TULSA’S MARKET UPDATE
Industrial Market

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Industrial Update
Tulsa Trends 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
# Quick Stats

<table>
<thead>
<tr>
<th></th>
<th>MY 2014</th>
<th>Current</th>
<th>Year End 2013</th>
<th>Mid Year 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacancy</strong></td>
<td></td>
<td>6.5%</td>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td><strong>Lease Rates</strong></td>
<td></td>
<td>$5.42</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Net Absorption</strong></td>
<td></td>
<td>585K</td>
<td>↓</td>
<td>↑</td>
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<tr>
<td><strong>Completions</strong></td>
<td></td>
<td>93K SF</td>
<td>↑</td>
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</table>
5-Year Vacancy

- 2010: 12.03%
- 2011: 12.25%
- 2012: 11.37%
- 2013: 6.90%
- 2014: 6.50%

Bulk Warehouse

Lease Rate

Vacancy Rate

Dec-11  Jan-12  Dec-12  Jun-13  Dec-13  Jun-14

$3.00  $3.25  $3.50  $3.75  $4.00  $4.25

5%  10%  15%  20%  25%  30%  35%
Service Centers

<table>
<thead>
<tr>
<th>Month</th>
<th>Lease Rate</th>
<th>Vacancy Rate</th>
</tr>
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<tbody>
<tr>
<td>Dec-11</td>
<td>$6.00</td>
<td></td>
</tr>
<tr>
<td>Jun-12</td>
<td>$6.25</td>
<td></td>
</tr>
<tr>
<td>Dec-12</td>
<td>$6.50</td>
<td>8%</td>
</tr>
<tr>
<td>Jun-13</td>
<td>$6.75</td>
<td>12%</td>
</tr>
<tr>
<td>Dec-13</td>
<td>$7.00</td>
<td>14%</td>
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<tr>
<td>Jun-14</td>
<td>$7.00</td>
<td>16%</td>
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CBRE | Oklahoma
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-1.30</td>
</tr>
<tr>
<td>2011</td>
<td>-1.20</td>
</tr>
<tr>
<td>2012</td>
<td>0.38</td>
</tr>
<tr>
<td>2013</td>
<td>1.23</td>
</tr>
<tr>
<td>2014</td>
<td>0.59</td>
</tr>
</tbody>
</table>
New & Expanded Industries

- BIZJET
- Macy's
- NORDAM
- ISTI
- LOGAN
- Harsco
- American Pipe Bending Co.
- Big Elk
- SWEP

CBRE Oklahoma
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

CBRE Oklahoma
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!