COMPREHENSIVE HOUSING MARKET ANALYSIS

Tulsa, Oklahoma

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

As of May 1, 2023

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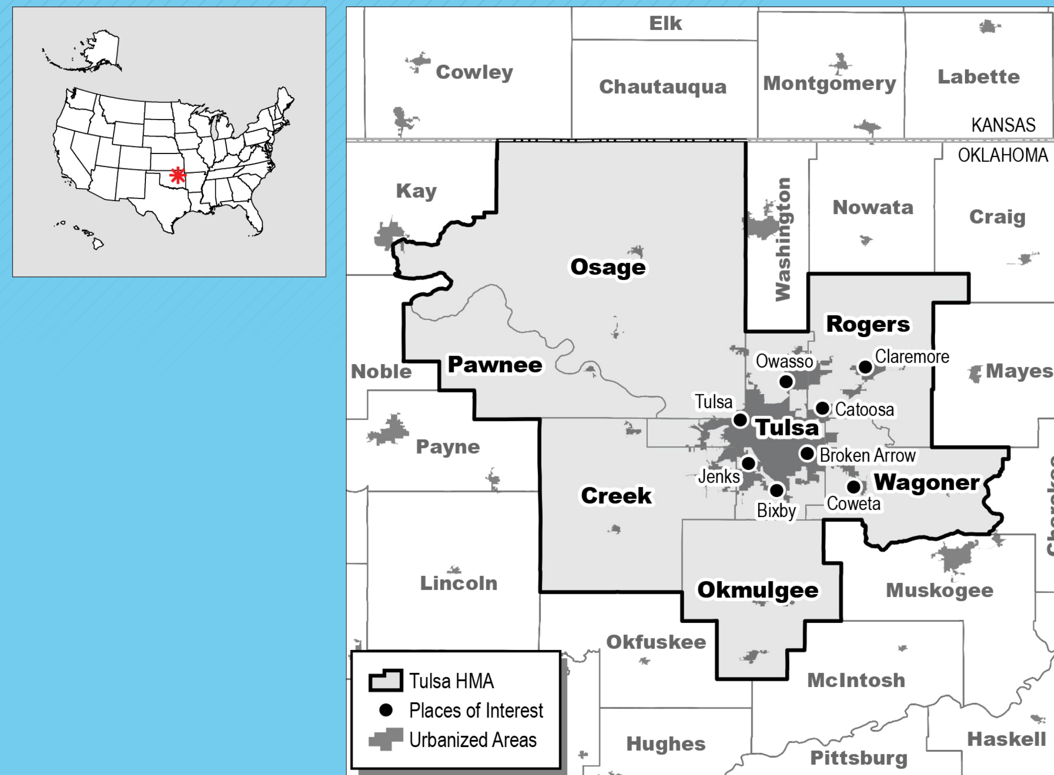
Executive Summary

Housing Market Area Description

The Tulsa Housing Market Area (HMA), coterminous with the Tulsa, OK Metropolitan Statistical Area (MSA), includes Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner Counties and is located at the foothills of the Ozark Mountains in northeastern Oklahoma. Once known as "the oil capital of the world," the HMA remains a significant hub for the energy industry; however, the economy has become more diversified during the past two decades, partly because of the increased presence of the healthcare- and aerospace-related industries.

The current population of the HMA is estimated at 1.04 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

Improving: During the 12 months ending April 2023, nonfarm payrolls in the Tulsa HMA increased by 9,900, or 2.2 percent, to 455,700 jobs, following a 2.4-percent increase a year earlier.

The HMA economy has yet to fully recover from severe job losses that occurred during the spring of 2020 from the COVID-19 pandemic. Nonfarm payrolls during the 12 months ending April 2023 were 1.5 percent below the prepandemic peak level that occurred during the 12 months ending February 2020. During the past year, nonfarm payrolls increased in 9 of 11 sectors. The professional and business services and the leisure and hospitality sectors led job growth, with combined gains that accounted for nearly one-half of the total increase in nonfarm payrolls during the period. During the 3-year forecast period, nonfarm payrolls are expected to surpass the previous peak and increase an average of 1.5 percent annually.

Sales Market

Slightly Tight: The HMA had a 1.8-month supply of homes for sale in April 2023, up from 1.1 months a year earlier, when conditions were tight (CoreLogic, Inc.).

The home sales vacancy rate is currently estimated at 1.6 percent, down from 2.3 percent in April 2010 and 1.8 percent in April 2020. The current supply of homes for sale is down from 2.6 months in April 2020 and down considerably compared with April 2010, when the supply of homes for sale was 6.8 months. During the 12 months ending April 2023, new and existing home sales in the HMA totaled 20,600, down 22 percent from a year ago, compared with a 9-percent increase a year earlier. The average price for a home increased 6 percent to $245,900 compared with a near-record increase of 13 percent a year earlier. During the next 3 years, demand is estimated for 10,950 new homes. The 1,950 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 11.0 percent in 2010 and 10.0 percent in 2020.

Rental market conditions are balanced in the HMA as of May 1, 2023, compared with soft conditions in April 2010 and slightly soft conditions in April 2020. The apartment market is also balanced, with an apartment vacancy rate of 7.1 percent as of the first quarter of 2023, up from 5.1 percent a year earlier but down from 9.9 and 8.2 percent during the first quarters of 2010 and 2020, respectively (CoStar Group). The average apartment rent as of the first quarter of 2023 increased 3 percent to $931 compared with a record level increase of 12 percent a year earlier. During the forecast period, demand is estimated for 3,900 new rental units. The 2,700 units currently under construction and 490 units in final planning are expected to satisfy demand during the first 2 years of the forecast period.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Tulsa HMA	Total Demand	10,950	3,900
	Under Construction	1,950	2,700

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, 2023. The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Education and Health Services

Nonfarm payroll gains in the education and health services sector have accounted for 47 percent of the total job growth in the HMA since 2001.

Primary Local Economic Factors

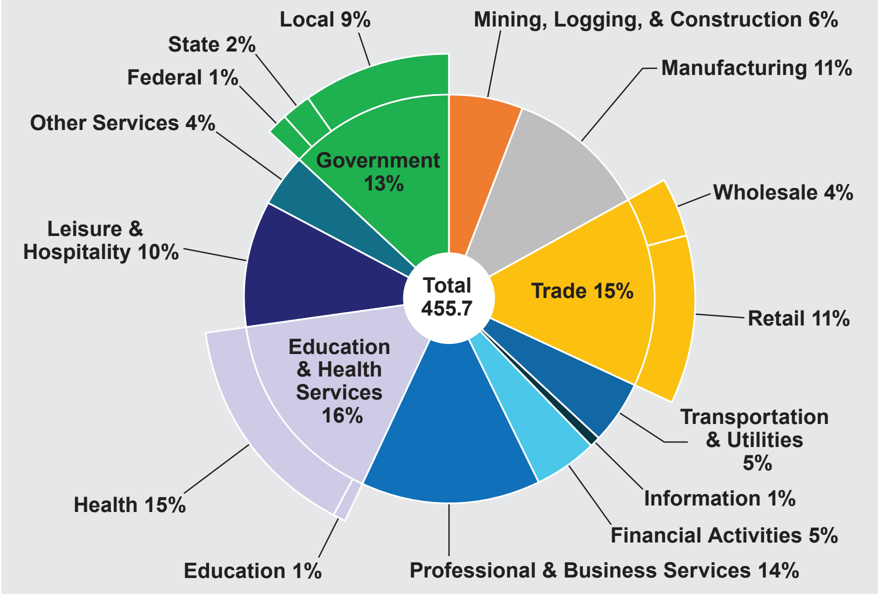
The healthcare industry has a significant economic impact on the HMA. Three of the four largest employers in the HMA—Saint Francis Health System, St. John Health System, and Hillcrest HealthCare System—are in the healthcare industry, with a combined 23,500 employees (Table 1). The education and health services sector, with 72,600 jobs during the 12 months ending April 2023, is the largest job sector, accounting for 16 percent of nonfarm payrolls (Figure 1). The sector has also increased by the greatest number of jobs since 2001 (Figure 2). The energy industry also has a strong economic impact on the HMA, accounting for 18 percent of jobs across multiple job sectors and subsectors, including the mining and logging subsector, the manufacturing sector, and the professional and business services sector (Tulsa Regional Chamber). The HMA economy also

Table 1. Major Employers in the Tulsa HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Saint Francis Health System	Education & Health Services	10,000
Walmart Inc.	Wholesale & Retail Trade	7,300
St. John Health System	Education & Health Services	7,000
Hillcrest HealthCare System	Education & Health Services	6,500
American Airlines, Inc.	Transportation & Utilities	4,800
City of Tulsa	Government	3,600
Macy's, Inc.	Transportation & Utilities	3,500
Amazon.com, Inc.	Transportation & Utilities	3,000
BOK Financial Corporation	Financial Activities	2,700
Tulsa County	Government	1,900

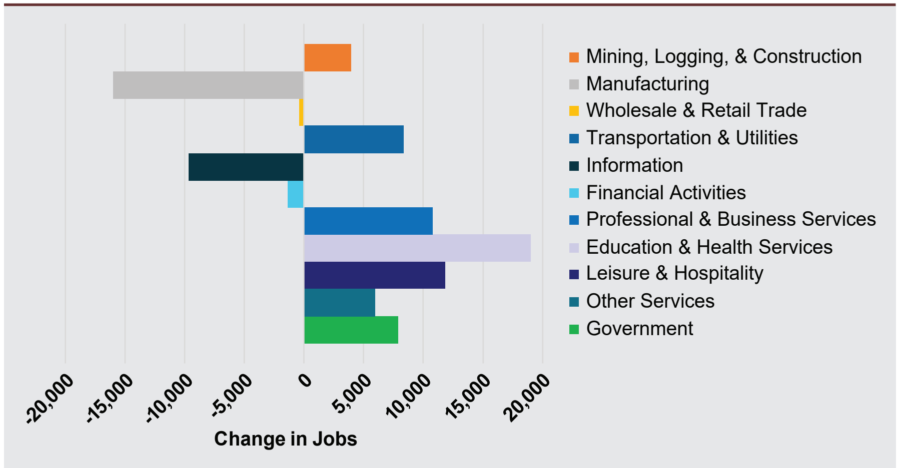
Note: Excludes local school districts.
Sources: Oklahoma Department of Commerce; Tulsa County; Tulsa World; local chambers of commerce; local employers

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



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through April 2023.
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Tulsa HMA, 2001 to Current



Note: The current date is May 1, 2023.
Source: U.S. Bureau of Labor Statistics

benefits from activities related to the aerospace industry, which accounts for 13 percent of all jobs and has an annual economic impact of $11.7 billion on the HMA (Oklahoma Aeronautics Commission). The impact of the aerospace industry spans multiple job sectors in the HMA, including the manufacturing and the transportation and utilities sectors. American Airlines, Inc., is the fifth largest employer in the HMA and contributes to jobs in the transportation and utilities sector. Approximately 4,800 employees work at the American Airlines, Inc., maintenance facility in the city of Tulsa, where workers perform maintenance and repairs as well as jet engine, brake, and wheel overhaul work on aircraft owned by the corporation.

