



Oklahoma City

2011 Mid-Year
Industrial Market Summary



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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 sluggish nation recovery, the Oklahoma City industrial multi-tenant market continues a slow steady rebound. The last twelve months have seen increasing leasing activity, some stabilization of lease rates, and some significant portfolio sales. Overall the multi-tenant market reports a vacancy rate of 16.4%, down from 19.8% mid-year 2010. This is still significantly higher than the total Oklahoma City industrial market vacancy rate of 9.6%. Once again the multi-tenant market, which contains a high number of national industrial tenants, is more reflective of the national economy than local trends.

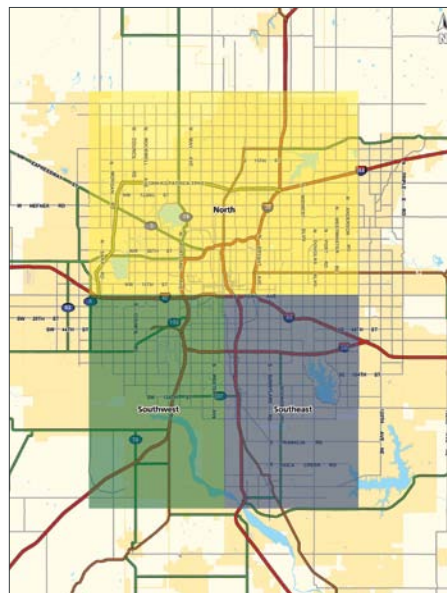
There was an important sale of a multi-tenant service warehouse facility to a user, 1101 S.E. 59th St., which removed 440,000 square feet of total space and 300,000 square feet of vacancy from the calculations. Factoring this space into the current vacancy still results in net positive absorption form midyear 2010, most of which occurred in the bulk warehouse market.

The Flex space market increased in vacancy from 10.2% in 2010 to 12.9% in 2011. The majority of this increase occurred in the Southeast submarket which went from 7.9% last year to 19% in 2011. A significant amount of flex space vacancy over last year

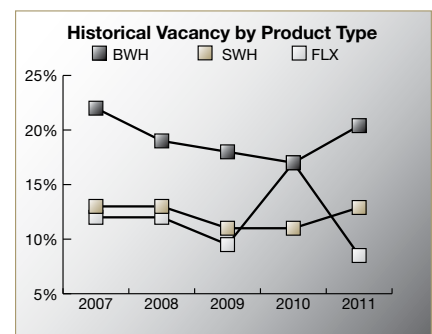
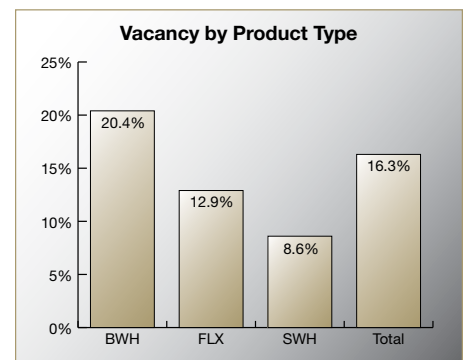
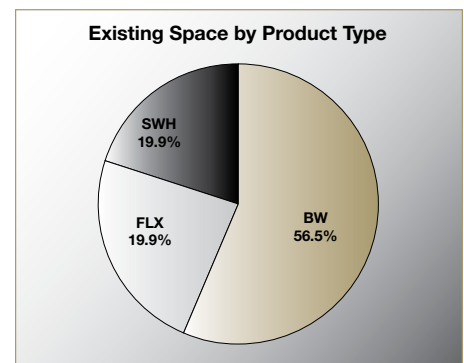
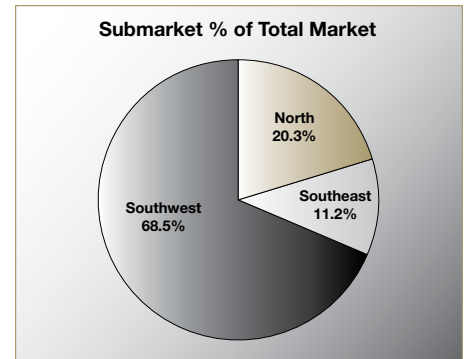
can be attributed to the departure of out-of-town roofing companies which converged on Oklahoma City following the May 2010 hail storm.

