

Retail Market Report | Q3 2025

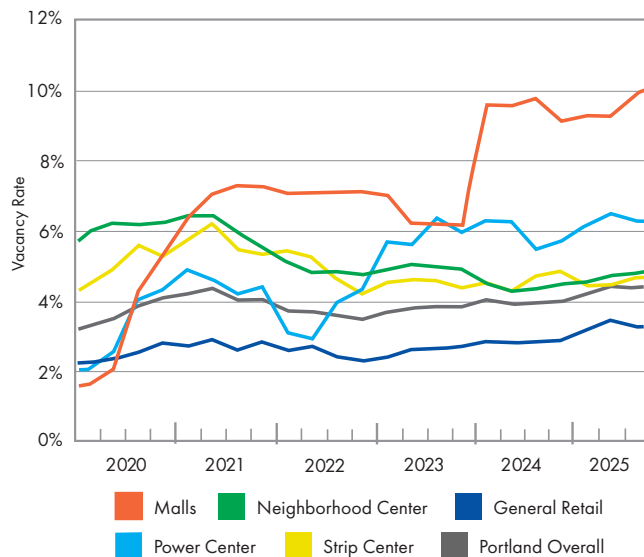
Norris & Stevens

INVESTMENT REAL ESTATE SERVICES

OVERVIEW

In the Portland metro retail market, vacancies will likely remain stuck in their current range for the duration of the year due to a combination of weak supply growth and decreased move-out activity. Short-term rents are predicted to also remain stagnant, but by early 2026, asking rates are predicted to start to rise. If higher tariffs hinder job creation and rekindle inflation, a softer-than-expected employment and consumption climate may develop. Even in a low-supply scenario, the ensuing impact to consumer spending may discourage tenant expansions and postpone a recovery in rent increases.

Vacancy Rates by Building Type 2020 - 2025



Source: CoStar Group

VACANCY

The overall Portland retail vacancy rate saw a slight increase in the third quarter of 2025 to 4.4%, up from 4.3% at the end of the second quarter.

While most retail sector vacancy rates saw a slight increase or remained stagnant, general retail (including convenience, stores, fast food, drug stores, bars, auto repair) saw a decrease, ending the third quarter at 3.3%, down from 3.4% in the previous quarter.

PORTLAND MARKET SNAPSHOT

VACANCY
4.4%



RENTAL RATE
\$24.10



CONSTRUCTION
298,116 SF



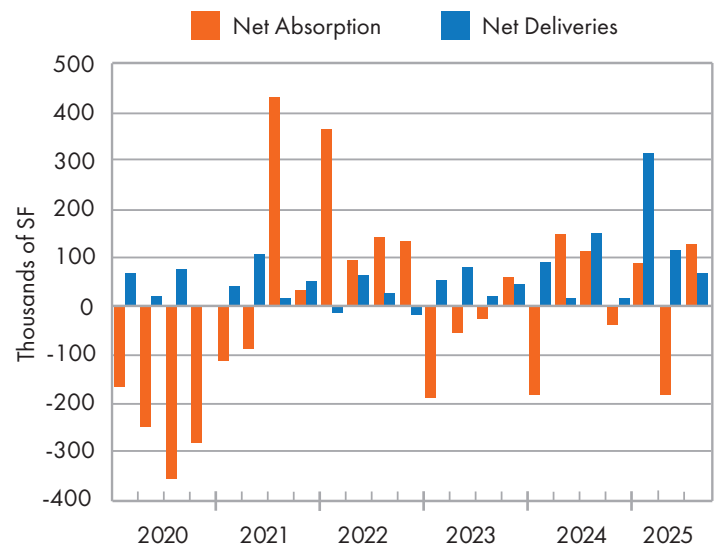
ABSORPTION
126,385 SF



ABSORPTION & DELIVERIES

The Portland metro posted 126,385 square feet in net absorption in the third quarter of 2025, compared to negative <197,346> square feet at the end of the second quarter. The general retail product type again posted the largest fluctuation from the second quarter, going from negative <176,294> square feet to 130,909 square feet to end the third quarter of 2025.

