



MULTIFAMILY REPORT

Portland Adapts

June 2025

Employment Below US Average

Rent Movement Turns Positive

Supply Volume Slows Down

PORTLAND MULTIFAMILY



Portland's Muted Performance

Portland's average advertised asking rents were up a modest 0.1%, on a trailing three-month basis as of April, to \$1,759, while the U.S. figure climbed 0.2% during the same interval. This marked the first month of improvement after six months of negative performance. The metro's average occupancy rate in stabilized properties stood at 94.6% as of March, posting a 20-basis-point contraction year-over-year.

Portland's unemployment rate clocked in at 4.9% as of March, 70 basis points above the national rate, according to preliminary data from the Bureau of Labor Statistics. Four sectors registered growth, led by education and health services, which added 5,400 jobs to the workforce. The local economy could benefit from the development of the Portland Diamond Project—a baseball stadium dubbed Zidell Yards. The Oregon Senate passed a funding bill in April, which would authorize \$800 million in privately backed bonds to support the project. If the city secures an MLB team, construction on the \$2 billion development will start in 2027.

With just 1,806 units, or 0.9% of existing stock, delivered through August, the metro only surpassed the nation by 10 basis points. Construction starts also decreased by almost 70% in the first four months of this year, compared to the same interval in 2024. Transaction activity remains moderate, as the metro recorded \$244 million in deals.

Market Analysis | June 2025

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

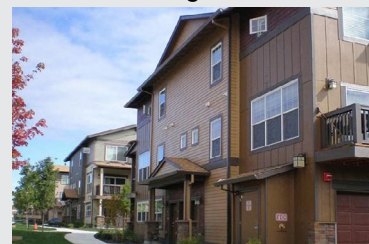
Recent Portland Transactions

The Landings at Morrison



City: Gresham, Ore.
Buyer: Bridge Investment Group
Purchase Price: \$50 MM
Price per Unit: \$220,000

Sunset Crossing



City: Beaverton, Ore.
Buyer: Green Leaf Capital Partners
Purchase Price: \$30 MM
Price per Unit: \$294,118

Chinook Way



City: Fairview, Ore.
Buyer: Reliant Group
Purchase Price: \$29 MM
Price per Unit: \$229,839

Westwood Green

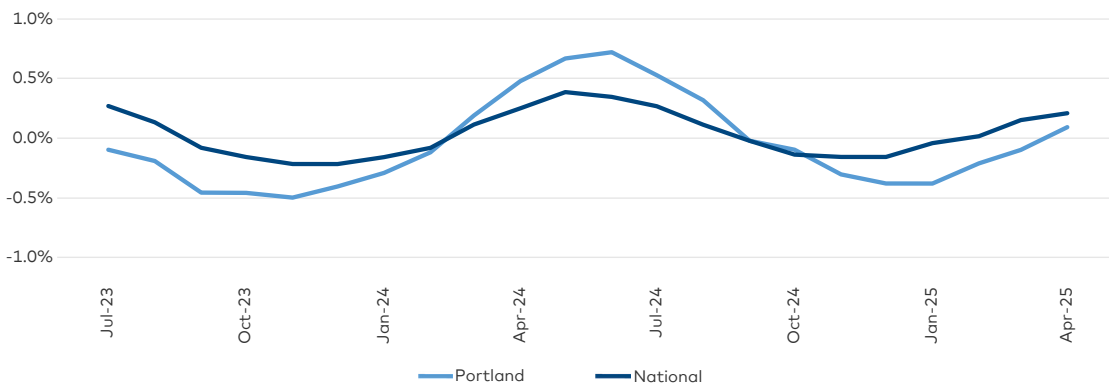


City: Tigard, Ore.
Buyer: Montgomery Partners
Purchase Price: \$9 MM
Price per Unit: \$169,811

