Dear clients, friends, and associates:

We are pleased to present J.P. Weigand & Sons’ annual Forecast publication. For the past 16 years we have continued to be the only commercial real estate firm to survey the entire Wichita metropolitan area to gather statistics on existing space, vacancies and lease rates. The information in this year’s Forecast comes from a comprehensive analysis of more than 1,000 commercial properties totaling more than 29 million square feet.

2005 was an excellent year for real estate in the Wichita area. The economic recovery continues and is reflected in positive activity in nearly all facets of the real estate market.

• Housing sales continued at near record levels and commercial activity was at an all time high.
• The industrial sector continues to improve from the low point that was endured after the events of September, 2001.
• While not absorbing much vacant space the office sector is still very active with new developments and major relocations.
• The retail sector remains vibrant with new projects and continued interest from national businesses.
• Interest in real estate as an investment remains strong throughout the market.

2005 was the best year in the history of J.P. Weigand & Sons’ Commercial Real Estate Division. On behalf of our associates, staff and management we want to thank you for giving us the opportunity to work with you on your real estate requirements. We hope you find Forecast 2006 to be a useful resource as you make your plans and decisions for the coming year.

Sincerely,

Nestor R. Weigand, Jr.
Chairman/CEO

Connie Simcox
President/CFO

Jerry Gray
V.P./General Manager
MARKET OVERVIEW

The Wichita economy continued to regain stability in 2005. The recovery that started in 2004 was strong in some areas but not broad based enough to encompass all sectors of the economy. Employment levels held steady and the December unemployment rate was 4.8%, down from 5.2% in 2004.

Despite the relatively flat economy there was much to be excited about in Wichita in 2005. The Greater Wichita Economic Development Coalition (GWEDC) reported numerous successes. The public and private organization exceeded its goals for adding and retaining jobs by 61%. Since the GWEDC’s inception in 2004 it has been involved in the completion of 22 projected resulting in more than 5,000 jobs being retained or added through expansion of existing businesses and recruitment of new businesses.

The Central Business District had a heightened level of activity this past year. The location for the new arena was chosen and work was started to convert some office and industrial properties to residential uses. Apartments and condominiums in this area have the lowest vacancy rates in the city.

The sale of the Boeing Commercial Aircraft Division was completed without major job losses and there is optimism that the new Spirit Aerospace Company will be able to expand their operations and add employees. Boeing reported record sales in 2005 and has optimistic projections for 2006. The local general aviation manufacturers are also encouraged by their prospects for the coming year.

Optimism about the strength of the area’s economy could be seen in the level of activity in commercial real estate projects. New developments were announced for office and retail projects throughout the market. These projects and other newer developments started in the past year have been well received. There continues to be strong interest among out-of-state investors in owning real estate in Wichita.

All of the indicators are in place to make 2006 a very good year for the Wichita economy.

WICHITA METROPOLITAN AREA AT A GLANCE

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>584,671</td>
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<tr>
<td>Median Household Income</td>
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<td>Civilian Labor Force</td>
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<td>Total Wage &amp; Salary Employment</td>
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<td>Employed in Manufacturing</td>
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<td>Unemployment Rate</td>
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Wild West World, the area’s first major theme park scheduled to open in May, 2007.
There was a spike in the vacancy rate for class A properties in the Central Business District (CBD) up to 15.6% from 11.3% in 2004. The increase was primarily due to more vacancies at the Bank of America Building.

There continues to be a large discrepancy in the occupancy levels for the class A properties in the CBD that are along the Arkansas River versus the rest of the area. These buildings have few vacancies. This is primarily due to their more attractive locations, easy access, and ample parking.

The new developments in the northeast have significantly lower vacancy rates, at 4.9%, than any other area in the market. Despite the higher rents associated with new construction, major tenants are still choosing this area to locate their offices. The convenient access, parking and proximity to shopping, dining and, in many cases, the homes of top management are the major attractions.

Class A properties in the northwest sector aren’t as plentiful as in the other areas but have been well received and consistently have low vacancy rates.

