Office
Tulsa
MARKET

Fall • 2011

WIGGIN PROPERTIES, LLC

PROPERTY MANAGEMENT • LEASING AND MARKETING
BROKERAGE • CONSULTING • REDEVELOPMENT

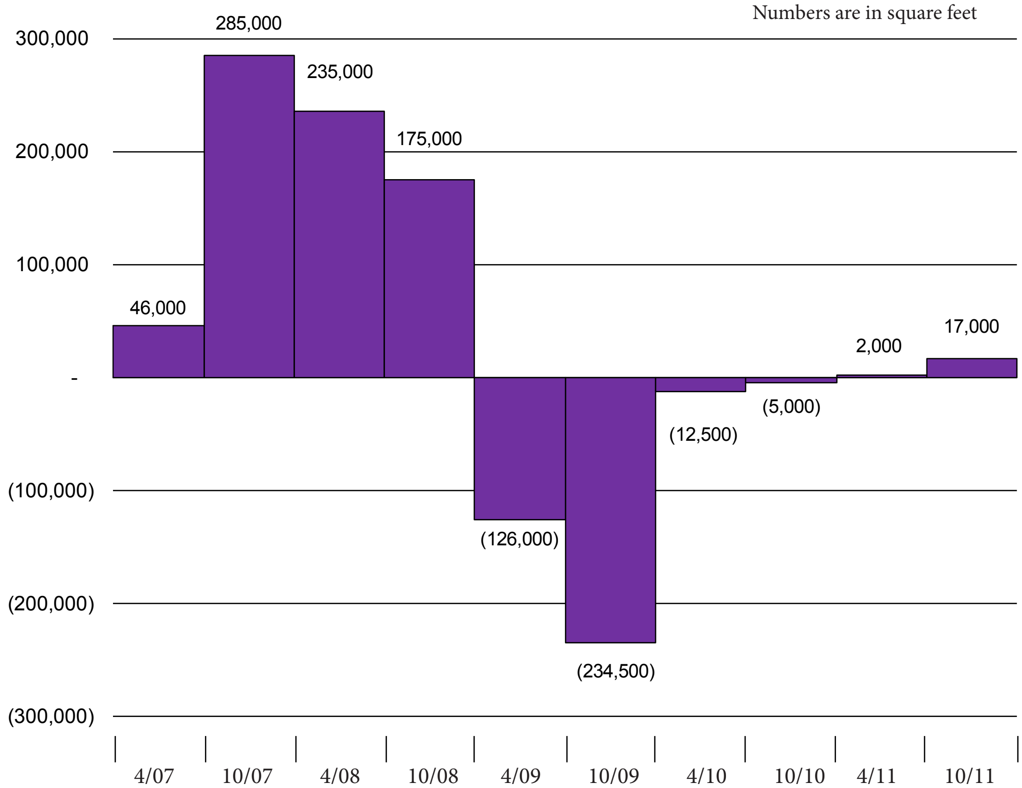
MARKET CONDITIONS IN TULSA, FALL 2011

Tulsa's office market has been stable for the past 24 months with very minor changes in overall occupancy of the 20.5 million square feet of multi-tenant office buildings containing 25,000 square feet or more. The current survey shows a net gain in overall occupancy of 17,000 square feet during the past six months, and 19,000 square feet during the past twelve months. The gain in overall occupancy during the past 24 months was 1,500 square feet.

