

Portland Metro

2021 Market Insight Report



Q4 2021 Office Market

cresa

Portland Metro



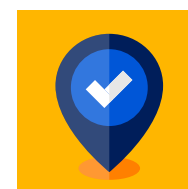
Portland Metro Overview

The Portland Metro office market has certainly experienced significant shifts over the past two years, initiated by the COVID pandemic, which has led to significant changes in how companies are looking at their workspace. In comparing the market stats from Q4 2019 to Q4 2021, it is clear there has been a significant impact on the availability of office space in the market. For context, the vacancy rate has increased 4.8% (64% change), available space has increased 5.8M SF (38% change), and available sublease space has increased 703,279 SF (264% change). These numbers indicate what we all have anticipated; companies no longer need as much office space or can go without office entirely. It should also be noted that the suburban submarkets have not expected such shifts in available space. In some cases, they have become tighter markets as companies focus on suburban locations. Only central Portland submarkets continue to experience availability greater than 20%. All that said, leasing activity picked up throughout the market, increasing by over 1 million SF compared to 2020.



Leasing Activity Has Increased

Notably, suburban leases included the ZoomInfo deal in Vancouver for approx. 366,000 SF and the Microsoft and Apple leases on the Westside, for 85,000 SF and 49,884 SF, respectively. There have also been some notable leases and renewals in the central business district, indicating that many companies are still betting on recovery in downtown Portland.



Suburban Office is Still Popular

CBD no longer holds the top spot in market rent and has been surpassed by Kruse Way. Tenants can still find lower-cost options in most suburban office markets; however, they may be competing for space. Considering that CBD still has 30% of the office space in the entire metro market, it is not surprising that some tenants are thinking long-term about locations in downtown.



How Direct Rent Has Been Impacted

Over the past two years, direct rent has decreased \$0.26/SF (0.9% change). This may indicate a minor downward trend compared to the previous two years (Q4 2017 to Q4 2019), in which direct rent increased \$3.43/SF (13.68% change).

