

# Rents continue to rise as construction slows

## CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **1,170**

UNITS DELIVERED (YTD) **279**

## MARKET FUNDAMENTALS



VACANCY RATE **4.8%**

YEAR-OVER-YEAR CHANGE **-40bps**

ASKING RENTS **\$1,065**

YEAR-OVER-YEAR CHANGE **+2.3%**

## TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$60,700**

## OKLAHOMA MULTIFAMILY Q1 2026

### HIGHLIGHTS

- Operating conditions in Oklahoma continued to perform well through 2025 and into 2026, supported by steady rent growth and an annual decline in vacancy. On the supply side, multifamily deliveries have continued to ease from the peak reached in 2024.
- Vacancy conditions improved over much of the past two years, with only a slight uptick at the start of 2026. During the first quarter, the vacancy rate increased 10 basis points to 4.8%. Annually, vacancy is down 40 basis points, driven by healthy absorption.
- Multifamily properties have continued to record rent gains. During the first quarter, asking rents advanced 0.7% to \$1,065 per month. Year over year, average rents rose 2.3%.
- Despite a handful of transactions, the number of properties traded in the first quarter was down 31% from the five-year average for the period. During the trailing 12 months, the median sale price was \$60,700 per unit, while cap rates averaged between 6.5% and 7.0%.

### OKLAHOMA MULTIFAMILY MARKET OVERVIEW

Operating conditions across the largest Oklahoma multifamily markets strengthened in recent periods, supported by steady rent growth and a sharp pullback in new supply. Developers completed roughly 3,700 units in 2024, then 2,200 units in 2025, but just 300 units came online in the first quarter of 2026, signaling a meaningful contraction in the pipeline. Against this easing supply backdrop, the combined markets absorbed 3,900 units in 2025, with Tulsa's South/Broken Arrow submarket leading new demand. Vacancy held tight, ending the first quarter at 4.8%, up only 10 basis points for the period and down 40 basis points year over year. Rent growth has been one of the region's most consistent trends, with annual gains ranging between roughly 2.0% and 3.5% since 2022, following a sharp increase in 2021. Rent increases were recorded across nearly every submarket.

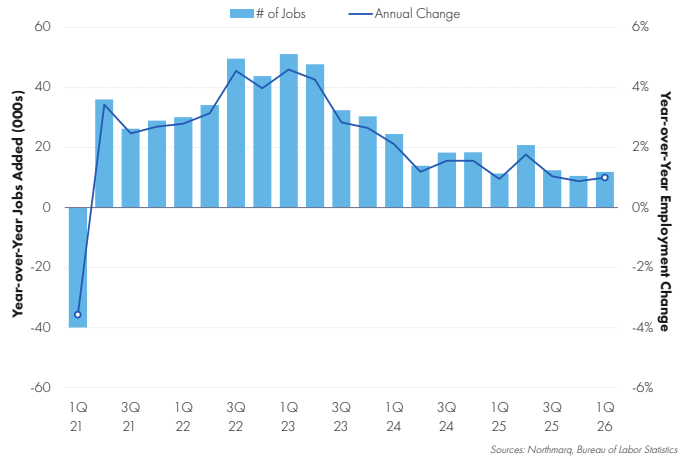
The multifamily investment market in Oklahoma has remained quiet by historical standards. Transaction velocity fell 54% from 2024 to 2025, and total sales during the first quarter lagged levels recorded in the same period of last year by 17%. Cap rates generally ranged between 6.5% and 7.0% over the trailing 12 months, reflecting the value-oriented pricing of these markets. One dynamic that stands out is the geographic distribution of sales activity. Oklahoma City accounts for 59% of the total multifamily inventory in the region, while Tulsa accounts for the remaining 41%. Despite the size disparity, the number of multifamily investment sales has been distributed equally between the Oklahoma City and Tulsa markets since the beginning of 2024. Tulsa's comparatively tighter vacancy and stronger absorption are drawing investor interest. Pricing closely tracked levels recorded last year. Year to date, the median price is \$60,700 per unit, down 5% from 2025.

