

**FIRST QUARTER
RETAIL MARKET REPORT**

2024

OKLAHOMA CITY, OKLAHOMA



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EXECUTIVE SUMMARY

This first quarter of 2024 had slower absorption and delivery from what we saw in the previous year. While the market continues to see positive absorption spurred by the rapid growth of Fitness users and discount retailers, we've also seen a turn in the grocery sector has grocers struggle with declining sales caused by the continued pandemic recovery and new competition from delivery services like Kroger.



The continued uncertainty in future interest rates has also caused concern for many investors as they struggle to project how an investment will perform in the future. Notable announcement this quarter include the new phase at the University Town Center in Norman, the entrance of several new quick serve restaurants, and the continued strength of the overall restaurant market.

David Hartnack
Managing Broker / Owner

Leasing Activities

Total Inventory	102,455,209 SF
Total Net Absorption	-181,298 SF
Overall Rental Rate	\$15.73/SF/YR/NNN
Total Vacancy Rate	5.4%
Under Construction	493,457 SF

Sales Activities

Number of Transactions	90
Total Sales Volume	\$66,392,057
Average Price per Bldg. SF	\$118.98

OKLAHOMA CITY RETAIL MARKET LEASING

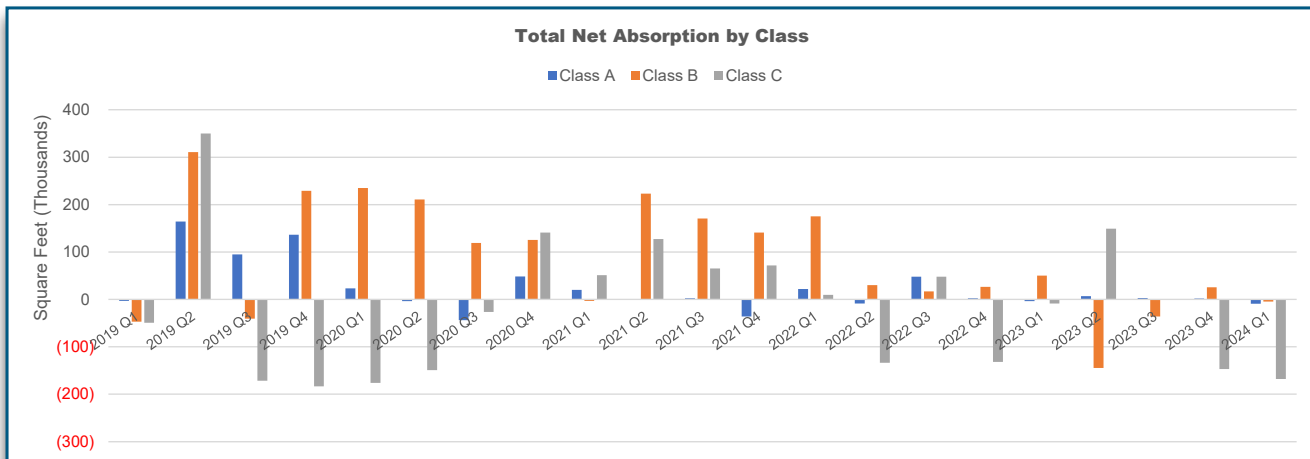
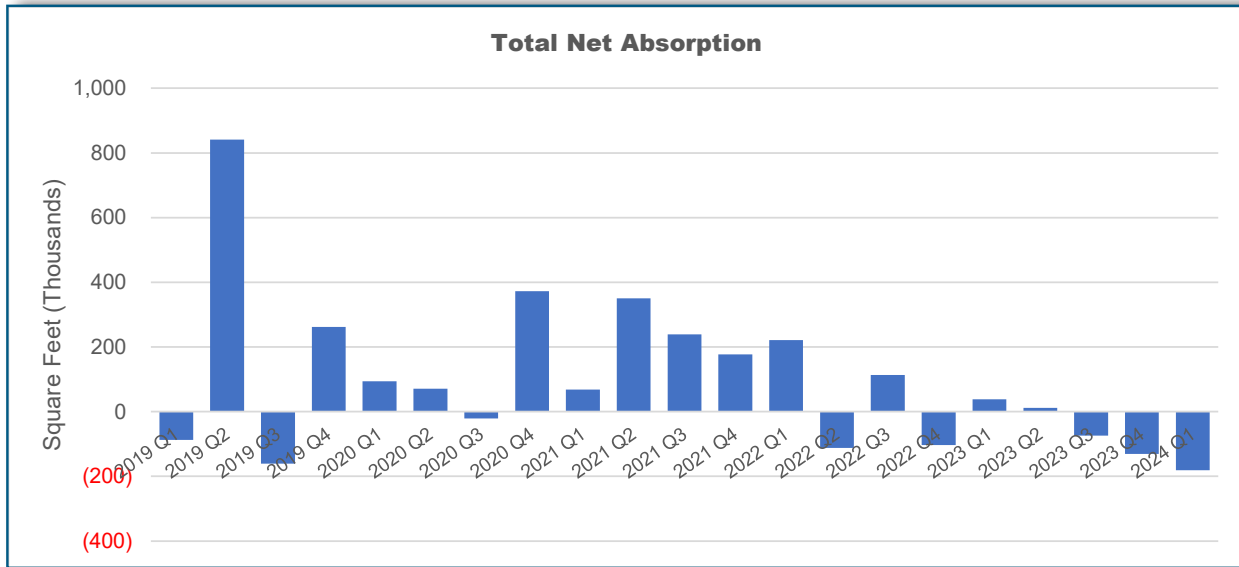
Notable retail leases include several restaurants like Fuzzy's Taco Shop and Noodles and Dumplings paying rental rates in the \$30's per square foot and the Natural Grocers that lease the former CVS at 5903 N.W. Expressway for \$20 per SF.