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

	12 Months Ending April 2022	12 Months Ending April 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**445.8**	**455.7**	**9.9**	**2.2**
Goods-Producing Sectors	75.5	77.1	1.6	2.1
Mining, Logging, & Construction	28.4	28.7	0.3	1.1
Manufacturing	47.2	48.4	1.2	2.5
Service-Providing Sectors	370.2	378.6	8.4	2.3
Wholesale & Retail Trade	65.5	66.1	0.6	0.9
Transportation & Utilities	22.5	22.3	-0.2	-0.9
Information	5.5	5.4	-0.1	-1.8
Financial Activities	23.0	23.6	0.6	2.6
Professional & Business Services	62.0	64.7	2.7	4.4
Education & Health Services	71.4	72.6	1.2	1.7
Leisure & Hospitality	43.9	46.1	2.2	5.0
Other Services	19.6	20.5	0.9	4.6
Government	56.8	57.4	0.6	1.1

Notes: Based on 12-month averages through April 2022 and April 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

Current Conditions—Nonfarm Payrolls

During the 12 months ending April 2023, nonfarm payrolls in the HMA increased by 9,900, or 2.2 percent, to 455,700 (Table 2) compared with a 2.4-percent increase a year earlier. Despite strong job growth in the HMA during the past 2 years, the local economy has yet to recover from the decline of 44,900 jobs, or 9.8 percent (not seasonally adjusted), that occurred during April 2020 when measures were implemented by local municipalities to slow the spread of COVID-19. During the 12 months ending April 2023, nonfarm payrolls remained 7,000 jobs, or 1.5 percent, below the prepandemic peak level that occurred during the 12 months ending February 2020. Nonfarm payroll growth occurred during the past year in 9 of the 11 job sectors, led by the professional and business services sector, which increased by 2,700 jobs, or 4.4 percent, compared with a 4.8-percent increase a year earlier. Contributing to gains in the sector during the past year was the opening of a new customer service center by RadNet, Inc., which resulted in 500 new jobs. RadNet, Inc., provides diagnostic imaging services nationally. Nonfarm payroll growth was also strong in the leisure and hospitality sector, increasing by 2,200, or 5.0 percent, to 46,100 jobs compared with an 8.6-percent increase a year earlier after measures implemented to slow the spread of COVID-19 were lifted. Increased tourism during the past 2 years in the HMA, which was listed as one of the 20 best destinations to visit in 2022 by CNN Travel, also contributed to gains. The hotel occupancy rate in the HMA averaged 54.9 percent during the 12 months ending April 2023, unchanged from a year earlier but up from 42.3 percent during the 12 months ending April 2021 (CoStar Group). Despite sustaining the greatest number of job losses in April 2020 because of the impacts of the pandemic, the leisure and hospitality sector during the 12 months ending April 2023 was only down by 400 jobs, or 0.8 percent, compared with the prepandemic peak level.

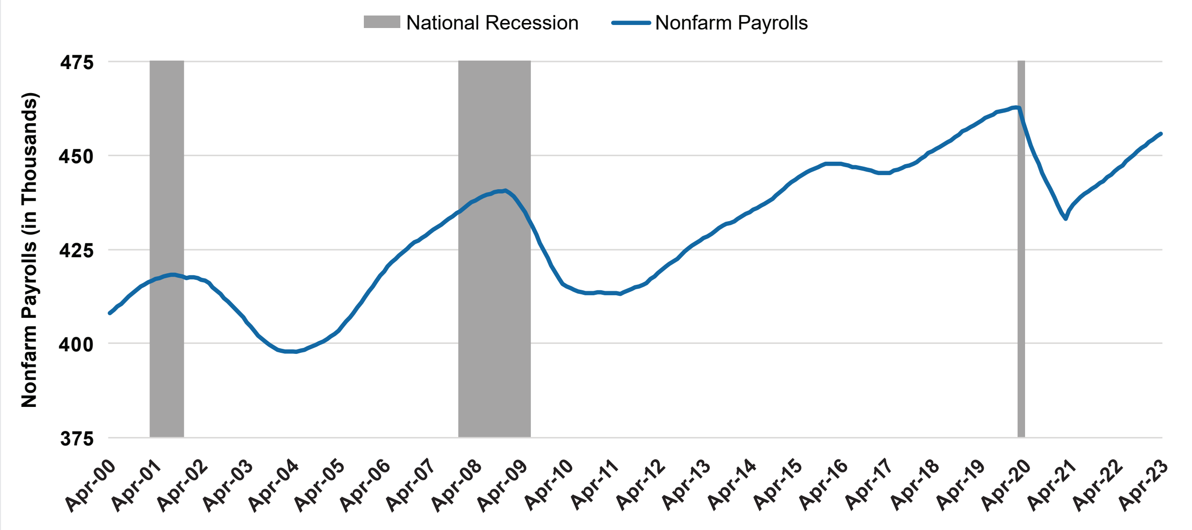
The manufacturing sector and the education and health services sector each increased by 1,200 jobs, or 2.5 and 1.7 percent, during the 12 months ending April 2023 compared with decreases of 2.7 and 0.2 percent a year earlier, respectively. Expansions at manufacturing facilities by Whirlpool Corporation in the city of Tulsa and LUFKIN Industries, Inc., in the city of Claremore in Rogers County added a combined 220 jobs and contributed to gains in the manufacturing sector during the past year. Although job growth was strong in the sector the past year, the average of 48,400 jobs remained 6,600 jobs, or 12.1 percent, below the level during the 12 months ending February 2020. The sector continues to recover from significant contractions in both 2020 and 2021 in the aerospace product and parts manufacturing industry in the HMA partly stemming from diminished commercial air travel nationally. In 2022, the industry remained 1,950 jobs, or 21.7 percent, below 2019 levels (Quarterly Census of Employment and Wages [QCEW]). Only two job sectors declined in the HMA during the 12 months ending April 2023. The transportation and utilities and the information sectors decreased by 200 and 100 jobs, or 0.9 and 1.8 percent, respectively; by comparison, the transportation and utilities sector increased by 1,300 jobs, or 6.0 percent, during the 12 months ending April 2022. Despite the decline in jobs during the past year, the sector has contributed significantly to the ongoing economic recovery in the HMA overall. Payrolls in the transportation and utilities sector during the 12 months ending April 2023 were 3,600 jobs, or 19.5 percent, greater than the prepandemic peak level, reflecting increased online purchasing both in the HMA and nationally during most of the period since the onset of the pandemic.

Economic Periods of Significance

2001 Through 2003

During 2001, nonfarm payrolls increased 0.5 percent before declining during 2002 and 2003 by an average of 9,500, or 2.3 percent, annually (Figure 3). 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 4,300, or 6.9 percent, annually. That decrease followed the recession of 2001 and generally 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

Figure 3. 12-Month Average Nonfarm Payrolls in the Tulsa HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

health services sector, which increased by an average of 1,800, or 3.2 percent, annually. Widespread gains in the education and health services sector during that period also mirrored the national trends in this sector, which increased an average of 3.2 percent annually.

2004 Through 2008

Nonfarm payrolls in the HMA increased 0.6 percent in 2004 before increasing by an average of 10,000 jobs, or 2.4 percent, annually from 2005 through 2008. Job gains occurred from 2005 through 2008 in all but the information and the financial activities sectors. The professional and business services sector, which increased by an average of 2,500 jobs, or 4.4 percent, annually, led job growth from 2005 through 2008. U.S. Cellular Corp., which created 800 jobs when it opened a new customer care center in 2006, contributed to gains in this sector. Payrolls in the mining, logging, and construction and the manufacturing sectors increased from 2005 through 2008 by averages of 1,600 and 1,500 jobs, or 6.2 and 2.7 percent, each year, respectively. Several projects funded by Vision 2025, an $800 million economic development initiative passed by Tulsa County voters, contributed to significant job gains in the construction subsector, which increased by an average of 900, or 4.4 percent, annually. Construction totaling $196 million began in 2005 and was completed in 2008 at the BOK Center, a 19,200-seat event venue funded by Vision 2025 in downtown Tulsa. The mining and logging subsector increased by an average of 700 jobs, or 13.1 percent, annually during the period partly because of a 25-percent average annual increase in the price of oil (Federal Reserve Bank of St. Louis). Gains in the price of oil also contributed to job growth in the manufacturing sector as the mining and oil and gas field machinery manufacturing industry increased by an average of 280 jobs, or 14.9 percent, annually (QCEW).