## EMPLOYMENT

- Employment growth remained positive in the region, though slowing compared to recent years. Year over year, Oklahoma City employers hired 6,100 workers, increasing payrolls by 0.9%, while Tulsa employment increased 1.3%, adding 6,300 positions.
- Healthcare was the top-performing sector, posting 4.6% annual growth with 5,100 jobs added in Oklahoma City and 3,300 in Tulsa. Professional and business services also performed well, growing 3.5% annually, with totals increasing by 3,100 and 2,300 jobs in Oklahoma City and Tulsa, respectively.
- MyDefence, a global manufacturer of advanced counter-drone technology, officially opened its U.S. facility in Oklahoma City in February 2026, creating an estimated 300 permanent positions. A key factor influencing the move was Oklahoma’s recent passage of Senate Bill 480, which allows industrial and commercial entities to develop their own on-site power generation.
- **FORECAST:** Employment in 2026 is expected to maintain 1.0% annual growth, adding roughly 12,000 new positions. Industrial expansion and the region’s position as an energy leader should continued to support local growth.

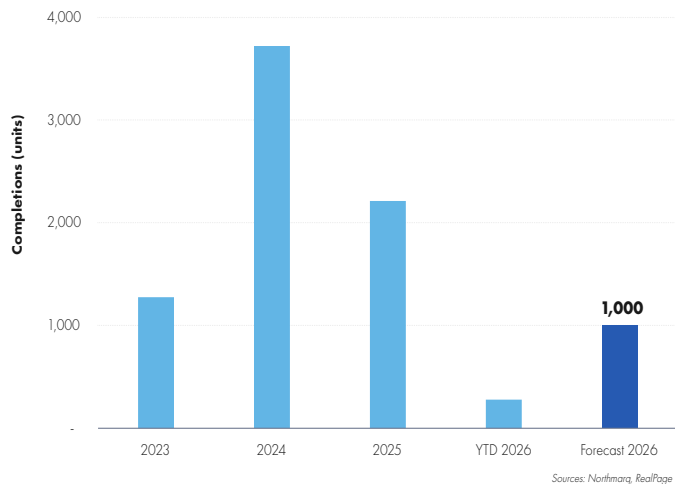
*Year over year, Oklahoma City employers hired 6,100 workers.*

### EMPLOYMENT OVERVIEW



*Multifamily developers slowed activity in 2025.*

### DEVELOPMENT TRENDS

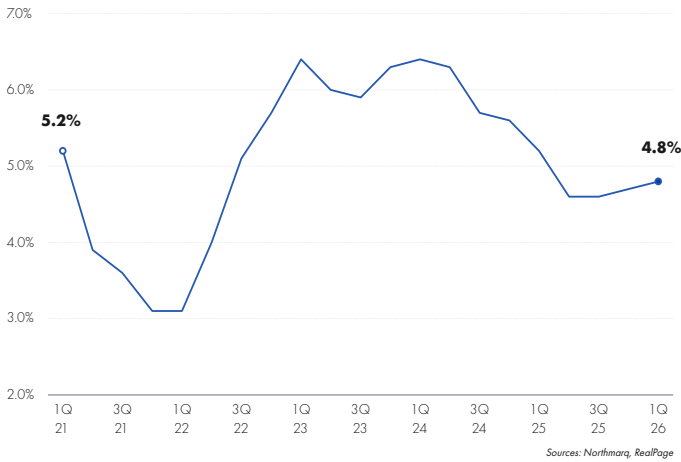


## DEVELOPMENT & PERMITTING

- Following the 2024 supply peak, multifamily developers slowed activity in 2025 with approximately 2,200 units delivered, a 40% annual decline. Completions in the first quarter signaled continued deceleration, with fewer than 300 units coming online.
- The construction pipeline has moderated, with 850 units under construction in Oklahoma City and 320 units in Tulsa. Edmond/Logan County and Central Tulsa are the most active submarkets. Projects totaling 350 units are under construction in Edmond/Logan County, while Central Tulsa has 320 units in development.
- Developers pulled building permits for 1,600 units in Oklahoma City and 1,300 in Tulsa in 2025, nearly double the five-year trailing average. Preliminary data indicates multifamily building permits issued during the first quarter of 2026 totaled just 120 units.
- **FORECAST:** The pace of completions is expected to slow in 2026, with roughly 1,000 units scheduled for delivery. The East Oklahoma City and Central Tulsa submarkets are expected to account for the majority of new supply.

