

OKLAHOMA CITY

The Oklahoma City, OK, Metropolitan Area (MSA) encompasses seven counties in central Oklahoma with nearly 1.5 million residents calling the metro area home. Residents enjoy a high quality of life, low cost of living, and diversity in job opportunities amid a healthy economy. OKC boasts a world-class energy sector, which is home to Fortune 500 companies Devon Energy and Chesapeake Energy. Seven other major industries support the OKC economy, namely aviation, biotechnology, transportation and logistics, business services, healthcare, telecommunications, hospitality and entertainment, as well as a range of government agencies and services.

The city boasts a business-friendly climate, thriving economy, a highly skilled workforce, and a strategic location that continues to attract a growing base of young professionals, companies, and commercial developments to the region. Significant capital investments such as MAPS have caused property values in the metro to increase sharply in the past 10 years. Thus, OKC is positioned for a stronger future as it continues to report a combination of population and housing gains, employment and business formation growth, and expanded cultural, entertainment, and recreation options.

**"EMERGING FUTURE HUB FOR
LIFE SCIENCES DEVELOPMENT"**

BISNOW, 2022

**"WHERE YOUNG ENTREPRENEURS
ARE FLOCKING TO"**

LENDINGTREE, 2021

**TOP
10** COOLEST CITIES WITH
LOWEST COST OF LIVING

PUREWOW, 2021

**TOP
10** CITIES FOR COLLEGE
GRADUATES

ZUMPER, 2022

#1 HIGH WAGES AND LOW COST
OF LIVING

CNBC, 2018

#2 MOST AFFORDABLE HOUSING
MARKET IN THE WORLD

BLOOMBERG, 2022

#3 LOWEST BUSINESS COSTS

MOODY'S NORTH AMERICAN BUSINESS COST REVIEW, 2021

#11 BEST STATES FOR MANUFACTURING

SITE SELECTION, 2022

#13 BEST RUN CITIES IN AMERICA

WALLETHUB, 2021

DEMOGRAPHICS



Current Population Nearing 1.5M

1.4M

Expected Growth of 0.7% Annually
1.5 Times Faster than U.S. Avg.



Residents Age 25+

33%

Hold Bachelor's Degree
or Higher



Skilled Workforce

62.6%

in White-Collar Positions



Robust Income Growth

\$78K

by 2027, Up 17%
Median Household Income



Rent Share of Wallet

16.8%

vs 23.2% Nationally



Hot Labor Market

28.2K

Jobs Created YoY, 4.4% Increase
70 bps Ahead of Avg. Sept '22



Low Unemployment Rate

3.3%

40 bps Below National Avg.
Sept '22



UNIT INVENTORY
94,913



3Q22 ASKING RENT
\$939
UP 5.2% ANNUALLY



3Q22 VACANCY RATE
8.5%
UP 170 BPS ANNUALLY



3Q22
T4Q DELIVERIES
1,162



3Q22
T4Q DEMAND
479



UNITS UC
1,950
2.1% OF BASE INVENTORY

APARTMENT FUNDAMENTALS

• PERSISTING DEMAND FORCING DOWNWARD PRESSURE ON VACANCY

The Oklahoma City multifamily market continues to report above average rent growth and low vacancy rates thanks to the surge in demand for apartments last year. Renters have proven to have an insatiable demand for units, with the Northwest, Central, and Canadian County submarkets leading the market overall. Although the pace of growth began to soften over the summer, rent growth across the entire metro continues to outperform. Meanwhile, as the multifamily market has outperformed, investment has also accelerated, accounting for about 43% of overall commercial sales volume in the market.

