

# Office Market Report | Q4 2025

Norris & Stevens

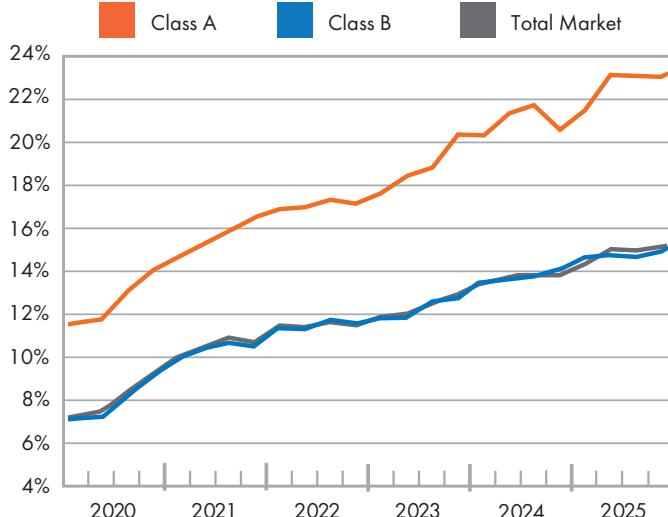
INVESTMENT REAL ESTATE SERVICES

## OVERVIEW

Portland's largest tenants have yet to fully return to the office setting, causing occupancy to slip further as 2025 came to a close. Weak demand makes a wave of speculative starts unlikely. Average yearly groundbreakings over the last three years was less than 300,000 square feet, around 66% less than the trailing-decade pace. A record high of 15.1% overall availability indicates that several major subleases expired unfulfilled and flipped to direct listings. Over one-third of the market's decline in demand over the previous year occurred in the Central Business District (CBD).

## Vacancy Rates by Class

2020 - 2025



Source: CoStar Group

## ABSORPTION & DELIVERIES

The overall office market ended the fourth quarter of 2025 at negative  $<143,385>$  square feet in net absorption, compared to 105,003 square feet at the end of the previous quarter.

- Class A: Negative  $<39,708>$  SF
- Class B: Negative  $<40,472>$  SF
- Class C: Negative  $<63,205>$  SF

## PORLAND MARKET SNAPSHOT

### VACANCY

15.1%



RENTAL RATE  
**\$30.10**



### CONSTRUCTION

127,000 SF



ABSORPTION  
**<143,385> SF**



### VACANCY

Office vacancy rates increased slightly in the fourth quarter of 2025 to 15.1%, up from 15.0% in the previous quarter, and above the national average of 14.09%. That upward trend is expected to maintain through the early part of 2026 as occupiers continue to consider shrinking their footprint.

