



OFFICE MARKET REPORT SUNSET CORRIDOR/HILLSBORO

Q1 2023



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

OFFICE SUBMARKET REPORT

Submarket Key Statistics	1
Leasing	2
Rent	5
Construction	7
Sales	10
Sales Past 12 Months	12
Supply & Demand Trends	14
Rent & Vacancy	16
Sale Trends	18

12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

110K

Vacancy Rate

4.8%

12 Mo Rent Growth

1.7%

The Sunset Corridor/Hillsboro is one of Portland's premier office hubs, home to several large corporate campuses and headquarters. A concentration of high-tech manufacturing drives employment, with Intel's semiconductor facility in Hillsboro maintaining a massive presence corresponding to global sales implications. This synergy supports a rich talent base for employers, and stabilizes demand for physical office space to support these large operations.

Nike owns around 3 million SF as well, and both companies have recently completed significant campus expansions. Other companies with large office footprints include Wells Fargo and the headquarters of First Tech Federal Credit Union.

Physical space needs have thrown a wrench into office market growth, but Nike and Intel are committed to bringing most employees back in person on a hybrid basis. Both corporations have the scale to influence others to follow similar models.

Rents in 4 & 5 Star properties are about 15% lower than the metro average for luxury space, despite the heavy presence of corporate entities. One reason for this could be the fact that nearly two thirds of the 4 & 5 Star supply within Sunset Corridor/Hillsboro is owner occupied. The remaining space predominantly reflects 80s and 90s era construction with only scattered updating, likely placing a lower ceiling on rents.

Meanwhile, rent growth on a year-over-year basis isn't forecast to reach its pre-Great Recession highs, or those seen in 2015 and 2017 anytime soon. Overall, however, the submarket's asking rents have exhibited cumulative growth of 52.8% over the past decade, which is ahead of the metro's performance of 42.7%.

Few of Sunset Corridor/Hillsboro's premier assets ever trade, and sales volume can be inconsistent from year to year. Still, the area remains on the radar of investors given its synergy and scale. Near-term, tight Fed policy to battle inflation could stymie sales activity, as the cost of debt rises during 2023.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	6,584,247	3.5%	\$28.35	3.9%	(15,522)	0	0
3 Star	6,633,124	5.6%	\$26.52	8.4%	(478)	0	0
1 & 2 Star	1,826,716	6.4%	\$21.98	6.4%	1,739	0	0
Submarket	15,044,087	4.8%	\$26.77	6.2%	(14,261)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.7%	8.5%	5.2%	16.4%	2004 Q1	3.4%	2018 Q3
Net Absorption SF	110K	222,926	75,850	1,167,094	2014 Q4	(234,794)	2009 Q3
Deliveries SF	0	169,398	114,573	1,003,585	2022 Q1	0	2023 Q1
Rent Growth	1.7%	2.4%	2.5%	10.3%	2015 Q3	-8.5%	2010 Q2
Sales Volume	\$75.5M	\$82.4M	N/A	\$168.8M	2016 Q3	\$14.4M	2021 Q3

Nike and Intel have each added millions of square feet of space in the past few years. Nike's world headquarters in Beaverton recently wrapped up its 1.4 million-SF North Campus addition, featuring the Serena Williams Building. Intel broke ground on a 1.5 million-SF expansion in July 2019, completing the project in mid-2022.

Spaces like these will be occupied by their respective owners, thus, vacancies remain tighter than the larger metro as a whole. In addition, many other large companies outside of Nike and Intel are single tenants in their respective properties on long-term leases.

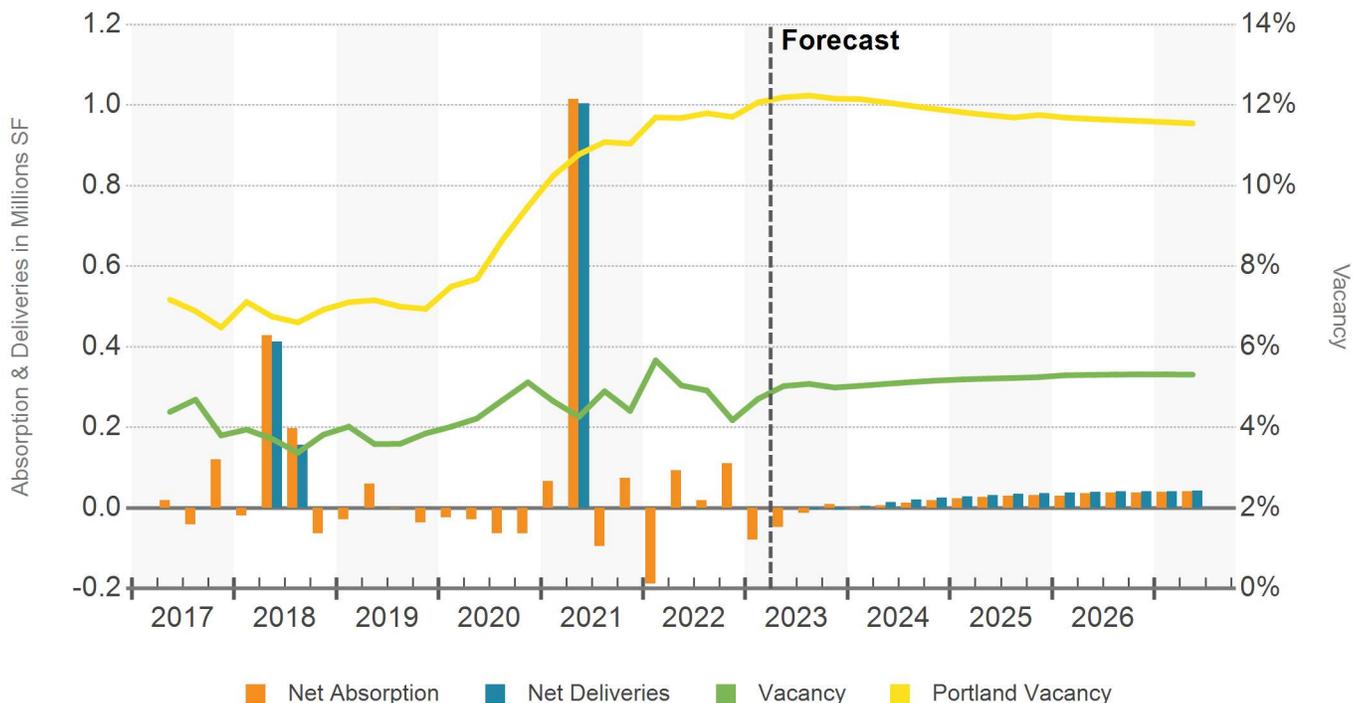
The submarket does, however, attract a number of interested small and mid-size tenants, as access to talent and technical business synergy are large draws. For example, in 22Q4, SSOE added 5,500 SF to their footprint at the Rock Creek Corporate Center in Hillsboro. Starting asking rent was \$28/SF, full service. SSOE is an internationally ranked architecture and engineering firm.

In addition, marine software company Nobeltec signed for 3,000 SF of space at 16100 NW Cornell Rd. The 36,000-SF, 2 Star building was built in 1996.

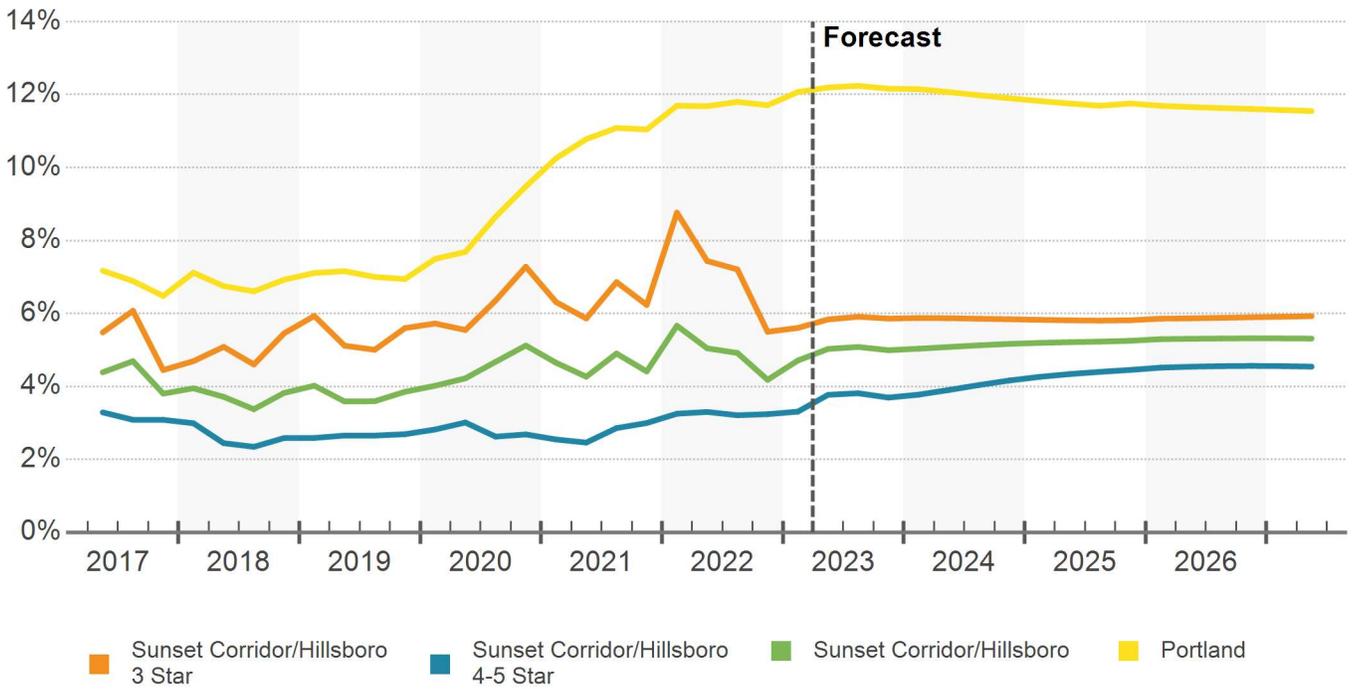
Longer-standing tenants include Salesforce.com, occupying 118,000 SF at Synopsys Technology Park, and Synopsys, owner/occupant of 115,000 SF at 2025 NW Cornelius Pass Road. Both Columbia Sportswear and movie studio Laika are headquartered in Sunset Corridor/Hillsboro, but they occupy more industrial and flex space than office space. Wells Fargo occupies 103,000 SF at 23175 NW Bennett St., which houses 900 employees, as well as the 212,000-SF 18700 NW Walker Road.

