Oklahoma City Office Market

Winter • 2004

WIGGIN PROPERTIES, LLC

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MARKET CONDITIONS IN OKLAHOMA CITY, WINTER 2004

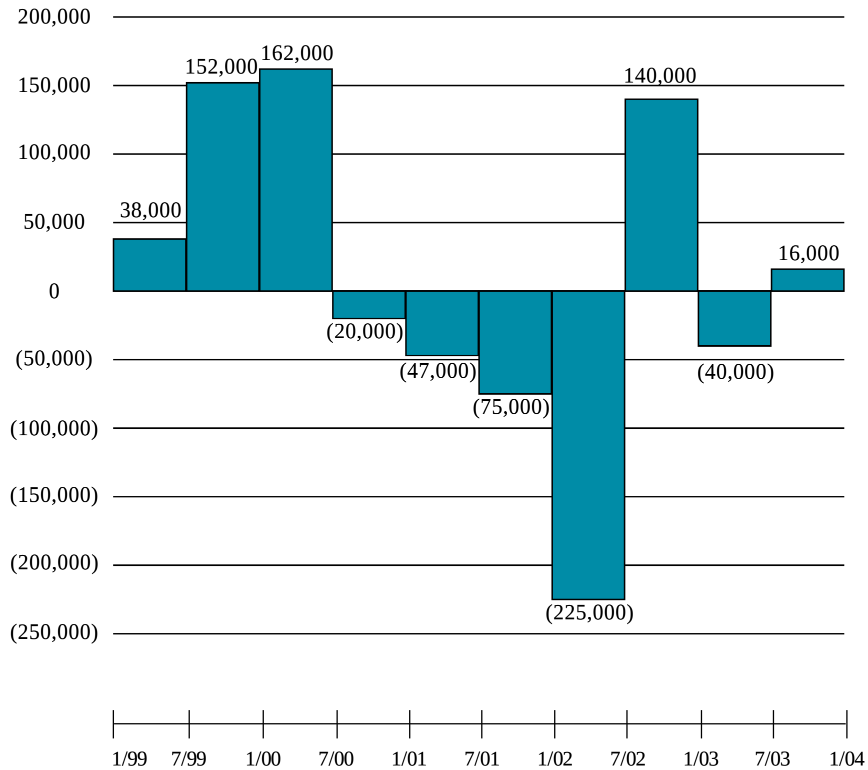
The second half of 2003 produced slight positive absorption in the Oklahoma City office market, a continuation of an eighteen-month trend of caution and stability in the local economy. Citywide occupancy increased by 16,000 square feet during the six-month period, a change of approximately 0.1%. Compared with other cities which are showing record levels of vacancy, Oklahoma City is doing relatively well. New construction has never been out of hand in recent years, and the telecom bubble has had a relatively minor impact both in expansion and in decline.

Stability was remarkably uniform across the city, with no one submarket gaining more than 19,000 square feet in the aggregate, or losing more than 12,000 square feet. Notable, downtown, was the announcement of the conversion of 500 W. Main into a residential apartment building, thereby removing a 110,000 square foot office building from the multi-tenant market. In addition, the long-awaited Federal office building opened its doors with approximately 180,000 square feet, and while it is not included in our survey (government buildings are not), it pulled a number of government tenants out of surveyed buildings. Also the new 80,000 square foot Sonic headquarters in Bricktown opened its doors, relocating from the 101 Park Avenue building in the CBD.

In the Northwest submarket, EOG took 43,000 square feet in the Hertz Financial Center, and Hertz reclaimed a floor (27,000 square feet) that had previously been offered for lease. These gains offset the downsizing of Marathon Oil by approximately 53,000 square feet in their building at 7301 Northwest Expressway. Smaller gains and

