

PORTLAND OFFICE MARKET

Yardi® Matrix

Market Analysis

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

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

Chris Nebenzahl

Senior Analyst
Chris.Nebenzahl@Yardi.com
(800) 866-1124 x2200

Veronica Grecu

Senior Real Estate Market Analyst
Veronica.Grecu@Yardi.com
(306) 955-1855 x7583

Author

Roxana Baiceanu

Associate Editor
Roxana.Baiceanu@Yardi.com

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expense and lease expiration
data is available to Yardi Matrix
subscribers. Please contact us
for details!

For more information please contact:

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

New Supply Slows Again



Portland's office market has been cooling down after a dynamic 2018, but corporate expansions fueled activity in the metro year-to-date through September. Amazon expanded over the summer into the new Broadway Tower in the West End submarket. Next year, Google will occupy 80,000 square feet at the Meier & Frank Building in the CBD, while Intel is preparing for a multibillion-dollar facility in the Sunset Corridor submarket. Nearly 1 million square feet was under construction in the metro as of September, with 30% of that scheduled for delivery by the end of the year. An additional 2.6 million square feet was in the planning and permitting stages.

Office-using employment picked up the pace over the summer. Portland gained 5,800 jobs in the 12 months ending in August and remains a magnet for skilled professionals, despite an information sector that contracted by 100 jobs year-over-year through August—on par with national trends. However, the recently announced expansions of Amazon and Intel are expected to boost that sector. The professional and business services sector expanded by 5,100 jobs, while the financial activities sector added 800 jobs during the same interval.

Portland's office vacancy rate was 11.8% as of September, down 50 basis points since April. Total sales volume reached \$882 million, with half of that comprising two transactions: Unico's \$255 million purchase of Montgomery Park and Goldman Sachs' \$118 million acquisition of Field Office.