CCIM

Portland Metro Apartment Market Update

February 5, 2025

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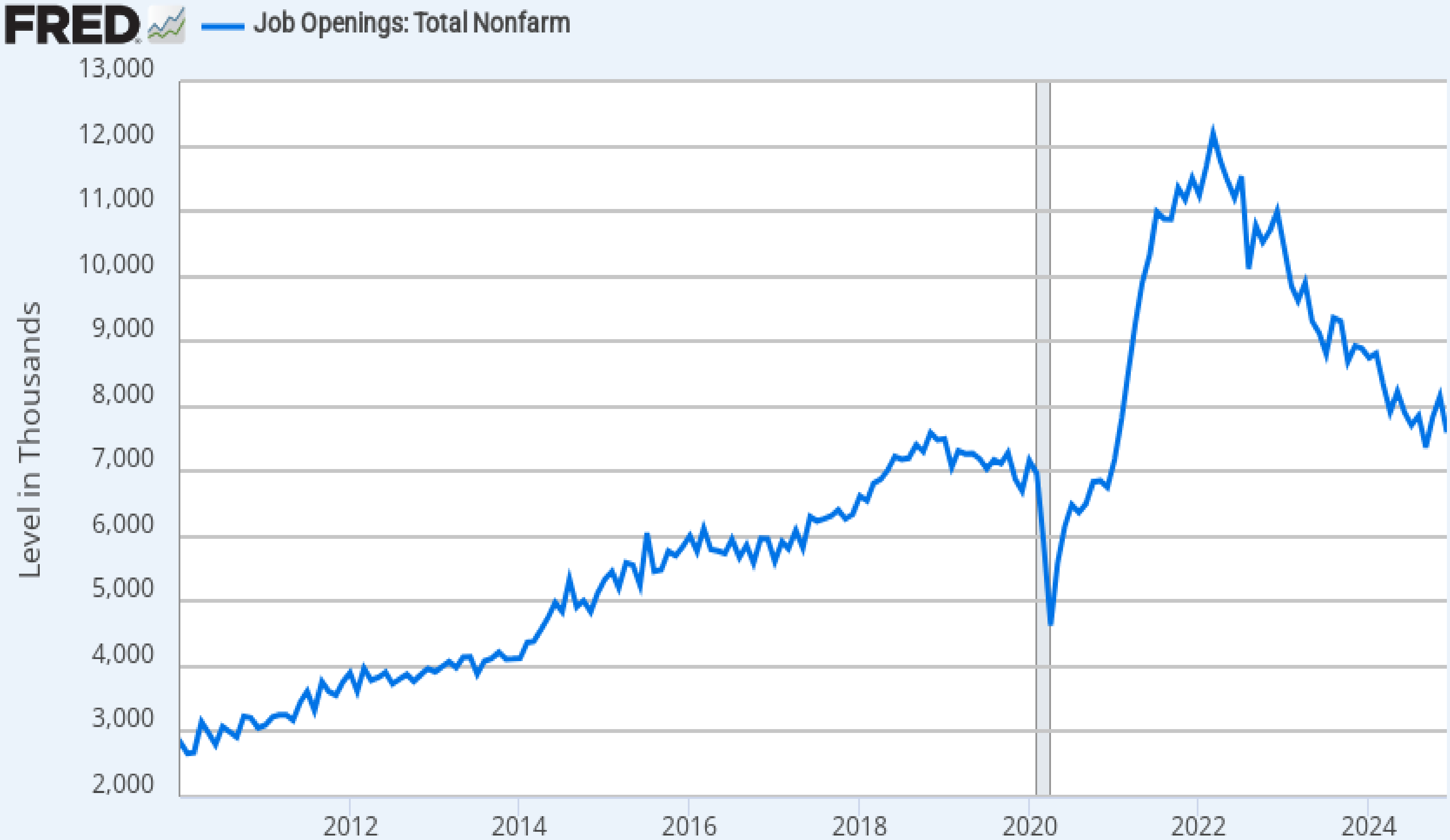
Topics Covered - Portland Metro Apartment Market

- Macro Trends and Overview
  - Employment, Population, Home Ownership Ratio, Interest Rates, Apt Construction
- Apartment Fundamentals
  - Rents and Income, Vacancies, Expenses
- Apartment Sales and Values
- Other Issues
- Trends from 2024 & forecasts for 2025

Source: U.S. Bureau of Labor Statistics

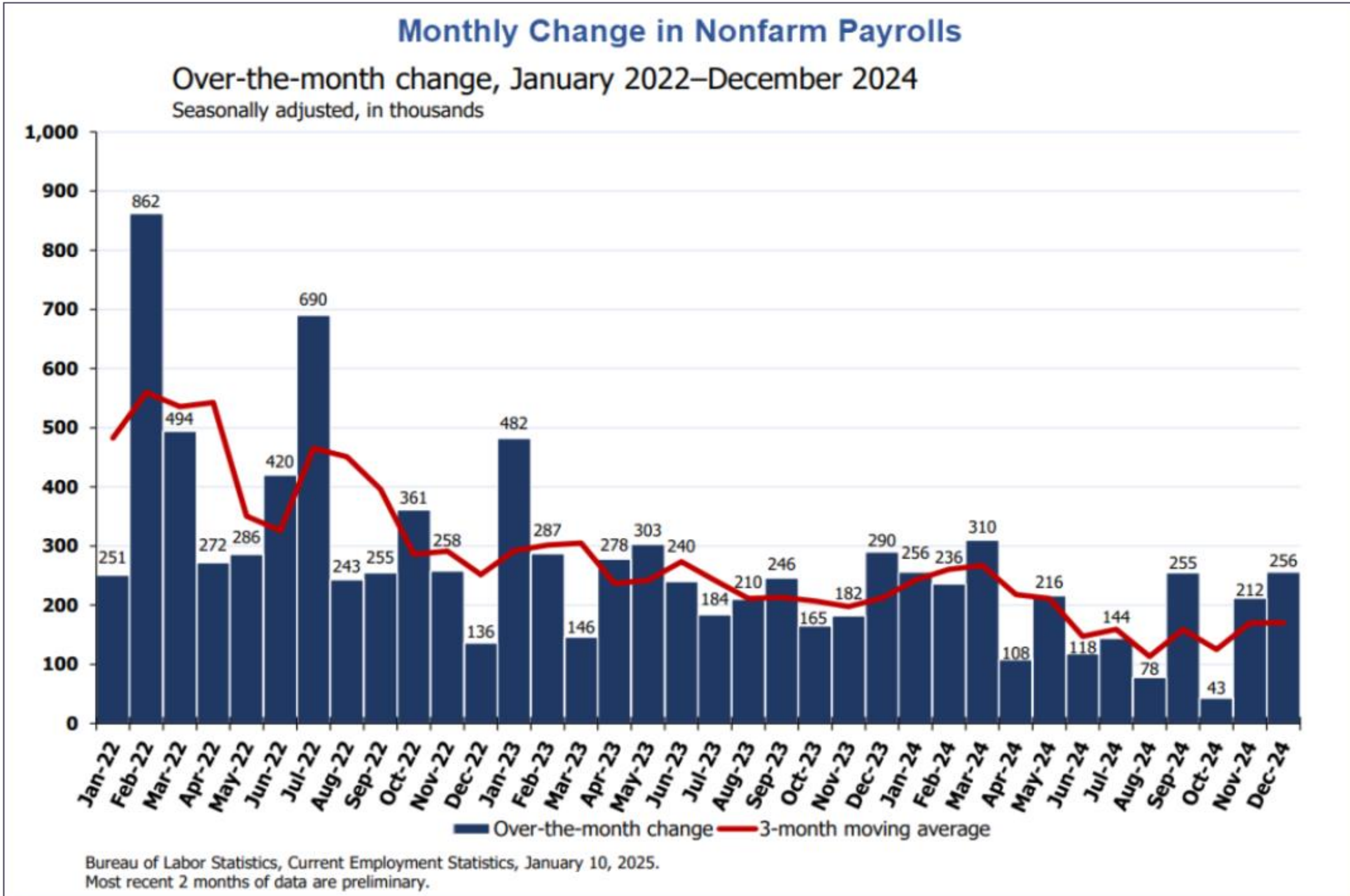
myf.red/g/1CRaM

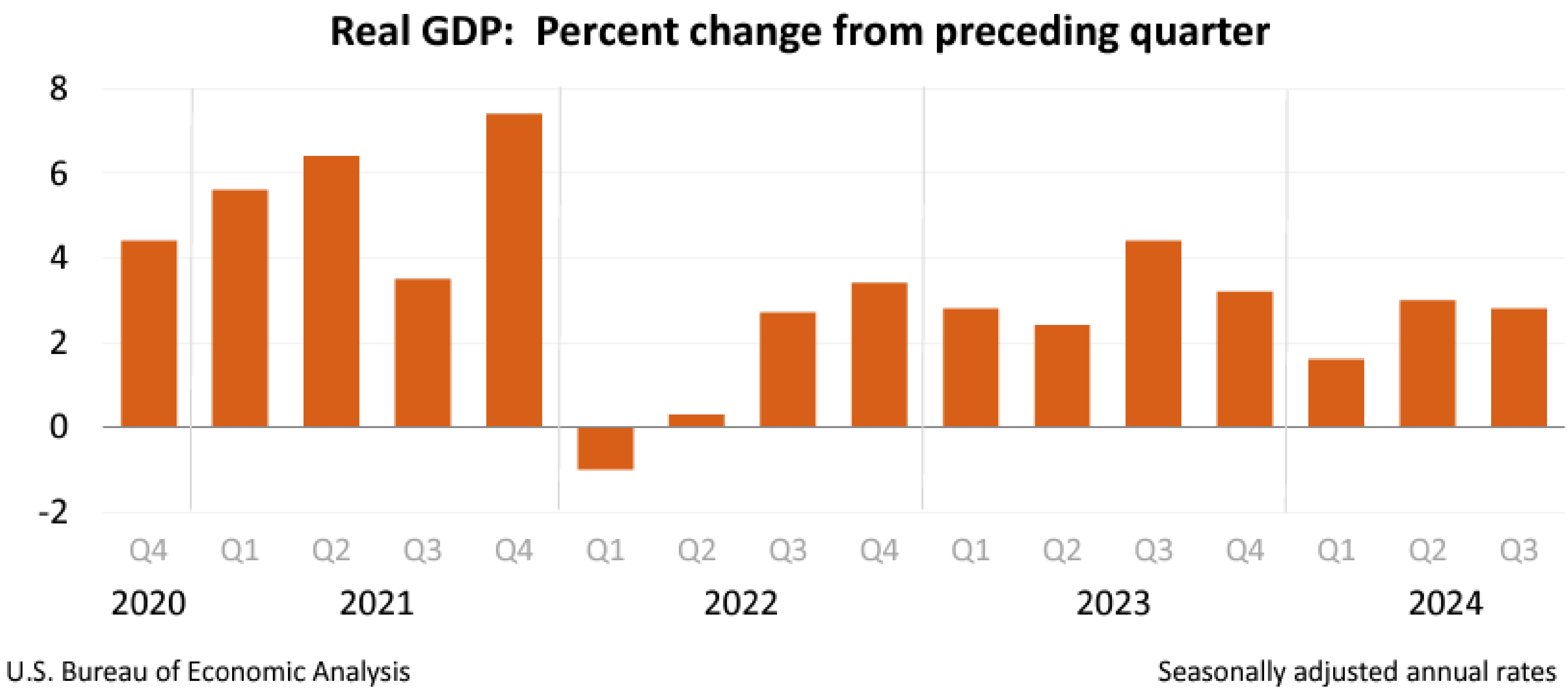


Source: U.S. Bureau of Labor Statistics via FRED®

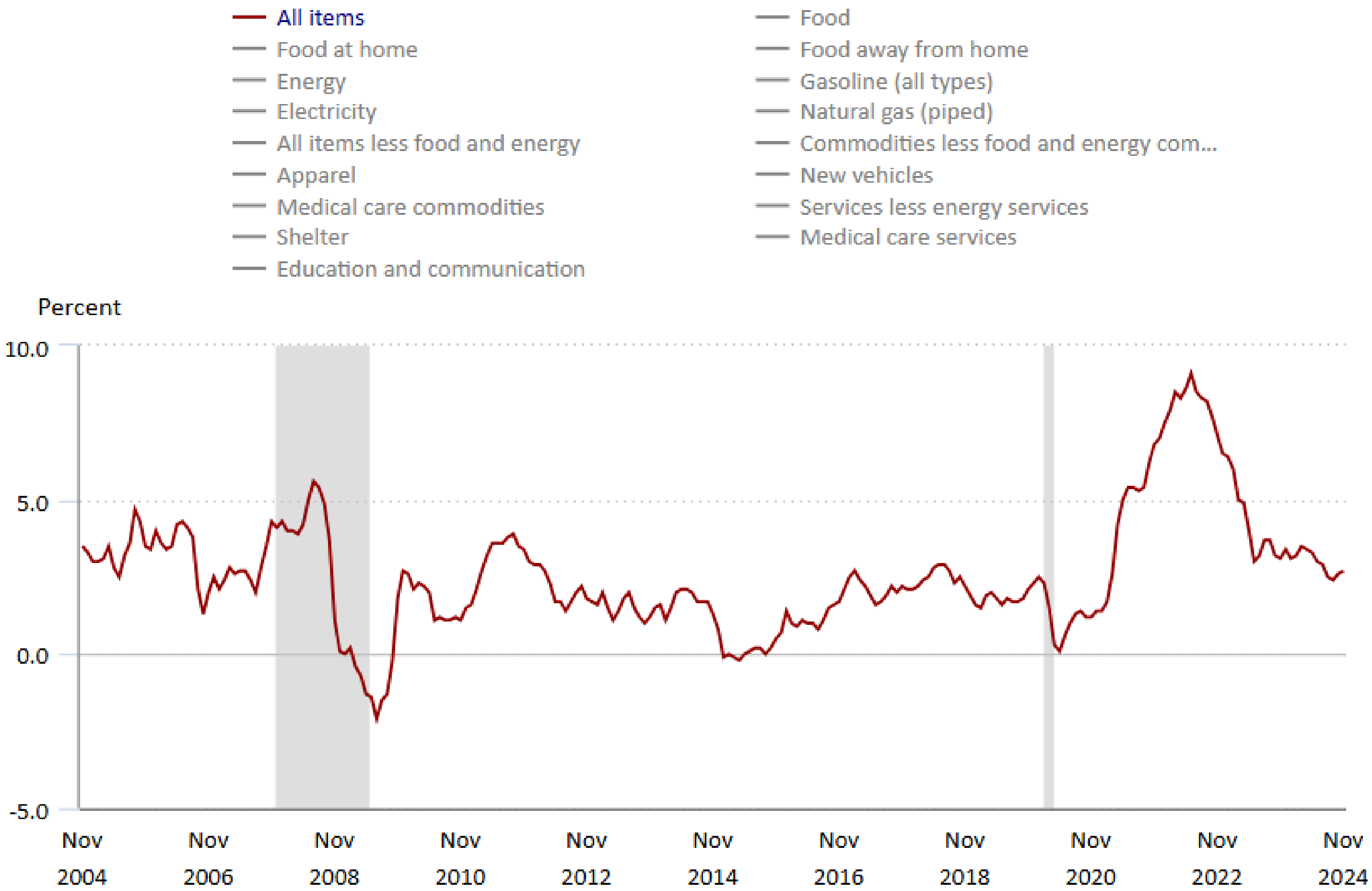
Shaded areas indicate U.S. recessions.

myf.red/g/1DoZO


Monthly Change in Nonfarm Payrolls
Over-the-month change, January 2022–December 2024
Seasonally adjusted, in thousands
1,000
900
800
700
600
500
400
300
200
100
0
251
862
494
272
286
420
690
243
255
361
258
136
482
287
146
278
303
240
184
210
246
165
182
290
256
236
310
108
216
118
144
78
255
43
212
256
Jan-22
Feb-22
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22
Jan-23
Feb-23
Mar-23
Apr-23
May-23
Jun-23
Jul-23
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Over-the-month change
3-month moving average
Bureau of Labor Statistics, Current Employment Statistics, January 10, 2025.
Most recent 2 months of data are preliminary.


