

A panoramic view of the Portland, Oregon skyline. In the foreground, a river flows past a park area with several cherry blossom trees in full bloom. The middle ground is filled with a variety of office buildings, including a prominent glass skyscraper and a tall brick building. The background shows a hilly cityscape under a blue sky with scattered white clouds.

Portland Metro

Q1 2024

# Market Insight Report

Q1 2024 Office Market

cresa



# Portland Metro Overview

Spring is upon us, and we're beginning to feel (at least anecdotally) that the markets are starting to bud a bit! Some of the Portland submarkets have already been in blossom for a while (à la SW Portland/Lake Oswego), and some of the core occupier birds are starting to chirp (no, I'm not talking about Cosmo, the talking crow!). While deal velocity and average deal size remain tepid in Q1, Punxsutawney Phil didn't see his shadow!

With so much leasing velocity in the Portland market from 2016 to 2019 (when the bees were buzzing strong), it was inevitable that many of those longer-term leases would be up for expiration in the coming 12 - 24 months, along with "COVID-kicked" leases from 2020 to 2022. So the sun will hopefully be coming out of the eclipse soon. There's a notable increase in users under 5,000 sf, not necessarily market needle movers, but the volume and activity are all we can hope for coming out of a VERY LONG winter.



## Some Signs of Life

A few large leases have been consummated (Jaguar-Land Rover, Tesla, Trimble), showing some signs of life.



## City Activation

The **Downtown Business Incentive Credit Program** will hopefully spur some activity.



## Flight to Quality

As leases get set to expire, many tenants are considering optimizing and rightsizing their footprints while relocating to higher quality assets that meet their business model.

