

# Multi-family Market Report | Q1 2026

**Norris & Stevens**

INVESTMENT REAL ESTATE SERVICES

The Portland multi-family market is currently engaged in a quiet but determined act of re-balancing. As the first quarter of 2026 came to a close, the “supply overhang” that once defined the city is finally beginning to recede, leaving a market that looks very different than it did only a few years ago.

## VACANCY RATE BY CLASS

Overall:	7.5%
Class A:	9.2%
Class B:	7.9%
Class C:	6.2%

## MARKET ASKING RENT OVERALL

Studio:	\$1,274
1 Bedroom:	\$1,529
2 Bedroom:	\$1,757
3 Bedroom:	\$2,138

While the first quarter ended with a modest absorption of 425 units—trailing the historical average of 800—the broader momentum is undeniable. On a trailing 12-month basis, the market has absorbed 3,839 units, marking a dramatic comeback from the 1,700-unit floor hit back in mid-2023. Vacancy rates, now sitting at 7.5%, are no longer climbing; instead, they are on a slow, steady descent.

The center of gravity for this recovery has shifted to the fringes. The Vancouver submarket has emerged as the protagonist of this story, drawing in renters with the

dual lure of Washington’s tax advantages and easy access to metro employment. Further out, in the rural and exurban pockets, including Columbia County, Clark County and Damascus, leasing is actually exceeding supply, with tenants looking for more affordable options and locations.

Inside the city, the once-deafening sound of construction has quieted. Only 2,576 units are currently under construction, a staggering drop from the 11,000-unit peak of 2023. Groundbreakings have slowed to a crawl under the weight

## PORTLAND MARKET SNAPSHOT

VACANCY RATE  
**7.5%**



ASKING RENT  
**\$1,659**



CONSTRUCTION  
**2,576 Units**



MARKET PRICE/UNIT  
**\$241,389**

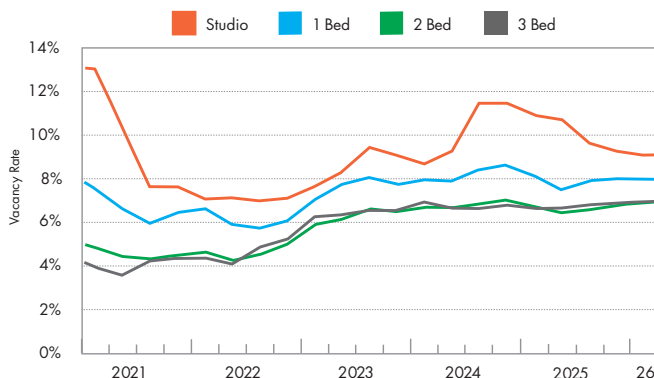


of financing constraints and economic uncertainty. In four of the past five quarters, fewer than 500 units broke ground. This slowdown has set the stage for 2026 to become the lightest year for new apartment deliveries in a decade.

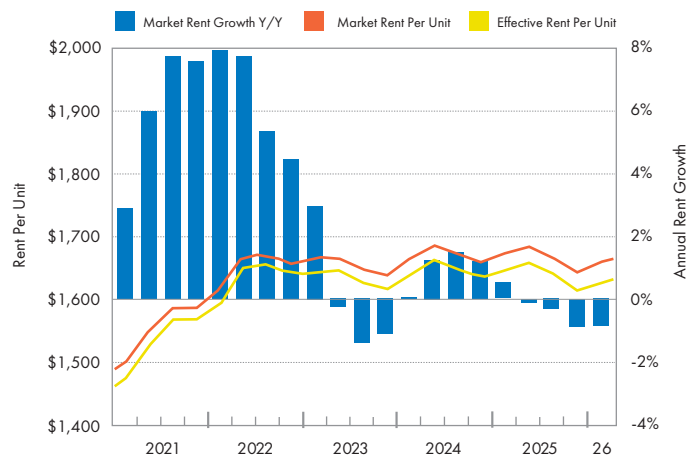
However, the recovery remains a tale of two markets. High-end product is facing a steeper climb; with four luxury units under construction for every one mid-tier unit, the “top end” of the market is crowded. In neighborhoods like Northwest and Southeast Portland, a final wave of new buildings is expected to land soon, likely delaying a full rent-growth recovery for premium apartments by another quarter or two. The financial outlook is one of gradual healing. While asking rents were still down -0.9% at the end of 2025, that figure is a notable improvement from the -1.4% lows of 2023. If the current trajectory holds, demand is expected to outstrip supply for the remainder of the year, finally pushing rent growth back into positive territory by the time 2026 draws to a close.

