

Why Portland

POSSIBILITIES. POTENTIAL. PORTLAND.



Q1 2023

IN PARTNERSHIP WITH



GREATER
PORTLAND

From Managing Director Jason Green

“When people ask why Portland, my immediate answer is, why not?”

Located in the Pacific Northwest, Portland sits along the Willamette River, which flows through the city into the Columbia River, surrounded by the Cascade Mountains to the east and Coast Range to the west. The region is known for its mild climate with cool, wet winters and warm, dry summers, producing a verdant landscape.

The largest city in Oregon is known for its diverse economy and is home to many small and medium-sized businesses and large corporations, which includes a mix of industries: technology, apparel, design, creative, healthcare, education, and manufacturing. These industries and others have contributed to a high level of job growth which has attracted businesses and employees from around the country. The local apparel industry hosts athletic and outdoor brands such as NIKE, Adidas, Under Armour, and Columbia Sportswear. The city is also home to several mature tech companies such as Intel and Amazon, and has cultivated many startups.

Education is also a significant contributor to the city’s local economy, with Portland State University and the University of Portland drawing in student talent from around the region. Additionally, healthcare and life sciences are well represented by Oregon Health and Science University, which is a leading research and academic medical center.

Portland’s commercial real estate market is characterized by a mix of urban and suburban properties. The city’s downtown area includes many high-rise office buildings, while surrounding neighborhoods and suburbs offer a variety of commercial properties, including regional



JASON GREEN
Managing Director

shopping destinations, industrial parks, and mixed-use developments.

In the coming pages, you will understand why individuals and companies have deemed Portland a great place to live for many reasons, but some of the things that make the city a great place to work and live include:

- **A vibrant and diverse culture:** Strong reputation for being a liberal and open-minded community with a thriving arts and music scene.
- **A beautiful setting:** Located in the Pacific Northwest, the city is surrounded by stunning natural beauty.
- **A thriving food and spirits scene:** The city is known for its excellent restaurants and breweries and is home to many innovative and independent food and drink establishments.
- **A strong economy:** With many major companies based in the metro area, the city has a low unemployment rate and high median household income compared to similar cities.
- **A high quality of life:** The city ranks highly in surveys of the best places to live in the United States. It is known for its high quality of life, with a strong sense of community and a good balance between work and leisure.

Though challenges have emerged in the past few years, make no mistake, our community vibrancy, resilience, and economic diversity will continue to contribute to the city and metro area’s growth.



Why Portland

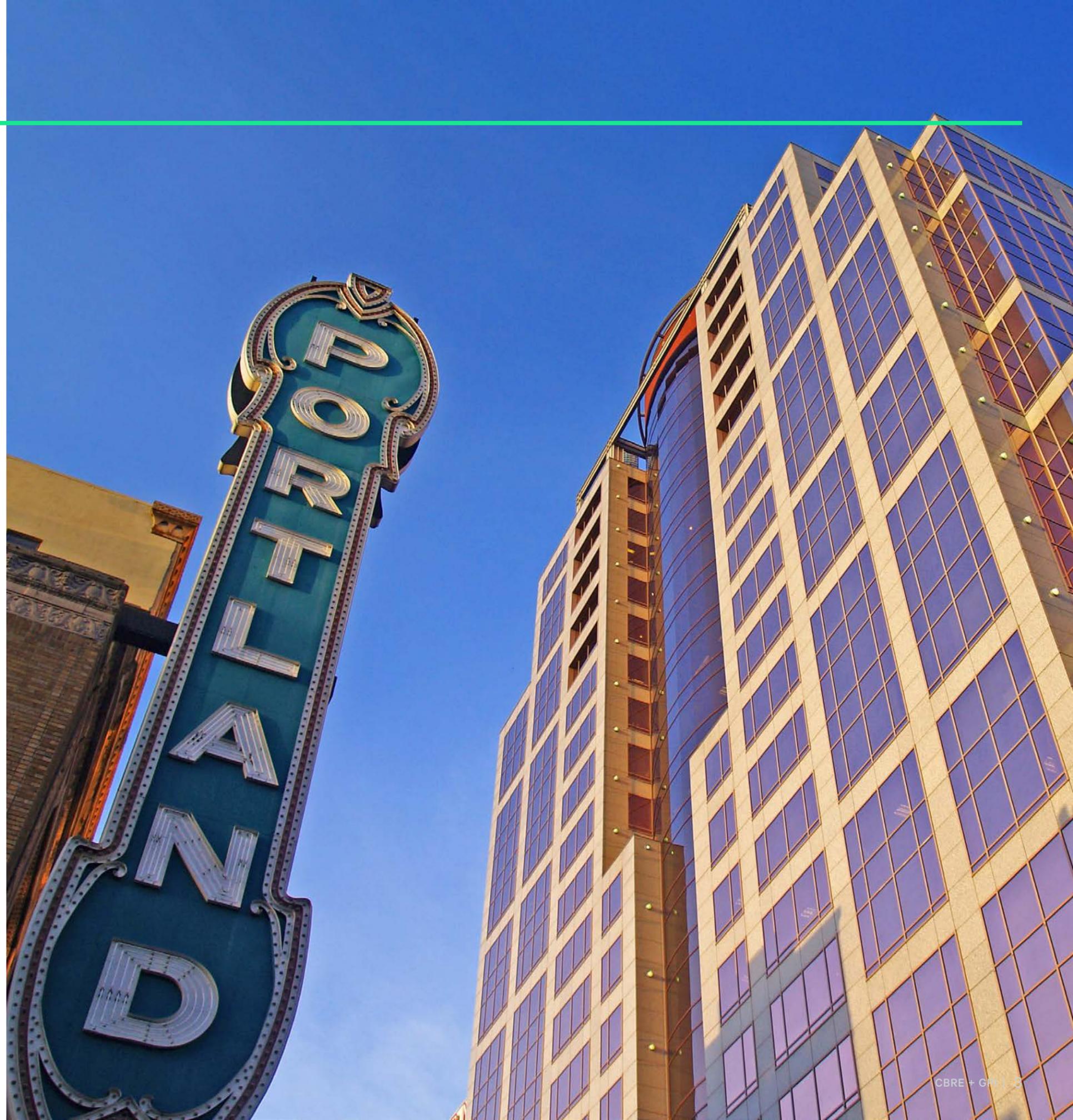
We're building something new in Greater Portland. The perfect mix of legacy industries and emerging technologies make our region a destination for global brands seeking creative solutions and room to grow. We're pioneering a new economy, one that offers opportunity to all. And with a steady influx of young talent, we have the workforce to achieve big things.

CBRE's Portland, Oregon office has been serving clients since 1972, becoming a dominant player in the Portland commercial real estate market. From investment properties to corporate services and property management, we have earned a reputation as a respected leader in the local business community through our ability to track trends and build relationships. Whether facilitating the design, construction and move of a new corporate headquarters or strategically planning and negotiating complex lease agreements, we offer the most integrated array of portfolio services. Our approach is strategic rather than merely transactional; we will assess a client's entire real estate portfolio requirements on a company-wide scale, delivering results and surpassing expectations.

Combined with our global connectivity, prime West Coast location and a competitive business environment, Greater Portland has become the best place to start or expand a business. As the most attractive development market in the U.S., it's time to seize the opportunity to become part of something bigger.

CBRE

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 **GREATER
PORTLAND**



Why Portland

Q1 2023



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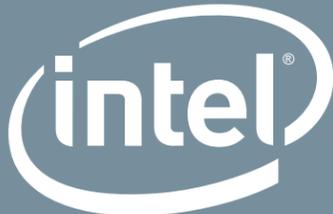
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Portland Metro is Home

Our culture is built around innovation. Some of the best and most well respected brands globally, across a wide variety of industries, have a Greater Portland origin story.



Districts of Portland

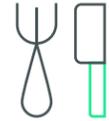
Our urban Portland neighborhoods are made up of **nearly 100 distinct and unique communities**. These neighborhoods are what truly define “Portland” – the people and independent businesses who make up the character of these neighborhoods.

Portland Neighborhood Stats



40+

Art Galleries & Museums within Portland



600+

Restaurants within the city of Portland



200+

Food Carts in Portland



50+

Dance/Night Clubs around Portland



Over 21

Performing Arts Venues



70+

Breweries & Distilleries



57+

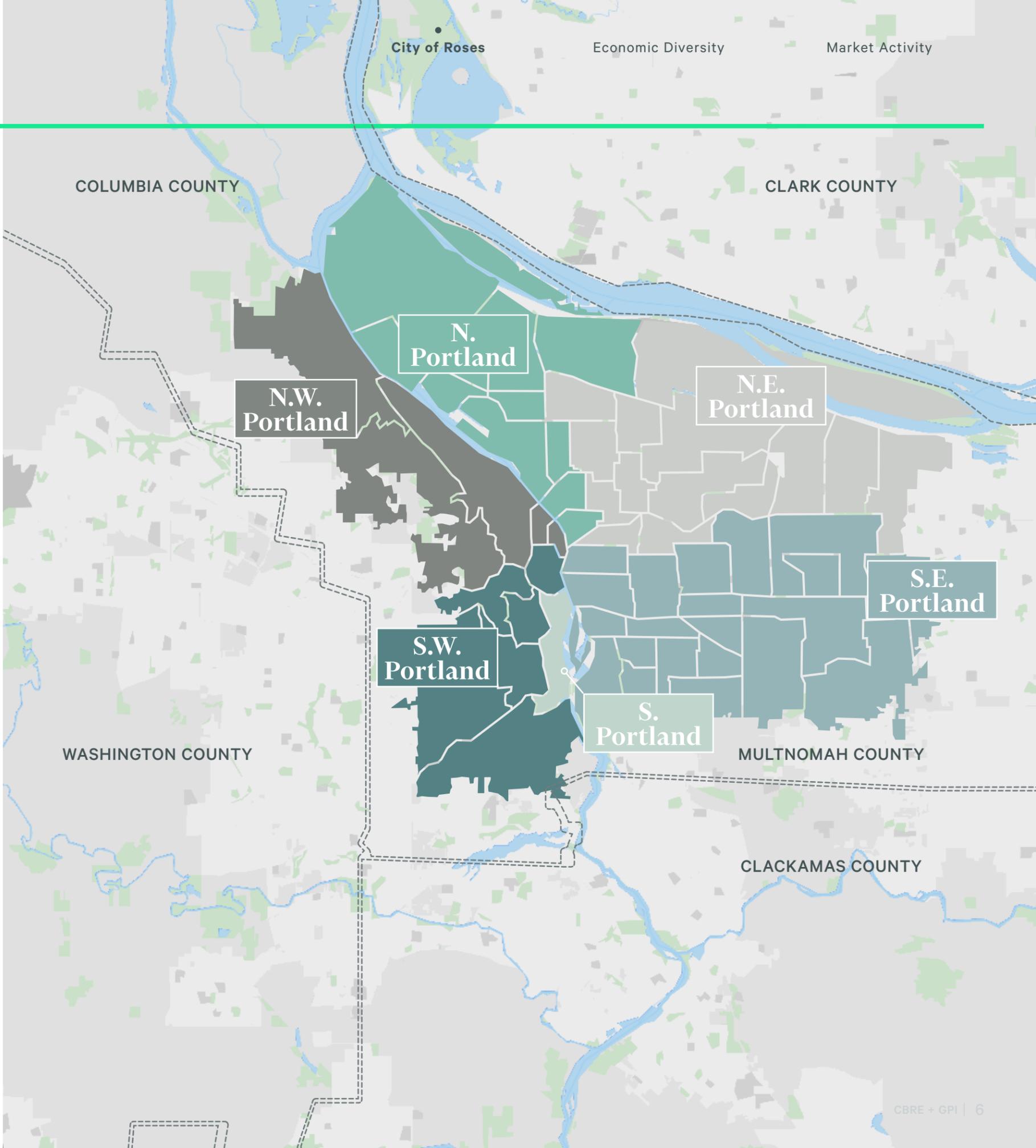
Bicycle Shops



80 Miles

Hiking Trails in Forest Park

Source: portland.gov



The Bridge City

Portland's "Bridgetown" moniker is no exaggeration. The Willamette River, which divides the city east and west, features a dozen distinct crossings that hint at the city's eclectic personality.

