

PORTLAND, OREGON

PORTLAND'S DRAW HELPS SUSTAIN APARTMENT DEMAND, HEALTHY FUNDAMENTALS

As the Portland economy continues to recover from the effects of the pandemic, demand for housing is projected to outpace development. After employment contracted nearly 9% in 2020, every employment sector is forecast to post gains over the next 12 months. A significant share of the additions will be among the white-collar industries of information, financial activities, and professional and business services. These positions typically pay one-third higher than the metro average and will contribute to healthy in-migration in 2021. More highly paid jobs will be needed as the apartment construction wave will crest this year as nearly 7,000 units are scheduled to come online. Contributing to the peak deliveries this year were construction delays last year due to disruptions in the labor force and materials pipeline brought on by the pandemic. Strategically located developments in the Central Portland and the Vancouver submarkets will underpin robust leasing activity in the metro. Heightened demand is expected to span all apartment stock this year as average occupancy rises for each class. Overall, Greater Portland occupancy is forecast to elevate 20 basis points year over year to an average of 95.3% by year-end. With occupancy rising amid an influx of new inventory, annual effective rent growth is projected to surpass the five-year average. Even amid city and state rent control legislation, monthly effective rent is forecast to advance 2.3% this year to an average of \$1,442.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

95.3%
Up 20 bps YOY



EFFECTIVE RENT

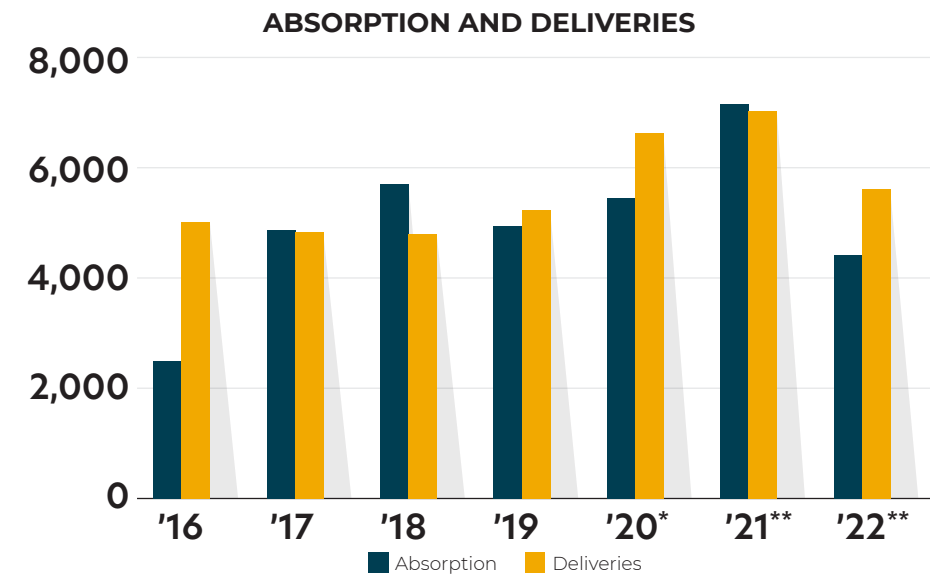
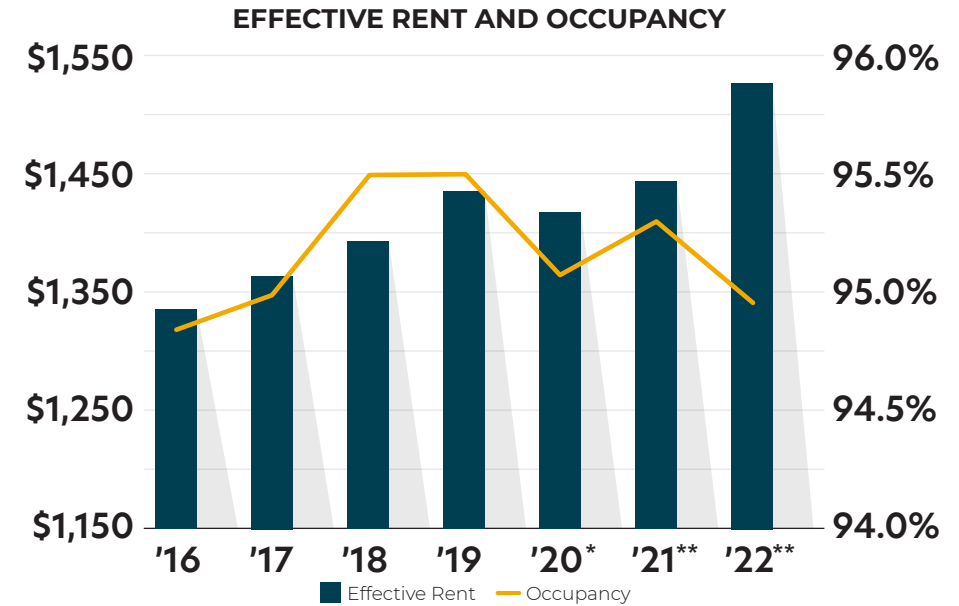
\$1,442
Up 2.3% YOY



