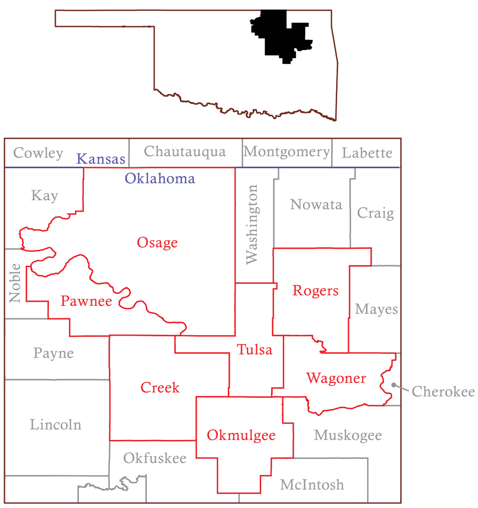
C O M P R E H E N S I V E   H O U S I N G   M A R K E T   A N A L Y S I S

Tulsa, Oklahoma

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2013

Housing Market Area



The Tulsa Housing Market Area (HMA), coterminous with the Tulsa OK Metropolitan Statistical Area, comprises seven counties in northeastern Oklahoma and includes the principal city of Tulsa. Once known as “the oil capital of the world,” the HMA continues to benefit from oil- and gas-related industries but now also has a more diversified economy, partly because of the increased presence of aerospace-related industries.

Market Details

Summary

Economy

During 2012, nonfarm payrolls in the Tulsa HMA increased by 9,900 jobs, or 2.4 percent, to 417,000 jobs. Most of the job growth during the past year occurred in the manufacturing, the professional and business services, and the education and health services sectors. During the forecast period, nonfarm payrolls are projected to increase by an average of 1.9 percent annually. The unemployment rate in the HMA averaged 5.7 percent during 2012, down from 6.9 percent a year ago. Table DP-1, at the end of this report, provides additional employment data.

Sales Market

Sales housing market conditions in the HMA are currently slightly soft, with an estimated sales vacancy rate of 2.3 percent, unchanged from April 2010. The number of homes sold totaled 14,900 during 2012, up 1,800 homes, or 14 percent, from a year earlier, and the average home sales price increased by an estimated $8,750, or 6 percent, to $158,800. Demand is forecast for 5,100 new homes during the next 3 years (Table 1). The 900 homes currently under construction and a portion of the estimated 22,000 other vacant housing units that may reenter the sales market will satisfy some of the forecast demand.

Rental Market

Rental housing market conditions in the HMA are currently soft but improved compared with the conditions recorded in April 2010. The current rental vacancy rate is estimated at 9.6 percent compared with a rate of 11.0 percent as of April 2010. The apartment vacancy rate during the third quarter of 2012 was 6.7 percent, down from 7.3 percent a year earlier, and the average apartment rent increased by $20, or 3 percent, to $570. Demand is forecast for 275 new market-rate rental units during the next 3 years. The 1,300 units under construction will more than meet the forecast demand, and no additional rental construction is needed during the next 3 years (Table 1).

Table 1. Housing Demand in the Tulsa HMA, 3-Year Forecast, January 1, 2013, to January 1, 2016

	Tulsa HMA	
	Sales Units	Rental Units
Total Demand	5,100	275
Under Construction	900	1,300

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2013. A portion of the estimated 22,000 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

The Tulsa HMA economy depends heavily on activities related to the healthcare, aerospace, and energy industries. According to studies sponsored by the Tulsa Regional Chamber in 2012, these three industries, combined, were associated with 190,000 jobs, more than one-half of all private-sector jobs in the HMA. The healthcare industry directly or indirectly accounts for approximately 79,000 jobs in the HMA and has an economic impact estimated at $5.7 billion annually. Saint Francis Health System is the largest employer in the HMA, with 7,800 employees in 30 facilities (Table 2), and the education and health services sector, with 62,200 jobs, was the largest nonfarm payroll sector during 2012, accounting for 14.9 percent of total nonfarm payrolls (Figure 1). Aerospace-related activities in the HMA are distributed across several nonfarm payroll sectors and total approximately 44,000 jobs. The aerospace industry has an economic impact of $3.8 billion annually on the HMA economy. American Airlines is the third largest employer in the HMA, with 6,900 employees at its Tulsa maintenance base. Salaries and benefits for workers at the maintenance base total more than $600 million annually. The energy industry accounts for approximately 67,000 jobs across multiple job sectors and subsectors, including the mining and logging and the transportation subsectors and the manufacturing and the professional and business services sectors. The economic impact of the energy industry on the HMA is estimated at more than $10.8 billion an-nually. The professional and business services sector is the third largest job sector in the HMA, with 56,000 jobs; the sector includes corporate headquarters employment and research positions in the healthcare, aerospace, and energy industries. The wholesale and retail trade sector is the second largest job sector in the HMA, with 59,700 jobs. Wal-Mart Stores, Inc., is the second largest employer in the HMA, with 7,500 employees at 30 store locations throughout the HMA.