Yet, a shadow of uncertainty remains. Portland’s economic picture is still cloudy, and the labor market has yet to find its spark. While the forecast points toward a steady recovery,

## VACANCY RATE BY BEDROOMS



## MARKET RENT PER UNIT & RENT GROWTH

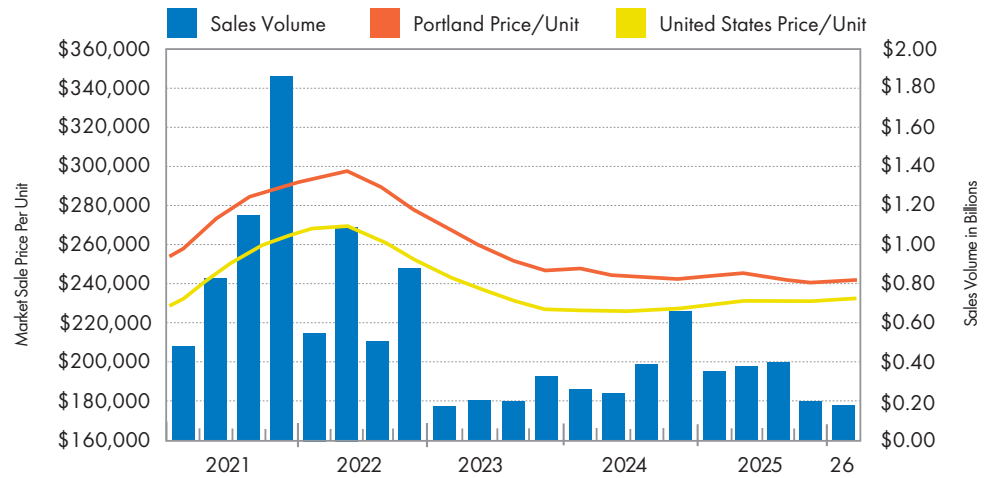


it remains vulnerable to the broader economy. If a recession were to chill household formations, the progress of the last year could easily stall, turning this period of healing back into one of retraction. For now, the city waits and watches as the scales slowly tip back in the favor of growth.

As 2025 began, it did so at a sprint; with sales volume in the first half racing to its strongest start in two years, suggesting that investors were finally ready to jump back into the fray. However, that enthusiasm faded dramatically as the year progressed. By the time the dust settled, the annual sales total reached just under \$1.3 billion, falling short of the \$1.5 billion mark set in 2024.

As we move deeper into 2026, the ability to close deals will hinge almost entirely on the city's ability to prove its supply-and-demand story. With a cloudy economic horizon and a growth outlook that remains uncertain, buyers are scrutinizing "going-in" yields with an intensity not seen in years. For Portland's capital markets, the path forward is no longer just about the availability of money, but about the conviction that the market's underlying fundamentals can support the price of admission.

## SALES VOLUME & MARKET SALE PRICE/UNIT



## OVERALL SALES YEAR OVER YEAR

YEAR	# OF DEALS	SALES VOLUME	TURNOVER	AVERAGE PRICE	AVERAGE PRICE PER UNIT	AVERAGE CAP RATE
YTD	50	\$180.8M	0.5%	\$5,650,422	\$175,718	6.2%
2025	224	\$1.3B	3.5%	\$8,317,840	\$202,629	6.0%
2024	157	\$1.6B	3.4%	\$12,214,143	\$202,612	5.9%
2023	113	\$900.2M	1.9%	\$9,186,008	\$222,498	5.6%
2022	295	\$3B	5.5%	\$13,233,282	\$276,709	5.0%
2021	394	\$4.3B	8.2%	\$13,734,087	\$259,243	5.1%

## UNDER CONSTRUCTION WITH 2Q COMPLETION

PROPERTY NAME/ADDRESS	# OF UNITS	START	COMPLETION
<b>5907 SE 47th Ave</b>   Portland, OR	113	08/2025	05/2026
<b>4939 N Williams Ave</b>   Portland, OR	75	11/2024	05/2026
<b>Shortstack Belmont</b>   2755 SE Belmont St   Portland, OR	35	06/2025	06/2026

## SIGNIFICANT FIRST QUARTER 2026 SALES

PROPERTY / ADDRESS	# OF UNITS	YEAR BUILT	SALE DATE	SALE PRICE	PRICE PER UNIT
<b>Russellville Park</b> 10202-10230 E Burnside Street   Portland, OR	293	2009	01/15/2026	\$81,282,500	\$277,415
<b>Bethany Meadows</b> 16145 NW Spartan Way   Portland, OR	340	1997	02/05/2026	\$59,956,454	\$176,343
<b>Cedar Square</b> 10480 SW Eastridge Street   Portland, OR	156	1979	03/12/2026	\$29,850,000	\$191,346
<b>Timberlee Apartments</b> 5131 SW 38th Place   Portland, OR	85	1964	03/18/2026	\$12,900,000	\$151,765
<b>Spring Villa Apartments</b> 14775 NE Couch Street   Portland, OR	30	2021	02/26/2026	\$6,550,000	\$218,333

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