The Hillsboro Enterprise Zone encourages investment in the submarket, offering a 100% property tax abatement for eligible businesses on new capital assets for a three-to five-year period. The city hopes this, coupled with the presence of Nike and Intel, will continue to draw more development to the area.

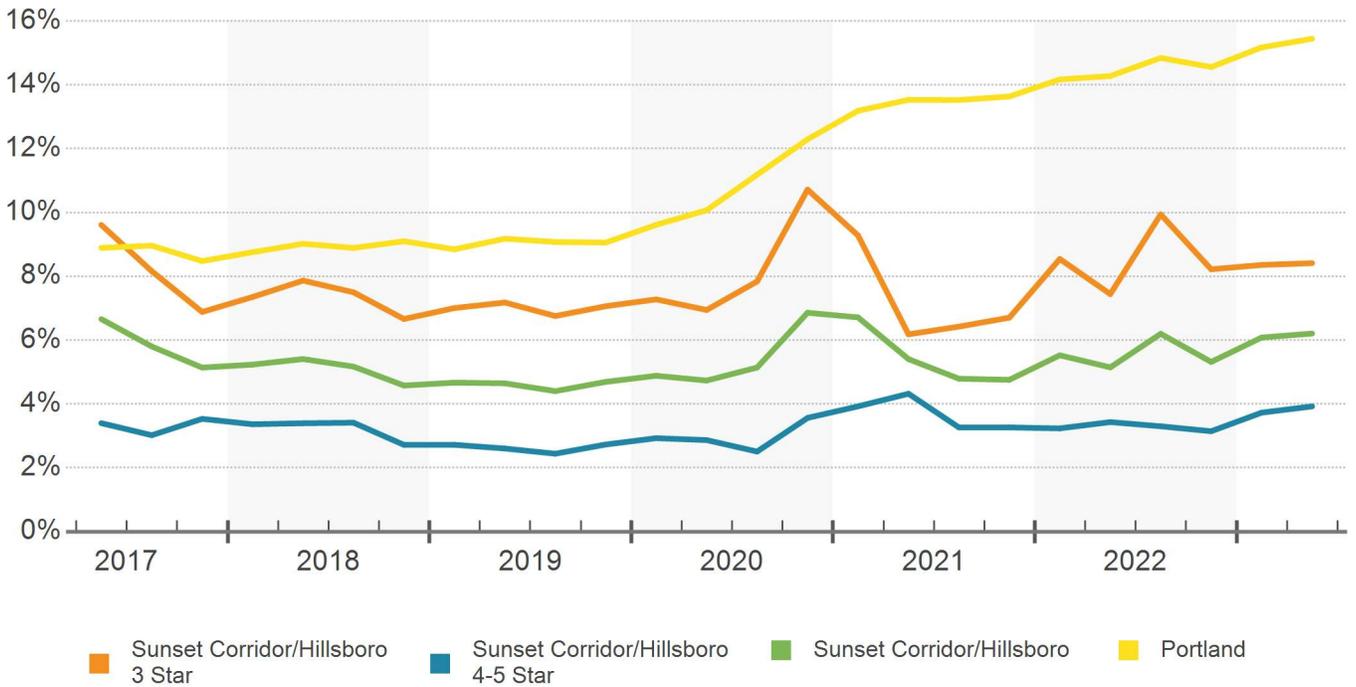
NET ABSORPTION, NET DELIVERIES & VACANCY



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
Cornell West 1500 NW Bethany Blvd	★★★★☆	116,350	7	23,918	14.0%	6,550
Rock Creek Corporate Ctr- Bl... 3600 NE John Olsen Ave	★★★★☆	67,166	1	5,594	5.0%	5,594
Cascade One Building 1915 NE Stucki Ave	★★★★☆	96,674	5	14,055	32.6%	1,078
Cascade Two Building 1925 NE Stucki Ave	★★★★☆	97,000	1	2,299	40.0%	(1,244)

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 Commons 15455 NW Greenbrier Pky	★★★☆☆	69,597	2	8,054	27.9%	13,638
Golding Building 8900 NE Walker Rd	★★★☆☆	63,708	1	7,737	51.5%	7,737
The Atrium 15220 NW Greenbrier Pky	★★★☆☆	169,319	2	4,210	58.1%	4,760
Bldg I 5193 NE Elam Young Pky	★★★☆☆	20,171	1	3,494	10.4%	3,494
Hillsboro Center 900-980 SE Oak St	★★★☆☆	66,807	1	4,157	0%	3,289
Oak & Third Building 265 SE Oak St	★★★☆☆	14,500	1	2,520	46.9%	1,994
Bldg I 5625 NE Elam Young Pky	★★★☆☆	12,000	1	1,926	6.4%	1,926
UPM Plaza 3000 NE Stucki Ave	★★★☆☆	32,652	2	520	1.7%	1,370
LifeQual Center 1975 NW 167th Pl	★★★☆☆	19,333	8	1,351	2.1%	458
Station Center One 4660 NE Belknap Ct	★★★☆☆	43,630	1	3,208	5.6%	150
Bldg E 3455-3499 NE John Olsen Ave	★★★☆☆	16,854	1	1,887	0%	0
5800 NW Pinefarm Pl	★★★☆☆	72,000	1	71,434	0%	0
Tanasbourne Commons 17933 NW Evergreen Pl	★★★☆☆	60,115	1	1,619	23.3%	(21,249)
1600 NE Compton Dr	★★★☆☆	79,987	1	2,491	52.2%	(29,294)

Strong occupancy figures bolstered by established corporate tenants keep the Sunset Corridor/Hillsboro's fundamentals structurally tight. As such, submarket rent growth has generally matched or exceeded metro rent growth over the past few quarters. Year-over-year, Sunset Corridor/Hillsboro notched gains of 1.7%, versus metro gains of 1.6%.

