

Oklahoma City

Oklahoma City

Multifamily Market Summary

2006





Oklahoma City Oklahoma City Multifamily Market Summary

Welcome to the 2006 Price Edwards & Company Multifamily Market Summary. This report has been a staple to investors, managers, and consultants for the past 18 years. Our thanks to everyone who has responded to help make this the most complete survey possible. We appreciate your cooperation and comments.

This and past surveys are available online on our website at www.pricedwards.com.

In 2006, the multifamily division of Price Edwards & Company surveyed 237 apartment properties containing 50,391 units. Overall rental rates for the Oklahoma City Metropolitan Statistical Area showed a 3.3% increase over 2005 rental rates, and the overall occupancy rate rose 1%, from 90% in 2005 to 91% in 2006. At the same time, owners found themselves facing higher expenses from rising utility costs, insurance, payroll, and rent losses due to concessions and rental incentives. However, with expenses averaging between \$2,500 to \$2,700 per unit before capital expenses, sales transactions continued to post record high prices as out of state investors took advantage of many of Oklahoma's buying opportunities.

Citing Oklahoma City's low cost of living and job growth, Forbes Magazine ranked the metropolitan area the ninth most affordable, as well as, one of the best cities to find a job. Total employment in the MSA recorded an increase of 2.4% in 2006. Monty Evans of the Greater Oklahoma City Chamber of Commerce predicts this trend should continue into 2007 with the forecast of 1% growth in employment. This positive growth came in spite of the closing of the General Motors Plant, Dayton Tire, AOL and the sale of Kerr McGee. Along with the expansion of smaller companies, government, education, the health sector, construction, and the oil and gas industry again offered new employment opportunities.

New construction for single-family homes continued to impact the Metropolitan area housing market; however, according to the Central Oklahoma Home Builders Association, permits for new homes were down 1,165 from 7,643 in 2005 to 6,478 in 2006. This trend, coupled with the forecast of rising interest rates in 2007, could have a positive effect on multifamily properties as first time home buyers find it difficult to finance new homes and will therefore remain in rental housing.

Historically over the past 10 years, the Oklahoma City multifamily market has absorbed around 1,000 units per year. However, in 2006 approximately 575 new multifamily units came online. This adjustment in construction of new apartment units again should have a positive impact on occupancy of existing multifamily properties

Mustang saw one new development when The Links at Mustang Creek came online in 2006. With 492 units surrounding a 9-hole golf course, The Links at Mustang Creek is located at SW 15th and S. Mustang Road. Also, in 2006, Oklahoma City saw the opening of Lincoln at Central Park. Located at NE 50th and Lincoln, plans call for 752 units with phase one containing 276 units.

At the same time Oklahoma City developers are finishing four multifamily projects. Some are new construction, and some are conversions of existing buildings. Legacy Summit at Arts Central is a mixed-use project consisting of 257 luxury multifamily units, a parking garage, and 11,000 square feet of ground level retail space. Located near the intersection of Robert S. Kerr and Walker, the developer anticipates a 2007 opening. Conversions include the 48 year old, 17 story Park Harvey Building located at the corner of Park Avenue and N. Harvey. Plans call for 178 one-bedroom apartment units. The former Citizens Tower office building located on 2200 N. Classen Boulevard is being converted into 66 luxury apartment units. Units are coming online in 2007. A third conversion, The Sieber Hotel, built in 1928, is being converted from a hotel into an apartment property. Plans call for 38 units. Located at 1311 N. Henderson Ave., the developer anticipates bringing the property on line in late 2007.

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Quick Facts

Number of projects studied.....237
 Number of units studied.....50,391
 Average rent per square foot.....\$0.62
 Average unit size.....820 sf
 Average rent per unit..... \$509.55/mo

In Edmond, Fountain Lakes, a new a mixed-use development is being built on the 42-acre site of the former Lions Family Fun Park at Memorial Road and Eastern. The development will be built in phases and will offer 320 upscale townhome style apartment units with garages along with pads for retail and office.

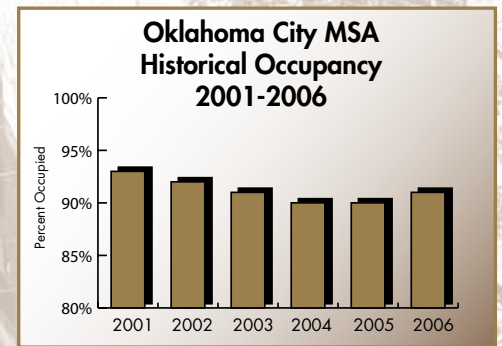
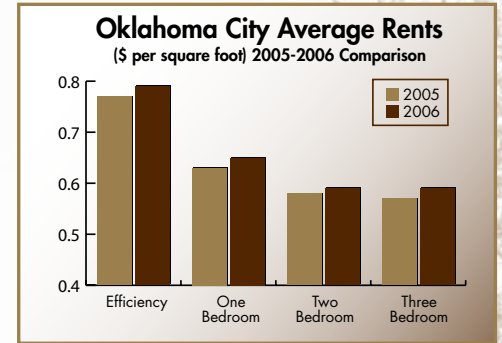
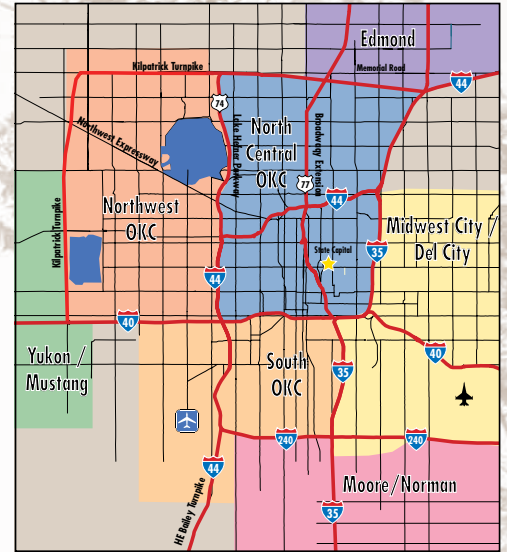
In addition, several luxury condominium projects and mixed-use developments are coming on line in the Central Business District of Oklahoma City. The Centennial on the Bricktown Canal is located northwest of the Harkins Bricktown 16 Theater and will have 30 upscale condominiums for sale. Block 42 features 42 high-end urban townhomes on NE Fourth St. and N. Central. Sixteen of the town homes will be walk-up units while twenty-six will have elevator access. The Triangle, when finished will be a 751 unit, mixed-use development with a combination of apartments, condominiums, retail and offices. The Hill at Bricktown will be located east of Bricktown, with the developer planning 171 upscale town homes brought online in phases. In Edmond, a new mixed-use development, The Falls, will be located at 2300 E. Second. Developers are planning 194 upscale townhouse apartments plus 130,000 sq. ft. of retail and office. In Norman, a new development, East Village, will be coming on line in 2007. Located at the SE corner of Lindsey and SE 12th Avenue, East Village will offer 43 townhomes and 98 high-end apartments and condos as well as pad sites for office and 33,000 sq. ft. of retail.

Adding to the mix, renovations are ongoing to several existing buildings in Midtown Oklahoma City called the Midtown Renaissance. According to the developer, plans call for a mix of for sale and for lease condominiums, apartments, office, and retail sites.

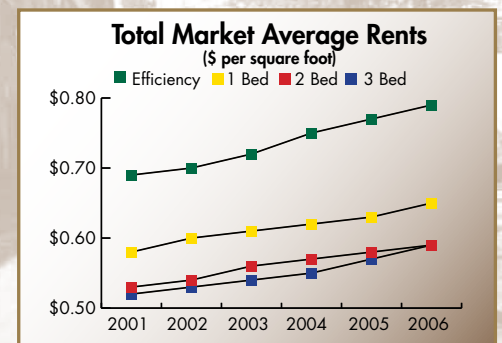
With the completion of the initial "Maps Projects" and the "Maps for Kids", Oklahoma City keeps investing in its future. City leaders and developers are currently studying the impact of the realignment of Interstate 40 and the possibility of a "Maps Three". With work progressing on the Native American Cultural Center, the success of Bricktown, and the addition of over 1,100 downtown hotel rooms, Oklahoma City keeps moving toward becoming a destination city as well as a great place to live, work and play. The sub-markets of Norman, Edmond, Yukon, Mustang, Moore, Midwest City, and Del City also continue to experience positive growth as new developments open up new opportunities.

