

M Office Oklahoma City MARKET

Winter 2013



WIGGIN
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*Property Management Leasing and Marketing
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MARKET CONDITIONS IN OKLAHOMA CITY, JANUARY 2013

Office market absorption for the last half of 2012 hit negative numbers for the first time since the end of 2010, with a net loss of 54,000 square feet.

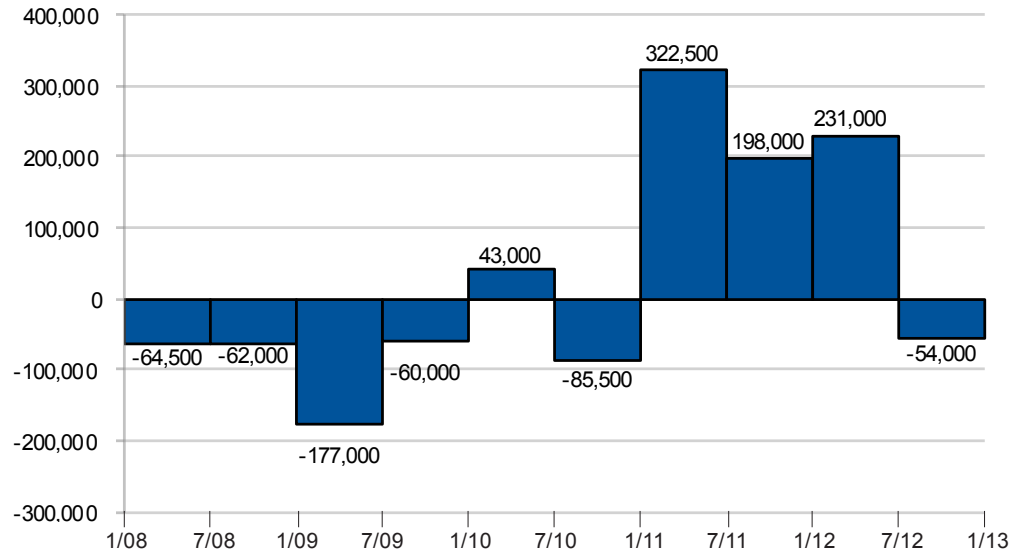
This loss does not accurately reflect the activity in the marketplace, in particular in the Downtown Submarket's corporate-owned office buildings. Devon Tower, a 1.8 million square foot, 50-story corporate headquarters for Devon Energy, began occupancy in October 2012, and Devon employees, located in several downtown buildings, began consolidating in the new headquarters. With the Devon move, Continental Resources completed its relocation of employees from its previous corporate headquarters in Enid, OK, to the former Devon headquarters at 20 N Broadway.

Another corporate relocation set to impact the office market is the move of American Fidelity Corporation from 321,180 square feet of leased office space in the 2000 Classen Center in Midtown to the former OPUBCO headquarters purchased at 9000 N. Broadway in the North Submarket. American Fidelity is expected to attempt to sublease its current space in the Midtown Submarket and is expected to move to the new headquarters incrementally. The timing for departmental moves to the new corporate headquarters location is uncertain.

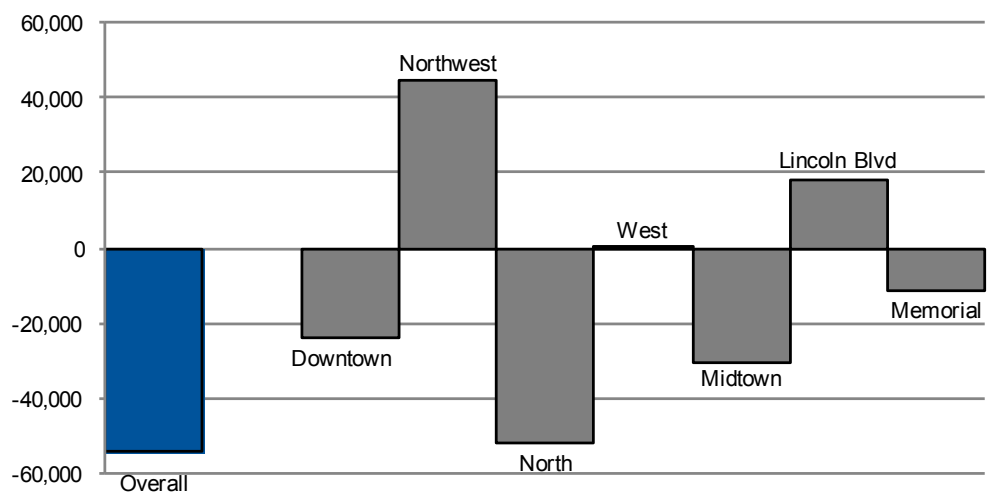
An additional 36,000 square feet in the Midtown Submarket was vacated by the Oklahoma State Regents for Higher Education, moving from the Colcord Center to the Presbyterian Health Foundation's Research Park, which has not previously been included in our market sample.