Real GDP: Percent change from preceding quarter
8
6
4
2
0
-2
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
Q4
Q1
Q2
Q3
2020
2021
2022
2023
2024
U.S. Bureau of Economic Analysis
Seasonally adjusted annual rates

12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



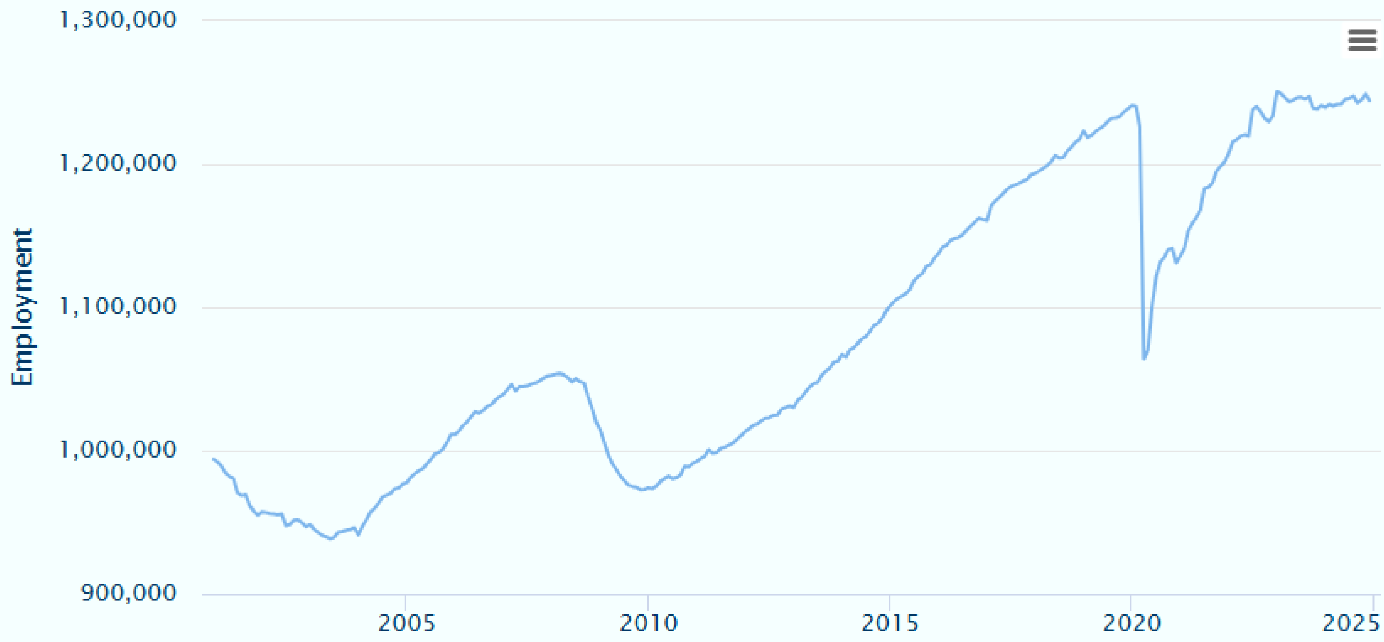
Hover over chart to view data.
Note: Shaded area represents recession, as determined by the National Bureau of Economic F
Source: U.S. Bureau of Labor Statistics.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave
2024	3.1	3.2	3.5	3.4	3.3	3.0	2.9	2.5	2.4	2.6	2.7	*Avail. Jan. 15*	
2023	6.4	6.0	5.0	4.9	4.0	3.0	3.2	3.7	3.7	3.2	3.1	3.4	4.1
2022	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	8.0
2021	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	4.7
2020	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4	1.2

Current Employment Statistics

Portland-Vancouver-Hillsboro, OR-WA MSA
Total nonfarm employment
(seasonally adjusted)
Official Oregon Series

Dec 2024	Change from Nov 2024	Change from Dec 2023	% Change from Dec 2023
1,244,500	-4,500	3,600	0.3%



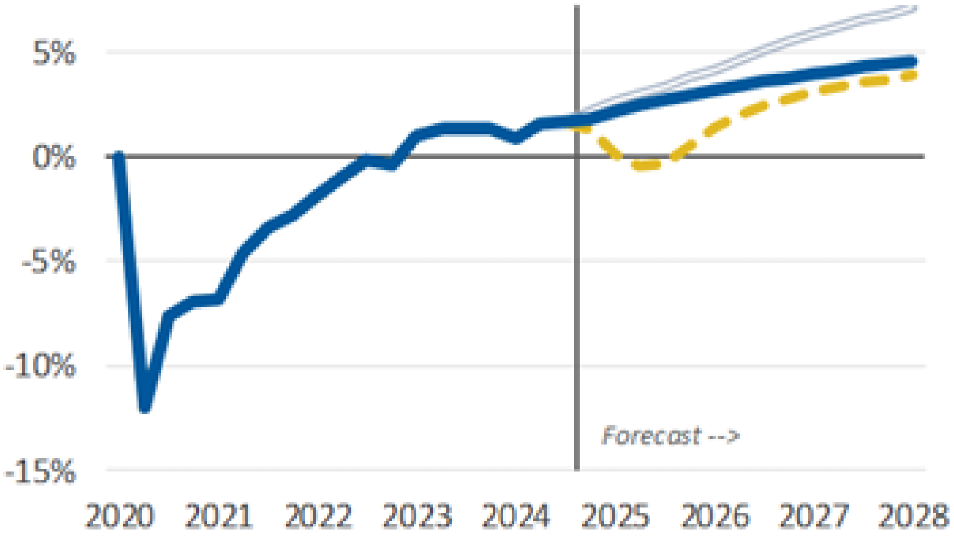
Source: Oregon Employment Department QualityInfo.org

Alternative Scenarios

December 2024

Oregon Employment

Percent change from pre-COVID peak in the Baseline Soft Landing, the Pessimistic, and Optimistic Solid Growth/Population Rebound



	2023	2024	2025	2026	2027	2028
Employment						
Opt: Solid Growth	2.1%	0.3%	1.6%	1.6%	1.4%	1.1%
Base: Soft Landing	2.1%	0.2%	1.0%	0.9%	0.7%	0.6%
Pes: Recession	2.1%	0.1%	-1.4%	2.2%	1.3%	0.7%
Unemployment Rate						
Opt: Solid Growth	3.7%	4.2%	3.9%	3.8%	3.9%	3.9%
Base: Soft Landing	3.7%	4.2%	4.2%	4.3%	4.4%	4.4%
Pes: Recession	3.7%	4.7%	6.7%	6.5%	6.1%	4.8%
Personal Income						
Opt: Solid Growth	5.7%	5.3%	5.4%	6.1%	6.0%	5.8%
Base: Soft Landing	5.7%	5.3%	5.3%	5.6%	5.4%	5.0%
Pes: Recession	5.7%	5.2%	2.4%	6.0%	5.9%	5.2%

Portland's population climbs after 3 years of declines, Portland State reports

Updated: Nov. 20, 2024, 9:30 a.m. | Published: Nov. 19, 2024, 2:46 p.m.

Population Estimates for Oregon and Counties (Vintage 2024)

	YOY % Change 2023-2024	Preliminary Estimate July 1, 2024	Revised Population Estimate July 1, 2023	Revised Population Estimate July 1, 2022	Revised Population Estimate July 1, 2021	Revised Population Estimate July 1, 2020
Oregon		**4,259,132**	**4,246,688**	**4,230,711**	**4,216,137**	**4,236,615**
CLACKAMAS	0.5%	426,500	424,245	421,641	419,673	421,542
DESCHUTES	1.0%	207,747	205,609	203,021	200,982	199,061
LANE	0.1%	382,641	382,260	381,315	380,503	382,628
LINN	0.5%	130,474	129,806	128,868	128,569	128,776
MARION	0.0%	346,824	346,831	346,006	345,010	346,034
MULTNOMAH	0.1%	800,178	799,240	798,824	798,827	812,716
POLK	0.2%	88,771	88,586	88,417	87,808	87,507
WASHINGTON	0.7%	611,153	606,908	602,424	598,341	600,165
YAMHILL	0.7%	109,581	108,804	107,950	107,683	107,818

Prepared by Population Research Center

College of Urban and Public Affairs, Portland State University

November 15, 2024

Oregon's population is growing, but at a slower pace than past decades

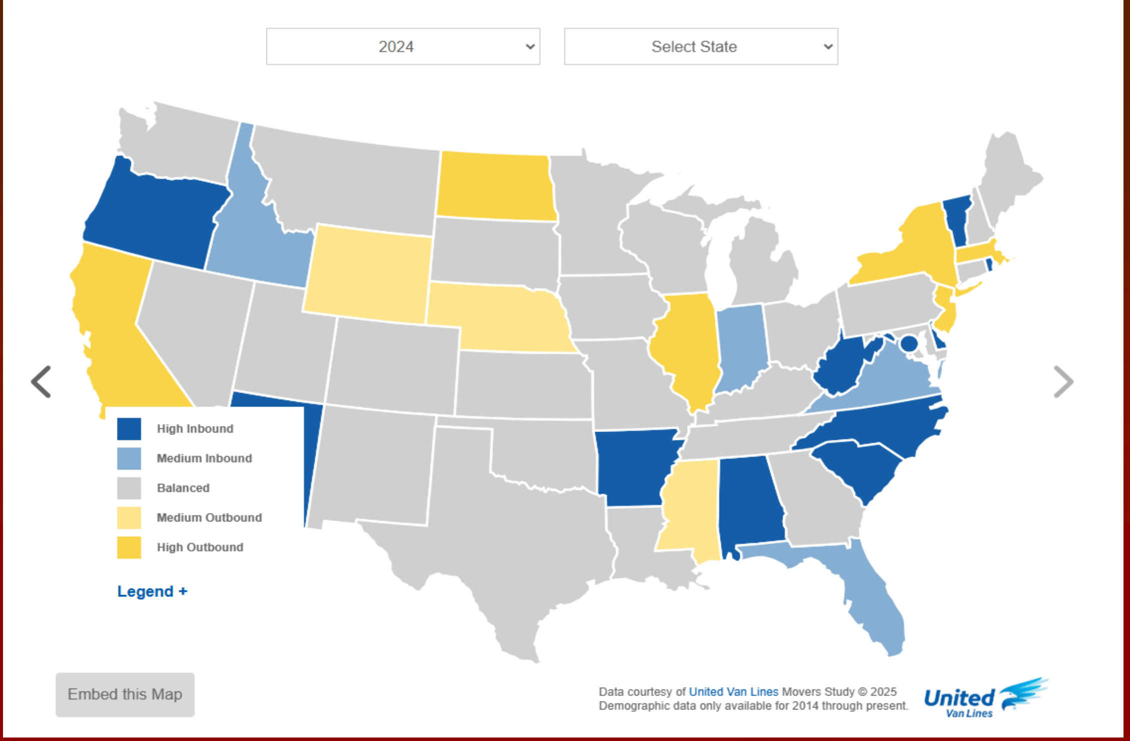
By Kyra Buckley (OPB)
Dec. 19, 2024 5:05 p.m.

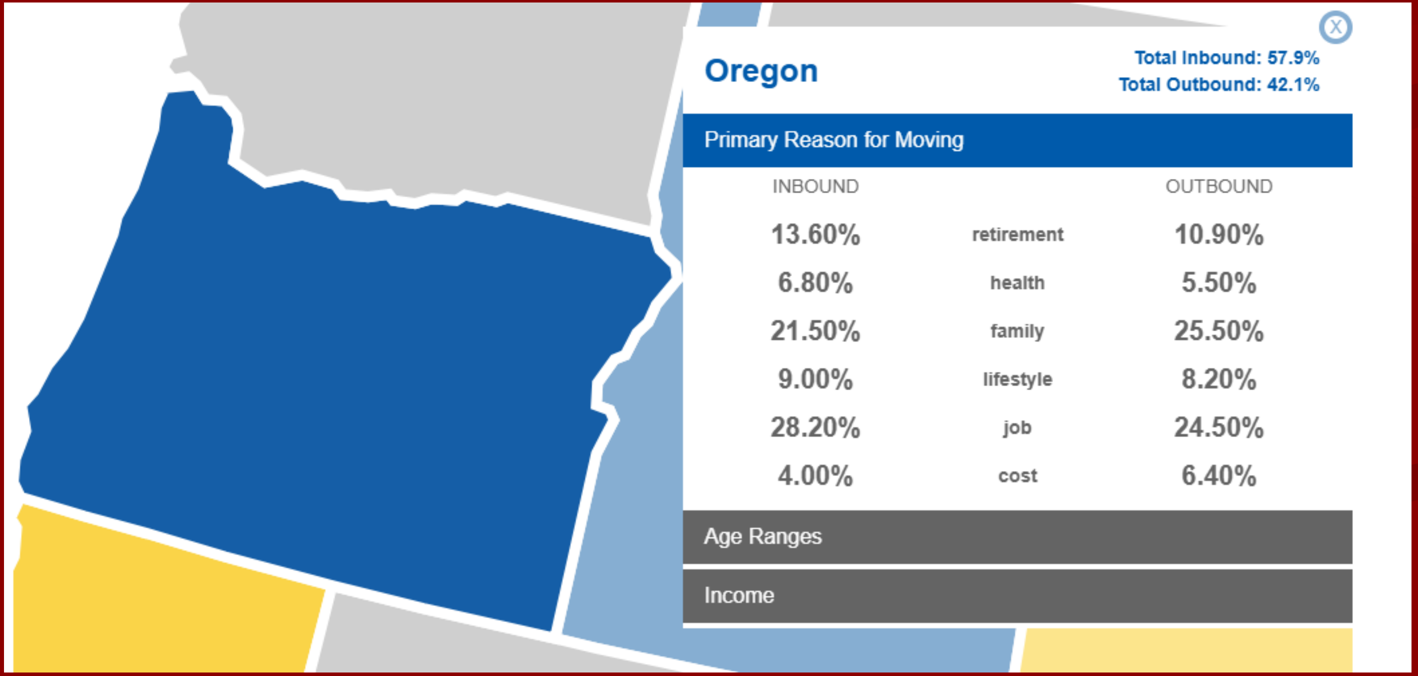
US Census data released Thursday shows Oregon's population grew by a modest 18,718 from July 2023 to July 2024

SUBSCRIBER

Oregon's population grew this year — and the year before that, it turns out

Updated: Dec. 19, 2024, 10:48 a.m. | Published: Dec. 19, 2024, 10:17 a.m.





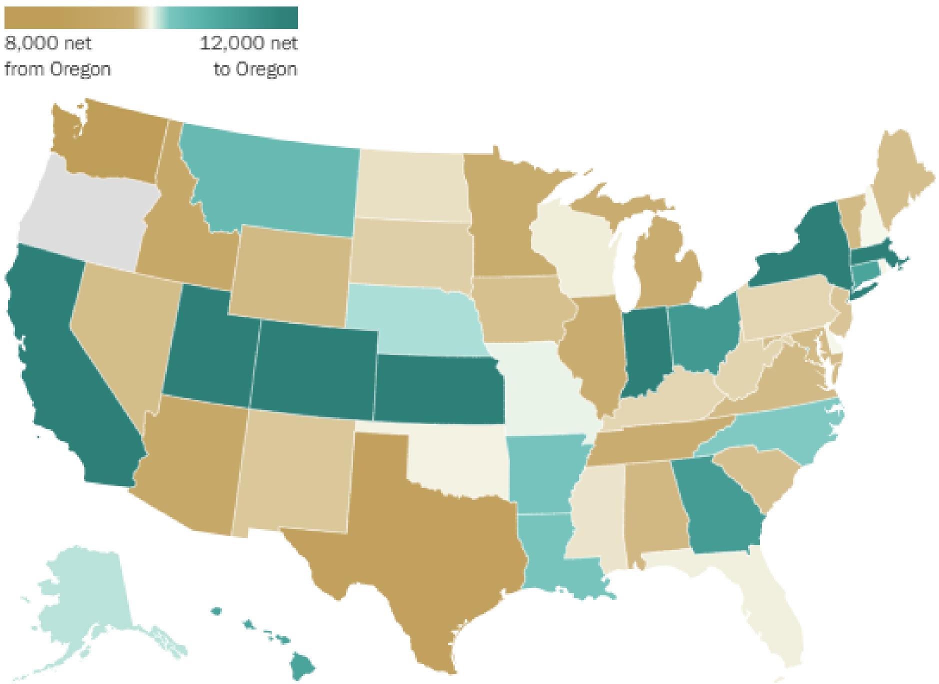
BUSINESS

When Oregonians move away, here's where they go

Updated: Nov. 11, 2024, 12:06 p.m. | Published: Nov. 10, 2024, 7:06 a.m.

Where Oregonians move to, and move from

About 6,200 more people moved from Oregon than moved into the state last year. Here is the net migration to or from each state.

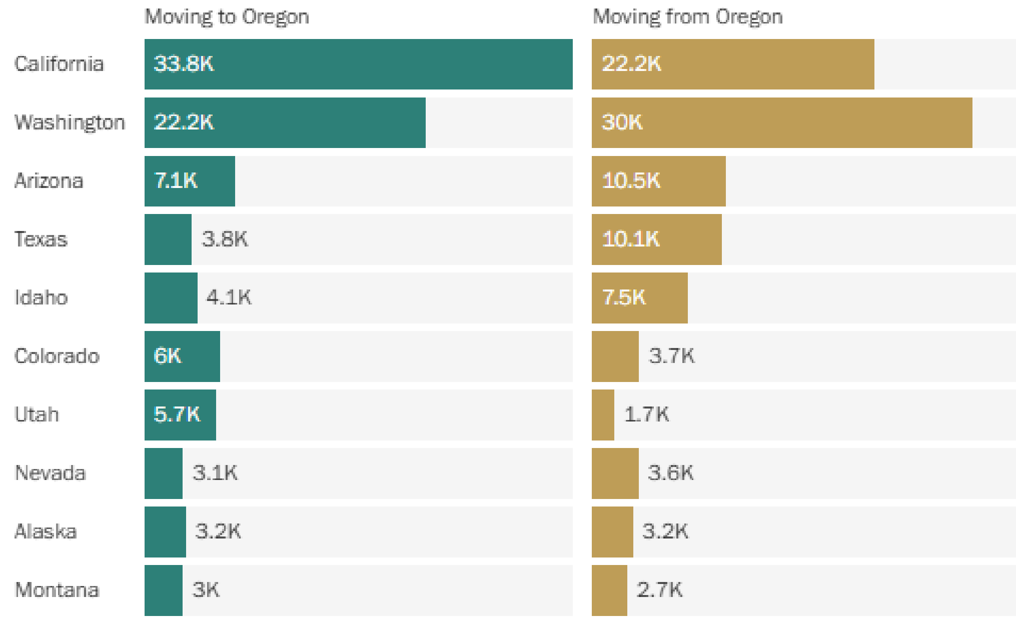


Source: American Community Survey • Get the data

OREGONLIVE
The Oregonian

Trading population: Top states Oregonians moved to and from

Oregon traded the most residents with these 10 states.



