

Portland Metro

2021 Market Insight Report



Q3 2021 Office Market

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Portland Metro



US Bancorp Tower interior

Portland Metro Overview

The Portland Metro commercial office market continues to feel the impact of the pandemic as employers navigate alternative models such as remote or hybrid work. The data is indicating that alternative work arrangements have contributed to the increase in available office space over the last 18 months, most of which is centered in Portland's Central Business District which has a 24% availability rate, compared to 15% across the entire metro area. Holding an office presence has been a key feature of large business for decades, and while the culture of in-person work may never return exactly to its prior state, there has been an uptick in new leases signed over the last quarter, an indication that companies are betting on the long-term value of a permanent office presence. We are already seeing this demonstrated through numerous notable leases signed this quarter that span the Metro by companies such as ZoomInfo, Q5id, LAM Research, and Frontier Solutions.



Interest Continues to Rise in Suburban Markets

Over the last four quarters, there has been consistent and significant growth in Portland's suburban submarkets. Areas of note include the 217 Corridor, Tigard, and Kruse Way (Lake Oswego). We expect this trend to continue in the short term but may slow as average gross rent continues to rise due to the increased demand in these areas.



What's Happening in CBD

Although Portland's Central Business District has seen a 26% increase in total available SF over the last four quarters, we are seeing indicators that the negative trend in this market is beginning to decelerate as less tenants are vacating leases in downtown and instead have elected to downsize and renew.



New Construction (or lack thereof)

Since Q1 2018, 2.5M SF of new "leasable" office space has been delivered; however, 40% of this new construction remains available for lease. Many of the projects that were previously under review and ready for construction have been put on hold and it is unlikely we will see any new ground-up office buildings begin construction in central Portland within the next 18 months.

