Oklahoma City Office MARKET

Summer • 2003

WIGGIN PROPERTIES, LLC

PROPERTY MANAGEMENT • LEASING AND MARKETING
BROKERAGE • CONSULTING • REDEVELOPMENT

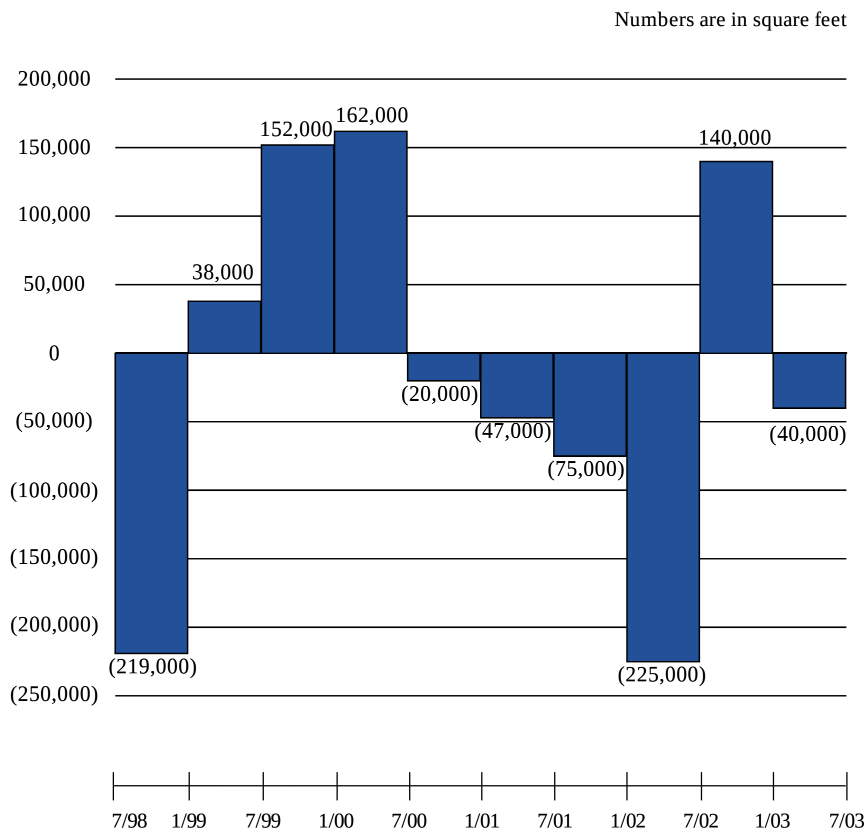
MARKET CONDITIONS IN OKLAHOMA CITY, SUMMER 2003

Oklahoma City's office market has been in a holding pattern for the first six months of 2003. City-wide, net absorption of office space has been negative by 40,000 square feet, or two tenths of one percent. Considering that the national economy has been in a funk, that we have gone to war in Iraq, and that many other cities are seeing their largest office vacancy rates in years, Oklahoma City is doing remarkably well.

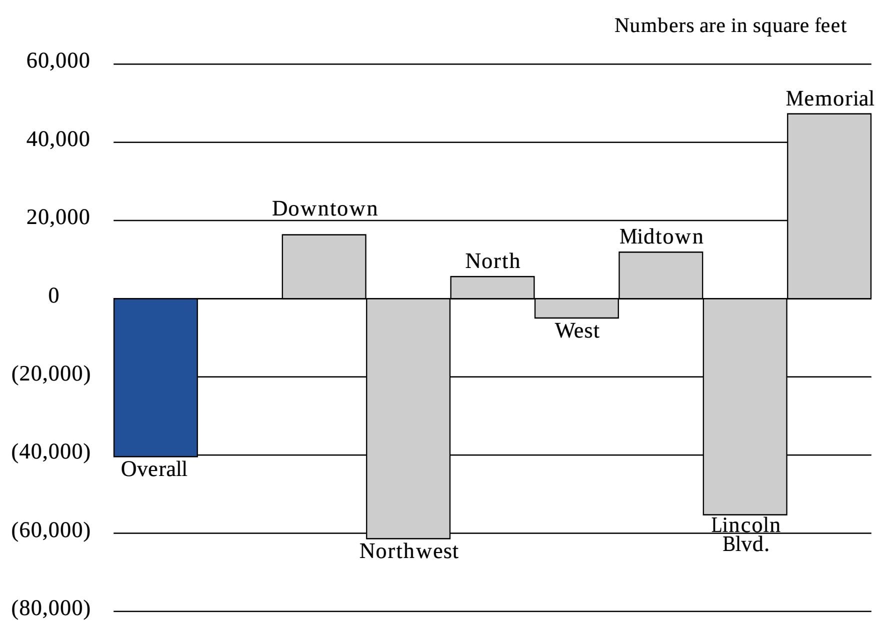
Two indomitable engines of growth, Devon Energy and Chesapeake Energy, have continued to take additional space, accounting together for approximately 59,000 square feet since our last survey in January. Offsetting this has been Fleming's bankruptcy and subsequent rejection of approximately 91,000 square feet of leases. Hertz and Dobson have both reclaimed space in company buildings that they had previously offered for lease (tipping the absorption meter positive by approximately 35,000 square feet), and Chaparrel Energy is giving back rented space in favor of its new building under construction. In addition, the 1001 Building, being built for Kirkpatrick Oil and the Kirkpatrick Foundation will add about 20,000 square feet of speculative space. Overall, gains and losses are nearly in balance, a rather impressive result.

