

TULSA'S MARKET UPDATE Industrial Market

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Industrial Update

Tulsa Trends 2014

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November 6, 2014

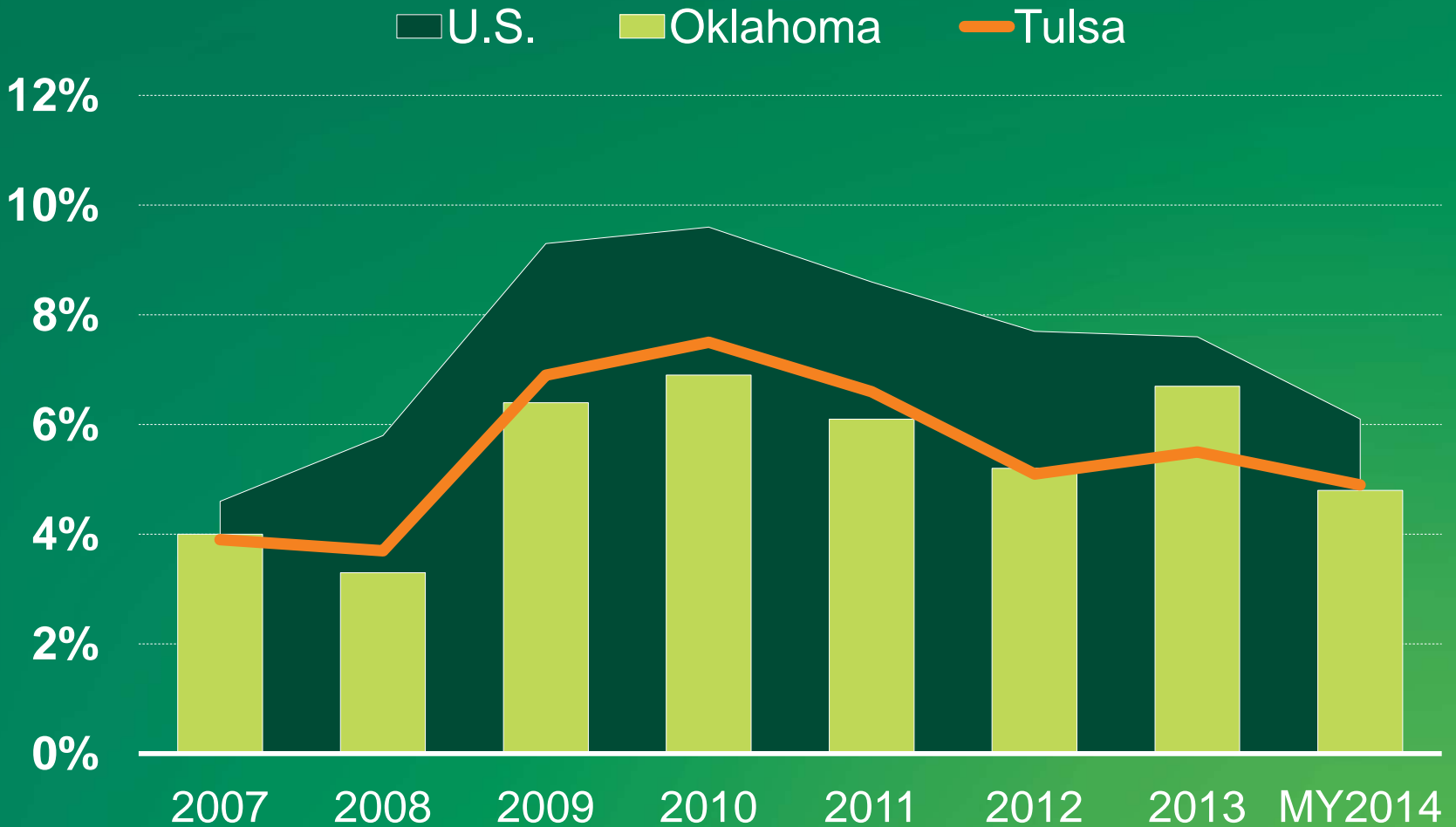
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Hot Topics I

- Vacancy rate for Tulsa's 76M± SF market decreases to 6.5% from a year ago with net absorption of 585,259 SF
- Energy and aerospace manufacturing dominate market activity
- Available warehouse and manufacturing space dwindles and investors respond with new product

Unemployment



Quick Stats

MY 2014	Current	Year End 2013	Mid Year 2013
Vacancy	6.5%	↓	↓
Lease Rates	\$5.42	↑	↑
Net Absorption	585K	↓	↑
Completions	93K SF	↑	↓

5-Year Vacancy



Bulk Warehouse



Service Centers



Hot Topics II

- Surprise! Oil prices drop about 25% since June 2014
- The International Energy Agency says as long as oil prices remain at \$80 a barrel production is profitable for all but 4% of U.S. Wells
- Goldman Sachs group predict U.S. prices to fall to \$70 a barrel in 2Q 2015

5-Year Absorption



New & Expanded Industries



Top Transactions

- Investors purchase 1.4M SF – former Zeledyne Plant for \$8.25M
- Harsco Industrial Air Exchangers announce expansion/consolidation in 556K SF by year end



Top Transactions

Investors purchase 516K SF Green Valley Center for \$8M



Notable Transactions

Former Shaw Group sale of 4140 S. Galveston property to Big Elk Energy Systems



\$2,830,000

(\$21.26/SF)

October 2014

133,129± SF

12.7± acres

Notable Transactions

Former HySpan sale of 5708 E. 66th St. N. property to Insulation Specialists of Tulsa, Inc.



