

## MARKET TRENDS | PORTLAND

# OFFICE

4TH QUARTER  
2020

▲ VACANCY | ▼ ABSORPTION | ▼ RENTAL RATE | ▲ CONSTRUCTION DELIVERIES

Year-over-year change

### TOP SALE TRANSACTIONS FOR 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
1455 SW Broadway, Portland	CBD	177,800	\$132,300,000	\$744.09	Principal Real Estate Investors LLC	BPM Real Estate Group
1800 SW 1st Ave, Portland	CBD	187,199	\$52,800,000	\$282.05	GEM Realty Capital, Inc. JV Libertas Management, LLC	Oregon Pacific Investment & Development Co.
3147 SW Sam Jackson Rd, Portland	Sylvan/Hillsdale	85,000	\$40,030,395	\$470.95	Oregon Health & Science University	Physicians Pavilion Ptrs LP

### TOP LEASE TRANSACTIONS FOR 2020

Property	Submarket	Square Feet	Date	Landlord	Tenant
9275 SW Peyton Ln, Wilsonville	Wilsonville	120,180	Q2 2020	Melvin Mark Companies	State of Oregon - Department of Unemployment
27200 SW Parkway Ave, Wilsonville	Wilsonville	70,020	Q1 2020	Michael E Fritz	Columbia Distributing
2600 NW Lake Rd, Camas	Camas/Washougal	54,024	Q1 2020	Camas School District	Fisher Investments

### 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.	Q1 2021
503 on Tenth	503 SE 10th Ave, Portland	SE Close-In	269,908	Summit Development Group LLC	Q1 2022
Adidas Expansion	5055 N Greeley Ave, Portland	Hayden Island/Swan Island	180,000	Adidas America	Q1 2021

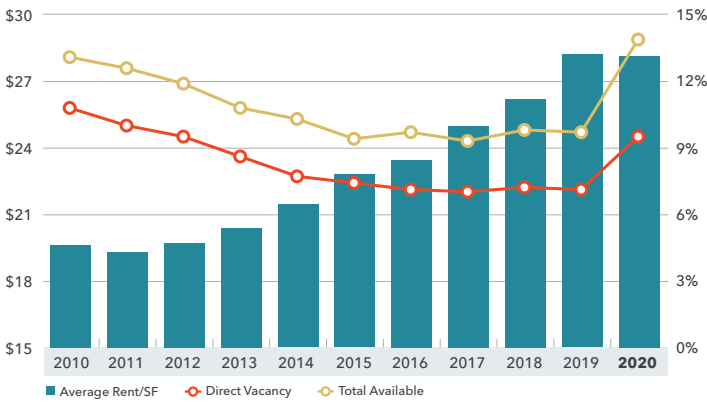
## Market Breakdown

	2020	2019	2018	Annual % Change
Direct Vacancy Rate	9.5%	7.1%	7.2%	33.80%
Availability Rate	13.9%	9.7%	9.8%	43.30%
Asking Lease Rate	\$28.12	\$28.18	\$26.17	-0.21%
Leased SF	2,533,681	5,811,606	5,206,134	-56.40%
Sold SF	3,927,882	5,901,342	6,042,040	-33.44%
Net Absorption	(1,808,268)	139,685	1,315,627	N/A

