

Portland Metro

2022 Market Insight Report

Watch the Market
Report Video

Click to watch



Q1 2022 Office Market

cresa

Portland Metro



Portland Metro Overview

Portland office demand remains shaky as the hybrid office trend continues to unfold. Overall leasing activity has picked up significantly and amounted to 4,516,870 SF leased over the last four quarters, a 52% increase from the previous four quarters (2,980,013 SF). There have also been some notable leases signed across the market, including ZoomInfo (~366,000 SF) in Vancouver, TriMet (~95,000 SF) in CBD, and Apple (~50,000 SF) in Beaverton. However, the heavy leasing activity in Portland stands in contrast to space returned to the market as companies shrink their office footprints with net absorption at 575,931 SF year-over-year. To further illustrate the available space in the market, at the end of the quarter, there was a 15.9% availability rate, compared to 14.6% in Q1 2021 and 10.4% in Q1 2020. That's an increase of 5.8 million SF since Q1 2020 (54.7% increase). This notable change in supply has led to the first significant downward trend in rental rates since the 2008 recession.



Downsize, Upgrade, and Pay Less

Leasing activity in Class A properties has more than doubled over the last four quarters (1,651,571 SF vs. 731,200 SF). Companies may be saving money by downsizing and benefiting from decreased market rent; however, they are relocating to high-end properties with amenities that may attract employees back to the office.



Did Someone Say "Decreased Rent"?

Overall market rent has begun to trend downward, with a 2% decrease since Q1 2020. This trend is more notable in Class A space which experienced a 4.05% decrease over that same period. This is likely a result of an oversupply of new construction and renovations to convert to creative office space.



New Projects will be Limited

The development pipeline has shrunk over the past year, so there won't be excessive new office space delivered in the near term. However, many office projects delivered over the last three years remain vacant, with a 46% vacancy rate in projects delivered since Q1 2019 and currently under construction.

