

PORTLAND, OR

2022 MARKET AT A GLANCE

Occupancy Rate

96.2%



DOWN 50 BPS YOY

Effective Rent

\$1,656



UP 5.7% YOY

Rent Share of Wallet

23.0%



UP 60 BPS YOY

Portland's Advancing Demographics Bolster Job Creation and New Lease Signings

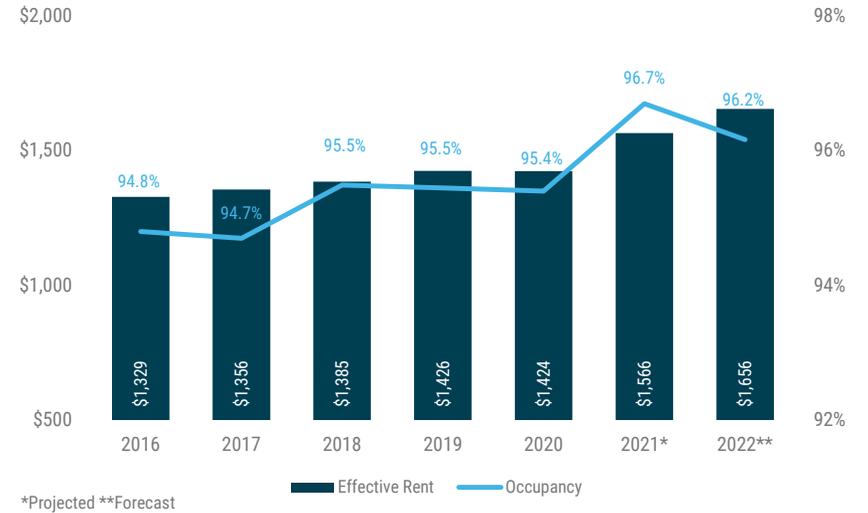
Solid economic indicators, including employment, population, and income growth that far exceed the national averages, will help drive apartment demand in Portland during 2022. Portland-area businesses are forecast to add 40,600 jobs to the employment base over the one-year period, concurrent with a 60-basis-point drop in the unemployment rate. Referred to as the Silicon Forest, Portland's technology industry plays a major role in the local economy. Intel Corporation continues to invest as much as \$100 billion at its current campus, in addition to its multibillion-dollar D1X research factory in Hillsboro. Portland's 3.4% employment gain in 2022, alongside sturdy population growth, particularly among the key renter cohort, will underpin apartment demand. Following a big increase in net absorption for 2021, positive net absorption will persist though trail new supply, compressing the average occupancy rate to a still healthy 96.2% by year-end 2022. Household income is set to rise 3.3%, helping to offset the 5.7% annual effective rent growth predicted to hit \$1,656 per month in the fourth quarter. In the investment arena, Portland's improving economic conditions, expected job growth, rising wages, and favorable apartment fundamentals will still attract apartment capital. Based on recent transaction trends, values for multifamily product are expected to come in at an above-average peak of \$278,826 per unit, up 8.6% year over year compared to 7.5% nationally. While multifamily prices are slated to rise, capitalization rates are expected to remain stable for the year, between a range of 3.7% for top-tier, stabilized assets and 4.9% for value-add strategies.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2021 are projected values. 2022 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

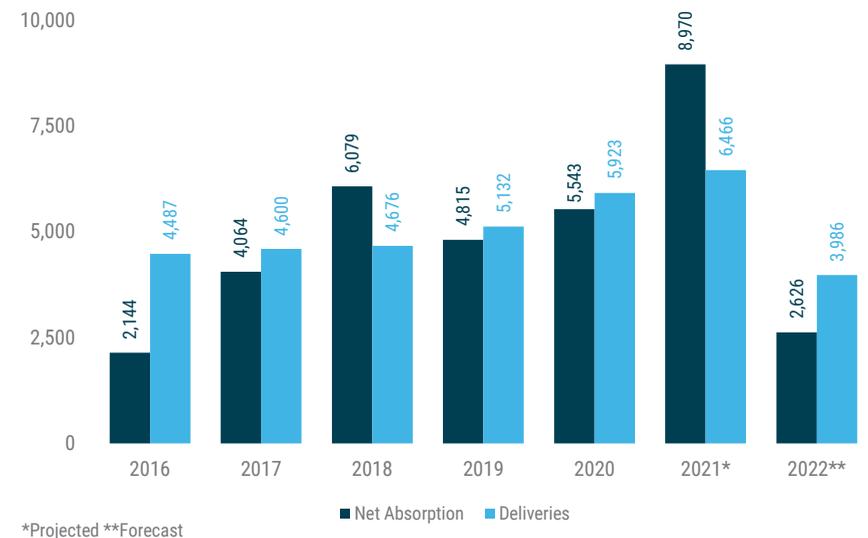
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

