

FIGURES | PORTLAND OFFICE | Q3 2026

Hesitancy Remains Amid Second Consecutive Quarter of Positive Net Absorption

▼29.8%

Availability Rate

▼26.5%

Vacancy Rate

▲228.3

KSF Net Absorption

►0.0

KSF Construction Delivered

►0.0

KSF Under Construction

▼\$32.54

Avg. Direct Asking Rate (FSG/YR)

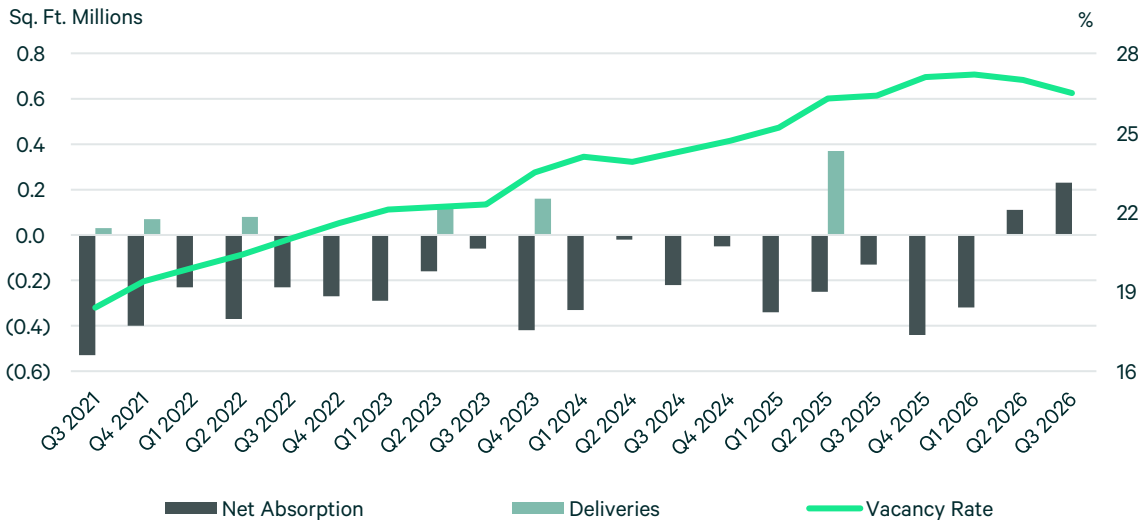
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions improved modestly as vacancies declined quarter-over-quarter (QoQ). Net absorption remained positive for a second consecutive quarter at 228,000 square feet (sq. ft.), following 115,000 sq. ft. in Q2 2026, bringing year-to-date (YTD) net absorption to 27,000 sq. ft. Vacancy fell 50 basis points (bps) from 27.0% to 26.5%, while availability declined 10 bps to 29.8%. Leasing demand stayed healthy, with tenants signing 960,000 sq. ft., down slightly from 974,000 sq. ft. in Q2. The average asking rent was virtually unchanged QoQ at \$32.54 per sq. ft. full-service gross (FSG), but down 1.5% year-over-year (YoY).

From Q3 2021 through Q3 2026, the market experienced a prolonged occupancy contraction before recent stabilization. Vacancy increased from 18.4% to 26.5%, while availability rose from 21.4% to 29.8%. Every quarter from Q3 2021 through Q1 2026 posted negative net absorption, ranging from 17,000 sq. ft. in Q2 2024 to 526,000 sq. ft. in Q3 2021, before turning positive in 2026. Black & Veatch signed the quarter's largest transaction with a 33,000 sq. ft. new lease at 4949 Meadows Road in the Kruse Way submarket. The largest sale transaction of Q3 was the sale of Park Avenue West in the CBD, totaling 193,914 sq. ft. and trading for \$35.4 million (\$182.55 per sq. ft.).

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research, Q3 2026

Vacancy

In Q3 2026, vacancy conditions were mixed across property classes, with modest improvements in some segments and slight deterioration in others. Class A vacancy declined from 28.8% to 28.6% QoQ, while Class B fell from 23.3% to 22.2% and Class C rose marginally from 31.1% to 31.2%. Class A vacancy decreased 50 bps YoY, while Class B and Class C increased 30 bps and 160 bps, respectively, reflecting ongoing occupancy pressure outside the top tier. Compared with Q3 2023, vacancy remained significantly higher across all classes, rising 480 bps in Class A, 370 bps in Class B and 460 bps in Class C.