In the Downtown Submarket, Post Rock Energy downsized and put 35,000 square feet in the Oklahoma Tower on the market for sublease, contributing to the submarket's overall net loss of 24,000 square feet. The Northwest Submarket

Overall Absorption Six Month Periods



Submarket Absorption Current Period



continued strong with a net absorption of 44,000 square feet. The North Submarket's net loss of 52,000 square feet was due to multiple moves, the largest of which was the University of Phoenix offering nearly 17,000 square feet in Three Broadway Executive Park for sublease. The Lincoln Boulevard Submarket had a net gain in occupancy of nearly 16,000 square feet. The Memorial Submarket showed a net loss of 11,000 square feet, with no building losing more than 6,500 square feet. The West Submarket showed only nominal changes.

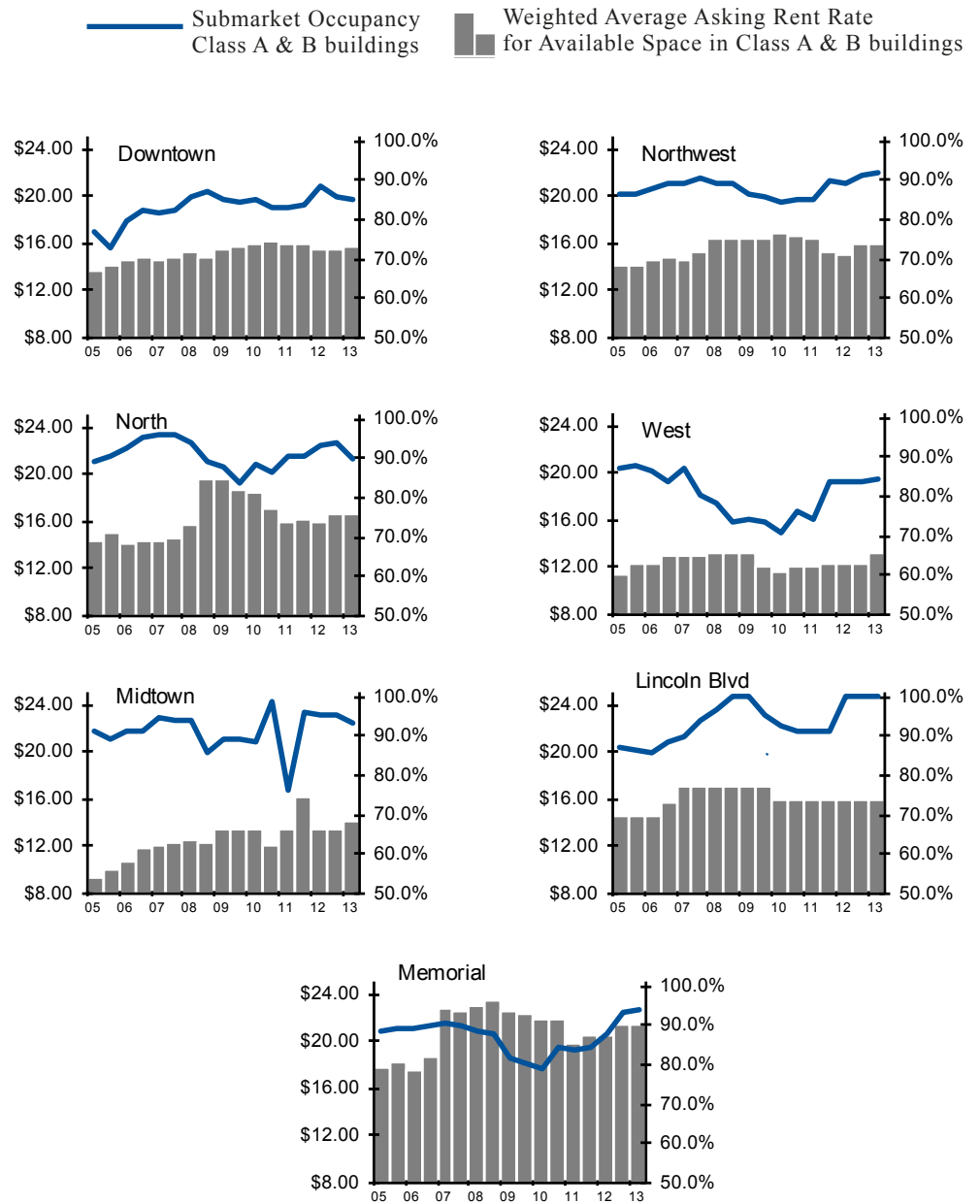
Overall occupancy rates in A and B buildings are now north of 90% in the Northwest (92.2%), North (90.1%), Midtown (94.3%), Lincoln Boulevard (100%), and Memorial (94.3%) submarkets. Only the Downtown at 85% and West at 85% lag behind.

