

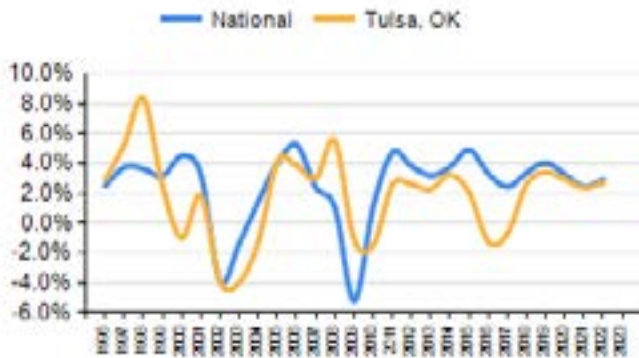
# TULSA

## Q2 2017 Multifamily

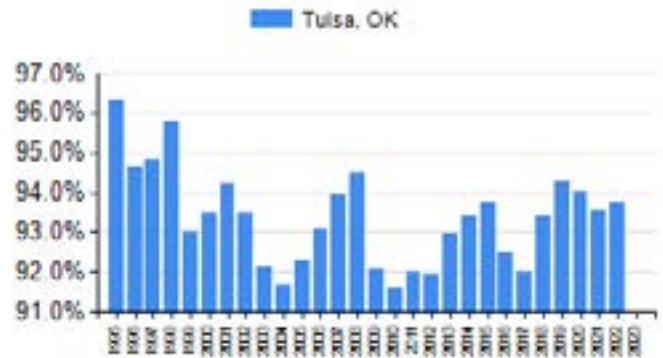
Source: AXIOMETRICS, RCA, CoStar

| Market Survey Results and Forecasts | Sequential |          |          | Month    | Annual   |         |          |        |        |        |        |        |
|-------------------------------------|------------|----------|----------|----------|----------|---------|----------|--------|--------|--------|--------|--------|
|                                     | 3Q16       | 4Q16     | 1Q17     | 2Q17     | Jul-17   | 2015    | 2016     | 2017F  | 2018F  | 2019F  | 2020F  | 2021F  |
| <b>Effective Rent Per Unit</b>      | \$688      | \$673    | \$672    | \$680    | \$686    | \$694   | \$685    | \$680  | \$698  | \$722  | \$743  | \$760  |
| Per Sq. Ft                          | \$0.81     | \$0.80   | \$0.80   | \$0.80   | \$0.81   | \$0.82  | \$0.81   | \$0.81 | \$0.83 | \$0.85 | \$0.88 | \$0.90 |
| Effective Rent Growth - Annually    | -1.8%      | -3.1%    | -2.4%    | -1.7%    | -1.3%    | 2.0%    | -1.3%    | -0.7%  | 2.6%   | 3.4%   | 2.9%   | 2.3%   |
| Effective Rent Growth - Quarterly   | -0.5%      | -2.1%    | -0.2%    | 1.1%     |          |         |          |        |        |        |        |        |
| <b>Occupancy Rate</b>               | 92.6%      | 91.7%    | 91.3%    | 92.0%    | 92.2%    | 93.7%   | 92.5%    | 92.0%  | 93.4%  | 94.3%  | 94.0%  | 93.5%  |
| Occupancy Change - Annually         | -1.3%      | -1.8%    | -1.5%    | -1.2%    | -0.4%    | 0.4%    | -1.3%    | -0.5%  | 1.5%   | 0.9%   | -0.3%  | -0.5%  |
| Occupancy Change - Quarterly        | -0.5%      | -1.0%    | -0.4%    | 0.7%     |          |         |          |        |        |        |        |        |
| <b>Economic Concessions</b>         |            |          |          |          |          |         |          |        |        |        |        |        |
| Concession Value                    |            | \$-14.64 | \$-17.39 | \$-13.01 | \$-10.70 | \$-6.04 | \$-11.49 |        |        |        |        |        |
| As a % of Asking Rent               | -1.5%      | -2.1%    | -2.5%    | -1.9%    | -1.5%    | -0.9%   | -1.6%    |        |        |        |        |        |

