



OFFICE MARKET REPORT CENTRAL BUSINESS DISTRICT

Q1 2023



**Northwest
Tenant Group**

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

OFFICE SUBMARKET REPORT

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12 Mo Deliveries in SF

293K

12 Mo Net Absorption in SF

(238K)

Vacancy Rate

21.7%

12 Mo Rent Growth

0.4%

The largest and most-heavily concentrated office hub in the region has historically seen demand generated from a mix of tech, financial services, apparel and government sector employment. The vacancy rate of 21.7% remains elevated, relative to the metro aggregate. This is an indication that space utilization per employee remains in flux, despite overall employment in office-using industries having grown to where pre-pandemic trends suggested. In turn, lingering reputational issues from pandemic-era protests that rocked the neighborhood could also be at play.

In more positive recent news for landlords in Portland's core, an announcement by the City of Portland indicates all city government employees will return half-time to downtown offices beginning in April. Amazon also recently announced a move back to in-office work part time. Given the presences of these entities, this could lead to a noticeable increase in foot traffic and space usage.

Nonetheless, a low ceiling on rent growth is likely to remain in the near term, given heavy competition for tenants and historically high sublet availabilities. Despite

featuring some of the highest asking rents in Portland at \$32.69/SF, the CBD's year-over-year rent growth performance had already begun to stagnate in 2015, leading to slow, but steady erosion up until early 2021. At this point, base effects partially allowed rent growth to bounce back into positive territory.

Given the aforementioned fundamentals, sales volume in recent quarters has been muted. Currently, the metro's largest office transactions are occurring in the suburbs, where buyers—a hefty share of which are owners—are searching for value-add deals away from urban centers.

Recent struggles aside, the CBD will likely remain Portland's dominant office submarket. A diverse office-using employment base compliments multifamily inventory that has increased by over 80% in the past decade, with more units in surrounding submarkets set to come online in the coming quarters. The newer, mostly luxury apartments provide living options to employees working in the CBD, adding a live/work/play component to the submarket as it progresses through a potential recovery phase.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	15,339,714	20.4%	\$37.29	25.6%	190,499	292,649	0
3 Star	11,438,154	25.0%	\$28.20	31.7%	(85,974)	0	0
1 & 2 Star	3,032,377	15.6%	\$26.36	17.8%	(3,549)	0	0
Submarket	29,810,245	21.7%	\$32.69	27.1%	100,976	292,649	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.6%	10.9%	21.0%	21.7%	2023 Q2	7.7%	2008 Q4
Net Absorption SF	(238K)	(93,760)	101,224	495,157	2011 Q2	(1,489,220)	2021 Q2
Deliveries SF	293K	119,416	92,061	527,805	2017 Q1	0	2023 Q1
Rent Growth	0.4%	2.8%	1.5%	10.2%	2007 Q2	-4.0%	2009 Q3
Sales Volume	\$20.4M	\$386.9M	N/A	\$1.1B	2017 Q4	\$17.9M	2009 Q4

Business synergy and the presence of some notable government entities have anchored leasing in recent quarters, keeping market activity from completely freezing as space utilization finds its footing.

To that note, leading the way of late are legal, government and government contractors leasing, driven by the proximity to federal and state agency buildings clustered in the central core. Kolitch Romano Dascenzo Gates took 11,500 SF at the American Bank Building across from Pioneer Square in 22Q4. In addition, Multnomah Defenders, Inc. and Metropolitan Public Defender Services took 23,000 SF at World Trade Center and 25,000 SF at One Main Place, respectively, in 22Q3.

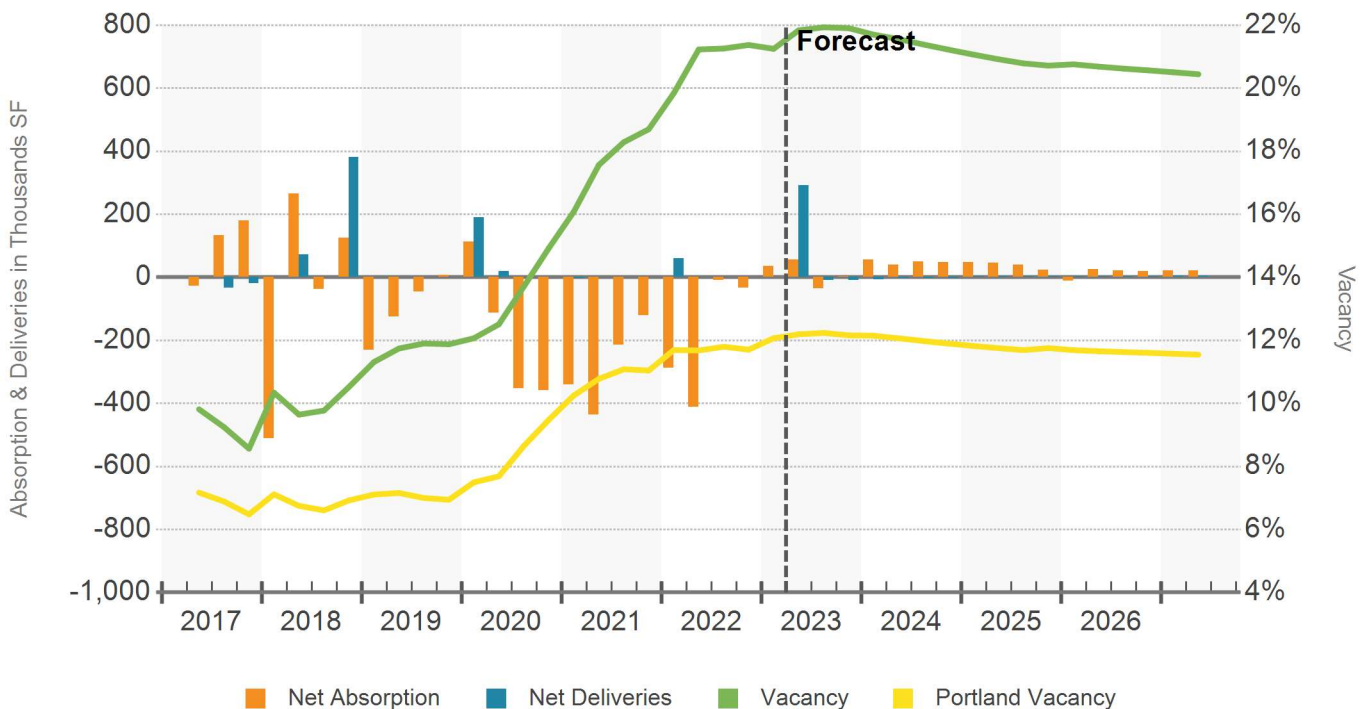
Financial services firms are also relatively active for a similar attraction to synergy in downtown. Accounting and wealth management provider Cross Financial took 6,800 SF at the Powers Building in 22Q4. Asking rents were \$24/SF, full service.

These leases alone, however, won't be enough to offset some significant moveouts in the short term. The US

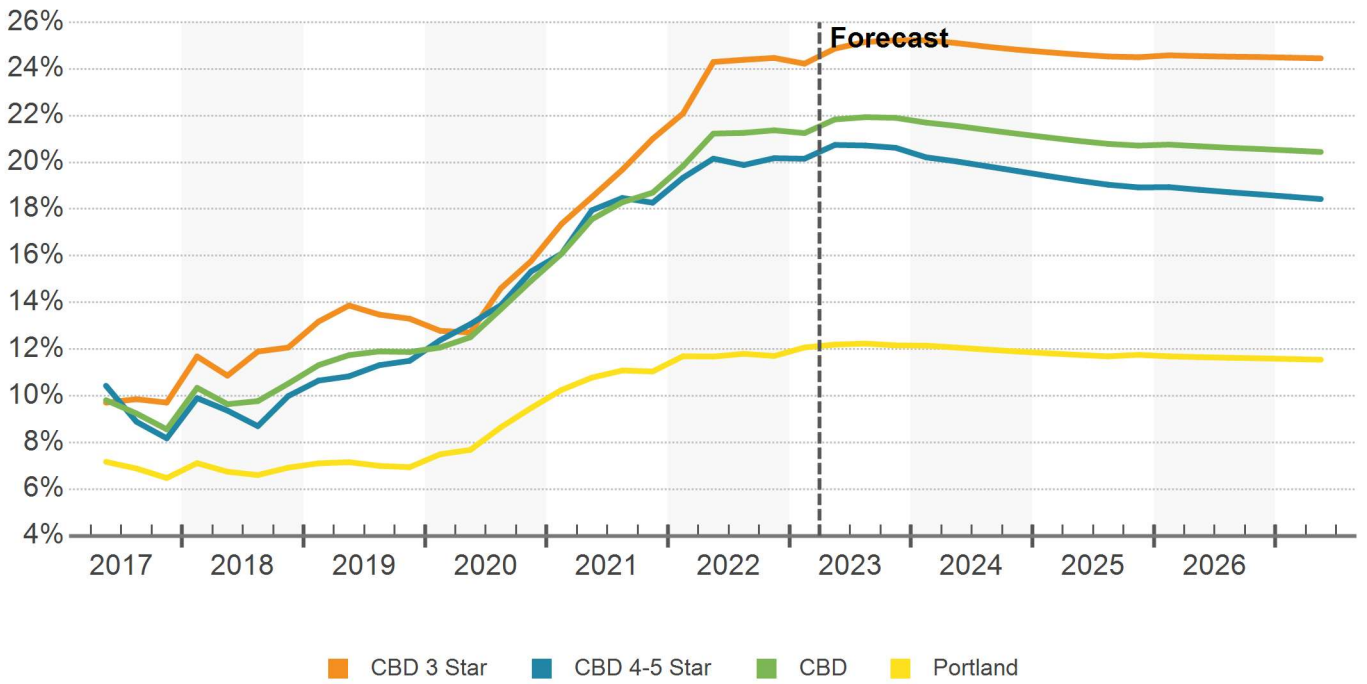
Bancorp Tower—downtown's largest office asset—is losing two major tenants in law firm Miller Nash and polling company SurveyMonkey. Fortunately, early indications are that Miller Nash will stay in the CBD. These moves will bring more available space to an already challenging leasing environment. Just under 20 buildings offer at least 50,000 SF of contiguous available space. Comparatively, 60 or so properties offer at least 20,000 SF of contiguous space.

