

OVERVIEW

The retail market in Portland did not experience much change from the third quarter 2018, going from 3.1% to 2.9%. Net absorption was a positive 382,286 square feet and vacant sublease space decreased by (8,016) square feet. Quoted rental rates increased slightly, ending at \$18.21 per square foot per year. Seventeen buildings were delivered to the market in the fourth quarter 2018 with 472,479 square feet still under construction.

PORTLAND MARKET SNAPSHOT

VACANCY
2.9%



RENTAL RATE
\$18.21



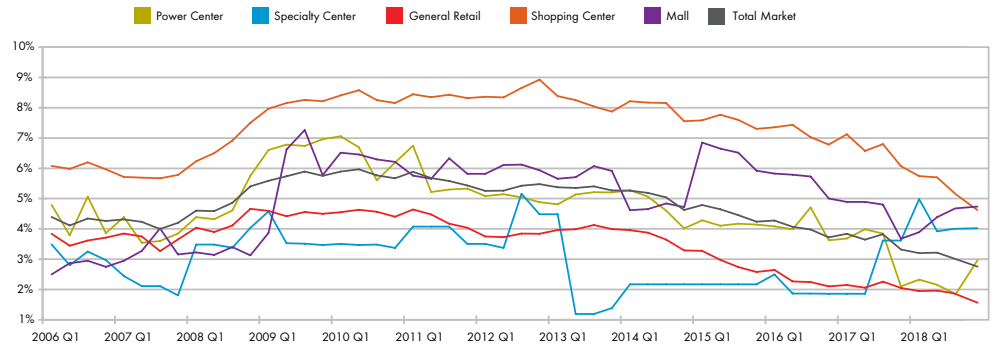
CONSTRUCTION
472,479 SF



ABSORPTION
382,286 SF



Vacancy Rates by Building Type Years 2006 - 2018



VACANCY

The Portland retail vacancy rate decreased in the fourth quarter 2018, ending at 2.9%, continuing a steady decrease over the past four quarters. The first quarter ended at 3.2%.

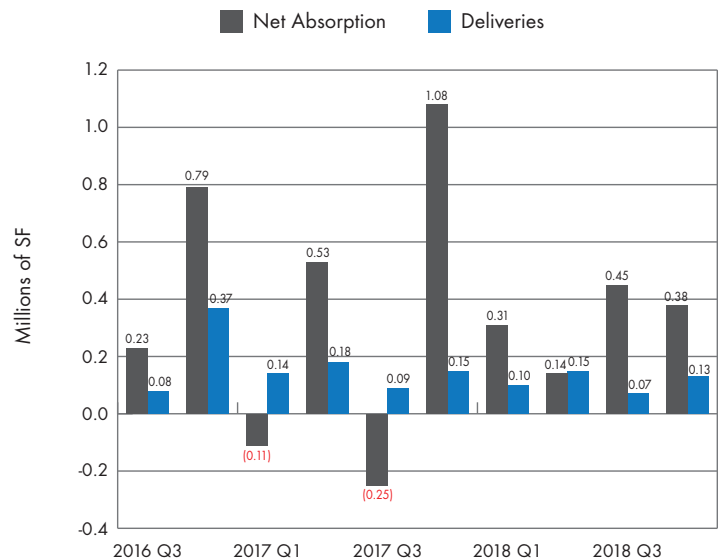
Vacant sublease space has also gone down over the past four quarters. At the end of the first quarter 2018 there were 206,841 square feet of vacant sublease space and the current quarter ended with 181,722 square feet vacant.

ABSORPTION & DELIVERIES

With positive 382,286 square feet absorbed, net absorption was moderate again in fourth quarter 2018. The third quarter saw positive absorption at 417,013 square feet. Currently there are 181,722 square feet vacant in the market.

Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property

DELIVERIES AND CONSTRUCTION

17 buildings totaling 130,908 square feet were completed and delivered during the fourth quarter 2018. 476,969 total square feet have been built in Portland over the past four quarters. 472,479 square feet remain under construction at the end of the quarter.

