



Jones Lang LaSalle Americas, Inc.

**ONE-OF-A-KIND HISTORIC CREATIVE OFFICE WITH  
AWARD-WINNING GROUND FLOOR RETAIL**

FOR LEASE OR SALE

126 SW 2nd Avenue, Portland, OR 97204



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\*\*The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage.





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FLOOR 2 - OFFICE



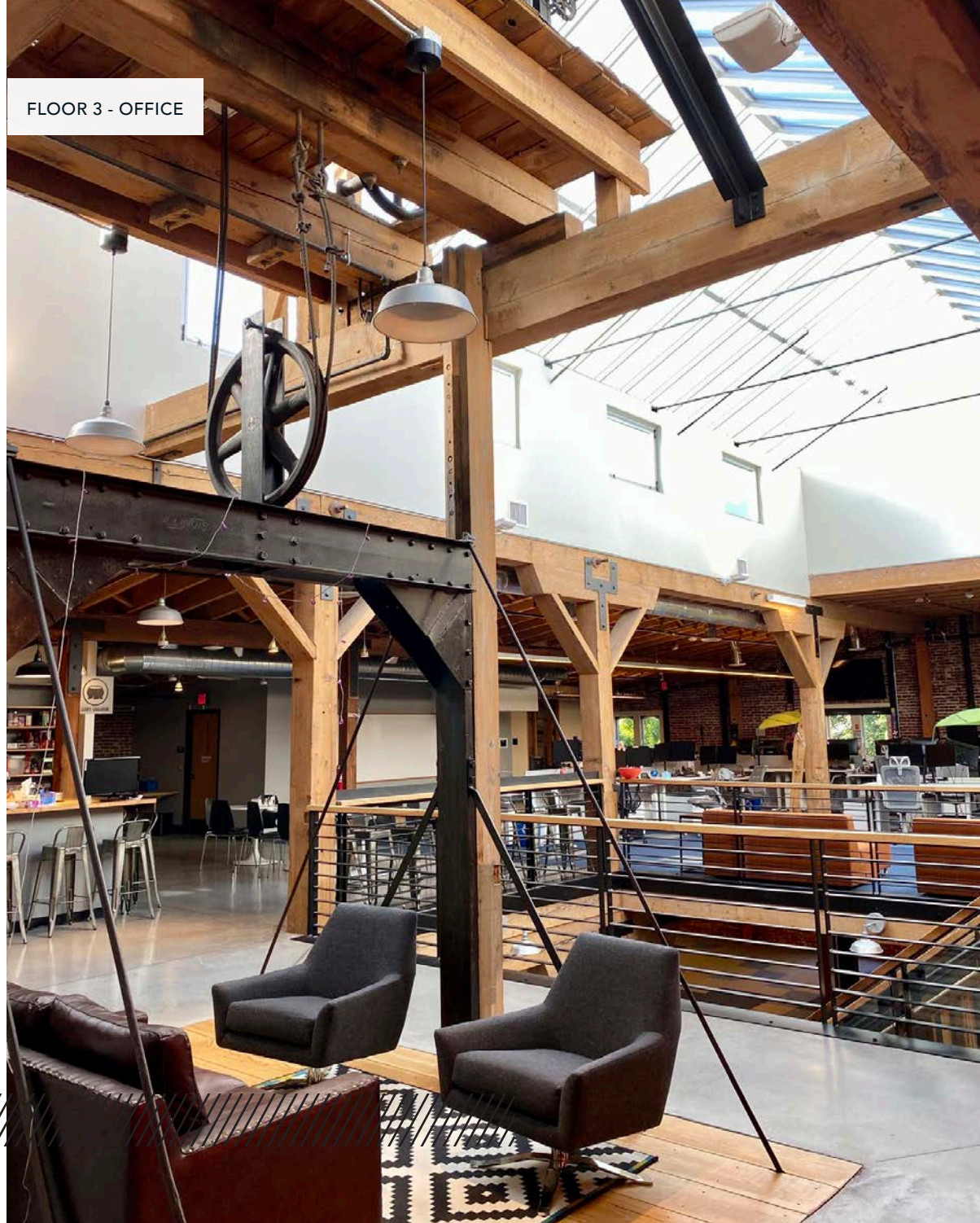
## THE OFFERING

JLL, as exclusive advisor for the seller, is pleased to present the opportunity to lease or acquire the 100 percent fee simple interest in Pine Street Market (or the “Property”) located at 126 SW 2nd Ave in Portland, Oregon. The fully renovated, 28,898 square foot mixed-use building features an award-winning ground floor food hall and two upper floors of move-in-ready creative office space available for tenants looking to relocate to a highly-amenitized, seismically upgraded building in an urban location. This opportunity also offers potential owner users the rare opportunity to acquire a recently improved, one-of-a-kind building with existing in-place income and lease-up potential.

Originally built in 1886 as a livery and horse-drawn storage facility, Pine Street Market underwent an extensive renovation in 2016 that featured a full seismic upgrade, updated MEP systems, new roof, new restroom and shower facilities, secured bike parking, and other improvements. The building’s timber-framed interior was carefully exposed to now feature high ceilings and authentic Douglas Fir beams, as well as a massive skylight that brings abundant natural light into the office space. Despite the heavy restoration, this historically designated building provides top-quality amenities while preserving its 19th Century character.



FLOOR 3 - OFFICE



## PROPERTY SUMMARY

<b>Address</b>	126 SW 2nd Ave Portland, OR 97204
<b>Parcel</b>	R246024
<b>Total land size</b>	0.46 AC / 20,037 SF
<b>Zoning</b>	CX – Central Commercial
<b>Rentable SF</b>	28,898 SF
<b>Average floor plate (SF)</b>	9,500 SF
<b>Stories</b>	3
<b>Year built / renovated</b>	1886 / 2016
<b>Occupancy</b>	12.5%
<b>WALT*</b>	3.2 years
<b>Opportunity Zone</b>	Yes
<b>FAR**</b>	15:1
<b>Maximum height**</b>	85'
<b>Pricing guidance</b>	Call for details

\*As of June 2022

\*\*Including bonuses that provide FAR and height limit additions

# INVESTMENT HIGHLIGHTS



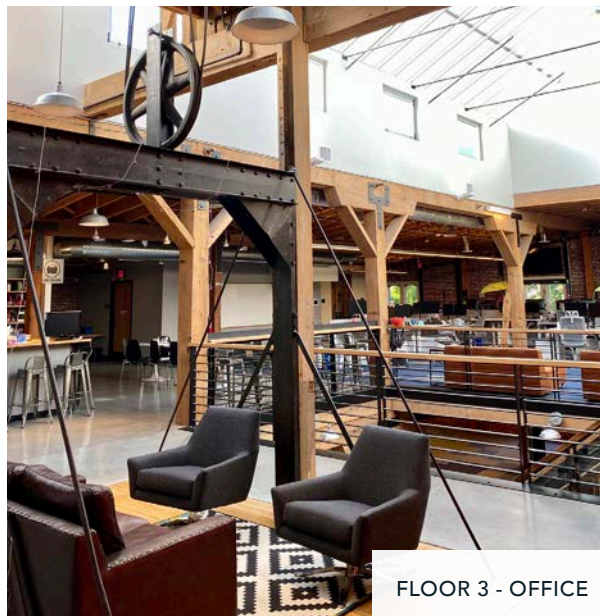
## Recently renovated with excellent amenities

Originally built in 1886, Pine Street Market is a 3-story, historically designated, 28,898 square foot mixed-use building. In 2016, the Property underwent an extensive renovation that converted it into a top performing building while preserving its 19th Century aesthetic. The distinguished brick, timber, and masonry structure was improved and infused with modern structural upgrades and systems that rival newly constructed buildings.



## Optionality for investors, owner users and tenants

Pine Street Market offers move-in-ready creative office spaces for small and medium-sized tenants looking to relocate to a highly-amenitized building with an unmatched urban location. The Property also provides owner users the rare opportunity to acquire a historically designated, fully renovated building with existing in-place income and room for significant revenue growth.



FLOOR 3 - OFFICE

- Full seismic retrofit
- New restrooms and shower facilities
- Interior skylight with abundant natural light
- Interconnected interior staircase
- Exposed beams and original brick walls
- Reserved, secure bike parking
- New HVAC and life safety systems



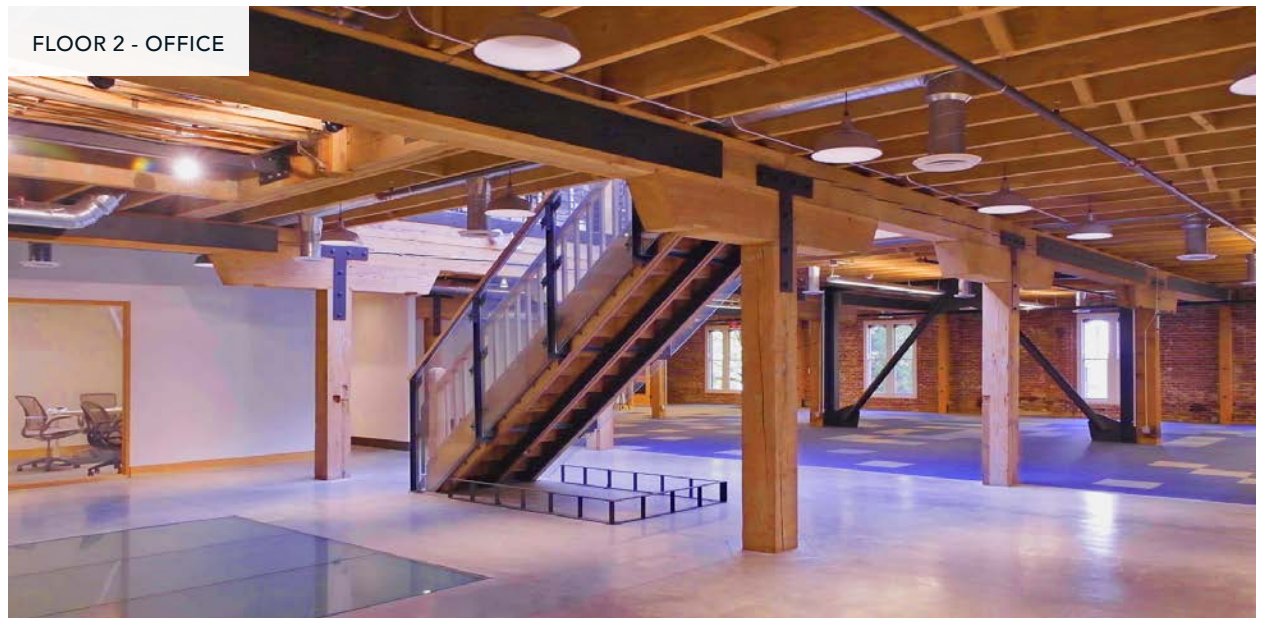
## Award-winning architecture and ambiance

Pine Street Market has been featured in 68 articles nationwide for its architectural design, distinctive ambiance, and culinary significance. Furthermore, The New York Times mentioned Pine Street Market when placing Portland among the “Top 50 Places to Go” and “Top 25 Places to Visit in the World” rankings. This emblematic building has become a landmark locally and internationally, and has received the following awards for its design:

- **Winner:** 2016 Restore Oregon Art Demuro Award
- **Winner:** 2016 Commercial Association of Brokers’ retail development of the year
- **Winner:** 2017 Energy Trust of Oregon High Performance Building Award
- **3rd Place:** 2017 Daily Journal of Commerce’s Oregon top projects renovation



FLOOR 3 - OFFICE



FLOOR 2 - OFFICE



FLOOR 3 - OFFICE



## Highly skilled talent pool

Located on the northern edge of Portland's "Tech Triangle," the area boasts a highly educated workforce and is home to over 70 technology employers, such as Expensify, SurveyMonkey, Global Payments, and Square, among others. The Property is also adjacent to the recently completed PAE Living Building, a build-to-suit for PAE Engineers that features 60,860 square feet of Class A office and retail.

