

Tulsa Retail Market Study January 2003



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 Fuddruckers, 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.

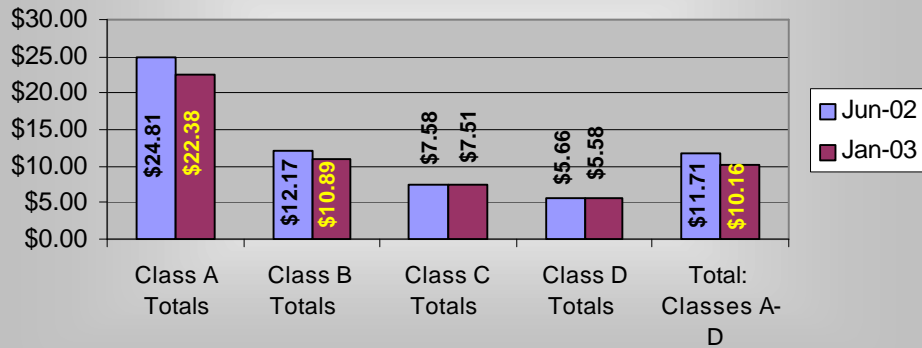
All categories of rent rates have dropped on existing properties. The lease rates for available spaces in Class A properties average \$22.38 psf, although there is only 5% vacancy reported in this category. The bulk of the vacancies are in Class B at a little over 15% vacancy reported with an average 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.

	Available SF				Lease Rate for Available SF		
	Jun-02	Jan-03	Absorption	% Change	Jun-02	Jan-03	% Change
Class A Totals	325,815	206,031	119,784	-36.76%	\$24.81	\$22.38	-9.79%
Class B Totals	632,911	744,060	-111,149	17.56%	\$12.17	\$10.89	-10.52%
Class C Totals	502,246	527,489	-25,243	5.03%	\$7.58	\$7.51	-0.92%
Total: Classes A-C	1,460,972	1,477,580	-16,608	1.14%	\$13.41	\$11.29	-15.81%
Class D Totals	410,732	361,189	49,543	-12.06%	\$5.66	\$5.58	-1.41%
Total: Classes A-D	1,871,704	1,838,769	32,935	-1.76%	\$11.71	\$10.16	-13.24%

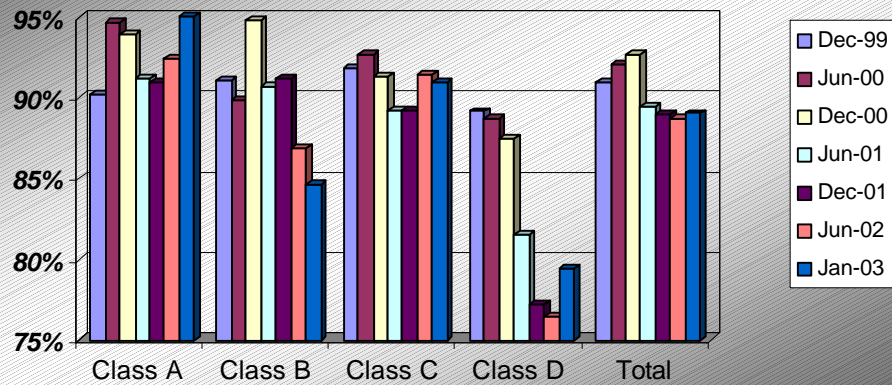
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Lease Rates for Available Space Tulsa Retail Market



TULSA RETAIL OCCUPANCY RATES



TULSA RETAIL TEAM



Broker Associate Richard Monaghan, CCIM, a principal of CB Richard Ellis/Oklahoma joined the firm in 1988. He has been active in the Tulsa commercial real estate industry since 1979. Richard specializes in retail center leasing and sales, as well as the sale of land, particularly out-parcels and development land.



Broker Associate Phil Ryan joined CB Richard Ellis/Oklahoma after being involved in the Tulsa commercial real estate market for twenty-three years. Phil specializes in retail center leasing and sales and also has experience in retail center development, re-development, property management and investment properties. He first joined ICSC in the mid 1970's.



Broker Associate Matt Guse, CCIM, joined the firm's Retail Division in 1995 and has received his CCIM designation. Matt is active in ICSC, has excellent knowledge of the retail leasing market and specializes in the sale of shopping centers.



Sales Associate Michelle Henry joined CBRE/OK in 1999 to specialize in the leasing, sales and development of retail properties. After attending Northeastern State University, Michelle worked for seven years in the property management industry and is currently working to achieve the CCIM designation.



Sales Associate Tony Aaronson has recently joined CB Richard Ellis/Oklahoma. A lifelong Tulsa resident, Tony earned his degree in Business from the University of Oklahoma. As a former business owner and general manager, he has a strong business background with over 20 years experience in marketing and management. Tony specializes in retail and industrial properties.