

Portland Metro

# 2022 Market Insight Report



Q2 2022 Office Market

cresa



## Portland Metro



# Portland Metro Overview

The Portland Metro remained sluggish in Q2 2022, coming off the heels of a slow Q1, with the continued challenges of Covid-19. Some submarkets, namely downtown Portland, continued to experience a significant increase in vacancy and negative net absorption, for the 10th straight quarter. We are still seeing tenants with impending lease expirations either extend their leases on a short term basis (one - three years), and in many cases, rightsize their spaces by 25-40% due to the WFH/WFA phenomenon that is impacting office space globally, or frankly, decide not to have a physical office for the immediate future. Add to that equation a flight to the suburban markets, and downtown remains very, very quiet. We didn't see much leasing activity of large blocks of space in Q2, other than a couple of renewals in the over 30,000 square feet category. Unfortunately, we believe Q3 and Q4 will carry a similar trajectory.



## Rightsizing, So Hot Right Now

Tenants are continuing to evaluate their footprints, with many groups rightsizing by 25-40% upon renewal or on relocation. We see the impact from the WFH (Work From Home) and WFA (Work From Anywhere) phenomenon, resulting in a revised workplace strategy.



## Tale of Two Cities

The desire to be outside the urban core continues to be a trend for the past 1-2 quarters, and frankly the past 12 months. A combination of the challenges of downtown, tax implications and ancillary costs of being in the core are pushing groups to the suburban markets. We did see one indication of a group moving from the suburbs to downtown, but that is the anomaly.



## Vacancy, Sky's the Limit

Q2 2022 brought continued increased vacancy rates, which we anticipate seeing additional increases in vacancy rate as the quarters move on, and as leases begin to turn, considering the 2 takeaways above (rightsizing and relocating). The lack of positive absorption, and the increase in product are additional contributors to the high vacancy rate.

