

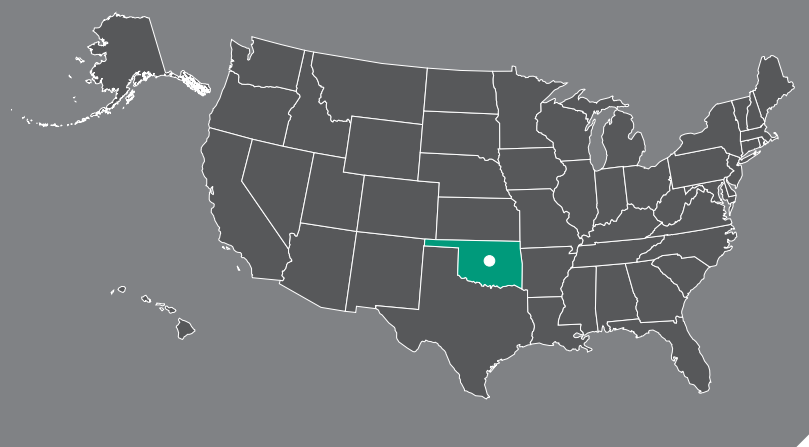
HUD PD&R Housing Market Profiles

Oklahoma City, Oklahoma



Quick Facts About Oklahoma City

- Current sales market conditions: tight
- Current apartment market conditions: balanced
- The Oklahoma City metropolitan area is home to Tinker Air Force Base (AFB), the University of Oklahoma (OU), and the state capital, with combined payrolls, excluding military personnel at Tinker AFB, that account for more than 12 percent of nonfarm jobs in the metropolitan area.



By Randall Goodnight | As of April 1, 2022

Overview

The Oklahoma City, OK Metropolitan Statistical Area (hereafter the Oklahoma City metropolitan area) is located in central Oklahoma and includes Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties. The metropolitan area was ranked the third most affordable metropolitan area in the nation to buy a new home in March 2022 by the National Association of REALTORS®. The metropolitan area was ranked fifteenth in the *MovieMaker Magazine* “Best Places to Live and Work as a Movie Maker 2022” list, based on factors including the State of Oklahoma Filmed in Oklahoma Act of 2021 rebate program.

- As of April 1, 2022, the estimated population of the metropolitan area was 1.46 million, representing an average increase of 16,800, or 1.3 percent, annually since 2010 (Census Bureau and estimates by the analyst).
- Since 2016, the population has increased by an average of 13,800, or 1.0 percent, annually. By comparison, the population increased by an average of 19,600, or 1.5 percent, from 2010 to 2016.
- Contributing to faster population growth from 2010 to 2016 were higher levels of net in-migration stemming

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from strong job growth during most of the period. Net in-migration averaged 11,950 residents annually from 2010 to 2016, compared with an average annual net in-migration of 9,025 since 2016. An economic downturn in the metropolitan area in 2016, followed by moderate job growth in 2017, contributed to relatively slower net in-migration since 2016.

- Because of the effects of the COVID-19 pandemic, net natural increase in the metropolitan area in 2021 totaled 2,125, a decrease of 60 percent compared with the average annual net natural increase the previous 3 years.
- With 798,600 residents, Oklahoma County was the most populous county in 2021, accounting for 55 percent of the population of the metropolitan area.

- The population of Oklahoma County increased an average of 7,100, or 0.9 percent, annually from 2010 to 2021; that increase represented 42 percent of the population growth in the metropolitan area.
- The population of Canadian County, the westernmost county in the metropolitan area, grew at the fastest rate of any county in the Oklahoma City metropolitan area. From 2010 to 2021, the county population increased an average of 3.0 percent, or 4,100, annually. Population growth in Canadian County was mostly in suburban areas immediately west of Oklahoma County where new subdivisions have attracted homebuyers.