\$2,400,000

(\$58.71/SF)

July 2014

40,880± SF

17.9± acres

Notable Transactions

Logan Kline Tools



Lease

8531 E. 44th St.

79,536± SF

Speculative Development - 2014



CenterPointe Business Park
5934 S. 129 E. Ave.
60,000 SF & 112,000 SF



Manufacturing Building
4801 N. Mingo
24,000 SF



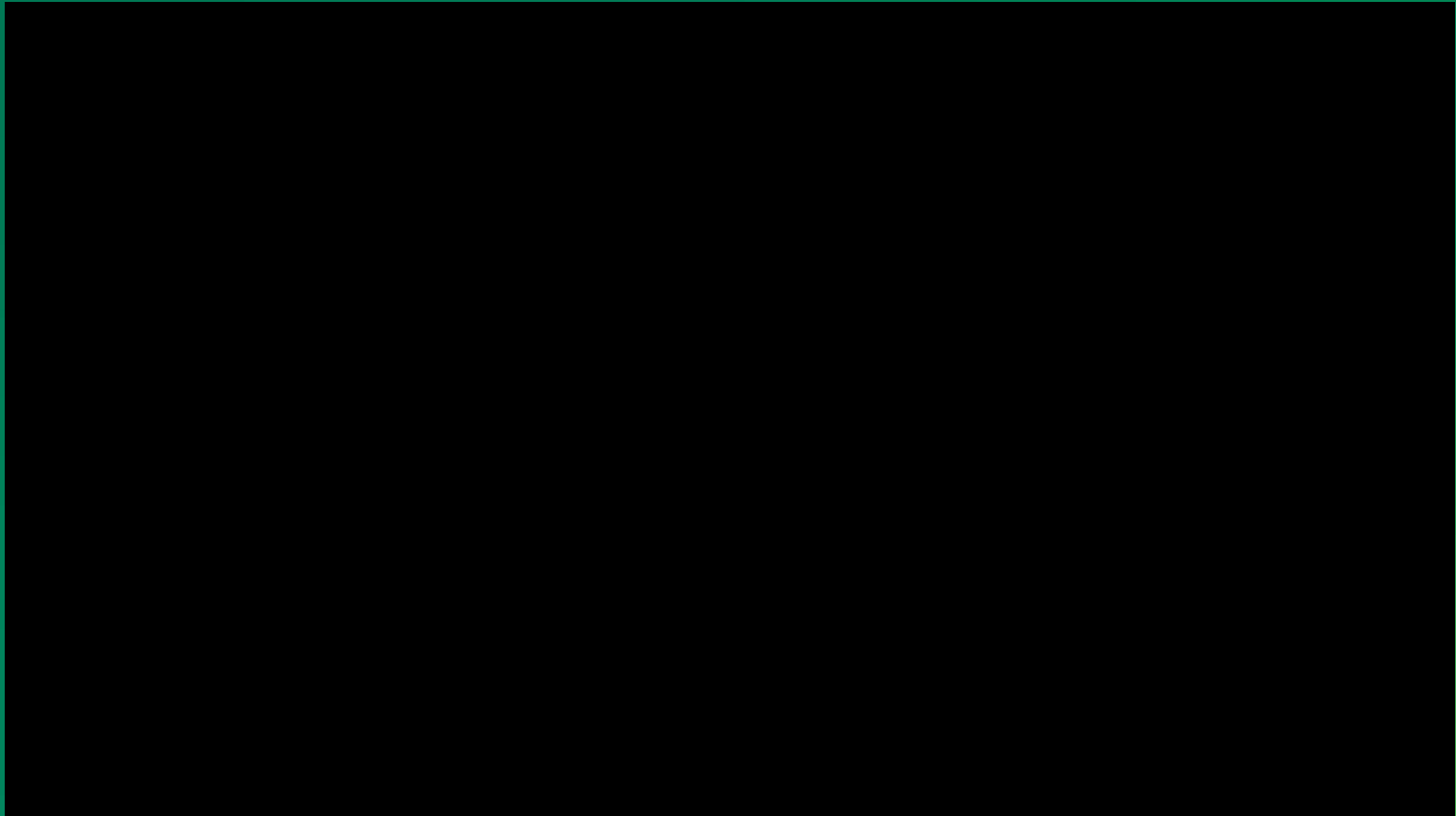
Manufacturing Building
3620 N. Mingo
42,000 SF

Industrial Market Forecast 2015

- Energy and Aerospace job growth hold steady.
- Lease rates and sales prices potentially increase.
- As current speculative development is absorbed, expect more.
- Overall vacancy of 6.5% holds steady or drops slightly to 6%±.

" A fellow doesn't last long on what he has done. He has to keep on delivering."

Carl Hubbell, New York Giants pitcher (1928-1943)



Have A Great Day!