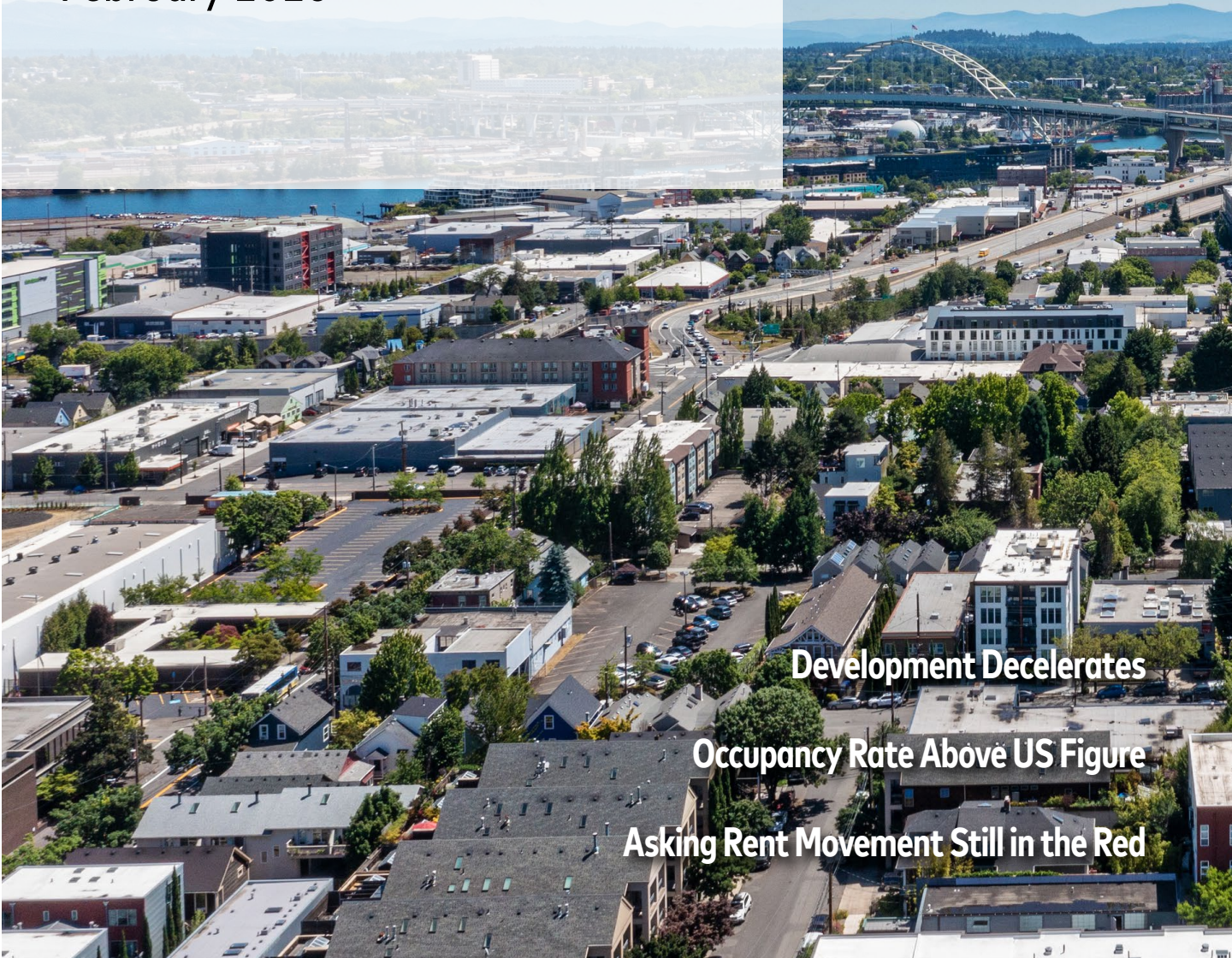




MULTIFAMILY REPORT

# Portland's Growth Slows

February 2026



**Development Decelerates**

**Occupancy Rate Above US Figure**

**Asking Rent Movement Still in the Red**

# PORTLAND MULTIFAMILY



## Softening Fundamentals Across the Metro

Portland's average advertised asking rent dropped 0.6% on a trailing three-month basis, as of December 2025, reaching \$1,727. Meanwhile, the national rate declined by only half that amount, sliding to \$1,737. Metro Portland's occupancy rate for stabilized assets clocked in at 95.0% in November, or 40 basis points above the U.S. average.

As of November, Portland unemployment stood at 4.8%, according to preliminary data from the Bureau of Labor Statistics. Job growth was limited to just four sectors, and those increases were not enough to offset wider employment declines, leading to a net loss of 7,200 positions. Despite economic uncertainty, several developments were underway in Portland. Among these projects was the I-205 Abernethy Bridge improvement, which includes making the bridge earthquake-ready and adding walking and biking paths. The \$672 million project is scheduled for completion at the end of the year.

In 2025, developers added more than 5,800 units to the metro's inventory and had close to 4,400 units underway as of December. The majority of recent deliveries and projects underway target the Lifestyle segment. Transaction activity remained steady, as the metro recorded \$1.2 billion in deals in the past year. That was a little short of the \$1.4 billion recorded in 2024.