Market watchers predict out of state buyers with 1031 money will once again set the tone for the Oklahoma City Metropolitan multifamily market. The pace may not be as fast and furious as in the past, but for many of those investors, the Oklahoma City area will continue to offer stability and value not found in their local markets.

OKLAHOMA CITY MULTIFAMILY SUBMARKET MAP

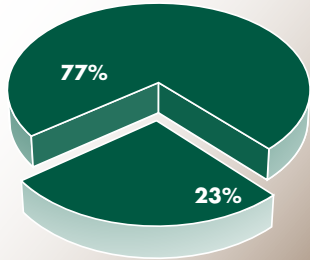


APARTMENT RENTAL MARKET SUMMARY						
237 Projects Surveyed						
Submarket	Total Units	Estimated Occupancy	Average Rent/ Sq. Ft.			
			EFF	1 Bed	2 Bed	3 Bed
Edmond	2,559	96%	0.90	0.75	0.65	0.68
Midwest City/Del City	5,781	88%	0.70	0.61	0.56	0.55
Moore/Norman	6,631	95%	0.79	0.70	0.63	0.63
Mustang/Yukon	1,878	92%	0.78	0.62	0.59	0.60
North Central OKC	11,409	90%	0.83	0.68	0.61	0.64
Northwest OKC	14,321	90%	0.79	0.62	0.57	0.57
South OKC	7,812	92%	0.77	0.65	0.59	0.55
Market Area Totals	50,391	91%	0.79	0.65	0.59	0.59

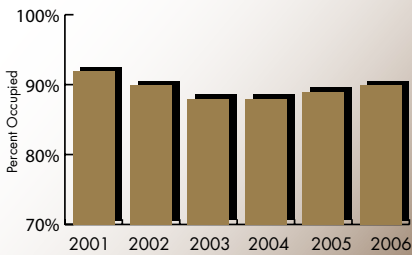


Oklahoma City Northwest Submarket

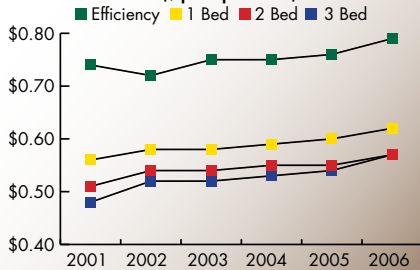
Northwest Submarket vs. Total Market



Northwest Historical Occupancy
2001-2006



Northwest Average Rents
(\$ per square foot)



NORTHWEST OKLAHOMA CITY SUBMARKET

The Northwest Submarket is defined by the Lake Hefner Parkway, the Kilpatrick Turnpike Loop on the west, NW 150th Street and Interstate 40. Several Vocational Education Centers as well as Oklahoma State University's Oklahoma City Campus and Southern Nazarene University are situated here. With over 14,000 units, this is one of the largest submarkets in the Oklahoma City Market. Occupancy rose 1% and rental rates showed increases across the board.

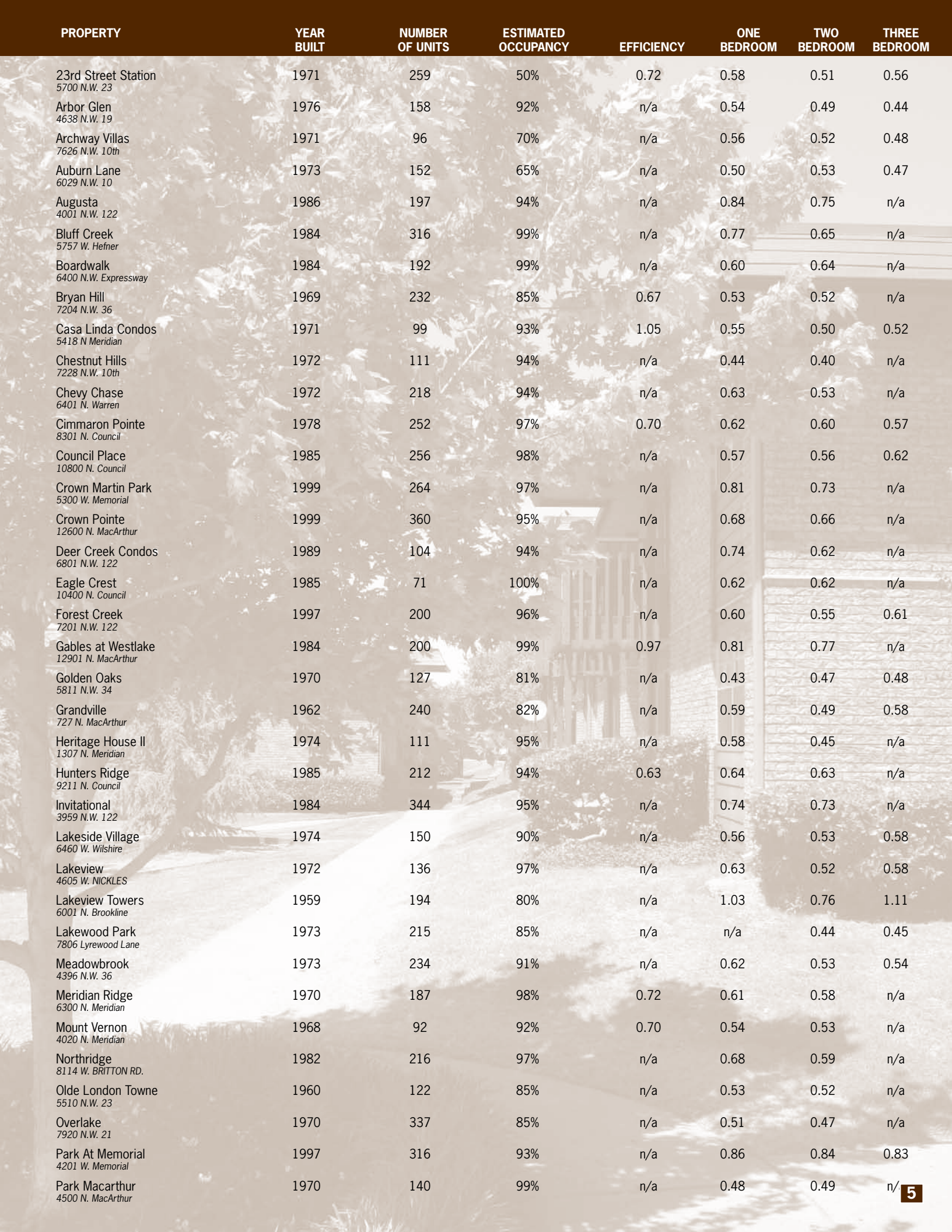
CURRENT MARKET

- 14,321 Units Studied
- Aggregate Vacancy is 10%
- Aggregate available rental rates are:

Efficiency	\$.79
One Bedroom	\$.62
Two Bedroom	\$.57
Three Bedroom	\$.57

2007 FORECAST

- Occupancy will continue to be fairly stable.
- Rental rates will continue to rise.