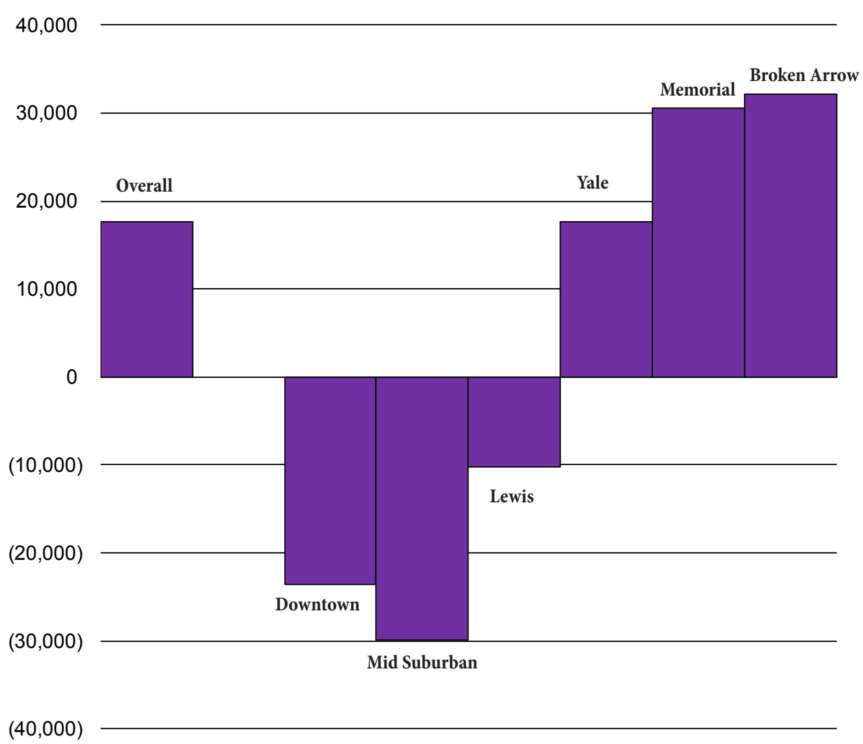
None of the six submarkets showed significant changes individually. The Broken Arrow submarket and Memorial submarket showed the largest gains with 32,000 and 31,000 square feet respectively, representing gains of 1.1% and 3.7% of total office space in their respective submarkets, and reducing vacancy rates to 20.1% and 31.0%. The healthiest submarkets, the Mid Suburban and Yale submarkets, both finished with vacancy rates of 14.4% after losing 30,000 square feet and gaining 18,000 square feet respectively. Overall, the suburbs gained 40,000 square feet or 0.3% of overall space. Downtown lost 23,566 square feet, or 0.3% of overall space. Most of the change downtown was migration from class C to class B or A space, where the net gain in occupancy was 2,000 square feet. The overall vacancy rate for Class A and B space downtown is 22.5%.

Three new buildings have been announced since our last survey. Ground was broken in June at 2nd and Cheyenne, downtown, for the OnePlace project, including a 17 story building to be occupied by Cimarex Energy, and adjacent to the west a 4 story building for Northwestern Mutual Financial Network. No speculative office space is planned in either building. At 61st and Yale, American Bank and Trust has announced an 8 story building to house their corporate offices, with half the building available for lease. Because the OnePlace buildings are not planned for

