

Office Market Report | Q3 2026

Norris & Stevens
INVESTMENT REAL ESTATE SERVICES

Demand for office space in the Portland Metro remains weak heading into the fourth quarter of 2026. As a result, a wave of speculative construction starts are unlikely to materialize anytime soon. Over the past three years, annual groundbreakings averaged under 250,000 square feet, more than 75% below the trailing-decade pace. Currently, Portland's office pipeline size equals 160,000 square feet, or 0.14% of total inventory. This is a fraction of the national index of 0.58%.

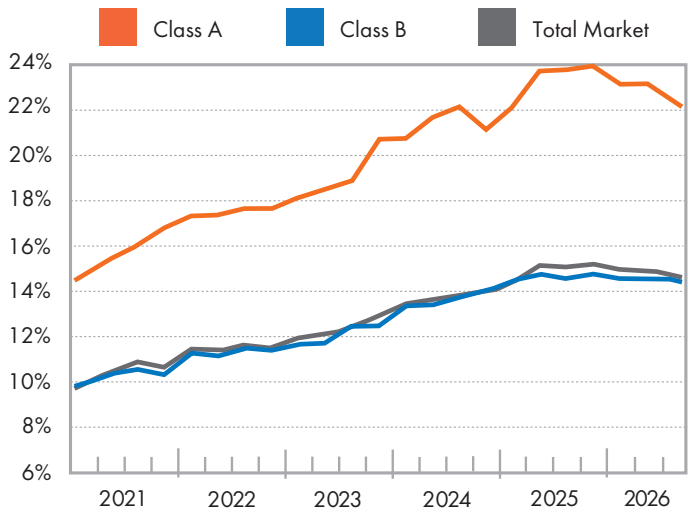
At present, tangible evidence that Portland's office market has turned a corner remains to be seen. While occupancy erosion remains less pronounced than it was from 2020 to 2023, the region remains stalled in a pattern of weak leasing activity, and the vacancy rate of 14.8% has drifted beyond the national mark.

VACANCY

Overall vacancy ended the third quarter at 14.8%, down from 15.0% in the previous quarter, and still resting well above the national average of 13.8%. Sublease availability stands just over 1 million square feet in the metro area, making market recovery more complicated.

Class A:	23.1%	↓
Class B:	13.3%	↓
Class C:	6.9%	↑

VACANCY RATES BY CLASS
2021 - 2026



PORTLAND MARKET SNAPSHOT

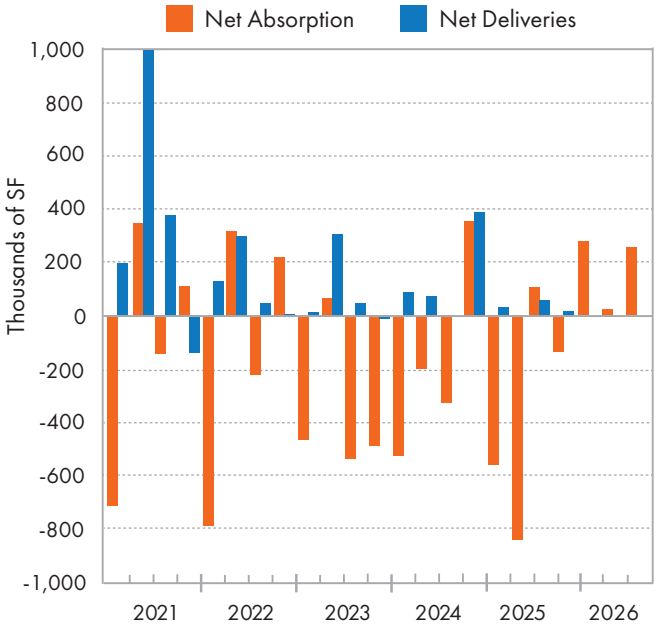
VACANCY	RENTAL RATE
14.8%	**$29.56**
CONSTRUCTION	ABSORPTION
160,000 SF	**253,726 SF**

ABSORPTION & DELIVERIES

The overall office market ended the third quarter of 2026 at 253,726 square feet in net absorption, a significant increase from 21,004 square feet at the end of the previous quarter.