RENT TRENDS

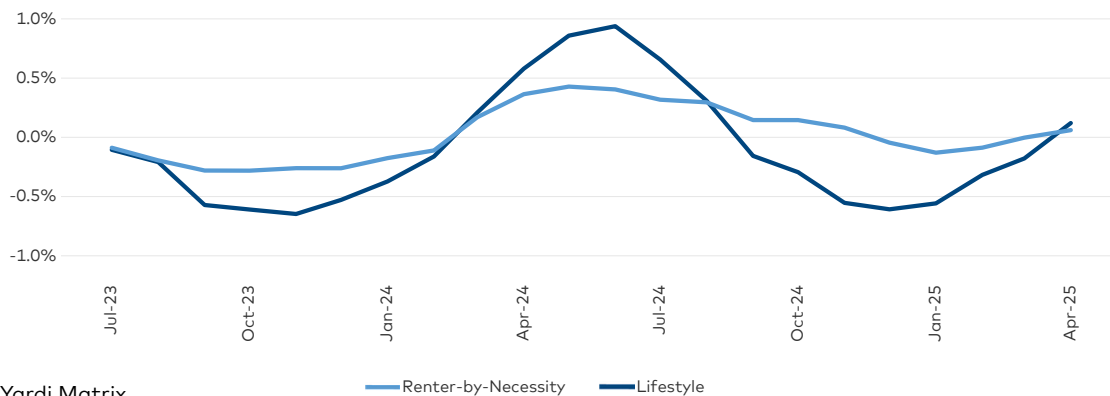
- ▶ The average advertised asking rent in Portland was up just 0.1% on a trailing three-month (T3) basis as of April, to \$1,759, while the U.S. figure was 0.2% during the same interval. Nevertheless, this marked the first month of improvement, after rates in the metro were in negative territory between October 2024 and March 2025. The latest Yardi Matrix forecast projects annual rent growth of 0.6% for 2025.
- ▶ Portland's quality segments moved in lockstep, as both were up 0.1% on a T3 basis. Lifestyle rents stood at \$1,904, while rents in the working-class, Renter-by-Necessity segment reached \$1,572. Rent movement in upscale properties saw sharper declines year-over-year, registering the lowest rate, at -0.6% between November and January.
- ▶ The metro's average overall occupancy rate in stabilized properties stood at 94.6% as of March, a 20-basis-point contraction year-over-year. The Lifestyle rate also saw a 10-basis-point decrease, to 94.4%. Meanwhile, despite a higher occupancy rate, RBN assets were down 30 basis points, to 94.8%.
- ▶ Growth was uneven across Portland submarkets on a year-over-year basis as of April. Of the 69 submarkets tracked by Yardi Matrix, 19 recorded contractions. Growth was led by Downtown Portland, up 15.7% to \$2,220. Despite average advertised asking rents contracting -2.7%, Lake Oswego remained the most expensive area, with the average at \$2,293.

Portland vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Portland Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Portland's unemployment rate clocked in at 4.9% as of March, 70 basis points above the national rate, according to preliminary data from the BLS. The metro's figure was also 30 basis points higher than the state average, which stood at 4.6%. Over the 12-month period ending in April, Portland reached its highest unemployment rate in the first two months of 2025, at 5.0%.
- ▶ The metro lost 13,900 jobs in the 12 months ending in February, with Portland employment dynamics significantly lagging the national trend. Four sectors registered growth, led by education and health services, which added 5,400 jobs to the workforce, followed by government, information and other services, for a combined 6,100 jobs. Manufacturing saw the biggest drop, shedding 4,600 positions, with employment growth down 3.7%.
- ▶ The Oregon Senate passed a funding bill in April for the Portland Diamond Project, which would authorize some \$800 million in privately backed bonds to support the development of a ballpark. Currently dubbed Zidell Yards, the venue's proposed location is Portland's South Waterfront. The \$2 billion project would also be surrounded by a mixed-use entertainment district. If the city secures an MLB team, construction will start in 2027.

Portland Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	206.1	16.7%
90	Government	162.9	13.2%
80	Other Services	44.5	3.6%
50	Information	27.4	2.2%
55	Financial Activities	71.4	5.8%
40	Trade, Transportation and Utilities	219.8	17.8%
60	Professional and Business Services	193.6	15.7%
70	Leisure and Hospitality	113.5	9.2%
15	Mining, Logging and Construction	78.5	6.4%
30	Manufacturing	118.1	9.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Portland gained 11,883 residents in 2022, marking a 0.5% increase. The metro's population has expanded by a quarter of a million over the past 10 years.
- ▶ The U.S. population grew by 0.4% between 2021 and 2022.