Overall Absorption Six Month Periods



Submarket Absorption Current Period



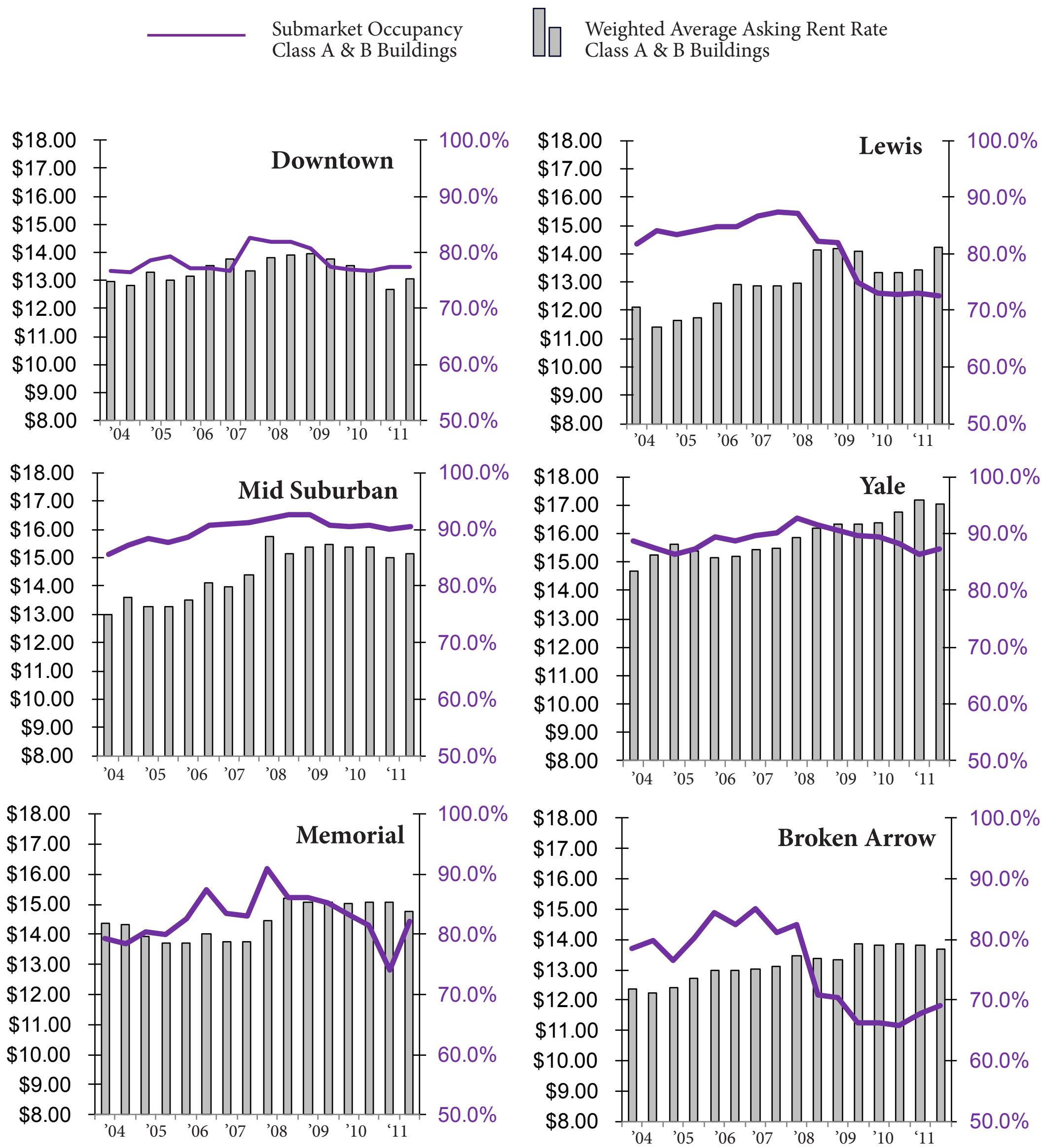
multi-tenant office occupancy, they will not be included in our survey data. Nevertheless, the three new buildings are expected to add several hundred thousand square feet of vacated and newly available office space to the market during the next eighteen months.

Weighted average asking rent rates continue to fluctuate slightly both up and down, with changes in the composition of available space in different submarkets. In general asking rent rates for class A space downtown range from $14 to $18 per square foot, and rates for class B space range from $11 to $13 per square foot. Weighted average asking rent rates in the suburbs generally range from $16 to $22 per square foot for class A space and $12 to $16 per square foot for class B space. Asking rent rates vary by building, by space within a building, and depend on construction allowances, term of lease, size of space, and other business considerations. Actual lease terms can vary considerably from asking rent rates.