The class B and C markets continue to struggle. The vacancy rate for the total B sector dropped slightly to 18.6% but increased in the CBD. There are also large holes in this category in the northeast and southeast sectors. The large amount of vacancies in the A market as well as in the competing B properties make it difficult for landlords to make significant gains.

There are large amounts of vacancies in class C properties throughout the market.

<table>
<thead>
<tr>
<th>CLASS A</th>
<th>Class B</th>
<th>Class C</th>
<th>OVERALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBD</td>
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<td>Northwest</td>
<td>Southeast</td>
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<tr>
<td>15.6%</td>
<td>10.6%</td>
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</tr>
<tr>
<td>$13.80</td>
<td>$15.46</td>
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<td>18.3%</td>
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<td>$9.96</td>
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<td>$7.11</td>
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<td>$6.18</td>
<td>$7.83</td>
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<td>20.8%</td>
<td>14.3%</td>
<td>17.1%</td>
<td>20.1%</td>
</tr>
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</table>
Real Development, Inc., out of Minneapolis, purchased more properties in the CBD in 2005 and continues to be a major factor in the market.

Well located office strip centers are gaining popularity throughout the area. Businesses are attracted to them because of the sizes of spaces that are offered, good street visibility and doorside parking.

There continues to be a high level of activity in the medical industry. Several new projects and expansions were announced in 2005. These included:

- Kansas Medical Center’s plans for a new hospital in Andover.
- Kansas Orthopedic Center announced plans for a new hospital at K-96 and 21st.
- Wesley Medical Center purchased the former Albertsons at 13 & Tyler.
- Plans were announced for new medical office developments at:
  - K-96 & Ridge Road
  - 29th & Webb
  - 619 S. Maize Road
  - Eberly Farms at 21st and 119th Street West.
- Expansions were announced at the Galichia Heart Hospital and the Kansas Heart Hospital.

Developers are looking at the west side of the city for new mixed use complexes. Plans were announced for at least three new office, retail and residential developments in the area.

**FORECAST**

- The office market will keep performing basically the same as it has for the past decade. Gains in one area will be offset by losses in another.
- Demand will stay strong among tenants for 1,200 to 2,500 square foot spaces in office strip centers.

**Significant Announcement and Transactions**

- Workforce Alliance leasing 60,000 square feet in the former Commerce Bank Building.
- Bever Dye law firm relocated to the Epic Center.
- Delta Dental and IMA announced plans to leave the CBD to relocate to the northeast sector.
- U.S. Postal Service occupying the property at 2601 S. Oliver.
- Wichita State University opened a satellite campus on the far west side.
RETAIL
THE YEAR IN REVIEW

There was a considerable amount of activity in the Wichita retail market in 2005. The activity tended to be focused in certain areas rather than being broad based throughout the market.

• The year-end vacancy rate for the class A sector was 6%. This is a decrease of 1.9% from 2004. It is also the lowest vacancy rate the market has seen since 1997. Much of the retail activity in 2005 focused on filling vacancies in the new projects that were started earlier in the year and in 2004.

• The class B and C markets continue to struggle with high vacancy rates. Year-end vacancies in class B were up to 17.1% from 16.8% a year ago. There has been a gradual progression of increased vacancies in these properties since 2000. These centers continue to struggle to replace tenants that have moved to new properties or closed their businesses altogether.

• The class C market actually improved slightly from 2004’s 21.1% vacancy rate. The 19.3% rate in 2005 is still a high number. This sector of the market is particularly hurt by vacant big box locations, some of which have been on the market for more than two years. It is encouraging to see that many of the class C centers that rely primarily on small locally owned businesses are doing well.

• Lease rates showed modest increases across the market. The steadiness of the lease rates are starting to cause issues for landlords trying to stay competitive while at the same time addressing large increases in construction costs and rising interest rates.

