



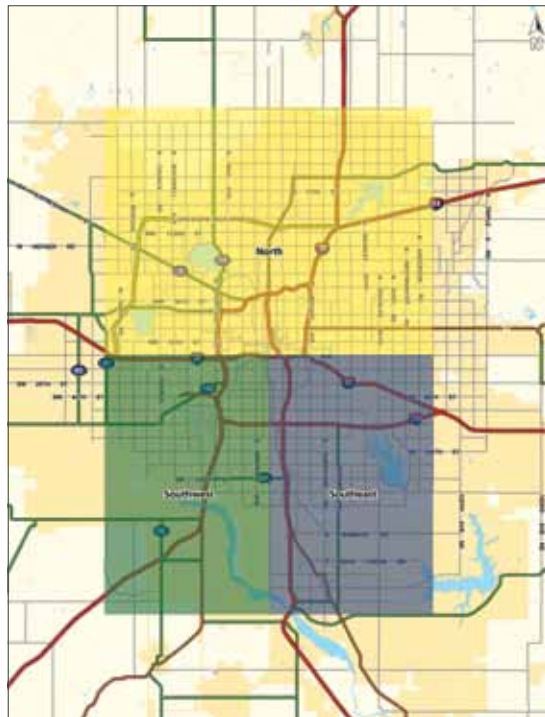
Oklahoma City

2012 Mid-Year
Industrial Market Summary



TABLE OF CONTENTS

Industrial Market Summary	1
North Submarket	2
Southeast Submarket	3
Southwest Submarket	4-5
2012 Mid-Year Forecast	Back Cover



Oklahoma City Industrial Submarket Map



Oklahoma City

2012 Mid-Year 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.

Oklahoma City is emerging from the recession without an excess of vacant industrial properties. The influx of oilfield related service companies has resulted in absorption of smaller, single tenant buildings. At the same time, resurgence in the national economy and long-delayed expansion by larger local firms is providing rapid absorption in larger single and multi tenant properties. Sale prices and rents are being supported by these factors, although market sale and lease rates for existing space are still lagging behind new construction costs. This gap has contributed to the purchase of several large multi-tenant buildings around the market in the past 18 months for conversion to single-tenant owner-occupied facilities. Former tenants from the multi-tenant buildings are being displaced into the market which has boosted absorption of multi-tenant bulk warehouse space in an already remarkable bulk warehouse market.

The bulk warehouse market has undergone an astounding drop in vacancy since our mid-year report in 2011 going from 20.4% vacant to the current level of 6.5%. This is the lowest vacancy since 1999. Factoring in the removal from the market of 425,000 square feet of bulk warehouse rental stock, this represents a net absorption of 452,250 square feet of leased space. It would be easy to forecast speculative construction in this scenario and a few mid-sized buildings are being developed. However, the recent trend in short term leases by large national tenants, especially in support of retail merchandising, weakens the prospects of large scale speculative development.

The Flex space market saw vacancy decline from 12.9% last year to 11.0% currently. Flex space has remained essentially flat floating in the range between 10%-13% since 2006. Most flex space in this market was constructed in the 1980's and suffers from low parking ratios, low clear-heights, and limited truck access. Given the consistency of the vacancy over time, we

now consider 10% to be pro-forma vacancy for these older developments.

Service Warehouse remains the smallest and most volatile of the three product types. Since a significant percentage of service warehouse buildings are older, functionally obsolescent bulk warehouse facilities, a single large space may impact the vacancy calculations by several percentage points. Service warehouse vacancy rose from 8.8% to 9.5%, which represents a negative net absorption of less than 1,500 square feet.

There were three sales of multi-tenant properties in the last twelve months.

Sale #1 - 311 N.W. 122nd, 180,060 SF concrete tilt-up bulk warehouse, built in 1983. Sold Sept. 14, 2011 for \$6,200,000 or \$34.43 per square foot

Sale #2 - 401 N. Meridian, 41,190 SF concrete tilt-up flex space, built in 1985. Sold April 19, 2012 for \$815,000 or \$19.78 per square foot

Sale #3 - This was a portfolio sale, the buildings were purchased by Hobby Lobby and will be converted to owner-occupied single tenancy. A total of 465,000 SF was sold May 1st, 2012 for \$14,647,500 or \$31.50 per square foot.

