

# Center of attention: OKC ranked third nationally in downtown employment growth

By: Brian Brus The Journal Record April 17, 2015

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OKLAHOMA CITY – Sometimes Cathy O'Connor wishes the city's development would slow down just enough to catch her breath.

Policy decisions and planning adjustments seem to be coming at a breakneck speed as Oklahoma City claims the third-fastest downtown employment growth rate, just behind Austin, Texas, and Charlotte, North Carolina.

"Sometimes we do feel like we can't get ahead of it instead of always playing catch-up, especially with issues like parking," said O'Connor, president of the Alliance for Economic Development of Oklahoma City. "We feel a little pressured from time to time to get in front of it."

The think tank organization City Observatory analyzed U.S. Census Bureau employment data for 41 of the biggest metropolitan areas from 2002 to 2011 to identify what researchers said may be the beginning of a trend: Employment in large city centers is growing while suburban job growth shrinks.

In Oklahoma City, for example, employment growth in the suburbs dropped from 1.5 percent in 2002-2007 to just 0.5 percent in 2007-2011. In the same periods, Oklahoma City's downtown job growth increased from negative 1.9 percent to a positive 2.2 percent.

Julie Anewalt, director of research for Newmark Grubb Levy Strange Beffort, said the changes have affected the Oklahoma City downtown commercial real estate market in at least two major ways. The first is that office rents are climbing. The Class A vacancy rate is only 3.1 percent, so quality space is nearly nonexistent, she said. In just five years, Class A rental rates have increased 23 percent, not counting parking fees.

The second effect is that downtown housing is in a boom cycle, Anewalt said. More than 2,000 housing units have been built since 2000 and the region has four new apartment projects with 900 more units now under construction.

She predicted that downtown employment will continue to grow, particularly with the development of the OGE Energy and 499 W. Sheridan projects providing new office space.

The city badly needs more Class A space, O'Connor said, "if we intend to grow and have companies intend to locate downtown."

O'Connor said the municipal government's planning department is expected to reveal a new downtown development framework soon to provide updated policy guidelines on topics ranging from density, retail placement and street access. The document went to the Oklahoma City Planning Commission for review this week.