Portland Bridge Stats



20,518'

Total length of bridges in Portland



400'

Height of St. Johns Bridge the tallest in Portland



178 LED's

on the Tillikum bridge change color based on the temp of the Willamette River



1910

Hawthorne is the oldest vertical lift bridge in America

The Bridges of Multnomah County

Burlington N. Railroad Bridge

Vertical-lift
Built: 1908

Hawthorne Bridge

Vertical-lift
Built: 1910

Steel Bridge

Vertical-lift
Built: 1912

Broadway Bridge

Bascule
Built: 1913

Sellwood Bridge

Deck Arch
Built: 1925

Burnside Bridge

Bascule
Built: 1926

Ross Island Bridge

Cantilever Deck Truss
Built: 1926

St. Johns Bridge

Suspension
Built: 1931

Morrison Bridge

Bascule
Built: 1958

Marquam Bridge

Cantilever Truss
Built: 1966

Fremont Bridge

Tied-arch
Built: 1973

Tillikum Crossing

Cable-stayed
Built: 2015



Infrastructure

Portland City Center



Portland boasts the **nation's first** interurban **electric streetcar** system, which started in 1893, connecting Portland and Oregon City

Easy and affordable connections to Portland **International Airport** and downtown Portland

145 rail cars running on **60+ miles** of rail and stopping at **97 stations**



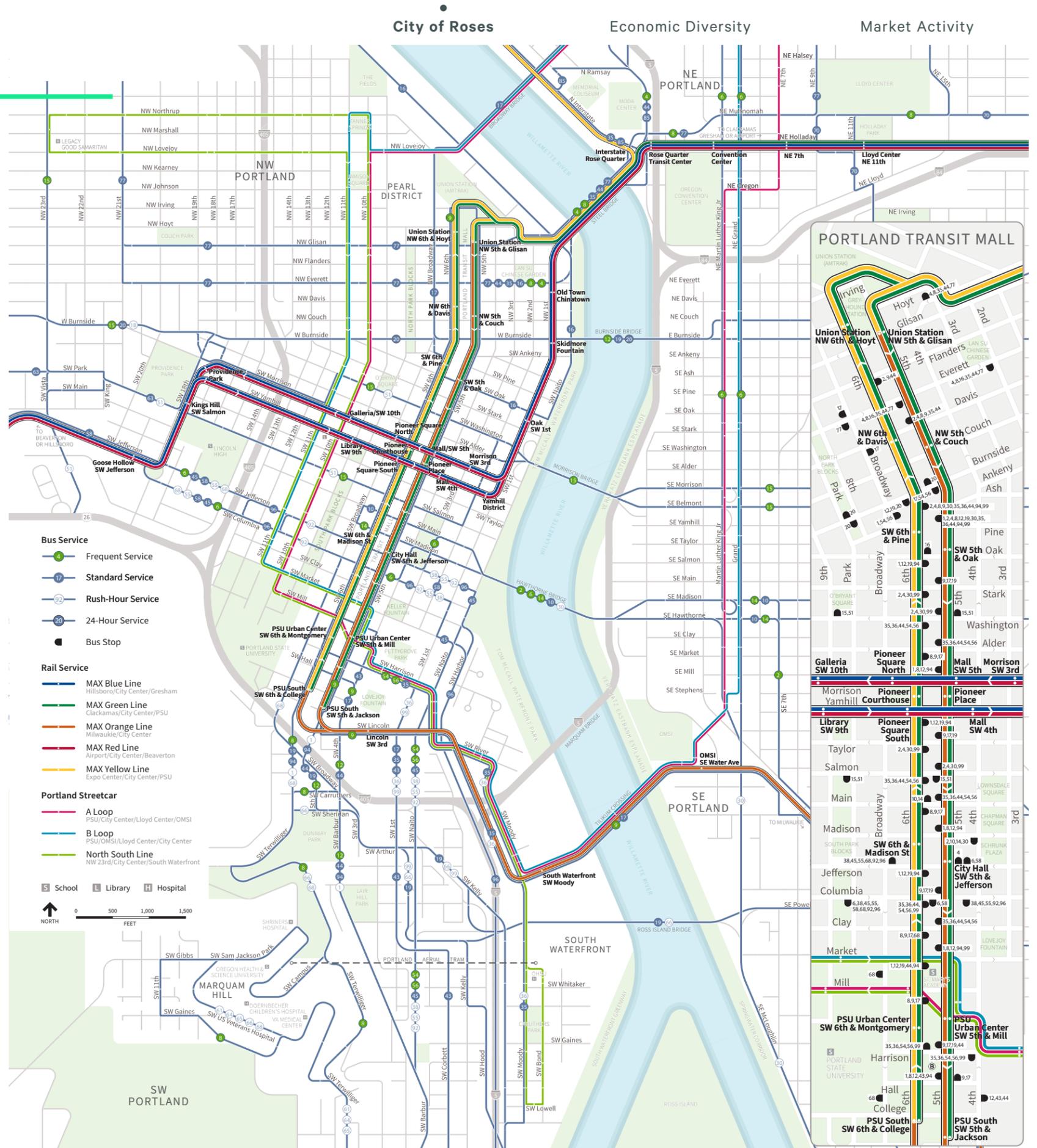
Pioneer Square is the **intermodal hub** in downtown Portland



Portland boasts over **385 miles** of biking paths



31 community gardens are sprinkled across Portland



Investing in the Future

Key Projects Planned & Underway



COST

I-5 BRIDGE

Replacing the I-5 bridge spanning the Columbia River has been labeled a priority by both Oregon and Washington leaders for well over a decade. A new bridge would be up to current seismic standards and would also make room for a shared-use path and mass transit.

\$6.0B

PORTLAND'S BROADWAY CORRIDOR PROJECT

In 2016, the City of Portland bought nearly 14 acres of property between the Pearl District and Old Town in what will be the centerpiece of the Broadway Corridor. The project will create a new neighborhood connecting Old Town to the Pearl District near the Broadway Bridge. Portland Bureau of Transport (PBOT) is seeking \$15 million through the US Department of Transportation's Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program to build six blocks of streets and one traffic signal. The money would go toward a \$22 million project (they already have \$7 million in matching funds secured) that will allow the bureau to build new sections of NW Johnson and Kearney streets between 9th and Station Way.

\$22M

VANCOUVER WATERFRONT

On the north shore of the Columbia River, the city of Vancouver is embarking on the biggest development project in its history, a \$1.5 billion makeover of its downtown waterfront. Stretching more than 30 acres east and west of the Interstate Bridge, the development includes residential housing, office space, shops, restaurants, bars and tasting rooms. Groundbreaking on the waterfront redevelopment began in 2015. The first phase of construction finished three years later with the opening of a new, 7-acre park and a pier that extends 90 feet over the Columbia River.

\$1.5B

PDX AIRPORT

The improvements, that will ultimately cost \$2 billion, include a new Concourse E, expanding Concourse B while demolishing Concourse A, improvements in ground transportation access, and improvements to the main terminal set to open in 2025. The changes are part of the airport's multiyear PDX Next remodel. The \$2 billion project will expand the terminal, install a new 392,000-square-foot, curved roof and update areas across the airport that need to be brought into the 2020s.

\$2.0B

Demographic Profile

Affluent Population Average Household Income

	2021	2027
AUSTIN	\$122,586	\$138,483
PORTLAND	\$119,209	\$140,782
SALT LAKE	\$111,236	\$130,531
NASHVILLE	\$107,775	\$124,758

Source: CBRE Research

Experienced Workforce Average Age

	2022
PORTLAND	38.80
NASHVILLE	37.90
AUSTIN	34.90
SALT LAKE	32.90

Source: CBRE Research

Population Growth Estimated Projected

	2022	2027
AUSTIN	2,623,410	2,676,053
PORTLAND	2,572,359	2,623,410
NASHVILLE	2,082,550	2,201,526
SALT LAKE	1,302,051	1,353,770

Source: CBRE Research

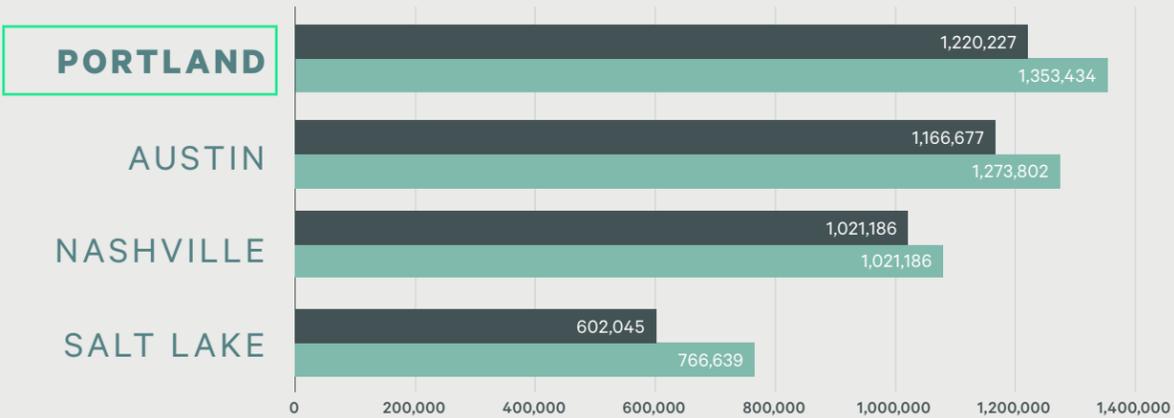
Associate Degree or higher

AUSTIN	55%
PORTLAND	53%
NASHVILLE	48%
SALT LAKE	47%

Source: CBRE Research



Daytime Workforce Residents vs. Workers



Our People

Top West Coast market for young professionals

With 7.3% employment growth in 2021, Greater Portland is the fourth-fastest growing labor market in the U.S., according to an analysis of federal data for the 100 largest metros by The Business Journals.

Deep Talent Pool

Greater Portland's largest colleges and universities:

INSTITUTION	FULL-TIME ENROLLMENT
Oregon State University	32,312
Portland State University	23,640
Portland Community College	22,904
University of Oregon	21,752
Clark College	7,665
Mt. Hood Community College	6,812
Clackamas Community College	5,555
University of Portland	3,999
Pacific University	3,808
Washington State University Vancouver	3,504
Oregon Health & Science University	3,035

Source: National Center for Education Statistics, Washington State University - Vancouver, Fall 2020

66

Colleges, universities and satellite campuses within 100 miles of Greater Portland

234,000

Total metro enrollment in higher education

A Magnet For New Talent

Net new residents age 25+ with a bachelor's degree or higher:

Greater Portland	8,366
Nashville	7,525
Las Vegas	6,177
Salt Lake City	3,284
San Diego	1,543
San Francisco	94
San Jose	-2,528
Los Angeles	-13,786

Source: U.S. Oregon Employment Department and Census Bureau, ACS, 2014-2019

Peer City Comparison

Cost of Living Index (US=100)

Living in Portland is **less expensive** than its peer regions.