Annual Effective Rent Growth



Annual Occupancy Rate



# RECENT SALES

| Date   | Property Name         | Address               | City         | Units | Year Built | Price in \$ | \$/Units |
|--------|-----------------------|-----------------------|--------------|-------|------------|-------------|----------|
| Jun-17 | Marquis on Memorial   | 14690 S 82nd East Ave | Bixby        | 132   | 2009       | 13,500,000  | 102,273  |
| Jun-17 | French Villa          | 4752 S Harvard Ave    | Tulsa        | 100   | 1962       | 5,830,000   | 58,300   |
| May-17 | Prescott Woods        | 1337 E 61st St        | Tulsa        | 256   | 1981       | 8,300,000   | 32,422   |
| Mar-17 | Kenwood Hills         | 512 E Madison St N    | Broken Arrow | 99    | 1970       | 3,000,000   | 30,303   |
| Mar-17 | JB Milam Building     | 1302 N Willow Dr      | Claremore    | 101   | 1983       | 4,050,000   | 40,099   |
| Mar-17 | Willowbend            | 3038 S 101st East Ave | Tulsa        | 132   | 1974       | 4,050,000   | 30,682   |
| Jan-17 | Westport on the River | 1703 S Jackson Ave    | Tulsa        | 682   | 1983       | 40,600,000  | 59,531   |
| Dec-16 | Savannah South        | 4631 S Braden Ave     | Tulsa        | 69    | 1965       | 1,800,000   | 26,087   |

# SUPPLY AND DEMAND

According to the Bureau of Labor Statistics, job growth in Tulsa, OK Metro Area was 0.6% in July 2017, reflecting 2,700 jobs added during a 12-month period.

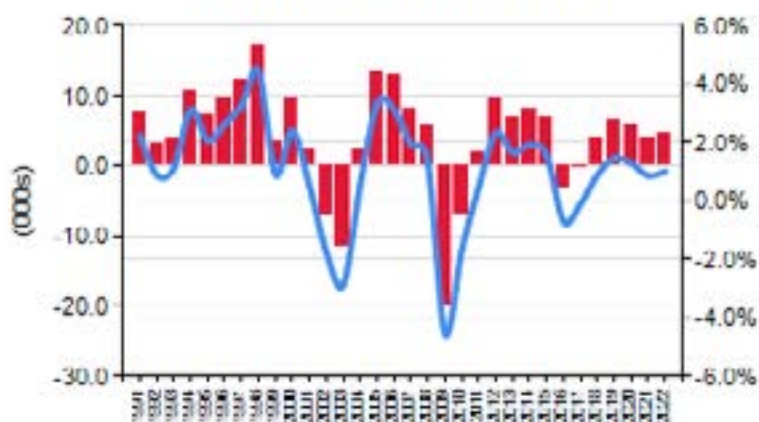
Axiometrics forecasts Tulsa, OK Metro Area's job growth to be 0.9% in 2018, with 3,946 jobs added. Job growth is expected to average 1.2% from 2019 to 2021, with an average of 5,461 jobs added each year.

