

Portland Metro

# 2022 Market Insight Report



Q3 2022 Office Market

cresa



## Portland Metro



# Portland Metro Overview

While the Portland metro is still trying to claw its way out of the doldrums of the pandemic, we're now being hit with economic headwinds of inflation, lack of market demands, and continued uncertainty plaguing the 3rd quarter. Amidst the direct vacancy that continues to climb, nearly every technology company in the downtown core is either a) subleasing their space or b) attempting to negotiate early lease buyouts. In a city that was on a tremendous growth trajectory for tech, we're now reeling from the golden days of a couple years past. Nearly all companies from AirBnB, Puppet, Vacasa, Momenive, New Relic, to startups, among many, many others are now a physical shell of what they once were in a vibrant ecosystem. Another recent tech announcement was the sale of Brainium, which was a bright spot during Covid, where they took a full floor at Tanner Point. We will be watching what happens there. Beyond tech, we continually monitor the general office market activity; who's moving, staying, rightsizing, closing, expanding, etc. and the overall health of the metro.

## Some Bright Spots

Due to the Portland region being known as an outdoor and apparel magnet, we continue to see growth in this sector, with new offices opening for Fila, Arc'teryx, HOKA and others taking shape over the past quarter. The majority of these offices are in Slabtown, the Pearl District, and the Stadium District, all peripheral of downtown. The one change is Sorel moving from downtown to the Columbia Sportswear HQ in Washington County.

## If You Build It, They Will...

Well...in the cases of Nike, Intel, Hitachi and other Portland suburban behemoths (and data centers like Flexential and QTS, among others), where their massive developments are nearing completion (if not done), the idea is that they will be filled with people. Ah...only time will tell.

## Groundhog Day

Unfortunately, the downtown office market continues to wake up to the same story as the past few quarters. Vacancy has increased (close to 30%, and with the addition of "shadow" vacancy, likely closer to 40%). Businesses are still unpacking from the effects of Covid and remote work policies, coupled with the continued challenges of safety and economic/tax structure of Multnomah County. We're hoping that Punxsutawney Phil does not see his shadow and we will emerge into some new, invigoration!

