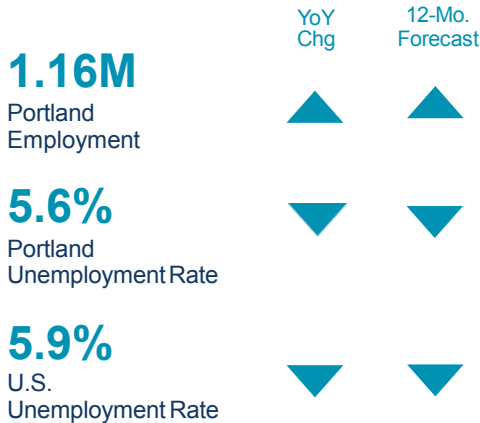


(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021



Source: BLS, Moody's Analytics
2021Q2 data are based on latest available data

ECONOMY

Portland's economy is recovering. At the close of Q2 2021, the local unemployment rate, at 5.6%, has dropped below the national rate of 5.9% and total non-farm employment for the metro area reached 1,115,900. The leisure and hospitality sector, which has suffered the most severe effects of the pandemic, has started to recover in tandem with the return to the office. With restrictions being lifted, companies are looking to the fall for when they expect employees to come back into the office on a more regular basis. Additionally, recent semiconductor supply chain woes have drawn increased focus and national investment in manufacturing and production, which will benefit Portland's Silicon Forest. The outlook is positive for the Portland market for the remainder of the year and into 2022. The start-up culture and a continued tech migration to the region, paired with re-openings of consumer facing retail businesses will contribute to Portland's economy outperforming the U.S. in the long run.

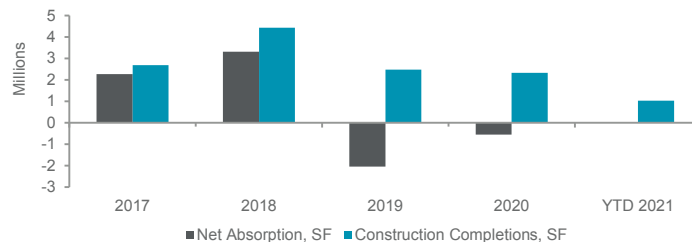
SUPPLY & DEMAND

Throughout 2020 and in the first half of 2021, we've seen several new to market tenants and local occupiers expanding their operations. In Hillsboro, Intel's Ronler Acres campus is undergoing a heavy expansion and construction is underway at Hitachi's 195,000 square foot (sf) build-to-suit development, expected to be completed later this year. We are also seeing more niche e-commerce and logistics, new to market tenants looking for existing 100,000 sf or larger sites. Demand is strong across all building sizes with healthy activity under 50,000 sf. Construction supply, 3PL, and food & beverage users are some examples of industries operating more satellite locations to serve the Portland metro area, creating some of the new demand for those smaller warehouse and distribution buildings. Currently, there is 1.3 msf in Portland's industrial development pipeline, which did shrink slightly in the first quarter of 2021 with the completions of Bridge Point I-5, a 677,000 sf two-building modern warehouse distribution center in the Airport Way submarket, and Big River Logistics delivering 193,000 sf in Vancouver. In the second quarter 2021, FedEx signed the largest lease of the year so far, a 438,051 sf new lease, taking down all of Bldg. B at Bridge-Point I-5. Other notable lease transactions from the second quarter are Goodyear Tire occupying 81,270 sf in Rivergate, Coast Aluminum, a local specialty metals provider signing a 126,000 sf lease, and Frito Lay/Pepsi Co., who signed a new construction lease at Blue Lake Corporate Park, taking the full 85,500 sf in Bldg. A.