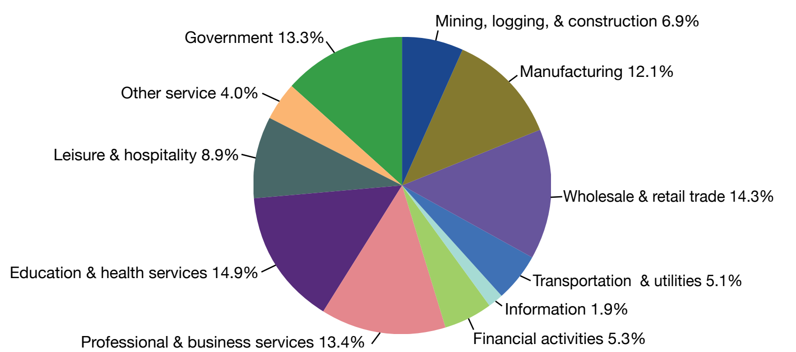
Since 2000, job growth in the Tulsa HMA has fluctuated with the national business cycle. Economic expansion was particularly strong from 2005 through 2007, when payrolls increased by an average of 11,500 jobs, or 2.9 percent, annually. Job growth during this period was led by the professional and business services sector, which increased by an average of 2,950 jobs, or 5.2 percent, annually. Hiring by firms in the aerospace and energy industries, along with expanded employment in corporate headquarters and back-office

Table 2. Major Employers in the Tulsa HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Saint Francis Health System	Education & health services	7,800
Wal-Mart Stores, Inc.	Wholesale & retail trade	7,500
American Airlines	Manufacturing	6,900
St. John Health System	Education & health services	6,800
Hillcrest Health System	Education & health services	5,000
BOK Financial Corporation	Financial activities	2,900
Spirit AeroSystems, Inc.	Manufacturing	2,700
ONEOK, Inc.	Transportation & utilities	2,100
Baker Hughes Incorporated	Mining, logging, & construction	1,900
The NORDAM Group, Inc.	Manufacturing	1,500

Note: Excludes local school districts and municipalities.
Sources: Employers; local chambers of commerce

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



Note: Based on 12-month averages through December 2012.
Source: U.S. Bureau of Labor Statistics

operations, contributed to gains in this sector. During the same period, payrolls in the education and health services sector increased by an average of 1,675 jobs, or 2.7 percent, annually, partly because of hospital expansions throughout the HMA. Cancer Treatment Centers of America and Saint Francis Health System expanded their facilities near the city of Broken Arrow, in Tulsa County, during 2005 and 2007, respectively, resulting in more than 400 new jobs combined. Several projects funded by Vision 2025, an $800 million economic development initiative passed by Tulsa County voters in 2003, contributed to widespread gains from 2005 through 2007 in the construction subsector, averaging 830 jobs, or 4.3 percent, annually. During the same period, the mining and logging subsector recorded an average annual gain of 770 jobs, or 15.0 percent.

Economic growth began to moderate by 2008, and conditions worsened during 2009 and 2010 because of the effects of the national recession. From 2009 through 2010, nonfarm payrolls decreased by an average of 13,600 jobs, or 3.2 percent, annually, to 407,400 jobs. Losses were greatest in the manufacturing sector, which declined by an average of 4,800 jobs, or 9.4 percent, annually. Job losses were also significant in the professional and business services sector, which decreased by an average of 4,100 jobs, or 6.7 percent, annually, mostly because of declines in temporary help services, which decreased by an average of approximately 2,250 jobs, or 23.0 percent, annually during the period. Partially offsetting the overall job losses during this period were gains in the education and health services and the government sectors, which recorded average annual increases of 1,100 and 800 jobs, or 1.8 and 1.5 percent, respectively. Several hospitals expanded during this period in response to the growing HMA population, contributing to gains in the education and health services sector. Gains in the government sector were partly a result of tribal casino expansions; tribal casino jobs in Oklahoma are categorized as local government subsector employment, according to the state of Oklahoma. In the city of Tulsa, the Muscogee (Creek) Nation tribe opened the River Spirit Casino in April 2009, resulting in 650 new jobs; in the city of Catoosa, east of downtown Tulsa, the Cherokee Nation tribe added 200 jobs after expanding the Hard Rock Hotel & Casino.