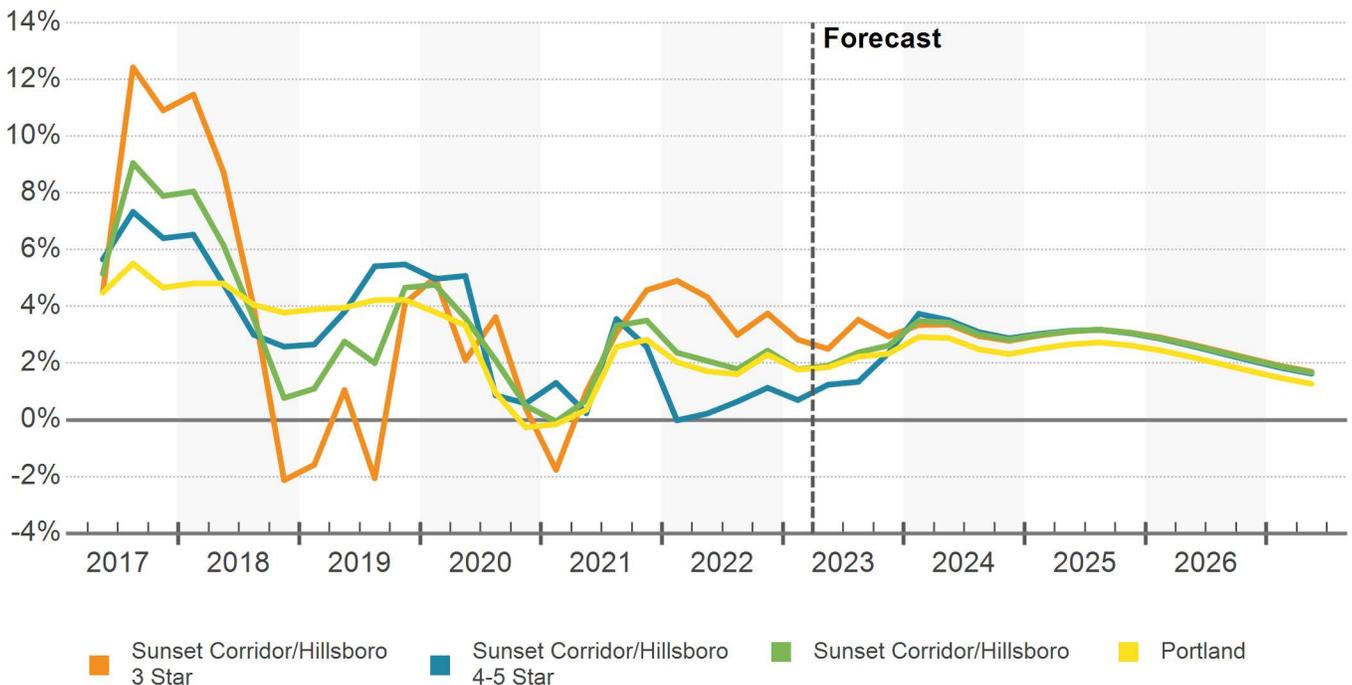
Over the last decade, Sunset Corridor/Hillsboro asking rents have increased by 52.8%. In comparison, the Portland metro's cumulative rent increase was 42.7% over the same period.

Average asking rents come in at \$26.77/SF, versus the

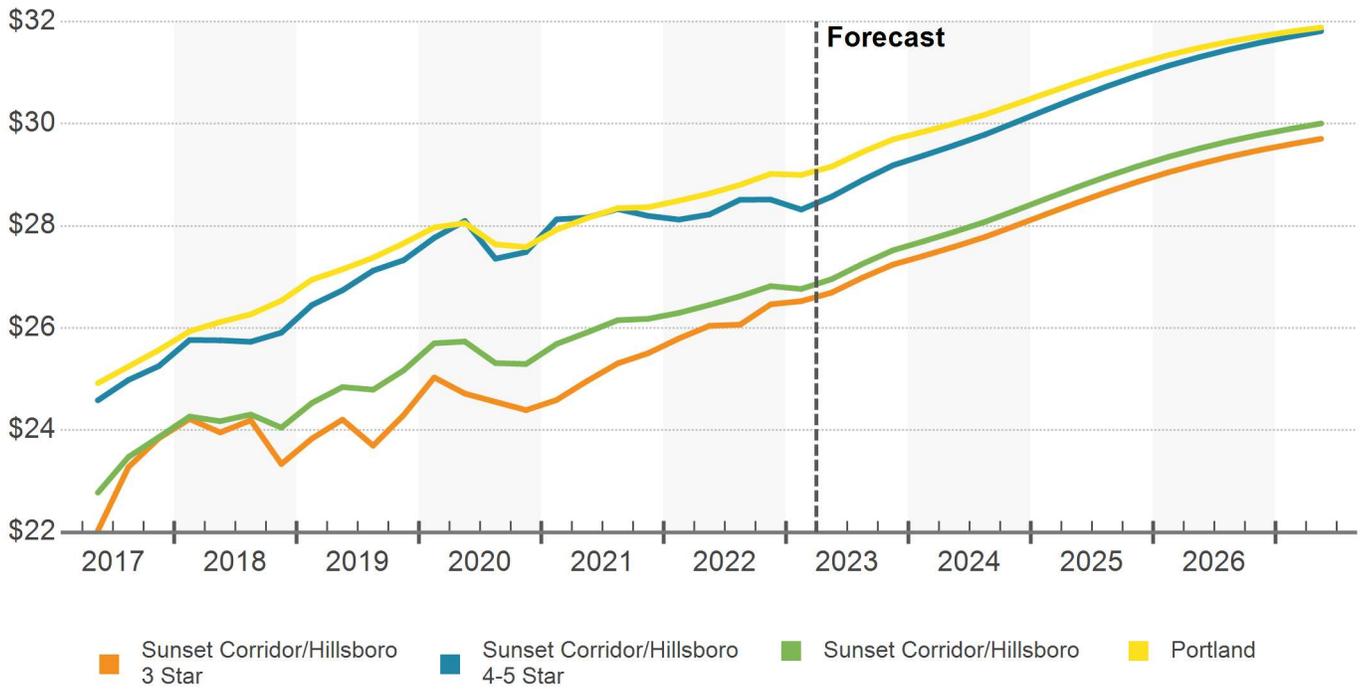
metro average of \$28.99/SF, despite the submarket's relatively high share of 4 & 5 Star space. 4 & 5 Star rents average \$28.35/SF, below the metro average of \$34.62/SF. The submarket's somewhat removed location from the Portland CBD, as well as the fact that a large share of non-owner occupied 4 & 5 Star space is reflective of 80s and 90s era construction could explain the discrepancy.

4 & 5 Star space saw rent gains of 0.7% year-over-year, compared with metro gains of 0.9%. 3 Star rents posted gains of 2.6%, versus metro gains of 2.2%. Within the submarket, asking rates for 4 & 5 Star space are just a 15% premium over rates for 3 Star space.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



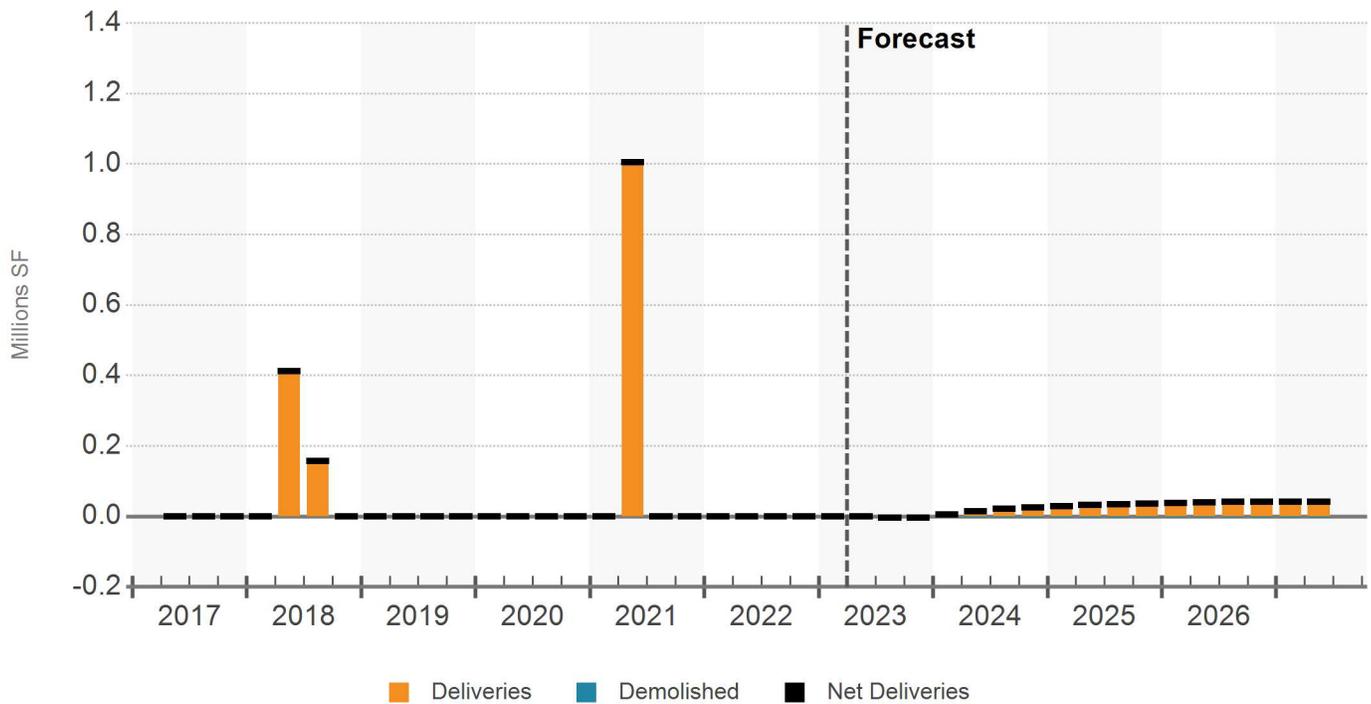
Build-to-suit projects for owners or the submarket's largest tenants make up the majority of recent deliveries. Of the office assets completed in the past decade, the combined vacancy rate is around 5%.

