

Yardi® Matrix

OFFICE MARKET REPORT

Portland's Performance Stays Healthy

Winter 2020

**Investment Volume
Picks Up Steam**

**New-Supply Pipeline
Slightly Strained**

**Information Sector
Bounces Back**

PORTLAND OFFICE MARKET

Yardi® Matrix

Investment Heats Up

Portland's office market fundamentals remained healthy throughout 2019, as several companies completed office expansions, boosting employment and absorption. Large contracts signed by The University of Western States, Sigma Design Inc., Google, Intel, Apple, Amazon and Square have bolstered activity in submarkets such as Downtown, the West End and the Sunset Corridor. Downtown Portland is also expected to host The Roux Institute at Northeastern University, a \$100 million graduate and research center designed to attract jobs and talent in the life sciences and tech industries.

Office-using employment growth accelerated in the second half of the year, particularly in the financial activities and information sectors, which added 3,500 jobs combined. Growth in the professional and business services sector slowed, although gains remained significant (3,100). Despite the demand, asking prices remained under the \$30 threshold (\$29.20 per square foot), increasing by only 2% year-over-year.

Office investment was the metro's highest-performing sector in 2019. Sales totals as of December neared \$1.1 billion, rising above 2018's transaction volume. On par with national trends, the average price per square foot was up by almost \$50. Deliveries fell sharply in 2019, with only 140,000 square feet coming online. Expectations for upcoming quarters remain optimistic, as almost 1 million square feet was under construction across the metro.

Market Analysis

Winter 2020

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