



Oklahoma City

2008 Industrial Market Summary



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Oklahoma City 2008 Industrial Market Summary

This report covers only multi-tenant, investment grade industrial buildings. We classify buildings according to design, intended use, and clear height into three categories:

- Flex Space is generally considered to be less than 18 feet, but also includes modern high clearance flex space developments
- Service Warehouse is from 18 to 23 feet
- Bulk Warehouse is 24 feet or greater.

Generally the minimum size building tracked in any of the property types is 35,000 square feet.

In the midst of a national credit crisis, near-recession economy, and record energy prices the Oklahoma City economy continues to surge ahead with positive economic indicators on all front. The Oklahoma City industrial real estate market is no exception with limited availability in most product types and active speculative development in smaller single tenant buildings. After the double shock of the General Motors Assembly Plant and the Bridgestone Tire Plant closures, both facilities have been resolved with minimal impact on the market as a whole. Voters approved a bond issue for Oklahoma County to purchase the GM facility and lease it to Tinker Air Force Base. The Bridgestone plant was sold to an industrial re-developer and is being converted to multi-tenant bulk warehouse space after re-selling the manufacturing area of the plant to a local user.

The Flex space market continues it's fifth straight year of declining vacancy dropping to 11% overall. Given the age and low parking ratios of the majority of the flex space in Oklahoma City, this trend is a strong indication of the overall demand for space in the market.

Bulk warehouse vacancy declined to 11% overall with the Southwest Submarket down to 5%. This is all the more remarkable remembering that in 2004 the Southwest Submarket was 27% vacant. The conversion of 1.3 million square feet of space at the former Bridgestone plant into multi-tenant bulk warehouse will certainly affect the vacancy rate in the coming 12 months. Given the current lending climate it is unlikely that speculative construction will become active in the near term and this re-development may become an important factor in Oklahoma City's ability to support space demands.

Service Warehouse, which historically has been not quite as predictable as dog racing, has shown positive absorption again reflecting a strong economy. Vacancy at 18% market-wide is skewed by one large persistent vacancy in the Southeast Submarket.

Eight sales of industrial multi-tenant properties tracked by this report have occurred in the last 12 months:

7201 S. Sunnyslane –124,800 square foot Bulk Warehouse, sold June 2007 for \$4,250,000 or \$36.80 per square foot.

6101 W. Reno. –74,520 square foot Flex Space, sold August 2007 for \$3,800,000 or \$50.99 per square foot.

5200 S.W. 36th –210,600 square foot Bulk Warehouse, sold December 2007 for \$10,950,000 or \$51.99 per square foot.

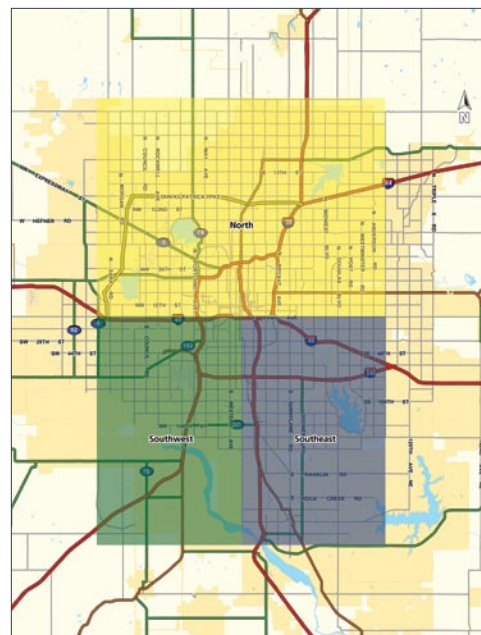
4901 W. Reno –43,361 square foot Flex Space, sold January 2008 for \$3,900,000 or \$89.94 per square foot.

