

OKLAHOMA CITY

Q2 2017 | Multifamily

Source: AXIOMETRICS, RCA, CoStar

Market Survey Results and Forecasts	Sequential				Month	Annual						
	3Q16	4Q16	1Q17	2Q17	Jul-17	2015	2016	2017F	2018F	2019F	2020F	2021F
Effective Rent Per Unit	\$722	\$711	\$706	\$714	\$726	\$722	\$719	\$712	\$730	\$758	\$779	\$798
Per Sq. Ft	\$0.84	\$0.83	\$0.83	\$0.84	\$0.85	\$0.85	\$0.84	\$0.83	\$0.85	\$0.89	\$0.91	\$0.93
Effective Rent Growth - Annually	-0.4%	-1.3%	-1.5%	-1.4%	0.0%	1.1%	-0.5%	-0.9%	2.5%	3.8%	2.9%	2.4%
Effective Rent Growth - Quarterly	-0.3%	-1.4%	-0.7%	1.1%								
Occupancy Rate	92.2%	91.5%	90.9%	91.4%	91.4%	94.1%	92.3%	91.4%	92.7%	94.4%	94.3%	94.0%
Occupancy Change - Annually	-2.1%	-1.6%	-2.0%	-1.4%	-0.7%	-1.3%	-1.9%	-1.0%	1.4%	1.8%	-0.1%	-0.4%
Occupancy Change - Quarterly	-0.6%	-0.8%	-0.6%	0.6%								
Economic Concessions												
Concession Value		\$-15.01	\$-17.52	\$-14.39	\$-9.34	\$-8.08	\$-12.69					
As a % of Asking Rent	-1.7%	-2.1%	-2.4%	-2.0%	-1.3%	-1.1%	-1.8%					



RECENT SALES

Date	Property Name	Address	City	Units	Year Built	Price in \$	\$/Units
Jul-17	Continental Apartments	2424 N Nottingham Way	Moore	80	1973	2,575,000	32,188
Jul-17	Watersedge Apartments	4317 SW 22nd Street	Oklahoma City	368	1986	23,600,000	64,130
Jun-17	Brookwood Village	9401 S Shartel Ave	Oklahoma City	1,128	1970	60,500,000	53,635
Jun-17	The Brittany Apartments	2620 N Meridian Ave	Oklahoma City	110	1970	3,430,000	31,182
May-17	The Reserve on Stinson	730 Stinson Dr	Norman	204	2004	17,640,000	86,471
Apr-17	Ashwood Apartments	3451 SE 44th Street	Oklahoma City	157	1972	5,050,000	32,166
Apr-17	Sunnyview	4502 Sunnyview Dr	Oklahoma City	224	1974	9,500,000	42,411
Apr-17	Arbors of Macarthur	1601 N Macarthur Blvd	Oklahoma City	120	1972	3,950,000	32,917
Apr-17	Trinity Ridge Apartments	5800 NW 29th St	Oklahoma City	54	1972	2,700,000	50,000
Mar-17	Mulberry Parke Apartments	7652 NW 10th St	Oklahoma City	96	1971	2,900,000	30,208

SUPPLY AND DEMAND

According to the Bureau of Labor Statistics, job growth in Oklahoma City, OK Metro Area was 1.7% in July 2017, reflecting 10,500 jobs added during a 12-month period. The metro job growth figure was above the national number of 1.5%.

Axiometrics forecasts Oklahoma City, OK Metro Area's job growth to be 1.1% in 2018, with 6,812 jobs added. Job growth is expected to average 1.4% from 2019 to 2021, with an average of 9,090 jobs added each year.

On the supply side, permits for 613 multifamily units were issued in the 12 months ending in June 2017, down -880 units from the prior year's sum. In terms of total residential housing, 5,941 units were permitted in the 12 months ending June 2017, a decrease of -829 units from the prior year's total.