<table>
<thead>
<tr>
<th>CLASS A</th>
<th>CBD</th>
<th>NORTHEAST</th>
<th>NORTHWEST</th>
<th>SOUTHEAST</th>
<th>SOUTHWEST</th>
<th>TOTALS</th>
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<td>8.2%</td>
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<tr>
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<th>SOUTHEAST</th>
<th>SOUTHWEST</th>
<th>TOTALS</th>
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<td>12.9%</td>
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<td>8.78</td>
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Restaurants continue to be a major factor in the retail market. 2005 was a particularly active year for new openings in the area, erasing any thoughts that this activity might start to soften. These openings included restaurants that are new to the market as well as expansions by existing restaurants.

Banks are starting to be a significant component of the retail market as banks new to the area open branches and local banks expand their presence to stay competitive.

There was positive activity in some of the vacant big box locations on the city’s west side.
- Alco took over the former Osco location at Central and West St.
- Faddler’s leased the majority of the vacant space at the former Osco at Central and Tyler.
- Wesley Medical Center purchased the former Albertson’s at 13th and Tyler.

**FORECAST**

- Leasing activity will be similar to what the market experienced in 2005.
- Retail growth will spread further north on Maize Road on the west side.
- Greenwich Road at the intersections of 13th and 21st will attract more attention on the east side.
- Restaurant and bank activity will remain strong.

**Significant Announcements & Transactions**
- Gander Mountain opened for business in the Waterwalk Development.
- World Market opened their first store in Wichita at Regency Lakes.
- Kohl’s announced plans for a new store in Derby.
- Sportman’s Warehouse started construction on a new store at One Kellogg Place.
- Warren Theatre added 8 screens at the Plazzo Retail Entertainment Center.

Bradley Fair, Wichita’s only lifestyle center, continues to be a primary destination for shopping and fine dining patrons from throughout south central Kansas. Brick’s, a 50 year old, locally owned retailer relocated to Bradley Fair in 2005 adding to their mix of national and local businesses.

New Market Square is the dominant retail center on the city’s far west side. Two new buildings totaling 21,700 square feet were added to the center in 2005. New tenants in the past year were Sports Clips, Verizon Wireless and Great Clips. Plans were announced for a TGI Friday’s restaurant to open at New Market Square in 2006. This is their first location in Wichita.

The Regional Malls had positive activity in 2005. Neither Towne West nor Towne East reported any significant losses among their tenants and both added new stores. Trade Home Shoes and Felicity’s were among the new tenants at Towne East while Nine West and American Eagle opened stores in Towne West. There are small spaces available in both malls but they have enough flexibility within their tenant mixes to be able to accommodate larger tenants.
The Wichita industrial market continued the positive momentum that started in the second half of 2004.

• The vacancy rate for the total market was 16.7% compared to 25.3% at the end of 2004. This represents a significant improvement from the record high seen in 2002. The gains are a result of increased leasing activity and properties being sold to owner occupants.

• Lower vacancy rates were seen in the majority of the different property sectors throughout the market.

• The improvement is a reflection of the improving economy, especially among the aviation manufacturers. The completion of Boeing’s sale to Onex helped stabilize the manufacturing sector.

• The increase in the overall asking rate for industrial properties is related to vacancies in the newer properties and some of the less expensive spaces being leased or purchased.

• The level of leasing activity is still slow and the vacancy rate is substantially higher than the 6.1% the market experienced before 9/11.

<table>
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<tr>
<th>CLASS A</th>
<th>CBD</th>
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<th>SOUTHWEST</th>
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<th>SOUTHWEST</th>
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<td>23.4%</td>
<td>$3.00</td>
<td>28.8%</td>
<td>$5.22</td>
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<th>CLASS C</th>
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<td>$2.64</td>
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<th>SOUTHEAST</th>
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<tbody>
<tr>
<td>27.0%</td>
<td>$2.75</td>
<td>19.4%</td>
<td>$4.26</td>
<td>12.9%</td>
<td>$4.00</td>
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</tbody>
</table>
The market is experiencing an increase in demand for industrial land. There is still an ample supply of land but availability is getting tight in some of the prime locations. Prices for land in these areas are approaching the $3.00 per square foot range.