Several high-profile tenants, particularly tech sector tenants, have established themselves in the area. While utilization among these players varies, Square, Google, and Amazon had all expanded their existing local footprints over the years. In addition to expanding tech firms, a number of national and regional tenants occupy at least 100,000 SF in the submarket, many of which are headquartered here. Their ranks include U.S. Bank, Wells Fargo, Standard Insurance Company (HQ), StanCorp Financial Group (HQ), Cambria Health Solutions (HQ), Moda Health (HQ), advertising agency Wieden+Kennedy (HQ), law firm Stoel Rives (HQ), and K-12 testing firm Northwest Evaluation Association (HQ).

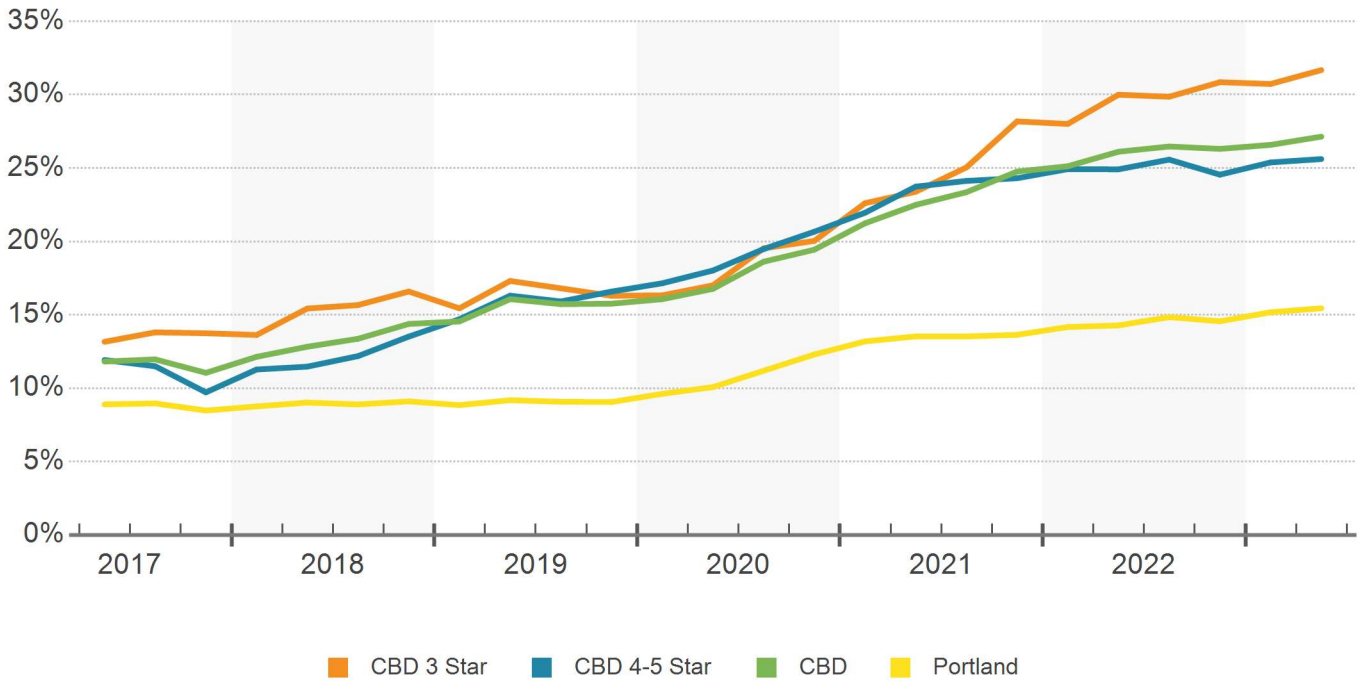
NET ABSORPTION, NET DELIVERIES & VACANCY



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
One Main Place 101 SW Main St	★★★★☆	330,035	13	141,328	14.4%	114,654
The Offices at 11W 1102 SW Washington St	★★★★☆	134,185	2	46,767	76.0%	32,152
900 SW 5th Ave	★★★★★	457,343	5	9,306	2.2%	28,667
Umpqua Bank Plaza 1 SW Columbia St	★★★★☆	294,738	8	34,569	28.6%	25,332
Riviera Plaza 1618 SW First Ave	★★★★☆	159,000	3	10,595	15.1%	21,828
Union Bank Building 707 SW Washington St	★★★★☆	223,426	2	1,484	27.4%	15,674
Moda Tower 601 SW 2nd Ave	★★★★★	398,412	2	11,637	16.4%	11,383
General Automotive Building 411 NW Park Ave	★★★★☆	48,000	1	3,234	20.7%	10,592
Pearl West 1455 NW Irving St	★★★★★	155,465	1	3,413	82.3%	7,292
Fox Tower 805 SW Broadway	★★★★★	559,646	1	9,168	13.6%	6,624
Columbia Square 111 SW Columbia St	★★★★☆	305,992	2	7,436	39.8%	5,735
Wells Fargo Center 1300 SW Fifth Ave	★★★★☆	605,576	4	16,702	18.8%	1,459
Pacific Center 851 SW 6th Ave	★★★★☆	243,741	1	10,858	12.4%	0
Meier & Frank Building 621 SW 5th Ave	★★★★☆	202,186	1	12,759	20.8%	0
Heartline Building 1241 NW Johnson St	★★★★☆	72,130	1	15,414	2.7%	0
200 Market Building 200 SW Market St	★★★★☆	417,956	2	4,654	22.9%	(5,292)
US Bancorp Tower & Plaza 111 SW 5th Ave	★★★★☆	1,154,849	1	2,931	28.9%	(17,134)
M Financial Plaza 1125 NW Couch St	★★★★☆	285,000	4	21,343	41.0%	(27,698)
KOIN Tower 222 SW Columbia St	★★★★☆	380,453	4	22,175	33.1%	(50,457)

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
511 Building 511 SW Tenth Ave	★ ★ ★ ★ ★	137,076	13	36,441	10.8%	9,241
Merchant Hotel Bldg 222-228 NW Davis	★ ★ ★ ★ ★	56,731	5	11,427	18.3%	9,075
2121-2125 SW 4th Ave	★ ★ ★ ★ ★	53,600	2	12,700	80.9%	6,800
Cascade Building 520-538 SW 6th Ave	★ ★ ★ ★ ★	110,375	4	11,661	31.5%	6,632
Albers Mill 1200 NW Naito Pky	★ ★ ★ ★ ★	134,522	3	10,929	27.0%	1,191
13th Street Lofts 239 NW 13th Ave	★ ★ ★ ★ ★	30,000	5	6,194	40.2%	384
Five Oak Building 421 SW Oak St	★ ★ ★ ★ ★	266,664	2	12,692	25.4%	0
1033 SW Yamhill St	★ ★ ★ ★ ★	13,908	3	1,695	4.5%	(477)
American Bank Building 621 SW Morrison St	★ ★ ★ ★ ★	172,817	3	14,707	54.7%	(716)
Jeffrey Center 1020 SW Taylor St	★ ★ ★ ★ ★	105,442	10	3,310	28.2%	(1,567)
Maddox Building 1231 NW Hoyt St	★ ★ ★ ★ ★	50,000	4	10,537	35.3%	(3,464)
The Selling Bldg 610 SW Alder St	★ ★ ★ ★ ★	108,090	7	10,274	15.2%	(4,116)
The Gregory 425 NW 10th Ave	★ ★ ★ ★ ★	47,000	2	2,829	46.7%	(4,226)
Power + Light Building 920 SW Sixth Ave	★ ★ ★ ★ ★	272,079	3	10,257	21.0%	(5,974)
The 610 Bldg 610 SW Broadway	★ ★ ★ ★ ★	43,932	3	3,327	21.7%	(6,048)
Terminal Sales Building 1220 SW Morrison St	★ ★ ★ ★ ★	117,628	5	3,948	54.7%	(7,320)
Wilcox Bldg 506 SW Sixth Ave	★ ★ ★ ★ ★	50,000	7	7,825	62.2%	(7,393)
The Electric Building 621 SW Alder St	★ ★ ★ ★ ★	90,000	7	20,323	22.2%	(7,763)
Natural Capital Center 721 NW 9th Ave	★ ★ ★ ★ ★	70,000	2	3,639	17.2%	(12,429)
1515 Market Square 1515 SW Fifth Ave	★ ★ ★ ★ ★	215,983	5	4,606	19.4%	(30,983)