Market Employment and Permitting										
	Annual			July-17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Employment (000s)	619.7	629.5	628.4	631.3	146,368.0	632.1	638.9	649.5	658.9	666.2
Job Gain (000s)	11.7	9.8	(1.1)	10.5	2,165.0	3.7	6.8	10.6	9.4	7.2
Job Growth (%)	1.9%	1.6%	-0.2%	1.7%	1.5%	0.6%	1.1%	1.7%	1.4%	1.1%
Total Residential Permitting	7,846	6,025	6,770	5,452	1,127,614	6,285	5,964	6,621	6,958	7,745
Relative Change	4.5%	-23.2%	12.4%	-10.5%	6.6%	-7.2%	-5.1%	11.0%	5.1%	11.3%
Single Family Units Permitted	5,935	5,539	5,039	4,677	725,224					
Relative Change	-6.7%	-6.7%	-9.0%	-4.1%	10.1%					
Multifamily Units Permitted	1,689	286	1,493	537	369,955					
Relative Change	66.6%	-83.1%	422.0%	-46.1%	0.0%					
Multifamily as a % of Total	21.5%	4.7%	22.1%	9.8%	32.8%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.6	1.2	(0.2)	1.7	2.0	0.5	1.1	1.8	1.4	1.0
Job Gain / Single Family Units Permitted	1.8	1.6	(0.2)	2.2	3.3					
Job Gain / Multifamily Units Permitted	11.5	5.8	(3.7)	10.5	5.9					

Multifamily Absorption and Supply										
	Annual			2Q17		Annual Forecast				
	2014	2015	2016	Market	National	2017F	2018F	2019F	2020F	2021F
Total Units Absorbed	975	432	643	91	175,965	3,128	2,152	1,453	259	1,084
New Supply	1,435	2,107	2,061	1,536	363,576	1,503	1,362	974	1,031	1,151
Inventory Growth	1.8%	2.6%	2.5%	2.0%	1.4%	1.8%	1.6%	1.1%	1.2%	1.3%

Annual Employment Growth



MF Supply and Inventory Growth



IDENTIFIED SUPPLY

As of August 20, 2017, Axiometrics has identified 1,388 apartment units scheduled for delivery in 2017, of which, 513 have been delivered. As a comparison, there were 1,956 apartment units delivered in 2016. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$1,162 per unit, or \$1.24 per square foot. Effective rent has averaged \$1,104, or \$1.18 per square foot, resulting in an average concession value of \$-57.21. As a comparison, existing properties in the market had an average asking rent of \$729 per unit (\$0.85 per square foot) and an average effective rent of \$714 per unit, or \$0.84 per square foot, in 2Q17. Concessions for existing properties averaged \$-14.39.

Submarket Delivery Schedule											
Top Submarkets	Pipeline Delivery Schedule				Pipeline Lease Up Trend						
	2015	2016	2017	Total	Units Absorbed		Asking Rent		Effective Rent		
					Totals	PPM	Per Unit	PSF	Per Unit	PSF	
East Central Oklahoma City	274	715	398	1,387	456	12	\$1,403	\$1.60	\$1,354	\$1.54	
Midwest/Del City		216	252	468	79	8	\$963	\$1.04	\$922	\$1.00	
Norman		450	254	704	315	8	\$982	\$1.02	\$967	\$1.00	
Northeast Oklahoma City	70	400	254	724	246	11	\$1,271	\$1.21	\$1,137	\$1.08	
South Oklahoma City	1,215	144	230	1,589	73	7	\$903	\$0.96	\$844	\$0.90	
Other	191	31		222	3	3	\$952	\$0.99	\$873	\$0.91	
Oklahoma City, OK	1,750	1,956	1,388	5,094	1,172	9	\$1,162	\$1.24	\$1,106	\$1.18	

