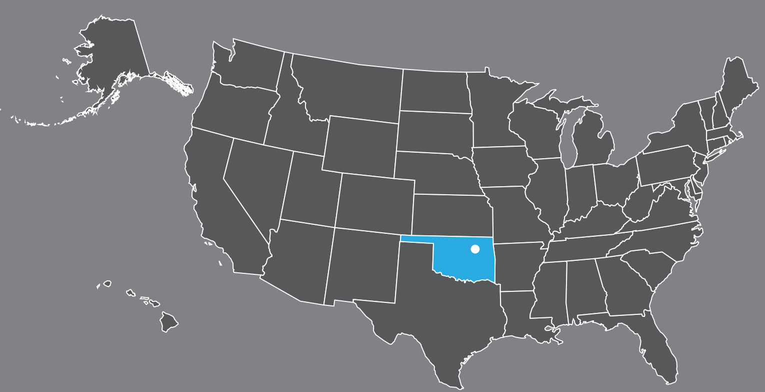
HUD PD&R **Housing Market Profiles**

Tulsa, Oklahoma

Quick Facts About Tulsa

- **Current sales market conditions: slightly tight**
- **Current apartment market conditions: balanced**
- **Once known as the "Oil Capital of the World," the Tulsa metropolitan area now has a more diversified economy, with combined payrolls in aerospace and healthcare-related industries accounting for about one-fourth of all jobs (Tulsa Regional Chamber).**



By Randall Goodnight | As of January 1, 2023

Overview

The Tulsa, OK Metropolitan Statistical Area (hereafter, the Tulsa metropolitan area) consists of seven counties in northeastern Oklahoma—Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner—and includes the principal city of Tulsa. The metropolitan area was ranked fifth in the nation among places with the best quality of life in 2022 by Dollar Hand. The metropolitan area was also listed as one of the 20 best destinations to visit in 2022 by CNN/Travel.

- The population of the metropolitan area is estimated at 1.04 million as of January 1, 2023, representing an average increase of 7,725, or 0.8 percent, annually since April 2010, with 60 percent of the growth resulting from net in-migration (Census Bureau and estimates by the analyst).
- Since 2016, the population has increased by an average of 6,125, or 0.6 percent, annually. By comparison, the population increased by an average of 9,375, or 1.0 percent, from 2010 to 2016.
- Higher levels of net in-migration from 2010 to 2016, stemming from relatively strong job growth during most of the period, contributed to faster population growth from

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2010 to 2016. Net in-migration averaged 5,175 people annually from 2010 to 2016, compared with average annual net in-migration of 4,175 people since 2016. An economic downturn in the metropolitan area in 2016, followed by moderate job growth in 2017, contributed to relatively slower net in-migration since 2016.

- Higher levels of net natural increase, which averaged 4,225 people annually, also contributed to faster population growth from 2010 to 2016, compared with an average net natural increase of 1,950 people annually since 2016. The lower levels of net natural increase since 2016 have been partly due to an increase in the proportion of elderly residents. In 2021, residents aged 65 years and older accounted for 16.1 percent of the total population, compared with 12.8 percent in 2010.
- Because of excess deaths attributable to the COVID-19 pandemic, net natural increase in the metropolitan area during the 12 months ending July 1, 2021 totaled only 80 people, compared with the average annual net natural increase of 2,775 people during the previous 4 years.
- With 672,900 residents, Tulsa County was the most populous county in 2021, accounting for two-thirds of the population of the metropolitan area. The population of Tulsa County increased an average of 6,175, or 1.0 percent, annually from 2010 to 2021, representing four-fifths of the population growth in the metropolitan area during the period.
- The population of Wagoner County grew at the fastest rate of any county in the metropolitan area from 2010 to 2021, increasing an average of 1.3 percent annually. Population growth in Wagoner County was mostly in suburban areas immediately east of Tulsa County, where new subdivisions have attracted homebuyers.

