



COMMERCIAL REALTY RESOURCES CO.
MULTIFAMILY INVESTMENT SERVICES



2005 Tulsa Mid-Year Apartment Report

July 2005

**Providing professional apartment brokerage and marketing
services for over 20 years**

Aaron Hargrove

1831 East 71st Street
Tulsa, Oklahoma 74136
Phone: 918.557.5966
Email: aaron@crcc.us

Mike Buhl

2425 Wilcox Drive
Norman, Oklahoma 72903
Phone: 405.360.5966
Email: buhl@crcc.us

Brad James

2120 South Waldren Rd, 304C
Fort Smith, Arkansas 72903
Phone: 479.739.4480
Email: brad@crcc.us

2005 TULSA MID-YEAR REPORT



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As we stated in our 2004 Year-End report, nothing would help the multi-family market more than solid job growth and it seems that is exactly what is happening. The recent job gains are obviously a very positive sign for the multi-family market in Tulsa. The attitude of many local owners and operators is positive for the first time in several years and it appears it has not gone unnoticed by apartment investors both local and out-of-state.

Thus far there has been 14 transactions in Tulsa. Of the 2,313 units sold, there was an average price per unit of \$27,987. This is \$135.00 more than the 2004 mid-year value of \$27,853, when there were 8 transactions of 1,148 units. In mid-year 2003, there were 13 transactions totaling 2,417 units with an average price per unit of \$25,258.

Tulsa's mid-year sales have been mostly comprised pre 80's properties. For the 11 transactions in this category the average price per unit was \$25,304. For the 7 pre 80's transactions in 2004 the average price per unit was \$28,013. This decrease of nearly 10% is the largest one year decrease since 2001. The main cause for this drop was the sale of a large complex, which sold \$4,000 below the average for its category despite the property having a superior location and better condition than almost all others in this category.

For the 80's category, there has already been three transactions totaling 536 units with an average of \$36,879 compared to one transaction in 2004 with a price per unit of \$24,167. This is the highest mid-year average this century.

Just as we experienced in mid-year 2004, there were no mid-year sales for post 80's apartments in 2005.

Private buyers continue to power the market through the mid-year and we expect to see this trend persist. The significant segment of these buyers remain to be from California. These investors will likely keep driving values to record numbers for pre-1980's properties in Tulsa. It is expected that transactional activity will continue to be on the increase throughout the remainder of the year. There are only a few pending foreclosures and distressed sales expected in the remainder of 2005. With the exception of the few distressed sales values will remain stable or trend slightly higher in the second half of the year.

The last few years have witnessed softness in income but not necessarily due to occupancy, the big losses have been from the concessions. Although concessions remain in most Tulsa sub-markets they are burning off and a few owners have eliminated them altogether. As the labor market continues to show improvement the level of concessions will continue to dwindle. Based on several indicators, most significantly single family home ownership, population decline, and past years job loses it may take several more years before we see any substantial rent growth. That being said, it is apparent the turnaround for the Tulsa multifamily industry has begun.

2005 TULSA MID-YEAR REPORT HIGHLIGHTS



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Property	Price	Units	Price Per Unit
Westwood Park			
718 West 49th Tulsa, OK	\$2,315,000	128	\$18,086



Courtyards			
6748 East 91st South Street Tulsa, OK	\$10,047,000	272	\$36,938



Orchard Park			
1327 East 64th Street Tulsa, OK	\$901,000	58	\$15,534

AVERAGE SALE PRICE PER UNIT	
Apartment Communities in Excess of 25 Units	
Number of Transactions-	14
Total Number of Units Sold	2,313
Average Sale Price Per Unit	\$27,987 per unit
Average Sale Price of Pre-1980's Properties	\$25,304 per unit
Average Sale Price of 1980's Properties	\$36,879 per unit
Average Sale Price of Post-1980's Properties	\$0 per unit

BREAKDOWN OF PRE-1980'S PROPERTIES	
Total Number of Transactions	11
Total Number of Units	1,777
Price Per Unit: High \$37,424 Low \$15,534	