The bulk warehouse market, with the highest concentration of national tenants, absorbed a net positive 113,000 square feet of space to post a current vacancy of 20.4%, down from 23.3% last year. These gains were more or less distributed evenly across the market. This positive absorption is perhaps the best news for the multi-tenant market as it reflects recovery, albeit slow, among national and regional industrial companies.

Service Warehouse space enjoyed market-wide absorption, even factoring out the before mentioned sale. Service Warehouse is the smallest and most volatile of the multi-tenant property types. The very few modern service warehouse facilities maintain high and consistent occupancy, while the older, more functionally obsolete buildings are more subject to market swings and short-term leases.



Oklahoma City Industrial Submarket Map



2011 Mid-Year Oklahoma City Industrial Market Summary

NORTH SUBMARKET

CURRENT MARKET

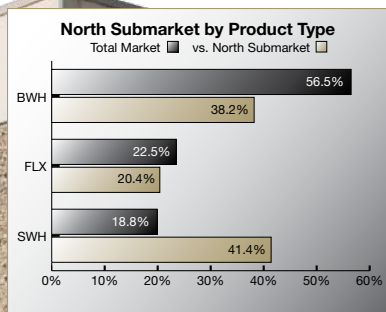
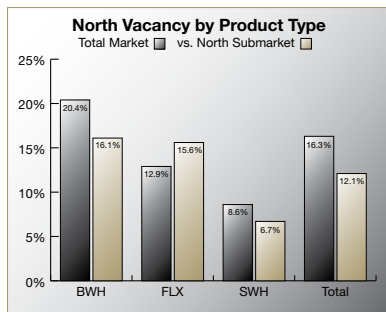
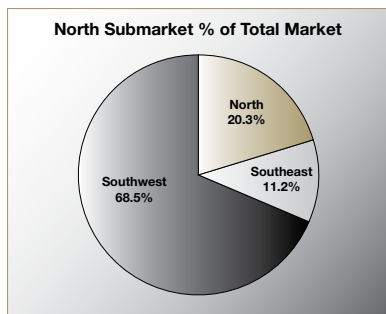
Average Vacancy is 12.1%

Aggregate available rental rates:

Bulk Warehouse \$4.00 - \$5.00

Flex Space \$6.00 - \$12.00

Service Warehouse \$2.50 - \$6.50



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0.0%	n/a
11300 Partnership Dr	BWH	145,000	0	0.0%	n/a
11301 Partnership Dr	BWH	138,600	0	0.0%	n/a
420 NE 48th St	BWH	37,000	0	0.0%	n/a
4401 E Hefner Rd	BWH	100,000	30,000	30.0%	\$5.00
615 W Wilshire Blvd	BWH	193,280	104,270	54.0%	\$4.00
North Bulk Space Total		834,680	134,270	16.1%	\$4.50
100 - 200 W. Wilshire Ave.	FLX	217,834	17,913	8.2%	\$6.00
401 E Memorial Rd	FLX	58,400	35,000	59.9%	\$12.00
430 W Wilshire Blvd	FLX	38,250	9,714	25.4%	\$8.82
7504 Broadway Ext	FLX	66,038	0	0.0%	\$8.50
8100 N Classen Blvd	FLX	64,750	6,825	10.5%	\$6.00
North Flex Space Total		445,272	69,452	15.6%	\$8.83
14400 N Lincoln Blvd	SWH	52,395	0	0.0%	\$6.00
1825 N Walnut Ave	SWH	159,014	24,500	15.4%	\$2.50
217 NE 30th St	SWH	55,000	0	0.0%	n/a
3501 N Santa Fe Ave	SWH	208,000	0	0.0%	n/a
3815 N Santa Fe Ave	SWH	140,000	30,000	21.4%	\$3.00
3905 - 3909 NW 36th St	SWH	77,099	0	0.0%	\$4.00
4228 N Santa Fe Ave	SWH	163,201	0	0.0%	n/a
7501 Broadway Ext	SWH	50,400	6,000	11.9%	\$6.50
North Service Space Total		905,109	60,500	6.7%	\$4.40
North Submarket Total		2,185,061	264,222	12.1%	\$5.91



