

Retail Market Report | Q3 2026

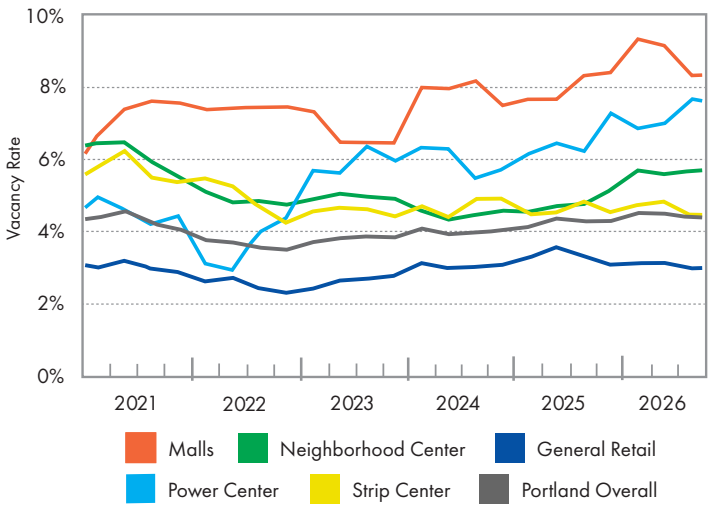
Norris & Stevens
INVESTMENT REAL ESTATE SERVICES

Portland's retail market ended the third quarter of 2026 with sluggish momentum. Economic uncertainty has dampened demand. Little new speculative construction is underway as vacancies continue to rise.

Suburban and exurban submarkets with limited new supply, such as Tigard, North Beaverton, and Lake Oswego/ West Linn, remain tighter, supported by above-average population growth and foot traffic. However, the urban core is still recovering. In the CBD, lower foot traffic and elevated crime have pushed availability to more than double the metro average.

Vacancy rates are expected to hover near a five-year high for several more quarters, while rent growth should remain relatively flat through the middle of 2027.

VACANCY RATES BY BUILDING TYPE
2021 - 2026



VACANCY

After spending most of the year around the 4.6% mark, Portland's overall vacancy rate dropped back down to end the third quarter at 4.4%.

Retail Overall:	4.4% ↓	Neighborhood Center:	5.7% ↑
General Retail:	3.0% ↓	Power Center:	7.7% ↑
Shopping Mall:	8.3% ↓	Strip Center:	4.5% ↓

PORTLAND MARKET SNAPSHOT

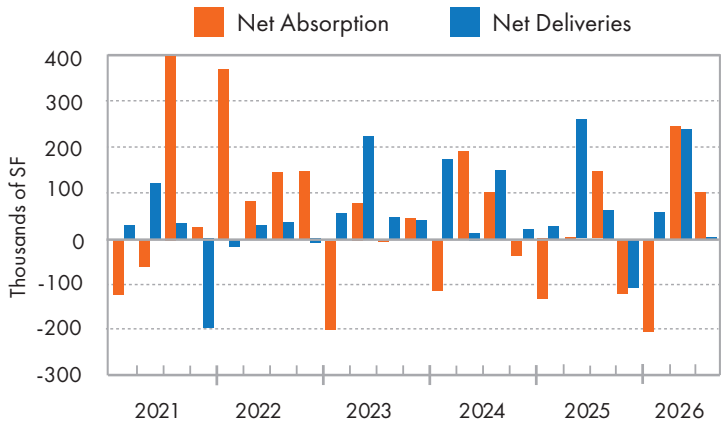
VACANCY **4.4%**	RENTAL RATE **$24.28**
CONSTRUCTION **141,772 SF**	ABSORPTION **98,453 SF**

ABSORPTION & DELIVERIES

Net absorption over the past 12 months totaled negative <11,886> square feet, well below the prior decade's average of 230,000 square feet. Move-outs rose slightly to about 3.0 million square feet, compared with a trailing 12-month average of 2.7 million square feet from 2015 to 2019. Power centers account for a large share of recent exits, as large retailer bankruptcies continue to leave space vacant. With little new construction adding to supply, these move-outs are now the main force pushing vacancies higher.

Retail Overall:	98,453 SF ↓	Nbhd Center:	– <22,564> SF ↓
General Retail:	76.279 SF ↓	Power Center:	– <51,025> SF ↓
Shopping Mall:	60,996 SF ↑	Strip Center:	26,471 SF ↑

ABSORPTION & DELIVERIES
2021 - 2026



DELIVERIES AND CONSTRUCTION

The third quarter of 2026 saw 1,674 square feet removed from the market, while 141,772 square feet still remains under construction. In the last 12 months, 179,269 total square feet have been added to the Portland market.