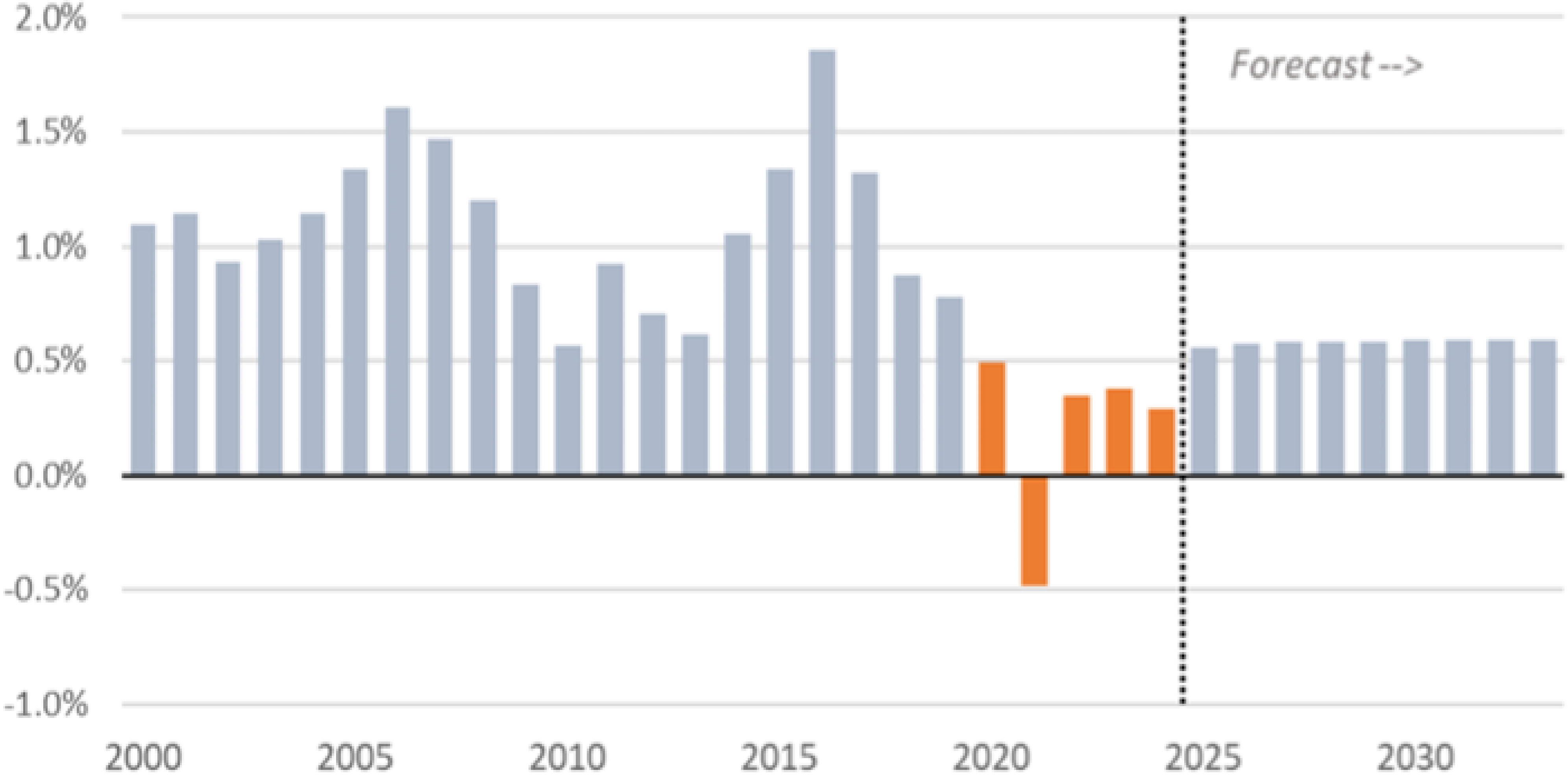
Source: American Community Survey • Get the data

OREGONLIVE
The Oregonian

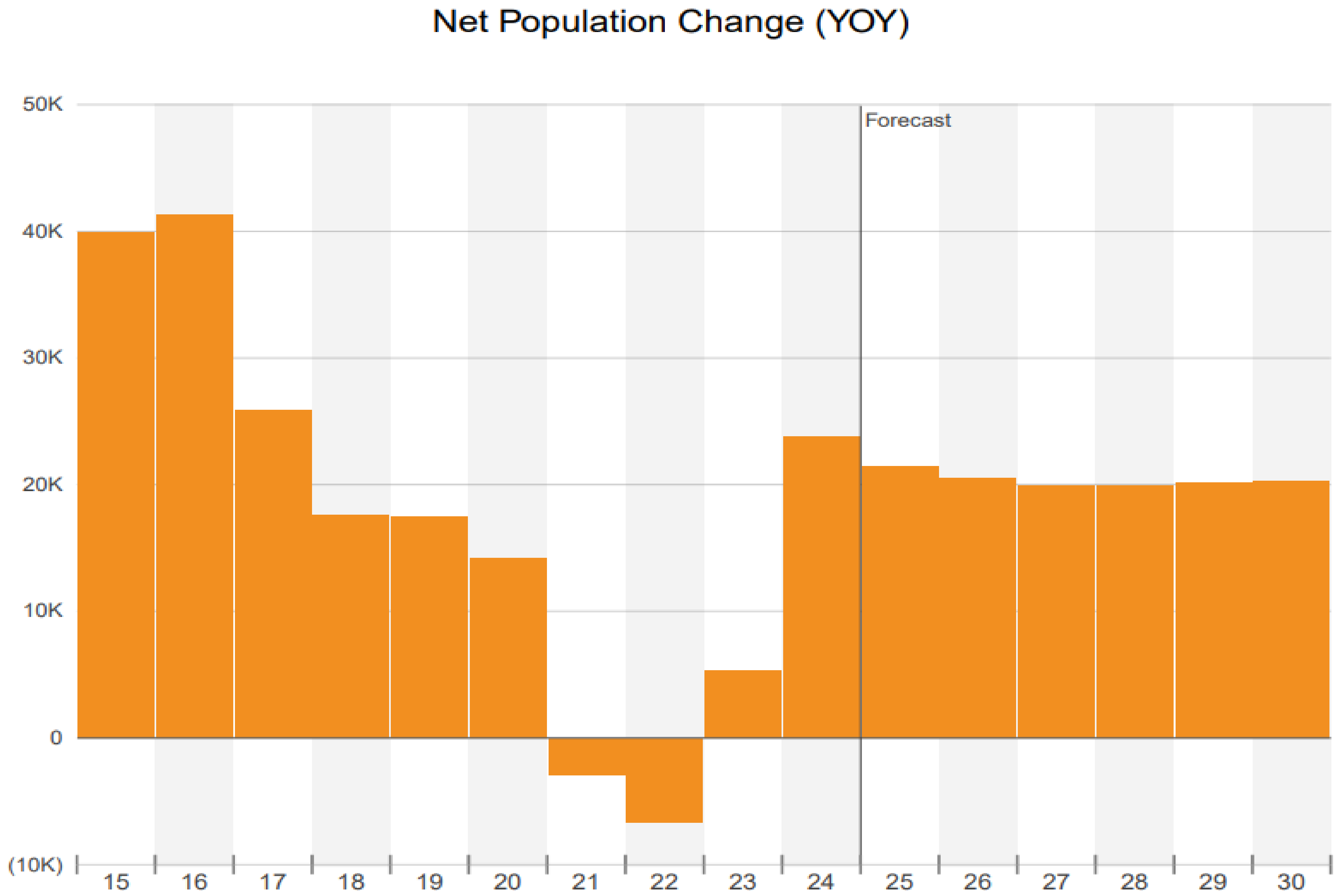
Oregon Population Growth

Annual change in total state population

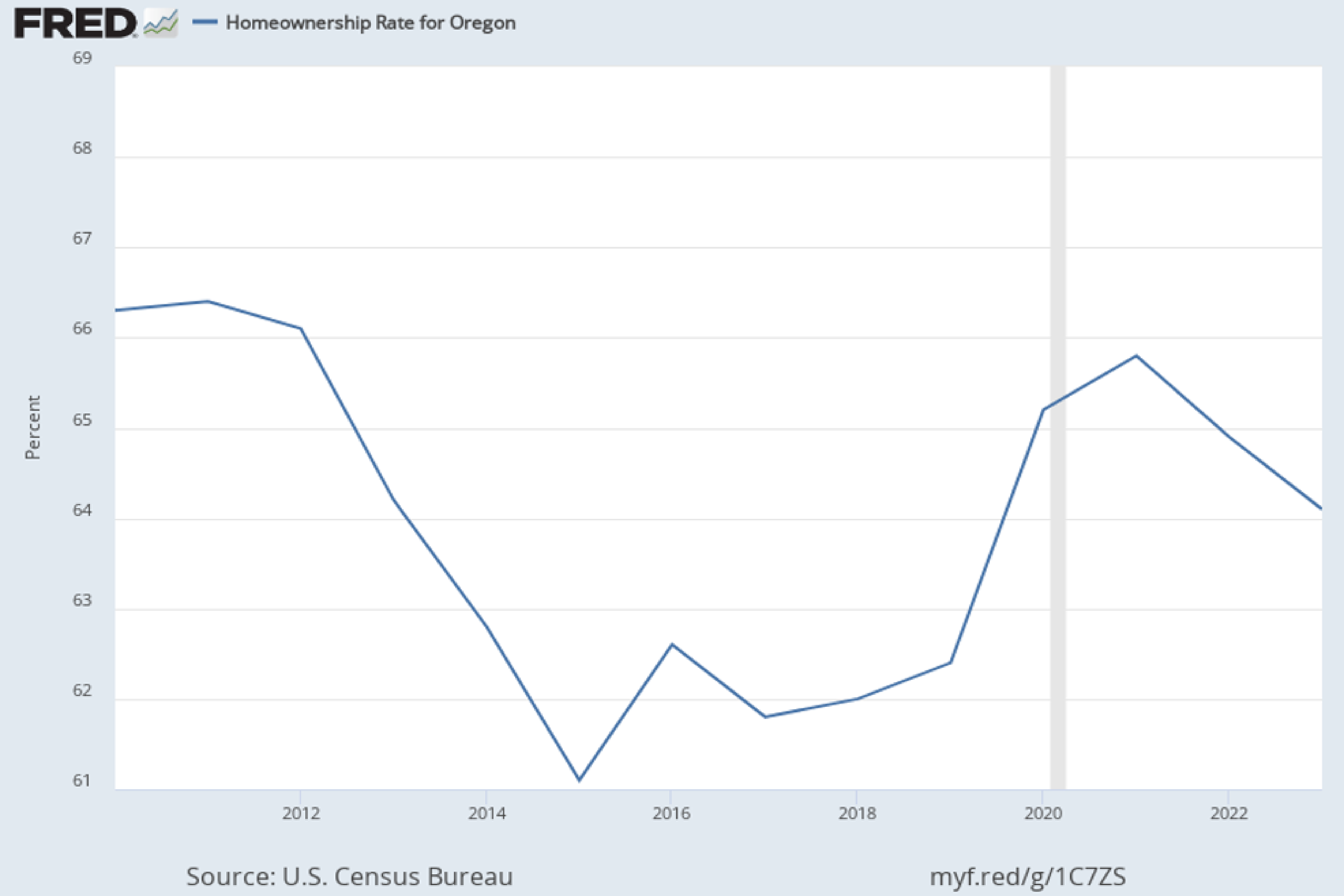
History/Forecast and PSU Estimates

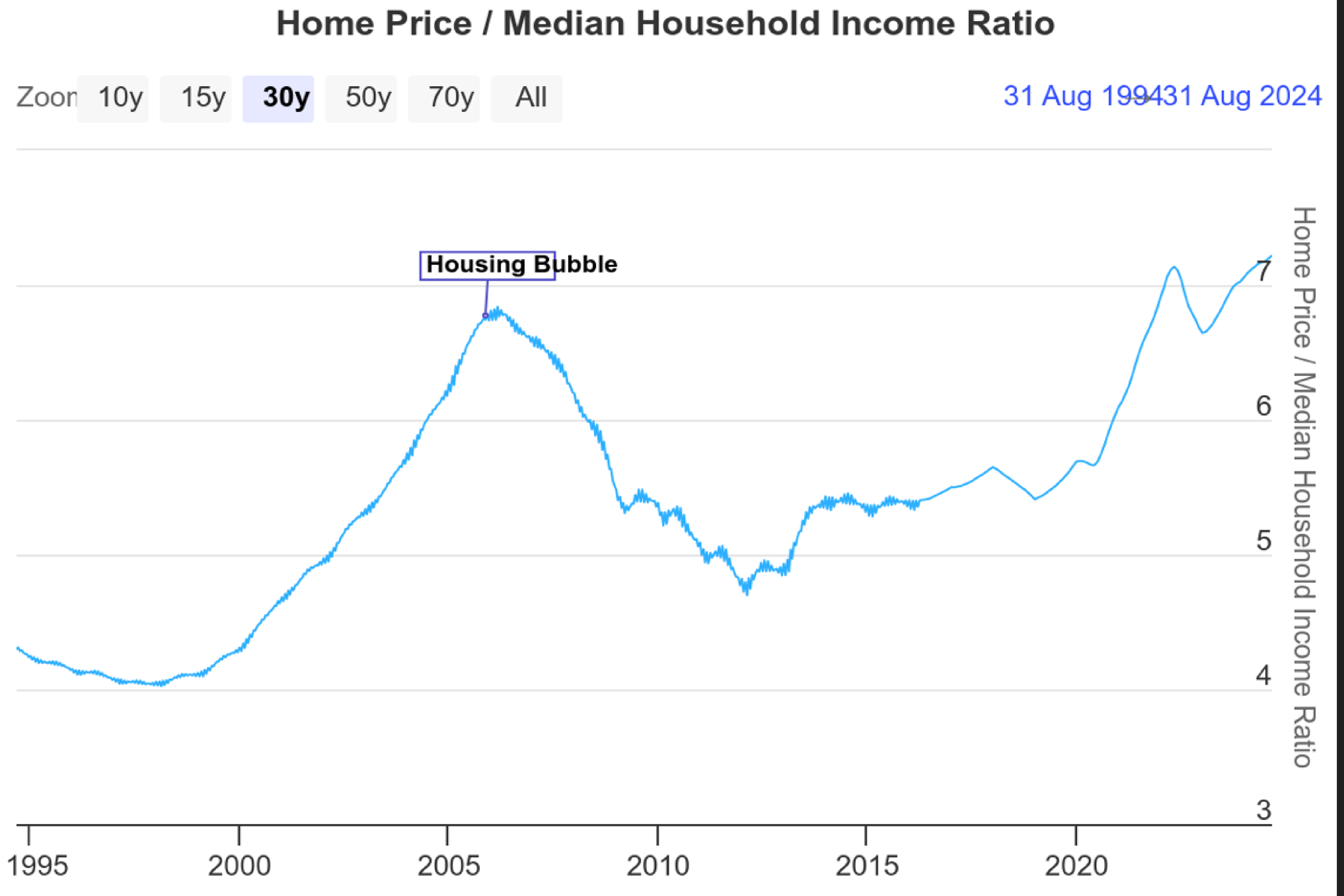


Latest: 2023 | Source: U.S. Census Bureau, Portland State Research Center, Oregon Office of Economic Analysis



Net Population Change (YOY)
50K
40K
30K
20K
10K
0
(10K)
Forecast
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30


FRED
Homeownership Rate for Oregon
69
68
67
66
65
64
63
62
61
Percent
2012
2014
2016
2018
2020
2022
Source: U.S. Census Bureau
myf.red/g/1C7ZS


Home Price / Median Household Income Ratio
Zoom
10y
15y
30y
50y
70y
All
31 Aug 1994
31 Aug 2024
Housing Bubble
7
6
5
4
3
1995
2000
2005
2010
2015
2020
Home Price / Median Household Income Ratio

REAL ESTATE

Mortgage refinance demand surges 27%, as interest rates drop for the third straight week

PUBLISHED WED, DEC 11 2024•7:00 AM EST

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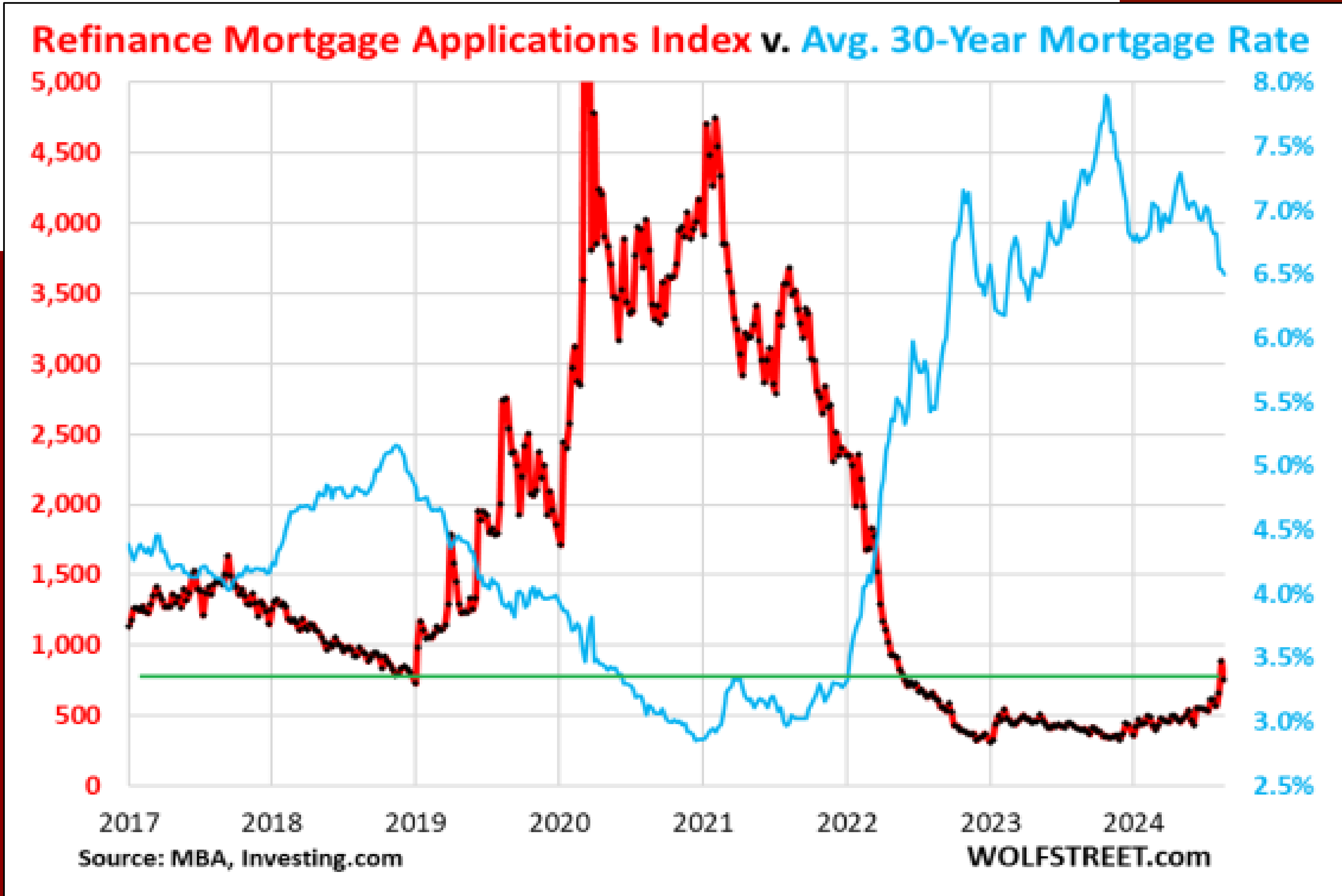
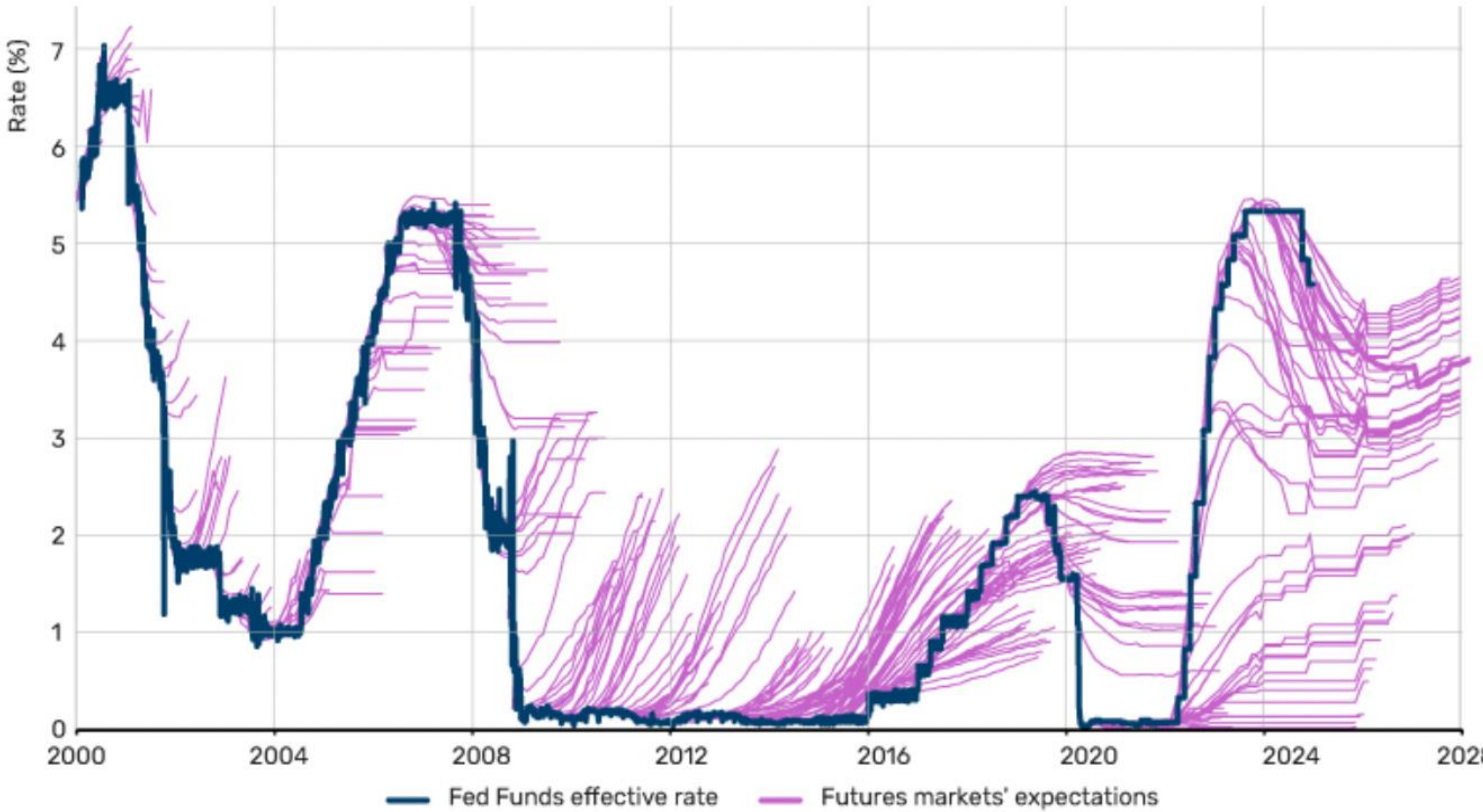
@DIANAOLICK



