

# Tulsa Retail Market Update

March 22, 2017

Presented by:

Mark Rooney, CCIM

CBRE

# National Retail Trends

## E-COMMERCE

eMarketer projects increase of 70% from 2017 to 2021 representing \$800B in sales and 14.0% of retail market.

## MILLENNIALS

This demographic will be bigger than Baby Boomer generation. They prefer to visit stores but want a seamless omni-channel, engaging experience.

## MIDDLE CLASS

Middle class is being squeezed and has shrunk while Affluent customers are thriving. Lower income retailers are benefitting.

# National Retail News & Future

## STRUGGLING RETAILERS

- **JCP** (announced closures-Claremore, Stillwater, Ponca City, Altus)
- **Macy's** (announced closures-Tulsa "Promenade Mall")
- **Gordman's** (bankruptcy, closing all stores-Tulsa "Centennial Plaza & Union Plaza")
- **Sears & Kmart** (announced closures-Tulsa Centennial Plaza")
- **Gap** (announced closures – most likely Banana Republic and Gap)
- **MyFitFoods** (bankruptcy, closing stores)
- **Family Christian** (closing all stores)
- **The Limited** (bankruptcy, closing all stores)
- **Wet Seal** (bankruptcy, closing all stores)
- **Payless Shoes** (in bankruptcy, no definitive news yet)
- **Gander Mountain** (bankruptcy, closing stores)

**Release / Repurpose Vacant Big Boxes**

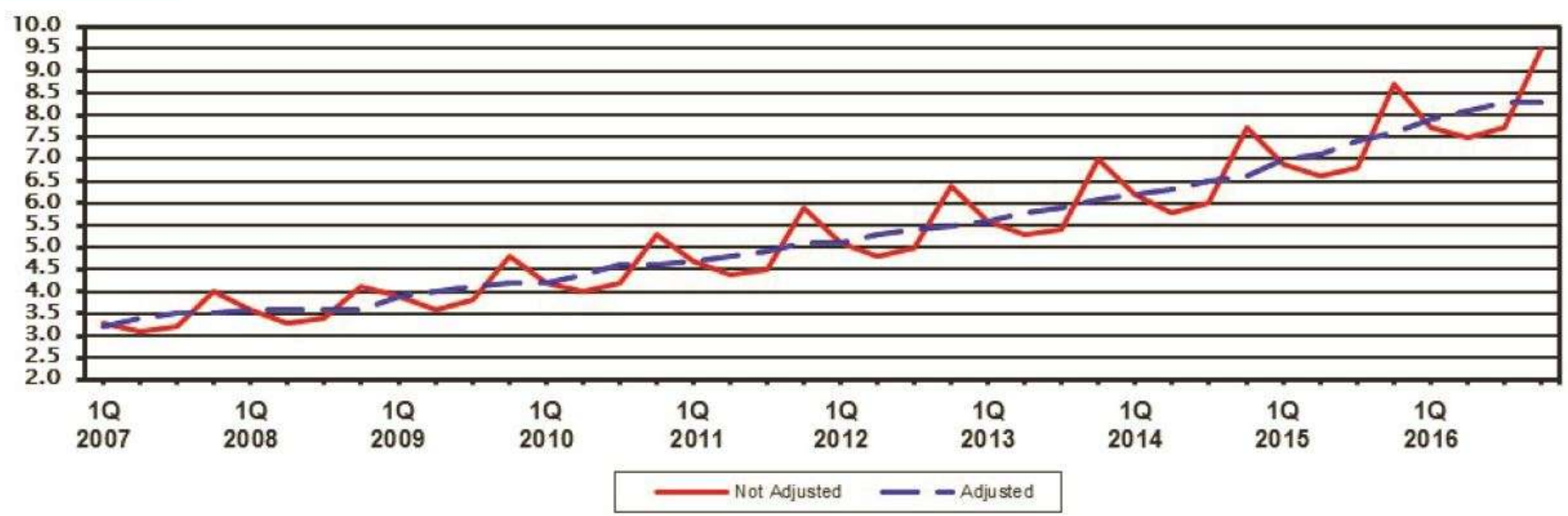
**Continued trend of fewer stores and smaller floor plans**

**FEDERAL TAX POLICY – Sales tax on e-commerce?**

# E-Commerce

Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:  
1<sup>st</sup> Quarter 2007 – 4<sup>th</sup> Quarter 2016