Greater Portland	127
Seattle	149
San Diego	146
Los Angeles	148
San Francisco	186

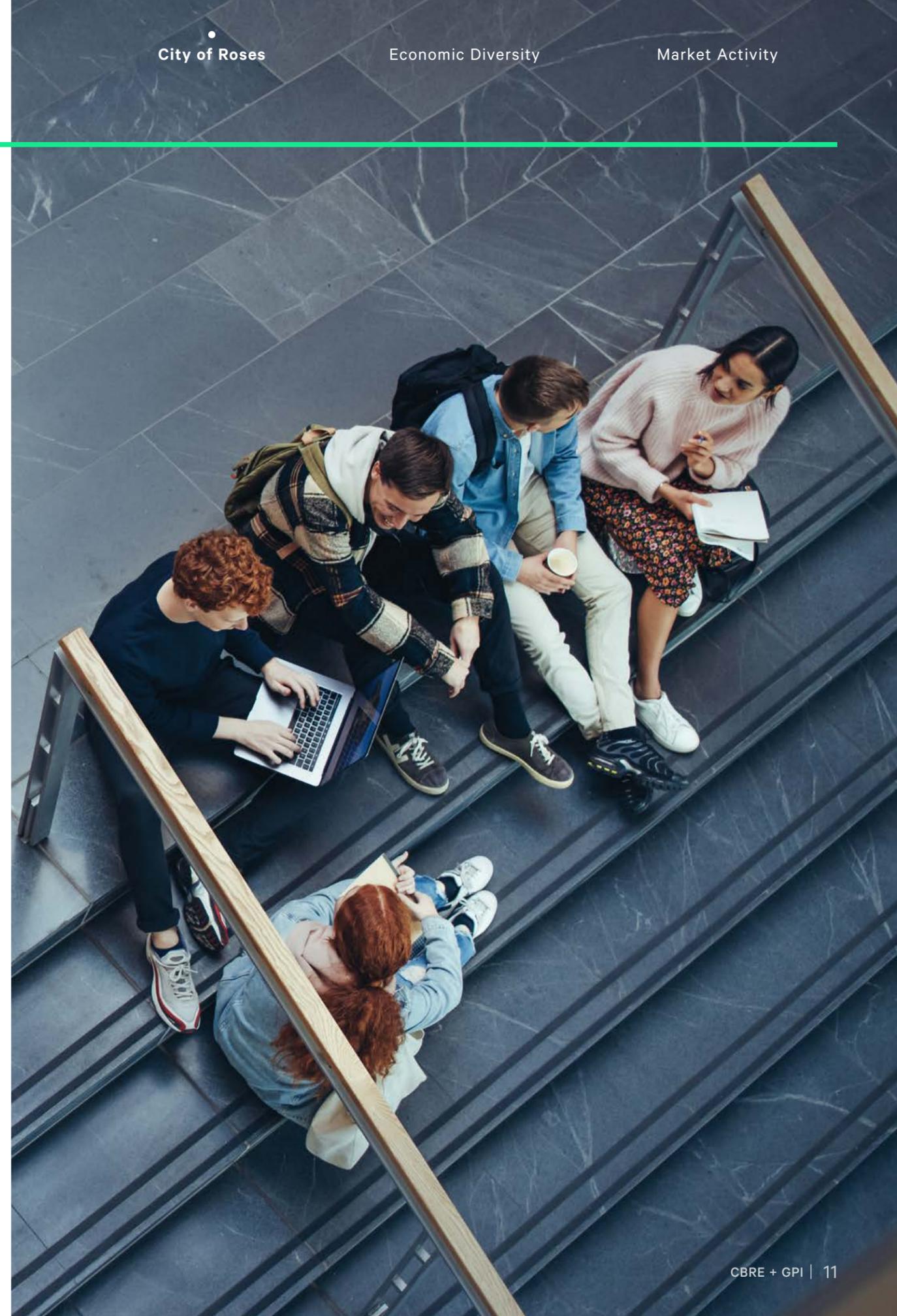
Source: C2ER, COLI report Q3 2021

53%

of Portlanders have at least a bachelor's degree. The national average is 33%

#7

among the top 50 major cities in the U.S. for residents with graduate degrees



Globally

Connected

Portland Intl. Airport (PDX) Rankings & Key Stats



#1

2021 Best airport in the U.S.
(Travel + Leisure.com)



73 Non-stop

Destinations



18 Airlines

Serve Portland Intl. Airport



Go International Non-Stop

11 international non-stop destinations reachable from Portland:

- Guadalajara, Mexico
- Puerto Vallarta, Mexico
- Los Cabos, Mexico
- Frankfurt, Germany
- Calgary, Canada
- Vancouver, Canada

- Keflavík, Iceland
- London, England
- Amsterdam, the Netherlands
- Tokyo, Japan
- Seoul, South Korea



“Oregon and Washington have the nation’s top-ranked infrastructure”

(U.S. News & World Report, 2019)



The airport is on nearly **3,290 acres** of Port-owned land. The airport infield -- runways, taxiways, roadways, and buildings – takes up 1,800 acres, about the size just of nearly 1,400 football fields.

Nearly **8,300 cups of coffee** are consumed before 9 a.m. each day in the terminals’ coffee shops and restaurants.

At **11,000 feet**, the longest runway in Oregon is found at PDX. If stood end-to-end, the runway would be almost as tall as Mount Hood, 11,250 feet. The runway is made of 4,400 rectangular concrete panels, each 19 inches thick. That’s enough concrete to pave a two-lane road for 26 miles.

Source: oregonlive.com

5,752,261 million passengers used Portland International Airport in 2021

540,000 average passengers per month in 2021
portlandoregoninternationalairport.com

America’s only airport Cinema, The Hollywood, opened in 2017
kgw.com

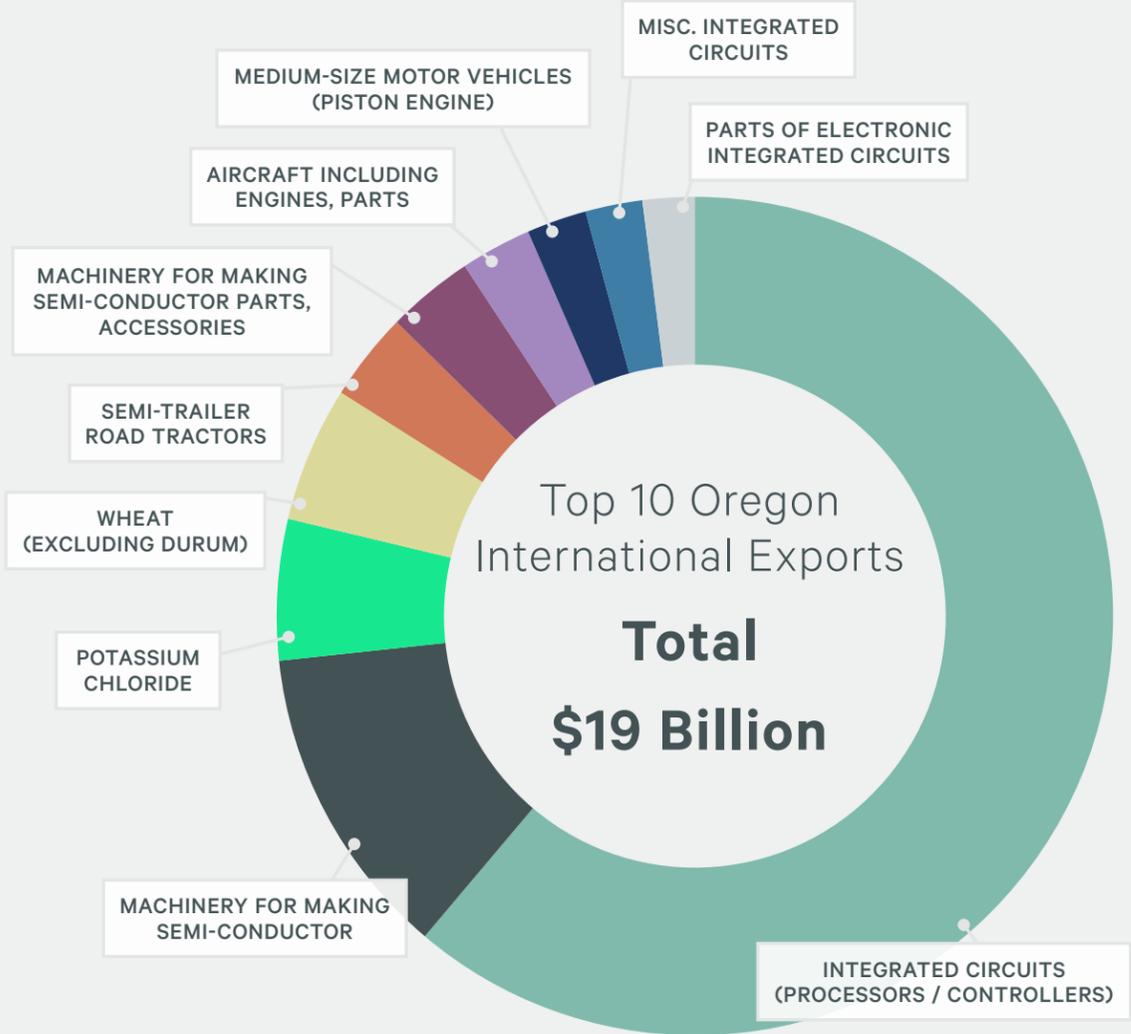
31st busiest airport in the U.S.
wikipedia.org

Oregon and Washington have the nation’s top-ranked infrastructure

U.S. News & World Report, 2019

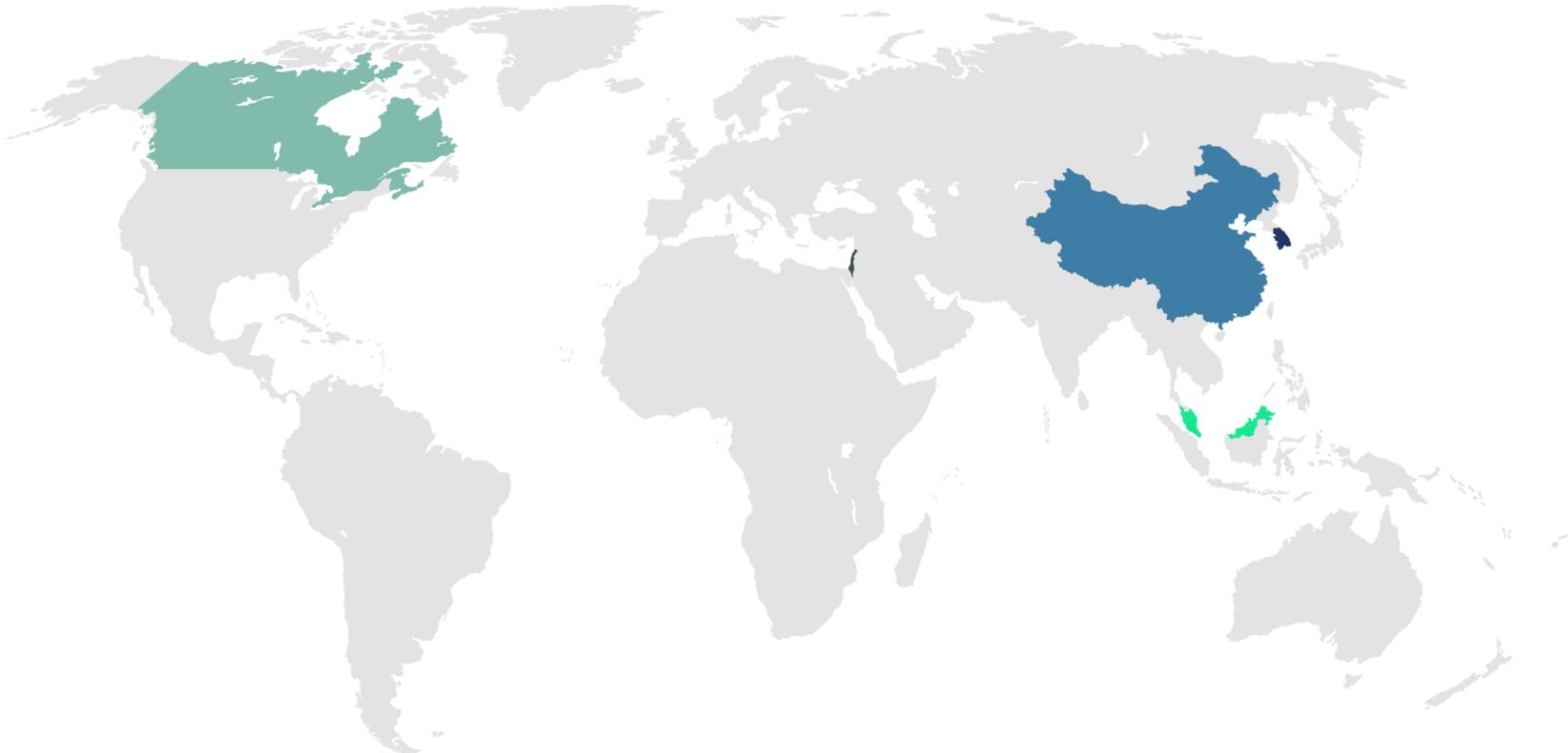


Exports & Trading Partners



Oregon's Top Five Trading Partners (2021)

Canada Israel Malaysia South Korea China



Greater Portland Market

Overview

#8

Best Big Cities
in the U.S.
(Conde Nast Traveler)

2.5M

Population in
Portland Metro

26%

Of The Portland Metro
Population Are Millenials

#4

50 Best Cities for
Millennials to Live
(Forbes)

3.9%

Unemployment Rate
*(BLS, State of Oregon Employment
Department - November 2022)*

#1

Best Foodie Cities
(WalletHub)



Set amongst the stunning beauty of the Pacific Northwest at the confluence of the Willamette and Columbia Rivers, the Portland Metropolitan Area's proximity to the ocean, snow-capped mountains and lush national forests have made it a well-known destination for creative individuals looking for a high quality of life and access to abundant outdoor recreation.