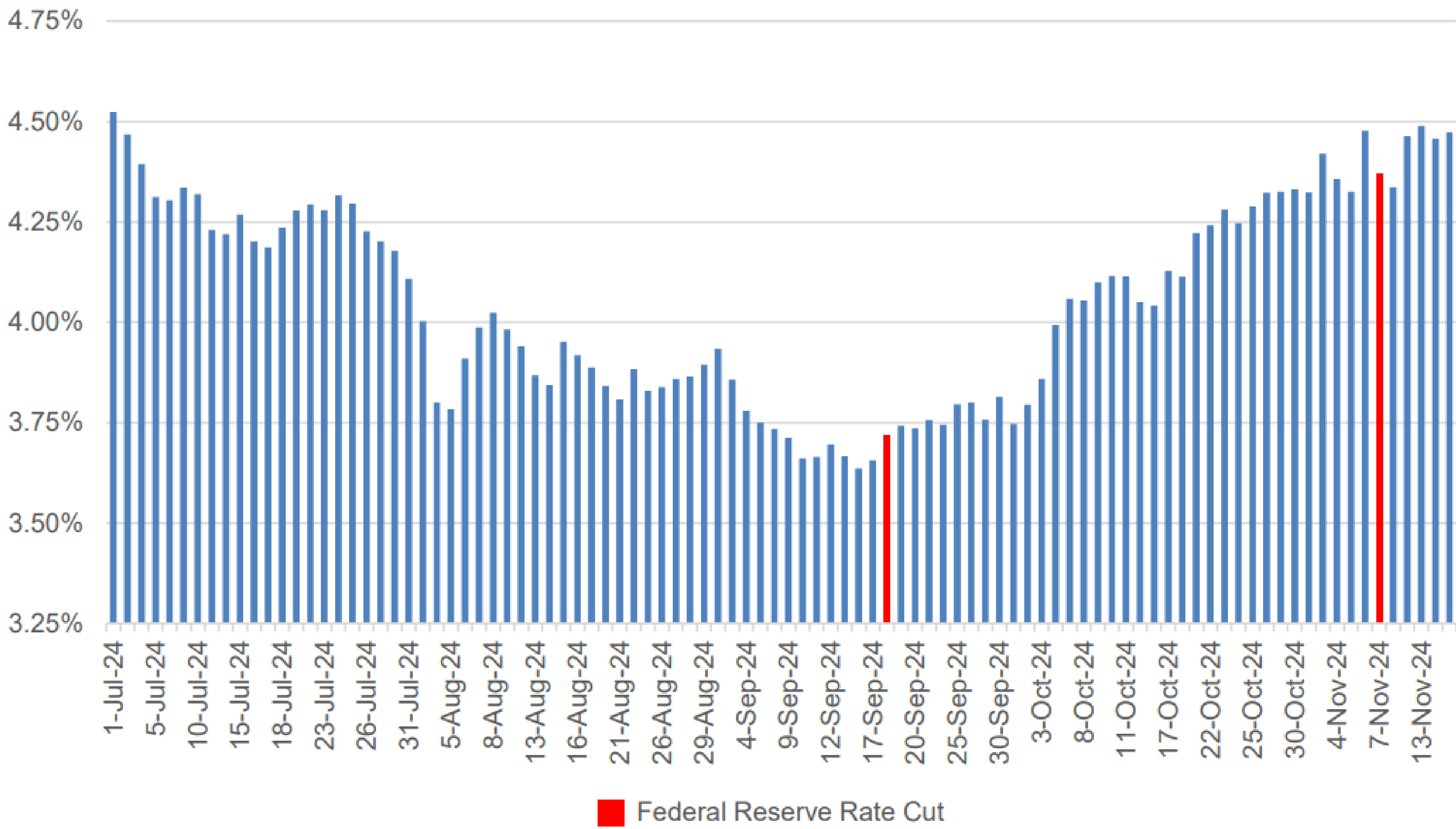
Source: Board of Governors of the Federal Reserve System (US)   myf.red/g/1DgZo

Figure 2. Scant evidence that predictions are more accurate in rates market



Source: Bloomberg, Man Group, as at 1 December 2024.

Exhibit 1: Daily 10-Year Treasury Rate



Fed leaves rates unchanged, sees no hurry to cut again

By **Howard Schneider** and **Michael S. Derby**

January 29, 2025 4:04 PM PST · Updated 3 hours ago

Aa

Summary Companies

- US central bank leaves policy rate in 4.25%-4.50% range
- Officials still waiting for clarity on Trump policies
- 'We do not need to be in a hurry,' Powell says

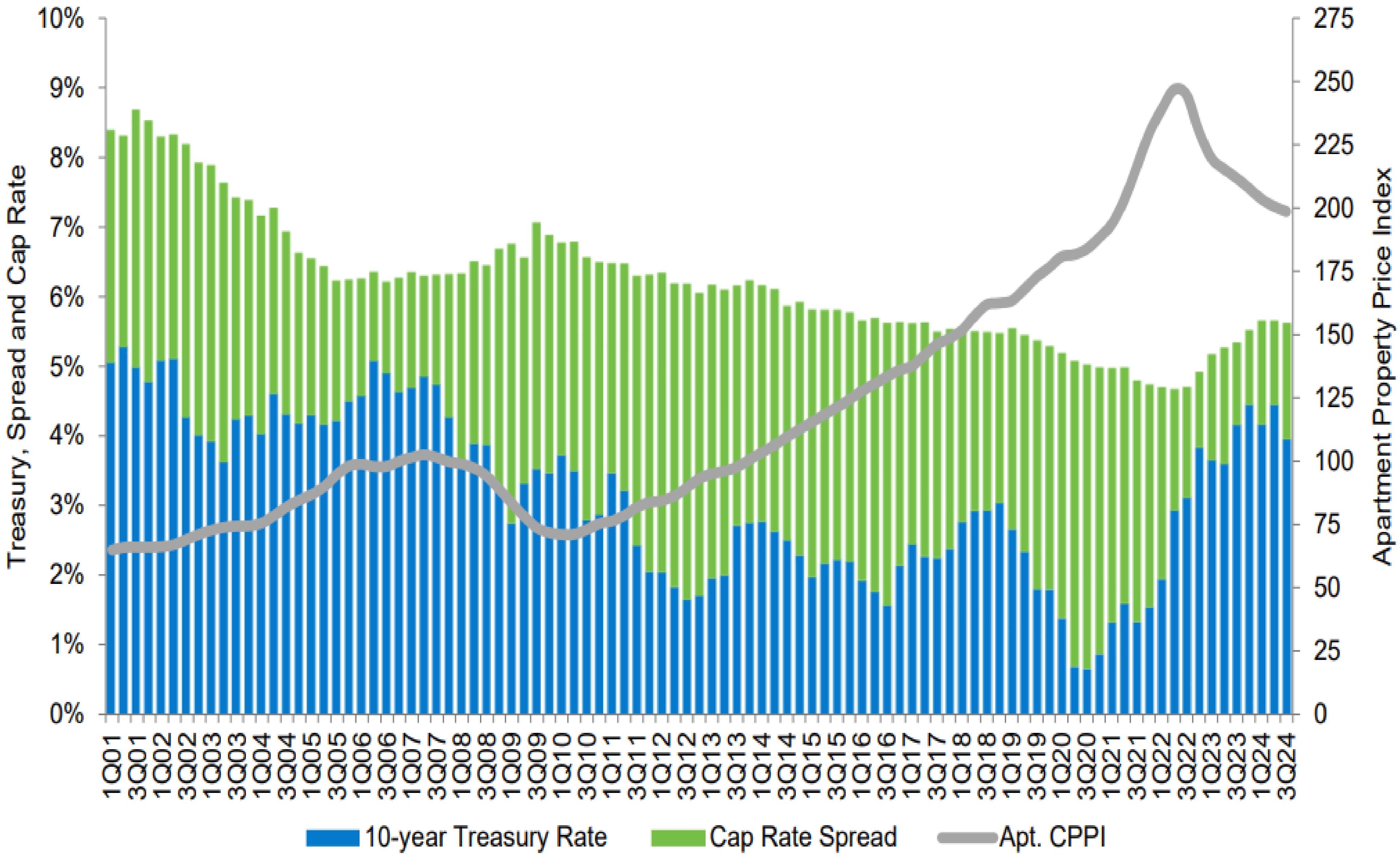
Analysts rework interest rate cut forecasts for 2025

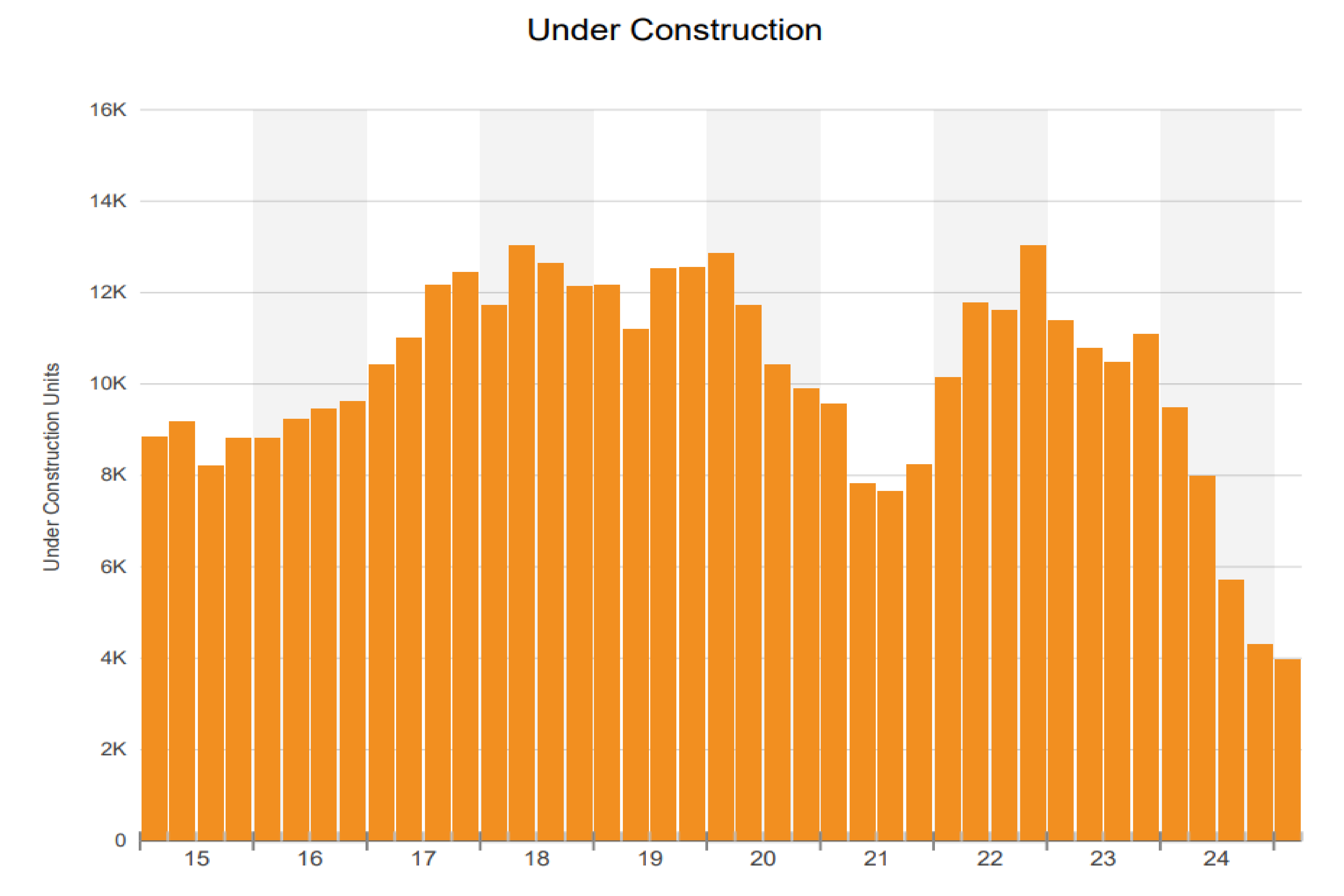
Here's what could happen to Fed interest rates next year.

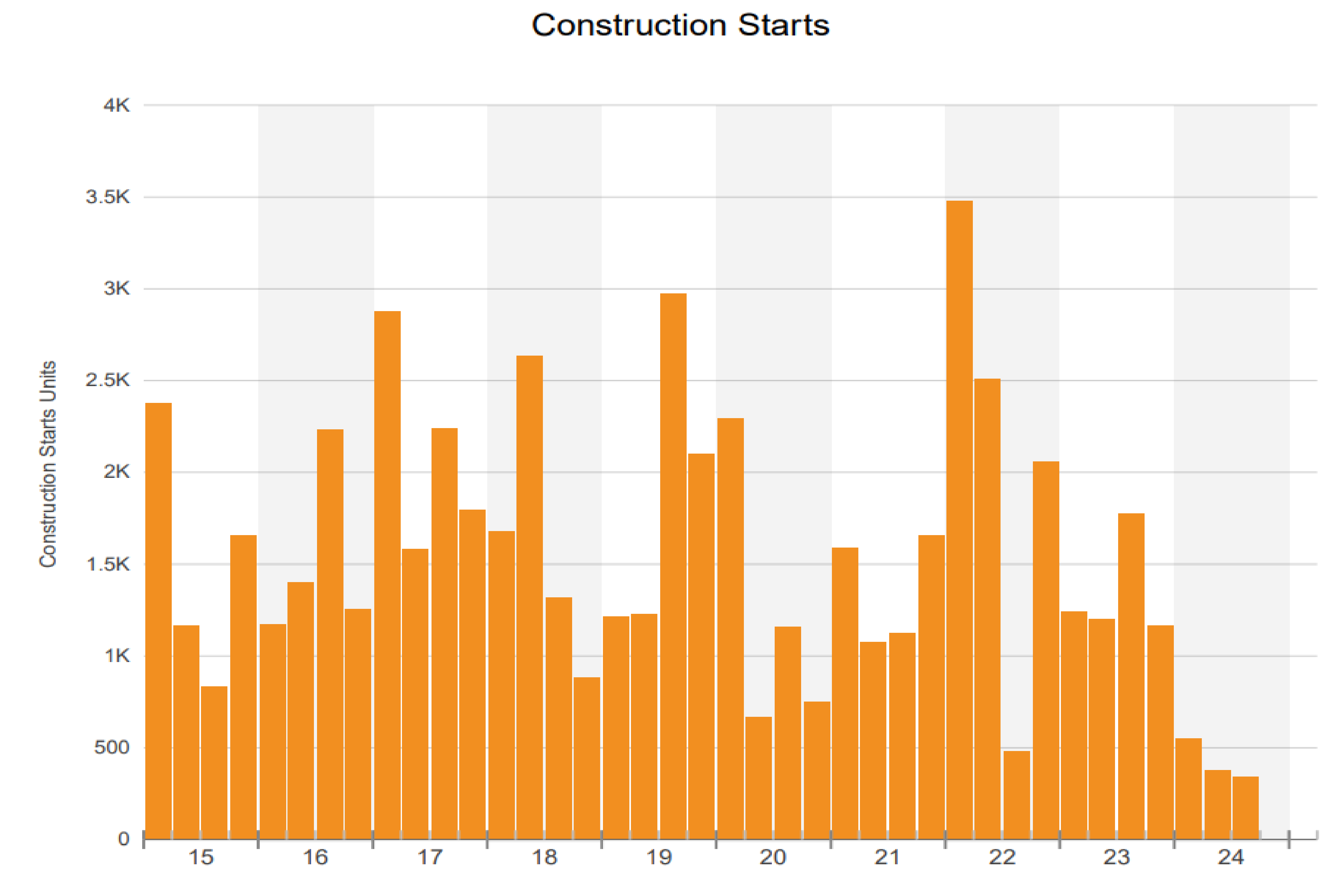
Michael Sheldon, CFA, CFP · Dec 10, 2024 7:33 PM EST

The tool also suggests that there's a 30% chance (the highest probability of all outcomes) that the Federal Reserve Bank will cut rates twice more to 4.00% by the end of 2025.

