

# Tulsa 3Q23 Multifamily Market Report



**\$975**  
AVERAGE RENT



**94.7%**  
AVERAGE OCCUPANCY RATE



**\$273.0M**  
ANNUAL SALES VOLUME



**3.2%**  
YOY RENT CHANGE



**-1.1 POINTS**  
YOY OCCUPANCY CHANGE



**10 ANNUAL**  
INDIVIDUAL TRANSACTIONS

## Supply & Demand

3Q23

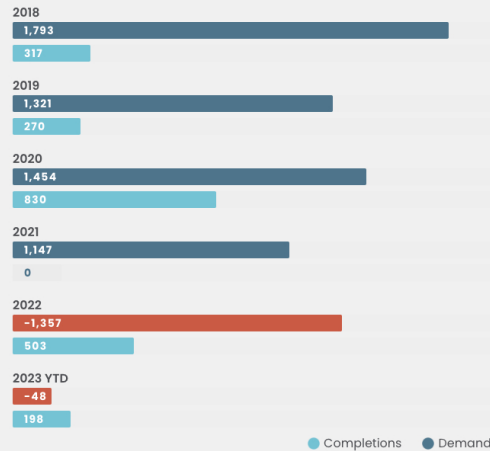


**98 Units**  
QUARTERLY DEMAND  
YTD: -48



**60 Units**  
QUARTERLY COMPLETIONS  
YTD: 198

### Annual Demand Vs Completions



#### Demand Trends

- Positive net absorption persisted into the third quarter, with a net gain of 98 units in rentals. Despite two consecutive quarters of positive absorption, the year-to-date (YTD) figure remains negative, due to the net move-outs recorded in the first quarter.
- Four of the five Tulsa submarkets reported positive net absorption for the quarter. Leading the pack was the South Tulsa/Broken Arrow submarket, where renters absorbed 60 units.



#### Completion Trends

- In Q3 2023, Tulsa's apartment inventory expanded by a modest 60 units, all of which were added to the Central Tulsa submarket.
- Over the past four quarters, the addition of new units has been restrained, totaling just 198. This accounts for approximately a 0.3% expansion in local inventory. Notably, the West Tulsa submarket realized the majority of this new supply, making up 70% of the total new units added to the market.



#### Demand Outlook

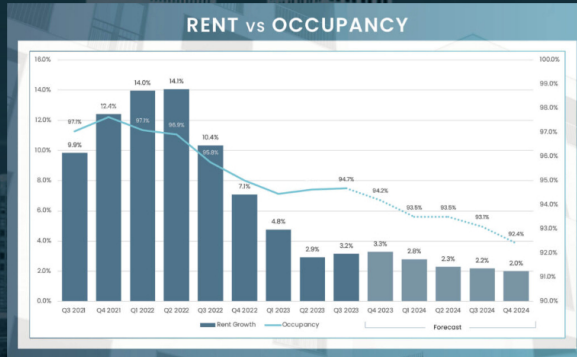
- Fluctuating demand is anticipated across Tulsa's apartment market in the upcoming four quarters.
- The Central Tulsa and East Tulsa submarkets are projected to experience robust demand in the next year, whereas the remaining submarkets are expected to see more subdued levels of absorption.



#### New Supply Outlook

- Within the upcoming four quarters, the Tulsa apartment market is set to experience the most significant unit addition since 2019.
- Nonetheless, the planned delivery of 1,097 units represents just 1.5% of Tulsa's existing apartment inventory. Despite the uptick in available units, it is anticipated that property owners and operators will manage occupancy levels efficiently, without encountering major challenges.

# Occupancy & Rent Trends



## RENT VS OWN MONTHLY PAYMENT



**\$1,763**

Average Monthly Mortgage Payment



**\$975**

Average Monthly Rent

### OCCUPANCY TRENDS

In the third quarter of 2023, average occupancy across the Tulsa metro declined by 11 percentage points year-over-year, lowering the average occupancy rate to 94.7%.