Key Industries & Companies



DESIGN & MEDIA

- Wieden+Kennedy
- LAIKA
- Ambrosini Design
- Brave New Day
- Christine Rains Graphic Design
- Empire Green Creative
- Jolby
- Laundry Studio
- Deep Sky
- Shadow Machine
- FINN Partners
- For Good & Co
- Swift
- Page One Automotive
- Sockeye
- Spirit Media
- Thesis



TECHNOLOGY

- Intel
- Tokyo Electron
- Analog Devices
- ASM
- ASML
- Ampere
- Hitachi
- LAM Research
- Nvidia
- Jireh Semiconductor
- Lattice Semiconductor Corp.
- Micron Semiconductor Products
- ON Semiconductor
- Qorvo
- WaferTech
- Sunstone Circuits
- JAE Oregon, Inc.
- Kyocera Tycom
- Planar Systems
- Siemens EDA
- Silicon Forest Electronics Inc.
- Vanguard EMS



APPAREL & OUTDOOR

- Adidas
- Nike
- Danner Boots/LaCrosse Footwear
- Dr. Martens
- Keen
- Merrell
- Columbia Outdoor Sportswear
- Under Armour
- Lululemon
- Nau
- OROS
- Pendleton Woolen Mills
- Prana
- Benchmade Knife Company
- Gerber Legendary Blades
- Leatherman
- Nautilus
- Oregon Tool
- Snow Peak USA
- Yakima



METALS & MACHINERY

- Balzer Pacific Equipment Co
- Blount International
- Columbia Steel Casting Co
- Cornell Pump Co
- DWFritz
- Ebara Technologies
- ICC Northwest
- Micropump
- Pacific Machinery & Tool Steel
- Pierce Pacific Mfg
- Rockmore International
- Rogers Machinery Co
- Skutt Ceramics
- Stanley Hydraulic Tools
- Western Integrated Tech
- Astronics PECO
- The Boeing Company
- Daimler Trucks North America
- Temco Metal Products
- Vigor Industrial



FOOD & BEVERAGE

- Bob's Red Mill
- Dave's Killer Bread
- Honey Mamas
- Kettle Foods
- Pan's Mushroom Jerky
- Ruby Jewel
- Salt & Straw
- Secret Aardvark
- Fred Meyer
- Aria Portland Dry Gin
- Aviation Gin
- Breakside Brewing
- Bull Run Distillery
- Ecliptic Brewing
- Freeland Spirits
- Migration Brewing
- New Deal Distillery
- Portland Cider Company
- Saké One
- Westward Whiskey



CLIMATE TECH

- Cascade Controls
- Eaton
- Obvius (Levitin)
- Veris (Schneider)
- US Digital
- Cascade Energy
- Cadmus
- CLEAResult
- Ecova
- Energy Trust of Oregon
- Enhabit
- NW Energy Efficiency Alliance
- Pacific Light Technologies
- Opinion Dynamics
- Columbia Vista Corporation
- CH2M
- David Evans and Associates
- Gerding Edlen
- Glumac
- Sera Architects
- ZGF



HEALTH & WELLNESS

- Absci
- AgonOx
- Aronora
- Capsigen
- EnterXBioSciences
- Genentech
- ICON
- Lacamas Laboratories
- Lumencor
- PDX Pharmaceuticals
- Twist Bioscience
- Vetsource
- Yecuris
- Biotronik
- Hemex Health
- Thermo Fisher Scientific
- A-dec
- Acumed
- Welch Allyn



SOFTWARE

- Apple
- Agility Robotics (Albany, OR)
- AutoDesk Inc
- Atmosera
- AWS Elemental
- DAT Solutions
- eBay
- Google
- Microsoft
- New Relic
- Salesforce
- SeatGeek
- Synopsis Inc
- Vacasa
- Viewpoint
- ZoomInfo

Welcome to the Silicon Forest



The computers and electronics industry – semiconductors in particular – is Greater Portland’s powerhouse sector. The concentration of computers & electronics companies, talent, and research expertise is unmatched elsewhere across the globe. This ecosystem produces components that provide crucial technology to the rest of the world.

Our Industry Strengths

SILICON FOREST
 Nearly 80 years of investment in Greater Portland by Intel and Tektronix has cultivated a forest of thousands of technology firms and their suppliers. **Intel has invested more than \$49 billion since 1974** to support its global R&D headquarters in Hillsboro.

RELIABLE, LOW-COST ENERGY
 Oregon ranks **1st in the nation** in U.S. News & World Report’s energy rankings. The rankings are based on electricity cost, grid reliability and renewable energy usage.

HIGHLY EDUCATED WORKFORCE
 Greater Portland has the edge on semiconductor talent. More than 90% of the region’s workforce in this cluster is employed in subsectors that are at least 25% more competitive than the U.S. average. For example, **we have 13 times the average national concentration of semiconductor processing technicians.**

Top Portland Metro Tech Employers



22,000*



1,357



1,302*



1,050



1,000



864

*Denotes headquarters

Apparel & Outdoor

Portland is the world's epicenter for apparel & outdoor. It's in our DNA. Our region leads the way in product design, prototyping, 3D printing, manufacturing, distribution, marketing and talent. Plus, our legendary outdoor recreation options provide a living laboratory for product testing.

City of Roses

Economic Diversity

Market Activity



#1
Oregon is the top producer of footwear patents.



#1
Oregon is the No. 1 state for outdoor recreation. Washington is No. 4.

An Unmatched Talent Pool

With access to industry veterans and a host of hands-on learning opportunities, our region's apparel and outdoor graduates are the best prepared in the world. Greater Portland offers six A&O-specific higher education programs, from certificates to master's degrees.

World-Class Industry Ecosystem

The Portland area has one of the highest concentrations of A&O talent and expertise in the world. This concentration comes with a huge, highly skilled workforce and network of suppliers that set the standard for innovation, engineering, design, material development and commercialization for the entire industry.

Easy Access to Asian Markets

Greater Portland's close ties and proximity to eastern Asian markets make sourcing and manufacturing easy. The region is home to four ports, including deep-water ports in Portland and Vancouver, which handle 30+ million tons of cargo a year.

Key Portland Metro Apparel Employers



13,964*



2,000*



1,751*



750*



538*



401*



300*



50*

*Denotes headquarters

Software

Portland is the No. 5 best city for tech workers, illustrated by its high concentration of connected and engaged software talent. Our tech industry is extraordinary in its collective commitment to cultivate a more diverse workforce. Here, tech workers find a supportive community eager to help people from all backgrounds build their careers.



#1

Oregon State University's College of Engineering awards more bachelor's degrees in computer science than any other institution in the U.S.

Quality of Life

As software workers increasingly work remote full-time, Greater Portland continues to **attract global talent** with its vibrant food scene, walkable neighborhoods and world-class outdoor recreation activities.

Highly-Educated Workforce

53% of Portlanders have at least a bachelor's degree, far above the national average of 33%. Portland is also 7th among the top 50 major cities in the U.S. for residents with graduate degrees.

Established Ecosystem

Here, software companies have a **strong network of support systems**, including industry associations, incubators, accelerators and coworking spaces, as well as a deep stable of developers, vendors and customers.

Top Portland Metro Software Employers

NAVEX GLOBAL

1,000*



zoominfo

722*



new relic

613



500



vacasa

465*

ORACLE

453

*Denotes headquarters

Emerging Life Science Hub

Portland is emerging as a hotbed for new companies in computational biology, biochemistry and cellular programming. These companies are delivering life-changing innovations, and our region's output is sure to grow as Greater Portland continues to attract the world's best bioscience minds.

Our Industry Strengths



HIGHLY-SKILLED TALENT

Specialized university labs in the region include OHSU's National Primate Research Center, UO's Genomics & Cell Characterization Core Facility and OHSU's biolibrary of tissues and blood.



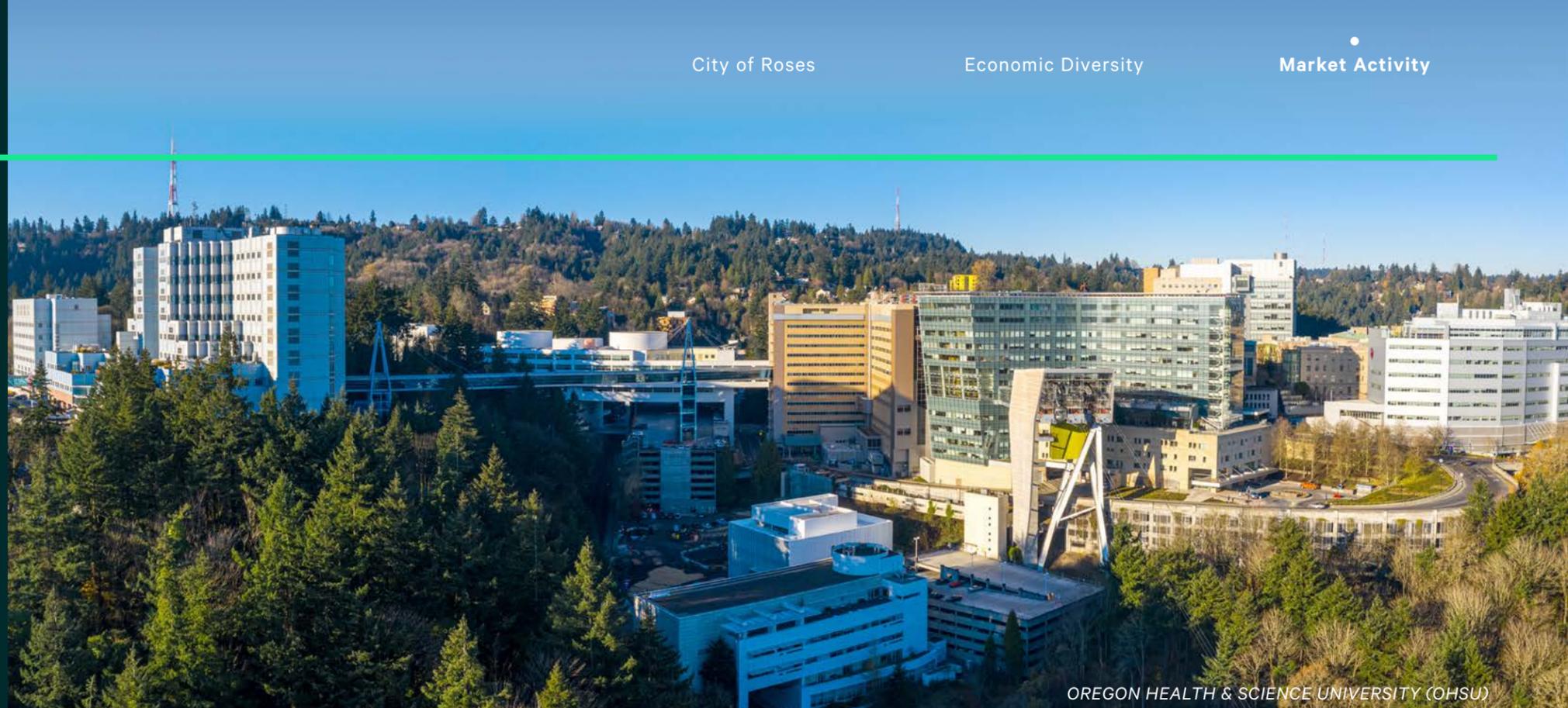
SILICON FOREST EXPERTISE

Home to **Intel's global R&D headquarters**, Greater Portland is uniquely positioned to support bioscience companies, which share the semiconductor industry's engineering talent pool and suppliers, as well as experts practiced in delivering **cleanrooms for product testing and development**.