## Market Analysis | February 2026

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### Recent Portland Transactions

#### Cathedral Gardens



City: Portland, Ore.  
Buyers: R4 Capital, Central Valley  
Coalition for Affordable Housing  
Purchase Price: \$22 MM  
Price per Unit: \$175,403

#### East Wind



City: Gresham, Ore.  
Buyer: FPA Multifamily  
Purchase Price: \$21 MM  
Price per Unit: \$136,667

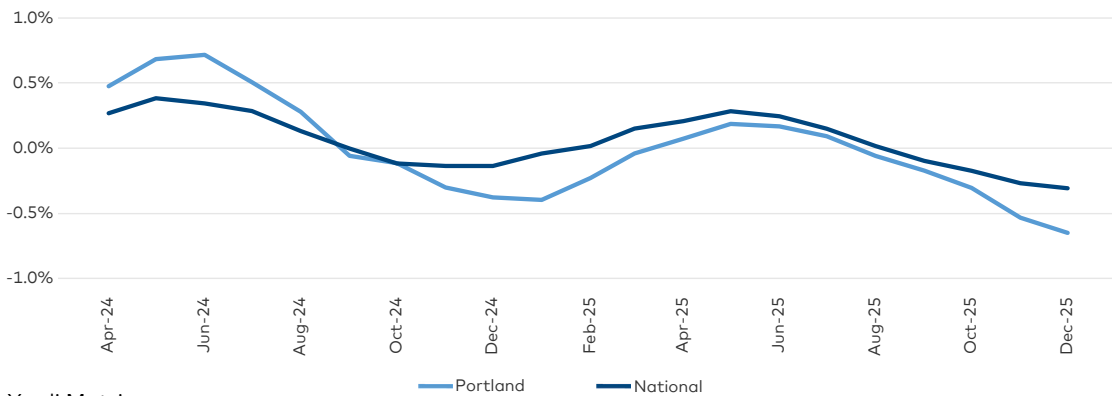
## RENT TRENDS

- ▶ Portland average advertised asking rents were down 0.6%, on a trailing three-month (T3) basis through December, settling at \$1,727. T3 rent movement at the national level saw a 0.3% decline as of December, with the average at \$1,737. Year-over-year, metro Portland recorded a 2.0% slide, while the national rate remained unchanged.
- ▶ Advertised asking rents in the Lifestyle segment were down 0.7% on a T3 basis, falling to \$1,863. The average in the working-class Renter-by-Necessity segment also contracted, down 0.5% to \$1,549. Annually, Lifestyle rates were down 2.4% and RBN asking rents contracted 1.3%.
- ▶ Portland's occupancy rate for stabilized properties was 95.0% as of November. The figure rose 20

basis points year-over-year and remained above the national average of 94.6%. The Lifestyle occupancy rate rose 40 basis points to 95.0%, while the RBN figure stood still, also at 95.0%.