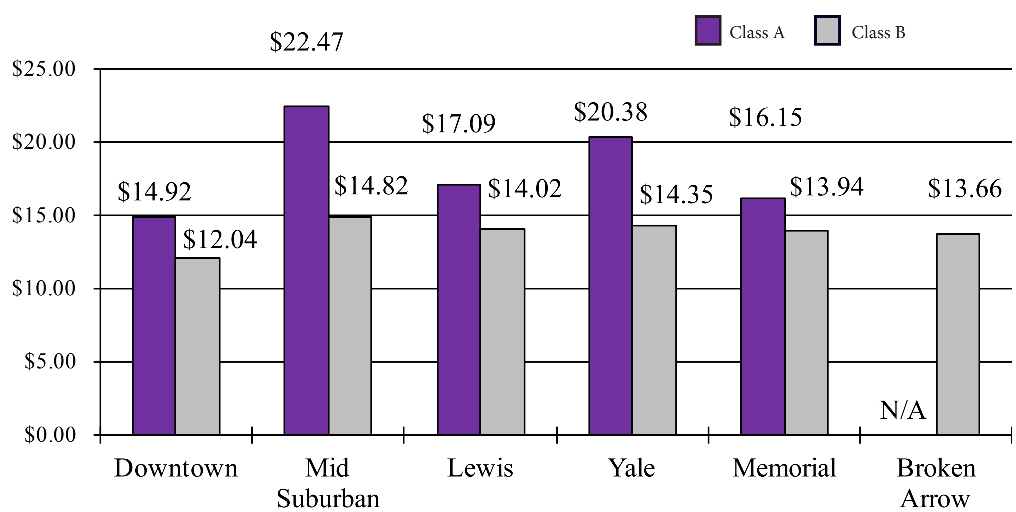
Economic uncertainty has continued to hold down the number of building sale transactions. With stable occupancy levels and rent rates, landlords have generally enjoyed good cash flow and are reluctant to sell except at prices above pre-recession levels. Buyers, on the other hand are usually hunting for opportunistic pricing. Those transactions that have taken place have usually had a motivating factor, such as a high LTV loan maturity or a stubborn vacancy issue. The increasing availability of attractively-priced financing is expected to keep prices high by Tulsa standards, which continue to look low by regional and national comparisons.

Tulsa's economy continues to benefit from the boom in oil and gas production, and is expected to out-perform the national economy for the foreseeable future.