7815 Gemini Blvd, 142,500 SF concrete tilt-up bulk warehouse

7738 S.W. 34th, 180,000 SF concrete tilt-up bulk warehouse

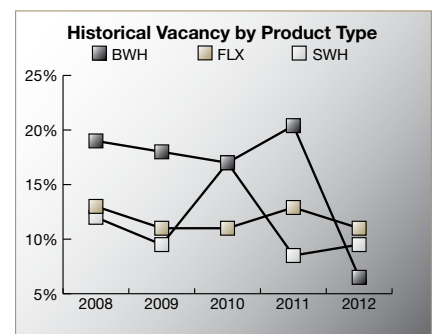
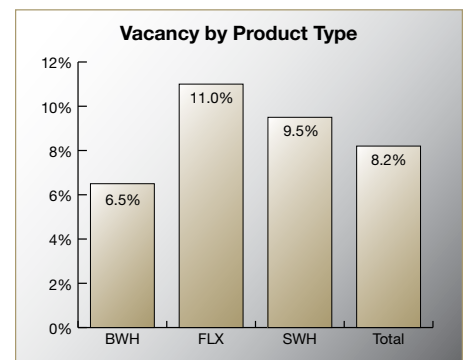
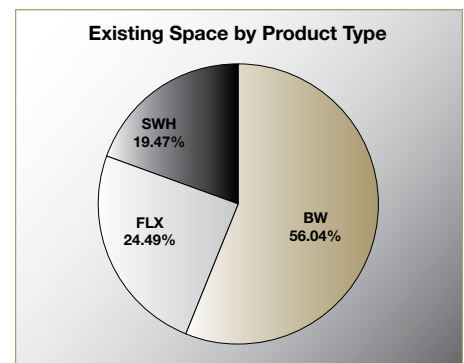
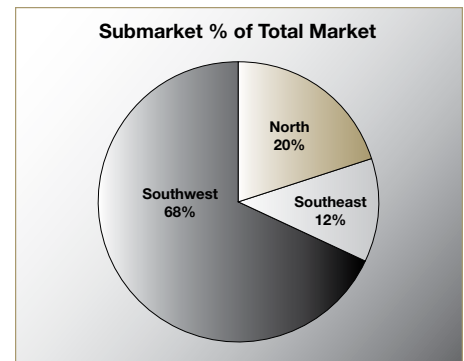
7900 S.W. 34th, 142,500 SF concrete tilt-up bulk warehouse

2012 Forecast

Vacancy - Vacancy is forecast to continue to decline over the next 12 months, but the extremely low vacancy rate in bulk warehouse properties may result in some single-tenant build to suit projects that create vacancies in multi-tenant developments.

Rental Rates - Rental rates will continue to rise back to pre-recession levels, especially in bulk warehouse properties, with Landlord concessions becoming more conservative.

New Construction - The low availability of space in certain market segments will generate new construction on a moderate scale.



2012 Mid-Year Oklahoma City Industrial Market Summary

NORTH SUBMARKET

CURRENT MARKET

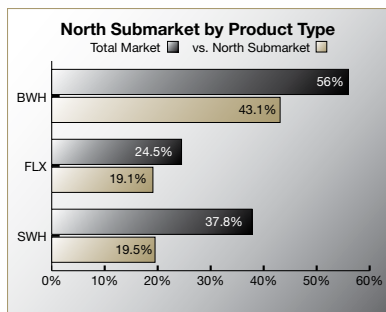
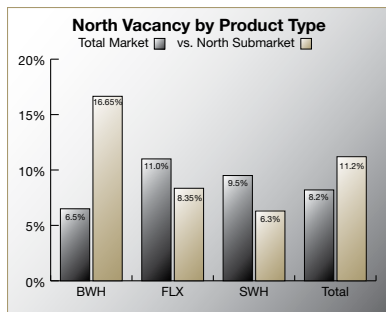
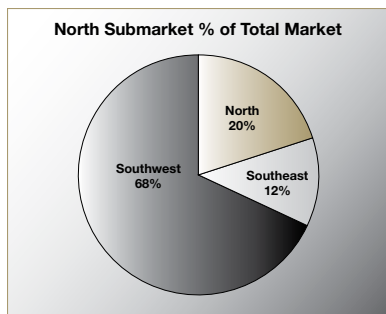
Average Vacancy is 11.2%