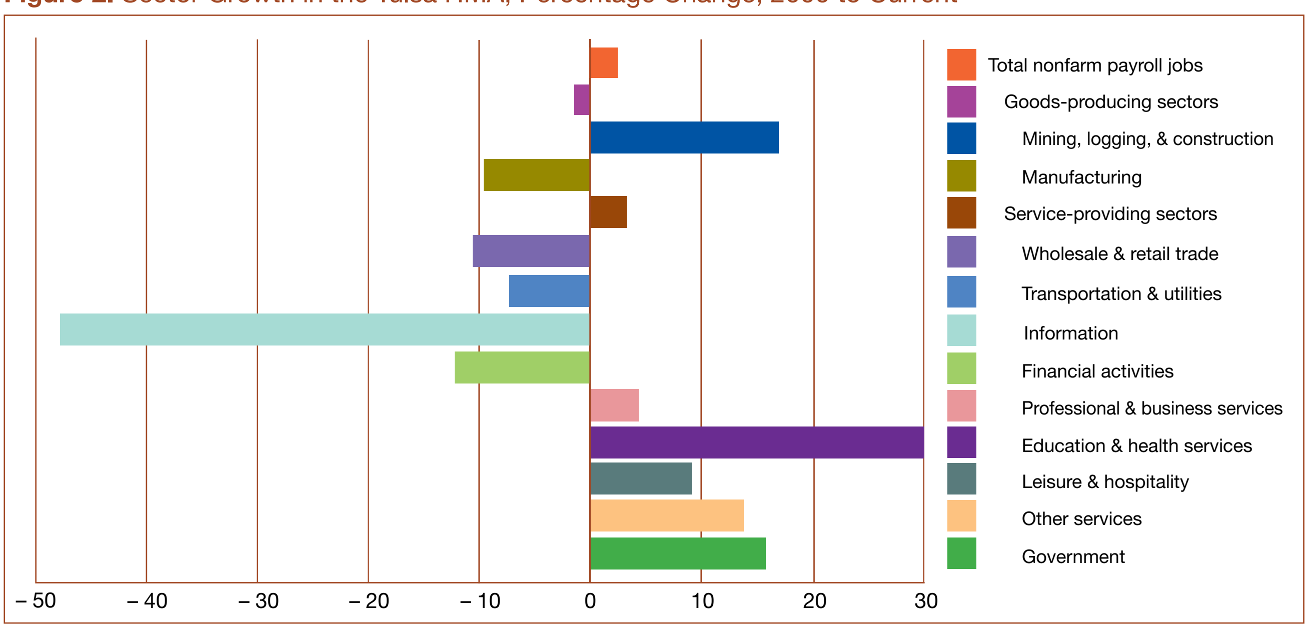
Since 2010, the Tulsa HMA economy has recovered from the economic downturn at a rapid pace. During 2012, nonfarm payrolls increased by 9,900 jobs, or 2.4 percent, to 417,000 jobs, after increasing by 1,500 jobs, or 0.4 percent, during 2011. Despite the strong job growth during 2012, current payrolls remain 16,100 jobs below the peak level of 433,100 jobs reached during 2008. Nearly three-fourths of the job gains during 2012 occurred in the manufacturing, the professional and business services, and the education and health services sectors. The manufacturing sector increased by an average of 4,600 jobs, or 10.1 percent, to 50,300 jobs, reflecting widespread growth in the local aerospace and the oil and gas equipment manufacturing industries (Table 3). Spirit AeroSystems, Inc., an aircraft parts manufacturer with a workforce of 2,700 employees in the HMA, added 900 jobs at its wing-component manufacturing plant in the city of Tulsa. Payrolls in the professional and business services sector increased by 1,400 jobs, or 2.5 percent, during 2012. Contributing to gains in this sector, Baker Hughes Incorporated added 700 new engineering positions at its research and development facility in the city of Claremore, northeast of the city of Tulsa. Baker Hughes Incorporated is an oilfield services company with 1,900 employees in the HMA. Continued hospital expansions contributed to payroll gains during 2012 in the education and health services sector, which increased by 1,300 jobs, or 2.1 percent, compared with the number of jobs recorded a year ago. The construction subsector increased by 1,150 jobs, or 5.7 percent, to 21,100 jobs, partly because of the ongoing construction of a new trauma emergency center and patient tower at Saint Francis Hospital in downtown Tulsa. The $206 million project, which began in September 2011 and is slated for completion by the summer of 2014, resulted in 800 new construction jobs. Saint Francis Health System is expected to employ a staff of 700 at the hospital after construction is complete. Figure 2 illustrates nonfarm payroll sector growth from 2000 to the current date. During the forecast period, nonfarm payrolls in the HMA are expected to increase 1.9 percent annually, to 439,300 jobs. Job growth is expected to remain strong during the first year, with an estimated 2.0-percent increase. Payroll increases are expected to moderate to 1.7 percent by the third year. Gains are expected in nearly every nonfarm sector, with the strongest job growth