Portland Metro



Market Supply (SF)  
107.48M SF



Vacancy  
14.2%



Availability  
17.1%



Leasing Activity (SF)  
710K SF



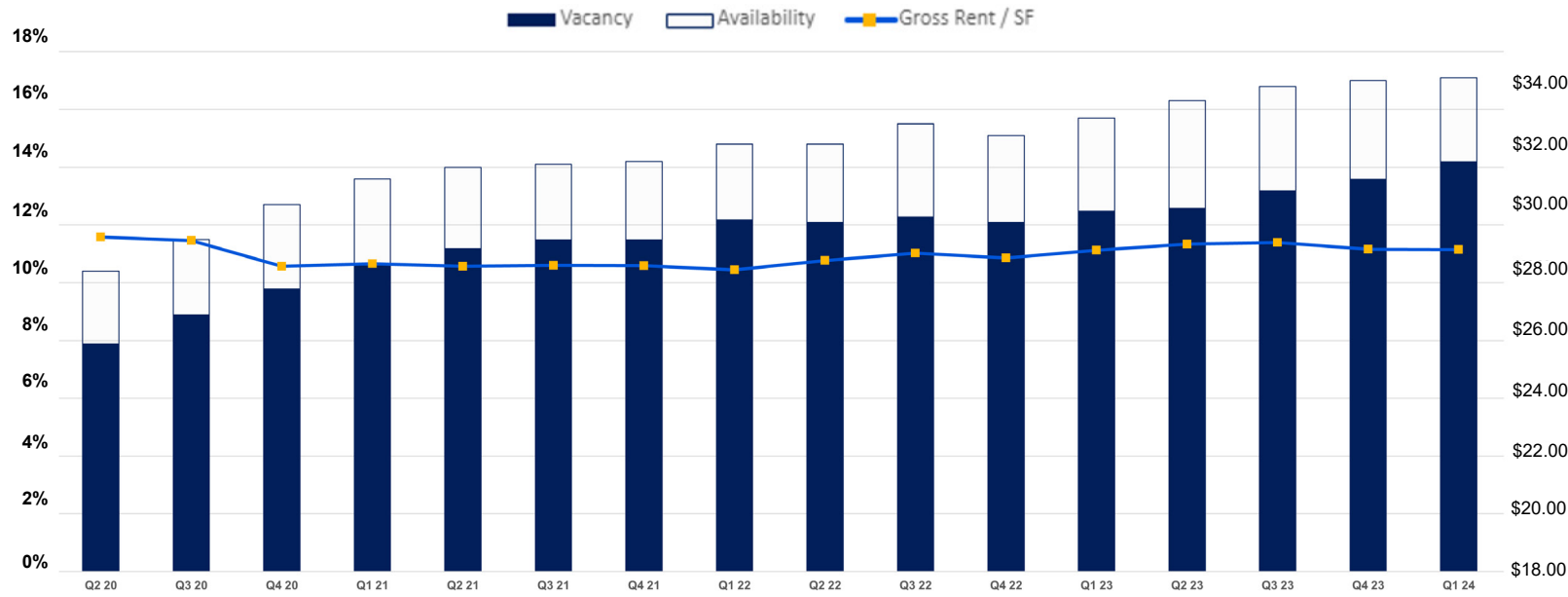
Gross Rent/SF Class A  
\$32.85



Gross Rent/SF Class B  
\$27.29

Arrows Indicate One Year Change

Historical Rent, Availability, & Vacancy



Data: Q1 2024 CoStar. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000 SF

In the News



Portland Logs 'Highest Vacancy Rate of Any Downtown Office Market in the Entire Country': Report



Tesla Leases 43,000 Square Feet in Portland



Missouri Developer to Redevelop 49-Acre Former Steel Plant in St. Johns

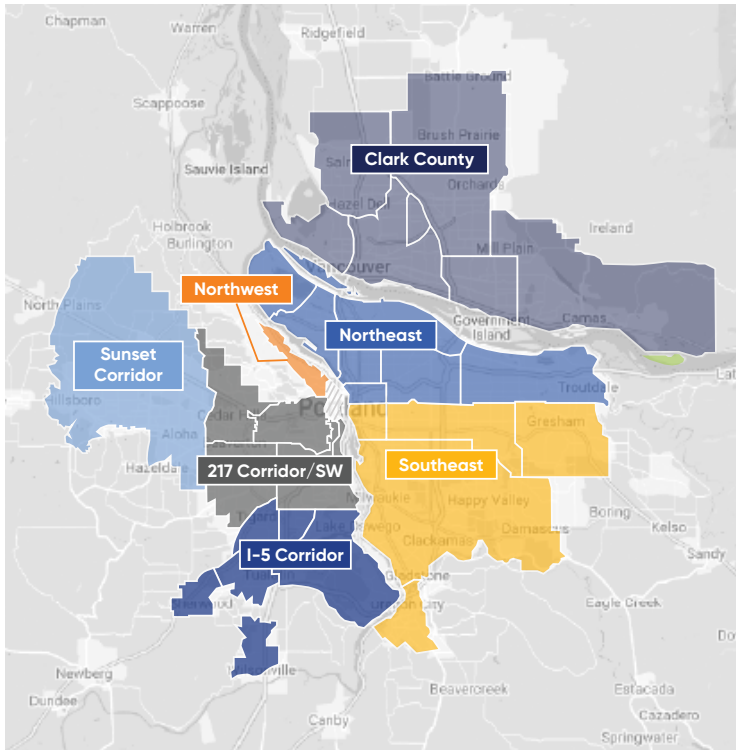


After Fairness Complaints, Portland Expands Office Lease Tax Credit



Why Portland Commercial Real Estate Firms See Opportunity Amid the Gloom

# Submarket Overview



	Submarket	OVERALL - CLASS A, B, C					CLASS A		CLASS B	
		Market Size (SF)	Vacancy %	Available Sublet (%)	Available Sublet SF	Leasing Activity Deals	Vacancy %	Gross Rent/SF	Vacancy %	Gross Rent/SF
1	Clark County	11.56 M	6.6%	2.2%	262,973	38	7.9%	\$28.79	6.8%	\$24.03
2	Northeast	9.13 M	4.5%	0.8%	68,683	11	6.3%	\$26.95	4.2%	\$22.77
3	Southeast	8.43 M	9.8%	1.5%	207,249	54	26.0%	\$32.07	8.7%	\$22.85
4	Lloyd District	5.55 M	13.0%	0.8%	169,002	12	15.6%	\$34.00	10.7%	\$26.06
5	CBD	29.42 M	25.3%	2.1%	951,338	44	27.9%	\$31.44	23.1%	\$25.08
6	Northwest	3.87 M	19.1%	5.6%	96,768	7	28.2%	\$31.44	23.0%	\$25.13
7	217 Corridor/SW	10.55 M	13.7%	1.9%	153,176	40	23.5%	\$31.05	13.9%	\$25.23
8	I-5 Corridor	10.99 M	14.6%	1.4%	227,365	46	19.7%	\$37.00	15.0%	\$33.58
9	Sunset Corridor (Hillsboro)	17.98 M	7.2%	3.0%	372,575	16	4.4%	\$26.40	10.7%	\$24.23
	<b>Overall Market</b>	<b>107.48 M</b>	<b>14.2%</b>	<b>1.4%</b>	<b>2.51 M</b>	<b>268</b>	<b>18.9%</b>	<b>\$32.85</b>	<b>13.6%</b>	<b>\$27.29</b>