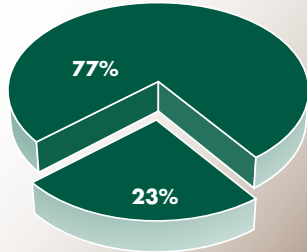
PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
23rd Street Station 5700 N.W. 23	1971	259	50%	0.72	0.58	0.51	0.56
Arbor Glen 4638 N.W. 19	1976	158	92%	n/a	0.54	0.49	0.44
Archway Villas 7626 N.W. 10th	1971	96	70%	n/a	0.56	0.52	0.48
Auburn Lane 6029 N.W. 10	1973	152	65%	n/a	0.50	0.53	0.47
Augusta 4001 N.W. 122	1986	197	94%	n/a	0.84	0.75	n/a
Bluff Creek 5757 W. Hefner	1984	316	99%	n/a	0.77	0.65	n/a
Boardwalk 6400 N.W. Expressway	1984	192	99%	n/a	0.60	0.64	n/a
Bryan Hill 7204 N.W. 36	1969	232	85%	0.67	0.53	0.52	n/a
Casa Linda Condos 5418 N Meridian	1971	99	93%	1.05	0.55	0.50	0.52
Chestnut Hills 7228 N.W. 10th	1972	111	94%	n/a	0.44	0.40	n/a
Chevy Chase 6401 N. Warren	1972	218	94%	n/a	0.63	0.53	n/a
Cimmaron Pointe 8301 N. Council	1978	252	97%	0.70	0.62	0.60	0.57
Council Place 10800 N. Council	1985	256	98%	n/a	0.57	0.56	0.62
Crown Martin Park 5300 W. Memorial	1999	264	97%	n/a	0.81	0.73	n/a
Crown Pointe 12600 N. MacArthur	1999	360	95%	n/a	0.68	0.66	n/a
Deer Creek Condos 6801 N.W. 122	1989	104	94%	n/a	0.74	0.62	n/a
Eagle Crest 10400 N. Council	1985	71	100%	n/a	0.62	0.62	n/a
Forest Creek 7201 N.W. 122	1997	200	96%	n/a	0.60	0.55	0.61
Gables at Westlake 12901 N. MacArthur	1984	200	99%	0.97	0.81	0.77	n/a
Golden Oaks 5811 N.W. 34	1970	127	81%	n/a	0.43	0.47	0.48
Grandville 727 N. MacArthur	1962	240	82%	n/a	0.59	0.49	0.58
Heritage House II 1307 N. Meridian	1974	111	95%	n/a	0.58	0.45	n/a
Hunters Ridge 9211 N. Council	1985	212	94%	0.63	0.64	0.63	n/a
Invitational 3959 N.W. 122	1984	344	95%	n/a	0.74	0.73	n/a
Lakeside Village 6460 W. Wilshire	1974	150	90%	n/a	0.56	0.53	0.58
Lakeview 4605 W. NICKLES	1972	136	97%	n/a	0.63	0.52	0.58
Lakeview Towers 6001 N. Brookline	1959	194	80%	n/a	1.03	0.76	1.11
Lakewood Park 7806 Lyrewood Lane	1973	215	85%	n/a	n/a	0.44	0.45
Meadowbrook 4396 N.W. 36	1973	234	91%	n/a	0.62	0.53	0.54
Meridian Ridge 6300 N. Meridian	1970	187	98%	0.72	0.61	0.58	n/a
Mount Vernon 4020 N. Meridian	1968	92	92%	0.70	0.54	0.53	n/a
Northridge 8114 W. BRITTON RD.	1982	216	97%	n/a	0.68	0.59	n/a
Olde London Towne 5510 N.W. 23	1960	122	85%	n/a	0.53	0.52	n/a
Overlake 7920 N.W. 21	1970	337	85%	n/a	0.51	0.47	n/a
Park At Memorial 4201 W. Memorial	1997	316	93%	n/a	0.86	0.84	0.83
Park Macarthur 4500 N. MacArthur	1970	140	99%	n/a	0.48	0.49	n/

PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Pheasant Run 6100 N. Meridian	1970	271	100%	n/a	0.64	0.55	n/a
Pinehurst 12301 N. MacArthur	1984	576	95%	n/a	0.58	0.55	n/a
Prairie Springs 9777 N. Council Road	1998	298	97%	n/a	0.77	0.71	0.74
Quail Landing 14000 Quail Springs Pkwy.	2001	216	96%	n/a	0.84	0.80	0.80
Regal Gardens 6600 NW 16	1973	160	75%	n/a	0.49	0.45	0.48
Ridgeview 6708 W. Wilshire	1973	119	81%	n/a	n/a	0.38	0.41
Riverton 7408 N.W. 10	1972	190	70%	n/a	0.54	0.46	0.44
Rockwell Arms 2500 N. Rockwell	1970	103	94%	n/a	0.47	0.45	0.51
Royal Oaks 1128 Glade	1972	112	74%	n/a	0.60	0.50	0.51
Springbrook 8557 Candlewood	1961	328	85%	n/a	0.53	0.49	0.47
Stonebrook 9301 N. MacArthur	1983	360	98%	0.69	0.62	0.64	n/a
Stoneleigh On May 14300 North May Avenue	2002	244	97%	n/a	0.89	0.84	0.85
Summer Oaks 5770 N.W. 16	1972	197	92%	n/a	0.44	0.43	0.43
Summerfield Place 11777 N. Meridian	1982	224	97%	0.88	0.70	0.67	n/a
Tammaron Village 11100 Roxboro	1983	400	97%	0.71	0.68	0.62	n/a
The Heritage 7550 N.W. 10	1972	112	90%	n/a	0.54	0.49	n/a
The Lodge On The Lake 5577 N.W. 50	1981	252	90%	0.71	0.54	0.55	n/a
The Warrington 12700 N. MacArthur	1984	204	99%	n/a	0.76	0.69	n/a
Warren House 4025 N. Meridian	1972	110	90%	1.13	1.07	n/a	n/a
Western Oaks 7408 N.W. 22	1960	173	90%	n/a	0.50	0.51	n/a
Whitby Court 7525 Knight Lake Drive	1970	184	85%	n/a	0.51	0.45	0.41
Willow Walk 5403 N.W. 36	1969	120	95%	n/a	0.50	0.56	n/a
Wilshire Village 6900 London Way	1977	340	93%	n/a	0.47	0.44	0.41
Windsor Village 2500 Sterling	1965	362	93%	n/a	0.70	0.54	0.58
Winslow Glen 4750 N.W. 23	1969	130	75%	n/a	0.42	0.42	n/a
Woodbrier 5522 Woodbrier Dr.	1969	128	90%	n/a	0.53	0.53	n/a
Woodlake 6446 N.W. 63	1970	800	75%	n/a	0.51	0.53	n/a
Woodscape 4200 N. Meridian	1985	498	95%	n/a	0.67	0.66	n/a
Northwest OKC Average		14,321	90%	0.79	0.62	0.57	0.57

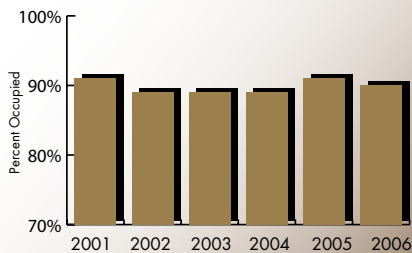
Oklahoma City

North-Central Submarket

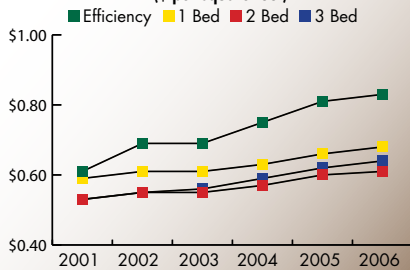
North-Central Submarket vs. Total Market



North-Central Historical Occupancy
2001-2006



North Central Average Rents
(\$ per square foot)



NORTH-CENTRAL OKLAHOMA CITY SUBMARKET

The North-Central Submarket is defined by the Kilpatrick Turnpike, NW 150th, the Lake Hefner Parkway, Interstate 35 and Interstate 40. Covering a large area from the State Capitol, Bricktown, Downtown Oklahoma City and the Quail Springs Mall area, it is also one of the most diverse of all the submarkets. Encompassing just over 11,400 units this submarket is the second largest in Oklahoma City. Overall occupancy rose and rental rates showed increases in all unit sizes.

New: The Lincoln at Central Park 276 units

CURRENT MARKET

- 11,409 Units Studied
- Aggregate Vacancy is 10%
- Aggregate available rental rates are:

Efficiency	\$.83
One Bedroom	\$.68
Two Bedroom	\$.61
Three Bedroom	\$.64

2007 FORECAST

- Occupancy will remain fairly stable.
- Rental rates will continue to slowly rise.

PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Aberdeen 125 N.W. 15	1927	115	97%	1.30	0.99	0.76	0.81
Ambassador House 4517 N. Pennsylvania	1969	142	100%	0.70	0.63	0.55	n/a
Arbor Lake 1301 W. Hefner	1985	152	88%	n/a	0.73	0.67	n/a
Aspen Place 2700 Indian Creek	1972	358	87%	n/a	0.54	0.49	0.47
Belle Isle Terrace 4861 N. Blackwelder	1973	96	93%	n/a	0.61	0.50	n/a
Bridgeport 1000 N.W. 105	1975	91	50%	n/a	0.40	0.33	0.44
Casady 2713 W. Britton	1967	96	93%	n/a	0.53	0.55	n/a
Chandelaque 5528 N. Portland	1965	186	96%	n/a	0.62	0.57	0.61
Copperfield 2400 N.W. 30	1984	262	90%	n/a	0.78	0.68	n/a
Country Oaks 3101 N.W. 150	1983	176	98%	n/a	0.71	0.65	n/a
Crosswinds 6106 N. May	1968	126	99%	0.82	0.78	0.73	n/a
Cypress Glen 413 W. Britton	1970	256	60%	n/a	0.48	0.46	n/a
Cypress Ridge 1209 W. Hefner	1969	256	90%	n/a	0.49	0.47	n/a
Deep Deuce At Bricktown 314 N.E. 2nd Street	2003	294	96%	n/a	1.01	0.85	n/a
Drexel On The Park 3041 N.W. 41	1963	165	83%	n/a	0.81	0.57	n/a
Elm Creek 4201 N. Youngs Blvd.	1974	99	88%	0.67	0.54	0.54	n/a
Fairway Park 2600 N.W. 63	1970	100	100%	n/a	0.59	0.56	n/a
Grouse Run 2401 NW 122	1984	244	90%	n/a	0.64	0.62	n/a
Heritage Park 1920 Heritage Park	1989	452	92%	n/a	0.74	0.60	0.62
Jaime's Landing 1701 N.W. 46	1972	136	98%	0.64	0.60	0.49	n/a
Lincoln Greens 2301 N.W. 122	1980	458	93%	n/a	0.71	0.68	n/a
Mayridge 5660 N. May	1956	100	94%	n/a	0.69	0.63	n/a
Newport 3407 N.W. 39	1963	124	88%	0.45	0.39	0.43	0.44
Quail Creek 11141 Springhollow	1966	126	89%	n/a	0.54	0.51	0.46
Quail Lakes 14300 N. Pennsylvania	1984	384	98%	n/a	0.69	0.64	n/a
Quail Plaza 11004 N. May	1970	91	90%	n/a	0.63	0.47	n/a
Quail Ridge 2609 Featherstone	1986	628	94%	n/a	0.69	0.61	n/a
Quail Run 3264 W. Memorial	1978	208	95%	0.75	0.61	0.63	n/a
Rain Dance 2201 N.W. 122	1983	504	90%	n/a	0.62	0.63	n/a
Regency Tower 333 NW 5th Street	274	93%	1.31	1.21	1.01	1.06	
Riverchase 11239 N. Pennsylvania	1973	252	95%	n/a	0.57	0.49	n/a
Sunridge 12821 N. Stratford	1985	312	93%	n/a	0.57	0.56	0.55
Sycamore Farms 14900 N. Pennsylvania	1998	398	91%	n/a	0.74	0.75	0.75
Sycamore Square 601 Robert S Kerr Ave	59	97%	n/a	n/a	0.68	n/a	
The Highlands 12601 & 12701 N. Penn	1982	998	97%	n/a	0.54	0.53	0.54

PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
The Links 700 N.E. 122nd	1998	456	100%	n/a	0.91	0.66	n/a
The Montgomery 500 W. Main	2004	56	95%	n/a	1.25	1.26	n/a
Tiffany House 5505 N. Brookline	1964	124	86%	1.14	0.93	0.90	1.09
Uptown Square West 1601 N.W. 30th	1968	182	51%	0.74	0.61	0.60	n/a
Village at Stratford 12831 N. Stratford	1985	356	95%	n/a	0.58	0.57	0.56
Vintage Lakes 10301 N. Pennsylvania	1972	442	72%	n/a	0.64	0.59	0.58
Walkers Station 2600 Tealwood	1983	230	94%	0.74	0.60	0.58	n/a
Warwick West 3100 N.W. Expressway	1979	424	100%	n/a	0.76	0.66	0.60
Willow Run 1025 N.W. 86th	1984	90	100%	n/a	n/a	0.43	n/a
Woodland Hills 630 N.E. 50	1965	124	78%	n/a	0.59	0.49	n/a
Woodpark 3175 N. Portland	1972	207	83%	0.71	0.57	0.56	n/a

North Central OKC Average 11,409 90% 0.83 0.68 0.61 0.64

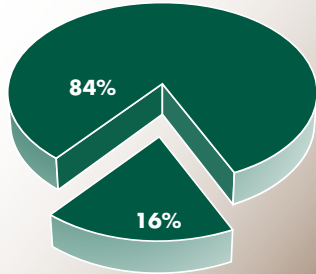


The Montgomery, Downtown OKC

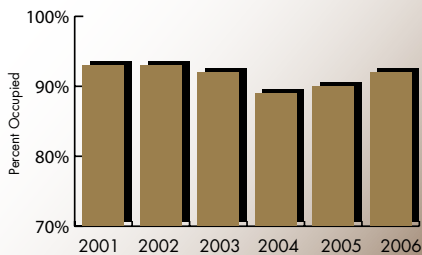
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South Submarket

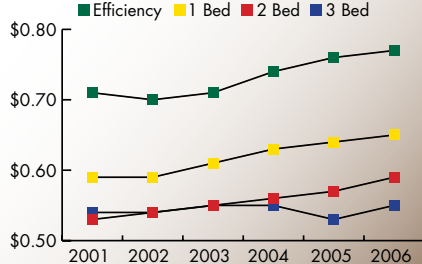
South Submarket vs. Total Market



South Historical Occupancy
2001-2006



South Average Rents
(\$ per square foot)



SOUTH OKLAHOMA CITY SUBMARKET

The South Oklahoma City submarket is defined by County Line Road, Interstates 35, 44 and 40 and SW 119th Street and contains most of south and west Oklahoma City. Will Rogers World Airport, the Mike Monroney Federal Aviation Administration Center, and Oklahoma City Community College are located here. Including slightly over 7,800 units, this submarket is the third largest in this study. Occupancies rose 2%. Rental rates showed modest increases.

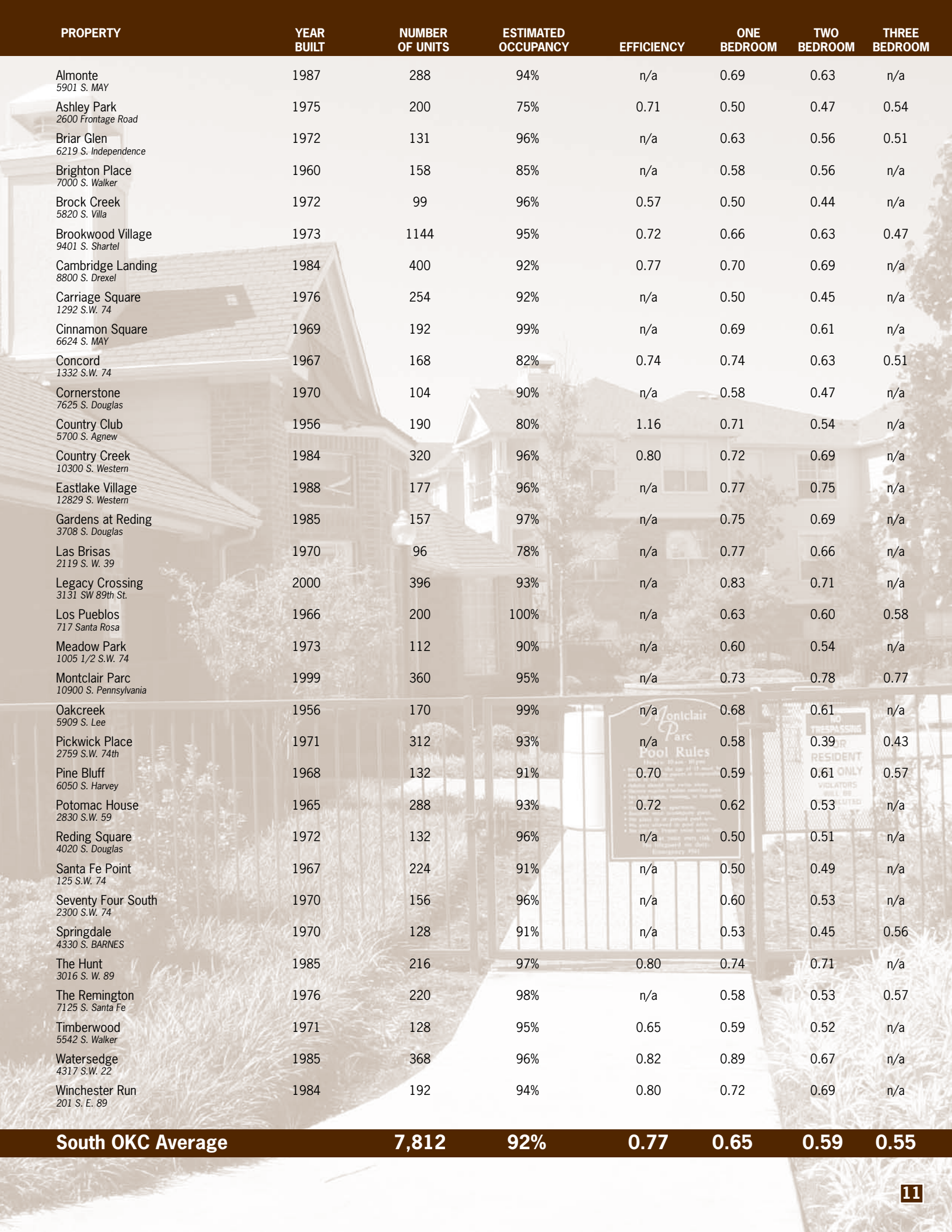
CURRENT MARKET

- 7,812 Units Studied
- Aggregate Vacancy is 8%
- Aggregate available rental rates are:

Efficiency	\$.77
One Bedroom	\$.65
Two Bedroom	\$.59
Three Bedroom	\$.55

2007 FORECAST

- Occupancy rates will stay above 90%.
- Rental rates will continue to improve.

