

TULSA APARTMENT SURVEY

MID-YEAR 2003

PREPARED BY:

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MEMO

TO: Apartment Owners and Managers
FROM: David Z. Forrest
DATE: June 23, 2003
RE: Mid-Year 2003 Tulsa Apartment Survey

I would like to take this opportunity to summarize the results of my Mid-Year 2003 Tulsa Apartment Survey.

Highlights include:

- Overall Tulsa occupancy dropped half a percentage point from year-end 2002 to its present figure of 90% (it was 92% one year ago). East Tulsa currently has the highest average occupancy at 92%. The lowest average occupancy is in Broken Arrow at 87.5%. Average occupancy of the 16 properties surveyed on the separate New Construction Survey is 87.5%.
- Rent highlights:
 - One bedroom units averaged \$382/mo. – \$23 less than six months ago and \$30 less than one year ago.
 - Two bedroom, one bath units averaged \$477/mo. – \$10 less than six months ago and \$13 less than one year ago.
 - Two bedroom, two bath units averaged \$554/mo. – \$24 less than six months ago and \$29 less than one year ago.
- Specials are very prevalent in the marketplace. Common specials are \$100 to \$200 off first month's rent, two weeks free (six month lease), or four weeks free (12 month lease). "\$50 dollars off coupons" for use with monthly rent are common as well as "move-in specials" such as \$99 for first month's rent and deposit.

Although occupancy only declined half a percentage point over the past six months, rents took a more significant downturn. It is apparent that properties have become increasingly aggressive in their approach toward attracting qualified tenants. As a result of this competition, effective rental rates have been pushed downward. This phenomenon is a symptom of the current economy in Tulsa combined with the record low interest rate environment. Record low interest rates are helping to fuel the decline in rents and occupancies. I continue to hear from apartment owners that their "qualified tenants" are pursuing the dream of home ownership and are taking advantage of these record low interest rates.

Again, thank you to those who helped me with this survey. As always, please contact me with any questions about the Tulsa or Oklahoma City apartment markets.

MID-YEAR 2003

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SOUTH TULSA APARTMENT SURVEY

Area Covered: Arkansas River on the West, Tulsa city limits on the South, Broken Arrow on the East, and 51st on the North

Apartments Covered: Apartment complexes with 75 units or more; tenants pay utilities; 6,924 units sampled

Occupancies: Averaging – 89.5% ↓

Range: 78% – 96%

Most Often Quoted Deposit: \$100 for one-bedroom apartments and \$150 and \$200 for two-bedroom apartments

| Type | Average Rent* | Average Sq. Ft. | Average Rent Per Sq. Ft. | Rent Range |
|-----------|---------------|-----------------|--------------------------|-------------|
| 1 BR/1 BA | \$424 ↓ | 678 | \$0.62 | \$289-\$699 |
| 2 BR/1 BA | \$463 ↓ | 898 | \$0.52 | \$423-\$509 |
| 2 BR/2 BA | \$571 ↓ | 958 | \$0.60 | \$420-\$749 |

* All rents shown are based upon calculated “effective” rents.

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CENTRAL TULSA APARTMENT SURVEY

Area Covered: Memorial on the East, Admiral on the North, Arkansas River on the West, and I-44 and 51st on the South

Apartments Covered: Apartment complexes with 50 units or more, 3,402 units sampled

Occupancies: Averaging – 89% ↓

Range: 79% – 96%

Most Often Quoted Deposit: \$100 for one-bedroom apartments and \$150 for two-bedroom apartments

| Type | Average Rent* | Average Sq. Ft. | Average Rent Per Sq. Ft. | Rent Range |
|---------------------------|---------------|-----------------|--------------------------|-------------|
| 1 BR/1 BA | \$347 ↓ | 617 | \$0.56 | \$300-\$495 |
| 2 BR/1 BA | \$486 ↓ | 919 | \$0.53 | \$460-\$552 |
| 2 BR/2 BA | \$564 ↔ | 978 | \$0.58 | \$490-\$645 |
| <u>All Utilities Paid</u> | | | | |
| 1 BR/1 BA | \$539 ↑ | 690 | \$0.78 | \$469-\$610 |
| 2 BR/1 BA | \$645 ↑ | 936 | \$0.69 | \$620-\$659 |
| 2 BR/2 BA | \$727 ↑ | 1,158 | \$0.63 | \$684-\$785 |

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EAST TULSA APARTMENT SURVEY

Area Covered: Admiral on the North, Memorial on the West, Broken Arrow Expressway and the Broken Arrow city limits on the South, and 193rd Avenue on the East

Apartments Covered: Apartment complexes with 60 units or more; tenants pay utilities; 3,634 units sampled

Occupancies: Averaging – 92% ↑

Range: 85% – 97%

Most Often Quoted Deposit: \$100 for one-bedroom apartments and \$150 for two-bedroom apartments

| Type | Average Rent | Average Sq. Ft. | Average Rent Per Sq. Ft. | Rent Range |
|-----------|--------------|-----------------|--------------------------|-------------|
| 1 BR/1 BA | \$352 ↓ | 670 | \$0.52 | \$274-\$509 |
| 2 BR/1 BA | \$476 ↑ | 939 | \$0.51 | \$387-\$641 |
| 2 BR/2 BA | \$525 ↓ | 932 | \$0.56 | \$424-\$609 |

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BROKEN ARROW APARTMENT SURVEY

Area Covered: Broken Arrow City Limits

Apartments Covered: Apartment complexes with 50 units or more; tenants pay utilities; 942 units sampled

Occupancies: Averaging – 87.5% ↓

Range: 81% – 92%

Most Often Quoted Deposit: \$50 and \$100 for one-bedroom apartments and \$75 and \$150 for two-bedroom apartments

| Type | Average Rent | Average Sq. Ft. | Average Rent Per Sq. Ft. | Rent Range |
|-----------|--------------|-----------------|--------------------------|-------------|
| 1 BR/1 BA | \$406 ↓ | 627 | \$0.65 | \$339-\$519 |
| 2 BR/1 BA | \$483 ↑ | 884 | \$0.55 | \$483 |
| 2 BR/2 BA | \$559 ↓ | 939 | \$0.59 | \$489-\$649 |
| 3 BR/2 BA | \$621 ↓ | 1,128 | \$0.55 | \$604-\$639 |

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