

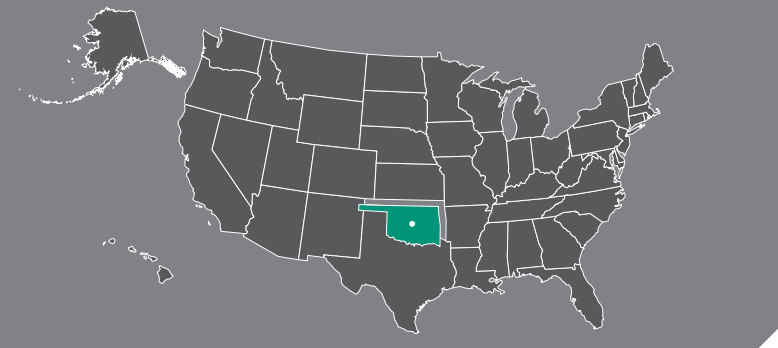
# HUD PD&R Housing Market Profiles

## Oklahoma City, Oklahoma



### Quick Facts About Oklahoma City

- Current sales market conditions: slightly soft.
- Current rental market conditions: slightly soft.
- The Oklahoma City metropolitan area is home to Tinker Air Force Base (AFB), the University of Oklahoma (OU), and the state capital, which have a combined economic impact on the metropolitan area of more than \$10 billion annually (the Greater Oklahoma City Chamber, State Chamber of Oklahoma, and University of Oklahoma).



By Randall Goodnight | As of February 1, 2014

### Overview

The Oklahoma City, OK Metropolitan Statistical Area (hereafter, the Oklahoma City metropolitan area) in central Oklahoma includes Canadian, Cleveland, Grady, Lincoln, Logan, McClain, and Oklahoma Counties. The metropolitan area was named one of the 25 best places in the United States to retire in 2014 by *Forbes* magazine. A relatively low cost of living, affordable home prices, and a high amount of volunteerism contributed to the ranking.

- As of February 1, 2014, the estimated population of the metropolitan area was 1.34 million.
- Since 2010, the population has increased annually by an average of 22,300, or 1.7 percent, compared with an average annual increase of 19,100, or 1.6 percent, from 2007 through 2009.
- Net in-migration has accounted for nearly 65 percent of population growth since 2010, as the economy expanded, compared with 56 percent of population growth from 2007 through 2009.
- More than one-half of the population in the metropolitan area resides in Oklahoma County, and population growth in Oklahoma County has accounted for more than one-half of the population increase in the metropolitan area since 2010.



Growth of more than 2 percent in many sectors resulted in record-level payrolls in the Oklahoma City area.

	3 Months Ending		Year-Over-Year Change	
	January 2013 (thousands)	January 2014 (thousands)	Absolute (thousands)	Percent
<b>Total nonfarm payrolls</b>	601.5	617.3	15.8	2.6
Goods-producing sectors	82.4	84.6	2.2	2.7
Mining, logging, and construction	46.5	48.2	1.7	3.7
Manufacturing	35.9	36.4	0.5	1.4
Service-providing sectors	519.1	532.7	13.6	2.6
Wholesale and retail trade	90.1	92.8	2.7	3.0
Transportation and utilities	15.9	16.4	0.5	3.1
Information	8.3	8.1	-0.2	-2.4
Financial activities	34.0	34.6	0.6	1.8
Professional and business services	74.7	74.9	0.2	0.3
Education and health services	87.5	89.6	2.1	2.4
Leisure and hospitality	61.9	66.8	4.9	7.9
Other services	21.7	21.5	-0.2	-0.9
Government	124.8	127.9	3.1	2.5
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	4.8	4.9		

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

## Economic Conditions

Nonfarm payroll jobs in the Oklahoma City metropolitan area have increased to record-high levels since recording an average loss of 16,200 jobs, or 2.8 percent, during 2009 as a result of the economic downturn.

