



RETAIL MARKET STUDY
for
TULSA, OKLAHOMA

JANUARY, 2003

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To see growth in the Tulsa retail market, one only needs to go to the corner of US 169 and East 71st Street. The explosion of retail outlets and restaurants will continue to boom even more with the addition of the Renaissance Hotel and Convention Center to the area. Class A properties are filling up, even though some new tenants in this area have left Class B properties in other areas which is where the current economic conditions have been hit the hardest.

Some of Tulsa's newest restaurants have familiar names such as Fuddrucker's, Krispy Kreme, Pearls Seafood Grill, Starbuck's Coffee and P. F. Chang's. Asian cuisine has come on strong in Tulsa not only with P.F. Chang's, but with Tei Kei's and Fusion. Carrabba's Italian Grill, with their first Tulsa restaurant in the 71st Street Corridor, is opening their second location this year. Starbuck's Coffee will be opening its third location this year.

Home improvement stores in the Tulsa area are mirroring a nationwide demand for these types of stores. Home Depot and Lowe's both added their third Tulsa locations last year, with Lowe's adding a store in neighboring Owasso. Westlake Ace Hardware debuted in the Tulsa area, moving into former Homeland locations. Others that have added locations are Academy Sports, Aldi Foods, Albertson's, Neighborhood Wal-Mart, and Dollar General.

All categories of rent rates have dropped on existing properties. The lease rates for available spaces in Class A properties average \$22.38 psf. Although, there is only 5% vacancy reported in this category. The bulk of the vacancies are in Class B at a little over 15% vacancy reported with an average lease rate of \$10.89, which is down from \$12.17 for available spaces in June 2002. Class C properties are leasing at \$7.51 average with a 9% vacancy rate.

ABOUT CB RICHARD ELLIS

CB Richard Ellis/Oklahoma is a partner office to CB Richard Ellis, the world's leading real estate services company. Headquartered in Los Angeles with 10,000 employees nationwide, the company serves real estate owners, investors and occupiers through nearly 250 offices in 44 countries. Services include property sales and leasing, property management, corporate services and facilities management, mortgage banking, investment management, capital markets, appraisal/ valuation, research and consulting. CB Richard Ellis had 2000 revenues of \$1.3 billion. For more information about CB Richard Ellis, visit the company's website at www.cbre.com or CB Richard Ellis/ Oklahoma's website at www.cbreok.com.