Exhibit 11: Multifamily Price Index, Cap Rate Spread and Treasury Rate




Under Construction
Under Construction Units
16K
14K
12K
10K
8K
6K
4K
2K
0
15
16
17
18
19
20
21
22
23
24


Construction Starts
Construction Starts Units
4K
3.5K
3K
2.5K
2K
1.5K
1K
500
0
15
16
17
18
19
20
21
22
23
24

Class C Rents are Falling Hardest in High-Supplied Markets

Rank	Metro Area	Supply Rate Above U.S. Avg?	Class C YoY Rent Change
1	Fort Walton Beach, FL	Yes	-13.5%
2	Austin, TX	Yes	-10.7%
3	Fort Myers, FL	Yes	-9.0%
4	Sarasota, FL	Yes	-8.6%
5	Phoenix, AZ	Yes	-6.6%
6	Daytona Beach, FL	Yes	-6.5%
7	Provo, UT	Yes	-5.7%
8	Salt Lake City, UT	Yes	-5.7%
9	Raleigh/Durham, NC	Yes	-5.6%
10	Atlanta, GA	Yes	-5.3%
11	Naples, FL	No	-5.3%
12	Greenville, SC	Yes	-5.2%
13	Jacksonville, FL	Yes	-5.0%
14	Colorado Springs, CO	Yes	-4.9%
15	Wilmington, NC	Yes	-4.8%
16	Tampa, FL	Yes	-4.5%
17	Palm Bay, FL	Yes	-4.3%
18	Dallas, TX	Yes	-4.3%
19	Charlotte, NC	Yes	-4.2%
20	Orlando, FL	Yes	-4.1%
21	Fort Worth, TX	Yes	-4.0%

Source: Madera Residential research, RealPage Market Analytics. Supply rate = year-over-year change in apartment inventory relative to U.S. average of 2.7% as of June 2024.

Housing Needs Analysis (HNA) and Housing Production Strategy (HPS) updates

- On Aug. 28, City Council unanimously adopted Portland's first-ever Housing Production Strategy (HPS). Read the announcement.
- Read the adopted Housing Production Strategy.

City Council unanimously adopts Portland's first ever Housing Production Strategy

The strategies that lay the groundwork for the next five years are organized into eight initiatives:

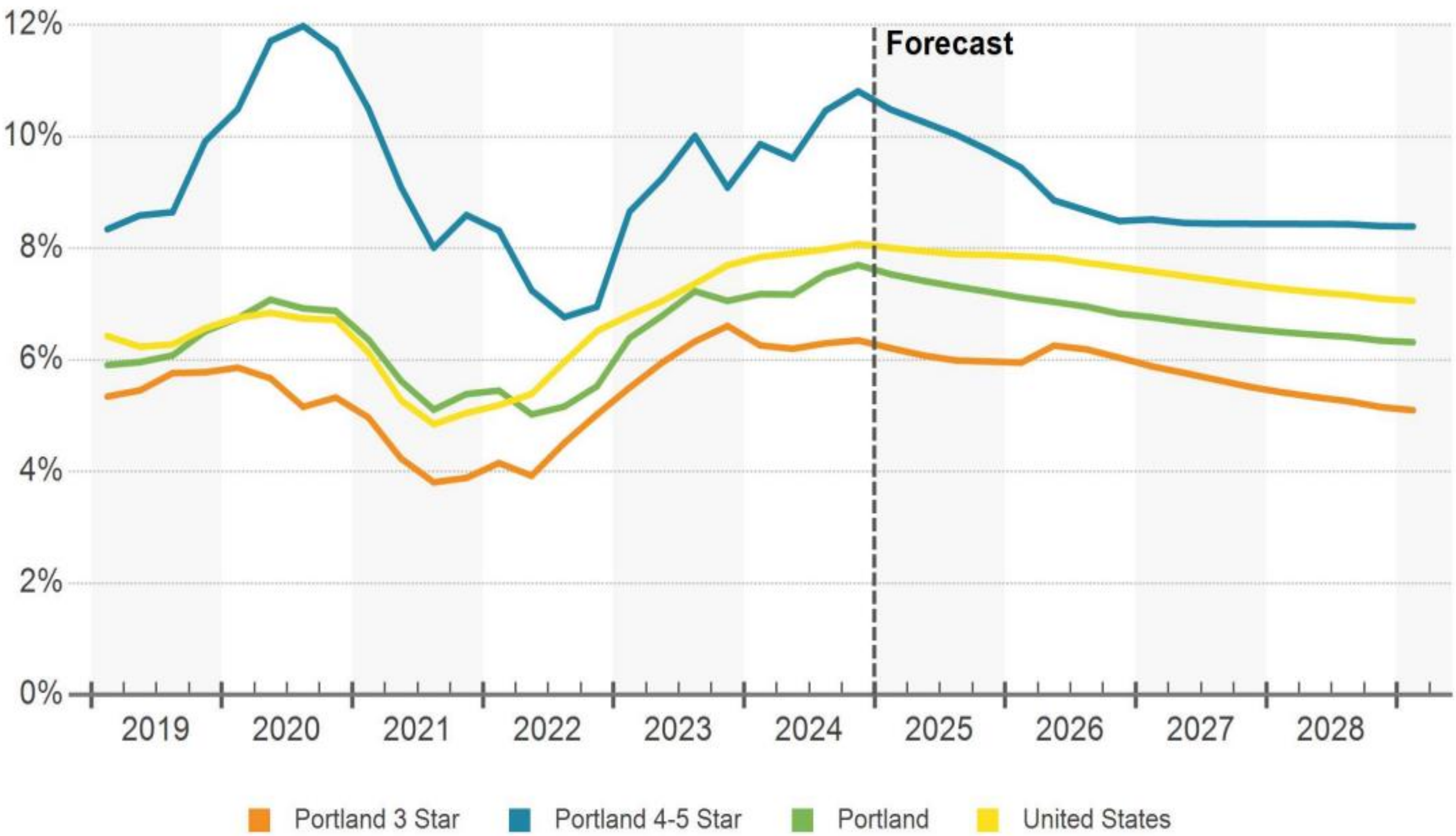
1. Promote Affordable Housing (0-80% AMI)
2. Increase Middle-Income Housing And Homeownership
3. Increase Housing Across All Major Redevelopment Efforts
4. Reduce Barriers To Development And Improve Processes
5. Stabilize Current And Future Households
6. Promote Age- And Disability-Friendly Housing
7. Promote Climate-Friendly And Healthy Homes
8. Advocate At The State And Federal Level

Portland - OR USA ▾

Multi-Family Market ☆☆☆☆☆

237,245 ↑	3,987 ↓	5,941 ↑	7.6% ↑	$1,650 ↑	$243K ↓	5.5% ↑
Inventory Units	Under Constr Units	12 Mo Absorp Units	Vacancy Rate	Market Asking Rent/Unit	Market Sale Price/Unit	Market Cap Rate