Following the 1-million-SF build-to-suit development for Nike, there are currently no major projects underway. The footwear giant hired ZGF Architects as the designer for its North Expansion, which broke ground in 15Q4. With one 412,000-SF building delivered in 18Q2 and the Serena Williams Building recently completed, the new offices will augment the company's footprint by one-third.

The overall submarket's office inventory increased by around 7% following the Nike expansion completion. In a comparable project, Intel opened its 1-million-SF semiconductor support facility in 2014, which added 8% to the submarket's existing inventory.

Over the last decade, inventory has increased by 20.4%, versus the growth rate for the larger metro area of 7.4%. Historically, on average, approximately 380,000 SF is underway in Sunset Corridor/Hillsboro at any given point in time, skewed by the larger Nike projects.

DELIVERIES & DEMOLITIONS



All-Time Annual Avg. Square Feet

163,380

Delivered Square Feet Past 8 Qtrs

1,003,585

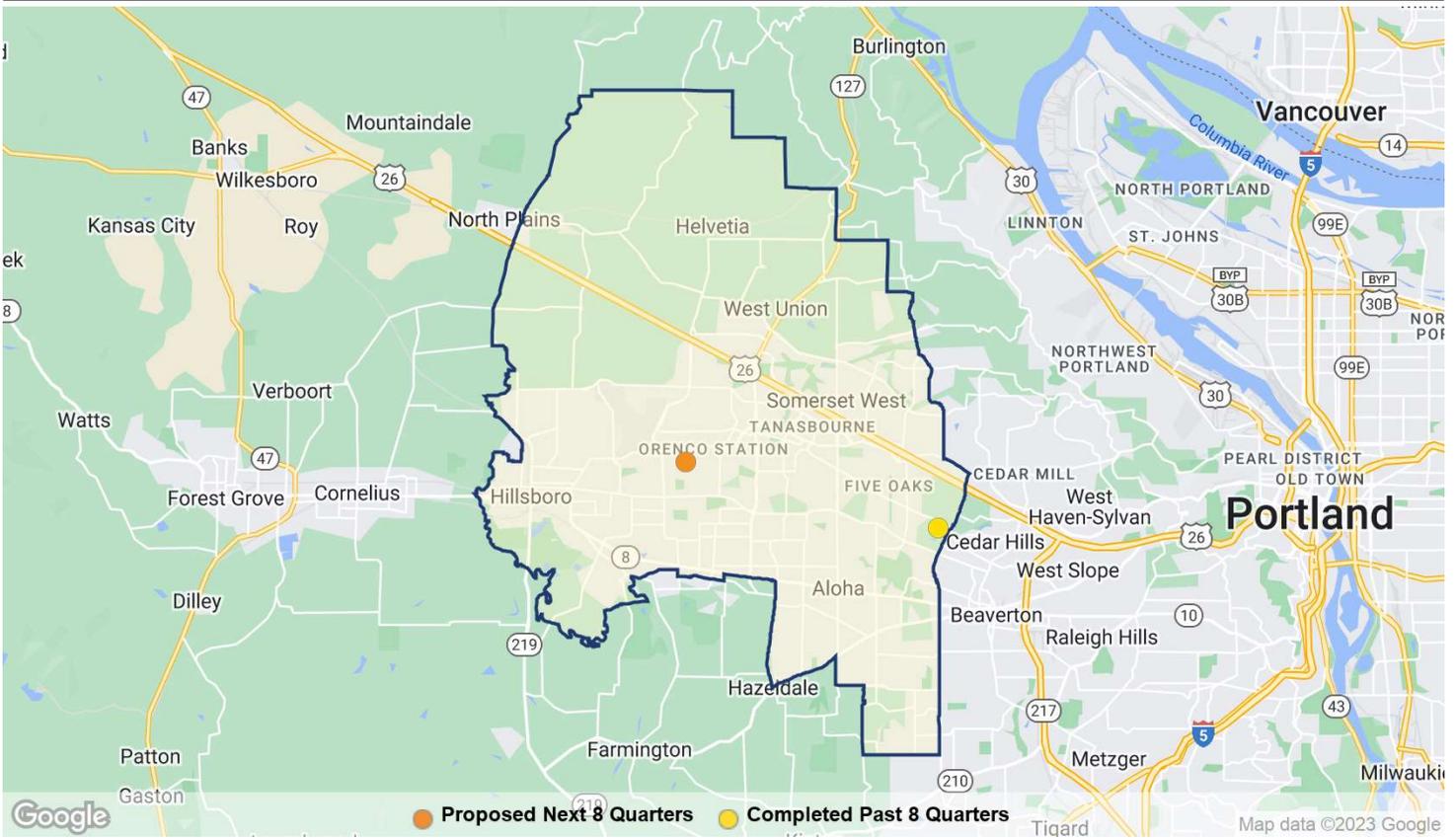
Delivered Square Feet Next 8 Qtrs

0

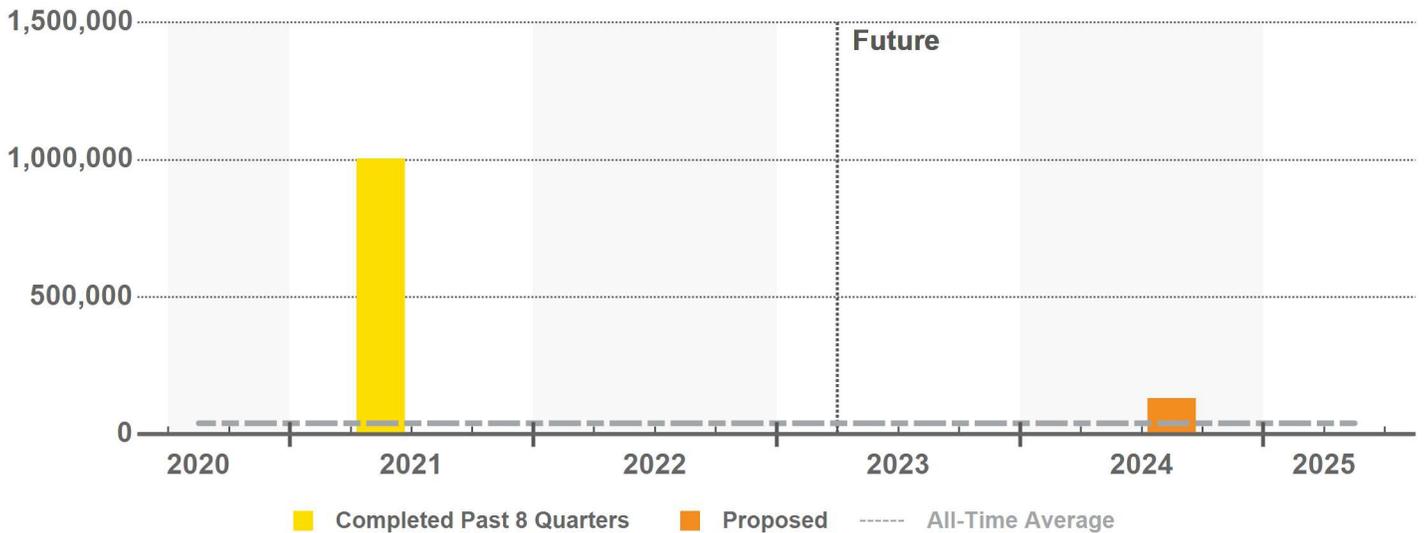
Proposed Square Feet Next 8 Qtrs

130,000

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 Nike Serena Williams Bu... 1 SW Bowerman Dr	★★★★☆	1,003,585	9	Oct 2017	May 2021	- NIKE, Inc.

PROPOSED

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 West Park IV NE Elam Young Pky	★★★☆☆	130,000	2	Sep 2023	Sep 2024	St. Laurent Properties Intercontinental Medical Services...

The prevalence of owner occupied office buildings means Sunset Corridor/Hillsboro's higher-profile assets are generally not available for sale, meaning annual investment activity can fluctuate significantly. Nonetheless, investors have been favoring suburban Portland locations for office assets, with a few of the metro's major recent sales located here.

Owner user deals have also contributed to recent volume. In 22Q4, the Dawson Creek Business Park traded hands for \$21 million (\$165/SF). The 127,500-SF asset was acquired by one of the tenants, Thermo Fisher Scientific.

Investment deals include the Evergreen Corporate Center selling as part of a 54-property national portfolio to Workspace Property Trust in 22Q3. Final closing price totaled \$1.1 billion (\$148/SF).