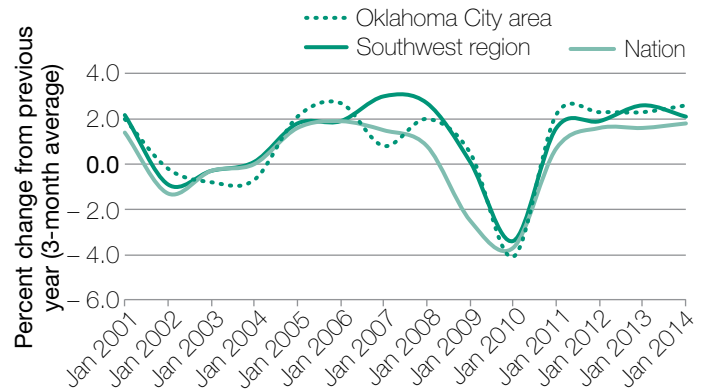
During the 3 months ending January 2014—

- Nonfarm payrolls increased by 15,800 jobs, or 2.6 percent, from a year earlier to an average of 617,300 jobs, after increasing by an average of 13,150 jobs, or 2.3 percent, annually during the previous 3 years.
- The leisure and hospitality and the government sectors led job growth, increasing by 4,900 and 3,100 jobs, or 7.9 and 2.5 percent, respectively, from the same 3-month period a year earlier.
- The government sector is the largest in the metropolitan area, accounting for 127,900 jobs, or approximately one-fifth of the nonfarm job total.
- The unemployment rate increased to an average of 4.9 percent from 4.8 percent during the same 3-month period a year earlier because increases in labor force outpaced employment growth.

Jobs at the three largest employers in the metropolitan area—the State of Oklahoma, Oklahoma University, and Tinker Air Force Base—account for more than one-half of the jobs in the government

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## Nonfarm payrolls are increasing faster in the Oklahoma City area than in the region and the nation.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

## Largest employers in the Oklahoma City area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Oklahoma	Government	42,000
University of Oklahoma	Government	16,100
Tinker Air Force Base	Government	14,500

Note: Excludes local school districts.  
Sources: Greater Oklahoma City Chamber; Department of Defense



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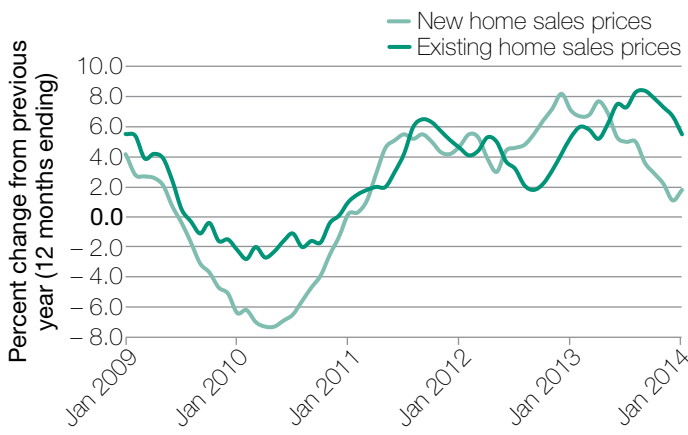
sector and more than one-tenth of all nonfarm jobs in the metropolitan area. Since 2010, the government sector has increased by an average of more than 2,300 jobs, or nearly 1.9 percent, annually. The popularity of the National Basketball Association team, the Oklahoma City Thunder, contributed to gains in the leisure and hos-

pitality sector. Thunder home games had an economic impact on the metropolitan area of more than \$1.5 million per game, up from \$1.2 million a year ago. The economic impact of the Thunder has totaled more than \$50 million annually since 2010 (city of Oklahoma City data).

## Sales Market Conditions

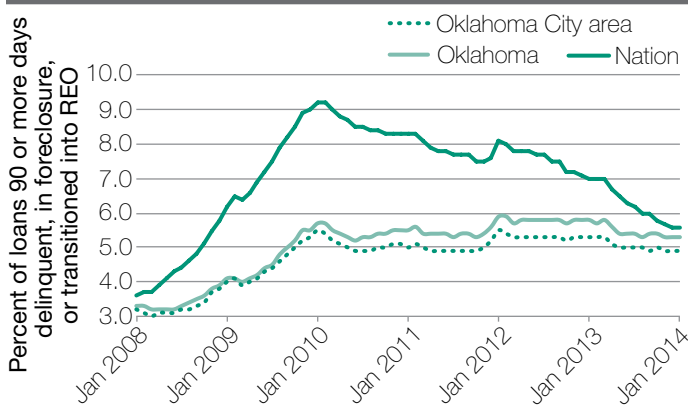
The sales housing market in the Oklahoma City metropolitan area is slightly soft, with a vacancy rate of 2.0 percent compared with the rate of 2.2 percent recorded in April 2010. During the 12 months ending January 2014, existing home sales (including single-family