## Portland Metro

Market Size (SF)  
**102.81M SF**



Vacancy  
**13.2%**



Availability  
**14.7M SF**



Leasing Activity  
**840K SF**



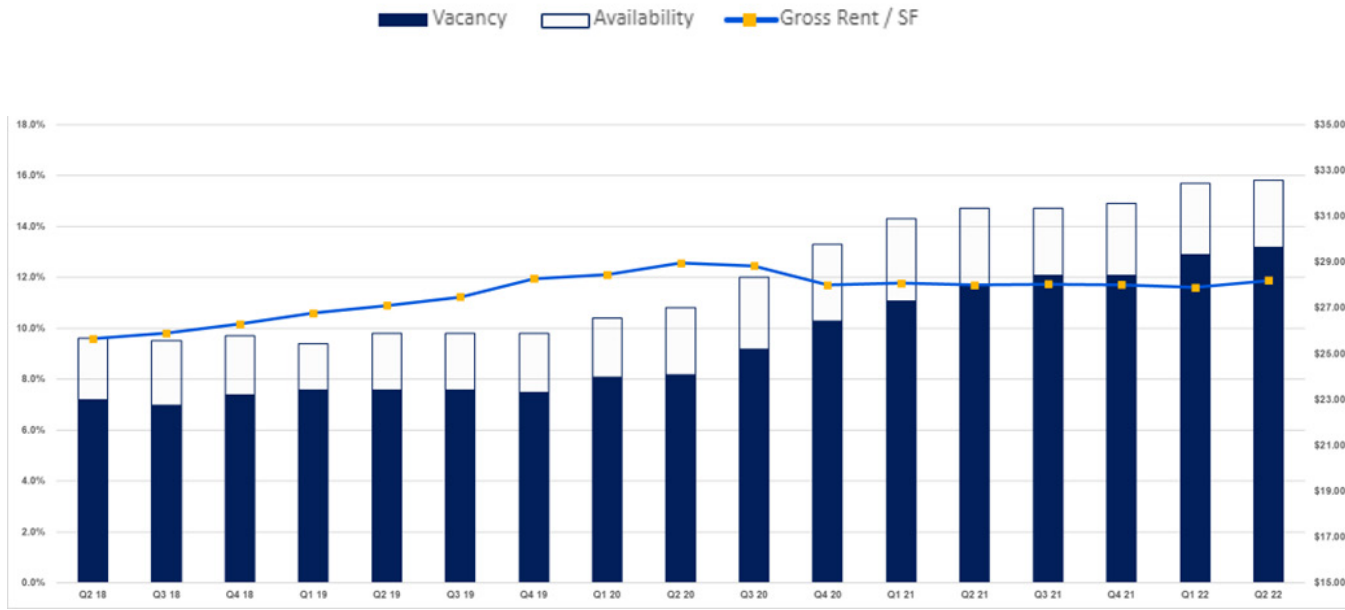
Rent/SF Class A  
**\$32.01**



Rent/SF Class B  
**\$27.12**

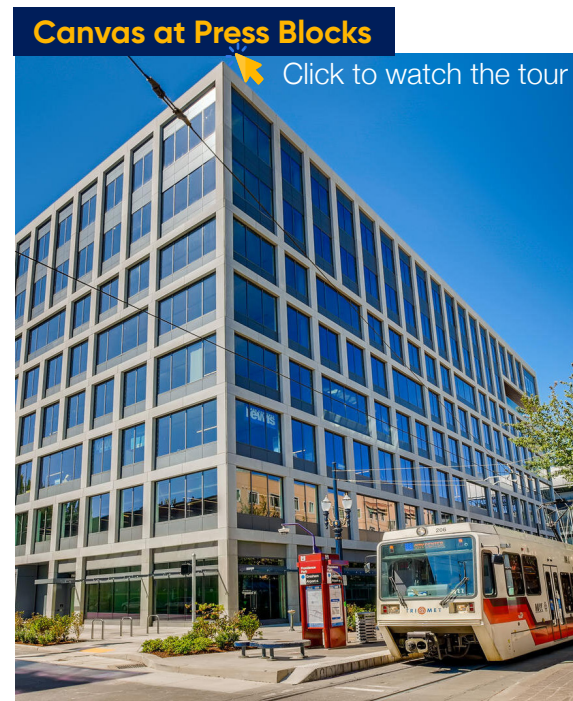
Arrows Indicate One Year Change

## Historical Rent, Availability, &amp; Vacancy



Data: Q2 2022 CoStar. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000

## Building Spotlight

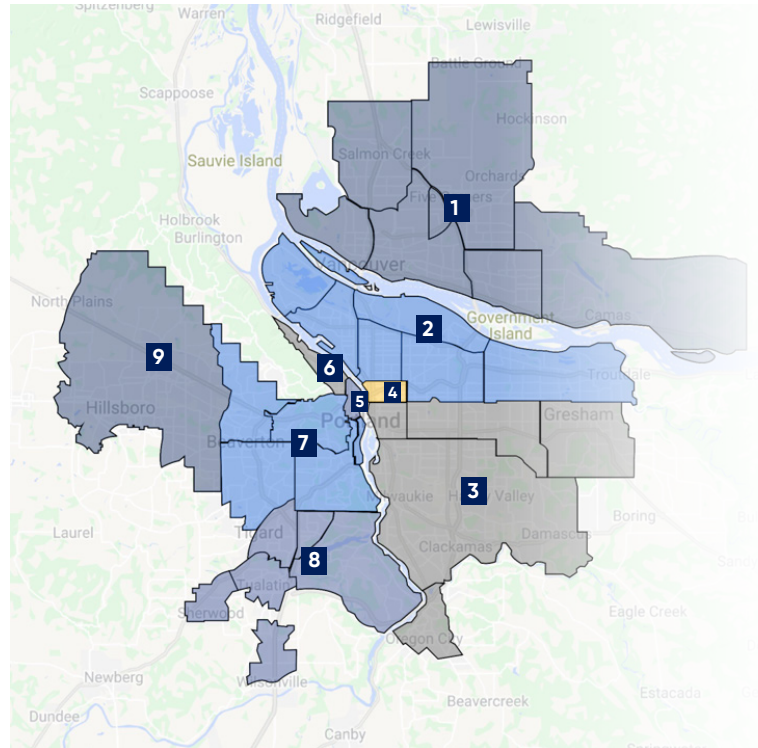


Canvas at Press Blocks is the first part of a three-building development that will include a 23-story residential building, more than 160,000 square feet of office space, and an outdoor public plaza with dining and street-front retail.

