MARKETBEAT
PORTLAND
INDUSTRIAL Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.2% Vacancy Rate	▲	▲
464K YTD Net Absorption, SF	▲	▲
$0.93 Asking Rent, PSF	▲	▬

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2M Portland Employment	▲	▲
4.8% Portland Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

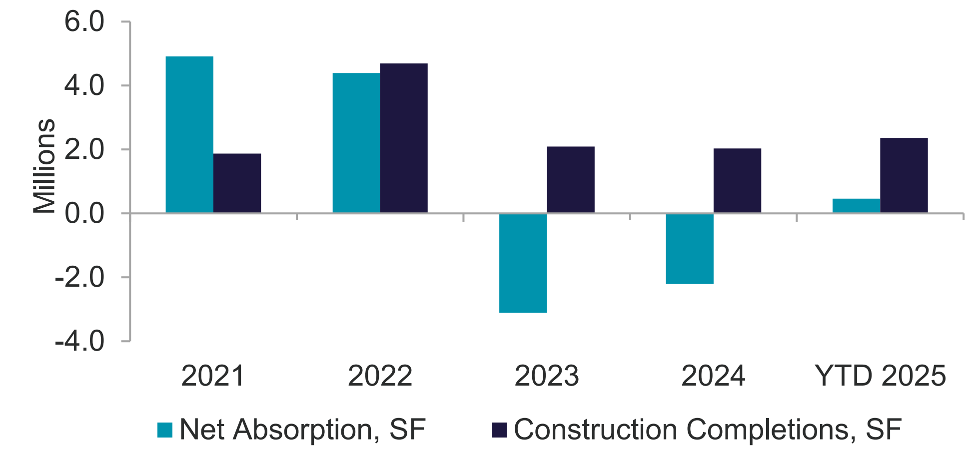
Source:BLS

ECONOMY: Portland Employment Declines as Labor Markets Cool
Portland's economy softened in the third quarter of 2025, with nonfarm employment falling by 0.6% and the unemployment rate rising 70 basis points (bps) to 4.8%, remaining above the U.S. average of 4.3%. The decline reflects slower hiring across key industries and easing overall economic activity in the region.

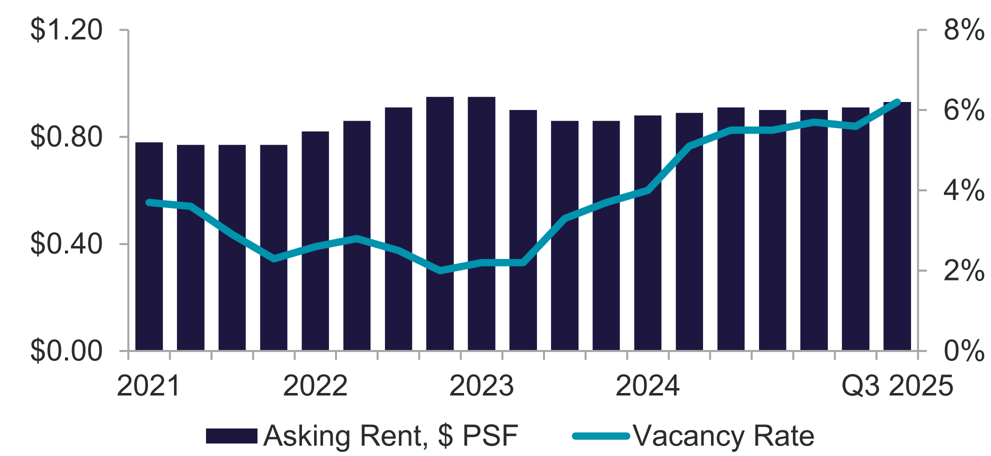
SUPPLY and DEMAND: Delivery Boom Pushes Vacancy Higher
The vacancy rate for the Portland industrial market edged higher in the third quarter as a wave of new deliveries continued to outpace demand. Overall vacancy rose to 6.2%, with availability registering at 7.6%. Quarterly net absorption was negative 809,402 square feet (sf), softening year-to-date (YTD) totals, but leaving overall net absorption still positive at 463,733 sf. Nearly 1.6 million square feet (msf) remains under construction, with the largest concentration in the North/Northeast and Vancouver/Clark County submarkets. While YTD leasing activity was healthy at 3.9 msf, demand has not fully kept pace with elevated supply, pushing vacancy upward in select submarkets.