### New and existing home sales prices in the Oklahoma City area increased during the past 3 years.



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

### The percentage of distressed mortgages remained lower in the Oklahoma City area than in the state and nation.

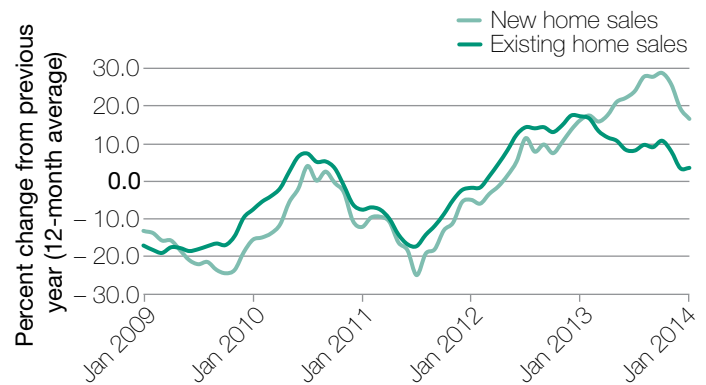


REO = Real Estate Owned. Source: Black Knight Financial Services, Inc.

homes, townhomes, and condominiums) totaled nearly 25,350, an increase of 900 homes, or 3.6 percent, from the same 12-month period a year earlier (CoreLogic, Inc.). The average sales price of an existing home increased to \$141,100, up \$7,350, or 5.5 percent, from a year earlier. New home sales totaled 4,375, up by 625 homes, or 16.6 percent, from the same 12-month period a year earlier. The average new home sales price was \$228,200, up \$3,950, or 1.8 percent, from a year earlier.

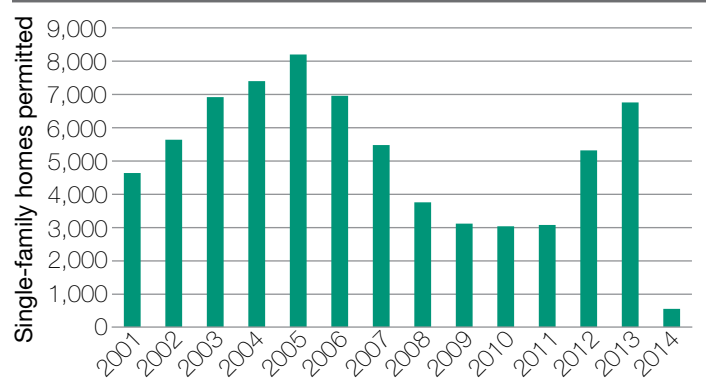
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### New and existing home sales in the Oklahoma City area have increased since the spring of 2012.



Note: Includes single-family homes, townhomes, condominiums, or any combination. Source: CoreLogic, Inc.

### Single-family home permitting activity in the Oklahoma City area increased significantly during the past 2 years.



Note: Includes preliminary data from January 2013 through January 2014. Sources: U.S. Census Bureau, Building Permits Survey; analyst estimates



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- As of January 2014, the unsold inventory totaled 8,375 homes, down 7.5 percent from a year ago and down 39.3 percent from April 2010 (Yahoo!-Zillow Real Estate Network).
- An estimated 9.0 percent of total home sales were distressed sales during the 12 months ending January 2014, down from 10.6 percent a year earlier (CoreLogic, Inc.).
- Investment purchases accounted for 20.0 percent of total home sales during the 12 months ending January 2014, up from 16.0 percent a year earlier (Metrostudy, A Hanley Wood Company).
- Home values in the metropolitan area increased to 13 percent above the prerecession peak level, leading the nation in the housing market recovery (*Wall Street Journal*).
- In January 2014, 4.9 percent of mortgage loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned), down from 5.3 percent a year earlier and from 5.2 percent in April 2010 (Black Knight Financial Services, Inc.).

Increased new home sales and decreased unsold inventory in the Oklahoma City metropolitan area led to an increase in single-family homebuilding activity, as measured by the number of homes permitted, during the 12 months ending January 2014.

