



MULTIFAMILY REPORT

Portland Cools Down

February 2024



Rent Growth Still Negative

Transaction Activity Slows

Employment Gains Outpace US

PORTLAND MULTIFAMILY



Rent Growth Slows, Deliveries Shrink

Rent movement in Portland was mostly negative in 2023, with the average asking rent down 0.7% on a trailing three-month basis through December, to \$1,701. Meanwhile, the U.S. rate continued its decrease, as well, down 0.3%. The average occupancy rate in stabilized assets stood at 94.6% as of December, a 60-basis-point decrease year-over-year as of November. While the Lifestyle segment declined 70 basis points, to 94.1%, the Renter-by-Necessity segment saw a 50-basis-point decrease, to 95.2%.

The metro added 25,000 net jobs in the 12 months ending in October, up 2.7% and 40 basis points above the U.S. rate. Portland registered its highest employment growth of 9.9% in the mining, logging and construction sector, which added 8,400 new jobs. The metro's unemployment rate stood at 3.4%, 30 basis points lower than the U.S. average, according to preliminary data from the Bureau of Labor Statistics. The leisure and hospitality sector could get a boost from the expansion of the Portland International Airport. The \$2 billion project is scheduled for an initial opening this year.

Developers had 14,198 units under construction as of December. Of these, 6,253 units broke ground in 2023, a 5.5% decrease compared to 2022's construction starts. Portland recorded \$399 million in multifamily transactions by the end of the year. While this represented a 75% decrease, it aligned with the broader trend of slowing sales activity.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

Recent Portland Transactions

Lumina



City: Gresham, Ore.
Buyer: Abacus Capital Group
Purchase Price: \$98 MM
Price per Unit: \$222,727

Sandy Lofts



City: Portland, Ore.
Buyer: Green Leaf Capital Partners
Purchase Price: \$43 MM
Price per Unit: \$208,738

Jasper



City: Portland, Ore.
Buyer: Green Leaf Capital Partners
Purchase Price: \$31 MM
Price per Unit: \$219,858

Fairway Village



City: Gladstone, Ore.
Buyer: Pearl Real Estate Partners
Purchase Price: \$15 MM
Price per Unit: \$196,667