

M Office Tulsa MARKET

Spring • 2006



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MARKET CONDITIONS IN TULSA, APRIL 2006

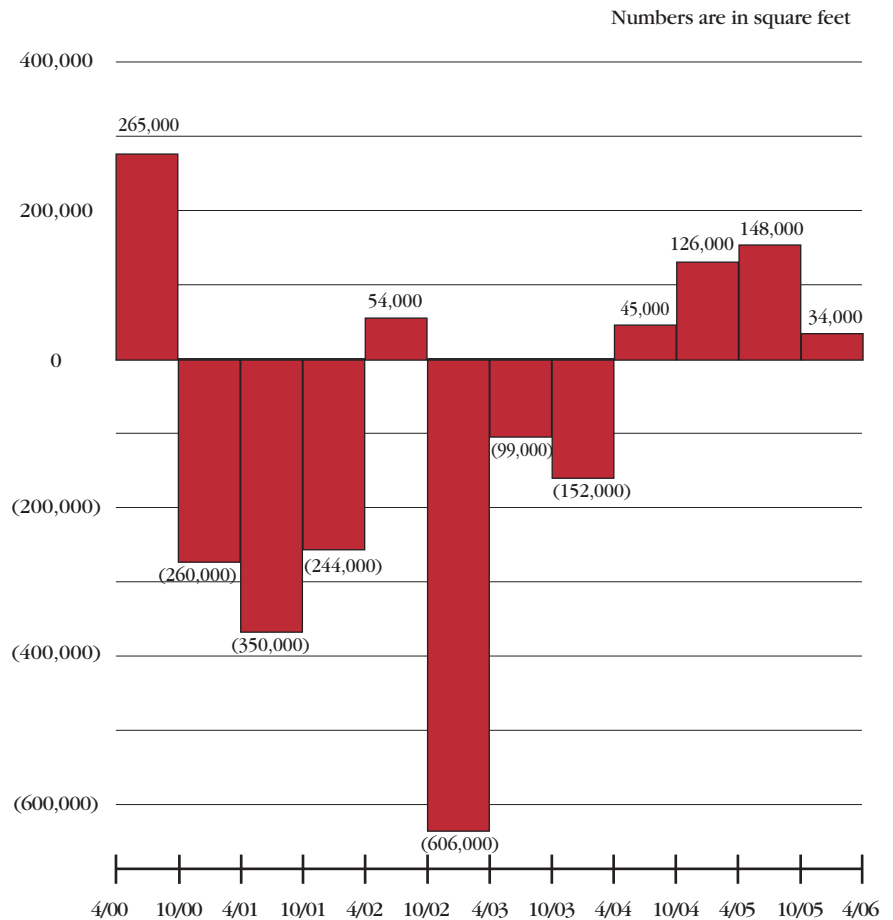
Tulsa's multi-tenant office market remains robust, despite the appearance of a large block of space since our last survey. Overall aggregate absorption totaled 34,000 square feet in the last six months, on top of a gain of 277,000 square feet in the 12 months prior. Absorption has been consistently positive for two years now.

The new space shows up in One Technology Center, downtown, where WilTel has vacated another 133,000 square feet, raising the overall downtown vacancy rate from 26.3% to 28.2%. However, if vacancies are counted in class A and B office buildings only (including One Technology Center) the downtown vacancy rate is now 22.8%.