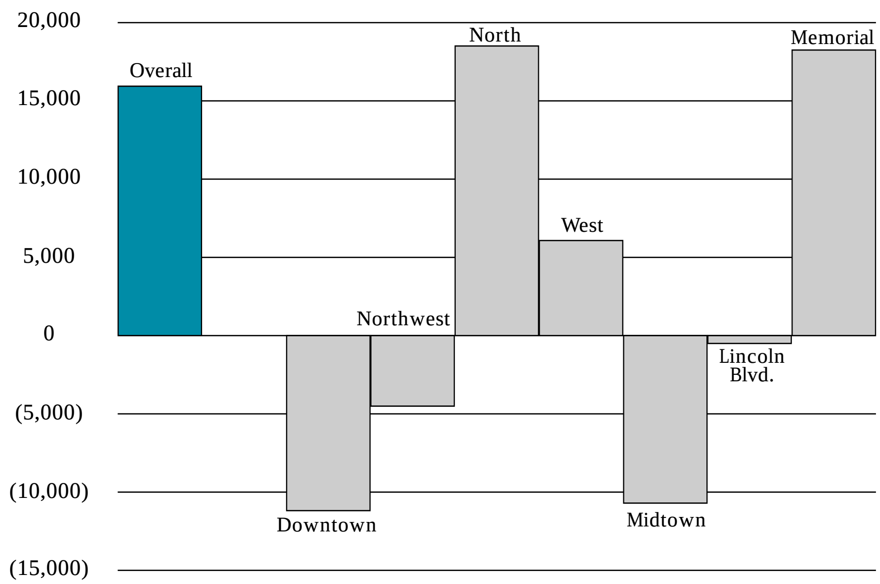
Overall Absorption Six Month Periods

Numbers are in square feet



Submarket Absorption Current Period

Numbers are in square feet



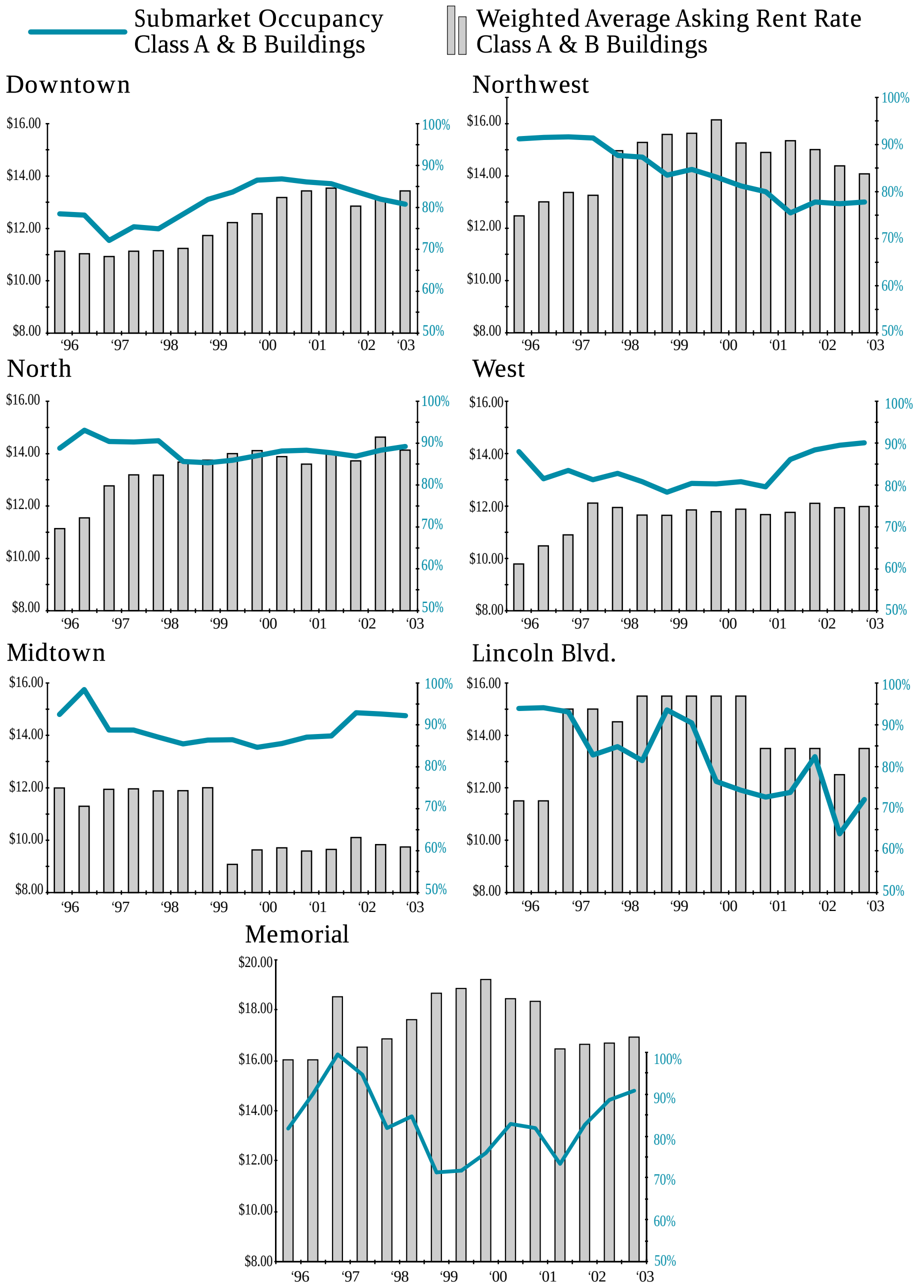
losses in other buildings and other submarkets, some by expansion and contraction and some by relocation, have largely offset each other and disguised a relatively healthy and active leasing market.

