

Yardi® Matrix

Cooler Temps For Portland Rents

Multifamily Report Fall 2017

**Rent Growth Drops
Below US Average**

**Construction Leads
Employment Gains**

**Transaction Volume
Decreases in 2017**

PORTLAND MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Adina Marcut

Associate Editor

Job Growth Firm, Rent Growth Totters

Rent growth continues to decelerate, but a healthy economy and rapidly growing population are keeping Portland's multifamily market stable. After reaching a cycle peak of 12.9% in January 2016, rent growth has steadily slowed due to heavy supply, mirroring nationwide trends and reaching 1.7% as of August 2017. Trailing the national growth rate by 70 basis points, Portland's rate is underperforming the U.S. average for the first time since 2013.

Construction is leading employment gains (9,300 positions, 14.3% expansion), with big-brand projects such as Amazon's 855,000-square-foot fulfillment center and Under Armour's new 70,000-square-foot campus reinforcing Portland's diversifying economy. Education and health services (7,700 jobs) and leisure and hospitality (4,300) have also expanded significantly. The metro's strong job growth is pushing up multifamily demand, especially for market-rate apartments.

Nearly 8,400 units were underway as of August, of which some 3,200 units are slated to come online by December, but the pipeline could see further delays due to shortages in the construction workforce. Moreover, a slowdown in development may also occur due to the city's new policy on inclusionary housing, which requires developers to set aside 20% of units as affordable. But this could start boosting demand next year, contributing to short- and medium-term rent growth. We expect rents to increase by 2.5% in 2017.

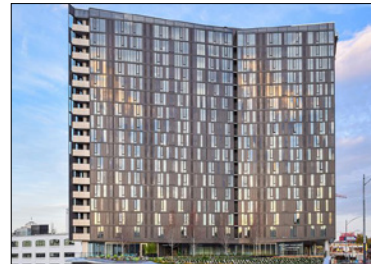
Recent Portland Transactions

LaSalle



City: Beaverton, Ore.
Buyer: Holland Partners
Purchase Price: \$142 MM
Price per Unit: \$250,000

Yard



City: Portland, Ore.
Buyer: Land & Houses
Purchase Price: \$127 MM
Price per Unit: \$445,775

Eddylane Bridgeport



City: Tigard, Ore.
Buyer: Sequoia Equities
Purchase Price: \$118 MM
Price per Unit: \$321,798

Seven West at the Trails



City: Beaverton, Ore.
Buyer: LaSalle Investment Management
Purchase Price: \$96 MM
Price per Unit: \$226,950

To Subscribe

Hollie Zepke

Audience Development Specialist
Hollie.Zepke@Yardi.com
(800) 866-1124 x5389