Year over year, the combined vacancy rate fell 40 basis points.

VACANCY TRENDS



VACANCY

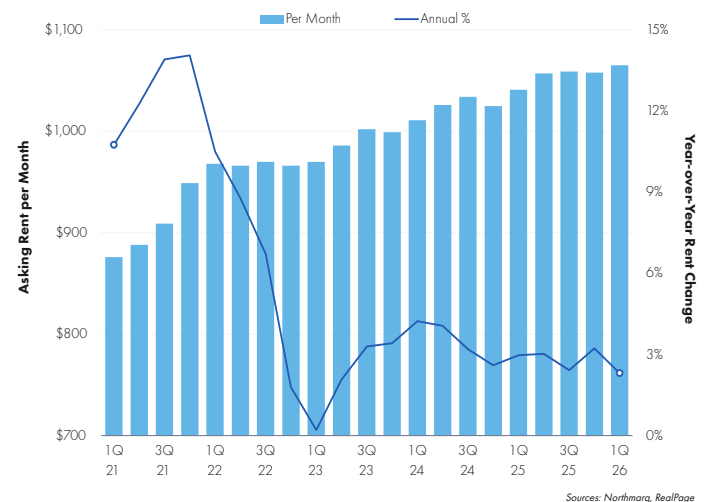
- Vacancy conditions improved during most of the past two years but are trending slightly higher to start 2026. During the first quarter, Oklahoma City vacancy rose 10 basis points to 5.3%, while Tulsa remained flat at 4.1%. Year over year, the combined vacancy rate fell 40 basis points to 4.8%.
- Across submarkets, vacancy performed well during the past year. West Oklahoma City recorded the most significant improvement, decreasing 310 basis points annually to 4.6%.
- Multifamily absorption totaled 3,900 units in 2025, with 1,750 units in Oklahoma City and 2,150 units in Tulsa. The South Tulsa/Broken Arrow submarket accounted for the highest share of apartment demand with more than 640 net move-ins over the year.
- **FORECAST:** As new multifamily supply continues to slow in a region with steady demand, vacancy is forecast to make modest improvements in 2026. By year-end 2026, combined vacancy is forecast to decrease 30 basis points to 4.5%.

RENTS

- After remaining relatively flat during the second half of 2025, rents ticked higher in recent months. During the first quarter, asking rents increased 0.7%, in both Oklahoma City and Tulsa. Year over year, asking rents are up 2.8% in Oklahoma City to \$1,082 per month, and up 1.7% in Tulsa to \$1,042 per month.
- The Edmond/Logan County submarket posted the steepest rent growth in the region during the past year. Rents in this submarket advanced 8.5% year over year to \$1,240 per month. East Oklahoma City also recorded elevated gains, with rents increasing 5.1% during the past 12 months to \$1,014 per month.
- Class C properties in Oklahoma City and Tulsa recorded the greatest rent growth by asset class, posting a 9.5% annual gain to reach \$869 per month. Class A properties in Oklahoma City posted an annual rent decline of 3.7% to \$1,245 per month.
- **FORECAST:** With development activity slowing and vacancy expected to tighten, asking rents are projected to rise further in 2026. Asking rents are expected to close the year at \$1,080 per month, an annual increase of 2.1%.

Rents are up 2.8% annually in Oklahoma City and 1.7% in Tulsa.