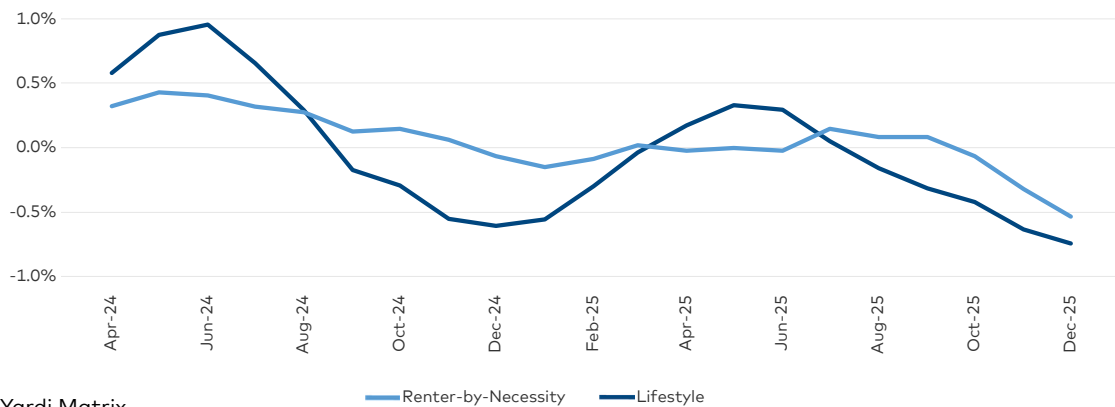
- ▶ Nearly three-quarters of the 69 submarkets in Yardi Matrix's dataset recorded negative rent movement for the whole of 2025. Of the few that saw gains, Fort Vancouver (3.5% to \$1,438) led, followed by Outlying Clark County (2.4% to \$1,840) and Downtown Vancouver (1.8% to \$2,075). With a 1.5% increase, asking rents in Downtown Portland reached \$2,241, confirming the metro's position as the most expensive submarket. Lake Oswego followed closely, despite contracting 2.9%, bringing the submarket's average to \$2,236.

### 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 was 4.8% as of November, according to preliminary Bureau of Labor Statistics data. That was 30 basis points higher than the U.S. average, but 40 basis points below the 5.2% Oregon figure. In the 12 months ending in November, the metro saw its highest jobless rate (5.2%) in August 2025.
- ▶ The metro lost 7,200 net jobs in the 12 months ending in September. Net gains were concentrated in four sectors: education and health services (5,000 jobs), government (2,800), leisure and hospitality (1,200), and information (500). Another six sectors shed 16,700 positions combined, with manufacturing registering the sharpest decline (-7,600).
- ▶ Construction started on the I-5 Rose Quarter Improvement Project last year. Phase 1A of the billion-dollar project is expected to wrap up by the end of 2026. Work involves adding stormwater facilities to improve the water quality of the Willamette River; concrete deck repair and seismic retrofit focusing on the I-5 bridge; and the extension of auxiliary lanes. Another ongoing infrastructure improvement project is focused on the I-205 Abernethy Bridge. The project includes seismic-resistant updates to the interstate bridge, roadway improvements and the addition of multiuse paths and sound walls.

