

Retail Market Report | Q4 2025

Norris & Stevens

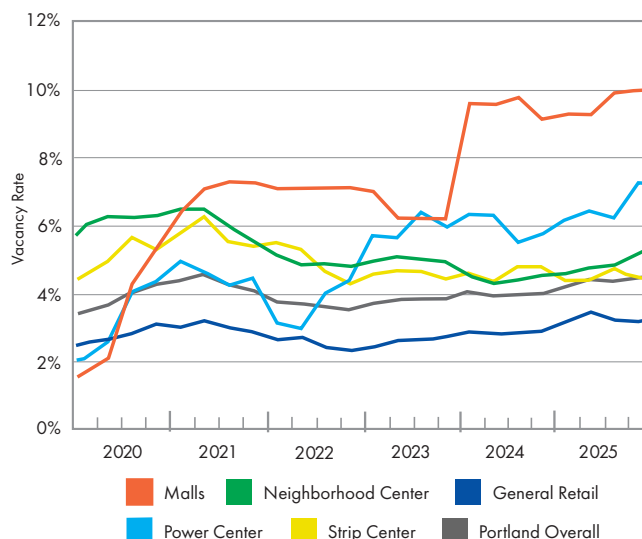
INVESTMENT REAL ESTATE SERVICES

OVERVIEW

Retail markets in Portland ended 2025 with reduced momentum. Slow demand is a result of growing economic uncertainty. Even though there hasn't been much new speculative development, vacancies increased throughout 2025. Heavily populated suburban submarkets with minimal new supply, such as Tigard, north Beaverton, and Lake Oswego, have maintained tighter availabilities. Given that the region's population growth has been slow to recover, occupiers are hesitant to forecast strong same-store sales growth, which has dampened retail rents.

Vacancy Rates by Building Type

2020 - 2025



Source: CoStar Group

VACANCY

The overall Portland retail vacancy rate remained unchanged from the previous quarter, ending the year at 4.4%.

General Retail:	3.1%	Power Center:	7.2%
Shopping Mall:	10.0%	Strip Center:	4.4%
Neighborhood Center:	5.2%		

PORTLAND MARKET SNAPSHOT

VACANCY

4.4%



RENTAL RATE

\$24.48



CONSTRUCTION

434,675 SF



ABSORPTION

<122,462> SF

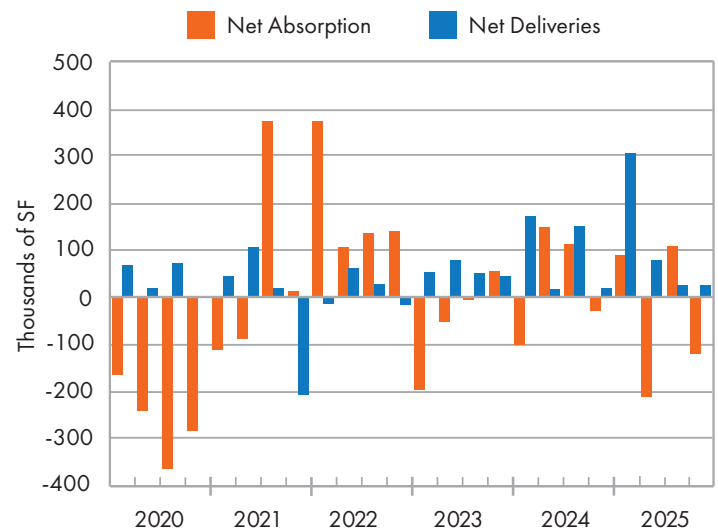


ABSORPTION & DELIVERIES

The Portland metro posted negative <122,462> square feet in net absorption in the fourth quarter of 2025, compared to 126,385 square feet to close out the third quarter. The neighborhood center product type posted the largest fluctuation from the second quarter, going from 36,598 square feet to negative <91,046> square feet at the end of 2025. Move-out activity remains 11% below the pandemic-era peak, but has crept back up in line with the historical average.

Absorption & Deliveries

2020 - 2025



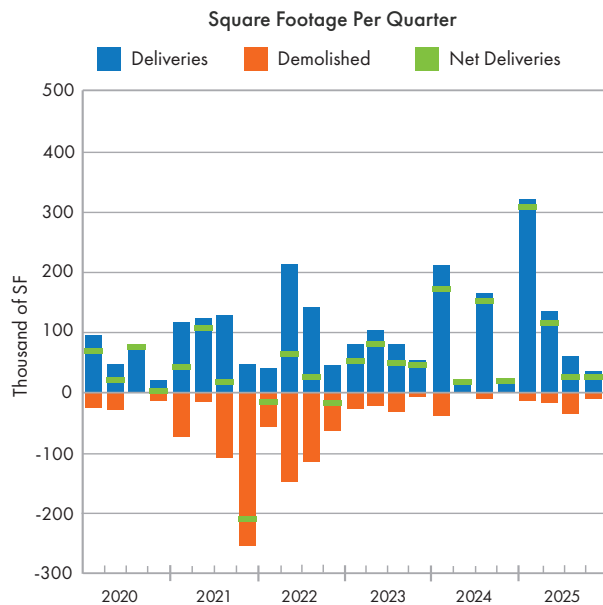
Source: CoStar Group

DELIVERIES AND CONSTRUCTION

There was 25,144 square feet of new product delivered to the marketplace in the fourth quarter of 2025, while 434,675 square feet still remains under construction. In the last 12 months, 433,897 total square feet have been added to the Portland market.

There are a few larger projects set for completion in the first quarter of 2026. A 102,000 square foot strip center on SW Thrasher Way in Sherwood, OR is set for completion in February. Also set for delivery in February is a retail center on S Royle Road in Ridgefield, WA, adding 18,480 square feet upon completion.

Historical Construction Deliveries & Demolitions



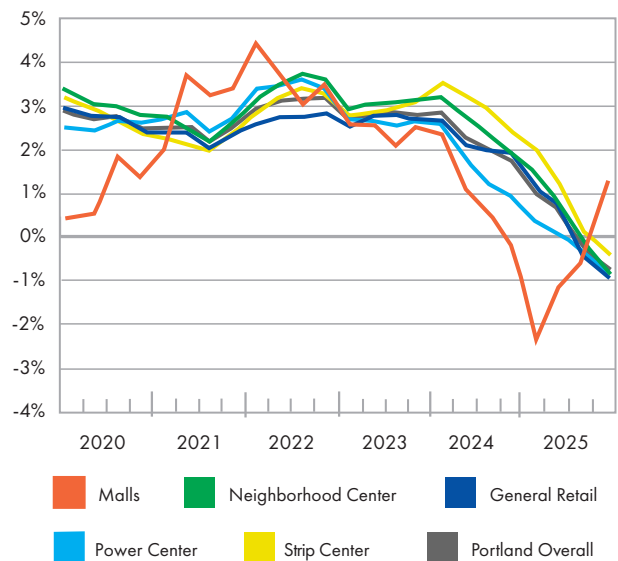
Source: CoStar Group

RENTAL RATES

Overall retail asking rents increased to \$24.48 per square foot in the fourth quarter of 2025, up from \$24.10 in the previous quarter. Despite gains in the fourth quarter, Portland saw a -0.6% decrease in asking rental rates over the last 12 months. All 11 submarkets with positive changes in asking rent over 2025 were suburban, with tenants even willing to pay elevated space costs for access to wealthier suburban neighborhoods.

General Retail: \$22.69 Power Center: \$28.91
 Shopping Mall: \$25.20 Strip Center: \$23.68
 Neighborhood Center: \$27.12

Market Rent Growth 2020 - 2025



Source: CoStar Group

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	7	139,000	132,000	95.0%	8,926	19,900
Sunset Corridor/Hillsboro	2	126,000	117,000	92.3%	12,900	63,152
Sherwood	1	102,000	102,000	100%	17,191	102,000
Orchards	3	20,000	20,000	100%	11,945	6,683
Yamhill County	2	15,000	15,000	100%	7,709	7,500
Camas/Washougal	3	14,000	10,000	72.3%	9,357	4,648
Clackamas/Milwaukie	1	7,000	7,000	100%	10,609	7,263
Westside Outlying	1	7,000	0	0%	9,278	6,620
East Columbia Corridor	1	3,000	3,000	100%	12,954	2,559
North Beaverton	1	2,000	2,000	100%	13,608	1,632
All Other	0	-	-	-	9,761	-
Totals	22	435,000	407,000	93.7%	10,245	19,758

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.