2009 Through 2010

The Great Recession, which occurred from December 2007 through June 2009, contributed to a significant economic downturn in the HMA during 2009 and 2010, when nonfarm payrolls decreased by an average of 13,500 jobs, or 3.1 percent, annually. Job losses in the HMA were greatest in the manufacturing sector, which declined by an average of 4,900 jobs, or 8.6 percent, annually, outpacing national trends where the manufacturing sector decreased an average of 7.3 percent annually. Job declines were also significant in the professional and business services sector, which decreased by an average of 4,200, or 6.8 percent, annually because of widespread layoffs. During 2009 and 2010, approximately 40 percent of the job losses in the professional and business services sector in the HMA occurred in the temporary help services industry, compared with about 25 percent nationally, partly stemming from decreased manufacturing production. According to the U.S. Bureau of Labor Statistics, manufacturing establishments often utilize temporary help agencies to staff positions in addition to hiring directly. Partially offsetting the overall payroll losses were gains in the education and health services sector, which increased by an average of 1,000 jobs, or 1.6 percent, annually. Several hospitals expanded during this period in response to the growing HMA population, contributing to gains in the sector. St. John Health System opened a hospital in the city of Broken Arrow in 2010, resulting in 200 new jobs. During 2009 and 2010, the education and health services sector was the only private payroll sector to expand both in the HMA and the nation.

2011 Through 2015

The economy of the HMA began to recover during 2011, and in 2015, the number of jobs surpassed the prerecession high, which occurred in 2008. Nonfarm payrolls increased 0.5 percent in 2011 before gaining an average of 8,000 jobs, or 1.9 percent, annually from 2012 through 2015. Job growth was greatest from 2012 through 2015 in the leisure and hospitality sector, which gained an average of 1,600 jobs, or 4.0 percent, annually. Seventeen new hotels, with a combined 1,525 rooms, contributed to gains in this sector (Dodge Data & Analytics LLC). Hotel demand in the HMA increased an average of 4 percent annually during the period (CoStar Group). Payroll growth was also strong in the professional and business services sector and the wholesale and retail trade sector, each of which had average annual increases of 1,300 jobs, or 2.4 and 2.0 percent, respectively. The opening of 13 customer service centers during the period resulting in a combined 2,500 new jobs contributed to gains in the professional and business services sector (Tulsa Regional Chamber). Several retail franchises entering the HMA contributed to job growth in the wholesale and retail trade sector. Sprouts Farmers Market, Inc., an organic and natural food grocery store chain, created 200 new jobs while opening multiple locations in the HMA during the period.

2016

Nonfarm payrolls in the HMA decreased during 2016 by 1,700 jobs, or 0.4 percent. The decline was primarily in the sectors impacted by a decrease in oil prices, which declined from $104 per barrel in July 2014 to $30 per barrel by February 2016 (Federal Reserve Bank of St. Louis). Nonfarm payroll decreases were greatest during 2016 in the manufacturing sector, which declined by 3,800 jobs, or 6.8 percent. Contributing to losses in this sector were widespread layoffs by firms in the mining and oil and gas field machinery manufacturing industry, which decreased by 830 jobs, or 24.8 percent (QCEW). Job losses also occurred in the mining and logging subsector, which declined by 900 jobs, or 12.7 percent. The professional and business services sector declined by 800, or 1.3 percent, partly because of layoffs of corporate personnel at energy-related firms, including Helmerich & Payne, Inc., where 500 workers were laid off. Job losses were partly offset by gains in the leisure and hospitality and the education and health services sectors, which increased by 1,100 and 900 jobs, or 2.6 and 1.3 percent, respectively.

2017 Through 2019

The HMA economy recovered from the local economic downturn that occurred in 2016 by the following year when nonfarm payrolls increased by 2,200, or 0.5 percent. Job growth was stronger during 2018 and 2019, when nonfarm payrolls increased by an average of 7,100, or 1.6 percent, annually. Nonfarm payrolls increased in 9 of 11 sectors during 2018 and 2019, led by the manufacturing sector, which increased an average of 1,700 jobs, or 3.2 percent, annually. Contributing to gains in the sector during the period were expansions at 17 manufacturing facilities that resulted in a combined 3,100 new jobs, of which 1,250 were in the aerospace product and parts manufacturing industry (Tulsa Regional Chamber; Oklahoma Department of Commerce). Job growth was also strong in the mining, logging, and construction sector, which increased by an average of 1,500, or 4.8 percent, annually. Gains in the mining, logging, and construction sector were almost entirely in the construction subsector, which increased by an average of 1,400, or 6.0 percent, annually. Contributing to gains in the subsector were a large number of new commercial construction projects that began during the period, including construction at the Sofidel Group tissue paper manufacturing facility south of the city of Claremore in Rogers County. Construction of the facility, which began in the spring of 2018 and was completed in late 2019, supported 500 construction jobs during most of 2018 and 2019 (State of Oklahoma, Office of the Governor). Gains were also strong in the education and health services sector, which increased by an average of 1,300 jobs, or 1.7 percent, annually. Numerous hospital expansions during the period contributed to the increase in the sector.

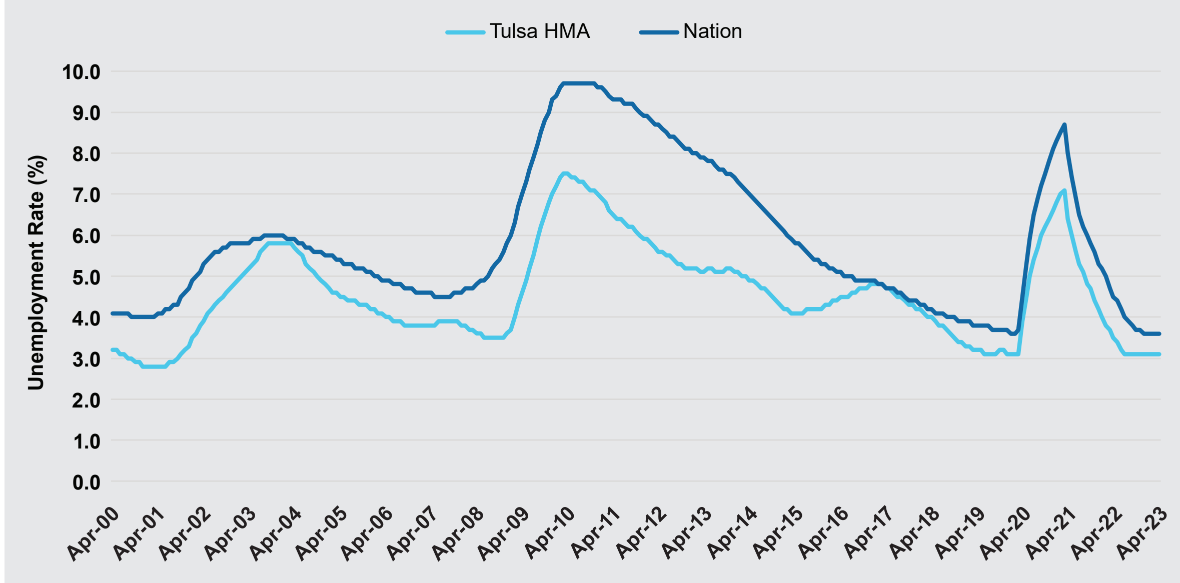
2020

The effects of COVID-19 were significant in the HMA. Though the economic recovery from job losses that occurred in April 2020 began in May 2020, annual data for 2020 show a significant decline from 2019. During 2020, nonfarm payrolls fell by 23,500 jobs, or 5.1 percent, to 438,800. Nonfarm payroll decreases were greatest in the leisure and hospitality sector, which declined by 5,800 jobs, or 12.5 percent, mostly because of numerous measures to slow the spread of COVID-19 implemented by local municipalities, including restrictions on business hours and capacity at restaurants and entertainment venues. Payroll declines were also significant in the manufacturing sector, which decreased by 4,500, or 8.2 percent, because of widespread layoffs. The transportation and utilities sector was the only sector to gain jobs during 2020, increasing by 1,600, or 8.6 percent. In response to increased online purchasing nationally, Amazon.com, Inc., opened a new fulfillment center in the city of Tulsa in August 2020, which resulted in 1,500 new full-time jobs and contributed to gains in the sector.

Unemployment Trends

Since 2000, unemployment rates in the HMA have been generally lower compared with national rates. From 2000 through 2008, the average annual unemployment rate in the HMA was 4.1 percent, compared with the 5.1-percent national rate (Figure 4). During 2009, the unemployment rate of the HMA increased because of the Great Recession to 7.0 percent, compared with 9.3 percent nationally. From 2010 through 2019, the unemployment rate in the HMA fluctuated but generally declined, reaching 3.1 percent during 2019, compared with a 3.7-percent rate nationally. Job growth in most years during the period contributed to the decrease in the unemployment rate in the HMA. During 2020, the unemployment rate increased to 6.6 percent, compared with 8.1 percent nationally. The unemployment rate reached a recent peak during the 12 months ending March 2021 at 7.1 percent, while the average unemployment rate nationally also reached a recent peak during the same period at 8.7 percent. Strong job growth in the HMA during the 12 months ending April 2023 contributed to an average unemployment rate of 3.1 percent, down from 3.5 percent a year earlier. Nationally, the unemployment rate during the 12 months ending April 2023 was 3.6 percent, down from 4.5 percent the previous year.