Submarkets showing gains were Downtown (Devon), and Memorial Road (Dobson and others). Submarkets showing losses were Northwest (Fleming) and Lincoln Boulevard. The North, West, and Midtown submarkets showed little change. Vacancy rates in the North, West, Midtown, and Memorial

Overall Absorption Six Month Periods



Submarket Absorption Current Period

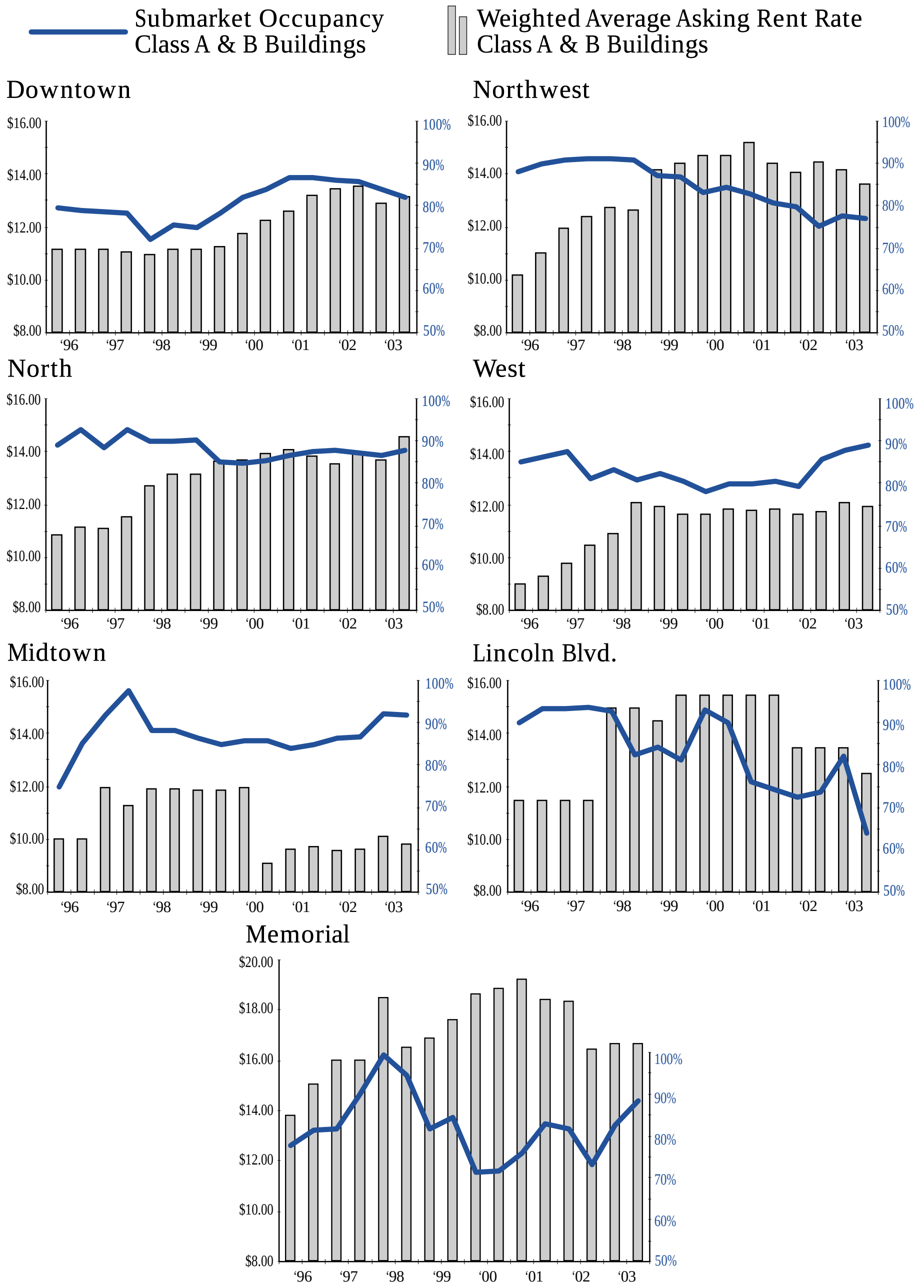


submarkets are all in the 11% to 12% range. Lincoln Boulevard now shows 22%, and the Northwest nearly 23%. Overall suburban vacancies average 17.9%, which is virtually unchanged from six months ago. Downtown, overall vacancies are virtually unchanged at 31.9%, but this figure includes a large proportion of class C space. Class A and B buildings, downtown, average approximately 18%.

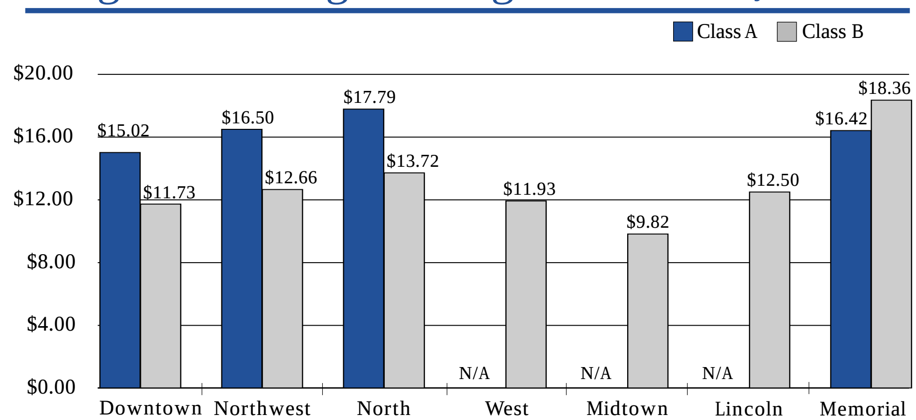
Not surprisingly, rent rates have shown very little change in this environment. Since rates will vary widely by building and sometimes by space in a building (depending on the interior build-out, lease term, and other factors) the mix of available space at a given moment will affect the averages for a submarket. Nevertheless, changes in weighted average asking rent rates, since our last survey, have been insignificant in every submarket.

Record low interest rates have been a boon for many landlords, who have seen the psychology of the rental marketplace gradually deteriorate over the past three years. Building sales have been sporadic, with prices supported by the low yields available from alternative investments. Uncertainty about the national economy and the nation's overseas commitments continues to cast a shadow over business generally and real estate transactional activity specifically. Nevertheless, Oklahoma City's office market continues to look healthier than most cities', and our outlook is one of cautious optimism over the next 24 months.