Economic Conditions

On a monthly basis, the economy of the Oklahoma City metropolitan area has almost recovered from job losses that occurred during March and April 2020 due to the impacts of the COVID-19 pandemic, when nonfarm payrolls decreased by a combined 71,200 jobs compared with February 2020 (not seasonally adjusted). Since May 2020, the metropolitan area has recovered 69,900 jobs, or 98 percent of the jobs lost in March and April 2020.

Nonfarm payrolls in the metropolitan area increased an average of 2.1 percent annually from 2011 through 2015 before declining 0.1 percent during 2016, mostly in energy-related

job sectors that were adversely impacted by declines in oil prices during the same period. The metropolitan area economy began to recover in 2017, when nonfarm payrolls increased 0.9 percent, and during 2018 and 2019, job growth averaged 12,600, or 2.0 percent, annually. Contributing to job growth during 2018 and 2019 were gains in the professional and business services sector, which increased by an average of 3,300, or 4.0 percent, annually.

During the first quarter of 2022—

- Nonfarm payrolls increased by 22,500, or 3.6 percent, to 654,100 jobs, compared with a 4.0-percent decrease during

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Nonfarm payrolls increased significantly in the Oklahoma City metropolitan area during the first quarter of 2022, with gains occurring in all but two sectors.

	3 Months Ending		Year-Over-Year Change	
	March 2021 (Thousands)	March 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	631.6	654.1	22.5	3.6
Goods-Producing Sectors	71.8	74.0	2.2	3.1
Mining, Logging, & Construction	39.3	40.2	0.9	2.3
Manufacturing	32.5	33.8	1.3	4.0
Service-Providing Sectors	559.8	580.1	20.3	3.6
Wholesale & Retail Trade	88.6	92.2	3.6	4.1
Transportation & Utilities	33.3	35.5	2.2	6.6
Information	5.7	5.4	-0.3	-5.3
Financial Activities	34.5	35.4	0.9	2.6
Professional & Business Services	81.1	87.2	6.1	7.5
Education & Health Services	97.4	98.9	1.5	1.5
Leisure & Hospitality	65.8	72.2	6.4	9.7
Other Services	26.5	27.6	1.1	4.2
Government	126.9	125.7	-1.2	-0.9
Unemployment Rate	4.7%	2.8%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



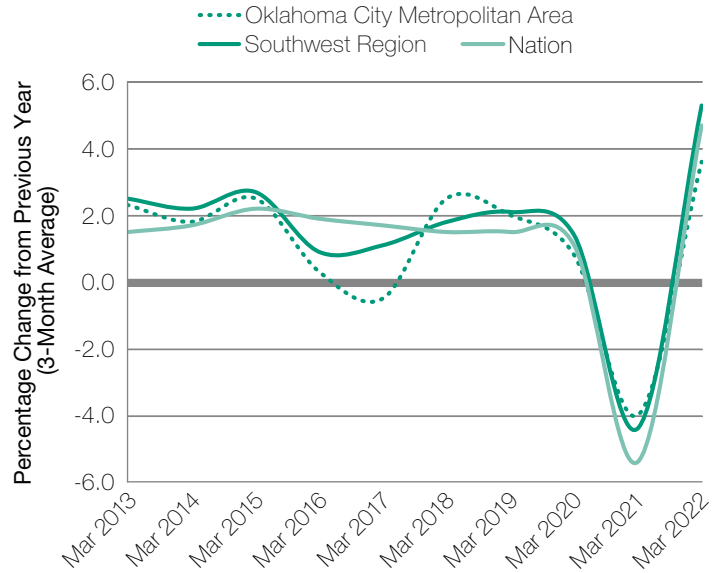
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the same period a year earlier because of the effects of the COVID-19 pandemic.