Two of the most notable retail leases based on size in Q1 2024 include the 18,524 SF lease at 1002-1241 Garth Brooks Boulevard in Yukon by Harbor Freight Tools and the lease to Crunch Fitness at 2121 W. Danforth in Edmond, OK.

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NET ABSORPTION AND INVENTORY

- The net absorption was a negative 181,298 SF at the end of Q1 2024
- The total net absorption decreased from negative 130,289 SF at the end of Q4 2023
- The total inventory was 102,455,209 SF at the end of Q1 2024
- The total inventory decreased from the 102,564,417 SF at the end of Q4 2023

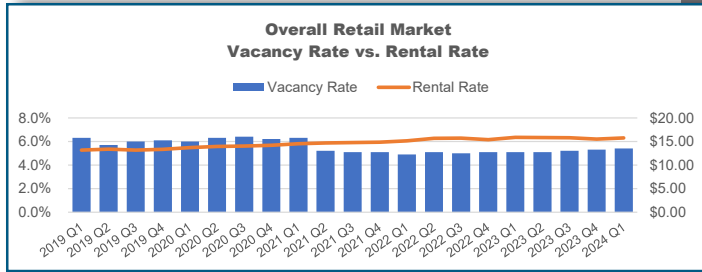


- Class-A retail property net absorption was a negative 9,220 SF, which increased compared to a negative 1,983 SF at the end of Q1 2024
- Class-B retail property net absorption was a negative 4,435 SF, which decreased from the positive 29,879 SF at the end of Q1 2024
- Class-C retail property net absorption was a negative 167,643 SF, which increased compared to negative 162,151 SF at the end of Q1 2024

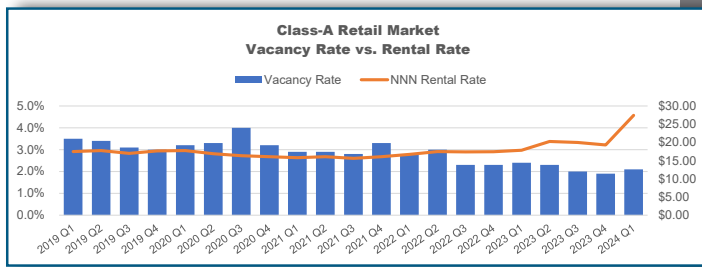
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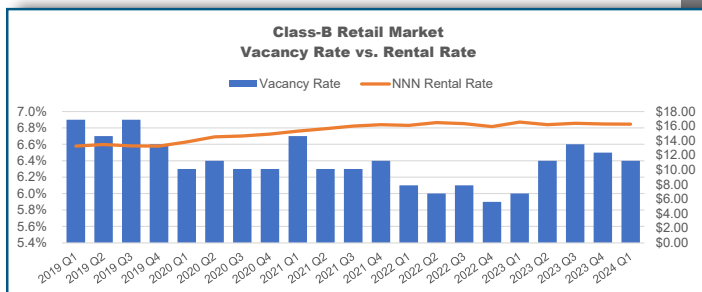
RENAL AND VACANCY RATES