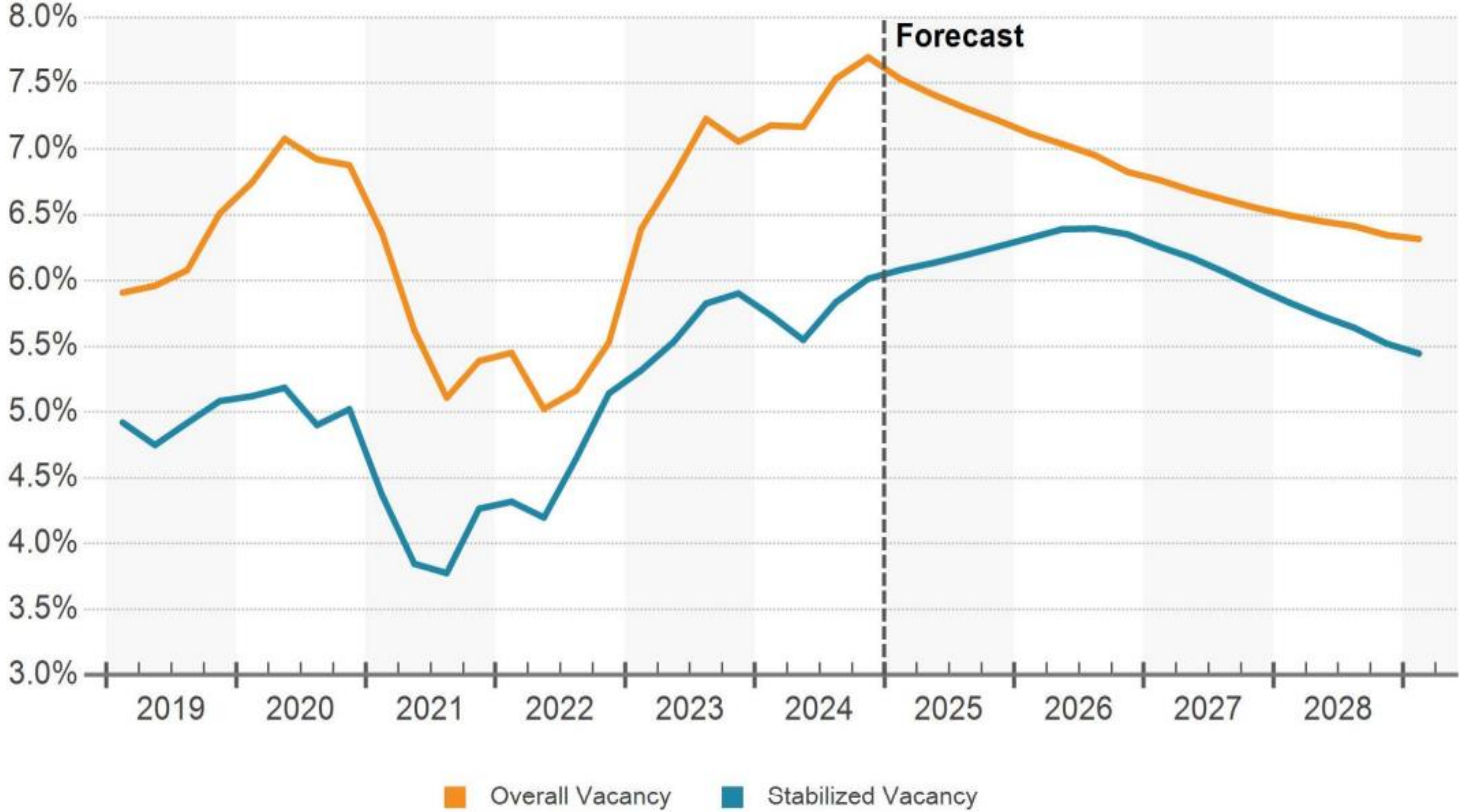
VACANCY RATE



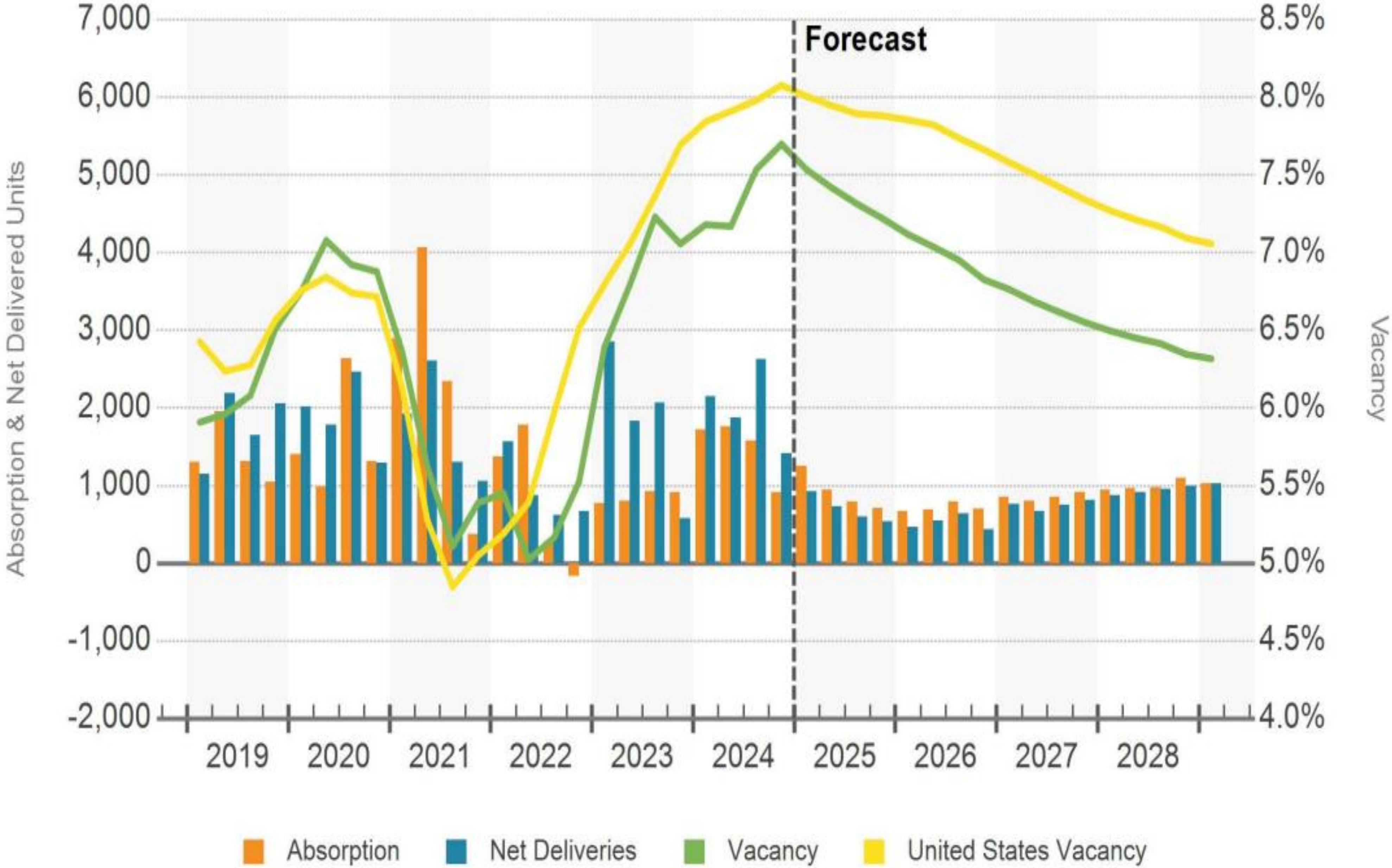
Vacancy

Portland Multi-Family

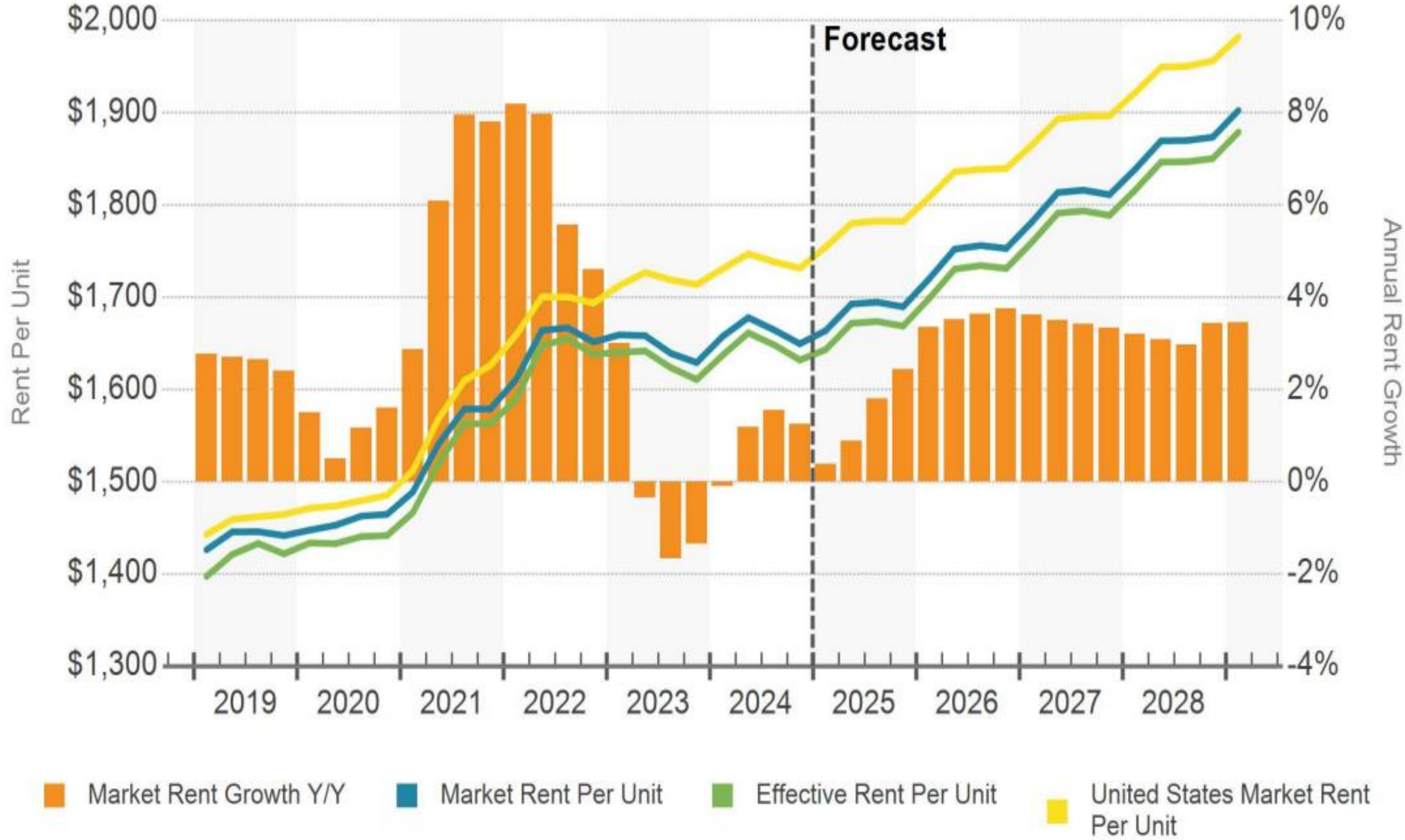
OVERALL & STABILIZED VACANCY



ABSORPTION, NET DELIVERIES & VACANCY

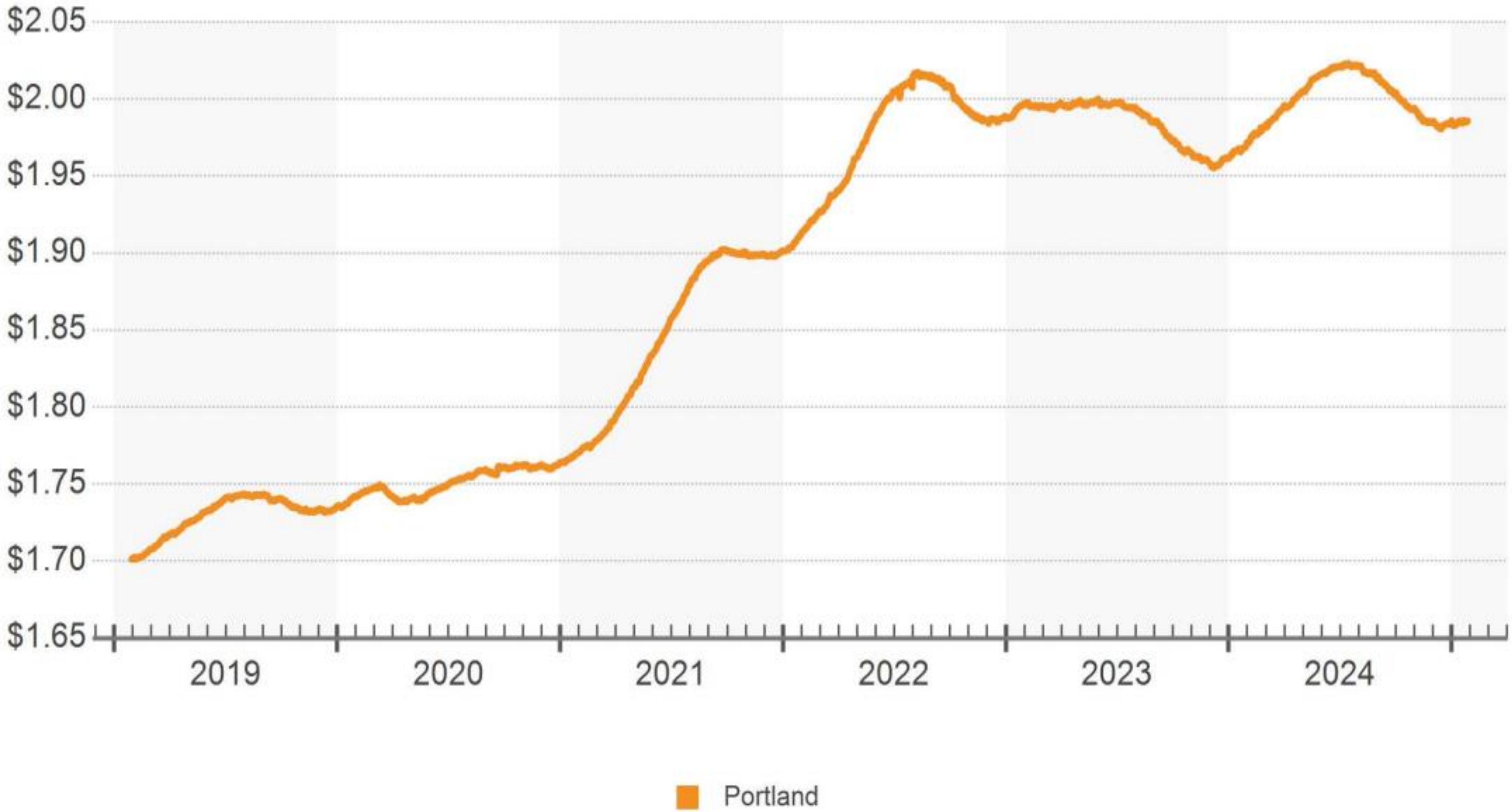


MARKET RENT PER UNIT & RENT GROWTH

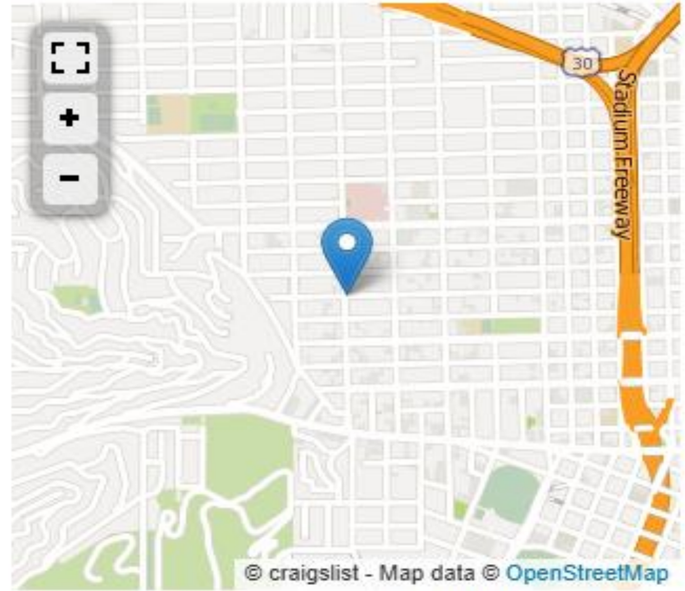


Rent

DAILY ASKING RENT PER SF



$1,150 / 1br - 565ft² - Katherine Apartments-SPECIAL OFFER: Get $250 OFF Your First 3 Months (621 NW 23rd Ave.)



621 NW 23rd Ave

google map

1BR / 1Ba 565ft² available now

application fee details: $55 - Credit, Criminal, Rental History check

rent period: monthly

cats are OK - purrr

apartment

dogs are OK - wooof

laundry on site

street parking

no smoking

**Accepting Applications beginning 9/1/2024 at 2:00PM
Per City of Portland Fair Housing Ordinance, Applications received before this time will receive an 8-hour delay in their application time for consideration.**

**First 3 Months: $250 OFF!
After the First 3 Months: Regular Rent of $1150**

Spacious 2nd Floor Double Studio – Feels Like a 1-Bedroom!

$1,225 / 1br - 600ft^2 - Schedule a tour today! 4 Weeks free! (PORTLAND)

7301 SE Powell Blvd, PORTLAND, OR 97206

7301 SE Powell Blvd near 74th

google map

1BR / 1Ba 600ft^2 available now

application fee details: $20

rent period: monthly

cats are OK - purrr

apartment

dogs are OK - wooof

laundry on site

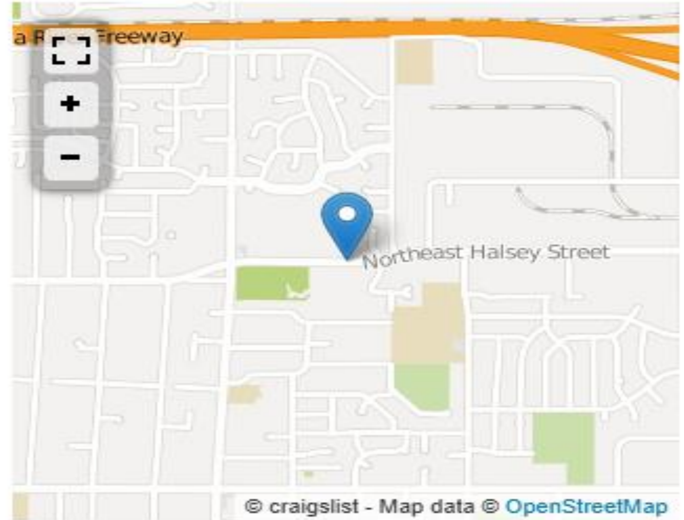
off-street parking

Alexander Vincent II

Move-in ready 1 bed and 1 bath units are available right now. Settle into your new home in a friendly community with stunning amenities. With rents starting at $1,225, these units won't last. Call us to schedule a tour or get started on an application today! Now Offering 4 Weeks Free!

$1,395 / 2br - 960ft^2 - *FREE RENT PROMO *2X1 TOWNHOME**SE PDX**NEAR TRI-MET & MAX (16705 NE Halsey)

16705 NE Halsey St #116, Gresham, OR 97230



16705 NE Halsey St #116

google map

2BR / 1Ba 960ft^2 available now

application fee details: $55 per adult 18 and over

rent period: monthly

cats are OK - purrr

townhouse

laundry on site

off-street parking

no smoking

*FREE RENT PROMO *2X1 TOWNHOME**SE PDX**NEAR TRI-MET & MAX**CLOSE TO SHOPPING**EASY FREEWAY ACCESS**

Property Address
16705 NE HALSEY ST Apt #116 | GRESHAM, OR 97230
Available: Now

$1,545 / 2br - 775ft² - For peace and quiet in Gladstone, you've found the place! *Free Rent! (Gladstone/Milwaukie - Near George Rogers & Meldrum Bar Park)

847 Risley Ave, Gladstone, OR 97027

847 Risley Ave near W. Gloucester Street

google map

2BR / 1Ba 775ft² available now

application fee details: $45

rent period: monthly

cats are OK - purrr

apartment

dogs are OK - wooof

laundry on site

carport

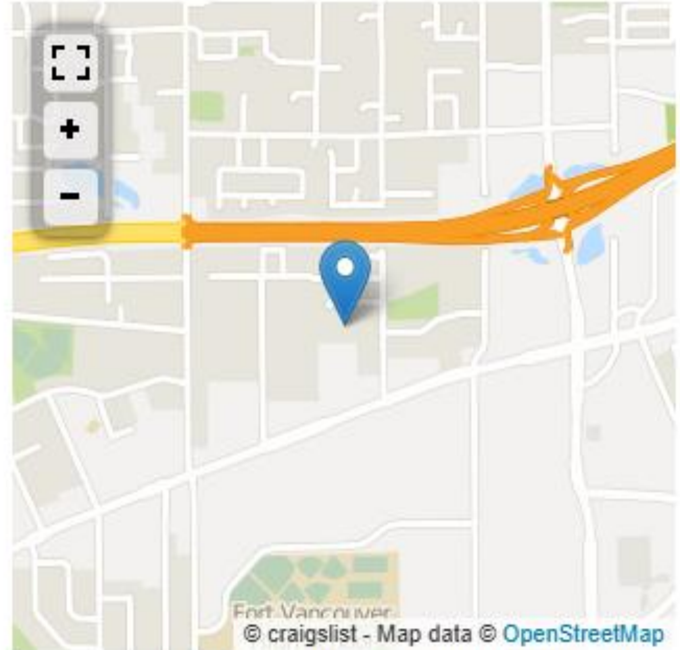
no smoking

Welcome to River Run Village!

847 Risley Ave Gladstone, OR 97027

$1,550 / 2br - 1082ft^2 - 2 month's rent FREE + Fantastic rent special! $250 OFF MONTHLY RENT! (Vancouver)

3214 NE 62nd Ave, Vancouver, WA 98661



3214 NE 62nd Ave near Fourth Plain

google map

2BR / 1.5Ba 1082ft^2

application fee details: $65.00

rent period: monthly

cats are OK - purrr

apartment

dogs are OK - wooof

w/d in unit

Pricing for this ad is for the Geneva floor plan - 2 bedrooms 1.5 bathrooms 1,082 square feet. Ask us about our other 2 floor plans! Reference Apt C6 or C5

Non smoking, FREE ASSIGNED PARKING
Originally $1800, but now $1550

Overall Real Estate Prospects

1	Nashville	41	Boise
2	Phoenix	42	Pittsburgh
3	Dallas/Fort Worth	43	Norfolk
4	Atlanta	44	Cape Coral/Fort Myers/Naples
5	Austin	45	Washington, DC–MD suburbs
6	San Diego	46	Jersey City
7	Boston	47	Sacramento
8	San Antonio	48	St. Louis
9	Raleigh/Durham	49	Greenville, SC
10	Seattle	50	Baltimore
11	Houston	51	Portland, OR
12	Denver	52	Westchester, NY/Fairfield, CT
13	Charlotte	53	Columbus
14	Miami	54	San Francisco
15	Northern New Jersey	55	Birmingham
16	Washington, DC–Northern VA	56	Memphis
17	Los Angeles	57	Charleston
18	Tampa/St. Petersburg	58	Tacoma
19	Orlando	59	Tallahassee
20	Las Vegas	60	Cleveland
21	Fort Lauderdale	61	Knoxville
22	Indianapolis	62	Milwaukee
23	Washington, DC–District	63	Louisville
24	Orange County	64	Omaha
25	Inland Empire	65	Oklahoma City
26	Minneapolis/St. Paul	66	Cincinnati
27	Philadelphia	67	New Orleans
28	Brooklyn	68	Chattanooga
29	Chicago	69	Des Moines
30	Salt Lake City	70	Providence, RI
31	Manhattan	71	Honolulu
32	Richmond	72	Deltona/Daytona
33	San Jose	73	Buffalo
34	Kansas City	74	Portland, ME
35	Palm Beach	75	Albuquerque
36	Jacksonville	76	Tucson
37	NYC Other	77	Spokane, WA/Coeur d'Alene, ID
38	Long Island	78	Gainesville
39	Detroit	79	Madison
40	Oakland/East Bay	80	Hartford

41	Oklahoma City
42	New Orleans
43	Sacramento
44	Philadelphia
45	Pittsburgh
46	NW Arkansas
47	Omaha
48	Knoxville
49	Washington D.C. - District
50	Westchester/Fairfield
51	Honolulu
52	Cleveland
53	St. Louis
54	SW Florida
55	Greenville
56	Baltimore
57	Des Moines
58	Deltona/Daytona Beach
59	Albuquerque
60	San Jose
61	Boise
62	Inland Empire
63	Louisville
64	Gainesville
65	Birmingham
66	Tucson
67	Washington D.C. - MD Suburbs
68	San Francisco
69	Tallahassee
70	Milwaukee
71	Chattanooga
72	Tacoma
73	Norfolk
74	Providence, RI
75	Portland, ME
76	Spokane-Coeur d'Alene
77	Madison
78	Buffalo
[illegible]	Oakland-East Bay
80	Portland, OR
81	Hartford

Source: Emerging Trends in Real Estate 2025 survey.

Homebuilding Prospects

1	Austin	41	Norfolk
2	San Antonio	42	Northern New Jersey
3	Washington, DC–Northern VA	43	Portland, OR
4	Atlanta	44	Memphis
5	Dallas/Fort Worth	45	Chicago
6	Charlotte	46	Richmond
7	Houston	47	Louisville
8	Raleigh/Durham	48	Deltona/Daytona Beach
9	Tampa/St. Petersburg	49	Oklahoma City
10	Denver	50	San Francisco
11	Seattle	51	Baltimore
12	Phoenix	52	Spokane, WA/Coeur d'Alene, ID
13	Inland Empire	53	Cincinnati
14	Washington, DC–District	54	New York–other boroughs
15	Sacramento	55	Omaha
16	Tacoma	56	Tucson
17	Salt Lake City	57	Birmingham
18	Orlando	58	Albuquerque
19	Las Vegas	59	Des Moines
20	Nashville	60	Brooklyn
21	Kansas City	61	Westchester, NY/Fairfield, CT
22	Jacksonville	62	Tallahassee
23	Orange County	63	Knoxville
24	Miami	64	Buffalo
25	Palm Beach	65	Madison
26	Cape Coral/Fort Myers/Naples	66	Chattanooga
27	Fort Lauderdale	67	Honolulu
28	Indianapolis	68	New York–Manhattan
29	San Diego	69	Providence, RI
30	Los Angeles	70	Jersey City
31	Philadelphia	71	St. Louis
32	Boston	72	Pittsburgh
33	Boise	73	Milwaukee
34	Columbus	74	Portland, ME
35	Oakland/East Bay	75	Detroit
36	Washington, DC–MD suburbs	76	Long Island
37	San Jose	77	Hartford
38	Greenville, SC	78	Cleveland
39	Minneapolis/St. Paul	79	Gainesville
40	Charleston	80	New Orleans

Homebuilding Prospects

More than 1 standard deviation above mean
+/− 1 standard deviation of mean
More than 1 standard deviation below mean

Rank	
1	Tampa/St. Petersburg
2	Fort Lauderdale
3	Inland Empire
4	Dallas/Ft. Worth
5	Atlanta
6	Phoenix
7	Houston
8	Boston
9	Minneapolis/St. Paul
10	Seattle
11	Washington D.C. - Northern VA
12	Detroit
13	Philadelphia
14	Chicago
15	St. Louis
16	Orlando
17	Charlotte
18	Los Angeles
19	San Francisco
20	San Antonio
21	San Diego
22	Orange County
23	Sacramento
24	Denver
25	Miami
26	Las Vegas
27	Austin
28	Manhattan
29	Baltimore
30	Portland, OR
31	Long Island
32	Oakland-East Bay
33	Raleigh/Durham
34	Jacksonville
35	Nashville
36	San Jose
37	Cincinnati
38	Palm Beach
39	Oklahoma City
40	Westchester/Fairfield

Mayor-Elect Keith Wilson Pledges to End Unsheltered Homelessness, With or Without Support From Other Elected Officials

"I've set out an ambitious goal to care for Portlanders within a year to ensure that nobody is denied a place to sleep safely tonight. What does that look like? We'll see."