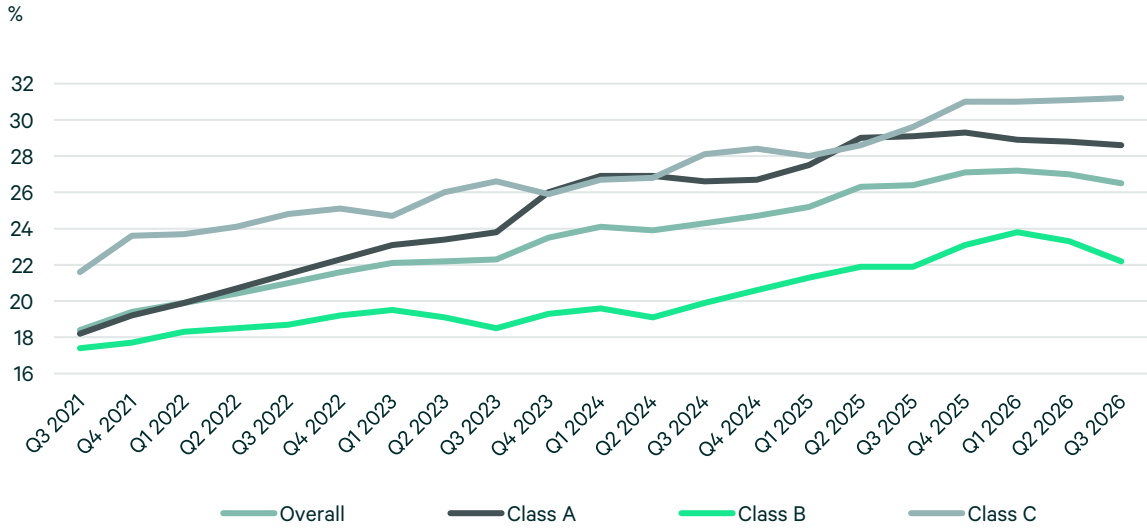
Vacancy levels varied considerably across submarkets in Q3 2026. Out of Submarket posted the lowest overall vacancy at 2.7%, followed by Wilsonville (4.6%), Clackamas (7.2%), Lake Oswego (9.9%) and Vancouver (10.2%). In contrast, the CBD recorded the highest vacancy at 38.8%, followed by Northwest at 35.9% and Washington Square at 35.3%, illustrating the gap between core office locations and peripheral submarkets. Sublease vacancy eased slightly from Q2 2026, declining in Class A and Class B while holding steady in Class C. Rates stood at 1.9% in Class A, 2.3% in Class B and 0.7% in Class C. The market contained 994,000 sq. ft. of sublease vacancy, concentrated primarily in the CBD, Northwest, Hillsboro, Vancouver and Central Eastside.

Asking Rent

In Q3 2026, the overall office market posted an average asking rent of \$32.54 per sq. ft. This represented a QoQ decrease of \$0.17 per sq. ft. from \$32.71 per sq. ft. in Q2 2026 and a YoY decline of \$0.50 per sq. ft. from \$33.04 per sq. ft. in Q3 2025, though overall rents remained above the \$30.64 per sq. ft. level recorded in Q3 2021. Over the full series from Q3 2021, Class A asking rents rose more than the market overall, moving from \$34.08 per sq. ft. to \$37.79 per sq. ft. in Q3 2026 after peaking at \$38.61 per sq. ft. in Q2 2024, underscoring the relative resilience of pricing for higher-quality space.

By submarket in Q3 2026, Class A pricing was highest in Kruse Way at \$43.80 per sq. ft. and Northwest at \$42.73 per sq. ft., with Central Eastside and the CBD also commanding elevated rates of \$40.46 per sq. ft. and \$39.18 per sq. ft., respectively. More moderate Class A asking rents were recorded in Beaverton at \$28.24 per sq. ft., Vancouver at \$29.27 per sq. ft., and suburban nodes such as Tigard, Tualatin and Clackamas at \$31.42 per sq. ft., \$31.66 per sq. ft. and \$31.09 per sq. ft., while value-oriented options were concentrated in Outer Eastside and Barbur Blvd, where Class C and Class B space was offered at \$14.92 per sq. ft., \$17.08 per sq. ft. and \$19.73 per sq. ft.

