

OKC MARKET REPORT



STATE CAPITAL
OF OKLAHOMA



CITY OF OKC
AREA SIZE



OKC METRO
UNEMPLOYMENT
Jan 2024



OKC METRO
POPULATION
2023



BOND RATING
OKC 2023
Moody's and S&P



Union Plaza

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 in SE OKC is the largest single-site employer in the state. Significant private employers include homegrown companies Paycom, Hobby Lobby, Love's Travel Stops & Country Stores, Devon Energy, Chesapeake Energy, Continental Resources, and American Fidelity.

Population growth and job growth remain strong as OKC is a desirable location for those starting their career or looking to advance in industries from oil and gas to biosciences.

The taxpayer-funded MAPS projects entered their fourth decade with the latest iteration, MAPS 4, which will bring capital improvements and the first MAPS projects to address issues including homelessness and those who have suffered abuse.

In December 2023, OKC voters overwhelmingly approved an extension of the penny MAPS tax to fund a new downtown arena to house the NBA's OKC Thunder and concerts and events in the coming decades.

OKC is on an upward trajectory based on industry diversity, public-private partnerships, low unemployment, a low cost of living, and a quality of life that is hard to find in many cities due to soaring costs.



Sam's Distribution Center

NEWMARK ROBINSON PARK IN REVIEW



6.6M SF
SOLD AND LEASED
Previous 3-Year Average

NOTABLE 2023 TRANSACTIONS

Union Plaza
Office | 3030 NW Expressway
251,628 SF | \$27M

Sam's Distribution Center
Industrial | 2400 S Council Rd
295,757 SF | New Class A



\$1.3B
TOTAL TRANSACTIONS
Previous 3-Year Average

Sycamore Farms
Multifamily | 14900 N Pennsylvania
398 Units | \$59M | \$148K/Unit



Sycamore Farms Apartments

WHAT WE'RE EXCITED ABOUT

- In the Innovation District, **Convergence** will bring bioscience, aerospace, higher-ed, and military tenants under one roof to form strategic partnerships.
- A 577-acre master planned commerce park, **OKC 577**, will support economic growth in the state and significantly boost the industrial inventory for spec and build-to-suit space to accommodate a variety of users.
- City leaders and the OKC Thunder have indicated they will announce a site for the **new downtown arena** this year and present initial drawings. The project is expected to cost more than \$900M and open for the Thunder's 2029-2030 season.
- The Chickasaw Nation's **OKANA** resort will open this year.
- In NW OKC, **OAK** will bring high-end retailers, housing, and a hotel.

ECONOMIC DRIVERS

+ AEROSPACE

Tinker Air Force Base

- 29,605 est. total personnel
6,286 military | 18,659 civilians | 4,660 military dependents
- Annual Federal Payroll: \$1.7 billion
- Direct Economic Impact: \$6 billion

Federal Aviation Administration, Mike Monroney Aeronautical Center

- 6,300 estimated total employees
- Operating budget: \$1.65B
- Second largest aerospace employer in the region

OKC has highest concentration of FAA civil servants and contractors outside of Washington, D.C.

Tinker Economic Impact Breakdown

| | Direct | Indirect |
|------------------------------------|----------------------|---------------|
| Payroll | \$1.7B | \$1.8B |
| Construction | \$158.5M | \$143.9M |
| Locally Produced Goods & Services | \$1.2B | \$0.9B |
| Local Purchases Produced Elsewhere | \$27.3M | \$18.9M |
| Other Spending (YTD) | \$3.3M | \$2.7M |
| Total | \$6.0B | \$2.9B |
| COMBINED ECONOMIC IMPACT | \$8.8 BILLION | |

Aerospace Economic Impact

- 290+ aerospace firms in the region
- 77,000 aerospace workers
- Aerospace firms produce \$11.6 billion in goods and services locally.
- The Oklahoma Department of Commerce reported since 2018, the state's Aerospace Commerce Economic Services (ACES) program invested \$4.4M, which led to \$1.2B in new capital investment.

Sources: Greater OKC Chamber; Tinker AFB, Pratt & Whitney

+ 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, + FINANCIAL SVCS.

More than 125,000 employees, or 18% of the local workforce, provide business and financial services nationwide.

+ BIOSCIENCE

Bioscience companies in OKC report annual revenues of more than \$6.7B and supports 51,000 jobs with total compensation of \$2.2B.

+ ENERGY

The industry only accounts for 2% of metro employment. Devon Energy, Continental Resources, and Chesapeake Energy remain strong players.

+ WHOLESALE + RETAIL

At the intersection of major interstates, OKC is a trade center with monthly taxable retail sales in 2023 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 2023 HIGHLIGHTS

- **\$1B** | OKC577 broke ground. It is a 577-acre master planned commerce park with 7M SF of industrial, office, and retail space. A 1.5M SF building is under construction for the new headquarters of Locke Supply.
- **\$900M** | OKC Downtown Arena through MAPS 4 penny sales tax for 72 months and Thunder agrees to stay in the city through 2050.
- **\$255M** | Pratt & Whitney breaks ground on 845K SF Aircraft Engine Sustainment Facility near Tinker AFB.
- **\$111M** | The Half in North OKC announces Andretti Indoor Karting and Games and Belle Isle Enterprise High School to the sprawling mixed-use development.
- **\$70M** | Renovation of BancFirst Tower completed. Underground improvements and restaurants, a salon, and a bank branch.
- **\$39.6M** | UPS completed a 180K SF automated facility that moves 10K packages per hour at 8825 N I-35 Service Road.
- **\$34.3M** | Canoo purchased former Terex plant and will occupy close to 500K SF.
- **\$28.9M** | Bus Rapid Transit launched and runs from downtown to Classen and N.W. Expressway, 9.5 miles each way.
- **2028 Olympics** | OKC is in the running to host the canoe slalom events.
- **The Mexican Consulate** | Recently launched to provide services to Mexican nationals living in Oklahoma and serve as a resource for those traveling to Mexico, and to foster business opportunities.
- **The Oklahoma Opry** | Relocates from the Stockyards to Bricktown.

OKLAHOMA CITY MARKET

STATISTICS, ACCOLADES AND 2024 PROJECTS

- OKC is the **20th largest city** in the country by population and the 91st largest MSA, according to the U.S. Census Bureau.
- The Census Bureau reported Oklahoma had the **9th highest positive net migration** in the country between July 2022 and July 2023, adding 31,967 residents.
- Chesapeake Energy merged with Spring, Texas-based Southwestern Energy in January 2024. In an all-stock **deal worth \$7.4B**, the combined company will be one of the largest energy producers in the U.S. The company will remain based in OKC. Chesapeake has 1,200 employees here.
- Will Rogers World Airport served more than 4,400,049 airline passengers in 2023, **an increase of more than 11%** from 2022, which had more than 3.9M passengers. The numbers came close to matching 2019 passenger numbers of 4,418,749, the highest on record. 2024 numbers are expected to match or exceed the previous year's numbers.
- **OKANA** will open next year. The \$400M project of the Chickasaw Nation SE of downtown along the Oklahoma River will include a 404-room hotel and resort with a water park and retail.
- **OAK** will open in the fall. The new 20-acre development at NW Expressway and Pennsylvania Avenue includes a 132-room boutique Lively Hotel, 320 apartment units, and retailers, including RH (Restoration Hardware), Arhaus, Capital Grille, Williams Sonoma, and others, along with a performance venue and original sculptures.
- OKC's total tourism **economic impact is \$4.3B**. Direct spending on travel is \$2.6B with 23.2M visitors to the city last year.
- The Greater OKC Chamber reported 2023 **capital investment in the city was \$7B**. Through November, 112 companies (seven new to the market) had announced 4,000 jobs and \$273M in payroll.
- OKC is the **headquarters of three Fortune 500 companies**. Devon Energy No. 216; Chesapeake Energy No. 350; Continental Resources No. 407.
- OKC is in the I-35 Megalopolis. It includes Texas and Kansas and is one of 10 Megalopolis' in the U.S. The **I-35 corridor ranked first** in population and job growth rates from 2005-2022.
- The Council for Community and Economic Research named OKC in the top spot for lowest cost of living among cities with populations exceeding 500,000. The 2023 annual Cost of Living Index (COLI) for OKC stands at an impressive 85.1, **a significant 14.9 points below the national average**.

EMPLOYMENT IN OKC

• Denotes Headquarters

| 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 | \$1.82T | Hobby Lobby Stores Inc. • | 6,500 | Retail |
| Paycom • | 4,200 | Technology | PAYC | \$10.63B | MidFirst Bank • | 3,100 | Finance |
| The Boeing Co. | 3,740 | Aerospace | BA | \$122.53B | Love's Travel Stops • | 2,500 | Retail |
| AT&T | 2,700 | Telecom | T | \$120.12B | American Fidelity • | 1,950 | Finance |
| Dell | 2,100 | Business Svcs | DELL | \$63.82B | | | |

| Major Employers <i>Government and Military</i> | Employees | Sector | Top Local Oil and Gas Employers | Employees | Ticker | Market Cap |
|---|-----------|-----------------|---------------------------------|-----------|---------|------------|
| State of Oklahoma | 37,600 | Government | Chesapeake Energy Corp. • | 1,200 | CHK | \$10.72B |
| Tinker Air Force Base* | 26,000 | Military | Devon Energy Corp. • | 1,800 | DVN | \$28.11B |
| City of Oklahoma City | 4,500 | Government | Continental Resources • | 1,400 | Private | |
| FAA Mike Monroney Aeronautical | 5,150 | Govt./Aerospace | | | | |
| Citizen Potawatomi Nation | 1,950 | Government | | | | |

