

THIRD QUARTER
MULTI-FAMILY MARKET REPORT
2019

OKLAHOMA CITY, OKLAHOMA





Third Quarter Multi-Family Market Report

2019

NAI Sullivan Group

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EXECUTIVE SUMMARY

The multi-family market continues to have increasing rents and declining vacancy during Q3 2019. Vacancy rates from Q3 2018 have decreased an average of .8% overall while rents have remained steady. Currently, the First National Center will bring 193 units to the market in January, 2021.

The demand for the purchase of multi family projects remain strong as 32 complexes changed hands at an average price per unit of \$60,512.00 per unit and an average capitalization rate of 7.69%. The expectation is multi-family sales will remain strong and demand will increase as there is great demand in the marketplace for multi family properties.



Respectfully,

Bob Sullivan
CEO

NATIONAL ECONOMY

The Federal Reserve has cut the interest rate twice during Q3 2019, slashing the federal funds rate to a range of 1.75 percent to 2 percent. The trade war between United States and China started to hurt more US companies, and it has been the main reason for the volatile stock market since April 2019. OPEC decided to extend its policy to cut production for another 8 months as the outlook for global demand of oil and gas continues to weaken. Also, unemployment dropped to 3.5 percent, which is the lowest level since 1969.

LOCAL ECONOMY

Oklahoma City saw a strong market during the third quarter 2019. The long-awaited Oklahoma City Boulevard has opened for traffic in August the Amazon fulfillment center received its first package in August as well and the Scissortail Park had its grand opening at the end of September. It has been more than a year since the medical marijuana law passed and the number of dispensaries keep rising and the marijuana tax collection keeps growing. More affordable senior housing is planned between Midtown and Classen-10-Penn, the OMNI hotel and new convention center are well under construction and the City council has approved the rezoning for the 20-acre, mixed-use development at NW Expressway and Pennsylvania Avenue. The Oklahoma City commercial real estate market should continue to stay strong and active.



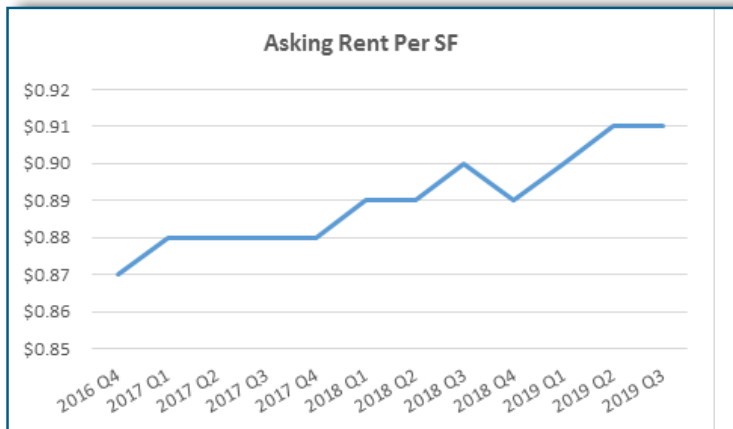
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OKC MULTI-FAMILY MARKET LEASING BY CLASS AND UNIT MIX

	Class-A	Class-B	Class-C	Overall
Vacancy Rate	10.20%	8.90%	10.30%	9.80%
Studio Asking Rent	\$892	\$668	\$584	\$634
1 Bed Asking Rent	\$959	\$716	\$570	\$669
2-Bed Asking Rent	\$1,120	\$875	\$682	\$811
3+ Bed Asking Rent	\$1,399	1,088	\$816	\$1,003



The overall vacancy rate for multi-family properties in the Oklahoma City market at the end of Q3 2019 was 9.8 percent, which has decreased compared to the rate of 9.9 percent at the end of Q2 2019. Average asking rental rate per SF was 0.91/SF/YR, which remained about the same compared to the rate at the end of Q2 2019. Studio asking rental rate averaged \$634 per unit, one bedroom asking rents averaged \$669 per unit, two-bedroom asking rents averaged \$811 per unit, and three-or-more bedroom asking rents averaged \$1,003 per unit.

OKC MULTI-FAMILY MARKET LEASING INFORMATION BY SUBMARKET

	CBD	NW OKC	Edmond	Moore/Norman
Vacancy Rate	13.70%	10.20%	9.30%	8.80%
Studio Asking Rent	\$927	\$551	\$646	\$629
1 Bed Asking Rent	\$1,109	\$658	\$741	\$688
2-Bed Asking Rent	\$1,503	\$782	\$899	\$821
3+ Bed Asking Rent	\$1,897	\$975	\$1,125	\$1,159