CANCER TREATMENT PIONEER

Oregon Health & Science University is the region's premier research institution. It employs 18,000 and received more than **\$405 million in federal grant funding** in 2021. OHSU is home to the Knight Cancer Institute, which is leading the world in personalized cancer medicine.



OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)

Regional Industry Highlights



Top 10

Greater Portland is considered a top 10 emerging bioscience market according to CBRE research.



\$324 Million

Oregon and SW Washington biotech companies raised a record amount across 37 deals in 2021.



2X as many Scientists

Greater Portland has twice the average national concentration of life scientists and biological technicians.

Top Portland Metro Employers

Genentech
A Member of the Roche Group

1,246

ThermoFisher
SCIENTIFIC

1,062

MICRO SYSTEMS
ENGINEERING
an MST company

550*

acumed

405*

absci

200*

*Denotes headquarters

Food & Beverage

Farm to table isn't just for fine dining; it's everyday life in Greater Portland. Companies here have access to the freshest produce, meat and fish. This proximity to the very best ingredients – along with a healthy dose of creativity – has built our region's world-renowned reputation for great food and drink.



Oregon is home to **16 million** acres of farmland.



100% of the nation's hazelnuts are grown in Oregon.

Specialized Workforce & Suppliers

A wealth of industry-specific certificate programs help train a uniquely talented workforce in **high-volume specialty food production**.

Entrepreneur Support

Resources include industry-specific workshops, business advising and **food-focused incubators and accelerators**. Farmers markets and food carts, prevalent throughout the region, provide fertile testing grounds for entrepreneurs, and **OSU's Food Innovation Center** helps develop and bring new products to market.

World-Famous Wine

Greater Portland is home to **10 distinct American Viticultural Areas**, including the Willamette Valley AVA, established in 1984 and home to world-famous Pinot Noir.

Top Oregon Food & Beverage Employers



4,139*



944*



600



591*



500*



400*

*Denotes headquarters

Manufacturing

Portland is a manufacturing leader with extensive expertise in metals, machinery and advanced materials. The region is home to firms that manufacture highly specialized products, including Freightliner from Daimler Trucks, combat crafts and cargo ships from Vigor Industrial and aerospace parts from Boeing.



2x Talent

In the last five years, our civil engineering and structural iron and steel workforce has grown more than 2x the national rate.

Uniquely Skilled Workforce

Greater Portland is home to a sophisticated advanced manufacturing industry base. Our workforce learns first-hand at institutions like the Oregon Manufacturing Innovation Center. 150 area companies partner with four universities to offer internships through the region's two engineering co-op programs.

Key Portland Metro Employers



2,500*

DAIMLER

2,159*



1,500



1,500*



1,299*



700*

*Denotes headquarters



Our Power

Your money goes further

U.S. News & World Report ranked Greater Portland as the most affordable metro on the West Coast in 2021.



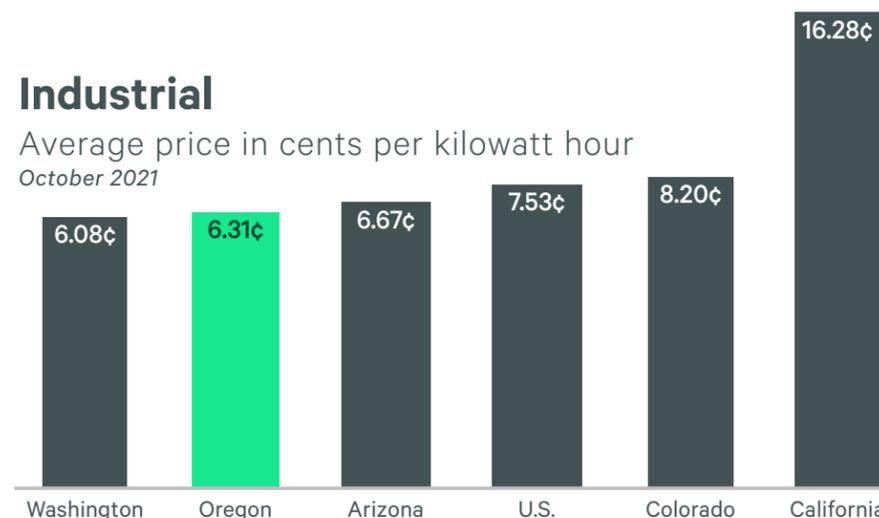
Competitive Commercial Real Estate Costs



Affordable Electricity

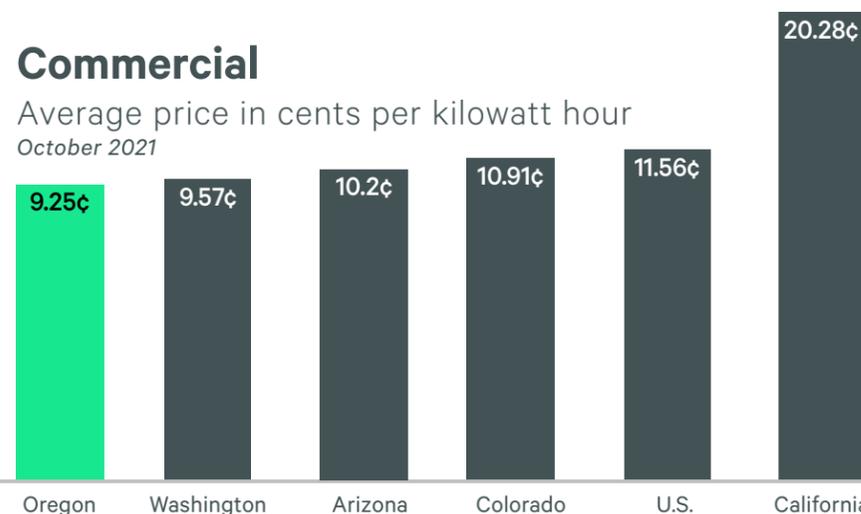
Industrial

Average price in cents per kilowatt hour
October 2021



Commercial

Average price in cents per kilowatt hour
October 2021



Lowest energy costs

Washington and Oregon are ranked No. 1 and No. 3, respectively, for lowest energy costs in the U.S. *Wallet Hub, 2021*

Better business tax climates

Oregon and Washington rank in the top 25 business tax climates in the nation. California is 48th. *Tax Foundation, 2022*



Industrial

MARKET | Q4 2022

▼ 2.3% ▼ 3.1% ▲ 5.6M ▼ 2.5M

Overall Vacancy Park Vacancy YTD SF Net Absorption SF Under Construction

Note: Arrows indicate year-over-year change

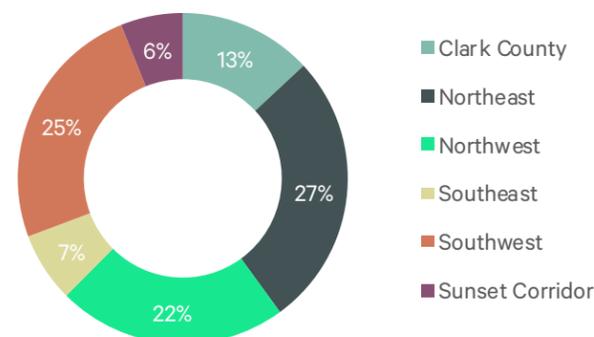
Macroeconomic headwinds, limited land supply contribute to a shift in local demand

Highlights

- Portland's industrial market posted nearly 1.4 million sq. ft. of positive absorption in Q4 2022, bringing the year-to-date (YTD) figure to roughly 5.6 million sq. ft.
- Three leases over 100,000 sq. ft. were signed in Q4 2022, highlighted by Thermal Supply's 170,089-sq. ft. lease at Vancouver Logistics in Clark County and the 139,495-sq. ft. Chef's Warehouse lease at Northwest Logistics Park.
- The industrial development pipeline in Q4 2022 totaled 2.5 million sq. ft. all of which is expected to deliver through the end of 2023. One project delivered in Q4 2022; Prologis Meadows – Bldg. E (285,000 sq. ft.).
- Healthy tenant demand has contributed to sustained market-wide vacancy rate compression, down 80 basis points (bps) year-over-year (YoY) to 2.3% in Q4 2022.
- Overall Class A average asking industrial warehouse shell rates in Q4 2022 are between \$0.75 - \$0.80 per sq. ft. on a monthly triple net (NNN) basis. Investors remain cautious yet interested, as rental rate growth is expected to continue in 2023.



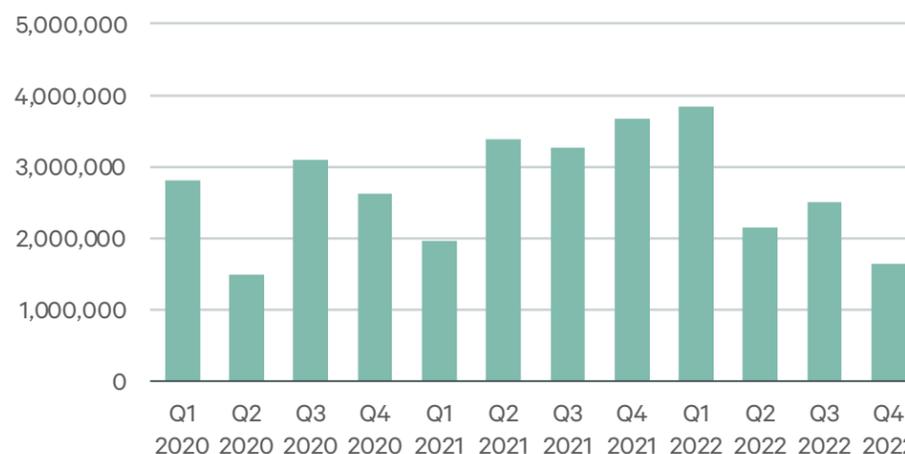
LEASING ACTIVITY BY SUBMARKET, Q1 2022-Q4 2022



Q4 2022 TOP LEASE TRANSACTIONS

Tenant	Size (SF)	Location	Submarket	Lease Type
Thermal Supply	170,089	Vancouver Logistics	Clark County	New Lease
Chef's Warehouse	139,495	Northwest Logistics Center	Northwest	New Lease
Factory Motor Parts	130,589	Portland Portal Industrial Center	Northeast	Sublease
Airefco, Inc.	99,200	PacTrust Corporate Park	Clark County	New Lease
MPR Logistics	95,819	Northwest Corporate Park	Northwest	Expansion
Owens & Minor, Inc.	86,771	Wilsonville Business Center	Southwest	Renewal

HISTORICAL LEASING ACTIVITY



CLASS A ASKING SHELL RENTAL RATE RANGE



Industrial

MARKET | Q4 2022

Submarket Performance

Throughout 2022 the Sunset Corridor and Northwest were two of the Portland metro area's top performing industrial submarkets across most indicators, including net absorption, rate of vacancy compression, and new construction and delivery volume. In Q4, vacancy in the Sunset Corridor at 2.2% sits 80 bps lower than the figure recorded in Q4 2021. Absorbing 1.6 million sq. ft., the Sunset Corridor was also the largest contributor to the Portland area's overall net absorption figure in 2022. Also, a growing presence of co-location data centers, expansive fiber network infrastructure and access to Asia Pacific undersea cables, have all combined to put the region on the map as a major secondary data center hub.