### Portland Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	209.5	16.8%
90	Government	159.2	12.8%
70	Leisure and Hospitality	123.9	10.0%
50	Information	27.2	2.2%
40	Trade, Transportation and Utilities	220.5	17.7%
80	Other Services	43.5	3.5%
55	Financial Activities	69.9	5.6%
60	Professional and Business Services	193	15.5%
15	Mining, Logging and Construction	81.7	6.6%
30	Manufacturing	115.5	9.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

### Population

- ▶ Portland gained almost 60,000 residents between 2019 and 2022. The gain marked a 2.4% uptick and was 40 basis points above the U.S. figure.
- ▶ The metro continued to add residents. It gained 16,236 people between mid-2023 and mid-2024, according to recent Census estimates.

### Portland vs. National Population

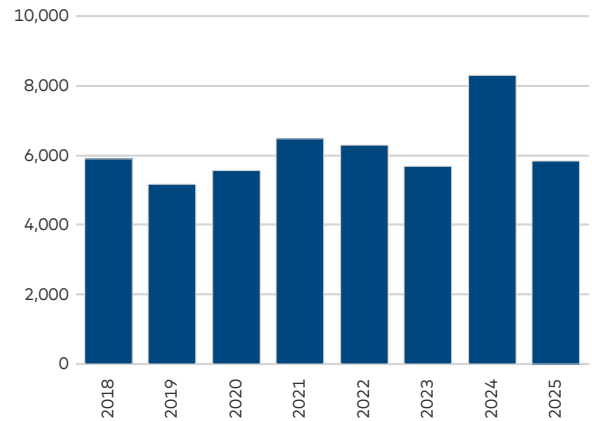
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Portland Metro	2,445,761	2,472,774	2,493,429	2,505,312

Source: U.S. Census

## SUPPLY

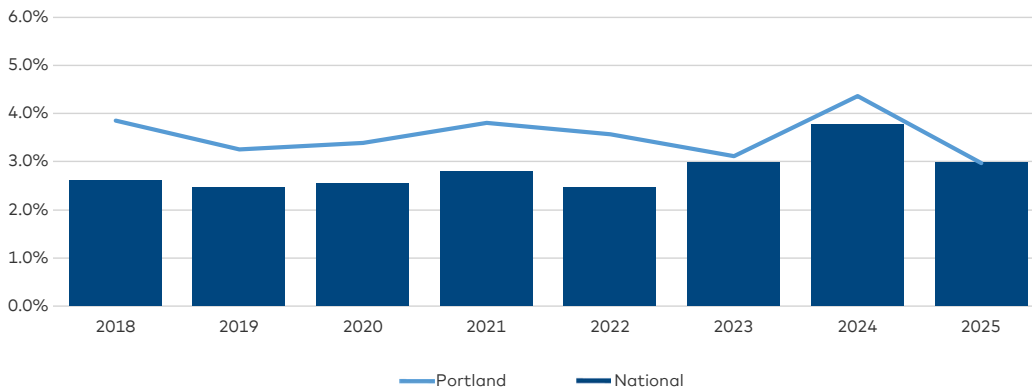
- ▶ A total of 5,845 units came online in 2025 across Portland. Completions accounted for 3.0% of existing inventory, on par with the U.S. growth rate. Lifestyle assets made up the majority of delivered units, while fully affordable communities accounted for roughly 25%. The pace of development has decelerated, with the five-year completions average now at 6,529 apartments.
- ▶ Portland had 4,363 units under construction as of December. The pipeline included another 30,000 units in the planning and permitting stages. Development was concentrated in Lifestyle projects, with fully affordable properties accounting for roughly one-third. There were no RBN developments underway at the end of 2025.
- ▶ Groundbreakings have tapered off. In 2025, developers started construction on 1,648 units across 10 properties. This marked an almost 30% decrease from the 2,294 units across 13 properties that broke ground during 2024.
- ▶ Of the 69 submarkets tracked by Yardi Matrix, 20 had at least one development with more than 50 units underway as of December. Tanasbourne continued to lead with 661 units under construction. Downtown Vancouver (392 units) and Hazel Dell (356 units) rounded out the top three.
- ▶ Hazel Dell is home to the 284-unit Prose Walnut Grove, one of the largest projects underway, second only to the 594-unit Astral and Revel by Alta. Alliance Residential Co. and The Carlyle Group started work on the development in mid-2025 and expect to deliver it in 2027. Spanning more than 12 acres, the property will include 6,000 square feet of retail.