Economic Conditions

The economy of the Tulsa metropolitan area is strong and has nearly recovered from job losses caused by the impacts of the COVID-19 pandemic. During the fourth quarter of 2022, nonfarm payrolls in the metropolitan area reached 465,700 jobs, or only 0.4 percent below payroll levels during the fourth quarter of 2019, before the pandemic. Nonfarm payrolls in the metropolitan area increased an average of 1.6 percent annually from 2011 through 2015 before declining 0.4 percent during 2016, mostly in energy-related job sectors that were adversely impacted by declines in oil prices during the same period. The metropolitan area economy recovered from the local economic downturn the following year, when nonfarm payrolls increased 0.5 percent. During 2018 and 2019, job growth averaged 1.6 percent annually before payrolls declined 5.1 percent in 2020 because of the effects of the COVID-19 pandemic.

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Job growth was strong in the Tulsa metropolitan area during the fourth quarter of 2022, with gains occurring in almost every job sector.

	3 Months Ending		Year-Over-Year Change	
	December 2021 (Thousands)	December 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	447.4	465.7	18.3	4.1
Goods-Producing Sectors	75.9	81.5	5.6	7.4
Mining, Logging, & Construction	29.2	32.1	2.9	9.9
Manufacturing	46.6	49.4	2.8	6.0
Service-Providing Sectors	371.5	384.2	12.7	3.4
Wholesale & Retail Trade	65.4	69.0	3.6	5.5
Transportation & Utilities	23.4	23.5	0.1	0.4
Information	5.9	5.8	-0.1	-1.7
Financial Activities	22.9	23.8	0.9	3.9
Professional & Business Services	61.6	63.1	1.5	2.4
Education & Health Services	71.4	74.2	2.8	3.9
Leisure & Hospitality	44.4	47.0	2.6	5.9
Other Services	19.2	19.3	0.1	0.5
Government	57.4	58.4	1.0	1.7
Unemployment Rate	2.6%	3.1%		

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

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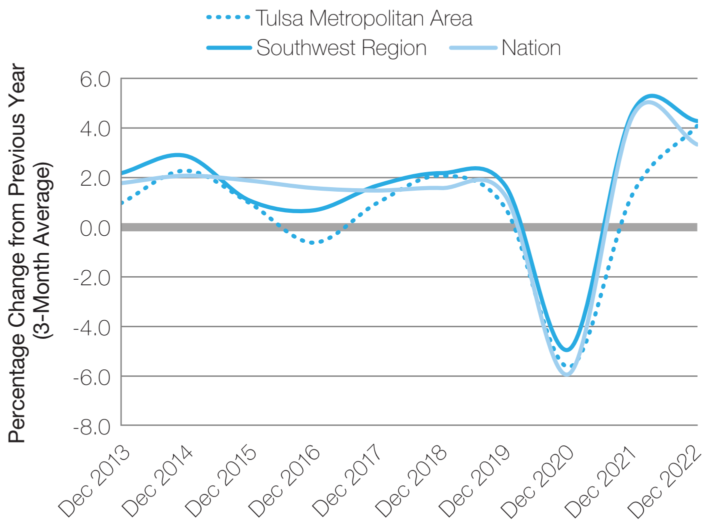
During the fourth quarter of 2022—

- Nonfarm payrolls in the metropolitan area increased by 18,300 jobs, or 4.1 percent, from a year ago, compared with a 1.4-percent increase a year earlier.
- Job gains were greatest in the wholesale and retail trade sector, increasing by 3,600, or 5.5 percent, to 69,000 jobs, compared with a 0.7-percent decrease a year earlier. The retail trade subsector accounted for 64 percent of job growth in the sector, increasing by 2,300, or 4.6 percent, to 52,000 jobs.
- Job growth was also strong in the mining, logging, and construction sector, which increased by 2,900, or 9.9 percent, to 32,100 jobs, compared with an increase of 2.1 percent a year earlier. The construction subsector increased by 2,300, or 9.6 percent, to 26,700 jobs, accounting for four-fifths of job growth in the sector. The commencement of 45 new commercial construction projects, with a combined construction cost estimated at $398.7 million, contributed to job growth in the subsector (McGraw-Hill Construction Pipeline database).
- The education and health services sector is the largest nonfarm payroll sector in the metropolitan area, with 74,200 jobs. That sector and the manufacturing sector each increased by 2,800 jobs, or 3.9 and 6.0 percent, respectively. Expansions by Whirlpool Corporation and Lufkin Industries, which added a combined 220 jobs, contributed to gains in the manufacturing sector.

The metropolitan area economy is expected to benefit from increased hiring in several job sectors because of numerous announced expansions. Hayden Industrial, LLC is expected to open a heat exchanger manufacturing facility in 2023 in the city of Tulsa, resulting in 225 new jobs. Kelvion Inc., 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 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.