3940 E. I-240 –72,000 square foot Flex Space, sold February 2008 for \$2,370,000 or \$32.91 per square foot.

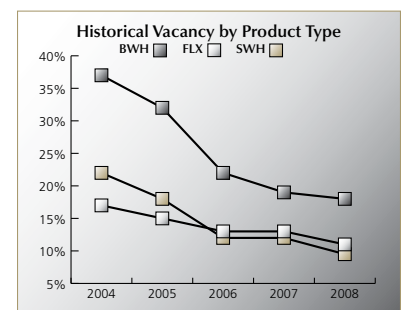
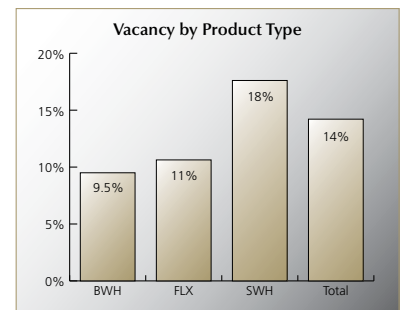
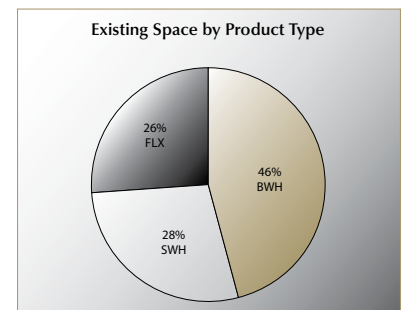
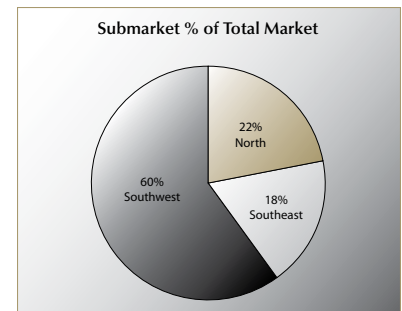
1101 Cornell Parkway –41,720 square foot Flex Space, sold February 2008 for \$2,079,500 or \$50.44 per square foot.

5701 E. I-240. –40,600 square foot Flex Space, sold February 2008 for \$1,621,000 or \$40.60 per square foot.

100 W. Wilshire –217,469 square foot Flex Space, sold April 2008 for \$9,700,000 or \$44.60 per square foot.



Oklahoma City Industrial Submarket Map



2008 Oklahoma City Industrial Market Summary

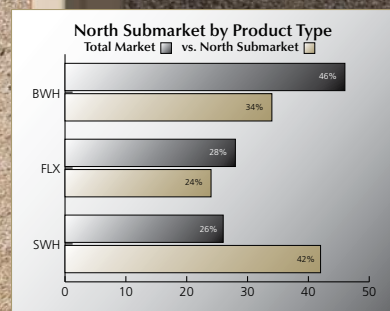
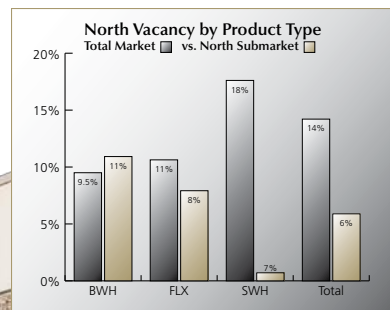
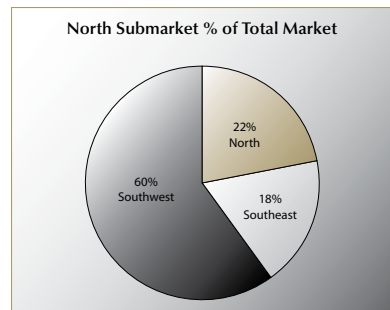
North Submarket

Current Market

Aggregate Vacancy is 5.89%

Aggregate available rental rates:

- Bulk Warehouse \$3.50 - \$4.50
- Flex Space \$5.75 - \$9.00
- Service Warehouse \$2.25 - \$5.00