In addition, the Wells Fargo Call Center, located at 18700 NW Walker Rd in Hillsboro was acquired by Hines for \$39 million (\$183/SF) in 22Q2. Wells Fargo had

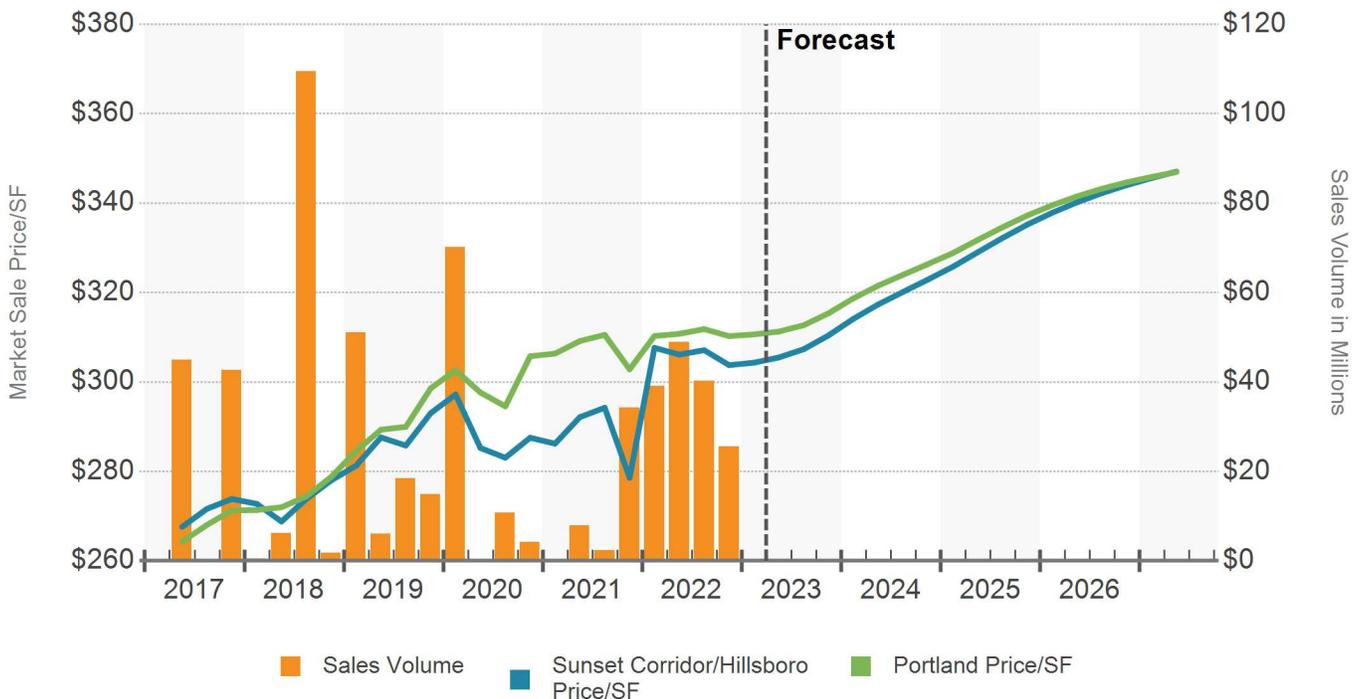
nearly four years remaining on their current lease.

Trailing year sales volume as a result of these deals is equivalent to \$105 million, versus the ten-year average of \$95.6 million. The market transaction price of \$300/SF is now in line with the metro average of \$310/SF. Cap rates have compressed to 6.5%.

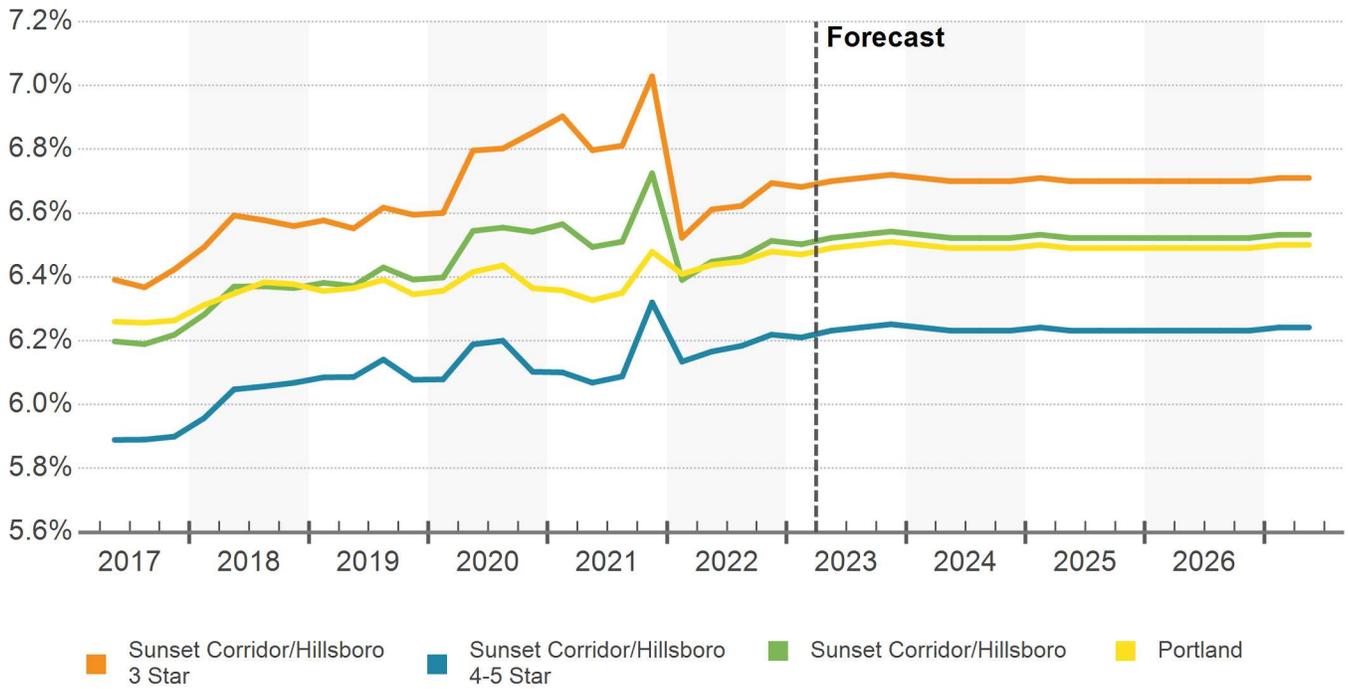
Recently, however, buyers have been squeezed by higher rates in an unfavorable lending environment. The Fed's ongoing battle with inflation has led to tight monetary policy that has increased the cost of debt, and it doesn't appear conditions will shift dramatically anytime soon unless CPI growth surprises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