- Job gains were greatest in the leisure and hospitality sector, increasing by 6,400, or 9.7 percent, to 72,200, compared with a decrease of 9.8 percent a year earlier. The sector is expected to continue to expand because of several new venues anticipated to be developed. The Chickasaw Nation Native American Tribe plans to develop the OKANA Resort & Indoor Water Park near downtown Oklahoma City. The development will be located adjacent to the recently-completed First Americans Museum. OKANA Resort & Indoor Water Park will include an 11-story, 404-room hotel, an indoor water park, an amphitheater, a lagoon, and a Native American art market. The development is expected to be complete by the spring of 2024 and employ 500 fulltime workers.
- Job growth was also strong in the professional and business services sector, which increased by 6,100, or 7.5 percent, to 87,200, compared with a 6.5-percent decrease a year earlier. Payrolls in this sector are also expected to continue to increase because of several planned expansions. Advanced Call Center Technologies, LLC announced plans in March 2022 to open a new office in the city of Norman in Cleveland County in late 2022. The office is expected to result in 770 new jobs in call center, back-office, and customer support operations.
- Job declines occurred in only two job sectors—the government and the information sectors—decreasing by 1,200 and 300 jobs, or 0.9 and 5.3 percent, respectively. The decrease in payrolls in the government sector occurred in the state government and the federal government subsectors, declining by 1,100 and 100, or 2.6 and 0.3 percent, respectively.
- The average unemployment rate decreased to 2.8 percent, compared with 4.7 percent a year earlier.

The Oklahoma City metropolitan area economy depends heavily on the government sector, which is the largest sector, with 125,700 jobs during the first quarter of 2022, or nearly one-fifth of all nonfarm payrolls. The State of Oklahoma is the largest employer in the metropolitan area, with 44,400 workers. The second largest employer is Tinker AFB, which employs 26,000 (19,000 civilians and 7,000 active-duty military personnel) and has an economic impact on the metropolitan area of more than \$4.8 billion annually (Greater Oklahoma City Chamber). Tinker

Job losses caused by the impacts of the COVID-19 pandemic occurred at a slower pace in the Oklahoma City metropolitan area than in the Southwest region and the nation, but the recovery has also been at a slower pace in the metropolitan area.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Oklahoma City Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Oklahoma	Government	44,400
Tinker Air Force Base	Government	26,000
University of Oklahoma	Government	16,100

Notes: Excludes local school districts. Data for Tinker Air Force Base include military personnel, who are generally not included in nonfarm payroll survey data. Sources: Greater Oklahoma City Chamber, U.S. Department of Defense, University of Oklahoma

AFB is the largest single-site employer in the state of Oklahoma. The third largest employer is OU, with a combined 16,100 employees at the main campus in the city of Norman and at the Health Sciences Center near downtown Oklahoma City. OU has an annual economic impact of \$2.6 billion and accounts for a combined 47,500 direct and indirect jobs in the metropolitan area (University of Oklahoma). Excluding military personnel at Tinker AFB, the three largest employers account for a combined 63 percent of jobs in the government sector.

Sales Market Conditions

Sales housing market conditions are tight in the Oklahoma City metropolitan area. The estimated sales vacancy rate is currently 1.3 percent, down from 2.2 percent as of April 1, 2010, when conditions were soft. The relatively tighter home sales market conditions have been partly due to a decrease in unsold home inventory and an increase in home sales. The inventory of unsold homes in March 2022 represented a 1.5-month supply, down from 1.9 months a year earlier and down from 6.7 months in March 2010 (Zillow Group, Inc.). The inventory of homes for sale was 3.1 months in March 2020, at the onset of the pandemic, and averaged 3.5 months from 2013 through 2019.

As of February 2022, 2.1 percent of home loans were seriously delinquent or in real estate owned (REO) status, down from 4.5 percent a year earlier and below the 5.0-percent peak rate in January 2012 (CoreLogic, Inc.). The percentage of seriously delinquent mortgages and REO properties increased significantly during the COVID-19 pandemic as weakened economic conditions made it more difficult for many homeowners to stay current on their mortgage payments, and a large number of home mortgages were placed in forbearance. In February 2021, home loans that were 90 or more days delinquent had increased 309 percent compared with a year earlier, but the number of home loans that were in foreclosure and in REO status were down 41 and 47 percent, respectively, partly because of a national moratorium on foreclosures for federally backed mortgages that was in place until September 2021. New and existing home sales totaled 38,600 during the 12 months ending February 2022, an increase of 2,650, or 7 percent, compared

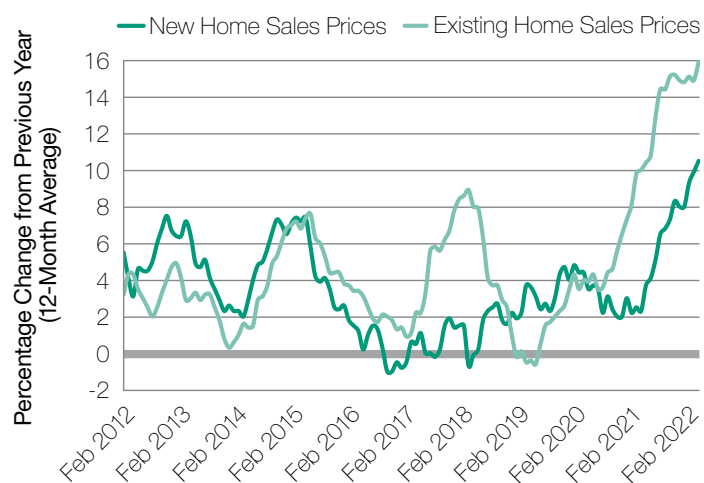
with no change in home sales a year earlier. Contributing to the increase in home sales was increased home sales demand stemming from an improved local economy and low mortgage interest rates during most of the period. The average home price increased by \$28,900, or 15 percent, to \$227,300, representing the greatest increase since at least 2001. Contributing to the strong increase in the average home price was the recent decline in unsold inventory, placing upward pressure on home prices.

During the 12 months ending February 2022—

- New home sales increased 4 percent to 5,500 homes, compared with a 16-percent increase a year earlier. The average price for a new home increased 11 percent to \$307,100.
- Existing home sales increased 8 percent to 33,100, and the average price for existing homes increased 16 percent to \$214,100, also the fastest pace since at least 2001.
- Resales increased 9 percent to 32,700 homes, and the average price for resales was \$215,300, up 16 percent from a year earlier.
- Distressed sales decreased 33 percent to 440, and the average distressed sale price increased 11 percent to \$147,700. Distressed sales accounted for only 1 percent of existing home sales, down from 2 percent a year earlier and down from the peak level of 13 percent in 2011.
- Non-owner occupied purchases, which are primarily investment or second-home purchases, accounted for

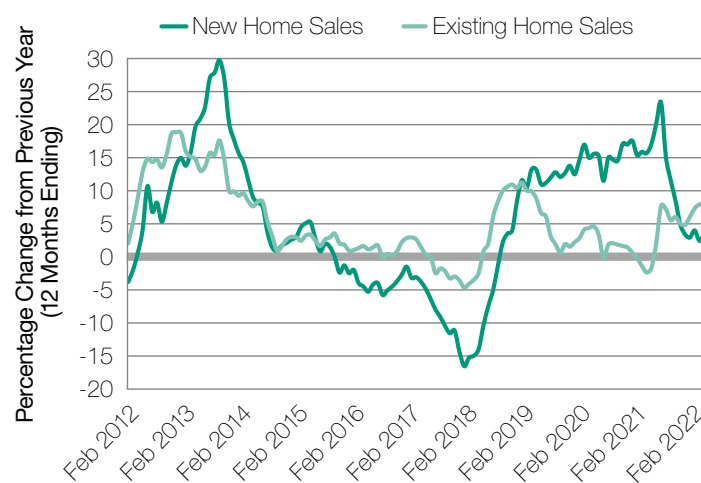
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Year-over-year home price growth in the Oklahoma City metropolitan area was at a record pace in February 2022 for both new and existing home prices.



Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

New home sales in the Oklahoma City metropolitan area have increased year-over-year every month since August 2018, and existing home sales have increased since April 2021.



Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

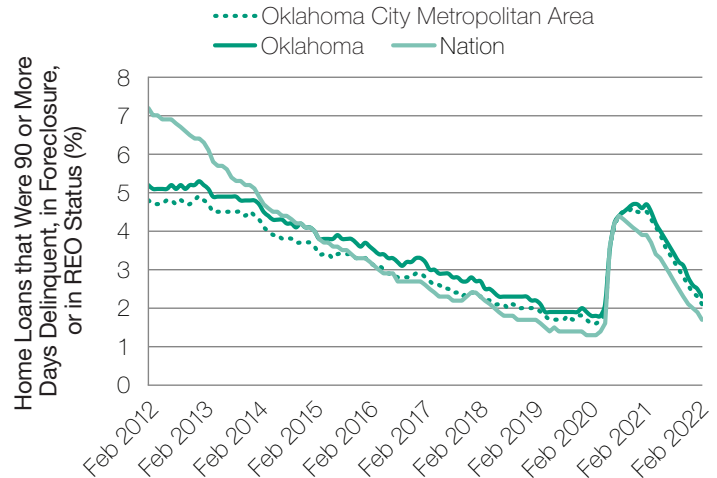
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12 percent of total home purchases with a mortgage, up from 10 percent a year earlier and representing the highest percentage since 2006.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased by 430, or 6 percent, to 7,750 homes during the 12 months ending March 2022 as homebuilders responded to increased demand for new homes. Approximately 5,500 homes are currently under construction.

- Single-family home construction activity totaled 6,425 during 2013, of which 25 percent were to replace approximately 1,600 homes destroyed during a tornado outbreak that occurred in late May 2013.
- From 2014 through 2016, single-family homebuilding activity slowed slightly, declining an average of 8 percent annually to about 5,050 homes permitted, partly because fewer replacement homes were needed. The local economic downturn during 2016 also contributed to decreased homebuilding during the period.
- Single-family home permitting increased 2 percent during 2017 before increasing an average of 7 percent annually during 2018 and 2019. Relatively strong new home sales stemming from an expanding local economy contributed to the increase in homebuilding during 2018 and 2019.
- During 2020, single-family home construction activity increased 15 percent as homebuilders responded to strong new home sales demand during the same period.
- Construction is currently under way at the Nichols Creek residential community near the city of Yukon in Canadian County. Three- and four-bedroom single-family homes, ranging in size from 1,550 to 1,950 square feet, are offered at the development, with prices starting in the low \$300,000s. Since opening in 2019, approximately 220 new homes have sold at Nichols Creek. An additional 15 homes are currently under construction, and about 80 home sites remain available for construction.
- In the city of Edmond, north of the city of Oklahoma City in Oklahoma County, construction is under way at the Cherry Hill residential community, which will include 85 single-family homes at build-out. Since opening in 2018, 70 new three-, four-, and five-bedroom single-family homes have sold at the community. Fifteen homes, ranging in size from 1,700 to 2,500 square feet, are currently under construction and are offered at prices ranging from \$351,000 to \$488,000.