However, on a quarterly basis, the market noted a slight uptick of 10 basis points in average occupancy, which is a positive development for Tulsa property owners and operators. Among Tulsa's multifamily asset classes, Class A units saw a 20-basis point annual increase in occupancy, reaching 95.1%. Conversely, both Class B and Class C properties experienced slight dips, with occupancy rates settling at 95.4% and 93.0%, respectively. At the submarket level, North Tulsa led in occupancy performance, posting a rate of 96.4%, while Central Tulsa lagged behind at 93.6%.

### RENTAL TRENDS

Contrary to the prevailing trend of waning annual rent growth, Tulsa reported a robust 3.1% increase in the third quarter. This marked an improvement from the 2.9% recorded in the previous quarter, pushing the average monthly rent to \$975 across the Tulsa metro area. In terms of asset classes, Class A units led with a substantial 4.1% increase, while both Class B and Class C assets posted gains of 2.9%. At the submarket level, North Tulsa outperformed all other Tulsa submarkets with a striking 6.3% annual growth in rents. Beyond North Tulsa, rent growth in the remaining submarkets showed minimal variation, ranging between 3.2% and 4.5% in annual increases.

### Submarket Rent & Occupancy

Show  entries

Search:

Submarket	Average Occupancy	Annual Occupancy Change	Average Monthly Rent	Annual Rent Change
Central Tulsa	93.6%	-0.8%	\$900	4.1%
East Tulsa	94.6%	-1.9%	\$823	4.5%
South Tulsa/Broken Arrow	95.2%	-0.6%	\$1,070	1.7%
West Tulsa	94.9%	-0.9%	\$1,082	3.4%
North Tulsa	96.4%	-2.0%	\$1,072	6.3%
<b>Tulsa, OK</b>	<b>94.7%</b>	<b>-1.1%</b>	<b>\$975</b>	<b>3.2%</b>

Showing 1 to 6 of 6 entries

Previous Next

## Units by Submarket Delivering in 2023



**1,097**

Units Under Construction



**1,097**

Units UC Delivering In the Next 4 Quarters

#### Number of Units Under Construction

Central Tulsa - 593
East Tulsa - 308
South Tulsa/Broken Arrow - 0
West Tulsa - 196
North Tulsa - 0

#### Number of Units Delivering Next 4Q

Central Tulsa - 593
East Tulsa - 308
South Tulsa/Broken Arrow - 0
West Tulsa - 196
North Tulsa - 0

## Sales Activity

TRANSACTION VOLUME

# Sales Activity

Transaction activity in Tulsa's apartment market has been more subdued in 2023. Over the last three quarters, a total of four conventional multifamily properties were sold, resulting in a trade volume of \$35.4 million, according to data from Real Capital Analytics. This marks a dramatic 93% year-over-year decrease. The rolling 12-month average price per unit (PPU) stood at \$108,500 in the third quarter, indicating a modest 7% decline compared to the previous year's average PPU. Despite the reduced transaction activity, Tulsa remains an attractive market for investors. Its relative affordability coupled with a stable economic backdrop positions it as a compelling investment opportunity.

\*Most Active Buyers and Sellers are based on the sale volume of apartment units.

