

OKC OFFICE MARKET PLAYBOOK

FEBRUARY 2021

22,358,052 SF

Office 10,000+ SF
Excludes: Med., Gov., Edu., Single
Tenant Owner-Occupied

23.4%

Vacancy Rate
A: 27.8% | B: 22.7%

1,086,292 SF

Under Construction/Reno

100K+ SF | 3
50K-99K SF | 2
20K-49K SF | 7

Contiguous Space
Available

CLASS A | \$21.20
CLASS B | \$17.78

Avg. Asking Price
for New Leases

MARKET INSIGHT

Following a tumultuous year in 2020, the Oklahoma City office market entered the new year with a sense of cautious optimism. Oil and gas tenants face a challenging, yet more promising road ahead, as oil demand continues to rise and prices return to the level of profitability that many firms require for confidence. Evidence of this can be seen in Bricktown with Sandridge Energy's relocation to the historic Candy Factory building following the sale of their former downtown headquarters earlier this year. There has also been a notable increase in sale leaseback activity in 2020 by energy firms and other owner-users that seek to leverage their real estate portfolios to provide greater access to capital.

Office markets throughout the country have been affected by the COVID-19 pandemic, though its impact remains highly dependent on geography. The West Coast has seen several Fortune 500 companies announce their impending departures from Silicon Valley in favor of lower-cost markets in the South and Midwest. Mid-sized cities like Oklahoma City offer an attractive business climate as well as lower population densities, which has allowed similar Tier II and III office markets to return to work at higher rates than highly populated coastal markets. These are a few of the trends that we are keeping an eye on in 2021.

CONSTRUCTION & DEVELOPMENT

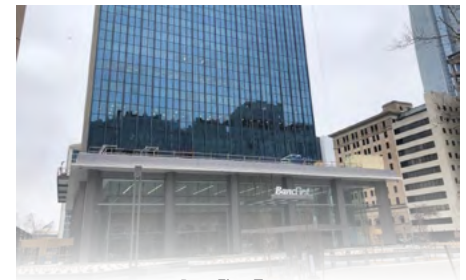
UC: Under Construction | R: Renovation



Dolese



The Nicholas



BancFirst Tower

Status	Market	Property	Address	Year Built	Class	RSF	Tenants	Owner
UC	North	Dolese HQ	9000 N Broadway Ext	2021	B	60,000	Dolese	Dolese
UC	North	The Nicholas	6501 N Classen Blvd	2021	A	40,000	N/A	NHG LLC
UC	Edmond	5400 E Memorial Rd	5400 E Memorial Rd	2021	A	28,000	Arch Tech. Solutions	Red Stone Resources
R	DT	BancFirst Tower	100 N Broadway	1971	B	507,682	BancFirst	BancFirst
R	Midtown	Chrysler Plymouth	301 NW 13th	1947	B	30,610	Gardner Architects	HGL Construction
Totals						666,292		

RECENT HEADLINES

Sandridge Has a New Home, One that Isn't Far From Its Old Tower

Following the sale of their former downtown headquarters earlier this year, Sandridge recently moved into their new space at the historic Candy Factory Building in Bricktown.

Daily Oklahoman

OKC Sees Brand New Omni Hotel Property Opening This Month

The new OMNI Hotel and Convention Center in Downtown Oklahoma City opened its doors to guests in January. The 605-room property overlooking Scissortail Park features flexible meeting and convention space along with several new food and beverage options.

Forbes

Oracle and Hewlett-Packard Join Silicon Valley Exodus

Oracle and Hewlett-Packard amongst the latest tech giants to depart from their West Coast headquarters in favor of the Lone Star State.

CNBC

The Value of Sale Leasebacks During a Market Downturn

The economic impact of the COVID-19 pandemic has led to an increase in sale leaseback transactions as companies seek to leverage their real estate portfolio to solidify their balance sheets.