There are a few larger projects set for completion before the end of 2026. Scheduled for delivery in November is Building B of the Bowyer Marketplace project in Vancouver, WA, which will add 7,650 square feet to the market when completed. A 24,000 square foot Goodwill in Ridgefield, WA is set for completion in December.

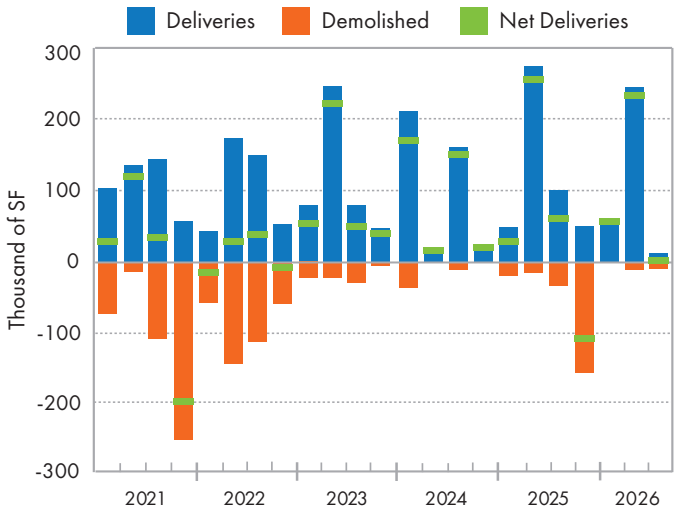
RENTAL RATES

Portland's rents still trail most major West Coast markets. Rising availability, shifting consumer habits, and a sluggish downtown recovery have left retailers unable to pay premium rates. Layoffs at major employers like Nike and Intel are adding pressure, and while other West Coast metros are returning to population growth, Portland remains below its pre-pandemic trend. Brokers say tenants are increasingly worried about foot traffic and consumer spending, and those worries are shaping lease negotiations.

Retail Overall:	$24.28 ↓	Neighborhood Center:	$26.86 ↓
General Retail:	$22.65 ↓	Power Center:	$28.50 ↓
Shopping Mall:	$24.24 ↓	Strip Center:	$23.62 ↓

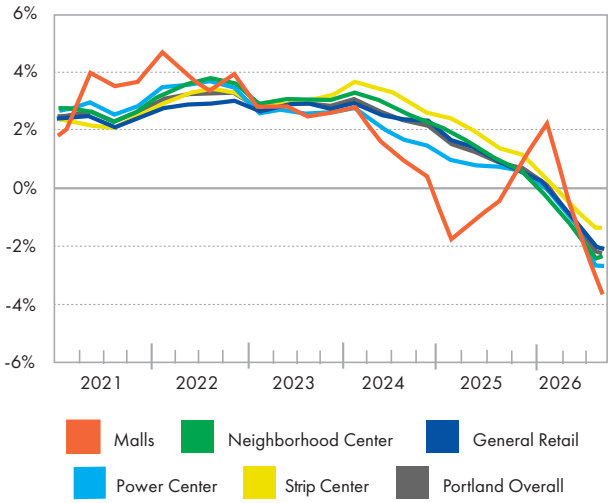
HISTORICAL CONSTRUCTION DELIVERIES

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
Clark County Outlying	6	67,000	58,000	86.9%	9,524	11,200
Orchards	4	40,000	28,000	68.6%	11,923	10,076
Sunset Corridor/Hillsboro	2	11,000	3,000	29.2%	12,881	5,437
Camas/Washougal	2	7,000	5,000	69.6%	9,384	3,702
Clackamas/Milwaukie	1	7,000	7,000	100%	10,634	7,263
Gresham	1	3,000	3,000	100%	12,526	3,330
Westside Outlying	1	3,000	3,000	100%	9,249	2,838
East Columbia Corridor	1	3,000	3,000	100%	12,744	2,559
217 Corridor/Beaverton	0	0	0	-	11,924	-
Airport Way	0	0	0	-	16,776	-
All Other	0	-	-	-	9,600	-
Totals	**18**	**142,000**	**110,000**	**77.9%**	**10,231**	**7,876**

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