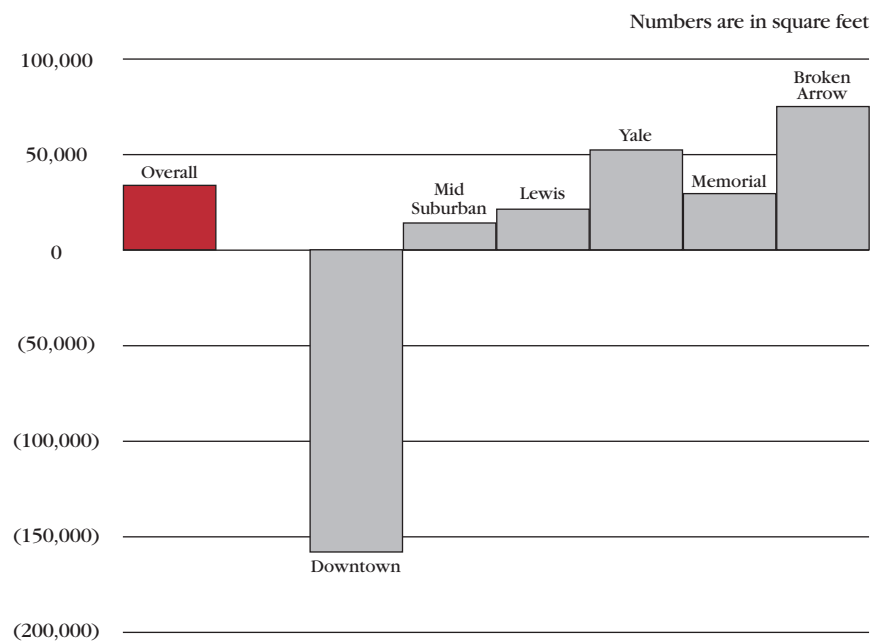
In the suburbs, the Broken Arrow submarket shows the greatest improvement, with the vacancy rate declining 4.22% from 19.8 to 15.6%. In the Memorial submarket, vacancies improved by 3.3%, declining from 21.6% to 18.3%. The Yale submarket shows the lowest vacancy percentage at 12.1%, a decline of 1.7% from the previous survey. The Lewis and MidSuburban submarket vacancy rates each improved by approximately one half of one percent. Overall, suburban vacancies improved from 16.4% to 14.7%.

Weighted average asking rent rates have not changed significantly since our last survey in October, 2005. Class B suburban buildings generally

Overall Absorption Six Month Periods



Submarket Absorption Current Period



Occupancy & Rent Rate Trends by Submarket

average about \$12 to \$14 per square foot, and class A suburban buildings generally range from \$14 to \$18 per square foot. Downtown, asking rent rates average about \$1.00 per square foot less. Individual buildings and spaces can deviate significantly from these averages, of course, depending on the extent of tenant improvements, the length of lease, the location, and a variety of other factors. In general, the psychology of the market is more favorable to landlords than it has been in several years.

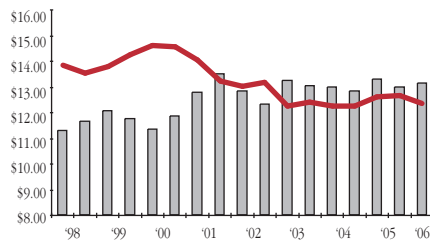
Investment sales have continued to be strong, with a number of large transactions taking place downtown at year end. Tulsa's low prices in comparison with other parts of the country have continued to attract investors who like the risk-reward profile in comparison with coastal markets.

High energy prices have fueled a resurgence in Tulsa's economy, and enthusiasm has begun to build over the Vision 2025 projects now underway. A new mayor offers hope of ending the political bickering of recent years, which could be an important element in Tulsa's continued growth.

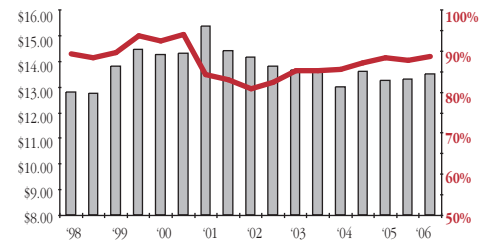
— Submarket Occupancy
Class A & B Buildings

