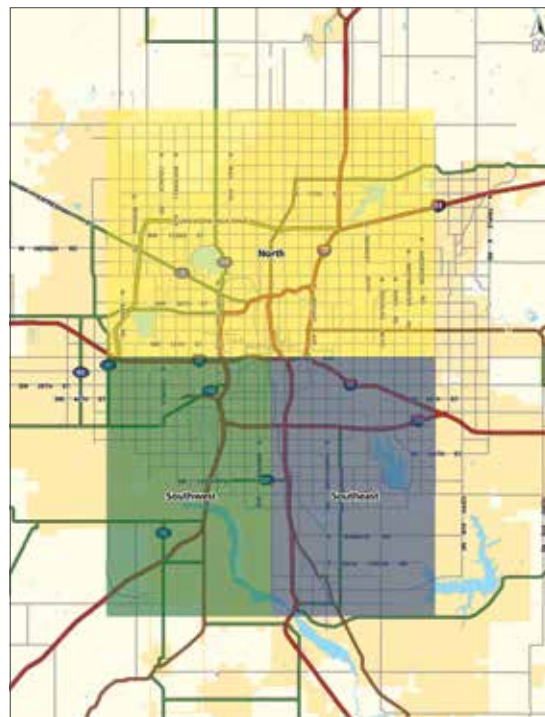
2016 Mid-Year
Industrial Market Summary





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Oklahoma City Industrial Submarket Map



Oklahoma City

2016 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.

Despite layoffs and bankruptcies in the oil and gas sector driven by drastically lower crude oil prices, The Oklahoma City multi-tenant industrial market is reporting lower overall vacancy than at this time in 2015. The industrial market as a whole, including single-tenant and owner-occupied properties, continues to enjoy low vacancies at 6.5% vacant with an unemployment rate of just 3.9%. The total vacancy rate for OKC multi-tenant industrial space is 10.56%, down from 11.8% last year. Despite lower vacancies, several speculative industrial building developments have been suspended due to slower leasing velocity. While not creating large vacancies, the withdrawal of the oil and gas service companies from space acquisition has created much less competition for available space.

While the current oil price environment has

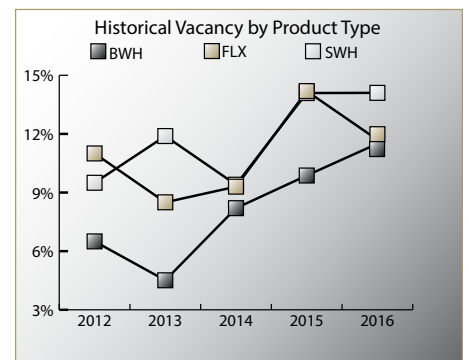
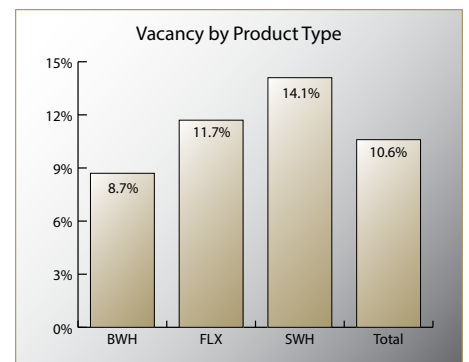
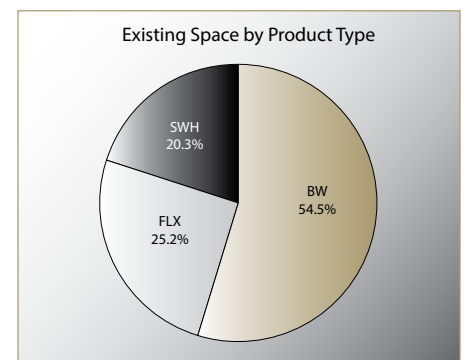
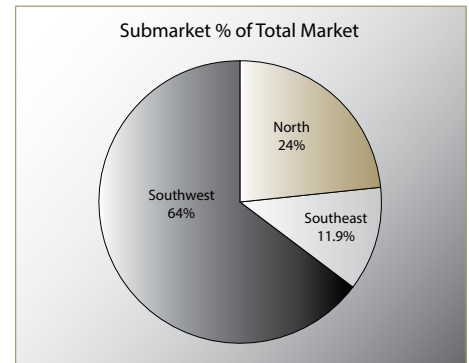
certainly affected the multi-tenant industrial market, the effect is moderate. The rapid rent inflation of the past several years has slowed significantly and presents a more flexible environment for new-lease concessions. With world-markets uncertainty becoming the new normal, tenant demands of flexibility in lease term and escape options are more common. We project a "more-of-the-same" multi-tenant market with level rents and new construction mostly limited to pre-leased developments.