Aggregate available rental rates:

Bulk Warehouse \$3.00 (mode)

Flex Space \$6.00 (mode)

Service Warehouse \$4.00 (mode)



Location	Type	GLA	Vacant	% Vacant	Rate
11224 Partnership Dr	BWH	220,800	0	0%	\$0.00
11300 Partnership Dr	BWH	145,000	0	0%	\$0.00
11301 Partnership Dr	BWH	138,600	0	0%	\$0.00
201 N. Harvard Avenue	BWH	39,580	0	0%	\$0.00
420 NE 48th St	BWH	37,000	5,544	14.98%	\$3.00
4401 E Hefner Rd	BWH	100,000	0	0%	\$5.00
615 W Wilshire Blvd	BWH	193,280	140,000	72.43%	\$2.95
North Bulk Space Total		874,260	145,544	16.65%	
100 - 200 W. Wilshire Ave.	FLX	217,834	28,565	13.11%	\$6.00
430 W Wilshire Blvd	FLX	38,250	0	0%	\$8.82
7504 Broadway Ext	FLX	66,038	0	0%	\$8.50
8100 N Classen Blvd	FLX	64,750	3,750	5.79%	\$6.00
North Flex Space Total		386,872	32,315	8.35%	
14400 N Lincoln Blvd	SWH	52,395	11,500	21.95%	\$6.00
1825 N Walnut Ave	SWH	159,014	24,500	15.41%	\$2.50
217 NE 30th St	SWH	55,000	0	0%	\$0.00
3501 N Santa Fe Ave	SWH	208,000	0	0%	\$0.00
3905 - 3909 NW 36th St	SWH	77,099	0	0%	\$4.00
4228 N Santa Fe Ave	SWH	163,201	12,198	7.47%	\$4.00
7501 Broadway Ext	SWH	50,400	0	0%	\$6.50
North Service Space Total		765,109	48,198	6.30%	
North Submarket Totals		2,046,241	226,057	11.2%	\$3.83



2012 Mid-Year Oklahoma City Industrial Market Summary

SOUTHEAST SUBMARKET

Location	Type	GLA	Vacant	% Vacant	Rate
6401 S High Ave	BWH	102,020	0	0%	\$4.00
6601 S Air Depot Blvd	BWH	144,000	0	0%	\$0.00
9401 S Pole Rd	BWH	60,000	0	0%	\$3.95
8001 Mid America Blvd.	BWH	130,000	38,000	29.23%	\$3.75
8121 Mid America Blvd	BWH	121,000	0	0%	\$0.00
8120 Mid America Blvd	BWH	131,507	0	0%	\$0.00
Southeast Bulk Space Total		688,527	38,000	5.52%	
1125 SE Grand Blvd	FLX	72,000	11,614	16.13%	\$6.00
1533 SE 66th St	FLX	104,288	18,000	17.26%	\$4.00
2200 N Moore Ave	FLX	139,000	28,215	20.30%	\$4.37
3634 E I-240 Service Road	FLX	44,000	15,704	35.69%	\$5.00
3940 E I-240 Service Road	FLX	72,000	21,000	29.17%	\$6.50
5701 SE 74th St	FLX	40,605	0	0%	\$5.00
Southeast Flex Space Total		471,893	94,533	20.03%	
2020 S Eastern Ave.	SWH	48,250	0	0%	\$0.00
Southeast Service Space Total		48,250	0	0%	
Southeast Submarket Totals		1,208,670	132,533	11.00%	