Class A:	276,726 SF	↑
Class B:	53,345 SF	↓
Class C:	negative <75,985> SF	↓

ABSORPTION & DELIVERIES
2021 - 2026



DELIVERIES AND CONSTRUCTION

Tight lending and weak office demand have thinned Portland's development pipeline. The few projects breaking ground are mostly pre-leased or owner-built, and most speculative ventures are being shelved altogether. 253,726 square feet was added to the marketplace in the third quarter of 2026, while 160,000 square feet remained under construction.

The third quarter of 2026, like the previous two quarters, saw no new product delivered to the market, with only one office project set for delivery in the near future. One Pacific, a two-story office property in Camas, WA is set for completion in January 2027, and will add 40,000 square feet to the market upon completion.

RENTAL RATES

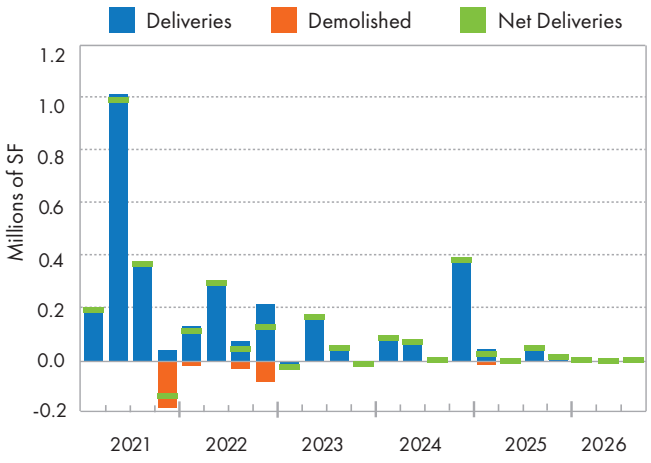
Rent growth in the Portland Metro has sunk below the national index of 2.0% due to shifting space utilization and availability hovering near record levels.

As the third quarter of 2026 came to a close, the average quoted asking rental rate for all classes decreased from $29.77 per square foot in the previous quarter to $29.56 per square foot.

Class A:	$35.83	↓
Class B:	$28.05	↓
Class C:	$24.41	↓

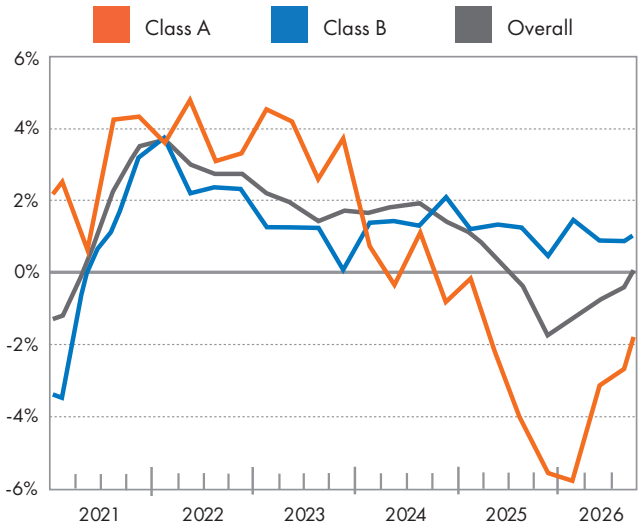
HISTORICAL CONSTRUCTION DELIVERIES

Square Footage Per Quarter



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
SE Close-In	1	120,000	120,000	100%	16,540	120,000
Camas/Washougal	1	40,000	0	0%	15,413	40,000
217 Corridor/Beaverton	0	0	0	-	16,998	-
Airport Way	0	0	0	-	16,923	-
Barbur Blvd/Capitol Hwy	0	0	0	-	9,024	-
Cascade Park	0	0	0	-	24,920	-
CBD	0	0	0	-	75,842	-
CBD/West Vancouver	0	0	0	-	14,713	-
Clackamas/Milwaukie	0	0	0	-	9,526	-
Clark County Outlying	0	0	0	-	6,939	-
All Other	0	0	0	-	15,318	-
Totals	**2**	**160,000**	**120,000**	**75.0%**	**18,734**	**80,000**

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.

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