



# Retail Market Report | Q1 2026

**Norris & Stevens**

INVESTMENT REAL ESTATE SERVICES

Portland's retail market ended the first quarter of 2026 with fading momentum as economic uncertainty slowed new demand. This softening is defined by a sharp geographic divide: exurban and established suburban areas like Tigard, north Beaverton, and Lake Oswego/West Linn are maintaining tight availability due to strong population growth and steady foot traffic. In contrast, the Central Business District (CBD) remains in a fragile recovery state, where persistent safety concerns and diminished foot traffic have pushed vacancy rates to more than double the metro average.

Stagnant population growth has led to cautious sales forecasts and dampened retail rents, shifting from a 2.6% historical average to -0.1% over the past year.

## PORTLAND MARKET SNAPSHOT

VACANCY		RENTAL RATE	
<b>4.6%</b>		<b>\$24.73</b>	
CONSTRUCTION		ABSORPTION	
<b>731,556 SF</b>		<b>-&lt;234,612&gt; SF</b>	

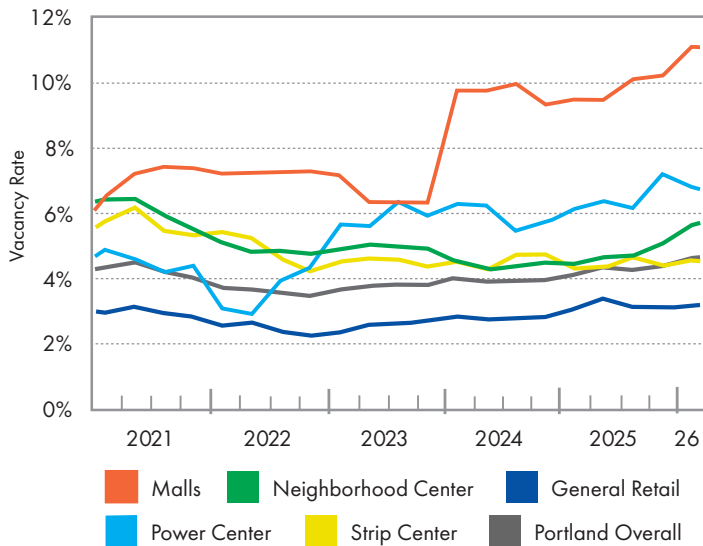
## ABSORPTION & DELIVERIES

Over the past 12 months, net absorption has plummeted to -<470,000> SF, a stark contrast to the decade average of 240,000 SF. This decline stems from an uptick in move-outs, reaching 3 million SF this year compared to the pre-2020 average of 2.7 million SF. Much of this weakness is concentrated in the Power Center subcategory, where the ripple effects of bankruptcies—most notably from tenants like Joann—continue to drive recent vacancies.

Retail Overall:	-<234,612> SF		Nbhd Center:	-<186,766> SF	
General Retail:	2,762 SF		Power Center:	30,721 SF	
Shopping Mall:	-<67,359> SF		Strip Center:	-<14,996> SF	

## VACANCY RATES BY BUILDING TYPE

2021 - 2026



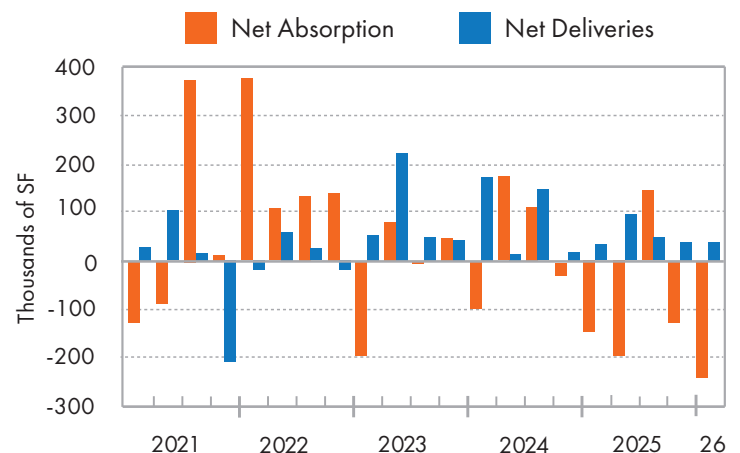
## VACANCY

Stagnation in labor markets combined with the slow recovery of the CBD has caused operator hesitancy in the region, keeping vacancy rates on an upward trend for the near future.