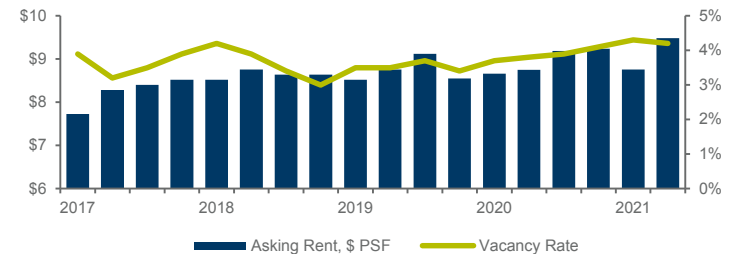
PRICING

Industrial rent growth continues to outperform the other three property sectors. At the end of the second quarter 2021, overall industrial weighted average asking rates were \$0.79 per square foot (psf) on a monthly triple net basis. Portland's industrial real estate market is an attractive opportunity for investment. Cold storage & production facilities continue to be valuable. The Dannon Yo-Cream food production & freezer storage facility, a 76,617 sf older manufacturing campus, traded for \$12.4M or \$160 psf in Q2 2021.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)**	YTD OVERALL NET ABSORPTION (SF)**	UNDER CNSTR (SF)**	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (WD)	TOTAL OVERALL WEIGHTED AVG NET RENT
Northeast Portland	5,777,347	313,536	5.4%	27,774	21,842	0	0	\$1.42	\$1.43
Swan Island	9,811,078	892,945	9.1%	-20,163	7,008	0	0	\$0.70	\$0.70
Rivergate	15,964,761	871,225	5.5%	-53,700	-456,681	40,890	0	\$0.53	\$0.53
Airport Way	16,397,312	1,315,924	8.0%	-90,574	-114,565	0	677,568	\$0.70	\$0.72
East Columbia	32,518,927	1,582,854	4.9%	238,873	167,729	50,000	0	\$0.65	\$0.71
NORTH/NORTHEAST	80,469,425	4,976,484	6.6%	102,210	-374,667	90,890	677,568	\$0.76	\$0.77
Southeast Portland	5,054,604	193,540	3.8%	13,388	-11,692	0	0	\$1.01	\$1.01
Clackamas/Milwaukie	25,173,267	977,175	3.9%	44,968	388,833	49,100	0	\$0.91	\$0.68
SOUTHEAST	30,227,871	1,170,715	3.9%	58,356	377,141	49,100	0	\$0.96	\$0.77
Macadam	636,266	19,000	3.0%	0	-1,500	0	0	\$0.85	\$0.85
Wilsonville	8,792,786	356,929	4.1%	-27,131	-9,516	110,366	0	\$0.71	\$0.71
Canby	1,378,186	5,132	0.4%	24,350	22,850	45,000	0	N/A	N/A
Tualatin/Sherwood	14,018,015	332,558	2.4%	162,782	272,468	478,301	0	\$0.61	\$0.75
Tigard/Lake Oswego	8,639,225	218,507	2.5%	-92,254	-149,501	0	0	\$0.57	\$0.69
Beaverton/Highway 217	8,472,303	459,905	5.4%	-10,279	-19,528	0	0	\$0.41	\$0.73
Hillsboro/Sunset Corridor	24,167,376	555,493	2.3%	-55,726	-18,715	195,550	36,000	\$1.38	\$1.16
SOUTHWEST	66,104,157	1,947,524	2.9%	1,742	96,558	829,217	36,000	\$0.72	\$0.83
Northwest Portland	12,837,003	383,716	3.0%	-34,062	-18,540	0	0	\$0.58	\$0.65
NORTHWEST	12,837,003	383,716	3.0%	-34,062	-18,540	0	0	\$0.58	\$0.65
Vancouver/Clark County	25,808,745	667,955	2.6%	-27,740	-45,347	285,849	312,600	N/A	\$1.41
VANCOUVER/CLARK COUNTY	25,808,745	667,955	2.6%	-27,740	-45,347	285,849	312,600	N/A	\$1.41
PORTLAND TOTALS	215,447,201	9,146,394	4.2%	100,506	35,145	1,255,056	1,026,168	\$0.76	\$0.79

*Rental rates reflect weighted net asking \$psf/month

W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Bridge Point I-5 751 NE Columbia Blvd	Airport Way	FedEx	438,051	New Lease
17625 NE Sandy Blvd	East Columbia Corridor	Coast Aluminum	126,338	New Lease
Blue Lake Corporate Park, Bldg. A	Airport Way	Frito Lay/Pepsi Co.	85,500	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
5858 NE 87th Ave.	Airport Way	Pente Investments LLC / Crown Acquisitions, Inc.	76,600	\$12.4M / \$160
10675 N Lombard St - Richards Homewares Inc.	Rivergate	Richards Homewares Inc. / EverWest Real Estate Investors	106,000	\$10M / \$94.81

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