The bulk warehouse market fell from 9.8% vacant in 2015 to 8.7% in 2016. This translates to about 500,000 square feet of available space against a total inventory of 5.7 million square feet. Much of this gain was due to strong positive absorption in the North submarket.

Flex space vacancy fell dramatically from 14.2% in 2015 to 11.7% currently. Once again, strong positive absorption in the North submarket fueled this decrease.

Service Warehouse, usually volatile and often independent of overall market trends, remained virtually flat reporting 14.0% vacant in 2015 and 14.1% vacant in 2016.

There was only one sale of tracked multi-tenant properties in the last twelve months. 1301 Cornell Parkway, a 33,280 square foot flex space center sold for \$1,487,500 (\$44.69 per square foot) in January, 2016.



2016 Mid-Year Oklahoma City Industrial Market Summary

NORTH SUBMARKET

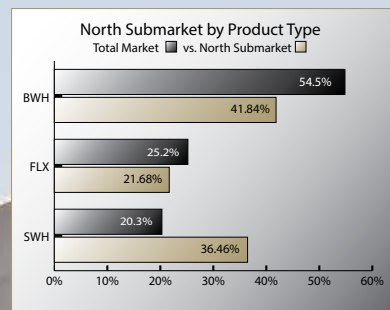
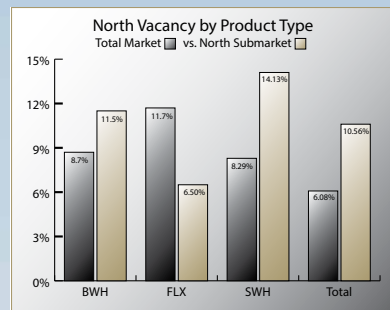
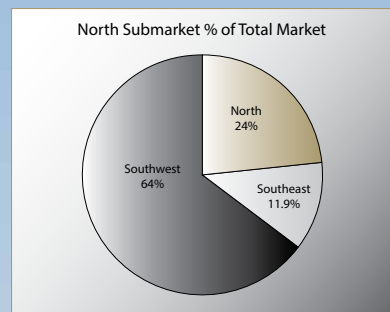
CURRENT MARKET

Average Vacancy is 6.08%

Aggregate available rental rates:

Bulk Warehouse	\$3.00 - \$5.15
Flex Space	\$6.50 - \$12.00
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%	NA
11301 Partnership Dr	BWH	138,600	0	0%	\$0.00
201 N. Harvard Avenue	BWH	39,580	0	0%	NA
311 N.W. 122nd	BWH	174,247	0	0%	\$5.15
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	41,241	21.44%	\$3.50
N - BWH Total		1,047,580	41,241	3.94%	\$4.23



14400 N Lincoln Blvd	SWH	52,395	0	0%	\$6.00
1825 N Walnut Ave	SWH	159,014	66,500	41.82%	\$3.50
217 NE 30th St	SWH	55,000	0	0%	NA
3501 N Santa Fe Ave	SWH	208,000	0	0%	\$2.50
3815 N Santa Fe Ave	SWH	140,000	9,157	6.54%	\$12.00
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.00
4224 N Santa Fe Ave	SWH	171,139	0	0%	\$6.50
7501 Broadway Ext	SWH	50,400	0	0%	\$6.50
N - SWH Total		913,047	75,657	8.29%	\$5.85