Sunset Corridor/Hillsboro Office

Sale Comparables

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

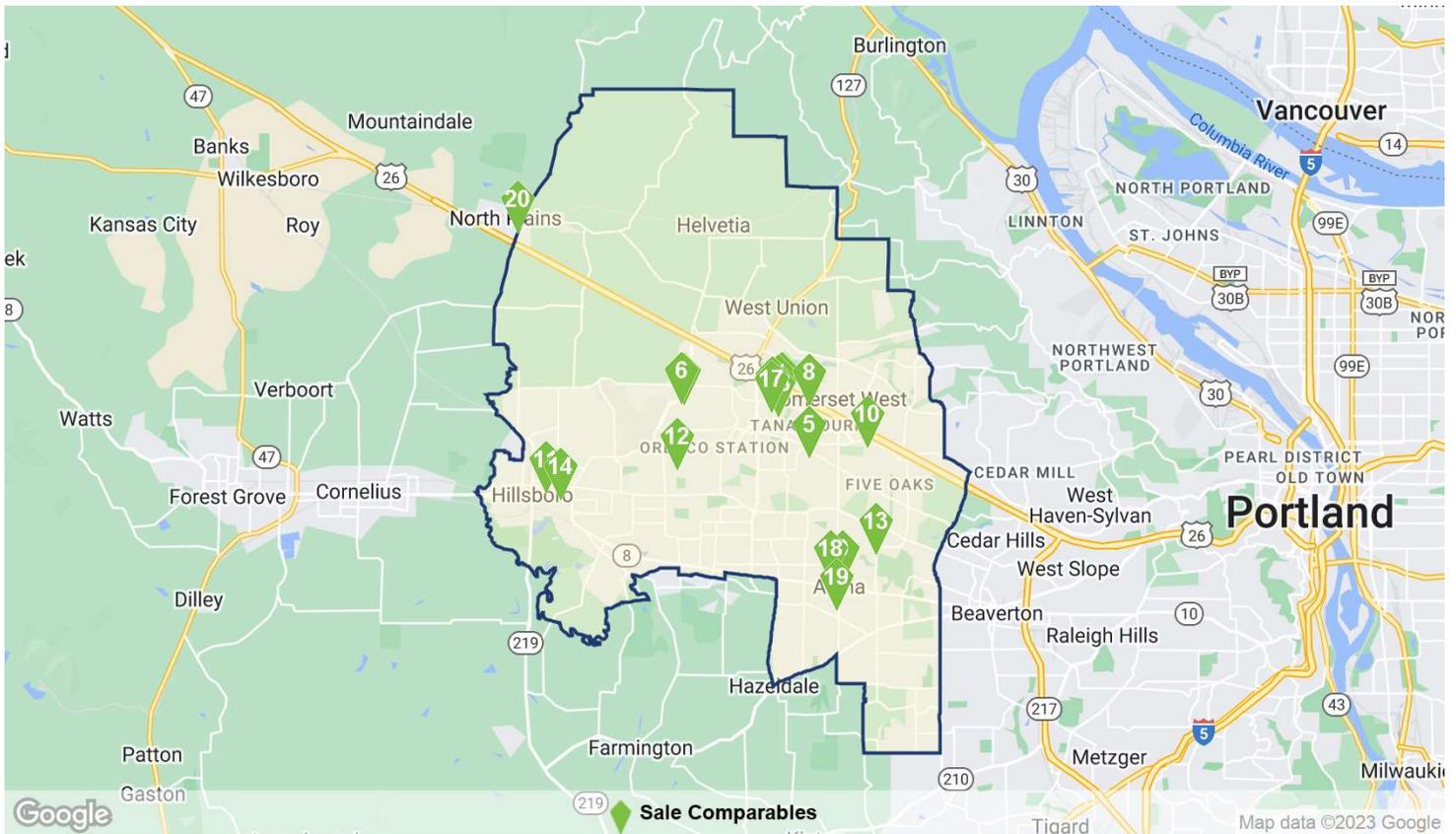
22

-

\$152

0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$410,000	\$6,214,517	\$7,280,710	\$13,550,589
Price/SF	\$100	\$152	\$165	\$451
Cap Rate	-	-	-	-
Time Since Sale in Months	1.2	6.0	6.1	11.6
Property Attributes	Low	Average	Median	High
Building SF	971	35,227	37,384	91,084
Stories	1	1	1	3
Typical Floor SF	825	25,637	25,744	91,084
Vacancy Rate At Sale	0%	0%	0%	0%
Year Built	1945	1985	1995	2005
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.5	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Sunset Corridor/Hillsboro Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Evergreen Corp - Bldg 1 3310 NE Aloclerk Dr	★★★★★	1997	91,084	0%	8/26/2022	\$13,550,589	\$149	-
2 Dawson Creek Business... 5445 NE Dawson Creek Dr	★★★★★	1996	80,525	0%	12/15/2022	\$13,261,362	\$165	-
3 Evergreen Corp - Bldg 2 8760 NE Evergreen Pky	★★★★★	1998	75,010	0%	8/26/2022	\$11,159,256	\$149	-
4 Evergreen Corp - Bldg 4 3230 NW Aloclerk Dr	★★★★★	2001	54,869	0%	8/26/2022	\$8,162,874	\$149	-
5 Cooley Office Building 9830 NE Eckert Dr	★★★★★	1985	80,000	0%	6/14/2022	\$8,000,000	\$100	-
6 Dawson Creek Business... 5435 NE Dawson Creek Dr	★★★★★	1998	46,975	0%	12/15/2022	\$7,736,138	\$165	-
7 Evergreen Corp - Bldg 3 3340 NE Aloclerk Dr	★★★★★	1998	45,878	0%	8/26/2022	\$6,825,281	\$149	-
8 Rock Creek Corporate Ct... 3500 NE John Olsen Ave	★★★★★	1999	9,092	0%	10/18/2022	\$3,012,700	\$331	-
9 18265 SW Alexander St	★★★★★	2005	3,180	0%	12/30/2022	\$1,150,000	\$362	-
10 Bldg B 1791 NW 173rd Ave	★★★★★	2008	1,983	0%	6/13/2022	\$895,000	\$451	-
11 425 SE Baseline St	★★★★★	1989	2,912	0%	5/2/2022	\$796,000	\$273	-
12 Bldg F 5295 NE Elam Young Pky	★★★★★	1982	2,077	0%	8/2/2022	\$625,000	\$301	-
13 2330 SW 170th Ave	★★★★★	1945	2,476	0%	8/22/2022	\$510,000	\$206	-
14 427 SE 8th Ave	★★★★★	1961	3,438	0%	12/15/2022	\$410,000	\$119	-
15 Building 2 3300 NE 83rd Ave	★★★★★	1986	28,889	0%	3/15/2023	-	-	-
16 Tanasbourne Commerce... 3188 NE Aloclerk Dr	★★★★★	1995	56,000	0%	3/15/2023	-	-	-
17 Building 1 3175 NE Aloclerk Dr	★★★★★	1995	47,962	0%	3/15/2023	-	-	-
18 3400 SW 187th Ave	★★★★★	1990	3,306	0%	1/3/2023	-	-	-
19 4475 SW 185th Ave	★★★★★	1947	1,525	0%	11/10/2022	-	-	-
20 10120 NW Glencoe Rd	★★★★★	1950	971	0%	10/20/2022	-	-	-

Supply & Demand Trends

Sunset Corridor/Hillsboro Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	15,556,334	166,523	1.1%	162,161	1.0%	1.0
2026	15,389,811	159,382	1.0%	140,969	0.9%	1.1
2025	15,230,429	130,762	0.9%	111,467	0.7%	1.2
2024	15,099,667	64,753	0.4%	35,691	0.2%	1.8
2023	15,034,914	(9,173)	-0.1%	(130,647)	-0.9%	-
YTD	15,044,087	0	0%	(93,757)	-0.6%	-
2022	15,044,087	0	0%	34,689	0.2%	0
2021	15,044,087	1,003,585	7.1%	1,058,990	7.0%	0.9
2020	14,040,502	0	0%	(178,127)	-1.3%	-
2019	14,040,502	0	0%	(4,364)	0%	-
2018	14,040,502	568,000	4.2%	543,730	3.9%	1.0
2017	13,472,502	(2,398)	0%	147,261	1.1%	-
2016	13,474,900	0	0%	49,656	0.4%	0
2015	13,474,900	3,477	0%	(10,223)	-0.1%	-
2014	13,471,423	1,000,000	8.0%	1,167,094	8.7%	0.9
2013	12,471,423	(30,524)	-0.2%	148,493	1.2%	-
2012	12,501,947	13,322	0.1%	480,547	3.8%	0
2011	12,488,625	5,169	0%	33,309	0.3%	0.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	7,180,296	185,262	2.6%	182,018	2.5%	1.0
2026	6,995,034	178,060	2.6%	162,382	2.3%	1.1
2025	6,816,974	149,370	2.2%	123,300	1.8%	1.2
2024	6,667,604	83,357	1.3%	48,944	0.7%	1.7
2023	6,584,247	0	0%	(29,941)	-0.5%	-
YTD	6,584,247	0	0%	(20,050)	-0.3%	-
2022	6,584,247	0	0%	(15,990)	-0.2%	-
2021	6,584,247	1,003,585	18.0%	956,085	14.5%	1.0
2020	5,580,662	0	0%	326	0%	0
2019	5,580,662	0	0%	(5,823)	-0.1%	-
2018	5,580,662	568,000	11.3%	578,345	10.4%	1.0
2017	5,012,662	0	0%	(11,996)	-0.2%	-
2016	5,012,662	0	0%	89,343	1.8%	0
2015	5,012,662	0	0%	(17,737)	-0.4%	-
2014	5,012,662	1,000,000	24.9%	998,937	19.9%	1.0
2013	4,012,662	0	0%	125,656	3.1%	0
2012	4,012,662	0	0%	20,875	0.5%	0
2011	4,012,662	0	0%	34,382	0.9%	0

