TULSA

MULTIFAMILY SUBMARKET REPORT

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Multifamily Market Report

Q2 2024

The Tulsa multifamily market shows resilience and growth potential. Vacancy rates have stabilized, indicating a healthy supply-demand balance. Rent growth, while moderating, remains solid at 4.3%. Increased construction activity signals confidence in long-term prospects. Despite slower population growth, recent employment gains have strengthened the sector. While the energy industry's uncertainty poses a challenge, diversification into e-commerce and aerospace suggests a balanced economic foundation. The Tulsa multifamily market is well-positioned for sustainable growth, underpinned by stable fundamentals and resilient renter demand, poised to weather potential headwinds and capitalize on emerging opportunities.

MARKET INVENTORY

91.1%
Current Occupancy Rate

700
Properties

64,486
Units

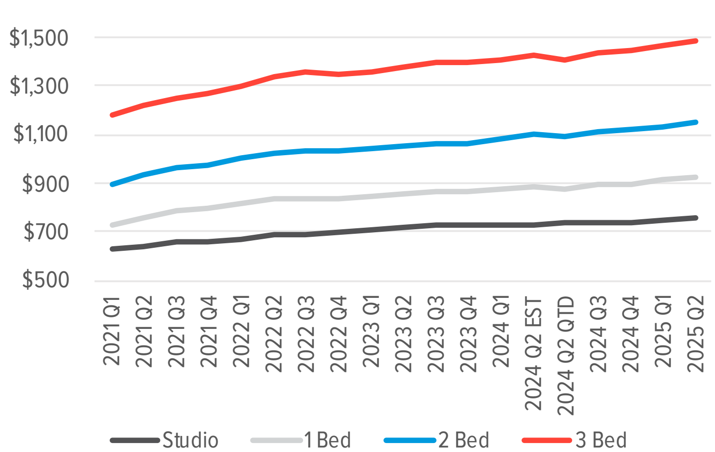
$79,766
Avg. Price/Unit

$990
Avg. Rent/Unit

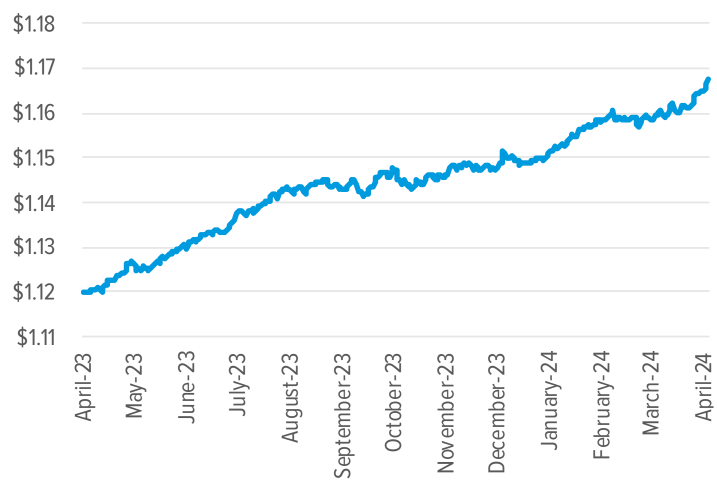
Rent Growth

Tulsa rent growth is thriving, outpacing the national average at a robust 4.3%. The outlook remains bright, as rents are expected to stabilize around 3% by year-end. Luxury properties command premium rents, with communities enjoying a $360 monthly advantage over Class-B properties. Desirable neighborhoods like Downtown and South Tulsa/Broken Arrow lead the way, reporting average rents exceeding $1,200 per month, reflecting strong demand. Even newer, boundary-pushing developments, like The View Residences in downtown's Greenwood District, demonstrate Tulsa's appeal, with average rents of $2,600 per month and over $2 per square foot. This vibrant multifamily landscape showcases Tulsa's ability to attract and retain residents, positioning the city for continued growth and prosperity.