Data: Q1 2024 CoStar. Portland Metro Submarkets. Class A, B, C Office Buildings above 5,000 SF

## Portland Metro

## Notable Leases

Tenant	Address	Submarket	Size (SF)	Type	Move In
Sockeye Creative	240 N Broadway	Lloyd District	6,800	Renewal	Feb 2024
Jaguar/Land Rover	2034 NW 27th Ave	Guild Lakes	50,000	New - Relocation	Jul 2024
Big Indie	811 SE Stark St	Lloyd District	15,664	New - Relocation	Mar 2024
Summit Headlands	2701 NW Vaughn St	NW Close-In	11,117	New - Relocation	Mar 2024
Holtz Homes	1301 SE Tech Center Dr	Cascade Park	32,228	New - Relocation	Aug 2024
LegitScript	111 SW 5th Ave	CBD	20,000	New - Relocation	Apr 2024
MTI	2345 NW Amberbrook Dr	Sunset Corridor	14,092	Renewal	Jan 2024
Opsis Architecture	975 SE Main St	SE Close-In	14,395	New - Relocation	Jul 2024
Tesla	690-720 S. Bancroft St	Johns Landing	43,216	New - Relocation	Jun 2024
Vista Capital Partners	9755 SW Barnes Rd	North Beaverton	11,916	New - Relocation	Mar 2024

*\*Data covers the past 12 months*

## Notable Subleases

Tenant	Address	Submarket	Size (SF)	Time in the Market
Farallon Consulting	4380 SW Macadam Ave	Johns Landing	7,280	7 wks
Women's Healthcare Associates, LLC	700 NE Multnomah St	Lloyd District	17,446	7 wks
Center for Social Dynamics	5847 NE 122nd Ave	Airport Way	12,117	8 wks
Aspen Capital	13190 SW 68th Pky	Tigard	9,771	18 days
Duffy Kekel	900 SW 5th Ave	CBD	5,634	6 wks
Square	400 SW 6th Ave	CBD	21,371	11 wks
AutoDesk	221 SE Ankeny St	Lloyd District	20,000	6 wks
VIR Biotechnology	5100 S Macadam Ave	Johns Landing	6,981	4 wks
DaVita Kidney Care	3514 NE Sandy Blvd	Lloyd District	8,160	2 days
Coinbase	920 SW Sixth Ave	CBD	32,568	8 wks



# Portland Metro

## Entrepreneur of the Year Nominations are Now Open

We are thrilled to announce nominations are now officially open for the 2024 **EY Entrepreneur of the Year** program! **Cresa** is a proud sponsor of this global program. As representatives for the Mountain West region, our one and only **Cresa Portland** team plays a pivotal role in selecting nominees who will represent our vibrant community.

The **EY** Entrepreneur of the Year is more than just an award. It's a global recognition program that honors extraordinary entrepreneurs who are redefining our way of life. These individuals stand out for their creativity, dedication, and vision, significantly impacting our community through their business achievements. This prestigious program provides a unique platform to showcase the world's most innovative and visionary entrepreneurs. Participants gain the opportunity for industry-wide recognition, access to an elite network of exceptional business minds, and extensive media exposure both nationally and internationally.

Are you a business owner or founder based in Oregon? An entrepreneur(s) with a compelling success story driven by innovation, strong financial performance, and a deep commitment to their business and community? An Individual(s) who exemplify the spirit of entrepreneurship.

