Tulsa Office MARKET

Fall • 2009

WIGGIN PROPERTIES, LLC

PROPERTY MANAGEMENT • LEASING AND MARKETING
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MARKET CONDITIONS IN TULSA, FALL 2009

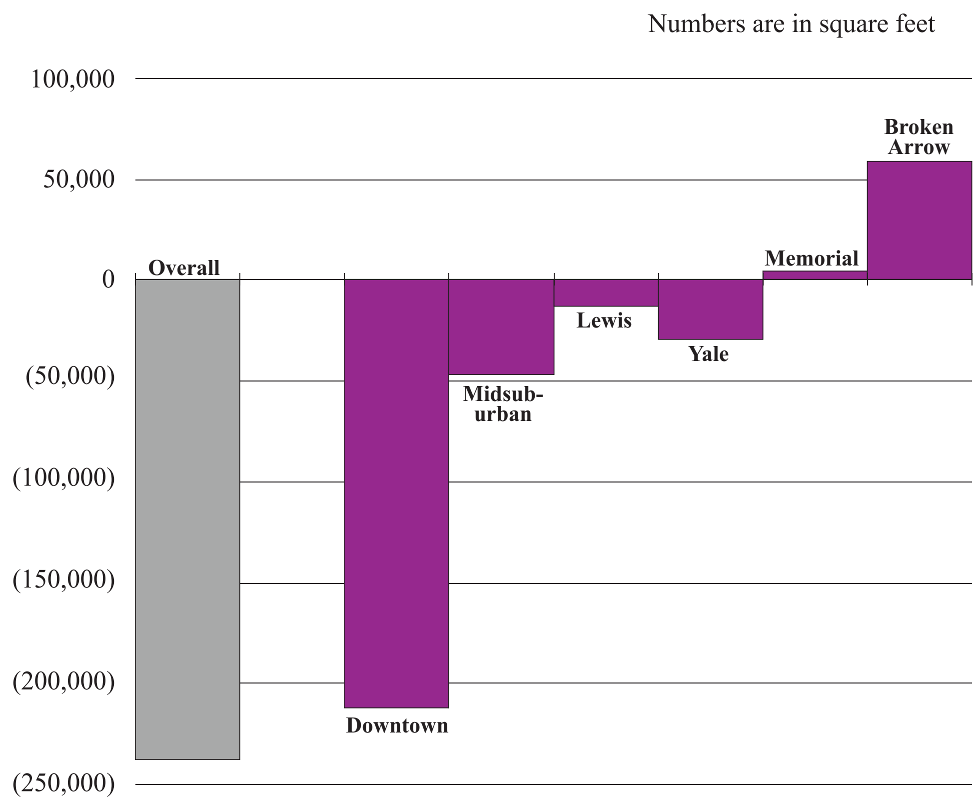
Tulsa's office market showed a net loss in occupancy of 235,000 square feet during the six months ended in October, 2009. This follows a loss of 126,000 during the prior six months, for a 12 month cumulative loss of 361,000 square feet. The combined loss represents 1.6% of the overall supply of multi-tenant office space. This downturn in demand follows five years of net positive absorption.

The losses of occupancy during the past 12 months were concentrated in the downtown submarket, although most other submarkets were negative as well. Only the Broken Arrow submarket showed net positive leasing, at a level which was dwarfed by the addition to the market of converted space in the Eastgate Metroplex. Vacancy rates are lowest in the Yale submarket, at 11.8%, and the Mid-Suburban submarket at 12.6%. Vacancy rates are heavily influenced in the Broken Arrow and Lewis submarkets by the large blocks of space available in the Eastgate Metroplex and CityPlex Towers, resulting in submarket vacancies of 33.8% and 25.4% respectively. The Downtown vacancy rate has risen to 28.8% overall, a number which reflects the large concentration of old class C buildings. Vacant space in class A and B buildings downtown averages 22.7%.