Portland Metro

Market Size (SF)
102.5M SF

Vacancy
12.3%

Availability
15.3%

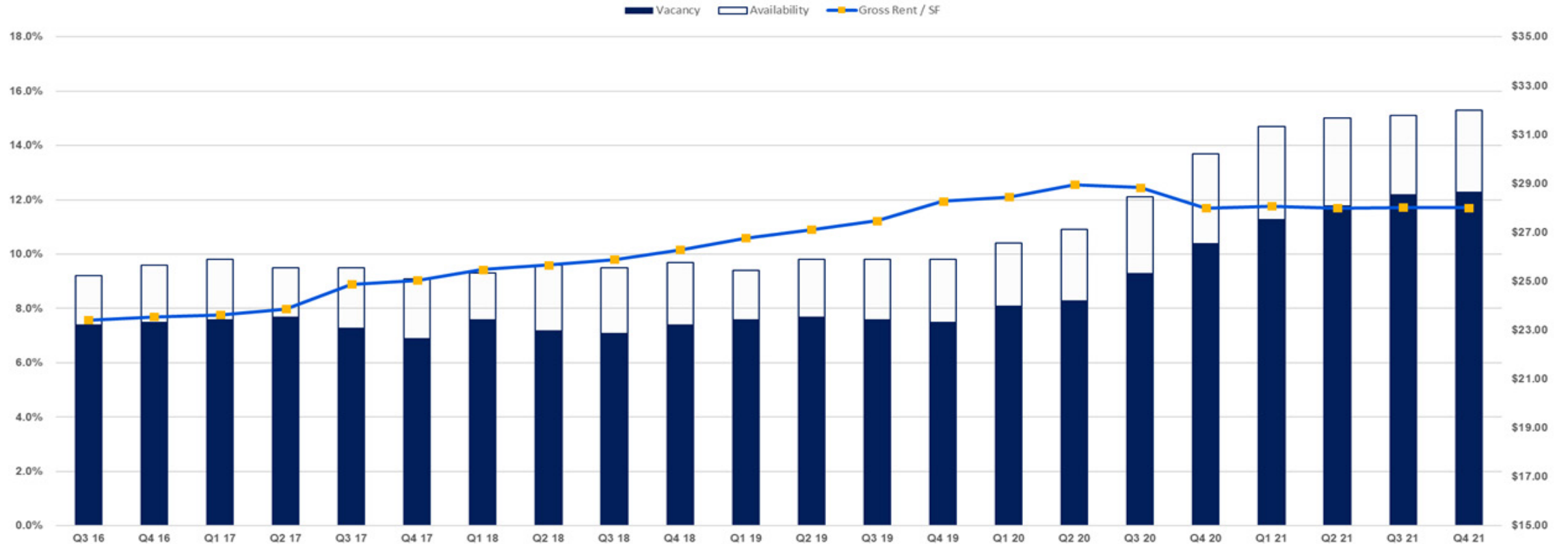
Leasing Activity
4.1M SF

Rent/SF Class A
\$32.01

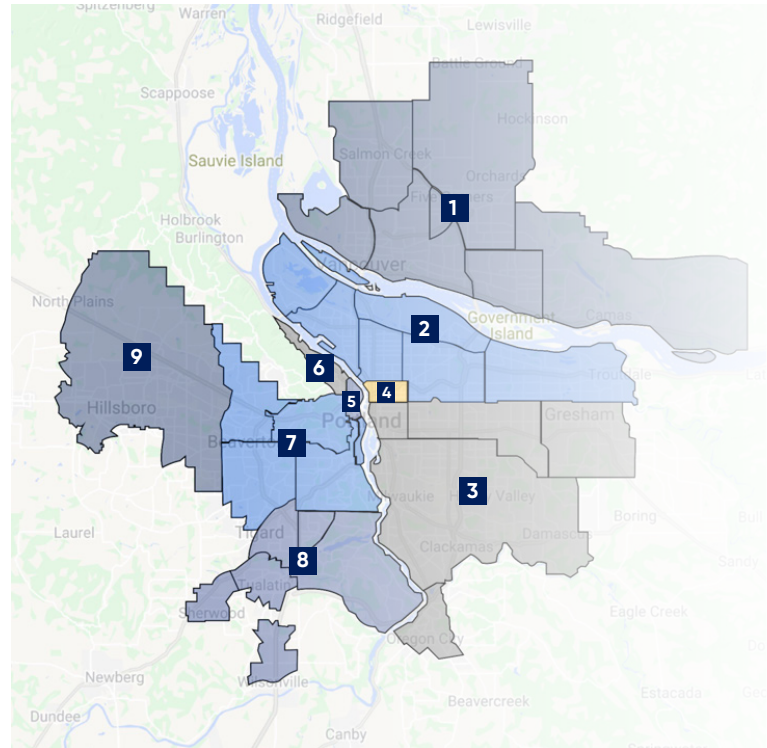
Rent/SF Class B
\$27.12

Arrows Indicate One Year Change

Historical Rent, Availability, & Vacancy



Submarket Overview



OVERALL - CLASS A, B, C					CLASS A		CLASS B		
Submarket	Market Size (SF)	Vacancy (%)	Available Sublet (%)	Leasing Activity 2021	Vacancy %	Gross Rent/SF	Vacancy %	Gross Rent/SF	
1 Clark County	11.14 M	6.3%	0.3%	593,083	10.7%	\$25.93	5.2%	\$24.03	
2 Northeast	9.07 M	3.5%	0.1%	283,022	3.4%	\$29.47	4.5%	\$20.91	
3 Southeast	8.22 M	10.5%	1.5%	361,752	27.4%	\$28.20	10.1%	\$26.18	
4 Lloyd District	5.60 M	10.0%	0.8%	134,102	11.1%	\$36.65	7.4%	\$25.64	
5 CBD	28.88 M	19.2%	2.1%	990,182	20.6%	\$32.34	18.0%	\$28.91	
6 Northwest	3.67 M	22.4%	5.6%	225,216	56.1%	NA	22.0%	\$27.19	
7 217 Corridor/SW	10.38 M	14.6%	1.9%	355,826	21.9%	\$31.05	13.2%	\$23.25	
8 I-5 Corridor	10.90 M	13.4%	1.4%	690,650	17.0%	\$34.93	13.7%	\$29.94	
9 Sunset Corridor (Hillsboro)	14.66 M	5.4%	3.0%	485,884	2.5%	\$27.22	8.3%	\$23.21	
Overall Market	102.55 M	12.3%	1.4%	4,174,083	15.3%	\$32.01	11.7%	\$27.12	