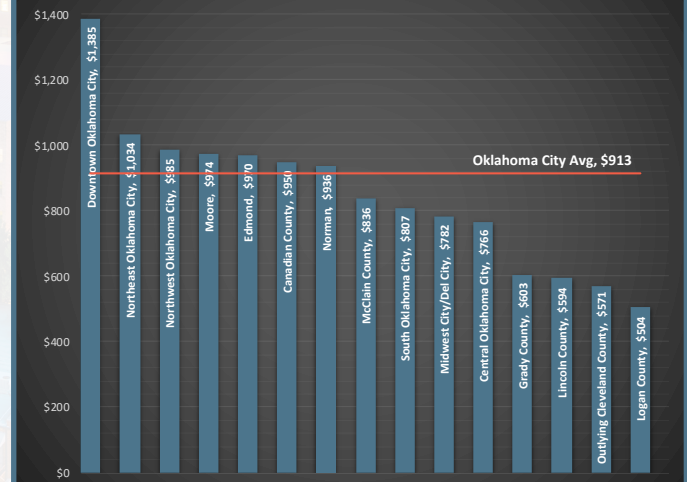
• CONSTRUCTION LAGS AND COMPRESSED VACANCY SUPPORTING STRONG RENT GROWTH

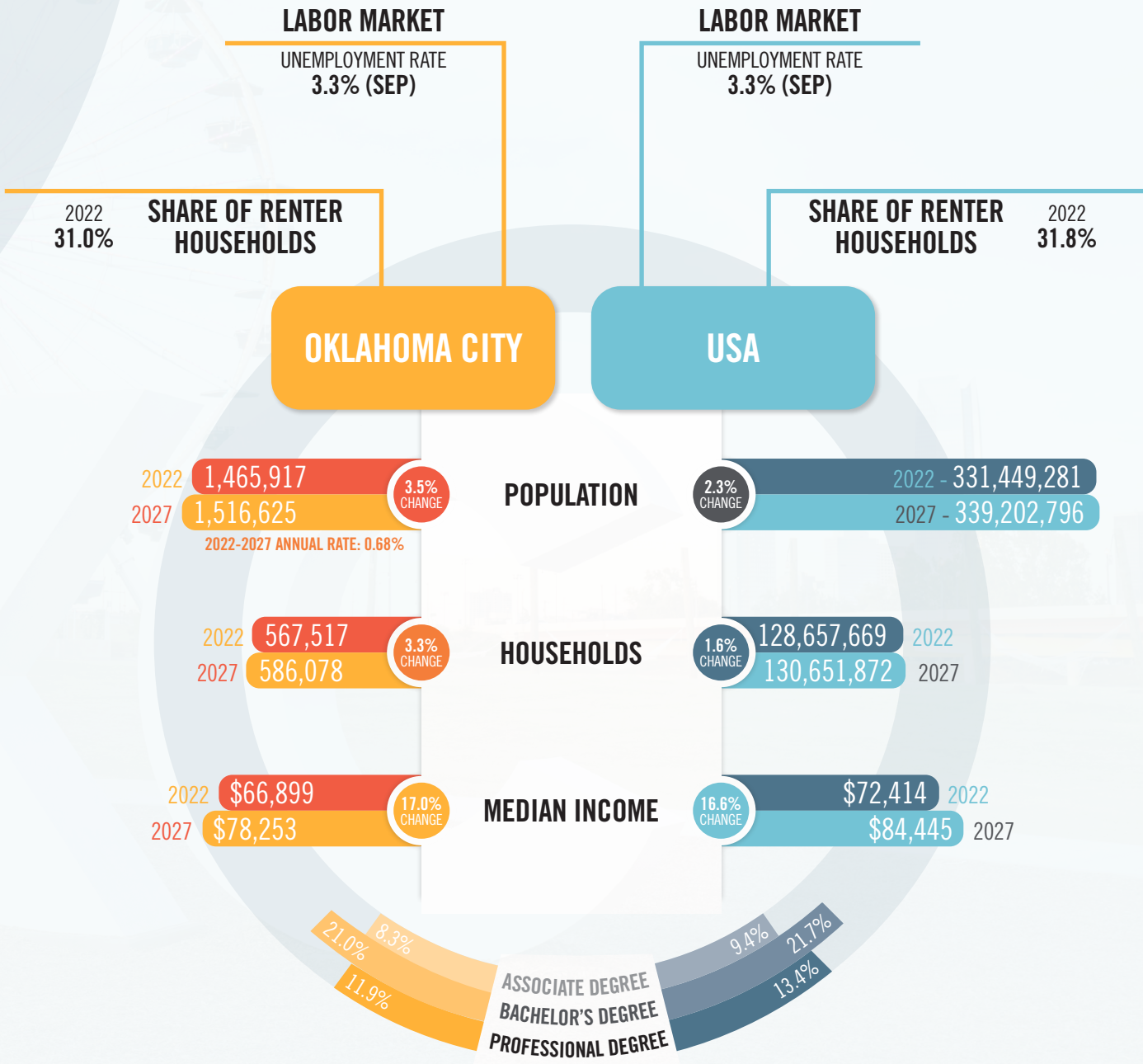
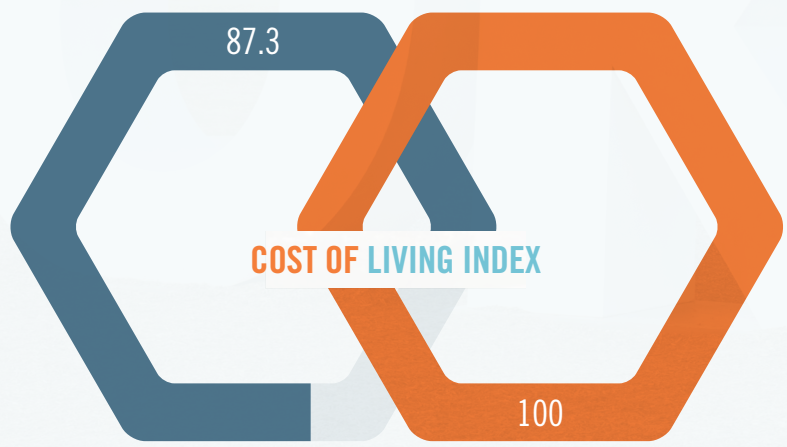
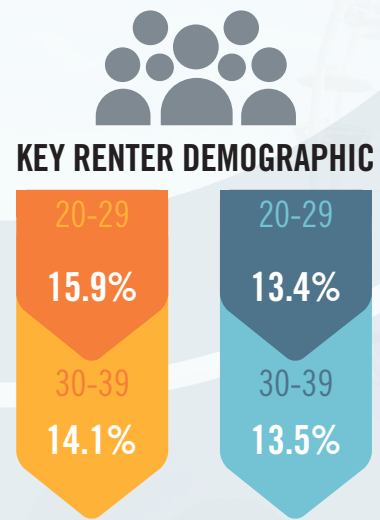
Before the recession, vacancy rates benefited from healthy job growth and a lower threat of new supply. A slower pace of development has allowed vacancy rates to compress and enabled apartment owners and operators to push rents. That trend also placed the Oklahoma City multifamily market in a good position heading into the current downturn. With the latest wave of demand paired with construction continuing to slow, vacancy rates are set to remain compressed through the near term.