PRICING: Landlords Hold the Line on Pricing
Average asking rents held steady in the third quarter at $0.93 per square foot (psf) on a monthly triple net (NNN) basis. Submarket averages ranged from $0.74 psf in the Rivergate submarket to $1.16 psf in the Beaverton/Highway 217 submarket, with well-located and modern product continuing to command premiums. Landlords largely maintained asking rents by offering concessions and lease flexibility instead of lowering face rates. With significant construction completions expected, rent performance will hinge on how quickly new space is absorbed; however, competitive, high-quality assets remain in mediocre demand.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	OVERALL AVAILABILITY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY	UNDER CNSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT (ALL)*
Northeast Portland	6,040,525	396,893	6.6%	9.1%	256	36,696	74,127	0	0	$1.10	$1.13
Swan Island	10,359,874	273,531	2.6%	4.3%	-20,960	-8,161	23,927	0	0	$0.95	$0.97
Rivergate	17,033,548	1,432,312	8.4%	10.3%	6,945	-77,555	450,431	0	0	$0.74	$0.74
East Columbia	34,590,030	2,504,805	7.2%	9.1%	16,713	659,768	888,686	0	793,047	$0.88	$0.88
Airport Way	18,627,657	1,287,434	6.9%	7.4%	-232,751	-227,502	347,616	0	0	$0.83	$0.87
NORTH/NORTHEAST	86,651,634	5,894,975	6.8%	8.4%	-229,797	383,246	1,784,787	0	793,047	$0.85	$0.86
Southeast Portland	5,405,876	378,366	7.0%	8.4%	-66,000	-53,803	25,082	0	0	$0.97	$0.83
Clackamas/Milwaukie	25,563,500	1,186,893	4.6%	5.0%	-277,668	-331,796	559,719	0	0	$0.92	$0.93
SOUTHEAST	30,969,376	1,565,259	5.1%	5.6%	-343,668	-385,599	584,801	0	0	$0.93	$0.90
Macadam	796,432	8,407	1.1%	0.3%	0	0	0	0	0	$0.70	$0.70
Wilsonville	9,015,736	323,719	3.6%	7.9%	41,565	44,026	105,516	0	0	$1.01	$1.02
Tualatin/Sherwood	15,743,063	1,063,572	6.8%	7.0%	25,171	106,887	299,511	996,585	407,263	$1.09	$1.09
Tigard/Lake Oswego	8,630,894	359,484	4.2%	5.2%	-54,524	-139,568	89,517	0	0	$1.00	$1.01
Beaverton/Highway 217	8,541,443	297,586	3.5%	4.7%	-1,492	22,964	169,413	0	0	$0.70	$1.17
Hillsboro/Sunset Corridor	28,055,790	971,789	3.5%	5.0%	-2,605	-87,092	268,084	0	396,212	$0.84	$0.98
SOUTHWEST**	72,913,649	3,024,557	4.1%	5.6%	8,115	-52,783	932,041	996,585	803,475	$0.97	$1.05
NORTHWEST	13,206,963	1,399,157	10.6%	14.6%	-45,552	-105,422	202,807	0	0	$1.00	$0.93
VANCOUVER/CLARK COUNTY	29,979,892	2,632,408	8.8%	9.5%	-198,500	624,291	413,305	559,273	769,368	$0.93	$0.93
PORTLAND TOTAL	**233,721,514**	**14,516,356**	**6.2%**	**7.6%**	**-809,402**	**463,733**	**3,917,741**	**1,555,858**	**2,365,890**	**$0.91**	**$0.93**

**Rental rates reflect monthly NNN; **Southwest includes Canby, which is not shown on this report*

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Marine Drive DC I	Rivergate	Mazda	141,825	New Lease
Sandy Logistics Ctr	East Columbia	Graybar	133,828	New Lease
Vista Logistics – Bldg C	East Columbia	Logisticus	98,481	Sublease
Tualatin DC	Tualatin/Sherwood	Columbia Corrugated Box Co.	73,221	New Lease

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
Westbrooke Corp. Pk	Hillsboro/Sunset Corridor	Watumill Properties / Flexential Corp.	164,525	$38.3M / $233
Grey Oaks Corp. Pk	Hillsboro/Sunset Corridor	SMARTCAP / Nike	73,200	$18.5M / $253
Portland Portal III – 18205 NE Sandy Blvd	Airport Way	Panattoni / In-N-Out	71,600	$16.6M / $233
16800 SE 130th Ave	Clackamas/Milwaukie	Mutual Materials / Dermody	35,716 / 23 AC	$15.4M / $431

ALYSSA MILLER
Research Analyst
Tel: +1 503 242 1759
alyssa.miller1@cushwake.com

BRIAN CAGAYAT
Research Manager – Pacific Northwest
Tel: +1 206 521 0296
brian.cagayat@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.