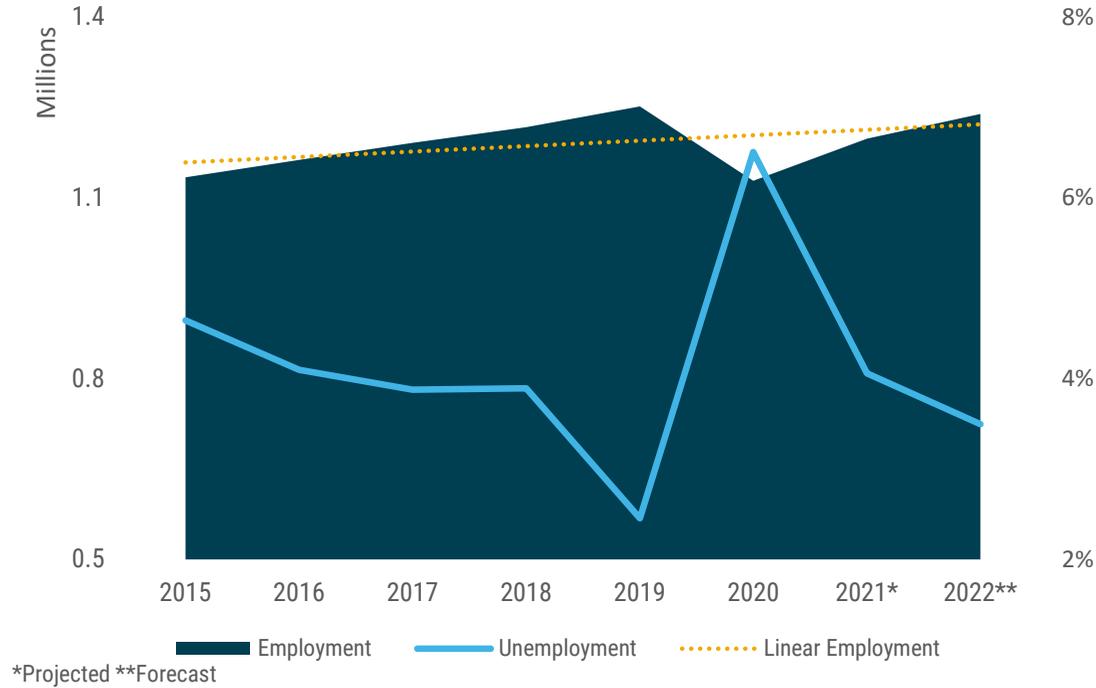


Absorption & Deliveries



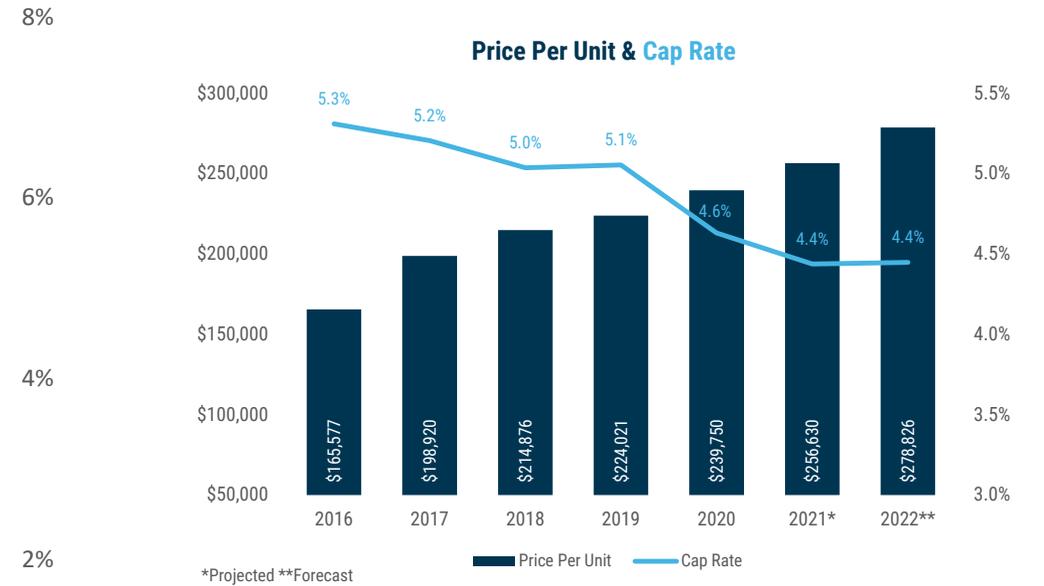
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



<p>Employment</p> <p>1,239,400</p> <p>↑</p> <p>UP 3.4% YOY</p>	<p>Unemployment</p> <p>3.5%</p> <p>↓</p> <p>DOWN 60 BPS YOY</p>	<p>Median Household Income</p> <p>\$86,567</p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p>\$278,826</p> <p>↑</p> <p>UP 8.6% YOY</p>	<p>Cap Rate</p> <p>4.4%</p> <p>=</p> <p>UNCHANGED YOY</p>
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