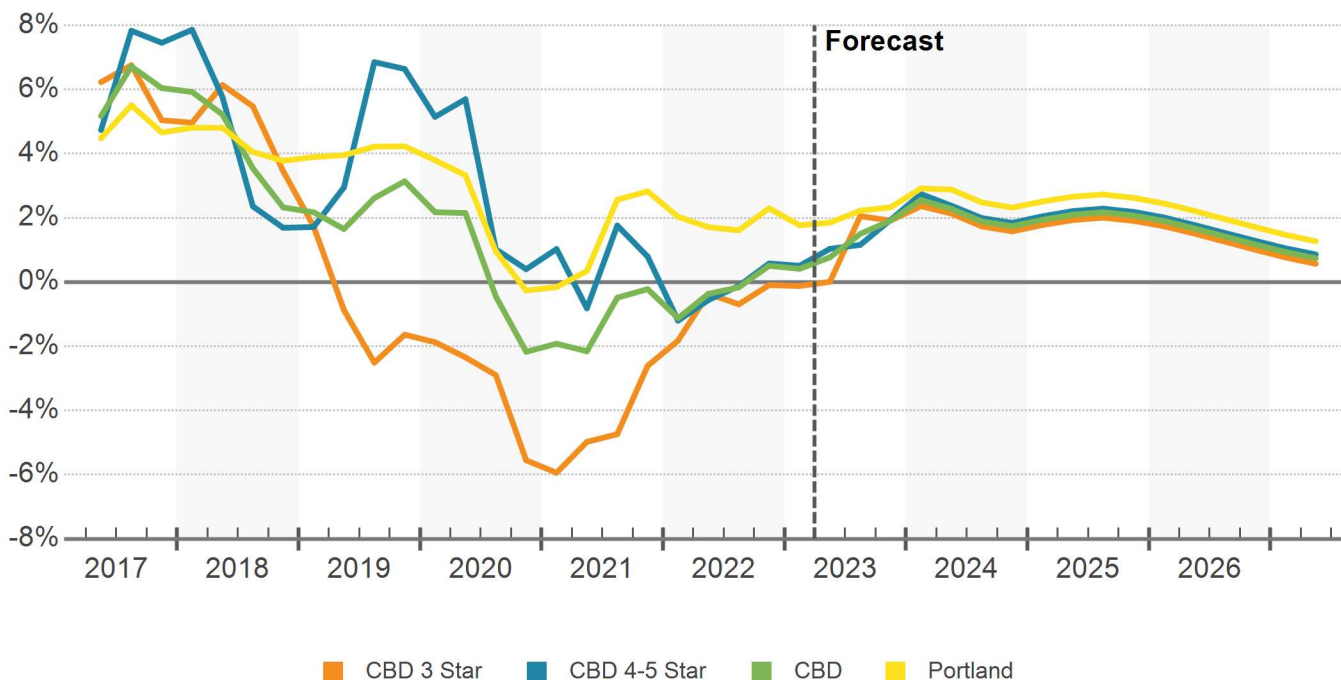
Contributing factors to potentially middling rent growth in coming quarters include some recently announced move-outs and more competition to secure tenants. Elevated sublet availabilities and new trophy product hitting the market will amplify these trends.

Vacancy in the CBD as of second quarter 2023 is equal to 21.7%, far eclipsing the average metro area rate of 12.3%. Rates had already been trending upward for several years, though, with average vacancies over the past five years, equating to 15.6%. This was partially driven by over 1 million SF of space delivered in the last decade.

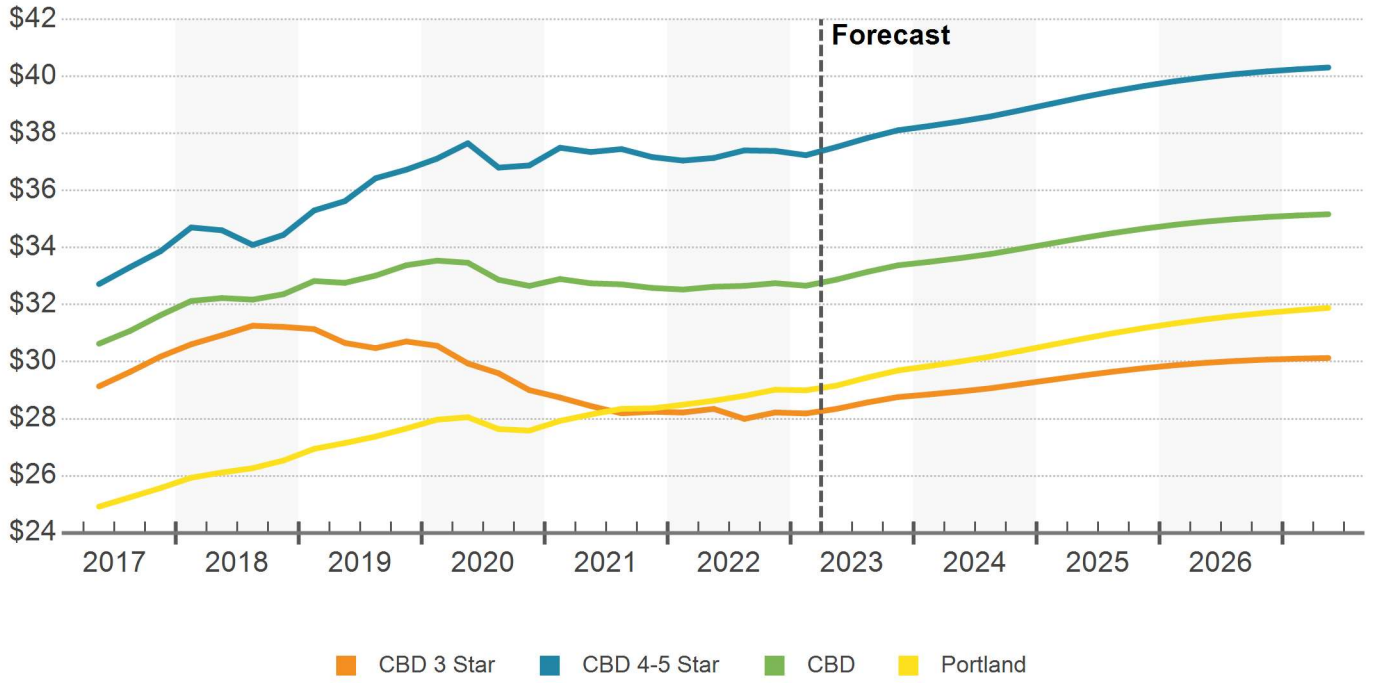
CBD rents at \$32.69/SF are some of the highest in Portland and have increased by about 35.0% in the past decade. The metro's overall cumulative office rent increase of 42.7% has pushed average rents to \$28.99/SF. Rent growth year-over-year currently equates to 0.4%, in comparison with the larger metro rate of 1.6%.

4 & 5 Star space in the CBD leases for \$37.29/SF, on average, above the metro average of \$34.62/SF for trophy assets. Several projects underway in downtown, along with the 5 Star Block 216 and 4 Star 11W, will command premium rents when they deliver.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Currently, there is roughly 0 SF of office product underway, which will expand existing inventory by 0.0%. Over the last decade, inventory has grown by around 4.4%, which amounts to deliveries of approximately 1.3 million SF. Lack of available land and restrictive zoning around high-rises makes it challenging to bring large projects to market.