Weighted average asking rent rates have not changed significantly in most submarkets, except as a reflection of a changing mix of available space. Since occupancy levels are high and the American Fidelity sublease space will impact the market incrementally, we expect rates to continue to be firm and trend upward slightly.

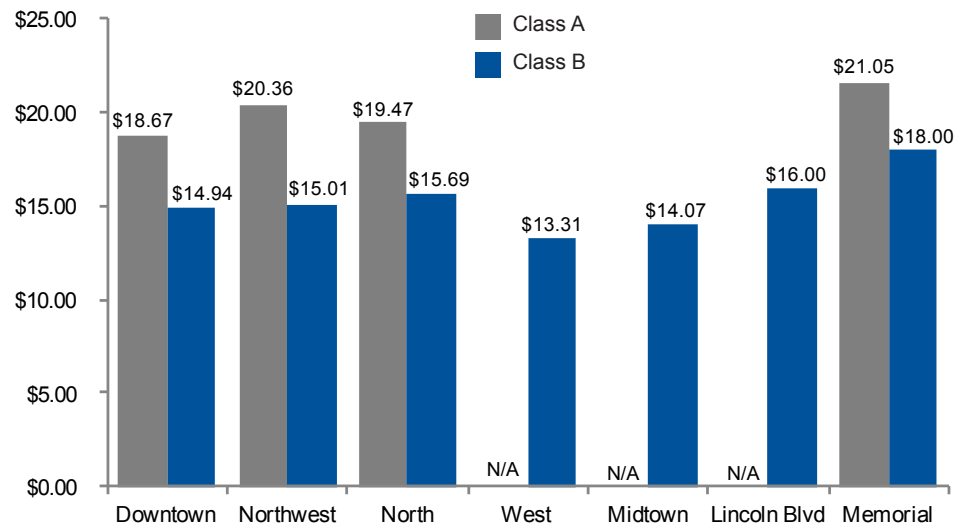
Corporate-owned office buildings represent more than five million square feet of Oklahoma City office space, most of which is not counted in our surveys of multi-tenant office buildings. At the end of 2012, Chesapeake began to divest itself of its off campus holdings, including the Caliber Center and Harvey Parkway office building. While construction continues on new office buildings on the Chesapeake campus, the company has announced plans to streamline its operations. It is unknown at this time how this may eventually impact the Oklahoma City office market.

Despite the new management and downsizing of Chesapeake, Oklahoma City's low unemployment and continued growth in the energy sector promise an increasing demand for offices in the next few years, with steady upward pressure on rent rates.