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0.00%	\$3.85
11300 Partnership Dr	BWH	145,000	0	0.00%	\$4.50
11301 Partnership Dr	BWH	138,600	50,160	36.19%	\$4.50
615 W Wilshire Blvd	BWH	193,280	26,415	13.67%	\$3.50
North Bulk Space Total		697,680	76,575	10.98%	\$4.09
100-200 W Wilshire Blvd	FLX	217,834	33,930	15.58%	\$6.00
401 E Memorial Rd	FLX	58,400	0	0.00%	\$7.50
430 W Wilshire Blvd	FLX	38,250	0	0.00%	\$8.00
710 W Wilshire Blvd	FLX	65,060	4,000	6.15%	\$7.00
7504 Broadway Ext	FLX	66,038	0	0.00%	\$9.00
8100 N Classen Blvd	FLX	64,750	2,500	3.86%	\$5.75
North Flex Space Total		510,332	40,430	7.92%	\$7.21
14400 N Lincoln Blvd	SWH	52,395	3,150	6.01%	\$5.00
1825 N Walnut Ave	SWH	159,014	3,300	2.08%	\$3.00
217 NE 30th St	SWH	55,000	0	0.00%	-
3501 N Santa Fe Ave	SWH	208,000	0	0.00%	\$2.25
3815 N Santa Fe Ave	SWH	140,000	0	0.00%	\$3.00
3905-3909 NW 36th St	SWH	77,099	0	0.00%	-
4228 N Santa Fe Ave	SWH	163,201	0	0.00%	\$3.00
7501 Broadway Ext	SWH	50,400	0	0.00%	-
North Service Space Total		905,109	6,450	0.71%	\$2.03
North Submarket Total		2,113,121	123,455	5.84%	\$4.10

Broadway Business Park

2008 Oklahoma City Industrial Market Summary Southeast Submarket

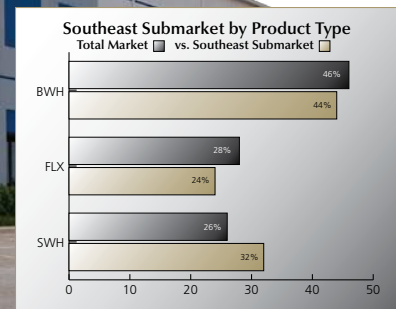
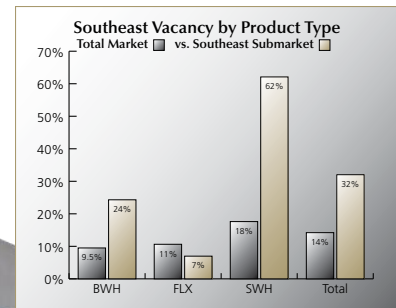
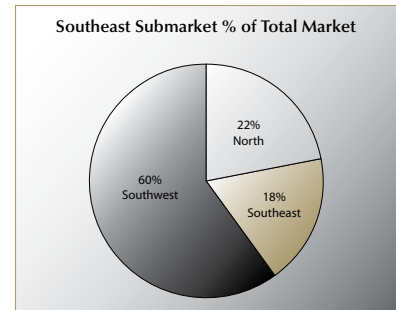
Location	Type	GLA	Vacant	% Vac.	Rate
6401 S High Ave	BWH	102,020	0	0.00%	\$4.00
7201 S Sunnyslane Rd	BWH	124,800	124,800	100.00%	\$4.00
8001, 8121 & 8120 MidAmerica	BWH	465,000	58,000	12.47%	\$3.75
9401 S Pole Rd	BWH	60,000	0	0.00%	\$4.10
Southeast Bulk Space Total		751,820	182,800	24.31%	\$3.96
1125 SE Grand Blvd	FLX	72,000	3,250	4.51%	\$5.00
1533 SE 66th St	FLX	50,000	0	0.00%	\$5.00
2200 N Moore Ave	FLX	139,000	0	0.00%	\$4.00
3600 E I-240	FLX	44,000	2,000	4.55%	\$5.70
4000 E I-240	FLX	72,000	15,000	20.83%	\$4.50
5701 E I-240	FLX	40,605	8,887	21.89%	\$5.00
Southeast Flex Space Total		417,605	29,137	6.98%	\$4.87
1101 SE 59th St	SWH	440,000	300,000	68.18%	\$2.75
2020 SE 18th St	SWH	48,250	6,000	12.44%	\$3.75
4600 S I-35	SWH	52,800	30,000	56.82%	\$3.50
Southeast Service Space Total		541,050	336,000	62.10%	\$3.33
Southeast Submarket Total		1,710,475	547,937	32.03%	\$4.17

Current Market

Aggregate Vacancy is 32.03%

Aggregate available rental rates:

- Bulk Warehouse \$3.75 - \$4.10
- Flex Space \$4.00 - \$5.70
- Service Warehouse \$2.75 - \$3.75