Portland vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Portland Metro	2,445,761	2,472,774	2,493,429	2,505,312

Source: U.S. Census

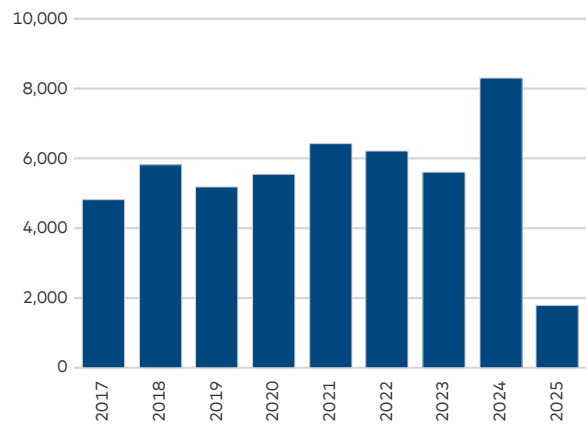
SUPPLY

- ▶ Developers brought 1,806 units online this year through April, accounting for 0.9% of existing stock. That was 10 basis points higher than the 0.8% national average. More than half of the properties that came online were affordable assets, while the rest were units in the upscale segment. The number of completions has slowed down significantly, as the past seven-year average has stayed around 6,000 units.
- ▶ Portland had 6,915 units under construction in April. Another 29,400 were in the planning and permitting stages. Development was concentrated in Lifestyle projects, which comprised 65.0% of units, while Renter-by-Necessity and fully affordable properties accounted for the remaining 35.0%.
- ▶ Construction starts dwindled significantly, as developers started work on only 422 units across two projects through April. This marked a nearly 70% decrease compared to the 1,294 units across seven projects that started construction during the same period last year.
- ▶ Of the 69 submarkets tracked by Yardi Matrix, 29 had at least one project of 50-plus units under construction. No submarket crossed the 1,000-unit mark, but Tanasbourne led with 661

units, followed by Kerns/Buckman (590 units) and Mill Plain (588 units).

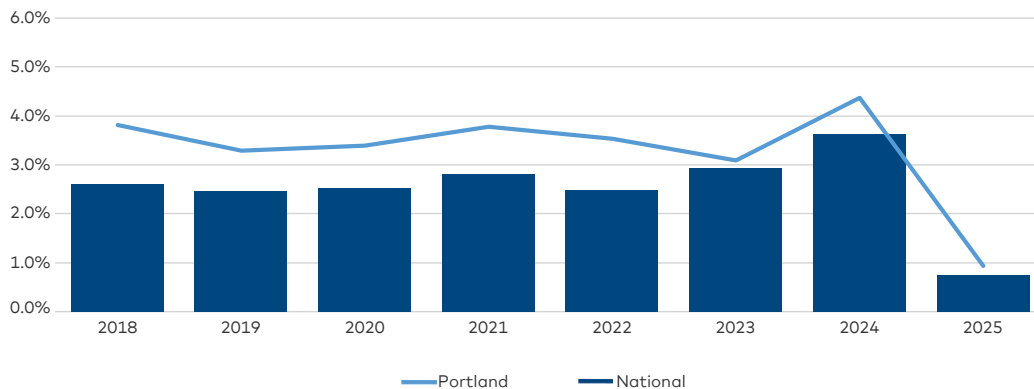
- ▶ Tanasbourne is also home to the largest construction underway in the metro as of April. Wood Partners is developing the second phase of Arcadia by Alta in Hillsboro, Ore. The four-building, 594-unit project broke ground in January 2024 and is slated for delivery this August. The company used its line of credit with Santander Bank to finance the development.