## Portland Metro

Market Size (SF)  
**102.81M SF**



Vacancy  
**13.2%**



Availability  
**16.3%**



Leasing Activity  
**678K SF**



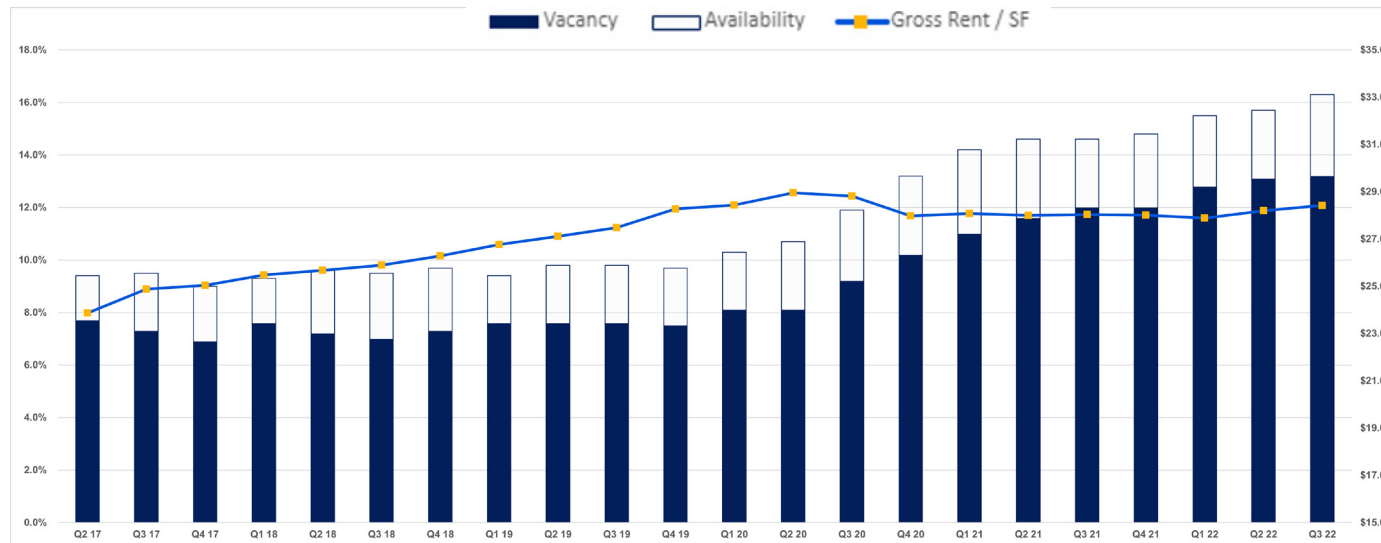
Rent/SF Class A  
**\$32.74**



Rent/SF Class B  
**\$26.90**

Arrows Indicate One Year Change

## Historical Rent, Availability, &amp; Vacancy



Data: Q2 2022 CoStar. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000

## In the News



**Liberty Mutual leaving Lloyd District for far smaller suburban office**

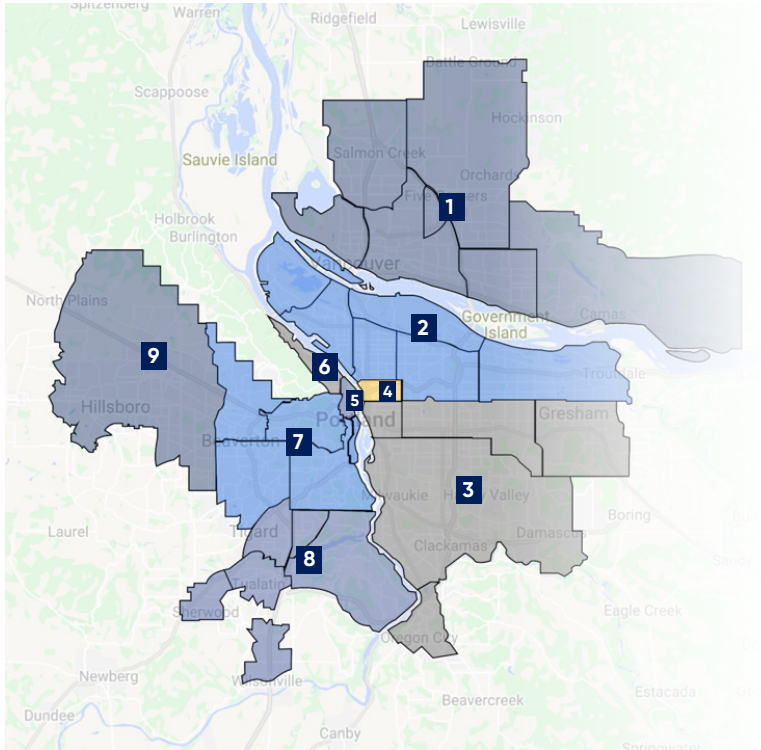


**Shake Shack hiring for downtown Portland restaurant**



**Amazon pauses Canby center that was supposed to bring 500+ jobs**

# Submarket Overview



OVERALL - CLASS A, B, C							CLASS A		CLASS B	
	Submarket	Market Size (SF)	Available %	Available SF	Available Sublet SF	Leasing Activity: Deals YTD	Vacancy %	Gross Rent/SF	Vacancy %	Gross Rent/SF
1	Clark County	11.37 M	7.0%	800,709	91,773	45	10.0%	\$27.03	5.2%	\$23.91
2	Northeast	8.88 M	6.2%	547,911	105,543	14	0.7%	\$27.74	5.3%	\$19.89
3	Southeast	8.23 M	12.3%	1,011,336	119,913	34	27.5%	\$33.07	10.0%	\$25.41
4	Lloyd District	5.48 M	15.1%	830,779	71,045	23	7.1%	\$36.62	9.1%	\$23.25
5	CBD	29.40 M	27.0%	8,022,831	970,328	39	21.2%	\$31.21	23.8%	\$26.99
6	Northwest	3.62 M	24.7%	895,750	215,346	7	58.1%	NA	27.8%	\$26.77
7	217 Corridor/SW	10.40 M	18.0%	1,875,267	262,897	56	21.8%	\$29.85	14.7%	\$23.49
8	I-5 Corridor	10.95 M	16.6%	1,819,825	268,895	30	17.6%	\$35.88	12.7%	\$32.11
9	Sunset Corridor (Hillsboro)	14.62 M	6.8%	991,759	115,481	8	2.5%	\$28.00	7.9%	\$24.86
	<b>Overall Market</b>	<b>102.97 M</b>	<b>16.3%</b>	<b>16.80 M</b>	<b>2.22 M</b>	<b>256</b>	<b>15.0%</b>	<b>\$32.74</b>	<b>13.5%</b>	<b>\$26.90</b>