**Portland Completions** (as of December 2025)



Source: Yardi Matrix

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



Source: Yardi Matrix

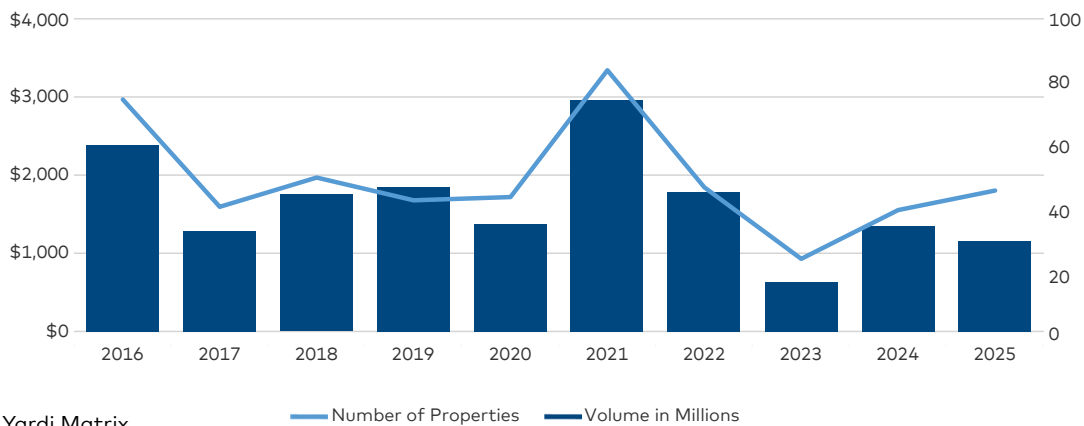
## TRANSACTIONS

- ▶ Investors completed nearly \$1.2 billion in multifamily transactions across metro Portland in 2025, with 47 properties changing hands. This marked a 14.3% dollar decrease from the roughly \$1.4 billion total of 2024, but was well above 2023's \$631 million. Last year's volume remained below the metro's current \$1.6 billion five-year average.
- ▶ RBN sales dominated transactions last year, with 33 of the 47 sales occurring in this segment. Still, the average price per unit in the metro slid

to \$201,856, falling below the U.S. average of \$205,495. This is the first time since at least 2010 that the Portland figure is below the national average.

- ▶ The 265-unit Peloton in the Piedmont submarket fetched the highest price in 2025. Berkshire Residential Investments paid \$88 million to Security Properties for the 2016-built property. CBRE secured a \$57.2 million Freddie Mac loan to fund the purchase of the two-building community.

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



Source: Yardi Matrix

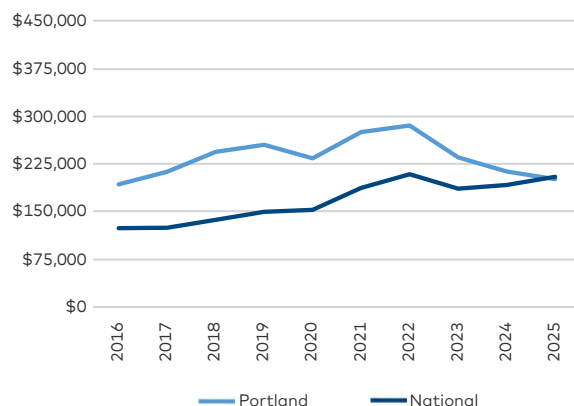
### Top Submarkets for Transaction Volume<sup>1</sup>