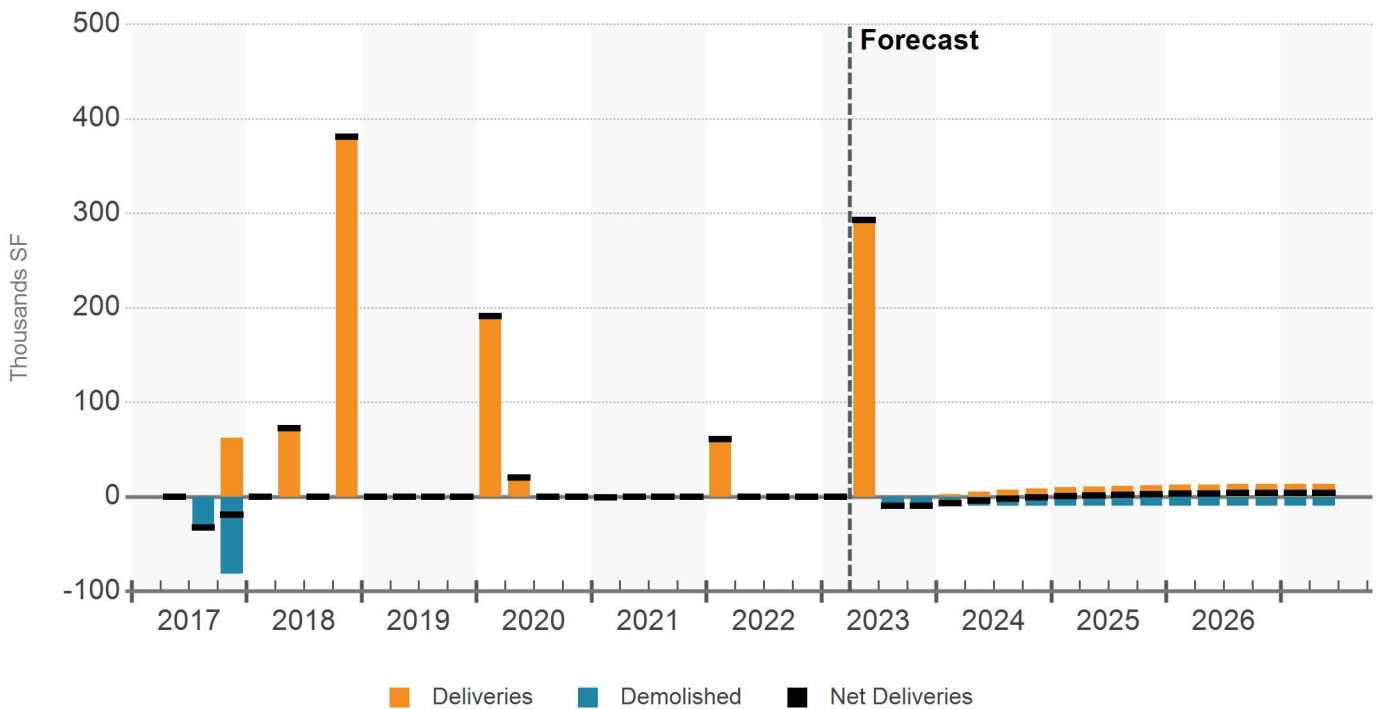
A couple of the largest projects were approved and broke ground prior to the pandemic. One highly anticipated office/mixed use development in the CBD – and Portland for that matter – is Block 216. Owned by BPM Real Estate Group, its office portion will comprise 169,000 SF of five-star speculative space, delivering in coming months. The project broke ground in July 2019. Asking rates are in the \$38/SF to \$42/SF NNN range. In addition to offering five floors of office space, the tower will contain the first Ritz-Carlton in the Pacific Northwest, along with 15 floors of luxury residential condos and 4.5

floors of parking.

The 134,000-SF 11W located in the West End district is wrapping up construction as well. Most of the space is still available for lease. The 4 Star project is targeting a LEED Platinum certification.

Aside from these two major projects, the downtown core has not seen a major project break ground in over two years. Hesitancy by developers and investors in coming quarters likely will continue, which should keep the pipeline relatively bare. This runs congruent to a major theme in the larger region of a relative lack of speculative projects underway. In this way, Portland, and especially the CBD, will have a bit of a head start in being able to work its way through some of the excess space on the market without the added pressure of incoming high-end spaces.

DELIVERIES & DEMOLITIONS



Construction

All-Time Annual Avg. Square Feet

Delivered Square Feet Past 8 Qtrs

Delivered Square Feet Next 8 Qtrs

Proposed Square Feet Next 8 Qtrs

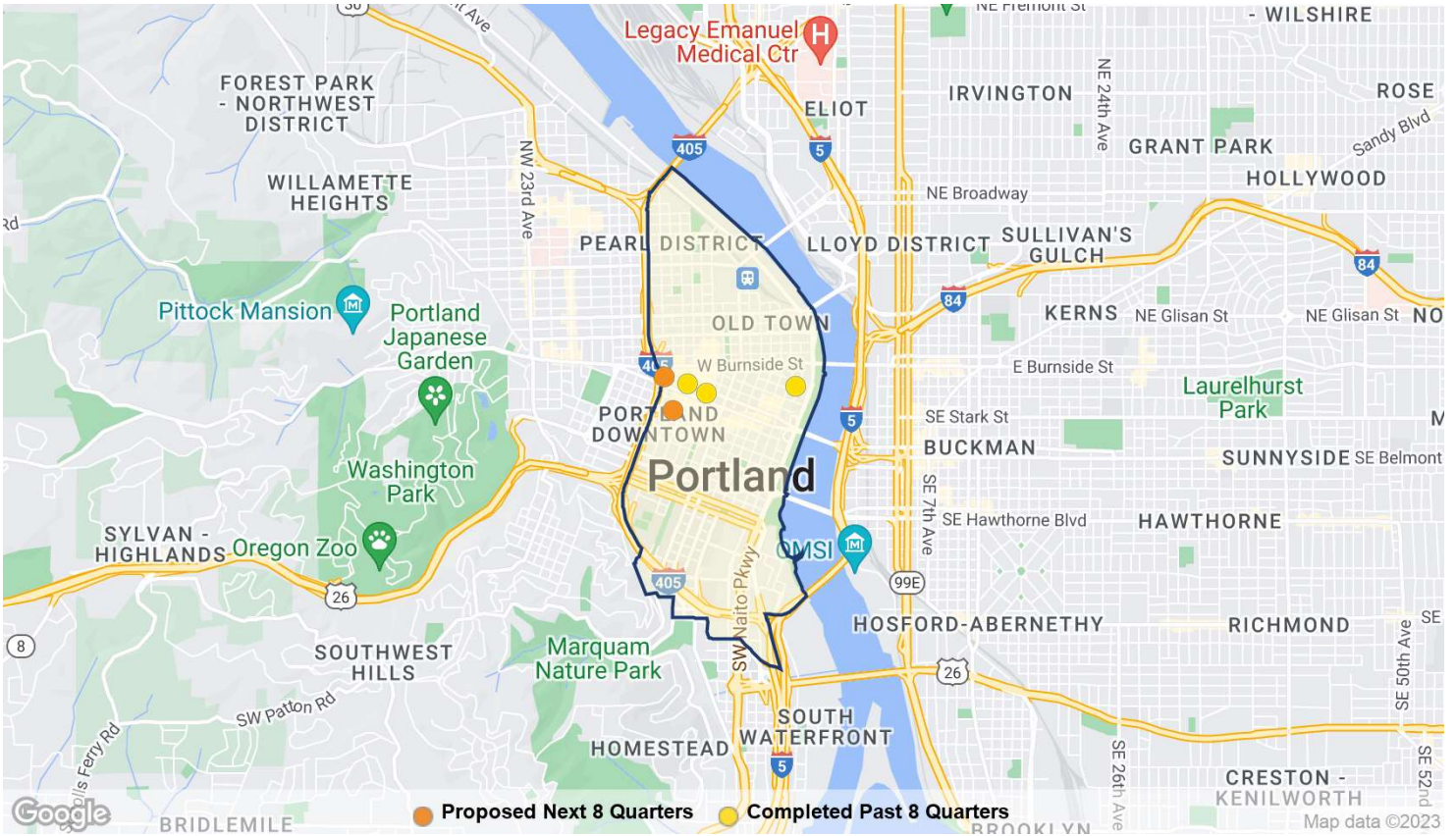
125,752

353,509

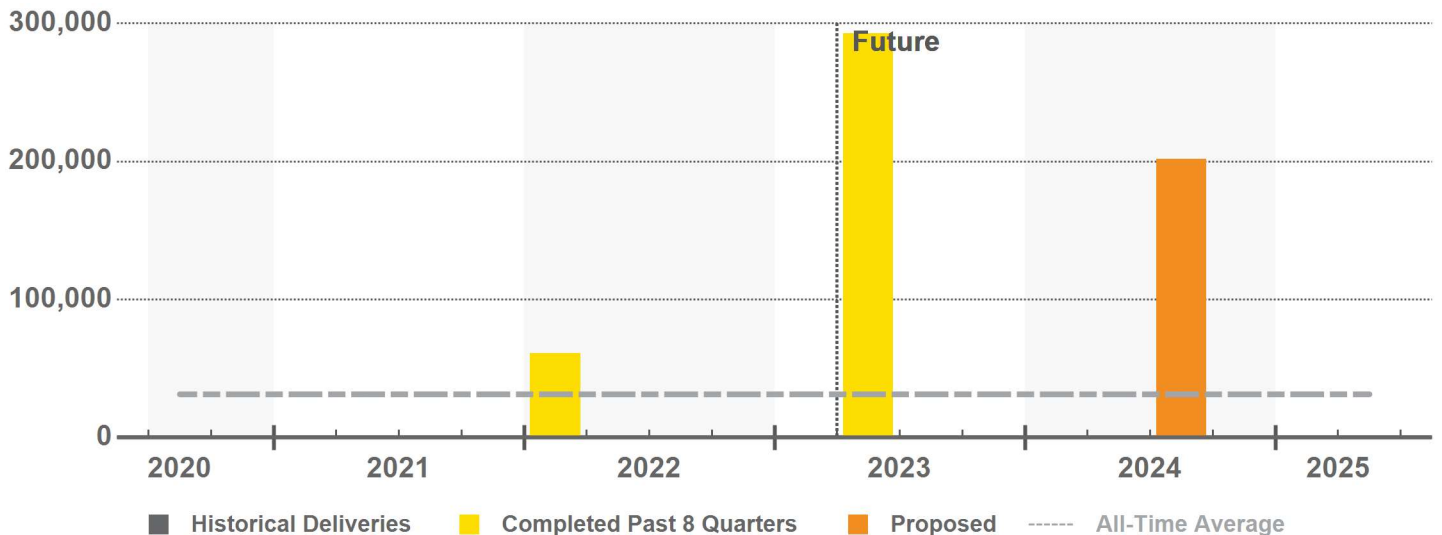
0

202,000

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 Block 216 Office 560 SW 10th Ave	★★★★★	158,464	5	Jul 2019	Apr 2023	- BPM Real Estate Group
2 The Offices at 11W 1102 SW Washington St	★★★★☆	134,185	7	Feb 2020	Apr 2023	- -
3 PAE Living Building SW 1st Ave & SW Pine	★★★★☆	60,860	5	Apr 2020	Jan 2022	- Downtown Development Group

PROPOSED

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 804 SW 12th Ave	★★★☆☆	128,000	8	Jul 2023	Jul 2024	- Greg Goodman
2 The Franklin 1312 SW Washington St	★★★☆☆	74,000	6	Jul 2023	Sep 2024	- -

Major institutional acquisitions have historically made up a large portion of sales volume. The market price of \$390/SF has risen over 75% in the past decade, and remains well above pricing for the larger metro of \$310/SF. However, the trend has flatlined over the past two years.

