



Industrial Real Estate

2009 Greater Tulsa Commercial Market Update

Jamie Hill, SIOR, CCIM

Monday's Headlines

- Buffett: U.S. Economy Fell “Off A Cliff”
(CNNMoney.com)
- “Five Steps to Rescue Your Retirement”
(CNNMoney.com)
- World Bank: Global Economy Worst Since Depression
(New York, CNN)
- New Fears as Credit Markets Tighten Up
(Wall Street Journal)
- Dow 5000? A Bearish Possibility
(Wall Street Journal)

Monday's Headlines

**-Fate of Domestic Auto Industry Hangs in the Balance
(foxbusiness.com)**

**-World Bank Predicts International Credit Crisis Will Slow
Developing Nations
(foxbusiness.com)**

**-Oil Rises Above \$47 Monday to End at the Highest Level
in Two Months. [But, oil spike was due to incident
between Chinese vessels and an unarmed U.S. Navy ship]
(foxbusiness.com)**



Better put the Porsche on hold...



Need a vehicle? Think used.



Fond Memories...



WAL★MART
SUPERCENTER



Value THRIFT STORE



FAMILY
DOLLAR

Hard on the eyes, easy on the wallet...



A Taste of the
Good Life...



Back to Reality...

Reality 101

Downside

Sales and Leasing Activity have slowed down-substantially.

Upside

Nonetheless, the Tulsa Metro Area's Industrial Real Estate Market has fared much better than others.

Industrial Market Overview

TULSA METROPOLITAN AREA

2008 Overall

Approximately 60,000,000± Square Feet in the Industrial Market

2008 Year End Vacant Square Feet 2,630,000 SF

2008 Year End Overall Vacancy Rate 4.46%

2007 Year End Overall Vacancy Rate 3.99%

2006 Year End Overall Vacancy Rate 6.56%

Industrial Market Overview

TULSA METROPOLITAN AREA

2nd Half 2008

Negative Net Absorption 286,306 SF

- **Lease Rates and Sale Prices have increased slightly over the past year in some size ranges.**
- **The Market realized notable Lease Rate and Sale Price appreciation from 2006 to 2008.**

Industrial Vacancy by Size Range

End of Year 2008

<u>Square Feet</u>	<u>Total Sq. Ft.</u>	<u>Vacancy</u>
0 - 4,999	1,860,880	5.15%
5,000 - 9,999	4,607,608	3.80%
10,000 - 19,999	7,197,646	4.38%
20,000 - 39,999	8,396,638	4.94%
40,000 - 59,999	5,403,326	4.09%
60,000 - 99,999	5,374,234	6.32%
100,000+	26,074,481	4.09%
Total	58,914,813	4.46%

2006-2008

Industrial Lease Rates per Square Foot

Lease Rate	Dec-06	Dec-07	Dec-08
0-4,999	\$5.69	\$6.09	\$6.18
5,000- 9,999	\$5.22	\$5.73	\$5.83
10,000-19,999	\$4.80	\$4.97	\$4.97
20,000-39,999	\$4.29	\$4.45	\$4.60
40,000-59,999	\$3.96	\$3.87	\$4.01
60,000-99,999	\$3.44	\$3.68	\$3.86
100,000+	\$3.18	\$3.59	\$3.54
TOTAL	\$4.37	\$4.63	\$4.71

2006-2008

Sales Price Overview

Square Feet	2006 Sales Price Per Sq. Ft.	2007 Sales Price Per Sq. Ft.	2008 Sales Price Per Sq. Ft.
0 - 4,999	\$ 52.44	\$ 63.11	\$ 62.44
5,000 - 9,999	\$ 45.67	\$ 57.65	\$ 59.27
10,000 - 19,999	\$ 38.65	\$ 41.22	\$ 46.32
20,000 - 39,999	\$ 34.11	\$ 35.68	\$ 37.43
40,000 - 59,999	\$ 31.23	\$ 31.99	\$ 33.45
60,000 - 99,999	\$ 27.05	\$ 29.30	\$ 29.90
100,000+	\$ 24.52	\$ 27.61	\$ 22.88
Simple Average	\$36.24	\$40.94	\$41.67

Significant Sales Transactions 2008

5400 South 49th West Ave. **365,171 SF** **\$8.22 PSF**
Buyer: Local Investors

4305 South Mingo Road **112,120 SF** **\$45.15 PSF**
Buyer: Harkinson Interests, Ltd.

6511 East 44th Street **107,960 SF** **\$18.53 PSF**
Buyer: WKM, Inc.

5647 South 122nd East Avenue **91,498 SF** **\$30.60 PSF**
Buyer: Tulsa Technology Center

5717 East 13th Street **79,200 SF** **\$17.68 PSF**
Buyer: Master Packaging

2401 North Harvard Avenue **77,360 SF** **\$21.98 PSF**
Buyer: Estes Express Lines

Development Snapshot

Development slowed the last half of 2008, and included;

- Mix of single tenant buildings Northeast
(ranging in size from 7,000-18,000 SF)
- Mix of single tenant buildings Southeast
(ranging in size from 7,700-18,000 SF)
- Commerce Center – SW/c of 61st and 129th
45,000 SF 24' Clear
59,865 SF 30' Clear
- Metro Park IV – Former Hilti Land
112,500 SF 30' Clear

New Developments

COMMERCE CROSSING

2325 N. SWEET GUM AVE., BROKEN ARROW OK

FOR LEASE

Highlights:

- 45,000 SF Total
- Divisible

For information, contact:

Matt Klimisch, SIOR, CCIM
T 918.392.7258
F 918.663.6402
matt.klimisch@cbreak.com

David Glasgow
T 918.392.7205
F 918.663.6402
david.glasgow@cbreak.com

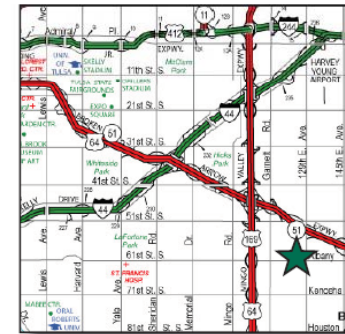
Tom O'Brien, SIOR, CCIM
T 918.392.7210
F 918.663.6402
tom.obrien@cbreak.com

CB Richard Ellis | Oklahoma
7912 E. 31st Court Suite 200
Tulsa, OK 74145
T 918.665.3830
F 918.663.6402

www.cbreak.com



- 45,000 Square Feet Total
- 15,000 SF Minimum
- 61st Street Frontage
- Dock High Loading
- Drive In Loading
- 24' Ceiling Clearance
- ESFR Sprinkler
- Great Access to Expressways



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New Developments

METRO PARK IV

12122 EAST 55TH STREET TULSA, OK

FOR LEASE

Highlights:

- New Construction
- 112,500 SF Total
- Southeast Tulsa Location

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matt.klimisch@cbreak.com

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- 112,500 Square Feet Total
- ESFR Sprinkler
- Drive In Loading
- Premier Southeast Tulsa Location
- 30' Clear Height
- Dock High Doors
- Custom Office Finish
- Divisible in Increments of 11,250 SF

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Looking Forward

What might the next six months look like?

- Potential softening of rental rates and sales pricing.
- Landlords should negotiate more to make deals.
- More opportunities for listings.
- More opportunities for Tenants and Buyers.
- Projected overall vacancy rate mid-year 6%.



Final Thoughts



Foxhole



Fropki.com

Top Dog
or
Underdog?



Plan Your Attack!



Discipline,
Patience &
Balance



Be Enthusiastic!