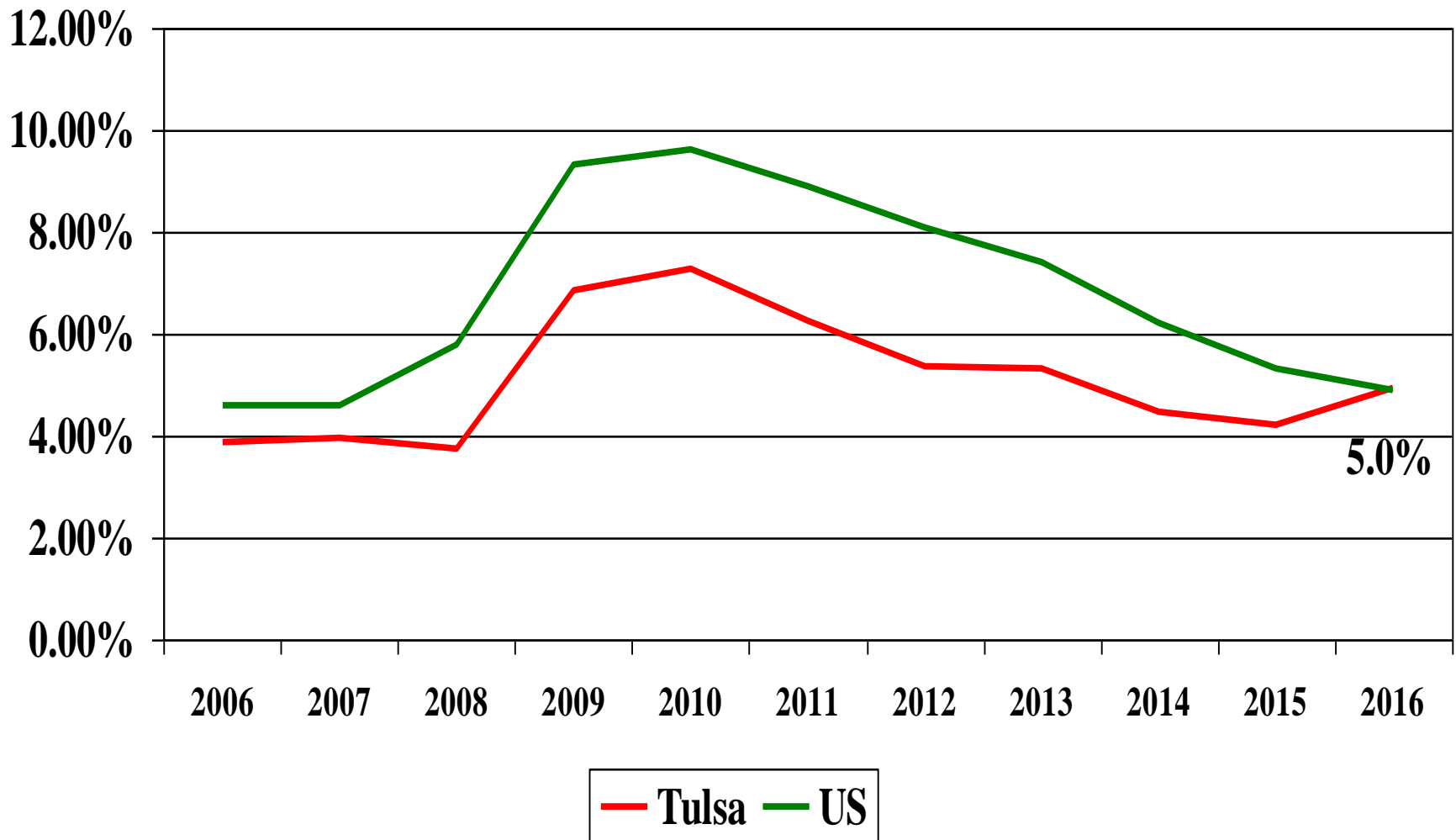
Percent of Total



The Quarterly Retail E-Commerce sales estimate for the fourth quarter of 2016 is scheduled for release on May 16, 2017 at 10:00 A.M. EDT.