Concurrently, trailing-year sales volume has plummeted to \$20.4 million, versus the ten-year average annual volume of \$490 million. The desirability of office assets in Portland's CBD has diminished as investors appear to be shifting away to target suburban assets. No major office trades were recorded in 2022, and buyers continue to exercise caution with urban trophy high-rise assets, which make up the majority of downtown product.

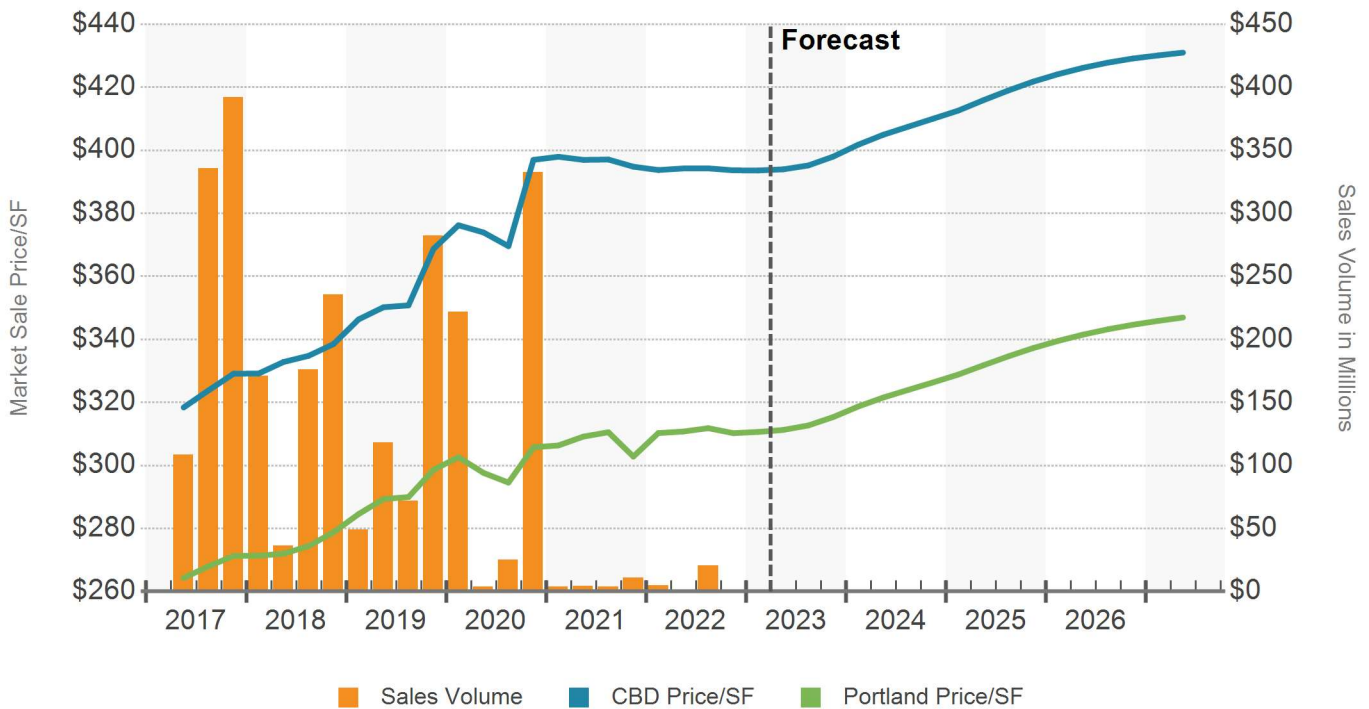
One of the largest recent trades in the CBD was the 47,000-SF Alderway Building, a 1930s era, multi-tenant asset that traded for \$8.5 million (\$181/SF) in 22Q3.

Melvin Mark Companies represented themselves in the off-market deal, and have planned full renovations to the ground retail and the necessary building systems involved.

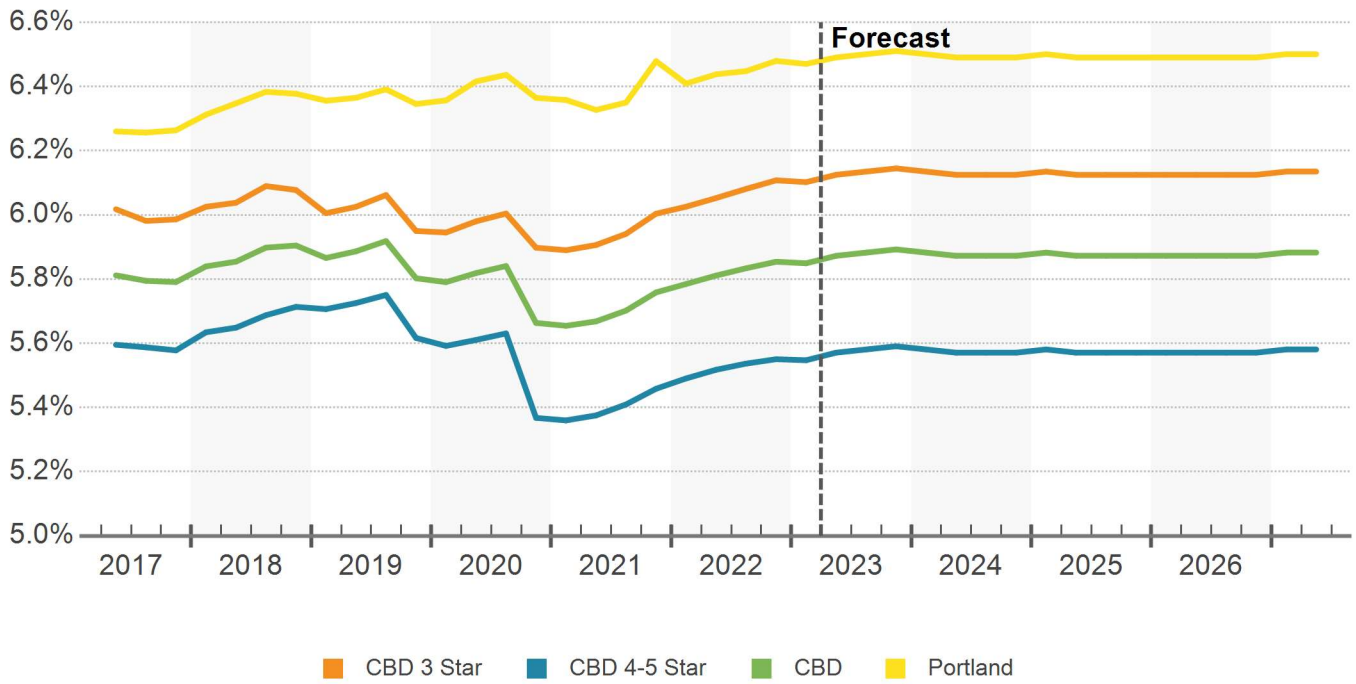
Aside from this, investors are being squeezed by higher rates in an unfavorable lending environment. The Fed's ongoing battle with inflation has led to tight monetary policy that has increased the cost of debt, and it doesn't appear conditions will shift dramatically anytime soon unless CPI growth surprises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