2011 Mid-Year Oklahoma City Industrial Market Summary

SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vac.	Rate
6401 S High Ave	BWH	102,020	0	0.0%	\$4.00
6601 S Air Depot Blvd	BWH	144,000	0	0.0%	n/a
9401 S Pole Rd	BWH	60,000	20,000	33.3%	\$3.95
8001 Mid America Blvd.	BWH	130,000	50,833	39.1%	\$3.75
8121 Mid America Blvd	BWH	121,000	0	0.0%	n/a
8120 Mid America Blvd	BWH	131,507	0	0.0%	n/a
Southeast Bulk Space Total		688,527	70,833	10.3%	\$3.90
1125 SE Grand Blvd	FLX	72,000	12,194	16.9%	\$6.00
1533 SE 66th St	FLX	104,288	18,000	17.3%	\$4.60
2200 N Moore Ave	FLX	139,000	37,450	26.9%	\$5.00
3634 E I-240 Service Road	FLX	44,000	13,204	30.0%	\$6.00
3940 E I-240 Service Road	FLX	72,000	9,000	12.5%	\$6.50
5701 SE 74th St	FLX	40,605	0	0.0%	\$5.00
Southeast Flex Space Total		471,893	89,848	19.0%	\$5.52
2020 S Eastern Ave.	SWH	48,250	0	0%	n/a
Southeast Service Space Total		48,250	0	0%	n/a
Southeast Submarket Total		1,208,670	160,681	13.3%	\$4.71