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Tulsa HMA, by Sector

	12 Months Ending December 2011	12 Months Ending December 2012	Percent Change
Total nonfarm payroll jobs	407,100	417,000	2.4
Goods-producing sectors	73,100	79,300	8.4
Mining, logging, & construction	27,400	29,000	5.6
Manufacturing	45,700	50,300	10.1
Service-providing sectors	334,100	337,800	1.1
Wholesale & retail trade	59,900	59,700	– 0.4
Transportation & utilities	20,500	21,100	2.9
Information	8,200	7,800	– 4.2
Financial activities	22,300	22,000	– 1.3
Professional & business services	54,600	56,000	2.5
Education & health services	60,900	62,200	2.1
Leisure & hospitality	36,500	37,300	2.0
Other services	16,600	16,500	– 0.8
Government	54,500	55,300	1.4

Notes: Based on 12-month averages through December 2011 and December 2012. Numbers may not add to totals because of rounding.
Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Tulsa HMA, Percentage Change, 2000 to Current

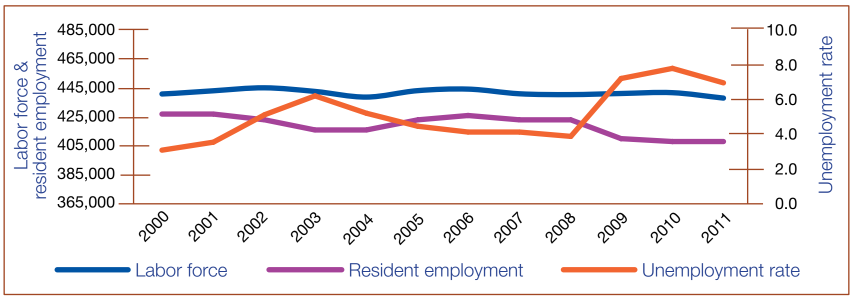


Note: Current is based on 12-month averages through December 2012.
Source: U.S. Bureau of Labor Statistics

projected to occur in the manufacturing, the professional and business services, and the education and health services sectors.

Reflecting the relatively table economy of the HMA, unemployment rates have been significantly lower than national rates since 2000. From 2000 through 2008, the average annual unemployment rate was 4.3 percent in the HMA compared with 5.1 percent nationally. During 2009 and 2010, the HMA unemployment rate increased because of the national economic recession. During 2010, the unemployment rate peaked at an average of 7.7 percent. By comparison, the national unemployment rate increased to 9.3 percent during the same period. During 2012, the average unemployment rate in the HMA was 5.7 percent, down from 6.9 percent a year earlier. For the nation as a whole, the average unemployment rate averaged 8.1 percent in 2012, down from 8.9 percent a year earlier. Figure 3 shows trends in the labor force, resident employment, and the unemployment rates in the HMA from 2000 through 2011.

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Tulsa HMA, 2000 Through 2011

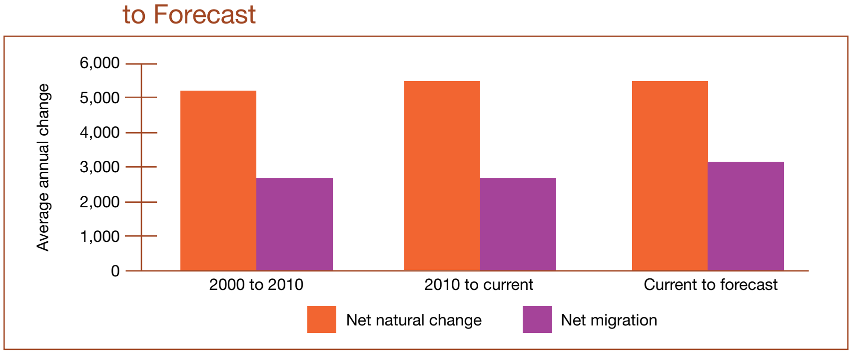


Source: U.S. Bureau of Labor Statistics

Population and Households

The current population of the Tulsa HMA is estimated at 959,600, which indicates an average increase of 8,050, or 0.9 percent, annually since April 2010. During this period, net in-migration accounted for nearly one-third of the population growth (Figure 4). Migration into the HMA primarily stemmed from an improving economy. The most populous county in the HMA, Tulsa County, has an estimated population of 620,700, which is 65 percent of the total population. Rogers and Wagoner Counties are the second and third most populous counties, with estimated populations of 88,700 and 75,200, respectively. The city of Tulsa has an estimated population of 403,900. The city of Broken Arrow, also in Tulsa County, southeast of the city of Tulsa, is the second most populous in the HMA, with an estimated population of 101,900. The city of Owasso, which straddles the border of Tulsa and Rogers Counties, is the third most populous in the HMA, with an estimated population of 30,200. Since

