

Q3 2022

Portland Industrial Newsletter

cresa

Real Estate Trends



Supply

195M SF



NNN Rent

\$9.60 per SF



Vacancy

2.9%



Sale Price/SF

\$169 per SF

Economic Trends

Construction: 11.4% increase in 12 months
(total costs 5% higher than national average)

Labor Costs: 5.5% increase over 12 months
(total ECI costs 9.59% higher than national average)

Oil Prices: 43.75% increase over 12 months

Home Prices: 0.5% increase over 12 months

Cresa Portland Can Help

1. **Prepare a strategic plan in advance of critical dates**, to address long-term real estate goals and be prepared to act quickly in a competitive market.

2. **Evaluate space utilization & process improvement** to implement the latest innovative solutions and best practices to improve performance.

3. **Utilize location strategy & economic incentives** to identify geographies that support your operational goals and long-term business strategy.

4. **Consider facility options** (lease, purchase, and build-to-suit) to maximize economic and functional flexibility.

Key Market Takeaways

NNN Rent increased 15.4% year over year, outpacing the 5 year average rent growth of 6.2%.

Vacancy rate matches the lowest on record at 2.9%, however the availability rate is 4.6% due to new construction, sublease space and tenant relocating

Market Conditions may be easing for Tenants.

Leasing Activity has decreased in 2022, with 7.6M SF total leasing activity in the first 3 quarters compared to 13.2M SF total leasing activity in 2021 (highest on record)

3.1M SF of new construction has been delivered in 2022, compared to 2.1 M SF delivered in all of 2021. There is still 2.8M SF under construction (17 buildings) in the Portland Metro.

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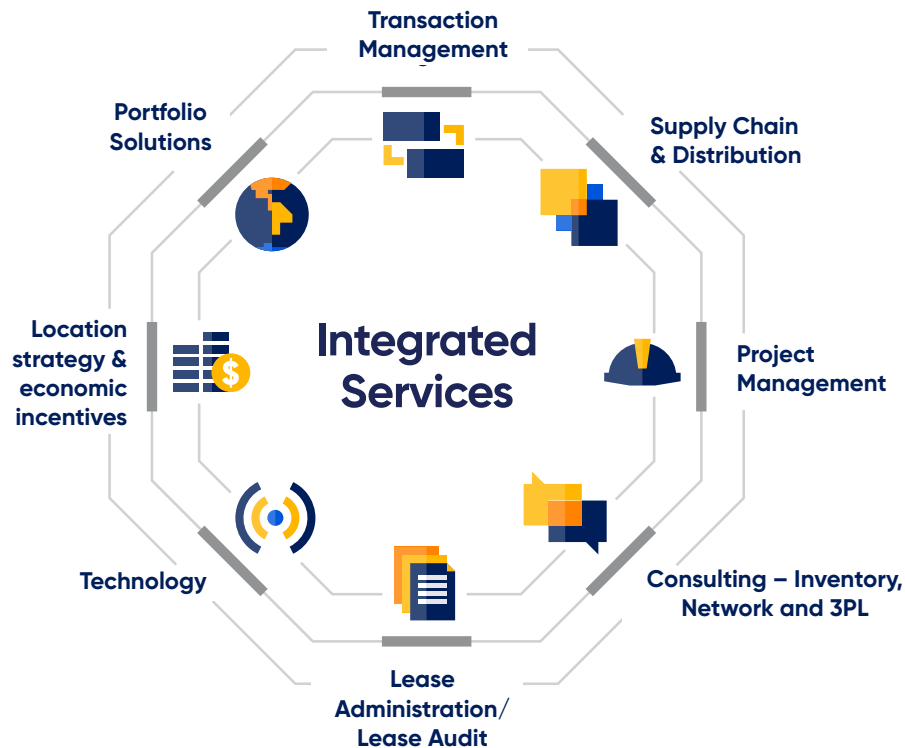
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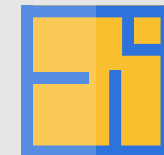
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