Source: U.S. Census Bureau

# Annual Unemployment Rate



Source: Tulsa Chamber and Bureau of Labor Statistics

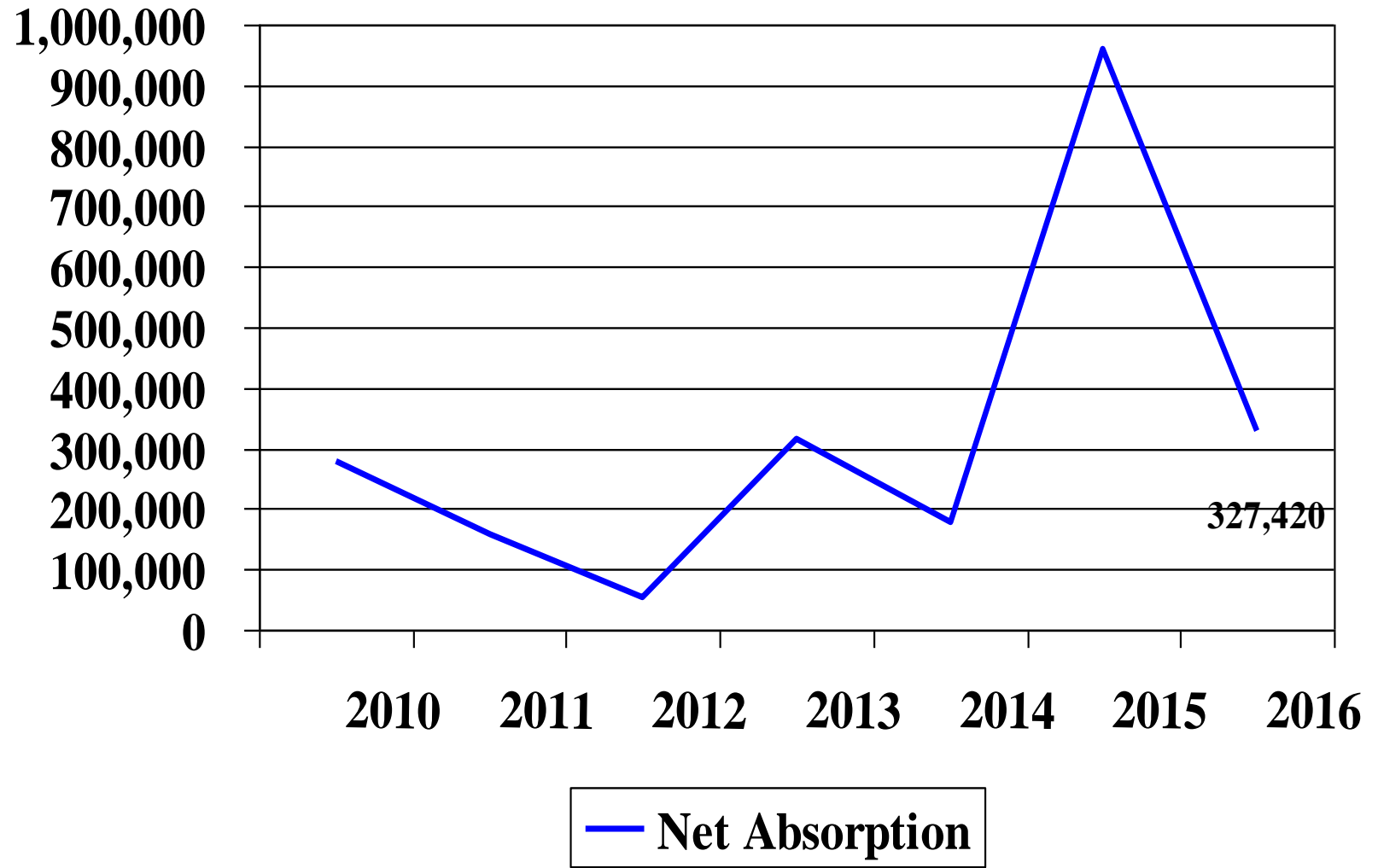
## Retail Drivers - Tulsa &amp; U.S.

<u>Area</u>	<u>Population</u>	<u>Average Annual Growth Rate 2009-2015</u>	<u>Aggregate Personal in Real \$</u>	<u>Average Annual Growth Rate 2009-2015</u>	<u>Retail Sales(1)</u>	<u>Average Annual Growth Rate 2009-2015</u>
Tulsa MSA	987,179	0.86%	\$26.0 B	2.51%	\$10.0 B	3.60%
OKC	1,358,452	1.56%	\$36.0 B	3.26%	\$14.4 B	4.19%
DFW Metro	6,833,420	1.79%	\$206.5 B	3.21%	\$89.7 B	0.31%
U.S.	320,896,618	0.74%	\$9.16 T	1.96%	\$4.7 T	4.59%