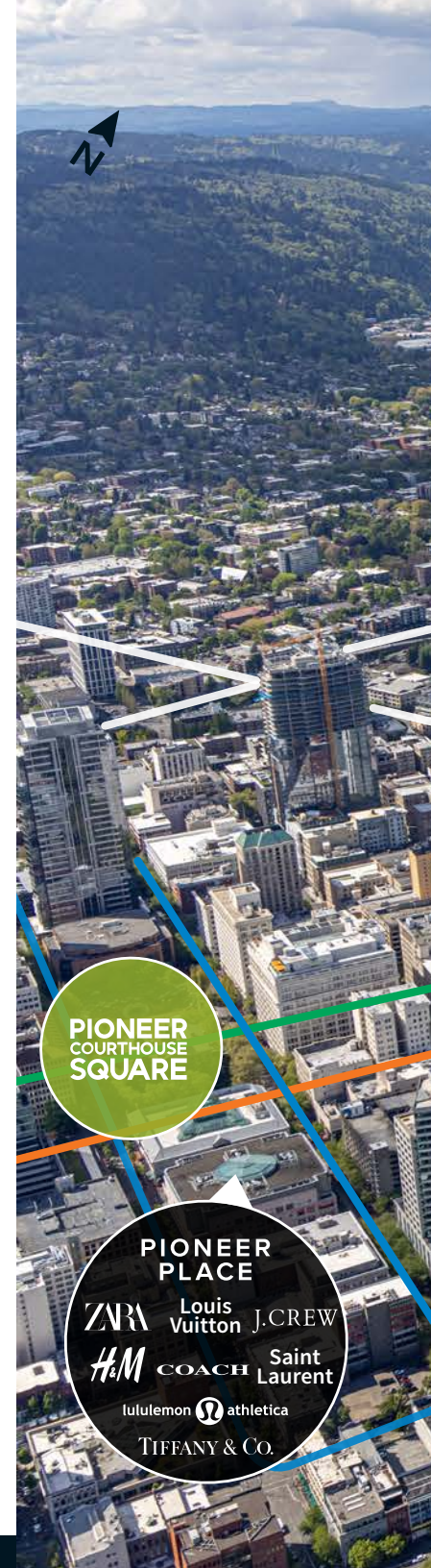
**Expensify**  **SurveyMonkey**

**globalpayments**  **Square**



## Favorable access

The Property is 0.6 miles away from Interstate-405 and 0.3 miles away from Interstate-5, the two primary arterials running through Portland. Located adjacent to the west terminus of the Burnside Bridge, Pine Street Market is easily accessible to the dense commercial and residential neighborhoods on the city's Close-In Eastside. Additionally, the Property is within walking distance to the MAX Light Rail and TriMet bus lines that provide commuters with affordable and convenient mass transit to and from various residential neighborhoods across the metro area.



University of Portland

Northwest Industrial District

Pearl District

17.0K employees

Vestas AVANGRID

WACOM vacasa opal

Wieden Kennedy+

ZAPPROVED

Microcomputer software company\*

AMPERE

Portland Union Station

Fremont Bridge

Veterans Memorial Coliseum

moda center

Brewery Blocks

Whole Foods Market

ATHLETA

Powell's BOOKS

icebreaker

THE NORTH FACE

BAMBUZA VIETNAM KITCHEN

Peets Coffee

Old Town WORK & CO iVET360

MAX Green / Yellow Lines

MAX Green / Orange Lines

Steel Bridge

Portland Central Business District

78.0K employees

ORACLE New Relic moda HEALTH

Square

Jama software

act-on CAMBIA ebay

airbnb

puppet

smarsh

230 Ash

230 units

Built 2019

PAE Living Building

LAN CHINESE GARDEN

OREGON Oregon Convention Center

PINE STREET MARKET

Tom McCall Waterfront Park

MAX Blue / Red Lines

Morrison Bridge

Willamette River

5



MARKET

MARKET





# PROPERTY OVERVIEW

# PROPERTY OVERVIEW

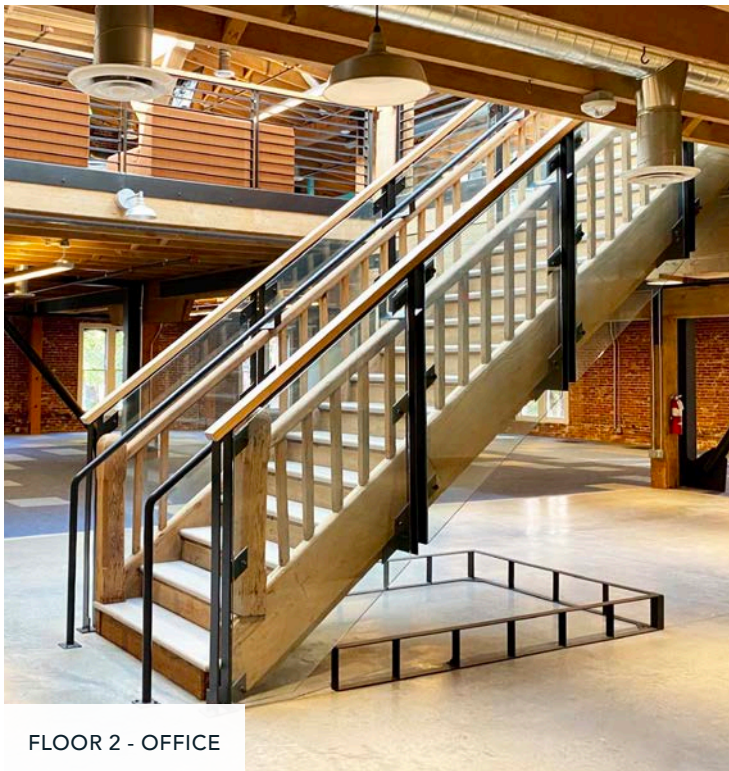


FLOOR 2 - OFFICE

<b>Address</b>	126 SW 2nd Ave, Portland, OR 97204
<b>Parcel</b>	R246024
<b>Year built / renovated</b>	1886 / 2016
<b>Stories</b>	3
<b>Ground floor RSF</b>	9,088 RSF
<b>Second floor RSF</b>	9,905 RSF
<b>Third floor RSF</b>	9,905 RSF
<b>Total RSF</b>	28,898 RSF
<b>Total land size</b>	0.46 AC / 20,037 SF
<b>Occupancy</b>	12.4%
<b>WALT*</b>	3.2 years
<b>Tax exemption</b>	24H historic property 10 year**
<b>Tax exemption expiration</b>	June 30, 2025
<b>Opportunity Zone</b>	Yes
<b>Automobile parking</b>	None
<b>Ingress / egress</b>	<p>The main entrance to the ground floor food hall is on the West side of the Property on 2nd Avenue, with an additional entrance on the South side facing Pine Street leading to the elevator and up to the office space.</p> <p>The Property is 0.6 miles away from Interstate-405 and 0.3 miles away from Interstate-5. Located adjacent the Burnside Bridge, Pine Street Market provides immediate to the City's Close-In Eastside.</p>
<b>Public transit</b>	<p>The Property is within walking distance to the MAX Light Rail and TriMet bus lines that provide commuters with affordable and convenient mass transit to and from various residential neighborhoods across the metro area. The Portland Streetcar runs alongside the Property as well, allowing quick access to other urban commercial areas, such as the Pearl District and Slabtown.</p>

\*As of June, 2022

\*\*As part of the 2015-2016 renovation, the Subject applied and received this historic tax exemption that froze the Property's assessment for a 10-year period, which runs through the 2025 tax year



FLOOR 2 - OFFICE

## ZONING

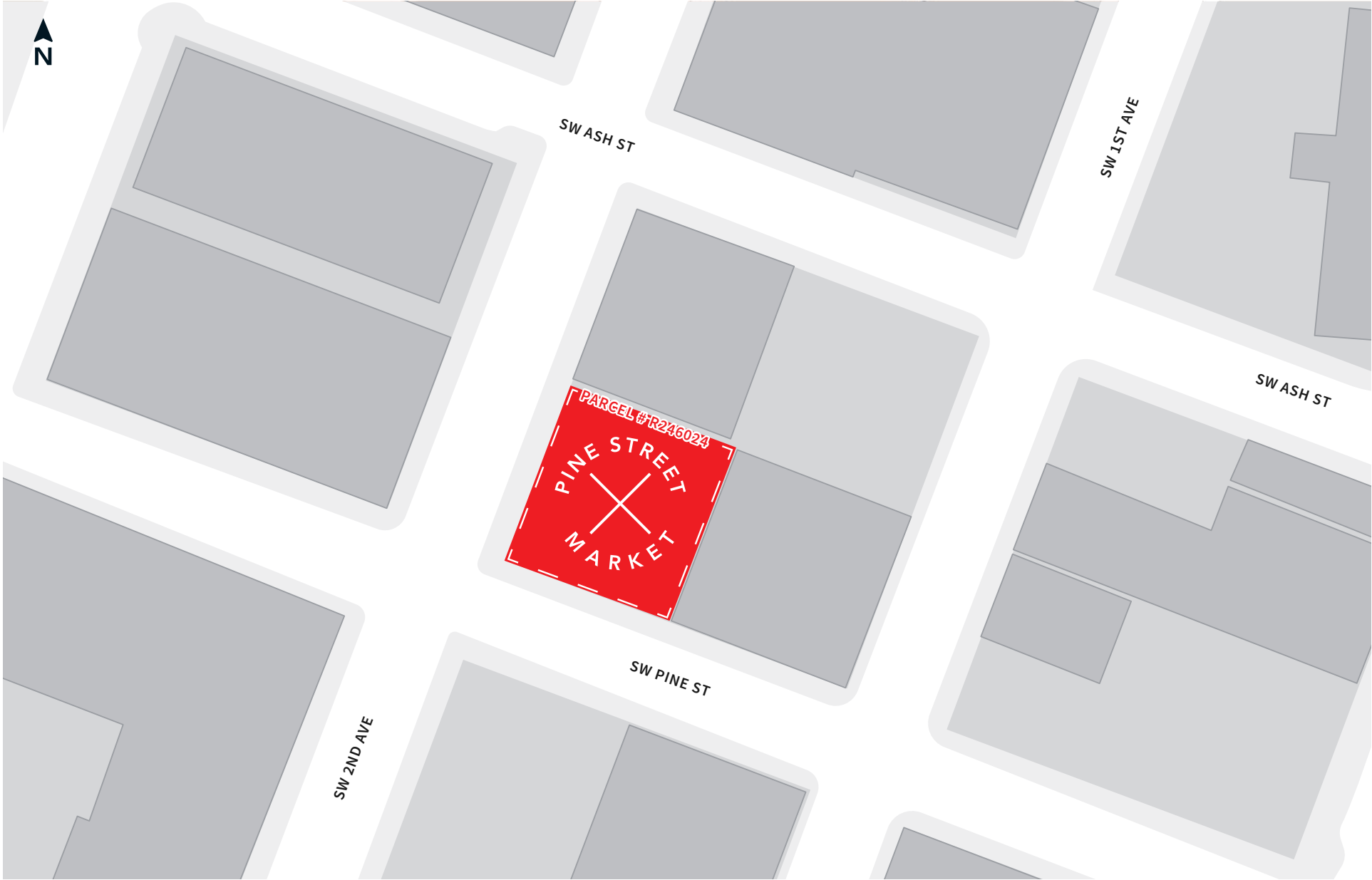
<b>Zoning</b>	CX – Central Commercial
<b>Permitted uses</b>	Retail, office, and residential
<b>Maximum height**</b>	85'
<b>Maximum FAR**</b>	6:1
<b>Lot coverage</b>	100%