Absorption & Deliveries 2020 - 2025



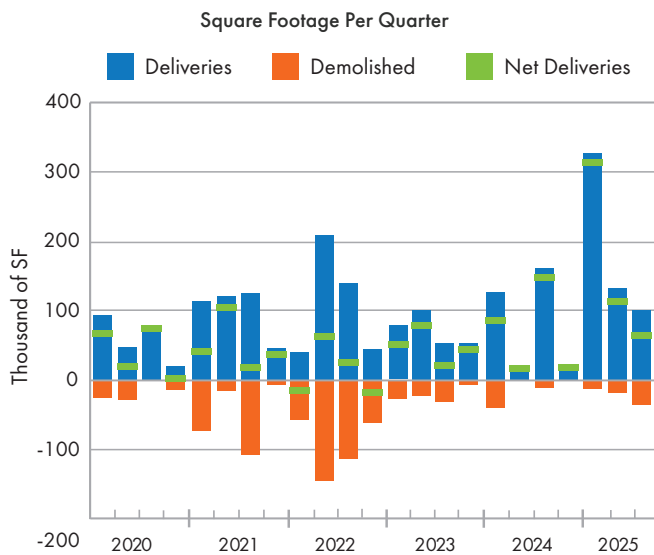
Source: CoStar Group

DELIVERIES AND CONSTRUCTION

There was 65,071 square feet of new product delivered to the marketplace in the third quarter of 2025, while 298,116 square feet still remains under construction. In the last 12 months, 511,189 total square feet have been added to the Portland market.

There are a few larger projects still set for completion before the end of 2025. Building 1B at Columbia Palisades, a mixed-use project in Camas, WA, will add 5,402 square feet of retail space when it delivers in November. Also set for delivery in November is a day care center in Ridgefield, WA, adding 3,000 square feet upon completion.

Historical Construction Deliveries & Demolitions

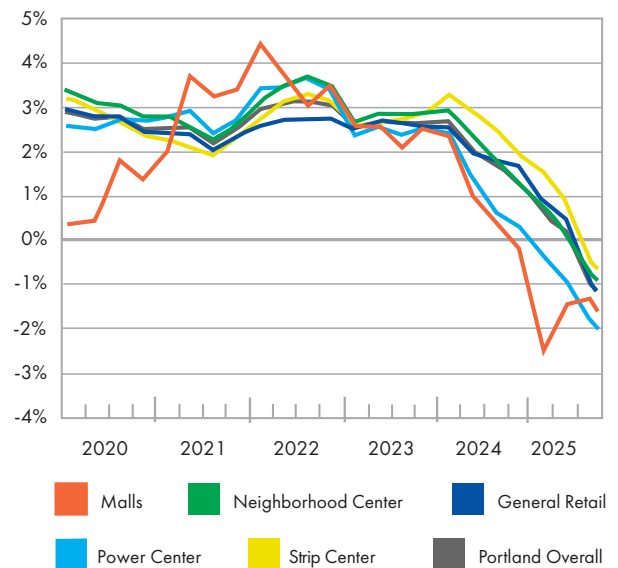


RENTAL RATES

Overall retail asking rents decreased to \$24.10 per square foot in the third quarter of 2025, down from \$24.41 in the previous quarter. Due to slowing population growth, concerns over crime in the Central Business District (CBD), and a possible recession due to tariffs, weaker rent growth is expected to continue over the next few quarters.

All retail categories saw a decrease in their rates from the previous quarter, with shopping malls seeing the largest fluctuation, going from \$25.03 per square foot in the second quarter to end the third quarter at \$24.35.

Market Rent Growth 2020 - 2025



Construction Activity | Markets Ranked UNDER CONSTRUCTION SF

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Clark County Outlying	3	127,000	127,000	100%	8,995	42,360
Sherwood	1	102,000	102,000	100%	17,171	102,000
Orchards	3	20,000	20,000	100%	12,048	6,683
Westside Outlying	1	7,000	0	0%	9,288	6,620
Camas/Washougal	1	7,000	0	0%	9,389	6,542
Yamhill County	1	5,000	5,000	100%	7,684	5,000
217 Corridor/Beaverton	0	0	0	—	11,451	—
Airport Way	0	0	0	—	16,756	—
Barbur Blvd/Capitol Hwy	0	0	0	—	5,799	—
Cascade Park	0	0	0	—	15,022	—
All Other	0	0	0	—	10,169	—
Totals	10	267,000	254,000	95.1%	10,229	26,729

Source: CoStar Group

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.