On the supply side, permits for 846 multifamily units were issued in the 12 months ending in June 2017, up 252 units from the prior year's sum. In terms of total residential housing, 4,094 units were permitted in the 12 months ending June 2017, an increase of 338 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 |
| <b>Employment (000s)</b>                     | 440.6  | 447.5  | 444.4  | 443.1   | 146,368.0 | 443.9           | 447.9 | 454.5  | 460.3 | 464.3 |
| Job Gain (000s)                              | 8.3    | 6.9    | (3.1)  | 2.7     | 2,165.0   | (0.5)           | 3.9   | 6.6    | 5.8   | 4.0   |
| Job Growth (%)                               | 1.9%   | 1.6%   | -0.7%  | 0.6%    | 1.5%      | -0.1%           | 0.9%  | 1.5%   | 1.3%  | 0.9%  |
| <b>Total Residential Permitting</b>          | 4,525  | 3,780  | 3,756  | 3,643   | 1,127,614 | 4,180           | 4,463 | 3,574  | 3,336 | 4,056 |
| Relative Change                              | 21.5%  | -16.5% | -0.6%  | 0.0%    | 6.6%      | 11.3%           | 6.8%  | -19.9% | -6.7% | 21.6% |
| Single Family Units Permitted                | 3,014  | 2,891  | 3,040  | 2,945   | 725,224   |                 |       |        |       |       |
| Relative Change                              | 0.3%   | -4.1%  | 5.2%   | 6.4%    | 10.1%     |                 |       |        |       |       |
| Multifamily Units Permitted                  | 1,339  | 735    | 594    | 630     | 369,955   |                 |       |        |       |       |
| Relative Change                              | 117.4% | -45.1% | -19.2% | -7.6%   | 0.0%      |                 |       |        |       |       |
| Multifamily as a % of Total                  | 29.6%  | 19.4%  | 15.8%  | 17.3%   | 32.8%     |                 |       |        |       |       |
| <b>Demand/Supply Ratio</b>                   |        |        |        |         |           |                 |       |        |       |       |
| Job Gain / Total Residential Units Permitted | 2.2    | 1.5    | (0.8)  | 0.7     | 2.0       | (0.1)           | 0.9   | 1.5    | 1.6   | 1.2   |
| Job Gain / Single Family Units Permitted     | 2.8    | 2.3    | (1.1)  | 1.0     | 3.3       |                 |       |        |       |       |
| Job Gain / Multifamily Units Permitted       | 13.4   | 5.2    | (4.3)  | 4.0     | 5.9       |                 |       |        |       |       |

| Multifamily Absorption and Supply |        |       |       |        |          |                 |       |       |       |       |
|-----------------------------------|--------|-------|-------|--------|----------|-----------------|-------|-------|-------|-------|
|                                   | Annual |       |       | 2Q17   |          | Annual Forecast |       |       |       |       |
|                                   | 2014   | 2015  | 2016  | Market | National | 2017F           | 2018F | 2019F | 2020F | 2021F |
| <b>Total Units Absorbed</b>       | 1,345  | 874   | (256) | 250    | 175,965  | 1,540           | 1,301 | 816   | 288   | 562   |
| <b>New Supply</b>                 | 585    | 1,273 | 906   | 1,165  | 363,579  | 742             | 696   | 590   | 728   | 815   |
| <b>Inventory Growth</b>           | 1.0%   | 2.1%  | 1.4%  | 1.6%   | 1.4%     | 1.2%            | 1.1%  | 0.9%  | 1.1%  | 1.2%  |

Annual Employment Growth



MF Supply and Inventory Growth



# IDENTIFIED SUPPLY

As of August 20, 2017, Axiometrics has identified 1,793 apartment units scheduled for delivery in 2017, of which, 796 have been delivered. As a comparison, there were 796 apartment units delivered in 2016. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$1,094 per unit, or \$1.19 per square foot. Effective rent has averaged \$1,053, or \$1.15 per square foot, resulting in an average concession value of \$-41.26. As a comparison, existing properties in the market had an average asking rent of \$693 per unit (\$0.82 per square foot) and an average effective rent of \$680 per unit, or \$0.80 per square foot, in 2Q17. Concessions for existing properties averaged \$-13.01.

| 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           |
| Arkansas River Southwest    | 348                        |            | 424          | 772          | 189                     | 9         | \$929          | \$0.98        | \$906          | \$0.96        |
| Central Tulsa               |                            | 148        | 220          | 368          | 156                     | 6         | \$1,361        | \$1.59        | \$1,348        | \$1.58        |
| East/Broken Arrow           | 103                        | 426        | 510          | 1,039        | 284                     | 14        | \$981          | \$0.99        | \$920          | \$0.93        |
| South                       | 367                        | 160        | 373          | 900          | 69                      | 6         | \$1,024        | \$1.05        | \$943          | \$0.96        |
| Tulsa County/Other          |                            | 62         | 266          | 328          | 220                     | 31        | \$895          | \$0.93        | \$814          | \$0.85        |
| <b>Tulsa, OK</b>            | <b>818</b>                 | <b>796</b> | <b>1,793</b> | <b>3,407</b> | <b>918</b>              | <b>10</b> | <b>\$1,096</b> | <b>\$1.20</b> | <b>\$1,055</b> | <b>\$1.15</b> |