## STRUCTURE

<b>Foundation / structure</b>	Concrete slab
<b>Seismic upgrades</b>	Diaphragming on all floors and roof, diagonal steel framing, reinforcement of existing beams and strengthening of walls and parapets with the addition of steel strongbacks
<b>Frame</b>	Heavy timber
<b>Exterior walls</b>	Painted masonry / stucco
<b>Interior walls</b>	Painted and textured sheetrock with exposed brick walls
<b>Roof</b>	Flat built-up roof with a pitched skylight
<b>Ceiling</b>	Painted and textured sheetrock with open wood beam ceilings
<b>Stairwell</b>	Internal stairwell connecting the two floors of office space. Egress stairwell located on the West side of the property, closest to SW 2nd street
<b>Flooring</b>	Tile, sealed concrete, commercial-grade carpet, and wood panel flooring
<b>Plumbing</b>	Common area restrooms on the ground floor and on the 2nd and 3rd floors. Standard kitchen plumbing in each retail tenant space on the ground floor and in the kitchen / break room in the office space. There is a dish pit / washroom in the rear of the food hall (common area).
<b>Elevator</b>	(1) KONE MRL passenger elevator
<b>HVAC</b>	Roof-mounted HVAC units
<b>Fire and life safety</b>	Wet Sprinkler system
<b>Utilities</b>	Water: City of Portland Sewer: City of Portland Natural Gas: NW Natural Electricity: Pacific Power (PacifiCorp)