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Supply
102.1M SF



Vacancy
12.4%



Availability
15.3%



Leasing Activity
1.0M SF



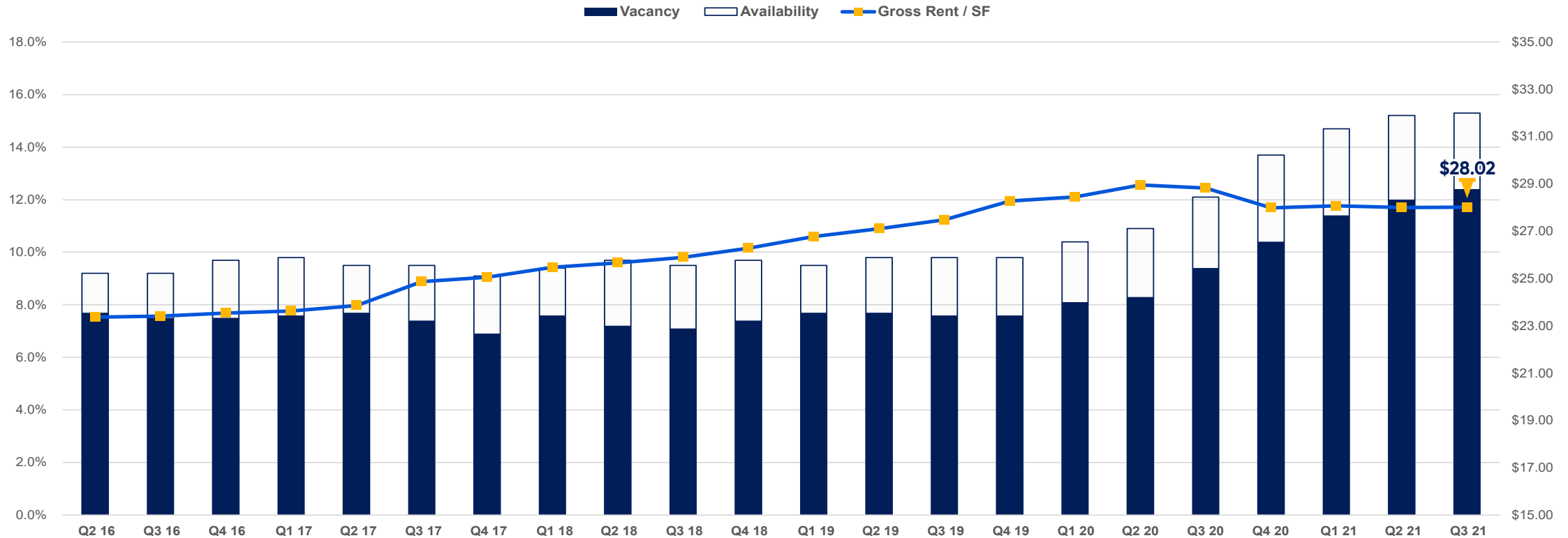
Rent/SF Class A
\$32.47



Rent/SF Class B
\$26.50

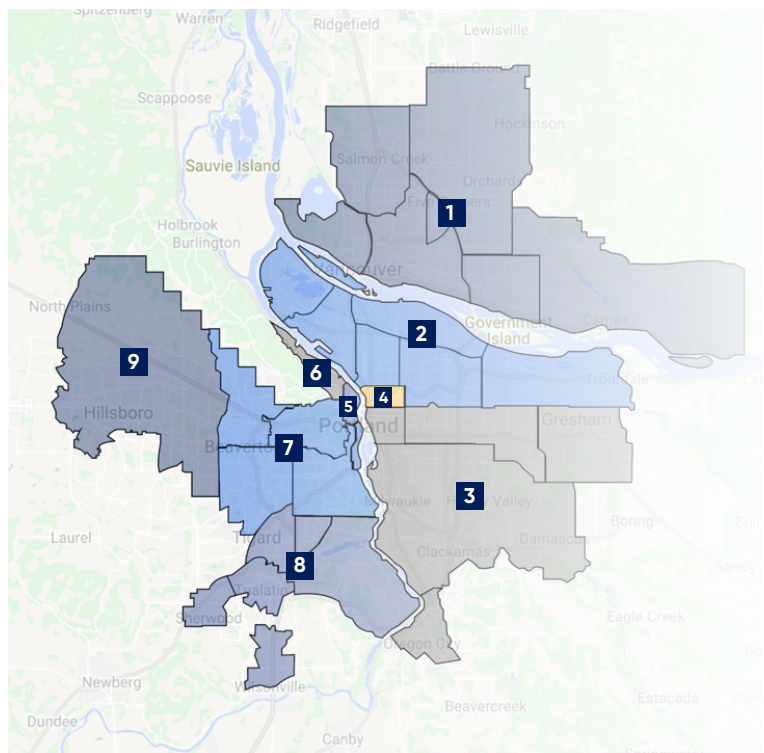
Arrows Indicate One Year Change

Historical Rent, Availability, & Vacancy



Data: End of Q3 2021. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000 SF.

Submarket Overview



OVERALL - CLASS A, B, C						CLASS A		CLASS B	
	Submarket	Market Size (SF)	Available (%)	Sublease (%)	Leasing Activity	Vacancy %	Rent/SF	Vacancy %	Rent/SF
1	Clark County	10.96M	7.8%	0.4%	148,606	11.5%	\$26.54	5.4%	\$24.17
2	Northeast	9.05 M	4.4%	0.1%	44,006	0.8%	\$30.88	4.9%	\$20.69
3	Southeast	8.24 M	16.4%	1.5%	99,980	21.5%	\$28.15	11.2%	\$26.26
4	Lloyd District	5.58 M	13.4%	0.8%	47,868	9.9%	\$30.25	8.7%	\$24.95
5	CBD	28.79 M	24.1%	2.0%	226,180	21.0%	\$34.31	16.8%	\$27.65
6	Northwest	3.66 M	29.6%	6.1%	48,958	61.4%	NA	23.1%	\$26.92
7	217 Corridor/ SW	10.31 M	17.0%	2.0%	87,150	21.5%	\$31.29	12.9%	\$23.32
8	I-5 Corridor	10.86 M	14.1%	1.5%	214,824	14.9%	\$33.94	14.8%	\$29.81
9	Sunset Corridor	14.67 M	6.1%	0.3%	243,652	3.2%	\$27.22	9.2%	\$23.31
Overall Market						15.2%	\$31.83	11.8%	\$26.77

Data: End of Q3 2021. Portland Metro Submarkets

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Notable Leases

Tenant	Address	Submarket	Size (SF)	▼ Sign Date	Type	Move In
ZoomInfo	100 SE Columbia Way	Clark County	365,995	Sep 2021	New - Relocation	Jan 2025
The Good Feet Store	16505 SW 72nd Ave	Tigard	20,473	Sep 2021	New - Relocation	Nov 2021
Avangrid Renewables	2701 NW Vaughn St	Northwest	34,904	Aug 2021	New - Relocation	Mar 2022
Planar Systems, Inc.	1195 NW Compton Dr	Sunset Corridor	76,161	Aug 2021	Renewal	Feb 2021
Chegg, Inc.	2020 SW 4th Ave	CBD	12,005	Aug 2021	New - Relocation	Apr 2022
Mercury Banking	920 SW Sixth Ave	CBD	16,347	Aug 2021	New – Sublease	Oct 2021
Fortier Solutions	5800 NW Pinefarm Pl	Sunset Corridor	71,434	Aug 2021	Renewal	Aug 2021
Soderstrom	1331 NW Lovejoy St	CBD	10,295	Aug 2021	New - Relocation	Feb 2022
Q5id	6755-6799 NE Bennett St	Sunset Corridor	67,000	Aug 2021	New – Sublease	Oct 2021
Precision Castparts	5885 Meadows Rd	Kruse Way	34,992	Aug 2021	New	Jan 2022
LAM Research	12205 SW Tualatin Rd	Tualatin	19,724	Aug 2021	New - Expansion	Nov 2021
Zayo	1211 SW 5th Ave	CBD	20,368	Aug 2021	New - Sublease	Oct 2021

Notable Subleases

Tenant	Address	Submarket	Size (SF)
Simple	1615 SE 3rd Ave/ 120 SE Clay St	SE Close-In	108,197
Daimler NA	2701 NW Vaughn St	NW Close-In	78,885
Fiserv	8500 SW Creekside	Sunset Corridor	65,496
McAfee Inc	5505 NE Moore Ct	Sunset Corridor	59,900
Comcast	9605 SW Nimbus	Sunset Corridor	56,146
Wacom	1455 NW Irving St	CBD	53,010
Walgreens	9775 SW Gemini Dr	Corridor/ Beaverton	47,938

