



M Office
Tulsa **MARKET**

Fall • 2010

WIGGIN
PROPERTIES, LLC

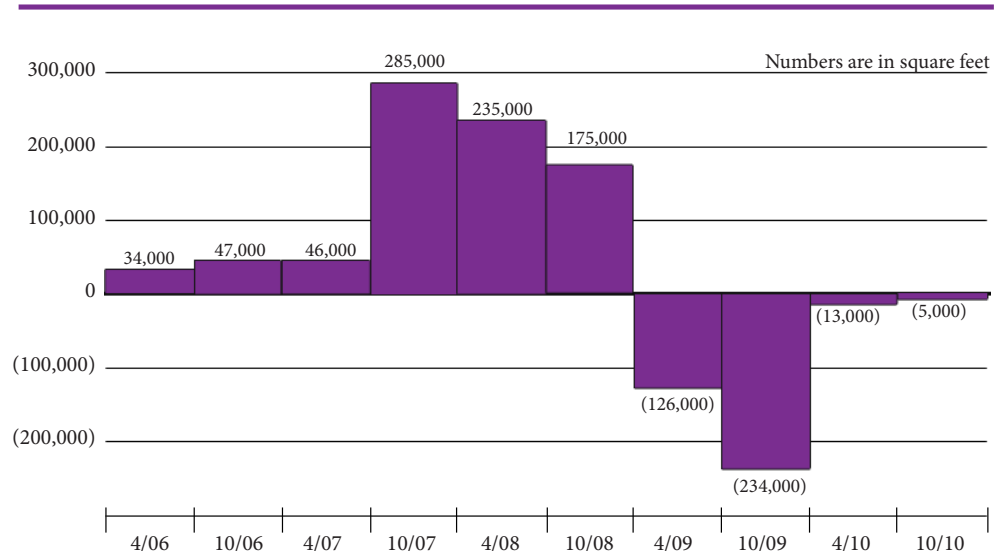
PROPERTY MANAGEMENT • LEASING AND MARKETING
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MARKET CONDITIONS IN TULSA, FALL 2010

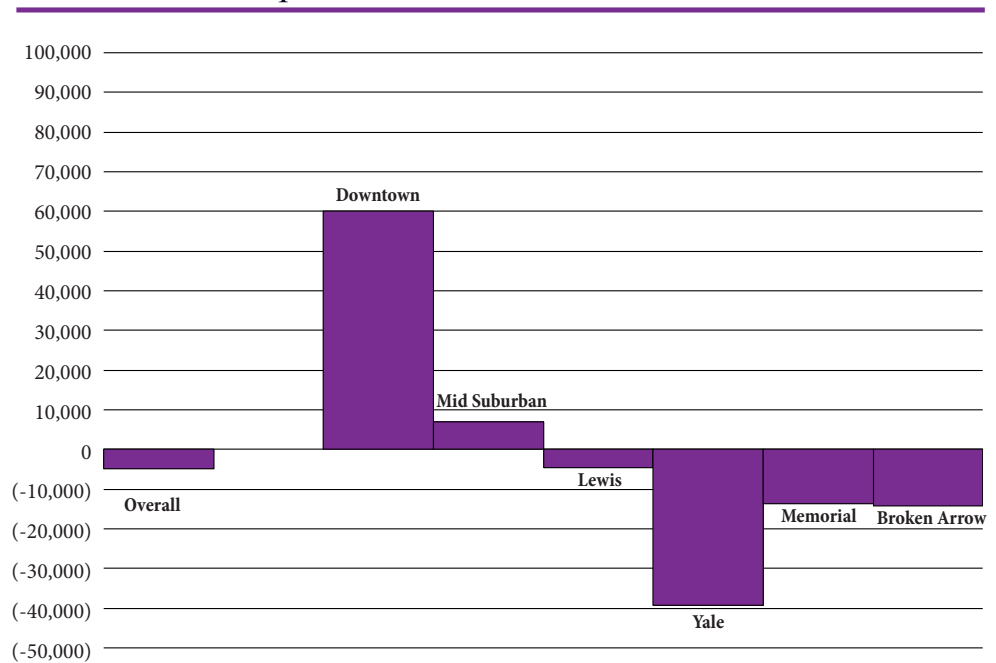
Tulsa's office market was stable during the twelve month period ending in October, 2010, losing 5,000 square feet of occupancy during the prior six months, and a total of 18,000 square feet during the prior twelve months. These changes are statistically insignificant, indicating that the market has leveled out after the recent recession. During the past 24 months, combined occupancy losses totaled 378,000 square feet, or 1.8% of the 21.5 million square feet of multi-tenant office space in the Tulsa market. These losses, most of which had already occurred a year ago, followed five years of consistent gains in office occupancy.

