



MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.7% Vacancy Rate	▲	▲
890K YTD Net Absorption, SF	▲	▲
\$0.89 Asking Rent, PSF (Overall, Net Asking Rent)	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2M Portland Employment*	▼	▲
5.0% Portland Unemployment Rate*	▬	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS
*Q3 2026 figures are based on latest available data

ECONOMY: Resilience For Industrial Sector

Portland’s economy continues to find its footing as the region works toward a more stable post-pandemic baseline. Year-over-year (YOY), total nonfarm employment declined 1.7% to just over 1.2 million jobs, while the unemployment rate remained steady at 5.0%, 80 basis points (bps) higher than the national rate of 4.2%. Although employers continue to exercise caution in hiring and expansion plans, industrial real estate fundamentals have proven more resilient than broader economic indicators suggest.

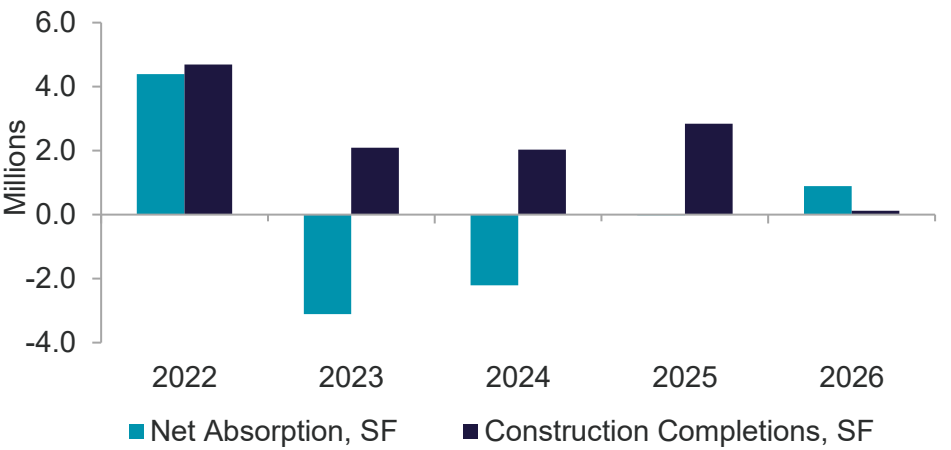
SUPPLY and DEMAND: Signs of Stability Emerge

The Portland industrial market continued to show signs of stabilization during the third quarter as tenant demand strengthened and construction deliveries were limited. Overall vacancy increased 50 bps YOY to 6.7%, while availability stood at 8.5%, up 90 bps YOY. Year-to-date (YTD) net absorption totaled nearly 890,000 square feet (sf), supported by more than 812,000 sf during the third quarter alone. YTD leasing activity remained healthy with approximately 3.8 million square feet (msf) executed, led by activity in the Vancouver/Clark County, North/Northeast Portland, and Southwest submarkets. While 3.4 msf remains under construction, only 121,000 sf has delivered YTD, reflecting a significant slowdown in new supply. Positive absorption across several major submarkets, including Vancouver/Clark County and East Columbia, suggests market fundamentals are gradually rebalancing as occupiers digest recently delivered inventory.

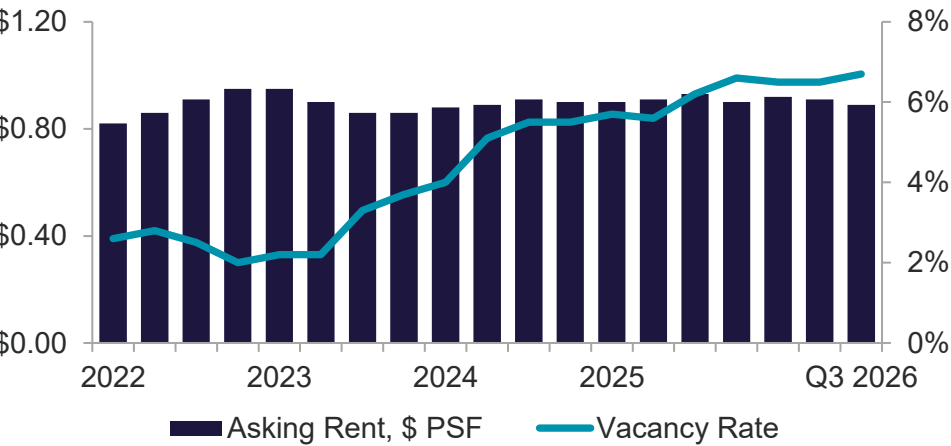
PRICING: Rate Variance Across Submarkets