Portland Metro

Cresa Welcomes

Hayley Mueller
Advisor

to our Portland office

Hayley recently graduated from the University of Oregon in the spring of 2020, where she studied business administration, finance, economics and served as President of the Financial Management Association chapter. Pursuing a career in commercial real estate has been a long-term goal of Hayley's, and she is thrilled to be joining Cresa's industry leading team. "I am honored to join the team here at Cresa Portland. Getting to know the team has been so wonderful. I am looking forward to all that is to come!" Hayley said.

Sean Heaton, Principal for the Cresa Portland office, said, "we are excited to have Hayley join us as our newest Advisor in Portland. Hayley's enthusiasm for the industry and creativity will help us continue our dedication to client service and accelerate our growth in the Portland market."

As the world's largest commercial real estate firm focused exclusively on occupiers, Cresa thinks beyond space to get occupiers the best results. Cresa is dedicated to aligning clients' real estate and business goals and bringing clients the greatest value through every phase.

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A Sneak Peek at LinkedIn's New Hybrid-Workplace Plans

Prior to 2020, LinkedIn was growing so quickly it couldn't add office space fast enough. Brett Hautop, the VP of workplace, had to pack more and more desks into increasingly crowded buildings. He knew it wasn't ideal...[Read More](#)

EXCLUSIVE PwC Offers U.S. Employees Full-Time Remote Work

Accounting and consulting firm PwC told Reuters on Thursday it will allow all its 40,000 U.S. client services employees to work virtually and live anywhere they want in perpetuity...[Read More](#)

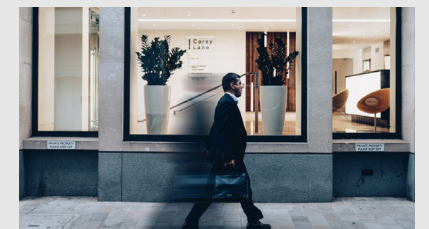


Considerations For a Truly Multi-Generational Business

It's widely recognized that different generations have different expectations and priorities when it comes to work and office life. While there is some crossover, catering for these varying needs across all aspects of...[Read More](#)

HR Guide To The Great Resignation

According to the US Bureau of Labor, 2.7% of the US workforce quit in April 2021, the highest ever recorded. The months following are similarly bleak. Called the Great Resignation, this guide will break down just what it is, and what HR managers can do to...[Read More](#)



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Knight Frank and Cresa Announce Global Partner-

Global property consultancy Knight Frank, and Cresa, the world's largest occupier-centric commercial real estate firm, have today announced their new partnership to deliver occupier real estate services globally.

Together, Knight Frank and Cresa have over 16,000 people, across 384 offices in 51 territories.

The partnership between Knight Frank and Cresa is founded on complementary capabilities, shared values and the commitment of their independent partner owned companies. Together they offer an integrated platform of services directed at corporate end users, providing a truly global solution for occupier clients.

Knight Frank and Cresa have partnered their Global Portfolio Solutions businesses, placing significant investment in bespoke technology and research capabilities to provide innovative occupier solutions.

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Think Beyond Space | The PDX Workplace Insider Podcast Cresa Portland's new podcast!



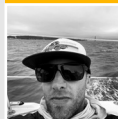
Click to listen to the podcast



Episode 10: Portland Office Trends and Opportunities in the New Workplace

Sean Connors, Senior Advisor with Cresa

Sean Connors is a Senior Advisor for Cresa Portland. In this episode, host Blake St. Onge and Sean discuss the current state of the Portland office market, and opportunities for companies in the new workplace.



Episode 11: How Yakima Got Creative During the Pandemic to Thrive

Joel Grabenstein, VP of Sales, Brand, and Product Management of Yakima Products

Joel Grabenstein, Vice President of Sales, Brand, and Product Management for Yakima products, joins host Blake St. Onge on the season 2 premiere of the podcast. Joel shares how Yakima has overcome the challenges of the pandemic, including constraints on the supply chain, to grow their business, and how they are ensuring a culture of flexibility and trust for their teams.



Episode 12: How De La Salle North Catholic High School's Unique Corporate Work Study Program Serves Students and Community

Oscar Leong, President of De la Salle North Catholic High School

Oscar Leong is the President of De La Salle North Catholic High School. In this episode Oscar discusses De La Salle's innovative corporate work study program that provides tremendous opportunity for economically disadvantaged students to get a college-prep education, while at the same time providing a diverse, motivated, enthusiastic entry level work force.

Meet the Team

Click to learn more about our advisors



Sean Heaton
Principal



Blake St. Onge
Principal



Josh Haynes
Vice President



Michael Whitten
Vice President




Sean Connors
Senior Advisor



Kelsey Machuca
Advisor



Jessika Jones
Advisor



Hayley Mueller
Advisor



Chelle Dey
Operations Associate



About Cresa Portland

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

Contact

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