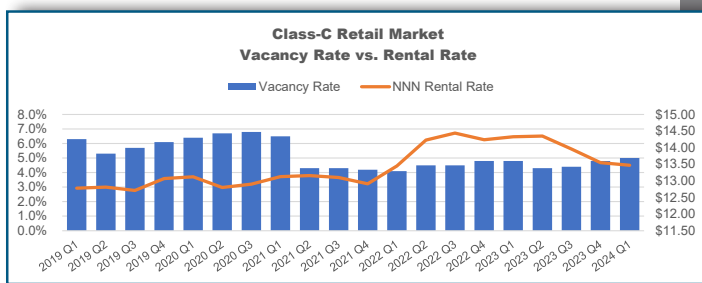
- The overall retail market rental rate averaged \$15.73/SF/YR at the end of Q1 2024
- The overall retail market rental rate increased from the \$15.49/SF/YR at the end of Q4 2023
- The overall retail market vacancy rate was 5.4% at the end of Q1 2024
- The overall retail market rental rate increased from the 5.3% rate at the end of Q4 2023



- Class-A retail property rental rate averaged \$27.41/SF/YR NNN at the end of Q1 2024
- Class-A retail property rental rate increased from the \$19.31/SF/YR NNN at the end of Q4 2023
- Class-A retail property vacancy rate was 2.1% at the end of Q1 2024
- Class-A retail property vacancy rate increased from the 1.9% rate at the end of Q4 2023



- Class-B retail property rental rate averaged \$16.27/SF/YR NNN at the end of Q1 2024
- Class-B retail property rental rate decreased from the \$16.29/SF/YR NNN at the end of Q4 2023
- Class-B retail property vacancy rate was 6.4% at the end of Q1 2024
- Class-B retail property vacancy rate decreased from the 6.5% rate at the end of Q4 2023



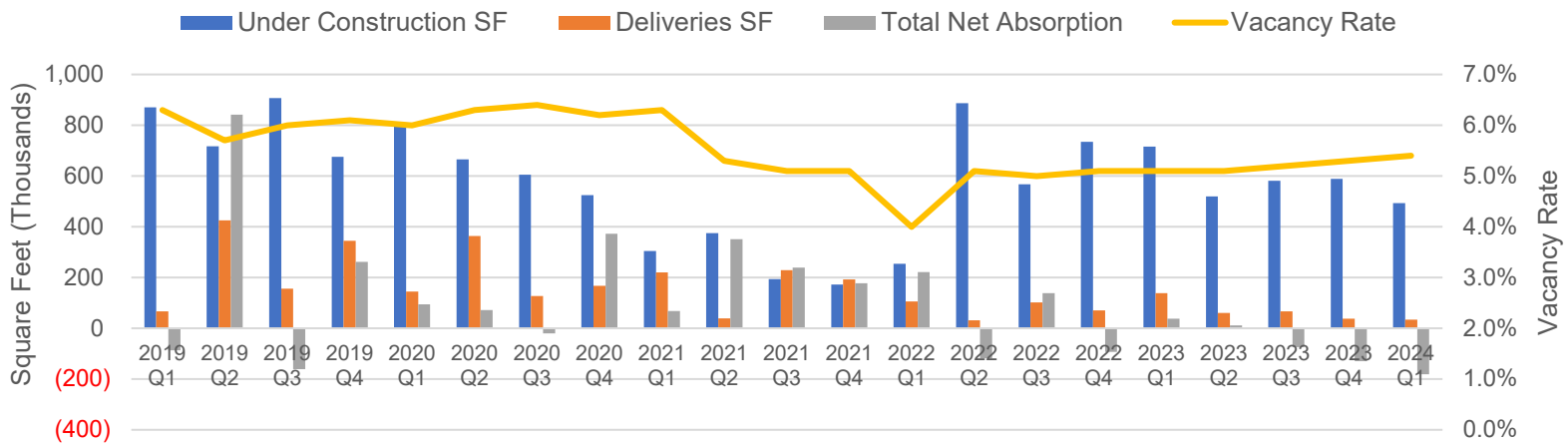
- Class-C retail property rental rate averaged \$13.47/SF/YR NNN at the end of Q1 2024
- Class-C retail property rental rate decreased from the \$13.55/SF/YR NNN at the end of Q4 2023
- Class-C retail property vacancy rate was 5.0% at the end of Q1 2024
- Class-C retail property vacancy rate increased from the 4.8% rate at the end of Q4 2023

