



MULTIFAMILY REPORT

Portland Endures

October 2023

Steady Construction Pipeline

Occupancy Near US Average

Transactions Sluggish

PORTLAND MULTIFAMILY



Rental Market Treads Water

Portland rent movement remained in negative territory entering the second half of the year, down 0.1% on a trailing three-month basis through August. Meanwhile, performance at the national level held up better, with rent growth at 0.2%. Portland rates also dropped year-over-year, at -1.5%, while the national average was up 1.5%. Meanwhile, occupancy in stabilized assets fell 90 basis points in the 12 months ending in July, to 94.9%, close to the 95.0% U.S. figure.

Portland unemployment reached 3.6% in July, just 10 basis points above the national average, according to Bureau of Labor Statistics data. Employment expanded 3.1%, or 45,500 jobs, in the 12 months ending in June. With 10,700 jobs added, the leisure and hospitality sector led gains. At the other end of the spectrum, manufacturing and trade, transportation and utilities were the only two sectors to lose positions, for a total of 1,900 jobs. Recently, to strengthen the local economy and also mitigate climate change, the Portland Clean Energy Community Benefits Fund outlined its five-year, \$750 million investment plan.

Developers delivered 1,949 units in the first eight months of the year. Meanwhile, softening transaction activity, felt nationwide, also touched Portland, with sales through August totaling just \$194 million. That was a far cry from the \$1.6 billion recorded in the metro in 2022.

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Recent Portland Transactions

The Parker



City: Portland, Ore.
Buyer: Waterton
Purchase Price: \$52 MM
Price per Unit: \$293,785

Heatherbrae Commons



City: Milwaukie, Ore.
Buyer: Greystar
Purchase Price: \$49 MM
Price per Unit: \$281,609