

## **FINDINGS**

### **Defining Your Market, Products and Services**

The company, [918Homebuyer Ltd. Co](#) buys and holds single family rentals for the Tulsa Oklahoma including Broken Arrow in Oklahoma housing market.

### **Defining Your Target Audience and Market**

The potential market are home buyers and renters in Tulsa (which already include Broken Arrow) in Oklahoma, United States. Specifically, the target market for Independent Senior Living rentals are senior citizens 62 and above. Target for flip properties on MLS are anyone in Tulsa, or Broken Arrow Oklahoma that can afford a \$250,000 purchase on a single family.

### **Target Audience Statistics and Data**

#### ***Current economic status in Tulsa, OK***

Overall, the economy is improving according to the [latest report released by the U.S. Department of Housing and Urban Development](#). During the 12 months ending April 2023, jobs in the Tulsa area increased by 9,900, or 2.2%, 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. Jobs during the 12 months ending April 2023 were 1.5 percent below the pre pandemic peak level that occurred during the 12 months ending February 2020. During the past year, 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.

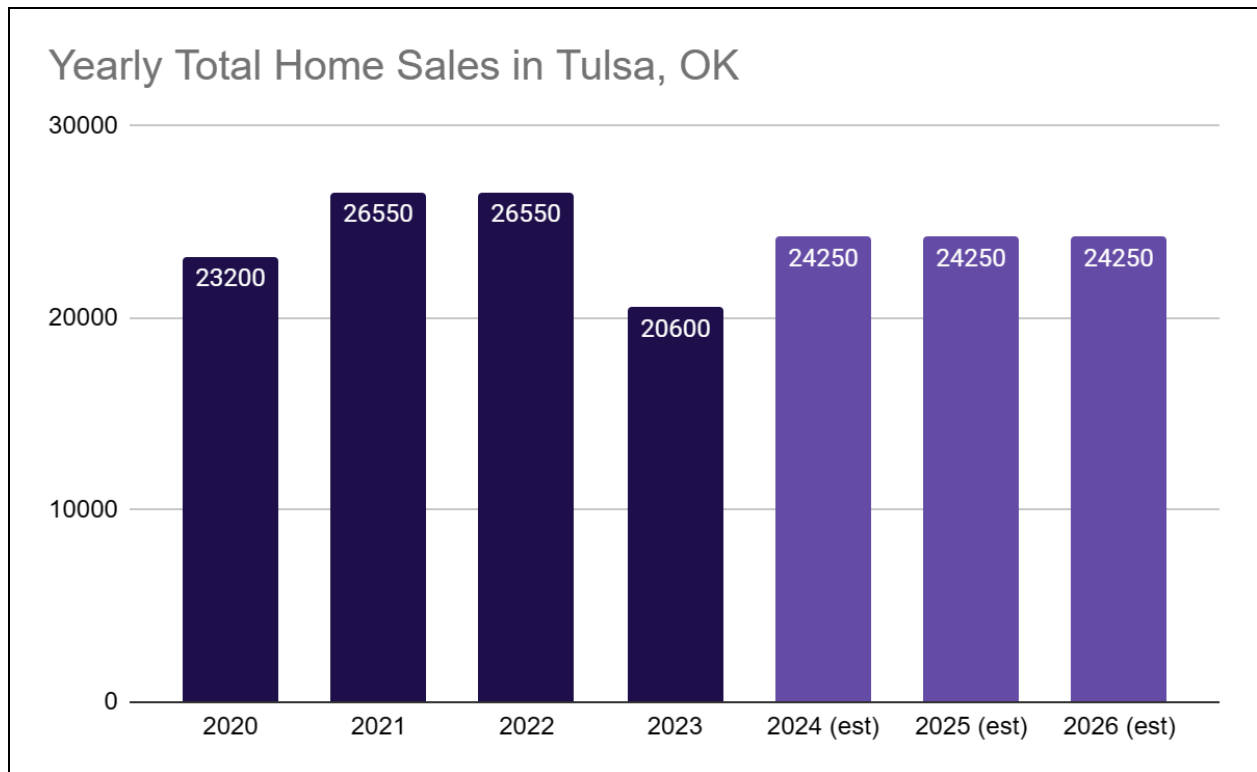
During the 3-year forecast period, jobs are expected to surpass the previous peak and increase an average of 1.5% annually.

