



MULTIFAMILY REPORT

Portland Faces Bumpy Road Ahead

Summer 2020



Per-Unit Price Slides

Employment Still Shaky

Investment Plummetts

PORTLAND MULTIFAMILY



Coronavirus Woes Temper Rent Growth, Deliveries

Thanks to its highly qualified workforce and a healthy influx of residents priced out of more expensive West Coast markets, Portland's multifamily sector started 2020 on the right foot. However, fallout from the coronavirus outbreak has significantly dampened growth. As of July, rents were down 0.1% on a trailing three-month basis to \$1,420, just below the national average of \$1,460. And as a result of Oregon's eviction moratorium being extended through September, the occupancy rate only dropped 110 basis points year-over-year through June to 94.6%, 20 basis points above the national average.

The metro's employment shrank by almost 150,000 positions in the 12 months ending in May, for a 12% decrease. By the beginning of August, some 650,000 Oregonians had filed unemployment claims. Even so, tens of thousands of residents are still waiting for their claims to be paid. At the end of July, the Oregon Employment Department announced people could get paid sooner, under a new state program.

Some 4,800 of the total 8,843 units that were underway in July are slated to come online as early as year-end. However, while construction activity was allowed to continue during the state's stay-at-home order, delays in completions are likely.

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Recent Portland Transactions

Columbia Ridge



City: Portland, Ore.
Buyer: Fairfield Residential
Purchase Price: \$27 MM
Price per Unit: \$188,194

Westwynd Apartment Homes



City: Vancouver, Wash.
Buyer: Rise Properties Trust
Purchase Price: \$19 MM
Price per Unit: \$154,522

King James Gate



City: Vancouver, Wash.
Buyer: Transpacific Investments
Purchase Price: \$14 MM
Price per Unit: \$169,687

Glendoveer Estates



City: Portland, Ore.
Buyer: Cohen Rojas Capital Partners
Purchase Price: \$9 MM
Price per Unit: \$115,506