\*\*Including bonuses that provide FAR and height limit additions

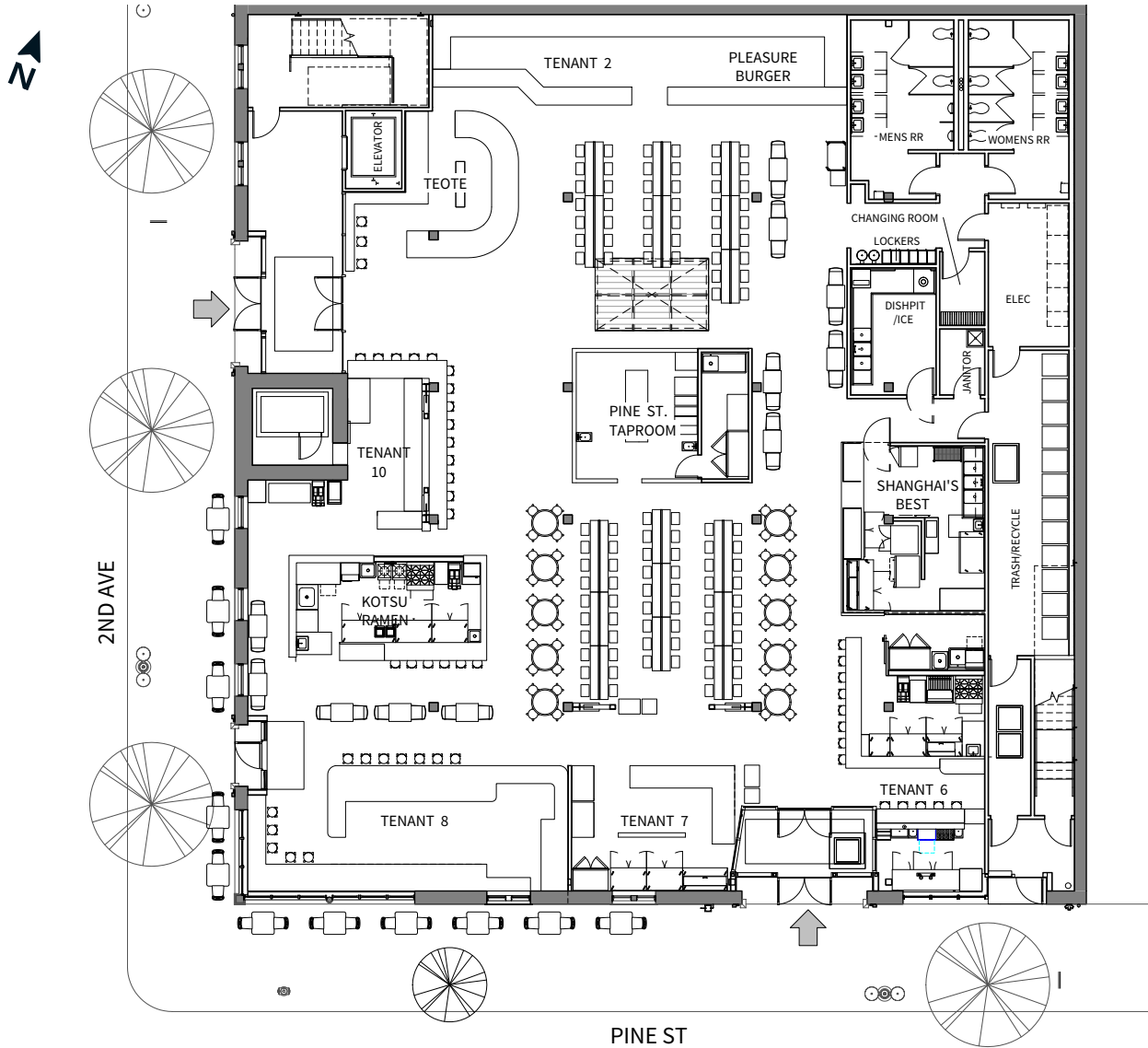
# SITE PLAN



# FLOOR PLANS

## FLOOR 1

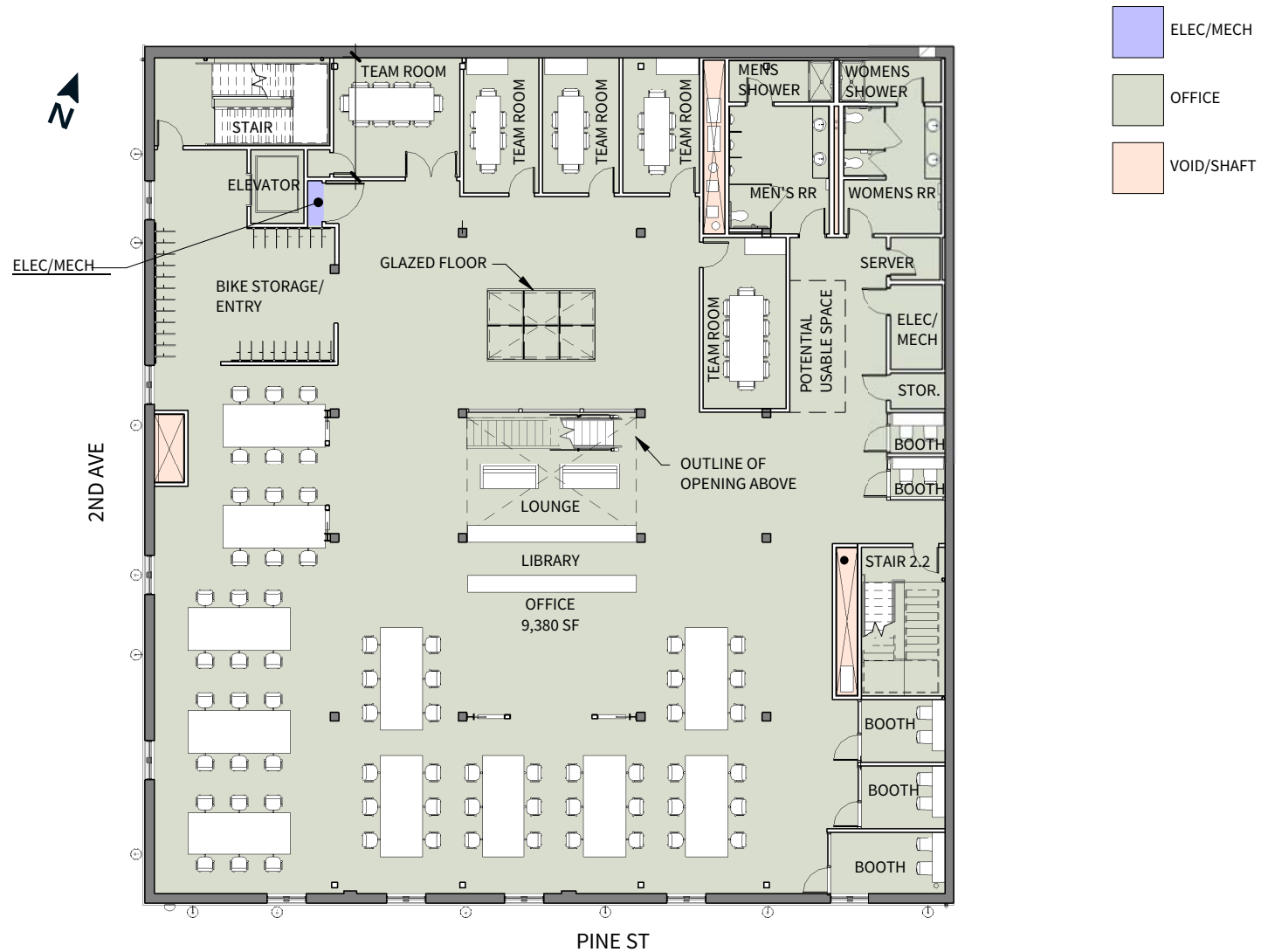
### Market



# FLOOR PLANS

## FLOOR 2

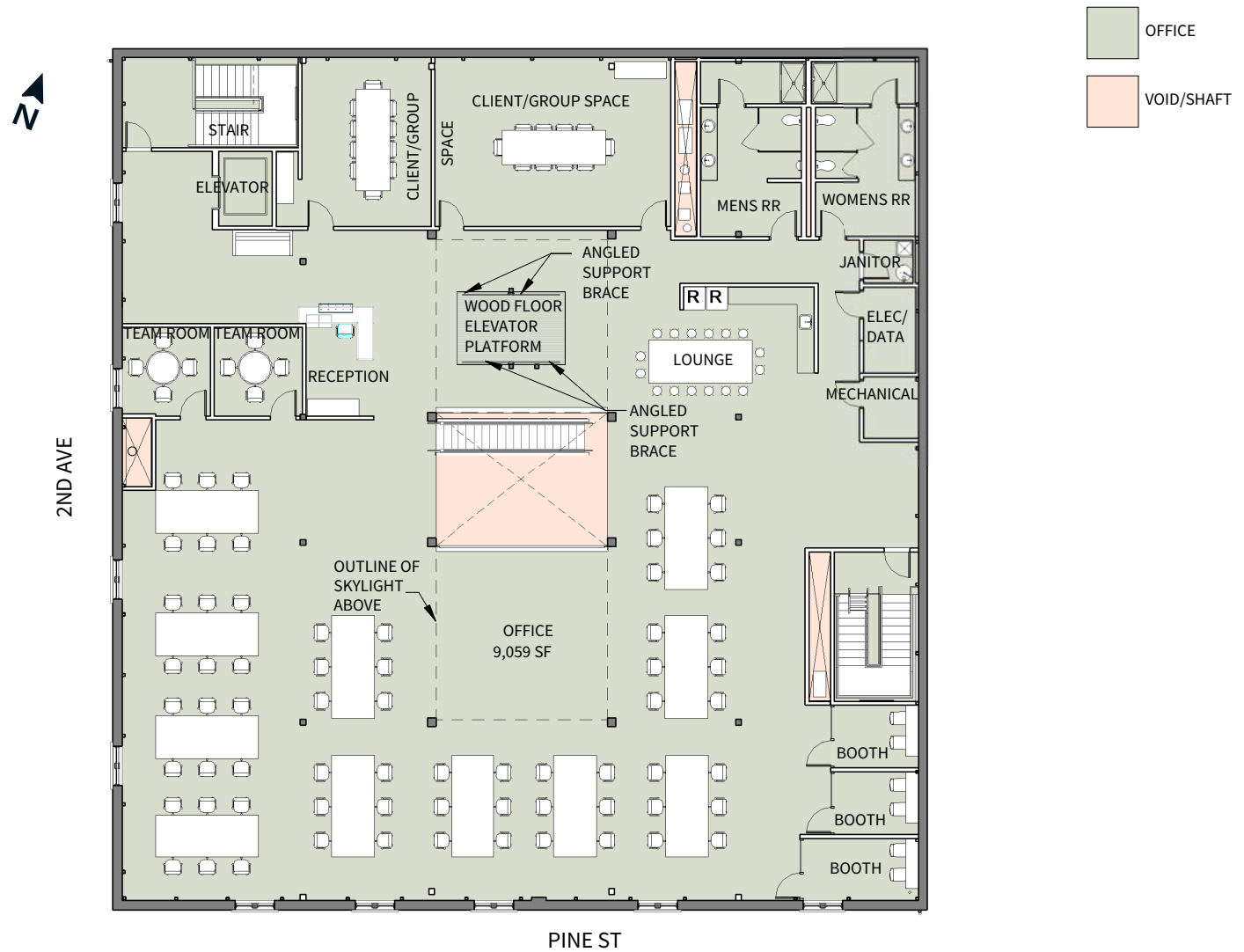
### Office



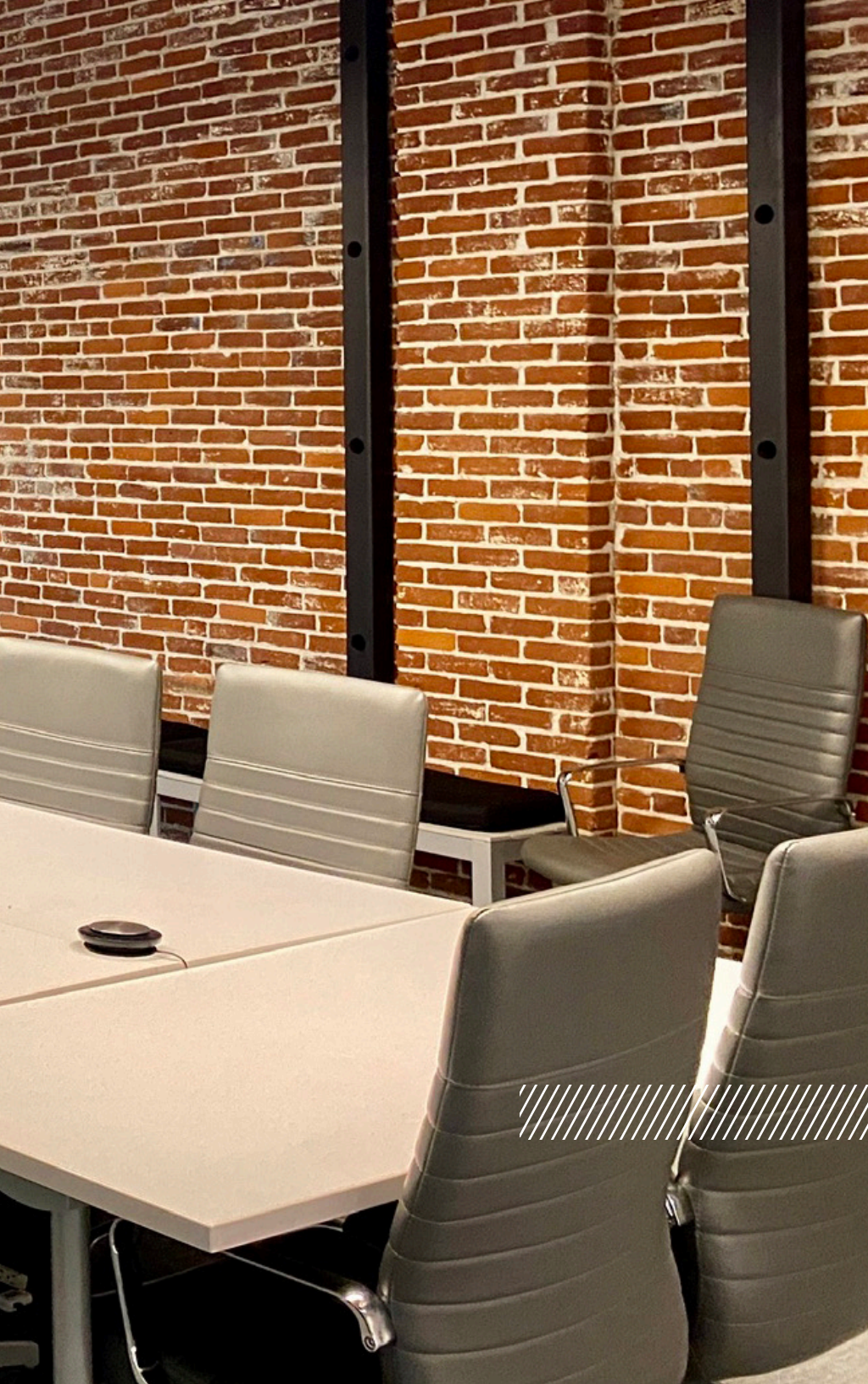
# FLOOR PLANS

## FLOOR 3

### Office







# FINANCIAL ANALYSIS



# CONDITIONS OF SALE

Pine Street Market is being offered on an “as-is,” “where-is” condition. All investors should base their offer on an “as-is” condition. Parties interested in downloading the full financial overview of the Property will be required to execute a Confidentiality Agreement and register in order to access the Virtual Deal Room. The CA can be accessed and completed directly online via the link below.

**CLICK HERE**  
to access JLL's  
Virtual Deal Room

Sign the Confidentiality Agreement to download detailed financials for the Property

## Offering terms

All offers should be delivered to the offices of the exclusive advisors, JLL Capital Markets, by email.

We request that interested parties submit a formal Letter of Intent (LOI) outlining the terms by which they intend to purchase the Property, including the following:

- Purchase price
- Source of capital (equity / debt)
- Earnest money deposit
- Detailed schedule of any and all contingency periods
- Company background and financial capability

## Property tours

JLL, as exclusive advisor for Pine Street Market, will schedule all market and property tours with advance appointment.



FLOOR 3 - OFFICE



# TENANT OVERVIEW



Teote is a Latin American street food restaurant known for its flavorful arepas and spicy mezcal cocktails, among its wide variety of drinks and dishes. The restaurant also provides catering, bartender service, music, tastings, and other services for private and public events.



Originally from California, this top-grade Japanese restaurant is known for its curry-infused ramen bowls and the wide variety of dumplings they offer. Kotsu has expanded its presence to 10 locations across the West Coast.



Proclaimed as “Portland’s newest taproom”, the Pine Street Tap Room offers a plethora of beers, from IPAs to ciders, and has a cocktail bar offering popular mixed drinks.



Known as the “best smash burgers in town,” Pleasure Burger is one-of-a-kind street food pop-up that offers traditional and peanut butter smash burgers, hot dogs and fries on the side.



Shanghai’s Best is a Chinese restaurant known for their steamed and pan-fried dumplings. The restaurant started out with food carts throughout the city, and since has been transitioning to leased structural spaces.