#### ***Sales Market***

From the same report, it is stated that the home sales vacancy rate in Tulsa is [currently estimated at 1.6%](#), down from 2.3% back in 2010 and 1.8% in 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% from a year ago, compared with a 9-percent increase a year earlier. The average price for a home increased 6% to \$245,900 compared with a near-record increase of 13% 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.



### **Rent Market**

Accordingly, [rental market conditions](#) are balanced in the Tulsa metropolitan area as of the latest record in 2023, compared with soft conditions in 2010 and slightly soft conditions in 2020. The apartment market is also balanced, with an apartment vacancy rate of 7.1% as of the first quarter of 2023, up from 5.1% a year earlier but down from 9.9 and 8.2% during the first quarters of 2010 and 2020, respectively (according to a report from CoStar Group).

The average apartment rent as of the first quarter of 2023 increased 3% to \$931 compared with a record level increase of 12% 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 (2024 to 2026).

TAM target market:

- The total addressable market is the maximum number of potential buyers and renters in Tulsa (which already include Broken Arrow) in Oklahoma, United States.
- Summary of statistics and estimations of homebuyers

Current

Year	Number of house sales	Average value	Estimated total value
2023	20,600 (with 2,175 are new build homes or consisting of 10.60% of the total sales)	\$245,900	\$5.04 billion

Demand

Year	Number of house sales	Average value	Estimated total value
2024 to 2026 demand for new build homes	10,950 new homes	\$429,512 (assuming same trend increase of 6%)	\$4.70 billion
2024 to 2026 estimated sales for existing homes	92,352 (based on percentage, 10.60% new build and 89.40% for existing house sales)	\$240,620 (assuming same trend increase of 6%)	\$22.20 billion
2024 to 2026 estimated total of house sales combined	103,302 (new + existing)	\$260,654 (assuming same trend increase of 6%)	\$26.90 billion

From the above table, we could safely assume that the total number of properties sold is equivalent to the number of people buying homes, or nearly equivalent. Upon careful research, there were no available statistics solely for Tulsa’s buyer demographics. But using a national general survey, below are the segmented buyer’s demographics.

- Oklahoma’s [median age](#) of first time homebuyers is 35.
- [Age percentage breakdown of homebuyers:](#)
  - Gen Z aged 18 to 23 made up 4% of buyers
  - Millennial buyers 24 to 32 years (Younger Millennials) and buyers 33 to 42 years (Older Millennials) are 28% of all buyers: Older Millennials at 16% and Younger Millennials at 12% of the share of home buyers
  - Buyers 43 to 57 (Gen Xers) comprised 24% of recent home buyers
  - From the report, buyers 58 to 67 (Younger Baby Boomers) and buyers 68 to 76 (Older Baby Boomers) were broken into two separate categories as they have differing demographics and buying behaviors. Buyers 58 to 67 consisted of 23% of recent buyers, and buyers 68 to 76 consisted of 16% of recent buyers. Baby Boomers purchased for an array of reasons, primarily the desire to be closer to friends and family due to retirement and the desire for a smaller home. Eighteen percent (18%) of Older Boomers purchased a multi-generational home. Older Boomers typically purchased the newest-built home—one that was built in 1996. Baby Boomers expect to own their homes for the longest period of time at 20 years.
- [Homebuyers’ income general rule:](#) If you follow the 2.5 times your income rule, you divide the cost of the home by 2.5 to determine how much money you need to earn annually to afford it. Based on this rule, you would need to earn \$100,000 per year to comfortably purchase a \$250,000 home.
- According to a [national survey](#), a total of 42% of the total homebuyers have an income of \$100,000 and above.

Estimated number of people with an income of at least \$100,000 who could possibly purchase a home worth \$250,000 and above in Tulsa, OK in the next 3 years  
 = 103,302 \* 42%  
 = 43,387

Potential Market

Year	Number of house sales	Average value	Estimated total value
2024 to 2026	43,387	\$260,654 (assuming same trend increase of 6%)	\$11.31 billion

- Summary of statistics and estimations of renters

- In Tulsa, Oklahoma, 48% of households are renter-occupied, while 52% are owner-occupied. This means that [approximately 79,868 households](#) in Tulsa are renting.