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



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase 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 the adverse impacts on the local economy from relatively high interest rates, leading to reduced business and consumer spending. Job growth is expected to accelerate during both the second and third years of the forecast period. Job gains are expected to be strong in several sectors. Hayden Industrial, LLC is expected to open a heat exchanger manufacturing facility in late 2023 in the city of Tulsa, resulting in 225 new jobs in the manufacturing sector. Kelvion Inc., also a producer of heat exchangers, announced plans in November 2021 to expand their existing Thermal Solutions facilities in the city of Catoosa in Rogers County. The expansion is expected to be complete by late 2024 and result in 160 new manufacturing sector jobs. Compu-Link Corporation, which provides financial services, announced in December 2022 plans to expand operations in the city of Tulsa. The expansion is expected to be complete by late 2023 and result in 190 new jobs in the financial activities sector. Several planned hospital expansions are expected to contribute to gains in the education and health services sector. Saint Francis Health System began a $250 million hospital expansion in the southern portion of the city of Tulsa. The expansion, which will include 120 hospital beds and 4 operating rooms, is expected to be complete in 2025.

Population and Households

Current Population: 1.04 Million

Population growth has occurred every year since 2000 in the Tulsa HMA, despite four local economic downturns during the period.

Population Trends

The current population of the Tulsa HMA is an estimated 1.04 million, reflecting an average increase of 7,975, or 0.8 percent, annually since 2010 (Table 3). During this period, net in-migration accounted for approximately 63 percent of the population growth. From 2000 to 2002, the population increased by an average of 6,800, or 0.8 percent, annually, before slowing from 2002 to 2005 to an average increase of 2,675, or 0.3 percent, annually (U.S. Census Bureau decennial census count and population estimates as of July 1; Figure 5). Population growth from 2002 to 2005 was entirely from net natural increase. Net out-migration averaged 2,250 people annually, partly because of job losses in the HMA during 2002 and 2003 and slow job growth relative to other parts of the nation in 2004. Population growth subsequently rose to an average of 11,500 people, or 1.3 percent, annually from 2005 to 2010. During the period, net in-migration accounted for 54 percent of the population growth, averaging 6,250 people annually. Job growth contributed

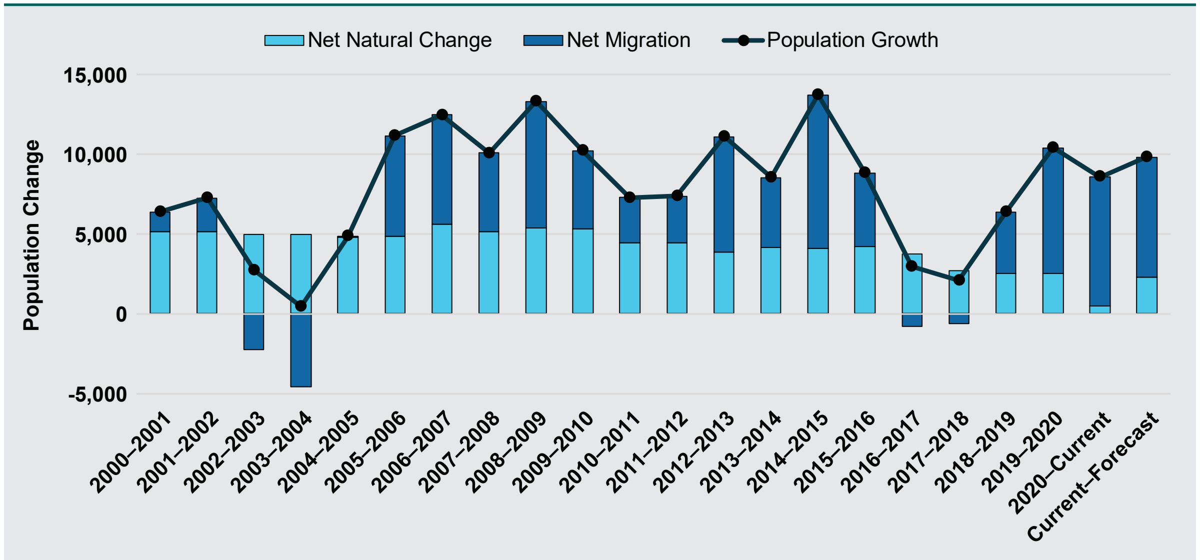
Table 3. Tulsa HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	**Population**	937,478	1,042,000	1,071,000
	Average Annual Change	7,800	7,975	9,800
	Percentage Change	0.9	0.8	0.9

		2010	Current	Forecast
Household Quick Facts	**Households**	367,091	409,100	421,200
	Average Annual Change	3,000	3,200	4,025
	Percentage Change	0.9	0.8	1.0

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, 2023) to May 1, 2026.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

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



Notes: Data displayed are average annual totals. The forecast period is the current date (May 1, 2023) to May 1, 2026.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

to strong net in-migration from 2005 to 2008, and net in-migration remained strong from 2008 to 2010 even though nonfarm payrolls declined significantly during much of the period. Many job seekers were drawn to the HMA during the period partly 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 9,375, or

1.0 percent, annually, partly because of an expanding economy during most of the period. Net in-migration averaged 5,150 people annually, accounting for 55 percent of growth. A decline in nonfarm payrolls in 2016 and slow job growth in 2017 contributed to weaker population growth from 2016 to 2018, when the population increased by an average of only 2,525, or 0.3 percent, annually, entirely the result of net natural increase. During the period, net out-migration averaged 700 people annually. Lower levels of net natural increase also contributed to slower population growth. From 2016 to 2018, net natural increase averaged 3,225 people annually compared with an average of 4,225 annually during the 2010-to-2016 period. Strong job growth during 2018 and 2019 contributed to the population increasing from 2018 to 2020 by an average of 8,100, or 0.8 percent, annually, with net in-migration averaging 5,550 annually and accounting for 69 percent of population growth. Net natural increase slowed further, however, averaging 2,550 people annually, partly because of an increased proportion of elderly residents. Since 2020, the population has increased by an average of 8,575, or 0.8 percent, annually. Net in-migration was strong, averaging 8,050 annually and accounting for 94 percent of population growth during the period. Net natural increase slowed significantly to an average of 520 people annually, mostly because of an elevated number of deaths during part of the period stemming from the effects of COVID-19. A recovering local economy and relatively low unemployment rates in the HMA compared with the nation contributed to net in-migration during the period. Also contributing to increased net in-migration was an influx of residents to the HMA due to the Tulsa Remote program. Tulsa Remote is a privately funded program that offers $10,000 to qualifying full-time remote workers who move to the city of Tulsa from locations outside of the state of Oklahoma (Tulsa Remote). Since the program began in 2018, it has drawn 2,300 workers and their respective family members to the HMA, of which approximately 2,200 workers have moved to the area since 2020, reflecting increased remote work opportunities nationally since the onset of the pandemic.

Population by Geography

Tulsa County is the most populous county in the HMA, with a population of 677,400 as of July 1, 2022, accounting for nearly two-thirds of the population of the HMA (Census Bureau population estimates as of July 1). Rogers and Wagoner Counties are the second and third most populous counties, with populations in 2022 of 98,850 and 86,650, or 10 and 8 percent of the HMA population, respectively. The remaining four counties, which mostly consist of suburban and rural areas, account for a combined 17 percent of the HMA population. Tulsa County accounted for the greatest increase in the number of people from 2010 to 2022, up by an average of 6,025, or 0.9 percent, annually (Census Bureau decennial census counts and population estimates as of July 1). The population of Wagoner County grew at the fastest pace and had the second greatest increase in the number of people from 2010 to 2022, averaging 1.4 percent, or 1,100, annually, with growth primarily in residential communities in areas directly east of the Tulsa County line. Tulsa, with a population of 411,900 as of 2022, is the most populous city in the HMA. The city of Broken Arrow, which straddles Tulsa and Wagoner Counties, is the second most populous city, with 117,900 people. The city of Owasso, located north of the city of Tulsa, is the third most populous city, with 38,700 people as of 2022, and the cities of Bixby and Jenks, both located south of the city of Tulsa, are the fourth and fifth most populous cities, with populations of 29,800 and 27,150, respectively. The population of the cities of Tulsa and Broken Arrow grew by the greatest number of people from 2010 to 2022, with average annual increases of 1,625 and 1,550, or 0.4 and 1.4 percent, respectively. The fastest growing cities were Jenks, Bixby, and Owasso, where annual population growth averaged 3.9, 2.9, and 2.5 percent, respectively. Contributing to fast population growth in these cities were numerous new single-family home subdivisions, which drew homebuyers.

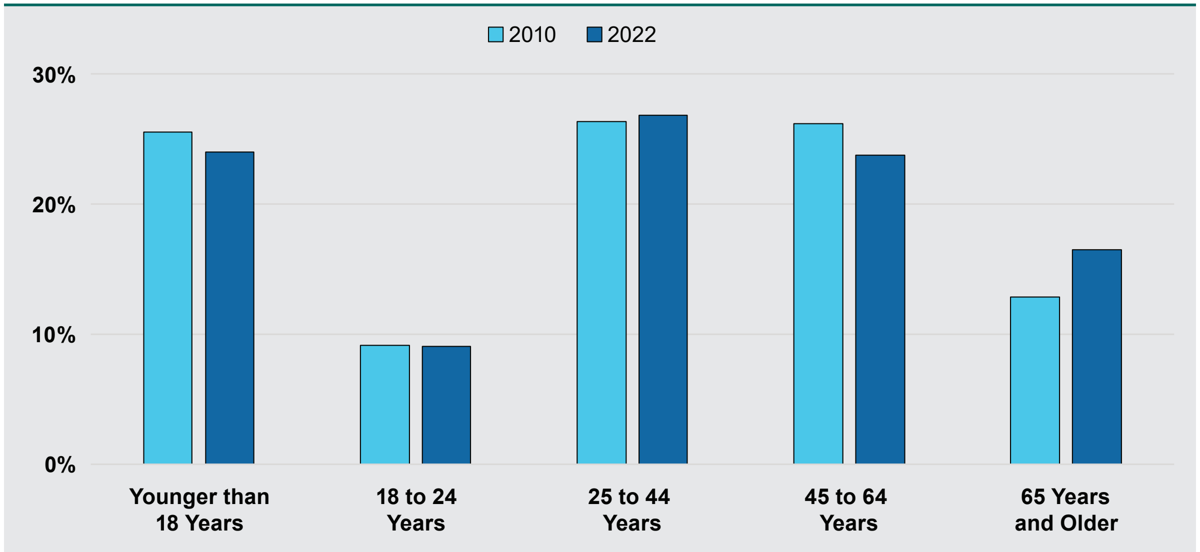
Population by Age Cohort

An increasing share of elderly residents, those aged 65 and older, has contributed to a general trend of declining net natural increase since 2010. 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. From 2010 to 2022, the population of residents aged 65 and older increased an average of 2.9 percent annually to 170,000, mostly due to residents aging in place (Census Bureau decennial census counts and population estimates as of July 1). The number of residents aged 18 to 24 and 25 to 44 increased by averages of 0.7 and 0.9 percent annually, to 93,600 and 276,900, respectively, partly resulting from residents moving to the area for work. Those aged 17 and younger increased an average of 0.3 percent annually to 248,300, and the population of those aged 45 to 64 was relatively unchanged at 245,300. The rate of population growth among residents aged 65 and older resulted in the cohort accounting for a greater proportion of the total population in 2022, increasing to 16.4 percent compared with 12.8 percent in 2010 (Figure 6). Among the younger age cohorts, those aged 25 to 44 represented the only other age cohort to have an increased portion of the total population in 2022, increasing to 26.8 percent compared with 26.3 percent in 2010. Residents aged 25 to 44 also represented the largest age cohort in both 2010 and 2022.