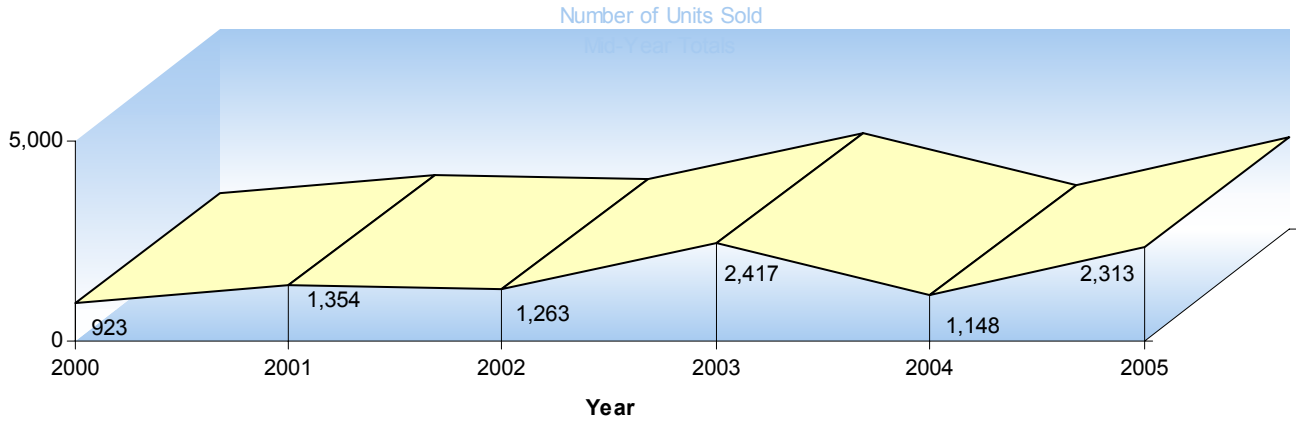
BREAKDOWN OF 1980'S PROPERTIES	
Total Number of Transactions	3
Total Number of Units	536
Price Per Unit: High \$41,016 Low \$32,868	

BREAKDOWN OF POST-1980'S PROPERTIES	
Total Number of Transactions	0
Total Number of Units	0
Price Per Unit: High \$0 Low \$0	