CURRENT MARKET

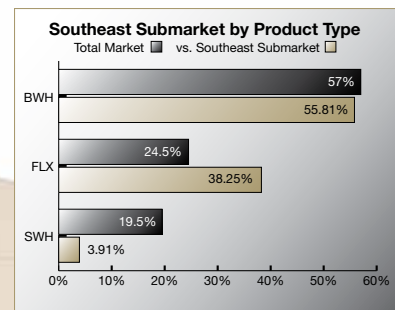
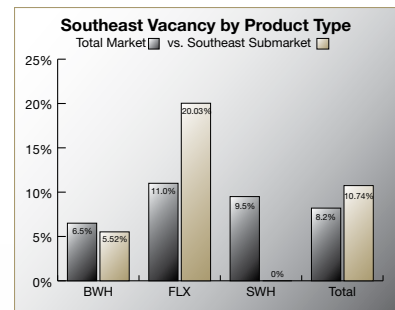
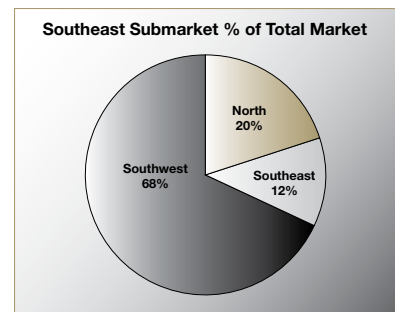
Average Vacancy is 10.74%

Aggregate available rental rates:

Bulk Warehouse \$3.95 (mode)

Flex Space \$5.00 (mode)

Service Warehouse N/A



SOUTHEAST SUBMARKET

2012 Mid-Year Oklahoma City Industrial Market Summary

SOUTHWEST SUBMARKET

CURRENT MARKET

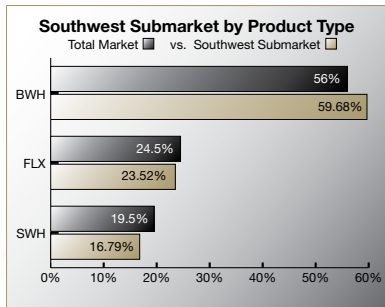
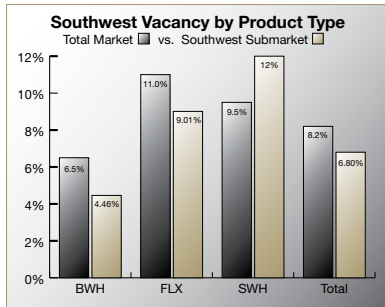
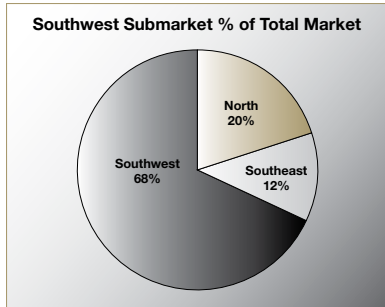
Average Vacancy is 6.80%

Aggregate available rental rates:

Bulk Warehouse \$3.50 (mode)

Flex Space \$4.75 (mode)

Service Warehouse \$3.50 (mode)



Location	Type	GLA	Vacant	% Vacant	Rate
1301 Cornell Parkway	BWH	33,609	28,009	83.34%	\$4.25
1330-1398 Metropolitan	BWH	69,167	14,845	21.46%	\$0.00
3500 S MacArthur Blvd	BWH	171,000	0	0%	\$0.00
3501 Melcat Dr	BWH	106,672	0	0%	\$3.25
3601 S Thomas Rd	BWH	241,000	0	0%	\$0.00
3701 S Thomas Rd	BWH	93,610	0	0%	\$3.50
3800-3860 S Harmon Ave	BWH	114,804	0	0%	\$3.50
400 N Ann Arbor Ave	BWH	119,700	36,918	30.84%	\$3.75
4001 NW 3rd St	BWH	95,000	0	0%	\$3.00
4001 Will Rogers Parkway	BWH	101,504	20,230	19.93%	\$4.50
4680 NW 3rd St	BWH	151,200	44,100	29.17%	\$0.00
5001 SW 36th St	BWH	122,945	0	0%	\$0.00
5024 SW 36th St	BWH	102,567	0	0%	\$3.75
5200 SW 36th St	BWH	210,000	0	0%	\$3.85
5201-5251 W Reno Ave	BWH	242,935	30,450	12.53%	\$2.75
5500 SW 36th St	BWH	76,500	0	0%	\$3.25
5500 W. Reno	BWH	336,750	8,500	2.52%	\$3.75
5555 Morton Ave	BWH	99,360	0	0%	\$2.75
5600 SW 36th St	BWH	87,200	0	0%	\$3.50
600 N Sara Rd	BWH	120,000	0	0%	\$0.00
6100 NW 2nd St	BWH	110,080	0	0%	\$3.50
7501 SW 29th St	BWH	1,300,000	0	0%	\$0.00
Southwest Bulk Space Total		4,105,603	183,052	4.46%	
1000 Cornell Parkway	FLX	27,000	2,700	10%	\$4.50
1101-1121 Cornell Parkway	FLX	41,720	10,521	25.22%	\$6.00
1233 Sovereign Row	FLX	37,854	9,085	24%	\$7.50
2236 NW 10th St	FLX	80,960	18,000	22.23%	\$5.50
235 N MacArthur Blvd	FLX	68,229	16,243	23.81%	\$7.25