Weighted average asking rent rates continue to hold up in the face of increasing vacancies, a reflection of the relative strength of the Tulsa economy compared with cities in other parts of the country. Class B rent rates have shown slight increases in every submarket except Memorial. Class A rent rates, however, have decreased by somewhat larger amounts in all submarkets except Memorial. The

Overall Absorption Six Month Periods

Submarket Absorption Current Period

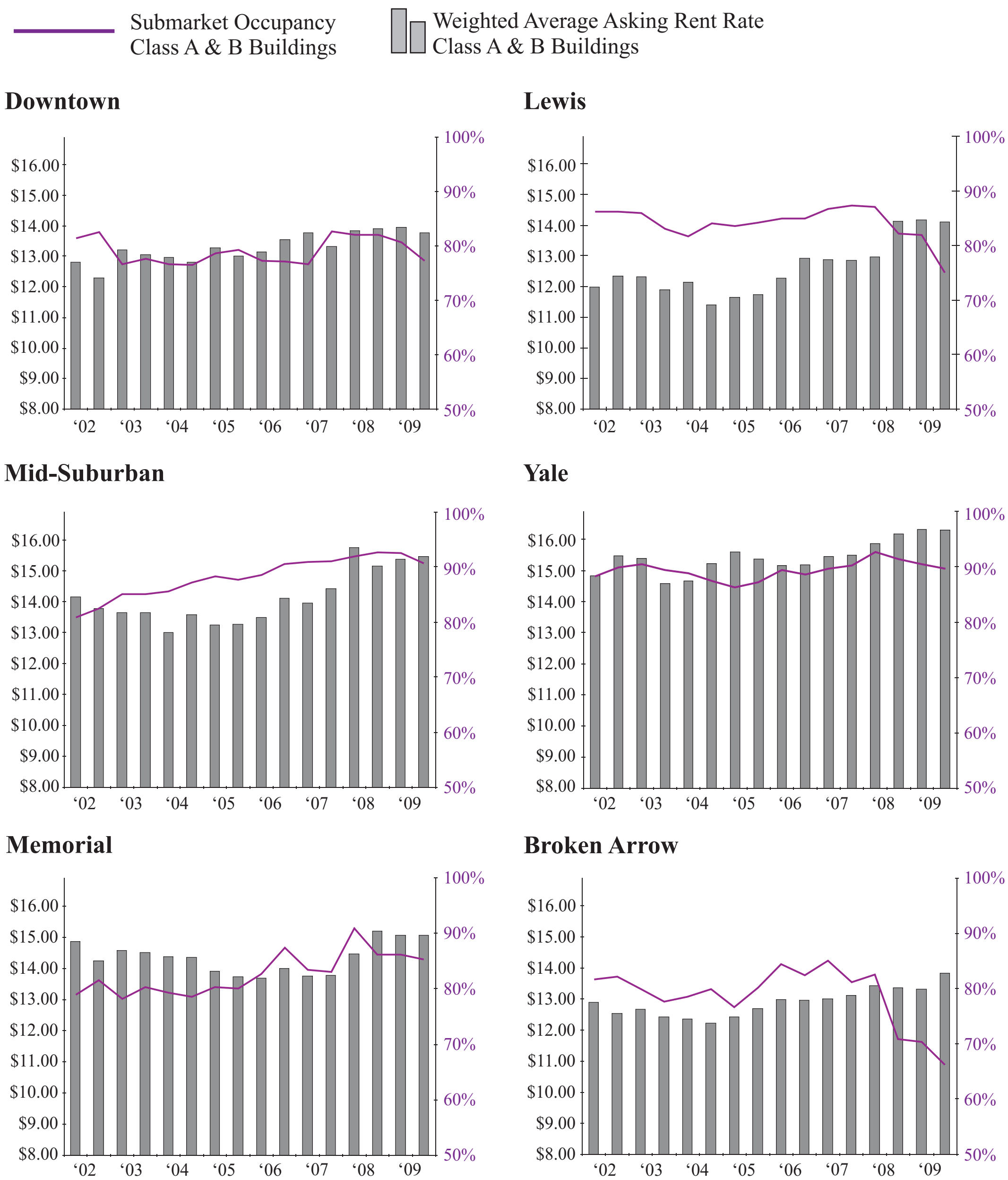


premium that tenants are willing to pay for the highest quality offices is being squeezed by the recessionary economic climate. Rent rates in class A buildings range generally from $14 to $20 per square foot, while those in class B buildings range generally from $12 to $15 per square foot, with variations depending on the building, the submarket, and a host of other factors. Actual lease deals cover a wide spectrum, depending on the space within a building, the existing tenant finish, the construction allowance, term of the lease, and other deal terms.