CBD Office

Sale Comparables

10

Avg. Cap Rate

5.0%

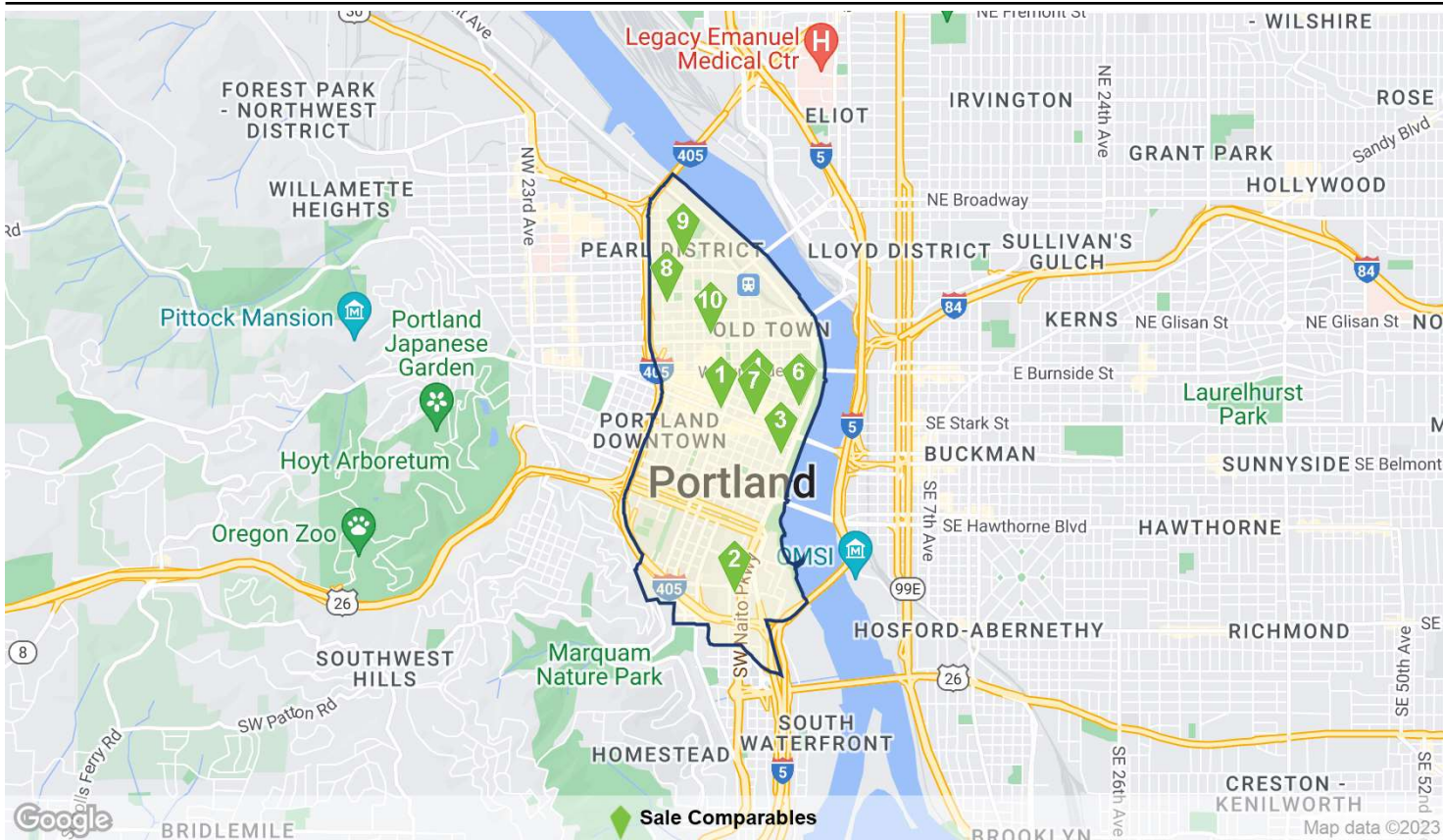
Avg. Price/SF

\$188

Avg. Vacancy At Sale

2.2%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$1,084,949	\$3,401,235	\$2,850,000	\$8,525,580
Price/SF	\$147	\$188	\$194	\$240
Cap Rate	5.0%	5.0%	5.0%	5.0%
Time Since Sale in Months	2.1	8.5	8.8	11.8
Property Attributes	Low	Average	Median	High
Building SF	4,516	34,707	18,378	140,000
Stories	1	4	4	7
Typical Floor SF	3,272	8,531	5,874	20,000
Vacancy Rate At Sale	0%	2.2%	0%	62.6%
Year Built	1859	1906	1909	1958
Star Rating	★★★★★	★★★★★ 2.5	★★★★★	★★★★★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Alderway Building 705-711 SW Alder St	★★★★★	1929	47,000	2.9%	8/31/2022	\$8,525,580	\$181	5.0%
2 2145 SW Naito Pky	★★★★★	1958	20,456	0%	8/3/2022	\$3,650,000	\$178	-
3 Powers Bldg 65 SW Yamhill St	★★★★★	1885	16,300	62.6%	8/4/2022	\$3,600,000	\$221	-
4 4th & Stark Bldg 407 SW Stark St	★★★★★	1920	10,200	0%	7/18/2022	\$2,100,000	\$206	-
5 Dielschneider Building 71 SW Oak St	★★★★★	1859	9,815	0%	7/6/2022	\$1,446,883	\$147	-
6 Freimann Kitchen Bldg 79 SW Oak St	★★★★★	1870	4,516	0%	7/6/2022	\$1,084,949	\$240	-
7 The Merchant Banker 404-418 SW Washington St	★★★★★	1898	29,370	0%	2/15/2023	-	-	-
8 Irving Street Lofts 1314 NW Irving St	★★★★★	1925	140,000	0%	9/8/2022	-	-	-
9 Bridgeport Condominiums 1130 NW 12th Ave	★★★★★	2004	1,346	0%	5/11/2022	-	-	-
10 The Elizabeth 333-347 NW 9th Ave	★★★★★	2005	1,450	0.7%	4/26/2022	-	-	-

Supply & Demand Trends

CBD Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	29,814,902	16,293	0.1%	84,175	0.3%	0.2
2026	29,798,609	14,313	0%	55,501	0.2%	0.3
2025	29,784,296	6,058	0%	155,566	0.5%	0
2024	29,778,238	(13,264)	0%	192,480	0.6%	-
2023	29,791,502	273,906	0.9%	56,399	0.2%	4.9
YTD	29,810,245	292,649	1.0%	136,963	0.5%	2.1
2022	29,517,596	60,860	0.2%	(739,539)	-2.5%	-
2021	29,456,736	(1,115)	0%	(1,112,168)	-3.8%	-
2020	29,457,851	210,705	0.7%	(713,144)	-2.4%	-
2019	29,247,146	0	0%	(396,137)	-1.4%	-
2018	29,247,146	452,783	1.6%	(158,894)	-0.5%	-
2017	28,794,363	(51,553)	-0.2%	167,878	0.6%	-
2016	28,845,916	499,805	1.8%	194,469	0.7%	2.6
2015	28,346,111	(150,030)	-0.5%	(165,544)	-0.6%	-
2014	28,496,141	(25,583)	-0.1%	195,553	0.7%	-
2013	28,521,724	(26,400)	-0.1%	(9,562)	0%	-
2012	28,548,124	169,410	0.6%	(218,543)	-0.8%	-
2011	28,378,714	(11,900)	0%	258,669	0.9%	-

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	15,514,151	54,225	0.4%	103,411	0.7%	0.5
2026	15,459,926	52,119	0.3%	88,749	0.6%	0.6
2025	15,407,807	43,715	0.3%	142,976	0.9%	0.3
2024	15,364,092	24,378	0.2%	172,117	1.1%	0.1
2023	15,339,714	292,649	1.9%	165,326	1.1%	1.8
YTD	15,339,714	292,649	1.9%	193,812	1.3%	1.5
2022	15,047,065	60,860	0.4%	(236,879)	-1.6%	-
2021	14,986,205	0	0%	(441,521)	-2.9%	-
2020	14,986,205	210,705	1.4%	(387,104)	-2.6%	-
2019	14,775,500	0	0%	(223,256)	-1.5%	-
2018	14,775,500	452,783	3.2%	148,398	1.0%	3.1
2017	14,322,717	62,381	0.4%	211,807	1.5%	0.3
2016	14,260,336	500,360	3.6%	221,543	1.6%	2.3
2015	13,759,976	0	0%	47,303	0.3%	0
2014	13,759,976	0	0%	(87,449)	-0.6%	-
2013	13,759,976	0	0%	(4,333)	0%	-
2012	13,759,976	133,000	1.0%	32,787	0.2%	4.1
2011	13,626,976	62,300	0.5%	187,379	1.4%	0.3