7200 S Sunnyslane Rd

2008 Oklahoma City Industrial Market Summary

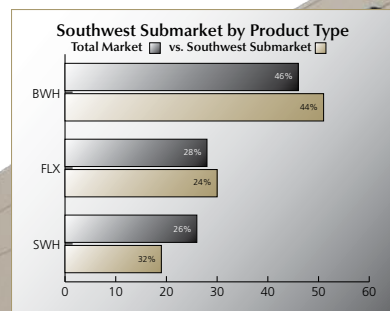
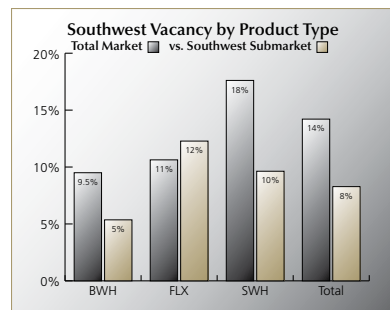
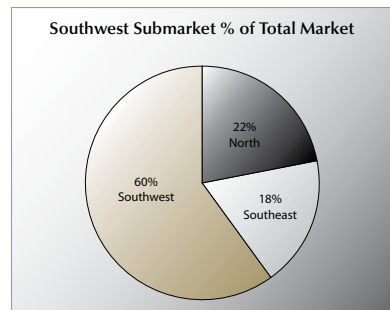
Southwest Submarket

Current Market

Aggregate Vacancy is 8.28%

Aggregate available rental rates:

- Bulk Warehouse \$2.75 - \$8.00
- Flex Space \$3.00 - \$7.00
- Service Warehouse \$3.00 - \$4.00



Location	Type	GLA	Vacant	% Vac.	Rate
1301 Cornell Pky	BWH	33,609	13,499	40.16%	\$4.25
1330-1398 Metropolitan Ave	BWH	69,167	16,875	24.40%	-
3500 S MacArthur Blvd	BWH	171,000	0	0.00%	-
3501 Melcat Dr	BWH	106,672	0	0.00%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0.00%	-
3701 S Thomas Rd	BWH	93,610	0	0.00%	\$3.50
3800-3860 S Harmon Ave	BWH	114,804	14,707	12.81%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	28,764	24.03%	\$3.50
4001 NW 3rd St	BWH	95,000	0	0.00%	\$2.75
4001 Will Rogers Pky	BWH	101,504	0	0.00%	-
4680 NW 3rd St	BWH	151,200	0	0.00%	\$3.50
5001 SW 36th St	BWH	122,945	0	0.00%	-
5001 W Reno Ave	BWH	242,935	0	0.00%	\$3.00
5024 SW 36th St	BWH	102,567	0	0.00%	\$3.75
5200 SW 36th St	BWH	210,000	0	0.00%	\$3.85
5500 SW 36th St	BWH	76,500	0	0.00%	\$3.25
5555 Morton Ave	BWH	99,360	0	0.00%	\$3.00
5600 SW 36th St	BWH	87,200	0	0.00%	\$3.50
600 N Sara Rd	BWH	120,000	83,500	69.58%	\$4.50
6100 NW 2nd St	BWH	110,080	0	0.00%	\$3.50
7738 SW 34th St	BWH	180,000	0	0.00%	\$3.00
7815 Gemini Blvd	BWH	142,500	0	0.00%	\$3.00
7900 SW 34th St	BWH	142,500	0	0.00%	\$3.00
Southwest Bulk Space Total		2,933,853	157,345	5.36%	\$2.68

1000 Cornell Pky	FLX	27,000	0	0.00%	\$4.25
1101-1121 Cornell Pky	FLX	41,720	0	0.00%	\$6.00
1233 Sovereign Row	FLX	39,085	10,254	26.24%	\$7.00
2236 NW 10th St	FLX	80,960	4,800	5.93%	\$5.00