100 - 200 W. Wilshire Ave.	FLX	217,834	0	0%	\$6.50
401 E Memorial Rd	FLX	58,400	24,758	42.39%	NA
430 W Wilshire Blvd	FLX	38,250	0	0%	\$8.82
7504 Broadway Ext	FLX	66,038	3,545	5.37%	\$12.00
8100 N Classen Blvd	FLX	64,750	2,000	3.09%	\$9.00
13700 N. Lincoln	FLX	97,749	5,000	5.12%	\$6.75
N - FLX Total		543,021	35,303	6.50%	\$8.61

N Totals		2,503,648	152,201	6.08%	
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2016 Mid-Year Oklahoma City Industrial Market Summary SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
6401 S High Ave	BWH	102,020	0	0%	\$3.00
6601 S Air Depot Blvd	BWH	144,000	0	0%	NA
9401 S Pole Rd	BWH	60,000	0	0%	\$5.00
8001 Mid America Blvd.	BWH	130,000	32,243	24.80%	\$4.25
8121 Mid America Blvd	BWH	121,000	0	0%	NA
8120 Mid America Blvd	BWH	131,507	0	0%	NA
SE - BWH Total		688,527	32,243	4.68%	\$4.08
2020 S Eastern Ave.	SWH	48,250	36,250	75.13%	\$4.50
SE - SWH Total		48,250	36,250	75.13%	\$4.50
1125 SE Grand Blvd	FLX	72,000	37,094	51.52%	\$6.00
1533 SE 66th St	FLX	104,288	2,510	2.41%	\$6.00
2300-2700 N Moore Ave	FLX	147,080	12,662	8.61%	\$5.50
416 Hudiburg Circle	FLX	29,371	0	0%	\$10.50
3634 E I-240 Service Road	FLX	44,000	19,634	44.62%	\$7.23
3940 E I-240 Service Road	FLX	72,000	0	0%	\$5.70
5701 SE 74th St	FLX	40,605	2,087	5.14%	\$6.00
SE - FLX Total		509,344	73,987	14.53%	\$6.70
SE Totals		1,246,121	142,480	11.43%	

CURRENT MARKET

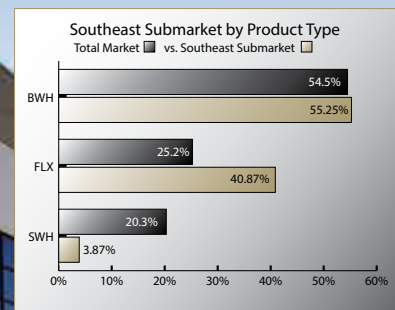
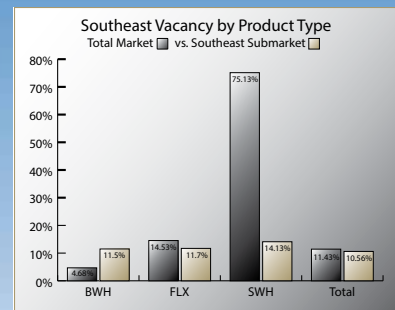
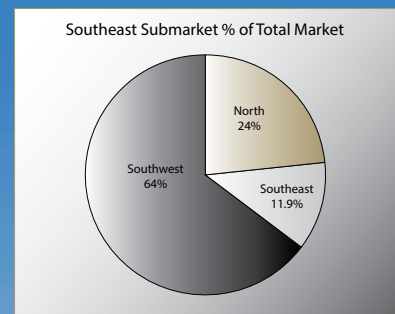
Average Vacancy is 11.4%

Aggregate available rental rates:

Bulk Warehouse \$3.00 - \$5.00

Flex Space \$5.50 - \$10.50

Service Warehouse \$4.50



2016 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

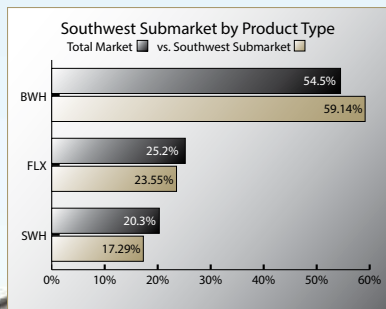
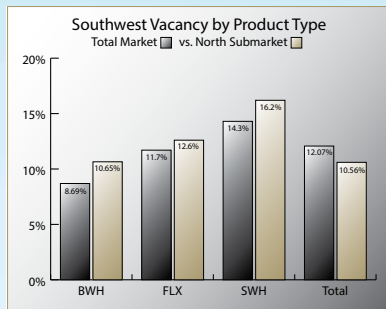
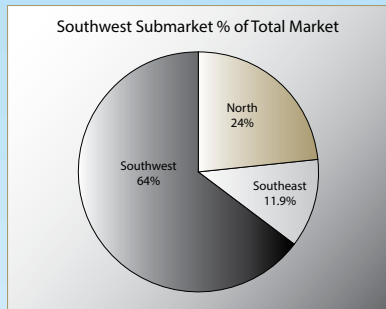
Average Vacancy is 10.65%

Aggregate available rental rates:

Bulk Warehouse \$2.95 - \$6.00

Flex Space \$4.00 - \$9.00

Service Warehouse \$2.50 - \$13.00



SW	Type	GLA	Vacant	% Vac	Rate
1330-1398 Metropolitan	BWH	69,167	0	0%	\$4.50
3500 S MacArthur Blvd	BWH	171,000	0	0%	NA
3501 Melcat Dr	BWH	106,000	18,627	17.57%	\$4.75
3601 S Thomas Rd	BWH	241,000	0	0%	NA
3701 S Thomas Rd	BWH	94,373	94,373	100%	\$4.50
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	0	0%	NA
4001 NW 3rd St	BWH	95,000	0	0%	NA
4001 Will Rogers Parkway	BWH	101,504	0	0%	\$4.50
4680 NW 3rd St	BWH	151,200	107,100	70.83%	\$4.25
5001 SW 36th St	BWH	122,945	0	0%	\$3.75
5024 SW 36th St	BWH	102,567	0	0%	NA
5200 SW 36th St	BWH	210,000	20,000	9.52%	\$6.00
5201 W Reno Ave	BWH	121,475	40,255	33.14%	\$3.50
5500 SW 36th St	BWH	76,500	0	0%	\$4.25
5500 W. Reno	BWH	336,750	77,300	22.95%	\$2.95
5555 Morton Ave	BWH	99,360	0	0%	\$3.25
5600 SW 36th St	BWH	87,200	16,100	18.46%	\$4.25
600 N Sara Rd	BWH	120,000	0	0%	\$3.50
6100 NW 2nd St	BWH	110,080	47,156	42.84%	\$4.25
7501 SW 29th St	BWH	1,300,000	0	0%	\$2.95
SW - BWH Total		3,950,625	420,911	10.65%	\$4.04

