



MARKET TRENDS | **PORTLAND**

# OFFICE

**3RD QUARTER**  
**2020**

▲ VACANCY | ▲ UNEMPLOYMENT | ▲ RENTAL RATE | ▲ CONSTRUCTION DELIVERIES

Year-over-year change

**TOP SALE TRANSACTIONS FOR 3Q 2020**

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
222 NW 5th Ave & 208 NW 5th Ave, Portland	CBD	97,347	\$25,000,000	\$256.81	Harbert Mgmt Co. & ScanlanKemperBard Co.	GAW Capital Partners
2555-2645 SW 153rd Dr, Beaverton	Sunset Corridor/Hillsboro	43,617	\$10,397,789	\$238.39	Strategic Office Partners	Gloria Y Gee Living Trust et al

**TOP LEASE TRANSACTIONS FOR 3Q 2020**

Property	Submarket	Square Feet	Date	Landlord	Tenant
1250 NW 9th Ave, Portland	CBD	22,600	September 2020	CBRE Global Investors Ltd	Brainium Studios
1306-1340 SE 9th Ave, Portland	SE Close-In	18,062	August 2020	Capstone Partners	Steelhead Surgical
1300 SW Fifth Ave, Portland	CBD	13,038	September 2020	Starwood Capital Group	Undisclosed

**TOP UNDER CONSTRUCTION**

Property	Address	Submarket	Square Feet	Owner	Delivery Date
Nike North Expansion	1 SW Bowerman Dr, Beaverton	Sunset Corridor/Hillsboro	1,003,585	NIKE, Inc.	1Q 2021
Adidas Expansion	5055 N Greeley Ave, Portland	Hayden Island/Swan Island	180,000	Adidas America	4Q 2020
Block 216	900 SW Washington St, Portland	CBD	169,188	BPM Real Estate Group	1Q 2023

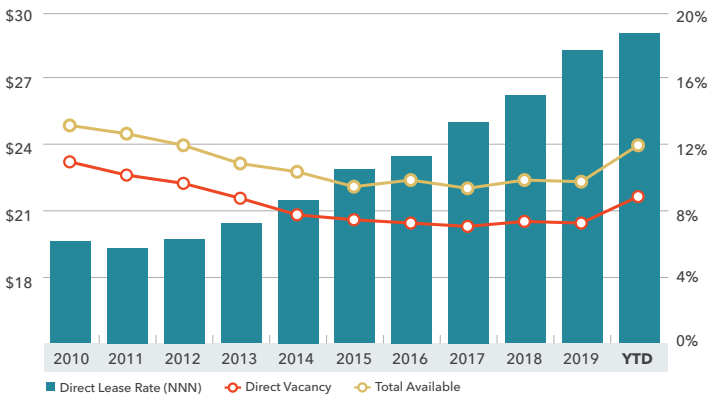
## Market Breakdown

	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Direct Vacancy Rate	8.8%	7.7%	7.2%	<b>21.73%</b>
Availability Rate	12.1%	10.5%	9.8%	<b>23.59%</b>
Asking Lease Rate	\$28.94	\$28.94	\$27.40	<b>5.62%</b>
Leased SF	379,955	646,663	1,405,395	<b>-72.96%</b>
Sold SF	328,263	402,966	1,128,427	<b>-70.91%</b>
Net Absorption	(752,272)	(21,895)	184,623	<b>N/A</b>