Figure 2: Historical Vacancy Rates by Class



CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



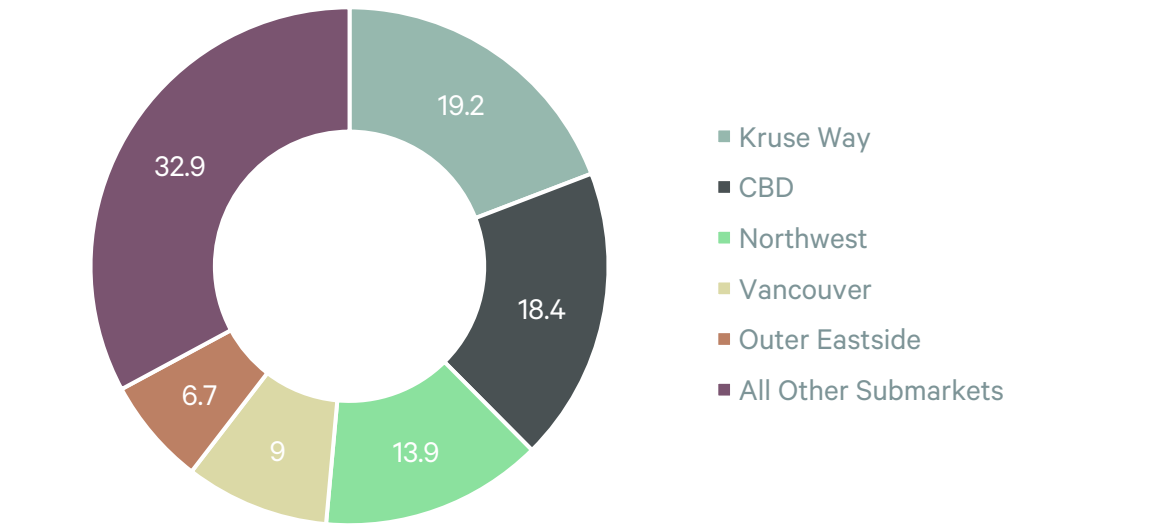
CBRE Research, Q3 2026

Leasing Activity

Leasing activity in Q3 2026 remained healthy but eased compared with Q2 2026 while improving relative to Q3 2025. Total leasing volume reached 960,000 sq. ft. in the quarter, and YTD leasing activity totaled 2.72 million sq. ft. Leasing volume declined 1.4% QoQ from 974,000 sq. ft. in Q2 2026 but increased 22.3% YoY from 785,000 sq. ft. in Q3 2025. Across submarkets, leasing activity was broadly positive in Q3 2026, with Kruse Way and the CBD recording the highest combined volumes. Kruse Way registered 147,000 sq. ft. of leasing, followed by the CBD at 164,000 sq. ft., with strong activity also in Northwest at 112,000 sq. ft., Vancouver at 71,000 sq. ft., Washington Square at 43,000 sq. ft., Outer Eastside at 55,000 sq. ft.

Q3 leasing activity was led by Black & Veatch, which signed the quarter’s largest transaction with a 33,000 sq. ft. new lease at 4949 Meadows Road in the Kruse Way submarket. Regus completed two sizeable transactions: a 20,000 sq. ft. renewal in Washington Square and a 15,000 sq. ft. new lease in Vancouver. The legal sector remained active during the quarter, highlighted by Lewis Brisbois’ 18,000 sq. ft. renewal in the CBD and Buckley Law’s 16,000 sq. ft. renewal in Kruse Way. Other notable transactions included new leases by Propel Insurance and New Narrative Integrative Mental Health, further supporting leasing momentum across the Portland office market.

Figure 4: Leasing by Submarket (% of Total Activity)



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Table 1: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Black & Veatch	33,000	New Lease	4949 Meadows Rd	Kruse Way
Milestone Systems	24,000	Renewal	5300 Meadows Rd	Kruse Way
Regus	20,000	Renewal	10260 SW Greenburg Rd	Washington Square
Propel Insurance	19,000	New Lease	111 SW 5th Ave	CBD
Lewis Brisbois	18,000	Renewal	888 SW 5th Ave	CBD
New Narrative Integrative Mental Health	17,000	New Lease	710 NE Holladay St	Lloyd Center
Buckley Law, PC	16,000	Renewal	5300 Meadows Rd	Kruse Way
Regus	15,000	New Lease	805 Broadway St	Vancouver

CBRE Research, Q3 2026

Net Absorption

In Q3 2026, total net absorption across Class A, Class B and Class C space was 228,000 sq. ft., marking the second consecutive quarter of positive demand. This Q3 2026 total was above the Q2 2026 result, with net absorption QoQ exceeding the 114,000 sq. ft. recorded in that period. On a YoY basis, the market showed substantial improvement, with Q3 2026 net absorption exceeding the negative 133,000 sq. ft. posted in Q3 2025 by 362,000 sq. ft.

