

YARDI[®] Matrix

Stabilized Portland

Multifamily Winter Report 2017

Rent Growth Slows to Single Digits

Talented Workforce Draws Employers

Property Values Reach Cycle High

PORTLAND MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2017

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Rent Growth Cools Off

The “Silicon Forest” still appeals to young professionals and continues to add jobs, especially in the booming business, education, health-care and tech sectors. But after more than a year of double-digit rent increases, growth is finally starting to slow down. Though multifamily demand remains elevated, fueled by a healthy job market and a constant influx of Millennials, increasing development and affordability issues have brought gains to a more sustainable level.

Portland’s healthy economy continues to attract investment as well as development, and a new wave of office construction is overtaking the central business district (CBD) and Northeast submarkets. Major companies such as Beaverton-based Nike and Under Armour are expanding, adding jobs and further boosting multifamily demand. The supply delivered in recent months has not been able to temper demand, and more than 24,000 units are still in the pipeline. The opening of the new Portland-Milwaukie MAX Orange line and the approval of the city’s West Quadrant development plan are likely to spur waterfront development and draw investor interest.

With so much growth, Portland will continue to see strong demand and steady job growth. But we expect rent growth, which measured 6.25% in December, to stay in the 6% range, still strong yet not at the frothy levels of the past two years.

Recent Portland Transactions

Waterline



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

Breckenridge



City: Portland
Buyer: Resource Real Estate
Purchase Price: \$82 MM
Price per Unit: \$228,291

One Jefferson Parkway



City: Lake Oswego, Ore.
Buyer: Security Properties
Purchase Price: \$78 MM
Price per Unit: \$224,783

Riverwalk at Happy Valley



City: Happy Valley, Ore.
Buyer: MG Properties Group
Purchase Price: \$76 MM
Price per Unit: \$194,871