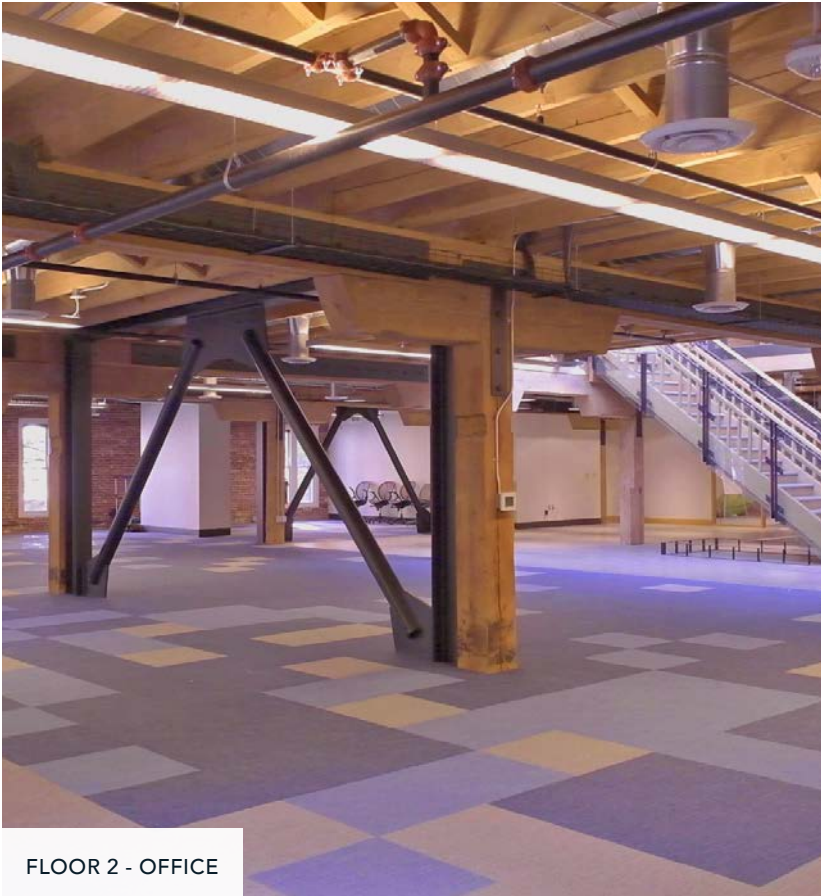
# FINANCIAL OVERVIEW

## INVESTOR PRO FORMA

Income	In-place [1]	Pro Forma
Base rent - retail	\$147,617	\$351,072
Base rent - office	\$0	\$475,440
Recoverable operating expenses [2]	\$111,644	\$491,725
Potential gross revenue	\$259,261	\$1,318,237
Vacancy allowance	5.00%	\$0
Operating expenses [2]	-\$294,351	(\$497,947)
<b>Net operating income (NOI)</b>	<b>-\$35,090</b>	<b>\$754,378</b>
Reserves	\$0.15 PSF	\$4,335
Net cash flow before debt service	-\$30,756	\$758,713
Debt service	-\$467,753	(\$467,753)
Debt coverage ratio	-0.07x	1.62x
Net cash flow after debt service	-\$498,508	\$290,960
<b>Return metrics</b>		
Cash-on-cash returns	-6.23%	3.64%
Levered cash-on-cash returns	-62.31%	36.37%
Cap rate based on \$8,000,000 purchase price	-0.44%	9.43%

[1] Annualized In-Place PSF rent taken from RR & Lease Abstract dated 1/14/2022

[2] Annualized expense recoveries and operating expenses from budget comparison report dated April 2022



FLOOR 2 - OFFICE





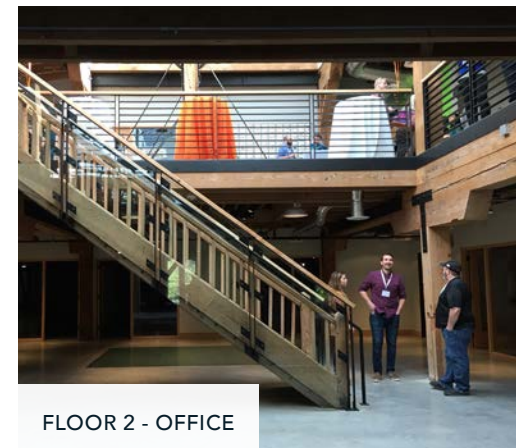
With office rents for comparable space in the market exceeding \$24.00 NNN, Pine Street Market can be owned at a discount on a per square foot basis in comparison to leasing similar space in the submarket. The table below outlines the cost breakdown of owning the Property with the current in-place income and various different financing options.

## LEASE VS. OWN ANALYSIS

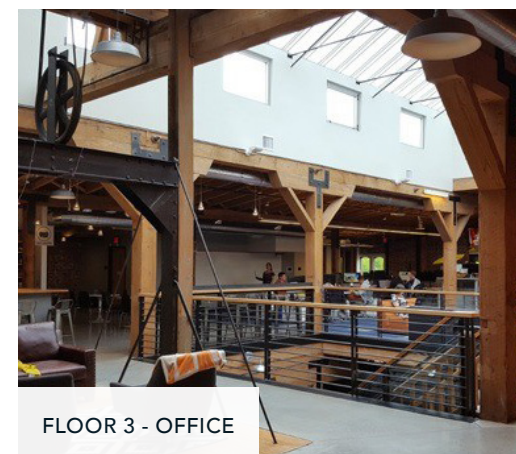
Property type	Office	<b>Variable: cost to own PSF</b>				
Zoning	CX					
Rentable SF	28,898 SF					
Vacant SF	19,810 SF					
Market leasing assumption	\$24.00					
OpEx PSF	\$10.86					
Option	I	II	III	IV	V	
<b>Sale price</b>	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	
<b>% Down</b>	5%	10%	15%	20%	25%	
<b>Down payment</b>	\$400,000	\$800,000	\$1,200,000	\$1,600,000	\$2,000,000	
<b>Loan amount*</b>	\$7,600,000	\$7,200,000	\$6,800,000	\$6,400,000	\$6,000,000	
<b>Interest rate*</b>	5.10%	5.10%	5.10%	5.10%	5.10%	
<b>Term (months)</b>	120	120	120	120	120	
<b>Monthly payment</b>	-\$80,982	-\$76,720	-\$72,457	-\$68,195	-\$63,933	
<b>Annual debt service</b>	-\$388,594	-\$368,141	-\$347,689	-\$327,237	-\$306,784	
<b>Pro forma retail income**</b>	\$351,072	\$351,072	\$351,072	\$351,072	\$351,072	
<b>Annual operating expenses for ownership</b>	-\$215,137	-\$215,137	-\$215,137	-\$215,137	-\$215,137	
<b>Yearly balance after income (ownership)</b>	-\$252,658	-\$232,206	-\$211,754	-\$191,301	-\$170,849	
<b>Total yearly cost to lease</b>	-\$690,577	-\$690,577	-\$690,577	-\$690,577	-\$690,577	
<b>Cost to own vacancy PSF (NNN)</b>	\$12.75	\$11.72	\$10.69	\$9.66	\$8.62	
<b>Market leasing rate (NNN) + OpEx</b>	<b>\$34.86</b>	<b>\$34.86</b>	<b>\$34.86</b>	<b>\$34.86</b>	<b>\$34.86</b>	
<b>% below market</b>	63.41%	66.38%	69.34%	72.30%	75.26%	

\* Loan metrics reflect an SBA & Bank recourse loan at 5.1% for ten years, 30-yr amortization. Buyer will need to do full due diligence and see Financing contacts on the back page of the Offering Memorandum for specific detail on potential loan options.

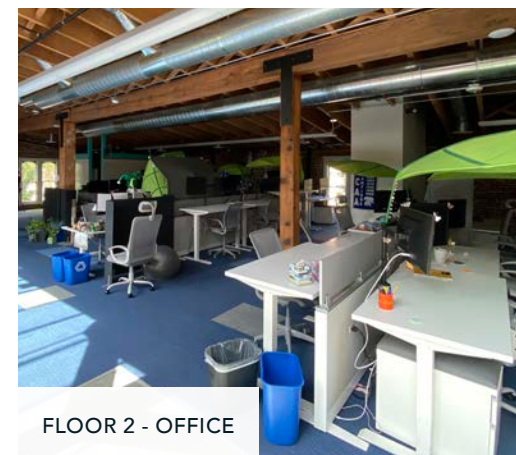
\*\*Assumes retail is 100% occupied



FLOOR 2 - OFFICE

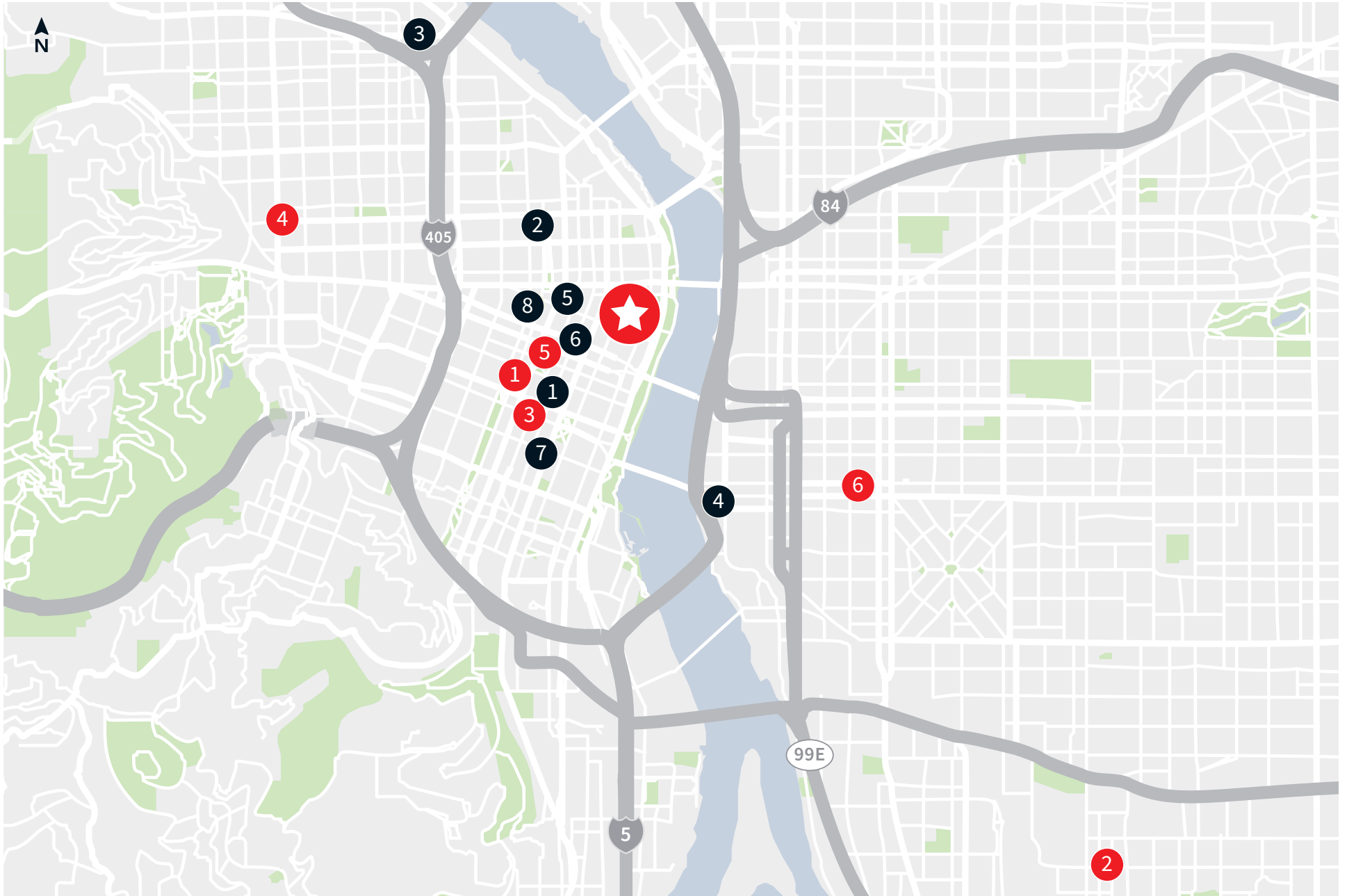


FLOOR 3 - OFFICE



FLOOR 2 - OFFICE

# LEASE COMPS



# OFFICE

	Tenant	Building	Address	Submarket	Space	Date Signed	Term	Base Rent (PSF/Yr)	Rent Type	Escalations (Annual)
1	Kyruus	Power + Light Building	920 SW 6th Ave	CBD	7,311	4/4/22	26	\$30.50	NNN	3.00%
2	Torq.io	General Automotive Building	411 NW Park Ave	CBD	9,300	3/28/22	36	\$24.00	NNN*	0.00%
3	Audacy Oregon	1631 NW Thurman	1631 NW Thurman	Northwest	13,966	3/11/22	132	\$28.00	NNN	2.50%
4	Viewpoint Construction Software	RiverEast Center	1515 SE Water Ave	Close In Eastside	52,657	2/3/22	27	\$29.00	NNN	3.00%
5	DOWL	Historic Bank Block	309 SW 6th Ave	CBD	9,716	2/1/22	64	\$20.38	NNN*	3.00%
6	Galois	Commonwealth Building	421 SW 6th Ave	CBD	30,997	8/17/21	36	\$31.67	NNN*	3.00%
7	Design + Build	Wells Fargo Tower	1300 SW 5th Ave	CBD	4,101	5/31/21	41	\$29.50	NNN	3.00%
8	Stroom, Inc.	The Reserve	915 SW Stark St	CBD	23,346	6/4/20	89	\$30.00	NNN*	3.00%
6	FocusVision Worldwide	Commonwealth Building	421 SW 6th Ave	CBD	6,429	1/1/20	64	\$28.49	NNN*	3.00%