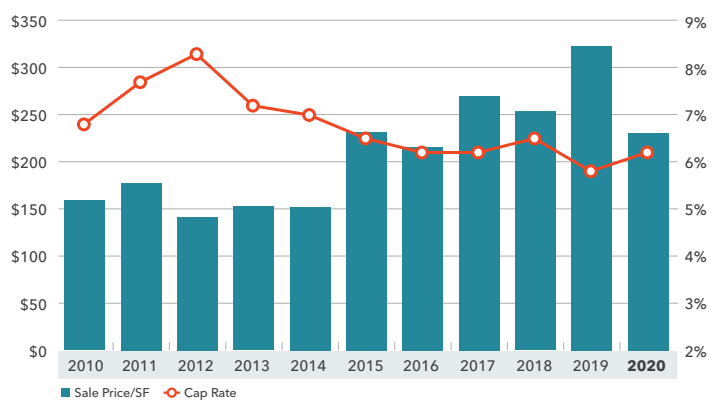
## PORTLAND SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Total Vacancy Rate	Total Availability Rate	4Q Total Net Absorption	2020 Total Net Absorption	4Q Leasing Activity	2020 Leasing Activity	Rental Rate
CBD	28,231,213,	13.7%	15.2%	20.2%	-362,507	-695,558	106,904	582,917	\$31.68
Pearl District/Chinatown	2,663,888	12.5%	12.7%	21.1%	-13,456	-38,691	5,681	23,138	\$26.83
<b>Downtown</b>	<b>30,895,101</b>	<b>13.6%</b>	<b>15.0%</b>	<b>20.3%</b>	<b>-375,963</b>	<b>-743,249</b>	<b>112,585</b>	<b>606,055</b>	<b>\$31.59</b>
217 Corridor/Beaverton	3,959,400	11.7%	13.8%	15.6%	-76,232	-69,028	39,282	215,177	\$21.94
Airport Way	1,143,761	9.3%	9.3%	10.5%	-36,568	-31,847	0	22,884	\$22.24
Barbur Blvd/Capitol Hwy	1,329,369	6.8%	6.9%	8.4%	4,547	-34,497	1,010	19,198	\$19.33
Camas/Washougal	993,642	2.8%	2.8%	4.0%	132,903	150,691	0	7,341	\$24.36
Cascade Park	3,009,889	8.7%	9.3%	11.2%	-45,890	-157,558	12,767	73,004	\$24.29
CBD/West Vancouver	2,715,021	6.8%	7.0%	8.4%	-11,543	4,883	8,128	139,572	\$26.04
Clackamas/Milwaukie	2,908,216	4.8%	5.5%	8.6%	-46,751	-83,015	19,657	91,027	\$26.72
East Columbia Corridor	969,176	1.5%	1.5%	1.8%	0	44,545	12,377	33,020	\$29.00
Gateway	2,273,905	1.4%	1.5%	2.1%	-5,755	-11,631	2,992	22,643	\$22.76
Gresham	1,020,280	7.3%	7.3%	8.8%	-2,221	-664	9,385	19,361	\$20.23
Guilds Lake	970,384	36.8%	38.8%	41.4%	-13,199	-55,307	0	2,405	\$42.00
Hayden Island/Swan Island	1,834,890	2.1%	2.2%	2.2%	-7,220	-20,771	1,955	2,208	\$15.00
Hazel Dell/Salmon Creek	837,895	5.3%	5.3%	5.2%	4,722	6,571	10,761	35,172	\$23.87
Johns Landing	1,815,327	11.4%	12.2%	15.7%	-30,266	-73,318	11,588	49,134	\$30.90
Kruse Way	2,772,574	15.6%	17.8%	19.7%	-87,628	-104,467	12,897	64,822	\$33.66
Lake Oswego/West Linn	925,279	5.8%	7.0%	9.3%	50,902	37,523	16,382	58,500	\$28.11
Lloyd District	5,399,346	6.9%	7.7%	10.5%	-25,087	-43,996	17,871	154,271	\$26.64
Mall 205	937,304	5.1%	5.1%	9.6%	-559	7,674	2,330	22,087	\$19.62
NE Close-In	1,518,231	4.5%	4.6%	7.5%	-10,376	-12,448	13,043	48,039	\$28.00
North Beaverton	3,084,271	8.3%	8.7%	18.8%	-124,441	-173,439	7,309	48,738	\$24.13
Orchards	705,607	11.3%	12.0%	12.0%	-7,435	-19,641	1,105	12,619	\$18.06
Oregon City	831,042	2.2%	2.2%	2.6%	-3,544	-11,383	891	7,496	\$21.01
Rivergate	71,876	0.0%	0.0%	0.0%	0	0	0	0	-
SE Close-In	3,288,391	9.3%	10.4%	24.9%	-20,382	-33,600	25,849	141,404	\$29.15
Sherwood	163,535	8.1%	8.1%	7.6%	0	100	915	915	-
St. Johns/Central Vancouver	1,760,942	2.5%	2.5%	2.0%	-17,864	-22,451	17,571	21,167	\$34.53
Sunset Corridor/Hillsboro	13,543,053	5.4%	5.6%	7.9%	-122,178	-231,833	19,153	109,087	\$23.40
SW Close-In	725,905	24.7%	24.7%	26.0%	-254	-29,262	1,627	3,427	\$17.37
Sylvan/Hillsdale	778,984	4.0%	4.0%	9.6%	264	15,237	2,480	39,261	\$16.43
Tigard	3,262,602	9.6%	10.0%	12.0%	-13,924	-66,495	21,378	162,318	\$24.22
Tualatin	1,211,553	13.8%	13.8%	13.5%	-2,776	-9,652	23,093	46,614	\$26.43
Vancouver Mall	848,042	11.3%	11.9%	13.7%	-1,613	-29,527	1,852	48,687	\$23.06
Wilsonville	1,230,769	2.1%	2.1%	2.4%	-8,705	-15,413	2,681	206,028	\$26.42
<b>Suburban</b>	<b>68,840,461</b>	<b>7.66%</b>	<b>8.22%</b>	<b>11.08%</b>	<b>-529,073</b>	<b>-1,074,019</b>	<b>318,329</b>	<b>1,927,626</b>	<b>\$25.92</b>
<b>Portland Total</b>	<b>99,735,562</b>	<b>9.5%</b>	<b>10.3%</b>	<b>13.9%</b>	<b>(905,036)</b>	<b>(1,808,268)</b>	<b>430,914</b>	<b>2,533,681</b>	<b>\$28.12</b>
<b>Market Totals By Class</b>									
Class A	33,985,810	12.5%	13.5%	18.3%	-301,318	-377,310	158,191	867,115	\$32.35
Class B	47,920,460	8.5%	9.3%	12.1%	-470,743	-1,095,369	212,588	1,323,933	\$25.48
Class C	17,786,750	6.4%	6.9%	10.4%	-132,975	-335,589	60,135	342,633	\$21.10

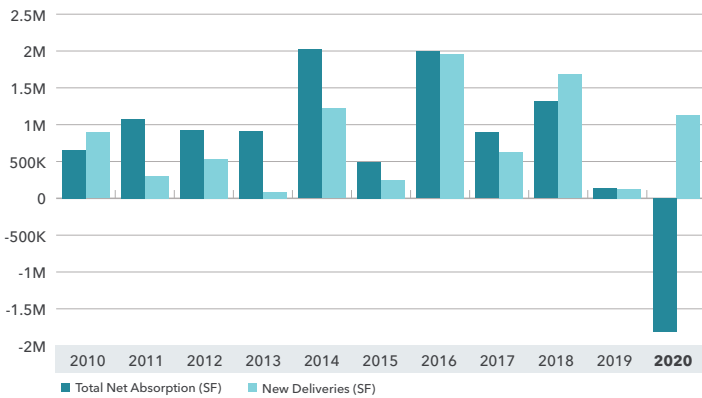
## LEASE RATE, VACANCY & AVAILABILITY



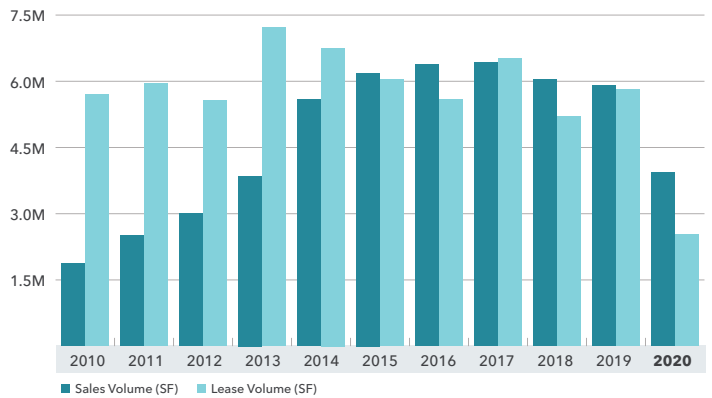
## AVERAGE SALES PRICE/SF & CAP RATES



## 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 21 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.

**GARY BARAGONA**  
Director of Research  
415.229.8925  
[gary.bargona@kidder.com](mailto:gary.bargona@kidder.com)

**BRIAN HATCHER**  
President & COO  
503.221.9900  
[brian.hatcher@kidder.com](mailto:brian.hatcher@kidder.com)

[KIDDER.COM](http://KIDDER.COM)

### COMMERCIAL BROKERAGE

**23M** ANNUAL SALES SF      **470+** NO. OF BROKERS  
**\$8B** ANNUAL TRANSACTION VOLUME      **42M** ANNUAL LEASING SF

### VALUATION ADVISORY

**1,800+** APPRAISALS ANNUALLY      **39/20** TOTAL NO. APPRAISERS/MAI'S

### PROPERTY MANAGEMENT

**70M+** MANAGEMENT PORTFOLIO SF      **\$12B+** IN ASSETS UNDER MANAGEMENT

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