

FIRST QUARTER
OFFICE MARKET REPORT

2024

OKLAHOMA CITY, OKLAHOMA



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EXECUTIVE SUMMARY

During Q1 of 2024, some notable office lease signings included a 13,324 SF lease at 3503 N.W. 63rd Street, an 11,150 SF lease at 220 S.E. 4th Street, and a 10,671 SF lease at 101 Park Avenue. Total net absorption saw a positive increase of 322,052 SF, marking a significant uptick from the negative absorption in Q4 2023.



The overall office market rental rate rose to \$19.83/SF/YR, with a decreased vacancy rate of 9.38% compared to Q4 2023. Class-A property rental rates averaged \$25.03/SF/YR, experiencing an increase from the previous quarter, while Class-B and Class-C properties saw slight decreases in rental rates.

Additionally, Q1 2024 observed 591,094 SF of office space under construction, with an average asking rental rate of \$24.10/SF/YR. Major projects include a 240,804 SF building at 903 N. Stiles Avenue slated for delivery in January 2025, and a 115,000 SF building at 5101 N. Pennsylvania Avenue scheduled for completion in March 2025.

In terms of sales, Q1 2024 recorded 45 office transactions totaling \$17,183,000, with the largest sale being the acquisition of an 8,818 SF property at 9112 N. May Avenue by Cheshire Investments, L.L.C., purchased from Oklahoma Center for Implants & Periodontics for \$1,650,000.

Abbey Sullivan
Office Specialist

Leasing Activities

Total Inventory	70,889,443 SF
Total Net Absorption	322,052 SF
Overall Rental Rate	\$19.83 SF/YR
Total Vacancy Rate	9.8%
Under Construction	591,094 SF

Sales Activities

Number of Transactions	45
Total Sales Volume	\$17,183,000
Average Price per Bldg. SF	\$121.07



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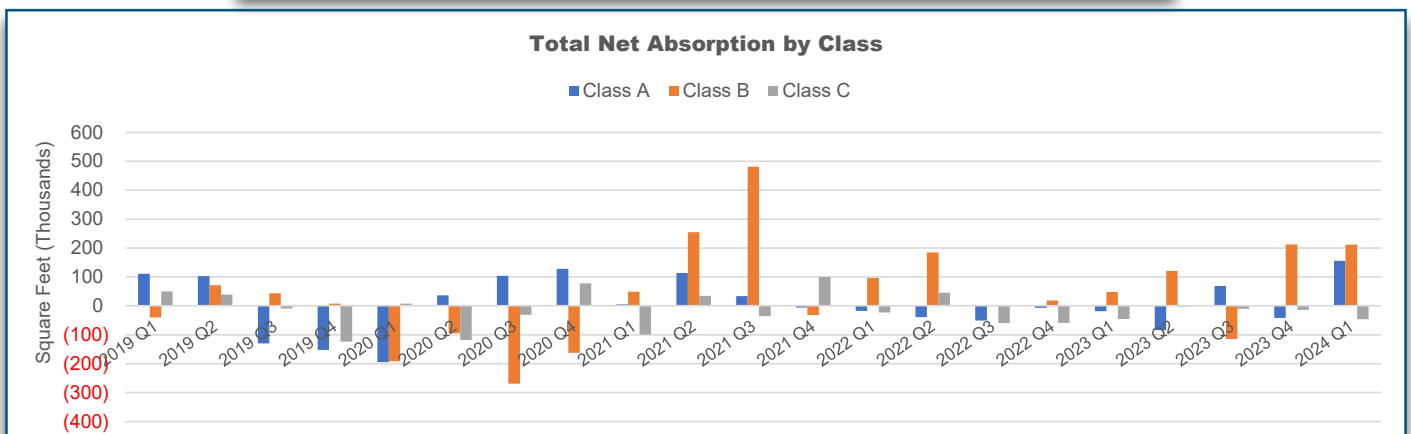
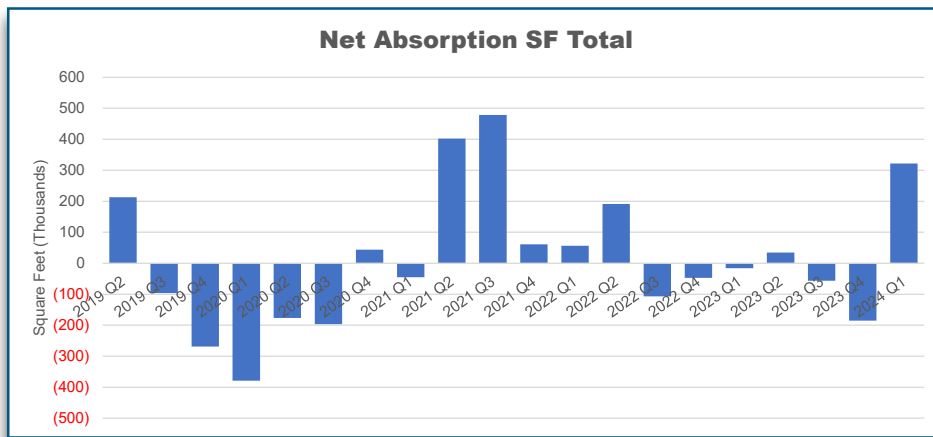
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OKLAHOMA CITY OFFICE MARKET LEASING