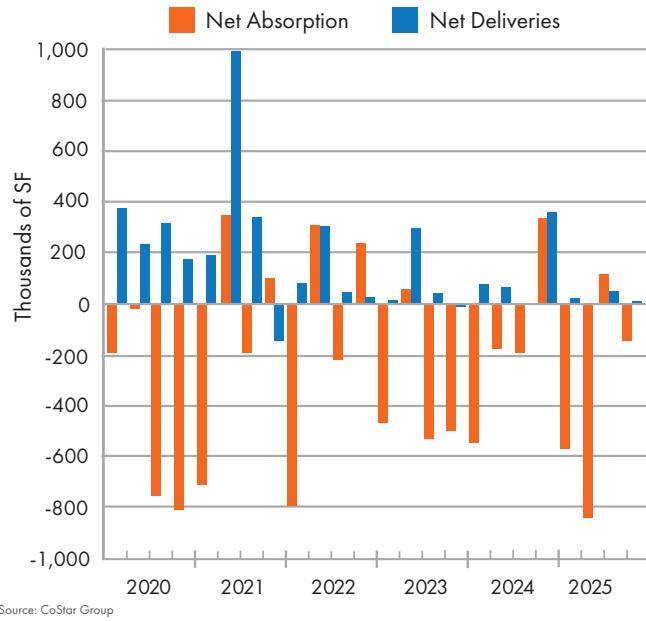
Class A: 23.6%

Class B: 13.5%

Class C: 7.3%

## Absorption & Deliveries

2020 - 2025



Source: CoStar Group

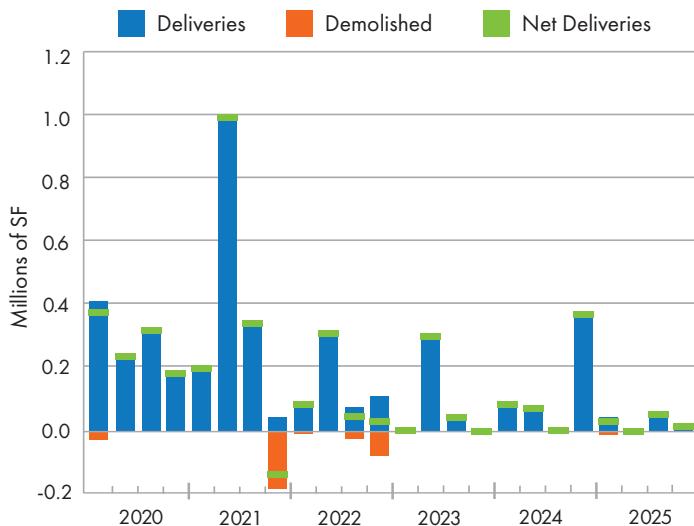
## DELIVERIES AND CONSTRUCTION

The fourth quarter of 2025 saw only 9,533 square feet delivered to the market, while 127,000 square feet of inventory remains under construction. Over the last 12 months, 84,214 square feet have been added to the Portland metro area.

The largest office project set for delivery in the first part of 2026 is a two-story office property on N Clark Street in Cornelius, Oregon. Set for completion in February, it will add 102,000 square feet to the market.

### Historical Construction Starts & Demolitions

Square Footage Per Quarter



Source: CoStar Group

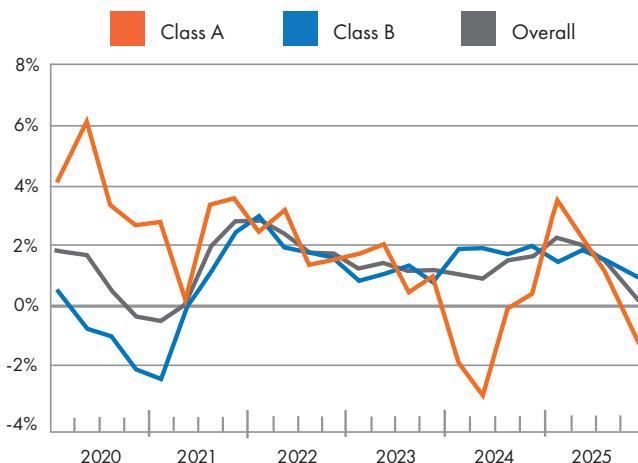
## RENTAL RATES

As 2025 came to a close, the average quoted asking rental rate for all classes remained unchanged from the previous quarter at \$30.10 per square foot. Portland's market asking rents over the past year recorded gains of only 0.5%. With space utilization continuing to shift and availability hovering near record levels, rent growth is projected to slow even further in the coming quarters.

Class A:	\$37.43
Class B:	\$28.17
Class C:	\$24.52

### Market Rent Growth

2020 - 2025



Source: CoStar Group

## Construction Activity | Markets Ranked UNDER CONSTRUCTION RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Westside Outlying	1	102,000	102,000	100%	8,315	102,000
Clackamas/Milwaukie	1	18,000	18,000	100%	9,546	18,000
North Beaverton	1	7,000	7,000	100%	20,225	7,000
217 Corridor/Beaverton	0	0	0	-	17,218	-
Airport Way	0	0	0	-	16,923	-
Barbur Blvd/Capitol Hwy	0	0	0	-	8,967	-
Camas/Washougal	0	0	0	-	15,677	-
Cascade Park	0	0	0	-	24,969	-
CBD	0	0	0	-	76,242	-
CBD/West Vancouver	0	0	0	-	14,713	-
All Other	0	0	0	-	15,311	-
<b>Totals</b>	<b>3</b>	<b>127,000</b>	<b>127,000</b>	<b>100%</b>	<b>18,829</b>	<b>42,333</b>

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](tel:5032233171) or visit us at [www.norris-stevens.com](http://www.norris-stevens.com).