The market saw few significant changes in any of the six submarkets. The Downtown submarket showed a net gain of 60,000 square feet, or 0.6%, and the Midsuburban submarket was positive by 7,000 square feet, or 0.3%. Each of the other four submarkets lost ground in varying degrees, the largest at minus 39,000 square feet in the Yale corridor, which represented 0.3% of the total space in that submarket. The overall Suburban vacancy rate rose 0.6%, to 21.5%, offsetting the occupancy gain of 0.6% Downtown. The overall Downtown vacancy rate stands at 28.0%, a number which reflects the large concentration of old class C buildings. Vacant space in class A and B buildings Downtown averages 23.2%.

Overall Absorption Six Month Periods



Submarket Absorption Current Period

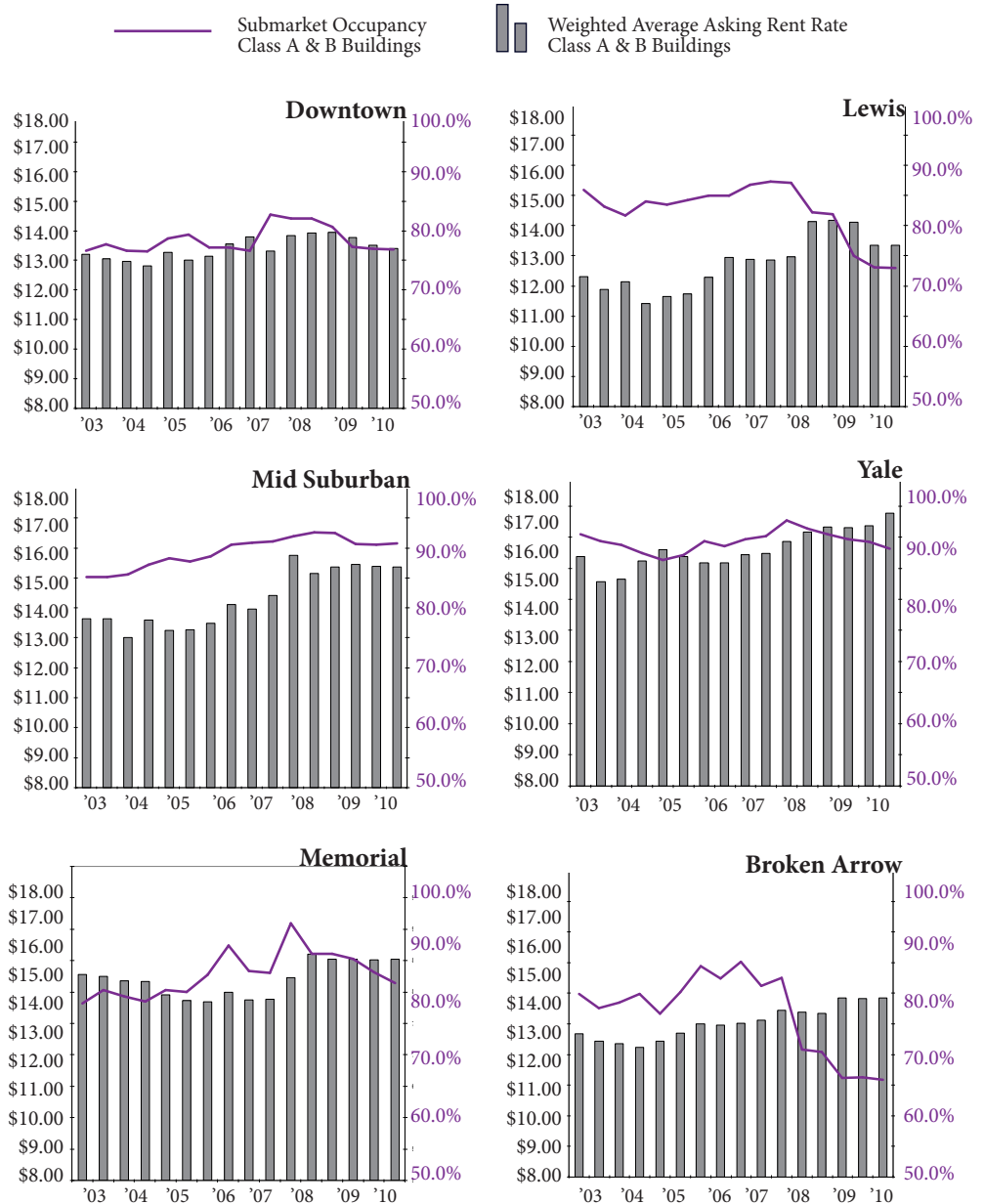


Average asking rent rates have remained steady in all submarkets and all classes of space, with slight variations from our last survey reflecting changes in the mix of available space in different buildings. Rent rates in class A buildings generally range from \$16 to \$20 per square foot in the suburbs and \$14 to \$18 per square foot downtown. Rent rates in class B buildings generally range from \$12 to \$16 per square foot in the suburbs and \$11 to \$14 per square foot downtown. Variations in rate reflect differences in the building, the location, the quality of the space, landlord contributions for tenant improvements, the term of the lease, and other factors.