Nonfarm payrolls in the Tulsa metropolitan area increased at a faster pace during the fourth quarter of 2022 compared with job growth nationally.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Tulsa Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Saint Francis Health System	Education & Health Services	10,000
St. John Health System	Education & Health Services	7,000
Hillcrest HealthCare System	Education & Health Services	6,500

Note: Excludes local school districts.
Sources: Local chambers of commerce; employers

Sales Market Conditions

Sales housing market conditions are slightly tight in the Tulsa metropolitan area. The estimated sales vacancy rate is currently 1.5 percent, down from 2.3 percent as of April 1, 2010, when conditions were soft. Sales housing market conditions have eased slightly from tight conditions during 2020 and 2021, when historically low mortgage interest rates contributed to strong home sales demand and, consequently, low levels of unsold home inventory. The inventory of unsold homes in December 2022 represented a 2.0-month supply, up from 1.1 months of supply in December 2021 and 1.6 months in December 2020 (CoreLogic, Inc.). By comparison, the supply of homes for sale was 2.8 months in December 2019, before the pandemic, and averaged 3.9 months from 2014 through 2018, down from 6.6 months of supply in March 2010. As of December 2022, 1.7 percent of home loans were seriously delinquent or in real estate owned (REO) status, down from 2.6 percent a year earlier. The percentage of seriously delinquent mortgages and REO properties in the metropolitan area reached a recent peak of 4.6 percent in February 2021, when weak economic conditions caused by the COVID-19 pandemic made it more difficult for many homeowners to stay current on their mortgage payments, and a large number of home mortgages were in forbearance.

New and existing home sales in the Tulsa metropolitan area decreased by 3,675, or 14 percent, to 22,600 homes sold during 2022, compared with a 13-percent increase a year earlier, when home sales were at a near record-level high of 26,300 homes sold. Previously, home sales increased 8 percent during 2020 and increased an average of 3 percent annually from 2014 through 2019. An increase in mortgage interest rates contributed to the decrease in home sales in the past year. The interest rate for a 30-year fixed-rate mortgage increased to an average of 6.4 percent during December 2022, compared with an average rate of 3.1 percent during December 2021 and an average rate of 2.7 percent during December 2020, which was the lowest average rate for any month during the past 50 years (Freddie Mac). The average price for new and existing homes during 2022 was $243,200, reflecting an increase of $17,900, or 8 percent, from a year ago, compared with a 13-percent increase a year earlier and an increase of 10 percent during 2020 (CoreLogic, Inc.). Previously, by comparison, the average home price increased an average of 3 percent annually from 2014 through 2019. The relatively low inventory of homes available for sale since 2020 contributed to the stronger increases in average home prices during the past 3 years.

During 2022—

- New home sales decreased 9 percent from a year ago, to 2,450 homes, compared with a 16-percent increase a year earlier. The average price for a new home increased 19 percent to $385,300.