Industrial vacancy in the Northwest submarket at 2.1% sits 270 bps lower than the figure recorded a year ago. The Northwest submarket recorded 1.4 million sq. ft of net absorption in 2022. Absorption was assisted by MPR Logistics leasing roughly 200,000 sq. ft at Prologis' Northwest Corporate Park in 2022, initially signing a deal in Q3 and completing an expansion of their existing lease in Q4. Additionally, the Daimler Trucks of North America - 205,000-sq. ft. lease at Forum Swan Island Phase II and the Fulcrum Logistics - 158,577-sq. ft. lease at 5910 N. Cutter Cir. are reflective of the current level of demand in the submarket.

Industrial Employment

Distribution and manufacturing employment are the primary determinants of demand. We define "distribution employment" as all of the whole sale trade sector plus transportation (trucking and warehousing). The latest estimates of distribution and manufacturing employment for Portland are 109,600 workers and 131,400 workers, respectively. Over the last five years Portland's distribution employment has grown by 2.5% while manufacturing employment has grown by 1.2%. Over the last 12 months distribution employment has grown by 4.2% and manufacturing employment has grown by 7.1%.

According to CBRE's Econometric Advisors, industrial employment is projected to grow by 12,300 jobs during the 2022-2027 period. During the same time period, new supply is expected to average 3.3 million sq. ft., while net absorption is expected to average 2.5 million sq. ft., lagging new supply.

MARKET STATISTICS BY SUBMARKET

Submarket	Market Rentable Area (SF)	Vacancy Rate (%)	Availability	Q4 2022 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (SF)	YTD Deliveries (SF)
Base Figures							
Northeast	49,598,255	31%	4.3%	437,430	457,284	489,700	422,991
Northwest	39,247,791	2.1%	3.3%	470,597	1,423,695	293,480	228,046
Southeast	31,312,102	2.4%	2.9%	(20,905)	243,645	-	-
Southwest	38,988,811	2.0%	2.4%	243,398	1,181,238	714,980	588,995
Sunset Corridor	32,670,723	2.2%	2.5%	106,857	1,594,348	-	1,351,743
Clark County	26,340,361	1.6%	3.1%	140,716	680,151	957,895	638,882
Total	218,158,043	2.3%	3.2%	1,378,093	5,580,361	2,456,055	3,230,657
Business Park Figures							
Northeast	22,841,222	3.4%	5.8%	426,852	281,864	-	285,000
Northwest	10,747,786	4.0%	6.3%	218,139	516,960	-	-
Southeast	7,646,262	0.3%	2.1%	3,881	253,083	-	-
Southwest	17,963,741	3.9%	4.7%	143,340	868,238	435,107	588,995
Sunset Corridor	9,654,902	4.2%	5.1%	47,357	355,951	-	269,045
Clark County	11,501,206	1.2%	3.0%	(25,895)	(53,781)	664,653	-
Total	80,355,119	3.1%	4.8%	813,674	2,222,315	1,099,760	1,143,040

Source: CBRE Research Q4 2022

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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

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Data Centers

MARKET | Q4 2022



37.0 MW
Net Absorption
in H1 2022



139.4 MW
Total
Inventory



228.8 MW
Under
construction



\$0.05 - \$0.07
Power
Rate



7.0%
Vacancy

Colocation Insights

- Strong demand in Hillsboro in H1 led to record low 7% vacancy rate.
- Several providers are looking to purchase land in the area.

Market Trends

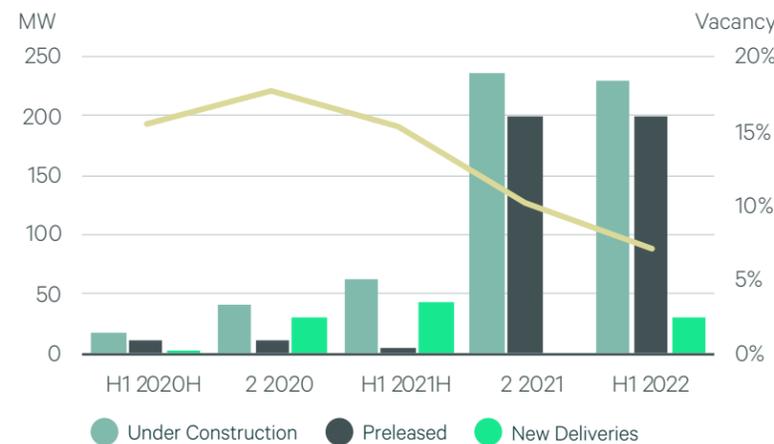
- Available land is becoming scarce due to record-breaking demand in recent quarters.
- A recent surge in construction has come from multiple semiconductor factory expansions by Intel.
- Hillsboro's growing presence of colocation data centers, expansive fiber network infrastructure, access to Asia-Pacific undersea cables and a nearby primary internet exchange point make it a major secondary data center hub.

Notable Activity

- Stack completed a 24-MW facility—the first in its flagship 84-MW Portland campus.
- Flexential completed construction of its 358,000-sq.-ft., 36-MW Hillsboro 3 data center.

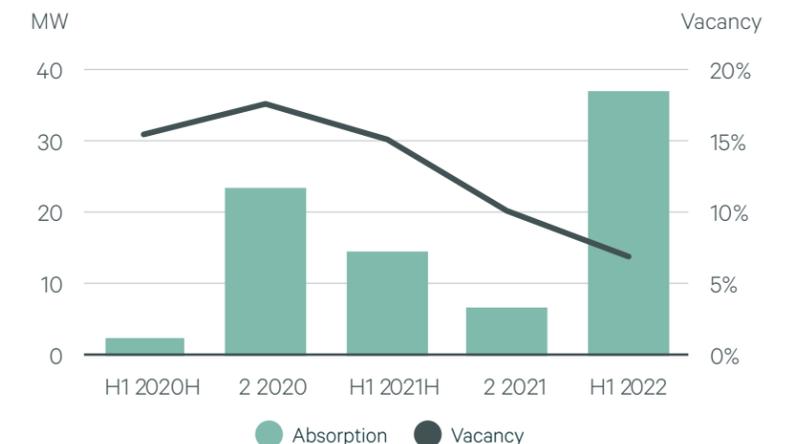


HISTORICAL SUPPLY GROWTH



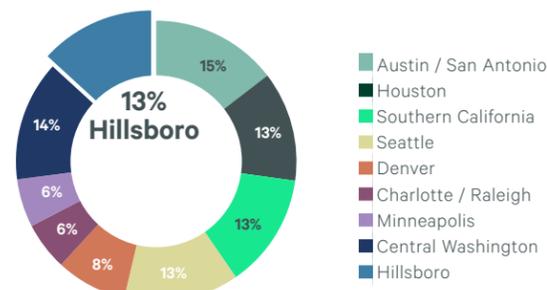
Source: CBRE Research, CBRE Data Center Solutions, H1 2022.

HISTORICAL DEMAND GROWTH



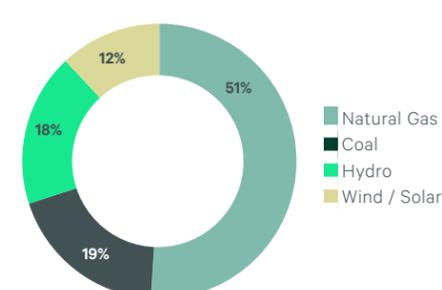
Source: CBRE Research, CBRE Data Center Solutions, H1 2022.

% OF SECONDARY MARKET INVENTORY



Source: CBRE Research, CBRE Data Center Solutions, H1 2022.

MARKET FUEL MIX



Source: Portland General Electric

AVERAGE ASKING RATES

Capacity	Min	Max
5-10 MW	\$85	\$105
1-4 MW	\$95	\$115
250-500 kw	\$105	\$125

Source: CBRE Research, CBRE Data Center Solutions, H1 2022.

Office

MARKET | Q4 2022

▲ 21.4% ▼ (271K) ▲ 642K ▲ \$32.43

Vacancy Rate SF Net Absorption SF Under Construction Asking Lease Rate, FSG

Note: Arrows indicate change from previous quarter.

Tenants seek smaller, higher-quality office footprints amidst economic uncertainty

Market Summary

- The Portland Metro Area's overall vacancy rate grew to 21.4%, an 80 basis point (bps) increase year-over-year (YOY).
- In Q4 2022, sublease availability across the overall office market increased to 2.5 million sq. ft., up 36.2% from the previous quarter and 96.3% YOY.
- Construction has begun at Terminal 1 in Vancouver. ZoomInfo has the 366,000 sq. ft. office building pre-leased and plans to move in in 2025. Two other notable projects in Portland's office development pipeline, The Offices at 11W (117,285 sq. ft.) and Block 216 (158,464 sq. ft.), both in the CBD, are on target for their expected delivery dates.
- The average direct asking lease rate in the metro area was \$32.43 per sq. ft. full-service gross (FSG), for a 0.6% increase quarter-over-quarter (QOQ) and a 3.2% increase YOY.
- The Q4 Suburban average asking rental rate was \$28.97 per sq. ft. FSG, a 1.9% increase QOQ and a 6.2% increase YOY.
- The Q4 Downtown average asking rental rate was \$34.52 per sq. ft. FSG, a 0.2% increase QOQ and a 2.3% increase YOY.



DOWNTOWN VS SUBURBAN MARKET STATISTICS

	NR (SF)	Vacancy Rate (%)	Sublease Availability (SF)	Q4 Net Absorption (SF)	Average Direct Asking Rate (\$/SF/YR FSG)	Under Construction (SF)
DOWNTOWN						
Class A	12,047,457	25.2%	720,311	(63,813)	\$39.89	275,749
Class B	8,418,881	28.1%	557,187	(101,039)	\$32.84	-
Class C	2,774,853	30.0%	74,928	(33,041)	\$28.81	-
Class D	3,274,118	31.1%	194,825	(43,891)	\$26.17	-
Total	26,515,309	27.4%	1,547,251	(241,784)	\$34.52	275,749
SUBURBAN						
Class A	10,844,851	17.9%	335,884	(77,373)	\$33.31	366,000
Class B	11,854,124	13.2%	573,150	(8,992)	\$25.47	-
Class C	2,030,559	10.4%	-	56,959	\$19.18	-
Class D	67,000	0.0%	-	-	-	-
Total	24,796,534	15.0%	909,034	(29,406)	\$28.97	366,000
METRO TOTAL	51,311,843	21.4%	2,456,285	(271,190)	\$32.43	641,749

Source: CBRE Research Q4 2022

Office

MARKET | Q4 2022

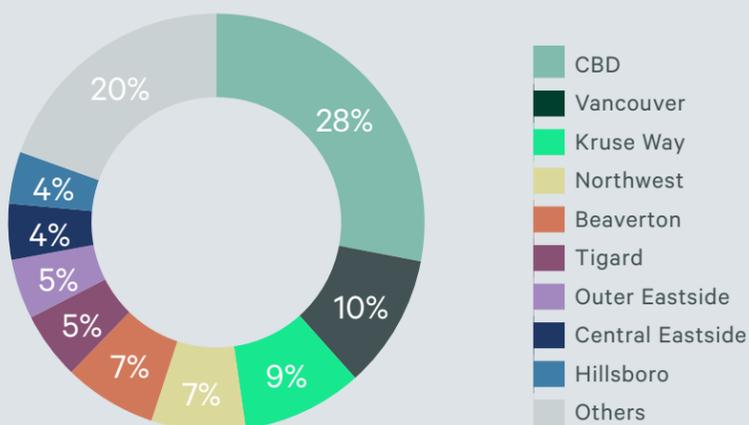
Leasing Activity

Leasing activity stayed flat in the fourth quarter of 2022. Across the Portland Metro Area, 626k sq. ft. transacted, in line with the 2022 quarterly average of 652k sq. ft. While that figure represents an increase of 88.2% compared to 2020, it's an 18.4% decrease in quarterly leasing volume compared to 2021.