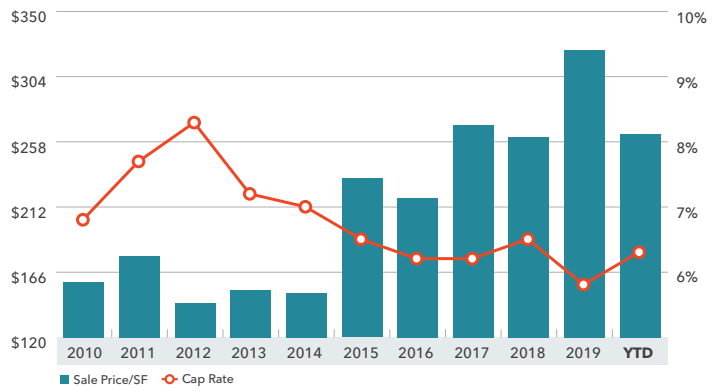
## PORTLAND SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Total Net Absorption	YTD Total Net Absorption	3Q Leasing Activity	YTD Leasing Activity	Rental Rate
CBD	27,949,311	13.03%	14.04%	18.50%	-368,404	-328,195	78,809	446,619	\$33.17
Pearl District/Chinatown	2,590,316	9.93%	10.15%	18.14%	-24,852	-25,235	1,895	17,457	\$27.02
<b>Downtown</b>	<b>30,539,627</b>	<b>12.77%</b>	<b>13.71%</b>	<b>18.47%</b>	<b>-393,256</b>	<b>-353,430</b>	<b>80,704</b>	<b>464,076</b>	<b>\$33.06</b>
217 Corridor/Beaverton	3,960,064	11.39%	11.88%	14.22%	28,320	7,204	37,229	172,716	\$21.92
Airport Way	1,122,761	6.02%	6.02%	6.50%	562	5,321	0	17,384	\$21.56
Barbur Blvd/Capitol Hwy	1,335,899	7.13%	7.23%	7.04%	-15,609	-39,044	9,707	17,748	\$19.16
Camas/Washougal	839,295	3.38%	3.38%	4.30%	11,361	17,788	5,541	7,341	\$24.52
Cascade Park	2,994,839	7.65%	7.75%	8.59%	-40,452	-111,268	24,745	45,562	\$24.10
CBD/West Vancouver	2,719,092	6.37%	6.53%	8.02%	-20,483	16,426	18,357	122,143	\$26.21
Clackamas/Milwaukie	2,863,631	3.02%	3.37%	7.52%	14,016	-38,189	12,369	69,968	\$27.39
East Columbia Corridor	969,176	1.52%	1.52%	2.41%	46,341	44,545	0	20,643	\$29.00
Gateway	2,297,848	1.52%	1.52%	1.77%	1,615	-11,848	14,804	19,651	\$22.03
Gresham	1,020,280	7.08%	7.08%	8.25%	-439	1,557	2,249	9,976	\$21.86
Guilds Lake	1,013,341	39.06%	41.01%	41.01%	-29,305	-31,108	0	2,405	\$42.00
Hayden Island/Swan Island	1,832,328	1.74%	1.77%	1.77%	-11,920	-13,551	0	253	\$15.00
Hazel Dell/Salmon Creek	879,358	5.40%	5.40%	5.67%	-1,927	3,849	0	23,327	\$25.74
Johns Landing	1,807,885	9.62%	10.59%	13.62%	-16,056	-43,052	2,387	22,654	\$29.87
Kruse Way	2,772,755	12.58%	14.45%	17.63%	-54,872	-11,998	7,610	51,925	\$33.84
Lake Oswego/West Linn	945,675	11.10%	12.19%	13.06%	-22,209	-12,878	13,423	32,618	\$28.20
Lloyd District	5,363,046	6.52%	7.34%	9.64%	-47,737	-20,049	7,031	132,915	\$26.16
Mall 205	937,264	5.14%	5.14%	9.28%	-2,184	7,120	2,053	15,375	\$20.05
NE Close-In	1,515,719	3.63%	3.91%	6.88%	-3,036	-2,072	7,111	34,996	\$30.13
North Beaverton	3,059,653	4.26%	4.71%	15.05%	-31,887	-48,998	14,664	28,166	\$24.77
Orchards	705,607	10.97%	10.97%	10.97%	-30,128	-12,206	1,984	10,914	\$22.80
Oregon City	831,042	1.78%	1.78%	1.99%	-168	-7,839	1,114	6,605	\$22.54
Rivergate	71,876	0.00%	0.00%	0.00%	0	0	0	0	-
SE Close-In	3,223,445	8.33%	9.46%	11.47%	-62,007	-25,323	45,567	95,618	\$29.61
Sherwood	163,535	8.13%	8.13%	8.13%	0	100	0	0	-
St. Johns/Central Vancouver	1,760,942	1.49%	1.49%	2.96%	-1,292	-4,587	3,000	3,596	\$34.03
Sunset Corridor/Hillsboro	13,543,562	4.61%	4.86%	5.55%	-81,408	-132,861	10,980	87,853	\$23.69
SW Close-In	735,466	24.51%	24.51%	24.57%	3,413	-20,526	0	1,800	\$17.16
Sylvan/Hillsdale	778,984	4.14%	4.14%	9.58%	10,213	14,270	6,720	29,485	\$16.26
Tigard	3,262,602	9.42%	9.57%	11.08%	14,803	-52,571	41,132	142,296	\$23.70
Tualatin	1,261,615	16.26%	16.26%	17.53%	-8,380	-47,574	2,883	23,521	\$26.58
Vancouver Mall	848,042	11.07%	11.71%	12.99%	-3,227	-27,914	5,381	44,989	\$23.20
Wilsonville	1,230,769	1.39%	1.39%	1.63%	-4,934	-6,503	1,210	203,347	\$26.55
<b>Suburban</b>	<b>68,667,396</b>	<b>6.99%</b>	<b>7.40%</b>	<b>9.29%</b>	<b>-359,016</b>	<b>-603,779</b>	<b>299,251</b>	<b>1,497,790</b>	<b>\$25.87</b>
<b>Portland Total</b>	<b>99,151,373</b>	<b>8.76%</b>	<b>9.34%</b>	<b>12.11%</b>	<b>(752,272)</b>	<b>(957,209)</b>	<b>379,955</b>	<b>1,961,866</b>	<b>\$28.94</b>
<b>Market Totals By Class</b>									
Class A	33,642,545	11.81%	12.52%	15.62%	-186,994	-94,086	114,935	665,461	\$33.35
Class B	47,674,208	7.71%	8.28%	10.74%	-439,775	-659,835	191,281	1,034,706	\$25.75
Class C	17,809,245	5.84%	6.16%	9.18%	-125,071	-202,856	64,858	252,818	\$21.69