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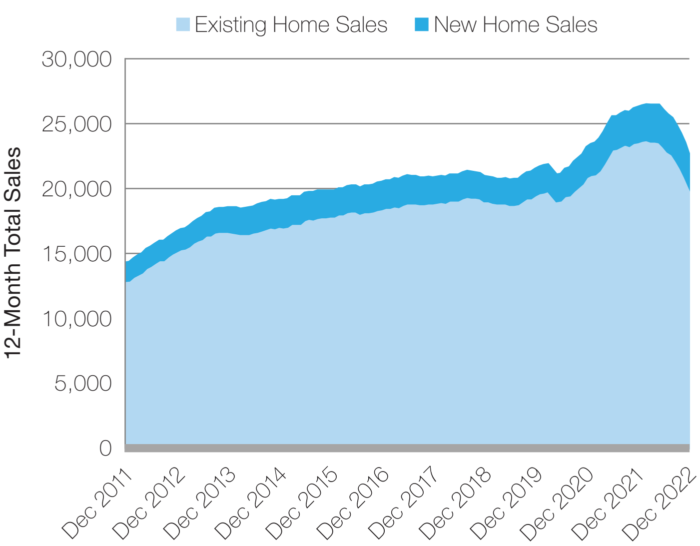
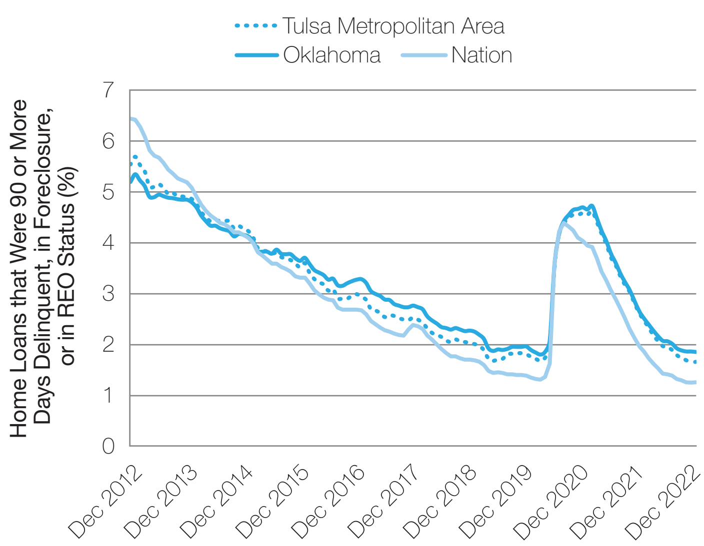
Existing home sales in the Tulsa metropolitan area reached a record level in February 2022, and new home sales have slowed since reaching a peak in June 2022.



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

The share of seriously delinquent mortgages and REO properties in the Tulsa metropolitan area has decreased almost every month since reaching a recent peak in February 2021.



REO = real estate owned.
Source: CoreLogic, Inc.

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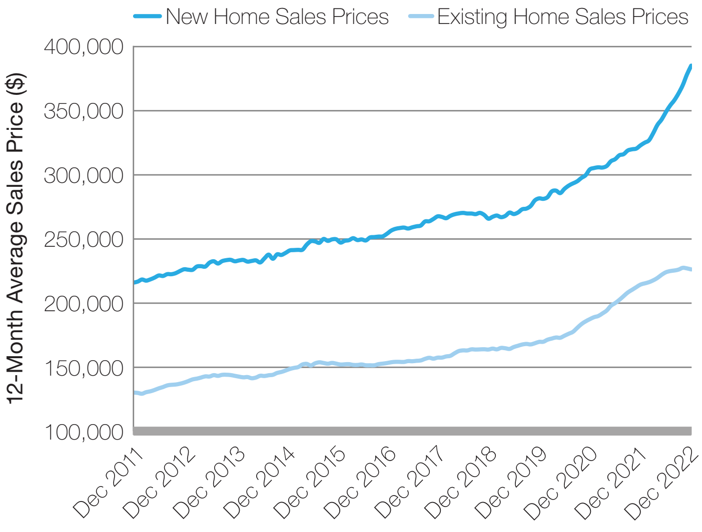
- Existing home sales, which include resales and distressed sales, decreased 15 percent from a year ago, to 20,150, compared with an increase of 13 percent a year earlier. The average price for existing homes increased 6 percent to $226,000.
- Resales decreased 14 percent to 19,850 homes, and the average price for resales was $226,700, up 5 percent from a year earlier. Distressed home sales decreased 28 percent to 320, and the average distressed sale price increased 13 percent to $179,700. Distressed sales accounted for 2 percent of existing home sales, unchanged from a year earlier but down from the peak level of 19 percent in 2011.

Single-family homebuilding activity, as measured by the number of single-family homes permitted and analyst estimates, decreased by 530, or 12 percent, to 3,825 homes during 2022 as homebuilders responded to a decrease in home sales demand. An estimated 2,500 homes are currently under construction.