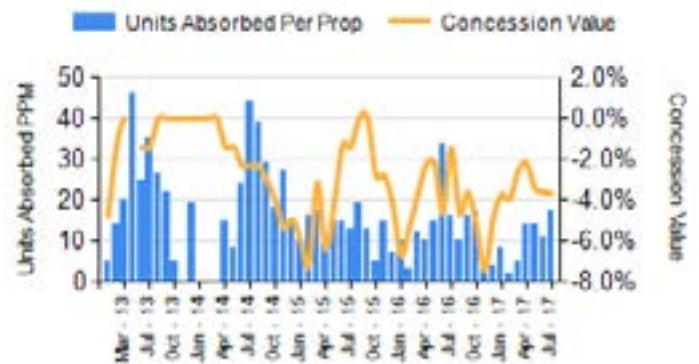
\*Based on 2017 deliveries

\*Trend based on a trailing 12 month period

Identified Unit Deliveries



Lease Up Performance

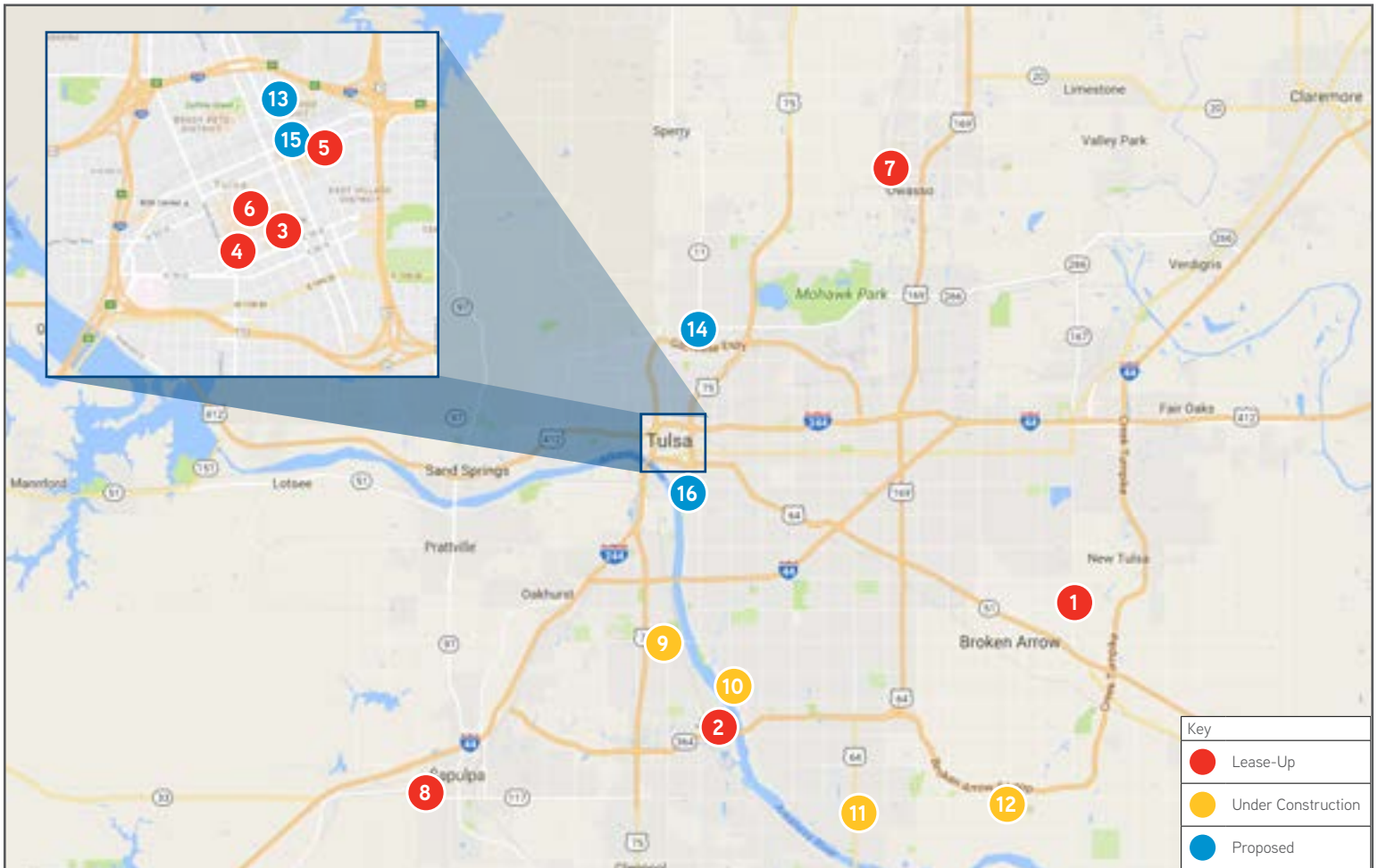




# PIPELINE

Source: CoStar

| #           | Name                            | Status             | Owner                            | Address             | Market                    | Units |
|-------------|---------------------------------|--------------------|----------------------------------|---------------------|---------------------------|-------|
| 1           | Scissortail Crossing            | Lease Up           | Case & Associates                | 2800 N 23rd St      | Wagoner County MF         | 280   |
| 2           | Thrive Jenks                    | Lease Up           | ERC Companies                    | 736 E Aquarium Pl   | South Tulsa County MF     | 168   |
| 3           | The Meridia                     | Lease Up           | River City Development           | 522 S Boston Ave    | Downtown Tulsa MF         | 93    |
| 4           | Y Lofts                         | Lease Up           | Brickhugger LLC                  | 515 S Denver Ave    | Downtown Tulsa MF         | 79    |
| 5           | Edge - East Village             | Lease Up           | American Residential Group       | 211 S Greenwood Ave | Downtown Tulsa MF         | 161   |
| 6           | Palace Building Apartments      | Lease Up           | Wiggin Properties, LLC.          | 324 S Main St       | Downtown Tulsa MF         | 60    |
| 7           | The Cottages at Tallgrass Point | Lease Up           | Entrepreneurial Corporate Group  | 8748 N Mingo Rd     | Outer North Tulsa MF      | 266   |