Supply & Demand Trends

Sunset Corridor/Hillsboro Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	6,633,124	0	0%	(4,094)	-0.1%	-
2026	6,633,124	0	0%	(5,472)	-0.1%	-
2025	6,633,124	0	0%	1,839	0%	0
2024	6,633,124	0	0%	1,193	0%	0
2023	6,633,124	0	0%	(24,063)	-0.4%	-
YTD	6,633,124	0	0%	(7,513)	-0.1%	-
2022	6,633,124	0	0%	48,962	0.7%	0
2021	6,633,124	0	0%	69,442	1.0%	0
2020	6,633,124	0	0%	(111,641)	-1.7%	-
2019	6,633,124	0	0%	(9,503)	-0.1%	-
2018	6,633,124	0	0%	(66,798)	-1.0%	-
2017	6,633,124	0	0%	144,875	2.2%	0
2016	6,633,124	0	0%	(38,944)	-0.6%	-
2015	6,633,124	3,477	0.1%	(14,613)	-0.2%	-
2014	6,629,647	0	0%	159,560	2.4%	0
2013	6,629,647	20,000	0.3%	9,893	0.1%	2.0
2012	6,609,647	0	0%	234,406	3.5%	0
2011	6,609,647	9,276	0.1%	(26,582)	-0.4%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	1,742,914	(18,739)	-1.1%	(15,763)	-0.9%	-
2026	1,761,653	(18,678)	-1.0%	(15,941)	-0.9%	-
2025	1,780,331	(18,608)	-1.0%	(13,672)	-0.8%	-
2024	1,798,939	(18,604)	-1.0%	(14,446)	-0.8%	-
2023	1,817,543	(9,173)	-0.5%	(76,643)	-4.2%	-
YTD	1,826,716	0	0%	(66,194)	-3.6%	-
2022	1,826,716	0	0%	1,717	0.1%	0
2021	1,826,716	0	0%	33,463	1.8%	0
2020	1,826,716	0	0%	(66,812)	-3.7%	-
2019	1,826,716	0	0%	10,962	0.6%	0
2018	1,826,716	0	0%	32,183	1.8%	0
2017	1,826,716	(2,398)	-0.1%	14,382	0.8%	-
2016	1,829,114	0	0%	(743)	0%	-
2015	1,829,114	0	0%	22,127	1.2%	0
2014	1,829,114	0	0%	8,597	0.5%	0
2013	1,829,114	(50,524)	-2.7%	12,944	0.7%	-
2012	1,879,638	13,322	0.7%	225,266	12.0%	0.1
2011	1,866,316	(4,107)	-0.2%	25,509	1.4%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$30.20	159	1.4%	12.6%	823,183	5.3%	0%
2026	\$29.79	157	2.1%	11.1%	818,441	5.3%	0.1%
2025	\$29.17	154	3.1%	8.8%	799,642	5.3%	0.1%
2024	\$28.30	149	2.8%	5.5%	779,956	5.2%	0.2%
2023	\$27.52	145	2.6%	2.6%	750,518	5.0%	0.8%
YTD	\$26.77	141	1.7%	-0.2%	722,677	4.8%	0.6%
2022	\$26.82	141	2.4%	0%	628,920	4.2%	-0.2%
2021	\$26.18	138	3.5%	-2.4%	663,609	4.4%	-0.7%
2020	\$25.30	133	0.5%	-5.7%	719,014	5.1%	1.3%
2019	\$25.17	133	4.7%	-6.2%	540,887	3.9%	0%
2018	\$24.05	127	0.8%	-10.3%	536,523	3.8%	0%
2017	\$23.87	126	7.9%	-11.0%	512,253	3.8%	-1.1%
2016	\$22.12	117	5.9%	-17.5%	661,912	4.9%	-0.4%
2015	\$20.88	110	6.9%	-22.1%	711,568	5.3%	0.1%
2014	\$19.54	103	10.0%	-27.1%	697,868	5.2%	-1.8%
2013	\$17.77	94	2.9%	-33.7%	864,962	6.9%	-1.4%
2012	\$17.28	91	2.0%	-35.6%	1,043,979	8.4%	-3.8%
2011	\$16.94	89	-0.7%	-36.8%	1,511,204	12.1%	-0.2%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$32.01	155	1.3%	12.2%	322,288	4.5%	-0.1%
2026	\$31.59	153	2.1%	10.8%	319,113	4.6%	0.1%
2025	\$30.94	150	3.1%	8.5%	303,515	4.5%	0.3%
2024	\$30.03	145	2.9%	5.3%	277,516	4.2%	0.5%
2023	\$29.19	141	2.4%	2.4%	243,186	3.7%	0.5%
YTD	\$28.35	137	0.7%	-0.6%	233,294	3.5%	0.3%
2022	\$28.51	138	1.1%	0%	213,244	3.2%	0.2%
2021	\$28.20	136	2.6%	-1.1%	197,254	3.0%	0.3%
2020	\$27.49	133	0.6%	-3.6%	149,754	2.7%	0%
2019	\$27.33	132	5.5%	-4.2%	150,080	2.7%	0.1%
2018	\$25.91	125	2.6%	-9.1%	144,257	2.6%	-0.5%
2017	\$25.26	122	6.4%	-11.4%	154,602	3.1%	0.2%
2016	\$23.74	115	6.5%	-16.8%	142,606	2.8%	-1.8%
2015	\$22.29	108	3.7%	-21.8%	231,949	4.6%	0.4%
2014	\$21.49	104	9.0%	-24.6%	214,212	4.3%	-1.0%
2013	\$19.72	95	2.7%	-30.8%	213,149	5.3%	-3.1%
2012	\$19.21	93	2.8%	-32.6%	338,805	8.4%	-0.5%
2011	\$18.68	90	-2.6%	-34.5%	359,680	9.0%	-0.9%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$29.90	165	1.4%	13.0%	395,186	6.0%	0.1%
2026	\$29.48	163	2.2%	11.4%	391,092	5.9%	0.1%
2025	\$28.86	159	3.1%	9.1%	385,620	5.8%	0%
2024	\$28	155	2.8%	5.8%	387,459	5.8%	0%
2023	\$27.24	151	2.9%	2.9%	388,652	5.9%	0.4%
YTD	\$26.52	147	2.6%	0.2%	372,103	5.6%	0.1%
2022	\$26.46	146	3.7%	0%	364,590	5.5%	-0.7%
2021	\$25.51	141	4.6%	-3.6%	413,552	6.2%	-1.0%
2020	\$24.39	135	0.4%	-7.8%	482,994	7.3%	1.7%
2019	\$24.30	134	4.1%	-8.2%	371,353	5.6%	0.1%
2018	\$23.34	129	-2.1%	-11.8%	361,850	5.5%	1.0%
2017	\$23.84	132	10.9%	-9.9%	295,052	4.4%	-2.2%
2016	\$21.50	119	5.0%	-18.8%	439,927	6.6%	0.6%
2015	\$20.48	113	11.2%	-22.6%	400,983	6.0%	0.3%
2014	\$18.41	102	11.5%	-30.4%	382,893	5.8%	-2.4%
2013	\$16.52	91	2.5%	-37.6%	542,453	8.2%	0.1%
2012	\$16.12	89	2.2%	-39.1%	532,346	8.1%	-3.5%
2011	\$15.77	87	1.9%	-40.4%	766,752	11.6%	0.5%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$24.74	153	1.4%	12.4%	105,709	6.1%	-0.1%
2026	\$24.39	151	2.2%	10.8%	108,236	6.1%	-0.1%
2025	\$23.88	148	3.1%	8.5%	110,507	6.2%	-0.2%
2024	\$23.17	144	2.8%	5.3%	114,981	6.4%	-0.1%
2023	\$22.54	140	2.4%	2.4%	118,680	6.5%	3.7%
YTD	\$21.98	136	2.1%	-0.1%	117,280	6.4%	3.6%
2022	\$22.01	136	3.0%	0%	51,086	2.8%	-0.1%
2021	\$21.37	132	3.4%	-2.9%	52,803	2.9%	-1.8%
2020	\$20.67	128	0.5%	-6.1%	86,266	4.7%	3.7%
2019	\$20.57	127	3.1%	-6.6%	19,454	1.1%	-0.6%
2018	\$19.94	124	5.3%	-9.4%	30,416	1.7%	-1.8%
2017	\$18.93	117	2.0%	-14.0%	62,599	3.4%	-0.9%
2016	\$18.56	115	7.5%	-15.7%	79,379	4.3%	0%
2015	\$17.26	107	3.9%	-21.6%	78,636	4.3%	-1.2%
2014	\$16.61	103	8.6%	-24.5%	100,763	5.5%	-0.5%
2013	\$15.29	95	5.2%	-30.5%	109,360	6.0%	-3.2%
2012	\$14.53	90	-2.4%	-34.0%	172,828	9.2%	-11.4%
2011	\$14.89	92	-1.5%	-32.4%	384,772	20.6%	-1.5%

Sale Trends

Sunset Corridor/Hillsboro Office

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	-	-	-	-	-	-	\$349.66	220	6.5%
2026	-	-	-	-	-	-	\$344.03	216	6.5%
2025	-	-	-	-	-	-	\$335.20	211	6.5%
2024	-	-	-	-	-	-	\$322.91	203	6.5%
2023	-	-	-	-	-	-	\$310.41	195	6.5%
YTD	4	\$0	0.9%	-	-	-	\$304.60	192	6.5%
2022	23	\$153.8M	5.2%	\$9,044,776	\$198.92	-	\$303.77	191	6.5%
2021	19	\$44.5M	1.5%	\$5,558,508	\$260.16	-	\$278.58	175	6.7%
2020	18	\$85.1M	5.0%	\$8,513,498	\$194.39	6.0%	\$287.54	181	6.5%
2019	31	\$90.3M	3.5%	\$4,514,619	\$192.11	8.0%	\$293.04	184	6.4%
2018	24	\$117.8M	5.2%	\$7,364,639	\$193.29	7.7%	\$278	175	6.4%
2017	16	\$88.4M	4.2%	\$6,803,154	\$158.02	7.0%	\$273.84	172	6.2%
2016	40	\$165.3M	8.2%	\$4,466,595	\$149.75	6.8%	\$257.80	162	6.3%
2015	29	\$46.3M	5.1%	\$2,203,085	\$123.38	6.5%	\$245.58	155	6.3%
2014	19	\$98.8M	5.7%	\$5,486,511	\$147.46	7.4%	\$224.45	141	6.4%
2013	19	\$76.1M	4.0%	\$4,474,656	\$156.83	8.5%	\$202.66	128	6.8%
2012	17	\$52.3M	5.0%	\$4,355,892	\$153.35	8.2%	\$192.91	121	6.9%