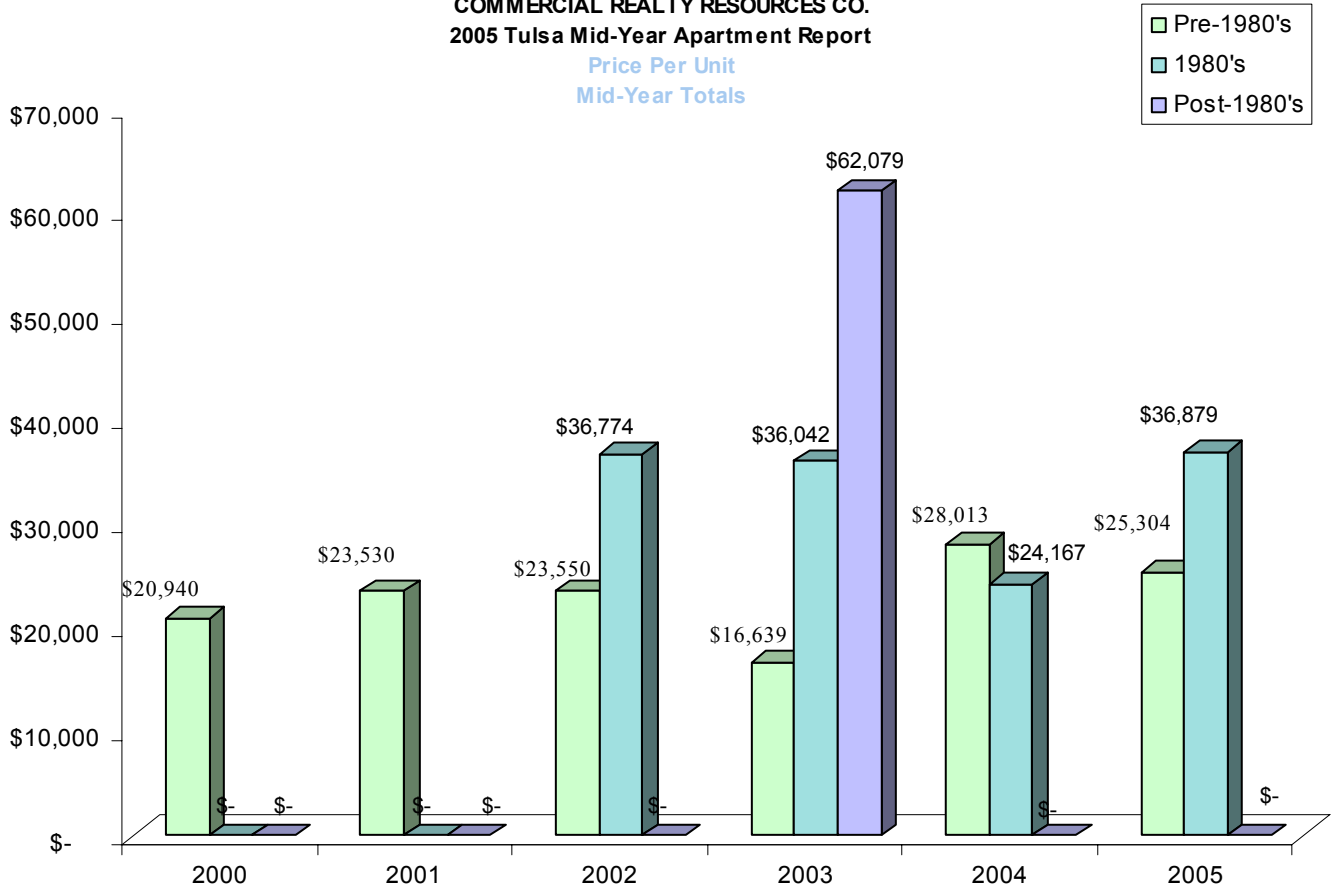


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JOB MARKET

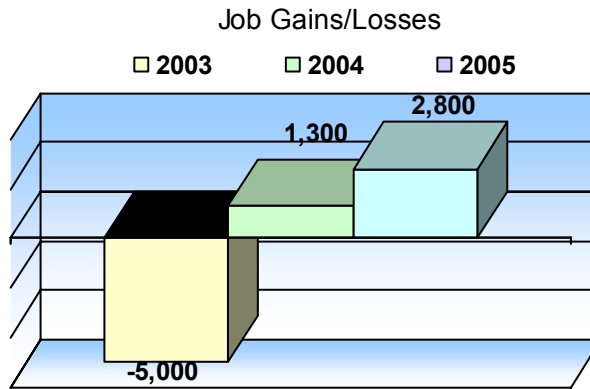


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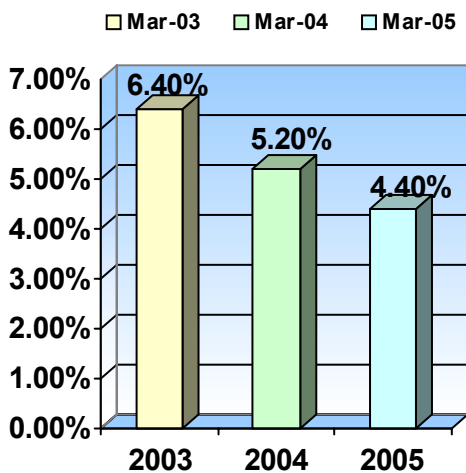
It appears as if Tulsa's job market is on the rise. According to data from Oklahoma Employment Security Commission, Tulsa added 2,800 jobs in May, which was 1,500 more than the same time in 2004. This increase makes May the fourth month in a row in which there were job gains. Tulsa's unemployment rate in March was 4.4% compared to 5.2% in March 2004. Oklahoma's total unemployment rate dropped to 4.1% while the nation's jobless rate was 5.4%. Total nonfarm employment rose to 402,600 in April 2005, which is a .70% increase from March and a .90% increase from one year ago.

Although the gains have been positive news, as a whole the job totals are still down over 16,000 jobs from the same time in 2001. There continues to be the anticipation of more companies cutting jobs in the future, such as the SBC Communications acquisition of AT&T which could affect as many as 1,000 jobs and the news of Sunoco's plans to move the headquarters of the Western Pipeline System to Houston taking 111 jobs from the Tulsa area.

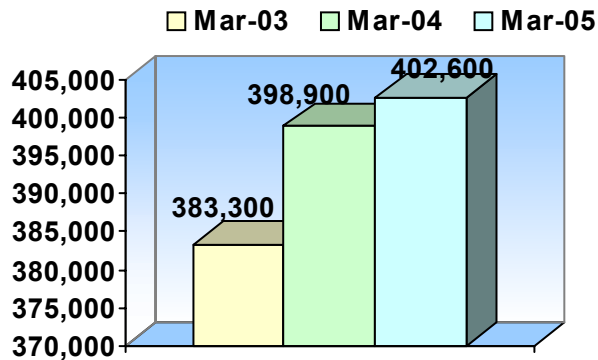
The recent growth is refreshing but we should keep in mind that even if Tulsa continues to experience the same job growth it has over the past two years it will take approximately seven more years to reach the total nonfarm jobs of 2001.



Tulsa's Unemployment Rate



Tulsa's Non-Farm Employment



SINGLE FAMILY HOUSING



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According to the Greater Tulsa Association of Realtors, Tulsa had an average sales price of \$131,959 in April, compared to \$126,148 the same time last year. The supply of homes still exceeds the number of purchasers causing houses to sell quickly. In fact, realtors are finding that homes that competitively priced and in good condition are selling faster than the average 63 day market time. And as we saw last year financing will continue to make it more convenient and affordable to own homes rather than renting high-end luxury apartments.

Builders started 436 homes in May, which is a 7% increase since the same time last year according to New Orders Weekly and the Home Builders Association of Greater Tulsa. The first five months of 2005 recorded 2,048 starts, a 12% increase over the first five months of 2004. As for Tulsa-area home building, Broken Arrow saw the most activity last month with 74 starts, while both Owasso and Wagoner reported 50, Jenks reported 45, and Bixby reported 18. According to the Greater Tulsa Association of Realtors in April there were 5,930 new and resale homes on the market, which is almost exactly parallel to the 5,929 listings in April 2004.

Greater Tulsa Association of Realtors: www.gtarcid.com
www.tulsarealtors.com

Home Builders Association of Tulsa: www.tulsahba.com
www.okhomebuilders.com

National Association of Homebuilders: www.nahb.org