Rent rates can best be described as flat. Weighted average asking rent rates are shown on the graphs on this page, and are not significantly different from the levels indicated in our last survey in mid-year 2003, or for that matter, from the survey before, at the end of 2002. What is notable is that negotiated lease rates cover a wide range, both higher and lower than the averages shown in these graphs. This range reflects the wide range of quality available in the marketplace as well as the range of construction requirements of different lease deals. Since rent rates will vary from building to building, and often within a building (depending on the interior finish, lease term, and other factors) the mix of available space will affect the averages, but the effect, in the past year or two, has been inconsequential.

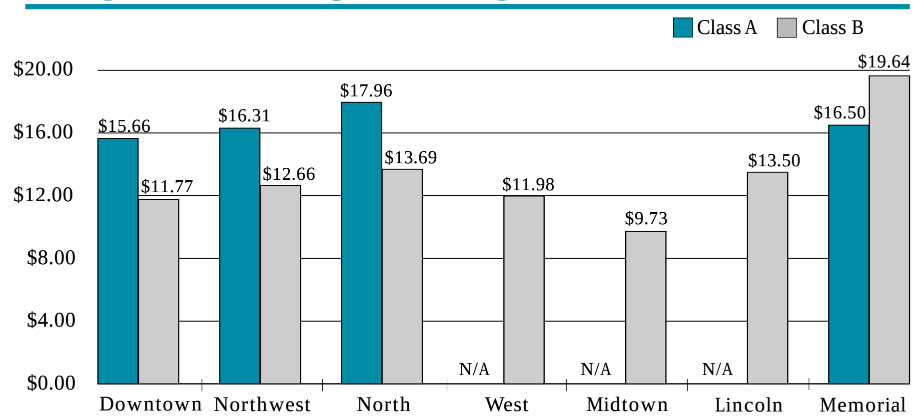
Two large building sales have stood out in an otherwise sporadic investment sales market. The Tower changed hands for about $20 million, or $70 per square foot, down significantly from the $31 million paid for the same building five years earlier. Downtown, the Bank One Tower sold for $27.9 million, or $54 per square foot, nearly twice what the seller paid for the building three years earlier. Low interest rates and a dearth of alternative investments have tended to support prices at levels which reflect unusually low cap rates.

Despite uncertainty about the national economy and the nation's overseas commitments, Oklahoma City's office market continues to look healthier than most other cities, and our outlook is one of cautious optimism over the next 24 months.