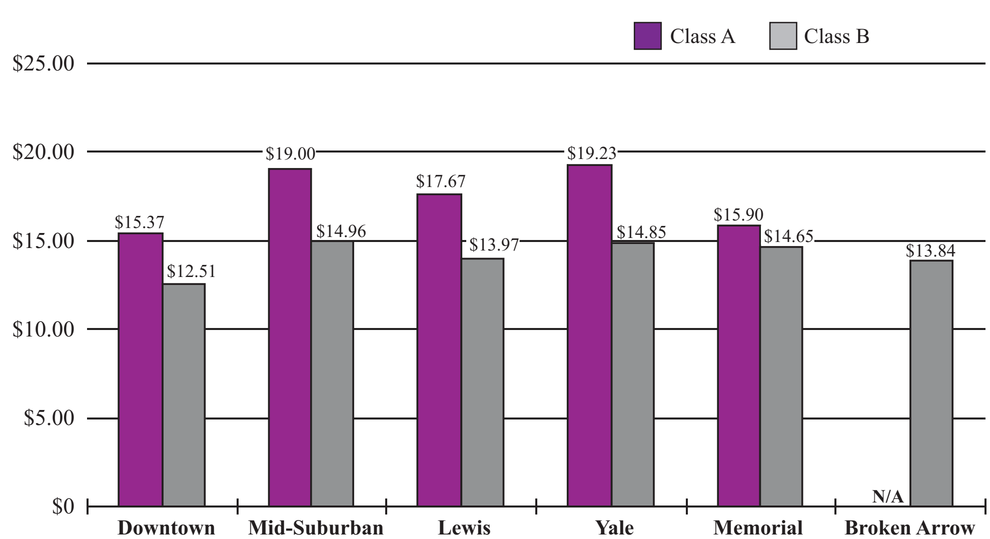
Office building sale transactions have continued to lag historic levels, reflecting the scarcity of available debt financing and the continuing gap in expectations between buyers and sellers. Banks continue to have money to lend at attractive interest rates, and at low loan to value ratios, with personal recourse, but the relative scarcity of non-recourse debt in the absence of securitized lenders has hampered refinancing and discouraged buyers' appetites. Talk continues of an improved outlook in 2010 and 2011, but as of late 2009, the debt environment is still tightly constrained.

Steady declines in tax revenues at the state and local level have taken a toll on government services, reflecting decreases in retail sales (sales tax) and oil and gas production (the gross production tax). While Tulsa's overall economic outlook is strong relative to the rest of the country, the recession is being felt even here.