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OKC RETAIL INFORMATION BY SUBMARKET

	Northwest	Edmond	Moore/Norman
NNN Rental Rate per SF	\$15.75	\$19.72	\$18.32
Vacancy Rate	6.9%	5.1%	5.2%
Existing Buildings	574	567	1,371
12 Months Net Absorption	59.2K	38.3K	-35.1K

CONSTRUCTION, DELIVERY, NET ABSORPTION AND VACANCY RATE



There was 493,457 SF of retail space under construction at the end of Q1 2024. The top two retail properties by size under construction are the 135,000 SF retail building at 5101 N. Pennsylvania Avenue in Oklahoma City, which is scheduled to be delivered September 2025, and the 59,000 SF retail building at 12800 N.W. 10th Street in Yukon, which is scheduled to be delivered in May 2024. We are seeing an average asking rental rate for under construction retail properties at \$18.29/SF/YR.

NOTABLE RETAIL PROPERTIES UNDER CONSTRUCTION

Property Name	Property Address	City	RBA	Delivery Time
OAK	5101 N. Pennsylvania Avenue	Oklahoma City	135,000 SF	Sept 2025
	12800 N.W. 10th Street	Yukon	59,000 SF	May 2024
The Stacks	501 W. Memorial Road	Oklahoma City	31,400 SF	August 2024
	Garth Brooks & Czech Hall Road	Yukon	26,000 SF	April 2024
	9010 S. I-35 Service Road	Oklahoma City	25,708 SF	April 2024

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NA OKLAHOMA CITY RETAIL MARKET SALES

The fourth quarter of 2023 saw 90 transactions totaling \$66,392,057. The largest individual property sale based on dollar volume was the sale at 2101-2137 N.W. 23rd Street in Oklahoma City. The 102,500 SF retail property was purchased for \$10,060,100 or \$98.15/SF, on January 23rd, 2024.

Summary

Number of Transactions	90
Total Sales Volume	\$66,392,057
Total Bldg. SF	829,480
Total Land in Acres	104.3 Acres
Average Price per Bldg. SF	\$118.48
Median Price per SF	\$158.32
Actual Cap Rate	7.5%

NA OKC MARKET SIGNIFICANT RETAIL SALE TRANSACTIONS DURING Q1 2024



Property Address: 2101-2137 N.W. 23rd Street-OKC
 Sale Price: \$10,060,100
 Price per SF: \$98.15/SF
 Sale Date: 1/23/2024



Property Address: 9001 N.W. Expressway-OKC
 Sale Price: \$3,550,000
 Price per SF: \$415.11/SF
 Sale Date: 1/5/2024



Property Address: 4403-4493 N.W. 50th Street-OKC
 Sale Price: \$3,514,239
 Price per SF: \$42.59/SF
 Sale Date: 3/15/2024



Property Address: 8940 N.W. Expressway-OKC
 Sale Price: \$3,025,000
 Price per SF: \$3,450/SF
 Sale Date: 3/8/2024



Property Address: 821 N. Czech Hall Road-YUKON
 Sale Price: \$2,150,000
 Price per SF: \$511.90/SF
 Sale Date: 2/7/2024



Property Address: 1507 S.W. 27th Street-EL RENO
 Sale Price: \$2,090,000
 Price per SF: \$76.75/SF
 Sale Date: 2/15/2024

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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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