

ARVEST TOWER

Oklahoma City, OK

Offering Summary



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EXECUTIVE SUMMARY

Jones Lang LaSalle Americas, Inc. (“JLL”) has been exclusively retained to offer qualified investors the opportunity to acquire Arvest Tower (the “Property” or “Arvest”), a 202,111 square foot, downtown office tower with underground parking and an adjoining parking garage strategically positioned in Oklahoma City’s Central Business District. Centrally located with great access to downtown’s underground tunnels, the Property provides easy access for tenants and visitors both business and leisurely travel. Currently 72% leased with strong tenant tenure, **including the addition of Arvest Bank to a new 15-year lease**, significant building upgrades recently completed, Arvest Tower offers investors the opportunity to acquire a stable, cash-flowing asset with mark-to-market potential.





INVESTMENT HIGHLIGHTS

ARVEST BANK OKLAHOMA HEADQUARTERS

Arvest Bank's Chairman and CEO, Jim Walton, recently chose the Property as the bank's Oklahoma headquarters and executed a 15-year lease.

TENURED TENANCY WITH STRONG LAW FIRM PRESENCE

The Property boasts a weighted average tenant tenure of 15.1 years, driven by its six law firms. Arvest Tower's proximity to the Government House creates the ideal location for the lawyers and their clients.

OPPORTUNITY TO ATTRACT FLEX SPACE TENANCY

Oklahoma City has a growing demand for flex space, and Arvest Tower's 2nd floor is perfectly positioned to meet this demand with an existing layout, high ceilings for atmosphere and great views.

IMMEDIATE ACCESS TO DOWNTOWN ATTRACTIONS

With direct access to OKC's underground tunnel and sky walk system, Arvest Tower is ideally located to provide tenants with convenient access to Oklahoma City's downtown amenities.

POTENTIAL FOR PLAZA OUTDOOR AMENITY SPACE

With outdoor amenity space only increasing in demand, the Property has a large plaza with street access and visibility for food and beverage services to serve tenants in the building and the surrounding business district.

IN-PLACE CASH FLOW WITH SIGNIFICANT UPSIDE POTENTIAL

72% leased with in-place rates 11% below market and 19% of the Property's GLA expiring over the next 36 months.