Occupancy & Rent Rate Trends by Submarket

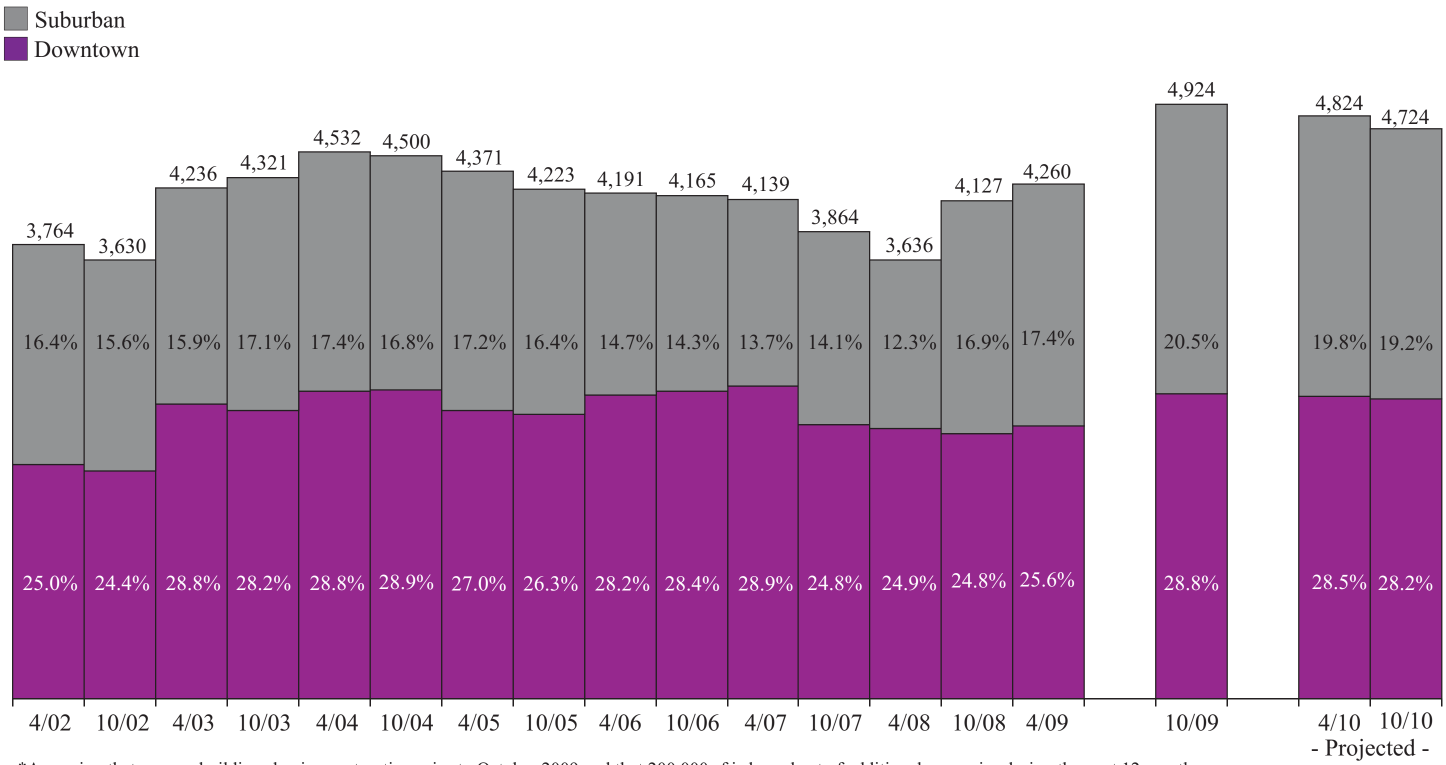


Weighted Average Asking Rent Rates by Submarket



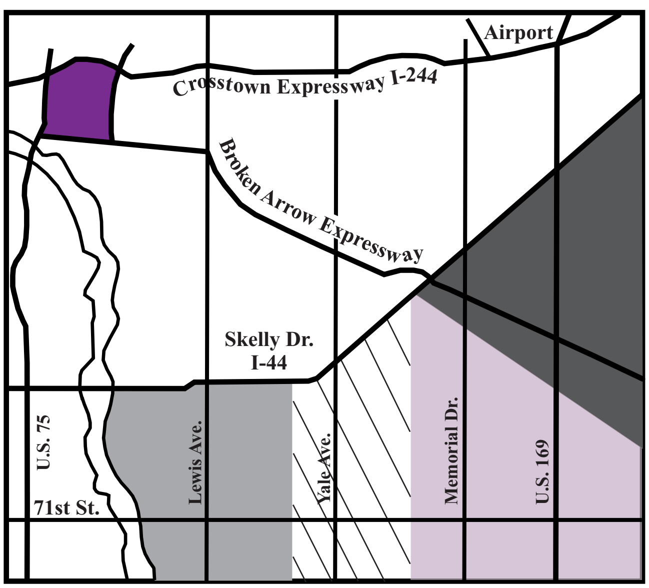
Available Space Trend Six Month Periods

Numbers are in thousands of square feet



*Assuming that no new buildings begin construction prior to October 2009 and that 200,000 sf is leased net of additional vacancies during the next 12 months.

Available Space by Submarket - Fall 2009



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	8,794,622	2,528,934	28.8%
	Suburban			
	Mid Suburban	2,582,735	325,471	12.6%
	Lewis	2,359,150	600,159	25.4%
	Yale	3,035,192	357,302	11.8%
	Memorial	820,021	133,181	16.2%
	Broken Arrow	2,899,123	979,891	33.8%
	Total Suburban	11,696,221	2,396,004	20.5%
	Total Office Space	20,490,843	4,924,938	24.0%

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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.