



COMPREHENSIVE HOUSING MARKET ANALYSIS

Oklahoma City, Oklahoma

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of May 1, 2022



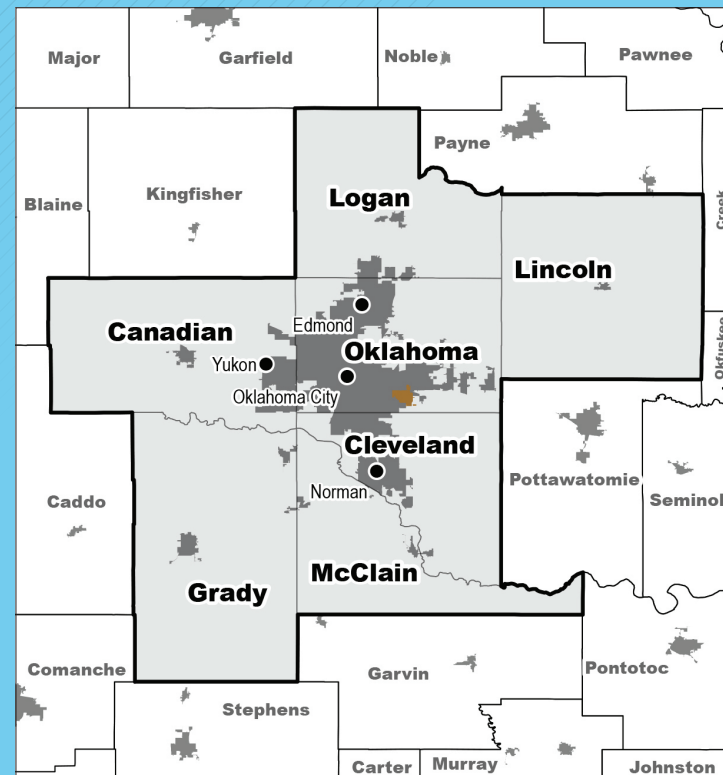
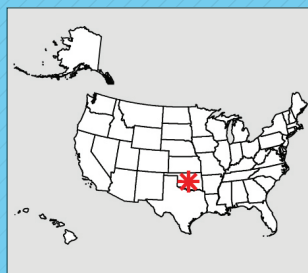
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Executive Summary

Housing Market Area Description

The Oklahoma City Housing Market Area (HMA) is coterminous with the Oklahoma City, OK Metropolitan Statistical Area and includes Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties in central Oklahoma. The HMA includes the Oklahoma state capital, the University of Oklahoma (OU), and Tinker Air Force Base (AFB), all of which contribute to the economic stability of the HMA.

The current population of the HMA is estimated at 1.46 million.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).
 Additional data for the HMA can be found in this report's [supplemental tables](#).
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: During the 12 months ending April 2022, nonfarm payrolls in the Oklahoma City HMA increased by 20,700, or 3.3 percent, to 650,300 jobs.

The Oklahoma City HMA economy expanded during the past year as it recovered from severe job losses that occurred during March and April 2020 from the COVID-19 pandemic. As of April 2022, all of the 71,200 jobs lost in March and April 2020 were recovered (monthly data, not seasonally adjusted). During the 12 months ending April 2022, nonfarm payrolls increased in 8 of 11 sectors. The leisure and hospitality sector led job growth, with gains that accounted for more than one-third of the total increase in nonfarm payrolls during the period. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.5 percent annually.

Sales Market



Tight: The HMA had a 1.6-month supply of homes for sale in April 2022, down from 1.8 months a year earlier and from 3.1 months in April 2020, when conditions were balanced (Zillow Group).

The home sales vacancy rate is currently estimated at 1.4 percent, down from 2.2 percent in April 2010 when conditions were soft. The current supply of homes for sale is down considerably compared with April 2010, when the supply of home inventory was 6.7 months. During the 12 months ending April 2022, new and existing home sales in the HMA totaled 37,200, unchanged compared with a year earlier (CoreLogic, Inc.). The average price for a home increased 16 percent to \$234,200, representing the fastest increase in the average sale price for a home since at least 2001. During the next 3 years, demand is estimated for 20,150 new homes. The 5,250 homes under construction will satisfy a portion of that demand.

Rental Market



Balanced: The rental vacancy rate is currently estimated at 8.5 percent, down from 10.4 percent in 2010.

Rental market conditions are balanced in the HMA as of May 1, 2022, compared with soft conditions in April 2010. The apartment market is also balanced, with an average vacancy rate of 4.8 percent during the first quarter of 2022, down from 6.0 percent a year earlier and from 10.1 percent during the first quarter of 2010 (Moody's Analytics REIS). The average apartment rent during the first quarter of 2022 increased 11 percent to \$800 from a year earlier. During the forecast period, demand is estimated for 5,100 new rental units. The 2,175 units currently under construction and 270 units in final planning are expected to satisfy part of that demand.

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3-Year Housing Demand Forecast

	Sales Units	Rental Units
Oklahoma City HMA		
Total Demand	20,150	5,100
Under Construction	5,250	2,175

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2022. The forecast period is May 1, 2022, to May 1, 2025.
Source: Estimates by the analyst



Economic Conditions

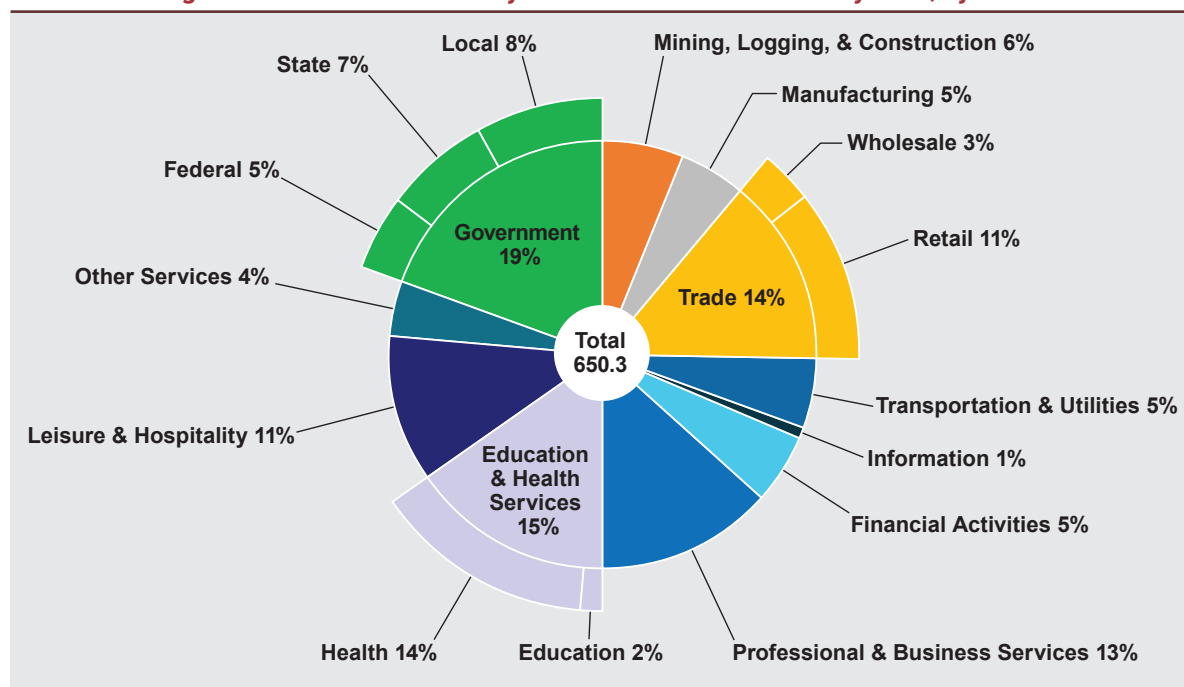
Largest Sector: Government

The government sector has been the largest sector in the Oklahoma City HMA every year since at least 1990, accounting for an average of approximately one-fifth of nonfarm payrolls during the period.

Primary Local Economic Factors

The HMA economy depends heavily on the government sector, with 126,000 jobs during the 12 months ending April 2022, or 19 percent of all nonfarm payrolls (Figure 1). Five of the 10 largest employers in the HMA are in the government sector (Table 1). The State of Oklahoma is the largest employer in the HMA, with 44,400 workers. The second largest employer is Tinker Air Force Base (AFB), which employs 26,000 (19,000 civilians and 7,000 active-duty military personnel) and has an economic impact on the HMA of more than \$4.8 billion annually (Greater Oklahoma City Chamber). Tinker AFB, located in the southern portion of Oklahoma County, is also the largest single-site employer in the state of Oklahoma. The third largest employer is the University of Oklahoma (OU), with a combined 16,100 employees at the main campus in the city of Norman in Cleveland County 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 HMA (University of Oklahoma).

Figure 1. Share of Nonfarm Payroll Jobs in the Oklahoma City HMA, by Sector



Notes: Military jobs are not included in these data. Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through April 2022. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Oklahoma City HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Oklahoma	Government	44,400
Tinker Air Force Base (AFB)	Government	26,000
University of Oklahoma	Government	16,100
INTEGRIS Health	Education & Health Services	11,000
Amazon.com, Inc.	Transportation & Utilities	8,000
Hobby Lobby Stores, Inc.	Wholesale & Retail Trade	6,500
Mercy	Education & Health Services	5,500
Federal Aviation Administration	Government	5,150
City of Oklahoma City	Government	4,800
SSM Health	Education & Health Services	4,000

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data. Sources: Greater Oklahoma City Partnership; U.S. Department of Defense; employers



The Mike Monroney Aeronautical Center of the Federal Aviation Administration is the eighth largest employer, with 5,150 employees. The aerospace industry, which includes jobs in multiple sectors, continues to grow in the HMA. Approximately 300 aerospace-related firms, with a combined 43,000 government and private sector employees earning an average annual salary of \$78,600, are located in the HMA (Greater Oklahoma City Chamber: Industry Survey and Economic Impact Assessment 2020).