RENTS TRENDS

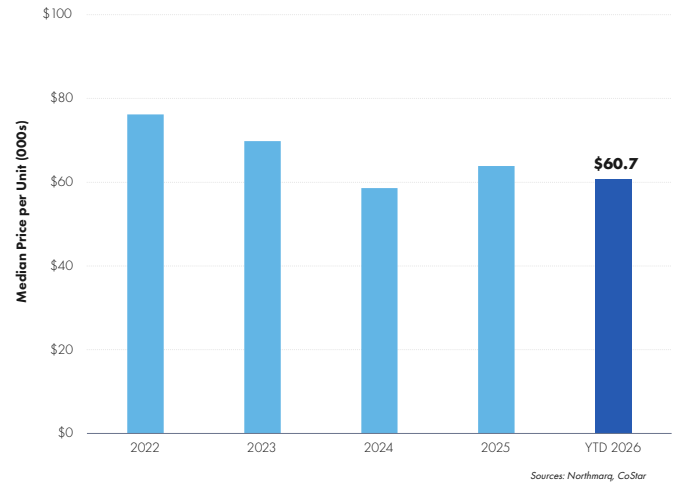


## MULTIFAMILY SALES

- Transaction velocity has slowed compared to recent years, with the number of multifamily properties transacted declining 54% from 2024 to 2025. Activity has remained subdued entering 2026, with first-quarter sales velocity lagging the first-quarter average of the trailing five years by 31%.
- Multifamily pricing was slightly lower in recent periods. During the first quarter, the median sale price was \$60,700 per unit, down 5% from 2025. The decrease is partly driven by an uptick in Class C assets constituting a higher proportion of sales to this point in the year.
- Cap rates ranged between 6.5% and 7.0% on average, with well-located stabilized Class A properties trading closer to 5.5%. The market should reveal greater clarity on cap rate trends if the sales cycle picks up in the coming periods.

*Multifamily pricing was slightly lower in recent periods.*

### INVESTMENT TRENDS



## RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

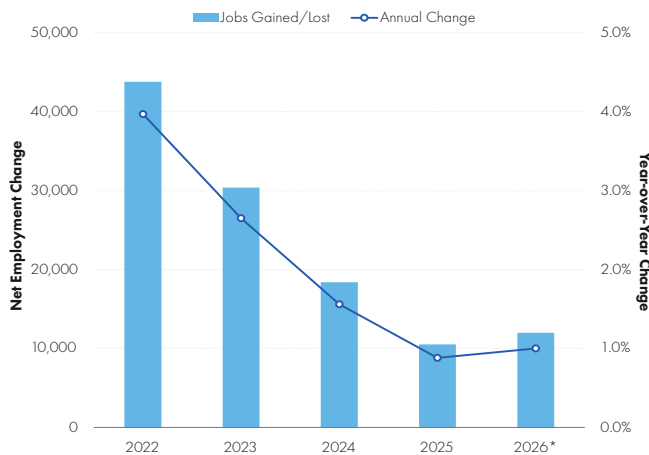
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Meadow + Main	11131 S Kennedy Court, Jenks	2022	138	\$37,250,000	\$269,928
PARC 1010	1010 E 66th Place, Tulsa	1991	300	\$31,025,000	\$103,417
Tradewinds Villas	3901 S Garnett Road, Tulsa	1976	154	\$12,350,000	\$80,195
Timberwood Apartments	5542 S Walker Ave., Oklahoma City	1974	128	\$6,250,000	\$48,828
Bethany Square Apartments	1900 N Rockwell Ave., Bethany	1976	217	\$4,750,000	\$21,889

## LOOKING AHEAD

The operating outlook for Oklahoma City and Tulsa is favorable heading into the remainder of 2026. With only 1,000 units scheduled for delivery this year, a 55% reduction from 2025, operators should benefit from slowing supply growth and continued renter demand. Edmond/Logan County and Central Tulsa will receive the greatest share of new units but are also the submarkets demonstrating the strongest rent growth. Steady renter demand, underpinned by employment growth in 2026, should be more than sufficient to absorb the incoming inventory. The local economy should be supported by the state’s position as one of the leaders in energy technology and production, a sector that totals more than 135,000 jobs statewide.