Portland Metro

Market Size (SF)
102.72M SF



Vacancy
13.1%



Availability
16.47M SF



Leasing Activity
1.1M SF



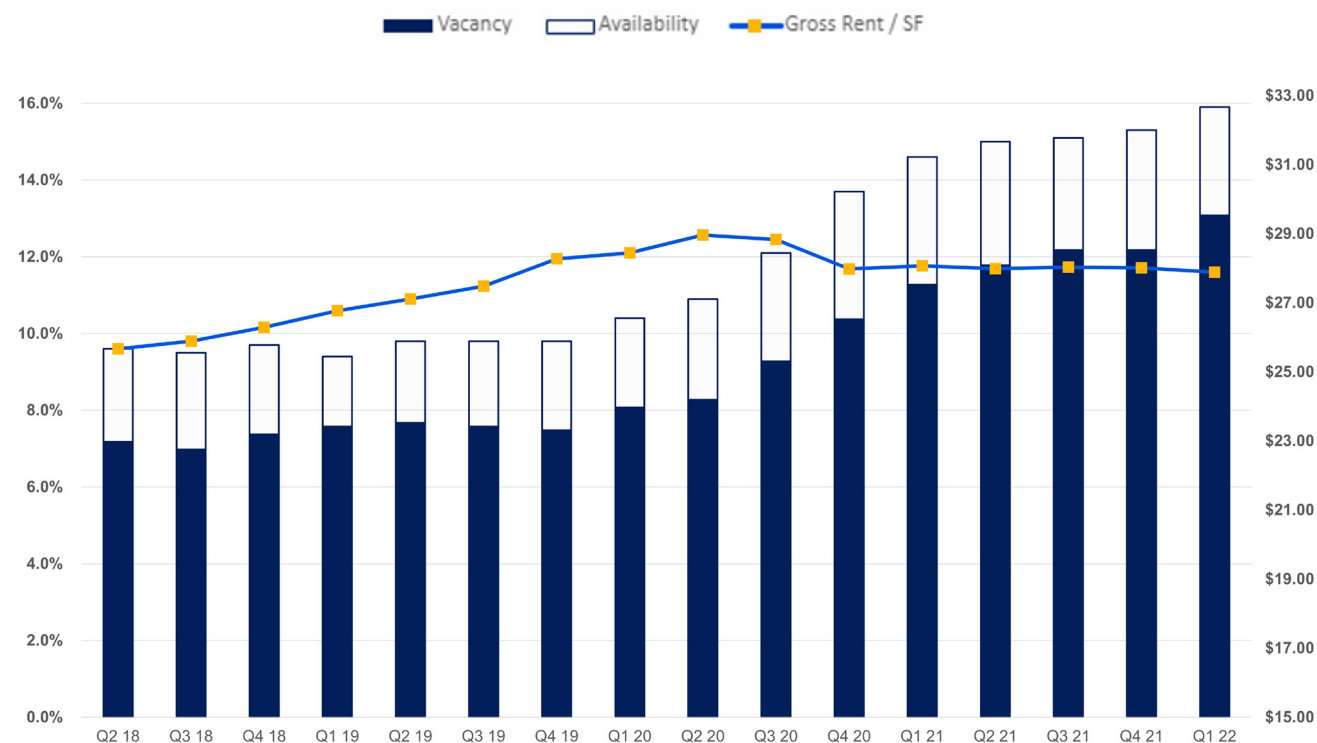
Rent/SF Class A
\$32.40



Rent/SF Class B
\$26.44

Arrows Indicate One Year Change

Historical Rent, Availability, & Vacancy



Data: Q1 2022 CoStar, Portland Metro Submarkets, Class A, B, C Office Buildings above 5,000

Building Spotlight

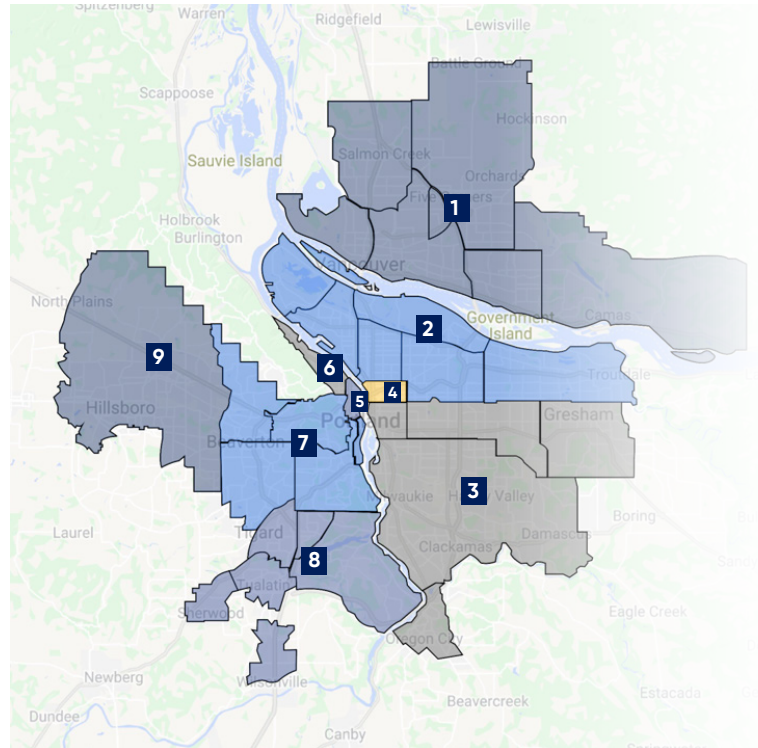


Block 216

 Click to watch the tour

Set to deliver in the Spring of 2023, Block 216 will be an eye-catching addition to the Portland skyline. In addition to hosting the PNW's first Ritz Carlton Hotel, this 35-floor mixed-use tower is 158,000 SF of premium office space, condos, retail, and a gourmet food hall. Each of the five office floors will boast exclusive terraces, functional layouts, and designated tenant elevators.