2020 Recession and Recovery

The impacts of COVID-19 were significant in the Oklahoma City HMA. On a monthly basis, nonfarm payrolls in the HMA declined by 71,200 jobs, or 10.8 percent, during the months of March and April 2020 (not seasonally adjusted), a period that coincided with the national COVID-19 recession. Though job losses occurred in every job sector, declines were greatest in sectors where jobs could not be performed remotely. Nonfarm payroll decreases were greatest in the leisure and hospitality sector, which declined by 26,000 jobs, or 35.3 percent, accounting for more than one-third of all job losses during March and April 2020. Losses were also significant in the wholesale and retail trade sector, which declined by 9,200 jobs, or 10.2 percent. The retail trade subsector, which decreased by 7,700, or 11.6 percent, accounted for more than four-fifths of the total decrease in payrolls in the sector. Contributing to the job losses in the

leisure and hospitality sector and the retail trade subsector were numerous measures implemented by local municipalities in the HMA to slow the spread of COVID-19, including restrictions on business hours and capacity at restaurants and retail stores. These restrictions were lifted by the spring of 2021, which contributed to the HMA economy regaining all of the jobs lost during March and April 2020 overall, and 8 of 11 job sectors have recovered fully. Monthly job growth since May 2020 was greatest in the leisure and hospitality sector, which gained 29,800 jobs, a 62.5-percent increase compared with April 2020.

Current Conditions—Nonfarm Payrolls

During the 12 months ending April 2022, nonfarm payrolls in the Oklahoma City HMA increased by 20,700, or 3.3 percent, to 650,300 jobs (Table 2), compared with a 4.0-percent decrease a year earlier. Although job growth occurred in 8 of 11 sectors during the period, gains were greatest in the leisure and hospitality sector, up by 7,200, or 11.0 percent, to 72,900, compared with a decrease of 9.4 percent a year earlier. Job growth was also strong in the professional and business services sector, which increased by 4,900, or 6.0 percent, to 86,200, compared with a 7.0-percent decrease a year earlier. Consumer Cellular, Inc. opened a new customer

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Oklahoma City HMA, by Sector

	12 Months Ending April 2021	12 Months Ending April 2022	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	629.6	650.3	20.7	3.3
Goods-Producing Sectors	72.7	73.6	0.9	1.2
Mining, Logging, & Construction	40.7	40.2	-0.5	-1.2
Manufacturing	32.0	33.4	1.4	4.4
Service-Providing Sectors	556.9	576.8	19.9	3.6
Wholesale & Retail Trade	88.3	91.3	3.0	3.4
Transportation & Utilities	31.5	33.3	1.8	5.7
Information	5.7	5.6	-0.1	-1.8
Financial Activities	34.2	35.3	1.1	3.2
Professional & Business Services	81.3	86.2	4.9	6.0
Education & Health Services	97.0	98.8	1.8	1.9
Leisure & Hospitality	65.7	72.9	7.2	11.0
Other Services	26.6	27.4	0.8	3.0
Government	126.6	126.0	-0.6	-0.5

Notes: Military jobs are not included in these data. Based on 12-month averages through April 2021 and April 2022. Numbers may not add to totals due to rounding. Data are in thousands.

Source: U.S. Bureau of Labor Statistics



service center in the HMA in the spring of 2022, resulting in 300 new jobs and contributing to gains in the sector. Partly offsetting these gains, nonfarm payrolls declined in the government sector by 600, or 0.5 percent, compared with a decrease of 3.3 percent a year prior. The decline during the 12 months ending April 2022 occurred in all three subsectors, with the state government subsector decreasing 0.7 percent and the federal government and the local government subsectors each decreasing 0.3 percent. Job losses also occurred in the mining,

logging, and construction sector, down by 500, or 1.2 percent, to 40,200, compared with a decline of 16.6 percent a year ago. The mining and logging subsector decreased by 300 jobs, or 3.2 percent, to 9,200. By comparison, the mining and logging subsector declined by 7,000, or 42.4 percent, during the 12 months ending April 2021 because of widespread layoffs at energy-related companies stemming from decreased travel nationally, which consequently diminished the demand for oil.

Economic Periods of Significance

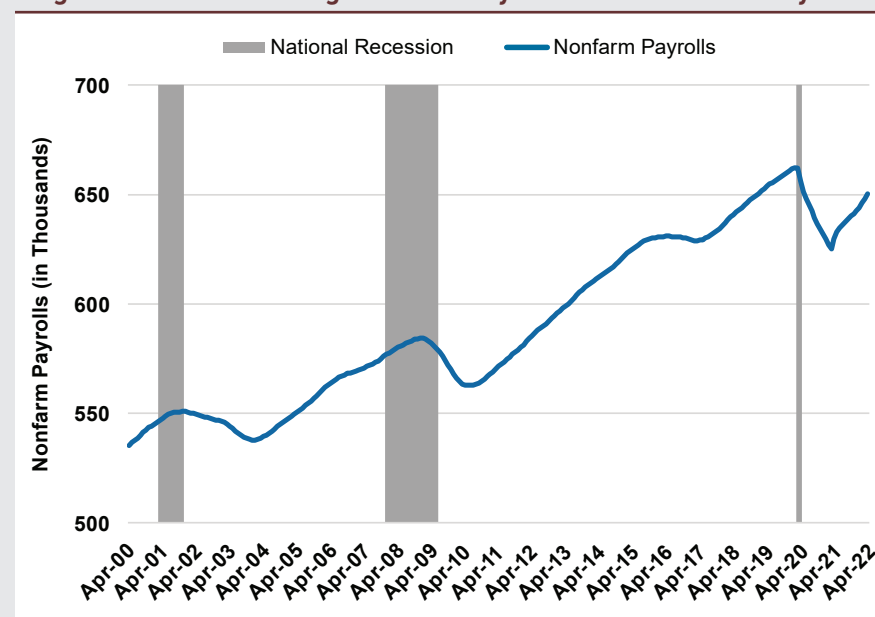
2001 Through 2003

During 2001, nonfarm payrolls increased 1.2 percent, before declining during 2002 and 2003 by an average of 6,600, or 1.2 percent, annually (Figure 2). The local economic downturn during 2002 and 2003 was partly because of the impacts of the 2001 national recession. Job declines occurred in several sectors during 2002 and 2003 but were greatest in the manufacturing sector, which decreased by an average of 4,900, or 10.6 percent, annually. That decrease reflected national trends in this sector, which declined an average of 6.1 percent annually during the same period. Job losses in the HMA during the period were partly offset by gains in the education and health services sector, which increased by an average of 2,300, or 3.4 percent, annually. Widespread gains in the education and health services sector during that period also reflected national trends in this sector, which increased an average of 3.2 percent annually.

2004 Through 2008

Economic expansion occurred each year from 2004 through 2008, when nonfarm payrolls increased by an average of 9,300 jobs, or 1.7 percent, annually. The mining, logging, and construction sector led job growth during this period, with average annual gains of 2,600 jobs, or 7.4 percent. Increased production stemming from oil and natural gas price increases contributed to gains in the sector. Also contributing to job growth in the sector were numerous revitalization projects in the city of Oklahoma City funded

Figure 2. 12-Month Average Nonfarm Payrolls in the Oklahoma City HMA



Notes: Military jobs are not included in these data. 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

by Metropolitan Area Projects (MAPS), an economic development initiative passed by Oklahoma City voters. Revitalization efforts, totaling more than \$1.5 billion, included the construction of a minor league baseball stadium, sports arena, and the Bricktown Canal (a mile-long river canal that includes



water taxi services and tours for visitors). Job growth was also strong in the education and health services sector, which increased by an average of 2,000 jobs, or 2.7 percent, annually.

2009 Through 2010

The effects of the Great Recession, which began in December 2007 and ended in June 2009, did not reach the HMA until early 2009. During 2009 and 2010, nonfarm payrolls in the HMA decreased by an average of 8,700 jobs, or 1.5 percent, annually. Job losses were greatest in the manufacturing sector, which decreased by an average of 3,000 jobs, or 8.5 percent, annually. Declines were also significant in the mining, logging, and construction and the professional and business services sectors, each decreasing by an average of 2,100, or 4.9 and 2.8 percent, respectively. Widespread layoffs in the manufacturing and the mining, logging, and construction sectors during the period reflected national trends in these sectors, with average declines of 7.3 and 11.4 percent annually, respectively. Approximately one-fourth of the job losses in the professional and business services sector, both in the HMA and nationwide, occurred in the temporary help services industry, partly stemming from decreased manufacturing production. According to the U.S. Bureau of Labor Statistics, manufacturing establishments, which often utilize temporary help agencies to staff positions in addition to hiring directly, are the primary clients of temporary help agencies for production workers, accounting for 85 percent of the temporary help services industry production worker payrolls. Average annual gains in the government sector in the HMA of 1,800 jobs, or 1.5 percent, partially offset overall losses during this period, primarily because of increased hiring in the federal and local government subsectors. The federal government subsector increased by an average of 1,200 jobs, or 4.6 percent, annually, partly because of expansions at the Mike Monroney Aeronautical Center of the Federal Aviation Administration. The local government subsector gained an average of 500 jobs, or 1.0 percent, annually. The opening of the Riverwind Hotel at the Riverwind Casino in the city of Norman by the Choctaw Nation of Oklahoma contributed to increased employment in this subsector, resulting in 400 new jobs.