The vacancy rates aren’t a true reflection of the level of activity in the local industrial market. • A large amount of the industrial inventory is in older properties which don’t meet the needs of today’s industrial users. Many of these properties are also in locations that aren’t as attractive to today’s businesses which are choosing locations with better exposure and highway access. • Many of the vacancies have been created by local businesses choosing to purchase land to build new buildings rather than continuing to rent. Virtually all segments of the industrial market have been impacted by this trend to own.

The market is experiencing an increase in demand for industrial land. There is still an ample supply of land but availability is getting tight in some of the prime locations. Prices for land in these areas are approaching the $3.00 per square foot range.

**Forecast**

• The market will continue to improve.
• The manufacturing sector will be especially active supporting increased business from the aviation industry.
• The success of the newer industrial/business parks will generate new developments, especially on the east side of the city.

**Significant Activity**

• Exacta Aerospace lease of 170,000 square feet at 4200 W. Harry.
• BRG expanding their facility in Derby by 43,000 square feet.
• Safelite closed operations, putting 120,000 square feet on the market for purchase, at 721 E. Murdock.
• Continued strong sales at the newer business parks.
• Foley Equipment Company and Harley Davidson purchased the last remaining lots at 53rd & I-135.
• Activity continued at the Greenwich Business Park with FedEx expanding, Redneck Trailer breaking ground and R-Quip purchasing a site.
INVESTMENTS
THE YEAR IN REVIEW

Nationwide there has been a significant demand for investment real estate in the past few years. Wichita, and Kansas in general, have seen similar demands and 2005 proved to be another active year for investment sales. There are several reasons for the demand for investment real estate:

• **CALIFORNIA INVESTORS**
The California investment market has been so competitive it has driven investors to look for opportunities in other states. California investors are accustomed to paying lower cap rates than are typically paid in Kansas and this makes investments in our area more attractive to them. This has been especially true in the local multi-family and retail markets.

• **INTERNET MARKETING**
The use of the internet as a marketing tool has increased the pool of buyers as investors have access to properties all over the country at the click of a button.

• **INCREASED CAPITAL CHASING REAL ESTATE**
Following the stock market downturn in 2001 many investors opted to invest more heavily in real estate. The stock market hasn’t stabilized enough to reverse this trend.

• **LOW INTEREST RATES**
Low interest rates have increased the amount a buyer can pay for a property without affecting the buyer’s rate of return.

• **FORECAST**
There will still be more buyers than sellers keeping downward pressure on cap rates, which will increase property values.
Rising interest rates could cause the investment market to soften some in the second half of 2006. This softening could increase if the stock market shows more stability during the year.

**INDUSTRIAL 10 YEAR MARKET SUMMARIES**

<table>
<thead>
<tr>
<th>Year</th>
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<th>Class B</th>
<th>Class C</th>
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<td>2003</td>
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**RETAIL 10 YEAR MARKET SUMMARIES**

<table>
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<th>Class A</th>
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<td>2003</td>
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<td>&lt;&lt;$8.10, 16.4%&gt;&gt;</td>
<td>&lt;&lt;$5.36, 19.5%&gt;&gt;</td>
<td>&lt;&lt;$8.83, 12.5%&gt;&gt;</td>
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<tr>
<td>2004</td>
<td>&lt;&lt;$15.05, 21.1%&gt;&gt;</td>
<td>&lt;&lt;$9.40, 21.1%&gt;&gt;</td>
<td>&lt;&lt;$5.38, 21.1%&gt;&gt;</td>
<td>&lt;&lt;$9.28, 11.5%&gt;&gt;</td>
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<tr>
<td>2005</td>
<td>&lt;&lt;$15.79, 9.5%&gt;&gt;</td>
<td>&lt;&lt;$9.50, 13.4%&gt;&gt;</td>
<td>&lt;&lt;$5.69, 13.9%&gt;&gt;</td>
<td>&lt;&lt;$9.28, 11.5%&gt;&gt;</td>
</tr>
</tbody>
</table>