Data: Q3 2022 CoStar. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000 SF



# Notable Leases

Tenant	Address	Submarket	Size (SF)	Sign Date	Type	Move In
Garmin	6600 SW Nimbus Ave	I-5 Corridor	26,899	May 2022	New - Relocation	Sept 2022
Metro. Public Defender Services	101 SW Main St	CBD	26,072	May 2022	New - Relocation	July 2022
TriMet	101 SW Main St	CBD	95,000	Jan 2022	New - Relocation	Jan 2022
Digimarc	8500 SW Creekside Pl	Sunset Corridor	65,000	Feb 2022	New - Relocation	Sept 2028
Microsoft	9800 NE Gibbs Dr	217 Corridor/SW	85,000	Dec 2021	New - Additional Location	Dec 2021
ZoomInfo	100 SE Columbia Way	Clark County	365,995	Sep 2021	New - Relocation	Jan 2025
Planar Systems, Inc.	1195 NW Compton DR	Sunset Corridor	76,161	Aug 2021	Renewal	Feb 2021
Fortier Solutions	5800 NW Pinefarm Pl	Sunset Corridor	71,434	Aug 2021	Renewal	Aug 2021
Q5id	6755-6799 NE Bennett St	Sunset Corridor	67,000	Aug 2021	New - Relocation	Oct 2021
Ampere	1250 NW 9th Ave	CBD	57,296	Jun 2021	New - Additional Location	Jan 2022

## Notable Subleases

Tenant	Address	Submarket	Size (SF)
Digimarc	8500 SW Creekside Pl	Sunset Corridor/Hillsboro	65,000
Finastra	621 SW 5th Ave	CBD	27,160
Jama Software	110 SW Yamhill	CBD	30,213
The Oregonian	1500 SW 1st Ave	CBD	37,430
New Relic	111 SW 5th Ave	CBD	23,677
Providence	1201 Lloyd	CBD	21,643
Clear Result	100 SW Main St	CBD	62,310
McAfee	5505 NE Moore Ct	Sunset Corridor/Hillsboro	89,594
Ariba	308 SW 2nd Ave	CBD	39,694
Evanta	222 SW Columbia	CBD	19,702





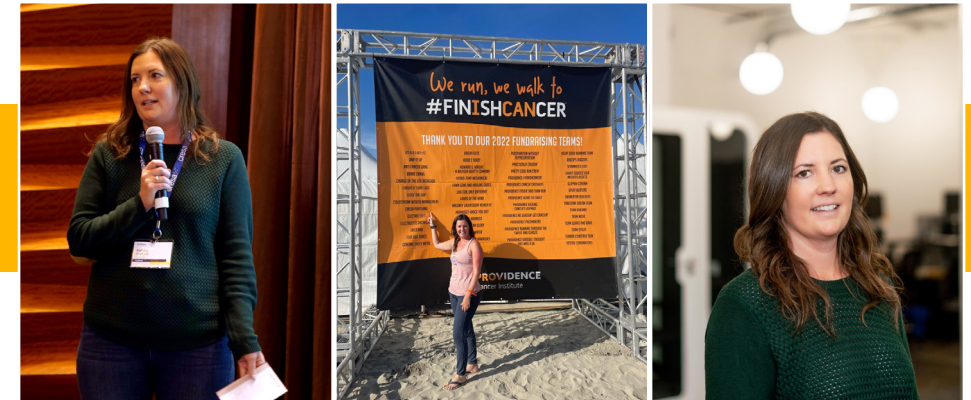
## Portland Metro



## Habitat for Humanity: Cresa Portland team's volunteer build day

Last month, the Cresa Portland team spent a heartfelt and sweaty day volunteering with Habitat for Humanity Portland Region helping to build a house for a family in need. The team dug trenches for electrical, caulked, and assisted with finish work.

The day was a perfect combination of giving back to the community and spending time outside of the office together. Looking forward to the next!

[WATCH THE VIDEO](#)


## Kelsey Machuca, Senior Advisor, Honored with Daily Journal of Commerce Oregon's Women of Vision

[Kelsey Machuca](#) has been with the [Cresa Portland](#) office for almost 4 years and is instrumental to everything Cresa is building in Portland. In addition to her ability to connect and engage with clients and other partner advisors on projects, she is an incredible brand ambassador. She collaborates with everyone in the office, has an infectious energy and people just love doing business with her!

In 2019, Kelsey joined the Commercial Real Estate Women ([CREW Portland](#)) Network and immediately began serving as a member of the Programs Committee. In 2020 and 2021, she was selected to a leadership role as Co-Chair of the Programs Committee, and in 2022 she was selected as Director of Programs Committee and inducted as a Board Member.

This year, along with all her other community and firm involvement, Kelsey spearheaded the first ever Cresa Portland sponsored [Hood to Coast Race Series](#), raising over \$12,000 for [Providence Cancer Institute](#) for cancer research!

What a team player! Congratulations, Kelsey!