Source: U.S. Census Bureau, Federal Reserve Bank of Dallas

(1) Retail sales have been adjusted for seasonal variation

# Tulsa Retail Net Absorption in Square Feet



Source: CBRE

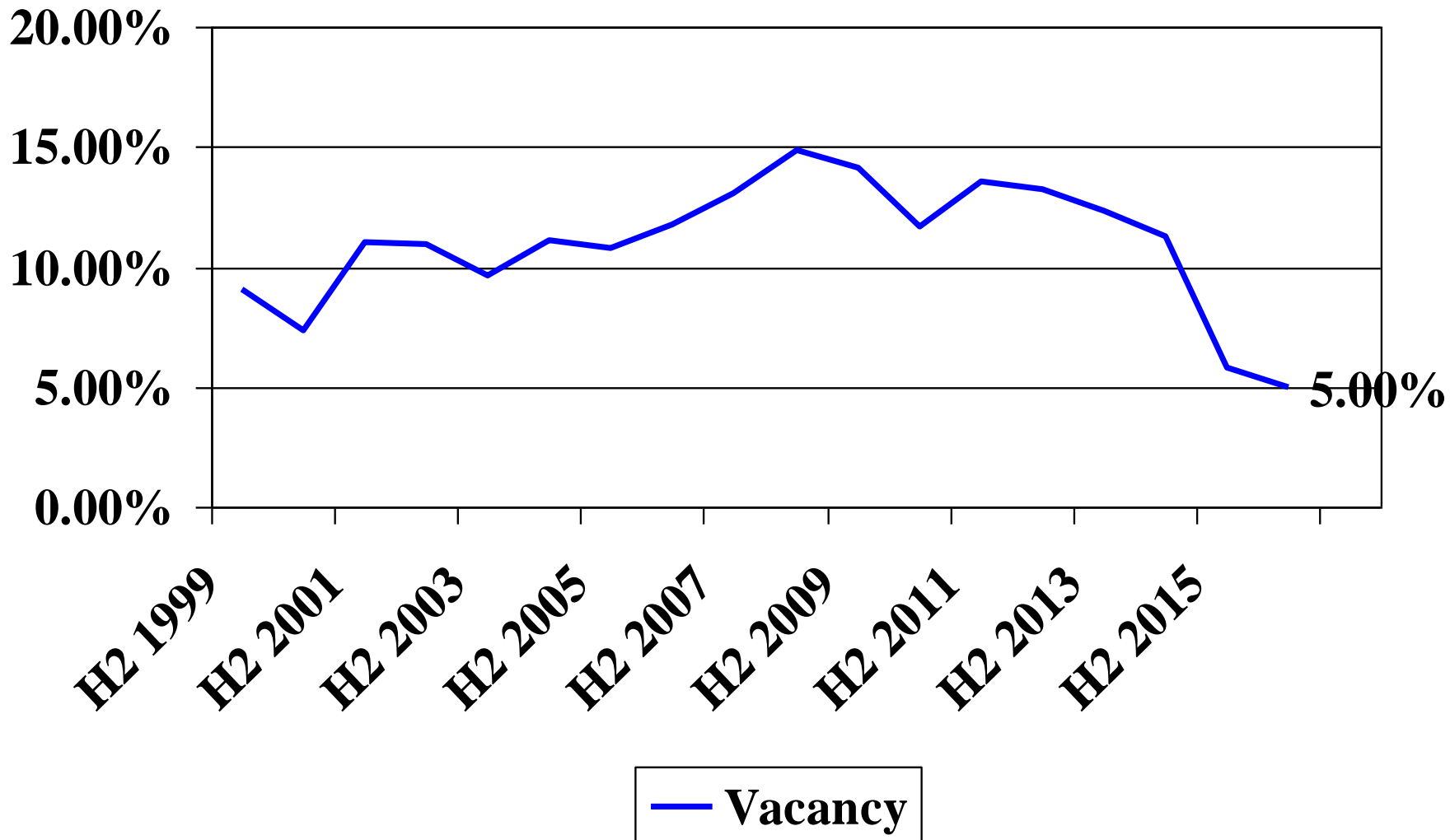


# Tulsa Metro Shopping Center Leases – 2016-2017

<u>PROPERTY</u>	<u>TENANT</u>	<u>SIZE IN SQUARE FEET</u>	<u>SUB-MARKET</u>
Hillside Crossing	Hobby Lobby	55,000	Southeast
Shops at Broken Arrow	Ross	30,000	Southeast
County Line	Sky Fitness	24,816	Southeast
Memorial Crossing	Home Goods	21,136	South Memorial
Shops at Broken Arrow	Michael's	21,000	Southeast
215 North Lynn Riggs Blvd	Planet Fitness	19,140	Claremore
Midtown Village	World Market	18,200	Midtown
Shops at Broken Arrow	Ulta	12,500	Southeast
Country Club Plaza	Dollar Tree	10,800	Southeast
Shops at Broken Arrow	Dollar Tree	10,000	Southeast
Village at Woodland Hills	Hobby Town	11,366	Woodland Hills