Household Growth Trends

The number of households in the HMA is currently an estimated 409,100, representing an average annual increase of 3,200 households, or 0.8 percent, since 2010, a pace similar to population growth during the same period. By comparison, the number of households increased an average of 0.9 percent annually during the 2000s, also a similar pace compared with population growth during that period. Though the number of households and the population have generally increased at a similar pace since 2010 overall, household growth has outpaced population growth more recently. Since 2020, household growth has averaged 1.0 percent annually compared with an average annual increase in the population of 0.8 percent. An increase in new household formation following the start of the pandemic contributed to the faster pace of household growth since 2020. The increasing proportion of residents aged 65 and older, who tend to have smaller households, has also contributed to the faster pace of household growth.

Figure 6. Population by Age Range in the Tulsa HMA



Source: U.S. Census Bureau

Households by Tenure

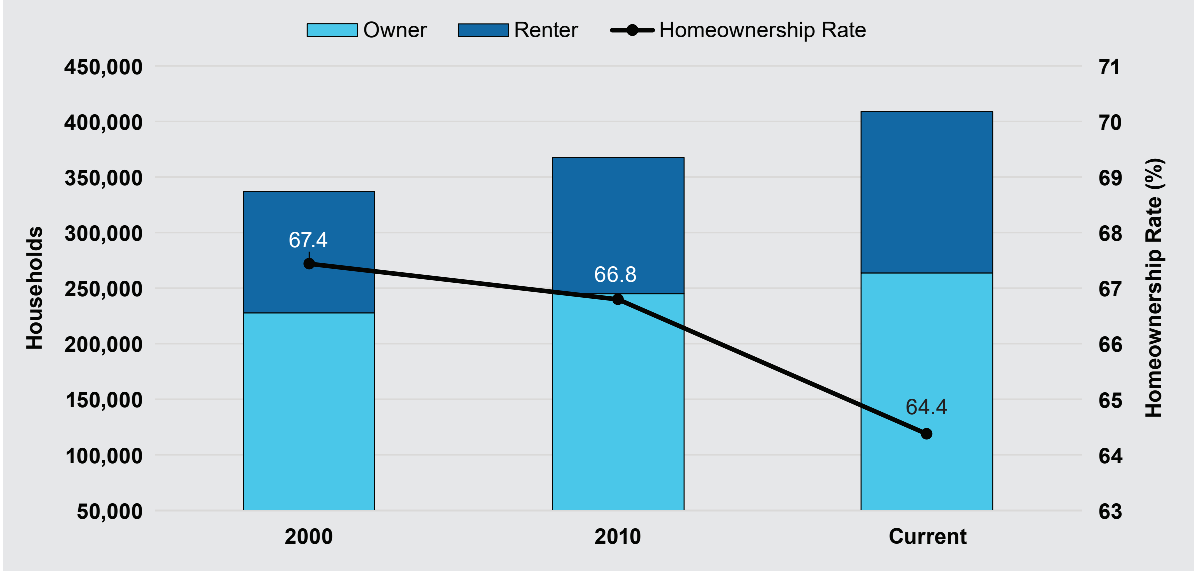
The current homeownership rate in the HMA is an estimated 64.4 percent, down from 66.8 and 67.4 percent in 2010 and 2000, respectively (Figure 7). The current rate represents an increase compared with April 1, 2020, when the homeownership rate was 64.2 percent. From 2010 to 2020, owner household growth accounted for only 33 percent of total household growth, compared with 60 percent during the

2000s. Tightened mortgage lending standards and an increased propensity to rent, particularly during the early to mid-2010s, contributed to the decreased portion of new owner households from 2010 to 2020. Historically low mortgage interest rates in 2020 and 2021 contributed to owner household growth accounting for 71 percent of total household growth since 2020.

Forecast

During the forecast period, the population of the HMA is expected to increase by an average of 9,800, or 0.9 percent, annually. Net in-migration is expected to increase during the second and third years as job growth accelerates. A continued increase in the share of residents aged 65 and older will contribute to household growth that slightly exceeds the rate of population growth. The number of households is expected to increase by an average of 4,025, or 1.0 percent, annually during the forecast period.

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



Note: The current date is May 1, 2023.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Slightly Tight

A low inventory of homes for sale has contributed to tighter sales market conditions in the Tulsa HMA compared with both 2010 and 2020.

Current Conditions

The home sales market in the HMA is currently slightly tight, with an estimated vacancy rate of 1.6 percent (Table 4), down from 2.3 percent in April 2010, when conditions were soft. By comparison, the home sales vacancy rate was 1.8 percent in April 2020. The home sales vacancy rate decreased from 2010 to 2020 partly because of increased home sales demand stemming from net in-migration and job growth during most years of the 2010s. Current home sales market conditions have eased compared with the past 2 years when conditions were tight. Historically low mortgage interest rates, along with strong net in-migration, contributed to tight conditions during 2021 and 2022, when home sales volume and price growth were strong. The average interest rate for a 30-year fixed-rate mortgage was 3.3 percent during the 12 months ending April 2022 and 2.9 percent during the same period a year earlier (Freddie Mac). That rate increased to an average of 6.1 percent during the 12 months ending April 2023, the highest level since 2007, which contributed to easing home sales market conditions during the past year. During April 2023, the number of available homes for sale represented a 1.8-month supply, up from 1.1 and 1.2 months in April 2022 and April 2021, respectively (CoreLogic, Inc.). By comparison, the supply of homes available for sale was 6.8 months in April 2010 and 2.6 months in April 2020.

Table 4. Home Sales Quick Facts in the Tulsa HMA

		Tulsa HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.6%	NA
	Months of Inventory	1.8	2.2
	Total Home Sales	20,600	5,680,000
	1-Year Change	-22%	-25%
	New Home Sales Price	$405,200	$496,000
	1-Year Change	20%	11%
	Existing Home Sales Price	$227,000	$391,000
	1-Year Change	4%	2%
	Mortgage Delinquency Rate	1.5%	1.1%

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 2023; and months of inventory and mortgage delinquency data are as of April 2023. The current date is May 1, 2023.
Sources: Vacancy rate—estimates by the analyst; months of inventory, mortgage delinquency rate, and home sales and prices—CoreLogic, Inc.

Current Home Sales and Prices

During the 12 months ending April 2023, new and existing home sales totaled 20,600 homes in the HMA, representing a decrease of 5,950, or 22 percent, from a year ago compared with a 9-percent increase a year earlier, when home sales rose to a recent high of 26,550 homes sold (CoreLogic, Inc.). The average home sales price increased by $14,050, or 6 percent, to $245,900 during the 12 months ending April 2023. By comparison, the average home price increased a near record-level 13 percent during the 12 months ending April 2022, when strong home sales demand and a low inventory of homes for sale placed upward pressure on home prices. New home sales decreased 23 percent to 2,175 during the 12 months ending April 2023 compared with a 12-percent increase a year earlier. The average price for a new home increased 20 percent to $405,200 compared with an 11-percent increase a year earlier. The greatest portion of new homes sold during the 12 months ending April 2023 was at prices ranging from $251,000 to $400,000 (Zonda; Figure 8). Existing home sales decreased 22 percent to 18,400 homes compared with a gain of 8 percent a year earlier (CoreLogic, Inc.). The average existing home price increased 4 percent to $227,000 compared with a 13-percent increase a year earlier. Distressed sales accounted for 2 percent of existing home sales during the 12 months ending April 2023, unchanged from a year earlier but down from a peak of 19 percent during the 12 months ending June 2011.