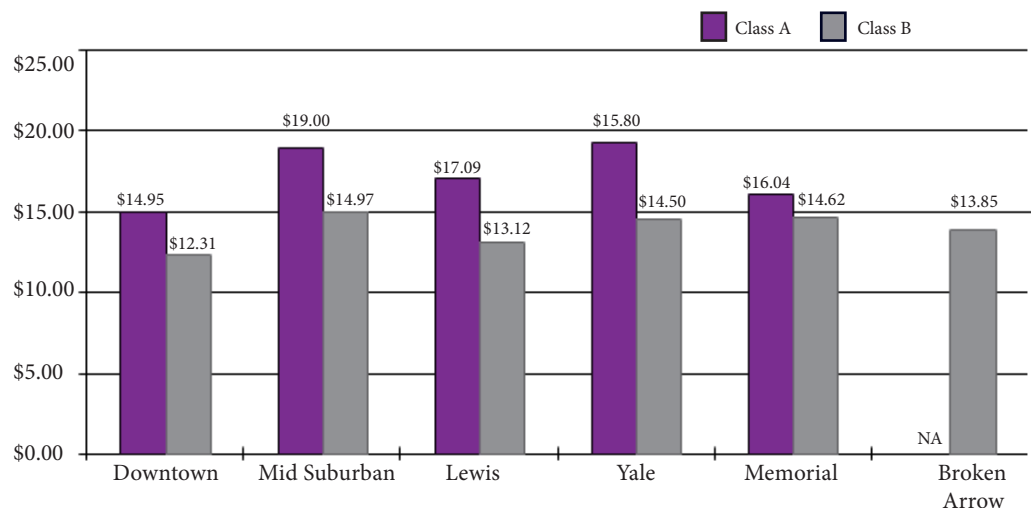
Office building sale transactions continue to lag historic levels, reflecting not only a gap in expectations between sellers and buyers, but also the uncertain pace of economic recovery and the constraints on available financing. Well occupied properties are producing good cash flow, but buyers are reluctant to apply the low cap rates to NOI that sellers hope for without regard to ongoing capital needs. Maturing debt is producing occasional problems for landlords, since replacement financing is underwritten with much more conservative standards than applied a few years ago. Even so, low interest rates have helped to prevent more problems than we are seeing.

Tulsa's economy and its office market have outperformed most of the rest of the country, and we expect this to continue for the foreseeable future.