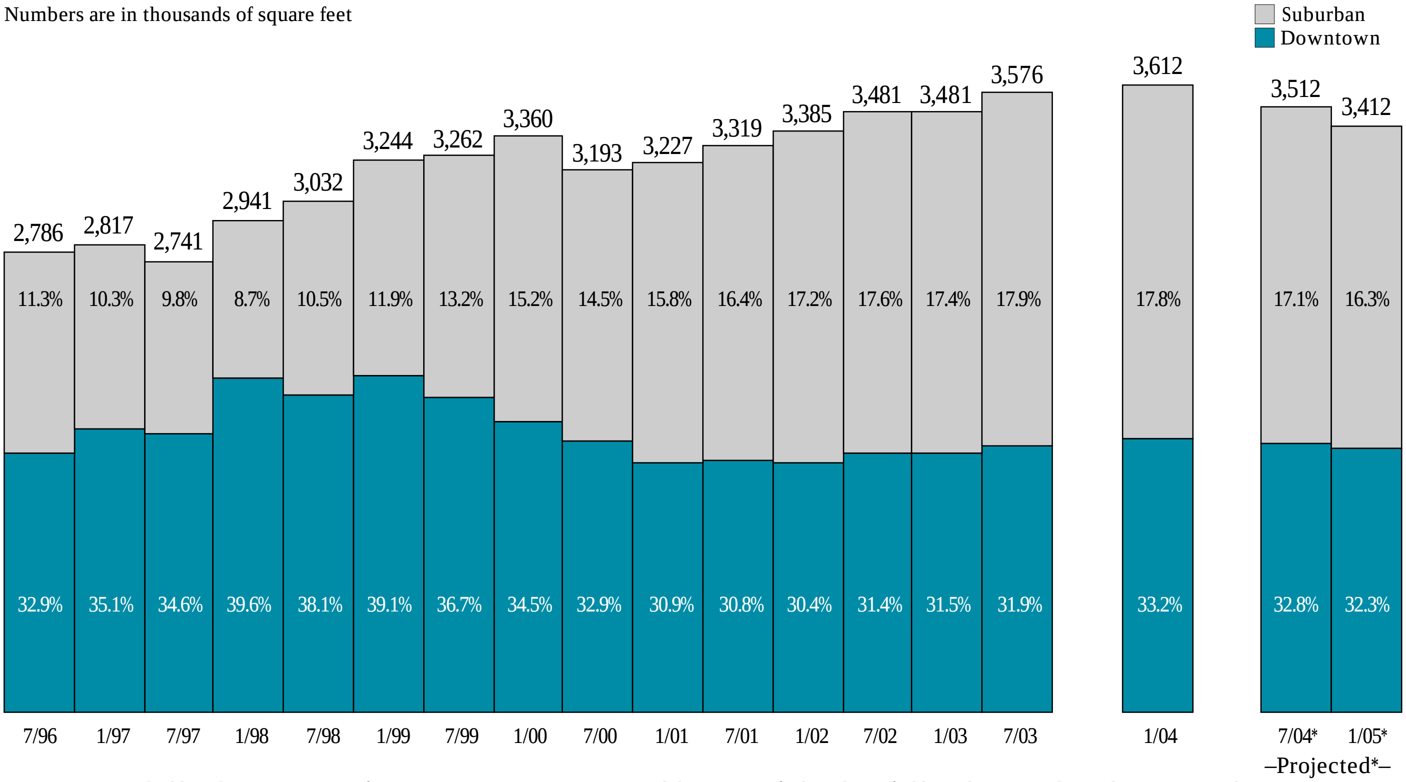
Occupancy & Rent Rate Trends by Submarket



Weighted Average Asking Rent Rates by Submarket

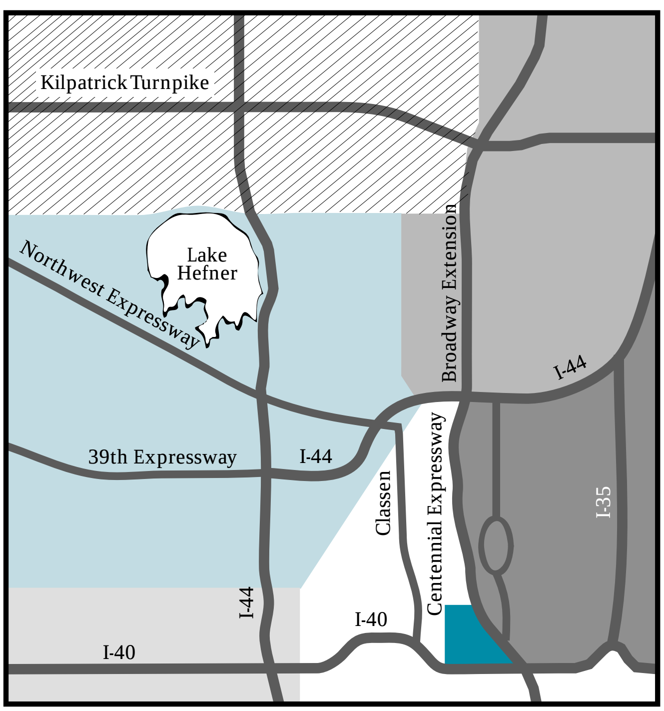


Available Space Trend Six Month Periods



*Assuming no new buildings begin construction for occupancy prior to January, 2004, and that 200,000 sf is leased net of additional vacancies during the next 12 months.

Available Space by Submarket January 2004



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	5,604,631	1,862,516	33.2%
	Suburban			
	Northwest	4,886,747	1,114,438	22.8%
	North	1,530,049	162,599	10.6%
	West	579,553	62,303	10.8%
	Midtown	1,361,169	196,992	14.5%
	Lincoln Blvd.	613,374	136,463	22.2%
	Memorial	849,681	76,721	9.0%
	Total Suburban	9,820,573	1,749,516	17.8%
	Total Existing	15,425,204	3,612,032	23.4%
	Total Construction	0	0	0.0%
	Total Office Space	15,425,204	3,612,032	23.4%

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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.