**Tulsa Area Retail
January 2003 Survey Results**

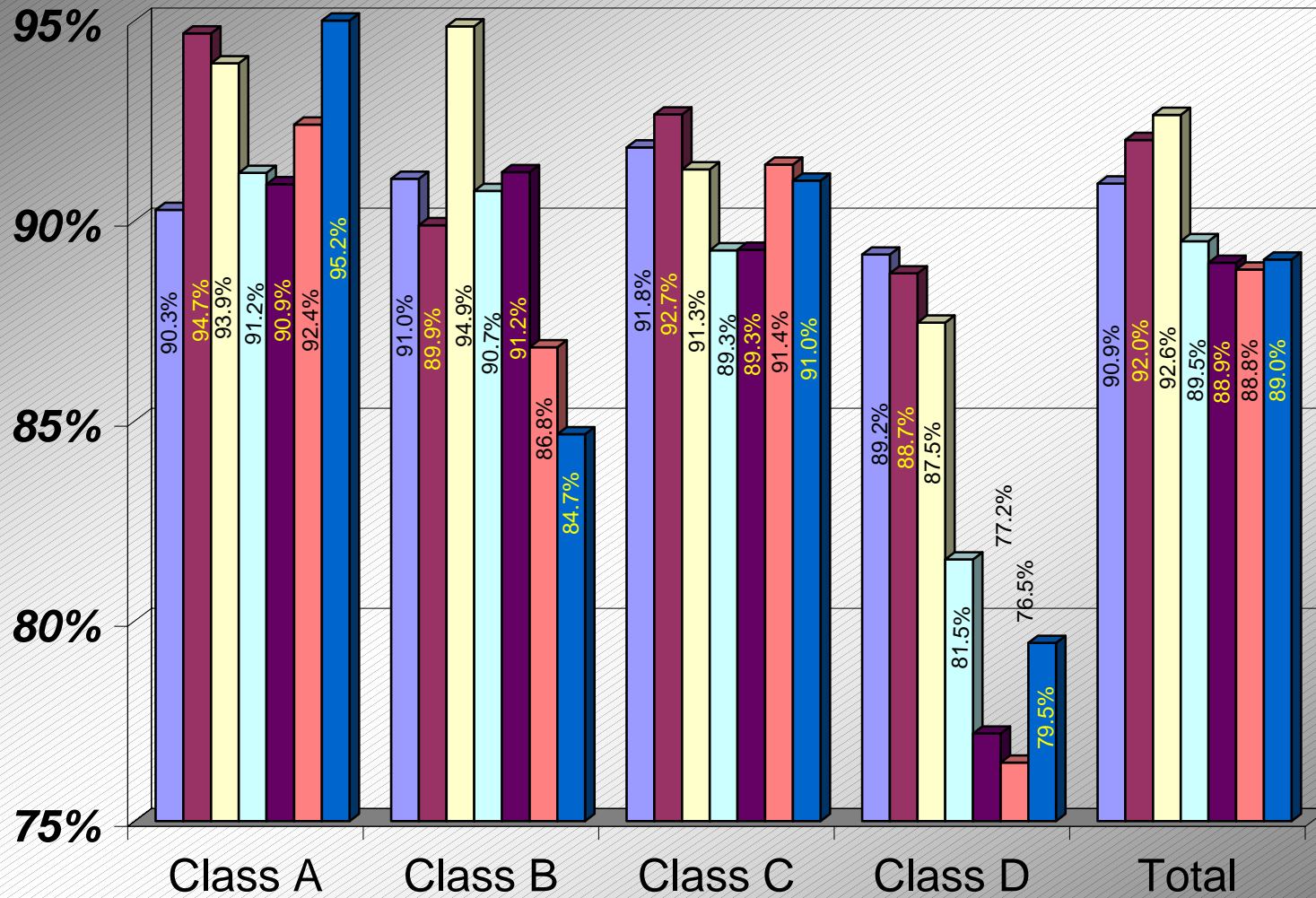
Market	# of Bldgs Surveyed	Total Leaseable Sq Ft	Vacant Sq Ft	Occupied Sq Ft	Vacancy Percentage	Occupancy Percentage	Lease Rate psf High	Lease Rate psf Low	Weighted Average Total SF	Weighted Average Avail SF
TOTALS										
Class A	15	4,288,651	206,031	4,082,620	4.80%	95.20%	\$19.67	\$14.93	\$23.65	\$22.38
Class B	49	4,851,861	744,060	4,107,801	15.34%	84.66%	\$11.38	\$9.70	\$10.76	\$10.89
Class C	105	5,861,492	527,489	5,334,003	9.00%	91.00%	\$8.64	\$6.96	\$7.83	\$7.51
Total A-C	169	15,002,004	1,477,580	13,524,424	9.85%	90.15%	\$10.42	\$8.47	\$13.30	\$11.29
Class D	31	1,757,747	361,189	1,396,558	20.55%	79.45%	\$6.65	\$5.19	\$5.80	\$5.58
Total of A-D	200	16,759,751	1,838,769	14,920,982	10.97%	89.03%	\$7.13	\$5.69	\$12.51	\$10.16
CLASS A	15	4,288,651	206,031	4,082,620	4.80%	95.20%	\$19.67	\$14.93	\$23.65	\$22.38
East										
Midtown	5	1,845,179	77,330	1,767,849	4.19%	95.81%	\$21.40	\$12.60	\$20.36	\$22.85
North Central	1	381,325	29,000	352,325	7.61%	92.39%	\$15.00	\$15.00	\$15.00	\$15.00
Northeast	1	371,209	0	371,209	0.00%	100.00%	\$18.00	\$12.00	\$15.00	\$0.00
Northwest										
South	1	45,000	0	45,000	0.00%	100.00%	\$15.00	\$14.00	\$14.50	\$0.00
South Central	5	1,405,554	83,701	1,321,853	5.96%	94.04%	\$22.00	\$18.80	\$34.54	\$26.12
Southeast	2	240,384	16,000	224,384	6.66%	93.34%	\$15.00	\$13.00	\$14.00	\$14.00
Southwest										
West										
CLASS B	49	4,851,861	744,060	4,107,801	15.34%	84.66%	\$11.38	\$9.70	\$10.76	\$10.89
East	5	1,189,930	218,948	970,982	18.40%	81.60%	\$10.00	\$8.50	\$11.08	\$12.81
Midtown	9	417,549	36,495	381,054	8.74%	91.26%	\$11.39	\$10.00	\$10.57	\$10.53
North Central	1	20,300	0	20,300	0.00%	100.00%	\$9.00	\$9.00	\$9.00	\$0.00
Northeast	2	34,296	0	34,296	0.00%	100.00%	\$10.78	\$10.53	\$10.63	\$0.00
Northwest										