The largest office lease signings based on SF during Q1 2024 include the 13,324 SF office lease at 3503 N.W. 63rd Street in Oklahoma City, the 11,150 SF office lease at 220 S.E. 4th Street in Oklahoma City and the 10,671 SF office lease at 101 Park Avenue in Oklahoma City.

NET ABSORPTION AND INVENTORY

- The total net absorption was a positive 322,052 SF at the end of Q1 2024
- The total net absorption increased compared to the negative 185,075 SF at the end of Q4 2023
- The total inventory was 70,889,443 SF at the end of Q1 2024
- The total inventory increased from the 70,539,789 SF at the end of Q4 2023



- The Class-A property absorption was a positive 156,063 SF, which increased compared to the net absorption of a negative 41,643 SF at the end of Q1 2024
- The Class-B property absorption was a positive 212,022 SF, which decreased compared to the net absorption of a positive 212,445 SF at the end of Q1 2024
- The Class-C property absorption was a negative 46,033 SF, which increased from the net absorption of a negative 14,273 SF at the end of Q1 2024

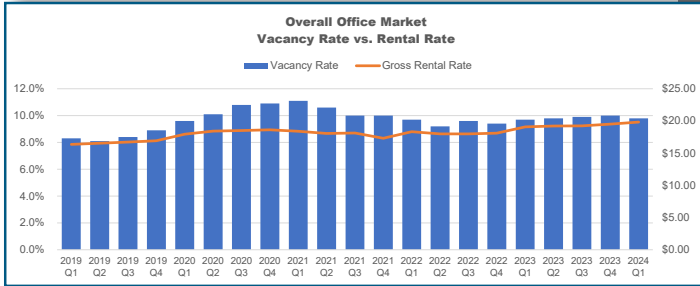


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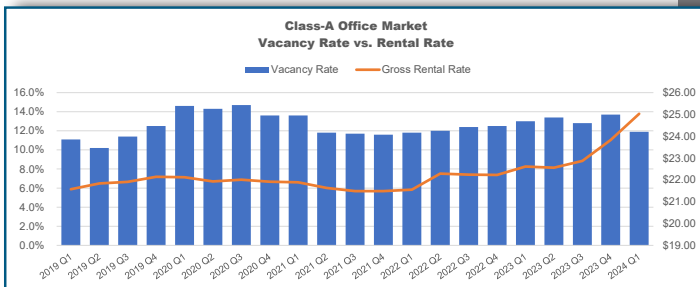
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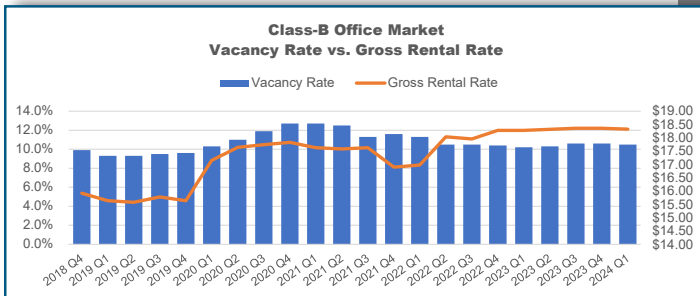
RENTAL AND VACANCY RATES