Submarket Overview



OVERALL - CLASS A, B, C							CLASS A		CLASS B	
	Submarket	Market Size (SF)	Available %	Available SF	Available Sublet SF	Leasing Activity YTD	Vacancy %	Gross Rent/SF	Vacancy %	Gross Rent/SF
1	Clark County	11.15 M	6.4%	717,312	49,965	90,846	9.2%	\$26.20	4.6%	\$24.31
2	Northeast	8.86 M	4.6%	409,938	11,227	32,991	0.6%	\$29.47	4.8%	\$19.18
3	Southeast	8.24 M	11.8%	1,001,284	111,073	130,964	25.3%	\$27.72	10.5%	\$25.81
4	Lloyd District	5.59 M	14.1%	790,364	47,223	40,270	10.0%	\$36.82	8.3%	\$26.54
5	CBD	29.28 M	25.9%	7,673,141	702,900	337,240	21.0%	\$31.98	20.7%	\$26.99
6	Northwest	3.67 M	26.6%	978,206	205,082	49,260	55.5%	NA	20.2%	\$26.75
7	217 Corridor/SW	10.37 M	19.0%	1,979,141	196,459	227,971	24.9%	\$30.83	14.0%	\$23.40
8	I-5 Corridor	10.88 M	17.7%	1,966,400	265,444	176,836	18.6%	\$35.78	16.1%	\$30.46
9	Sunset Corridor (Hillsboro)	14.66 M	6.5%	954,640	101,122	45,948	2.5%	\$27.23	10.1%	\$22.24
	Overall Market	102.72 M	15.9%	16.47 M	1.69 M	1,132,326	15.4%	\$32.40	12.9%	\$26.44

Data: Q1 2022 CoStar. 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
Moda	601 SW 2nd Ave	CBD	152,927	Q1 2022	Renewal	N/A
Avangrid Renewables	2701 NW Vaughn St	CBD/NW	50,000	Q3 2021	Relocation	Q2 2022
On Running	1250 NW 9th Ave	CBD/Pearl	28,762	Q4 2021	Expansion	Q3 2022
TriMet	101 SW Main St	CBD	95,000	Q1 2022	Relocation	TBD
PAE Consulting	SW 1st & SW Pine	CBD	39,043	Q4 2021	Relocation	Q1 2022
Bora Architects	1709 SE 3rd Ave	CBD/CEID	29,700	Q2 2021	Relocation	Q2 2022

Notable Subleases

Tenant	Address	Submarket	Size (SF)
Finastra	621 SW 5th Ave	CBD	27,160
Jama Software	110 SW Yamhill	CBD	30,213
The Oregonian	1500 SW 1st Ave	CBD	37,430
New Relic	111 SW 5th Ave	CBD	23,677
Providence	1201 Lloyd	CBD	21,643
Clear Result	100 SW Main St	CBD	62,310
McAfee	5505 NE Moore Ct	Sunset Corridor/Hillsboro	89,594
Ariba	308 SW 2nd Ave	CBD	39,694
Evanta	222 SW Columbia	CBD	19,702
Coinbase	920 SW Sixth Ave	CBD	16,221

Portland Metro



Cresa's 2022 Spring Summit

For the first time in 2+ years, our Cresa Portland team is pumped to join our teammates in other offices for our 2022 Cresa Spring Summit! The Cresa Summit is an excellent place for all of us to come together and share challenges, successes, new ideas, and collaborate on ways we can continue to make Cresa the elite and pre-eminent partner for real estate occupiers, globally!

Our entire Cresa Portland team will be in full attendance, and we all look forward to some friendly competition at our Cresa Color Wars, supporting our non-profit, Cresa Cares!

We will report back with a great recap video in next quarter's report! Stay tuned!