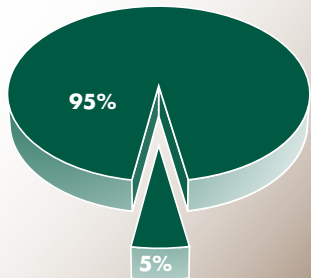


PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Almonte 5901 S. MAY	1987	288	94%	n/a	0.69	0.63	n/a
Ashley Park 2600 Frontage Road	1975	200	75%	0.71	0.50	0.47	0.54
Briar Glen 6219 S. Independence	1972	131	96%	n/a	0.63	0.56	0.51
Brighton Place 7000 S. Walker	1960	158	85%	n/a	0.58	0.56	n/a
Brock Creek 5820 S. Villa	1972	99	96%	0.57	0.50	0.44	n/a
Brookwood Village 9401 S. Shartel	1973	1144	95%	0.72	0.66	0.63	0.47
Cambridge Landing 8800 S. Drexel	1984	400	92%	0.77	0.70	0.69	n/a
Carriage Square 1292 S.W. 74	1976	254	92%	n/a	0.50	0.45	n/a
Cinnamon Square 6624 S. MAY	1969	192	99%	n/a	0.69	0.61	n/a
Concord 1332 S.W. 74	1967	168	82%	0.74	0.74	0.63	0.51
Cornerstone 7625 S. Douglas	1970	104	90%	n/a	0.58	0.47	n/a
Country Club 5700 S. Agnew	1956	190	80%	1.16	0.71	0.54	n/a
Country Creek 10300 S. Western	1984	320	96%	0.80	0.72	0.69	n/a
Eastlake Village 12829 S. Western	1988	177	96%	n/a	0.77	0.75	n/a
Gardens at Reding 3708 S. Douglas	1985	157	97%	n/a	0.75	0.69	n/a
Las Brisas 2119 S. W. 39	1970	96	78%	n/a	0.77	0.66	n/a
Legacy Crossing 3131 SW 89th St.	2000	396	93%	n/a	0.83	0.71	n/a
Los Pueblos 717 Santa Rosa	1966	200	100%	n/a	0.63	0.60	0.58
Meadow Park 1005 1/2 S.W. 74	1973	112	90%	n/a	0.60	0.54	n/a
Montclair Parc 10900 S. Pennsylvania	1999	360	95%	n/a	0.73	0.78	0.77
Oakcreek 5909 S. Lee	1956	170	99%	n/a	0.68	0.61	n/a
Pickwick Place 2759 S.W. 74th	1971	312	93%	n/a	0.58	0.39	0.43
Pine Bluff 6050 S. Harvey	1968	132	91%	0.70	0.59	0.61	0.57
Potomac House 2830 S.W. 59	1965	288	93%	0.72	0.62	0.53	n/a
Reding Square 4020 S. Douglas	1972	132	96%	n/a	0.50	0.51	n/a
Santa Fe Point 125 S.W. 74	1967	224	91%	n/a	0.50	0.49	n/a
Seventy Four South 2300 S.W. 74	1970	156	96%	n/a	0.60	0.53	n/a
Springdale 4330 S. BARNES	1970	128	91%	n/a	0.53	0.45	0.56
The Hunt 3016 S. W. 89	1985	216	97%	0.80	0.74	0.71	n/a
The Remington 7125 S. Santa Fe	1976	220	98%	n/a	0.58	0.53	0.57
Timberwood 5542 S. Walker	1971	128	95%	0.65	0.59	0.52	n/a
Watersedge 4317 S.W. 22	1985	368	96%	0.82	0.89	0.67	n/a
Winchester Run 201 S. E. 89	1984	192	94%	0.80	0.72	0.69	n/a
South OKC Average		7,812	92%	0.77	0.65	0.59	0.55

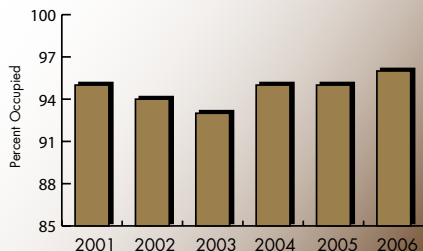
Oklahoma City

Edmond Submarket

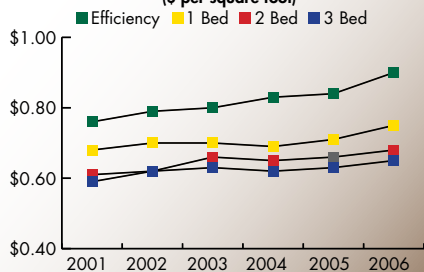
Edmond Submarket vs. Total Market



Edmond Historical Occupancy 2001-2006



Edmond Average Rents (\$ per square foot)



EDMOND SUBMARKET

Bordered on the south by the Kilpatrick Turnpike and Interstate 35 on the east the Edmond submarket is one of the smaller submarkets studied. Home to both Oklahoma Christian University of Sciences and Arts and the University of Central Oklahoma, this has typically been one of the most stable submarkets. Occupancies rose 1%, at the same time rental rates showed increases in all unit types.

The average rents per square foot are the highest in any of the submarkets in this study.

CURRENT MARKET

- 2,559 Units Studied
- Aggregate Vacancy is 4%
- Aggregate available rental rates are:

Efficiency	\$.90
One Bedroom	\$.75
Two Bedroom	\$.65
Three Bedroom	\$.68

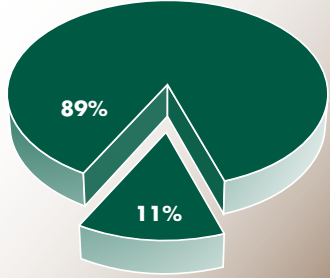
2007 FORECAST

- Occupancy will continue to remain above 95%.
- Rental rates will continue to rise.

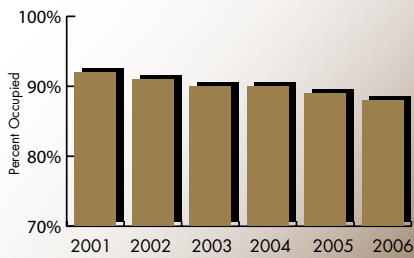
Oklahoma City

Midwest City/Del City Submarket

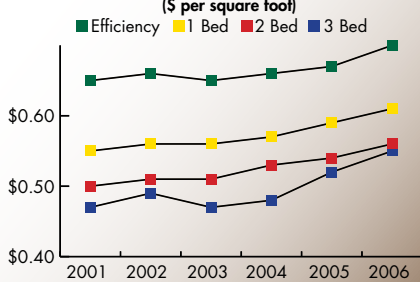
Mid-Del Submarket vs. Total Market



Midwest City/Del City Historical Occupancy 2001-2006



Mid-Del Average Rents (\$ per square foot)



MIDWEST CITY / DEL CITY SUBMARKET

The Midwest City / Del City Submarket is defined by Interstate 35, Interstate 240, NE 50th and Douglas Boulevard. Tinker Air Force Base as well as Rose State College are located in this area. This submarket continues to provide the lowest rents per square foot of the entire market. The majority of the properties are pre-1980s. While experiencing a 1% decrease in occupancy, rental rates showed slight increases. A major factor influencing this submarket was the closing of the General Motors manufacturing plant in early 2006.