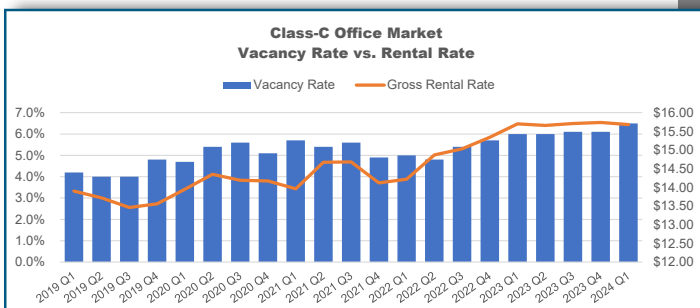
- The overall office market rental rate averaged \$19.83/SF/YR at the end of Q1 2024
- The overall office market rental rate increased from the \$19.50/SF/YR at the end of Q4 2023
- The overall vacancy rate was 938% at the end of Q1 2024
- The overall vacancy rate decreased from 10% at the end of Q4 2023



- Class-A property rental rate averaged \$25.03/SF/YR at the end of Q1 2024
- Class-A property rental rate increased from the \$23.83/SF/YR at the end of Q4 2023
- Class-A property vacancy rate was 119% at the end of Q1 2024
- Class-A property vacancy rate decreased from the 13.7% at the end of Q4 2023



- Class-B property rental rate averaged \$18.333/SF/YR at the end of Q1 2024
- Class-B property rental rate decreased from the \$18.36/SF/YR at end of Q4 2023
- Class-B property vacancy rate was 10.5% at the end of Q1 2024
- Class-B property vacancy rate decreased from the 10.6% from Q4 2023



- Class-C property rental rate averaged \$15.68/SF/YR at the end of Q1 2024
- Class-C property rental rate decreased from the \$15.74/SF/YR at the end of Q4 2023
- Class-C property vacancy rate was 6.5% at the end of Q1 2024
- Class-C property vacancy rate increased the same from the 6.10% at the end of Q4 2023