Occupancy & Rent Rate Trends by Submarket

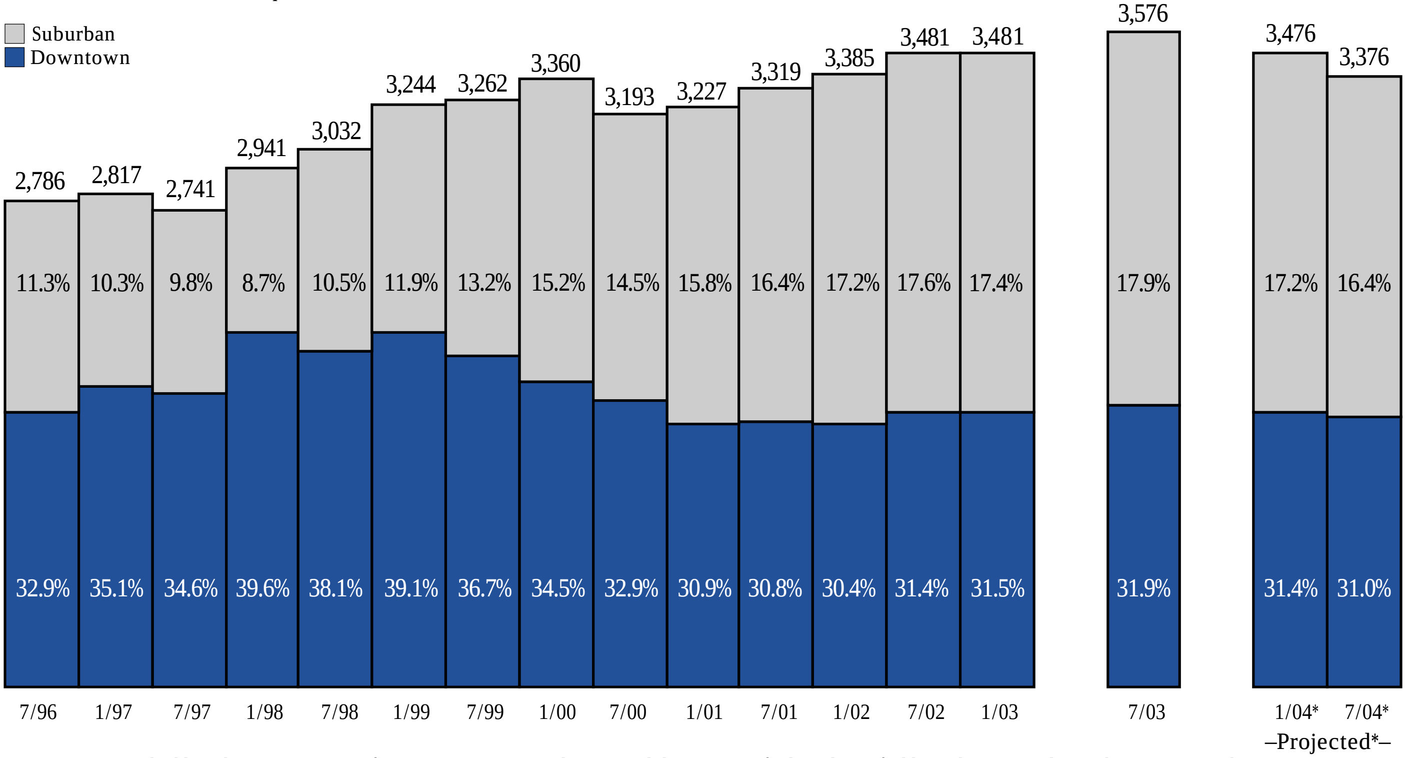


Weighted Average Asking Rent Rates by Submarket



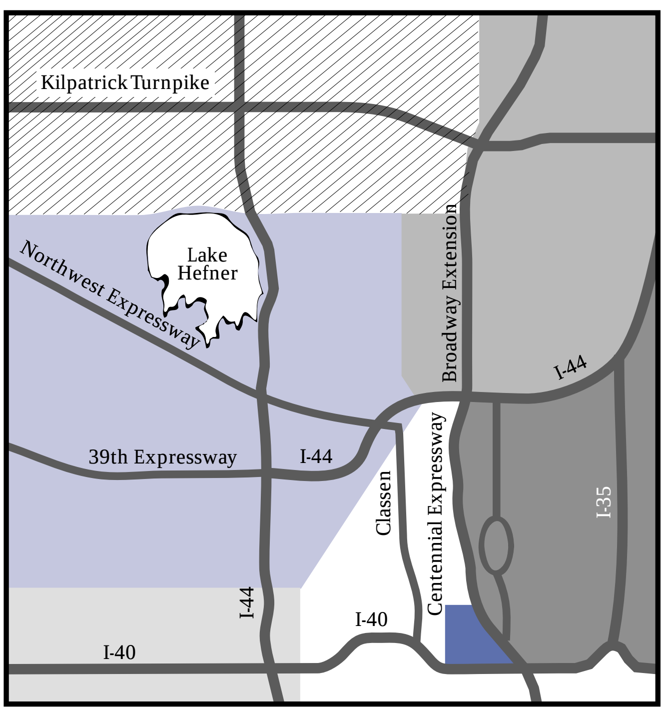
Available Space Trend Six Month Periods

Numbers are in thousands of square feet



*Assuming no new buildings begin construction for occupancy prior to July, 2003, and that 200,000 sf is leased net of additional vacancies during the next 12 months.

Available Space by Submarket July 2003



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	5,715,139	1,821,130	31.9%
	Suburban			
	Northwest	4,884,721	1,109,932	22.7%
	North	1,441,706	161,106	11.2%
	West	579,553	68,378	11.8%
	Midtown	1,361,169	164,422	12.1%
	Lincoln Blvd.	613,374	135,963	22.2%
	Memorial	849,681	94,969	11.2%
	Total Suburban	9,730,204	1,734,770	17.8%
	Total Existing	15,445,343	3,555,900	23.0%
	New Construction			
	North	46,400	20,000	43.1%
	Total Construction	46,400	20,000	43.1%
	Total Office Space	15,491,743	3,575,900	23.1%

WIGGIN PROPERTIES, LLC

5801 North Broadway • Suite 120 • Oklahoma City, OK 73118 • 405/842-0100
15 West 6th Street • Suite 802 • Tulsa, OK 74119 • 918/582-8100

Providing real estate services for corporations, investors, and property owners.
www.wigginprop.com

A CORE Network Partner