Average monthly net asking rents held steady at \$0.89 per square foot (psf) market-wide despite elevated vacancy and availability levels. Rental rates vary substantially by submarket, with stronger pricing concentrated in Northwest submarkets such as Hillsboro/Sunset Corridor (\$1.15 psf), Beaverton/Highway 217 (\$1.16 psf), and Tigard/Lake Oswego (\$1.10 psf). Concessions and flexible deal structures remain common as landlords compete for tenants, particularly in submarkets with higher vacancy, including Tualatin/Sherwood and Rivergate. However, sustained leasing activity and limited new deliveries have helped prevent significant downward pressure on asking rents, demonstrating the resiliency of Portland's industrial market.

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	8,702,714	567,815	6.5%	8.3%	0	-13,499	87,351	0	0	\$1.09	\$1.07
Swan Island	10,610,194	357,787	3.4%	4.3%	-22,887	-16,387	94,901	0	0	\$0.86	\$0.87
Rivergate	17,043,294	1,536,357	9.0%	15.2%	-108,269	-188,685	29,715	0	0	\$0.70	\$0.70
East Columbia	32,555,081	2,297,814	7.1%	10.4%	81,033	418,501	737,821	57,519	0	\$0.88	\$0.88
Airport Way	17,895,162	1,571,866	8.8%	10.3%	29,395	4,733	231,447	268,749	0	\$0.88	\$0.73
NORTH/NORTHEAST	86,806,445	6,331,639	7.3%	10.4%	-20,728	204,663	1,181,235	326,268	0	\$0.85	\$0.81
Southeast Portland	5,405,876	308,306	5.7%	5.9%	77,333	48,223	151,719	0	0	\$0.66	\$0.83
Clackamas/Milwaukie	25,543,441	982,853	3.8%	5.6%	71,441	132,341	265,119	248,532	0	\$0.77	\$0.78
SOUTHEAST	30,949,317	1,291,159	4.2%	5.6%	148,774	180,564	416,838	248,532	0	\$0.75	\$0.80
Macadam	796,432	18,339	2.3%	4.1%	0	-1,400	0	0	0	\$0.80	\$0.80
Wilsonville	9,046,857	560,474	6.2%	10.3%	0	-57,150	75,078	0	0	\$1.01	\$1.02
Tualatin/Sherwood	16,423,544	2,017,503	12.3%	12.2%	-58,771	-257,797	242,594	554,550	58,125	\$0.94	\$0.94
Tigard/Lake Oswego	8,691,708	411,094	4.7%	4.8%	36,623	14,599	154,028	0	0	\$1.05	\$1.10
Beaverton/Highway 217	8,560,377	270,188	3.2%	5.6%	62,478	42,222	143,130	0	0	\$0.95	\$1.16
Hillsboro/Sunset Corridor	27,204,335	791,452	2.9%	5.4%	118,183	143,296	238,550	303,969	0	\$1.00	\$1.15
Canby	2,764,299	10,000	0.4%	3.6%	49,874	49,874	49,874	1,126,365	0	\$0.75	\$0.75
SOUTHWEST	73,487,552	4,079,050	5.6%	7.3%	158,513	-116,230	853,380	1,984,884	58,125	\$0.97	\$1.02
NORTHWEST	13,262,090	1,388,702	10.5%	13.5%	122,139	85,959	324,823	0	0	\$0.99	\$0.93
VANCOUVER/CLARK COUNTY	31,034,845	2,650,042	8.5%	6.6%	354,051	485,226	1,009,547	874,278	63,215	\$0.93	\$0.94
PORTLAND TOTAL	235,540,249	15,740,592	6.7%	8.5%	812,623	890,056	3,835,697	3,433,962	121,340	\$0.88	\$0.89