Retail Overall:	4.6%		Neighborhood Center:	5.7%	
General Retail:	3.2%		Power Center:	6.8%	
Shopping Mall:	11.2%		Strip Center:	4.6%	

## ABSORPTION & DELIVERIES

2021 - 2026



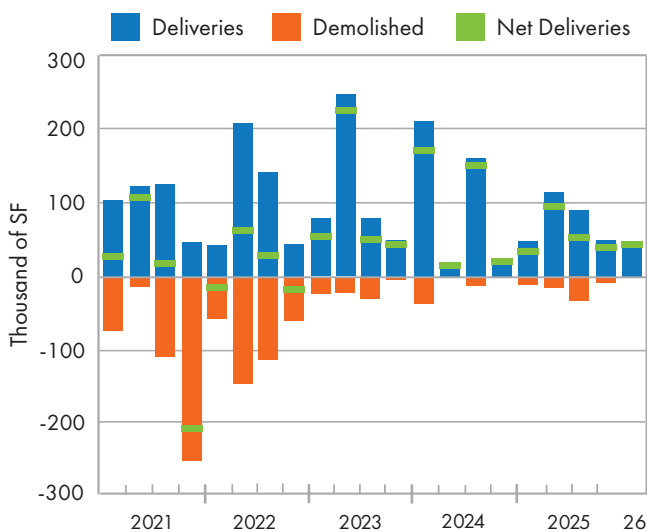
## DELIVERIES AND CONSTRUCTION

There was 39,934 square feet of new product delivered to the marketplace in the first quarter of 2026, while 731,556 square feet still remains under construction. In the last 12 months, 229,493 total square feet have been added to the Portland market.

There are a few larger projects set for completion in the second quarter of 2026. A 120,000 square foot retail center on Pioneer Street in Ridgefield, WA is set for completion in June. Set for delivery in May is the Kinline Apartments, a mixed-use project in Beaverton, which will add 89,303 square feet of ground floor retail space when completed.

### HISTORICAL CONSTRUCTION DELIVERIES

Square Footage Per Quarter



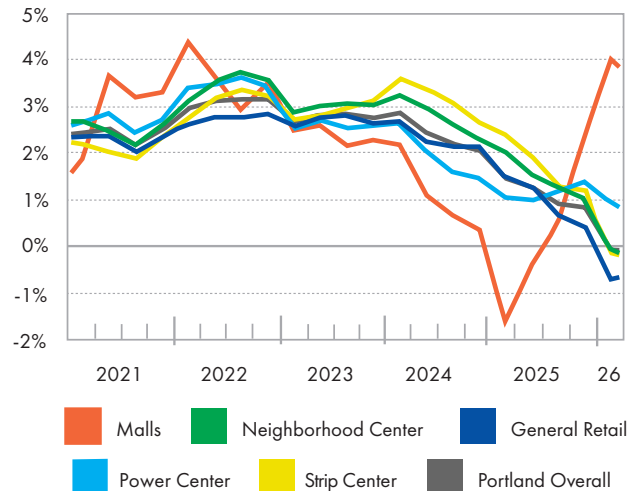
## RENTAL RATES

Portland's rental market continues to trail its West Coast peers, dampened by high availability and a sluggish downtown recovery that hampers retailers' rent capacity. As major local employers like Intel and Nike implement job cuts, the region faces mounting economic pressure compounded by a population recovery that still lags behind pre-pandemic levels. Consequently, lease negotiations are increasingly dominated by tenant concerns over dwindling customer traffic and weakened consumer spending.

Retail Overall:	\$24.73 ↑	Neighborhood Center:	\$27.39 ↑
General Retail:	\$22.88 ↑	Power Center:	\$29.61 ↑
Shopping Mall:	\$25.73 ↑	Strip Center:	\$23.82 ↑

### MARKET RENT GROWTH

2021 - 2026



### CONSTRUCTION ACTIVITY | Markets Ranked Under Construction RBA

MARKET	UNDER CONSTRUCTION INVENTORY				AVERAGE BLDG SIZE	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Cascade Park	1	225,000	225,000	100%	14,913	225,000
Clackamas/Milwaukie	2	191,000	184,000	96.2%	10,606	95,600
Clark County Outlying	5	146,000	139,000	95.2%	8,828	29,143
Sunset Corridor/Hillsboro	3	130,000	125,000	96.2%	12,798	43,394
Camas/Washougal	3	14,000	10,000	72.3%	9,367	4,648
Orchards	2	14,000	11,000	80.6%	12,049	6,750
Westside Outlying	2	9,000	7,000	75.5%	9,225	4,729
East Columbia Corridor	1	3,000	3,000	100%	12,942	2,559
217 Corridor/Beaverton	0	0	0	—	11,746	—
Airport Way	0	0	0	—	16,772	—
All Other	0	—	—	—	9,575	—
<b>Totals</b>	<b>19</b>	<b>732,000</b>	<b>703,000</b>	<b>96.2%</b>	<b>10,224</b>	<b>38,503</b>

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](http://www.norris-stevens.com).

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