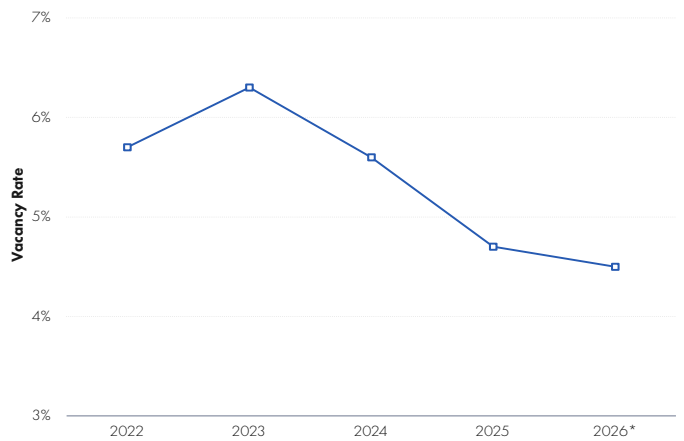
The investment market is expected to gradually broaden as the year progresses, though a meaningful rebound in transaction volume may take time to develop. The Class C segment has historically dominated the sales mix, and average cap rates in the 6.5%-7.0% range reflect the value-oriented pricing expectations that define these markets. However, the fundamental case for increased investment activity may be driven by the sales of new Class A products. Development was strong in 2024 and 2025 as roughly 6,000 units came online in these years combined. As these assets stabilize, opportunities for Class A investment may emerge. Tightening vacancy and continued rent growth should align property performance and buyer expectations. As the transaction mix normalizes, sales volumes should recover toward more historically representative levels.

### EMPLOYMENT FORECAST



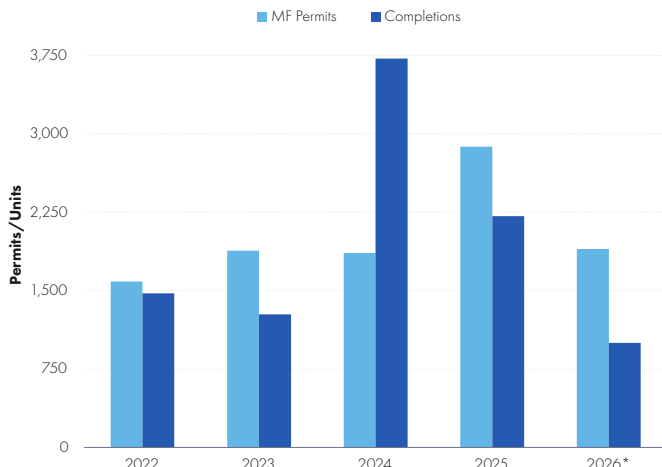
\* Year End Forecast  
Sources: Northmarq, Bureau of Labor Statistics

### VACANCY FORECAST



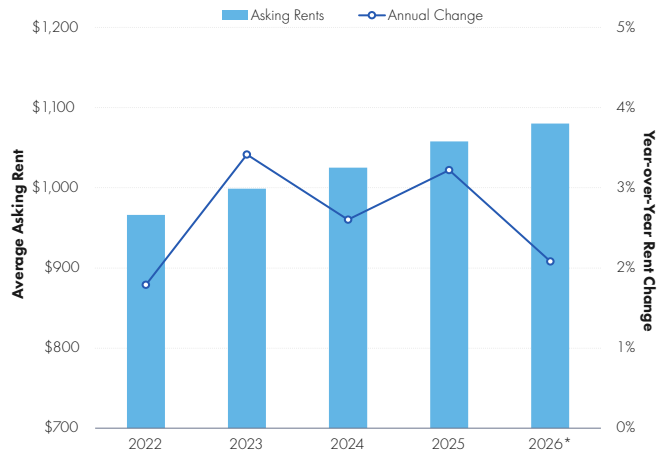
\* Year End Forecast  
Sources: Northmarq, RealPage

### CONSTRUCTION & PERMITTING FORECAST



\* Year End Forecast  
Sources: Northmarq, RealPage, Census Bureau

### RENTS FORECAST



\* Year End Forecast  
Sources: Northmarq, RealPage



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