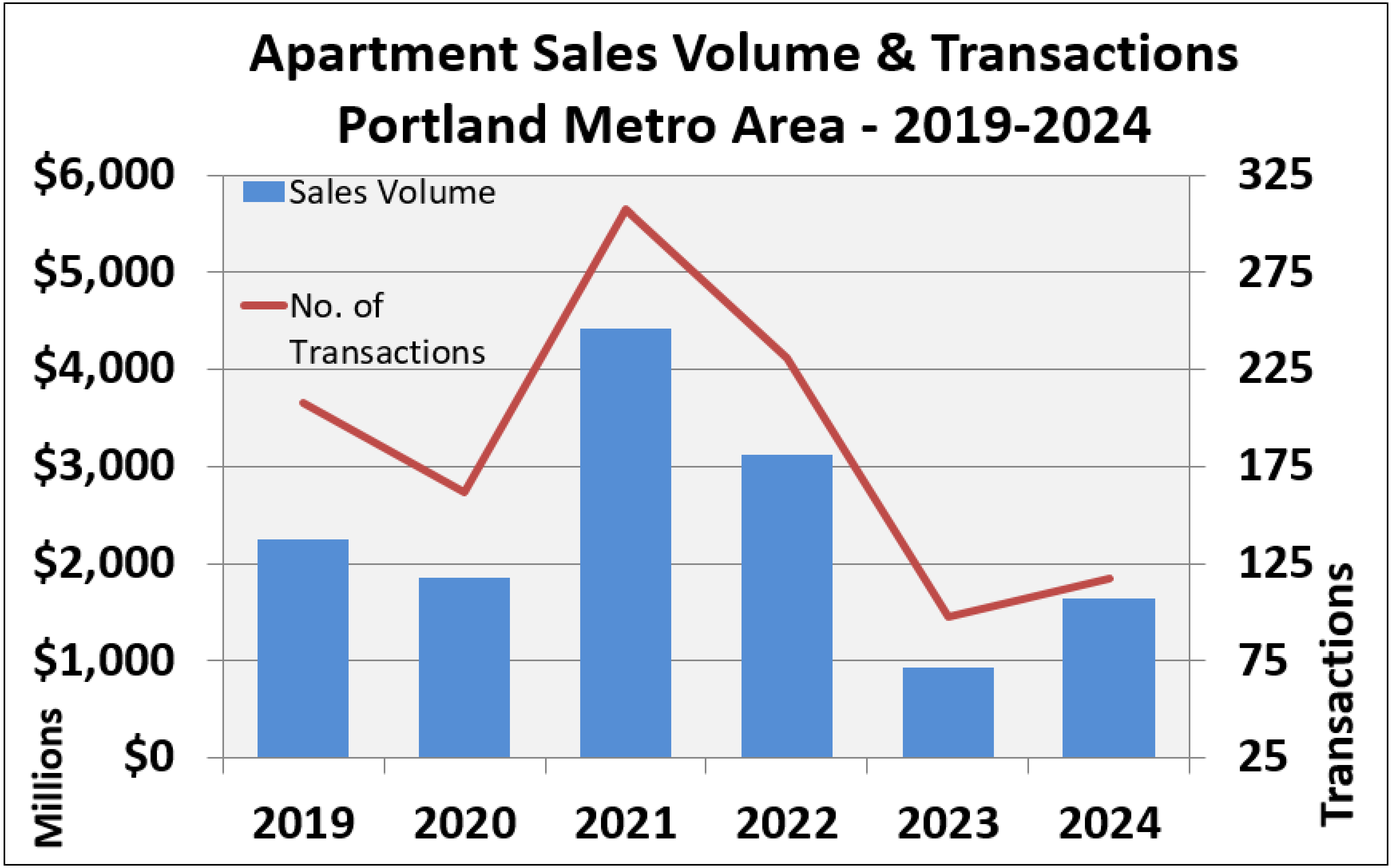
2025 MULTIFAMILY

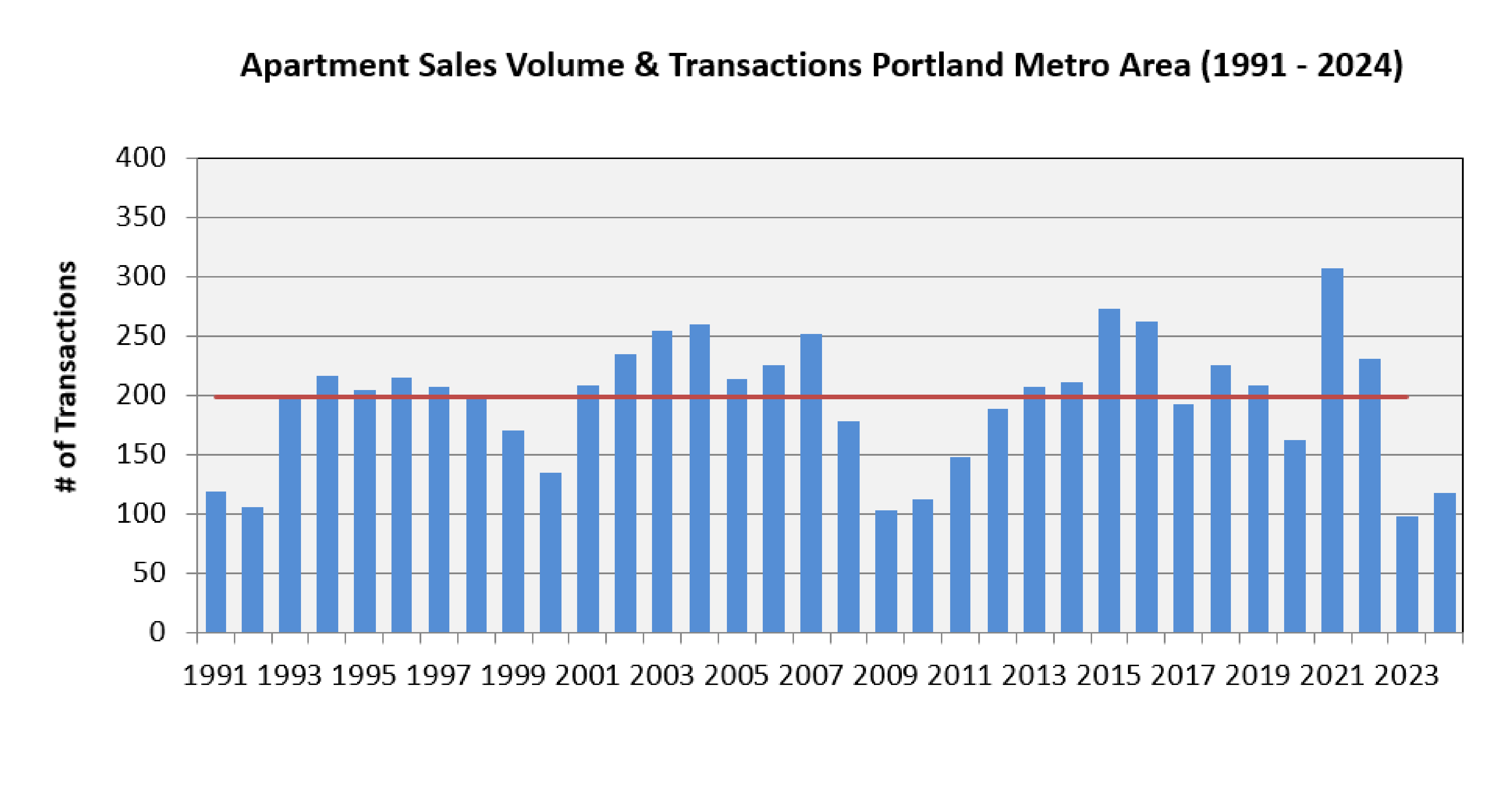
NATIONAL INVESTMENT FORECAST

Marcus & Millichap

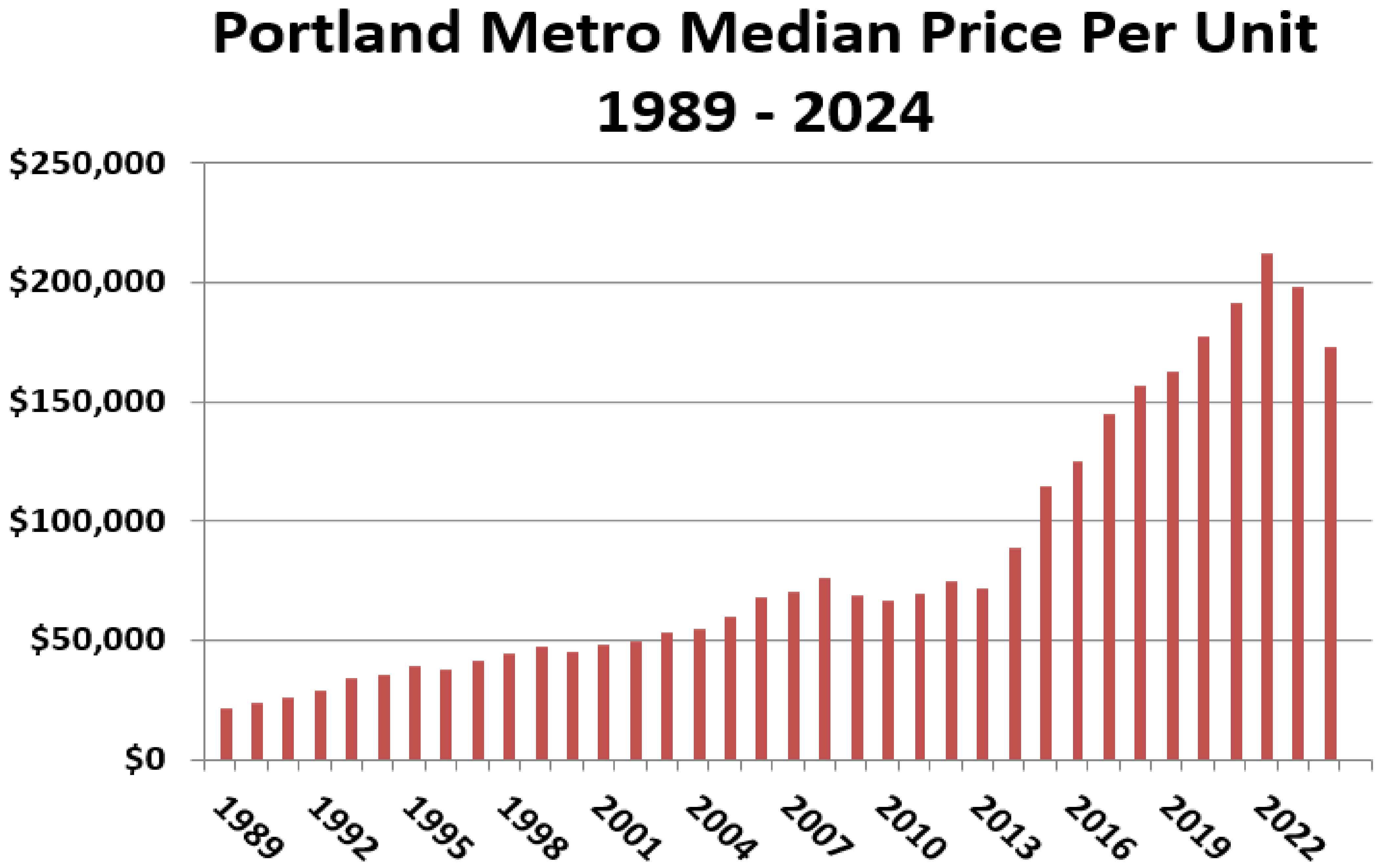
RANK	MARKET
1	*Miami-Dade*
2	*Dallas-Fort Worth*
3	*Orlando*
4	*Las Vegas*
5	*Houston*
6	*Fort Lauderdale*
7	*Salt Lake City*
8	*Orange County*
9	*Austin*
10	*Phoenix*
11	*Tampa-St. Petersburg*
12	*Los Angeles*
13	*Raleigh*
14	*San Diego*
15	*Boston*
16	*Seattle-Tacoma*
17	*New York City*
18	*Minneapolis-St. Paul*
19	*West Palm Beach*
20	*Washington, D.C.*
21	*Charlotte*
22	*Portland*
23	*Philadelphia*
24	*Chicago*
25	*Northern New Jersey*
26	*Indianapolis*
27	*Denver*
28	*San Jose*
29	*Reno*
30	*Nashville*
31	*Columbus*
32	*Kansas City*
33	*San Francisco*
34	*Atlanta*
35	*San Antonio*
36	*Riverside-San Bernardino*
37	*Jacksonville*
38	*Sacramento*
39	*Tucson*
40	*Oakland*
41	*Milwaukee*
42	*New Haven-Fairfield County*
43	*Baltimore*
44	*Norfolk-Virginia Beach*
45	*Pittsburgh*
46	*Louisville*
47	*Detroit*
48	*Cincinnati*
49	*St. Louis*
50	*Cleveland*

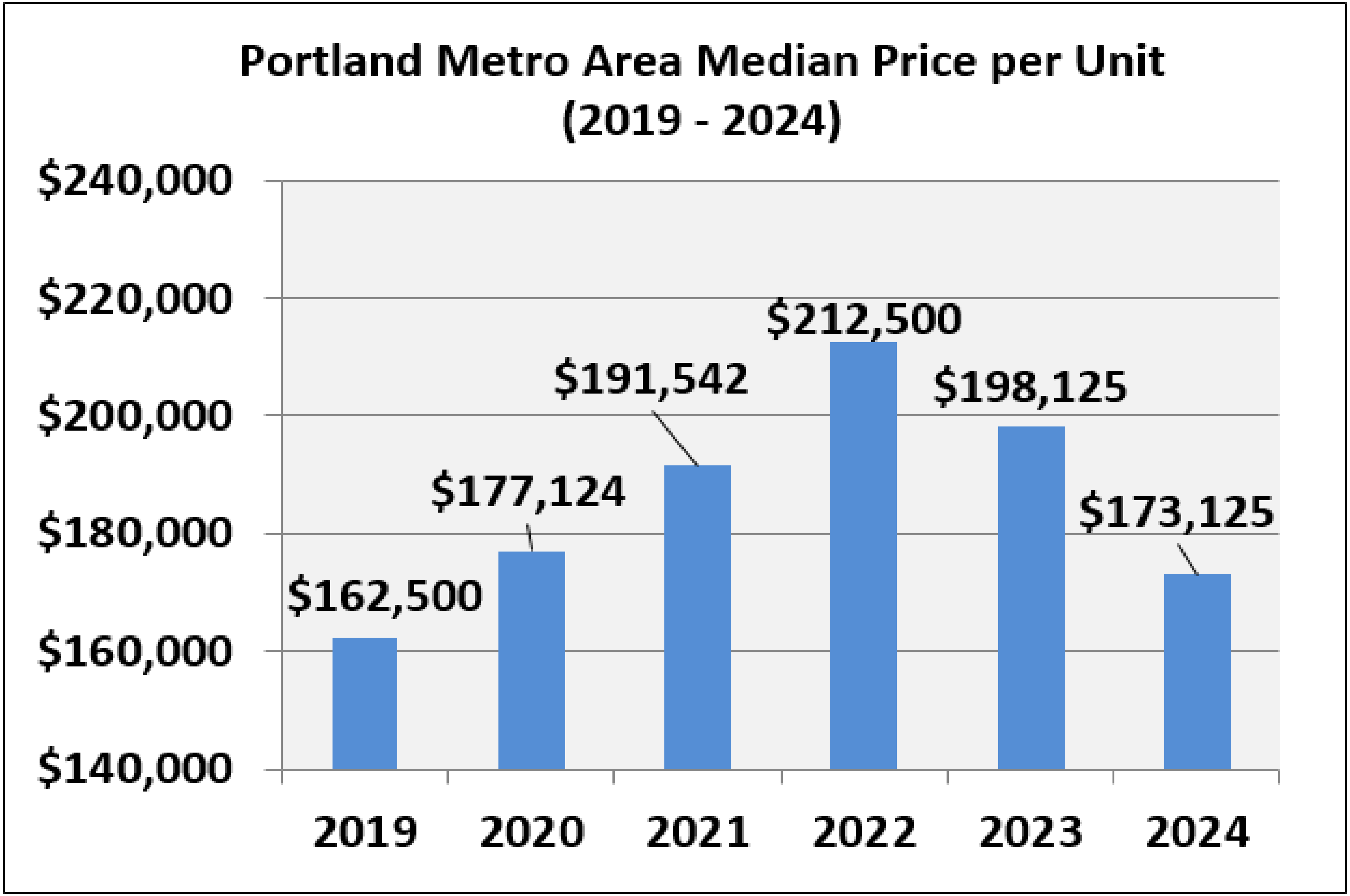
Portland Metro Apartment Sales Volume & Transactions – 2019 thru 2024