Occupancy & Rent Rate Trends by Submarket

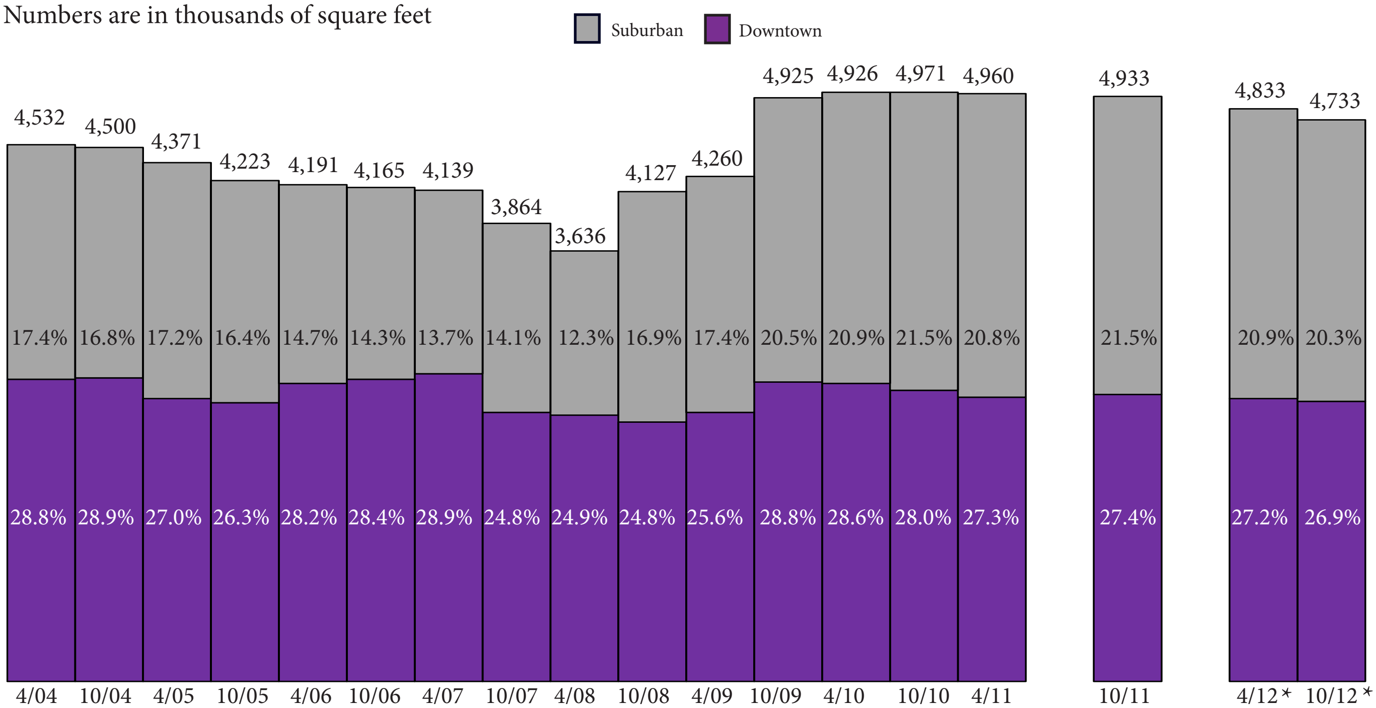


Weighted Average Asking Rent Rates by Submarket



Available Space Trend Six Month Periods

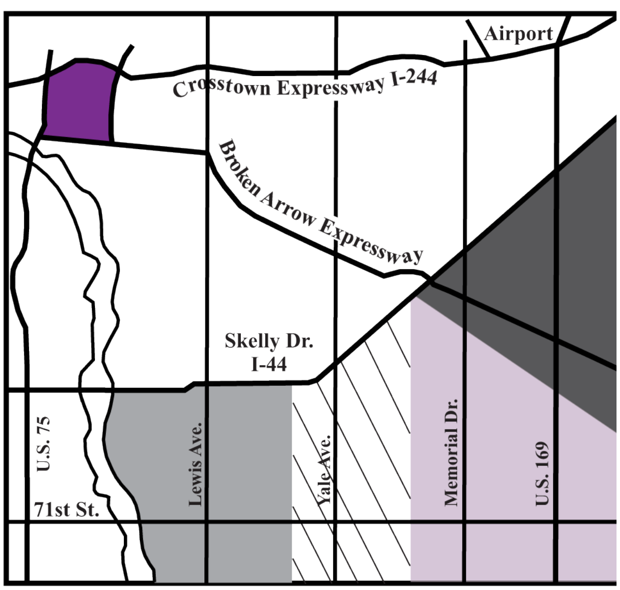
Numbers are in thousands of square feet



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

* Projected

Available Space by Submarket October 2011



Key	Submarket	Total Area (sf)	Available (sf)	% Vacancy
	Downtown	8,790,610	2,412,999	27.4%
	Suburban			
	Mid Suburban	2,582,735	371,745	14.4%
	Lewis	2,361,993	648,075	27.4%
	Yale	3,035,192	435,722	14.4%
	Memorial	820,021	164,840	20.1%
	Broken Arrow	2,899,123	900,073	31.0%
	Total Suburban	11,699,064	2,520,455	21.5%
	Total Office Space	20,489,674	4,933,454	24.1%

WIGGIN PROPERTIES, LLC

5801 N. Broadway Suite 120 Oklahoma City, OK 73118

420 S. Main Street Suite 201 Tulsa, OK 74103

www.wigginprop.com

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