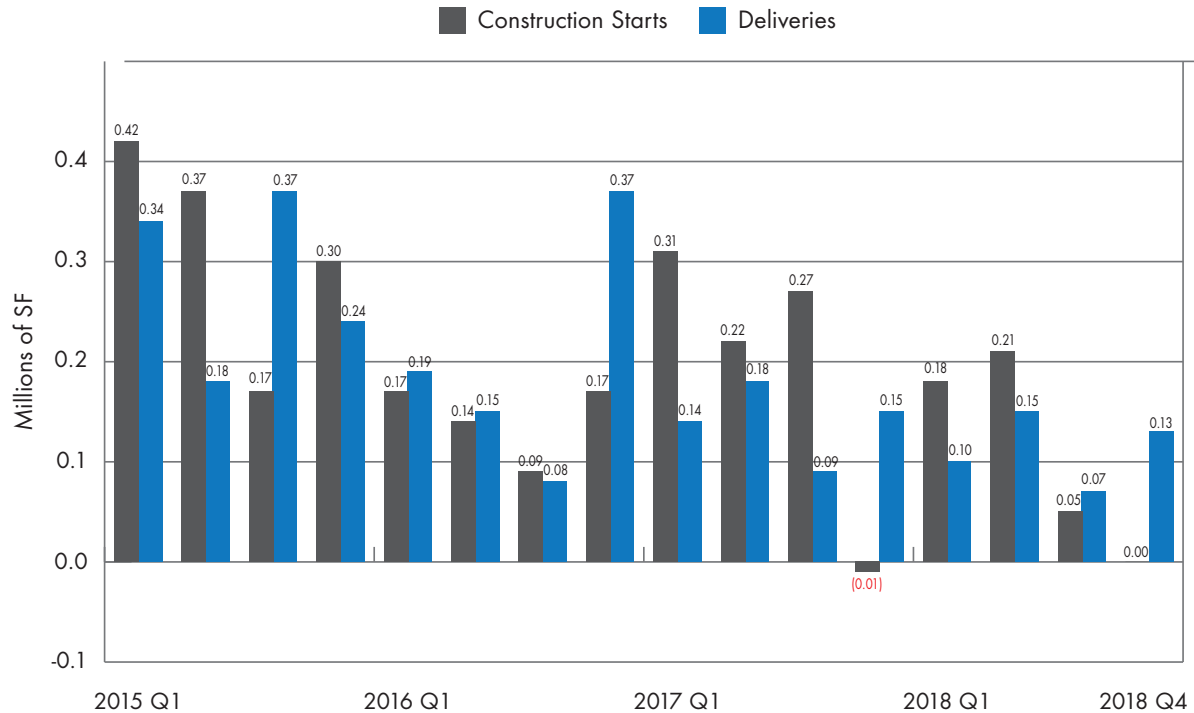
Total retail inventory for the Portland market amounted to 188,796,643 square feet as the quarter came to close.

RENTAL RATES

Average quoted rental rates have increased again for the fourth quarter 2018, ending at \$18.21 per square foot per year. That compared to \$17.51 per square foot in the third quarter 2018, \$17.21 in the second quarter and \$17.21 at the end of the first quarter. This represents a 5.49% increase from four quarters ago.

Historical Construction Starts & Deliveries

Square Footage Per Quarter



Source: CoStar Property

Construction Activity | Markets Ranked UNDER CONSTRUCTION SF

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Released SF	Released %	All Existing	U/C
Clark County	24	188,269	102,092	54.2%	12,407	7,845
I-5 Corridor	4	63,369	21,358	33.7%	14,679	15,842
Lane County	6	37,900	11,994	31.6%	9,229	6,317
Northwest	1	36,000	36,000	100.0%	7,232	36,000
Polk County	3	31,350	9,753	31.1%	7,942	10,450
Southwest	3	23,304	12,209	52.4%	13,528	7,768
Northeast	2	20,040	7,040	35.1%	8,316	10,020
Lloyd District	1	20,000	14,600	73.0%	14,444	20,000
Deschutes County	4	19,439	13,659	70.3%	11,378	4,860
Yamhill County	3	12,440	5,145	41.4%	8,135	4,147
All Other	3	20,368	9,868	48.4%	9,869	6,789
Totals	54	472,479	243,718	51.6%	10,269	8,750

Source: CoStar Property

For detailed information regarding this report, and to discuss how Norris & Stevens can assist with your real estate needs, please contact us at (503) 223-3171 or visit us at www.norris-stevens.com.