Does this describe you or someone you know? We encourage you to come forward. Let's celebrate the entrepreneurial spirit that fuels progress in our community!

For any inquiries about the program or the nomination process, please feel free to reach out to our Cresa Portland team. We're here to provide you with all the necessary information.



## Sean Connors Appointed as Board Investor of Sport Oregon

Exciting news: **Cresa Portland** steps up as **Sport Oregon** board investor!

We're thrilled to announce that Cresa Portland's **Sean Connors** is bringing his strategic expertise to Sport Oregon as a Board Investor, a role that will support Sport Oregon's mission to fuel economic development and uplift Oregonians' quality of life through the power of sports.

Key impacts of Sport Oregon include:

- Economic: Driving a sports tourism sector that's a national economic powerhouse.
- Social: Championing inclusivity and unity through sports across diverse communities.
- Emotional: Enhancing community connection through shared passion for sports.

With this investment, Sport Oregon continues to shape a vibrant future for our state through landmark events, advocacy, and digital leadership in sports tourism. The Sport Oregon Foundation's initiatives like SHE FLIES are empowering the next generation through sports.

Sean and Cresa Portland look forward to supporting this great organizations in 2024 and beyond.



## Blanket Making with Community Warehouse

**Cresa Portland** got crafty as the team dedicated our afternoon to a cause that touches hearts and homes across our community. We had the honor of making blankets for our client, **Community Warehouse**, a remarkable non-profit organization with a mission as warm and comforting as the blankets we crafted.

Community Warehouse stands out as a beacon of hope, transforming empty houses into welcoming homes for individuals and families overcoming adversity. With a vision that everyone deserves a comfortable home, they serve the community by connecting donated household goods and furnishings to create stronger homes and brighter futures.

Community Warehouse is more than a furniture bank; it's a cornerstone for building brighter futures. From mattresses to kitchen tables, they ensure that essential household items reach those who need them most. Their work, fueled by donations and volunteers, has been a critical support system for our community, especially in challenging times.

We are proud to support Community Warehouse and encourage everyone to explore how they can contribute to this vital mission. Whether it's through donating household items, volunteering your time, or making a financial contribution, every bit helps in making our community a better place for all. Together, we can turn houses into homes.

Thank you to Caty Williams from Community Warehouse for spending the afternoon with us and sharing more about the organization's mission and for giving us a tutorial on how to make the blankets.

Learn more about Community Warehouse and how you can get involved:  
[www.communitywarehouse.org](http://www.communitywarehouse.org)



## Andrew Davis and Sean Brennecke Celebrate One Year with Cresa Portland

In March, the team took some time for lunch at **10 Barrel Brewing Company** to celebrate the one year work anniversary of **Sean Brennecke** and **Andrew Davis** at Cresa Portland. Their dedication, expertise, and commitment have significantly contributed to our collective success of the team.



Sean and Drew, thank you for all that you do. Your contributions have been invaluable, and we eagerly anticipate the successes and accomplishments we will achieve together in the years to come!

## Hayley Mueller Nominated as Treasurer Elect for CREW Portland

We are thrilled to announce that our Cresa Portland teammate **Hayley Mueller** has been nominated to become the Treasurer Elect for **CREW Portland**. This nomination is a testament to her dedication, expertise, and the respect she has earned within the commercial real estate industry within our community.

Hayley will be stepping into this pivotal role in January 2025 following the footsteps of the remarkable Brittany Richards, CPA, as she finishes her term as Treasurer. Hayley will transition into her new responsibilities over the next 9 months, with Brittany's mentorship, ensuring a seamless handover and the continued success of CREW Portland.



## International Women's Day

International Women's Day, we took a moment to spotlight the incredible women who make Cresa Portland what it is. **Kelsey Machuca**, **Hayley Mueller**, **Chelle Dey**, and **Summer Blasquez** are the embodiment of dedication, brilliance, and creativity. Their unwavering commitment and unparalleled skills have not only driven our success but have also created an environment where excellence and camaraderie flourish.

Each of these amazing individuals brings their unique strengths and perspectives to our team, making us a stronger, more innovative, and inclusive team. Not only is their presence always felt in our office, but they are also leaders and difference makers outside of the office and in the community.