| 8           | Wickham Gardens                 | Lease Up           | Wilhoit Properties, Inc.         | 1014 S Wickham Rd   | Creek County MF           | 60    |
| 9           | 71 at Tulsa Hills               | Under Construction | Simmons + Kourtis                | 7220 S Elwood Ave   | South Tulsa County MF     | 80    |
| 10          | Crown Win River                 | Under Construction | Leinbach Company                 | 8336 S Lewis Ave    | Outer S Tulsa/Broken Arro | 157   |
| 11          | The Residences at Boardwalk     | Under Construction | Black Gold Management Group      | 12265 S Memorial Dr | South Tulsa County MF     | 377   |
| 12          | The Reserve at Aspen Creek      | Under Construction | Griffin Properties of Fort Smith | 1100 W Tucson St    | Outer S Tulsa/Broken Arro | 240   |
| 13          | The View                        | Proposed           | American Residential Group       | 420 E Archer St     | Greenwood MF              | 220   |
| 14          | Journey Urban Center            | Proposed           | Alfresco Group LLC               | E 36th St N         | Outer North Tulsa MF      | 54    |
| 15          | Santa Fe Square Apartments      | Proposed           | Nelson & Stowe Development       | 111 S Elgin Ave     | Downtown Tulsa MF         | 291   |
| 16          | The Cosmopolitan Apartments     | Proposed           | Bomasada Group, Inc.             | 1717 Riverside Dr   | Stonebraker Heights MF    | 264   |
| Total Units |                                 |                    |                                  |                     |                           | 2,850 |



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Dedicated Multifamily Professionals & Advisors

