

Yardi® Matrix

Rose City Keeps Its Bloom

Multifamily Report Summer 2018

Rent Growth Stalls Amid Supply Surge

Education, Health Jobs Fuel Demand

Developers Target Upscale Segment

PORTLAND MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Healthy Demographics Push Up Demand

Portland's strong economy makes it an attractive metro, especially for young professionals looking for high-income jobs. In 2017, the metro added 30,000 people, which coupled with an increased interest from major companies looking to expand or relocate to the area, bolstered multifamily demand. As developers stay focused on the more profitable upscale projects in core submarkets, affordable housing remains an issue.

Education and health services, one of the metro's most important economic drivers, added 14,400 jobs year-over-year through February, for an 8.5% increase. Intense development has led to a sharp expansion of the construction sector, which gained 3,100 new positions. Intel's plan to invest \$100 billion over 30 years continues to solidify Portland as a regional tech hub, maintaining the IT giant's anchor status, alongside other powerhouses such as Kaiser Permanente, Nike or Boeing.

More than 2,000 multifamily units were delivered in metro Portland this year through April, and we expect roughly 4,200 units to come online for the whole of 2018. As a result of accelerated multifamily development, occupancy in stabilized properties dropped to 94.8%, down 120 basis points through March. However, overall demand is expected to remain high and generate a 1.5% rent growth this year.

Recent Portland Transactions

Centro



City: Hillsboro, Ore.
Buyer: Sequoia Equities
Purchase Price: \$120 MM
Price per Unit: \$250,000

Thorncroft Farms



City: Hillsboro, Ore.
Buyer: MG Properties Group
Purchase Price: \$98 MM
Price per Unit: \$286,764

Amberglen West



City: Hillsboro, Ore.
Buyer: LivCor
Purchase Price: \$95 MM
Price per Unit: \$240,628

Arbor Heights



City: Tigard, Ore.
Buyer: Security Properties
Purchase Price: \$81 MM
Price per Unit: \$232,758