2011 Through 2015

The Oklahoma City HMA economy began to expand again in earnest in 2011, and by mid-2012 it had surpassed prerecession payroll levels. Overall, from 2011 through 2015, nonfarm payrolls increased by an average of 12,700 jobs, or 2.1 percent, annually, to 630,400 jobs, with gains in nearly every sector. The wholesale and retail trade sector led gains, with an average annual increase of 2,300 jobs, or 2.8 percent. The opening of 11 new stores by Walmart Inc., primarily in growing suburban communities surrounding Oklahoma City, resulted in a combined 1,250 new jobs and contributed to job growth in this sector. The leisure and hospitality sector gained an average of 2,100 jobs, or 3.4 percent, annually. The popularity of the National Basketball Association team, the Oklahoma City Thunder, which had a local economic impact of more than \$60 million annually during this period (City of Oklahoma City), contributed to sector gains.

2016

Nonfarm payrolls declined during 2016 because of job losses stemming from a sharp drop in oil prices that began in 2014. During 2016, nonfarm payrolls decreased by 600 jobs, or 0.1 percent, to 629,800. Job losses were greatest in the mining and logging subsector, which decreased by 3,400, or 17.1 percent, to 16,500 jobs. Widespread layoffs at energy-related companies stemming from a decline in oil prices contributed to the decrease in this subsector, consequently diminishing oil production. West Texas Intermediate (WTI) crude oil, considered a benchmark for domestic oil pricing, declined from a price of \$107 per barrel in July 2014 to \$26 per barrel by February 2016 (Federal Reserve Bank of St. Louis). Job losses also occurred in the manufacturing sector, declining by 2,900, or 7.8 percent. More than one-fourth of job losses in this sector occurred in the mining and oil and gas field machinery manufacturing industry, which decreased by 760, or 28.4 percent. Partly offsetting nonfarm payroll losses were increases in jobs in the leisure and hospitality sector and the government sector, each gaining 2,000 jobs, or 2.9 and 1.6 percent, respectively. Local sports teams and several new recreation



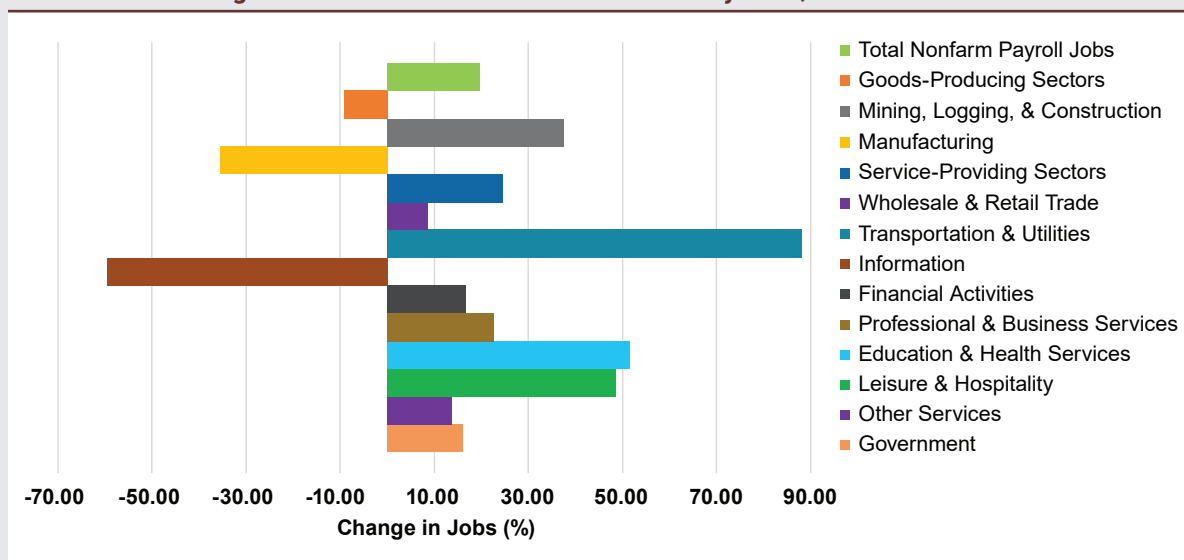
venues throughout the HMA contributed to gains in the leisure and hospitality sector. The opening of the 21c Museum Hotel in downtown Oklahoma City in July 2016 also contributed to an increase in jobs in the sector, resulting in approximately 140 new jobs. The 21c Museum Hotel, converted from the former Oklahoma City Ford Motor Company Assembly Plant in 2016, is listed with The National Register of Historic Places (National Park Service). An increase of nearly 1,000 aircraft maintenance personnel at Tinker AFB, to accommodate the greater workload assigned to the base, contributed to gains in the government sector.

2017 Through 2019

The HMA economy expanded from 2017 through 2019, with nonfarm payrolls increasing by an average of 10,400, or 1.6 percent, annually. The professional and business services sector led job growth during the period, with an average increase of 2,800, or 3.4 percent, annually. Job growth in the professional, scientific, and technical services subsector accounted for nearly 40 percent of the sector growth. During the period, the subsector increased by an average of 1,100, or 3.2 percent, annually. Contributing to job growth in the subsector were numerous business expansions and openings. CACI International Inc, which provides engineering and information support services for government agencies, expanded its operations in the city of Oklahoma City in 2018, resulting in 550 new jobs. Also contributing to growth in the subsector were 150 new jobs at Rural Sourcing, a computer software

design company that opened a new facility near downtown Oklahoma City in 2019. Job growth was also strong from 2017 through 2019 in the education and health services sector. During the period, the sector increased by an average of 2,000, or 2.2 percent, annually. Numerous hospital expansions throughout the HMA contributed to gains in the sector, including several new hospitals completed by INTEGRIS Health and Mercy, the fourth and seventh largest employers in the HMA, with 11,000 and 5,500 employees, respectively. The education and health services sector is currently the second largest job sector in the HMA and has increased by an average of 1,600 jobs annually since 2001, accounting for nearly one-third of nonfarm payroll growth in the HMA overall during the period. The transportation and utilities sector gained an average of 1,800 jobs, or 8.3 percent, annually from 2017 through 2019, partly because of two new fulfillment centers opened by Amazon.com, Inc., which resulted in a combined 1,750 new full-time jobs. Amazon.com, Inc. is the fifth largest employer in the HMA, with 8,000 employees. The transportation and utilities sector has grown at the fastest pace among all job sectors since 2001, increasing an average of 3.0 percent, or by 700 jobs, annually (Figure 3). Increased e-commerce contributed to gains in the sector from 2017 through 2019, but it also contributed to a decline in the wholesale and retail trade sector during the same period, which decreased by an average of 600 jobs, or 0.7 percent, annually.

Figure 3. Sector Growth in the Oklahoma City HMA, 2001 to Current



Notes: Military jobs are not included in these data. The current date is May 1, 2022.
Source: U.S. Bureau of Labor Statistics



Job Centers by County

Jobs in the HMA are primarily located in Oklahoma and Cleveland Counties. Jobs within Oklahoma County account for an estimated 74 percent of the total number of jobs within the HMA (U.S. Bureau of Labor Statistics, estimates by the analyst; Table 3). Oklahoma County includes the state capital, Tinker AFB, and the central business district in downtown Oklahoma City. Jobs in Cleveland County, where the OU main campus is located, account for an estimated 14 percent of the total number of jobs in the HMA. The remaining five counties, which include mostly suburban and rural areas, account for a combined 12 percent of the jobs in the HMA.

Unemployment Trends

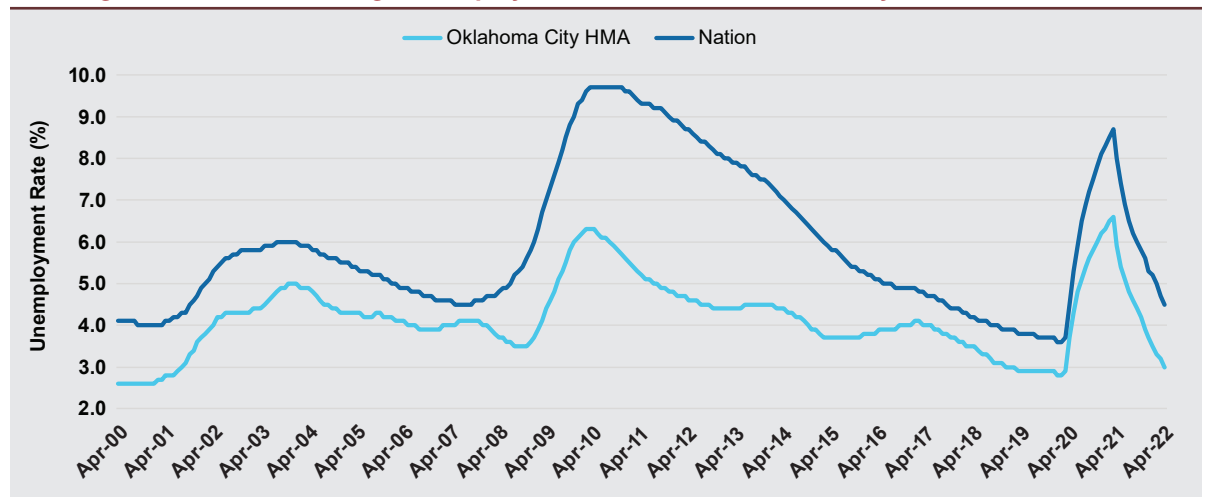
Since 2000, the relatively stable economy of the HMA has contributed to lower unemployment rates compared with national rates. From 2000 through 2008, the average annual unemployment rate in the HMA was 4.0 percent, compared with the 5.1-percent national rate (Figure 4). During 2009, the unemployment rate of the HMA increased as a result of the Great Recession to 6.1 percent, compared with 9.3 percent nationally. Despite significant job losses in the HMA during 2009, the labor force increased by 8,300, or 1.5 percent, compared with a decrease of 0.1 percent nationally. An influx of people who moved to the HMA from other areas of the nation for more employment opportunities contributed to the

Table 3. Current Estimated Percent Share of Nonfarm Payrolls in the Oklahoma City HMA, by County

Oklahoma County	74
Cleveland County	14
Canadian County	6
Grady County	2
McClain County	2
Lincoln County	1
Logan County	1

Note: Military jobs are not included in these data.
Sources: U.S. Bureau of Labor Statistics; estimates by the analyst

Figure 4. 12-Month Average Unemployment Rate in the Oklahoma City HMA and the Nation



Notes: Active duty military personnel are not included in these data. Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

increase in labor force in the HMA. From 2010 through 2019, the unemployment rate in the HMA fluctuated but generally declined to 2.9 percent by the end of 2019, compared with 3.7 percent nationally. Job growth during most years during the period contributed to the decrease in the unemployment rate in the HMA. Strong job growth in the HMA during the 12 months ending April 2022 contributed to an average

unemployment rate of 3.0 percent. By comparison, the average rate a year earlier was 5.9 percent, and the recent peak level of 6.6 percent occurred during the 12 months ending March 2021 as a result of widespread layoffs stemming from the impacts of COVID-19. Nationally, the unemployment rate during the 12 months ending April 2022 was 4.5 percent, down from a recent peak level of 8.7 percent during the 12 months ending March 2021.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 1.5 percent annually. Job growth is expected to be slower during the first year of the forecast period partly because of expected adverse impacts on the local economy from high inflation and increased interest rates. Job growth is expected to strengthen each year during the second and third year of the forecast period. Job growth is expected to be strong in several

sectors, including the professional and business services sector. Advanced Call Center Technologies, LLC announced in March 2022 plans to open a new office in the city of Norman. The office is expected to open in late 2022 and result in 770 new jobs in call center, back-office, and customer support operations. Job growth is also expected to be strong in the local government subsector and the leisure and hospitality sector. 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, indoor water park, amphitheater, lagoon, and a Native American art market. The development is expected to be completed by the spring of 2024 and employ 500 full-time workers. The venue is expected to result in an increase in tourism in the HMA, which will also benefit the leisure and hospitality sector.



Population and Households

Current Population: 1.46 Million

Population growth and net in-migration have occurred every year since 2000 in the Oklahoma City HMA, despite four local economic downturns occurring during the period.

Population Trends

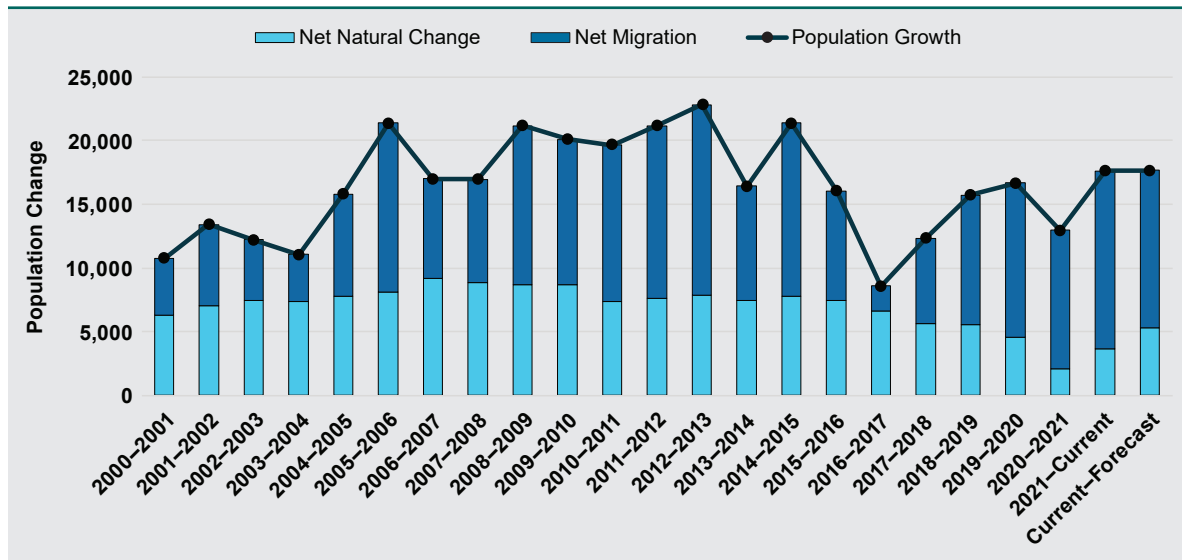
The current population of the Oklahoma City HMA is an estimated 1.46 million, reflecting an average increase of 16,850, or 1.3 percent, annually since 2010 (Table 4). During this period, net in-migration accounted for approximately 63 percent of the population growth. From 2000 to 2004, the HMA population increased by an average of 11,800 people, or 1.1 percent, annually (U.S. Census Bureau decennial census count and population estimates as of July 1; Figure 5). During the period, net in-migration accounted for only 40 percent of population growth, reflecting job losses in the HMA during 2002 and 2003. Job growth during the following period contributed to the population increasing from 2004 to 2008 by an average of 17,800, or 1.5 percent, annually, with net in-migration accounting for 52 percent of population growth. From 2008 to 2010, population growth in the HMA increased to an average of 20,750 people, or 1.7 percent, annually. During the period, net in-migration accounted

Table 4. Oklahoma City HMA Population and Household Quick Facts

Population Quick Facts	2010	Current	Forecast	
	Population	1,252,987	1,456,000	1,509,000
	Average Annual Change	15,750	16,850	17,650
	Percentage Change	1.4	1.3	1.2
Household Quick Facts	2010	Current	Forecast	
	Households	489,654	565,900	586,900
	Average Annual Change	6,000	6,300	7,000
	Percentage Change	1.3	1.2	1.2

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (May 1, 2022) to May 1, 2025. Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Oklahoma City HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (May 1, 2022) to May 1, 2025. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

for approximately 58 percent of the population growth, or 12,050 people annually, even though nonfarm payrolls significantly declined during much of the period. Job seekers were drawn to the HMA during that period because of the relatively low unemployment rate compared with the nation. From 2010 to 2016, the population of the HMA increased by an average of 19,600, or 1.5 percent, annually, mostly because of



an expanding economy during most of the period. Net in-migration averaged 11,950 people annually, accounting for 61 percent of growth. The economic downturn in the HMA in 2016 contributed to population growth slowing from 2016 to 2017 to an increase of 8,575 people, or 0.6 percent. During the period, net in-migration totaled 1,975 people, accounting for only 23 percent of the population growth. Net natural increase slowed also, to 6,600 people, compared with an average of 7,650 people annually during the previous 6 years. An increase in elderly residents, those ages 65 and older, contributed to the slower net natural increase. Job growth from 2017 through 2019 contributed to the population increasing from 2017 to 2020 by an average of 15,150, or 1.1 percent, annually. Net in-migration increased to an average of 9,550 people annually, accounting for 63 percent of population growth during the period. Net natural increase slowed further during the period, averaging 5,600 people annually, partly because of an increased portion of elderly residents. From 2020 to 2021, the population increased by an average of 12,750, or 0.9 percent, annually. Net in-migration remained strong, averaging 10,700 people annually and accounting for 84 percent of population growth. Net natural increase slowed to an average of 2,075 people annually, mostly because of a decrease in the number of births and an elevated number of deaths stemming from the effects of COVID-19. The recovering local economy and relatively low unemployment rates in the HMA contributed to net in-migration during the period. Since 2021, strong job growth and relatively low unemployment rates have contributed to the population increasing by an average of 17,600, or 1.2 percent, annually. During the period, net in-migration averaged an estimated 13,900 people annually and accounted for 79 percent of population growth. Net natural increase averaged an estimated 3,700 people annually, a faster pace compared with the previous period.

Population by Geography

Oklahoma County is the most populous county in the HMA, with a population of 798,600 as of July 1, 2021, accounting for 55 percent of the population of the HMA (Census Bureau population estimates as of July 1). Oklahoma County,

where the greatest portion of jobs in the HMA are located, also accounted for the greatest increase in the number of people from 2010 to 2021, up by an average of 7,100, or 0.9 percent, annually (U.S. Census Bureau decennial census counts and population estimates as of July 1). Cleveland and Canadian Counties are the second and third most populous counties, with populations in 2021 of 297,600 and 161,700, or 21 and 11 percent of the HMA population, respectively. Percentagewise, the population of Canadian County grew at the fastest pace and had the second greatest increase in the number of people from 2010 to 2021, averaging 2.5 percent, or 4,100, annually, with growth primarily in residential communities in areas barely west of the Oklahoma County line. The remaining four counties, which mostly consist of suburban and rural areas, account for a combined 13 percent of the HMA population.

Straddling three counties in the HMA, the city of Oklahoma City, with a population of 687,700 in 2021, is the most populous city in both the HMA and the state. Approximately 77 percent of the population of Oklahoma City reside in Oklahoma County, with the remainder in Canadian County to the west and in Cleveland County to the south. With 128,100 residents, the city of Norman in Cleveland County is the second most populous city in the HMA and third most populous in the state, behind the cities of Oklahoma City and Tulsa. The city of Edmond, north of Oklahoma City in Oklahoma County, is the third most populous city in the HMA, with an estimated 95,350 residents.

Migration Trends

Migration trends changed significantly among several counties in the HMA in 2021 compared with trends during the previous decade, mostly in response to the COVID-19 pandemic. From 2010 to 2020, Canadian County accounted for the greatest net in-migration, with an average of 3,125 residents annually, or 30 percent of the HMA total net in-migration. Cleveland and Oklahoma Counties accounted for 29 and 28 percent of the HMA net in-migration, with respective averages of 2,975 and 2,825 residents annually, while net in-migration among the remaining four counties averaged a combined 1,375, or 13 percent of the overall net in-migration in the HMA, each year. From



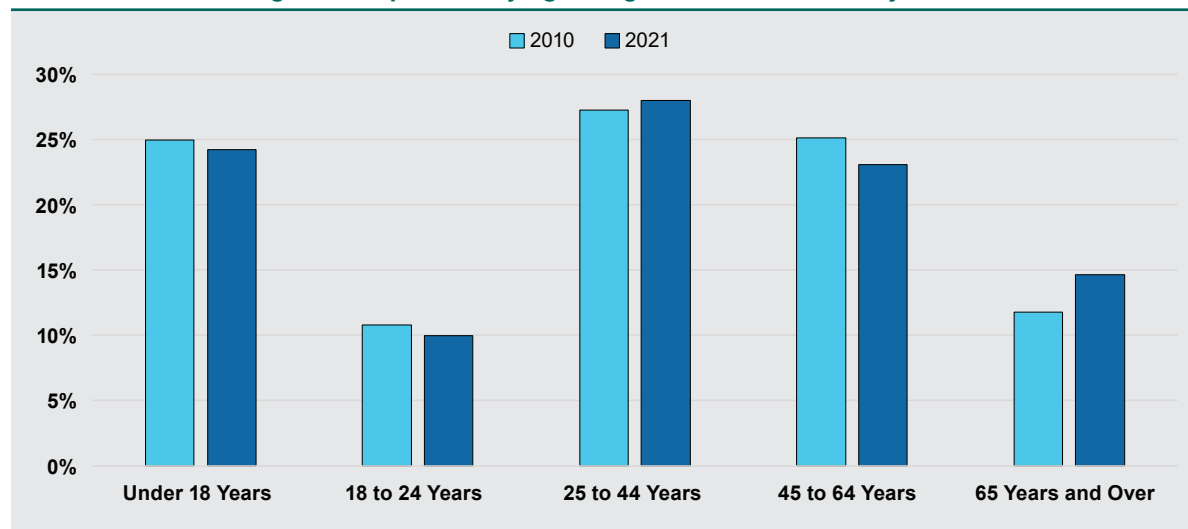
2020 to 2021, Canadian County continued to have the greatest net in-migration in the HMA, with an average of 5,625 residents annually, or 53 percent of the HMA total net in-migration. This level represented an 80-percent increase in net in-migration in the county, compared with the average annual net in-migration during the previous decade. Net in-migration in Grady, Lincoln, Logan, and McClain Counties totaled a combined average of 3,700 residents annually from 2020 to 2021, accounting for 35 percent of the HMA total net in-migration and representing a 170-percent increase in net in-migration compared with the previous decade. Net in-migration in Cleveland County, the second most populous county in the HMA, totaled 1,550 residents, a decrease of 48 percent compared with the previous decade, and net out-migration occurred in Oklahoma County. The recent increase in net in-migration to the five least populous counties was mostly due to an increased propensity to reside outside of the urban core areas following the onset of the COVID-19 pandemic. Increased opportunities for employees to telework from home also allowed many residents to reside in areas outside of the major employment centers in the HMA, which are located mostly in Cleveland and Oklahoma Counties.

Population by Age Cohort

Though the population among all age cohorts has increased in the HMA since 2010, the age cohort of 65 and older has grown at a

strong pace compared with the younger age cohorts, reflecting national trends. From 2010 to 2021, the population of residents in the HMA ages 65 and older increased an average of 3.2 percent annually, to 210,800, mostly the result of residents aging in place (U.S. Census Bureau decennial census counts and population estimates as of July 1). Nationally, the age cohort of 65 years and older increased an average of 3.0 percent annually from 2010 to 2021, by comparison. The number of residents in the HMA ages 25 to 44 increased an average of 1.5 percent annually, to 404,100, partly resulting from residents moving to the area for work. Those ages 18 and younger increased an average of 1.0 percent annually, to 349,800, and the age cohorts ages 18 to 24 and ages 45 to 64 each increased an average of 0.5 percent annually, to 143,600 and 333,300, respectively. The rate of population growth among residents in the HMA ages 65 and older resulted in the cohort accounting for a greater proportion of the total population in 2021, increasing to 14.6 percent, compared with 11.8 percent in 2010 (Figure 6). By comparison, the population of residents 65 years and older accounted for 16.8 percent of the population nationally in 2021, compared with 13.0 percent in 2010. Among the younger age cohorts in the HMA, those ages 25 to 44 represented the only other age cohort to have a greater portion of the total population in 2021, increasing to 28.0 percent compared with 27.3 percent in 2010. Residents ages 25 to 44 also represented the largest age cohort in the HMA both in 2010 and in 2021.

Figure 6. Population by Age Range in the Oklahoma City HMA



Source: U.S. Census Bureau



Household Growth Trends

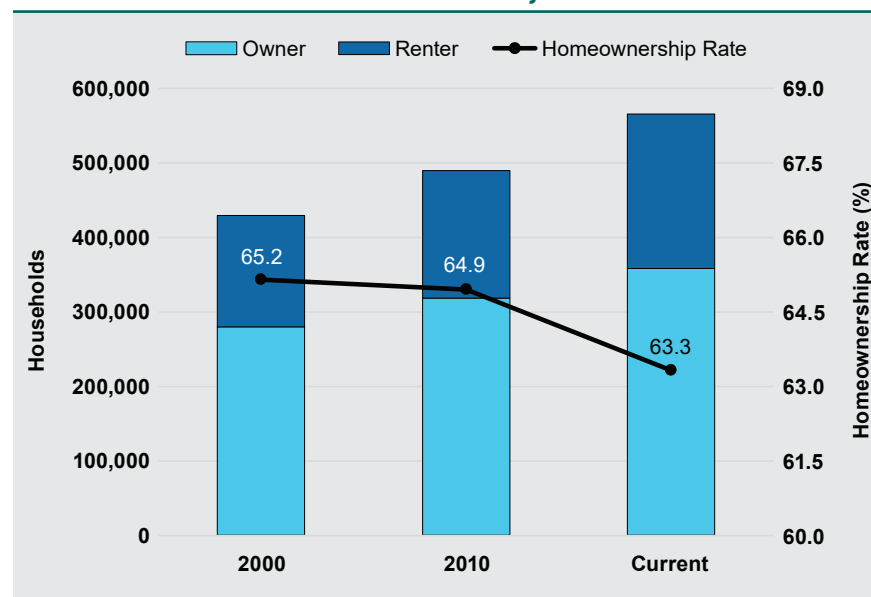
Household growth trends in the HMA since 2000 have generally followed population trends. The number of households in the HMA is currently an estimated 565,900, representing an average annual increase of 6,300 households, or 1.2 percent, since 2010, a slightly slower pace compared with population growth during the same period. By comparison, the number of households increased an average of 1.3 percent annually during the 2000s, also at a slightly slower pace compared with population growth, which averaged 1.4 percent annually during the period. The slightly slower rate in household growth since 2010 compared with the 2000s reflects a slower population growth rate during the same period. An increase in doubling up of households and a delay in new household formation in the late 2000s as a result of the Great Recession contributed to the slower pace in household growth compared with population growth. Similarly, the slightly slower pace in household growth compared with population growth since 2010 was partly because of a delay in new household formation for several months following the onset of the COVID-19 pandemic.

Households by Tenure

Since 2010, owner household growth has accounted for 53 percent of total household growth, compared with 63 percent during the 2000s. Tightened mortgage lending standards and an increased propensity to rent contributed to the decreased portion of new owner households since 2010, particularly during the early to mid-2010s. Job losses during 2010 also contributed to changes in the portion of new owner household formation since 2010. The current homeownership rate is an estimated 63.3 percent, down from 64.9 and 65.2 percent in 2010 and 2000, respectively (Figure 7).

Homeownership rates among the HMA counties are an estimated 58.9 percent in Oklahoma County, 63.7 percent in Cleveland County, and a range of 75.4 to 82.9 percent in the remaining five counties. Renter households in Oklahoma County account for an estimated 62 percent of renter households in the HMA, and Cleveland County accounts for approximately 20 percent of all renter

Figure 7. Households by Tenure and Homeownership Rate in the Oklahoma City HMA



Note: The current date is May 1, 2022.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

households. The remaining five counties account for a combined 18 percent of renter households in the HMA.

Military and Student Households

Tinker AFB and the 16 universities in the HMA have a notable impact on the local housing market. Military and student households currently total an estimated 23,650 households, accounting for 4 percent of all households in the HMA overall and 1 and 10 percent of owner and renter households, respectively. Tinker AFB provides on-base housing for unmarried military personnel in 14 dormitories consisting of a combined 950 beds and has approximately 650 privatized housing units for married military personnel and their families. The remaining military personnel and family members,

or approximately 3,850 households, of which an estimated 2,300 are renter households, reside off-base in the surrounding housing market, mostly in Oklahoma County. Combined, universities in the HMA provide on-campus housing for approximately 14,000 students, or 19 percent of the 73,400 students enrolled as of the fall 2021 semester. The remaining students make up an estimated 19,800 households, of which an estimated 18,600 are renter households; those students reside in the local housing market, primarily in Cleveland and Oklahoma Counties.

Forecast

During the forecast period, the population of the HMA is expected to increase by an average of 17,650, or 1.2 percent, annually. Net in-migration is expected to increase during the second and third years as the economy expands at a slightly faster pace compared with the first year. The number of households in the HMA is expected to increase by an average of 7,000, or 1.2 percent, annually during the forecast period, a similar pace compared with population growth.



Home Sales Market

Market Conditions: Tight

Increases in home sales during most years since 2010 and a significant decrease in the inventory of homes for sale have contributed to tighter sales market conditions in the Oklahoma City HMA compared with 2010.

Current Conditions

The home sales market in the HMA is currently tight, with an estimated vacancy rate of 1.4 percent (Table 5), down from 2.2 percent in April 2010, when conditions were soft. The home sales vacancy rate had decreased before the onset of the pandemic, partly because of increased home sales demand stemming from net in-migration each year and job growth during most years of the 2010s. During the past 2 years, home sales market conditions have tightened further partly because of a significant decline in the number of homes available for sale. During April 2022, the number of available homes for sale represented a 1.6-month supply, down from 1.8 months a year earlier and from 3.1 months in April 2020 (Zillow Group). By comparison, the supply of homes available for sale was 6.7 months in April 2010. Tighter home sales market conditions during the past 2 years have also been due to increased home sales demand stemming partly from low mortgage interest rates during most of the period. Though the average interest rate for a

Table 5. Home Sales Quick Facts in the Oklahoma City HMA

	Oklahoma City HMA	Nation
Vacancy Rate	1.4%	NA
Months of Inventory	1.6	1.6
Total Home Sales	37,200	7,290,000
1-Year Change	0%	1%
New Home Sales Price	\$316,500	\$447,700
1-Year Change	12%	13%
Existing Home Sales Price	\$220,500	\$387,900
1-Year Change	18%	16%
Mortgage Delinquency Rate	2.0%	1.5%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending April 2022; and months of inventory and mortgage delinquency data are as of April 2022. The current date is May 1, 2022.

Sources: Vacancy rate—estimate by the analyst; national months of inventory—CoreLogic, Inc.; HMA months of inventory—Zillow Group; HMA and national home sales and prices—CoreLogic, Inc.

30-year fixed-rate mortgage reached 5.0 percent during April 2022, the average rate was 3.0 and 3.1 percent during 2021 and 2020, representing the lowest and second lowest average rates for any year during the past 50 years, respectively (Freddie Mac). Increased investment purchases recently have also contributed to tighter home sales market conditions in the HMA. During the first quarter of 2022, investment purchases accounted for 24.7 percent of home sales, up from 21.9 percent a year earlier and from 16.6 percent during 2010 (John Burns Real Estate Consulting).

Current Home Sales and Prices

During the 12 months ending April 2022, new and existing home sales totaled 37,200 homes in the Oklahoma City HMA (CoreLogic, Inc.). That number was unchanged compared with a year earlier, when home sales increased 5 percent from the previous year and were at that time at the highest level of home sales for any 12-month period since February 2007—prior to the worst of the housing market crisis. The average home sales price during the 12 months ending April 2022 was \$234,200, representing an increase of \$32,500, or 16 percent, the greatest increase in the average home price since at least 2001. By comparison, the average home price increased 11 percent during the 12 months ending April 2021. The decrease in inventory of homes available for sale placed upward pressure on home prices, which contributed to strong increases in the average home price during the past 2 years. New home sales decreased 5 percent to 5,275 during the 12 months ending April 2022, compared with a 20-percent



increase a year earlier. The average price for a new home increased 12 percent, to \$316,500, compared with a 4-percent increase a year earlier. Existing home sales increased 1 percent to 31,900 homes, a slightly slower pace compared with a gain of 2 percent a year earlier. The average existing home price increased 18 percent, to \$220,500, compared with an 11-percent increase a year earlier. Distressed home sales accounted for only 1.3 percent of existing home sales during the 12 months ending April 2022, down from 2.0 percent a year earlier and down from a peak level of 12.5 percent during the 12 months ending June 2011.

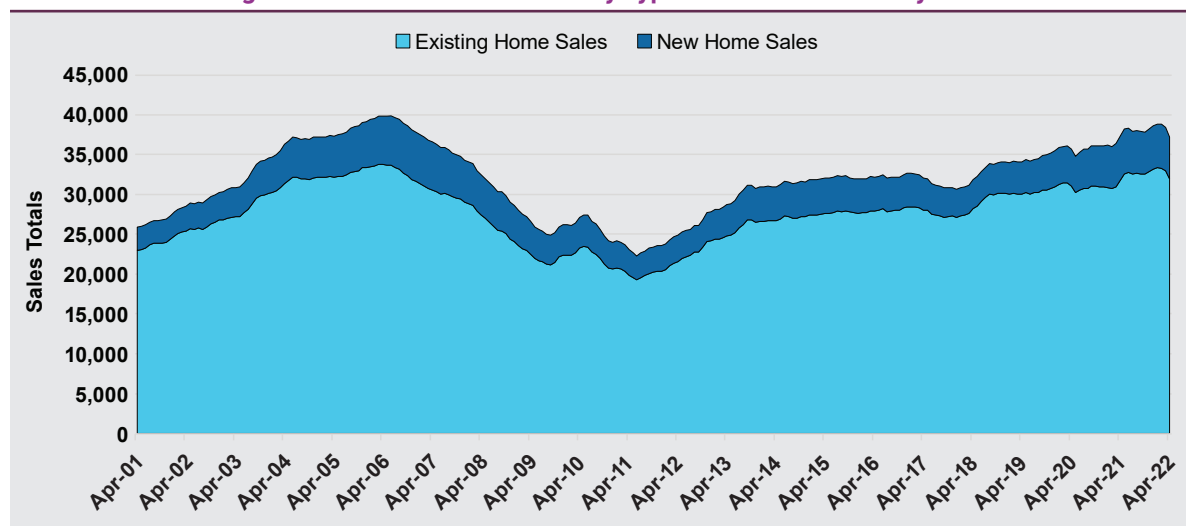
Housing Affordability: Sales

Despite having tight home sales market conditions and rising home prices, the Oklahoma City HMA remains among the most affordable areas to buy a home in the nation. The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index for the Oklahoma City HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 77.5 during the first quarter of 2022, down slightly from 80.6 during the first quarter of 2021 and lower than a peak level of 83.3 during the first quarter of 2012. The HMA was the 74th most affordable metropolitan area in the nation during the first quarter of 2022 among the 240 areas ranked during the period.

Home Sales Trends

New and existing home sales in the HMA increased an average of 8 percent annually from 2001 through 2005 to reach 39,150 homes sold (Figure 8). Relaxed mortgage lending standards and relatively affordable home prices, combined with job growth during most years during that period, contributed to net in-migration and rising demand for homes for sale. From 2006 through 2011, however, home sales declined by an average of 2,600, or 8 percent, annually, to 23,600 homes sold, mostly because of tighter mortgage lending standards, the national housing crisis, and the economic downturn in the HMA. New and existing home sales increased significantly during 2012 and 2013 because of strong job and population growth. During this period, home sales increased by an average of 3,650, or 14 percent, annually, to 30,900 homes sold. From 2014 through 2016, home sales activity moderated, increasing an average of 2 percent annually, before declining 6 percent during 2017 to 30,650 homes. Contributing to slowing home sales from 2014 through 2016 and the decline during 2017 were a local economic downturn that occurred during 2016 and a relatively low level of net in-migration from 2016 to 2017. Job growth and stronger net in-migration contributed to home sales increasing during 2018 and 2019 by an average of 2,425, or 8 percent, annually, to 35,500.

Figure 8. 12-Month Sales Totals by Type in the Oklahoma City HMA



Source: CoreLogic, Inc.



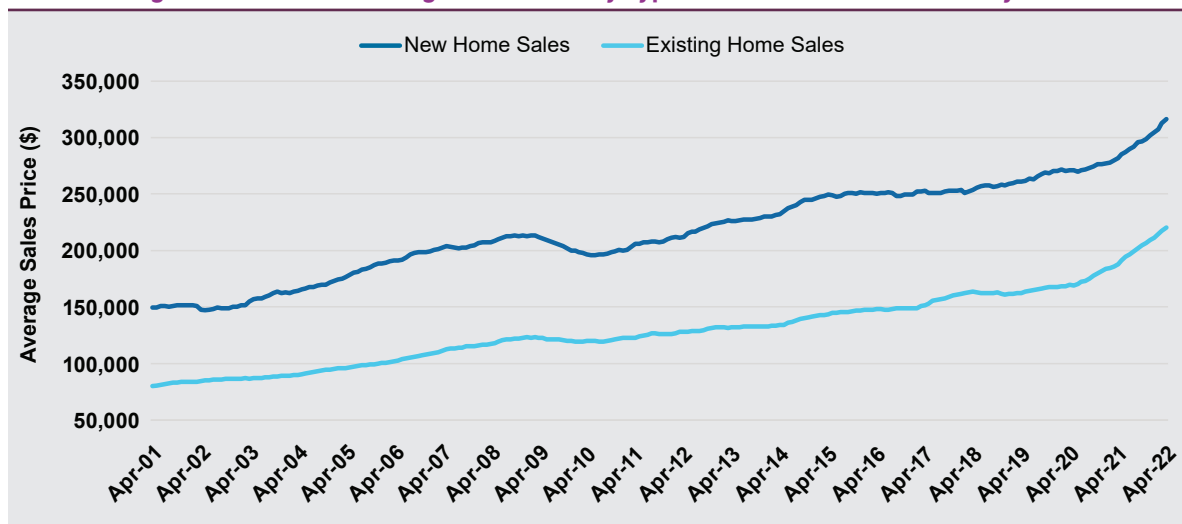
Home Sales Price Trends

New and existing home sales prices increased nearly every year from 2001 through 2019 (Figure 9), albeit moderately compared with home price growth during the past 2 years. The average home price increased an average of 6 percent annually from 2001 through 2008 to \$137,000. During 2009, the average home price declined 4 percent, to \$131,600, partly because of decreased home sales demand stemming from the local economic downturn. From 2010 through 2019, the average price for a home increased each year, averaging 3 percent annually, to \$180,900. Job growth during most years and net in-migration each year of the period contributed to the increase.

New Home Sales Trends by Geography

New home sales trends have changed among counties in the HMA since 2020 compared with the previous 2 decades, mirroring migration trends during the COVID-19 pandemic. From 2000 through 2019, Oklahoma County accounted for 47 percent of new home sales, whereas Cleveland and Canadian Counties accounted for 26 and 19 percent of all new home sales, respectively. New home sales in the remaining four counties accounted for a combined 8 percent of all new home sales during this period. Since 2020, the greatest portion of new homes sold in the HMA has occurred in Canadian County, with

Figure 9. 12-Month Average Sales Price by Type of Sale in the Oklahoma City HMA



Source: CoreLogic, Inc.