South	2	126,898	2,148	124,750	1.69%	98.31%	\$11.00	\$10.25	\$10.71	\$10.75
South Central	24	2,596,080	450,604	2,145,476	17.36%	82.64%	\$12.06	\$9.78	\$10.75	\$10.02
Southeast	5	298,808	35,865	262,943	12.00%	88.00%	\$10.45	\$9.60	\$10.18	\$10.48
Southwest										
West	1	168,000	0	168,000	0.00%	100.00%	\$11.00	\$9.50	\$10.25	\$0.00
CLASS C	105	5,861,492	527,489	5,334,003	9.00%	91.00%	\$8.64	\$6.96	\$7.83	\$7.51
East	12	688,750	86,131	602,619	12.51%	87.49%	\$8.00	\$6.00	\$7.36	\$7.12
Midtown	9	271,430	10,800	260,630	3.98%	96.02%	\$10.33	\$7.50	\$8.01	\$8.83
North Central	14	849,028	39,372	809,656	4.64%	95.36%	\$7.88	\$6.50	\$6.57	\$7.51
Northeast	4	243,734	40,600	203,134	16.66%	83.34%	\$5.75	\$4.38	\$5.38	\$5.64
Northwest	3	377,611	50,452	327,159	13.36%	86.64%	\$7.67	\$4.67	\$6.12	\$5.87
South	6	202,320	6,378	195,942	3.15%	96.85%	\$8.08	\$6.58	\$7.57	\$7.41
South Central	39	2,336,604	197,457	2,139,147	8.45%	91.55%	\$9.40	\$8.08	\$9.27	\$9.06
Southeast	13	603,522	67,302	536,220	11.15%	88.85%	\$8.64	\$6.51	\$7.65	\$6.46
Southwest	1	47,102	5,200	41,902	11.04%	88.96%	\$6.80	\$6.80	\$6.80	\$6.80
West	4	241,391	23,797	217,594	9.86%	90.14%	\$7.00	\$5.75	\$5.34	\$5.38
CLASS D	31	1,757,747	361,189	1,396,558	20.55%	79.45%	\$6.65	\$5.19	\$5.80	\$5.58
East	3	304,185	59,882	244,303	19.69%	80.31%	\$6.67	\$4.33	\$5.71	\$5.33
Midtown										
North Central	11	524,655	105,268	419,387	20.06%	79.94%	\$7.39	\$6.38	\$6.66	\$6.36
Northeast	3	149,513	33,293	116,220	22.27%	77.73%	\$5.17	\$3.83	\$4.60	\$3.32
Northwest	4	251,900	33,891	218,009	13.45%	86.55%	\$5.56	\$3.63	\$4.77	\$5.00
South	1	91,562	39,413	52,149	43.05%	56.95%	\$6.00	\$5.50	\$5.75	\$5.75
South Central	5	202,943	33,714	169,229	16.61%	83.39%	\$7.20	\$5.85	\$6.61	\$6.79
Southeast	1	38,970	7,650	31,320	19.63%	80.37%	\$7.00	\$4.00	\$5.50	\$5.50
Southwest										
West	3	194,019	48,078	145,941	24.78%	75.22%	\$6.00	\$4.33	\$5.06	\$5.17

