

# THE JOURNAL RECORD

Real Estate

## Okla. keeps steady hand in recession

March 4, 2009

OKLAHOMA CITY – If the lunch entrée at this year’s Commercial Real Estate Council’s Forecast was any prediction of the days ahead, those in the business expect things to be OK in Oklahoma City in 2009.

CREC members turned out to dine on thick steaks Tuesday at the Skirvin Hilton Hotel and get the lowdown from real estate brokers and economists on how this year will shape up locally and nationally.

James Smith, an economist and professor with more than 30 years of experience watching and predicting trends, said Oklahoma is still one of the leading growth markets in the nation.

He said lessons from the past have played in Oklahoma’s favor in the face of the current recession.

“You are one of the very few states that is still growing,” he said. “I suspect part of that is because an awful lot of people here remember that things were not so good in the mid-1980s.”

Smith pointed to numbers that showed Oklahoma added jobs in 2008 and the unemployment rate in the state rose from 4.2 percent to only 4.6 percent from December 2007 to December 2008, while nationally that number jumped from 4.8 percent to 7.1 percent during the same period.

Housing in Oklahoma has also remained strong, Smith said, as the state has avoided declining home prices and foreclosures that continue to grow in states like California, Florida and Michigan.

Smith pointed to Modesto, Fresno, and Stockton – all in California – as the three worst housing markets in the country.

“If you’ve ever been to Modesto, California, you would have said it was the worst place to own a house 10 years ago when housing was going up,” he said. “It’s not a very interesting place.”

Oklahoma’s residential real estate picture has helped on the commercial real estate end, Smith said.

John McDermott, senior vice president of Sperry Van Ness in Newport Beach, Calif., said as people have lost their homes in Southern California, home improvement and home furnishing retailers that had popped up to meet demand have gone out of business.

He cited a home improvement center in Orange County, Calif., that sold for \$100 million in 2007 and was recently re-sold by the lender for just \$34 million. The store was surrounded by homes financed with sub-prime loans that had been foreclosed upon, drying up demand for the store’s merchandise.

But he doesn’t expect Southern California’s problems to plague Oklahoma.

“Oklahoma has always had the strength of steady growth,” he said. “Ours has always been more of a roller coaster.”

The 12th CREC Forecast drew about 215 people, which organizers said was consistent with attendance over the past five years.

Tim Strange, 2009 president of the CREC of Oklahoma City, said he does not know what the future will hold, but hopes the meal at this year’s event will portend a good year.

“It could be bread and water next year,” Strange said. “But I think we’ll be eating steak.”

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