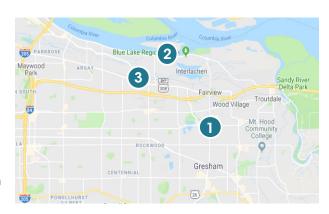


Market News 3RD QUARTER 2018

PORTLAND INDUSTRIAL

The Portland Metro market continues to see significant new construction specifically in the East submarket with Portland Portal Industrial (1) and Blue Lake Corporate Park (2) delivering a total of 823,500 SF. As evidenced with the recent lease of 300,000 SF at Vista Logistics (3), there remains a lack of large industrial spaces in the market. Demand continues to be stronger for warehousing and logistics-related needs, particularly those companies with a connection to Amazon. In contrast, companies who once operated out of close-in locations, are driving demand for well located industrial properties with access to major freeways outside the urban core. As a result, rental rates remain steady for business park and flex space, as absorption continues to increase in the area.





WAREHOUSE

Core 392,174 SF Leased



VACANCY 4.3%3.9% 4Q2017

▼ RENTAL RATE\$0.81

\$0.97 4\(\overline{0}\)2017

East



7.0% 5.5% 402017

\$0.61 \$0.65 4Q2017 I-5



**VACANCY
3.3%
1.7% 4Q2017

**RENTAL RATE \$0.62 \$0.58 4\(\) 4\(\) 2017

Vancouver

706 510 SE Lograd



\$0.53 \$0.54 402017 West



VACANCY4.1%

4.1% 4.8% 4Q2017

**RENTAL RATE **\$0.88 **\$0.67 4\text{4}\text{2}\text{2}\text{0}\text{1}\text{7}



Core 4,9622 SF Leased



VACANCY

9.1% 10.0% 4Q2017

**RENTAL RATE \$1.44
\$1.31 4Q2017

East 43.306 SF Leased



↑ VACANCY 6.2%5.7% 4♀2017

**RENTAL RATE \$0.91 \$0.90 4\(\text{Q2017}\)

I-5 123,353 SF Leased



VACANCY7.1%
8.6% 4♀2017

\$1.12 \$1.18 4Q2017 Vancouver 166,022 SF Leased



VACANCY
10.3%
16.4% 4Q2017

\$0.81 \$0.82 4Q2017 **West** 242,955 SF Leased



VACANCY3.4%
4.8% 4€2017

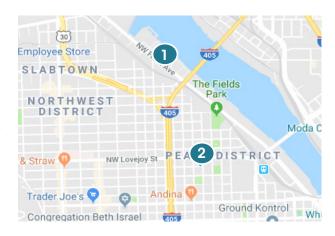
▼ RENTAL RATE\$1.10



Market News 3RD QUARTER 2018

PORTLAND OFFICE

Vacancy rates have remained constant in the face of new construction delivery, indicating a continued demand for office space. The two new major deliveries, the Field Office Project(1) and the Heartline Building(2), totaling 360,152 SF of office, are 50% pre-leased. The close-in Eastside submarket largely contributed to strong occupancy with 151,427 SF of positive net absorption. Office demand will need to continue to match the roughly 500,000 SF being delivered by the end of 2018.





OFFICE - ALL CLASSES







**RENTAL RATE \$28.54 \$28.04 4Q2017

Source: CoStar

East 259.681 SF Leased



VACANCY3.6%
5.4% 4Q2017

**RENTAL RATE \$20.69
\$18.37 4Q2017

1-5 398,390 SF Leased



VACANCY9.4%
10.0% 4€2017

\$25.38 \$26.16 4Q2017

Vancouver



• VACANCY
6.2%
6.5% 4Q2017

**RENTAL RATE \$20.54
\$19.66 4Q2017

West 483,118 SF Leased



VACANCY
6.4%

0.4% 7.3% 4Q2017

\$21.47 \$21.63 4Q2017

Market Location Definitions

Core:

Downtown, Close-In Northwest, Close-In Northeast, Close-In Southwest, Close-In Southeast

Fast

Hollywood, Gateway, Airport, Milwaukie, Clackamas, Gresham

1-5:

Tigard, Lake Oswego, Kruse Way, Tualatin, Wilsonville, Sherwood

Vancouver:

Vancouver, Hazel Dell, Salmon Creek, Five Corners, Mill Plain, Ellsworth, Camas

West

Beaverton, Hillsboro, Aloha, Cornell

Established in 1978, Macadam Forbes, Inc. is a significant force in Portland's commercial real estate history.

Macadam Forbes' sales and leasing team members average 20 years of experience in commercial real estate. Locally owned by active brokers, the company continues to grow into a market leader in office, industrial, investment, and land/development transactions throughout the Portland metropolitan area and beyond.



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