

M Office Tulsa MARKET

Fall • 2004



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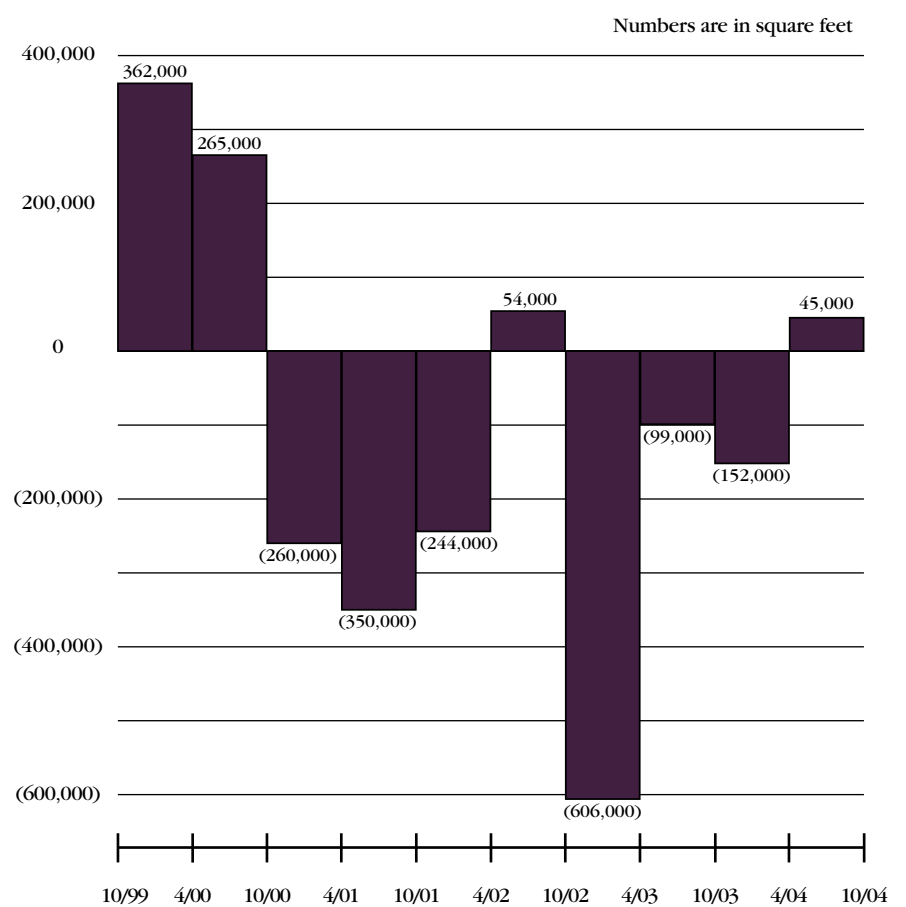
MARKET CONDITIONS IN TULSA, OCTOBER 2004

Tulsa's office market seems to be leveling off - with a slight gain in overall occupancy - after four years of net negative absorption. The past six months show an overall gain of approximately 45,000 square feet in a 20 million square foot market, bringing the overall vacancy rate down from 22.3% to 22.1%. Gains and losses were modest in most submarkets. The largest gain came in the Lewis corridor, with the addition of 60,000 square feet for Echostar. The largest loss is the anticipated first phase contraction of CITGO in One Warren Place, by 54,000 square feet in April of next year. This brought the Yale corridor absorption to negative 43,000 square feet. None of the other submarkets showed a change, either up or down, by more than 25,000 square feet.