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

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
Microsoft	9800 NE Gibbs Dr	217 Corridor/SW	85,000	Dec 2021	New - Additional location	Dec 2021
Planar Systems, Inc.	1195 NW Compton Dr	Sunset Corridor	76,161	Aug 2021	Renewal	Feb 2021
Fortier Solutions	5800 NW Pinefarm Pl	Sunset Corridor	71,434	Aug 2021	Renewal	Aug 2021
Q5id	6755-6799 NE Bennett St	Sunset Corridor	67,000	Aug 2021	New – Relocation	Oct 2021
Lane Powell PC	601 SW 2nd Ave	CBD	63,000	May 2021	Renewal	May 2021
Ampere	1250 NW 9th Ave	CBD	57,296	June 2021	New - Additional location	Jan 2022
Apple	3555 SW 153rd Dr	217 Corridor/SW	49,884	May 2021	New - Additional location	Aug 2021
Sera Architects	600 SW 10th Ave	CBD	42,764	Apr 2021	New – Relocation	Jan 2022
Moss Adams	805 SW Broadway	CBD	38,874	May 2021	Renewal	May 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

Looking toward 2022...

Cresa Portland Promotions



Blake St. Onge
Managing Principal

[View Bio](#)



Kelsey Machuca
Senior Advisor

[View Bio](#)



Jessika Jones
Senior Advisor, Project Management

[View Bio](#)



Check out a little recap from our Cresa Portland 2022 KICK-OFF meeting. We celebrated the wins from '21, recognized our teammates who were promoted, and kicked off plans for greatness in 2022!

Be on the lookout for some new and fresh content from our Cresa Portland team on [YouTube](#), [Instagram](#), and [LinkedIn](#)

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Cresa Acquires Workplace Company Agile Work Evolutions

Cresa, the world's leading occupier-focused commercial real estate firm, has acquired **Agile Work Evolutions (AWE)**, a real estate technology company focused on workplace strategy and implementation.

AWE's innovative tech enabled workplace strategy and advisory offering allows clients to better understand their potential occupancy strategies and smartly adopt hybrid and flex workplace solutions into their occupancy. The result is better, faster and more certain decision making as well as a more responsive, flexible and resilient occupancy plan. In addition to innovative, people-centric workplace strategies, AWE also provides assessment and change management, integration, alignment and training related to workplace.

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

Season 3 is Available Now!



Click to listen to the podcast



Episode 16: Creating a Culture of Approachability for an Engaged Workforce

Stephanie Richmond, SVP of Human Resources for Papa Murphy's International

Stephanie Richmond, Senior Vice President of Human Resources for Papa Murphy's International, sits down with Cresa's Blake St. Onge for this episode. Stephanie discusses her career journey and how Papa Murphy's has implemented employee communication programs for a more engaged workforce.



Episode 17: Everything Can Change: How AAA Pivoted to Create a Flexible Workplace

Marisa Hodes, Vice President of Human Resources for AAA of Oregon/Idaho

Marisa Hodes, Vice President of Human Resources for AAA of Oregon/Idaho, joins Cresa's Blake St. Onge to discuss how they pivoted to create a flexible workplace across their multi-function team.




Episode 18: How Banfield Pet Hospital is Innovating to Deliver a Better World for Pets

Mony Iyer, Chief Operating Officer for Banfield Pet Hospital

Mony Iyer, Chief Operating Officer for Banfield Pet Hospital, joins host Blake St. Onge, Managing Principal for Cresa, to discuss how Banfield is leading the way in pet care innovation.

Meet the Team

Click to learn more about our advisors



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Managing Principal



Sean Heaton
Principal



Josh Haynes
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Michael Whitten
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Sean Connors
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Kelsey Machuca
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Jessika Jones
Senior 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.

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