



MARKET AT A GLANCE



OCCUPANCY RATE **92.9%**
Down **40 bps** since 3Q16



ASKING RENT **\$699**
Up **0.1%** since 3Q16

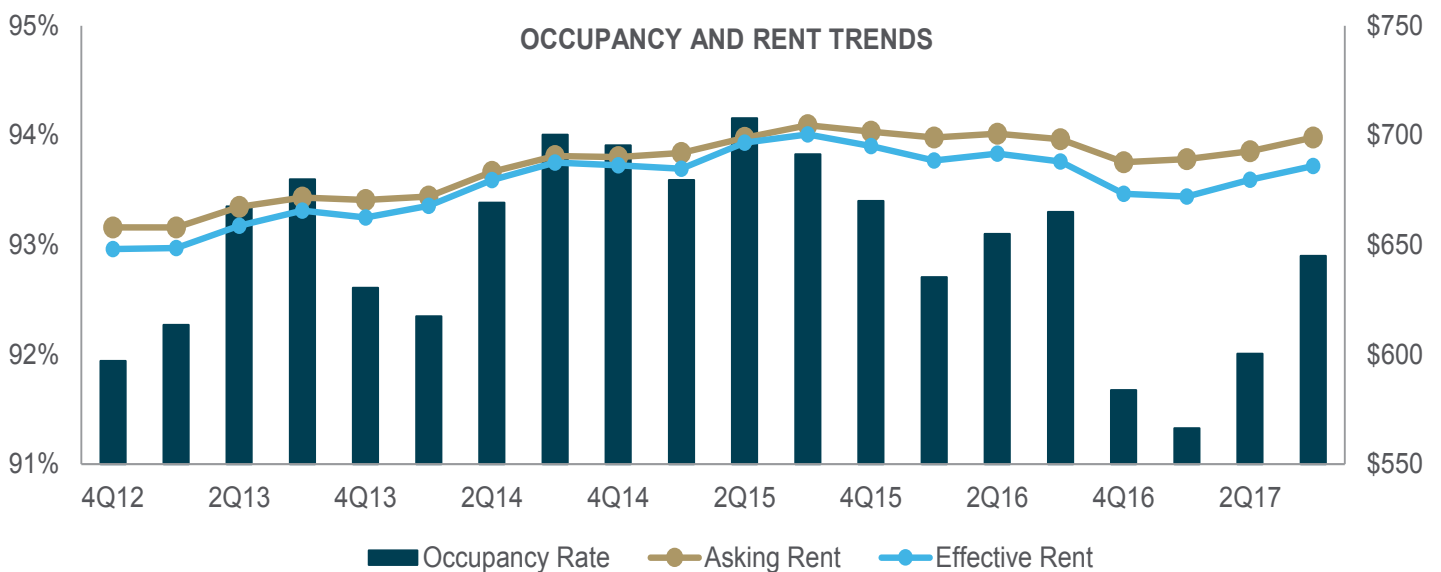


CONCESSIONS **1.9%**
Up **40 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

ANNUAL JOB GROWTH, RENT APPRECIATION REBOUND OVER PRIOR YEAR

Average multifamily asking rent in the Tulsa metro area was \$699 per month in September of 2017, a 0.1% annual increase, compared to a 0.3% decrease in the prior year. Average rent appreciated despite a supply imbalance that emerged during the year. Builders completed 1,528 apartments in the last 12 months, nearly two-thirds of which were distributed among the adjoining East/Broken Arrow, Central Tulsa, and South submarkets. Net metrowide absorption of 972 apartments trailed completions. Consequently, the occupancy rate decreased 40 basis points to 92.9% in September of this year. Operators offered increased renter incentives to boost leasing activity. Concessions ranged from 0.8% of asking rent in the Tulsa County/Other submarket to 4.0% of asking rent in Rogers County. The average concession in the metro area increased 40 basis points annually to 1.9% of asking rent at the end of the third quarter, resulting in average effective rent of \$686 per month. Resisting a prolonged supply excess, developers curtailed permitting activity, requesting 310 multifamily permits so far this year, down 47% from the same period in 2016.