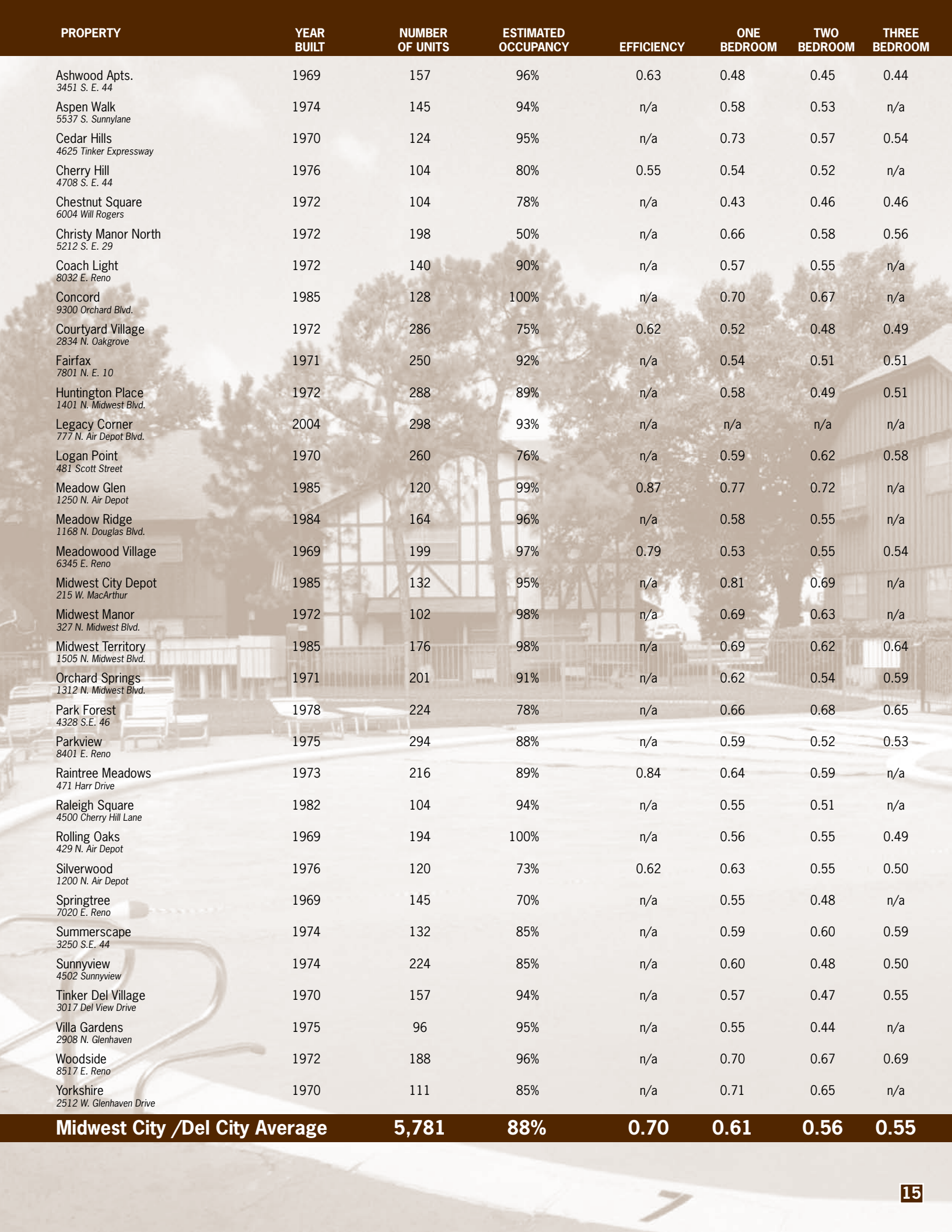
CURRENT MARKET

- 5,781 Units Studied
- Aggregate Vacancy is 12%
- Aggregate available rental rates are:

Efficiency	\$.70
One Bedroom	\$.61
Two Bedroom	\$.56
Three Bedroom	\$.55

2007 FORECAST

- Occupancy will fluctuate, and owners continue to offer concessions.
- Rental rates will fluctuate.



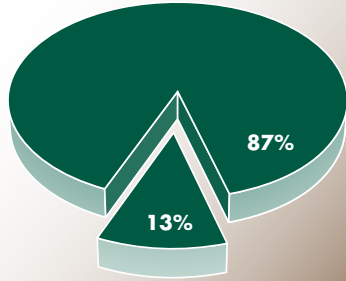
PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Ashwood Apts. 3451 S. E. 44	1969	157	96%	0.63	0.48	0.45	0.44
Aspen Walk 5537 S. Sunnyslane	1974	145	94%	n/a	0.58	0.53	n/a
Cedar Hills 4625 Tinker Expressway	1970	124	95%	n/a	0.73	0.57	0.54
Cherry Hill 4708 S. E. 44	1976	104	80%	0.55	0.54	0.52	n/a
Chestnut Square 6004 Will Rogers	1972	104	78%	n/a	0.43	0.46	0.46
Christy Manor North 5212 S. E. 29	1972	198	50%	n/a	0.66	0.58	0.56
Coach Light 8032 E. Reno	1972	140	90%	n/a	0.57	0.55	n/a
Concord 9300 Orchard Blvd.	1985	128	100%	n/a	0.70	0.67	n/a
Courtyard Village 2834 N. Oakgrove	1972	286	75%	0.62	0.52	0.48	0.49
Fairfax 7801 N. E. 10	1971	250	92%	n/a	0.54	0.51	0.51
Huntington Place 1401 N. Midwest Blvd.	1972	288	89%	n/a	0.58	0.49	0.51
Legacy Corner 777 N. Air Depot Blvd.	2004	298	93%	n/a	n/a	n/a	n/a
Logan Point 481 Scott Street	1970	260	76%	n/a	0.59	0.62	0.58
Meadow Glen 1250 N. Air Depot	1985	120	99%	0.87	0.77	0.72	n/a
Meadow Ridge 1168 N. Douglas Blvd.	1984	164	96%	n/a	0.58	0.55	n/a
Meadowood Village 6345 E. Reno	1969	199	97%	0.79	0.53	0.55	0.54
Midwest City Depot 215 W. MacArthur	1985	132	95%	n/a	0.81	0.69	n/a
Midwest Manor 327 N. Midwest Blvd.	1972	102	98%	n/a	0.69	0.63	n/a
Midwest Territory 1505 N. Midwest Blvd.	1985	176	98%	n/a	0.69	0.62	0.64
Orchard Springs 1312 N. Midwest Blvd.	1971	201	91%	n/a	0.62	0.54	0.59
Park Forest 4328 S.E. 46	1978	224	78%	n/a	0.66	0.68	0.65
Parkview 8401 E. Reno	1975	294	88%	n/a	0.59	0.52	0.53
Raintree Meadows 471 Harr Drive	1973	216	89%	0.84	0.64	0.59	n/a
Raleigh Square 4500 Cherry Hill Lane	1982	104	94%	n/a	0.55	0.51	n/a
Rolling Oaks 429 N. Air Depot	1969	194	100%	n/a	0.56	0.55	0.49
Silverwood 1200 N. Air Depot	1976	120	73%	0.62	0.63	0.55	0.50
Springtree 7020 E. Reno	1969	145	70%	n/a	0.55	0.48	n/a
Summerscape 3250 S.E. 44	1974	132	85%	n/a	0.59	0.60	0.59
Sunnyview 4502 Sunnyview	1974	224	85%	n/a	0.60	0.48	0.50
Tinker Del Village 3017 Del View Drive	1970	157	94%	n/a	0.57	0.47	0.55
Villa Gardens 2908 N. Glenhaven	1975	96	95%	n/a	0.55	0.44	n/a
Woodside 8517 E. Reno	1972	188	96%	n/a	0.70	0.67	0.69
Yorkshire 2512 W. Glenhaven Drive	1970	111	85%	n/a	0.71	0.65	n/a
Midwest City /Del City Average		5,781	88%	0.70	0.61	0.56	0.55

Oklahoma City

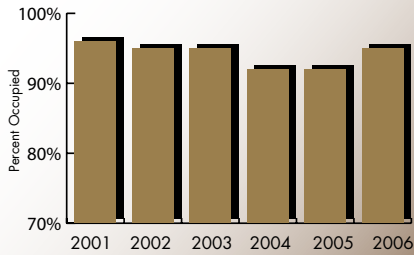
Moore/Norman Submarket

PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Alameda Pointe 2021 E Alameda	2004	144	91%	n/a	n/a	n/a	n/a
Apple Creek 3001 Pheasant Run	1985	248	98%	0.75	0.61	0.63	n/a
Avalon 2920 Chautauqua	1997	98	99%	n/a	1.06	0.74	n/a

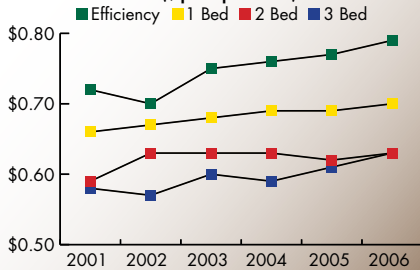
Norman Submarket vs. Total Market



Norman Historical Occupancy 2001-2006



Norman Average Rents (\$ per square foot)



MOORE/NORMAN SUBMARKET

The Moore/Norman Submarket is defined by Interstate 240, Interstate 44, State Highway 9 and Lakes Stanley Draper and Thunderbird and encompasses the cities of Moore and Norman. The University of Oklahoma, National Weather Service Storm Prediction Center, the US Postal Center for Employee Development and several other large businesses are located here. There has been substantial multifamily development in the Norman market in the past five years with additional development in the student housing and affordable housing markets.