Newmark

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NOTABLE LEASES/RENEWALS

CBD/Sub	Tenant	Property	Leased SF	Class	New vs. Renewal	Date
Sub	Interlink Mortgage Services	4747 Gaillardia Pky	19,663	A	New	Mar-20
Sub	Costco	14501 Hertz Quail Springs Pky	214,332	A	New	May-20
CBD	Tapstone Energy LLC	Leadership Square	24,396	A	New	May-20
CBD	GSA-VA	Robinson Plaza	19,498	B	Renewal	Jun-20
CBD	Heartland Payment Systems	Mideke Building	77,720	B	New	Aug-20
CBD	Merrill Lynch	Leadership Square	18,876	A	Renewal	Sep-20
Sub	Cornerstone Home Lending	4801 Gaillardia Pky	17,638	A	New	Oct-20
Sub	Seagate Technologies, LLC	OKC Works	104,277	B	New	Oct-20
Sub	Arch Technology Solutions	5400 E Memorial Rd	10,000	B	New	Dec-20
CBD	Phillips Murrah P.C.	Corporate Tower	58,359	B	Renewal	Jan-21

HIGHLIGHTED MAX CONTIGUOUS AVAILABLE

Market	Property Name	Property Address	Year Built	Class	RBA	% Leased	Max Contig. Avail.	Rent/SF/Yr
CBD	BOK Park Plaza	499 W Sheridan	2018	A	663,294	39.51	305,136	\$21.50 - 24.00
North	Building 13	6300 N Classen Blvd	2009	A	143,705	100	136,599	\$21.00
CBD	Leadership Square	211 N Robinson Ave	1984	A	790,093	79.62	118,872	\$24.00
NW	Lake Park Tower	6525 N Meridian Ave	1983	B	106,500	34.82	78,898	\$15.00 - 19.50
NW	IBC Center	3817 NW Expressway	1983	A	278,843	71.69	53,760	\$22.50
North		701 Cedar Lake Blvd	2003	B	155,552	88.19	43,318	\$19.50
NW	Gulfport Energy Corporation	14313 N May Ave	2001	B	27,640	0	27,640	\$19.00
NW	Union Plaza Office Building	3030 NW Expressway	1980	A	250,628	58.16	26,576	\$18.00 - 21.00
NW	Quail Springs Parkway Plaza	14000 N Quail Springs Pky	1986	A	298,610	56.15	25,552	\$18.36 - 22.44
North	One Benham Place	9400 N Broadway Ext	1985	A	152,959	85.73	25,075	\$19.50
North	Valliance Tower	1601 NW Expressway	1984	A	299,137	72.55	22,713	\$17.50 - 22.00
NW		4700 Gaillardia Pky	2007	A	42,899	48.79	21,967	\$25.00
NW		3121 Quail Springs Pky	1999	B	41,992	30	21,526	\$20.00
NW	Lakepointe Towers	4005-4013 NW Expressway	1982	B	177,268	46.44	14,887	\$18.00

MARKET SUMMARY

Market	Buildings	RBA	Direct Vacancy	Vacancy Rate	YTD Absorption	Avg Asking Rent
CBD	88	6,767,382	1,664,372	24.6%	-180,952	\$18.45
Midtown	16	728,879	175,249	24.0%	27,258	\$17.54
Edmond	39	826,980	140,407	17.0%	9,655	\$18.12
Moore-Norman	50	1,131,564	192,930	17.0%	-23,906	\$16.14
North	72	3,911,497	674,975	17.3%	-57,204	\$19.15
Northwest	107	6,813,679	1,860,134	27.3%	-100,104	\$18.38
South	11	372,581	60,526	22.6%	-37,075	\$14.42
West	23	1,805,490	570,965	31.8%	-4,780	\$17.44
Medical Office	68	3,405,658	371,153	11.5%	37,714	\$19.73
Total	474	25,763,710	5,710,711	21.5%	-329,394	\$17.71