As we headed into 2022, we partnered with a video producer, [Daring Creative](#), to continue elevating our brand, culture and strategic services! As part of our engagement, we are highlighting some of Portland's newest office buildings in our video tour playlist. This quarter, take a watch of our Street Tour, visiting the Galleria and 12W, along with our tour of Canvas at Press Blocks and Redfox Commons.

[Visit our YouTube channel](#)



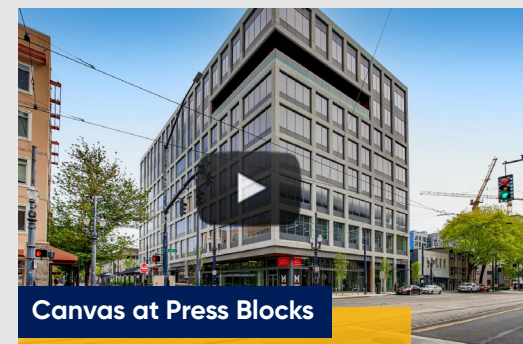
Downtown Portland

Street Tour with Blake and Mike



Redfox Commons

2034 NW 27th Avenue



Canvas at Press Blocks

1750 SW Yamhill Street



Galleria

600 SW 10th Avenue

Portland Metro



Why Every Business Needs a Great Workplace Strategy

In this video, we visit the offices of [The Partners Group](#) to see their completed space and discuss how we partnered with them on a workplace strategy solution for their office build out.

Our very own “workplace strategy” ninja, Gillian Baikie is in town this week to discuss how Cresa’s Workplace Solutions help you shape the spaces that support your talent and foster collaboration. She’s joined by Blake St. Onge and Sean Connors.

The traditional office layout and a “one size fits all” mentality is a thing of the past.

We’d love to connect with you!

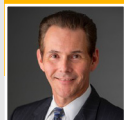
[WATCH THE VIDEO](#)

Think Beyond Space | The PDX Workplace Insider Podcast

Cresa Portland's new podcast!



Click to listen to the podcast



Episode 19: How RealWear is Empowering Frontline Workers with Human Centered Technology

[Andrew Chrostowski, CEO & Chairman of RealWear](#)

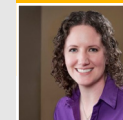
Andrew Chrostowski, CEO & Chairman of RealWear, joins host Blake St. Onge, Managing Principal for Cresa Portland, on the Think Beyond Space podcast to discuss transforming the work of frontline employees with RealWear’s innovative wearable solutions.

[Watch the podcast video](#)

Episode 20: How Downtown Portland Will Evolve For The New World of Work

[Monique Claiborne, CEO of Greater Portland Inc.](#)

Monique Claiborne, CEO of Greater Portland Inc. (GPI), joins host Blake St. Onge, Managing Principal for Cresa, on the Think Beyond Space Podcast to discuss the mission of GPI and how the downtowns of the future will integrate the new world of work.

[Watch the podcast video](#)

Episode 21: How Puppet is Building a Values-Driven Global Company with a People-First Perspective


[Katie Abbott, General Counsel for Puppet](#)

Katie Abbott, General Counsel for Puppet, joins host Blake St. Onge, Managing Principal for Cresa’s Portland office, to discuss how Puppet is taking a people first approach to building an engaged, global company.

[Watch the podcast video](#)

Meet the Team

Click to learn more about our advisors



Blake St. Onge
Managing Principal




Sean Heaton
Principal



Josh Haynes
Vice President



Michael Whitten
Vice President




Sean Connors
Senior Advisor



Kelsey Machuca
Senior Advisor



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.

Contact

For more information about Cresa and the Portland CRE Market, please contact:

Cresa Portland
1355 NW Everett St
Portland, OR 97209
503.455.8655
cresa.com/Portland

+ Follow Us



Check out our social media channels to stay up on current market trends and availability.