**OFFICE 10 YEAR MARKET SUMMARIES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>&lt;&lt;$13.79, 5.1%&gt;&gt;</td>
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<td>&lt;&lt;$7.48, 44.2%&gt;&gt;</td>
<td>&lt;&lt;$10.20, 16.8%&gt;&gt;</td>
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<td>&lt;&lt;$7.84, 42.9%&gt;&gt;</td>
<td>&lt;&lt;$10.62, 19.0%&gt;&gt;</td>
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<tr>
<td>1998</td>
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<td>&lt;&lt;$8.04, 39.6%&gt;&gt;</td>
<td>&lt;&lt;$10.67, 18.5%&gt;&gt;</td>
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<td>&lt;&lt;$7.16, 36.0%&gt;&gt;</td>
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<tr>
<td>2003</td>
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<tr>
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<td>&lt;&lt;$7.17, 32.0%&gt;&gt;</td>
<td>&lt;&lt;$10.19, 16.7%&gt;&gt;</td>
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<tr>
<td>2005</td>
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<td>&lt;&lt;$10.26, 31.0%&gt;&gt;</td>
<td>&lt;&lt;$7.17, 31.0%&gt;&gt;</td>
<td>&lt;&lt;$10.26, 18.8%&gt;&gt;</td>
</tr>
</tbody>
</table>
FARM & RANCH

• Rising fuel prices became a major issue for Kansas farmers in the second half of 2005. These increased costs have a significant impact on the farm economy as they affect the cost of operating equipment, the cost to run irrigation equipment and the cost of fertilizer. The negative impact is compounded by the fact that crop prices are remaining relatively flat.
• The Federal Reserve reported that farm credit conditions started weakening in the third quarter. This is a direct correlation to the increase in fuel costs.
• Land values held steady in 2005 as rural land continued to be attractive to buyers wanting acreage for recreational purposes and for personal residences. Ranches with nice homes and diverse land are particularly attractive to these buyers.
• 2005 was a good year for wheat and corn production.
  • Wheat production was up 21 per cent from 2004. With good production and good fall weather Kansas farmers planted 10.2 million acres of winter wheat. This is an increase from previous years.
  • The 465.8 million bushel corn crop was a record for Kansas surpassing the previous high of 432 million bushels. There were 3.6 million acres of corn planted in the state.

• The cotton crop was above average as the good fall weather brought higher than average yields. There were approximately 85,000 acres of cotton planted in southern Kansas in 2005. This is expected to increase to almost 100,000 acres in 2006 as cotton continues to become more attractive to farmers because it requires less water and fertilization than many of the traditional crops.
• Sunflower production is also increasing in the state due to better returns than some other crops. There were 277,000 acres planted in sunflowers in 2005 up from 119,000 acres the previous year.
• Cattle prices remained healthy and helped to serve as a solid foundation for the state’s agricultural economy. Livestock production accounts for 59% of the total farm receipts in Kansas.
• The difficulties in the agricultural economy are causing more farmers to look for other sources of income and more young people not to stay at home to take over the family farms. Farming isn’t the primary income of 37% of Kansas farmers and the average age of the principal farmer has increased to 56 years old.
• Exports are still a major source of revenue. Kansas ranks 6th in the country for overall agricultural exports and first in wheat exports.

FORECAST

• Credit issues will increase as more farmers will have difficulty making loan payments.
• The rising fuel costs will continue to have a major impact.
• Farmers will have to make changes to try to make their operations more efficient.
• The demand for recreation land will moderate as interest rates increase.
• Farmers will keep a close eye on Washington as the process of drafting the 2007 Farm Bill begins.

OLD TOWN

With approximately 1 million square feet of space, the Old Town Historic District has become a significant part of Wichita’s residential and commercial real estate markets. There is a solid foundation of residential, office and retail properties:

• Office – 276,000 sf
• Residential – 412,000 sf
• Retail/Restaurant/Entertainment – 332,000 sf

Residential opportunities in the District continue to be popular. There are few vacancies in the apartments in the area and the new residential condominiums have been well received. The last three available units in the Grant Telegraph Centre were sold in 2005 and the 28 unit Rumley Loft Condominiums at 242 N. Mead sold out.

