

Vacancy drops to four-year low

CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **346**

UNITS DELIVERED (YTD) **770**

MARKET FUNDAMENTALS



VACANCY RATE **4.2%**

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

ASKING RENTS **\$1,064**

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

TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$61,600**

OKLAHOMA MULTIFAMILY
Q2 2026

HIGHLIGHTS

- Oklahoma City and Tulsa multifamily fundamentals improved during the second quarter. Construction activity fell during the quarter and supply continued to moderate, helping support lower vacancy and steady rent growth.
- Overall vacancy fell 60 basis points during the quarter to 4.2% and is down 40 basis points year over year. Vacancy improved across both markets, declining 70 basis points year over year to 4.5% in Oklahoma City and 20 basis points to 3.8% in Tulsa.
- Asking rents increased 0.9% during the past three months to \$1,064 per month, up 2.3% year over year. Class A properties led all asset classes, posting annual growth of 4.7% in Oklahoma City and 5.0% in Tulsa.
- Multifamily transactions through the first half of 2026 exceeded year-ago levels but remained generally consistent with first-half totals since 2023. The year-to-date median sale price was \$61,600 per unit, a modest decline from 2025, reflecting a higher proportion of Class C sales.

OKLAHOMA MULTIFAMILY MARKET OVERVIEW

The Oklahoma City and Tulsa multifamily markets continue to benefit from slowing supply growth. The combined construction pipeline, which has contracted steadily since 2024, declined again during the second quarter and now represents a small share of inventory across both markets. At the same time, employment growth was limited over the past year, yet vacancy fell to its lowest level since 2022 as absorption continued to outpace new supply. Asking rents increased 2.3% year over year, with Class A properties posting the strongest rent growth in both markets. With fewer units under construction and completions expected to slow further, supply pressures appear more limited than in recent years.

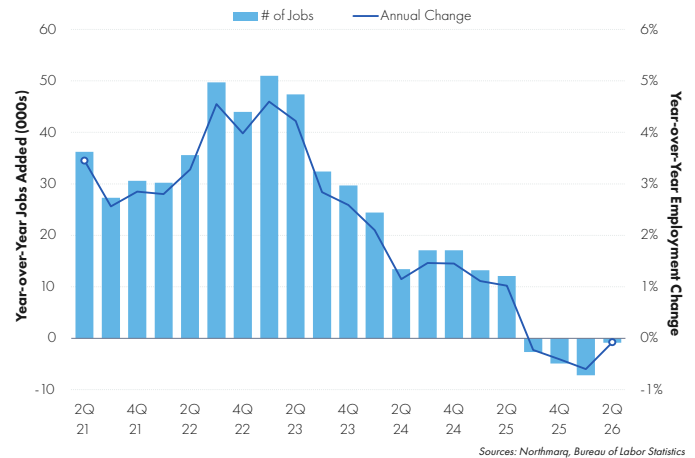
After slower transaction velocity throughout 2025, sales activity gained momentum through the first half of 2026. Second-quarter transaction counts reached their highest level since 2023 across the Oklahoma City and Tulsa metros combined. The increase coincided with improving operating fundamentals, including lower vacancy and continued rent growth. Median pricing remained relatively stable, though per-unit pricing varied widely by asset quality and vintage. Recent closings ranged from the 1960s- and 1970s-era properties at the lower end of the spectrum to mid-2010s product at the upper end. Cap rates generally ranged from 5.5% to 6.5%.

EMPLOYMENT

- After net job losses in Oklahoma City dragged on regional performance in 2025, the local labor market is beginning to show signs of pivoting back into expansion mode. During the 12-month period ending in the second quarter, the combined payrolls for both markets declined by 0.1%, or 900 jobs. During the first half of this year, however, the markets combined to add 3,400 jobs.
- Combined across Oklahoma City and Tulsa, education and health services led all sectors, adding 7,700 jobs year over year and expanding by 3.8%. Mining, logging, and construction also recorded solid gains, with payrolls increasing by 2,900 workers, or 3.7%.
- The outlook for future growth is showing some positive signs. In December 2025, the Greater Oklahoma City Partnership identified 121 companies considering relocation or expansion in the region, 70% of which were manufacturers seeking lower-cost operating environments.
- **FORECAST:** Employers are expected to add jobs through year-end, with payrolls projected to increase by 7,000 workers in 2026, a 0.6% annual increase.