 COVERING OVER  
**20** STATES

Expansive geographic footprint

MORE THAN  
**33,500**

Units sold since 2011



 **\$2.3<sup>B</sup>**

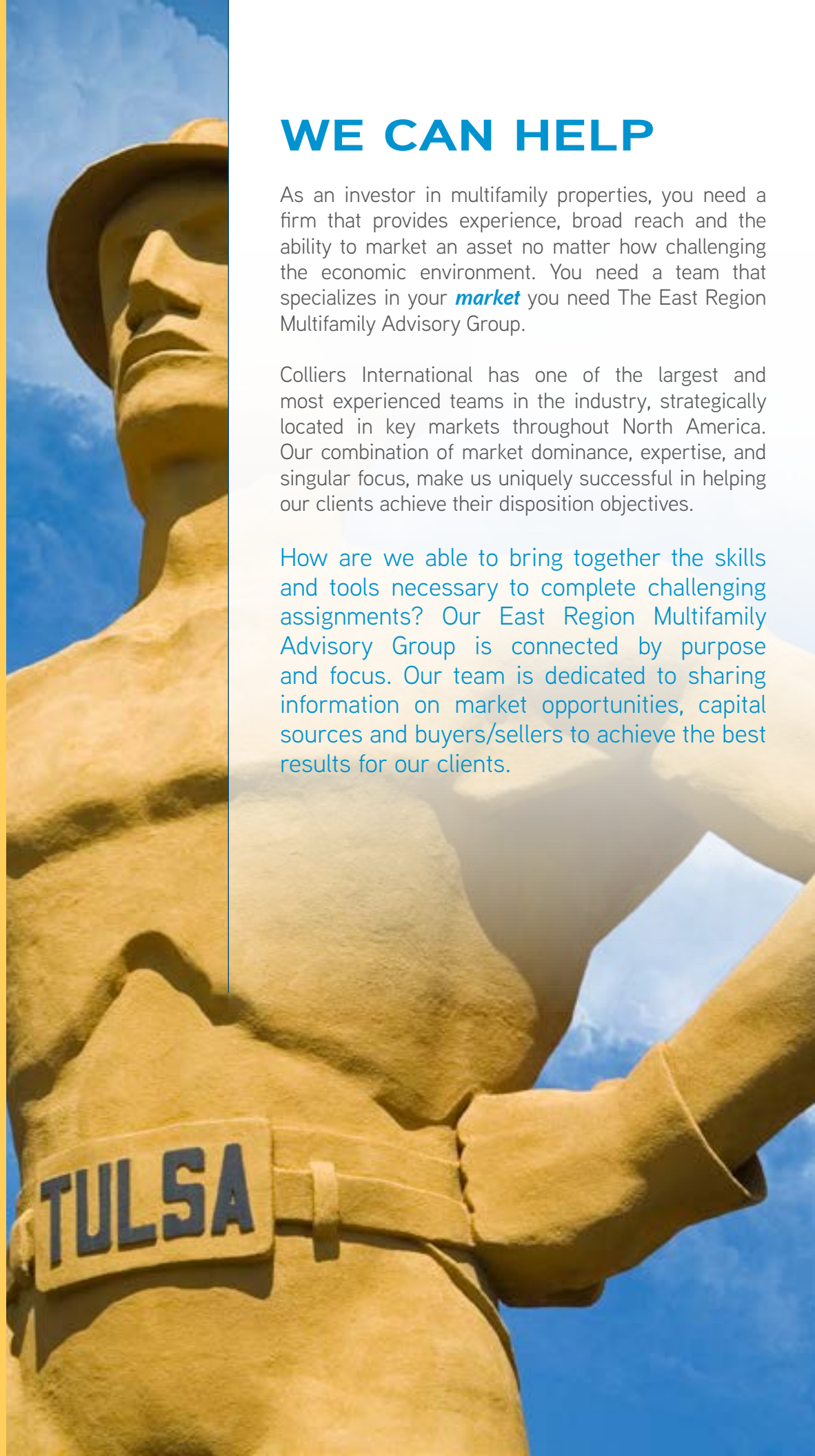
Group gross transaction value in since 2011

## 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.

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