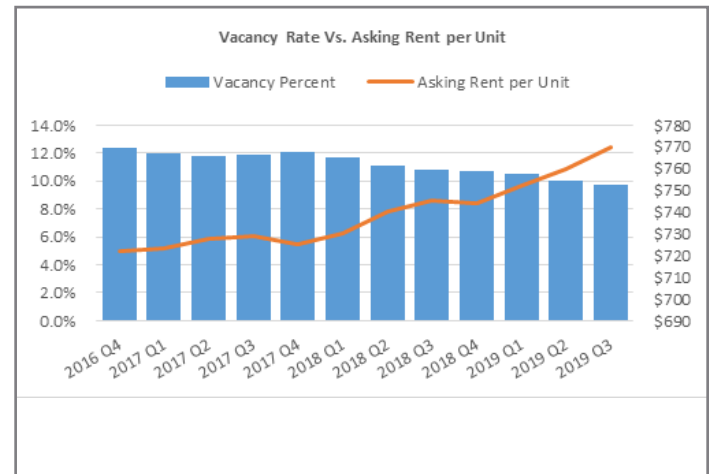
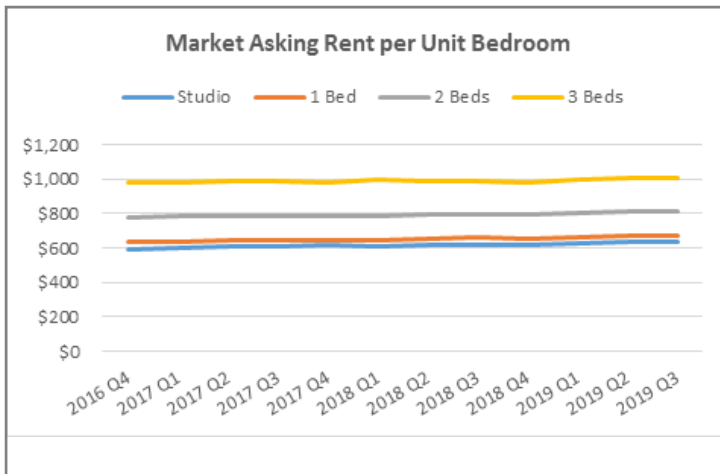
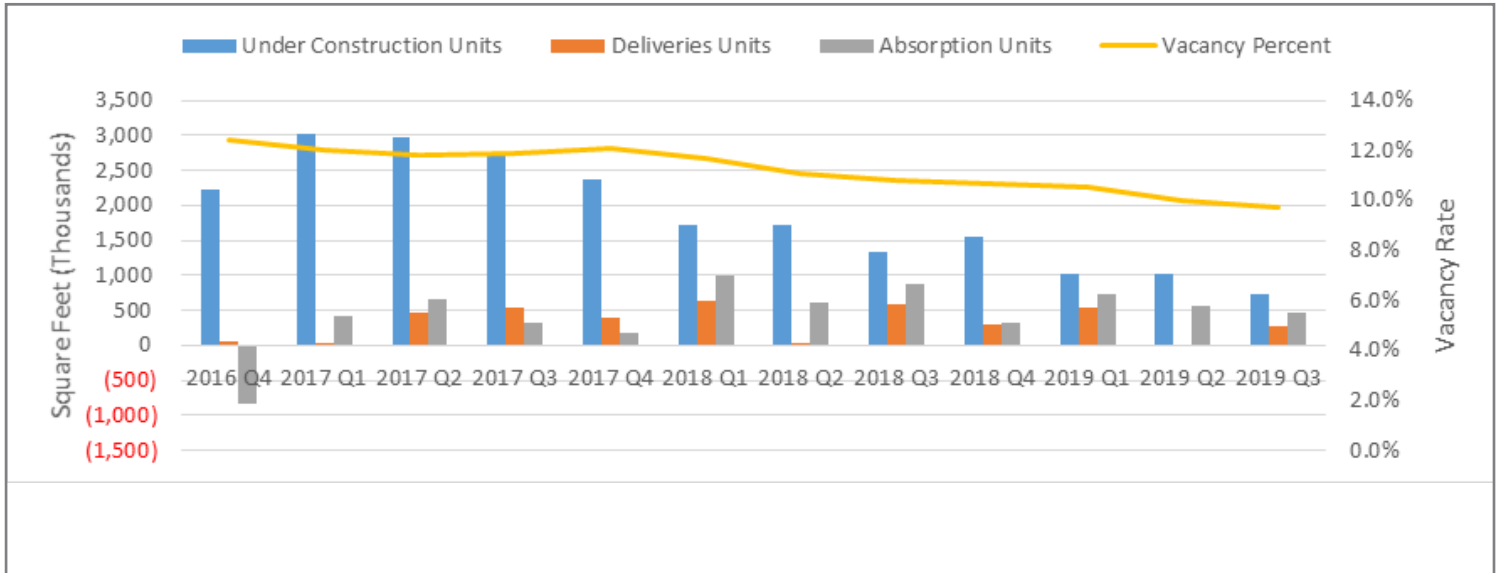


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CONSTRUCTION, DELIVERIES, ABSORPTION & VACANCY RATE



There were more than 700 units of multi-family space under construction at the end of Q3 2019. The two largest multi-family properties that have the most rentable building area under construction were the 516 unit Liberty Creek Village at 6929 Sooner Rd., in Oklahoma City, which is scheduled to be delivered in April 2020, and the 193 unit First National Center Apartments at 120 N Robinson Ave., in Oklahoma City, which is scheduled to be delivered in January 2021.