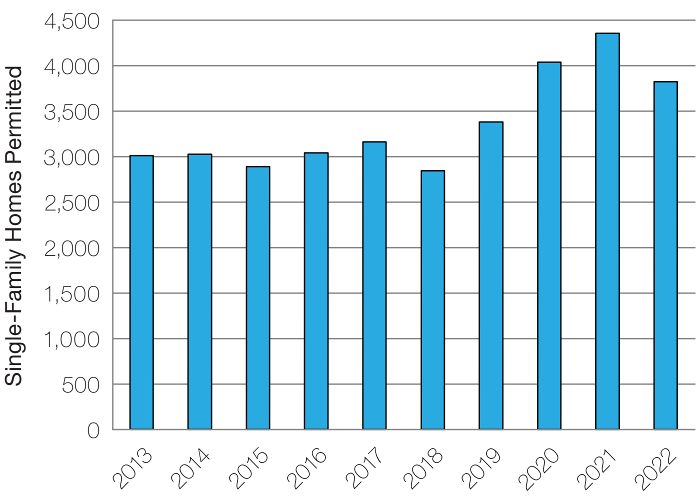
- From 2013 through 2018, single-family homebuilding activity was generally steady, with an average of about 3,000 homes permitted annually. During the period, single-family construction activity ranged from 2,850 homes in 2018 to 3,150 homes in 2017.
- From 2019 through 2021, single-family home construction activity increased an average of 15 percent annually to 4,350 homes permitted. An increase in new home sales demand, stemming from job growth in 2019 and historically low mortgage interest rates during 2020 and 2021, contributed to the increase in single-family home construction.
- During 2022, 65 percent of single-family home construction in the metropolitan area occurred in Tulsa County, and Wagoner and Rogers Counties accounted for 16 and 14 percent, respectively. Single-family home construction activity in the remaining counties accounted for a combined 5 percent.
- Construction recently began at The Reserve at Parker Village residential community in the city of Owasso in Tulsa County. 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 $274,300. The community, which opened in late 2022, is expected to include 88 homes at build-out.
- In the city of Coweta in Wagoner County, construction is underway at the Fox Trails residential community, which will include 50 single-family homes on one-acre lots at build-out. Since opening in 2020, 21 three- and four-bedroom homes have sold at the community for an average price of $423,400. Two completed homes are currently available for sale and are offered at prices starting at $525,000, and the remaining 27 lots are still available for construction.

New home sales prices in the Tulsa metropolitan area have surged recently compared with moderating existing home sales price growth.



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

Single-family home construction activity in the Tulsa metropolitan area reached a recent peak in 2021, when builders responded to strong new home sales demand.



Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; 2022—preliminary data and estimates by the analyst

Apartment Market Conditions

Apartment market conditions are currently balanced in the metropolitan area, compared with soft conditions in 2010. During the fourth quarter of 2022, the apartment vacancy rate was 6.8 percent, down from 9.2 percent during the fourth quarter of 2010 (CoStar Group). Apartment market conditions have eased from a year ago, when conditions were tight. During the fourth quarter of 2021, the apartment vacancy rate was 4.9 percent, the lowest rate for any fourth quarter since at least 2000. The apartment vacancy rate averaged 7.8 percent during the fourth quarters of 2014 and 2015. That rate increased during the next 2 years to 10.8 percent by the fourth quarter of 2017, partly because of job declines in 2016 and a significant number of new apartment units added to the existing apartment inventory during 2017. Stronger job growth during 2018 and 2019 and a tighter home sales market during 2020 and 2021, which included a limited inventory of homes for sale and strong home price growth, contributed to declines in the apartment vacancy rates during the fourth quarters of each year from 2018 through 2021. The completion of 1,100 new apartment units in 2022 contributed to the increase in the apartment vacancy rate during the past year.

During the fourth quarter of 2022—

- The average apartment rent in the metropolitan area was $928, representing an increase of 5 percent from a year ago, compared with a 12-percent increase a year earlier when apartment rent growth was the fastest since at least 2001. By comparison, apartment rents increased an average of 2 percent annually from the fourth quarter of 2014 through the fourth quarter of 2020.
- The vacancy rate for class A apartments in the metropolitan area increased to 6.5 percent from 3.9 percent a year earlier, and the average rent was $1,325, up 3 percent from a year earlier.
- The vacancy rate for class B/C apartments was 7.0 percent, up from 5.3 percent a year earlier, and the average rent for class B/C units increased 6 percent to $883.
- Apartment vacancy rates in the metropolitan area ranged from 2.1 percent in the CoStar Group-defined Pawnee County market area to 16.3 percent in the Midtown South market area in the city of Tulsa. Average apartment rents ranged from $618 in the Osage County market area to $1,242 in the Downtown Tulsa market area.