Plans were announced for a new hotel to be built at 2nd and Mosley. The Courtyard by Marriott is expected to open in 2007 with 120 rooms.

OFFICE
• Airbus substantially increasing their existing space.
• Manpower opening an office at 800 E. Douglas
• The Wichita Business Journal’s plans to move to 121 N. Mead

CLUBS
• Center Stage opened in the 100 block of N. Mead
• Liquid opened at 235 N. Mosley

RESTAURANTS
• Egg Cetera opened at 242 N. Mosley
• Playa Azul opened at 111 N. Washington
HOSPITALITY
THE YEAR IN REVIEW

There was positive momentum in the hospitality sector during 2005 as several new projects were announced and occupancy rates were up from 2004.

Three new properties are planned for the Central Business District. This new activity is related to the downtown arena project and the success of similar hotels in the area.

• A site was purchased and work started on a 120 room Courtyard by Marriott that will open in the Old Town Historic District in 2007.
• The John Q. Hammons group announced an interest in building a hotel near the arena.
• Plans are being finalized for a hotel in the former Spaghetti Warehouse location.

Value Place started construction on a new location on the west side of the city at Kellogg and Ridge Road. The 121 unit property is scheduled to open in June, 2006.

Sleep Inn purchased a site for a new hotel in Park City near the new Wild West World Amusement Park.

The Best Western Airport announced plans to add 60 suites to the property. The new suites are scheduled to be available for occupancy in 2006.

The Hilton Homewood Suites at the Waterfront Development at 13th and Webb Road is scheduled to open during the first quarter of 2006. The Express Inn in Andover is also planning to open this year.

2005 Openings
• Residence Inn by Marriott at the Plazzio Retail Entertainment Center at 13th and
• Express Inn in Goddard.
• Econolodge opened in the former Williamsburg Inn location on East Kellogg.
• Wichita Inn reopened after being closed for most of 2004.

MULTIFAMILY
THE YEAR IN REVIEW

The multifamily market in Wichita is slowly absorbing the vacancies created by job losses, attractive financing for first time home owners and the excess inventory from new construction in 2000-2001. The vacancy level at the end of 2005 was 10.6%. This is a 3.3% decrease from the end of 2004 and a major improvement from the record 15.5% vacancy rate the market experienced in 2003.

• All market sectors either held steady or had lower vacancy rates.
• The greatest improvement was seen in the Downtown area where the rate dropped to 13.5% from last year’s 20.8%.
• The Northwest and Southwest markets also showed improvement while the East side markets held steady.

Multifamily projects converted from other uses in the Central Business District continue to be very popular. These properties have few vacancies.

The improved vacancy numbers haven’t had an impact on rental rates which are essentially the same as they were a year ago. It is still a renter’s market and rent concessions are available at most properties.

Multifamily properties in Wichita are an attractive investment. The market has seen strong interest among investors from Kansas and out-of-state, California in particular.

There was one new project started in 2005. This will be a 232 unit complex in the Waterford Development located east of the intersection of 29th North and Rock Road.

WEIGAND FORECAST 2006

• The market conditions are expected to be favorable for a continuing gradual decline in the vacancy rates.
• There is still an ample supply of units in the market which will keep rental rates flat.
RESIDENTIAL
THE YEAR IN REVIEW

Records keep getting broken. There was an 11% increase in the number of homes sold in the greater metropolitan area in 2005. 11,920 homes were sold marking the fourth consecutive year for record breaking sales activity.

- **Existing Home Sales**
  - Sales of existing homes in the area increased by 11.5%.
  - Numbers were up in virtually all market sectors with the southeast and northeast showing the largest gains in the city. The northwest and southwest showed the biggest increases in Sedgwick County.
  - Sales patterns were similar to what they have been in recent years. In Wichita and Sedgwick County the numbers were almost evenly divided between the east and west.
  - Butler County had an 8% increase in the number of houses sold. Other outlying areas showed an increase of nearly 20%.