• DIVERSE LOCAL ECONOMY AND MAPS PROJECT SUSTAINING MULTIFAMILY MARKET

Despite signs of widespread economic slowdown, sector diversification has filled the void in Oklahoma City as the metro continues to attract more non-energy employers to the area, helping to diversify the tenant base and adding more stability to the economy. The continued revitalization through MAPS (Metropolitan Area Projects) has helped stimulate growth for Downtown Oklahoma City. As a result, more people have begun to flock to the city, and the unemployment rate has steadily declined. Further efforts to diversify the local economy beyond energy into financial technology, aerospace, and biotechnology will indirectly provide a boon to the multifamily market.

Submarket Rent/Unit





BIOSCIENCES

OKC has steadily – and intentionally – transformed itself into an emerging bioscience and biotechnology player over the last few decades. OKC’s bioscience and biotechnology sector has grown into a nearly **\$7 billion** industry and boasts a workforce of approximately **50,000 residents**. OKC is poised for continued growth in the bioscience and biotechnology sector with established bioscience players such as pharmaceutical manufacturer Cytovance Biologics; the University of Oklahoma Health Sciences Center and its seven medical schools; bio-manufacturer Wheeler Labs, who in 2020 developed Oklahoma’s first at-home COVID-19 test; and OMRF, where researchers have made ground-breaking discoveries for several major human diseases.