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TOP UNDER CONSTRUCTION & PROPOSED MULTI-FAMILY PROPERTIES

Under Construction	Property Name	City	Number Of Units	RBA	Delivery Time
6929 Sooner Rd	Liberty Creek Village	Oklahoma City	516	51,6000 SF	Apr 2020
120 N Robinson Ave	First National Center - Apartments	Oklahoma City	193	25,4321 SF	Jan 2021
701 NW 17th St		Moore	-	20,0000 SF	Jan 2020

There were 647,475 SF of multi-family space proposed at the end of Q3 2019. The proposed projects with the most rentable building area were the 188,000 SF, or 188-unit Apartments at 24th Avenue NW in Norman, and the Wilshire Point Apartments at Classen Drive in Oklahoma City a 160 unit development to deliver in 2021.

Property Address	Property Name	City	Number Of Units	RBA	Estimated Delivery Time
24th Ave NW	-	Norman	188	188,000 SF	2021
Classen Dr	Wilshire Point	OKC	160	120,000 SF	2021
Martin Luther King Ave	-	OKC	140	120,000 SF	-
100 Charlie Christian Ave	-	OKC	125	106,272 SF	2022
1305 N Classen Dr	-	OKC	-	70,000 SF	2021
229 E Campbell St	The Campbell	Edmond	50	43,203 SF	2021

OKC MULTI-FAMILY MARKET SALES

	2018 Q4	2019 Q1	2019 Q2	2019 Q3
Number of Transactions	29	25	20	32
Total Sales Volume	\$172,402,400	\$74,993,499	\$161,846,000	\$84,333,000
Total Units	3,009	1,377	1,841	1,494
Average Price per Bldg. SF	\$72.30	\$62.91	\$90.71	\$54.13
Average Price per Unit	\$61,749	\$57,776	\$88,248	\$60,512
Actual Cap Rate	7.36%	7.17%	8.47%	7.69%

There were 32 transactions totaling \$84,333,000 recorded during Q3 2019. The largest transaction based on dollar volume was the sale of the 396-unit at Bridgepoint at 5304 Willow Cliff Rd. in Oklahoma City. Cedar Grove Capital from Woodmere, NY purchased the 513,028 SF property from Presidium Group from Dallas, TX on July 12, 2019.



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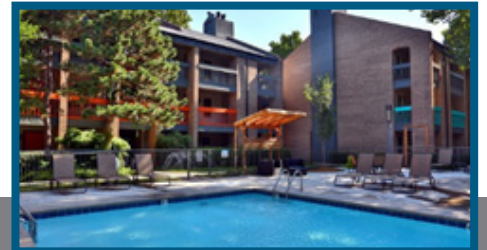
OKC MARKET SIGNIFICANT MULTI-FAMILY SALE TRANSACTIONS DURING Q3 2019



Property Name: Bridgpoint
 Property Address: 5304 Willow Cliff Rd., OKC
 Sale Price: \$22,000,000
 Price per SF: \$42.88
 Price per Unit: \$55,555
 Sale Date: 07/12/2019



Property Name: Legend V Apartments
 Property Address: 2133 E 2nd St., Edmond
 Sale Price: \$19,040,000
 Price per SF: \$66.02
 Price per Unit: \$95,200
 Sale Date: 08/26/2019



Property Name: The Haven
 Property Address: 601 Robert S Kerr Ave., OKC
 Sale Price: \$9,000,000
 Price per SF: \$119.45
 Price per Unit: \$140,625
 Sale Date: 07/19/2019



Property Name: Chelsea Manor
 Property Address: 6300 N Meridian Ave., OKC
 Sale Price: \$8,670,000
 Price per SF: \$56.30
 Price per Unit: \$45,873
 Sale Date: 07/09/2019



Property Name: Savannah Pointe
 Property Address: 6134 N MacArthur Blvd., Warr Acres
 Sale Price: \$5,100,000
 Price per SF: \$26.89
 Price per Unit: \$36,956
 Sale Date: 08/05/2019



Property Name: Camino Del Plaza Ln
 Property Address: 2133-2225, Edmond
 Sale Price: \$2,748,500
 Price per SF: \$117.90
 Price per Unit: \$171,781
 Sale Date: 08/15/2019



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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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