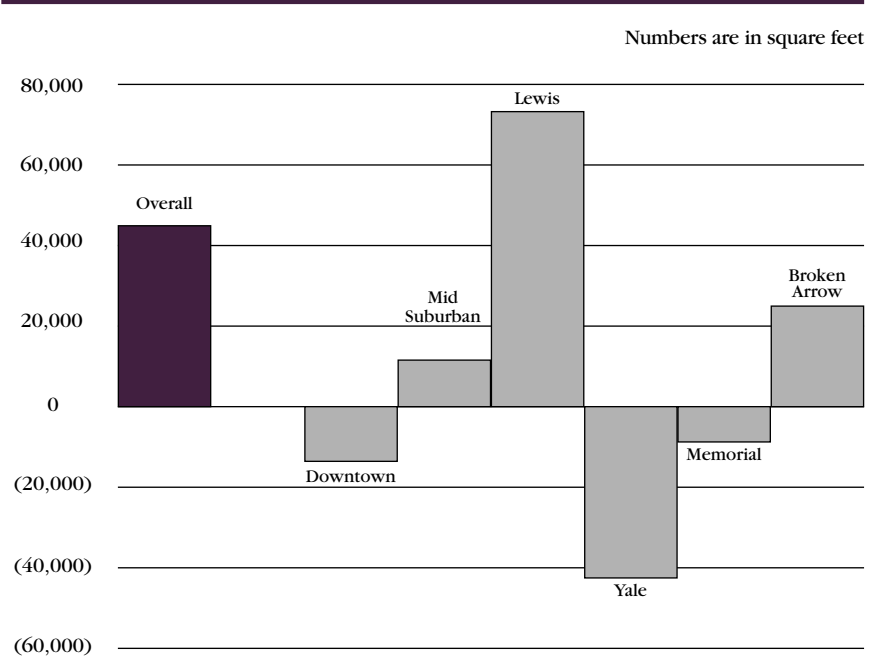
Robust activity in the oil and gas business has fueled expansion by a number of firms in the downtown area, including, among others, Samson, Newfeld, Magellan, and Latigo. In the negative column, Wiltel has continued to consolidate in One Technology Center, adding another 41,000 square feet of available space in their building.

Suburban vacancy rates now average 16.8%, and range from 23.1% in the Memorial submarket to 13.6% in the Yale corridor. Downtown, the vacancy rate now averages 28.9%, including all buildings, but if this is

Overall Absorption Six Month Periods



Submarket Absorption Current Period



Occupancy & Rent Rate Trends by Submarket

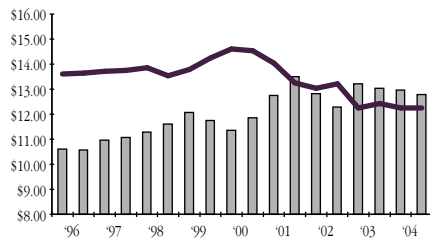
broken down by class, the vacancy rate in class A buildings averages 23.1%, and the vacancy rate in class B buildings averages 24.0%.

Weighted average asking rent rates have not changed significantly in any of the submarkets. Downtown, class A rents range from \$12.00 to \$15.50 per square foot, and average \$14.34, and class B rents range from \$8.50 to \$13.00 per square foot, and average \$10.67. In the suburbs, rents cover a similar range, generally from \$14.00 to \$18.00 per square foot for class A space, and from \$11.50 to \$14.50 per square foot for class B space. Actual lease rates can vary significantly from street rates, depending on the building, the space, the improvements, and the timing and other particulars of the deal.

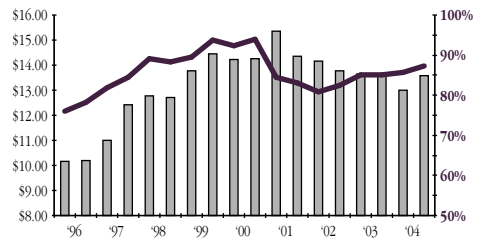
Tulsa's fallout in the telecom industry several years ago is now history, and while there is still space on the market left over from more heady days, the economy is on a secure footing, and appears well positioned to bring steady improvement to the office market. As the national economy picks up steam, we expect Tulsa's to gain momentum as well, and foresee a gradually improving office market over the next few years.

— Submarket Occupancy Class A & B Buildings
 █ Weighted Average Asking Rent Rate Class A & B Buildings