At **Cresa Portland**, we understand that our team is nothing without the hard work, passion, and leadership of women like Kelsey, Hayley, Chelle, and Summer. Thank you for everything you do. You make us better, and we are immensely grateful for your contributions and for being such amazing people.

Here's to celebrating the incredible women of Cresa Portland, today and every day.

## Grand Opening of Unitus Community Credit Union's Cedar Hills Crossing Branch

We're thrilled to have attended the successful grand opening of **Unitus Community Credit Union's** new branch at **Cedar Hills Crossing**. This move marks a significant milestone for Unitus, as they continue their commitment to serving the booming Beaverton community with even greater convenience and accessibility.

A huge shoutout to our very own **Sean Heaton** and **Kelsey Machuca** for their exceptional work in helping Unitus with this fantastic new location. Their expertise and dedication played a pivotal role in making this transition seamless.

The packed grand opening was nothing short of spectacular, catered by the delicious **Ash Woodfired Pizza**, creating a warm and welcoming atmosphere for everyone who attended.

Cedar Hills Crossing is home to an array of incredible businesses that make the shopping center a go-to destination in the area. From the savory delights of **Elephants Delicatessen**, **Oswego Grill**, and **Wild Fin** to the sweet treats of **Salt & Straw** and **Crumb Cookies**, not to mention the enjoyable experiences offered by **KingPins**, and many more – it's a hub of community and culture.

Let's celebrate this new chapter for Unitus Community Credit Union and the enhanced services they will continue to provide to the Beaverton community. We extend our heartfelt gratitude to **Terie Ebert** from Unitus for her incredible partnership. Here's to many more successes and community-driven initiatives!





# Portland Metro

## Cresa Portland's Healthcare Real Estate Market Newsletter

**Market Trends & Insight:** The themes for 2024 are ongoing financial pressures, staff shortages, and adaptability. As practices enter the Post-Covid recovery period, they will need to remain nimble and proactive in order to navigate through the headwinds. Despite these hurdles, 2024 offers an opportunity for healthcare groups to optimize operations through adoption of AI, strategic review of real estate footprint and offering more competitive benefits packages to retain and attract employees. The implementation of more efficient processes and technologies will likely strengthen practices in the long term.

**Key Tip:** Across the board, deals are taking longer. Groups that are more proactive and explore market options at least 14 months prior to their desired commencement date will be in the best position to leverage the marketplace and achieve more favorable outcomes.



**FIND OUT MORE**

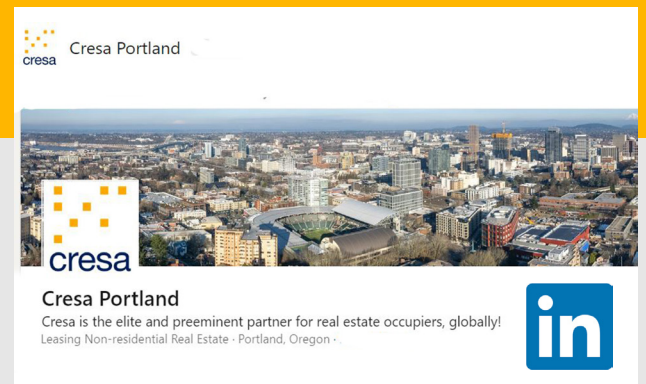
### Cresa Portland is hiring!

Our Portland team is growing, and we're looking for CRE advisors wanting to take their game to the next level! Responsibilities include prospecting & business development, and transaction management services for users of office, industrial and healthcare real estate. The role is supported with senior level mentorship and our full array of client services specifically geared towards the occupier including: strategy, transaction management, portfolio management, lease management, logistics, capital markets, construction management and facilities management services.

### 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  
Managing Principal



Kelsey Machuca  
Senior Vice President



Josh Haynes  
Vice President, PM



Michael Whitten  
Vice President



Sean Connors  
Vice President



Sean Brennecke  
Vice President



Hayley Mueller  
Advisor



Andrew Davis  
Advisor, PM



AJ Peash  
Account Manager



Summer Blasquez  
Advisor, TM



Leo Jaimes Navarro  
Project Coordinator



Chelle Dey  
Operations Associate



Mark Chan  
Founder, Meddy Marketing  
(Marketing Partner)



## 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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