

OKC MARKET REPORT



**STATE CAPITAL
OF OKLAHOMA**



**CITY OF OKC
AREA SIZE**



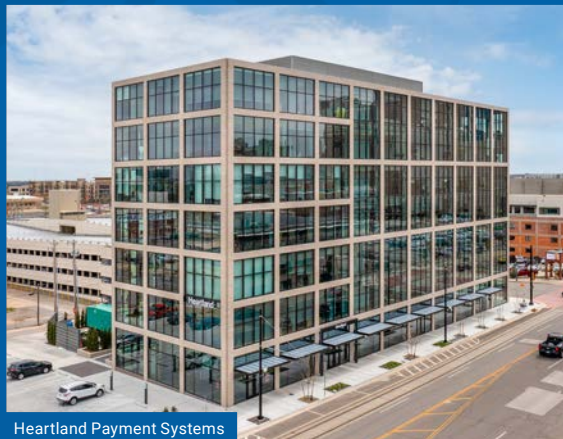
**OKC METRO
UNEMPLOYMENT**
2022 Average



**OKC METRO
POPULATION**
2022



**BOND RATING
OKC 2022**
Moody's and S&P



Heartland Payment Systems

Situated in the middle of the country at the crossroads of two major interstates, Oklahoma City is the regional leader in oil and gas, aviation and aerospace, biotechnology, transportation and logistics, and business services.

Tinker Air Force Base is the largest single-site employer in the state. Significant employers include homegrown companies Paycom, Hobby Lobby, Love's Travel Stops & Country Stores, Devon Energy, Continental Resources, and American Fidelity. The energy sector remains a strong economic driver, although aerospace, biotechnology, and E-commerce account for many jobs.

With the COVID-19 pandemic subsiding, the metro has weathered the initial economic downturn and job losses only to bounce back to pre-COVID numbers. 2022 saw the metro achieve year-over-year nonfarm annual job growth of 3.4%, which accounted for 22,000 jobs.

The taxpayer-funded MAPS projects continue to improve the quality of life in the city. MAPS 3 projects brought a new convention center, an urban park, downtown streetcars, and other amenities to the city's core. MAPS 4 includes projects addressing everything from new and upgraded sports and entertainment facilities to homelessness, mental health, and transit. Record low unemployment and population growth over the past decade have OKC on a positive trajectory for 2023 and beyond.



Quad Graphics

NEWMARK ROBINSON PARK 2022 IN REVIEW



16.25M SF
SOLD AND LEASED



\$1.7B
TOTAL TRANSACTIONS

NOTABLE 2022 TRANSACTIONS

- **Heartland Payment Systems | Office** | 616 N Broadway Ave. 111,503 SF | \$46.97M
- **Quad Graphics | Industrial** | 6801 S Sunnyslane Road 1,105,962 SF | \$40M then leased entirely to Hubbell and Cox Mobility
- **The Montgomery | Multifamily** | 500 W Main St. 70 Units | \$16M, \$228,571 per unit

WHAT WE'RE WATCHING *OKC Office Market*

We are optimistic that office tenants and their employees will continue returning to traditional office space post-COVID, as seen by an increasing number of daytime employees in downtown OKC. But work remains to backfill space left vacant by tenants who downsized or vacated during the pandemic.

WHAT WE'RE EXCITED ABOUT *Convergence*

\$177.5 million partnership between Robinson-Park and Gardner Tanenbaum on 2.7 acres to house state-of-the-art facilities to promote collaboration between aviation, aerospace, bioscience, and technology. The MAPS 4 Innovation Hall will further foster this collaboration in the Innovation District.



The Montgomery

ECONOMIC DRIVERS

AEROSPACE

Sources: Greater OKC Chamber; Tinker AFB

Tinker Air Force Base

- 29,605 est. total personnel
6,286 military | 18,659 civilians | 4,660 military dependents
- Annual Federal Payroll: \$1.69 billion
- Economic Impact: \$5.8 billion

Federal Aviation Administration, Mike Monroney Aeronautical Center

- 5,140 employees
- Operating budget: \$1.1B
- Second largest aerospace employer in the region
OKC has highest concentration of FAA civil servants and contractors outside of Washington, D.C.