Among submarkets, Kruse Way and Vancouver recorded the strongest positive net absorption in Q3 2026. Central Eastside and Tualatin were the next-largest gainers, with net absorption of 30,000 sq. ft. and 29,000 sq. ft., respectively. On the downside, the CBD posted the deepest contraction with negative 75,000 sq. ft. of net absorption, followed by Airport Way with negative 16,000 sq. ft. during the quarter. Kruse Way delivered 100,000 sq. ft. of net absorption and Vancouver followed with 81,000 sq. ft., highlighting where occupiers expanded their footprints most meaningfully.

Construction Activity

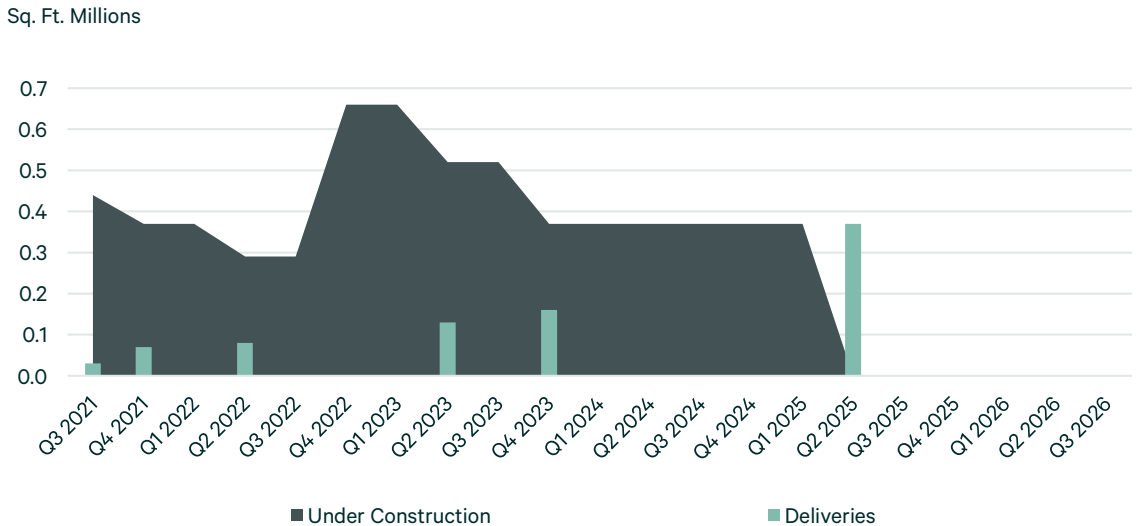
In Q3 2026, there was no construction activity in the market, with no space under construction and no construction delivered. For calendar year 2026 to date, no space was under construction and no construction was delivered. Under construction and delivered construction both remained at zero quarter-over-quarter and year-over-year.

Figure 5: Historical Net Absorption Trend by Class



CBRE Research, Q3 2026

Figure 6: Historical Construction Activity



CBRE Research, Q3 2026

Investment Sale Activity

Q3 2026 Portland office investment sales volume declined from both the previous quarter and year-ago period. Quarterly sales volume totaled \$66.6 million, down from \$87.4 million in Q2 2026 and \$101.1 million in Q3 2025, representing a 23.8% QoQ decline and a 34.1% YoY decline. Through the first three quarters of 2026, Portland office investment sales volume reached \$185.7 million

Q3 2026 sales activity was highlighted by several notable office transactions across the CBD, Beaverton, Vancouver and Central Eastside submarkets. The largest deal was the sale of Park Avenue West Office in the CBD, totaling 193,914 sq. ft. and trading for \$35.4 million (\$182.55 per sq. ft.). Creekside Corporate Park in Beaverton followed as the second-largest transaction, selling for \$17.3 million, or \$270.05 per sq. ft. Additional prominent sales included 1905 Northwest 169th Place in Beaverton, 14300 Southeast 1st Street in Vancouver, Jackson Tower in the CBD and 524 East Burnside Street in Central Eastside, with sale prices ranging from \$3.1 million to \$4.1 million.