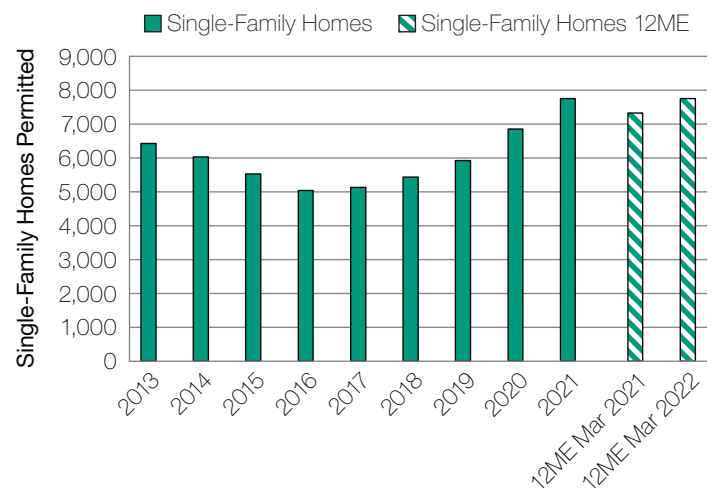
The rate of home loans that were 90 or more days delinquent, in foreclosure, or in REO status in the Oklahoma City metropolitan area has decreased significantly since reaching a recent peak in November 2020.



REO = real estate owned.

Source: CoreLogic, Inc.

Single-family home construction activity in the Oklahoma City metropolitan area increased every year from 2017 through 2021.



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; 2021 and past 24 months of data—preliminary data and estimates by the analyst

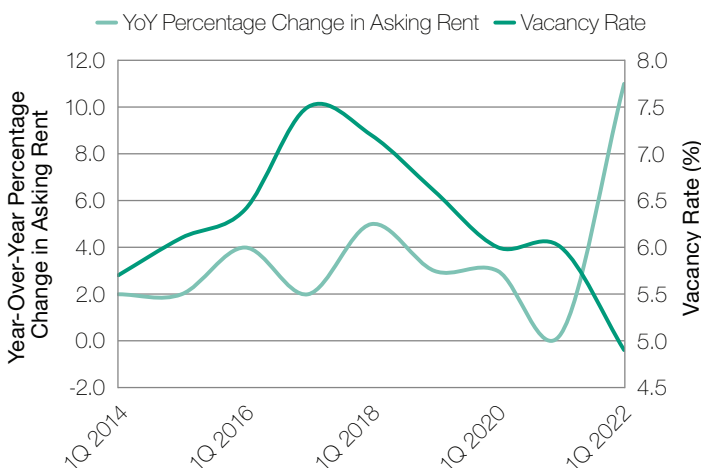
Apartment Market Conditions

Apartment market conditions are currently balanced in the metropolitan area, compared with softer conditions in 2010. During the first quarter of 2022, the average apartment vacancy rate was 4.9 percent, down from 6.0 percent a year earlier and down from 10.1 percent during the first quarter of 2010 (Moody's Analytics REIS). By comparison, the average apartment vacancy rate was 6.5 percent from 2014 through 2019, with rates ranging from 5.7 percent during the first quarter of 2014 to 7.5 percent during the first quarter of 2017. Job growth and an increased preference to rent during most of the years since 2011 contributed to a lower average apartment vacancy rate compared with 2010.

During the first quarter of 2022—

- The average apartment rent in the metropolitan area was \$800, an increase of 11 percent, compared with no change in rent a year earlier. By comparison, the average apartment rent increased an average of 3 percent annually from the first quarter of 2014 through the first quarter of 2020.
- The average vacancy rate for class A apartments in the metropolitan area decreased to 6.0 percent from 6.4 percent a year earlier, and the average rent was \$974, up 11 percent from a year earlier.
- The average vacancy rate for class B/C apartments was 4.2 percent, down from 5.8 percent a year earlier, and the average rent for class B/C units increased 10 percent to \$694.

Year-over-year rent growth in the Oklahoma City metropolitan area during the first quarter of 2022 was at the fastest pace since 1982, and the average vacancy rate has generally declined since the recent peak during the first quarter of 2017.