SOUTHWEST SUBMARKET



2012 Mid-Year Oklahoma City Industrial Market Summary SOUTHWEST SUBMARKET

304-306 N Meridian Ave	FLX	196,000	6,329	3.23%	\$6.87
340-350 S Vermont Ave	FLX	118,565	0	0%	\$3.80
3400 S Thomas Rd	FLX	40,960	0	0%	\$3.50
400 S Hudiburg Circle	FLX	15,000	0	0%	\$0.00
400 S Vermont Ave	FLX	143,750	18,750	13.04%	\$4.75
401 N Meridian Ave	FLX	41,190	15,307	37.16%	\$5.00
4020 Will Rogers Parkway	FLX	65,438	0	0%	\$4.75
406 Hudiburg Circle	FLX	25,000	0	0%	\$0.00
4100 Will Rogers Parkway	FLX	66,732	0	0%	\$4.75
4130 Will Rogers Parkway	FLX	65,520	10,000	15.26%	\$3.75
4141 Highline Blvd	FLX	74,310	0	0%	\$7.25
4311-4325 SW 21st St	FLX	64,568	4,000	6.20%	\$6.50
4703 Enterprise Dr	FLX	34,000	0	0%	\$0.00
4901 W Reno Ave	FLX	43,630	0	0%	\$10.05
6000 NW 2nd St	FLX	79,071	21,328	26.97%	\$3.85
7114 Melrose Ln	FLX	124,200	6,000	4.83%	\$5.00
7624 Melrose Ln	FLX	164,500	7,500	4.56%	\$4.00
Southwest Flex Space Total		1,618,197	145,763	9.01%	
1001 Enterprise	SWH	80,256	10,944	13.64%	\$4.00
1101 Enterprise Dr	SWH	63,840	2,736	4.29%	\$3.50
1101 Metropolitan Ave	SWH	29,220	2,736	9.36%	\$3.50
1131 Enterprise Dr	SWH	80,256	14,592	18.18%	\$4.75
301-397 N Harvard Ave	SWH	81,000	0	0%	\$2.50
3600 S MacArthur Blvd	SWH	44,750	0	0%	\$0.00
4116 Will Rogers Parkway	SWH	65,800	10,023	15.23%	\$3.50
417 Hudiburg Circle	SWH	30,000	7,500	25%	\$10.50
4210 Will Rogers Parkway	SWH	60,000	0	0%	\$3.00
4220-4232 Charter Ave.	SWH	56,275	7,211	12.81%	\$3.75
4243 Will Rogers Parkway	SWH	49,920	0	0%	\$2.50
4301 Will Rogers Parkway	SWH	33,647	6,176	18.36%	\$5.50
4400 S.W. 25th Street	SWH	68,000	40,781	59.97%	\$4.00
4601-4627 NW 3rd St	SWH	68,408	0	0%	\$3.25
4700-4728 NW 1st St	SWH	52,340	8,000	15.28%	\$3.75
4917 - 4923 S.W. 7th St.	SWH	20,935	0	0%	\$3.25
4925 - 4931 S.W. 7th St.	SWH	32,229	0	0%	\$3.25
5324 W Reno Ave	SWH	72,300	0	0%	\$0.00
727 - 729 Overhead Dr.	SWH	24,512	0	0%	\$3.25
900 Metropolitan Ave	SWH	61,600	27,976	45.42%	\$3.50
901 Enterprise Dr	SWH	80,256	0	0%	\$3.50
Southwest Service Space Total		1,155,544	138,675	12%	
Southwest Submarket Totals		6,879,344	467,490	6.80%	
OKC Industrial Totals		10,114,255	826,080	8.2%	

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

2012 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.