- **New Home Sales**
  - Sales of new homes increased by 9%.
  - Again, the numbers were up in most of the market sectors with the biggest gains in the southeast in Wichita and the southwest in Sedgwick County.
  - The number of new homes sold in Butler County declined slightly but were up significantly in the other outlying markets.
  - The northeast and northwest continue to be the most popular areas for new home sales in Wichita and Sedgwick County.

- **Average Sales Prices**
  - The average sales price for all homes sold reached a new high of $124,595, an increase of 3.8% from last year’s previous record.
  - The average sales price for existing homes increased by 3.1% to $108,941.
  - For new homes the average sales price was $197,941 an increase of 6.6%.
  - The highest average sales price in any area was $272,093 for new homes in the northeast area of Wichita.

There is still a strong demand for new homes in the area as evidenced by the 2,661 homes started in 2005. The activity level was virtually the same as the 2004 market which was the third highest number in the past 10 years. The 1,610 new home starts in Wichita barely eclipsed last year’s record number of 1,604. Derby’s 209 starts were the most for all of the areas outside of Wichita. This was an increase of 83 units from a year ago. Andover saw 55 fewer housing starts in 2005 which was the largest decrease in the outlying areas.

Nationally, the predictions are for new housing starts to drop by 10% in 2006. Locally, the Wichita Area Builders Association is more optimistic. They project the activity level to be closer to the levels seen the past two years with a possible decline of around 5%.

NEW CONSTRUCTION
THE YEAR IN REVIEW

- **Forecast**
  - The rate of sales is expected to moderate some in 2006 but still be higher than historic averages.
  - Home prices will continue to appreciate but at a lower rate. There were more homes on the market at the end of 2005 than the previous year which is an indication that 2006 might be more of a buyer’s market.
  - Rising construction costs and interest rates will keep upward pressure on the prices of new homes.
Since 1902, J.P. Weigand & Sons has meant real estate in Wichita. Through the years we’ve maintained our founder’s commitment to client service while becoming one of the largest and most successful real estate companies in the Midwest. Today, we have more than 250 residential and commercial real estate professionals working out of ten offices in Wichita and surrounding communities.

The Commercial Division is the largest full service commercial real estate company in south central Kansas. We have over twenty commercial specialists offering their clients a full range of services:

- Site selection
- Landlord representation
- Tenant representation
- Land sales
- Industrial sales & leasing
- Retail sales & leasing
- Office sales & leasing
- Auction services
- Farm & Ranch sales
- Investment brokerage
- Corporate services
- Consulting services
- Market analysis
- Property management

In 2005 J.P. Weigand & Sons became a member of TCN Worldwide, an international consortium of independent real estate firms. Affiliating with TCN gives us access to the top real estate companies and professionals in markets throughout the world. Networking with these professionals enhances our knowledge and benefits our clients when they have requirements outside of Kansas.

**Whatever your requirement, J.P. Weigand & Sons has the expertise and the resources to deliver the results you want.**

The data included in Forecast 2006 was compiled through surveys of the properties available for lease at the end of 2005. Properties under construction as well as those proposed for construction were not included. Sublease space was considered occupied as long as rent was still being paid to the landlord. Lease rates are weighted averages for the properties that were available. They do not reflect rates for properties that did not have vacancies and they do not reflect rates actually paid to lease space. Office rates are quoted on a “full service” basis; retail rates “triple net”, and industrial rates are quoted on an “industrial gross” basis.

The quadrant dividing lines are Broadway Avenue for east west and Douglas Avenue for north south. The Central Business District is defined as that area bounded by Seneca, Hydraulic, Kellogg and Murdock.

J.P. Weigand & Sons would like to thank the landlords, property managers and real estate brokers who supplied vacancy information for the Forecast. We would also like to express our appreciation to the following groups for their assistance in providing information: The Center for Economic Development and Business Research; The Greater Wichita Economic Development Coalition; The Wichita Area Association of Realtors; The Wichita Area Builders Association; City of Wichita; and Savage, Inc.

All information contained in the Forecast is from sources deemed reliable, but no guarantee is made or responsibility is assumed as to its accuracy or completeness. Data in this Forecast may not be directly comparable to that presented in previous Forecasts.

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