39 percent, more than twice the portion compared with the previous 2 decades. Oklahoma County has had the second greatest portion of new home sales in the HMA, with 36 percent, a significant decrease in the portion compared with 2000 through 2019. The portion of new home sales in Cleveland County has decreased to only 9 percent, or nearly one-third the portion compared with the previous 2 decades, whereas the combined portion of new home sales in the remaining four counties has doubled compared with 2000 through 2019, to 16 percent. Contributing to the increase of new home sales in the five least populous counties since 2020 has been an increased suburban appeal among homebuyers, partly because of increased opportunities for many residents to work remotely and because of an increased preference to reside outside of the urban core areas since the onset of COVID-19.

Delinquent Mortgages and REO Properties

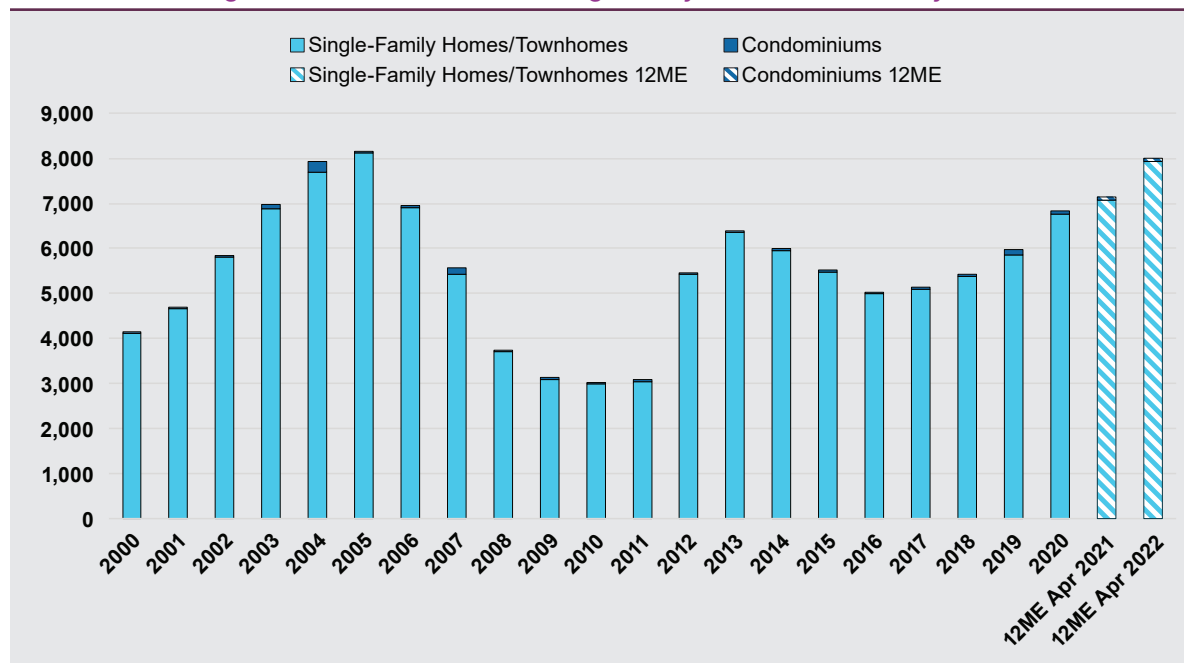
In April 2022, 2.0 percent of home loans in the Oklahoma City HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status; that percentage is down from 4.1 percent a year earlier and below the 5.1-percent peak rate in January 2010 (CoreLogic, Inc.). The percentage of seriously delinquent mortgages and REO properties increased significantly during the early stages of 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 April 2021, home loans that were 90 or more days delinquent had increased 233 percent compared with a year earlier, but the numbers of home loans that were in foreclosure and in REO status were down 39 and 64 percent, respectively, partly because of a national moratorium on foreclosures for federally backed mortgages that was in place until September 2021. Improved local economic conditions contributed to the decrease in the percentage of seriously delinquent mortgages and REO properties in April 2022 compared with a year earlier.

Sales Construction Trends

Home sales construction activity, as measured by the number of building permits issued for sales housing, which includes single-family homes, townhomes, and condominiums, was strong in the HMA from 2001 through 2005, when homebuilding increased an average of 15 percent annually, peaking at 8,150 homes permitted in 2005 (Figure 10). Strong home sales demand, stemming from relaxed mortgage lending standards and relatively affordable home prices, combined with job and population growth, were the primary reasons for increased homebuilding. Home construction activity declined an average of 21 percent annually from 2006 through 2009 because of tightening lending standards and, by 2009, a contracting local economy. During

Figure 10. Annual Sales Permitting Activity in the Oklahoma City HMA



12ME = 12 months ending.

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

2010 and 2011, home construction activity remained relatively stable, decreasing an average of 1 percent annually to approximately 3,100 homes permitted. Increased home sales demand stemming from job growth contributed to homebuilding increasing an average of 44 percent annually during 2012 and 2013 to 6,375 homes permitted. Also contributing to the increase in homebuilding during the period were permits issued to replace 1,600 homes destroyed during a tornado outbreak that occurred in late May 2013. From 2014 through 2016, homebuilding activity slowed slightly, declining an average of 8 percent annually to 5,025 homes permitted, partly because fewer replacement homes were needed. The local economic downturn during 2016 also contributed to decreased homebuilding during the period. Home construction activity increased 2 percent during 2017 before increasing an average of 8 percent annually during 2018 and 2019 to 5,950 homes permitted. Relatively strong home sales demand stemming from an expanding local economy and increased net in-migration contributed to the increase in homebuilding during 2018 and 2019.



Current Sales Construction Activity

Strong home sales demand in the HMA has contributed to an increase in home construction activity during the past 2 years. During the 12 months ending April 2022, homebuilding increased 12 percent to 8,000 homes permitted, compared with a 16-percent increase a year earlier (preliminary data). There are currently an estimated 5,250 homes under construction in the HMA. Construction is currently underway 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, construction is underway 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.

Forecast

Demand is expected for 20,150 new homes in the HMA during the next 3 years (Table 6). New home sales demand is expected to increase slightly each year of the forecast period, partly because of increasing employment and net in-migration during the second and third years. The 5,250 homes currently under construction will meet part of the demand during the first year.

Table 6. Demand for New Sales Units in the Oklahoma City HMA During the Forecast Period

Sales Units	
Demand	20,150 Units
Under Construction	5,250 Units

Note: The forecast period is from May 1, 2022, to May 1, 2025.
Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

Job growth during most years and net in-migration every year since 2010 have contributed to currently balanced rental market conditions compared with soft conditions in 2010.

Current Conditions

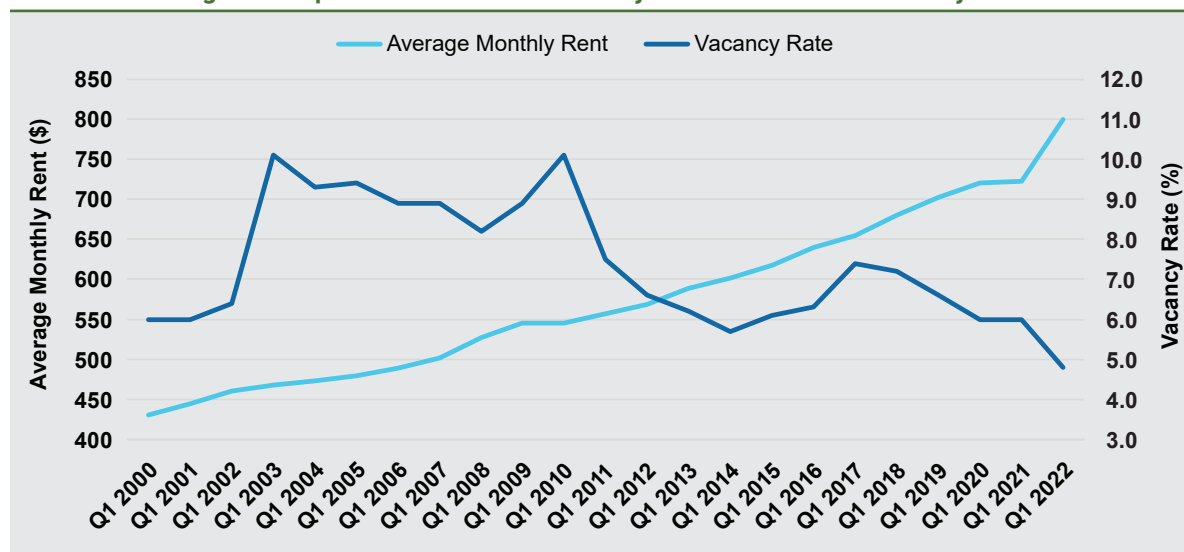
The rental housing market in the Oklahoma City HMA is balanced, with a current overall rental vacancy rate estimated at 8.5 percent (Table 7). Rental market conditions have improved since April 2010, when the rental vacancy rate was 10.4 percent and conditions were soft. The apartment rental market is also currently balanced, having improved since 2010 when conditions were soft. The average apartment vacancy rate during the first quarter of 2022 was 4.8 percent, down from 6.0 percent during both the first quarters of 2020 and 2021 and well below the 10.1-percent rate during the first quarter of 2010 (Moody’s Analytics REIS; Figure 11). In 2019, occupied single-family rental homes in the HMA accounted for an estimated 47.6 percent of the total number of occupied rental units (2019 American Community Survey [ACS] 1-year data). Single-family rental home vacancy rates are often higher than apartment vacancy rates, partly because amenities and services—such as clubhouses, swimming pools, and lawn service—are typically offered at

Table 7. Rental Market Quick Facts in the Oklahoma City HMA

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	10.4
Occupied Rental Units by Structure	2010 (%)	2019 (%)
	Single-Family Attached & Detached	47.6
	Multifamily (2–4 Units)	11.2
	Multifamily (5+ Units)	36.6
	Other (Including Mobile Homes)	4.6

Notes: The current date is May 1, 2022. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data

Figure 11. Apartment Rents and Vacancy Rates in the Oklahoma City HMA



Q1 = first quarter.
Source: Moody’s Analytics REIS

apartments but not at single-family rental homes. Also contributing to a higher single-family rental vacancy rate in the HMA is the higher portion of relatively old single-family rental homes. An estimated 34 percent of occupied single-family renter homes in the HMA were built before 1960, compared with only 6 percent of renter-occupied apartments with five or more units per structure. The average apartment rent



during the first quarter of 2022 increased 11 percent from a year earlier to \$800, compared with no change in the average rent a year earlier (Moody's Analytics REIS). The current level of rent growth in the HMA represents the fastest pace since 1982. Contributing to the decrease in the current average apartment vacancy rate and strong rent growth during the past year was a recovering local economy and strong net in-migration. A limited inventory of homes for sale and strong home price growth have also contributed to the decline in the average apartment vacancy rate and strong apartment rent growth during the past year. Despite the recent surge in apartment rent growth, the average apartment rent in the HMA during the first quarter of 2022 was the second lowest average apartment rent among 82 primary market areas covered by Moody's Analytics REIS, a ranking held by the HMA during the past 2 decades.