Creating a natural corridor with the Timbers and Thorns home stadium, Press Blocks is designed to complement the existing neighborhood culture and channel the energy of game day into every day.

Developer and property manager, Urban Renaissance Group manages 11 million square feet of Class A and historic office buildings in Portland, Seattle and Denver. Urban Renaissance Group's investment in Canvas and the extended Press Blocks development is part of a larger, long-term vision for this emerging neighborhood.

# 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	11.32 M	7.2%	0.9%	96,068	33	9.8%	\$27.66	6.6%	\$23.80
2	Northeast	8.86 M	5.3%	0.6%	15,065	16	0.6%	\$27.74	5.3%	\$19.60
3	Southeast	8.23 M	11.4%	1.5%	100,132	43	28.3%	\$31.19	8.8%	\$25.82
4	Lloyd District	5.46 M	11.6%	0.8%	52,548	13	5.4%	\$36.82	8.2%	\$24.38
5	CBD	29.38 M	26.8%	2.1%	262,162	52	21.2%	\$31.57	23.6%	\$27.19
6	Northwest	3.64 M	25.7%	5.6%	3,270	4	62.3%	\$31.27	21.7%	\$27.91
7	217 Corridor/SW	3.64 M	25.7%	1.9%	3,270	4	23.5%	\$30.60	14.5%	\$23.67
8	I-5 Corridor	10.95 M	16.5%	1.4%	135,179	42	17.8%	\$36.13	13.8%	\$31.31
9	Sunset Corridor (Hillsboro)	14.58 M	6.2%	3.0%	33,452	16	2.6%	\$27.28	8.9%	\$24.99
	<b>Overall Market</b>	<b>102.53 M</b>	<b>15.8%</b>	<b>1.4%</b>	<b>840,538</b>	<b>272</b>	<b>15.0%</b>	<b>\$32.61</b>	<b>13.4%</b>	<b>\$26.84</b>

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
<i>Huegli Fraser Law</i>	<i>101 SW Main St</i>	<i>CBD</i>	<i>32,171</i>	<i>Q2 2022</i>	<i>Renewal</i>	<i>Q3 2022</i>
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 Portland wins BIG at the 2022 Spring Summit

At our annual company conference, Cresa offices from all of North America gather together for educational and celebratory experiences. At the awards dinner, we celebrated the recognition the Portland office was given, as well as the individual accolades that Kelsey Machuca and Blake St. Onge earned.

We loved seeing everyone in Las Vegas and can't wait till next year!

[WATCH THE VIDEO](#)

## Our Cresa Portland Team Welcomes our New Summer Intern, Angel Lara Parga!



Angel will be working with the team throughout the summer, learning the ins and outs of the world of commercial real estate!

Angel was born and raised in the Bay Area along with his siblings Joseph, Sara, and Eric. Currently, Angel is a student-athlete at Warner Pacific University where he majors in business and plays on the men's soccer team. He has been playing soccer all his life. His favorite Major League Soccer team is Club América...but we will make him a Portland Timbers & Thorns FC fan by the end of the summer!

We are super excited to have him on our Cresa Portland team and look forward to having a great summer in the office! MASSIVE thank you to [Nick Poindexter](#) and the entire [Emerging Leaders PDX](#) team for the partnership to make this happen!

Roberto joins the Cresa Portland team as a 4-year Division 1 basketball standout at Oregon State University, and former professional basketball player, playing in the US, Italy, France, Mexico and New Zealand among many other countries. Roberto is charged with pursuing business development initiatives, identifying commercial real estate opportunities and facilitating the real estate needs of occupiers.

Roberto's experience in professional athletics brings a very unique skillset to the Portland team. His ambition, work ethic and ability to relate to people are incredible talents. Roberto's belief is that deep, trust-built relationships are the key to successful partnerships, enabling him to provide thoughtful solutions.

