

TULSA OFFICE MARKET PLAYBOOK

NOVEMBER - DECEMBER 2023

27,092,42 SF

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

19.6%

Vacancy Rate
A: 18.7% | B: 23.6%

181,200 SF

Under Construction/
Planned

100K+ SF | 7
50K-99K SF | 8
20K-49K SF | 16

Contiguous Space
Available

CLASS A | \$21.72
CLASS B | \$16.55

Avg. Asking Price
for New Leases

MARKET INSIGHT

One notable trend playing out in office markets across the country is the conversion of dormant office space into apartments and other commercial uses. While the trend is most prominent in major markets in the Northeast and on the West Coast, it has also picked up speed in Tulsa. In late October, it was announced that three historic buildings in Downtown Tulsa will be converted from largely vacant office space into apartments. The \$80 million redevelopment will convert the Arco, Philcade, and IBM buildings into over 500 new multi-family units in the heart of the CBD. Work on the Arco building has already begun, with the other two buildings expected to be complete in 2025. In addition to the Beacon Building, which was purchased in late 2022 with plans to convert the office building into apartments, the planned conversions of these four properties removes over 670,000 square feet of underutilized office space from the Downtown submarket.

Outside of office market activity, one of Tulsa's top employers is poised for even further growth heading into the new year. In early December, the Oklahoma Department of Commerce announced that American Airlines will receive a \$22 million award for improvements to their Tulsa maintenance base. The funds will be used for capital improvements to the base and the addition of more than 300 new jobs.

RECENT HEADLINES

\$80M Downtown Residential Development: 'A True Labor of Love'
A local developer plans to add over 500 new multi-family units to Downtown Tulsa with the redevelopment of three historic office buildings.
[Tulsa World](#)

Adaptive Reuse Trend Converts Office Space into Apartments, Hotels, Retail
Developers across the country are getting creative in the re-purposing of vacant office space.
[Journal Record](#)

American Airlines Awarded \$22 Million From State of Oklahoma for Tulsa Maintenance Base Enhancements
The recent award is part of the \$400 million investment in American's Tulsa maintenance base over the last three years.
[Tulsa World](#)

Oil & Gas Report
Although the state has continued to diversify in recent years, the energy industry remains a vital component of the regional economy.
[Newmark Robinson Park](#)

CONSTRUCTION & DEVELOPMENT

UC: Under Construction | C: Complete | P: Planned



222 N. Detroit Ave (Image: Costar)



Santa Fe Square (Image: Public Radio Tulsa)



21 N Greenwood (Image: Costar)

Status	Market	Property	Address	Year Built	Class	RSF	Tenants	Owner
C	CBD	222 N Detroit	222 N Detroit Ave.	2022	A	260,283	Crowe & Dunlevy	WPX Energy
U/C	CBD	Santa Fe Square	2nd & Elgin Ave.	2023	A	151,200	Hall Estill	Nelson and Stowe Development
C	CBD	21 N Greenwood	21 N Greenwood Ave.	2022	A	72,500	TBD	Hille Foundation
P	East	Pearl Ridge South	827 S Peoria Ave.	TBD	A	30,000	Noria Corp.	Noria Corporation, Inc.
Totals						513,983		

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NOTABLE LEASES/RENEWALS

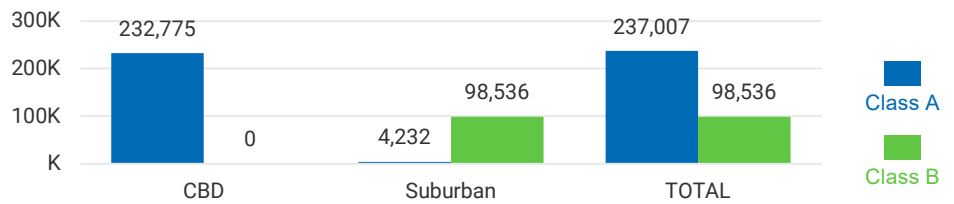
CBD/SUB	Property Name	Tenant	Leased SF	Class	New/Renewal	Date
CBD	110 W 7th	Targa Resources	52,146	A	Renewal	May-23
SUB	Two Warren Place	NGL Energy Partners	27,330	A	Renewal	Jan-23
SUB	One Warren Place	Sage Natural Resources	16,531	A	Renewal	Dec-23
SUB	American Plaza	Filtrex Service Group	11,053	A	New Lease	Oct-23
CBD	110 W 7th	QPS Flint	8,935	A	New Lease	Jul-23

HIGHLIGHTED MAX CONTIGUOUS AVAILABLE

Market	Property Name	Property Address	Year Built	Class	RBA	% Leased	Max Contig. Avail.	Rent/SF/Yr
CBD	One Place Tower	202 S Cheyenne Ave.	2013	A	325,510	N/A	224,000	\$19.00
CBD	BOK Tower	One Williams Center	1974	A	1,373,733	83.7	116,543	\$19.00
South	Two Warren Place	6120 S Yale Ave.	1987	A	489,903	80.6	26,716	\$27.00
CBD	320 S Boston	320 S Boston Ave.	1917	B	465,455	62.0	90,747	\$17.50
East	Exchange Tower	4500 S Garnett Rd.	1981	B	166,612	49.9	43,820	NEGOT

OFFICE SUBLEASE SPACE

Market	SF	\$/SF
CBD	232,775	\$17.33
SUB	102,768	\$17.31



MARKET SUMMARY

Market	Buildings	RBA	Direct Vacancy	Vacancy Rate	YTD Absorption	Avg. Asking Rent
CBD	66	10,612,159	1,771,408	16.7%	-39,492	\$18.15
South	135	7,771,400	1,650,902	21.2%	11,406	\$17.55
Midtown	59	3,609,196	537,088	14.9%	7,300	\$16.78
East	28	3,502,395	1,000,267	28.6%	-1,943	\$15.00
Medical	59	3,062,651	327,703	10.7%	1,548	\$17.43
North	9	1,050,885	372,340	35.4%	2,365	\$14.96
Broken Arrow	21	546,385	28,270	5.2%	-5,989	\$15.40
Total	377	30,155,071	5,687,978	19.3%	-24,805	\$17.02