*Rental rates reflect monthly NNN

KEY LEASE TRANSACTIONS Q3 2026

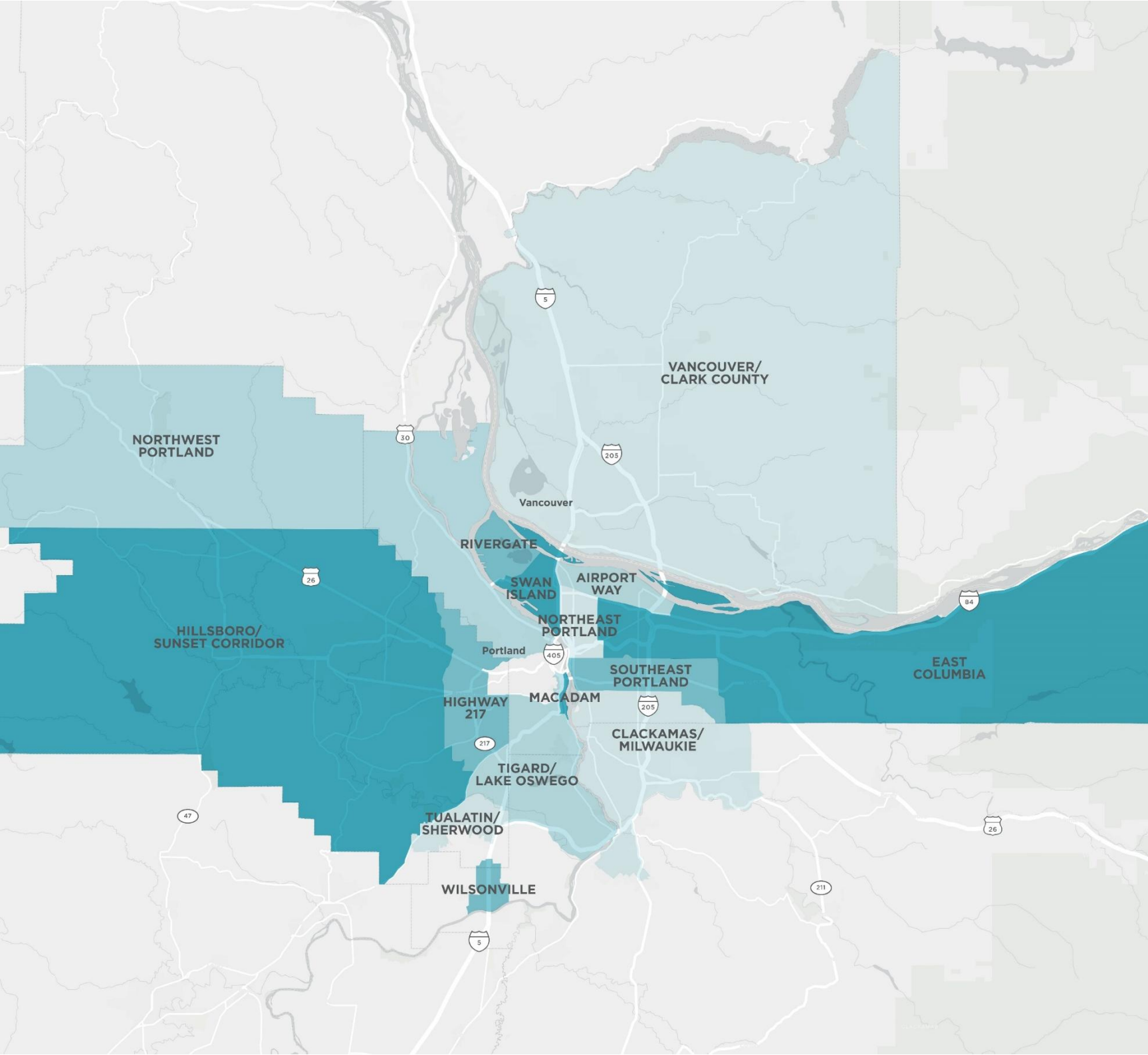
PROPERTY	SUBMARKET	TENANT	SF	TYPE
138 Logistics Center	East Columbia	Javelin Logistics	98,280	New Lease
Tualatin Distribution Center	Tualatin/Sherwood	MSI	86,481	Renewal**
6136 NE 87 th Ave	Airport Way	Waymo	79,800	New Lease
138 Logistics Center	East Columbia	New Rest	61,890	New Lease
7737 NE Lombard St	Northeast Portland	Hoffman Construction	60,288	New Lease
18700 NE San Rafael St	East Columbia	Birch Community Services	51,625	New Lease
5585 NE Wagon Dr	Hillsboro/Sunset Corridor	Offprints LLC	51,420	New Lease

**Renewals are not tracked in statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Trellis West	Hillsboro/Sunset Corridor	PCCP / SKB & KCB	214,152	\$30.9M / \$144
Sifton Industrial Park – Bldg B	Vancouver/Clark County	EQT Real Estate / Columbia Nutritional	74,500	\$11.6M / \$156
North Park Industrial Center – Bldg B	Vancouver/Clark County	Craig Stein Beverage / Sunrise Mfg	69,750	\$11.5M / \$164

INDUSTRIAL SUBMARKETS



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

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