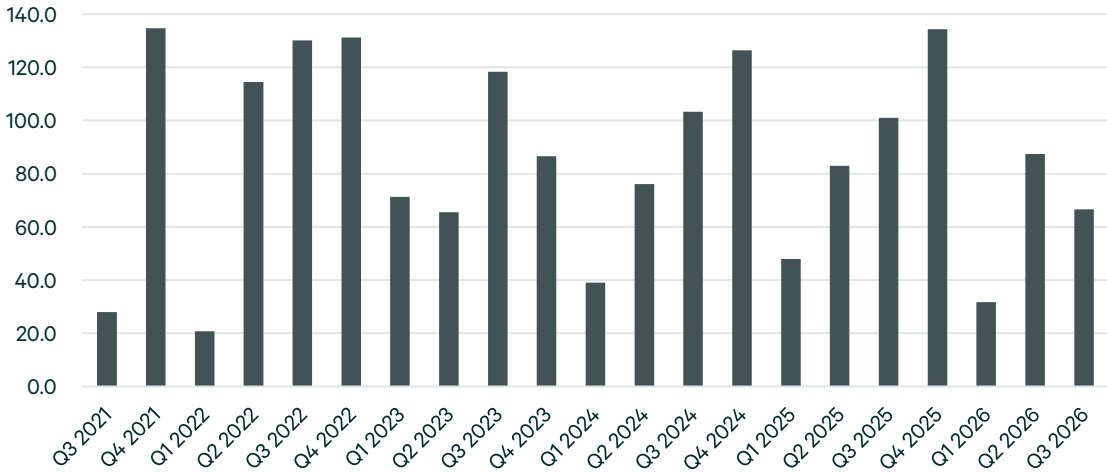
Table 2: Key Sales Transactions

Property	Size (SF)	Submarket	Sale Price	Price/Sq. Ft.	Buyer
Park Avenue West	203,359	CBD	\$35,400,000	\$182.55	Swickard Auto Group
Creekside Corporate Park	63,992	Beaverton	\$17,281,195	\$270.05	The Oregon Clinic
Twin Oaks Plaza	18,000	Hillsboro	\$4,100,000	\$227.78	Westside Behavior Therapy
Jackson Tower	53,774	CBD	\$3,250,000	\$60.44	Hadi Nouredine
bSIDE6	24,126	Lloyd District	\$3,050,000	\$126.42	Attorney Paul Solomon
Mohawk Building	71,568	CBD	\$2,861,534	\$39.98	Healthpeak Properties, Inc.

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Figure 7: Historical Quarterly Sales Volume

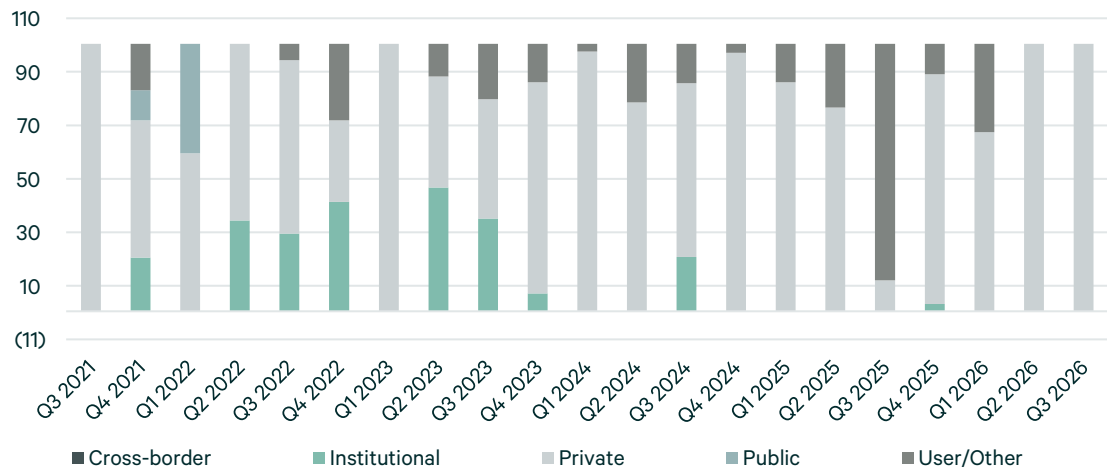
\$ (millions)