SOUTHWEST SUBMARKET



2016 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

1001 Enterprise	SWH	80,256	25,536	31.82%	\$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	21,888	27.27%	\$5.25
301-397 N Harvard Ave	SWH	81,000	0	0%	\$2.50
3600 S MacArthur Blvd	SWH	44,750	8,652	19.33%	\$13.00
4116 Will Rogers Parkway	SWH	65,800	10,023	15.23%	\$4.25
417 Hudiburg Circle	SWH	30,000	0	0%	\$10.50
4210 Will Rogers Parkway	SWH	60,000	0	0%	NA
4220-4232 Charter Ave.	SWH	56,275	14,143	25.13%	\$4.00
4243 Will Rogers Parkway	SWH	49,920	49,920	100%	\$4.25
4301 Will Rogers Parkway	SWH	33,647	0	0%	\$5.50
4400 S.W. 25th Street	SWH	68,000	27,000	39.71%	\$5.50
4601-4627 NW 3rd St	SWH	68,408	9,888	14.45%	NA
4700-4728 NW 1st St	SWH	52,340	0	0%	\$4.25
4917 - 4923 S.W. 7th St.	SWH	20,935	8,196	39.15%	\$4.00
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.50
5324 W Reno Ave	SWH	72,300	0	0%	NA
727 - 729 Overhead Dr.	SWH	24,512	0	0%	\$4.25
900 Metropolitan Ave	SWH	61,600	0	0%	NA
901 Enterprise Dr	SWH	80,256	6,508	8.11%	\$4.75
SW - SWH Total		1,155,544	187,226	16.20%	\$5.26

1000 Cornell Parkway	FLX	27,018	0	0%	\$3.75
1101-1121 Cornell Parkway	FLX	41,720	4,241	10.17%	\$6.50
1233 Sovereign Row	FLX	39,805	21,198	53.25%	\$7.50
1301 Cornell Parkway	FLX	34,086	16,828	49.37%	\$5.50
2236 NW 10th St	FLX	80,960	12,000	14.82%	\$6.75
235 N MacArthur Blvd	FLX	68,229	16,665	24.43%	\$7.25
304-306 N Meridian Ave	FLX	196,000	0	0%	\$6.50
340-350 S Vermont Ave	FLX	118,565	15,000	12.65%	\$5.90
400 S Vermont Ave	FLX	143,750	23,750	16.52%	\$5.50
401 N Meridian Ave	FLX	41,190	2,800	6.80%	\$5.14
4020 Will Rogers Parkway	FLX	65,438	0	0%	\$4.75
4100 Will Rogers Parkway	FLX	66,732	0	0%	\$5.50
4130 Will Rogers Parkway	FLX	65,520	45,426	69.33%	\$4.25
4141 Highline Blvd	FLX	74,310	4,100	5.52%	\$8.25
4309-4325 SW 21st St	FLX	64,568	5,472	8.47%	\$6.50
4703 Enterprise Dr	FLX	34,000	0	0%	\$4.50
4901 W Reno Ave	FLX	43,630	11,623	26.64%	\$9.00
6000 NW 2nd St	FLX	79,071	18,043	22.82%	\$5.50
7114 Melrose Ln	FLX	124,200	1,200	0.97%	\$5.00
7624 Melrose Ln	FLX	164,500	0	0%	\$4.00
SW - FLX Total		1,573,292	198,346	12.61%	\$5.88
SW Totals		6,679,461	806,483	12.07%	

OKC Industrial Totals	10,429,230	1,101,164	10.56%
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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.priceedwards.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

2016 Mid-Year Industrial Market Summary

2016 Forecast

Vacancy

Vacancies will remain around current levels, with the possibility of increased flex space vacancy as more oil and gas related businesses contract.

Rental Rates

Rental rates will remain steady but rent concessions will play a larger part in new leases and renewals.

New Construction

New construction will be limited and speculative development not currently building will slow significantly.

The Faces of Price Edwards' Industrial Division

Price Edwards is excited to announce that Danny Rivera and Chris Roberts have joined the Price Edwards & Company Industrial Team. Along with Bob Puckett and Mark Patton, this team of industrial specialists provides clients with unparalleled depth and experience in meeting the needs to industrial property owners, investors and tenants throughout Oklahoma.

Chris Roberts joined the industrial team of Price Edwards & Company in June of 2015, and Danny Rivera joined in July of 2015. As brokers in the Industrial and Investment Division, they specialize in assisting clients with the purchase, sale, or leasing of industrial facilities and land.



Danny Rivera
Industrial Specialist



Chris Roberts
Industrial Specialist



Bob Puckett
Industrial Specialist



Mark Patton
Industrial Specialist