#### Most Active Buyers (Previous 24 Months)

1. Vesta Capital
2. Venterra Properties
3. Weidner Apt Homes
4. Kushner Companies
5. Juniper Investment Group

#### Most Active Sellers (Previous 24 Months)

1. Case & Associates
2. Blackridge Companies
3. Wolff Company
4. Bomasada Group
5. Black Gold Group

TRANSACTION VOLUME

# \$35.4M

Annual Transaction Volume

# -93%

Y-O-Y Change

# 4

Annual Individual Transaction Count

# \$108.5k\*

Price Per Unit

# -7.0%

Annual Price Change

\* Trailing 4Q average PPU

\* Preliminary Data from RCA - Individual transaction \$2.5M +

# Economy

In August 2023, the Tulsa area achieved a remarkable net gain of 10,100 jobs compared to August 2022, marking a 2.2% increase in employment. As a result, the unemployment rate in Tulsa decreased to 3.3%, which is commendably below the national average of 3.8%. Among the sectors, the Leisure and Hospitality industry stood out with a significant addition of 4,200 jobs, reflecting a growth of 9.1%. Similarly, the Construction sector showed a robust expansion of 9.6%, contributing 2,400 new jobs. Meanwhile, the Education and Health Services sector added 900 positions, though its growth rate was a more modest 1.2%.



10.1k

AUGUST ANNUAL JOBS CREATED



2.2%

AUGUST 2023 EMPLOYMENT GROWTH



3.3%

AUGUST 2023 UNEMPLOYMENT RATE  
3.8% US AUGUST RATE

## Top 5 Employment Sector Annual Change



LEISURE & HOSPITALITY



MANUFACTURING



CONSTRUCTION



GOVERNMENT



EDUCATION & HEALTH SERVICES

Hover over icons to view data

Search:

Sector	Change from August 2022 to August 2023	Percent Change
Leisure and hospitality	4,200	9.1%
Manufacturing	2,600	5.5%
Construction	2,400	9.6%
Government	1,100	2.0%
Education and health services	900	1.2%
Financial activities	400	1.7%
Other services	300	1.5%
Mining and logging	100	2.7%
Information	(100)	-1.9%
Professional and business services	(700)	-1.1%
Trade, transportation, and utilities	(1,100)	-1.3%

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# Cost of Living Comparison

With a Cost of Living Index at 87.8, Tulsa offers an attractive and relatively affordable lifestyle. Housing is notably affordable, with an index of 72, and a median home sales price of \$224,500. This translates to an average monthly mortgage payment of \$1,763, which is noticeably higher than the average rent of \$975. Utilities are slightly above the national average at 101.2, while transportation costs, measured mainly by gas prices, come in at 86.9. When compared to its neighboring city, Oklahoma City, living in Tulsa is slightly more expensive in terms of groceries and housing by 1.85% and 1.0%, respectively. However, residents can expect to save on utilities, transportation, and healthcare, which are 1.64%, 10.16%, and 12.17% less expensive, respectively.

Oklahoma City, OK vs. Tulsa, OK
Cost of Living Comparison
<b>Groceries:</b> 1.8% More
<b>Housing:</b> 1.0% More
<b>Utilities:</b> 1.6% Less
<b>Transportation:</b> 10.1% Less
<b>Health:</b> 12.1% Less

# 87.8

Cost of Living Index

# \$1,763

Average Mortgage  
(vs Average Rent: \$975)

# 72

Housing Index Score

# 101.2

Utilities Index Score

# 86.9

Gas Index Score

# \$224,500

Median Home Sale Price

The "Cost of Living" index score provides a comparative assessment of the relative expense involved in maintaining a standard of living in a specific area, benchmarked against a national index score of 100.

## Market Outlook

Despite a national slowdown, the Tulsa market continues to attract strong investor interest. Presently, 1,097 housing units are in the pipeline, all set to be completed in the ensuing four quarters. Out of Tulsa's five submarkets, Central Tulsa takes the lead, forecasting the addition of 593 units. While there could be interim effects on rent growth and occupancy metrics due to this influx, these are perceived as transient hiccups rather than long-term deterrents. Over time, the market is projected to recalibrate and maintain its equilibrium. Factors like a robust economy, measured construction growth, and encouraging employment trajectories underscore Tulsa's favorable long-term prognosis. These elements not only promise to uphold demand but also strengthen Tulsa's shield against potential future impediments.

Sources: RealPage; BLS; MSCI; The Council for Community And Economic Research (C2ER)

TO GAIN FURTHER INSIGHTS INTO THE TULSA MARKET PLEASE REACH OUT TO OUR LOCAL TEAM

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