MSCI Real Capital Analytics, Q3 2026

Figure 8: Historical Buyer Composition

%



MSCI Real Capital Analytics, Q3 2026

Market Statistics by Submarket

Table 3

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (\$F)	YTD Net Absorption (\$F)	Deliveries (\$F)	Under Construction (\$F)
Airport Way	548,000	27.0	34.8	33.4	1.4	19.86	20.21	(16,000)	(32,000)	-	-
Barbur Blvd	425,000	11.6	13.3	13.3	-	18.99	-	1,000	1,000	-	-
Beaverton	3.20M	13.1	24.7	13.9	10.8	25.96	28.24	(4,000)	(16,000)	-	-
CBD	16.98M	38.8	43.0	40.6	2.4	34.09	39.18	(75,000)	(247,000)	-	-
Central Eastside	2.33M	31.5	34.2	30.1	4.1	27.09	40.46	30,000	46,000	-	-
Clackamas	1.18M	7.2	7.8	7.5	0.3	25.61	31.09	8,000	15,000	-	-
Hillsboro	2.24M	21.0	24.7	17.4	7.3	27.32	27.64	4,000	18,000	-	-
Johns Landing	1.47M	18.6	21.5	19.8	1.7	28.16	32.85	(8,000)	11,000	-	-
Kruse Way	2.58M	20.4	20.1	17.9	2.2	42.55	43.80	100,000	81,000	-	-
Lake Oswego	442,000	9.9	10.8	9.4	1.5	31.09	31.80	9,000	5,000	-	-
Lloyd Center	1.57M	24.0	32.0	31.6	0.4	34.86	34.89	18,000	1,000	-	-
Northwest	6.06M	35.9	38.4	34.0	4.4	34.05	42.73	14,000	19,000	-	-
Out of Submarket	233,000	2.7	2.7	2.7	-	28.65	32.00	-	3,000	-	-
Outer Eastside	2.06M	15.9	15.2	14.5	0.7	21.32	31.03	(10,000)	(21,000)	-	-
Tigard	2.19M	16.5	19.8	17.5	2.3	27.57	31.42	26,000	9,000	-	-
Tualatin	753,000	22.0	25.1	23.7	1.3	28.63	31.66	29,000	35,000	-	-
Vancouver	5.36M	10.2	10.2	8.4	1.8	27.05	29.27	81,000	126,000	-	-
Washington Square	1.17M	35.3	37.0	36.2	0.8	34.52	34.99	27,000	(21,000)	-	-
West Hills	884,000	13.9	15.0	14.7	0.3	23.16	34.00	(6,000)	(9,000)	-	-
Wilsonville	722,000	4.6	5.5	3.4	2.1	26.71	-	1,000	4,000	-	-
Total	52.39M	26.5	29.8	26.7	3.0	32.54	37.79	228,000	27,000	-	-

CBRE Research, Q3 2026

Market Statistics

Table 4: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.46M	37.4	42.0	39.4	2.6	39.42	(36,000)	(88,000)	-	-
Class B	8.43M	34.7	37.5	33.2	4.3	29.70	24,000	(66,000)	-	-
Class C	6.05M	37.8	41.8	40.4	1.4	25.40	(1,000)	(28,000)	-	-
Total	26.94M	36.7	40.6	37.7	2.9	33.70	(13,000)	(182,000)	-	-

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Table 5: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	11.18M	18.7	20.9	18.6	2.3	33.61	202,000	201,000	-	-
Class B	12.06M	13.5	17.0	12.5	4.5	25.51	62,000	39,000	-	-
Class C	2.15M	12.8	12.5	12.3	0.2	18.67	(23,000)	(32,000)	-	-
Total	25.46M	15.7	18.3	15.1	3.2	29.42	241,000	208,000	-	-

CBRE Research, Q3 2026

Note: Numbers presented throughout this report have been rounded for readability. As a result, individual line items may not sum to totals shown. All figures should be considered approximate.

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 within 30 days.

Survey Criteria

Includes all office buildings 10,000 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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