Occupancy & Rent Rate Trends by Submarket

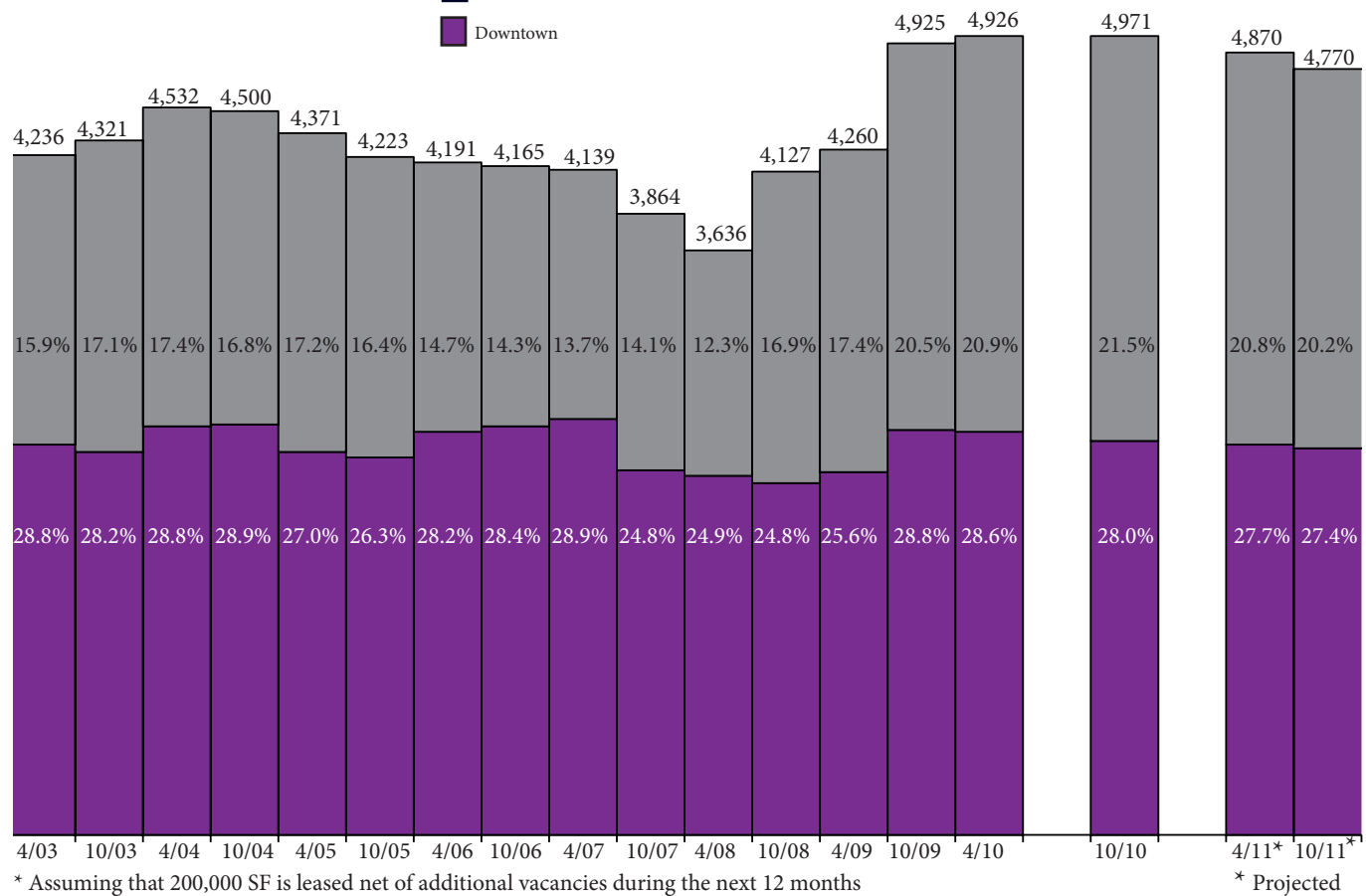


Weighted Average Asking Rent Rates by Submarket

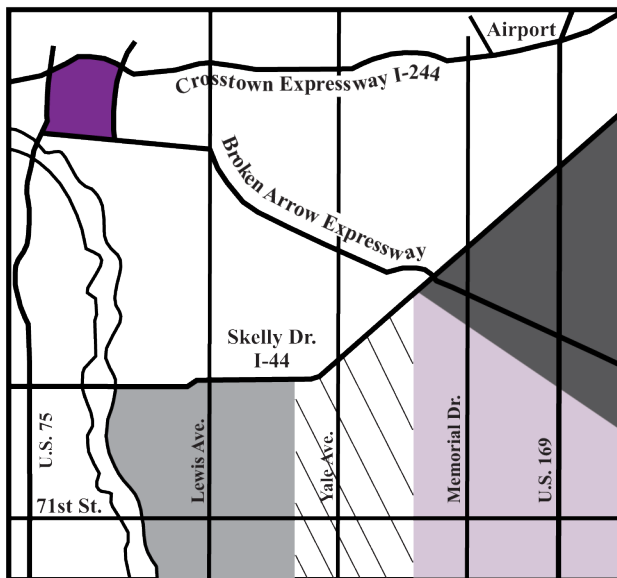


Available Space Trend Six Month Periods

Numbers are in thousands of square feet



Available Space by Submarket October 2010



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	8,790,610	2,457,062	28.0%
Suburban				
	Mid Suburban	2,582,735	318,250	12.3%
	Lewis	2,361,993	643,807	27.3%
	Yale	3,035,192	400,222	13.2%
	Memorial	820,021	161,121	19.6%
	Broken Arrow	2,899,123	990,262	34.2%
	Total Suburban	11,699,064	2,513,662	21.5%
	Total Office Space	14,591,894	2,878,342	19.7%



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This is a survey of multi-tenant office buildings with 25,000 square feet or more of rentable space. Single tenant, single user, medical, and government buildings are excluded. Data is gathered from cooperating owners and managers without whose help this survey would be impossible. The information and analysis is compiled using our best efforts but without warranty. This survey is copyright 2010 and may be copied with attribution upon prior request.