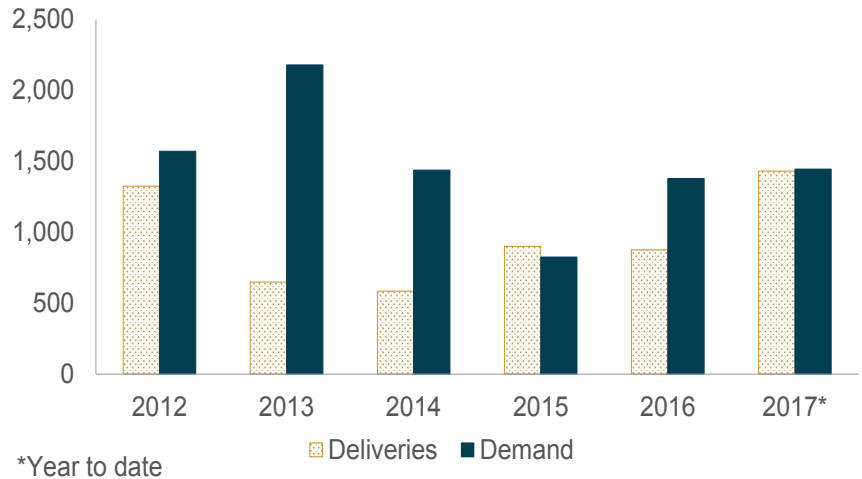
DELIVERIES AND DEMAND



DELIVERIES 1,432
Units YTD



NET ABSORPTION 1,445
Units YTD



ECONOMIC TRENDS

2016 5.2% **UNEMPLOYMENT*** 2017 4.6%
-60 BPS CHANGE

2016 443.8k **EMPLOYMENT*** 2017 448.5k
1.1% CHANGE

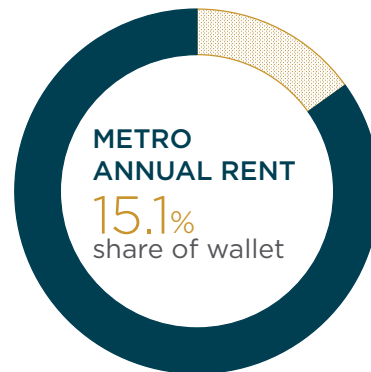
2016 15.9k **EXISTING SFH SALES**** 2017 17.2k
8.2% CHANGE

2016 \$152.7k **MEDIAN SFH PRICE**** 2017 \$157.4k
3.1% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

Annual job growth through August of 2017 showed a marked improvement over the prior 12-month period. Tulsa-area employment grew 1.1% annually through August, compared to 0.9% contraction in the corresponding time one year prior. Employers hired 4,700 additional workers, 3,200 of which were in the professional and business services sector, which expanded 5.6%. Education and health services employment increased 1.3% with 900 new recruits. In the manufacturing industry, 800 jobs were created, equating to 1.8% year-over-year growth. Combined losses in the leisure and hospitality, the trade, transportation, and utilities, and the natural resources and mining segments partially offset job growth in the other sectors. In the near term, industrial and logistics companies locating in Sapulpa are expected to substantially boost the economy in the southwest portion of the metro area. These companies include IPC Piping, Green Bay Packaging, GasTech Engineering LLC, and SeneGence International Inc.

*August; **September



SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Arkansas River Southwest	92.0%	91.0%	-1.7%	-0.2%	\$769	\$768	16	143	0	199
Central Tulsa	90.8%	89.5%	2.8%	-0.2%	\$816	\$815	-11	151	0	302
East/Broken Arrow	94.1%	93.4%	-2.2%	1.8%	\$687	\$699	318	395	342	484
North	93.3%	92.1%	1.2%	2.5%	\$597	\$612	14	-64	0	0
Osage County	-	93.3%	-	-	-	\$585	21	21	0	0
Rogers County	96.7%	95.4%	-1.1%	-8.1%	\$773	\$711	12	-20	0	0
South	91.8%	91.7%	-1.0%	0.1%	\$679	\$680	176	160	171	218
Tulsa County/Other	94.4%	94.3%	0.6%	3.0%	\$777	\$800	-37	304	0	325
Wagoner County	91.4%	91.1%	-0.6%	-1.8%	\$800	\$786	-2	-3	0	0
West Tulsa County	94.8%	94.3%	-0.1%	1.6%	\$728	\$739	-6	-4	0	0
TOTALS	93.3%	92.9%	-0.3%	0.1%	\$698	\$699	389	972	513	1,528



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