## Average

**\$26.27**

\*Full service gross leases adjusted to NNN leases by subtracting the building's recoverable operating expenses per square foot

# RETAIL

	Tenant	Building	Address	Submarket	Space	Date Signed	Term	Base Rent (PSF/Yr)	Rent Type	Escalations
1	Marios Mitchells	Fox Tower	805 SW Broadway	CBD	1,300	9/1/2021	17	\$45.00	NNN	-
2	Electric Pizza Company	4107 SE 28th Avenue	4107 SE 28th Avenue	SE Close-In	293	3/1/2021	-	\$54.00	NNN	-
1	Elephants Deli	Fox Tower	805 SW Broadway	CBD	1,546	3/1/2021	120	\$57.00	NNN	10.0% every 5 years
3	Figlia	Sixth + Main	1050 SW 6th Avenue	CBD	1,090	12/1/2020	60	\$35.00	NNN	3.0% annual
4	T4	522-526 NW 23rd Ave	522-526 NW 23rd Ave	Northwest	1,270	11/12/2020	124	\$42.00	NNN	3.0% annual
5	GreenLeaf Juicing Company	American Bank Building	621 SW Morrison St	CBD	425	4/1/2020	60	\$116.00	NNN	3.0% annual
5	CVS	American Bank Building	621 SW Morrison St	CBD	4,035	1/1/2020	120	\$70.00	NNN	10.0% every 5 years
5	Quickfish	American Bank Building	621 SW Morrison St	CBD	1,116	8/1/2019	120	\$68.00	NNN	10.0% every 5 years
6	Q&B Foods Inc	Matterhorn Building	940 SE Madison St	Close-In Eastside	1,927	6/1/2019	36	\$31.06	NNN	3.0% annual

## Average

**\$57.56**





# SUBMARKET OVERVIEW





# CBD OFFICE SUMMARY

Portland continues to separate from the pack as one of the most coveted markets in the nation. Global and domestic investors alike are attracted to the city's strong in-migration, tech job growth, diversified economy, and affordability when compared to alternative West Coast markets.

Pine Street Market is located in Portland's Central Business District, the Central City's largest submarket consisting of 23.3 million square feet of office product. In addition to its strategic location, the Property benefits from its proximity to transit and superior freeway access to both I-5 and I-405 relative to other properties in the submarket.



**#2**

**MOST AFFORDABLE  
OFFICE MARKET ON  
THE WEST COAST**



**64.2%**

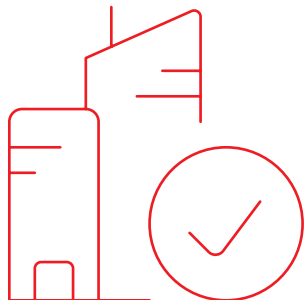
**RENT GROWTH  
SINCE 2010**

Source: US News

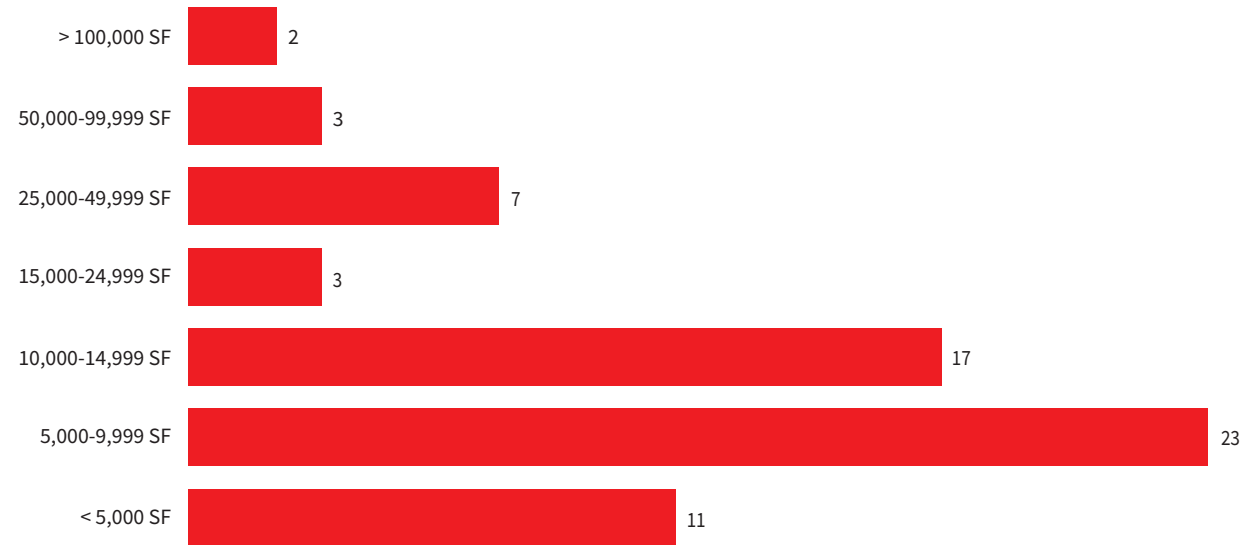
# LEASING ACTIVITY IS REBOUNDED

As mask mandates are lifted and the pandemic diminishes, the Central Business District's leasing activity has rebounded to 75 percent of pre-pandemic volume. Additionally, the submarket has the highest number of active tenant space requirements throughout the Urban Core, 65 percent of which are looking for spaces between 5,000 – and 25,000 square feet.

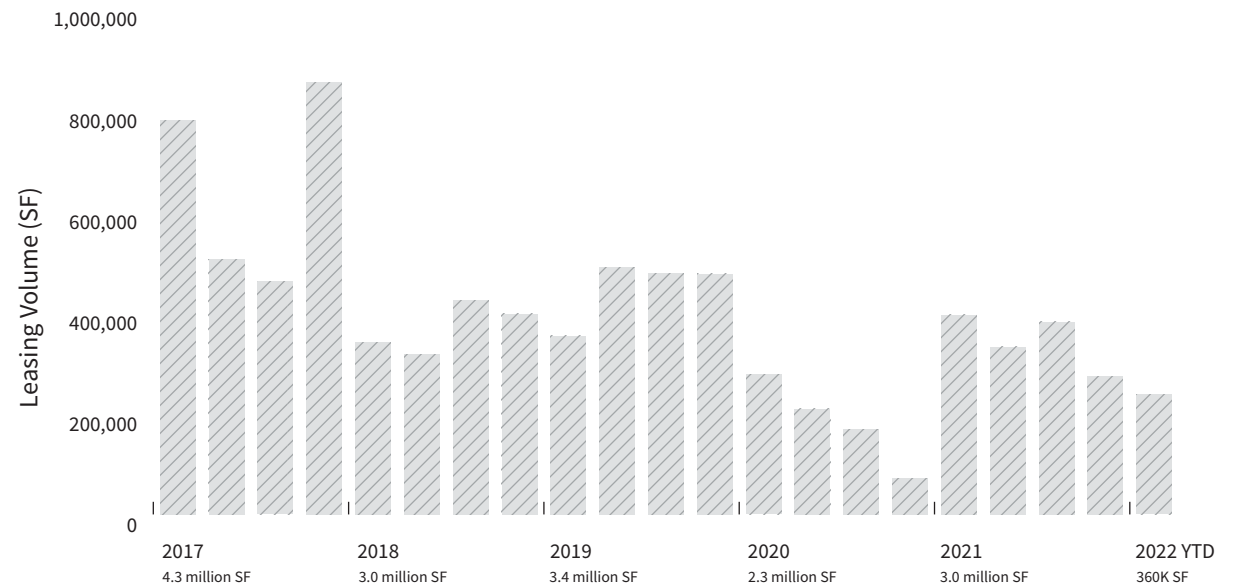
Rents and property values are expected to rise due to the accelerated interest in urban office product, providing a great opportunity to acquire or lease in the heart of Portland.



Size range of urban tenants in market



Monthly active tenants in market



# DEVELOPMENT PIPELINE

Portland has seen a lull in new construction deliveries over the past two years as a result of inflation and material cost increases. Furthermore, new developments in Multnomah County, regardless of product type, have been stymied by an increasingly difficult permitting process. As such, repositioned assets that feature many of the amenities typically associated with new build products are steadily becoming favored by office investors seeking to allocate capital in Portland's Urban Core awaiting the inevitable return to pre-pandemic demand levels.



**161K**

SF OFFICE DELIVERIES  
SINCE 2020



**303K**

SF EXPECTED  
DELIVERIES IN 2022





**PAE LIVING BUILDING**  
151 SW 1st Ave  
5 stories

## Expected deliveries in 2022

Adjacent to the Property is the PAE Living Building, the largest commercial living building of its kind known for its sustainability and design. This 5-story mixed-use building embodies all 7 of the Living Building Challenge, an aggressive building standard implemented by the Seattle-based International Living Future Institute (ILFI). Notable features include a 71,000-gallon rainwater cistern, a two-way photovoltaic-powered battery storage systems and 133kW on-site solar array with 195kW offsite array which enables the building to produce 105 percent of its energy needs for the year.



**230 ASH APARTMENTS**  
230 SW Ash St  
133 units

Located across 2nd Avenue is 230 Ash, a Class A dynamic apartment community constructed in 2020. The 133 units feature quartz countertops, gas range cooktops, and stainless-steel appliances complimented with custom cabinetry. 230 Ash offers both the location and amenities that appeal to those interested in a luxurious community.