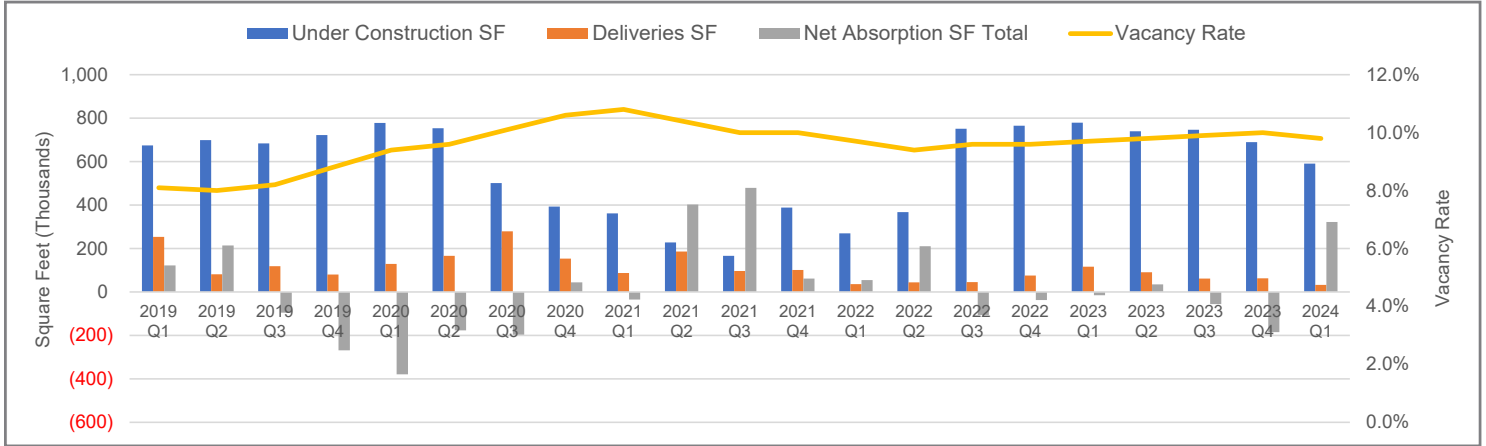


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CONSTRUCTION, DELIVERY, NET ABSORPTION AND VACANCY RATE



There was a 591,094 SF of office space under construction at the end of Q1 2024. The asking rental rate of under construction rentable office space averaged \$24.10/SF/YR. The two properties with the largest building area under construction are the 240,804 SF building at 903 N. Stiles Avenue, which is scheduled to be delivered in January 2025, and the 115,000 SF building at 5101 N. Pennsylvania Avenue, which is scheduled to be delivered in March 2025.

NOTABLE OFFICE PROPERTIES UNDER CONSTRUCTION

Property Name	Property Address	City	RBA	Delivery Time
Research Hall @ Innovation	903 N. Stiles Avenue	Oklahoma City	240,804 SF	January 2025
OAK	5101 N. Pennsylvania Avenue	Oklahoma City	115,000 SF	March 2025
	424 N.W. 10th Street	Oklahoma City	80,000	May 2024
	1204 N. Hudson	Oklahoma City	45,000 SF	June 2024
	7336 N. Classen Blvd	Oklahoma City	19,292 SF	September 2024

OKLAHOMA CITY OFFICE MARKET SALES

There were 45 office transactions recorded in Q1 2023 totaling \$17,183,000. The largest individual office sale based on dollar volume was the sale at 9112 N. May Avenue in Oklahoma City. Cheshire Investments, L.L.C. purchased the 8,818 SF property from Oklahoma Center for Implants & Periodontics for \$1,650,000 or \$187.12/SF, on February 27, 2024.

Summary	
Number of Transactions	45
Total Sales Volume	\$17,183,000
Total Bldg. SF	250,117 SF
Total Land in Acres	41.4 Acres
Average Price per Bldg. SF	\$121.07
Median Price per Bldg. SF	\$119.33
Actual Cap Rate	7.2%



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OKC MARKET SIGNIFICANT OFFICE SALE TRANSACTIONS DURING Q1 2024



Property Address: 9112 N. May Avenue-OKC
Sale Price: \$1,650,000
Price per SF: \$187.12/SF
Sale Date: 2/27/2024



Property Address: 5710 N.W. 130th Street-OKC
Sale Price: \$1,538,000
Price per SF: \$285.34/SF
Sale Date: 1/3/2024



Property Address: Property Address: 8664 N. Ranch Road-CALUMET
Sale Price: \$1,281,500
Price per SF: \$266.98/SF
Sale Date: 2/5/2024



Property Address: 1035 S. Berry Road-NORMAN
Sale Price: \$1,180,000
Price per SF: \$275.64/SF
Sale Date: 1/4/2024



Property Address: 3520 S. Boulevard Street-EDMOND
Sale Price: \$1,150,000
Price per SF: \$231.30/SF
Sale Date: 3/1/2024



Property Address: 201 N. Broadway-OKC
Sale Price: \$965,000
Price per SF: \$33.28/SF
Sale Date: 1/5/2024



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NAI Sullivan Group is a leading global service provider offering a full range of premier services customized to fit your need and exceed your expectations. Our talented and experienced professionals provide benefits to large institutions and small business owners alike. We are your single point of contact for customized real estate services.

NAI Sullivan Group strives for excellence in all facets of real estate services in order to maintain our position as an industry leader. Our team transforms forward-thinking ideas into cutting-edge applications to achieve maximum results for our clients, company, and community.

For more information, please visit our website: www.naisullivangroup.com

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