5200 SW 36th St

2008 Oklahoma City Industrial Market Summary Southwest Submarket

235 N MacArthur Blvd	FLX	68,229	13,050	19.13%	\$7.00
304-306 N Meridian Ave	FLX	196,000	11,400	5.82%	\$5.50
312 Quadrum Dr	FLX	189,829	52,375	27.59%	\$7.00
3400 S Thomas Rd	FLX	40,960	14,726	35.95%	\$3.50
340-350 S Vermont	FLX	118,565	6,225	5.25%	\$3.50
400 S Hudiburg Cir	FLX	15,000	0	0.00%	\$4.75
400 S Vermont Ave	FLX	143,750	15,000	10.43%	\$4.75
401 N Meridian Ave	FLX	15,166	10,008	65.99%	\$6.00
4020 Will Rogers Pky	FLX	65,438	33,763	51.60%	\$4.75
406 Hudiburg Cir	FLX	25,000	0	0.00%	\$4.75
4100 Will Rogers Pky	FLX	66,732	10,780	16.15%	\$4.75
4130 Will Rogers Pky	FLX	65,520	0	0.00%	\$3.00
4141 Highline Blvd	FLX	73,607	9,443	12.83%	\$7.00
4311-4325 SW 21st St	FLX	64,568	3,375	5.23%	\$6.50
4703 Enterprise Dr	FLX	34,000	3,025	8.90%	\$3.75
4901 W Reno Ave	FLX	43,560	0	0.00%	\$6.50
6000 NW 2nd St	FLX	79,071	16,390	20.73%	\$4.75
6924 Melrose Ln	FLX	152,000	1,500	0.99%	\$5.00
7114 Melrose Ln	FLX	124,200	1,200	0.97%	\$4.75
Southwest Flex Space Total		1,769,960	217,314	12.28%	\$5.21

1001 Enterprise Dr	SWH	80,256	21,888	27.27%	\$4.00
1101 Enterprise Dr	SWH	63,840	1,824	2.86%	\$3.50
1101 Metropolitan Ave	SWH	29,220	0	0.00%	\$3.50
1131 Enterprise Dr	SWH	80,256	20,064	25.00%	\$3.50
301-397 N Harvard Ave	SWH	81,000	0	0.00%	\$3.00
3600 S MacArthur Blvd	SWH	44,750	0	0.00%	-
4116 Will Rogers Pky	SWH	65,800	10,991	16.70%	\$3.50
417 Hudiburg Cir	SWH	30,000	0	0.00%	-
4210 Will Rogers Pky	SWH	60,000	16,310	27.18%	\$3.00
4220-4232 Charter Ave	SWH	56,275	7,211	12.81%	\$3.75
4243 Will Rogers Pky	SWH	49,920	0	0.00%	\$3.50
4301 Will Rogers Pky	SWH	33,647	4,611	13.70%	\$5.50
4601-4627 NW 3rd St	SWH	68,408	9,882	14.45%	\$3.25
4700-4728 NW 1st St	SWH	52,340	0	0.00%	\$3.00
5324 W Reno Ave	SWH	72,300	0	0.00%	-
727 Overhead Dr	SWH	91,086	0	0.00%	\$3.25
900 Metropolitan Ave	SWH	61,600	7,624	12.38%	\$3.50
901 Enterprise Dr	SWH	80,256	5,568	6.94%	\$3.50
Southwest Service Space Total		1,100,954	105,973	9.63%	\$2.96

Southwest Submarket Total		5,804,767	480,632	8.28%	\$3.67
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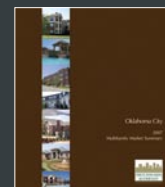
OKC Industrial Market Total		9,628,363	1,152,024	11.96%	\$3.91
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Price Edwards & Company Market Research

Price Edwards & Company has been the leader in the Oklahoma City commercial real estate market for over decade not only in terms of completed transactions, but in market research as well. This report, as well as our other market summaries, are available either by request or can be freely downloaded online from our website at:

www.pricedwards.com

Our website continues to feature downloadable PDF versions of all of our Oklahoma City market summaries for the past several years. Oklahoma City market information, market outlooks, as well as news and information about current market activity in the market.



Oklahoma City 2008 Industrial Market Forecast

2008 Forecast

Vacancy

The addition of 1.3 million square feet of bulk warehouse space to the market, as noted above, will project false negative absorption numbers in the foreseeable future. A good measure of the health and vitality of this market will be the status of this space in 12 months.

Rental Rates

Although the newly re-developed space will be competitively priced, the majority of the market will continue to see rental rate growth to accommodate rising construction and operating costs.

New Construction

Location	Type	GLA	Vacant	% Vac.	Rate
2500 S Council Rd	BWH	1,300,000	1,300,000	100%	-