# MARKET OVERVIEW



# WHY PORTLAND?



Lower wages and more affordable office spaces that support **low business costs**



**Strong rebound from pandemic** as 85 percent of jobs lost due to COVID have been recovered



Growth mode as **job openings at an all-time high** with low unemployment rates



**Award-winning public transportation system** that provides access to **world-class amenities**



Urban growth boundary constrains supply, **boosting value and rent rates**



**Positive business climate** with no state sales tax



Nationally ranked for **entrepreneurship and career growth potential**



Favorable demographics with a **high Millennial population** percentage and **robust skilled labor pool**



**Dynamic high-tech real estate market** based on measures of clustering, walkability, and market vibrancy



While real estate asset values continue growing, Portland remains a **discount compared to other major West Coast cities**



## By the numbers

**2.5M**

POPULATION 2021

**2.7M**

POPULATION FORECAST 2026

**984K**

HOUSEHOLDS 2021

**1M**

HOUSEHOLDS FORECAST 2025

Source: ESRI





## Rankings

**#1**

**BEST FOODIE CITY IN AMERICA, 2021**

WalletHub

**#1**

**DEVELOPMENT / REDEVELOPMENT OPPORTUNITIES, 2020**

Urban Land Institute's Emerging Trends in Real Estate

**#3**

**FASTEST JOB GROWTH, 2021**

US Bureau of Labor Statistics

**#3**

**MOVING DESTINATION OF ALL STATES, 2020**

United Van Lines 2020

**#3**

**INBOUND STATES, 2021**

Mayflower moving services

**#4**

**HEALTHIEST CITY, 2020**

WalletHub

**#5**

**BEST PLACE FOR BUSINESS AND CAREERS, 2020**

Forbes

**#6**

**BEST WORK-LIFE BALANCE, 2020**

SmartAsset

**#7**

**JOB MARKET FOR COLLEGE GRADUATES, 2020**

Monster

**#10**

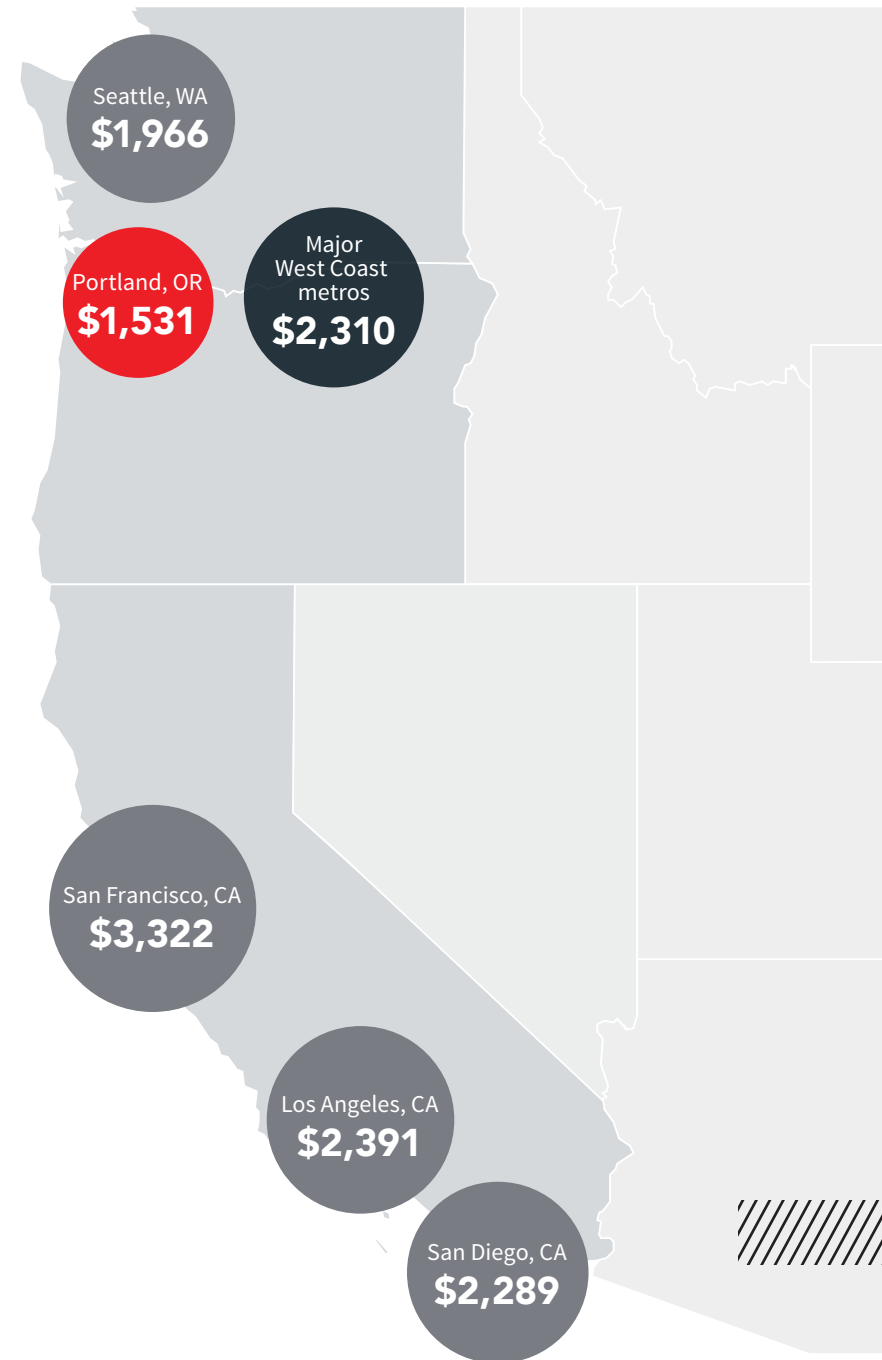
**BEST PLACES TO LIVE IN THE U.S., 2021-22**

U.S. News & World Report

# PORTLAND'S RELATIVE LOW COST OF LIVING

Market	Effective rent	Rent / SF	Occupancy
<b>Portland, OR</b>	<b>\$1,531</b>	<b>\$1.85</b>	<b>95%</b>
Seattle, WA	\$1,966	\$2.33	94%
San Diego, CA	\$2,289	\$2.53	96%
Los Angeles, CA	\$2,391	\$2.81	94%
San Francisco, CA	\$3,322	\$4.00	90%

Portland continues to offer residents a high quality of living at a low cost relative to other major West Coast metro areas. Higher housing costs in more expensive markets are one of the leading causes of the in-migration Portland has experienced. As remote working becomes more prominent on the West Coast, renters will be taking a closer look at which locations offer the best value for their money.



**196K**

RENTAL UNITS



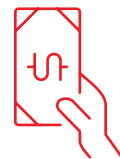
**10K**

UNITS ABSORBED  
TRAILING-12



**7K**

UNITS DELIVERED  
TRAILING-12



**\$1,531**

EFFECTIVE  
MARKET RENT

Source: JLL Research



# OFFICE MARKET

The unique combination of affordability and high growth makes Portland one of the most attractive markets to employers and investors alike.

Both renters and employers recognize the desirability of Portland. The city attracts top talent from around the globe as Portland's business costs are lower than most major tech markets. Many inbound movers come from the Bay Area as companies are drawn to the city's talent pool.

Market	Inventory SF	Average direct rent PSF
San Francisco	81,219,866 SF	\$79.79
San Francisco Peninsula	34,129,650 SF	\$70.97
Silicon Valley	67,369,671 SF	\$66.09
Seattle	100,805,350 SF	\$47.17
Los Angeles	190,512,306 SF	\$46.15
Oakland-East Bay	51,210,741 SF	\$45.67
San Diego	80,692,269 SF	\$39.09
Orange County	96,215,291 SF	\$34.89
<b>Portland</b>	<b>59,876,415 SF</b>	<b>\$34.07</b>