- During the 12 months ending January 2014, the number of single-family homes permitted increased by 1,500, or 27.5 percent, to 6,950 compared with the number permitted during the same period ending January 2013 (preliminary data).
- Single-family homebuilding activity averaged 3,075 annually from 2009 through 2011.
- Nearly 1,000 of the single-family homes permitted during the 12 months ending January 2014 were to replace some of the more than 1,600 homes destroyed during tornadoes that occurred in late May 2013.
- In the city of Moore, where the greatest tornado damage occurred, single-family home permitting activity totaled approximately 700 homes during the 12 months ending January 2014, up 300 percent from a year earlier.

## Rental Market Conditions

Rental housing market conditions in the Oklahoma City metropolitan area are slightly soft but improving as a result of an expanding economy and increased demand for rental housing.

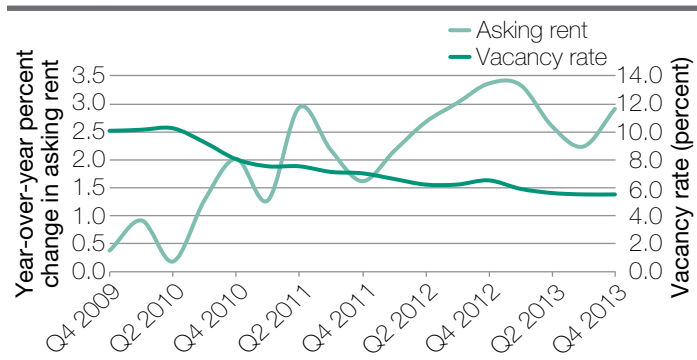
- As of February 1, 2014, the estimated overall rental vacancy rate was 7.5 percent, down from 10.4 percent in April 2010.
- The number of single-family homes offered for rent declined in January 2014 by 250, or 12.9 percent, from a year earlier, to 1,625 (Yahoo!-Zillow Real Estate Network).
- The median rent for single-family homes increased 13.2 percent, to \$900, during the same period (Yahoo!-Zillow Real Estate Network).

- During the fourth quarter of 2013, the average apartment vacancy rate in the metropolitan area was 5.5 percent, down from 6.5 percent a year earlier and from 10.1 percent during the first quarter of 2010 (Reis, Inc.).
- The average apartment rent was \$600 during the fourth quarter of 2013, up 2.9 percent compared with the average rent a year earlier (Reis, Inc.).

Multifamily construction activity, as measured by the number of units permitted, increased during the past 12 months as builders responded to increased rental housing demand.

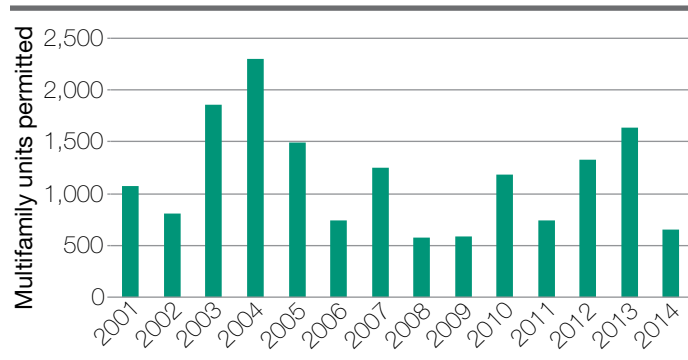
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### Apartment rents in the Oklahoma City area continued to record year-over-year increases, and apartment vacancy rates have declined since 2012.



Source: Reis, Inc.

### Improving rental market conditions in the Oklahoma City area resulted in increased apartment construction during the past 2 years.



Note: Includes preliminary data from January 2013 through January 2014. Sources: U.S. Census Bureau, Building Permits Survey; analyst estimates



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- During the 12 months ending January 2014, approximately 2,050 multifamily units were permitted, an increase of 600 units, or 41.4 percent, compared with the number permitted during the same period ending January 2013 (preliminary data).
- Multifamily permitting activity averaged 840 annually from 2009 through 2011.
- The Edge at Midtown, a mixed-use development under construction near downtown Oklahoma City, is scheduled to complete 250 apartment units by the fall of 2014. Proposed rents range from \$925 to \$1,000 for one-bedroom units, range from \$1,265 to \$1,525 for two-bedroom units, and are \$1,650 for three-bedroom units.
- The Icon at Norman, under construction 14 miles south of downtown Oklahoma City, is expected to be complete in 2014. Proposed rents at the 264-unit development range from \$829 to \$949 for one-bedroom units and from \$889 to \$1,099 for two-bedroom units.