Since 2020, various Software as a Service (SaaS) companies left the downtown core in favor of work-from-home arrangements (e.g., Tripwire, Coinbase), while professional services tenants tended to relocate to the suburbs while maintaining a hybrid work schedule (e.g., Umpqua Bank, Liberty Mutual). Still, the Central Business District (CBD) saw the most leasing activity in every quarter of 2022, with companies Quantum Spatial, Inc. and CONSOR Engineers, LLC committing to the area in Q4.

Tenants like iHeartMedia continued to sign renewals ahead of unpredictable economic headwinds expected in H1 2023. Many tenant requirements, both for renewals and new leases, have focused on "right-sizing." Salesforce and Momentive (SurveyMonkey), for example, both inked Q4 deals for less space than their previous leases. Tenants who want an inviting space for in-person collaboration but don't expect full occupancy five days a week continued to pursue experience-driven Class A space at a premium. Notably, law firm Orrick, Herrington & Sutcliffe signed a 12,339 sq. ft., 11-year lease in the nearly finished Offices at 11W, even as high sublease and direct availability downtown meant there were plenty of cheaper options available.

LEASING ACTIVITY BY SUBMARKET, 2022



TOP LEASE TRANSACTIONS

Tenant	Size (SF)	Location	Submarket	Lease Type	Class
Salesforce	51,845	2035 NW Cornelius Pass Rd	Hillsboro	Renewal	A
Quantum Spatial, Inc.	25,385	421 SW 6th Ave	CBD	Renewal	B
iHeartMedia	24,739	13333 SW 68th Ave	Tigard	Renewal	C
CONSOR Engineers, LLC	17,891	1 SW Columbia St	CBD	New Lease	A
Oregon Health Authority	13,631	421 SW Oak St	CBD	New Lease	B
Orrick, Herrington & Sutcliffe	12,339	1102-1116 SW Washington St	CBD	New Lease	A

HISTORICAL LEASING ACTIVITY



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Source: CBRE Research Q4 2022

Medical Office

MARKET | Q4 2022

▼ 3.7% ▲ \$27.50 ▲ \$104M ▲ \$294 ▲ 6.7%

Overall Vacancy Asking Lease Rate, NNN 2022 Sales Volume Price Per SF Cap Rate

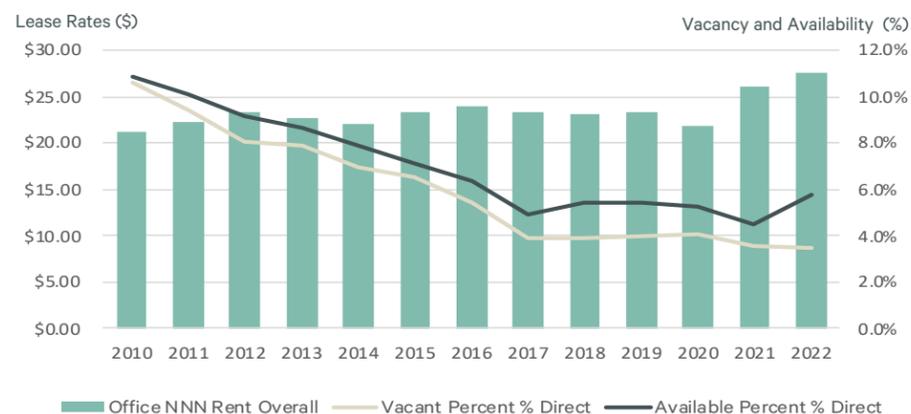
Note: Arrows indicate change from previous quarter.

Market Overview

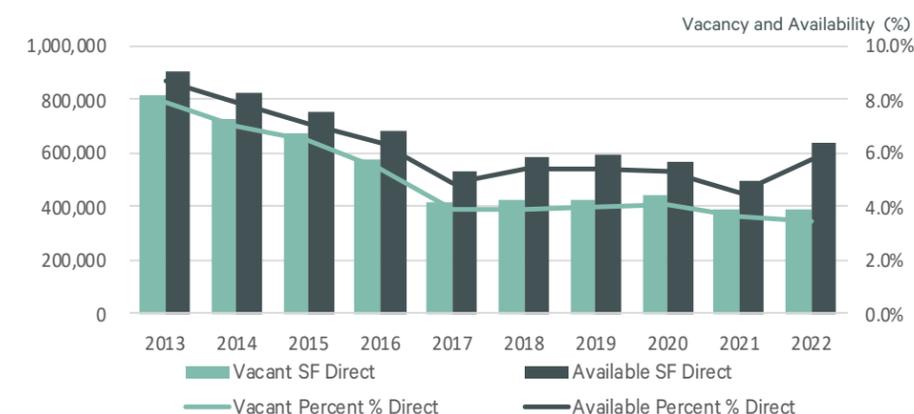
- The Portland area's medical office remains robust. The forecasted economic slowdown will presumably have an inelastic effect on medical office commercial real estate demand. If you're thinking about making changes in 2023, now is a time to consult your real estate professional to begin evaluating your options.
- Healthcare tenants remain committed to long term plays. Relocating a medical practice is challenging because of staffing, current supply chain disruptions, rising construction costs and length of time for permitting.
- The construction pipeline remained low with just two MOB properties totaling 115,955 sq. ft. underway at the end of H2 2022, including the Pavilion on Sandy, which will bring 100,000 sq. ft. of new medical office space to Northeast Portland.
- Investment sales activity continued its momentum totaling \$104 million in sale volume, up 14.5% year-over-year (YOY).
- At the close of H2 2022 average asking rental rate was \$27.50 per sq. ft. NNN, a 3.2% increase QOQ and a 5.0% increase YOY.
- Oregon private health care employment is projected to grow between 2020 - 2030. Private and public health care employers projected to add more than 53,400 jobs over the next decade, according to the State of Oregon Employment Department.



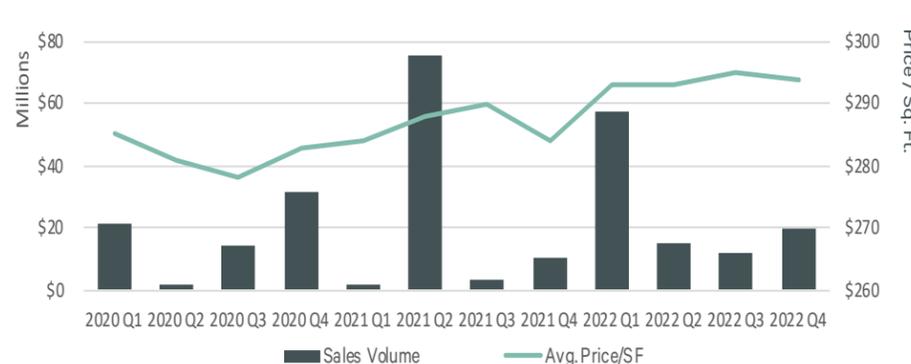
LEASE RATES (\$/SF/YR. NNN) AND VACANCY AND AVAILABILITY (%)



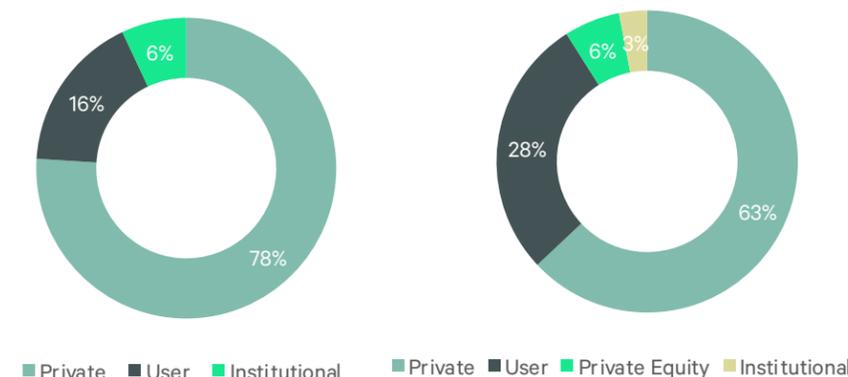
HISTORICAL VACANCY AND AVAILABILITY



HISTORICAL SALES VOLUME (\$) AND AVG. PRICE PER SQ. FT.



5 YEAR SALES BY SELLER TYPE & SALES BY BUYER TYPE



Retail

MARKET | Q4 2022

▲ 78K SF ▶ 4.3% ▼ 207K ▲ \$252

Q4 Absorption Total Vacancy SF Under Constructon Average Sale Price/SF

Note: Arrows indicate change from previous quarter.

Portland Area Retail Makes a Comeback; Strong Fundamentals Drive Investor and Tenant Demand

Market Summary

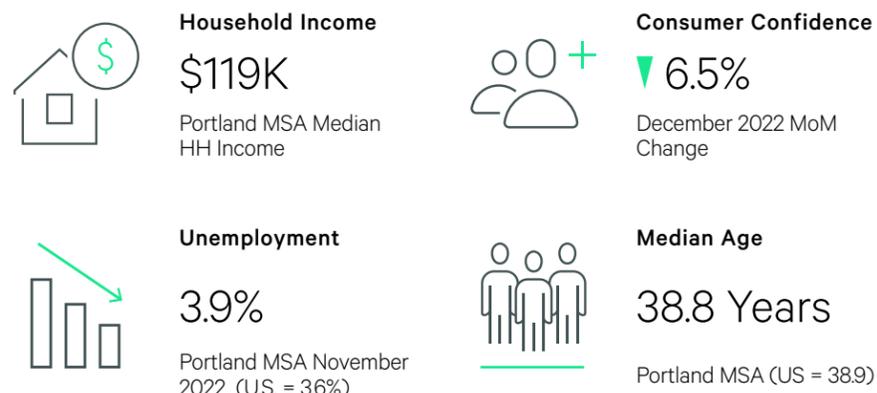
Retailers in the Portland Metro are seeing an influx to in person, brick and mortar shopping as consumers express a preference for experiential shopping. In-person shopping gives consumers an easy option for same-day exchanges and incentivizes add-on purchases. To accommodate these shoppers, retailers are focusing on adding additional brick and mortar locations at smaller footprints.

With many Portland office workers working remotely at the end of 2022, suburban shopping centers are seeing increased demand over retail spaces in the urban core. While shopping center construction deliveries have been constrained metro-wide (62% fewer sq. ft. in the last three years than prior three years), none of the 338k sq. ft. delivered since 2020 has been in the urban core.

Construction has been limited because of price increases due largely to increasing debt rates, lingering supply chain issues, and inflation. Paired with increased consumer appetite for in-person retail, this has driven the metro-wide vacancy rate to 4.3% at the end of 2022, down 90 bps from year end 2021.