Occupancy & Rent Rate Trends by Submarket

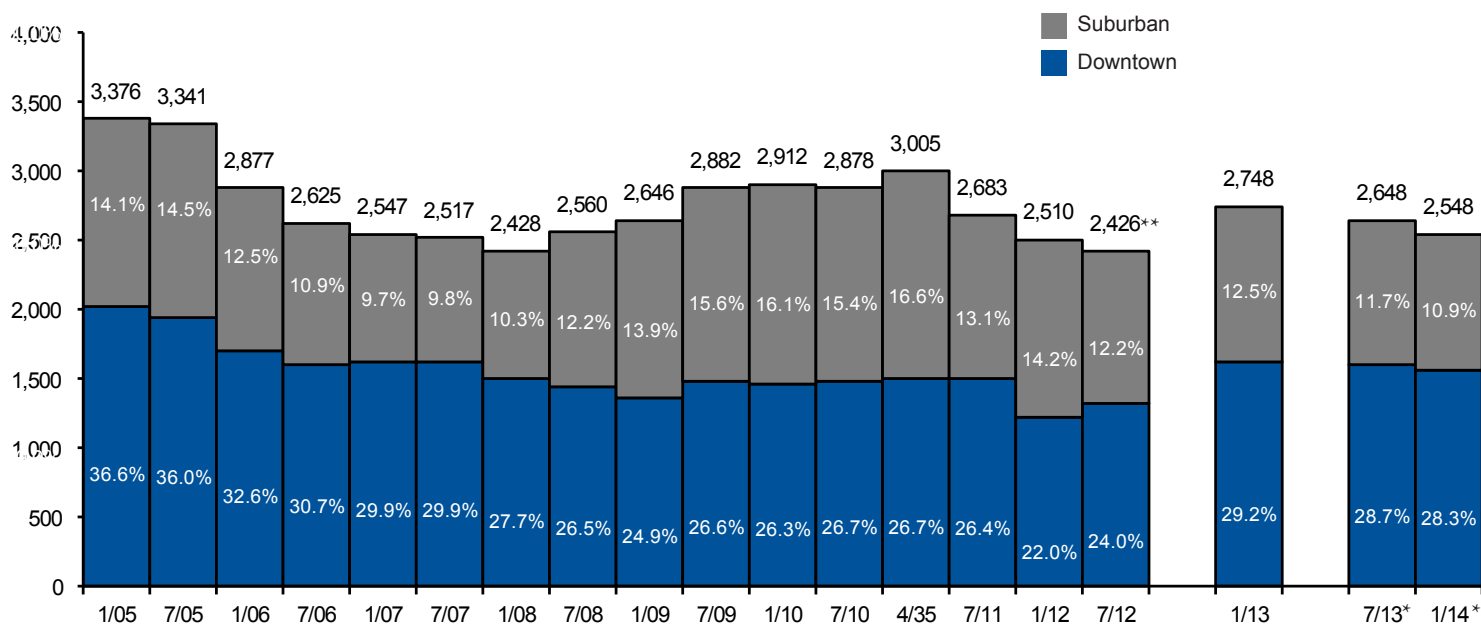


Weighted Average Asking Rent Rates by Submarket



Available Space Trend

Numbers are in thousands of square feet

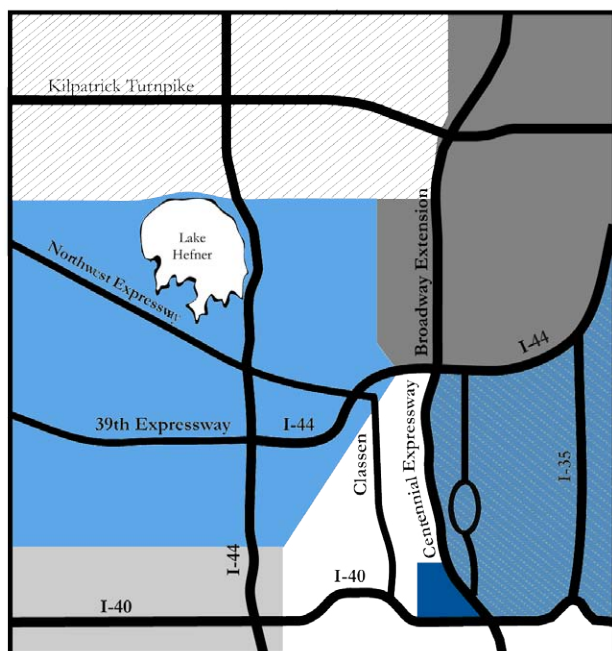


* Assuming that 200,000 SF is leased net of additional vacancies during the next 12 months

* Projected

** Since the July 2012 survey, the Oklahoma City Office Market's total available square feet number for July 2012 has increased by 267,920, as a result of an error in the reported figure which showed up as a result of a change in ownership. The above graph reflects the July 2012 numbers, as originally reported without the additional 267,920.

Available Space by Submarket January 2013



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	5,558,962	1,622,354	29.2%
	Northwest	4,533,626	461,003	10.2%
	North	1,128,029	115,432	10.2%
	West	430,470	127,645	29.7%
	Midtown	1,199,149	83,476	7.0%
	Lincoln Blvd	610,250	248,000	40.6%
	Memorial	1,068,107	89,917	8.4%
Total Suburban		8,969,631	1,125,473	12.5%
Total Office Space		14,528,593	2,747,827	18.9%



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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 2013 and may be copied with attribution upon prior request.