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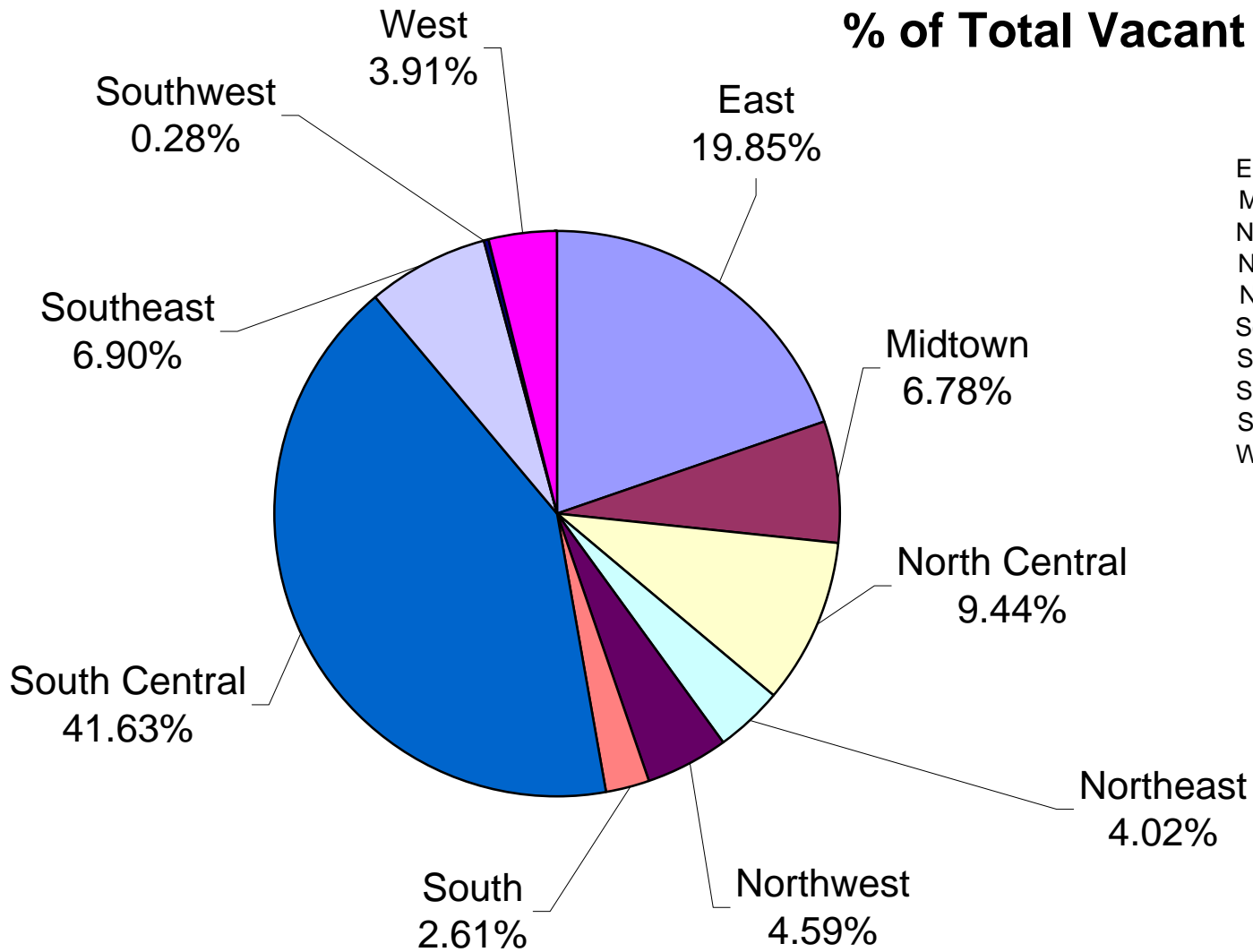
	Gross SF Surveyed		Available SF				Wgted Avg Lease Rate - Available Space		
	Jun-02	Jan-03	Jun-02	Jan-03	Absorption	% Change	Jun-02	Jan-03	% Change
Class A Totals	4,287,064	4,288,651	325,815	206,031	119,784	-36.76%	\$24.81	\$22.38	-9.79%
Class B Totals	4,808,435	4,851,861	632,911	744,060	-111,149	17.56%	\$12.17	\$10.89	-10.52%
Class C Totals	5,839,981	5,861,492	502,246	527,489	-25,243	5.03%	\$7.58	\$7.51	-0.92%
Total: Classes A-C	14,935,480	15,002,004	1,460,972	1,477,580	-16,608	1.14%	\$13.41	\$11.29	-15.81%
Class D Totals	1,673,824	1,757,747	410,732	361,189	49,543	-12.06%	\$5.66	\$5.58	-1.41%
Total: Classes A-D	16,609,304	16,759,751	1,871,704	1,838,769	32,935	-1.76%	\$11.71	\$10.16	-13.24%

TULSA RETAIL OCCUPANCY RATES

■ Dec-99 ■ Jun-00 ■ Dec-00 ■ Jun-01
■ Dec-01 ■ Jun-02 ■ Jan-03



Tulsa Area Retail Vacancies - Jan 2003 % of Total Vacant



<u>Vacant SF</u>	
East	364,961
Midtown	124,625
No Central	173,640
Northeast	73,893
Northwest	84,343
South	47,939
So Central	765,476
Southeast	126,817
Southwest	5,200
West	71,875

Lease Rates for Available Space Tulsa Retail Market