Aerospace Economic Impact

- 290+ aerospace firms in the region
- 43,250 aerospace workers
- Aerospace firms produce \$11.6 billion in goods and services locally.
- Aerospace companies hiring engineers in a variety of fields can receive a tax credit equal to 5-10% of the compensation paid to the engineer.

HEALTH CARE

INTEGRIS, SSM Health, Mercy, and others employ 82,000 workers in the region with 36 general medicine and surgical hospitals and specialty clinics.

PROF., BUSINESS, AND FINANCIAL SVCS.

More than 125,000 employees, or 19% of the local workforce, provide business and financial services nationwide.

BIOSCIENCE

Bioscience is booming in OKC and the sector employs 51,000 statewide providing goods, services, research, and education.

Tinker Economic Impact Breakdown

	Direct	Indirect
Payroll	\$1,686,802,121	\$1,894,616,142
Construction	\$140,488,579	\$149,423,652
Locally Produced Goods & Services	\$1,109,822,119	\$832,722,077
Local Purchases Produced Elsewhere	\$14,882,777	\$11,337,632
Other Spending (YTD)	\$3,576,580	\$3,023,989
Total	\$2,955,572,175	\$2,891,123,493
Combined Economic Impact	\$5,846,695,668	

ENERGY

The industry only accounts for 2% of metro employment. Devon Energy, Continental Resources, and Chesapeake Energy remain strong players. Energy activity expanded in 2022, but began to cool going into 2023.

WHOLESALE AND RETAIL TRADE

At the intersection of major interstates, OKC is a trade center with monthly taxable retail sales in 2021 often beating projections and exceeding the same month from previous years.

MANUFACTURING

More than 38,000 people are employed in manufacturing in the OKC metro. It accounts for about 5% of the metro's nonagricultural labor force.

OKC 2022 HIGHLIGHTS

- U.S. Air Force and Northrop Grumman unveiled sixth-generation B-21 Raider strategic bomber. It will be maintained at Tinker AFB.
- Groundbreaking for Convergence, the mixed-use development to include an office tower, upscale boutique hotel and restaurant, public realm, and the proposed MAPS 4 Innovation Hall at NE 8th Street and Interstate-235. Projected to have a \$1.2 billion economic impact.
- Chickasaw Nation began construction on OKANA, a \$200 million resort next to First American's Museum
- In its second year of existence, OKC Convention Center welcomed nearly 200,000 visitors contributing to an economic impact of \$29.6 million
- Developer Richard Tanenbaum bought two downtown office buildings with plans for conversion to 265 multifamily units. The Harlow is named for 1920s movie star Jean Harlow
- The Oak, a 20-acre mixed use project in NW OKC broke ground. The first tenants will be Restoration Hardware, Arhaus, and Capital Grille. Apartments and a hotel are included in phase one
- Griffin Communication moved News9 downtown with 240 employees. Sharing the space are The Oklahoman newspaper and investigative journalism project State Impact.
- The First National Center opened after a \$280 million renovation to the 1932 building for apartments, a Marriott Autograph hotel, and high-end dining and retail
- "Tulsa King," the Sylvester Stallone series filmed largely in OKC, was #1 new series of 2022. After the smash debut, Paramount ordered a second season.
- OKC Office of Film and Creative Industries opens to support the burgeoning film industry

2023 Outlook: Construction will begin on the \$82M MAPS 4 Fairgrounds Coliseum. \$15M renovation of the Skirvin Hilton Hotel will begin.