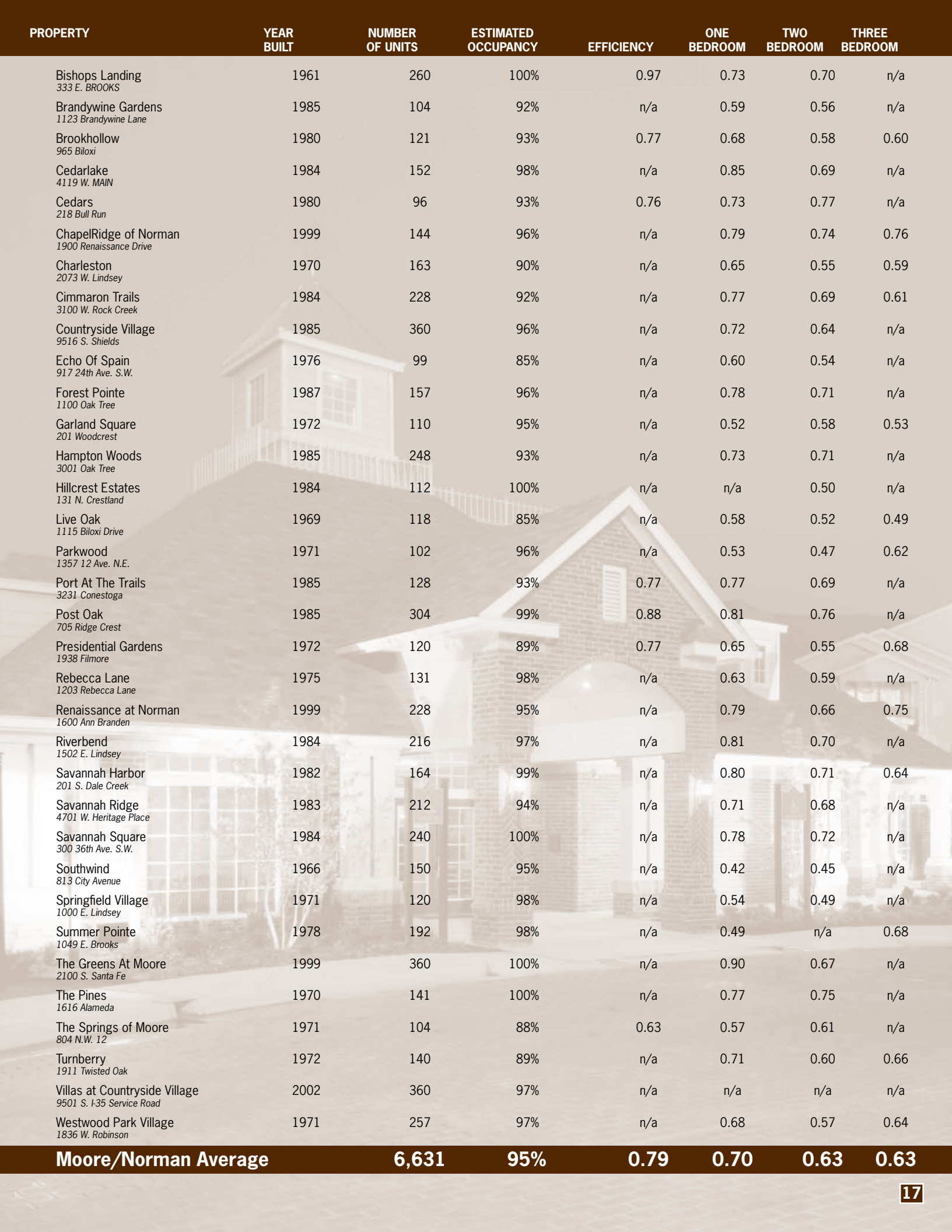
CURRENT MARKET

- 6,631 Units Studied
- Aggregate Vacancy is 5%
- Aggregate available rental rates are:

Efficiency	\$.79
One Bedroom	\$.70
Two Bedroom	\$.63
Three Bedroom	\$.63

2007 FORECAST

- Occupancy will begin to stabilize as new units continue to be absorbed.
- With the exception of new specialized college student housing, rental rates will remain fairly static and owners of traditional multifamily properties will continue to compete by offering incentives and rent abatements

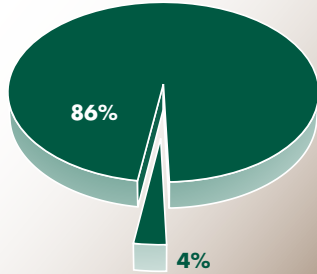


PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Bishops Landing 333 E. BROOKS	1961	260	100%	0.97	0.73	0.70	n/a
Brandywine Gardens 1123 Brandywine Lane	1985	104	92%	n/a	0.59	0.56	n/a
Brookhollow 965 Biloxi	1980	121	93%	0.77	0.68	0.58	0.60
Cedarlake 4119 W. MAIN	1984	152	98%	n/a	0.85	0.69	n/a
Cedars 218 Bull Run	1980	96	93%	0.76	0.73	0.77	n/a
ChapelRidge of Norman 1900 Renaissance Drive	1999	144	96%	n/a	0.79	0.74	0.76
Charleston 2073 W. Lindsey	1970	163	90%	n/a	0.65	0.55	0.59
Cimmaron Trails 3100 W. Rock Creek	1984	228	92%	n/a	0.77	0.69	0.61
Countryside Village 9516 S. Shields	1985	360	96%	n/a	0.72	0.64	n/a
Echo Of Spain 917 24th Ave. S.W.	1976	99	85%	n/a	0.60	0.54	n/a
Forest Pointe 1100 Oak Tree	1987	157	96%	n/a	0.78	0.71	n/a
Garland Square 201 Woodcrest	1972	110	95%	n/a	0.52	0.58	0.53
Hampton Woods 3001 Oak Tree	1985	248	93%	n/a	0.73	0.71	n/a
Hillcrest Estates 131 N. Crestland	1984	112	100%	n/a	n/a	0.50	n/a
Live Oak 1115 Biloxi Drive	1969	118	85%	n/a	0.58	0.52	0.49
Parkwood 1357 12 Ave. N.E.	1971	102	96%	n/a	0.53	0.47	0.62
Port At The Trails 3231 Conestoga	1985	128	93%	0.77	0.77	0.69	n/a
Post Oak 705 Ridge Crest	1985	304	99%	0.88	0.81	0.76	n/a
Presidential Gardens 1938 Filmore	1972	120	89%	0.77	0.65	0.55	0.68
Rebecca Lane 1203 Rebecca Lane	1975	131	98%	n/a	0.63	0.59	n/a
Renaissance at Norman 1600 Ann Branden	1999	228	95%	n/a	0.79	0.66	0.75
Riverbend 1502 E. Lindsey	1984	216	97%	n/a	0.81	0.70	n/a
Savannah Harbor 201 S. Dale Creek	1982	164	99%	n/a	0.80	0.71	0.64
Savannah Ridge 4701 W. Heritage Place	1983	212	94%	n/a	0.71	0.68	n/a
Savannah Square 300 36th Ave. S.W.	1984	240	100%	n/a	0.78	0.72	n/a
Southwind 813 City Avenue	1966	150	95%	n/a	0.42	0.45	n/a
Springfield Village 1000 E. Lindsey	1971	120	98%	n/a	0.54	0.49	n/a
Summer Pointe 1049 E. Brooks	1978	192	98%	n/a	0.49	n/a	0.68
The Greens At Moore 2100 S. Santa Fe	1999	360	100%	n/a	0.90	0.67	n/a
The Pines 1616 Alameda	1970	141	100%	n/a	0.77	0.75	n/a
The Springs of Moore 804 N.W. 12	1971	104	88%	0.63	0.57	0.61	n/a
Turnberry 1911 Twisted Oak	1972	140	89%	n/a	0.71	0.60	0.66
Villas at Countryside Village 9501 S. I-35 Service Road	2002	360	97%	n/a	n/a	n/a	n/a
Westwood Park Village 1836 W. Robinson	1971	257	97%	n/a	0.68	0.57	0.64
Moore/Norman Average		6,631	95%	0.79	0.70	0.63	0.63