Multifamily construction activity in the Tulsa metropolitan area, as measured by the number of multifamily units permitted and analyst estimates, was strong from 2014 through 2016, averaging 1,575 units annually, as developers responded to increased apartment demand from 2013 through 2015 stemming from job growth and a greater preference to rent. Multifamily construction activity slowed to 540 units during 2017, partly because of a significant increase in apartment vacancy rates during 2016 and 2017. Multifamily construction activity was moderately stronger from 2018 through 2020

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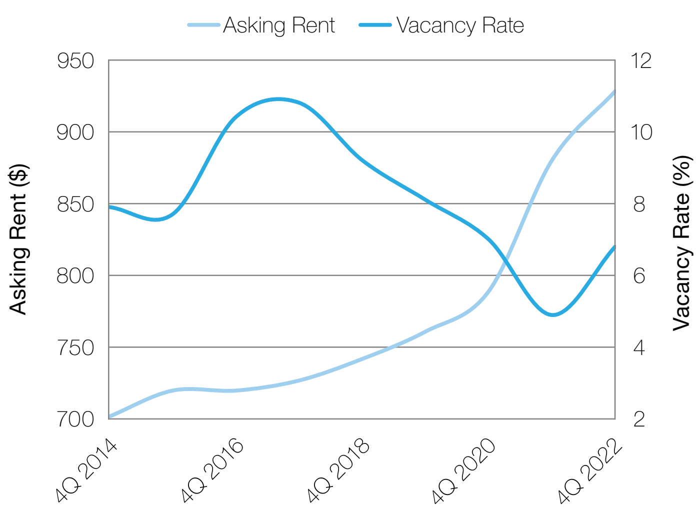
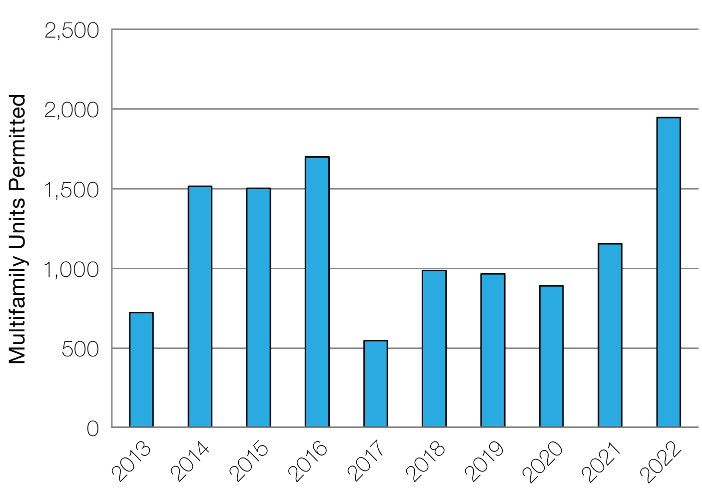
Apartment rent growth in the Tulsa metropolitan area slowed in the fourth quarter of 2022 compared with a record pace a year earlier, and the average vacancy rate increased from a year earlier, when the rate was at the lowest level since at least 2000.



4Q = fourth quarter.
Source: CoStar Group

Multifamily construction activity in the Tulsa metropolitan area during 2022 was at the highest level since at least 2000.



Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; 2022—preliminary data and estimates by the analyst

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because of increased apartment demand stemming from job growth during 2018 and 2019, with permitting averaging 940 units annually. Strong apartment rent growth and a significant decline in the apartment vacancy rate contributed to multifamily construction activity increasing 30 percent to 1,150 units permitted during 2021.

- Multifamily construction activity in the metropolitan area increased 69 percent, to about 1,950 units during 2022, as developers responded to tight apartment market conditions a year earlier (preliminary data and analyst estimates).
- Approximately 2,450 multifamily units are currently under construction in the metropolitan area, 86 percent of which are located in Tulsa County.
- Construction began in July 2022 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 is currently under construction in the Downtown Tulsa market area. The development 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, and from $2,200 to $2,400 for 33 two-bedroom units; 4 three-bedroom units will have rents of $2,700.
- Construction began in 2022 on the fourth and fifth phases of the River West apartment development near downtown Tulsa. These two phases are expected to be complete in 2023 and include 22 market-rate units and 111 affordable units. River West, partly funded by the Department of Housing and Urban Development 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 completed. The first three phases of the development were recently completed, and the sixth phase is in final planning.

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

B. Notes on Geography

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