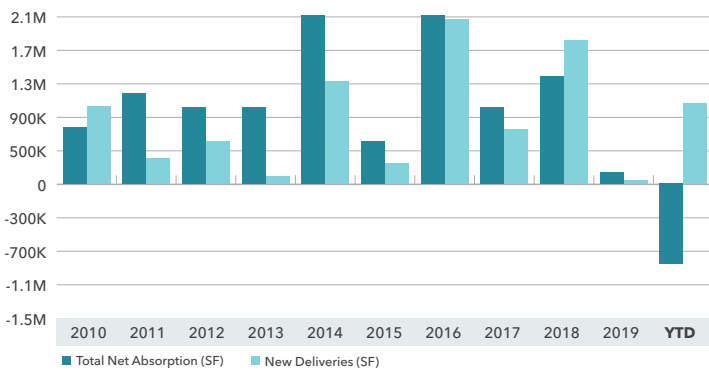
## LEASE RATE, VACANCY & AVAILABILITY



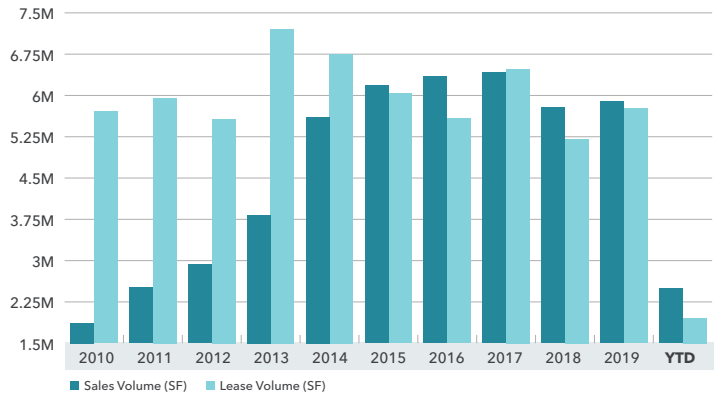
## AVERAGE SALES PRICE/SF & CAP RATES



## TOTAL NET ABSORPTION & NEW DELIVERIES



## SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

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### COMMERCIAL BROKERAGE

<b>27M</b>	<b>ANNUAL SALES SF</b>	<b>450+</b>	<b>NO. OF BROKERS</b>
<b>\$9.6B</b>	<b>ANNUAL TRANSACTION VOLUME</b>	<b>42M</b>	<b>ANNUAL LEASING SF</b>

### VALUATION ADVISORY

<b>1,680+</b>	<b>APPRAISALS ANNUALLY</b>	<b>37/23</b>	<b>TOTAL NO. APPRAISERS/MAI'S</b>
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### PROPERTY MANAGEMENT

<b>70M+</b>	<b>MANAGEMENT PORTFOLIO SF</b>	<b>\$12B+</b>	<b>IN ASSETS UNDER MANAGEMENT</b>
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