AVIATION & AEROSPACE

With the largest concentration of aviation and aerospace firms in the state, the Greater OKC region’s estimated 291 public and private sector firms employ 43,250 workers in the region. The impact of the region’s aerospace industry has grown significantly in the last five years, supporting the production of \$11.6 billion in total output of goods and services annually. This high-wage, technology-intensive industry has all the right assets in place, leaving it ripe for new businesses and new jobs. Approximately 55 new aerospace establishments, more than 6,640 employees, and 1,900 workers in engineering occupations have been added to the OKC metro region workforce within a five-year period. Some of the biggest names in aerospace have operations in OKC including **Boeing Aerospace, Pratt & Whitney, Skydweller Aero, Lockheed Martin Aircraft, Northrop Grumman, General Electric Aviation, Field Aerospace and AAR Aircraft Services**.

ENERGY

OKC is well-known for being a global oil capital. The Bakken-led shift to oil has been dramatic, part of a robust drive toward U.S. energy independence. Hundreds of energy companies in the city have been growing rapidly in response to the extraordinary opportunity the industry offers today. Large and small independents, midstream companies, service businesses, startups, and spin-offs are all represented in the industry. OKC’s low-cost and business-friendly environment has made it easy for firms to produce, assemble, install & transport energy resources while thriving in an environmentally friendly mode of operation. **Chesapeake Energy** and **Devon Energy**, two Fortune 500 companies are headquartered in OKC. Other major companies include **Halliburton, Exxon Mobil, SandRidge Energy, and Continental Resources**.

SHARED SERVICES & HEADQUARTERS

Greater OKC has proven for decades that its world-class business climate, reliable workforce, location in the central time zone, and diverse real estate options give companies located here an edge against their competition. Greater OKC routinely has some of the **lowest business costs** in the country for a major metro. Oklahoma consistently ranks in the **lower 20%** of all states in corporate, property and unemployment insurance tax rates.

MILITARY & DEFENSE

With more than 26,000 military and civilian employees, **Tinker Air Force Base** is the largest single-site employer in the state and contributes more than **\$3 billion** to the local economy annually as well as an estimated **33,000 secondary jobs**. OKC continues to evolve as a key hub for aircraft maintenance, repair, and overhaul (MRO) operations, thanks in large part to the presence of the 15 million square feet, 760-building installation, stretched across 9 square miles. The OKC Air Logistics Center at Tinker is the nation’s largest aircraft and jet engine repair center. All U.S. Air Force engines are repaired at the ALC. It is also the primary maintenance center for bombers, refuelers and reconnaissance aircraft.



RECENT HIRING ANNOUNCEMENTS

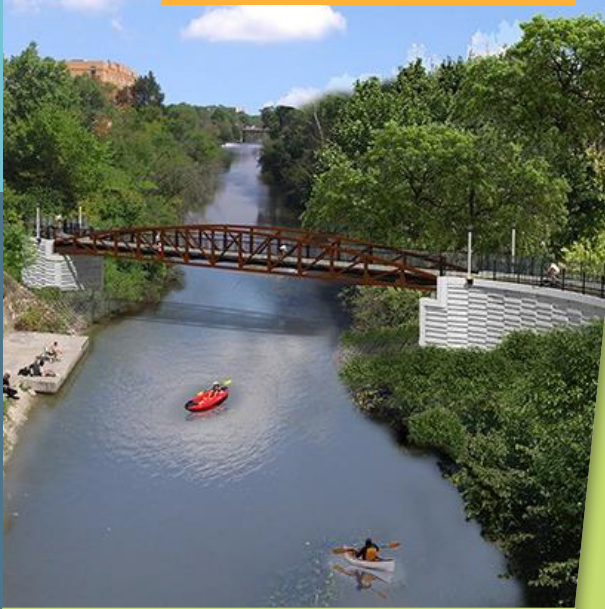
Numerous companies and organizations have recently expanded operations to OKC due to the area’s attractive business landscape. Oklahoma city’s strategic logistical advantage and skilled workforce make the city a premier location for many companies. Here is a sample of companies that have recently expanded to OKC and are actively hiring for positions.


BOEING
400-600 JOBS


CARVANA
350 JOBS


CORKEN
150 JOBS


SKYDWELLER
120 JOBS



MAPS PROJECT

The passage of the original MAPS projects on December 14, 1993 by 54% of voters ushered in a long-lived era of significant public capital improvement projects in Oklahoma City. The initial \$350 million program focused primarily on the revitalization of the core downtown area. Years of urban decay, demolition, and suburban migration, all exacerbated by the Oil Bust of the 1980s, weighed heavily on the continued viability of downtown as the core of civic life in the region. A vibrant downtown area would then serve as the hub of a much more vibrant, livable, and competitive Oklahoma City metropolitan area. The MAPS initiatives, funded through a 1 cent local sales tax, followed the increasingly important economic development strategy of placemaking, or the process of developing a city in which residents want to live, work, and play.

In almost three decades, Oklahoma City has invested billions in transformational enhancements through the debt-free capital improvement initiative. Since the onset of the initial MAPS projects, Oklahoma City and its residents have enjoyed transformative change in the quality of life downtown. The reconstruction of the area and the subsequent turnaround in the City's trajectory has been substantial and consistent. Much like accelerating population growth, a distinct acceleration in job growth has taken place in the area over the last decade. More than 9,000 jobs were added since 2009, a 17.3% gain, following an extended period of relatively flat and volatile job growth.

MAPS (INITIAL)

The initial set of nine projects within MAPS included several facilities that are now viewed as core city landmarks, including the Chesapeake Energy Sports Arena, Cox Convention Center Improvements, Oklahoma River Redevelopment, Chickasaw Bricktown Ballpark, Bricktown Canal, Ronald J. Norick Downtown Library, State Fairgrounds Improvement, and Oklahoma Spirit Trolleys.

MAPS FOR KIDS

The \$694 million MAPS for Kid initiative centered around the revitalization of education infrastructure in Oklahoma City. Funds were allocated for OKC district school construction and renovation projects, information technology purchases and upgrades, transportation upgrades, and additional funding for suburban school districts serving students living within the Oklahoma City limits.

MAPS 3

The third installation of the MAPS initiative, MAPS 3 was a \$777 million project focused on major downtown capital projects and improvements to trails, sidewalks, and senior health and wellness centers throughout the city. The projects resulted in a new downtown convention center, a major urban park (Scissortail Park), a downtown streetcar system, the Bennet Event Center at State Fair Park, rapids on the Oklahoma River, senior health and wellness centers, additions to the city-wide trail system, and significant sidewalk construction and repair.

MAPS 4

The continued revitalization through MAPS has helped stimulate growth for Downtown Oklahoma City. Investment in the urban core will further improve infrastructure and has already attracted more businesses and people to downtown, increasing the likelihood of multifamily demand here for years to come. MAPS 4, the latest slate of projects, builds on decades of quality-of-life improvements for residents, as well as tourism assets such as the new Oklahoma City Convention Center, Scissortail Park, OKC Streetcar, Bricktown Canal, and Chickasaw Bricktown Ballpark, among others.





The 16-Project Plan will address Oklahoma City's human needs, jobs and economy, neighborhood needs, and quality-of-life issues. The improvements are to include significant enhancements to tourism venues and assets such as:

- \$115 million for the Chesapeake Energy Arena. The arena is estimated to generate more than \$90 million in direct spending each year.
- \$63 million for a new OKC Fairgrounds Coliseum and \$37 million for a multipurpose stadium.
- \$140 million for upgrading community and neighborhood parks, acquiring new land for parks in underserved areas, and enhancing the Oklahoma River, with \$16.5 million set aside for operations and maintenance of park improvements.
- \$110 million for four new youth centers that will provide athletics, arts, family, health, and education programming.
- \$87 million to transform the environment in neighborhoods across the city through funding for sidewalks, bike lanes, trails, and streetlights.
- \$115 million for improvements to Paycom Center and related facilities.
- \$71 million for Oklahoma City's Innovation District, an area encompassing about 1.3 square miles east of downtown, serving as a home to several health, energy, aerospace, research and technology organizations.
- \$50 million investment in affordable housing.
- \$30 million for beautification of areas all over Oklahoma City, including an operating fund for permanent staff dedicated to beautification and ongoing maintenance.



The construction of permanent structures has a strong positive impact of the local economy. The **\$978 million project** will create jobs across the city and further enhance residents' quality of life at completion. The final economic impact of the Athletic field complex construction is estimated to be \$55,682,214 with a local job increase of **772 full-time jobs**.

CHECK OUT THESE OKC DEVELOPMENTS
(click to view)



ROBOTICS COMPANY EXPANSION,
BRINGING 150 JOBS



NEW OKC OFFICE FOR
UNITED DYNAMICS



OKC ZOO ANNOUNCES
\$71M PROJECT



NEW BOEING B-52
MODERNIZATION FACILITY



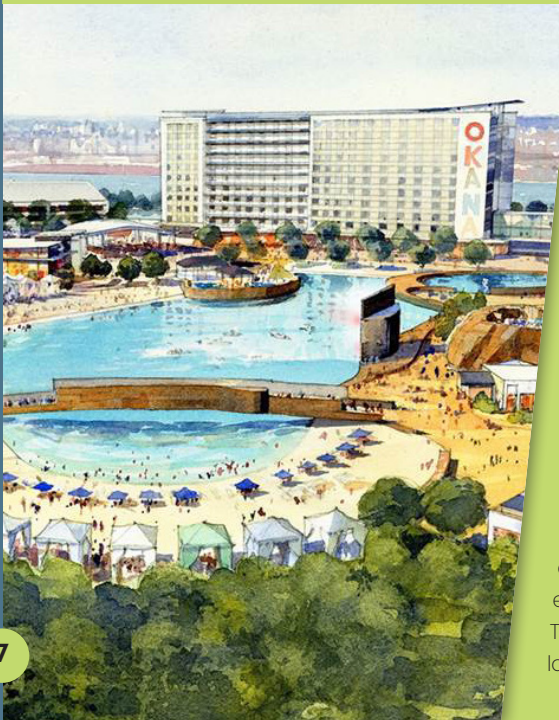
INTEGRIS \$200M
EXPANSION

Sources: MA+ Architecture, OKC Fairgrounds

MARKET OVERVIEW



Canoo, Commercial electric vehicle company, entered into an agreement to acquire a vehicle manufacturing facility in Oklahoma City. The new **630,000 square-foot facility** will be dedicated to producing Canoo's electric Lifestyle Delivery Vehicle (LDV) and Lifestyle Vehicle (LV), an electric SUV. The company expects to start production for the LDV on November 17 and will employ more than 500 people. The Oklahoma City facility, which will be outfitted to accommodate a full vehicle assembly line with state-of-the-art robotics as well as a paint shop and upfitting center, will be equipped to make 20,000 vehicles by the end of 2023.



The Chickasaw Nation recently unveiled plans for a major resort-style development to be located adjacent to the newly opened First Americans Museum. Situated along the Oklahoma River near downtown OKC, **OKANA Resort & Indoor Waterpark** will be a **\$300+ million** tourist destination designed to continue the momentum of economic development in OKC. The OKANA Resort will feature a 33,000 square-foot family entertainment center, over 100,000 square-foot indoor waterpark, 39,000 square feet of conference center space, a spa, a golf simulator, multiple retail outlets, and dining options. The resort is projected to **employ 400 people** and the annualized economic impact in year one is projected to be \$97 million. Additionally, estimates for the **10-year economic impact of this development are projected to exceed \$1 billion**, with full-time employment expanding to approximately 700-800. The development is expected to be complete in the late spring of 2024.



Carvana: The fastest-growing auto retailer in the U.S. announced plans to open an Inspection and Reconditioning Center (IRC) in Oklahoma City, helping the company address increased demand and bringing a projected 350 new jobs to Oklahoma City. Carvana, one of the youngest companies to make the Fortune 500, allows customers to shop for more than 45,000 vehicles on Carvana.com, finance, purchase, then select as-soon-as-next-day delivery or car vending machine pick up. Carvana vehicles are inspected, reconditioned, and photographed in 360-degrees at its inspection centers like the one planned in Oklahoma City, so customers get a detailed, high-definition virtual tour of every vehicle. The planned facility is on 100 acres near Will Rogers World Airport. Carvana plans to invest more than **\$40 million** to build and equip the new **190,000 square-foot facility**.



The Oklahoma City **Innovation District** is designed to be an epicenter for collaboration, innovation, opportunity, and economic growth. The Innovation District encompasses about **1.3 square miles** east of downtown Oklahoma City and includes Automobile Alley in addition to the Oklahoma Health Center, University Research Park, the Oklahoma Aerospace Institute for Research and Education (OAIRE), and numerous other institutions. The Innovation District is also home to the city's bioscience sector, where many institutions are already conducting groundbreaking research and fostering entrepreneurship and innovation. The recent development of the District will have an approximately **\$1.2 billion** economic impact, with an additional **\$423 million in annual payroll** and the creation of **6,600 new jobs**.

MARKET OVERVIEW



OKC NATIONAL MEMORIAL AND MUSEUM

LIFESTYLE & ENTERTAINMENT

Named one of the Best Places to Visit by Frommer's Travel and Travel + Leisure, Oklahoma City offers all of the culture, cuisine, attractions and amenities you'd expect in a modern metropolis. The metro has experienced a renaissance of multi-million-dollar revitalization, transforming into a big-league city with championship-caliber facilities. 72% of OKC citizens rated the city as excellent or good, compared to a national average of only 53% of citizens reporting high satisfaction levels. In OKC, you'll find a special brand of hospitality and entertainment that simply cannot be matched. From touring the fine collection of 19th and 20th century art at the Oklahoma City Museum of Art, to watching the Thunder play in the Chesapeake Energy Arena, to drinking and dancing in the Bricktown District, Oklahoma City offers an unparalleled environment for exciting, enjoyable and, most certainly, unforgettable experiences.

OKLAHOMA CITY CONVENTION CENTER AWARDED "2022 OUTSTANDING PUBLIC INITIATIVE"
URBAN LAND INSTITUTE (ULI)

#4 BEST PLACE TO LIVE IN THE
UNITED STATES
BANKRATE

#8 BEST-RUN CITIES
IN AMERICA
WALLETHUB

#8 BEST CITY IN THE U.S.
FOR MILLENNIALS
APARTMENT LIST

#9 THE 20 BEST PLACES
TO GO IN 2018
TIME / MONEY

Source: Visit OKC



THE HALF



BRICKTOWN



CHESAPEAKE ENERGY ARENA



BLUE ZOO AQUARIUM



CITY CENTER/DOWNTOWN



MYRIAD BOTANICAL GARDENS



OKC CONVENTION CENTER

OKLAHOMA CITY MAJOR EMPLOYERS

COMPANY	# EMPLOYEES
1 Tinker Air Force Base	26000
2 University of Oklahoma - Norman	11085
3 INTEGRIS Health (HQ)	11000
4 Amazon	8000
5 Hobby Lobby Stores Inc (HQ)	6500
6 Mercy Hospital (HQ)	5540
7 FAA Mike Monroney Aeronautical Center	5140
8 University of Oklahoma Health Sciences Center	5000
9 SSM Health Care of Oklahoma, Inc. (HQ)	4000
10 Paycom (HQ)	3800
11 The Boeing Company	3600
12 Sonic Corp (HQ)	2460
13 OGE Energy Corp (HQ)	2300
14 Love's Travel Stops & Country Stores (HQ)	2000
15 American Fidelity (HQ)	1995
16 BancFirst (HQ)	1700
17 Chesapeake Energy Corp (HQ)	1630
18 Devon Energy Corp (HQ)	1600
19 The Climate Control Group	1200
20 Dolese Bros. Co. (HQ)	1060