▒ Weighted Average Asking Rent Rate
Class A & B Buildings

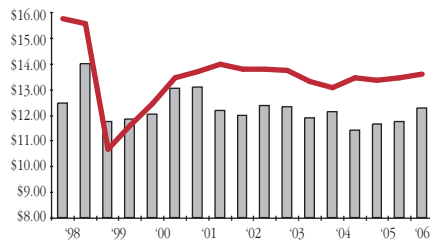
Downtown



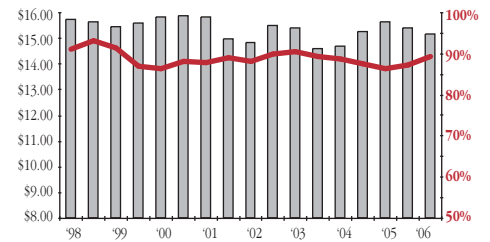
Mid-Suburban



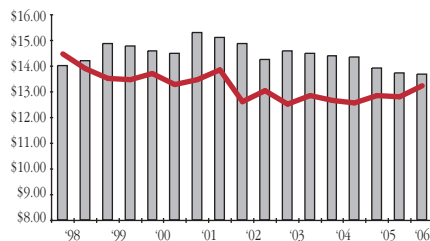
Lewis



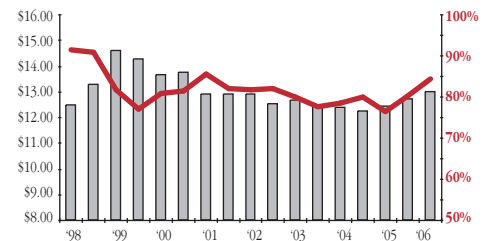
Yale



Memorial

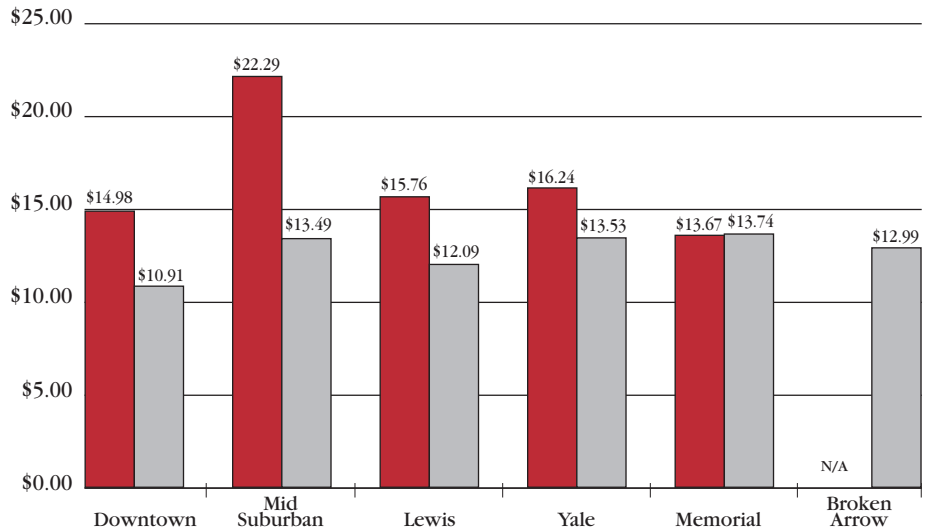


Broken Arrow



Weighted Average Asking Rent Rates by Submarket

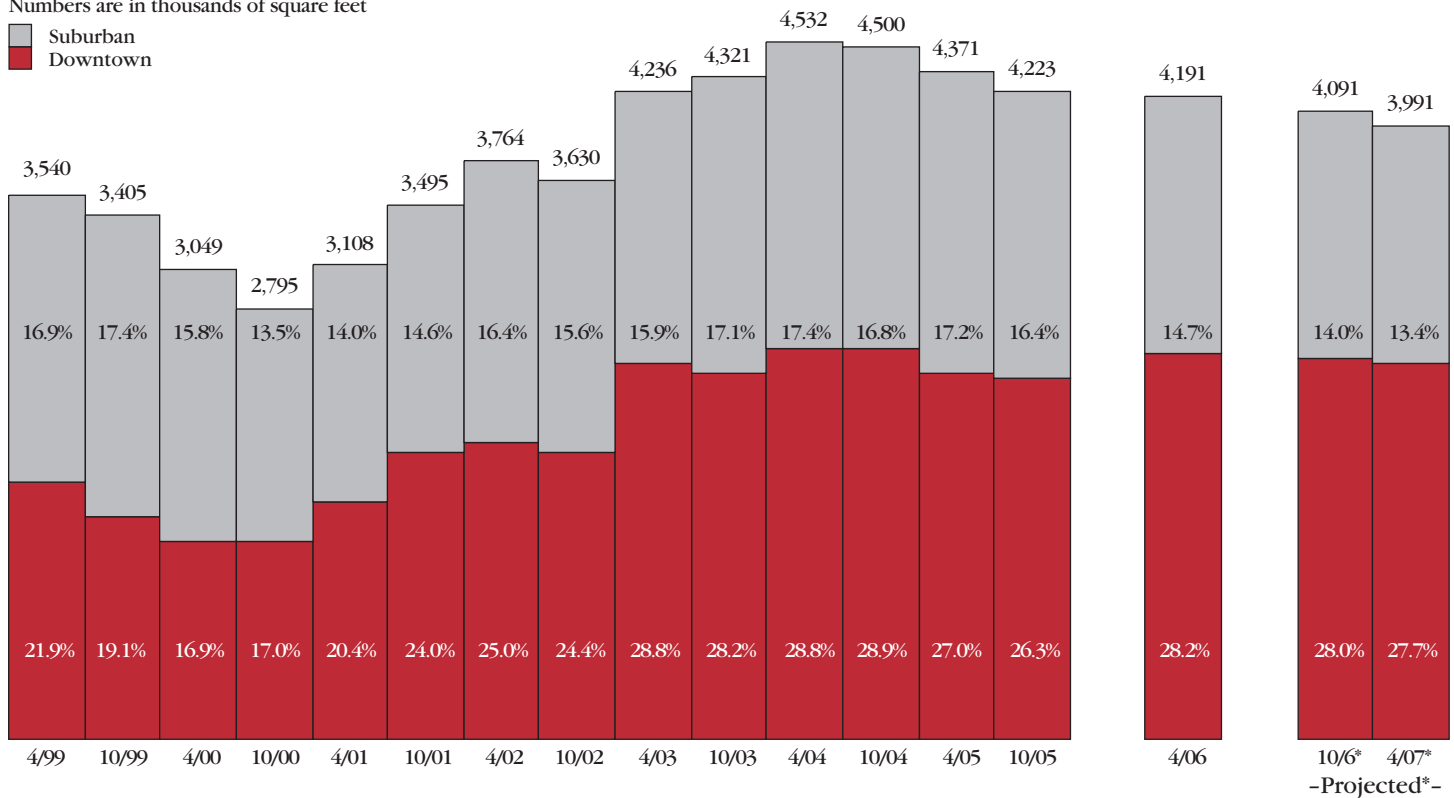
■ Class A
■ Class B



Available Space Trend Six Month Periods

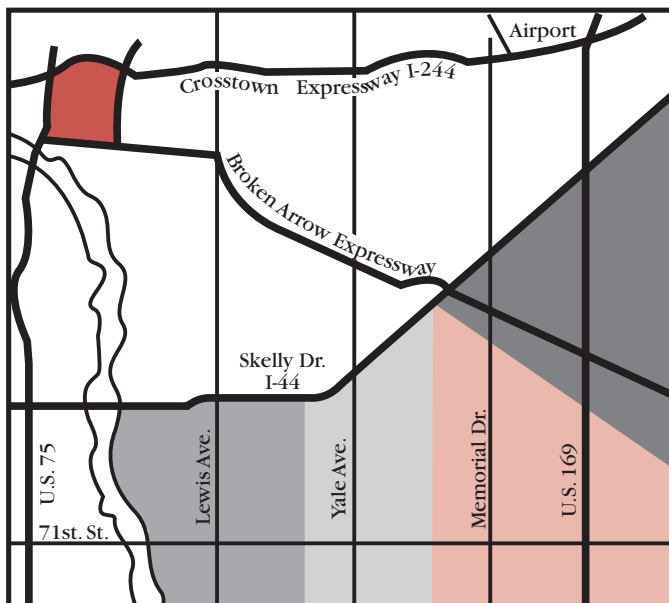
Numbers are in thousands of square feet

Suburban
 Downtown



*Assuming no new buildings begin construction prior to April 2007 and that 200,000 sf is leased net of additional vacancies during the next 12 months.

Available Space by Submarket April 2006



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	8,896,877	2,513,126	28.2%
Suburban				
	Mid Suburban	2,714,719	423,280	15.6%
	Lewis	3,013,856	488,281	14.9%
	Yale	3,016,759	363,997	12.1%
	Memorial	884,240	161,460	18.3%
	Broken Arrow	1,799,123	280,893	15.6%
	Total Suburban	11,428,697	1,677,911	14.7%
	Total Existing	20,325,574	4,191,037	20.6%
	Total Construction	0	0	0.0%
	Total Office Space	20,325,574	4,191,037	20.6%



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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 2006 and may be copied with attribution upon prior request.