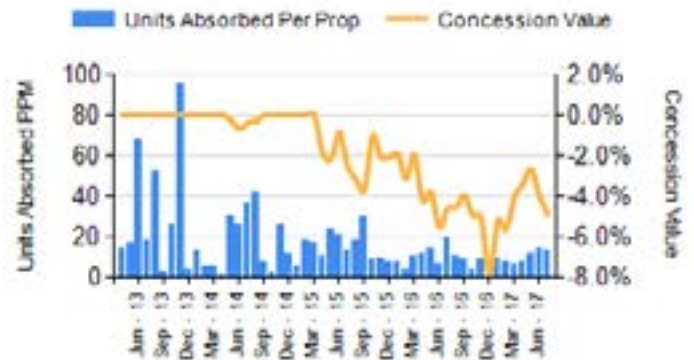
*Based on 2017 deliveries

*Trend based on a trailing 12 month period

Identified Unit Deliveries



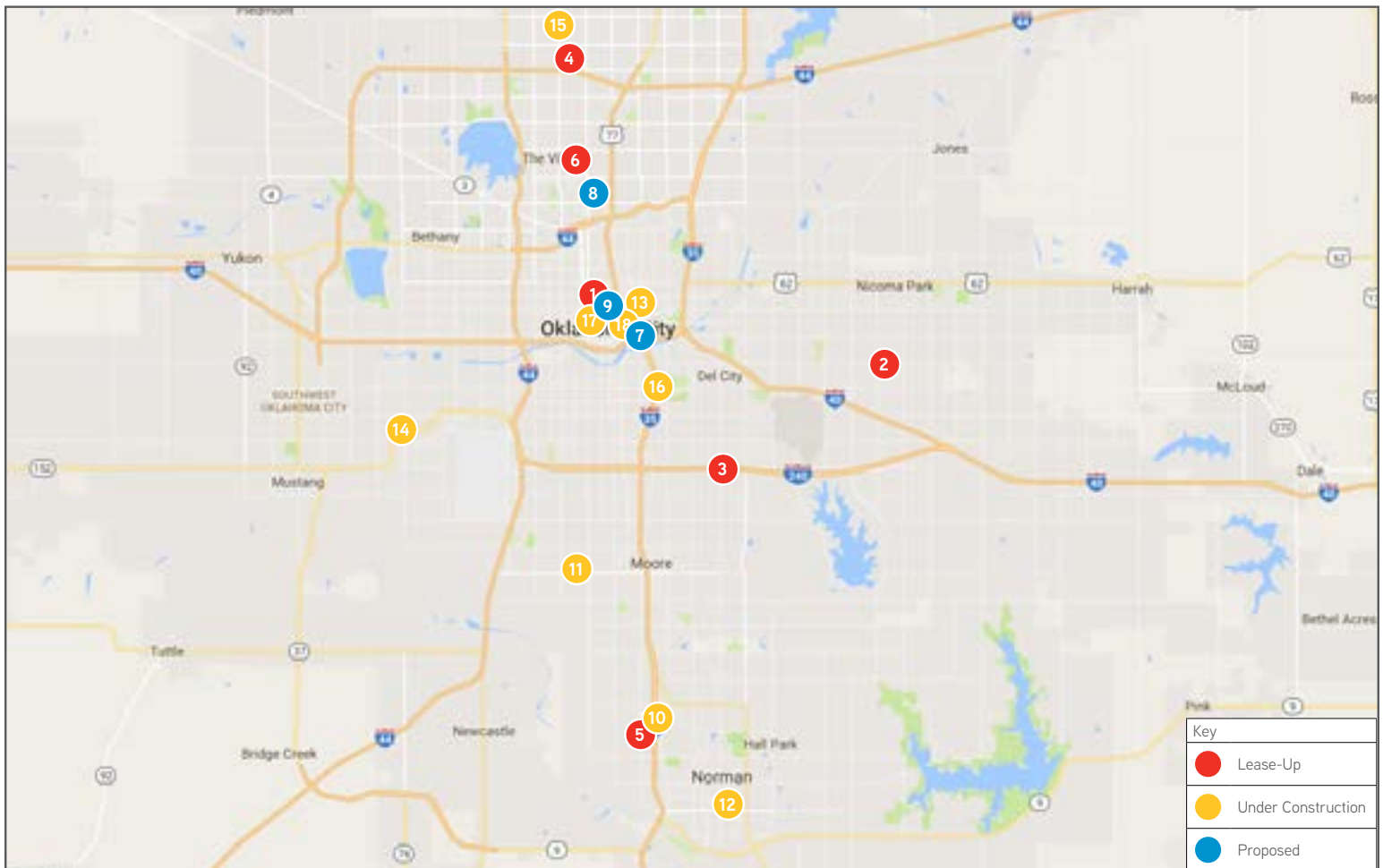
Lease Up Performance



PIPELINE

Source: CoStar

#	Name	Status	Owner	Address	Market	Units
1	Lift	Lease Up	Milhaus	801 NW 10th St	Downtown Oklahoma City MF	329
2	Boulevard at Lakeside	Lease Up	NE Development	11300 SE 15th St	Outer Midwest City MF	216
3	The Landing	Lease Up	McLaughlin Family Foundation	4800 E Interstate 240 Service Rd	E South Oklahoma City MF	60
4	Tapestry at Quail Springs	Lease Up	Avenida Partners	14201 N Kentucky Ave	Outer Northwest Oklahoma	140
5	Legacy Trail Apartments	Lease Up	Carlsbad Management Group, LLC	2501 Pendleton Dr	Outer Norman MF	208
6	J Marshall Square	Lease Up	Gardner Tanenbaum Holdings	9017 N University Ave	Outer Central Oklahoma Ci	280
7	100 Charlie Christian Ave	Proposed	Champion Hotels	100 Charlie Christian Ave	Downtown Oklahoma City MF	125
8	Wilshire Point	Proposed	Blackstone Commercial Property Advisors	Classen Dr	Outer Northeast Oklahoma	160
9	Times Square	Proposed	Okc Urban Renewal Authority	400 NE K Gaylord Blvd	Downtown Oklahoma City MF	327
10	TERRA at University North Park	Under Construction	Cornerstone Development	3500 24th Ave NW	Outer Norman MF	304
11	Argon Apartments	Under Construction	NE Property Management	13600 S Blackwelder Ave	Outer Northwest Oklahoma	287
12	Callaway House	Under Construction	American Campus Communities, Inc.	555 E Brooks St	Outer Norman MF	388
13	The Douglass	Under Construction	Colony Partners Inc	600 N High Ave	John F Kennedy MF	128
14	Bentwood Villas	Under Construction	Justin Ramer	6601 Highway 152	W South Oklahoma City MF	60
15	The Lofts at North Penn	Under Construction	150th & Penn Apartments LLC	15501 N Pennsylvania Ave	Outer Northwest Oklahoma	150
16	Mission Point Apartments Phase II	Under Construction	Case & Associates	2900 S Service Rd	Outer Norman MF	262
17	West Village	Under Construction	Andy Burnett, Jeff Johnson, Zach Martin	903 W Sheridan Ave	Downtown Oklahoma City MF	345
18	The Steel Yard	Under Construction	Cornerstone Development	505 E Sheridan Ave	Downtown Oklahoma City MF	250
Total Units						4,019



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One of the largest and most experienced teams of multifamily specialists in the industry