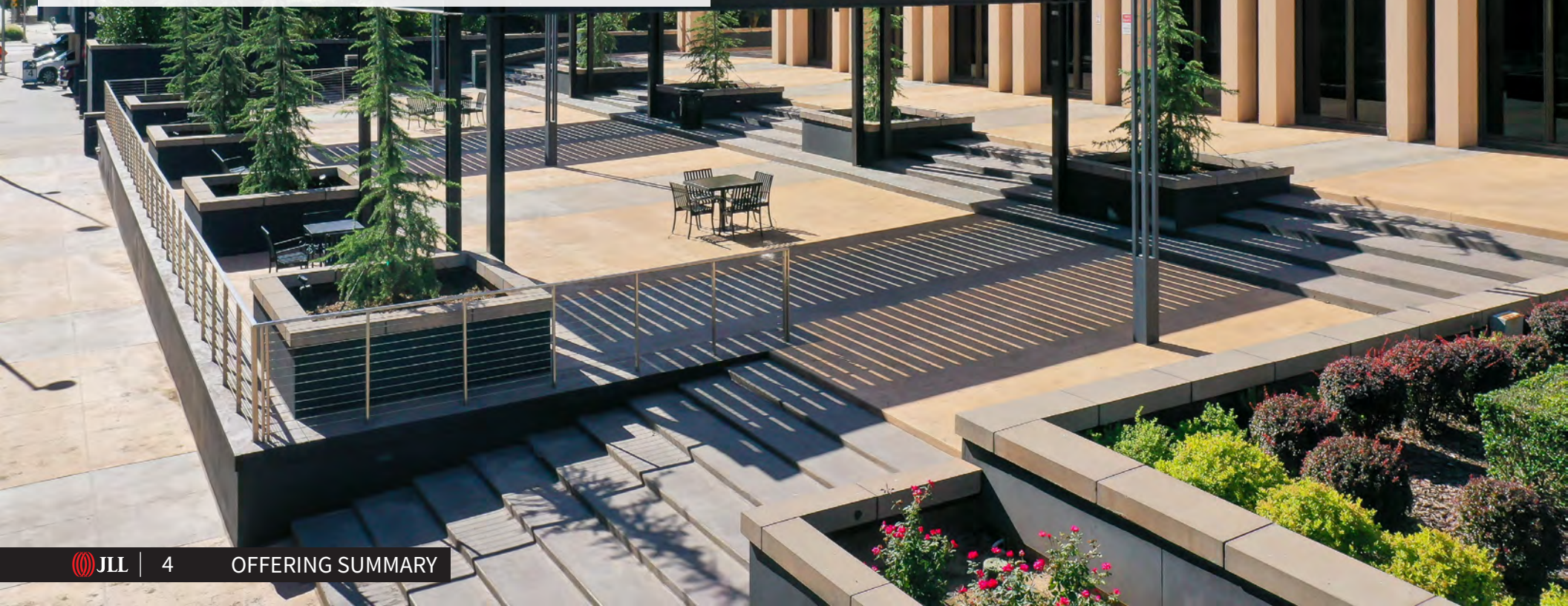
SUBSTANTIAL DISCOUNT TO REPLACEMENT COSTS

Opportunity to acquire a well-positioned office asset with underground parking and adjoining parking lot at a significant discount to replacement cost.

THE PROPERTY




ARVEST TOWER

Address	201 Robert S Kerr Ave. Oklahoma City, OK 73102
Square Feet	202,111
Occupancy	72%
Acres	2.1
Parking Overview	Underground: 117 Spaces 4-story parking garage: 298 Spaces Total: 415 Spaces
Year Built / Renovated	1972 / 2021
Avg. Tenant WALT (Years)	6.5
Avg. Tenant Tenure (Years)	15.1





MAJOR TENANT OVERVIEW

Tenant		Industry	SF	% of Bldg	Tenure	Term Remaining
	HQ at Arvest Tower \$1.5 billion in estimated Revenues	Financial Services	41,367	20.5%	1.0	14.7
 HARTZOG CONGER CASON	HQ at Arvest Tower Firm has grown to 35 lawyers over the past four decades	Legal Services	30,765	15.2%	33.0	5.6
Foliart Huff Ottaway & Bottom	HQ at Arvest Tower	Legal Services	19,095	9.4%	17.4	4.3
	Parent Company: Lumen Technologies HQ in Broomfield, CO with over 2,600 employees	Telecommunications	7,445	3.7%	23.6	6.4
FULLER TUBB BICKFORD WARMINGTON & PANACH PLLC	HQ at Arvest Tower Founded in 1946	Legal Services	5,740	2.8%	22.1	2.2
Total / Averages			104,412	51.7%	16.2	8.8