CURRENT MARKET

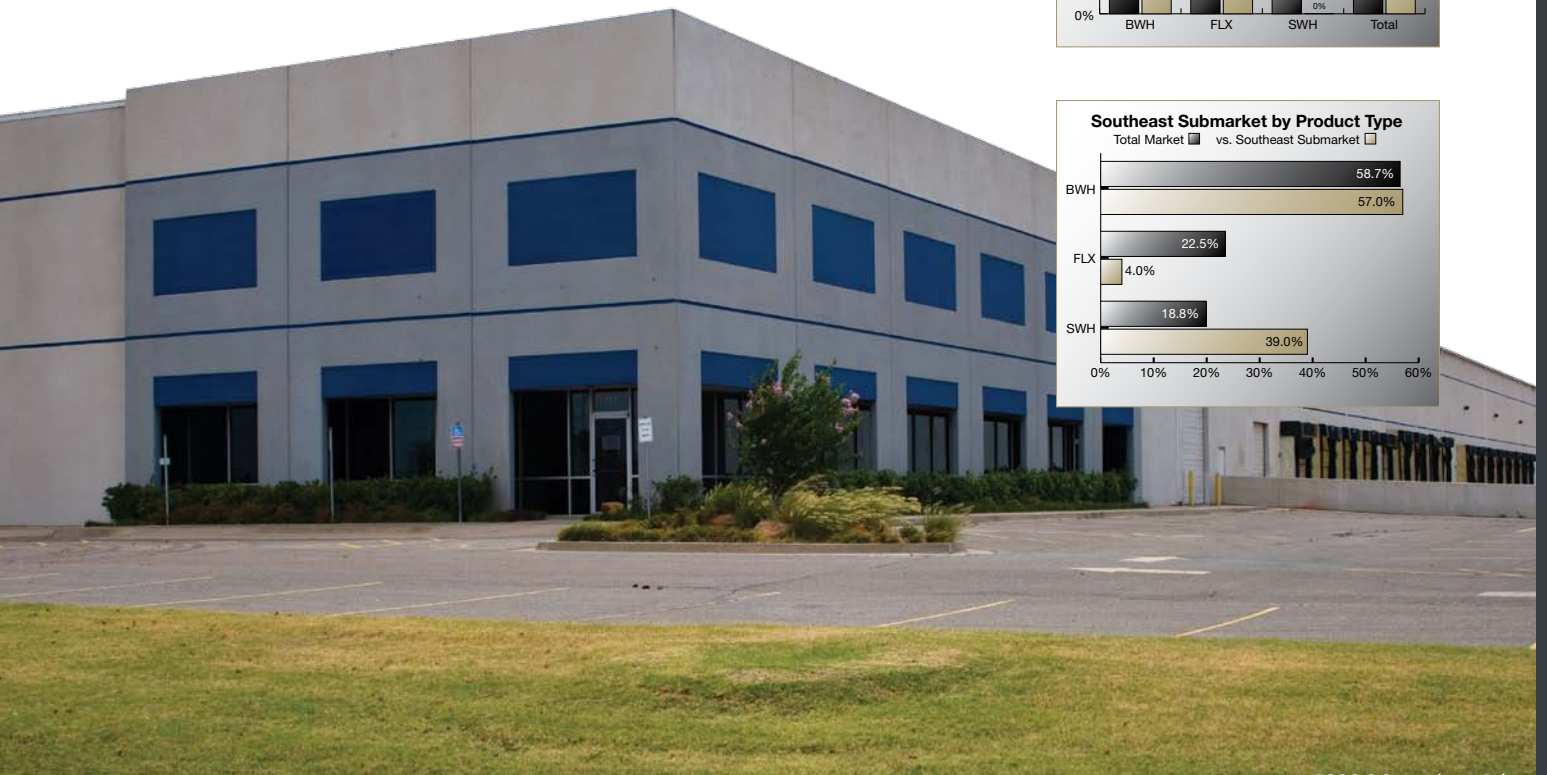
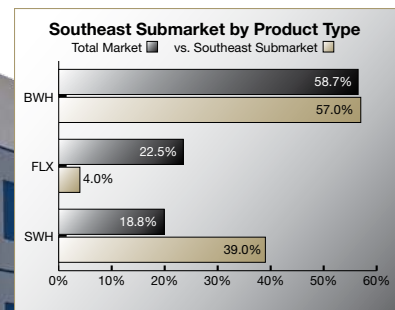
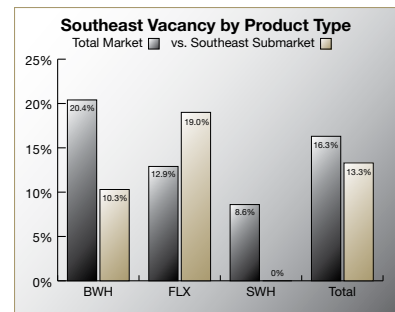
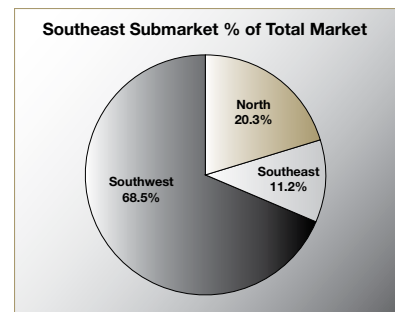
Average Vacancy is 13.3%

Aggregate available rental rates:

Bulk Warehouse \$3.75 - \$4.00

Flex Space \$4.60 - \$6.50

Service Warehouse n/a



2011 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

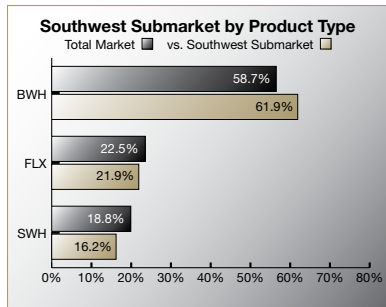
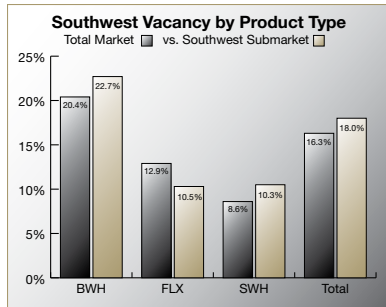
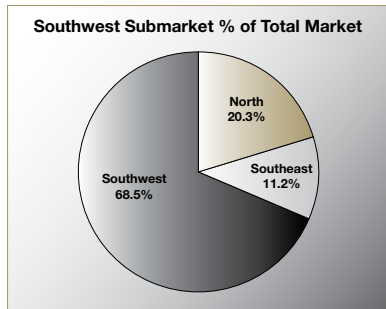
Average Vacancy is 19.8%

Aggregate available rental rates:

Bulk Warehouse \$2.75 - \$4.25

Flex Space \$2.75 - \$10.05

Service Warehouse \$2.50 - \$4.75



Location	Type	GLA	Vacant	% Vac.	Rate
1301 Cornell Parkway	BWH	33,609	0	0.0%	\$4.25
1330-1398 Metropolitan	BWH	69,167	14,845	21.5%	n/a
3500 S MacArthur Blvd	BWH	171,000	0	0.0%	n/a
3501 Melcat Dr	BWH	106,672	0	0.0%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0.0%	n/a
3701 S Thomas Rd	BWH	93,610	0	0.0%	\$3.50
3800-3860 S Harmon Ave	BWH	114,804	0	0.0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	36,918	30.8%	\$3.75
4001 NW 3rd St	BWH	95,000	0	0.0%	\$3.00
4001 Will Rogers Parkway	BWH	101,504	0	0.0%	n/a
4680 NW 3rd St	BWH	151,200	44,100	29.2%	n/a
5001 SW 36th St	BWH	122,945	0	0.0%	n/a
5001 W Reno Ave	BWH	242,935	0	0.0%	\$2.75
5024 SW 36th St	BWH	102,567	0	0.0%	\$3.75
5200 SW 36th St	BWH	210,000	0	0.0%	\$3.85
5500 SW 36th St	BWH	76,500	0	0.0%	\$3.25
5500 W. Reno	BWH	336,750	210,000	62.4%	\$3.00
5555 Morton Ave	BWH	99,360	35,000	35.2%	\$2.75
5600 SW 36th St	BWH	87,200	16,100	18.5%	\$3.50
600 N Sara Rd	BWH	120,000	0	0.0%	n/a
6100 NW 2nd St	BWH	110,080	0	0.0%	\$3.50
7738 SW 34th St	BWH	180,000	82,200	45.7%	\$3.00
7815 Gemini Blvd	BWH	142,500	0	0.0%	\$3.00
7900 SW 34th St	BWH	142,500	0	0.0%	\$3.00
7501 SW 29th St	BWH	1,300,000	600,000	46.2%	n/a
Southwest Bulk Space Total		4,570,603	1,039,163	22.7%	\$3.33

1000 Cornell Parkway	FLX	27,000	3,350	12.4%	\$4.00
1101-1121 Cornell Parkway	FLX	41,720	6,280	15.1%	\$6.00
1233 Sovereign Row	FLX	37,854	10,747	28.4%	\$7.50
2236 NW 10th St	FLX	80,960	13,800	17.1%	\$5.00