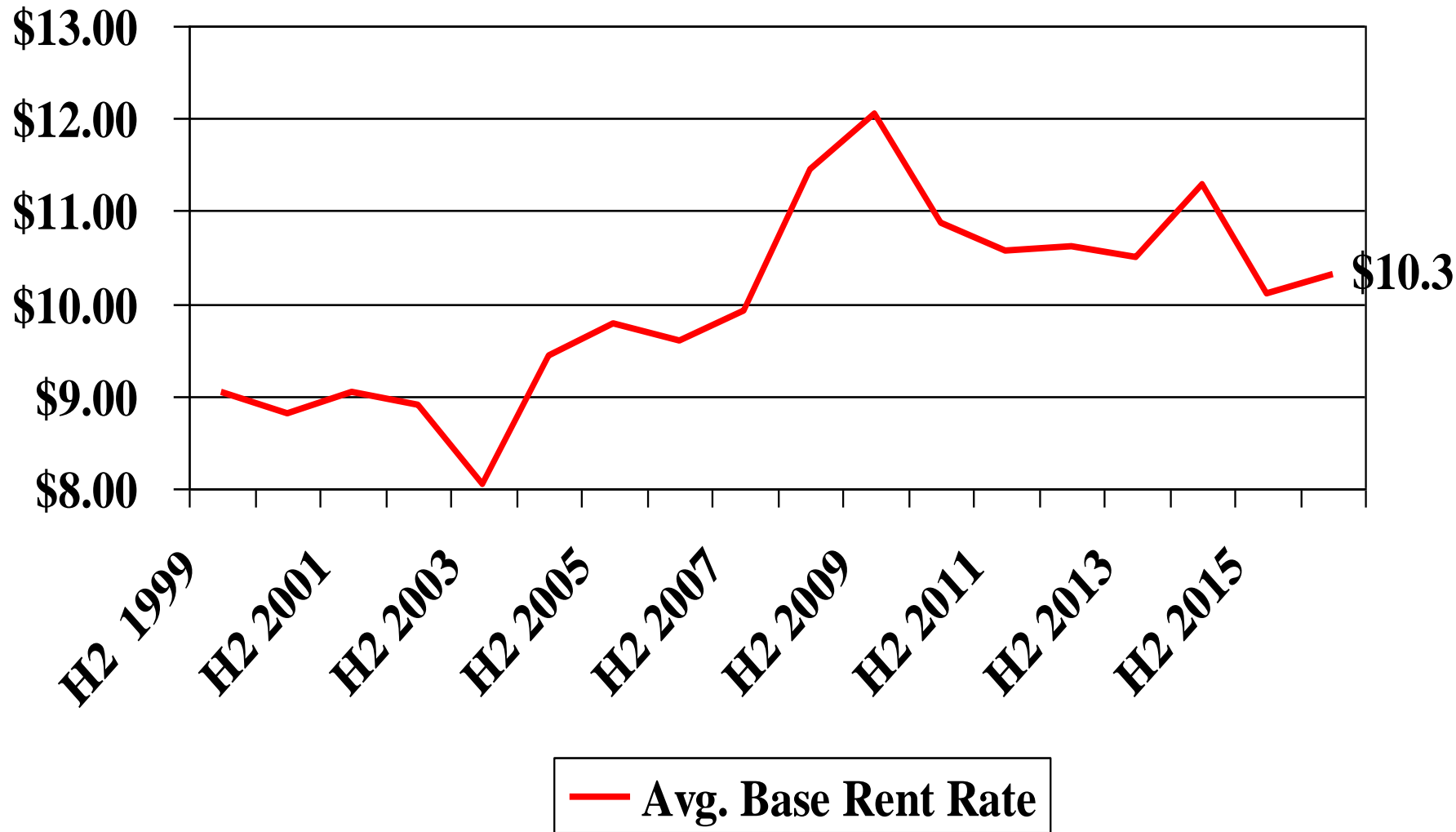


# Tulsa Retail Vacancy Percent



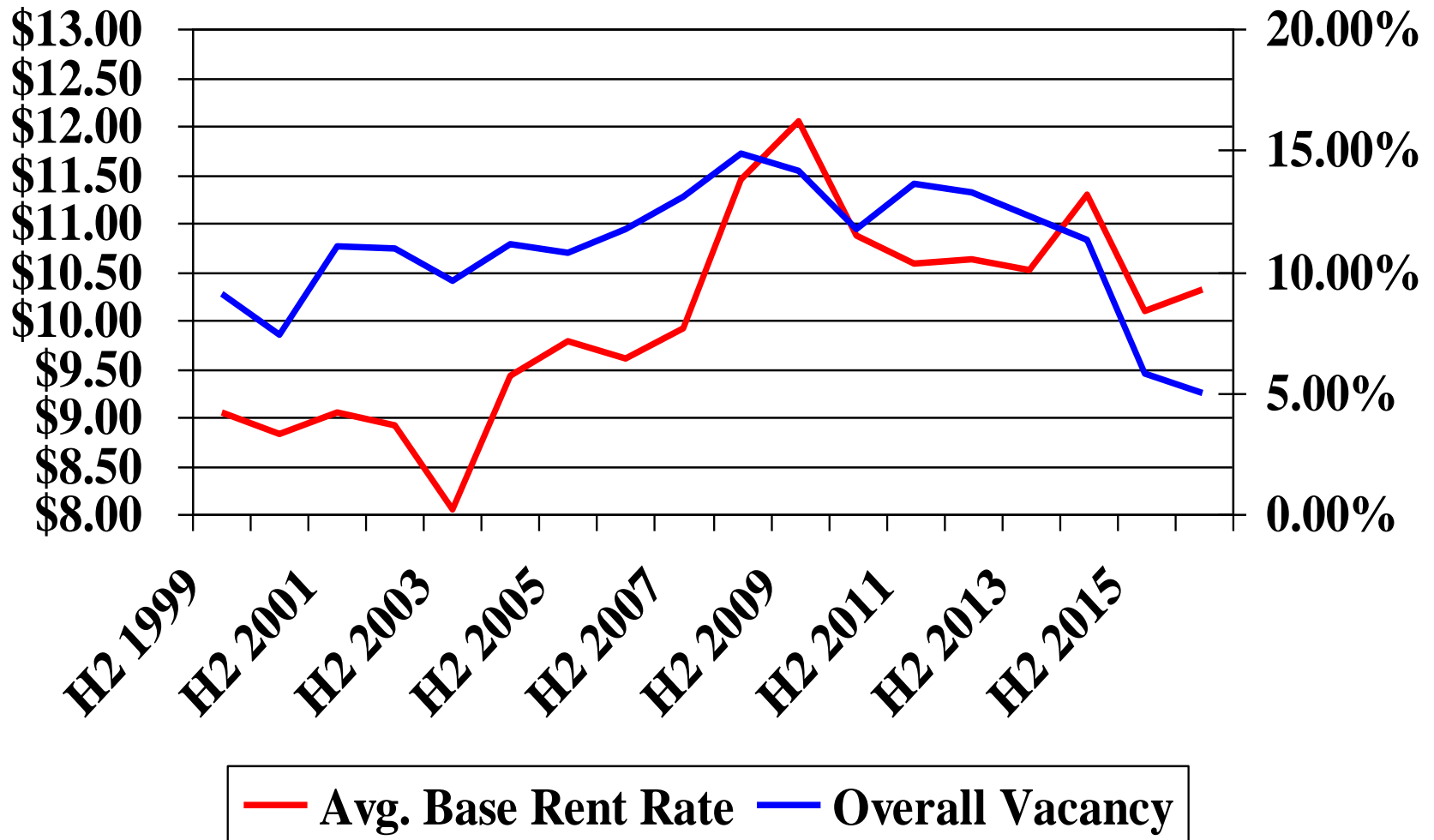
Source: CBRE

# Tulsa Retail Base Rent Rate



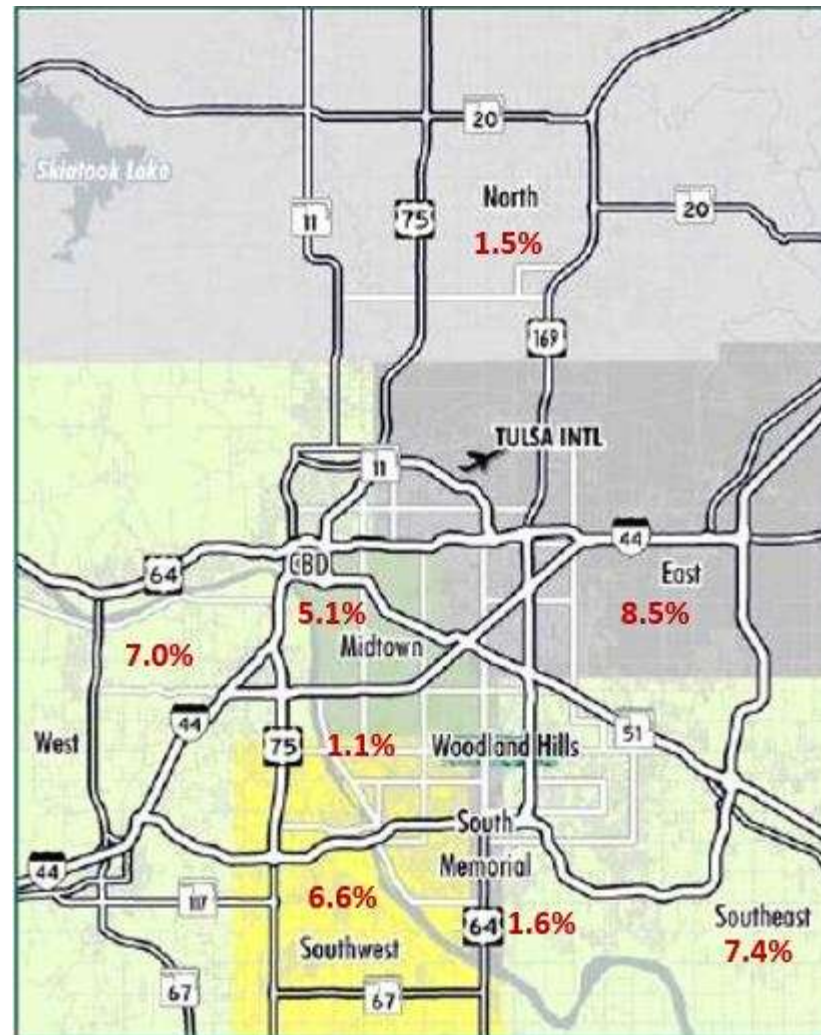
Source: CBRE

# Tulsa Retail Base Rent Rate and Occupancy Percent



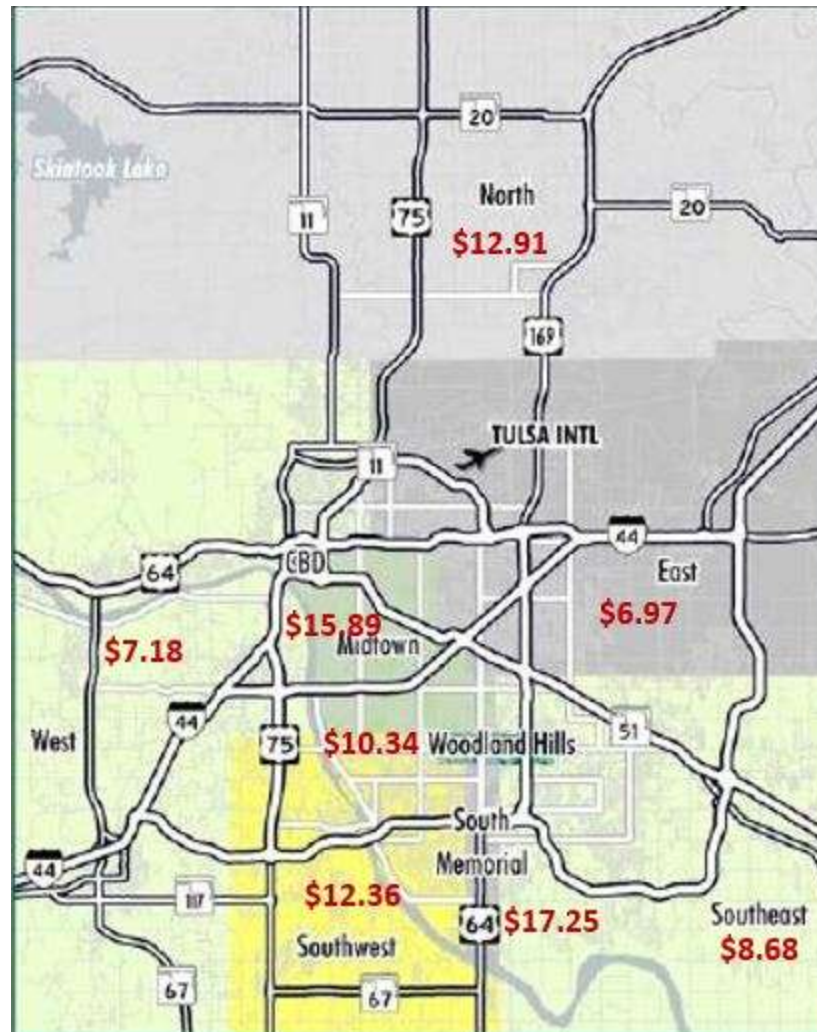
Source: CBRE

# VACANCY RATES: By Submarket



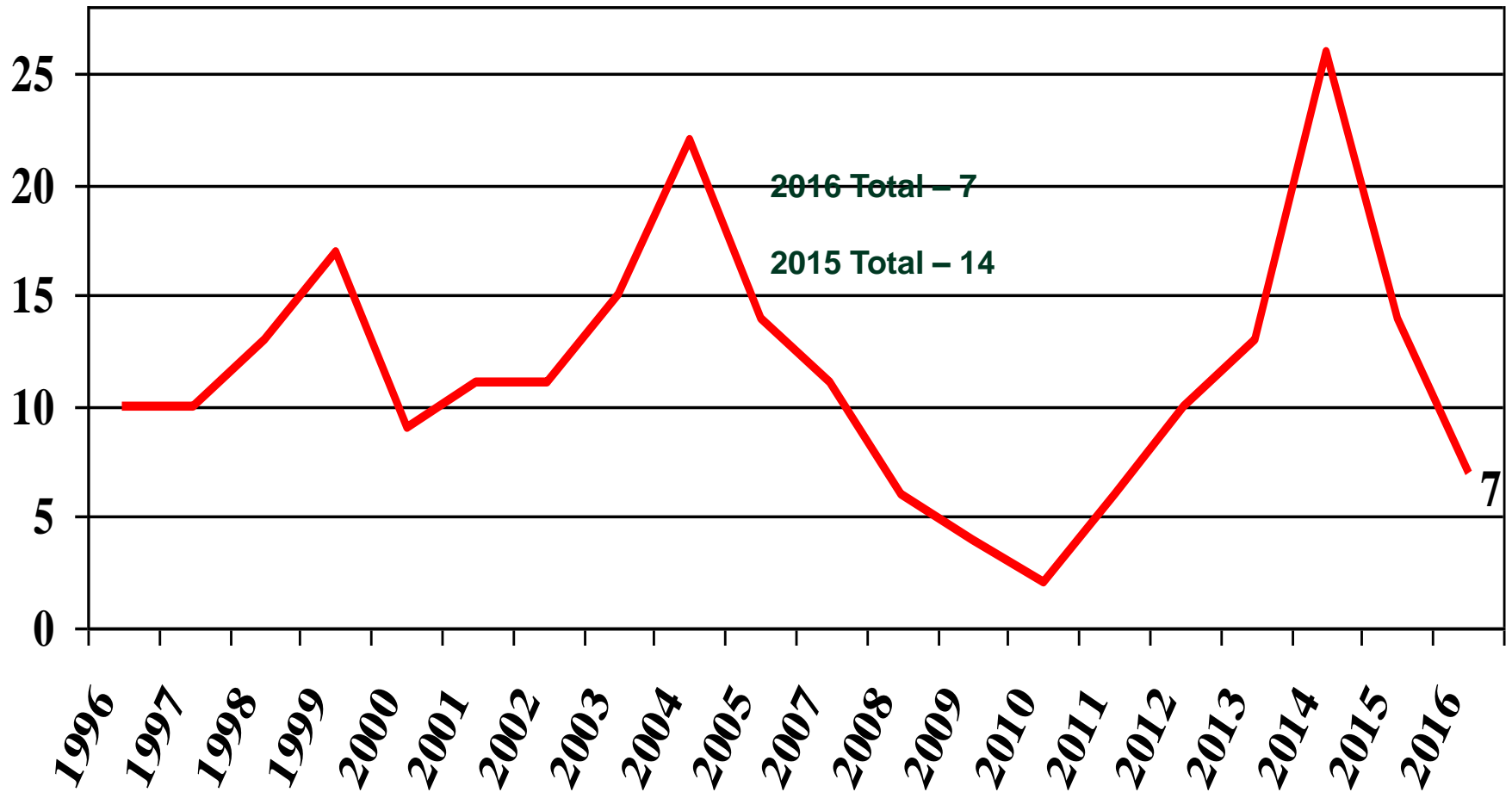
Source: CBRE

# RENT RATES: By Submarket



Source: CBRE

# Tulsa Metro Shopping Center Sales Trend 2016-2017



Source: CBRE

# Tulsa Metro Shopping Center Sales – 2016-2017

<b>PROPERTY</b>	<b>SIZE IN SQUARE FEET</b>	<b>SUB-MARKET</b>	<b>SALE DATE</b>	<b>SALE PRICE</b>	<b>PRICE/SF</b>
Crossing Oaks	235,421	Woodland Hills	1/13/2017	\$16,450,000	\$69.87
Admiral Place	91,907	North	2/7/2017	\$7,700,000	\$83.78