1,425,695
OKC METRO POPULATION



**I-35, I-40
& I-44**

130+ MILES OF
FEDERAL INTERSTATE AND
STATE HIGHWAYS



14.4%
COST OF LIVING
IS LOWER THAN
THE U.S. AVERAGE



FUN FACT

THE STATE CAPITOL
BUILDING AT 23RD AND
LINCOLN
IS THE ONLY CAPITOL IN THE
NATION WITH A WORKING OIL
WELL ON ITS GROUNDS



4.9%

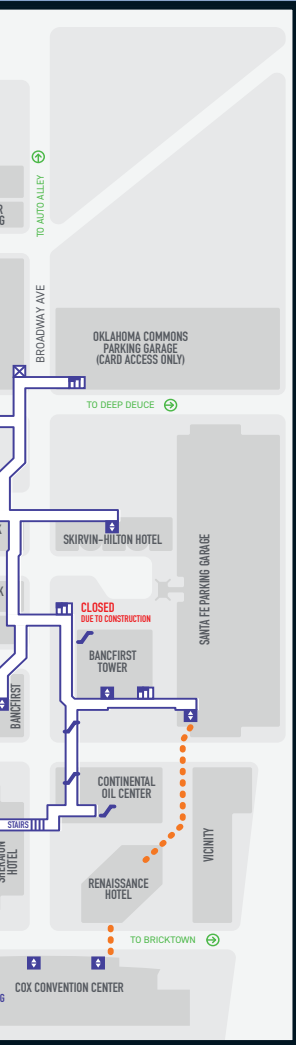
UNEMPLOYMENT RATE
AS OF SEPT 2021

*(One of the lowest unemployment rates
among metros of more 1M)*



**FORTUNE
500**
HOME TO TWO
FORTUNE 500
HEADQUARTERS





77,000 VPD



105,000 VPD



129,000 VPD

BRICKTOWN



ARVEST TOWER

OKC NATIONAL MEMORIAL AND MUSEUM

OKC MUSEUM OF ART

FILM ROW

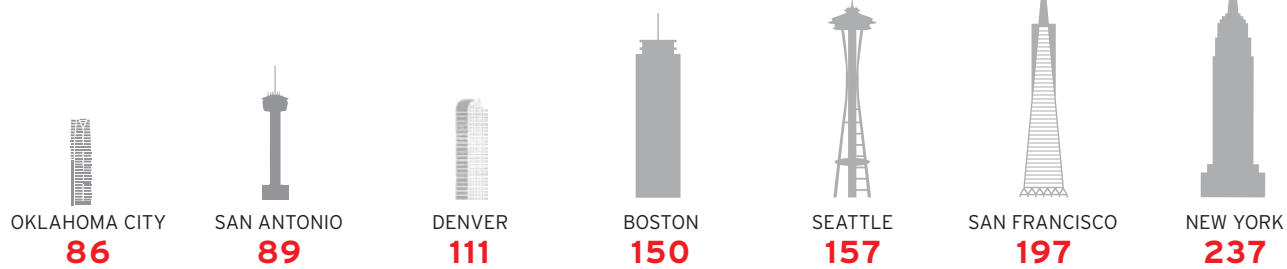
MYRIAD BOTANICAL GARDENS

SCISSORTAIL PARK
1.1 Miles / 5 Minutes

OKC TOP EMPLOYERS

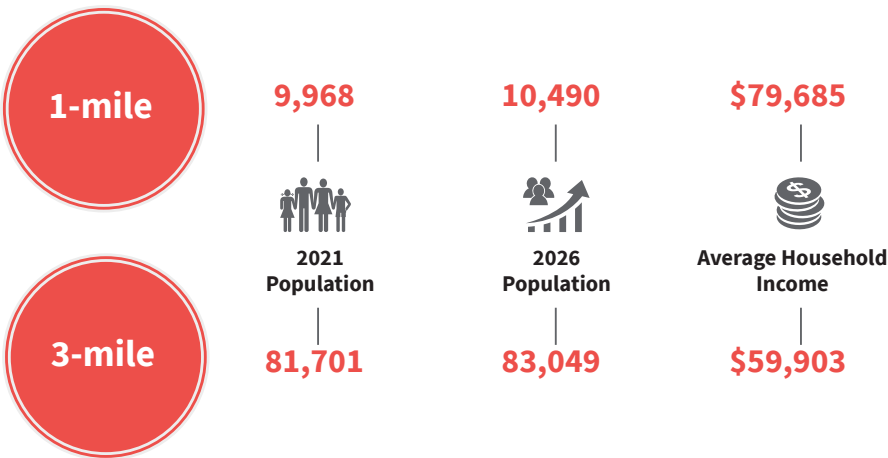


COST OF LIVING INDEX (2019)



SOURCE: C2ER COST OF LIVING INDEX, Annual Average 2019

DEMOGRAPHICS



EDUCATION

Classen School of advanced studies ranks in the Top 100 in the Nation
- U.S. News & World Report

OKLAHOMA CITY HIGHER EDUCATION





ECONOMY

For the last 30 years, Oklahoma Center for the Advancement of Science and Technology (“OCAST,” hub of the Oklahoma Innovation Model (OIM)) has delivered on its mandate to grow and diversify Oklahoma’s economy by developing new products, new processes, and whole new industries in Oklahoma.



People from outside our state are surprised by what they find in Oklahoma. Our vision is that this state becomes recognized as a technology corridor by embracing partnerships and collaboration between our academic enterprises, our industrial complex, and supportive government programs and policies.

-OCAST Executive Director
C. Michael Carolina.

OCAST delivers \$22 in economic impact for every dollar invested. In addition, the OIM private-sector members created a total of 1,908 new jobs last year, including 250 jobs with \$92 million in payroll from i2E companies and more than \$97 million in sales from OMA-assisted manufacturing firms, \$6.7 billion in private and federal funding, and so much more.