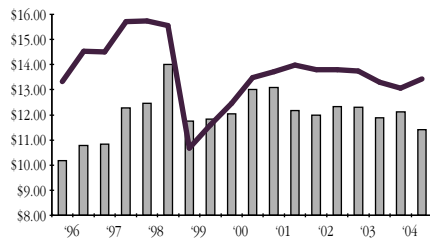
Downtown



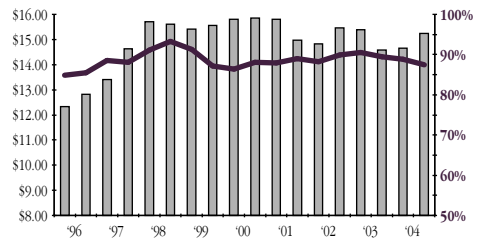
Mid-Suburban



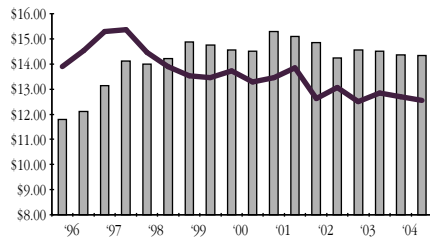
Lewis



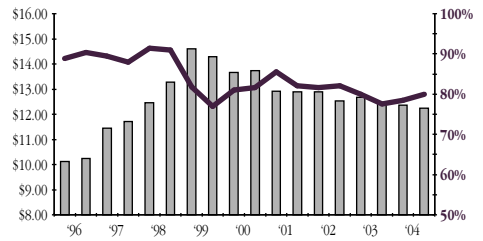
Yale



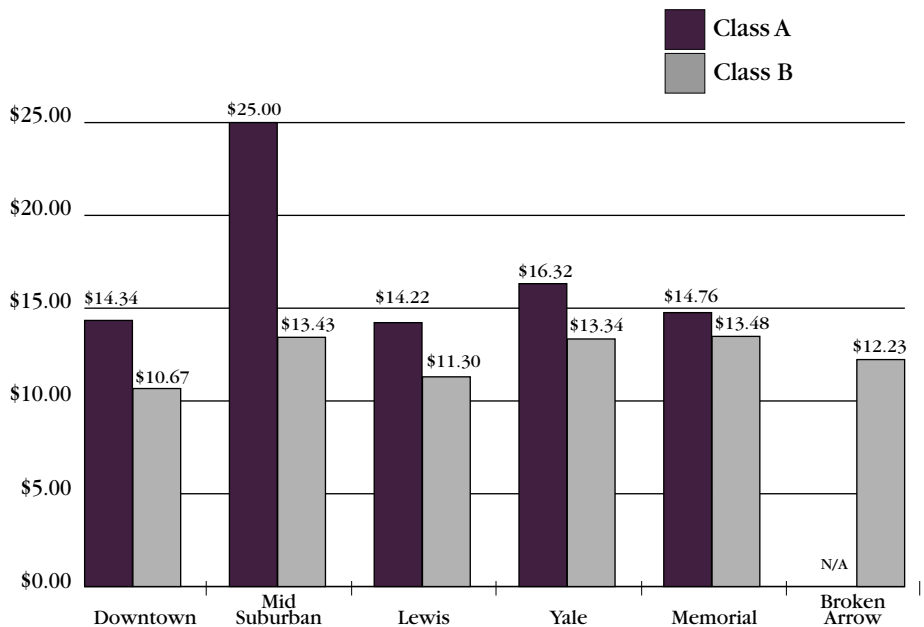
Memorial



Broken Arrow



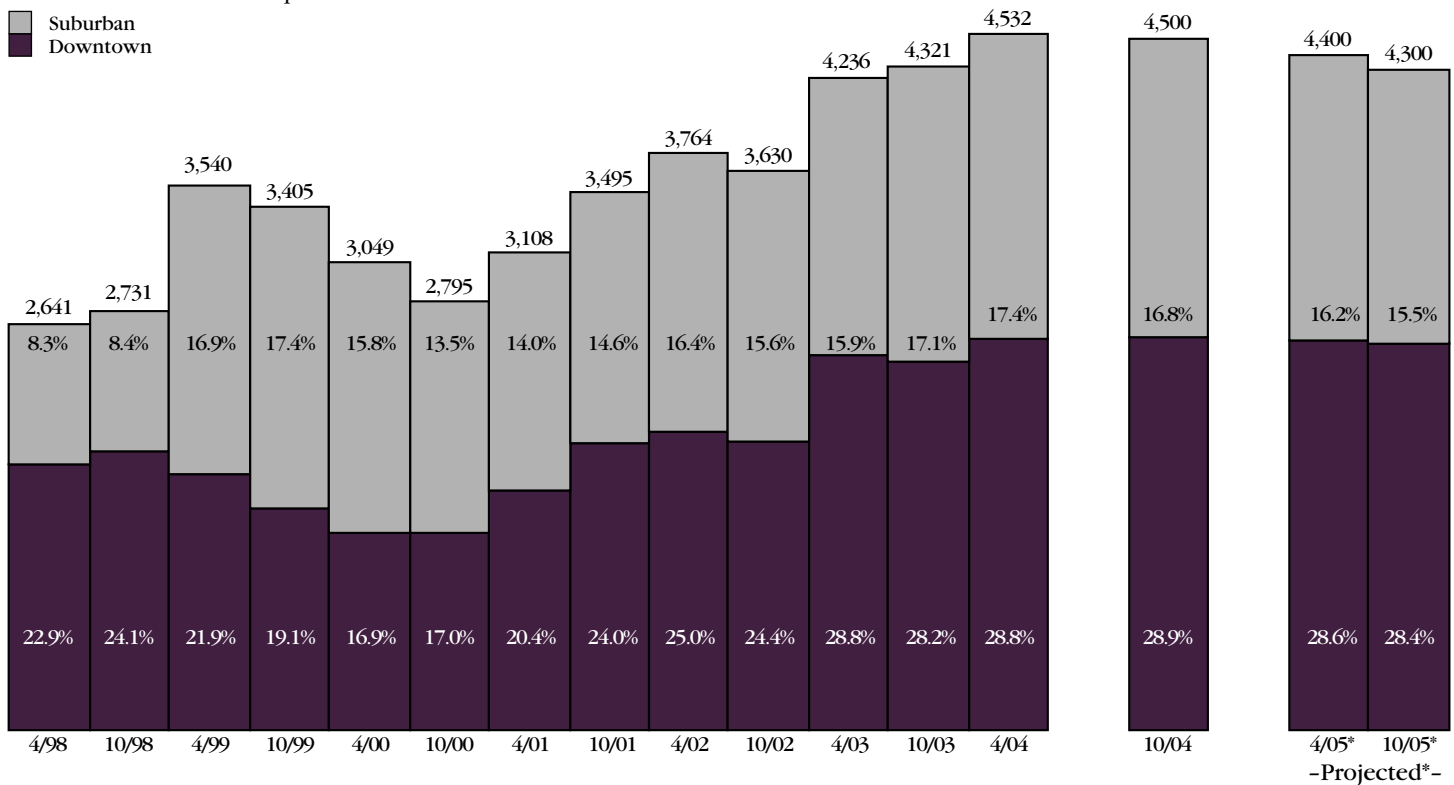
Weighted Average Asking Rent Rates by Submarket



Available Space Trend Six Month Periods

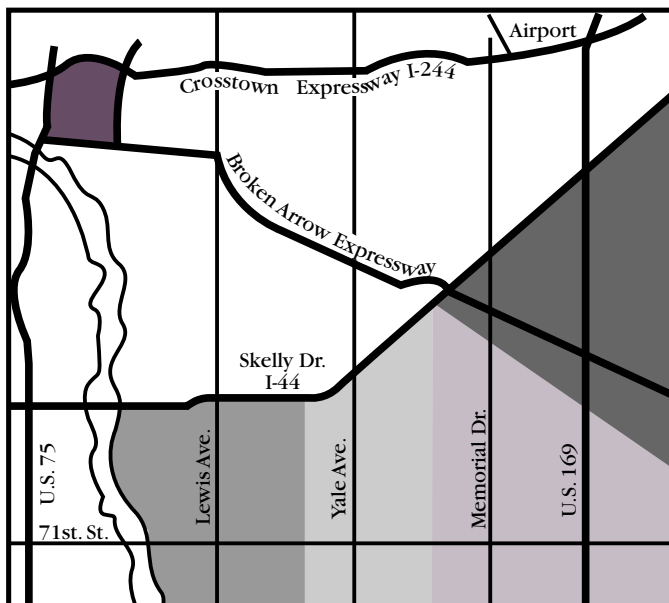
Numbers are in thousands of square feet

Suburban
Downtown



*Assuming no new buildings begin construction prior to October 2005 and that 200,000 sf is leased net of additional vacancies during the next 12 months.

Available Space by Submarket April 2004



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
■	Downtown	8,845,659	2,558,113	28.9%
Suburban				
□	Mid Suburban	2,835,667	483,902	17.1%
■	Lewis	3,007,921	479,419	15.9%
■	Yale	3,008,034	410,551	13.6%
■	Memorial	884,240	203,889	23.1%
■	Broken Arrow	1,811,343	364,480	20.1%
	Total Suburban	11,547,205	1,942,241	16.8%
	Total Existing	20,392,864	4,500,354	22.1%
	Total Construction	0	0	0.0%
	Total Office Space	20,392,864	4,500,354	22.1%



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