2023 OKC MARKET

SUMMARY

- Oklahoma City is the 20th largest city in the country by population, according to the U.S Census Bureau.
- The Census Bureau reported OKC was one of only 14 cities that gained at least 100,000 residents between 2010 and 2020.
- Between 2020 and 2022, OKC population grew by 1.24% annually.
- In Dec. 2022, the OKC MSA was tied for 10th place with Kansas City, Milwaukee, and San Francisco for lowest unemployment among large metro areas.
- Pratt & Whitney announced plans to spend \$255M on an 845,000 SF aircraft engine sustainment facility near Tinker.
- The largest number of employees after Govt. and Military are Trade, Transp. & Utilities, which BLS defines as service-providing sectors.
- OKC's cost of living is 16% below the U.S. standard.
- The Oklahoma State Regents for Higher Education reported 37,149 degrees were conferred in 2020-21 from the state's public colleges and universities; about half of those were bachelor's degrees. The state lags in current future workforce needs in key areas like healthcare, engineering, and science fields.
- Devon Energy is the only OKC-based company on the Fortune 500 at No. 309. The only other Oklahoma-based companies on the Fortune 500 are ONEOK in Tulsa at No. 224 and Tulsa's Williams at No. 347.
- In-migration to Oklahoma in the last three years was largely from Texas and California. The majority of those who migrated to the state settled in OKC. The Census Bureau ranked Oklahoma No. 10 for top net domestic migration destinations over the past year.

EMPLOYMENT IN OKC

Major Employers Public <i>Non Oil and Gas</i>	Employees	Sector	Ticker	Market Cap	Major Employers Private <i>Non Oil and Gas</i>	Employees	Sector
Amazon	8,000	Retail	AMZN	\$1T	Hobby Lobby Stores Inc. •	6,500	Retail
Paycom •	3,800	Technology	PAYC	\$18.7B	MidFirst Bank •	2,800	Finance
The Boeing Co.	3,600	Aerospace	BA	\$126.9B	Sonic •	2,460	Retail
AT&T	2,700	Telecom.	T	\$136.4B	Love's Travel Stops •	2,000	Retail
Dell	2,100	Business Svcs.	DELL	\$30B	American Fidelity •	1,995	Finance

• Denotes Headquarters

Major Employers <i>Government and Military</i>	Employees	Sector	Top Local Oil and Gas Employers	Employees	Ticker	Market Cap
State of Oklahoma	44,400	Govt.	Chesapeake Energy Corp.	1,630	CHK	\$10.98B
Tinker Air Force Base	26,000	Military	Devon Energy Corp.	1,600	DVN	\$40B
City of Oklahoma City	5,200	Govt.	Continental Resources*	1,080	Private	
FAA Monroney Aeronautical Center	5,140	Govt./Aerospace				
Citizen Potawatomi Nation	1,950	Govt.				

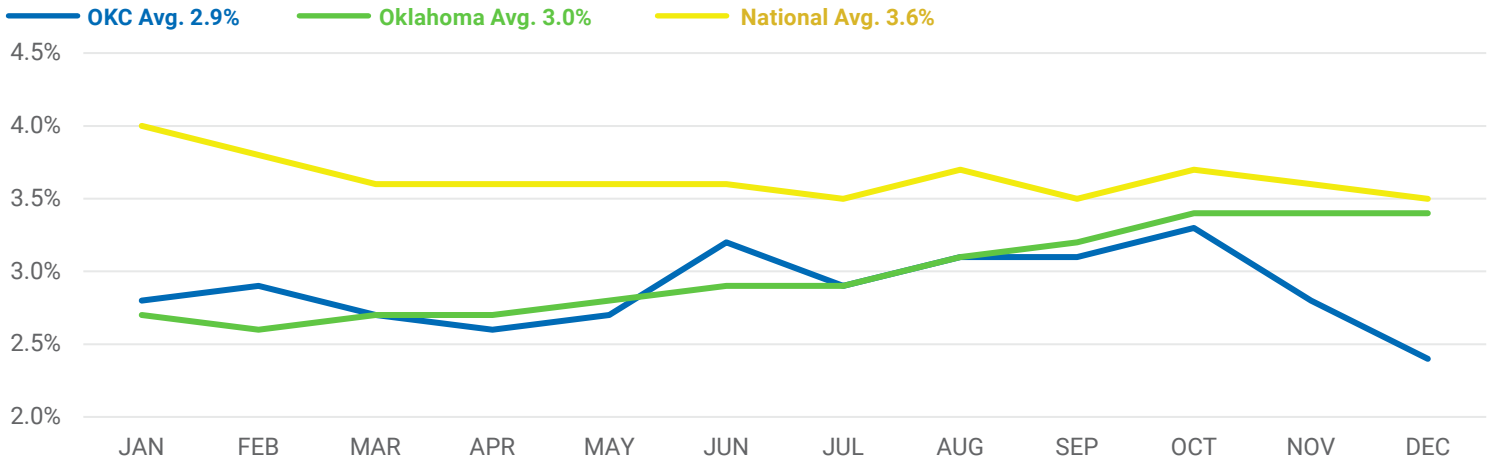
*the Hamm family took Continental private in 2022