Current Apartment Conditions by Class and Geography

The average vacancy rate for class A apartments during the first quarter of 2022 decreased in the HMA 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. The average apartment vacancy rates in the HMA 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. The average apartment vacancy rates during the first quarter of 2022 at properties within 2 miles of OU, the largest university in the HMA, and the University of Central Oklahoma (UCO), which is located in the city of Edmond and is the second largest university, were 3.4 and 5.6 percent, respectively. The average apartment rents near OU and UCO were \$888 and \$766, up 8 and 7 percent from a year earlier, respectively. The average apartment vacancy rate

at properties within 2 miles of Tinker AFB was 8.8 percent, and the average rent for an apartment in that area increased 7 percent to \$850.

Apartment Vacancy Trends

Apartment market conditions in the HMA were soft during most of the 2000s. The average apartment vacancy rate was 6.0 percent during each of the first quarters of 2000 and 2001, the lowest levels during the decade. Job declines in the HMA during 2002 and 2003 contributed to an increase in the average apartment vacancy rate to 10.1 percent by the first quarter of 2003. The average apartment vacancy rate decreased to 9.3 percent by the first quarter of 2004 before increasing slightly to 9.4 percent by the first quarter of 2005. Overbuilding of apartments, combined with strong competition from the home sales market, contributed to the continued high average apartment vacancy rates in the first quarters of 2004 and 2005. By the first quarter of 2006, the average apartment vacancy rate had decreased slightly to 8.9 percent. The average rate remained at 8.9 percent as of the first quarter of 2007, before decreasing to 8.2 percent by the first quarter 2008. A decrease in rental construction activity during 2006 and 2007, combined with diminished competition from the home sales market, contributed to the general decline in the average apartment vacancy rate from the first quarter of 2006 through the first quarter of 2008. Between the first quarter of 2009 and the first quarter of 2010, the average apartment vacancy rate increased to reach 10.1 percent, mostly because of the economic downturn that began in 2009. From the first quarter of 2011 through the first quarter of 2014, the average apartment vacancy rate declined to 5.7 percent. Contributing to the decrease during the period was a growing local economy beginning in 2011, which drew residents to the HMA and subsequently increased demand. An increased preference to rent among residents during the period also contributed to the decrease in the average apartment vacancy rate. From the first quarter of 2015 through the first quarter of 2017, the apartment vacancy rate increased to 7.4 percent. The local economic downturn that occurred during 2016 contributed to softening apartment market conditions. Relatively strong job growth during 2018 and 2019



contributed to the average apartment vacancy rate declining between the first quarter of 2018 and the first quarter of 2019 to reach 6.6 percent.

Apartment Rent Growth Trends

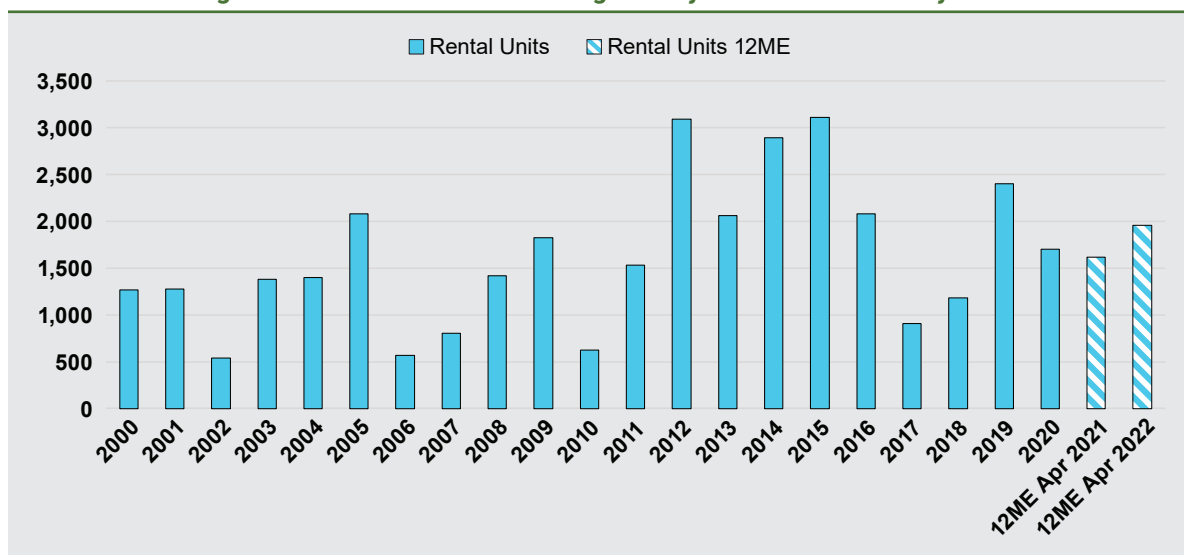
Changes in the average apartment rent in the HMA were relatively stable from the first quarter of 2001 through the first quarter of 2019, mostly regardless of changes in either apartment supply or demand. During the period, the average apartment rent increased an average of 3 percent annually to \$702. Year-over-year changes in the average rent during the period ranged from no change from the first quarter of 2009 through the first quarter of 2010 to a 5-percent increase from the first quarter of 2007 through the first quarter of 2008. The local economic downturn during 2009 and 2010 contributed to the flat rent growth from the first quarter of 2009 through the first quarter of 2010. The increased rent growth from the first quarter of 2007 through the first quarter of 2008 was partly because of slightly improved apartment market conditions, reflected by a decrease in the average apartment vacancy rate, and because an estimated 780 class A apartment units, which typically command relatively higher rents, were completed during the same period.

Rental Construction Activity Trends

Rental construction activity in the Oklahoma City HMA, as measured by the number of rental units

permitted, has fluctuated since 2000. During 2000 and 2001, rental construction activity averaged 1,275 units annually before slowing to 540 units during 2002 (Figure 12). Rental construction activity averaged 1,625 units annually from 2003 through 2005, despite relatively high average apartment vacancy rates during the period. During 2006 and 2007, rental construction activity slowed to an average of 690 units annually, reflecting overbuilding that had occurred during the previous period. During 2008 and 2009, rental construction activity averaged 1,625 units annually as housing construction shifted to rental product due to weakening sales market conditions. About one-third of the rental construction activity during the period occurred in the cities of Norman and Edmond, near OU and UCO, respectively. The local economic downturn and an increase in the average apartment vacancy rate contributed to rental construction activity slowing to 620 units during 2010. From 2011 through 2016, rental construction activity fluctuated but increased overall, averaging 2,450 units built annually, as builders responded to declines in the average apartment vacancy rate during the earlier years of the period. The local economic downturn during 2016 and an increase in the average apartment vacancy rate by the first quarter of 2017 contributed to a

Figure 12. Annual Rental Permitting Activity in the Oklahoma City HMA



12ME = 12 months ending.
 Note: Includes apartments and units intended for rental occupancy.
 Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



decrease in rental construction activity during 2017, when only 900 units were permitted. During 2018 and 2019, rental construction activity increased an average of 63 percent annually, to reach 2,400 units, as builders responded to job growth and a decrease in the average apartment vacancy rate during the period.

New Rental Construction Activity

During the 12 months ending April 2022, rental construction activity in the HMA increased 20 percent to an estimated 1,950 units, compared with a 24-percent decrease a year earlier (preliminary data, with adjustments by the analyst). A decline in the average apartment vacancy rate and strong rent growth contributed to the increase in rental construction activity during the past year. There are currently an estimated 2,175 rental units under construction and 270 units in final planning. Among the units underway are those at BroadVue Apartments, an apartment community in the city of Oklahoma City, approximately 7 miles north of downtown that began construction in February 2022. The development is expected to include 323 market-rate units, with rents expected to be \$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, which opened in April 2022, also includes a 146-room Autograph Collection hotel and numerous restaurants and bars. 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 penthouse unit, totaling nearly 3,500 square feet, is offered for \$11,590 per month.

Forecast

During the forecast period, demand is estimated for 5,100 new rental units in the HMA (Table 8). Demand is expected to increase slightly in the second and third years of the forecast period because of greater net in-migration. The 2,175 units currently under construction and an additional 270 units in final planning stages are expected to satisfy a portion of demand.

Table 8. Demand for New Rental Units in the Oklahoma City HMA During the Forecast Period

Rental Units	
Demand	5,100 Units
Under Construction	2,175 Units

Note: The forecast period is May 1, 2022, to May 1, 2025.

Source: Estimates by the analyst



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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Include resales, short sales, and REO sales, where resales are home closings that have no ties to either new home closings (builders) or foreclosures and were previously constructed and sold to an unaffiliated third party.
Forecast Period	5/1/2022–5/1/2025—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.



Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
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.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	The NAHB/Wells Fargo Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.



D. Photo/Map Credits

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