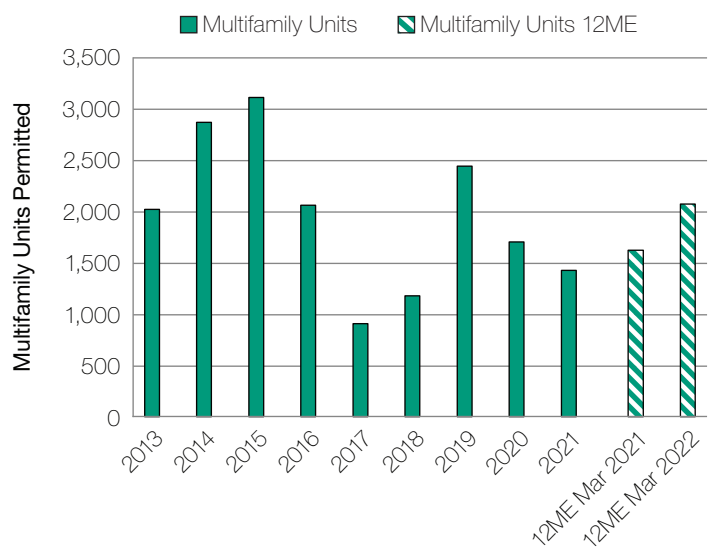
1Q = first quarter. YoY = year-over-year.
Source: Moody's Analytics REIS

- The average apartment vacancy rates in the metropolitan area ranged from 3.4 percent in the Moody's Analytics REIS-defined Edmond market area to 5.9 percent in the East Central Oklahoma City market area. Average apartment rents ranged from \$637 in the West Central Oklahoma City market area to \$992 in the East Central Oklahoma City market area.
- In downtown Oklahoma City, the average apartment vacancy rate was 3.6 percent, and the average apartment rent was \$1,416.

Multifamily construction activity in the Oklahoma City metropolitan area, as measured by the number of multifamily units permitted and analyst estimates, was strong from 2013 through 2016, averaging 2,525 units annually, as developers responded to increased apartment demand stemming from job growth and a greater preference to rent from 2012 through 2015. Multifamily construction activity slowed to an average of 1,050 units annually during 2017 and 2018, as builders responded to increases in the average apartment vacancy rate during 2016 and 2017 stemming from the local economic downturn in 2016 and a large influx of new apartment units added to the supply. Strong job growth in the metropolitan area during 2018 and 2019 and declines in the average apartment vacancy rate contributed to an increase in multifamily construction activity during 2019 to 2,450 units.

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Multifamily construction activity in the Oklahoma City metropolitan area has been relatively strong since 2019 compared with 2017 and 2018 but well below levels during 2014 and 2015.



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; 2021 and past 24 months of data—preliminary data and estimates by the analyst

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- Multifamily construction activity totaled an estimated 2,075 units during the 12 months ending March 2022, compared with 1,625 units permitted a year earlier (preliminary data, with adjustments by the analyst).
- Approximately 2,175 multifamily units are currently under construction in the metropolitan area, most of which are located in the city of Oklahoma City.
- Construction began in February 2022 on BroadVue Apartments, an apartment community in the city of Oklahoma City, approximately 7 miles north of downtown. The development is expected to include 323 market-rate units. Rents at BroadVue are expected to range from \$1,000 for 53 studio units, \$1,260 to \$1,425 for 162 one-bedroom units, \$1,675 for 104 two-bedroom units, and \$2,175 for 4 three-bedroom units.
- The historic 32-story former First National Bank building in downtown Oklahoma City was recently converted into the \$275 million First National Center, which includes the 193-unit The First Residences at First National apartments. First National Center also includes a 146-room Autograph Collection hotel. Rents at The First Residences at First National for studio, one-, and two-bedroom units start at \$1,825, \$2,070, and \$3,910, respectively; a single three-bedroom unit, totaling nearly 3,500 square feet, is offered for \$11,590 per month.

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Include resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Include single-family, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Non-Owner Occupied Purchases	The percent of purchase originations attributed to non-owner occupied properties.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1. The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.