Submarket	Volume (\$MM)
Tanasbourne	\$149
Gresham	\$134
Piedmont	\$88
Greenway	\$86
Mill Plain	\$76
Milwaukie/Gladstone	\$75
Kerns/Buckman	\$49

Source: Yardi Matrix

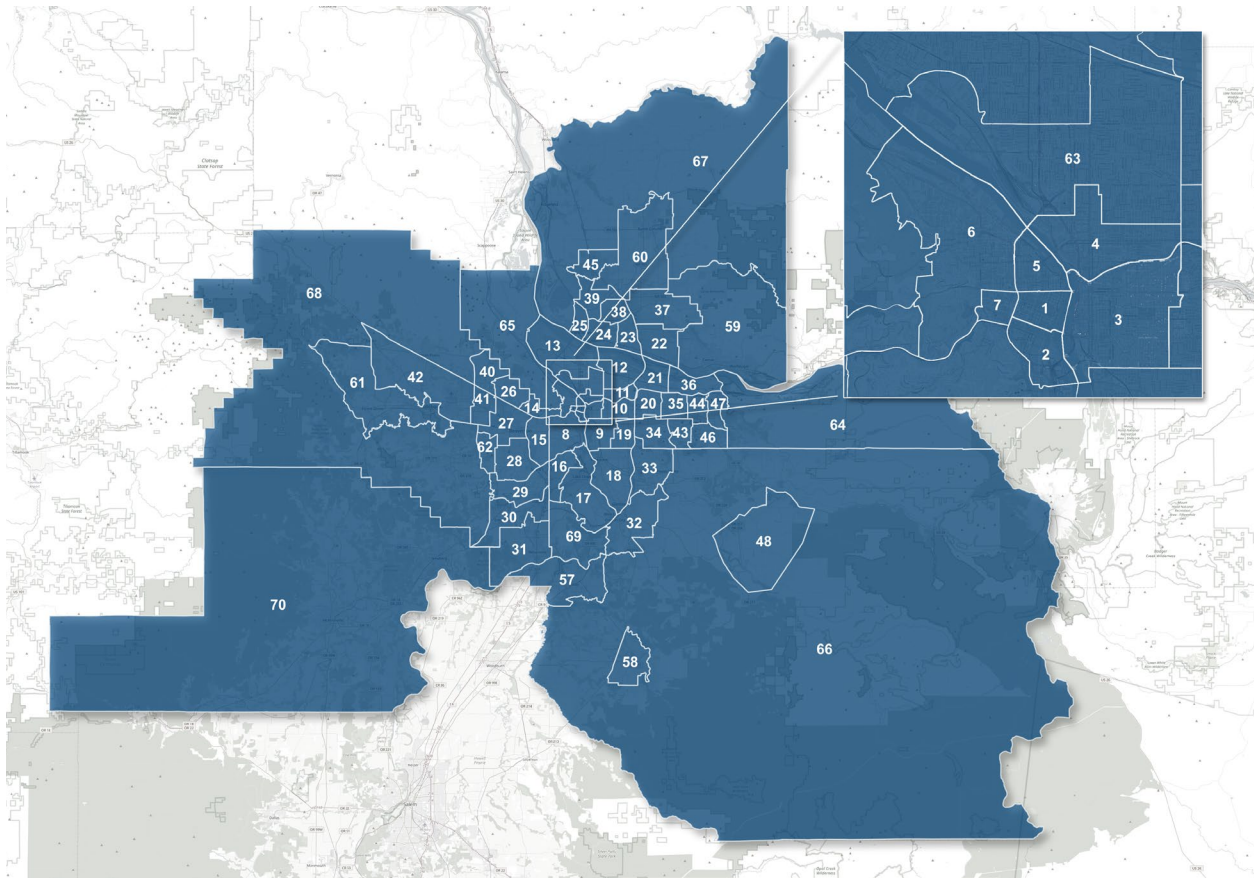
<sup>1</sup> From January 2025 to December 2025

### 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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