Figure 4. Components of Population Change in the Tulsa HMA, 2000 to Forecast



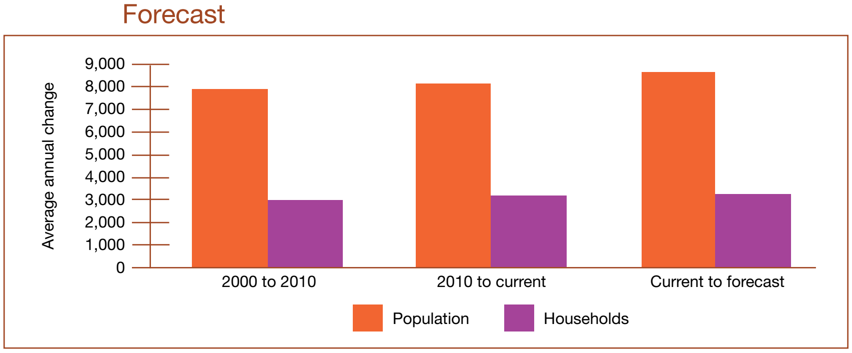
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

April 2010, the population of Tulsa County has increased at an average annual rate of 1.1 percent and accounted for nearly 80 percent of the total population growth of the HMA. The populations of the cities of Tulsa and Broken Arrow each grew an average rate of 1.1 percent annually during the period, and the population of Owasso increased at an average rate of 1.6 percent annually.

From 2000 to 2010, population growth in the HMA was greatest from July 2008 through June 2010, when the population increased by an average of 11,800, or 1.3 percent, annually. During this period, net in-migration accounted for more than one-half of the population growth, averaging 6,225 people annually, despite significant declines in the HMA economy. Jobseekers were drawn to the HMA during this period because of its relatively low unemployment rate compared with the rates in other areas of the nation. Students were also drawn to the many universities in the HMA; enrollment grew by an average of 5 percent annually from 2009 through 2010 compared with an average annual growth of less than 1 percent during the previous 5 years and since 2010. In Tulsa County, net in-migration averaged approximately 4,000 people annually from July 2008 through June 2010, which accounted for 60 percent of net in-migration to the HMA during the period. By contrast, during the previous 6 years, net out-migration from Tulsa County averaged 870 people annually. From July 2008 through June 2010, population growth in Tulsa County occurred primarily in Broken Arrow and Owasso, with average annual gains of 2,225 and 1,050 people, or 2.3 and 3.8 percent, respectively. During the forecast period, the population of the HMA is expected to increase by an average of 8,575, or 0.9 percent, annually (Figure 5). Job growth is expected to continue to attract people to the HMA, resulting in net in-migration averaging 3,125 people annually during the forecast period. Population growth is expected to be greatest, at 1.0 percent, during the first year of the forecast period and then moderate to 0.8 percent by the third year of the forecast period.

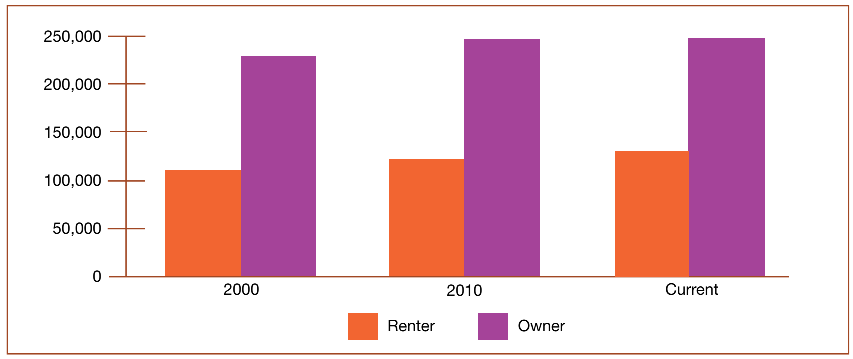
The number of households in the Tulsa HMA is currently estimated at 375,800, representing an average increase of 3,175 households, or 0.9 percent, annually since April 2010. From 2000 to 2010, the number of households increased by an average of 3,000, or 0.9 percent, annually, a rate slightly below the population growth rate during the same period. Household growth in the HMA slowed during the economic downturn in 2009 and 2010 because of an increase in doubling up of households and a delay in new household formation. Since April 2010, tight lending standards and weak consumer confidence in the home sales market have contributed to an increase in the number of renter households, which accounted for 72 percent of household growth overall. By contrast,

Figure 5. Population and Household Growth in the Tulsa HMA, 2000 to Forecast



Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst from 2000 to 2010, renter household growth in the HMA comprised only 40 percent of overall household growth. Figure 6 shows the number of households in the HMA by tenure. During the forecast period, the number of households in the HMA is expected to increase by an average of 3,225, or 0.8 percent, annually.