Supply & Demand Trends

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	11,438,154	0	0%	12,284	0.1%	0
2026	11,438,154	0	0%	(565)	0%	-
2025	11,438,154	0	0%	36,710	0.3%	0
2024	11,438,154	0	0%	45,833	0.4%	0
2023	11,438,154	0	0%	(86,275)	-0.8%	-
YTD	11,438,154	0	0%	(57,890)	-0.5%	-
2022	11,438,154	0	0%	(396,246)	-3.5%	-
2021	11,438,154	0	0%	(598,759)	-5.2%	-
2020	11,438,154	0	0%	(282,638)	-2.5%	-
2019	11,438,154	0	0%	(141,144)	-1.2%	-
2018	11,438,154	0	0%	(269,726)	-2.4%	-
2017	11,438,154	(32,714)	-0.3%	(9,500)	-0.1%	-
2016	11,470,868	27,445	0.2%	(58,998)	-0.5%	-
2015	11,443,423	(74,110)	-0.6%	(56,447)	-0.5%	-
2014	11,517,533	0	0%	182,218	1.6%	0
2013	11,517,533	(26,400)	-0.2%	(24,870)	-0.2%	-
2012	11,543,933	36,410	0.3%	(272,922)	-2.4%	-
2011	11,507,523	0	0%	134,979	1.2%	0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	2,862,597	(37,932)	-1.3%	(31,520)	-1.1%	-
2026	2,900,529	(37,806)	-1.3%	(32,683)	-1.1%	-
2025	2,938,335	(37,657)	-1.3%	(24,120)	-0.8%	-
2024	2,975,992	(37,642)	-1.2%	(25,470)	-0.9%	-
2023	3,013,634	(18,743)	-0.6%	(22,652)	-0.8%	-
YTD	3,032,377	0	0%	1,041	0%	0
2022	3,032,377	0	0%	(106,414)	-3.5%	-
2021	3,032,377	(1,115)	0%	(71,888)	-2.4%	-
2020	3,033,492	0	0%	(43,402)	-1.4%	-
2019	3,033,492	0	0%	(31,737)	-1.0%	-
2018	3,033,492	0	0%	(37,566)	-1.2%	-
2017	3,033,492	(81,220)	-2.6%	(34,429)	-1.1%	-
2016	3,114,712	(28,000)	-0.9%	31,924	1.0%	-
2015	3,142,712	(75,920)	-2.4%	(156,400)	-5.0%	-
2014	3,218,632	(25,583)	-0.8%	100,784	3.1%	-
2013	3,244,215	0	0%	19,641	0.6%	0
2012	3,244,215	0	0%	21,592	0.7%	0
2011	3,244,215	(74,200)	-2.2%	(63,689)	-2.0%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$35.24	148	0.5%	5.6%	6,061,561	20.3%	-0.2%
2026	\$35.07	147	1.2%	5.1%	6,129,647	20.6%	-0.1%
2025	\$34.66	146	2.1%	3.8%	6,171,052	20.7%	-0.5%
2024	\$33.96	143	1.7%	1.7%	6,320,784	21.2%	-0.7%
2023	\$33.38	140	1.9%	0%	6,527,015	21.9%	0.5%
YTD	\$32.69	137	0.4%	-2.1%	6,465,013	21.7%	0.3%
2022	\$32.75	138	0.5%	-1.9%	6,309,327	21.4%	2.7%
2021	\$32.59	137	-0.2%	-2.4%	5,508,928	18.7%	3.8%
2020	\$32.66	137	-2.2%	-2.2%	4,397,875	14.9%	3.1%
2019	\$33.38	140	3.1%	0%	3,474,026	11.9%	1.4%
2018	\$32.36	136	2.3%	-3.0%	3,077,889	10.5%	2.0%
2017	\$31.63	133	6.0%	-5.2%	2,466,212	8.6%	-0.7%
2016	\$29.83	125	7.5%	-10.6%	2,685,643	9.3%	0.9%
2015	\$27.75	117	6.1%	-16.9%	2,380,307	8.4%	0.1%
2014	\$26.15	110	6.5%	-21.7%	2,364,793	8.3%	-0.8%
2013	\$24.56	103	2.0%	-26.4%	2,585,929	9.1%	-0.1%
2012	\$24.07	101	3.6%	-27.9%	2,602,767	9.1%	1.3%
2011	\$23.23	98	1.3%	-30.4%	2,214,814	7.8%	-0.9%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$40.41	149	0.6%	8.1%	2,830,333	18.2%	-0.4%
2026	\$40.17	148	1.3%	7.5%	2,879,637	18.6%	-0.3%
2025	\$39.66	146	2.2%	6.1%	2,916,387	18.9%	-0.7%
2024	\$38.81	143	1.8%	3.8%	3,015,775	19.6%	-1.0%
2023	\$38.11	140	1.9%	1.9%	3,163,638	20.6%	0.4%
YTD	\$37.29	137	0.6%	-0.3%	3,135,149	20.4%	0.3%
2022	\$37.39	138	0.6%	0%	3,036,312	20.2%	1.9%
2021	\$37.17	137	0.8%	-0.6%	2,738,573	18.3%	2.9%
2020	\$36.88	136	0.4%	-1.4%	2,297,052	15.3%	3.8%
2019	\$36.73	135	6.6%	-1.8%	1,699,243	11.5%	1.5%
2018	\$34.44	127	1.7%	-7.9%	1,475,987	10.0%	1.8%
2017	\$33.87	125	7.5%	-9.4%	1,171,602	8.2%	-1.1%
2016	\$31.52	116	5.3%	-15.7%	1,321,028	9.3%	1.7%
2015	\$29.94	110	3.3%	-19.9%	1,042,211	7.6%	-0.3%
2014	\$28.98	107	6.8%	-22.5%	1,089,514	7.9%	0.6%
2013	\$27.13	100	0%	-27.4%	1,002,065	7.3%	0%
2012	\$27.12	100	2.0%	-27.4%	997,732	7.3%	0.7%
2011	\$26.58	98	-0.4%	-28.9%	897,519	6.6%	-1.0%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$30.16	144	0.3%	-3.4%	2,791,245	24.4%	-0.1%
2026	\$30.07	143	1.0%	-3.7%	2,803,529	24.5%	0%
2025	\$29.77	142	1.9%	-4.6%	2,802,964	24.5%	-0.3%
2024	\$29.22	139	1.6%	-6.4%	2,839,674	24.8%	-0.4%
2023	\$28.76	137	1.9%	-7.9%	2,885,507	25.2%	0.8%
YTD	\$28.20	134	-0.2%	-9.7%	2,857,108	25.0%	0.5%
2022	\$28.22	134	-0.1%	-9.6%	2,799,218	24.5%	3.5%
2021	\$28.25	135	-2.6%	-9.5%	2,402,972	21.0%	5.2%
2020	\$29	138	-5.6%	-7.1%	1,804,213	15.8%	2.5%
2019	\$30.71	146	-1.6%	-1.6%	1,521,575	13.3%	1.2%
2018	\$31.22	149	3.5%	0%	1,380,431	12.1%	2.4%
2017	\$30.18	144	5.0%	-3.3%	1,110,705	9.7%	-0.2%
2016	\$28.73	137	10.5%	-8.0%	1,133,919	9.9%	0.7%
2015	\$26	124	10.1%	-16.7%	1,047,476	9.2%	-0.1%
2014	\$23.62	113	5.8%	-24.3%	1,065,139	9.2%	-1.6%
2013	\$22.33	106	4.5%	-28.5%	1,247,357	10.8%	0%
2012	\$21.37	102	5.8%	-31.6%	1,248,887	10.8%	2.7%
2011	\$20.20	96	4.0%	-35.3%	939,555	8.2%	-1.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$28.20	164	0.3%	6.3%	439,983	15.4%	0%
2026	\$28.10	164	1.0%	6.0%	446,481	15.4%	0%
2025	\$27.82	162	1.9%	4.9%	451,701	15.4%	-0.3%
2024	\$27.28	159	1.6%	2.9%	465,335	15.6%	-0.2%
2023	\$26.85	157	1.8%	1.2%	477,870	15.9%	0.2%
YTD	\$26.36	154	1.7%	-0.6%	472,756	15.6%	0%
2022	\$26.38	154	2.5%	-0.5%	473,797	15.6%	3.5%
2021	\$25.75	150	2.7%	-2.9%	367,383	12.1%	2.3%
2020	\$25.08	146	-5.4%	-5.4%	296,610	9.8%	1.4%
2019	\$26.52	155	1.4%	0%	253,208	8.3%	1.0%
2018	\$26.17	153	1.5%	-1.3%	221,471	7.3%	1.2%
2017	\$25.77	150	1.5%	-2.8%	183,905	6.1%	-1.3%
2016	\$25.40	148	9.4%	-4.2%	230,696	7.4%	-1.8%
2015	\$23.22	135	8.6%	-12.4%	290,620	9.2%	2.7%
2014	\$21.38	125	7.3%	-19.4%	210,140	6.5%	-3.8%
2013	\$19.93	116	5.8%	-24.9%	336,507	10.4%	-0.6%
2012	\$18.83	110	6.7%	-29.0%	356,148	11.0%	-0.7%
2011	\$17.65	103	3.3%	-33.4%	377,740	11.6%	-0.1%

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	-	-	-	-	-	-	\$432.35	248	5.9%
2026	-	-	-	-	-	-	\$429.15	247	5.9%
2025	-	-	-	-	-	-	\$421.80	242	5.9%
2024	-	-	-	-	-	-	\$410.04	236	5.9%
2023	-	-	-	-	-	-	\$398.01	229	5.9%
YTD	1	\$0	0.1%	-	-	-	\$393.44	226	5.9%
2022	10	\$25.4M	1.0%	\$2,818,994	\$180.32	5.0%	\$393.65	226	5.9%
2021	13	\$22.6M	0.5%	\$2,055,033	\$276.97	-	\$394.81	227	5.8%
2020	12	\$582.9M	3.6%	\$52,989,364	\$555.14	4.9%	\$396.98	228	5.7%
2019	25	\$521.2M	4.2%	\$28,954,231	\$442.18	5.5%	\$368.72	212	5.8%
2018	20	\$619.1M	7.3%	\$34,394,278	\$290.38	5.5%	\$338.53	194	5.9%
2017	33	\$1.1B	12.4%	\$34,766,545	\$303.56	5.3%	\$329.14	189	5.8%
2016	24	\$641.3M	7.7%	\$32,063,353	\$289.70	5.3%	\$307.93	177	5.9%
2015	26	\$911.2M	11.5%	\$36,446,211	\$279.78	5.3%	\$284.67	164	6.0%
2014	25	\$356.8M	7.2%	\$14,866,624	\$175.02	6.5%	\$254.95	146	6.2%
2013	19	\$281.7M	5.6%	\$16,571,665	\$175.70	6.8%	\$230.78	133	6.5%
2012	13	\$136.9M	2.4%	\$10,529,522	\$198.43	7.9%	\$217.70	125	6.8%

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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.