Current

Year	Number of households rented	Average rent per month	Estimated total value in a year
2023	79,868	\$931	\$892.30 million

Demand

Year	Number	Average cost	Estimated total (annually)
2024 to 2026 demand for new rental units	3,900 new rental units	\$931 per month	\$3.63 million
Potential number of renters who can afford more than \$1,500 monthly rental	13,178	\$1,525 per month	\$241.16 million

- Since there are no direct statistics found to determine how many renters can afford \$1,500 per month in Tulsa, OK, we will use the below rule.

[General rule when renting](#): If you're looking at an apartment that costs \$1,500 per month in rent, according to the 3x rule, you would need a gross monthly income of at least \$4,500 (or about \$54,000 annual income) to be considered a suitable tenant.

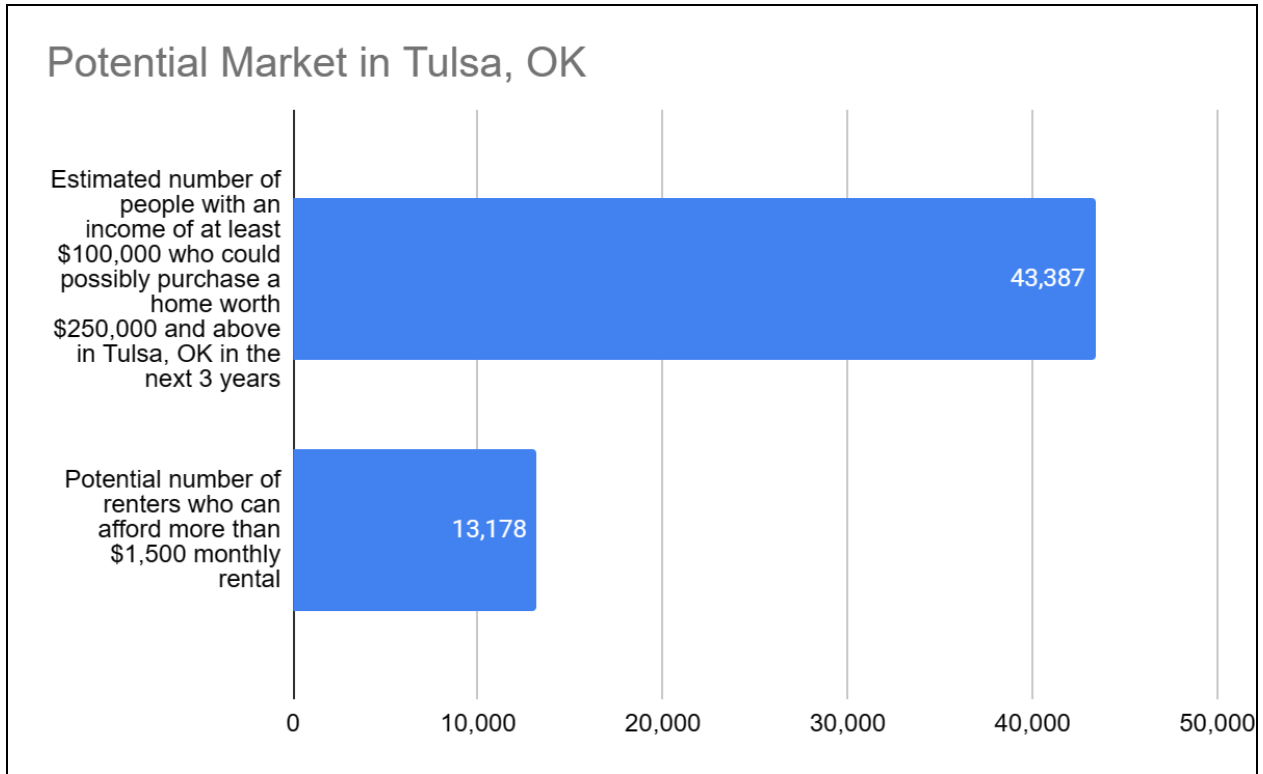
- According to a [national survey](#), 16.50% of renters have an income of \$75,000 or more.

Estimated number of household rented in Tulsa, OK with more than \$1,500 monthly rental cost

= 79,868 \* 16.50%  
 = 13,178

	Number	Average cost	Estimated total (annually)
Potential number of renters who can afford more than \$1,500 monthly rental	13,178	\$1,525 per month	\$241.16 million

Potential Market Summary



## SOURCES:

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