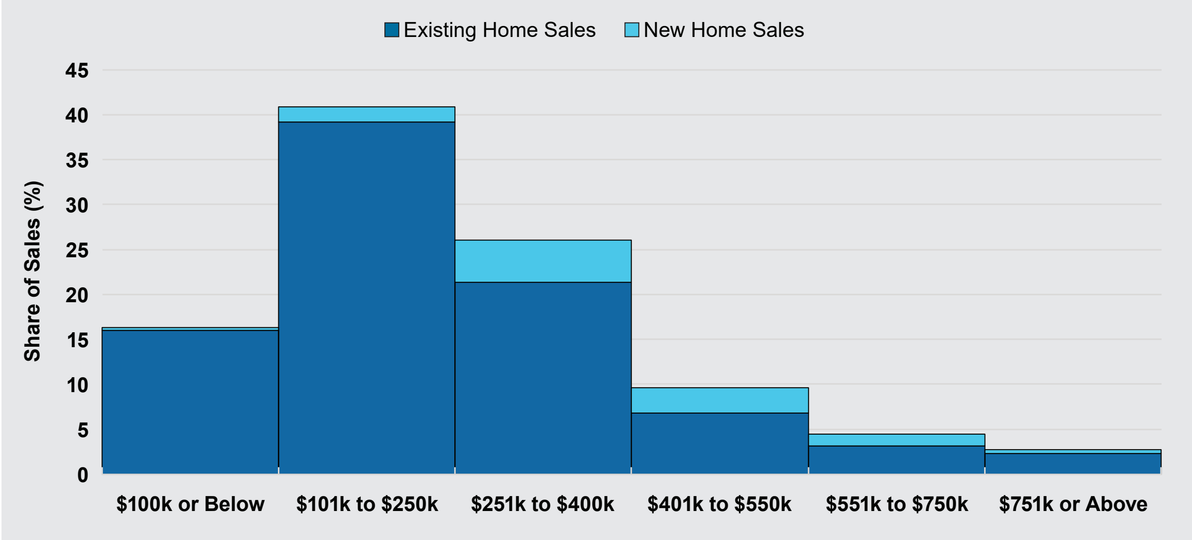
Housing Affordability: Sales

The affordability of homeownership has trended downward in the Tulsa HMA since the mid-2010s; however, the 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 Tulsa HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 66.0 during the first quarter of 2023, down from 80.4 during the first quarter of 2022 and lower than a peak level of 83.1 during the first quarter of 2015. The HMA was the 70th most affordable metropolitan area in the nation during the first quarter of 2023 among the 234 areas ranked during the period.

Home Sales Trends

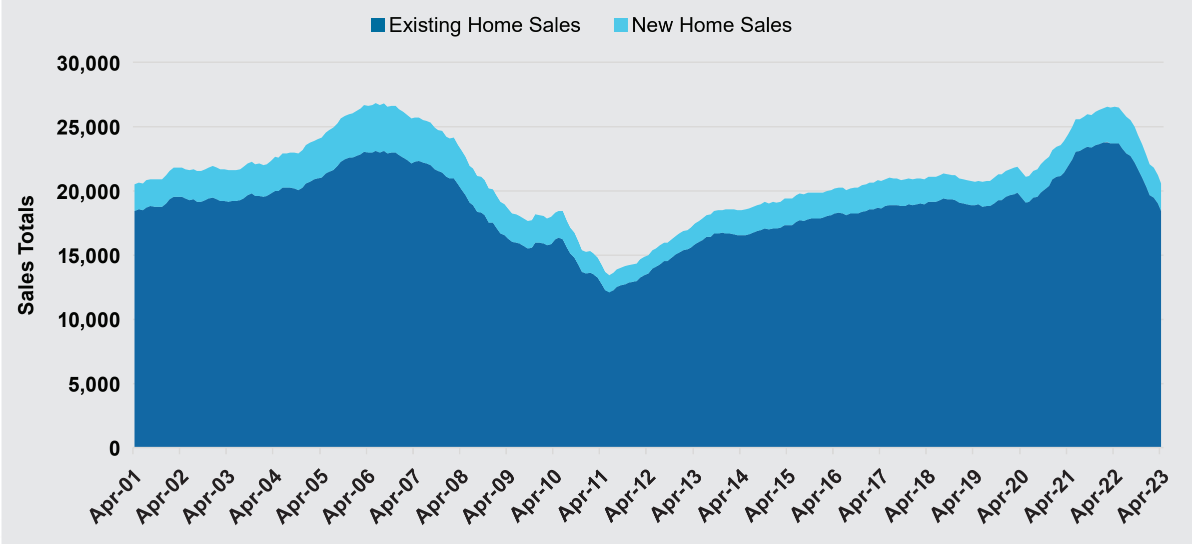
New and existing home sales in the HMA increased an average of 3 percent annually from 2001 through 2004 to 23,550 homes (Figure 9). During the period, new home sales increased an average of 9 percent annually compared with an average annual 2-percent increase in existing home sales. Home sales surged during 2005 and 2006 when an average of 26,200 homes sold annually. Relaxed mortgage lending standards

Figure 8. Share of Overall Sales by Price Range During the 12 Months Ending April 2023 in the Tulsa HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Figure 9. 12-Month Sales Totals by Type in the Tulsa HMA



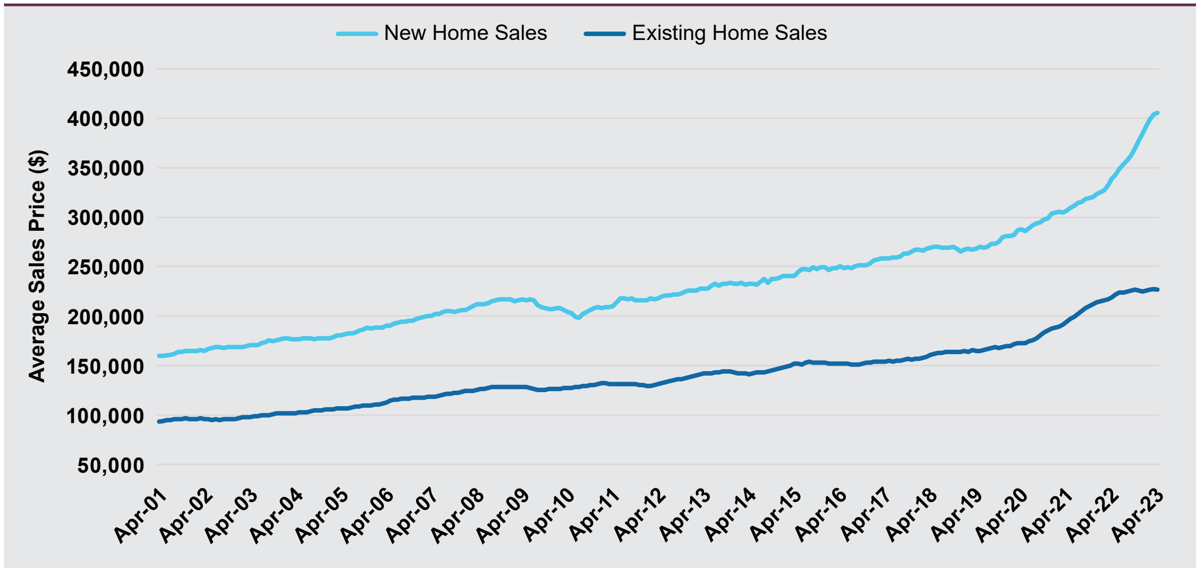
Source: CoreLogic, Inc.

and relatively affordable home prices combined with job growth contributed to strong demand for homes during 2005 and 2006. New and existing home sales peaked during the 12 months ending June 2006 at nearly 26,850 homes sold. From 2007 through 2011, home sales declined by an average of 2,425, or 12 percent, annually, to 14,300 homes sold, mostly because of tighter mortgage lending standards, the national housing crisis, and the economic downturn in the HMA during 2009 and 2010. New home sales declined from 2007 through 2011 an average of 18 percent annually, a faster pace compared with existing home sales, which decreased an average of 11 percent annually. New and existing home sales increased significantly during 2012 and 2013 because of job and population growth. During the period, home sales increased by an average of 2,125, or 14 percent, annually to 18,550 homes sold. New home sales increased an average of 16 percent annually, compared with an average increase of 14 percent annually in existing home sales. From 2014 through 2019, new and existing home sales increased an average of 3 percent annually to 21,550 homes. New home sales fluctuated during the period but increased an average of 1 percent annually overall. Year-over-year changes in new home sales ranged from 4-percent declines in 2015, 2017, and 2018 to an increase of 11 percent in 2014. Existing home sales increased an average of 3 percent annually from 2014 through 2019, with year-over-year gains ranging from 1 percent in 2018 to 4 percent in 2015. The local economic downturn in 2016 and net out-migration from 2016 to 2018 contributed to the relatively slower increase in home sales from 2014 through 2019 compared with the period from 2011 through 2013. Increased home sales demand stemming from net in-migration and historically low mortgage interest rates contributed to home sales increasing 8 percent to 23,200 in 2020. New home sales increased 15 percent, compared with a 7-percent increase in existing home sales. The average mortgage interest rate during 2020 was 3.1 percent, which at that time was the lowest average rate for any year since at least 1972 (Freddie Mac).

Home Sales Price Trends

The average price for new and existing homes in the HMA increased almost every year from 2001 through 2020 (CoreLogic, Inc.; Figure 10). From 2001 through 2008, the average home price increased an average of 4 percent annually, with year-over-year increases ranging from 1 percent in 2002, when home sales demand was relatively moderate, to 8 percent in 2006, when demand for homes was strong. The average home sales price fluctuated from 2009 through 2011, but overall, it decreased at an average rate of almost 1 percent annually during the period because of soft home sales market conditions. The average home sales price increased each year from 2012 through 2019, averaging 3 percent annually,

Figure 10. 12-Month Average Sales Price by Type of Sale in the Tulsa HMA



Source: CoreLogic, Inc.

with year-over-year home price growth ranging from 1 percent in 2016 to 5 percent in 2012. Strong home sales demand and a significant decline in the number of homes available for sale contributed to the average home price increasing 10 percent during 2020 to $198,700.