Figure 6. Number of Households by Tenure in the Tulsa HMA, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

Sales housing market conditions in the Tulsa HMA are currently slightly soft, with an estimated sales vacancy rate of 2.3 percent, unchanged from April 2010. Tight mortgage lending standards resulted in an increased propensity to rent and contributed to soft sales market conditions. The effects of the national housing crisis were not as evident in the HMA as in the nation as a whole. Relatively low unemployment rates, stable average home sales prices, and low foreclosure rates, compared with the corresponding national averages, contributed to a relatively stable home sales market in the HMA. According to CoreLogic, Inc., as of October 2012, 5.5 percent of home loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), unchanged from a year earlier. By comparison, 6.5 percent of loans were distressed nationally, down from 7.3 percent a year earlier. From January 2000 through September 2007, the percentage of distressed home loans in the HMA was above the national average. Since October 2007, however, the nationwide rate of distressed home loans has averaged 6.5 percent and peaked at 8.5 percent, whereas the rate of distressed home loans in the HMA has averaged 4.7 percent and peaked at 5.7 percent. In addition, underwater mortgages comprise only 10 percent of total home loans in the HMA compared with the 23 percent of mortgages under water nationally, reflecting a relatively stable home sales market in the HMA.

Home sales in the HMA increased by 1,800, or 14 percent, to an estimated 14,900 homes sold during 2012 compared with the number sold during 2011. The sales volume in 2011, however, represented an 11-year low in recorded home sales. During 2012, the average home sales price increased from a year earlier by an estimated $8,750, or 6 percent, to $158,800. Home sales in the HMA peaked from 2005 through 2007, averaging 24,800 homes sold annually. From 2008 through 2011, however, home sales declined by an average of 2,550, or 13 percent, annually, partly because of tighter mortgage lending standards during this period and partly because of the economic downturn during 2009 and 2010. Since 2000, the average home sales price in the HMA has increased every year except 2009. Annual average price changes in the HMA ranged from a 5-percent decline during 2009, reflecting increased sales of lower priced homes stemming from the first-time homebuyer tax credit, to 7-percent increases during 2003 and 2006. Nationwide, price changes ranged from a 12-percent decline, also during 2009, to a 13-percent gain during 2004.

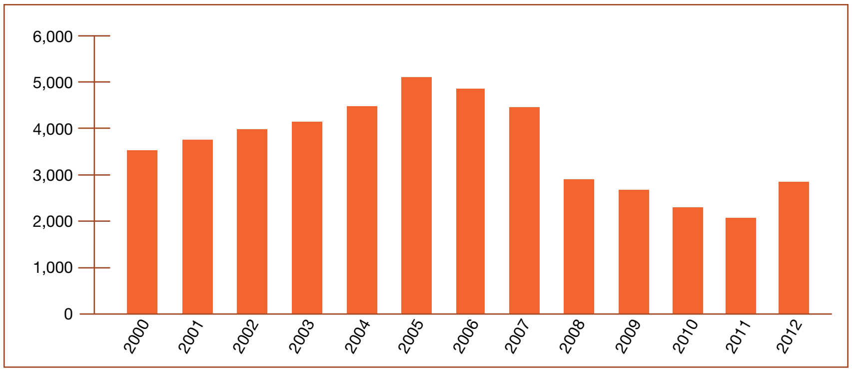
The number of new homes sold in the HMA increased 6 percent, to 1,475 homes sold, during 2012 compared with the number sold a year earlier, and the average price for a new home increased 11 percent, to approximately $241,100. New home sales were particularly strong in the cities of Broken Arrow and Tulsa, reflecting strong population growth in those areas. In Broken Arrow, new home sales increased 15 percent, to 350 homes sold, and the average price for new homes increased 7 percent, or by $13,800, to $216,900. In the city of Tulsa, new home sales totaled 320, up 13 percent compared with the number sold a year earlier, and the average price increased by $9,000, or 3 percent, to $314,700.

Home builders responded to stronger home sales demand in the Tulsa HMA during 2012, resulting in increased single-family homebuilding activity, as measured by the number of homes permitted. According to preliminary data, single-family permitting increased during 2012 by 800 homes, or 39 percent, to 2,850 homes permitted compared with the 2,050 homes permitted during 2011. The number of homes permitted for 2011, however, represented the lowest level of single-family home construction recorded in the HMA since 1990. An estimated 570 homes were permitted in the city of Tulsa during 2012, representing an increase of 250 homes, or nearly 80 percent, from a year earlier. Single-family homebuilding was also strong in Broken Arrow, where the number of homes permitted increased by 40, or 10 percent, to 410 homes compared with the number permitted in 2011. Single-family homebuilding activity in the HMA was strongest from 2005 through 2007, when permitting averaged 4,775 homes annually. Relaxed mortgage lending standards and relatively affordable home prices, combined with job and population growth, were the primary reasons for increased single-family homebuilding during this period. Single-family home construction declined each year from 2008 through 2011, to about one-half of 2007 home construction levels by 2011. The decline was a result of tighter lending standards and, from 2009 through 2010, a contracting economy. Figure 7 shows the number of single-family building permits issued in the HMA since 2000.