Major Employers <i>Higher Education</i>	Employees	Major Employers <i>Healthcare</i>	Employees
University of Oklahoma–Norman	11,085	INTEGRIS Health •	11,000
OU Health Sciences Center–OKC	5,000	Mercy Hospital •	5,540
Oklahoma City Community College	2,100	SSM Health Care of Oklahoma Inc. •	4,000
University of Central Oklahoma	1,380	OU Medical Center •	3,400
Rose State College	1,000	Norman Regional Hospital •	3,000

• Denotes Headquarters

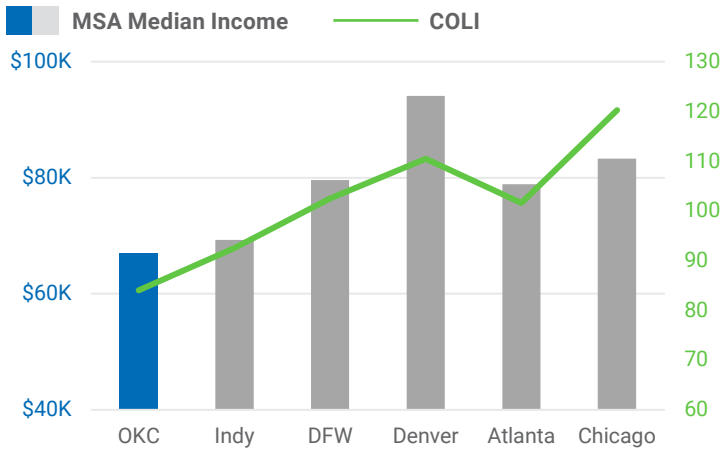
MARKET SUMMARY | 2023

UNEMPLOYMENT RATES 2022



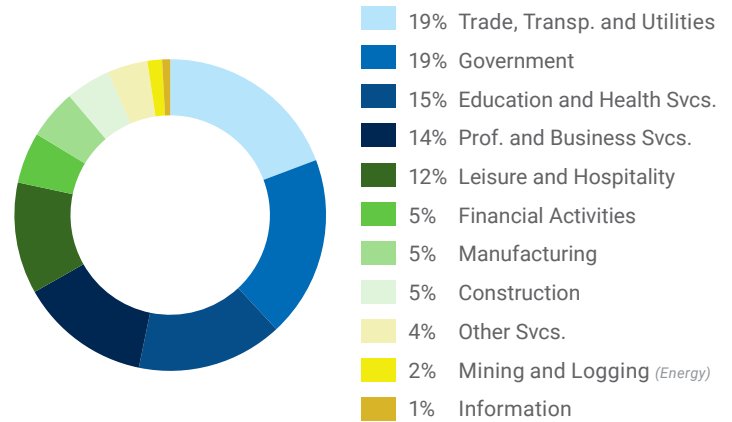
Source: US BLS

COST OF LIVING INDEX COMPARABLES



Source: C2ER

INDUSTRY DIVERSITY



Source: US BLS

HIGHER EDUCATION ENROLLMENT

School	Fall '22	Institution
University of Oklahoma, OU Health Sciences Center, Law	31,464	Research
Oklahoma State University, OSU-OKC, Veterinary	29,699	Research
University of Central Oklahoma	12,250	Regional
Oklahoma City Community College	11,368	Community
Rose State College	6,842	Community
Oklahoma City University	2,550	Private
Oklahoma Christian University	2,607	Private

Source: Oklahoma State Regents for Higher Education