As an account manager, AJ works closely with companies to provide guidance and direction on projects that require unique real estate solutions. He works with clients to develop and execute strategic initiatives, portfolio strategy, and lease negotiation. He serves as a primary contact for client accounts.

AJ provides value to clients through creative thinking and his ability to see the bigger picture on complex and unique real estate matters.

Before joining Cresa, he worked on the corporate real estate team of a Fortune 200 company. His experience includes management of the Purchase/Lease and Sale of Real Estate Assets, New Construction, Property Management, Contract Negotiations, Purchasing of Goods and Services.



**Roberto Nelson**  
Advisor



**AJ Peash**  
Account Manager



## Portland Metro

## Cresa Portland sponsors their first Hood to Coast Team



Cresa Portland is sponsoring a Hood to Coast relay running team this year! Kelsey Machuca, Sean Connors and Hayley Mueller are leading the charge and we're excited to participate in this Oregon tradition, a 199-mile relay from Mt. Hood Timberline Lodge to Seaside on the Oregon Coast, August 26th – 27th.

Our team chose to register as a fundraising team, raising money for Providence Cancer Institute's leading-edge research and technology - making scientific discoveries and new cancer therapies possible.

**Donate to #FinishCancer**



## Cresa gets bigger in Texas with acquisition ESRP in Frisco, TX

Real estate firm Cresa just got a whole lot larger in the state where everything is bigger.

Chicago-based Cresa has acquired esrp, a Frisco, Texas-based boutique brokerage that, like Cresa, only works with occupiers of commercial space. esrp has merged its operations into Cresa, which had a presence in Texas that included 15 agents in Houston, and added 50 brokers to its team in Texas.

Cresa said esrp's existing headquarters at The Star in Frisco would become Cresa's primary office in the Dallas-Fort Worth region. esrp also has offices in the Dallas Arts District and in the Galleria in Houston that have become part of Cresa.

[Read More](#)



## Portland Metro



## Project Management Breakdown: OHSU Foundation

In this video, Blake, Jessika and Josh pay a visit to the OHSU Foundation to check out their nearly finished space. This is a project we've been engaged with for over a year from a project management basis, so it was fun to stop in and see the results!

Special thank you to Diane and Jill for taking some time to talk with us and graciously letting us film in their space!

Learn more about the OHSU Foundation and their work:  
<https://ohsufoundation.org>

If you have a need for project management services, construction or even a ground-up renovation for your space, please reach out to us!

[WATCH THE VIDEO](#)

### Think Beyond Space | The PDX Workplace Insider Podcast

Cresa Portland's new podcast!



Click to listen to the podcast



**Episode 23: How Brandlive is Helping Shape the Future of Work with more Engaging, Interactive Meetings**

**[Sam Kolbert-Hyle, CEO of Brandlive](#)**

Sam Kolbert-Hyle, CEO of Brandlive, joins Blake St. Onge, Managing Principal of Cresa's Portland office, on the podcast to discuss how Brandlive's platform is helping some of the largest companies in the world shape the future of work.

[Watch the podcast video](#)

**Episode 24: The Future of Work is Agile and Decentralized with Amina Moreau, Founder of Radious**

**[Amina Moreau, CEO and Founder of Radious.pro](#)**

Amina Moreau, CEO and Founder of Radious.pro, joins host Blake St. Onge, Managing Principal of Cresa Portland, on the podcast to discuss the benefits of work becoming decentralized.

[Watch the podcast video](#)

**Episode 25: Empowering Creators Through Virtual Production**

**[Perry Loveridge, CEO of Picture This](#)**

Perry Loveridge, CEO of Picture This Production shares how in-camera VFX/ XR production is the exciting new ability to shoot anywhere, any time and at any scale in a single, controlled location. This cutting-edge tech uses large-scale LED backdrops and camera tracking tied to 3D rendering software to create the illusion of a subject in a virtual environment.

[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



Roberto Nelson  
Advisor



AJ Peash  
Account Manager



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:

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