**collaborative
culture of
innovation**

**support for
startups and
existing
businesses**

**excellence
in research
support for
startups**



MAJOR INDUSTRIES:

The economy of the Greater Oklahoma City region is diverse. While federal, state and local government are the largest employers and the oil and natural gas sector generates the largest revenues, the area’s major private-sector economic contributors include:

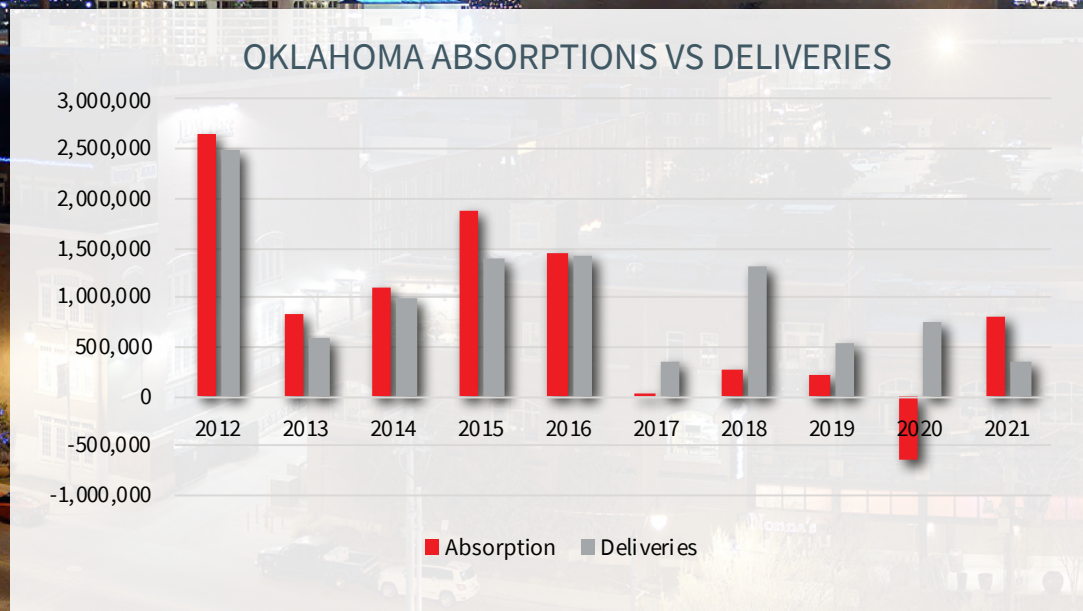
- Aviation & Aerospace:** With the largest concentration of aviation and aerospace firms in the state, the Greater Oklahoma City region’s 236 firms employ 36,600 workers – and growing. Nearly 65% of the workforce at Tinker Air Force Base - the largest single-site employer in the state – consists of civilian contractors and service providers.
- Bioscience:** Oklahoma City’s Bioscience presence is generating national and international attention. The sector employs more than 51,000 statewide. Companies within this industry are dedicated to providing Bioscience goods and services, as well as education and research testing.
- Energy:** Oklahoma City is the Energy capital of the state. Energy accounts for approximately 3% of metro employment but more than 8% of total compensation. The sector draws its strength from several Energy companies with headquarters in the city.
- Health Care:** As one of the nation’s major centers of healthcare delivery, the Oklahoma City region employs more than 80,000 health care sector workers. Our 36 general medical and surgical hospitals and 9 specialized hospitals combine to offer outstanding healthcare.
- Manufacturing:** This broad category includes metals and machinery; building materials; food products; and medical devices and equipment. With more than 35,000 employed, the manufacturing sector represents approximately 5% of the Greater Oklahoma City’s total nonagricultural labor force.
- Professional, Business & Financial Services:** Similar to the healthcare sector, the Greater Oklahoma City region provides business and financial services to a market that extends beyond state boundaries. This sector makes up 19% of the metro’s total workforce with more than 133,000 employees.
- Wholesale and Retail Trade:** Oklahoma City’s central location and accessibility has made it a vital crossroads for commerce. The convergence of I-35, a major north-south interstate, and I-40 and I-44, major east-west interstates, and numerous U.S. and State Highways position Oklahoma City as a major wholesale and retail trade center. For the year 2019, the Oklahoma City MSA had estimated total taxable retail sales of \$24.2 billion.
- International:** The Greater OKC metro area boasts a substantial international presence, with 36 countries represented by foreign based subsidiaries in the region. More than 40,000 are employed by these companies, which provide a broad range of products and services.