 MORE THAN
50

Dedicated Multifamily Professionals & Advisors

 COVERING OVER
20 STATES

Expansive geographic footprint

MORE THAN
33,500

Units sold since 2011



 **\$2.3^B**

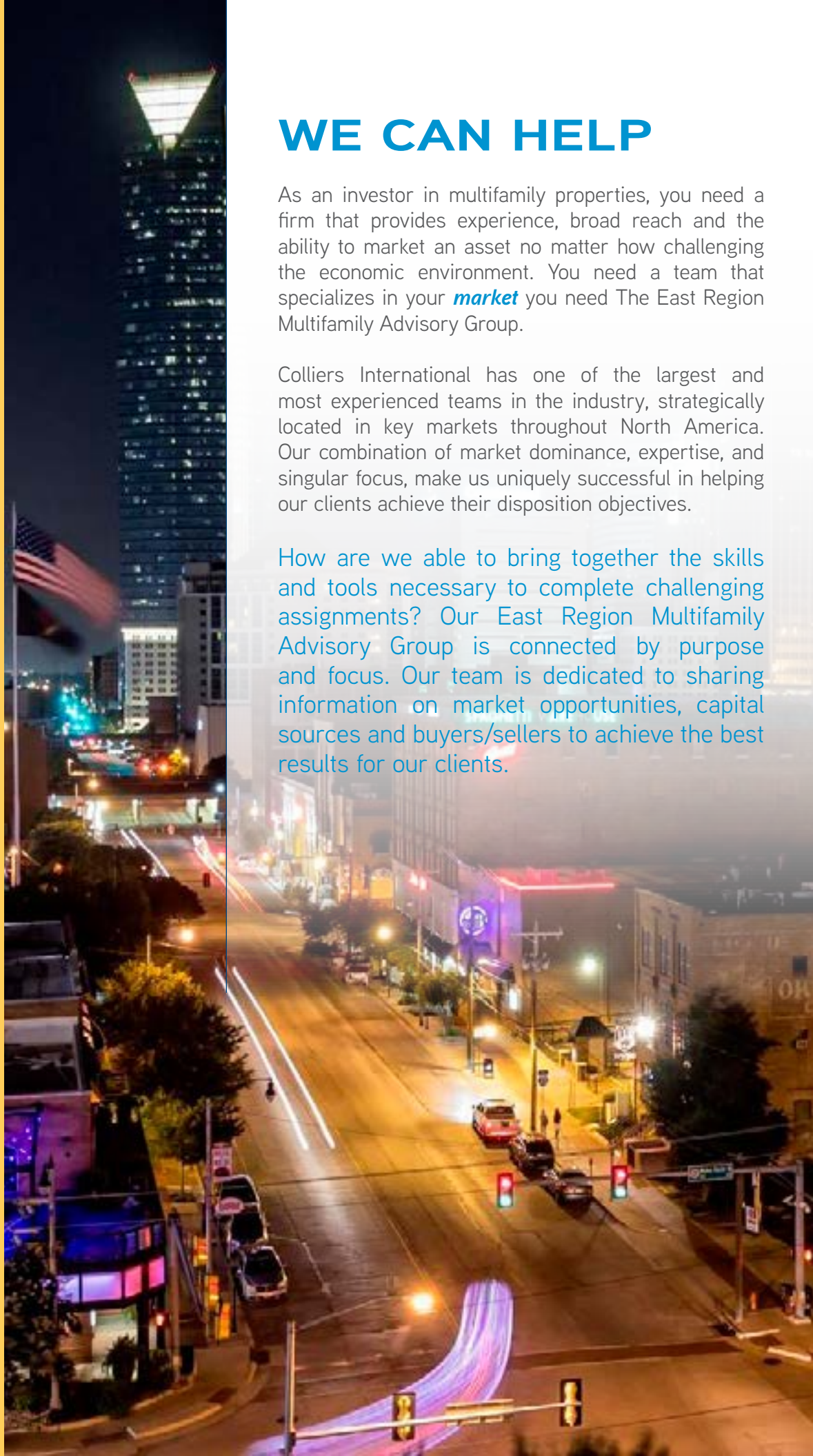
Group gross transaction value in since 2011

WE CAN HELP

As an investor in multifamily properties, you need a firm that provides experience, broad reach and the ability to market an asset no matter how challenging the economic environment. You need a team that specializes in your **market** you need The East Region Multifamily Advisory Group.

Colliers International has one of the largest and most experienced teams in the industry, strategically located in key markets throughout North America. Our combination of market dominance, expertise, and singular focus, make us uniquely successful in helping our clients achieve their disposition objectives.

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