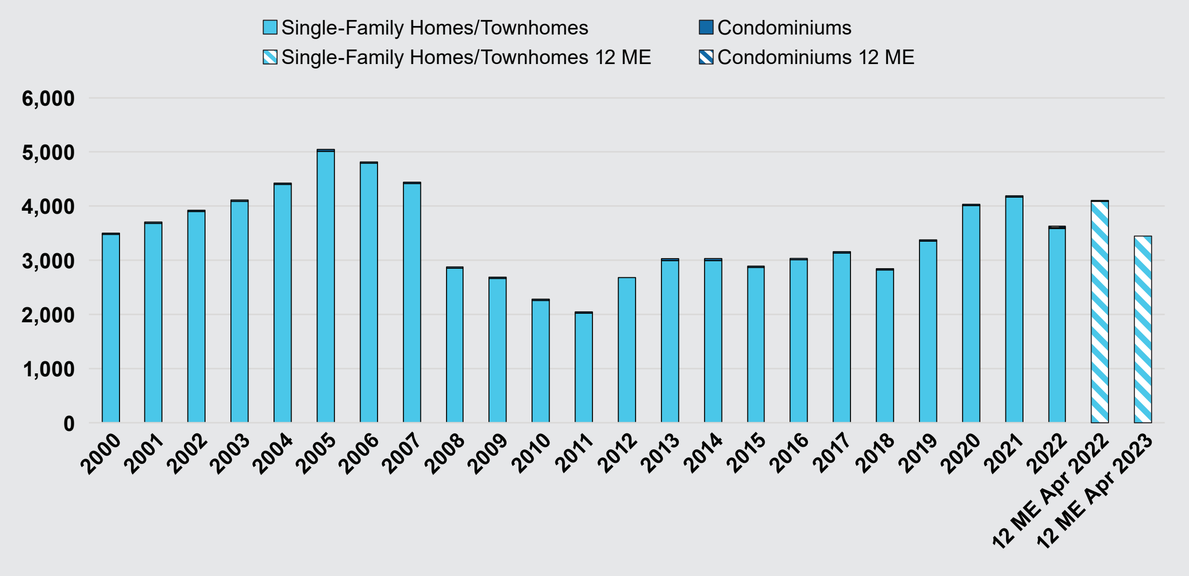
Delinquent Mortgages and Real Estate Owned Properties

In April 2023, 1.5 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status; that percentage is down from 2.1 percent a year earlier and is below the 5.8-percent peak in January 2012 (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 many home mortgages were in forbearance. By February 2021, the rate reached a recent peak of 4.6 percent. Improved local economic conditions contributed to the decrease in the percentage of seriously delinquent mortgages and REO properties in April 2023 compared with a year earlier.

Sales Construction Trends

Home sales construction activity, as measured by the number of building permits issued for sales housing, including single-family homes, townhomes, and condominiums, increased in the HMA an average of 6 percent annually from 2001 through 2004 as builders responded to increased new home sales demand during the period (Figure 11). Homebuilding activity peaked during 2005 and 2006, when permitting averaged 4,925 homes annually. Relaxed mortgage lending standards combined with job and population growth, which resulted in increased demand, were the primary reasons for increased homebuilding. A decrease in new home sales demand contributed to home construction activity declining from 2007 through 2011. Home construction declined 8 percent in 2007 before falling an average of 18 percent annually from 2008 through 2011 to 2,025 homes. Stronger home sales demand during 2012 and 2013 contributed to homebuilding increasing an average of 22 percent annually to 3,025 homes permitted. From 2014 through 2019, home construction fluctuated but generally trended upwards, increasing an average of 2 percent annually as builders responded to relatively moderate annual increases in home sales demand during the period. Strong new home sales demand contributed to an increase in home construction activity during 2020 when permitting increased 20 percent compared with a year earlier to reach 4,000 homes. Permitting remained strong in 2021, increasing 4 percent to approximately 4,175 homes.

Figure 11. Annual Sales Permitting Activity in the Tulsa HMA



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Current Sales Construction Activity

Decreased home sales demand in the HMA during the past year contributed to a decline in home construction activity. During the 12 months ending April 2023, homebuilding decreased 16 percent to 3,450 homes permitted, compared with 4,100 homes a year earlier when home sales demand was strong (preliminary data). Home construction in Tulsa County accounted for an estimated 61 percent of homebuilding in the HMA during the past year. Wagoner and Rogers Counties accounted for 16 and 15 percent, respectively, and the remaining counties accounted for a combined 8 percent. Currently, an estimated 1,950 homes are under construction in the HMA. Construction recently began at The Reserve at Parker Village residential community in the city of Owasso. Three-, four-, and five-bedroom single-family homes, ranging in size from 1,450 to 2,900 square feet, are offered at the development, with prices starting at $246,300. The community is expected to include 88 homes at buildout. In the city of Bixby, construction is underway at the Torrey Lakes residential community. Three-, four-, and five-bedroom single-family homes, ranging in size from 1,600 to 3,500 square feet, are offered at prices ranging from $350,000 to $500,000. Since opening in 2022, a total of 24 homes have sold at Torrey Lakes for an average price of $440,800. The community is expected to include 126 homes at buildout. Near the city of Coweta in the western portion of Wagoner County, construction is underway at the Fox Trails residential community, which will include 60 three- and four-bedroom single-family homes on 1-acre lots at buildout. Since opening in 2020, a total of 23 homes have sold in the community for an average price of $433,200.

Forecast

Demand is expected for 10,950 new homes in the HMA during the next 3 years (Table 5). 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 1,950 homes currently under construction will meet part of the demand during the first year of the forecast period.

Table 5. Demand for New Sales Units in the Tulsa HMA During the Forecast Period

	Sales Units
Demand	10,950 Units
Under Construction	1,950 Units

Note: The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

The average apartment vacancy rate in the HMA increased to 7.1 percent in the first quarter of 2023 compared with 5.1 percent a year earlier, which was the lowest figure for any first quarter since at least 2000 (CoStar Group).

Current Conditions

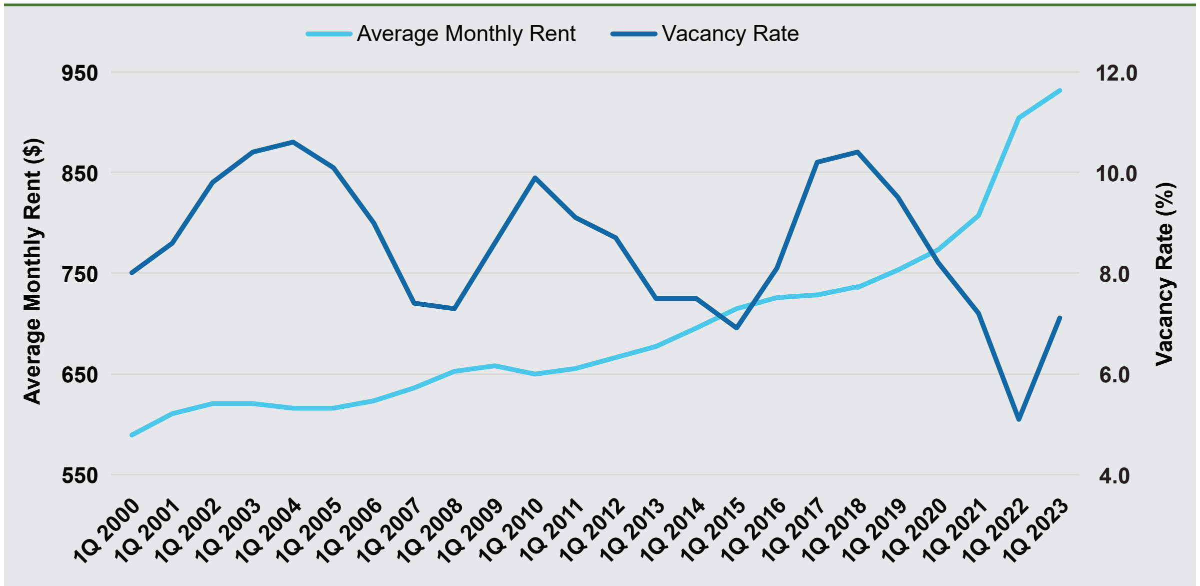
The rental housing market in the Tulsa HMA is balanced, with a current overall rental vacancy rate estimated at 8.5 percent (Table 6). Rental market conditions have improved since April 2010, when the rental vacancy rate was 11.0 percent and conditions were soft. Rental market conditions have also improved compared with April 2020, when the rental vacancy rate was 10.0 percent. The apartment rental market is also currently balanced, having eased from tight conditions a year earlier. The average apartment vacancy rate as of the first quarter of 2023 was 7.1 percent, up from 5.1 percent as of the first quarter of 2022 (CoStar Group; Figure 12). By comparison, the average apartment vacancy rate was 9.9 percent as of the first quarter of 2010 and 8.2 percent as of the first quarter of 2020. Contributing to the low average apartment vacancy rate and strong rent growth during the first quarter of 2022 were a recovering local economy and strong net in-migration. A limited inventory of homes for sale and strong home price growth, which were impediments to potential homebuyers, also contributed to tight apartment market conditions a year ago. Conversely, easing apartment market conditions during the first quarter of 2023 were partly because of nearly 1,100 new rental units completed, adding to the existing rental

Table 6. Rental Market Quick Facts in the Tulsa HMA

		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	11.0	8.5
		2010 (%)	2021 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	45	43
	Multifamily (2–4 Units)	13	12
	Multifamily (5+ Units)	38	41
	Other (Including Mobile Homes)	5	4

Notes: The current date is May 1, 2023. 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 2021 American Community Survey 1-year data

Figure 12. Apartment Rents and Vacancy Rates in the Tulsa HMA



1Q = first quarter.
Source: CoStar Group

supply during the past year. The average apartment rent as of the first quarter of 2023 increased 3 percent from a year earlier to $931, compared with a 12-percent increase in the average rent between the first quarter of 2021 and the first quarter of 2022 which represented the fastest pace in rent growth since at least 2001. In 2021, renter-occupied single-family homes in the HMA accounted for an estimated 43 percent of the total number of occupied rental units (2021 American Community Survey [ACS] 1-year data). Apartment vacancy rates are often lower than overall rental vacancy rates, partly because of the high portion of relatively old single-family rental homes. In 2021, an estimated 43 percent of occupied single-family rental homes in the HMA were built before 1960, compared with only 9 percent of renter-occupied apartments with five or more units per structure.