OKC OFFICE MARKET OVERVIEW

With the recent expansion of Heartland Payment Systems, OKC is continuing to trend in the right direction for the diversification of their economy. In mid-2020, Heartland completed its new \$40 million headquarters at NW Fifth and Broadway, housing 550 employees. Additionally, the company is adding an additional 400 jobs to the recently renovated Mideke building in Bricktown. Oklahoma City experienced 768,000 square feet of net absorption in the first of 2021, signaling a strong rebound from last year's pandemic.

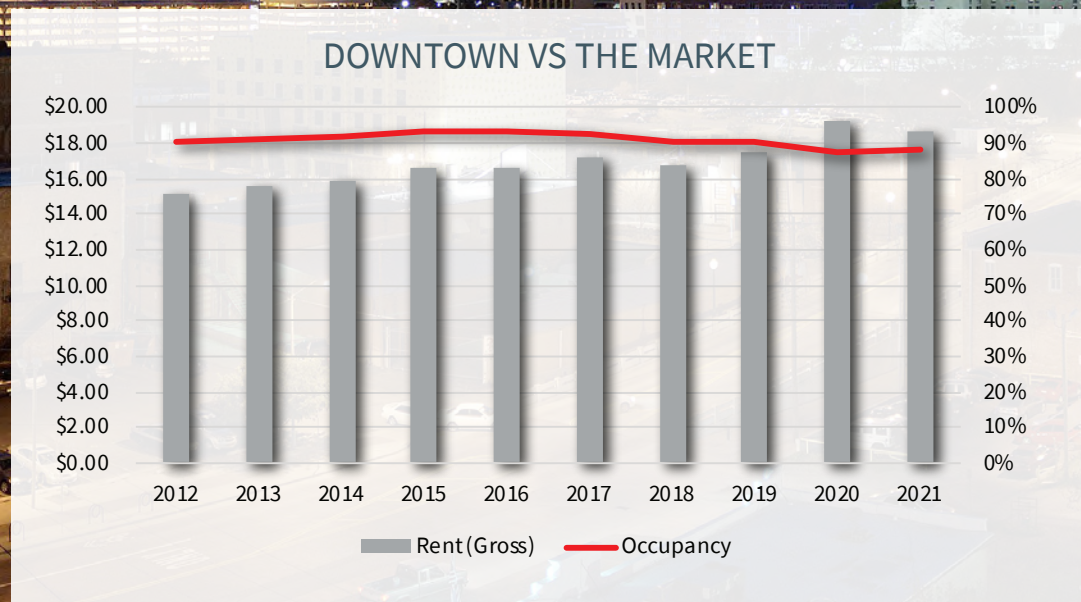
Similar to many energy-centric markets, the area was experiencing a slowdown heading into 2020. After five consecutive declining quarters totaling 1.1 million SF, the market began to stabilize in late 2020. In the second quarter of 2021, the market reported 402,000 SF of net move-ins.



CBD SUBMARKET OVERVIEW

The Central Business District of Oklahoma City is one of the most vibrant submarkets in the region despite the headwinds generated by a struggling energy sector and recession caused by a global pandemic. The area has been transformed into a proper live/work/play environment. Anchored by historic Bricktown, the urban district is home to more than 45 bars, restaurants, and retail shops. In September, Oklahoma City's Devon Energy and Tulsa-based WPX will become one company, making it one of the largest oil producers in the United States, worth an estimated \$12 billion.

Although a slowdown occurred due to the pandemic, CBD rents are still near the top of all area submarkets. While employment concentrations are still heavily in favor of the energy and government industries, the MAPS projects continue to draw interest from companies as well as renters to new multifamily communities. As a result, further diversification away from the sectors has increased, and current office development in and around the CBD reflects this change. Furthermore, private players in the CBD have been strategically trading properties to state agencies as well as taking buildings off the market, decreasing the submarkets inventory by over 600,000 square feet over the past few years.



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Oklahoma City, OK

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OKLAHOMA BROKER

BARRY BROWN

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**The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage.