



OFFICE MARKET REPORT SE CLOSE-IN

Q1 2023



Northwest Tenant Group
1050 SW 6th Ave, Suite 1100
Portland, OR 97204

OFFICE SUBMARKET REPORT

Submarket Key Statistics	1
Leasing	3
Rent	6
Construction	8
Sales	11
Sales Past 12 Months	13
Supply & Demand Trends	15
Rent & Vacancy	17
Sale Trends	19

12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

(17.7K)

Vacancy Rate

15.8%

12 Mo Rent Growth

2.5%

SE Close-In lies directly east of the Willamette River, bound by Stark Street to the north and Southeast Holgate Boulevard to the south. Historically, the area was characterized by industrial buildings and low-slung, utilitarian office assets.

As the CBD became more difficult to develop over the years, builders looked east across the river as a natural alternative. Affluent, well-educated renters have moved into the neighborhood, representing a potential workforce for local offices. Substantial luxury apartment construction followed, creating more synergy to go along with a bustling nightlife and restaurant scene. In turn, a substantial amount of creative office space has delivered in recent years, generally via redevelopment of older, existing properties.

Vacancies have swung widely as speculative office developments come on line, and the gap between SE Close-In and larger metro vacancies has widened in recent quarters. The current vacancy rate is 15.8%, compared with the metro average of 12.3%. Annual net absorption of -15,000 SF illustrates the difficulties landlords are having securing tenants, as remote work policies remain somewhat entrenched.

Businesses struggling to solidify return-to-work plans, as well as more supply hitting the market in the near term will continue to place upward pressure on vacancies. Large lease deals haven't completely dried up, however. MWA Architects signed for 9,000 SF at the reconfigured Washington High School in 22Q3, while Liquid Wire took an entire 7,400-SF building off Ladd Street in 22Q4. The local manufacturer is known for its craft in moldable electronics that include sensors and microprocessors and serves a wide range of industries, from aerospace to automotive.

SE Close-In hosts a number of significant office tenants.

The corporate headquarters of Fred Meyer is perhaps the most notable. The grocer ranks among the largest employers in Portland and is an owner/occupant of three buildings totaling about 475,000 SF at 3800 SE 22nd Ave. Another grocer, New Seasons Market, is also headquartered in SE Close-In. Other notable tenants include the headquarters of online banking company Simple at Clay Creative and the headquarters of Viewpoint Construction Software in RiverEast Center, a building that sold in the submarket's biggest office trade of the past decade.

Office inventory has increased by 20.2% in the last decade, with around 640,000 SF delivered. Generally speaking, new deliveries are older buildings—most often former industrial space, but also a dairy facility and a historic high school—renovated into hip creative office space to attract well-heeled, youthful industries like tech.

Recent deliveries include the Eastside Innovation Hub and the Factor Building, at 35,000 and 49,000 SF, respectively. Eastside Innovation Hub will cater to life science companies, while Factor is the submarket's newest creative office delivery. This project brought two industrial warehouses into one new building with modern workspaces throughout.

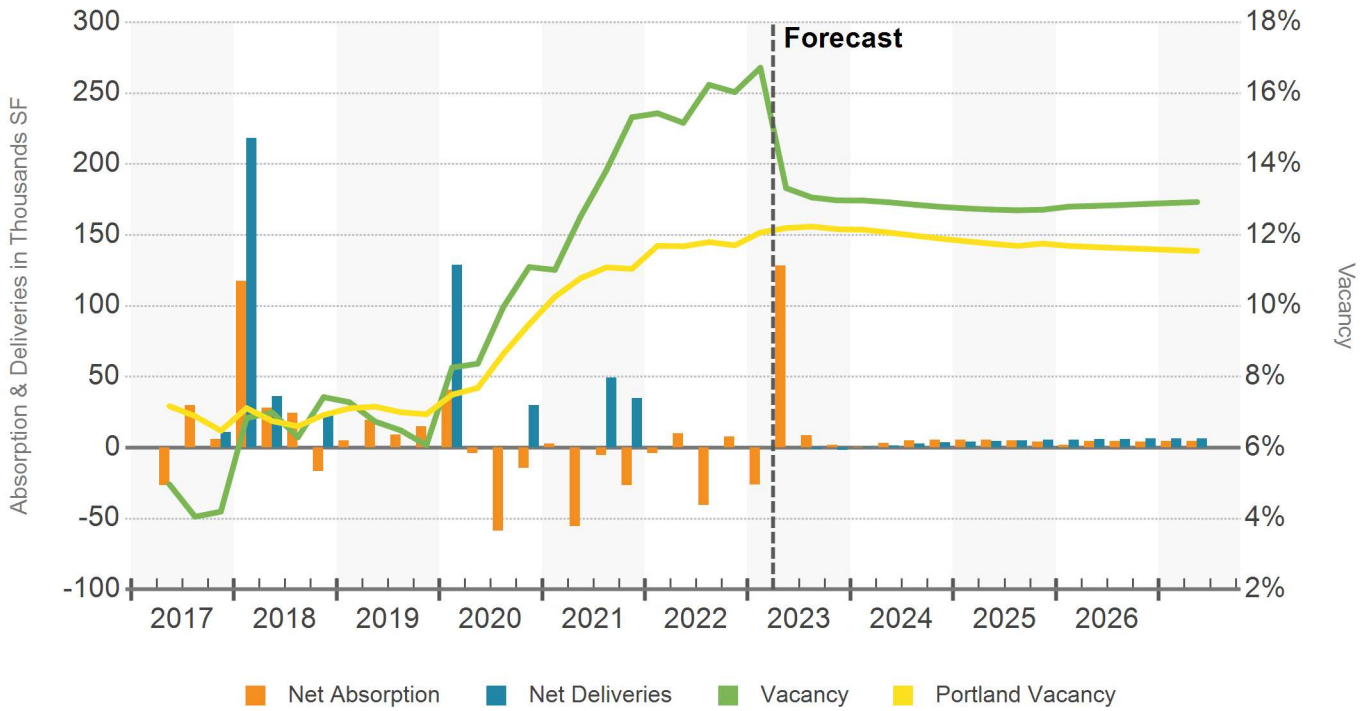
Another project that may break ground in the near term is the 269,908 SF 503 on Tenth. The ten-story project will feature lab space with BSL2 classification, basement level parking for 130 vehicles with a lift parking system, a common conference and event center with views of Mt. Hood, and common area showers and changing rooms. Building ownership is marketing to attract biotechnology companies to the rapidly changing southeast area, which has proximity to similar companies such as PDX Pharmaceuticals, Nobilis Therapeutics and Hemex Health. Space at 503 on Tenth is available for pre-lease.

KEY INDICATORS

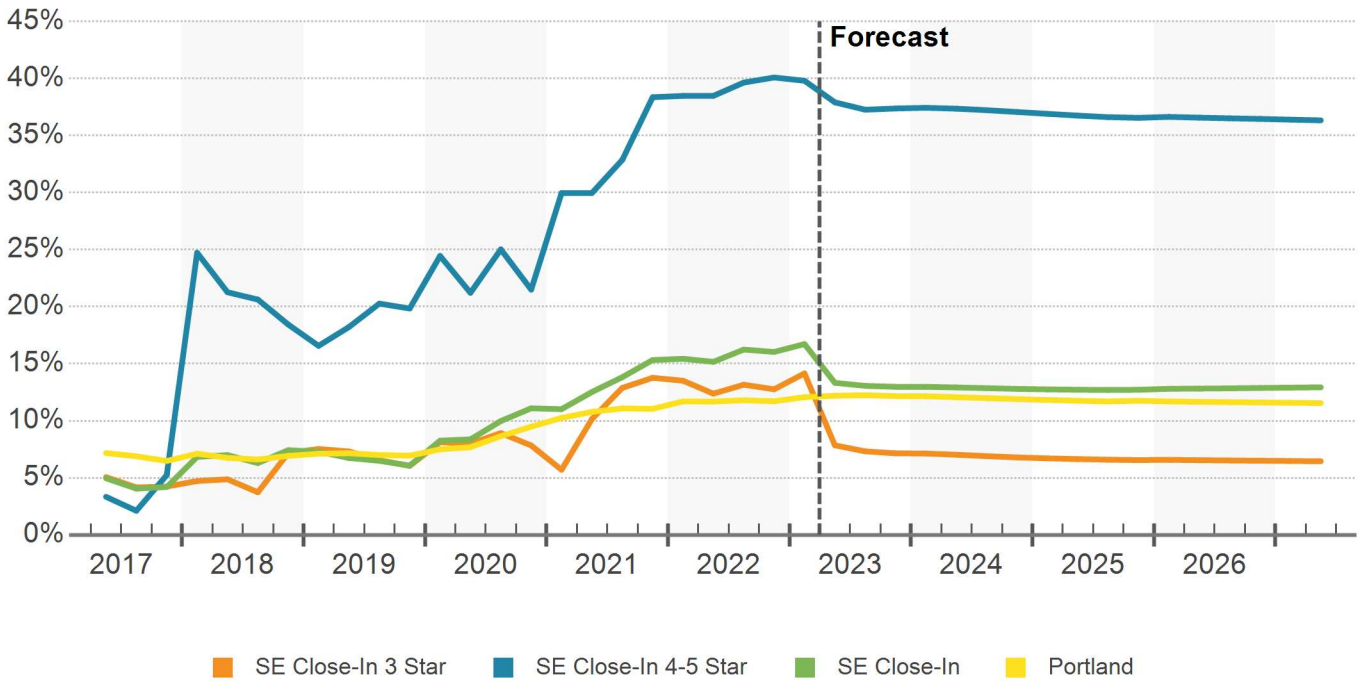
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	616,837	39.8%	\$36.29	46.2%	0	0	0
3 Star	1,638,169	12.1%	\$30.04	12.5%	33,977	0	0
1 & 2 Star	1,526,559	10.1%	\$22.60	12.6%	1,265	0	0
Submarket	3,781,565	15.8%	\$28.06	18.0%	35,242	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.5%	8.0%	12.9%	21.4%	2003 Q1	2.1%	2015 Q4
Net Absorption SF	(17.7K)	31,377	35,404	320,382	2005 Q1	(292,830)	2006 Q1
Deliveries SF	0	37,545	19,369	279,507	2018 Q4	0	2023 Q1
Rent Growth	2.5%	2.1%	2.3%	8.0%	2015 Q2	-4.9%	2012 Q2
Sales Volume	\$4.2M	\$9.2M	N/A	\$44.6M	2016 Q4	\$170K	2010 Q2

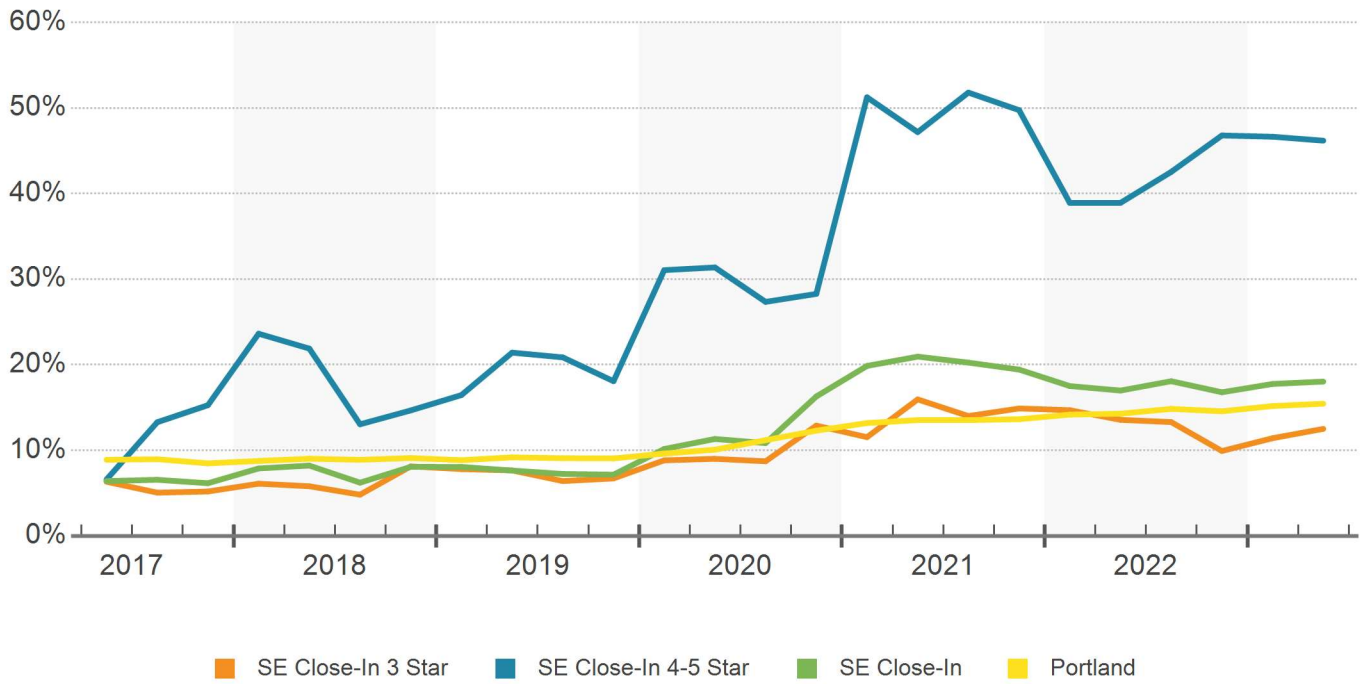
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



AVAILABILITY RATE



4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
Olympic Mills 107 SE Washington St	★★★★☆	113,600	14	16,548	46.6%	2,507

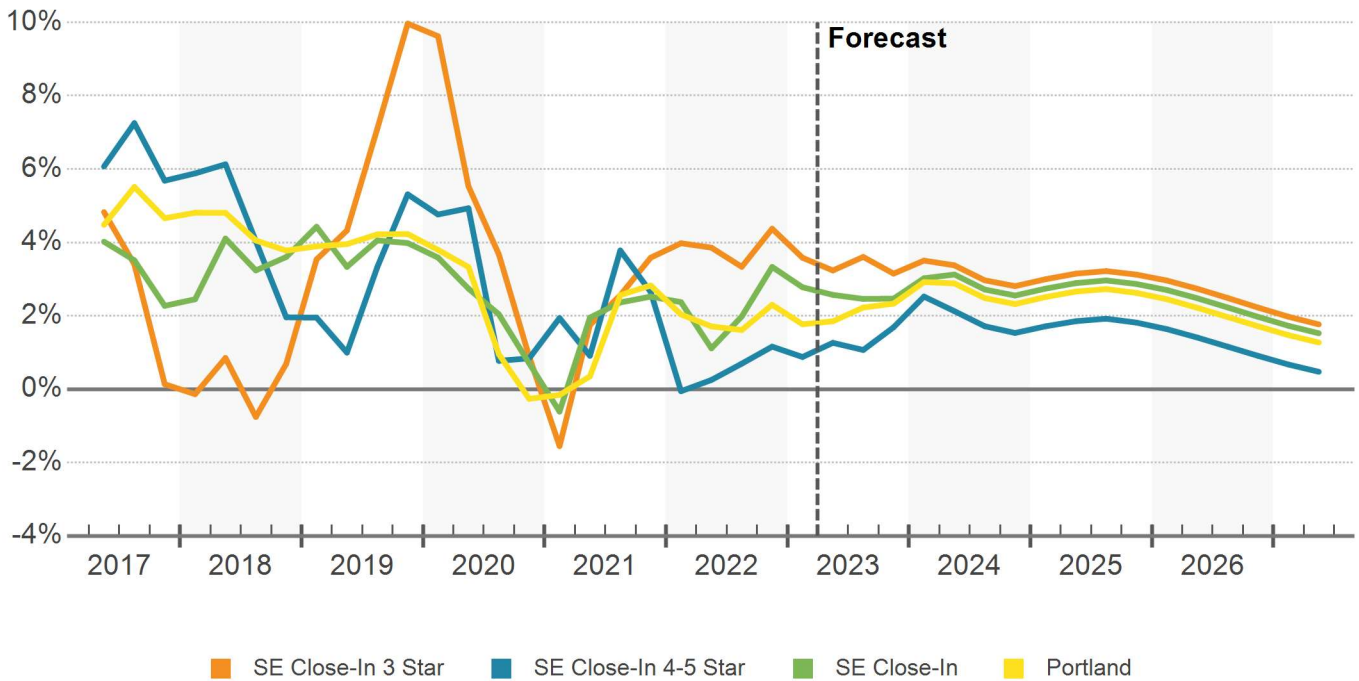
3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
The Glass Lab 350 SE Mill St	★ ★ ★ ★ ★	52,804	3	9,148	48.5%	13,504
The Dairy Building - Phase 1... 2705-2715 SE 8th Ave	★ ★ ★ ★ ★	46,834	7	27,625	44.6%	11,311
Factor Building 226 SE Madison St	★ ★ ★ ★ ★	49,169	4	5,388	73.5%	5,388
1120 SE Madison St	★ ★ ★ ★ ★	51,207	1	48,897	97.3%	2,310
11+Main 1033 SE Main St	★ ★ ★ ★ ★	13,467	2	1,407	2.0%	1,872
Brooklyn Business Center 3701 SE Milwaukie Ave	★ ★ ★ ★ ★	5,600	1	900	12.9%	900
Washington High School 1300 SE Stark St	★ ★ ★ ★ ★	88,000	2	9,963	4.7%	528
Fire Station No. 7 511-515 SE 11th Ave	★ ★ ★ ★ ★	10,588	1	1,195	4.5%	0
Gardeners & Ranchers Assoc... 1305-1337 SE M L King Blvd	★ ★ ★ ★ ★	108,000	3	1,419	1.4%	(3,455)

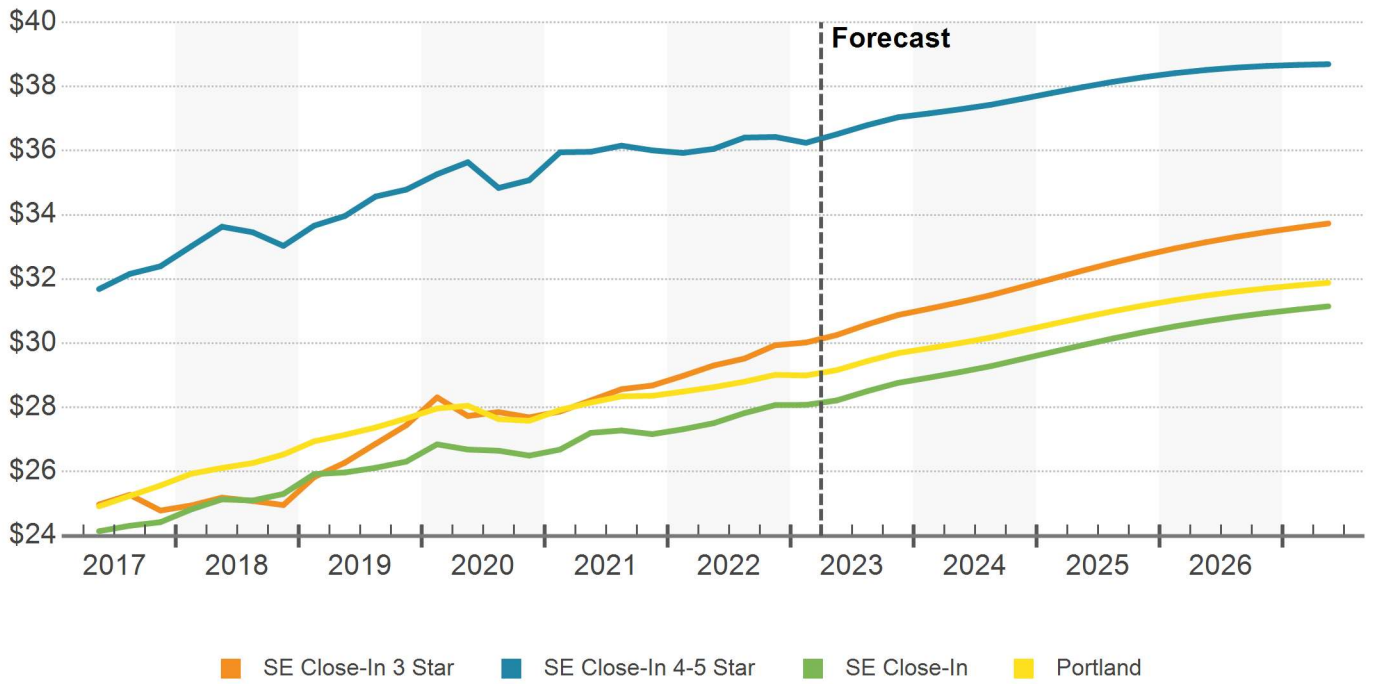
While office rents overall are essentially in line with the average in the Portland market, rents for the submarket's most prominent office slice do run at somewhat of a premium. Space rated 3 Star in SE Close-In goes for about \$30.00/SF gross, compared to \$28.00/SF in the metro.

Rents in the submarket grew by a moderate 2.5% year over year as of 2023Q2, which was about the same as the annualized average growth rate over the past three years.

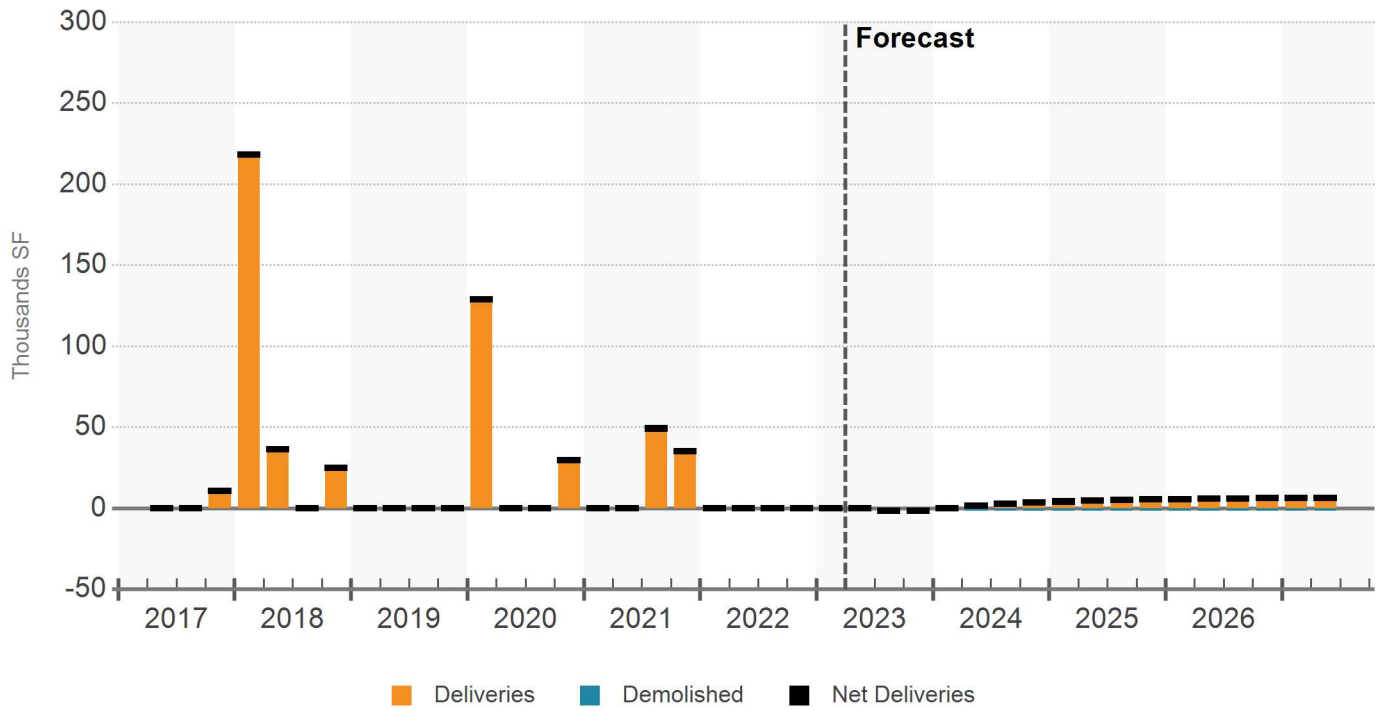
MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



DELIVERIES & DEMOLITIONS



All-Time Annual Avg. Square Feet

Delivered Square Feet Past 8 Qtrs

Delivered Square Feet Next 8 Qtrs

Proposed Square Feet Next 8 Qtrs

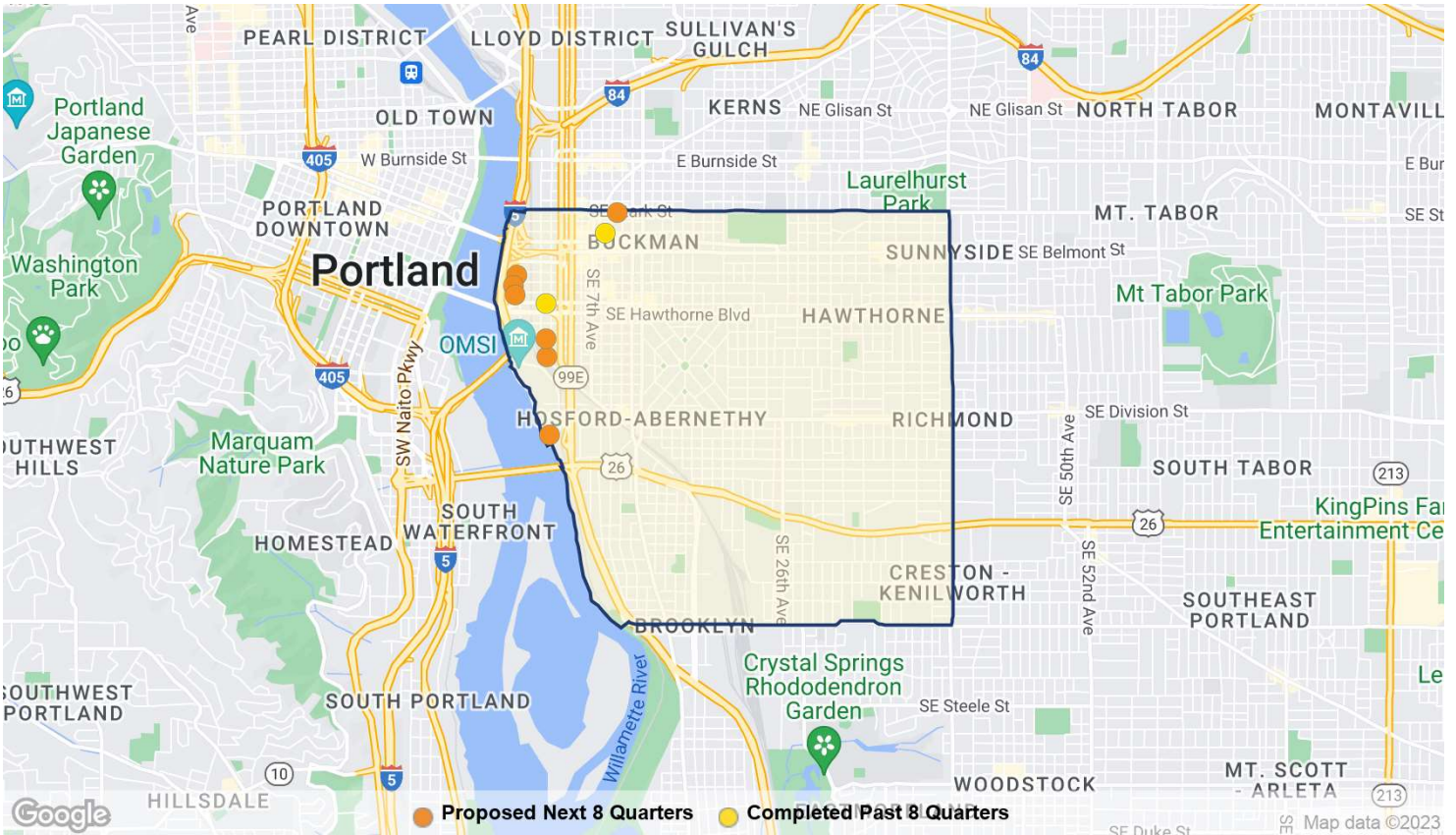
36,172

84,153

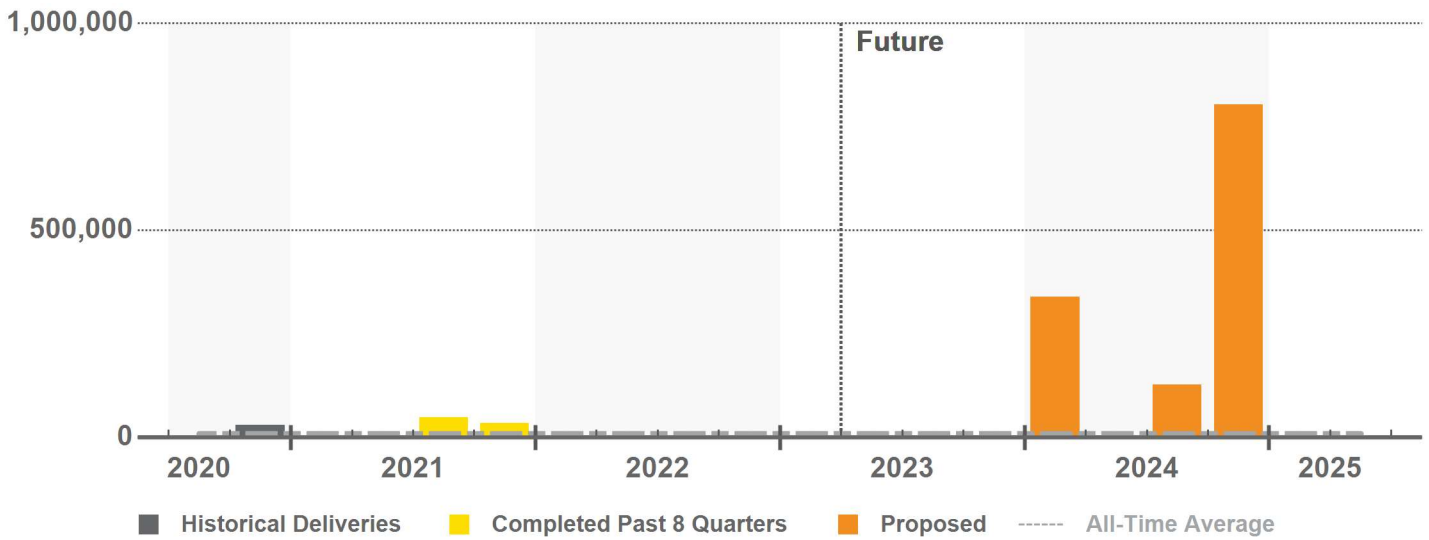
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1,271,808

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN SQUARE FEET



RECENT DELIVERIES

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Eastside Innovation Hub 808 SE Alder St	★★★★☆	34,984	4	Feb 2020	Dec 2021	Summit Development Group LLC Summit Development Group LLC
2 Factor Building 226 SE Madison St	★★★★☆	49,169	3	Nov 2020	Jul 2021	- Libertas Management, LLC

PROPOSED

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 Ivon Street Waterfront 306 SE Ivon St	★★★★☆	392,000	5	Oct 2023	Oct 2024	- Haithem Toulan
2 503 on Tenth 503 SE 10th Ave	★★★★☆	269,908	10	May 2023	Dec 2024	Summit Development Group LLC Summit Development Group LLC
3 The Leymark 1921 SE 3rd Ave	★★★★☆	142,000	9	Oct 2023	Oct 2024	- ScanlanKemperBard Companies
4 Highwire 1717 SE 3rd Ave	★★★★☆	127,900	6	Sep 2023	Sep 2024	- -
5 Workshop Blocks A SE Water Ave	★★★★☆	120,000	5	Aug 2023	Feb 2024	- Prosper Portland
6 Workshop Blocks B SE Water Ave	★★★★☆	120,000	5	Aug 2023	Feb 2024	- Prosper Portland
7 Workshop Blocks C SE Water Ave	★★★★☆	100,000	5	Aug 2023	Feb 2024	- Prosper Portland

Buyers have shown some interest in SE Close-In office buildings and have scooped up assets over the years. In the past 12 months, 5 office properties have been acquired. Annual sales volume has averaged \$13.8 million over the past five years, and the 12-month high in investment volume hit \$31.4 million over that stretch. In the past 12 months specifically, \$3.7 million worth of assets sold.

The market price, which is derived from the price movement of all office properties in the submarket, now sits at \$291/SF. That figure is largely unchanged since last year, and the price offers a significant discount compared with the average level across the Portland metro. The market cap rate has ticked up in the past 12 months to 6.5%, and it's fairly similar to the metro average.

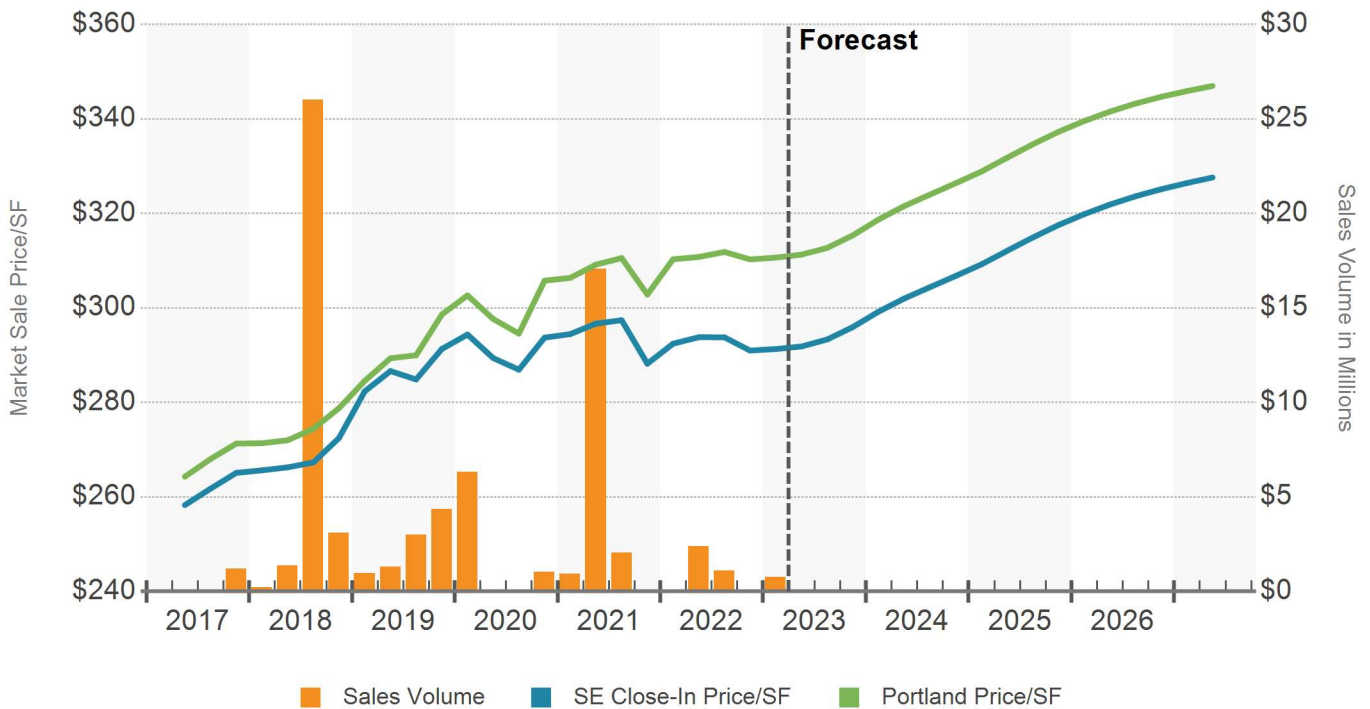
Overall, the capital market activity outlook in SE Close-

In will largely depend on the speed of the office sector's recovery and lending conditions. Portland's CBD and inner urban submarkets have struggled to gain sales traction in recent quarters, as investors have been favoring suburban counterparts.

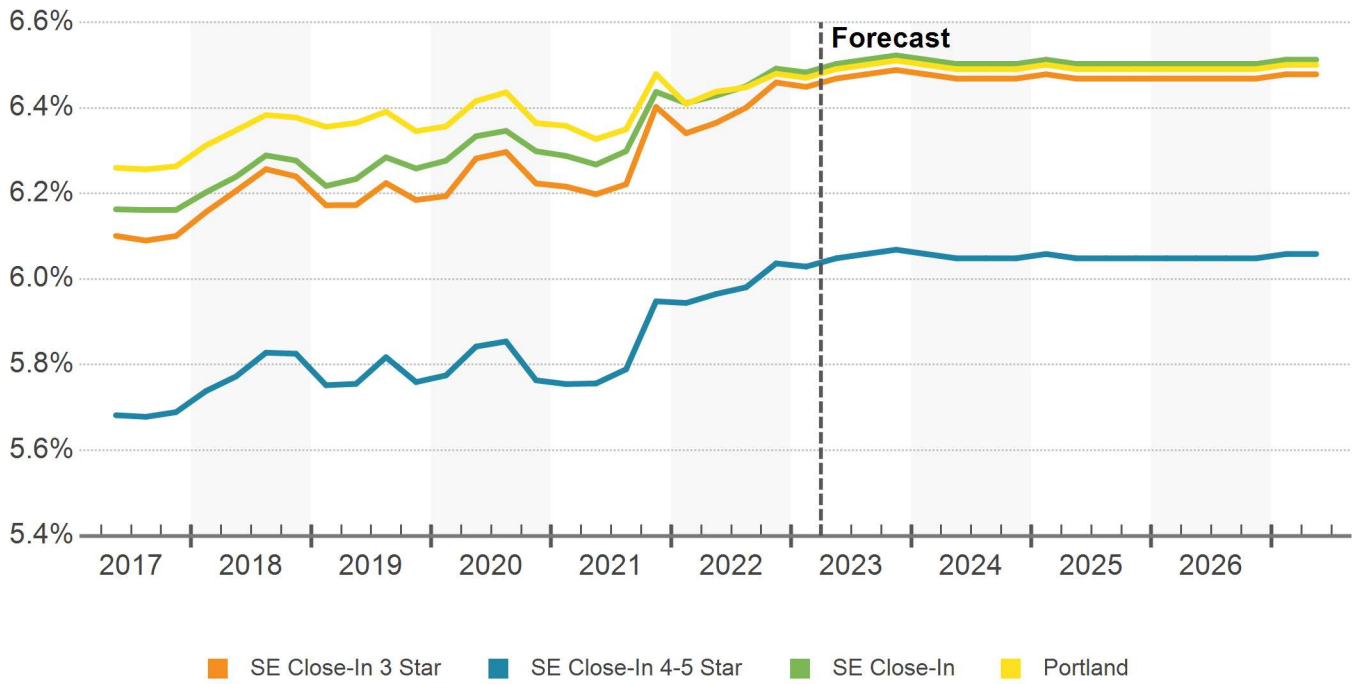
Now, however, buyers are being squeezed by higher rates in an unfavorable lending environment. The Fed's ongoing battle with inflation has led to tight monetary policy that has increased the cost of debt, and it doesn't appear conditions will shift dramatically anytime soon unless CPI growth surprises heavily to the downside in coming months.

23Q1 volume has been underwhelming. Activity may continue to decrease through at least the first half of 2023, as buyers and lenders become accustomed to the new environment and look for stability in rates. Fed policy isn't likely to shift dramatically anytime soon.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

SE Close-In Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

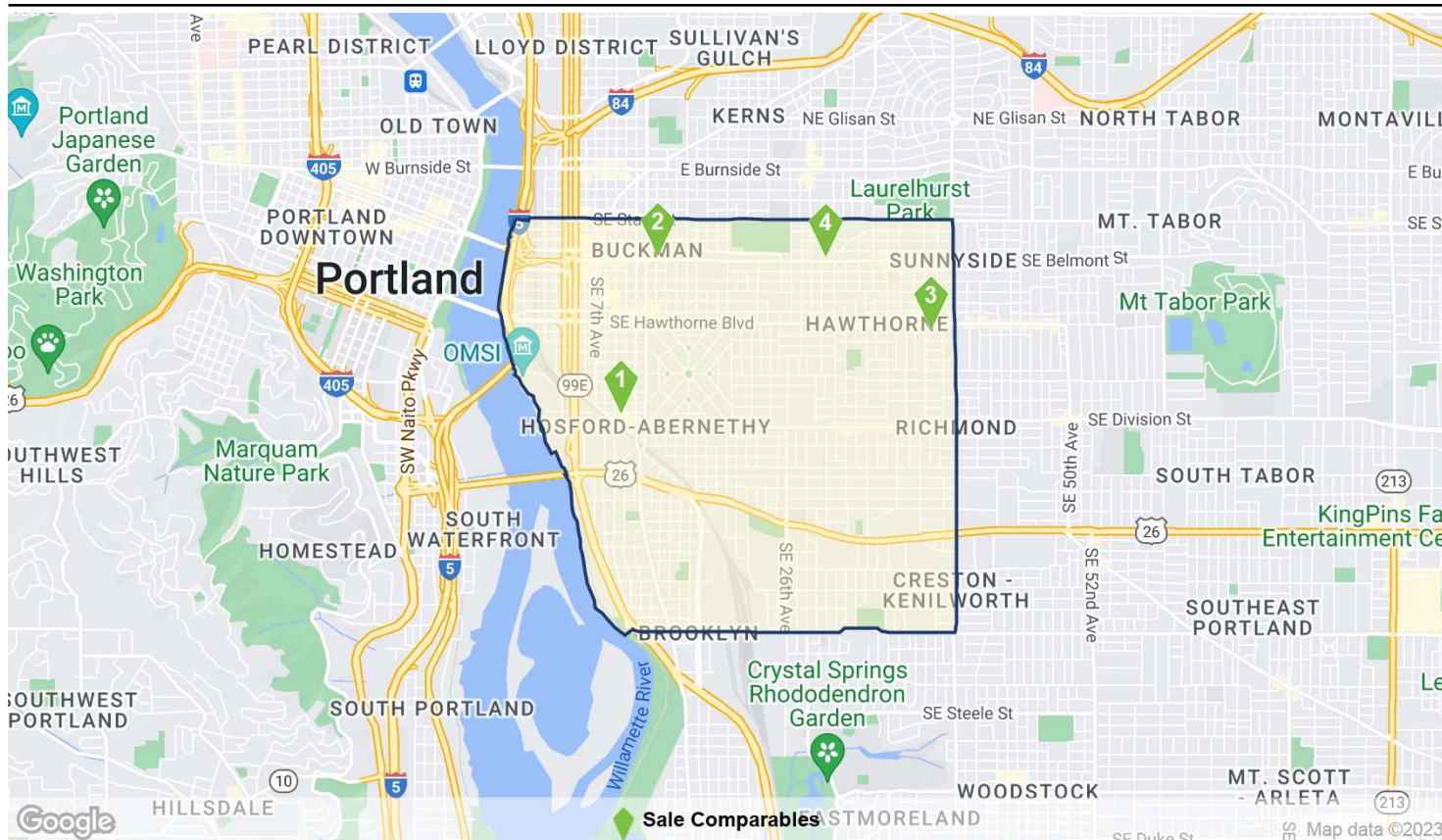
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\$377

0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$480,000	\$1,057,216	\$684,432	\$2,380,000
Price/SF	\$334	\$377	\$375	\$513
Cap Rate	-	-	-	-
Time Since Sale in Months	3.1	7.2	7.9	9.6
Property Attributes	Low	Average	Median	High
Building SF	1,436	2,528	1,500	6,765
Stories	1	1	1	2
Typical Floor SF	1,436	1,852	1,500	3,383
Vacancy Rate At Sale	0%	0%	0%	0%
Year Built	1888	1936	1943	1987
Star Rating	★★★★★	★★★★★ 1.8	★★★★★	★★★★★

Sales Past 12 Months

SE Close-In Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 2407 SE 10th Ave	★★★★★	1987	6,765	0%	6/30/2022	\$2,380,000	\$352	-
2 1305 SE Belmont St	★★★★★	1888	1,500	0%	1/15/2023	\$768,864	\$513	-
3 3723 SE Clay St	★★★★★	1920	1,504	0%	8/3/2022	\$600,000	\$399	-
4 2915 SE Belmont St	★★★★★	1943	1,436	0%	8/22/2022	\$480,000	\$334	-
4 2915 SE Belmont St	★★★★★	1943	1,436	0%	9/28/2022	-	-	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	3,853,875	24,949	0.7%	17,438	0.5%	1.4
2026	3,828,926	23,738	0.6%	14,765	0.4%	1.6
2025	3,805,188	18,931	0.5%	19,897	0.5%	1.0
2024	3,786,257	7,770	0.2%	13,814	0.4%	0.6
2023	3,778,487	(3,078)	-0.1%	112,971	3.0%	-
YTD	3,781,565	0	0%	9,260	0.2%	0
2022	3,781,565	0	0%	(26,790)	-0.7%	-
2021	3,781,565	84,153	2.3%	(85,033)	-2.2%	-
2020	3,697,412	158,548	4.5%	(36,792)	-1.0%	-
2019	3,538,864	0	0%	47,893	1.4%	0
2018	3,538,864	279,507	8.6%	153,552	4.3%	1.8
2017	3,259,357	57,634	1.8%	(8,371)	-0.3%	-
2016	3,201,723	124,889	4.1%	119,998	3.7%	1.0
2015	3,076,834	5,275	0.2%	105,514	3.4%	0
2014	3,071,559	(32,862)	-1.1%	(45,454)	-1.5%	-
2013	3,104,421	(81,651)	-2.6%	(105,895)	-3.4%	-
2012	3,186,072	0	0%	74,302	2.3%	0
2011	3,186,072	8,915	0.3%	(32,593)	-1.0%	-

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	717,600	31,317	4.6%	21,668	3.0%	1.4
2026	686,283	30,103	4.6%	19,739	2.9%	1.5
2025	656,180	25,251	4.0%	19,238	2.9%	1.3
2024	630,929	14,092	2.3%	10,744	1.7%	1.3
2023	616,837	0	0%	16,755	2.7%	0
YTD	616,837	0	0%	1,758	0.3%	0
2022	616,837	0	0%	(10,663)	-1.7%	-
2021	616,837	34,984	6.0%	(76,511)	-12.4%	-
2020	581,853	120,478	26.1%	86,954	14.9%	1.4
2019	461,375	0	0%	(6,479)	-1.4%	-
2018	461,375	167,085	56.8%	97,469	21.1%	1.7
2017	294,290	0	0%	(4,447)	-1.5%	-
2016	294,290	80,895	37.9%	74,560	25.3%	1.1
2015	213,395	0	0%	(1,251)	-0.6%	-
2014	213,395	0	0%	(1,062)	-0.5%	-
2013	213,395	0	0%	5,949	2.8%	0
2012	213,395	0	0%	(5,583)	-2.6%	-
2011	213,395	0	0%	16,398	7.7%	0

Supply & Demand Trends

SE Close-In Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	1,638,169	0	0%	1,240	0.1%	0
2026	1,638,169	0	0%	945	0.1%	0
2025	1,638,169	0	0%	3,817	0.2%	0
2024	1,638,169	0	0%	5,887	0.4%	0
2023	1,638,169	0	0%	91,909	5.6%	0
YTD	1,638,169	0	0%	11,208	0.7%	0
2022	1,638,169	0	0%	16,443	1.0%	0
2021	1,638,169	49,169	3.1%	(51,798)	-3.2%	-
2020	1,589,000	38,070	2.5%	7,290	0.5%	5.2
2019	1,550,930	0	0%	17,495	1.1%	0
2018	1,550,930	112,422	7.8%	62,123	4.0%	1.8
2017	1,438,508	57,634	4.2%	12,948	0.9%	4.5
2016	1,380,874	43,994	3.3%	49,778	3.6%	0.9
2015	1,336,880	0	0%	103,443	7.7%	0
2014	1,336,880	(9,000)	-0.7%	(21,744)	-1.6%	-
2013	1,345,880	0	0%	(67,967)	-5.1%	-
2012	1,345,880	0	0%	35,177	2.6%	0
2011	1,345,880	8,915	0.7%	(25,461)	-1.9%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	1,498,106	(6,368)	-0.4%	(5,470)	-0.4%	-
2026	1,504,474	(6,365)	-0.4%	(5,919)	-0.4%	-
2025	1,510,839	(6,320)	-0.4%	(3,158)	-0.2%	-
2024	1,517,159	(6,322)	-0.4%	(2,817)	-0.2%	-
2023	1,523,481	(3,078)	-0.2%	4,307	0.3%	-
YTD	1,526,559	0	0%	(3,706)	-0.2%	-
2022	1,526,559	0	0%	(32,570)	-2.1%	-
2021	1,526,559	0	0%	43,276	2.8%	0
2020	1,526,559	0	0%	(131,036)	-8.6%	-
2019	1,526,559	0	0%	36,877	2.4%	0
2018	1,526,559	0	0%	(6,040)	-0.4%	-
2017	1,526,559	0	0%	(16,872)	-1.1%	-
2016	1,526,559	0	0%	(4,340)	-0.3%	-
2015	1,526,559	5,275	0.3%	3,322	0.2%	1.6
2014	1,521,284	(23,862)	-1.5%	(22,648)	-1.5%	-
2013	1,545,146	(81,651)	-5.0%	(43,877)	-2.8%	-
2012	1,626,797	0	0%	44,708	2.7%	0
2011	1,626,797	0	0%	(23,530)	-1.4%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$31.33	155	1.2%	11.6%	500,790	13.0%	0.1%
2026	\$30.95	153	2.0%	10.2%	493,016	12.9%	0.2%
2025	\$30.35	150	2.9%	8.1%	483,766	12.7%	-0.1%
2024	\$29.50	145	2.6%	5.1%	484,467	12.8%	-0.2%
2023	\$28.77	142	2.5%	2.5%	490,327	13.0%	-3.1%
YTD	\$28.06	138	2.5%	-0.1%	596,931	15.8%	-0.2%
2022	\$28.07	138	3.3%	0%	606,191	16.0%	0.7%
2021	\$27.17	134	2.5%	-3.2%	579,401	15.3%	4.2%
2020	\$26.50	131	0.7%	-5.6%	410,215	11.1%	5.0%
2019	\$26.32	130	4.0%	-6.3%	214,875	6.1%	-1.4%
2018	\$25.31	125	3.6%	-9.9%	262,768	7.4%	3.2%
2017	\$24.43	120	2.3%	-13.0%	136,813	4.2%	2.0%
2016	\$23.89	118	4.9%	-14.9%	70,808	2.2%	0.1%
2015	\$22.76	112	5.3%	-18.9%	65,917	2.1%	-3.3%
2014	\$21.62	107	6.6%	-23.0%	166,156	5.4%	0.5%
2013	\$20.28	100	7.6%	-27.8%	153,564	4.9%	0.9%
2012	\$18.84	93	-2.0%	-32.9%	129,320	4.1%	-2.3%
2011	\$19.21	95	-1.0%	-31.6%	203,622	6.4%	1.3%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$38.72	151	0.2%	6.3%	259,758	36.2%	-0.2%
2026	\$38.64	151	0.9%	6.1%	250,122	36.4%	-0.1%
2025	\$38.29	150	1.8%	5.1%	239,777	36.5%	-0.5%
2024	\$37.61	147	1.5%	3.2%	233,778	37.1%	-0.3%
2023	\$37.04	145	1.7%	1.7%	230,448	37.4%	-2.7%
YTD	\$36.29	142	0.9%	-0.4%	245,444	39.8%	-0.3%
2022	\$36.43	142	1.2%	0%	247,202	40.1%	1.7%
2021	\$36.01	141	2.6%	-1.1%	236,539	38.3%	16.9%
2020	\$35.08	137	0.8%	-3.7%	125,044	21.5%	1.7%
2019	\$34.79	136	5.3%	-4.5%	91,520	19.8%	1.4%
2018	\$33.03	129	2.0%	-9.3%	85,041	18.4%	13.2%
2017	\$32.40	127	5.7%	-11.1%	15,425	5.2%	1.5%
2016	\$30.66	120	7.2%	-15.8%	10,978	3.7%	1.6%
2015	\$28.61	112	5.5%	-21.5%	4,643	2.2%	0.6%
2014	\$27.11	106	9.0%	-25.6%	3,392	1.6%	0.5%
2013	\$24.88	97	2.7%	-31.7%	2,330	1.1%	-2.8%
2012	\$24.23	95	2.7%	-33.5%	8,279	3.9%	2.6%
2011	\$23.60	92	-0.7%	-35.2%	2,696	1.3%	-7.7%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$33.97	150	1.5%	13.4%	105,233	6.4%	-0.1%
2026	\$33.47	148	2.2%	11.8%	106,473	6.5%	-0.1%
2025	\$32.74	145	3.1%	9.4%	107,418	6.6%	-0.2%
2024	\$31.75	141	2.8%	6.0%	111,235	6.8%	-0.4%
2023	\$30.88	137	3.1%	3.1%	117,122	7.1%	-5.6%
YTD	\$30.04	133	3.4%	0.3%	197,821	12.1%	-0.7%
2022	\$29.94	133	4.4%	0%	209,029	12.8%	-1.0%
2021	\$28.68	127	3.6%	-4.2%	225,472	13.8%	5.9%
2020	\$27.69	123	0.9%	-7.5%	124,505	7.8%	1.8%
2019	\$27.45	122	10.0%	-8.3%	93,725	6.0%	-1.1%
2018	\$24.96	110	0.7%	-16.6%	111,220	7.2%	2.9%
2017	\$24.79	110	0.1%	-17.2%	60,921	4.2%	3.1%
2016	\$24.76	110	5.1%	-17.3%	16,235	1.2%	-0.5%
2015	\$23.55	104	3.8%	-21.3%	22,019	1.6%	-7.7%
2014	\$22.70	100	2.9%	-24.2%	125,462	9.4%	1.0%
2013	\$22.07	98	12.1%	-26.3%	112,718	8.4%	5.1%
2012	\$19.69	87	-7.3%	-34.2%	44,751	3.3%	-2.6%
2011	\$21.23	94	-1.7%	-29.1%	79,928	5.9%	2.5%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.52	163	1.5%	12.4%	135,799	9.1%	0%
2026	\$25.13	160	2.3%	10.7%	136,421	9.1%	0%
2025	\$24.57	157	3.2%	8.2%	136,571	9.0%	-0.2%
2024	\$23.81	152	2.8%	4.9%	139,454	9.2%	-0.2%
2023	\$23.16	148	2.0%	2.0%	142,757	9.4%	-0.5%
YTD	\$22.60	144	2.4%	-0.4%	153,666	10.1%	0.2%
2022	\$22.70	145	3.3%	0%	149,960	9.8%	2.1%
2021	\$21.97	140	1.0%	-3.2%	117,390	7.7%	-2.8%
2020	\$21.76	139	0.4%	-4.2%	160,666	10.5%	8.6%
2019	\$21.68	138	-3.9%	-4.5%	29,630	1.9%	-2.4%
2018	\$22.56	144	8.4%	-0.6%	66,507	4.4%	0.4%
2017	\$20.82	133	3.0%	-8.3%	60,467	4.0%	1.1%
2016	\$20.21	129	3.4%	-10.9%	43,595	2.9%	0.3%
2015	\$19.54	125	7.2%	-13.9%	39,255	2.6%	0.1%
2014	\$18.23	116	10.5%	-19.7%	37,302	2.5%	0%
2013	\$16.49	105	4.7%	-27.3%	38,516	2.5%	-2.2%
2012	\$15.75	101	3.1%	-30.6%	76,290	4.7%	-2.7%
2011	\$15.27	98	0%	-32.7%	120,998	7.4%	1.4%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$329.70	225	6.5%
2026	-	-	-	-	-	-	\$325.11	221	6.5%
2025	-	-	-	-	-	-	\$317.52	216	6.5%
2024	-	-	-	-	-	-	\$306.76	209	6.5%
2023	-	-	-	-	-	-	\$295.96	202	6.5%
YTD	1	\$768.9K	0%	\$768,864	\$512.58	-	\$291.45	198	6.5%
2022	5	\$3.5M	0.4%	\$1,153,333	\$356.52	-	\$290.97	198	6.5%
2021	13	\$20M	3.4%	\$4,004,600	\$272.78	4.7%	\$288.19	196	6.4%
2020	11	\$7.3M	1.5%	\$2,446,000	\$228.33	7.0%	\$293.71	200	6.3%
2019	8	\$9.6M	1.2%	\$1,914,200	\$245.09	5.5%	\$291.31	198	6.3%
2018	12	\$30.7M	3.4%	\$6,136,020	\$291.13	5.3%	\$272.49	186	6.3%
2017	9	\$2.3M	0.7%	\$567,475	\$166.07	-	\$265.10	181	6.2%
2016	11	\$44.6M	6.9%	\$6,375,259	\$210.03	4.5%	\$249.99	170	6.2%
2015	8	\$9.6M	1.7%	\$1,377,500	\$192.32	5.7%	\$235.41	160	6.3%
2014	7	\$1.6M	0.8%	\$536,667	\$128.78	-	\$213.29	145	6.5%
2013	9	\$11.7M	3.5%	\$1,458,750	\$110.42	-	\$192.97	131	6.8%
2012	7	\$2.1M	0.8%	\$419,610	\$85.82	-	\$178.95	122	7.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$449.97	214	6.1%
2026	-	-	-	-	-	-	\$448.68	213	6.0%
2025	-	-	-	-	-	-	\$443.10	211	6.0%
2024	-	-	-	-	-	-	\$432.77	206	6.0%
2023	-	-	-	-	-	-	\$421.91	201	6.1%
YTD	-	-	-	-	-	-	\$417.72	199	6.0%
2022	-	-	-	-	-	-	\$417.20	198	6.0%
2021	1	\$14.4M	9.4%	\$14,442,000	\$249.97	-	\$419.96	200	5.9%
2020	-	-	-	-	-	-	\$433.87	206	5.8%
2019	-	-	-	-	-	-	\$427.75	203	5.8%
2018	-	-	-	-	-	-	\$393.80	187	5.8%
2017	-	-	-	-	-	-	\$386.96	184	5.7%
2016	1	\$33.5M	33.9%	\$33,500,000	\$335.69	4.5%	\$364.48	173	5.7%
2015	-	-	-	-	-	-	\$344.36	164	5.8%
2014	-	-	-	-	-	-	\$312.82	149	5.9%
2013	-	-	-	-	-	-	\$283.98	135	6.2%
2012	-	-	-	-	-	-	\$262.72	125	6.5%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$342.49	228	6.5%
2026	-	-	-	-	-	-	\$336.72	224	6.5%
2025	-	-	-	-	-	-	\$327.85	218	6.5%
2024	-	-	-	-	-	-	\$315.74	210	6.5%
2023	-	-	-	-	-	-	\$303.67	202	6.5%
YTD	1	\$768.9K	0.1%	\$768,864	\$512.58	-	\$298.09	199	6.4%
2022	1	\$0	0.3%	-	-	-	\$297.47	198	6.5%
2021	1	\$1.7M	0.3%	\$1,690,000	\$324.31	-	\$294.62	196	6.4%
2020	1	\$950K	0.4%	\$950,000	\$161.37	-	\$303.04	202	6.2%
2019	1	\$950K	0.3%	\$950,000	\$182.31	-	\$299.38	199	6.2%
2018	-	-	-	-	-	-	\$277.43	185	6.2%
2017	2	\$1.5M	0.7%	\$759,950	\$152.28	-	\$271.72	181	6.1%
2016	1	\$1.3M	3.4%	\$1,300,000	\$27.76	-	\$254.32	169	6.2%
2015	2	\$3.7M	1.4%	\$1,850,000	\$204.84	-	\$239.09	159	6.2%
2014	1	\$0	0.3%	-	-	-	\$215.17	143	6.5%
2013	3	\$6.2M	4.9%	\$2,058,333	\$92.69	-	\$194.24	129	6.8%
2012	-	-	-	-	-	-	\$181.16	121	7.1%

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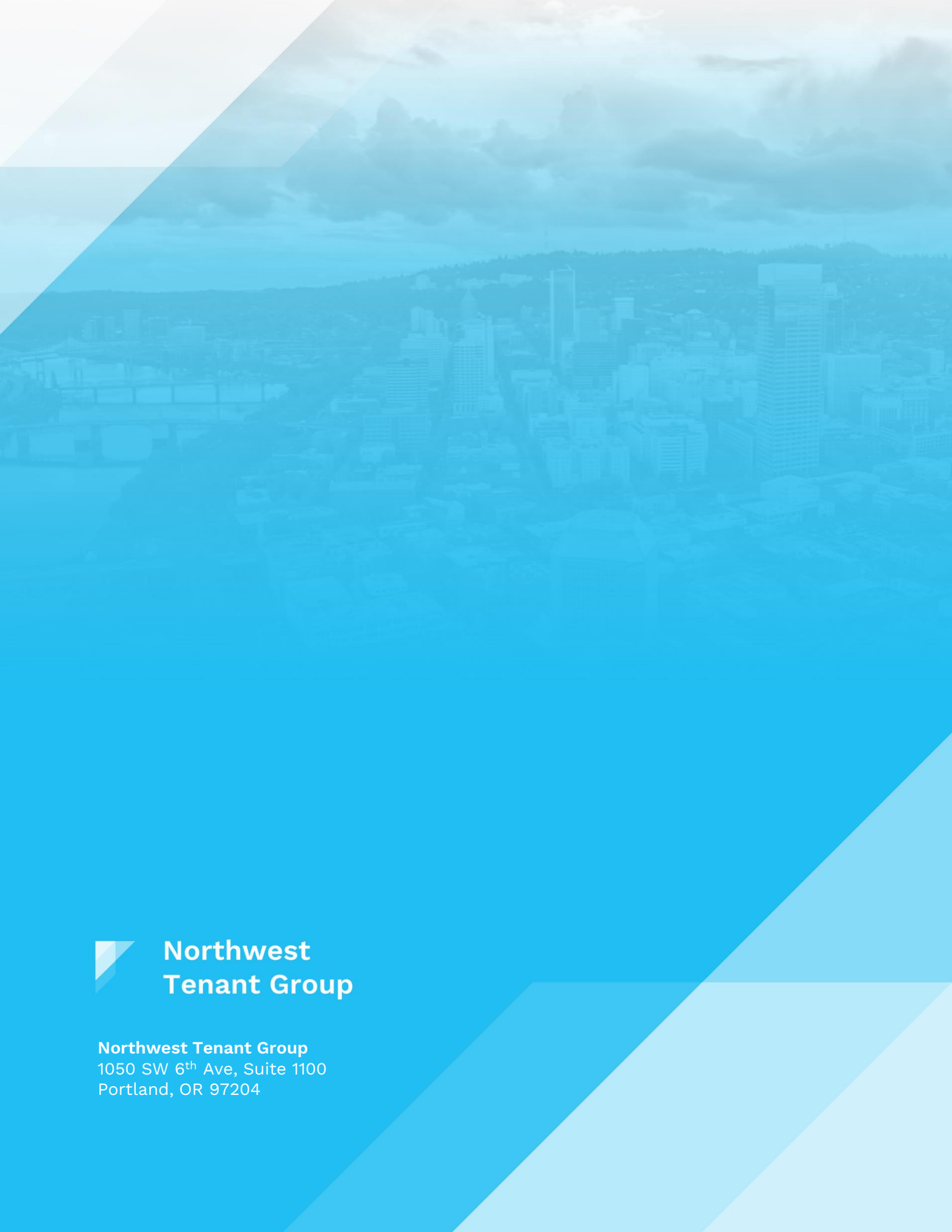
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$267.37	227	6.7%
2026	-	-	-	-	-	-	\$262.71	223	6.7%
2025	-	-	-	-	-	-	\$255.71	217	6.7%
2024	-	-	-	-	-	-	\$246.20	209	6.7%
2023	-	-	-	-	-	-	\$236.79	201	6.7%
YTD	-	-	-	-	-	-	\$233.29	198	6.7%
2022	4	\$3.5M	0.7%	\$1,153,333	\$356.52	-	\$233	198	6.7%
2021	11	\$3.9M	4.2%	\$1,297,000	\$373.52	4.7%	\$228.05	194	6.7%
2020	10	\$6.4M	3.3%	\$3,194,000	\$243.34	7.0%	\$227.07	193	6.6%
2019	7	\$8.6M	2.5%	\$2,155,250	\$254.76	5.5%	\$227.52	193	6.5%
2018	12	\$30.7M	8.0%	\$6,136,020	\$291.13	5.3%	\$218.18	185	6.5%
2017	7	\$750K	0.9%	\$375,000	\$203.42	-	\$208.77	177	6.4%
2016	9	\$9.8M	5.0%	\$1,965,363	\$149.23	-	\$199.09	169	6.4%
2015	6	\$5.9M	2.3%	\$1,188,500	\$185.27	5.7%	\$187.43	159	6.5%
2014	6	\$1.6M	1.4%	\$536,667	\$128.78	-	\$171.04	145	6.7%
2013	6	\$5.5M	2.7%	\$1,099,000	\$140.65	-	\$154.83	132	7.0%
2012	7	\$2.1M	1.7%	\$419,610	\$85.82	-	\$142.74	121	7.3%

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