2011 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

235 N MacArthur Blvd	FLX	68,229	25,551	37.5%	\$7.25
304-306 N Meridian Ave	FLX	196,000	8,424	4.3%	\$5.50
340-350 S Vermont Ave	FLX	118,565	0	0.0%	\$3.80
3400 S Thomas Rd	FLX	40,960	0	0.0%	\$3.50
400 S Hudiburg Circle	FLX	15,000	0	0.0%	n/a
400 S Vermont Ave	FLX	143,750	26,250	18.3%	\$4.75
401 N Meridian Ave	FLX	41,190	19,544	47.5%	\$5.00
4020 Will Rogers Parkway	FLX	65,438	0	0.0%	\$4.75
406 Hudiburg Circle	FLX	25,000	0	0.0%	n/a
4100 Will Rogers Parkway	FLX	66,732	0	0.0%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	15,340	23.4%	\$2.75
4141 Highline Blvd	FLX	74,310	2,025	2.7%	\$7.25
4311-4325 SW 21st St	FLX	64,568	20,454	31.7%	\$4.50
4703 Enterprise Dr	FLX	34,000	0	0.0%	n/a
4901 W Reno Ave	FLX	43,630	0	0.0%	\$10.05
6000 NW 2nd St	FLX	79,071	9,258	11.7%	\$3.85
6924 Melrose Ln	FLX	164,500	0	0.0%	\$5.00
7114 Melrose Ln	FLX	124,200	6,300	5.1%	\$4.80
7114 Melrose Ln	FLX	124,200	3,000	2.4%	\$4.50
Southwest Flex Space Total		1,618,197	167,323	10.3%	\$5.26

1001 Enterprise	SWH	80,256	0	0.0%	\$4.00
1101 Enterprise Dr	SWH	63,840	0	0.0%	\$3.50
1101 Metropolitan Ave	SWH	29,220	0	0.0%	\$3.50
1131 Enterprise Dr	SWH	80,256	1,824	2.3%	\$4.75
201 N. Harvard Avenue	SWH	39,580	0	0.0%	n/a
301-397 N Harvard Ave	SWH	81,000	27,500	34.0%	\$2.50
3600 S MacArthur Blvd	SWH	44,750	0	0.0%	n/a
4116 Will Rogers Parkway	SWH	65,800	0	0.0%	\$3.50
417 Hudiburg Circle	SWH	30,000	0	0.0%	n/a
4210 Will Rogers Parkway	SWH	60,000	0	0.0%	\$3.00
4220-4232 Charter Ave.	SWH	56,275	0	0.0%	\$3.75
4243 Will Rogers Parkway	SWH	49,920	27,000	54.1%	\$2.50
4301 Will Rogers Parkway	SWH	33,647	4,611	13.7%	\$5.50
4400 S.W. 25th Street	SWH	68,000	54,281	79.8%	\$4.50
4601-4627 NW 3rd St	SWH	68,408	9,882	14.5%	\$3.25
4700-4728 NW 1st St	SWH	52,340	0	0.0%	\$3.75
4917 - 4923 S.W. 7th St.	SWH	20,935	0	0.0%	\$3.25
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0.0%	\$3.25
5324 W Reno Ave	SWH	72,300	0	0.0%	n/a
727 - 729 Overhead Dr.	SWH	24,512	0	0.0%	\$3.25
900 Metropolitan Ave	SWH	61,600	0	0.0%	\$3.50
901 Enterprise Dr	SWH	80,256	0	0.0%	\$3.50
Southwest Service Space Total		1,195,124	125,098	10.5%	\$3.60
Southwest Submarket Total		7,383,924	1,331,584	18.0%	\$4.06

OKC Industrial Market Total		10,777,655	1,756,487	16.3%	\$4.89
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Price Edwards & Company Market Research

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Oklahoma City

2011 Mid-Year Industrial Market Summary

Vacancy

The market seems to have stabilized and barring unforeseen catastrophic events globally, a generally flat vacancy environment is forecast.

Rental Rates

Rental rates will continue to experience downward pressure as Landlords compete for tenants. Significant incentives such as free rent will become more dominant in the market.

New Construction

No significant speculative construction is anticipated.