An estimated 900 single-family homes are currently under construction in the HMA. Nearly one-half of these homes are in the cities of Tulsa and Broken Arrow. Iron Horse Ranch, a residential community currently under development in Broken Arrow, has sold approximately 40 homes, including 34 during 2012, at an average price of $146,600. About 100 additional lots are still available, and no date has been set for completing the community. In the city of Tulsa, construction is under way at The Legends residential community. During 2012, 16 three- and four-bedroom homes, ranging in size from 2,500 to 3,700 square feet, sold for an average price of $503,900. Approximately 90 home sites remain available at The Legends; no completion date has been set.

Demand is expected for 5,100 new homes in the HMA during the next 3 years (Table 1). The homes currently under construction and the current supply of excess vacant available units are expected to satisfy sales demand during the first year of the forecast period. New home sales demand is expected to increase to approximately 2,600 homes by the third year. A portion of the estimated 22,000 other vacant units in the HMA may reenter the home sales market and satisfy some of the forecast demand. New homes priced from $150,000 through $199,999 are expected to be in greatest demand in the HMA. Table 4 shows estimated demand for new market-rate sales housing in the HMA by price range.

Figure 7. Single-Family Building Permits Issued in the Tulsa HMA, 2000 Through 2012



Notes: Includes townhomes. Includes data through December 2012.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Tulsa HMA, January 1, 2013, to January 1, 2016

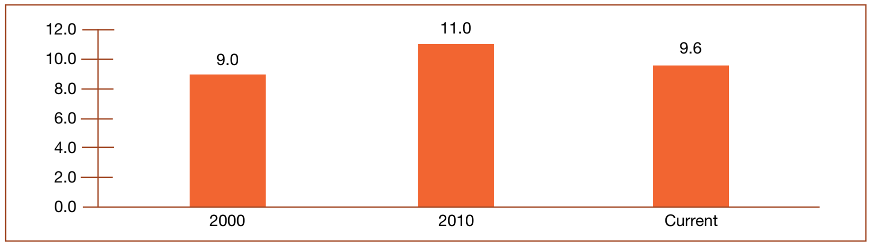
Price Range ($)		Units of Demand	Percent of Total
From	To		
100,500	149,999	920	18.0
150,000	199,999	1,525	30.0
200,000	249,999	1,225	24.0
250,000	299,999	510	10.0
300,000	349,999	460	9.0
350,000	399,999	260	5.0
400,000	and higher	200	4.0

Note: The 900 homes currently under construction and a portion of the estimated 22,000 other vacant units in the HMA will likely satisfy some of the forecast demand.
Source: Estimates by analyst

Rental Market

The rental housing market in the Tulsa HMA, as of January 1, 2013, was soft, with an overall rental vacancy rate estimated at 9.6 percent. The rental vacancy rate decreased from 11.0 percent in April 2010 but remains higher than the 9.0-percent rate recorded in 2000 (Figure 8). Improved rental market conditions since 2010 resulted from increased demand caused by population and household growth. Tight mortgage lending standards that impeded homebuying also contributed to stronger rental market demand. Currently, renter households are estimated to account for more than 34 percent of all households in the HMA, the highest percentage since 1960.

Figure 8. Rental Vacancy Rates in the Tulsa HMA, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Apartment rental market conditions in the HMA are currently soft but have improved recently. An estimated 95 percent of the apartment units in the HMA are in Tulsa County. Based on the most recent Reis, Inc. data available, as of the third quarter of 2012, the apartment vacancy rate in Tulsa County was estimated at 6.7 percent, the lowest rate since 2001. By comparison, apartment vacancy rates during the third quarters of 2011 and 2010 were 7.3 and 8.9 percent, respectively. Overall rental vacancy rates are typically higher than those of apartments in the HMA because of higher vacancy rates in the single-family rental market, which comprises an estimated 42 percent of the HMA rental market. Reflecting improved apartment market conditions, average rents in the HMA increased during the third quarter of 2012 by $20, or 3 percent, to $570 compared with the average rent a year earlier. Apartment vacancy rates were lowest in the central, southern, and southeastern portions of Tulsa County (including Broken Arrow), with vacancy rates of approximately 6 percent in each area. The highest average vacancy rate was recorded in southwestern Tulsa County, at nearly 13 percent. The average vacancy rate in northern Tulsa County was second highest, at nearly 10 percent. Average rents in Tulsa County ranged from $550 in the northern portion to $640 in the southwestern portion. Apartment rental market conditions were considerably tighter in areas nearest the key employment centers in the HMA.