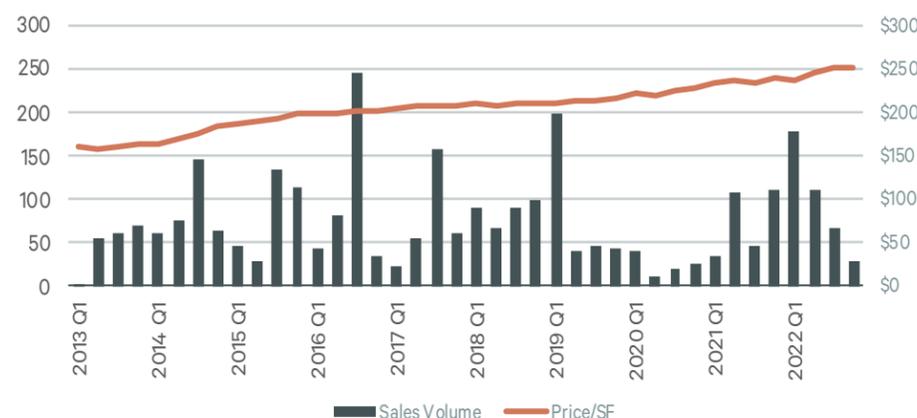
RETAIL MARKET INDICATORS



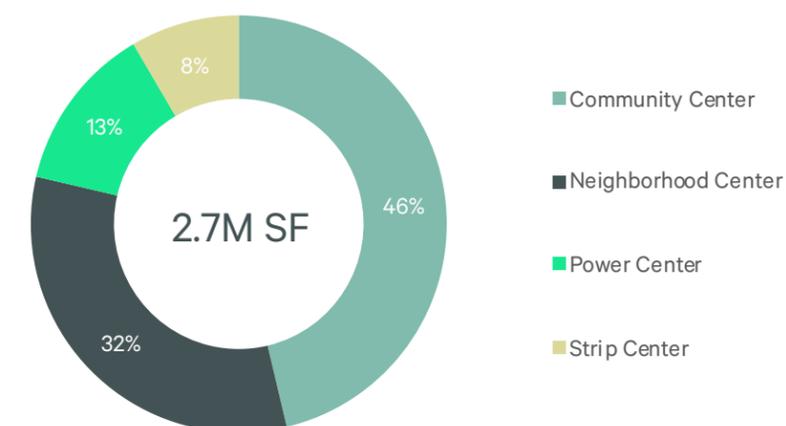
CONSTRUCTION ACTIVITY & COMPLETIONS VS. VACANCY RATE



TOTAL RETAIL SALES IN MILLIONS (USD)



PERCENTAGE OF TOTAL SALES VOLUME (SF) BY SHOPPING CENTER TYPE 2022



Retail

MARKET | Q4 2022

National Outlook

Investors cite rising interest rates, a potential recession, and limited credit availability as their greatest challenges this year. More than half of investors expect to decrease purchasing activity in 2023 compared with 2022 levels. Amid lower pricing dynamics, 60% of CBRE Investor Survey respondents say they will either sell less than last year or not sell at all.

More investors will implement opportunistic and debt strategies than last year because of attractive returns amid higher interest rates and tighter financial market conditions.

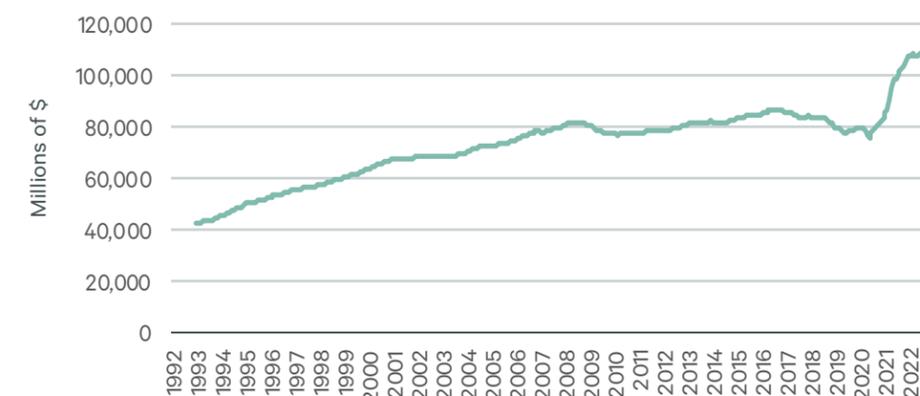
According to Mastercard SpendingPulse, U.S. retail sales rose 7.6% year-over-year this past holiday season, from November 1 through December 24. Online sales grew 10.6% compared to the same period last year. E-commerce made up 21.6% of total retail sales, up from 20.9% in 2021 and 20.6% in 2020. The channel continues to experience elevated growth as consumers prioritize convenience and availability of discounts. This makes sense, as our global consumer survey found that gifts were the top category that people said they shopped online for, at 63% of respondents.



12-MONTH CHANGE IN CONSUMER PRICE INDEX FOR PACIFIC STATES AND U.S. (%)



RETAIL SALES: SPORTING GOODS, HOBBY, MUSICAL INSTRUMENT, AND BOOK STORES (ROLLING 12-MONTH TOTAL)



Source: CBRE Research Q4 2022

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SURVEY CRITERIA

The survey covers retail shopping centers in the Portland MSA. Buildings surveyed are 1,000+ Sq. Ft. Net Rentable Area within the following types of shopping centers: community center, lifestyle center, neighborhood center, outlet center, power center, regional mall, and strip center.

Multifamily

MARKET | Q3 2022

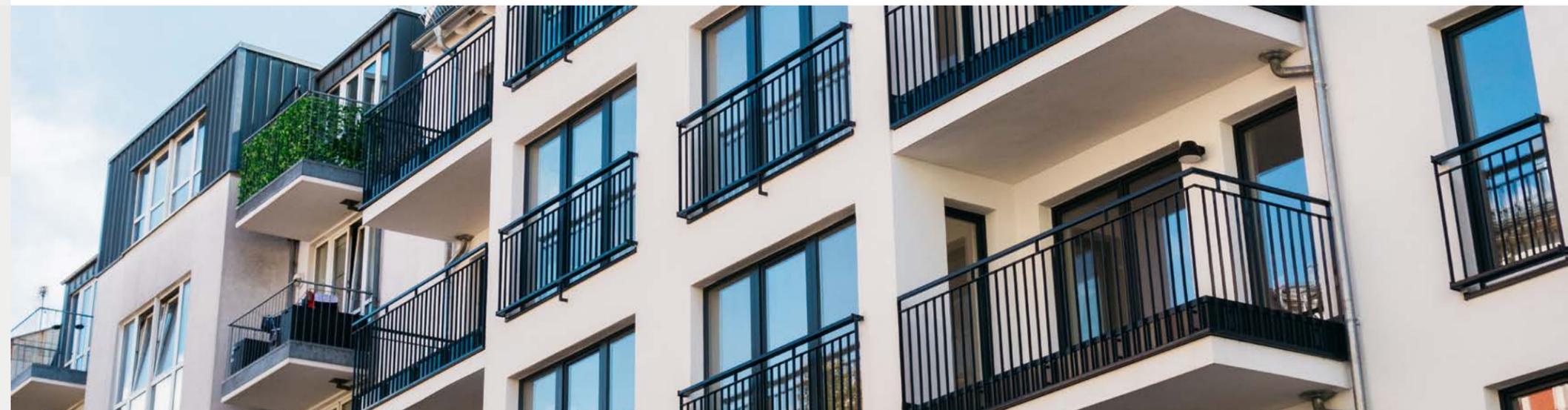
▼ 3.6%	▲ \$1,464	▼ 64	▲ 4.8%
Market Vacancy	Average Rents 1 bedroom/1 bath	Number of Transactions	Cap Rates

Note: Arrows indicate change from previous quarter.

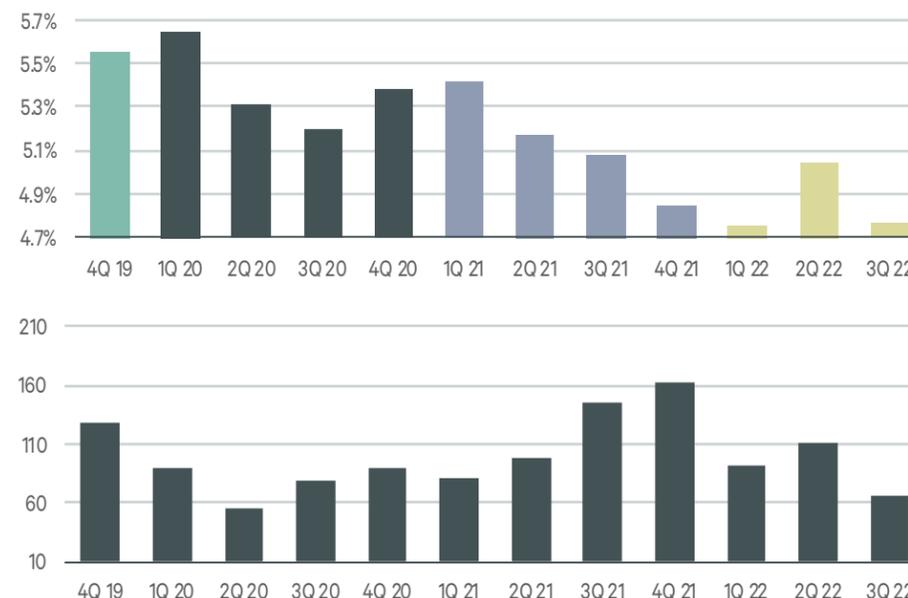
Sales Market Stabilizing. Portland Multifamily Vacancy Rate Below 4%

Overview

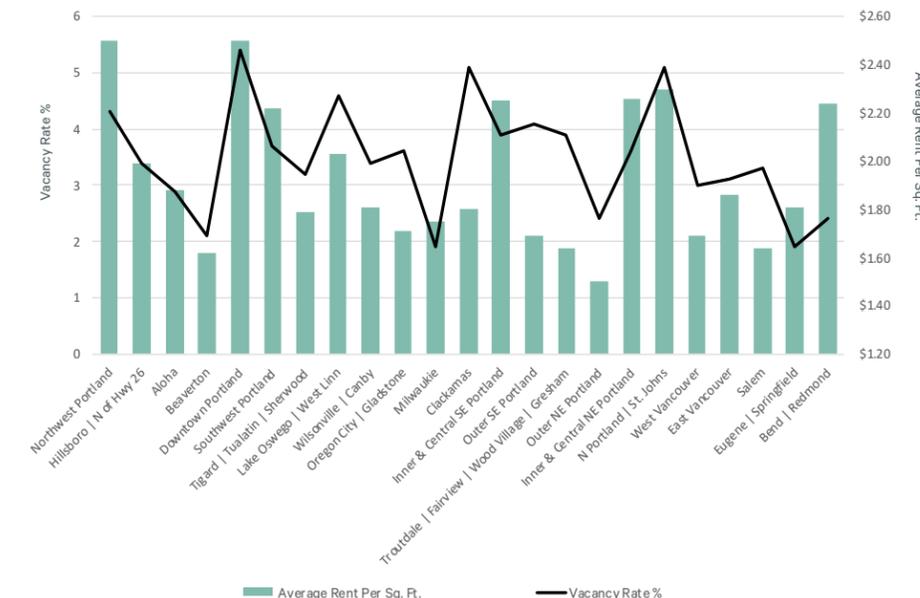
- We find ourselves navigating new territory alongside the return of the old: vacancies remain stable, and rents are on the rise; supply chain issues continue across markets as turnover costs have increased exponentially. Urban areas still face challenges with homelessness, lack of population growth, and hybrid work structures,
- The highest vacancies are found in Downtown Portland (5.37%) and North Portland/St. Johns (5.08%). Vacancies increased significantly from the Spring report in both Clackamas and Lake Oswego, and decreased significantly in NW Portland and Milwaukie, but other surveyed areas remained relatively stable
- As we navigate the last quarter of 2022 and move into 2023, we should see household formation on the decline. The effects of the expiration of rental assistance and eviction moratoriums will also lead to a decline in households.
- CAP rates closed the third quarter averaging 4.77%, down from 2nd quarter 2022 at 5.04%. Third quarter median price per unit was \$200,000. Investors are moving away from urban areas and looking to non-urban markets where there are lower taxes and less impact from crime and homelessness.



HISTORICAL CAP RATE (%) AND NUMBER OF TRANSACTIONS



HISTORICAL MARKET VACANCY RATE (%) AND AVERAGE RENT PER SQ. FT. (\$)



Source: CBRE Research Q4 2022

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We are Portland.

The Rose City.



Why Portland

Q1 2023

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