**59.9M**

SQUARE FEET  
OF INVENTORY

**\$34.07**

AVERAGE ASKING RENT  
PER SQUARE FOOT

**185K**

SQUARE FEET  
DELIVERED YTD

**750K**

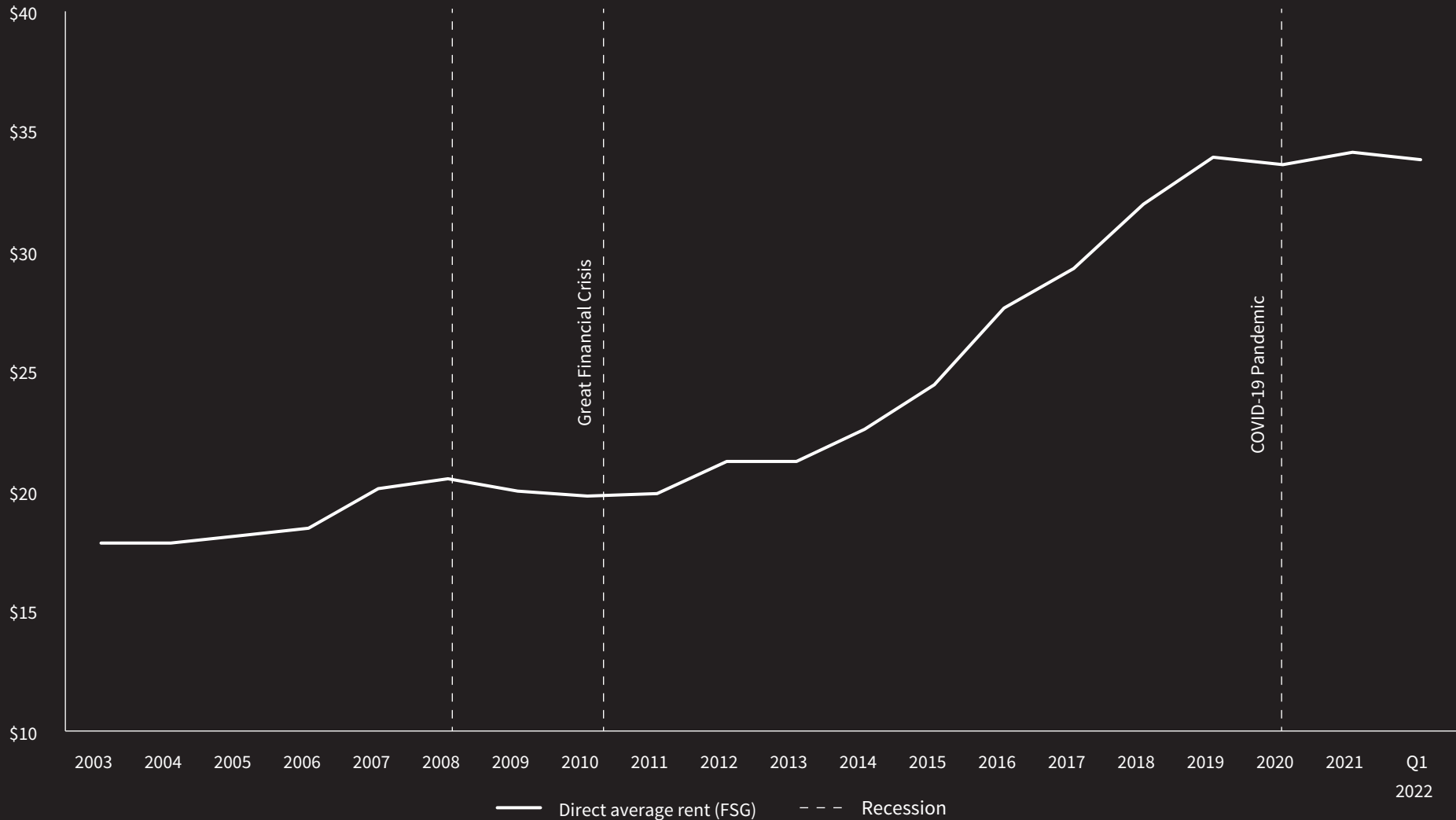
SQUARE FEET UNDER  
CONSTRUCTION



# PROVEN HISTORICAL MARKET STRENGTH

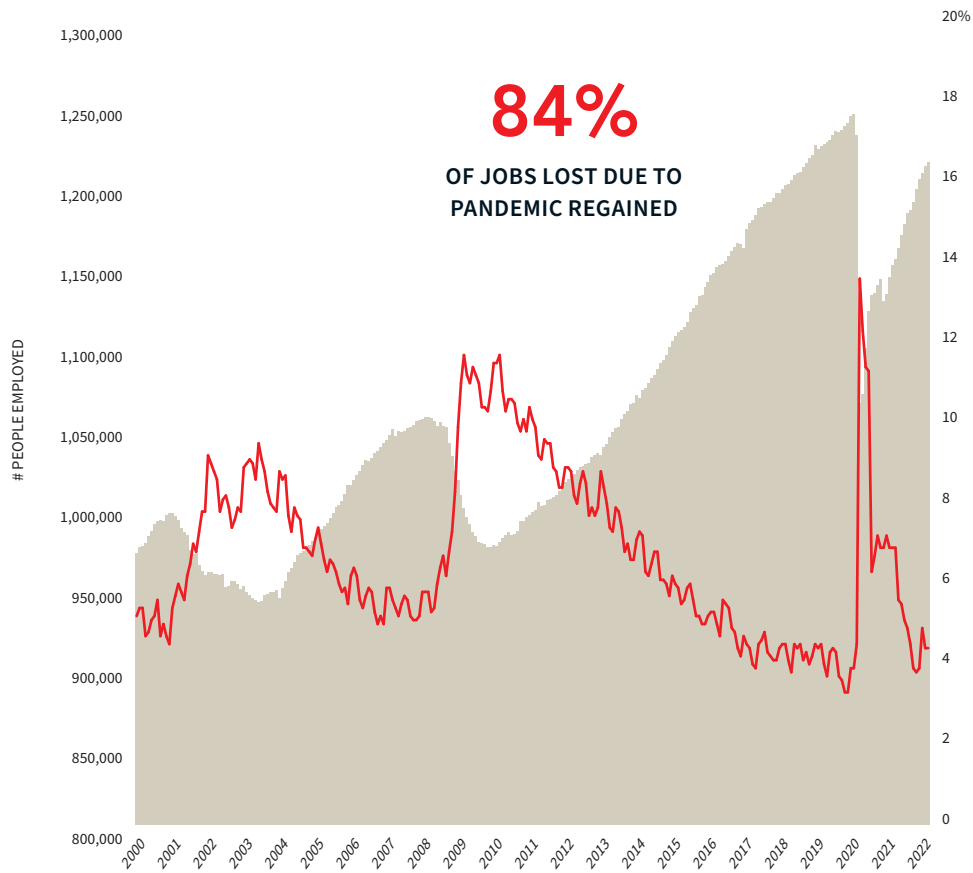
Portland's highly-diversified economy has been a key differentiator and resulted in resiliency during periods of economic downcycles.

Portland metro office market rents

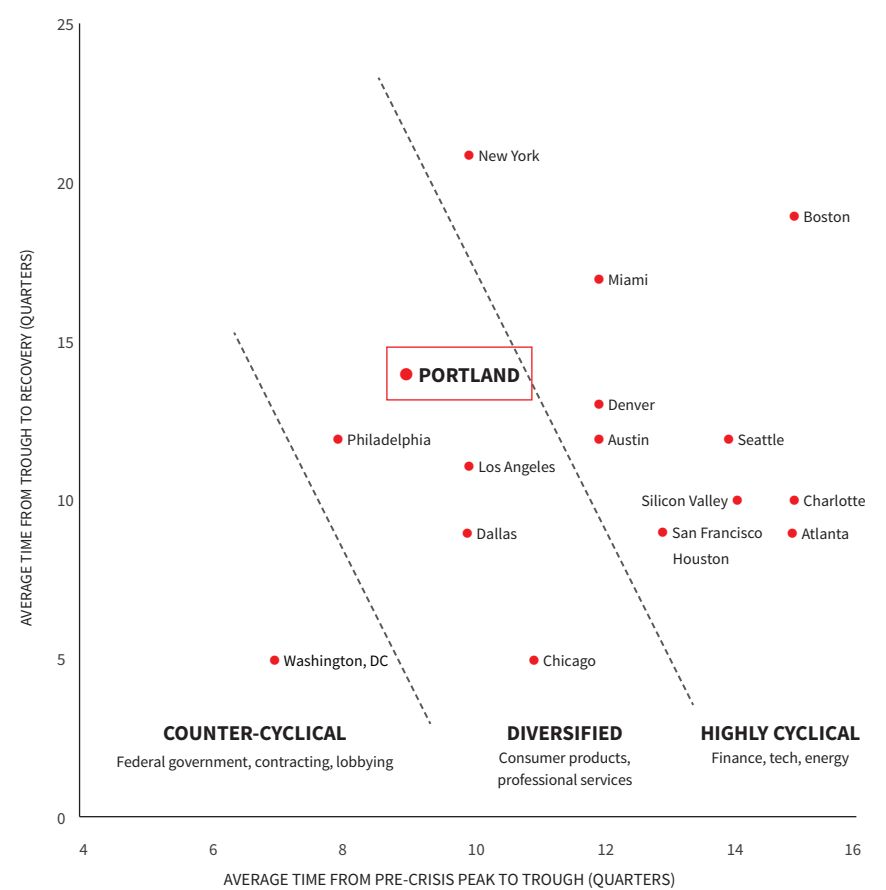




### Portland employment resilience



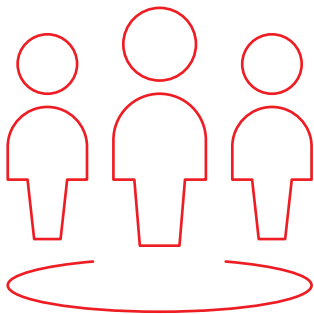
### Minimal decline in office rents



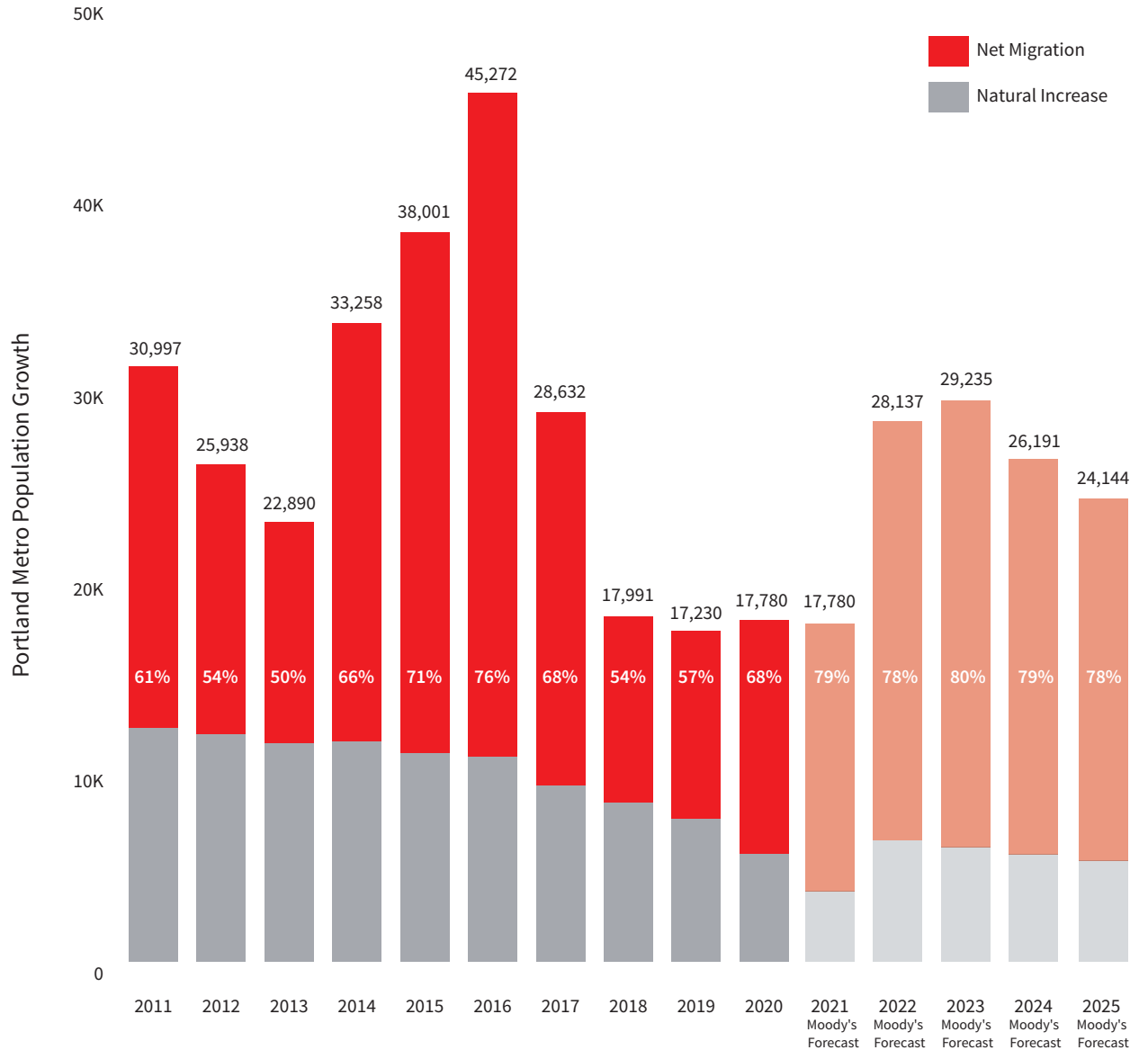
# CONTINUED POPULATION GROWTH

Coming out of the last recession, Portland's population growth was primarily driven by in-migration. The area's high quality of life and low cost of living compared to other West Coast cities made it an attractive destination for highly educated millennials.

Portland is uniquely poised to rebound from the effects of the COVID-19 pandemic, as high costs of living in other West Coast markets coupled with employees increasing ability to work from home is likely to drive in-migration in the near future.



Portland forecasted to experience high levels of in-migration



Source: JLL Research



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\*\*The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage.