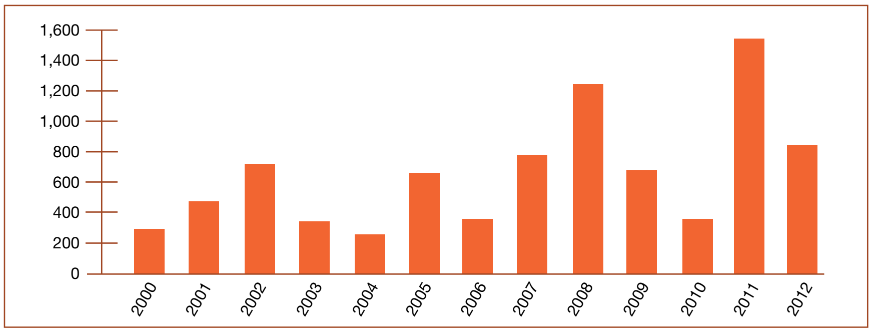
The HMA apartment market has been soft since the economic downturn in the early 2000s. During 2002, the apartment vacancy rate increased to 9.4 percent from 6.4 a year earlier. The softening conditions were primarily caused by out-migration, which stemmed from a slowdown in the HMA economy. The apartment vacancy rate averaged 10.0 percent from 2002 through 2007, when high vacancy rates persisted even during periods of strong economic expansion, partly because of increased demand for sales housing and correspondingly weak rental demand. Since 2008, when mortgage-lending standards began to tighten in the HMA, average apartment vacancy rates have decreased and average rents have increased nearly every year.

Multifamily construction activity, as measured by the number of multifamily units permitted, declined in the Tulsa HMA by 690 units, or 45 percent, during 2012, to 840 units. By comparison, 1,525 units were permitted during 2011, which represented the most permits issued in the HMA since 1999. The level of multifamily construction historically has fluctuated in the HMA. During the 2000s, multifamily construction ranged from

250 units permitted during 2004 to 1,225 permitted during 2008 (Figure 9). Approximately 1,300 units are currently under construction in the HMA, all of them in Tulsa County. This new construction includes the 240-unit Enclave at Brookside apartments, approximately 5 miles south of downtown Tulsa. The project, which began in October 2012, is slated for completion in January 2014, when it will offer units ranging in size from 724 to 1,500 square feet and rents ranging from $900 to $2,000 a month. Construction on the 286-unit Cascata Apartments in southeast Tulsa, near Broken Arrow, began in October 2012 and is expected to be complete by July 2013. When complete, Cascata Apartments will offer units ranging in size from 790 to 1,175 square feet and rents averaging approximately $1 per square foot. In addition to the units under construction, approximately 2,000 apartment units are in planning in the HMA, all of them in Tulsa County. The increased construction reflects builders' confidence that recent improvements in HMA apartment market conditions will continue.

During the forecast period, demand is estimated for 275 new market-rate rental units in the HMA (Table 1). The 1,300 apartment units currently under construction will satisfy all this demand. To allow for the absorption of the current supply of vacant available units and the units currently under construction, and to prevent prolonging the existing soft market conditions, no additional units should be constructed during the forecast period. Table 5 shows estimated demand for new market-rate rental housing in the HMA by rent range.

Figure 9. Multifamily Building Permits Issued in the Tulsa HMA, 2000 Through 2012



Notes: Excludes townhomes. Includes data through December 2012.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Tulsa HMA, January 1, 2013, to January 1, 2016

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
675 to 874	75	890 to 1,089	90	1,030 or more	15
875 or more	75	1,090 or more	30		
Total	150	Total	120	Total	15

Notes: Numbers may not add to totals because of rounding. The 1,300 units currently under construction will satisfy some of the estimated demand.
Source: Estimates by analyst

Data Profile

Table DP-1. Tulsa HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	2010 to Current
Total resident employment	427,377	407,565	418,200	– 0.5	1.3
Unemployment rate	2.9%	7.7%	5.7%		
Nonfarm payroll jobs	407,700	405,900	417,000	0.0	1.4
Total population	859,532	937,478	959,600	0.9	0.9
Total households	337,215	367,091	375,800	0.9	0.9
Owner households	227,392	245,181	247,600	0.8	0.4
Percent owner	67.4%	66.8%	65.9%		
Renter households	109,823	121,910	128,200	1.0	1.8
Percent renter	32.6%	33.2%	34.1%		
Total housing units	366,195	409,820	417,200	1.1	0.7
Owner vacancy rate	1.7%	2.3%	2.3%		
Rental vacancy rate	9.0%	11.0%	9.6%		
Median Family Income	$43,700	$57,600	$59,600	2.8	1.7

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2012. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 1/1/2013—Analyst's estimates
Forecast period: 1/1/2013–1/1/2016—Analyst's estimates

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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

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.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_TulsaOK_13.pdf.

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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.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. 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.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.