Portland Completions (as of April 2025)



Source: Yardi Matrix

Portland vs. National Completions as a Percentage of Total Stock (as of April 2025)



Source: Yardi Matrix

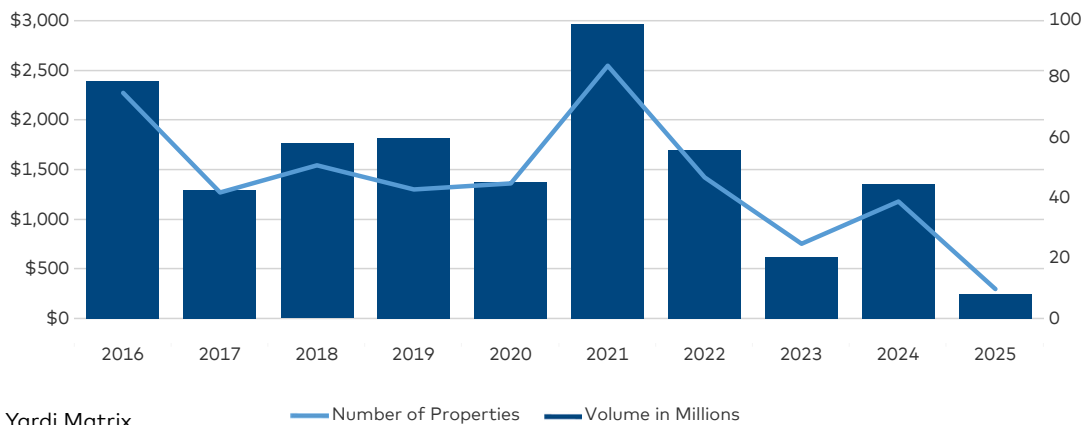
TRANSACTIONS

- ▶ Portland recorded \$244 million in multifamily sales through the first four months of 2025. Investment activity was modest, closer to the \$615 million registered for all of 2023, which represented a significant decline as the metro's only year below \$1 billion in the past decade. Last year also saw a surge in volume, as \$1.4 billion in sales was recorded.
- ▶ Sales composition was tilted toward the Renter-by-Necessity segment, accounting for seven of

the 10 assets that changed hands as of April. The price per unit also slightly declined to \$213,050, an almost \$4,500 difference compared to 2024, but still above the \$212,785 U.S. average.

- ▶ Three submarkets exceeded the \$100 million mark for multifamily transactions during the 12 months ending in April. Tanasbourne led with \$187 million, followed by Pearl District (\$158 million), and Oak Hills (\$119 million) rounding out the top three.

Portland Sales Volume and Number of Properties Sold (as of April 2025)



Source: Yardi Matrix

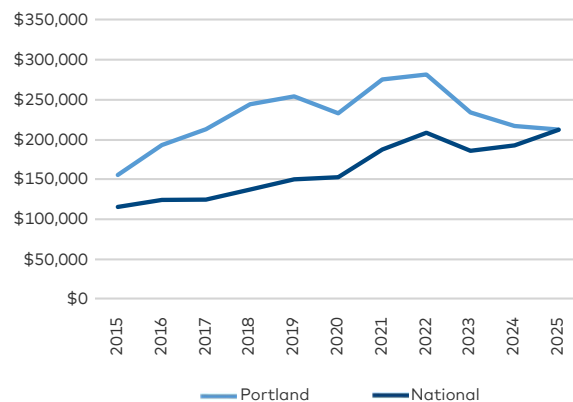
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Tanasbourne	187
Pearl District	158
Oak Hills	119
Gresham	94
Hollybrook	88
St. Johns/University Park	61
Milwaukie/Gladstone	61