## Portland Metro

## Cresa Portland sponsors their first Hood to Coast Team



Hood To Coast 2022 is in the books for the [Cresa Portland Hood To Coast Race Series team](#)!

After months of preparation and fundraising, the team pounded the pavement (gravel, bark dust, & sand) 199 miles in a time of 29 hours and 33 mins, which was a 8 min 59 second a mile pace. We placed 335th out of 1045 teams!!

The traffic jams, lack of sleep and sore muscles were a temporary side effect of making some amazing memories with an awesome team and fundraising a total of **\$12,870.00** for [Providence Cancer Institute](#).

Thank you again to all the people who supported us through the journey, we appreciate you all. Looking forward to Hood To Coast 2023!

## Greg Schementi Takes the Reins as Cresa President

Veteran real estate leader [Greg Schementi](#) has joined occupier-centric commercial real estate firm Cresa as president, based in [Chicago](#). Schementi was hired last summer but only now takes the reins as certain employment restrictions have expired.

Said Cresa CEO [Tod Lickerman](#), “Greg is a transformational leader and one of the top professionals in the tenant representation space. We are thrilled to welcome him to our team.”

In Schementi’s previous role as president, Americas tenant representation at Cushman & Wakefield, he led the tenant representation service line and oversaw its strategic consulting practice, business incentives function and international service desk.



Previously, Schementi managed the portfolio solutions practice for Cushman & Wakefield in the Americas, focusing on solution development and client care initiatives for occupiers of office and industrial assets. In prior roles, he led the brokerage businesses and business development functions for Cushman & Wakefield predecessors Equis, UGL and DTZ.

### [Read More](#)

*This article was originally published in [Connect CRE](#).*

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## 'Inherently Suspect': Why Is Dual Agency Everywhere in U.S. Commercial Real Estate when it's Banned in the UK?

Published in BISNOW on 9/14/22 | by Miriam Hall and Molly Armbrister

Commercial real estate brokerage is a profession filled with traditions and legacy, passed through generations of new agents — and it is one that has long been resistant to reform. But a pair of lawsuits this year in the nation's capital has cast a spotlight on one of the industry's most controversial, longstanding practices: dual agency.

In the U.S., the same entity often represents both sides of a lease or sale transaction — sometimes an individual broker, but quite often different brokers from the same firm. Known as dual agency or representation, this practice is the bedrock of many of the nation's biggest deals.

The largest real estate organization in the United Kingdom banned the practice in 2018. But in the U.S., as the giants of commercial brokerage have gobbled up market share, critics say clients have fewer choices than ever.

[READ THE FULL ARTICLE](#)

**“You get more and more pressure on these firms that represent both occupiers and landlord, more pressure from the landlords, and ultimately it's the occupier that's going to suffer.”**

**Tom Birnbach**  
Cresa Vice Chairman



Click to listen to the podcast

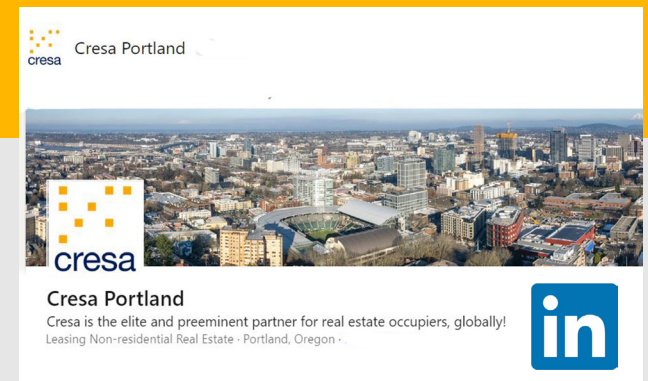
### Cresa Portland's podcast!

From the people, the culture and their thoughts on the future of work, host Blake St. Onge interviews leaders from Portland's most respected companies to learn about what makes their workplace unique. We also dive into the commercial real estate market & workplace trends that will help shape the future of business in Portland for years to come.

### Tune in to our YouTube channel!



### Connect with us on LinkedIn!





# Meet the Team



Click to learn more about our advisors



Blake St. Onge  
Managing Principal



Sean Heaton  
Principal



Josh Haynes  
Vice President



Michael Whitten  
Vice President



Sean Connors  
Senior Advisor



Kelsey Machuca  
Senior Advisor



Jessika Jones  
Senior Advisor



Hayley Mueller  
Advisor



Roberto Nelson  
Advisor



AJ Peash  
Account Manager



Angel Lara Parga  
Project Coordinator



Chelle Dey  
Operations Associate



## About Cresa Portland

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

## Contact

For more information about Cresa and the Portland CRE Market, please contact:

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