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	-	-	-	-	-	-	\$517.26	247	5.6%
2026	-	-	-	-	-	-	\$512.87	245	5.6%
2025	-	-	-	-	-	-	\$503.55	241	5.6%
2024	-	-	-	-	-	-	\$489.01	234	5.6%
2023	-	-	-	-	-	-	\$474.16	227	5.6%
YTD	1	\$0	0.2%	-	-	-	\$468.33	224	5.6%
2022	-	-	-	-	-	-	\$468.78	224	5.6%
2021	-	-	-	-	-	-	\$470.41	225	5.5%
2020	1	\$132.3M	1.2%	\$132,300,000	\$744.09	-	\$472.99	226	5.4%
2019	2	\$189.8M	1.8%	\$94,875,000	\$721.61	5.6%	\$427.04	204	5.6%
2018	6	\$451.3M	9.7%	\$75,220,833	\$315.51	5.9%	\$392.57	188	5.7%
2017	8	\$708.5M	15.7%	\$88,565,628	\$316.04	5.1%	\$385.10	184	5.6%
2016	4	\$414.9M	9.1%	\$103,725,000	\$321.33	4.9%	\$362.53	173	5.6%
2015	10	\$828.8M	20.3%	\$82,881,700	\$297.43	4.6%	\$337.09	161	5.7%
2014	2	\$89.1M	2.6%	\$44,550,000	\$247.91	6.1%	\$302.75	145	6.0%
2013	3	\$176.3M	5.2%	\$58,750,000	\$248.06	6.9%	\$275.20	132	6.3%
2012	2	\$103.7M	3.2%	\$51,850,000	\$232.30	8.8%	\$260.75	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	-	-	-	-	-	-	\$356.94	258	6.1%
2026	-	-	-	-	-	-	\$354.88	256	6.1%
2025	-	-	-	-	-	-	\$349.34	252	6.1%
2024	-	-	-	-	-	-	\$340.11	246	6.1%
2023	-	-	-	-	-	-	\$330.61	239	6.1%
YTD	-	-	-	-	-	-	\$327.17	236	6.1%
2022	4	\$11.3M	1.7%	\$3,780,193	\$208.43	5.0%	\$327.19	236	6.1%
2021	7	\$16.5M	0.5%	\$2,350,838	\$300.72	-	\$328.56	237	6.0%
2020	10	\$446.9M	7.5%	\$49,653,667	\$521.35	3.4%	\$331	239	5.9%
2019	12	\$314.7M	7.6%	\$31,465,615	\$370.59	-	\$318.01	230	5.9%
2018	8	\$125.7M	4.5%	\$17,963,571	\$242.06	-	\$290.03	209	6.1%
2017	19	\$340.6M	10.6%	\$20,032,514	\$284.10	5.9%	\$277.81	201	6.0%
2016	17	\$217.8M	7.6%	\$15,558,361	\$256.10	5.5%	\$255.83	185	6.1%
2015	12	\$71.2M	3.6%	\$5,931,908	\$173.83	5.3%	\$234.03	169	6.3%
2014	17	\$247M	13.1%	\$14,528,218	\$163.97	6.7%	\$207.56	150	6.5%
2013	9	\$72.2M	5.4%	\$10,320,929	\$117.32	6.6%	\$186.72	135	6.8%
2012	7	\$26.7M	1.7%	\$3,815,542	\$132.54	-	\$174.87	126	7.0%

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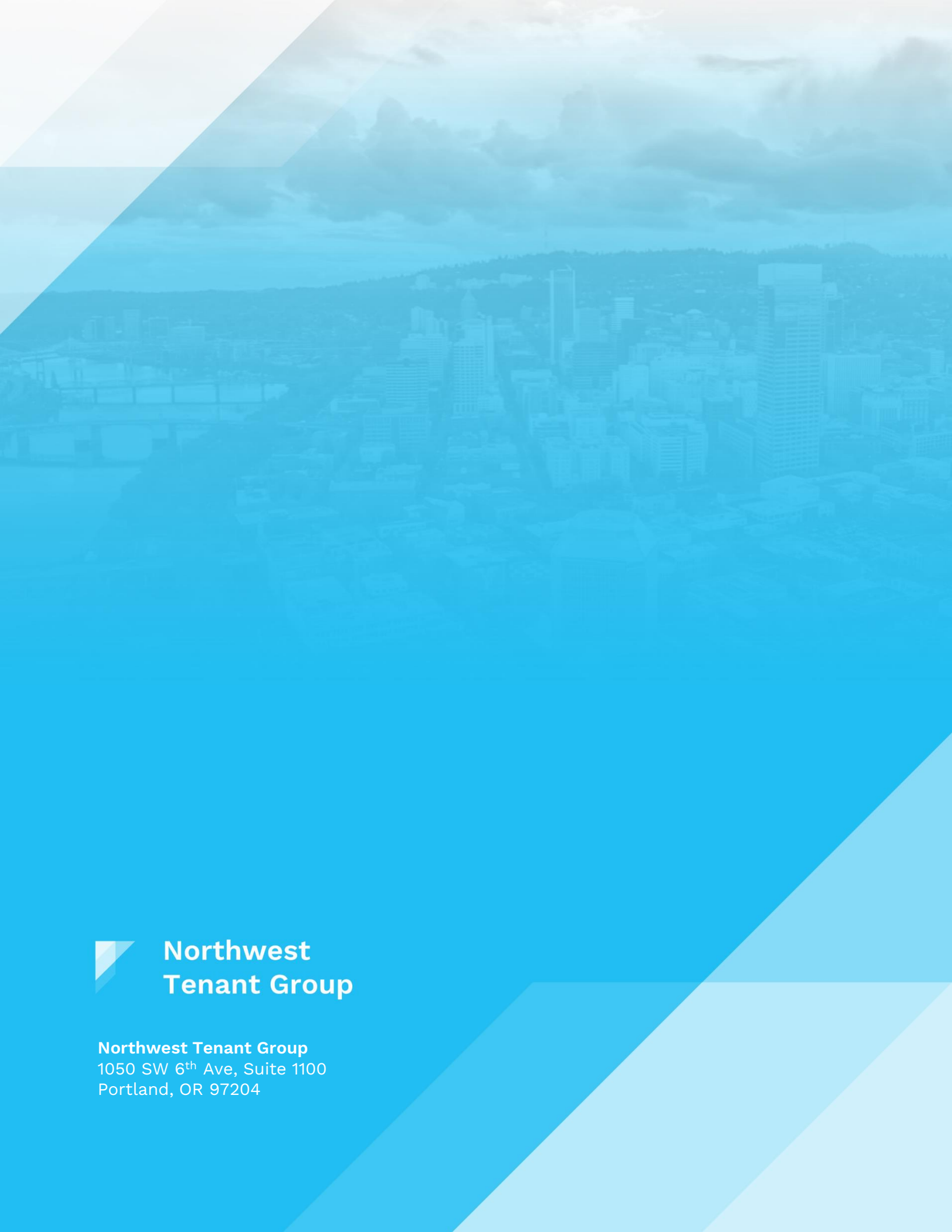
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1 & 2 STAR SALES

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	-	-	-	-	-	-	\$287.34	220	6.5%
2026	-	-	-	-	-	-	\$285.82	219	6.4%
2025	-	-	-	-	-	-	\$281.58	216	6.4%
2024	-	-	-	-	-	-	\$274.35	210	6.4%
2023	-	-	-	-	-	-	\$267.02	205	6.5%
YTD	-	-	-	-	-	-	\$264.61	203	6.4%
2022	6	\$14M	2.8%	\$2,338,395	\$162.60	-	\$264.29	202	6.4%
2021	6	\$6.1M	2.6%	\$1,537,375	\$228.65	-	\$262.28	201	6.4%
2020	1	\$3.7M	0.5%	\$3,700,000	\$246.67	6.5%	\$261.37	200	6.3%
2019	11	\$16.8M	3.2%	\$2,795,000	\$251.71	5.3%	\$264.98	203	6.2%
2018	6	\$42M	6.1%	\$8,405,400	\$230.76	5.1%	\$248.13	190	6.2%
2017	6	\$28.7M	3.6%	\$4,780,856	\$261.18	5.0%	\$239.67	184	6.1%
2016	3	\$8.6M	2.4%	\$4,275,000	\$119.03	5.6%	\$228.20	175	6.2%
2015	4	\$11.2M	2.0%	\$3,718,458	\$184.08	7.0%	\$210.46	161	6.3%
2014	6	\$20.7M	5.9%	\$4,143,851	\$119.78	6.1%	\$191.91	147	6.5%
2013	7	\$33.2M	8.5%	\$4,745,971	\$119.89	6.9%	\$172.27	132	6.9%
2012	4	\$6.5M	1.3%	\$1,618,750	\$154.51	7.0%	\$161.51	124	7.1%

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Northwest Tenant Group

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