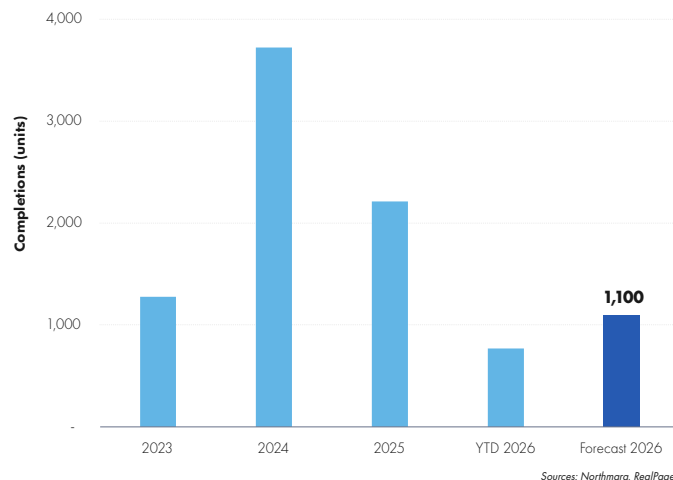
During the first half, the markets combined to add 3,400 jobs.

EMPLOYMENT OVERVIEW



The supply pipeline continues to contract.

DEVELOPMENT TRENDS

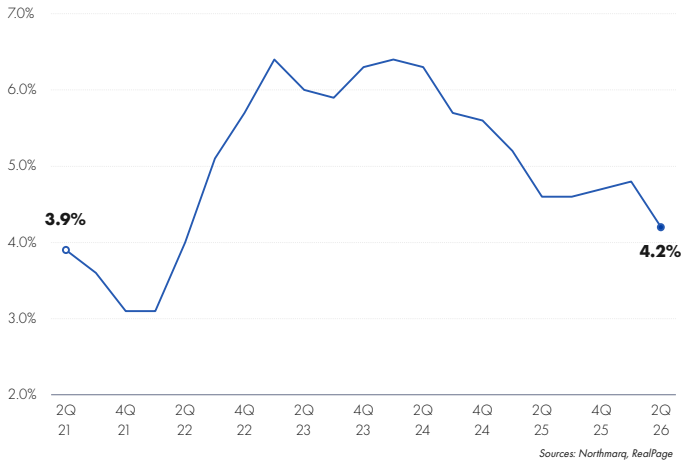


DEVELOPMENT & PERMITTING

- After peaking in 2024, multifamily deliveries slowed by 40% in 2025. That trend continued into 2026, with fewer than 800 units delivered year to date, split almost evenly between Oklahoma City and Tulsa.
- The supply pipeline continues to contract, with approximately 350 units under construction at the end of the second quarter. All active projects were located in Oklahoma City's Edmond and Logan County submarkets, while Tulsa had no projects underway.
- In 2025, builders pulled permits for 1,600 multifamily units in Oklahoma City and another 1,300 in Tulsa, nearly double the five-year trailing average. Year to date, combined multifamily permitting remains elevated as permits for roughly 1,300 units have been issued, closely tracking last year's pace.
- **FORECAST:** Completions are expected to decline by roughly 50% in 2026, with approximately 1,100 units scheduled for delivery. Most new supply will be concentrated in north Oklahoma City submarkets.

The vacancy rate dropped 60 basis points to 4.2%.

VACANCY TRENDS



VACANCY

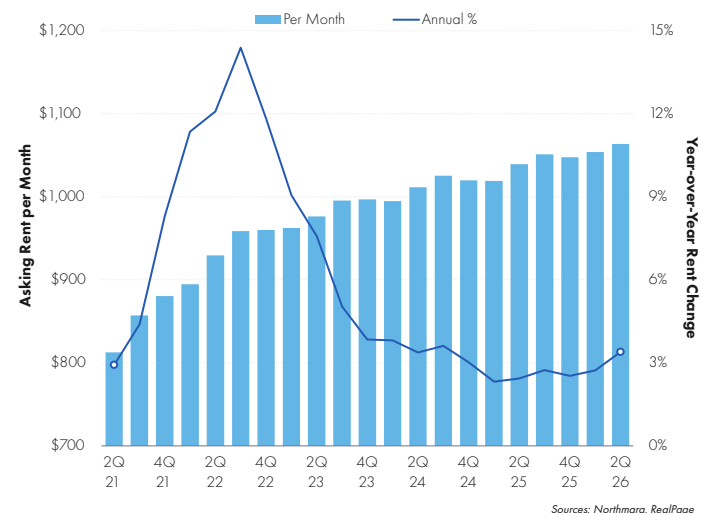
- The vacancy rate improved in the second quarter, dropping 60 basis points to 4.2% and reversing two quarters of modest increases. The current vacancy rate is 40 basis points lower than it was one year ago.
- Vacancy improved across both markets, declining 70 basis points year over year to 4.5% in Oklahoma City and 20 basis points to 3.8% in Tulsa. Southwest Oklahoma City led all submarkets, with vacancy falling 300 basis points annually to 4.7%.
- During the past 12 months, absorption totaled 2,700 units across Oklahoma City and Tulsa, outpacing new supply of 1,830 units. Southwest Oklahoma City recorded the highest 12-month absorption among submarkets at 560 units, accounting for 21% of total absorption.
- FORECAST:** The combined vacancy rate is expected to end 2026 at 4.2%, matching the midyear figure. Vacancy is forecast to drop by 50 basis points for the full year. This would mark the third consecutive year of tightening in the combined vacancy rate across Oklahoma's largest market.

RENTS

- Asking rents increased 0.9% quarter over quarter and 2.3% year over year to \$1,064 per month across Oklahoma City and Tulsa combined. Annual rent growth reached 2.3% in Oklahoma City, where asking rents averaged \$1,077 per month, and 2.5% in Tulsa, where rents reached \$1,045 per month.
- The Central Tulsa submarket posted the steepest rent growth in the region during the past year, advancing 5.0% to \$960 per month. Southwest Oklahoma City also recorded elevated gains, increasing 4.5% to \$943 per month during the same period.
- Class A properties led asking rent growth among all classes in both markets, with rents rising 4.7% year over year to \$1,296 per month in Oklahoma City and 5.0% to \$1,364 per month in Tulsa.
- FORECAST:** Rent growth is expected to continue through the second half of 2026, with asking rents projected to reach \$1,080 per month by year-end, representing annual growth of 3.1%.

Class A properties led rent growth in both markets.

RENTS TRENDS

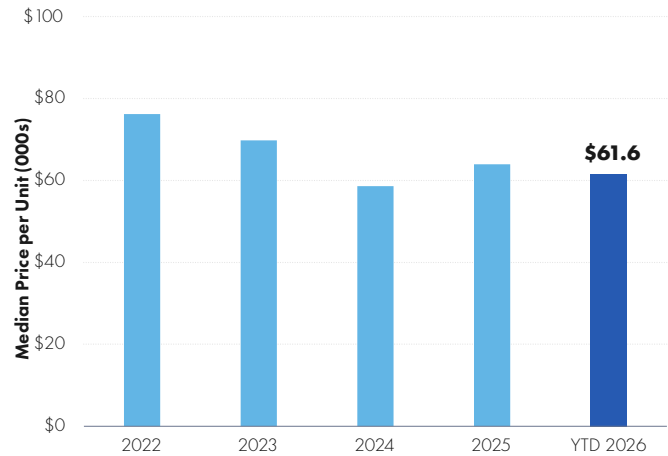


MULTIFAMILY SALES

- Oklahoma City and Tulsa combined for 13 multifamily sales transactions in the first half of 2026, up from nine transactions one year earlier. Sales activity was slightly higher in Oklahoma City than in Tulsa.
- The Central Oklahoma City submarket accounted for 3 of the 13 transactions recorded across the two metros year to date.
- Through the first half of 2026, the median sale price was \$61,600 per unit, down 4% from 2025.
- Cap rates generally ranged between 5.5% and 6.5%, with well-located, stabilized Class A assets trading closer to the lower end of the range.

The year-to-date median sale price is \$61,600 per unit.

INVESTMENT TRENDS



Sources: Northmarq, CoStar

RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

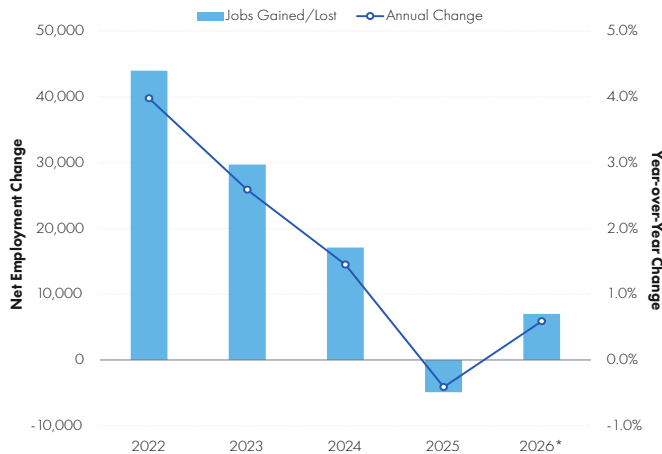
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Atria Luxury Apartments	8601 S. Mingo Road, Tulsa	2015	285	\$46,700,000	\$163,860
Waterside Apartments	1703 S. Jackson Ave., Tulsa	1983	682	\$42,020,000	\$61,613
The Alora	6303 N.W. 63rd St., Oklahoma City	1972	850	\$25,000,000	\$29,412
Heatherwood Apartments	3002 E. 51st St., Tulsa	1970	117	\$10,750,000	\$91,880
Sterling Park Apartments	1616 E. Alameda St., Norman	1966	141	\$9,650,000	\$68,440

LOOKING AHEAD

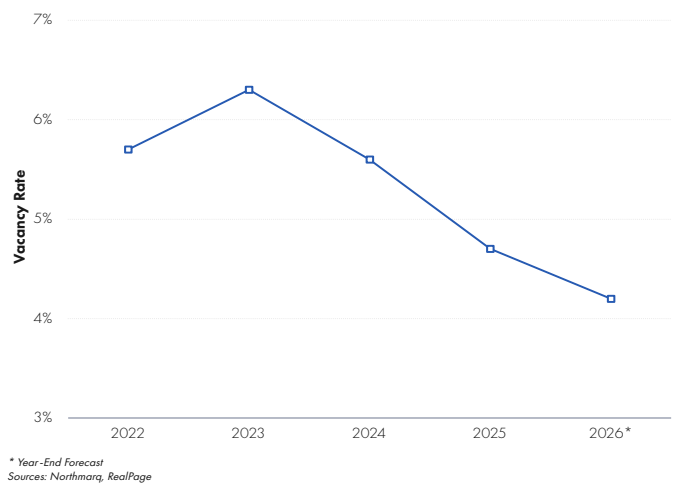
The near-term operating outlook for Oklahoma City and Tulsa has strengthened as supply pressures continue to ease. With the pipeline at its lowest point in years and completions expected to fall by roughly half from last year's total, the supply outlook appears supportive of further tightening. Demand does not need to accelerate for conditions to improve; it only needs to remain near current levels. The region's affordability and stable population base make that a reasonable expectation. The larger question is permitting activity, which has exceeded historical norms for two consecutive years. Many permitted projects have yet to break ground, but they represent future supply likely to arrive in 2027 and beyond. For operators, this creates a window of limited new competition that should support continued rent growth before new projects begin competing for the same renter pool. How quickly permitted projects move from approval to delivery will help determine how long that window remains open.

While transaction activity remains below the 2022 peak, Oklahoma multifamily continues to offer a compelling investment proposition, particularly as investors search for opportunities beyond larger Sun Belt markets. As a broader pool of buyers grows comfortable underwriting Oklahoma City and Tulsa, sales activity is positioned to gain momentum. The composition of transactions has already begun to shift. The number of sales above \$20 million during the first half of 2026 matched the total recorded in all of 2025, highlighting the growing role of larger transactions in the market. Many communities delivered during the 2024 construction peak have now completed lease-up and established stabilized income, creating a larger pool of institutional-quality assets that can be marketed for sale. As more of these properties come to market, newly delivered Class A assets are expected to account for a growing share of investment activity.

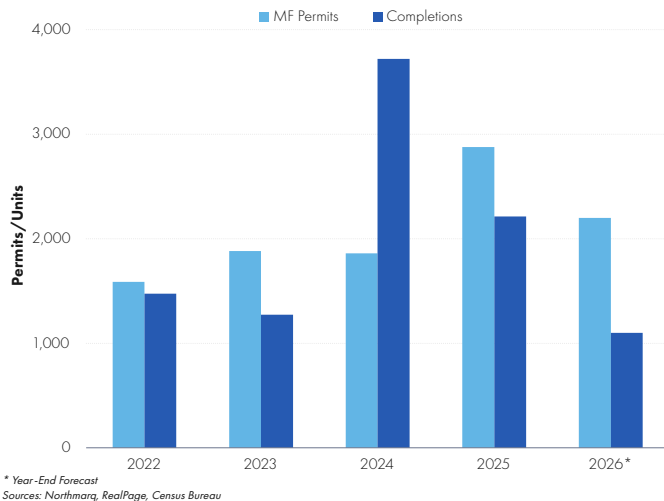
EMPLOYMENT FORECAST



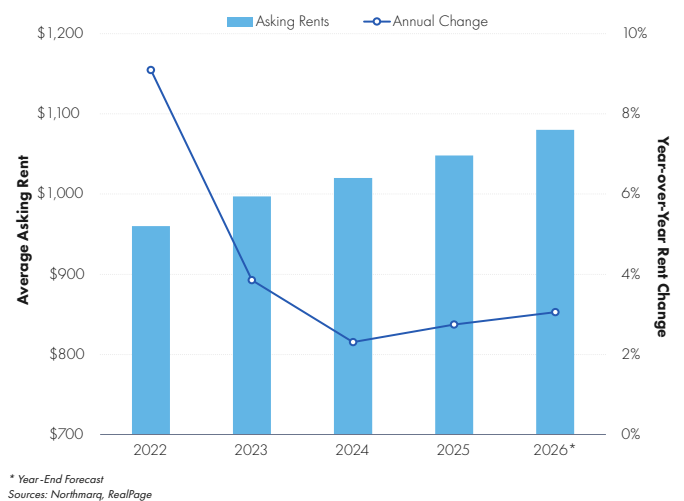
VACANCY FORECAST



CONSTRUCTION & PERMITTING FORECAST



RENTS FORECAST





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