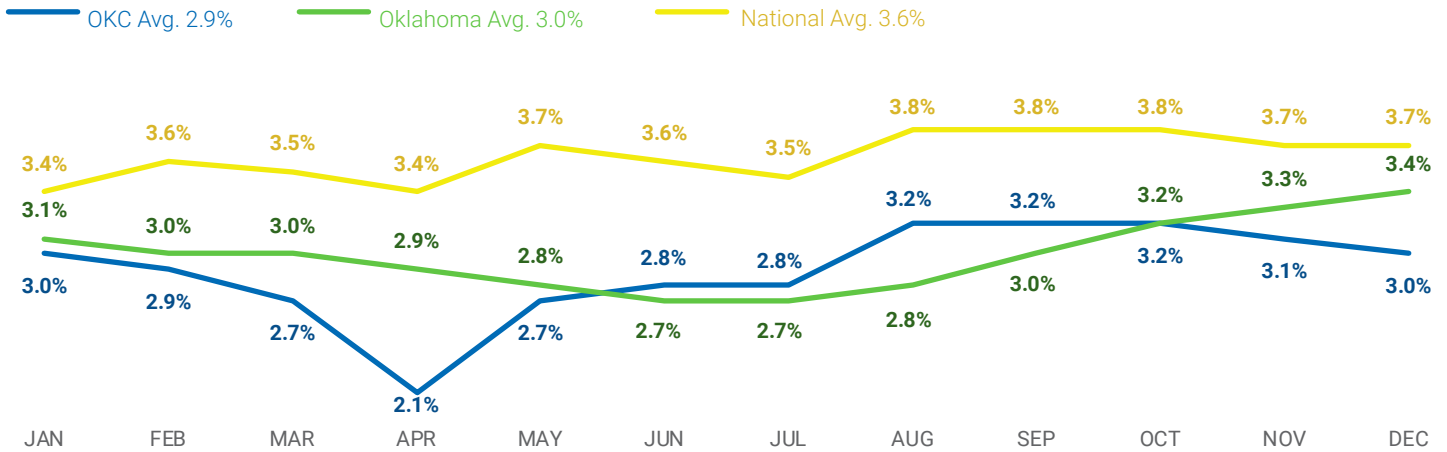
*Continental went from a public to a private company in 2022

*military members and civilian employees

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

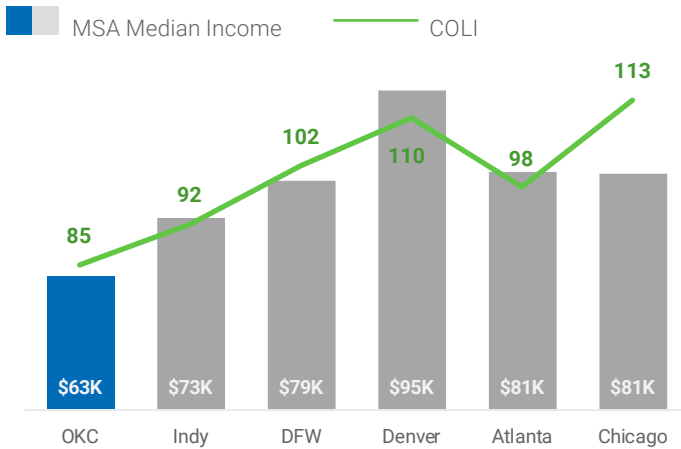
MARKET SUMMARY | 2023

UNEMPLOYMENT RATES 2023



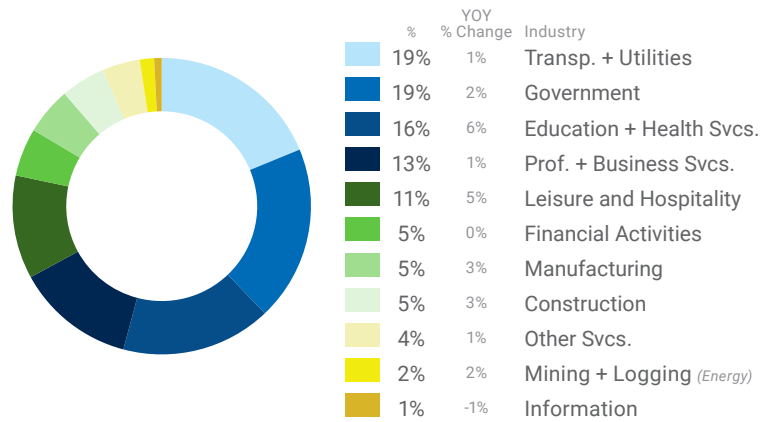
Source: US BLS

COST OF LIVING INDEX COMPARABLES



Source: C2ER

INDUSTRY DIVERSITY



Source: US BLS

HIGHER EDUCATION ENROLLMENT

| School | Fall 2023 | Institution |
|--|-----------|-------------|
| University of Oklahoma, OU Health Sciences Center, Law | 32,729 | Research |
| Oklahoma State University, OSU-OKC, Veterinary | 28,491 | Research |
| University of Central Oklahoma | 12,148 | Regional |
| Oklahoma City Community College | 11,532 | Community |
| Rose State College | 6,800 | Community |
| Oklahoma City University | 2,746 | Private |
| Oklahoma Christian University | 2,665 | Private |

Source: Oklahoma State Regents for Higher Education