Source: Yardi Matrix

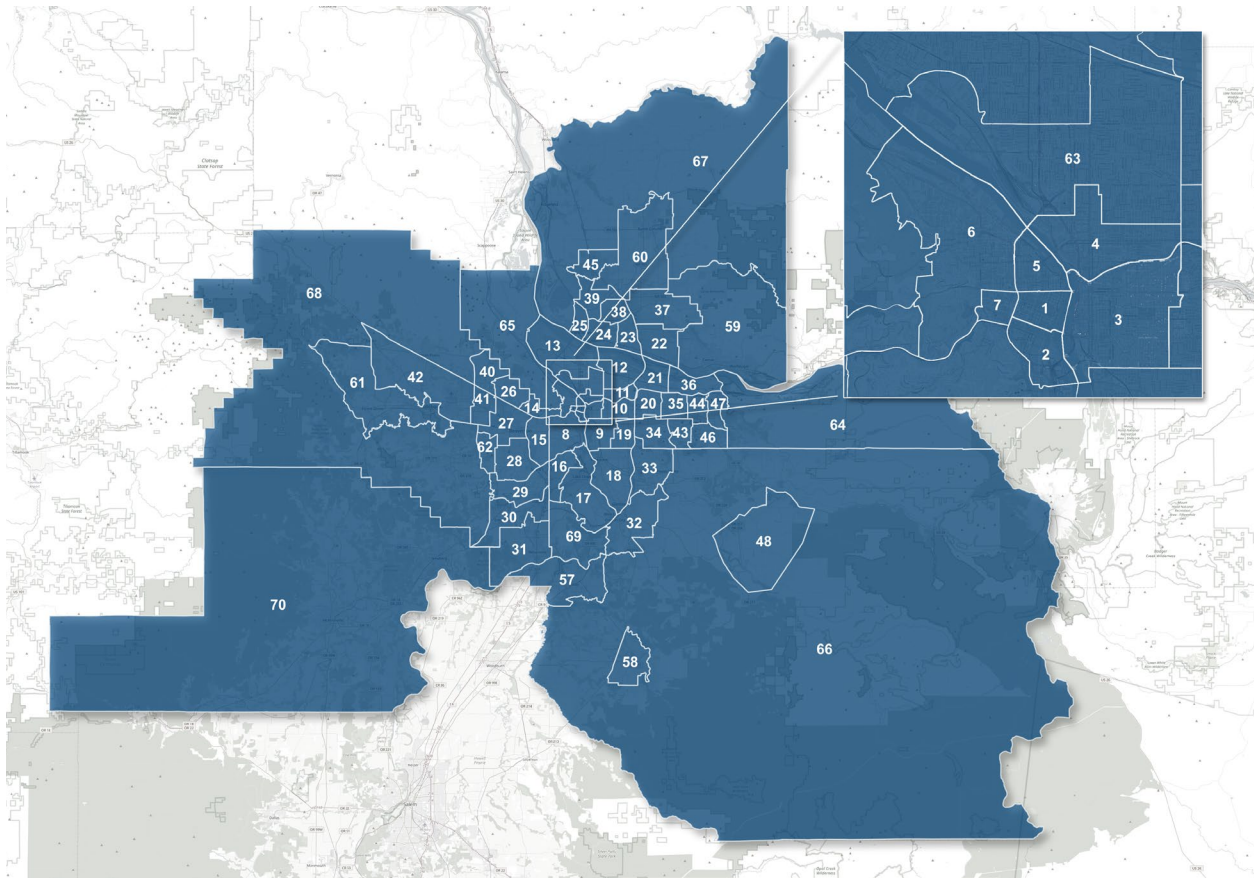
¹ From May 2024 to April 2025

Portland vs. National Sales Price per Unit



Source: Yardi Matrix

PORTLAND SUBMARKETS



Area No.	Submarket
1	Downtown Portland
2	PSU/Lovejoy
3	Kerns/Buckman
4	Lloyd/Irvington
5	Pearl District
6	Hillside/Northwest
7	Goose Hollow
8	Southwest Hills
9	Brooklyn/Moreland
10	Laurelhurst
11	Madison South
12	Cully/Roseway
13	St Johns/University Park
14	West Haven
15	Raleigh Hills
16	Westlake
17	Lake Oswego
18	Milwaukie/Gladstone
19	Brentwood/Darlington
20	Hazelwood
21	Parkrose

Area No.	Submarket
22	Mill Plain
23	McLoughlin
24	Fort Vancouver
25	Downtown Vancouver
26	Oak Hills
27	Beaverton
28	Greenway
29	Tigard
30	Tualatin
31	Wilsonville
32	Oregon City
33	Happy Valley
34	Pleasant Valley
35	Wilkes
36	Fairview
37	Orchards
38	Walnut Grove
39	Hazel Dell
40	Rock Creek
41	Tanasbourne
42	Hillsboro

Area No.	Submarket
43	Hollybrook
44	Gresham
45	Salmon Creek
46	Kelly Creek
47	Troutdale
48	Sandy
57	Canby
58	Molalla
59	Creswell Heights
60	Battle Ground
61	Forest Grove
62	Hazeldale
63	Piedmont
64	Eastern Multnomah County
65	Northwest Multnomah County
66	Outlying Clackamas County
67	Outlying Clark County
68	Outlying Washington County
69	Stafford
70	Yamhill County

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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