RENT SHARE OF WALLET

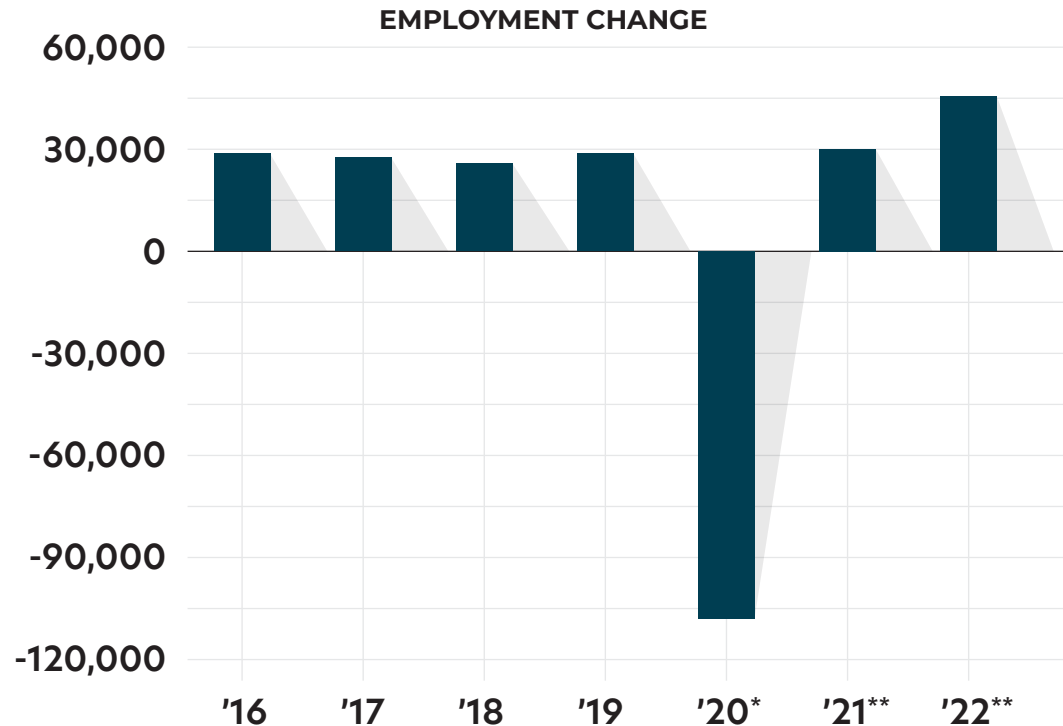
21.9%
Up 20 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
1,241,800	-8.7%	1,134,000	2.6%	1,163,300

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.2%	730 BPS	9.5%	-100 BPS	8.5%

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,509,100	1.1%	2,535,500	1.1%	2,563,100

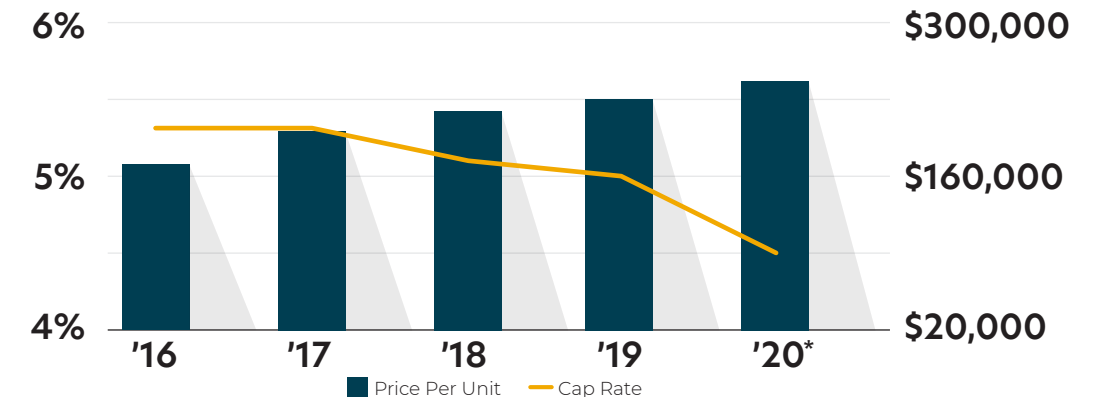
2019	YOY CHANGE	2020	YOY CHANGE	2021
975,200	1.5%	989,600	1.8%	1,007,700

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$78,204	-0.2%	\$78,083	1.2%	\$79,019

SALES TRENDS

2019	YOY CHANGE	2020*
\$225,757	8.2%	\$244,206

2019	YOY CHANGE	2020
5.0%	-50 BPS	4.5%



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.