(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	-	-	-	-	-	-	\$403.07	220	6.3%
2026	-	-	-	-	-	-	\$396.79	217	6.2%
2025	-	-	-	-	-	-	\$386.73	211	6.2%
2024	-	-	-	-	-	-	\$372.59	203	6.2%
2023	-	-	-	-	-	-	\$357.97	195	6.3%
YTD	-	-	-	-	-	-	\$350.88	191	6.2%
2022	-	-	-	-	-	-	\$350.20	191	6.2%
2021	-	-	-	-	-	-	\$332.58	181	6.3%
2020	5	\$45.9M	9.0%	\$15,283,608	\$179.64	-	\$346.68	189	6.1%
2019	1	\$22M	2.1%	\$22,000,000	\$189.08	8.0%	\$341.25	186	6.1%
2018	-	-	-	-	-	-	\$321.36	175	6.1%
2017	-	-	-	-	-	-	\$319.38	174	5.9%
2016	2	\$17.7M	2.7%	\$8,844,995	\$131.69	-	\$301.08	164	5.9%
2015	2	\$0	2.7%	-	-	-	\$282.84	154	6.0%
2014	1	\$18.2M	2.3%	\$18,224,000	\$156.63	7.1%	\$257.81	141	6.2%
2013	2	\$25.5M	4.1%	\$12,727,531	\$153.60	-	\$233.44	127	6.5%
2012	3	\$0	6.3%	-	-	-	\$221.74	121	6.7%

(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.

Sale Trends

Sunset Corridor/Hillsboro Office

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	-	-	-	-	-	-	\$317.25	221	6.7%
2026	-	-	-	-	-	-	\$311.97	217	6.7%
2025	-	-	-	-	-	-	\$303.85	212	6.7%
2024	-	-	-	-	-	-	\$292.66	204	6.7%
2023	-	-	-	-	-	-	\$281.47	196	6.7%
YTD	3	\$0	2.0%	-	-	-	\$276.42	193	6.7%
2022	10	\$127M	9.2%	\$12,700,474	\$208.89	-	\$275.38	192	6.7%
2021	5	\$33.9M	2.7%	\$11,283,333	\$254.80	-	\$240.47	168	7.0%
2020	6	\$25.5M	1.9%	\$6,375,817	\$217.32	-	\$247.26	172	6.9%
2019	10	\$22.9M	1.7%	\$2,861,099	\$210.08	-	\$262.53	183	6.6%
2018	8	\$112.1M	10.2%	\$16,019,427	\$193.86	7.9%	\$250.65	175	6.6%
2017	7	\$69.8M	6.6%	\$9,971,807	\$158.98	7.0%	\$245.35	171	6.4%
2016	17	\$99.4M	9.3%	\$5,845,947	\$161.18	-	\$229.87	160	6.5%
2015	11	\$38.9M	5.5%	\$4,317,779	\$123.95	6.5%	\$223.18	156	6.4%
2014	9	\$67.4M	8.7%	\$8,421,932	\$141.09	-	\$203.83	142	6.6%
2013	8	\$36.1M	3.7%	\$6,009,536	\$162.30	8.5%	\$183.18	128	6.9%
2012	12	\$47.5M	4.5%	\$4,753,171	\$180.36	8.2%	\$175.26	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.

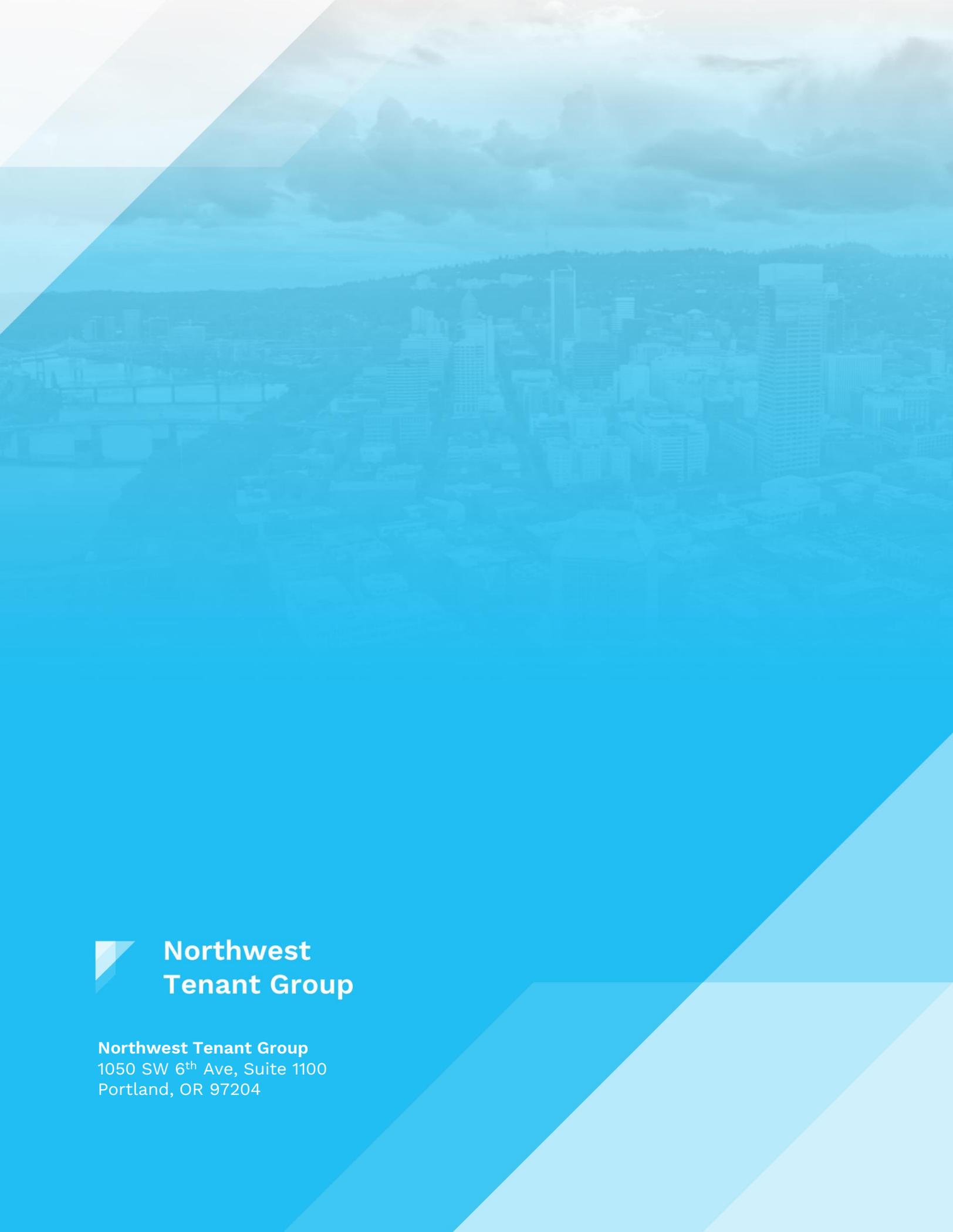
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

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	-	-	-	-	-	-	\$274.84	216	6.9%
2026	-	-	-	-	-	-	\$270.28	212	6.9%
2025	-	-	-	-	-	-	\$263.28	207	6.9%
2024	-	-	-	-	-	-	\$253.67	199	6.9%
2023	-	-	-	-	-	-	\$244.07	192	6.9%
YTD	1	\$0	0.2%	-	-	-	\$240.12	189	6.9%
2022	13	\$26.8M	9.5%	\$3,822,352	\$162.17	-	\$239.54	188	6.9%
2021	14	\$10.6M	3.0%	\$2,123,613	\$278.87	-	\$222.38	175	7.1%
2020	7	\$13.8M	3.9%	\$4,593,630	\$210.81	6.0%	\$220.65	173	7.0%
2019	20	\$45.4M	14.7%	\$4,127,598	\$185.55	-	\$230.05	181	6.8%
2018	16	\$5.7M	2.9%	\$633,137	\$182.75	7.5%	\$221.06	174	6.7%
2017	9	\$18.6M	6.9%	\$3,106,392	\$154.55	-	\$213.20	167	6.6%
2016	21	\$48.2M	19.5%	\$2,677,385	\$136.64	6.8%	\$203.17	160	6.6%
2015	16	\$7.4M	9.8%	\$617,065	\$120.44	-	\$192.66	151	6.7%
2014	9	\$13.2M	4.1%	\$1,461,972	\$173.53	7.5%	\$179.10	141	6.8%
2013	9	\$14.6M	5.3%	\$1,617,430	\$149.85	-	\$162.45	128	7.1%
2012	2	\$4.7M	4.1%	\$2,369,500	\$61.29	-	\$153.11	120	7.4%

(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.



Northwest Tenant Group

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