

# Portland Metro Area Medical Outpatient Trends

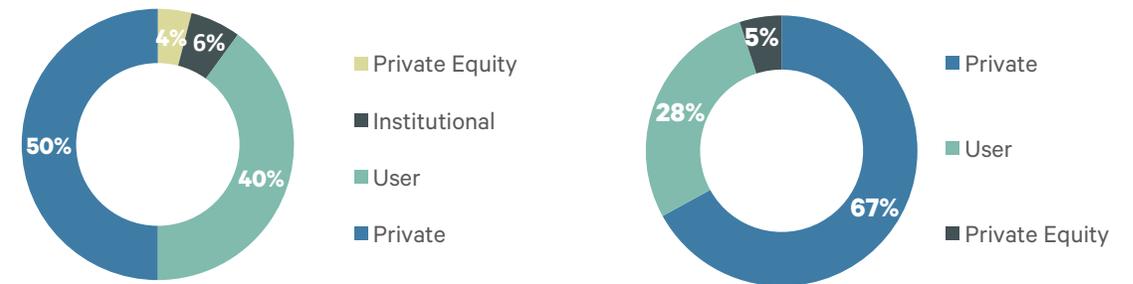


Note: Arrows indicate year-over-year (YOY) change

## MARKET OVERVIEW

- Leasing activity continues to be dominated by renewals, with most medical groups opting to renew in place due to limited availability of second-generation medical space.
- Second-generation medical space remains a highly cost-effective option for tenants; however, inventory is extremely constrained, limiting opportunities for relocation or expansion.
- Build-to-suit, ground-up development has become increasingly cost-prohibitive, with medical build-out costs averaging approximately \$225 per square foot. While some lenders are offering up to 100 percent financing, high construction costs remain a significant barrier.
- Owner-user medical buildings continue to retain their value, supported by sustained demand. This segment differs from larger, institutional investment assets, where market dynamics vary due to scale and investor profiles.

FIGURE 1: 5-yr. Sales By Buyer Type and Sales By Seller Type (Includes Investment and Owner User)



Source: Costar, CBRE Research, H2 2025

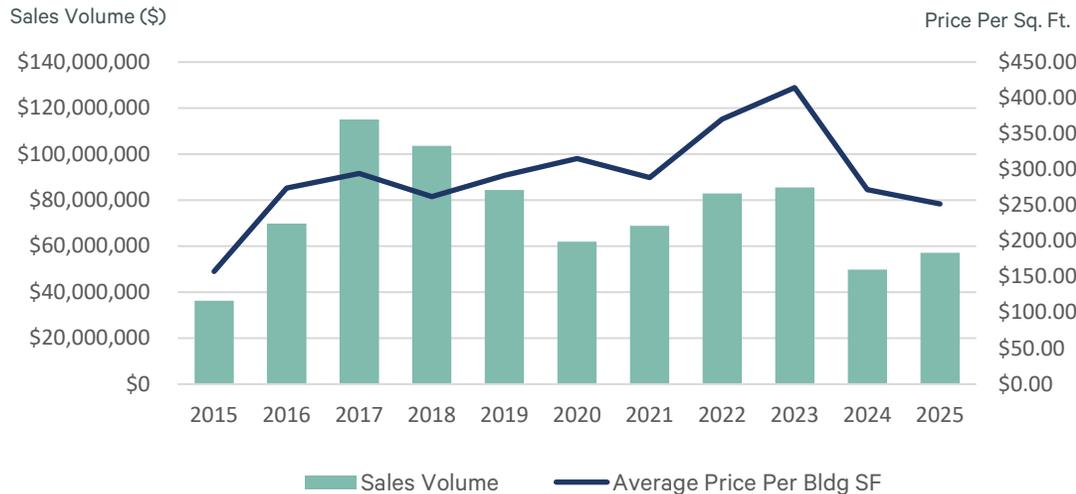
TABLE 1: H2 2025 Key Sales Transactions

Submarket	Property Name	Building Size (SF)	Buyer	Price Per SF (\$)	Type
Tigard	Cascade Veterinary Referral Center	9,612	Paul Kaplan	\$518	Investment
Outer Eastside	Broadway Medical Center	35,419	Crown MedRealty Partners	\$408	Investment
Lake Oswego	Boones Ferry Professional Center	13,636	Corinne Jarvis	\$160	Investment

Source: Costar, CBRE Research, H2 2025

- The average net asking rent for medical outpatient space in Portland ended 2025 at \$27.31 per square foot on an annual triple-net (NNN) basis, reflecting an approximately 3 percent increase year-over-year.
- The Portland medical outpatient market closed 2025 with an overall vacancy rate of 7.8 percent, an increase of 240 basis points compared to the same period in 2024.
- A notable leasing transaction in the second half of 2025 was East Portland Surgery Center’s 17,585-square-foot lease at Gresham Station Medical Plaza.
- A key sales transaction during the same period was Crown MedRealty Partners’ acquisition of Broadway Medical Center, a 35,419-square-foot property, from Medical Clinic Investment Corporation for \$14.4 million, or \$408 per square foot.

FIGURE 2: Historical Sales Volume vs Price Per Sq. Ft. (\$)



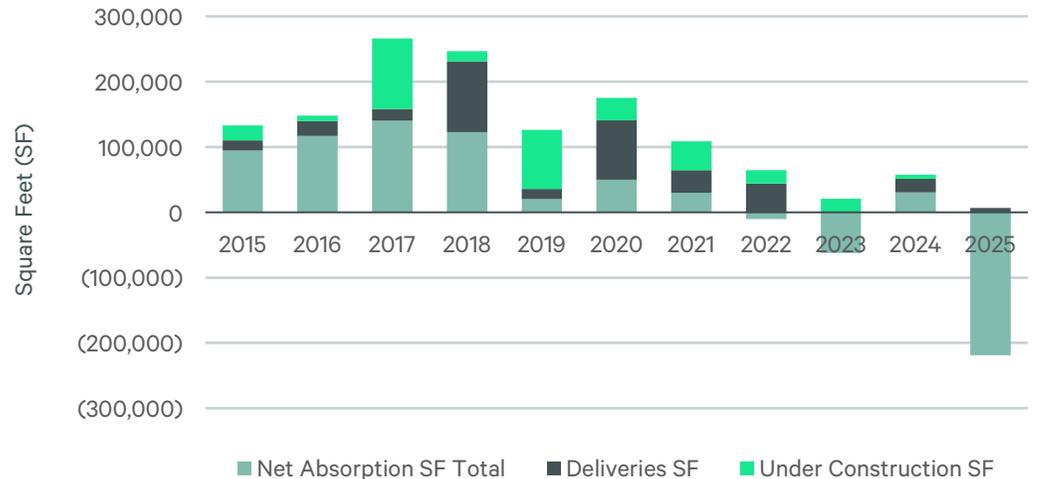
Source: Costar, CBRE Research, H2 2025.

FIGURE 3: Historical Availability Sq. Ft. and (%)



Source: Costar, CBRE Research, H2 2025.

FIGURE 4: Percentage Share of Available SF by Submarket



Source: Costar, CBRE Research, H2 2025.

## Market Area Overview



## Definitions

**Available Sq. Ft.:** Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied immediately..

## Survey Criteria

Includes all medical buildings 5,000 sq. ft. and greater in size in Multnomah, Washington, Clackamas, and Clark counties. Buildings which have begun construction as evidenced by site excavation or foundation work.

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