Market Rent Per Unit by Bedroom



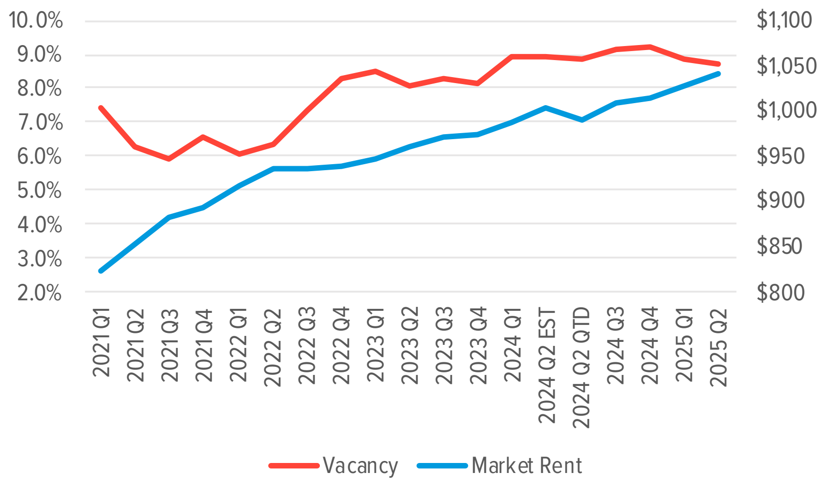
Daily Asking Rent/SF



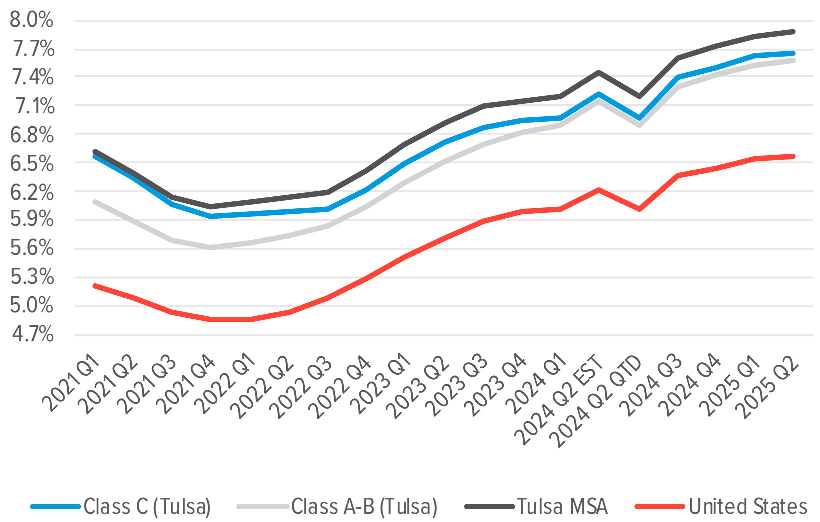
New Deliveries

Tulsa's multifamily market is experiencing a surge of development activity, with 1,900 new market-rate units currently under construction - well above the 10-year average. This strong construction pipeline reflects the city's growing appeal, with developers strategically targeting areas like South Tulsa/Broken Arrow and Downtown, which are benefiting from stable population growth and favorable renter profiles. South Tulsa, in particular, has led the way in multifamily deliveries. Elevated building activity signals Tulsa's ability to meet the rising housing demands of its expanding population, positioning the city for continued growth and prosperity.

Vacancy & Market Asking Rent/Unit



Market Cap Rate

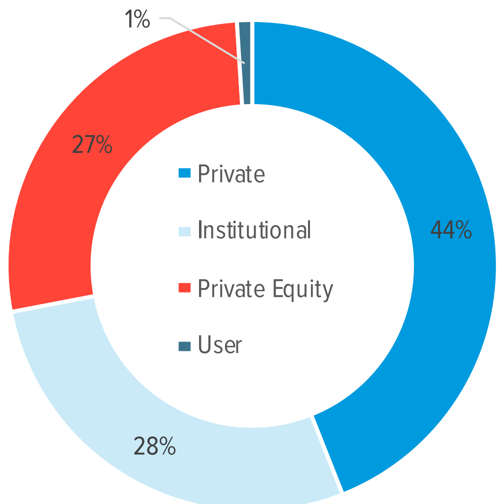


Sales Trends

Tulsa sales activity remains poised for long-term growth and resilience. The past year saw a confirmed deal volume of $202 million, a decline from the five-year average of $429 million and the 2022 peak of $1 billion. This slowdown can be primarily attributed to elevated interest rates, which have stifled buyers' appetite for debt and created a wide bid-ask spread between buyers and sellers. Despite these short-term headwinds, the underlying fundamentals of the Tulsa market remain strong. Most transactions have been concentrated in the Midtown South, Wagoner County, East Tulsa, and South Tulsa/Broken Arrow submarkets, areas that have reported positive demand and stable vacancies. As of Q2 2024, the market cap rate is 7.19%, up from 6.12% in Q2 2022. Average price per unit over the past 12 months is $82,559.

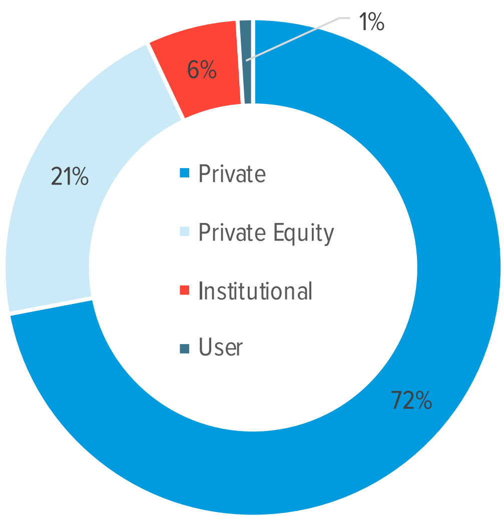
Sales Volume by Buyer Type

(Past 3 Years)



Sales Volume by Seller Type

(Past 3 Years)



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Sources: GREA Research; RealPage; National Multifamily Housing Council; Moody's; CoStar