Current Apartment Conditions by Class and Geography

The average vacancy rate for class A apartments as of the first quarter of 2023 increased in the HMA to 6.0 percent from 4.0 percent a year earlier, and the average rent was $1,352, up 1 percent from a year earlier (CoStar Group). The average vacancy rate for class B and C apartments was 7.2 percent, up from 5.2 percent a year earlier, and the average rent for class B and C units increased 4 percent to $893. The average apartment vacancy rates in the HMA ranged from 2.0 percent in the CoStar Group-defined Pawnee County market area to 10.0 percent in the Downtown Tulsa market area. Average apartment rents ranged from $620 in the Osage County market area to $1,255 in the Downtown Tulsa market area.

Apartment Vacancy Trends

Apartment market conditions in the HMA were soft during much of the 2000s. The apartment vacancy rate averaged 8.8 percent as of the first quarters of 2000 through 2002 and averaged 10.4 percent from the first quarter of 2003 through the first quarter of 2005, mostly because of job declines and net out-migration during part of the period. The rate declined slightly to 9.0 percent in the first quarter of 2006 and decreased further to an average rate of 7.3 percent by the first quarter of 2008—the lowest first-quarter average rate during the 2000s—partly because of increased apartment demand stemming from job growth and net in-migration during the period. By the first quarter of 2010, the average apartment vacancy rate had increased to reach 9.9 percent, however, partly because of the local economic downturn. From the first quarter of 2011 through the first quarter of 2015, the average apartment vacancy rate generally declined to a rate of 6.9 percent. Contributing to the decrease was a growing local economy during most of the period, which drew residents to the HMA and led to 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 2016 through the first quarter of 2018, apartment market conditions softened, and the apartment vacancy rate increased to 10.4 percent. The local economic downturn that occurred during 2016 and net out-migration from 2016 to 2018 contributed to softening apartment demand. Relatively strong job growth during 2018 and 2019 contributed to the average apartment vacancy rate declining to 8.2 percent by the first quarter of 2020. That rate decreased further to 7.2 percent by the first quarter of 2021 partly because of increased demand during the early months of the pandemic, followed by continued growth in demand stemming from strong net in-migration and a recovering local economy.

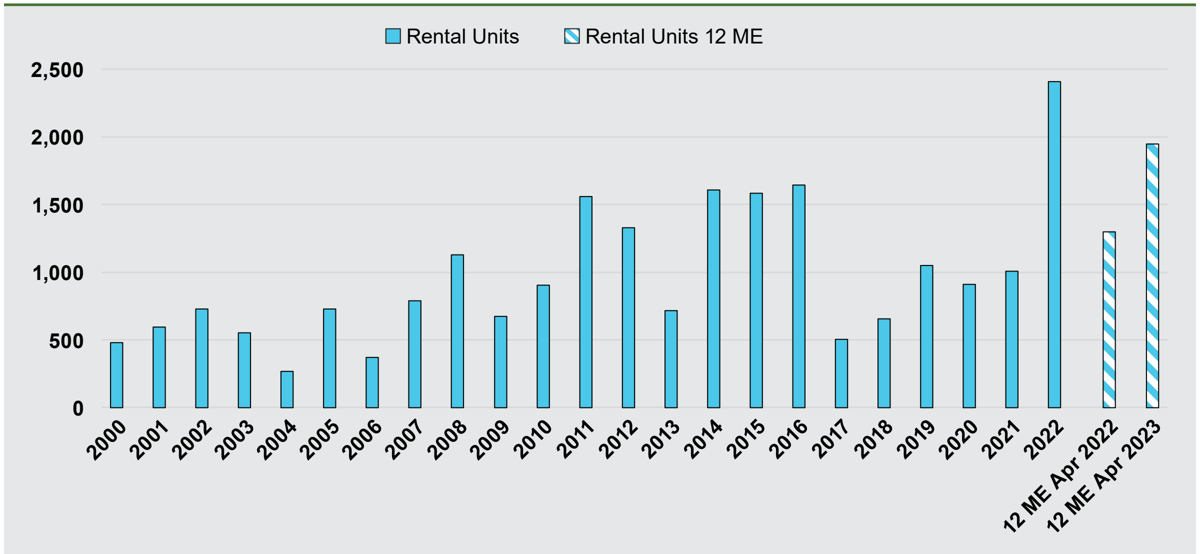
Apartment Rent Growth Trends

Changes in the average apartment rent in the HMA were relatively moderate from the first quarter of 2001 through the first quarter of 2021. During the period, the average apartment rent increased an average of 2 percent annually to $807. Year-over-year changes in the average apartment rent during the period ranged from 1-percent declines in the first quarters of 2004 and 2010, when apartment vacancy rates were relatively high, to increases of 4 percent as of the first quarters of 2001 and 2021. The local economic downturn during 2002 and 2003 contributed to the decrease in the average apartment rent by the first quarter of 2004. Similarly, the local economic downturn during 2009 and 2010 contributed to the decline in the average apartment rent as of the first quarter of 2010. Relatively stronger annual apartment rent growth by the first quarter of 2021 reflected increased demand for rental units during the same period.

Rental Construction Activity Trends

Rental construction activity in the Tulsa HMA, as measured by the number of rental units permitted, averaged 660 units annually from 2000 through 2010 (Figure 13). During the period, rental construction fluctuated, ranging from 270 units in 2004, when apartment vacancy rates were high, to 1,125 units in 2008, when builders responded to relatively low apartment vacancy rates. Rental construction activity from 2011 through 2016 averaged 1,400 units annually, more than twice the average annual pace during the period from 2000 through 2010. Contributing to increased rental construction activity from 2011 through 2016 was increased demand from 2011 through 2015, stemming from job growth and net in-migration, combined with an increase in preference among households to rent. Rental construction activity slowed during 2017 and 2018 to an average of 580 units annually as builders responded to decreased demand during most of the period stemming from job declines in 2016 and net out-migration from 2016 to 2018.

Figure 13. Annual Rental Permitting Activity in the Tulsa HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Builders responded to increased demand for rental units during 2019 and 2020, when rental construction activity averaged 980 units annually.

New Rental Construction Activity

During the 12 months ending April 2023, rental construction activity in the HMA increased 50 percent to an estimated 1,950 units permitted, following a 36-percent increase a year earlier (preliminary data; estimates by the analyst). Declines in the average apartment vacancy rate in 2021 and 2022 and strong rent growth since 2021 contributed to the increase in rental construction activity during the past 2 years. Currently, an estimated 2,700 rental units are under construction in the HMA, 87 percent of which are in Tulsa County. Since 2000, 93 percent of rental units completed in the HMA were in Tulsa County. In July 2022, construction began on the Parker Village apartment community in the city of Owasso, with 262 market-rate units. Rents at Parker Village are expected to range from $950 to $1,125 for 160 one-bedroom units and from $1,200 to $1,375 for 102 two-bedroom units. The Santa Fe Crossing apartment community, currently under construction in downtown Tulsa, is expected to be complete in 2024 and include 184 market-rate units. Rents at Santa Fe Crossing are expected to range from $1,225 to $1,250 for 13 studio units; from $1,500 to $1,725 for 134 one-bedroom units; from $2,200 to $2,400 for 33 two-bedroom units; and $2,700 for 4 three-bedroom units. Construction is underway at the River West apartment development near downtown Tulsa. River West, partly funded by HUD via the Choice Neighborhoods program, is expected to include a total of six phases, with a combined 460 market-rate and affordable apartment units when complete. The first four phases of the development were recently completed, and the fifth and sixth phases are under construction. Three single-family built-for-rent communities with a combined 400 single-family detached rental units have either recently been completed or are under construction in the HMA. In the city of Broken Arrow, Twill Centennial Crossing was completed in the spring of 2023. Approximately 160 one-, two-, and three-bedroom units are offered in the community, with rents starting at $1,450, $1,875, and $2,142, respectively. Trulo Homes in the city of Jenks was also recently completed. The community includes 140 units, with rents ranging from $1,792 to $2,302 for one-, two-, and three-bedroom units. In the city of Owasso, Twill Bailey Creek is nearing completion. The community will include approximately 100 one-, two-, and three-bedroom units once completed.

Housing Affordability: Rental

Rental housing has been relatively affordable in the HMA during the past several years. The HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, was above 100.0 from 2013 to 2021. The increase in the median renter household income has been greater than the increase in the median gross rent in the HMA, contributing to an increase in overall affordability since 2013. The median renter household income increased an average of 3.5 percent annually from 2013 to 2021, whereas the median gross monthly rent rose an average of only 2.5 percent during the same period (ACS 1-year data). As a result, the index increased to 107.0 in 2021 compared with 97.6 in 2012. Although more current data are not yet available, it is possible that the index has decreased more recently because of strong apartment rent growth that occurred in the HMA since 2021.

Forecast

During the 3-year forecast period, demand is estimated for 3,900 new rental units in the HMA (Table 7). Demand is expected to increase slightly in the second and third years of the forecast period because of greater job growth and net in-migration. The 2,700 units currently under construction and 490 units in final planning are expected to satisfy demand during the first 2 years of the forecast period.

Table 7. Demand for New Rental Units in the Tulsa HMA During the Forecast Period

Rental Units	
Demand	3,900 Units
Under Construction	2,700 Units

Note: The forecast period is May 1, 2023, to May 1, 2026.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate/ Apartment Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including only those that are stabilized. An apartment property is stabilized once an occupancy rate of 90 percent or above is reached, or at least 18 months pass since the property was completed.
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	Includes resales, short sales, and REO sales. Resales 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 and include short sales.
Forecast Period	May 1, 2023–May 1, 2026—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, 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's 2010 Census Urban and Rural Classification and the Urban Area Criteria.**

C. Additional Notes

1.	**The National Association of Home Builders 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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