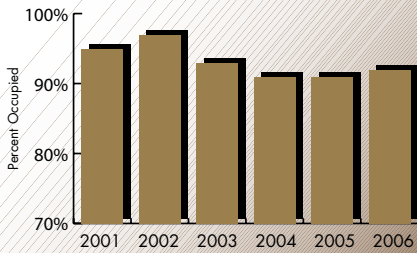
Oklahoma City

Mustang/Yukon Submarket

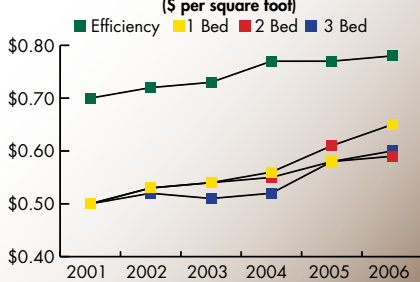
Mustang - Yukon Submarket vs. Total Market



Mustang/Yukon Historical Occupancy 2001-2006



Mustang / Yukon Average Rents (\$ per square foot)



MUSTANG / YUKON SUBMARKET

The Mustang / Yukon submarket is defined by the Kilpatrick Turnpike Loop, State Highway 152, State Highway 92 and Route 66, encompassing the cities of Mustang and Yukon on the western edge of Oklahoma City. With just over 1,800 units studied, this submarket is the smallest in the Metro area. Occupancy rose to 92%, and rents rose in all unit categories.

New: The Links at Mustang Creek 492 units

CURRENT MARKET

- 1,878 Units Studied
- Aggregate Vacancy is 8%
- Aggregate available rental rates are:

Efficiency	\$.78
One Bedroom	\$.62
Two Bedroom	\$.59
Three Bedroom	\$.60

2007 FORECAST

- Occupancy rates will stay above 90%.
- Rental rates will continue to rise.

PROPERTY	YEAR BUILT	NUMBER OF UNITS	ESTIMATED OCCUPANCY	EFFICIENCY	ONE BEDROOM	TWO BEDROOM	THREE BEDROOM
Cedar Creek 404 S. 2nd	1975	40	84%	n/a	0.60	0.51	0.60
ChapelRidge 11501 S.W. 15th Street	2004	200	100%	n/a	0.64	0.63	0.66
Charlemagne 100 Kimball Road	1967	94	88%	n/a	0.57	0.57	0.50
Charlemagne li 100 Briarwood	1973	67	77%	n/a	0.44	0.49	n/a
Colonial Hills 1000 S. Cornwell Dr.	1965	230	96%	n/a	0.46	0.45	0.44
Fieldstone 101 Fieldstone Way	1985	138	100%	0.77	0.61	0.62	n/a
HighlandPointe 500 Pointe Parkway	2003	232	87%	n/a	1.01	0.85	0.80
Pebble Creek 360 N. Pebble Creek Terrace	1999	192	87%	n/a	n/a	0.58	0.59
Stone Ranch 55 N. Ranchwood Blvd.	1972	72	95%	n/a	0.55	0.51	n/a
Whitehorse 10801 N.W. 39	1985	240	99%	n/a	0.66	0.61	n/a
Woodoaks 633 W. Vandament Ave.	1972	181	92%	n/a	0.56	0.57	n/a
Woodrun Village 11501 Lochwood Dr.	1984	192	98%	0.80	0.75	0.74	n/a
Mustang/Yukon Average		1,878	92%	0.78	0.62	0.59	0.60

Total Market Average		50,391	91%	0.79	0.65	0.59	0.59
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Oklahoma City

The Year Ahead

KEY FACTORS TO WATCH IN THE COMING YEAR

- Overall Capitalization rates should remain fairly low as investor capital from other markets continues to flow into the Oklahoma City Metro market.
- 2007 will see an increase in “Tenants in Common” acquisitions.
- Occupancy rates for multifamily housing will continue to improve.
- Rental rates will continue to improve.
- Factors to watch in 2007 include interest rates, utility costs, and payroll expenses.
- New construction of multifamily properties will feel the impact of increased material costs.
- Oklahoma City will see its first owner-occupied downtown housing while at the same time developers will continue to rehab and build new rental, as well as for sale housing in the Downtown Metro area.

Oklahoma City Oklahoma City

Multifamily Investment Sales Summary Year End 2006

Sales activity in 2006 was down 4% from 2005 and 41% below 2004. Courthouse records indicate 49 closed transactions in 2006 compared to 51 in 2005 and 69 in 2004. Total sales volume for 2006 was in excess of \$212 million; however, after backing out the unique sales of three specialty student properties, total sales volume for traditional apartment communities was \$139 million. Comparing the 2006 sales volume to the sales volume of \$172 million in 2005 and the \$198 million in 2004, it appears the market is beginning to slow down, while at the same time, investors are paying top dollar for specialty properties as well as properties that, in their judgment, make economic sense. Out of state investors, many with 1031 money, again represented the largest group of buyers.

The Central Business District set a new benchmark for price per unit with the 2006 sale of the 24 unit Garage Loft Apartments. Located at 113 NW 13th the Garage Loft Apartments sold for \$2,400,000 or \$100,000 per unit. Originally built in the 1920s, the art-deco building was converted in 1995 into loft style apartments while keeping 7,200 sq. ft. of retail space. The Garage Loft Apartments offer tenants enclosed parking with all the usual interior amenities.

Also, 2006 saw a portfolio of three multifamily properties go up at Sheriff's sale with the lender retaining control. The portfolio included Lakeview Towers, a 192 unit, class B high rise located at 6001 Brookline, Oklahoma City; Parkview, a 294 unit garden style property located at 8401 E Reno in Midwest City; and Courtyard, with 286 units located at 7200 NE 10th also in Midwest City.

Norman, home of the University of Oklahoma, saw the first sales of specialty, student oriented housing. University Commons, built in 1999, has 252 units and sold for \$73,809 per unit. Built in 2004, The Reserve on Stinson with 204 units brought a high of \$149,510 per unit, and Campus Lodge, also built in 2004, with 192 units sold for \$123,958 per unit. The three properties are all class A, located close to the university, offer upscale amenity packages and feature individual units that are rented by the bedroom.

In 2006, there were 20 sales of pre-1970s properties with an average sales price of \$26,000 per unit. This is higher than the \$23,000 per unit posted in 2005 for pre-1970s properties. Also, 2006 saw the sale of 20 apartment properties built in the 1970s. These sold at an average of \$26,453 per unit. Compared to the 2005 average price per unit of \$21,000, investors were again willing to pay more per unit in 2006 than in 2005. Following the trend, 1980s vintage properties sold at an average of \$37,800 per unit while investors paid \$27,000 per unit in 2005. Five 1980s vintage properties sold in 2006, and all five were built before 1985. The student property, University Commons, was the only 1990s vintage property to sell in 2006. It sold for \$73,809 per unit which was less than the \$81,000 per unit paid by an investment group in 2005 for the class A, Renaissance Apartments. Located in Norman, Renaissance Apartments were built in 1998-99 and offered 228 units. The Reserve on Stinson and Campus Lodge, again in Norman, were the only properties built after 2000 to sell in 2006. The average price per unit for these specialized, student properties was \$136,734. In 2005, there were two sales of traditional, non-student, multifamily properties built after 2000, and their sales price was \$46,771 per unit.

In looking at the price per unit, it becomes readily apparent that investors were willing to pay top dollar for good properties in good locations – no matter their age. Will this trend continue through 2007 into 2008? No one can say for sure. If occupancy and rental rates continue to improve, investors will probably still find Oklahoma multifamily properties desirable. However, interest rates and the national economy, as well as Oklahoma's local economy, will certainly impact the buying power of those same investors.



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