

YARDI® Matrix

Portland's Promise

Multifamily Summer Report 2016

Rent Growth Outpaces Nation

Jobs Blossom in Silicon Forest

Developers Follow Millennials Downtown

PORTLAND MULTIFAMILY

YARDI® Matrix

Market Analysis

Summer 2016

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Rose City Multifamily in Full Bloom

Broad-based job growth and a constant influx of Millennials have propelled apartment rent increases in Portland to among the highest in the nation—though that growth is expected to decelerate as a result of a heavy development pipeline. Employment is boosted by industries such as education, health care, business and hospitality, while the tech sector is flourishing in the “Silicon Forest.”

The metro’s strong economy is attracting investors and driving development. A new wave of construction is overtaking the South Waterfront, where the Zidell family will fill in the last undeveloped part of the area with as many as 25 new buildings. A large expansion by the Oregon Health & Science University and the opening of the new Portland-Milwaukie MAX Orange line are also feeding waterfront development. Furthermore, the West Quadrant Plan, approved by the city council in 2015, is changing zoning to allow developers to build more high-rises in core submarkets.

Many companies are relocating or expanding in Portland, fueling the demand for multifamily units and pushing the transaction volume above historical levels, with demand expected to remain elevated. And although the 21,000 units currently in the pipeline will help slow rent growth to a more sustainable level, rent growth will be extremely strong in 2016 at 8.8%.

Recent Portland Transactions

Mint Urban RiverPlace



City: Portland
Buyer: NFN Investments
Purchase Price: \$97 MM
Price per Unit: \$335,172

Waterline



City: Portland
Buyer: Greystar
Purchase Price: \$94 MM
Price per Unit: \$386,831

Sterling Pointe



City: Beaverton, Ore.
Buyer: Prime Group
Purchase Price: \$91 MM
Price per Unit: \$144,571

Terrene at the Grove



City: Wilsonville, Ore.
Buyer: Jackson Square Properties
Purchase Price: \$60 MM
Price per Unit: \$206,597