Allstate Center	31,092	Midtown	9/1/2016	\$2,000,000	\$64.33
Plaza Del Sol	46,500	Southeast	8/1/2016	\$5,600,000	\$120.43
13809 South Casper Street	11,000	Southwest	2/23/2016	\$675,000	\$61.36
7626 East 51st Street	35,344	Midtown	2/16/2016	\$2,200,000	\$62.25
South Lewis Plaza	41,462	Southwest	2/1/2016	\$2,300,000	\$55.47
Boardwalk on Memorial	21,020	South Memorial	2/1/2016	\$4,000,000	\$190.29
Lewis Crossing	49,902	Midtown	1/28/2016	\$2,600,000	\$52.10
Walnut Creek	105,768	Southwest	1/26/2016	\$6,970,000	\$65.90

# Notable New Completions 2016 - 2017

<u>Property Name</u>	<u>Property Address</u>	<u>Submarket</u>	<u>Project Size SF</u>	<u>Space Available</u>	<u>Comments</u>
1551 Cherry Street	1551 East 15th Street	Midtown	20,600	No	Only 2,995 SF of office space available
The Walk at Tulsa Hills	SEC 81st Street & U.S. 75	Southwest	20,600	No	Qdoba!, Growler USA Brew Pub
Trader Joe's	NWC 37th Place & South Peoria Avenue	Midtown	17,000	Yes	Trader Joe's = 10,000 SF of total SF
Crestwood Crossing	NWC 121st & South Sheridan Road	Southwest	14,500	Yes	
Strip Center	10133 South Delaware Avenue	Southwest	11,200	Yes	Project fronts Delaware Avenue
Liquids Wine & Spirits	11413 East 96th Street North	Owasso	10,879	Yes	
Boxyard	SEC Frankfort Avenue	CBD	10,320	Yes	
302	302 South Frankfort Avenue	CBD	10,000	Yes	Former KOTV Building
Shoppes at Valley Crossing	10202 East 71st Street	Woodland Hills 71st Street	6,355	Yes	Tropical Smoothie Café



# New Development 2017

<u>Property Name</u>	<u>Property Address</u>	<u>Submarket</u>	<u>Project Size in SF</u>	<u>Comments</u>
Shops at Broken Arrow	NEC BA Expressway & Lynn Lane	Southeast / BA	72,000	Ross, Michael's, Dollar Tree, ULTA
Shops at Tulsa Hills	NWC 71st Street & Elwood Avenue	Southwest	107,000	
River Development	SWC Riverside Parkway & 71st Street	Southwest	52,250	REI
Shops of Warren Place	SWC 61st Street & Yale Avenue	Midtown	29,830	Mahogany's, Pub W, Starbucks
Tiger Hill Plaza	SWC Kenosha & Lynn Lane	Southeast / BA	29,830	
Shops at Nickel Creek	SWC U.S. 75 & 81st Street	Southwest	19,500	Abuelo's, Wing Stop
Center 66	1113-1141 South Lewis Avenue	Midtown	11,570	
Small Retail Building	10400 South Memorial Drive	South Memorial	8,691	Chipotle on east endcap
Empire Center	3238 East 21st Street	Midtown	6,000	
Silver Lake Village	SEC Silver Lake Road & Adams Blvd	Bartlesville	85,000	Ross, T.J. Maxx, Petco, Ulta

# Market Performance At-A-Glance