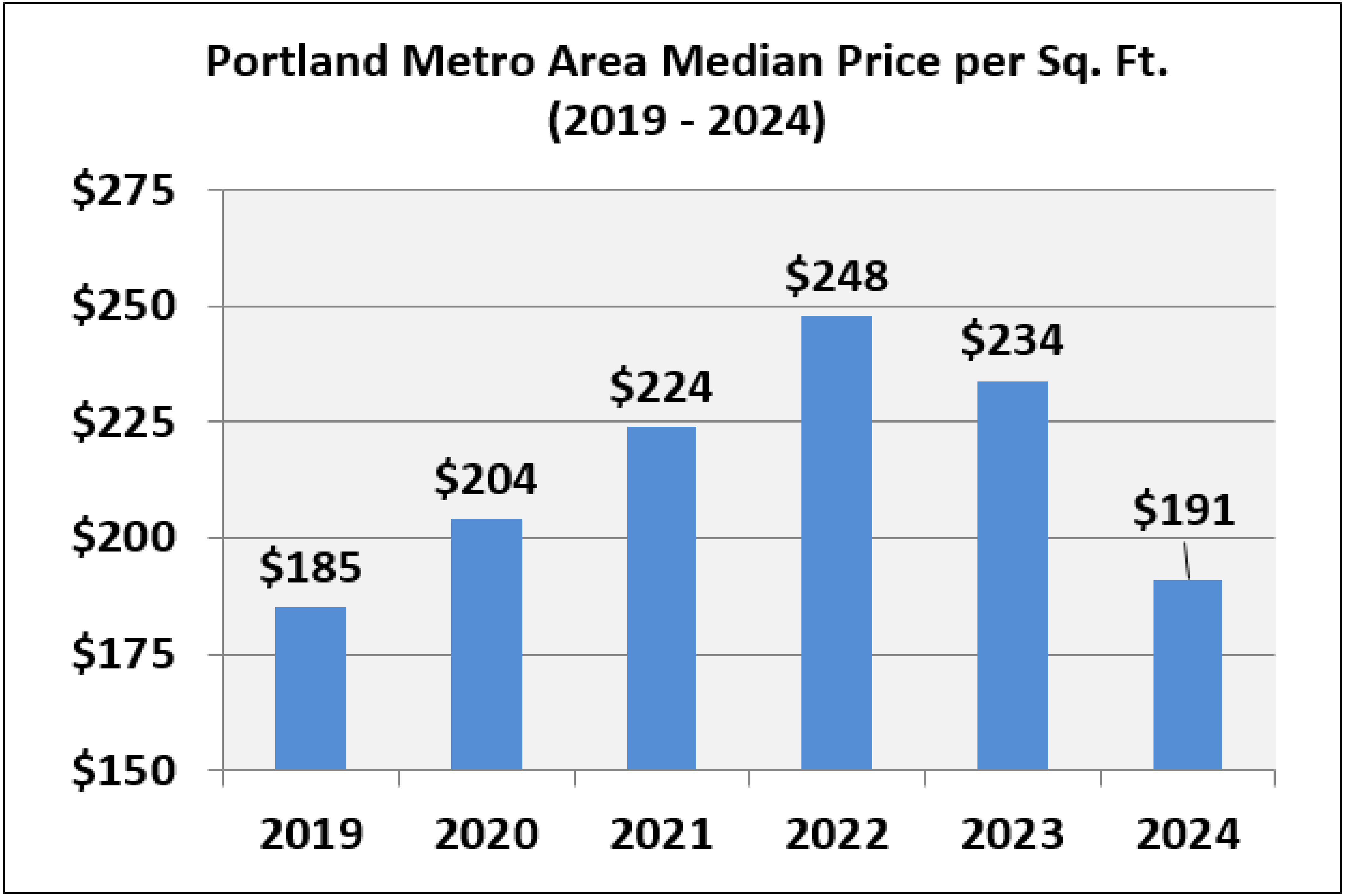


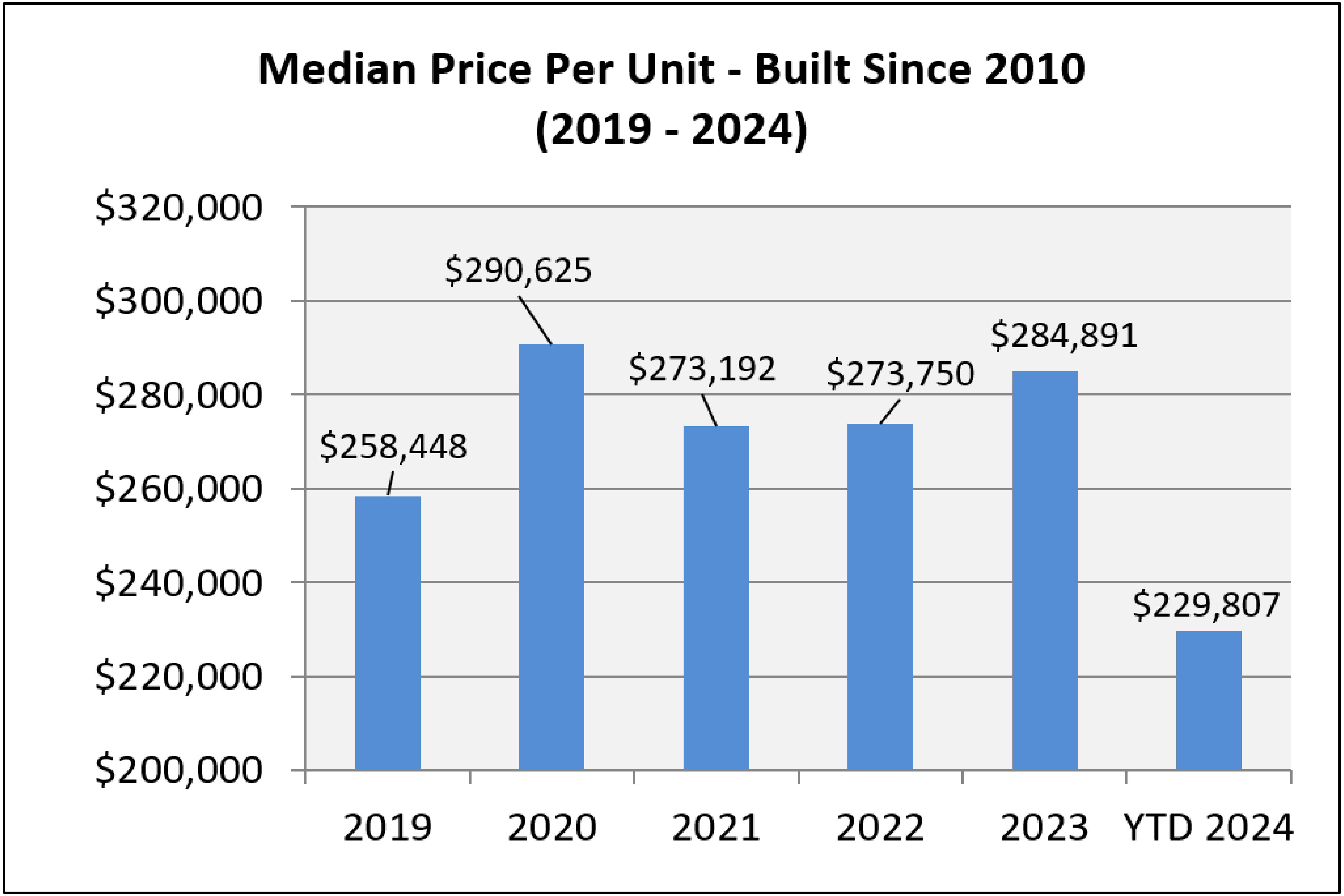


Apartment Sales Volume & Transactions Portland Metro Area (1991 - 2024)
# of Transactions
0
50
100
150
200
250
300
350
400
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2021
2023

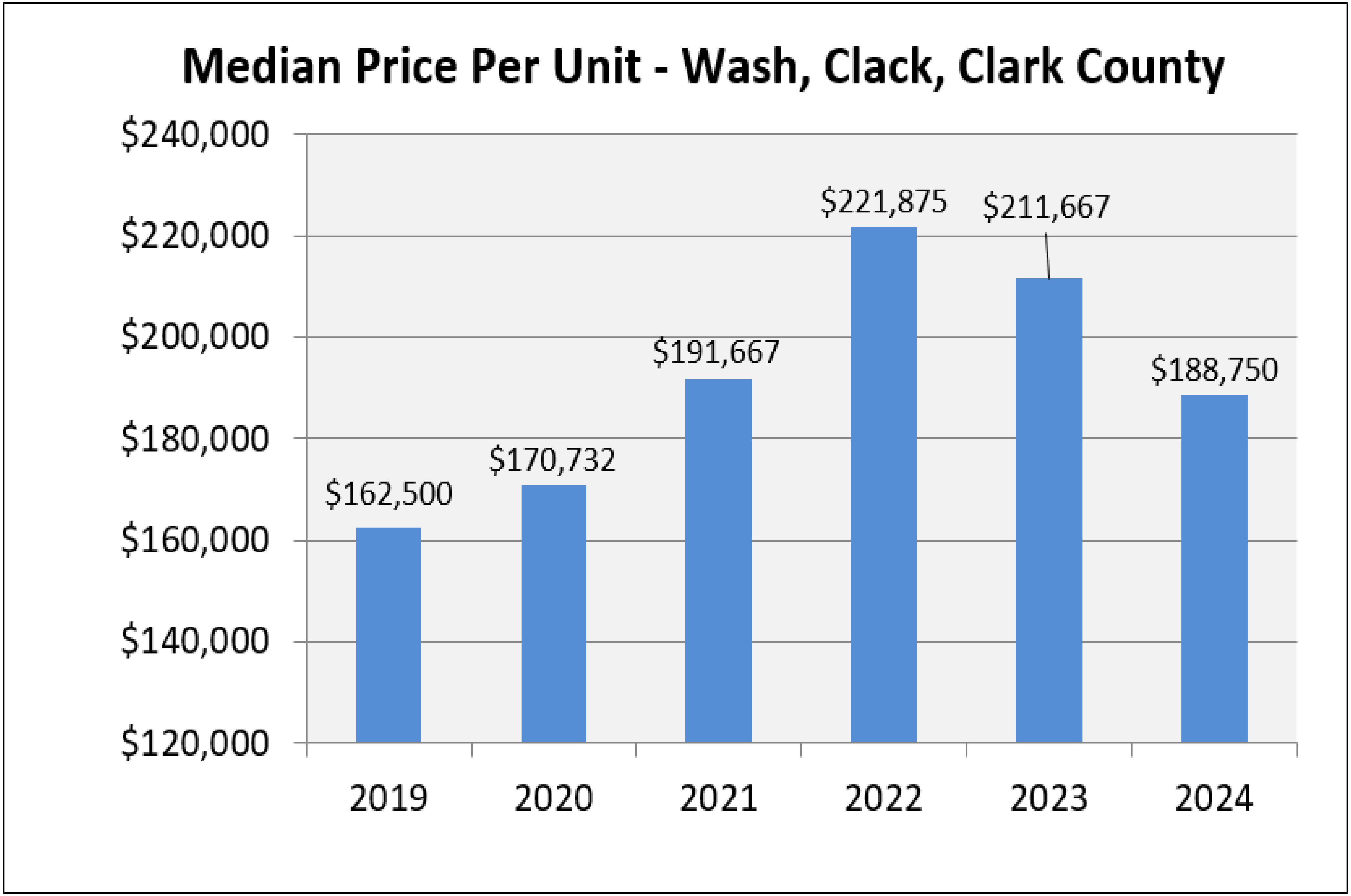

Portland Metro Median Price Per Unit
1989 - 2024
$250,000
$200,000
$150,000
$100,000
$50,000
$0
1989
1992
1995
1998
2001
2004
2007
2010
2013
2016
2019
2022

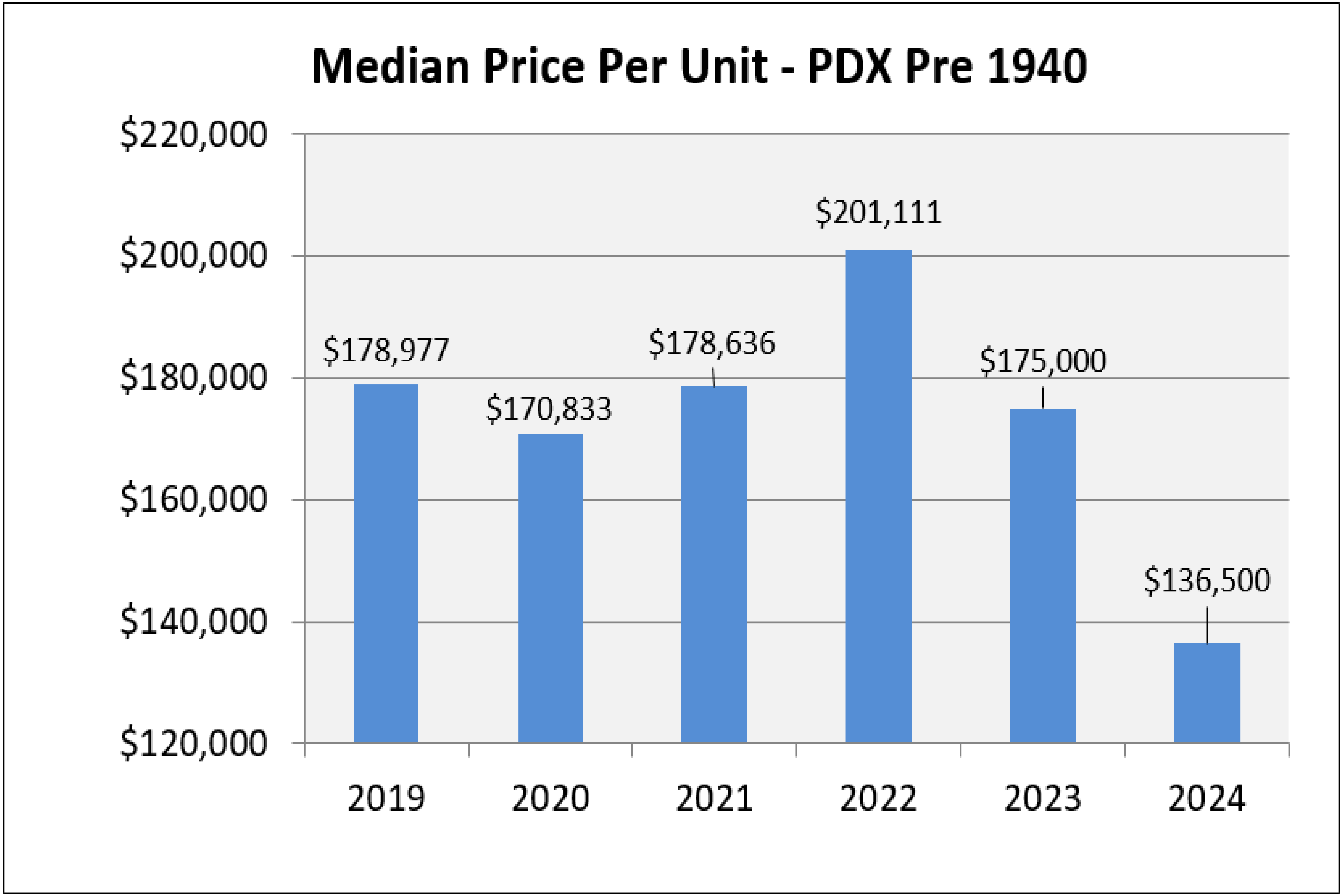

Portland Metro Area Median Price per Unit
(2019 - 2024)
$240,000
$220,000
$200,000
$180,000
$160,000
$140,000
$162,500
$177,124
$191,542
$212,500
$198,125
$173,125
2019
2020
2021
2022
2023
2024


Portland Metro Area Median Price per Sq. Ft.
(2019 - 2024)
$275
$250
$225
$200
$175
$150
$185
$204
$224
$248
$234
$191
2019
2020
2021
2022
2023
2024



Median Price Per Unit - Built Since 2010
(2019 - 2024)
$320,000
$300,000
$280,000
$260,000
$240,000
$220,000
$200,000
$258,448
$290,625
$273,192
$273,750
$284,891
$229,807
2019
2020
2021
2022
2023
YTD 2024

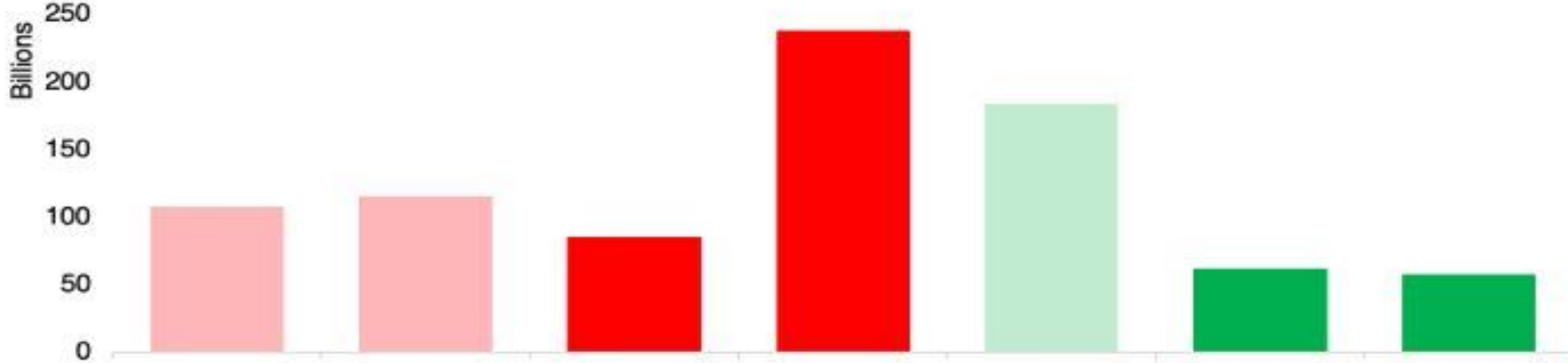

Median Price Per Unit - Wash, Clack, Clark County
$240,000
$220,000
$200,000
$180,000
$160,000
$140,000
$120,000
$162,500
$170,732
$191,667
$221,875
$211,667
$188,750
2019
2020
2021
2022
2023
2024


Median Price Per Unit - PDX Pre 1940
$220,000
$200,000
$180,000
$160,000
$140,000
$120,000
$178,977
$170,833
$178,636
$201,111
$175,000
$136,500
2019
2020
2021
2022
2023
2024

Apartment Loan Paydown Cheat Sheet

CRE ANALYST

Apartment Sale Transactions



Year of Origination

NOI Change Since Origination	2018	2019	2020	2021	2022	2023	2024
20.0%	19.1%	14.9%	10.8%	6.7%	14.9%	23.1%	27.2%
17.5%	16.6%	12.5%	8.5%	4.5%	12.5%	20.5%	24.6%
15.0%	14.1%	10.1%	6.2%	2.2%	10.1%	18.0%	21.9%
12.5%	11.6%	7.7%	3.9%	0.0%	7.7%	15.4%	19.3%
10.0%	9.1%	5.3%	1.6%	-2.2%	5.3%	[illegible]	16.6%
7.5%	6.7%	2.9%	-0.7%	-4.4%	2.9%	[illegible]	14.0%
5.0%	4.2%	0.5%	-3.1%	-6.6%	0.5%	[illegible]	11.3%
2.5%	1.7%	-1.9%	-5.4%	-8.9%	[illegible]	[illegible]	8.7%
0.0%	-0.8%	-4.3%	-7.7%	-11.1%	-4.3%	[illegible]	6.0%
-2.5%	-3.3%	-6.6%	-10.0%	-13.3%	-6.6%	0.0%	3.4%
-5.0%	-5.7%	-9.0%	-12.3%	-15.5%	-9.0%	[illegible]	[illegible]
-7.5%	-8.2%	-11.4%	-14.6%	-17.8%	-11.4%	[illegible]	[illegible]
-10.0%	-10.7%	-13.8%	-16.9%	-20.0%	-13.8%	-7.7%	[illegible]

Big problem

Paydown vs. Outstanding Balance

Portland Metro Apartment Sales – 2022 through 2024 - Quarterly

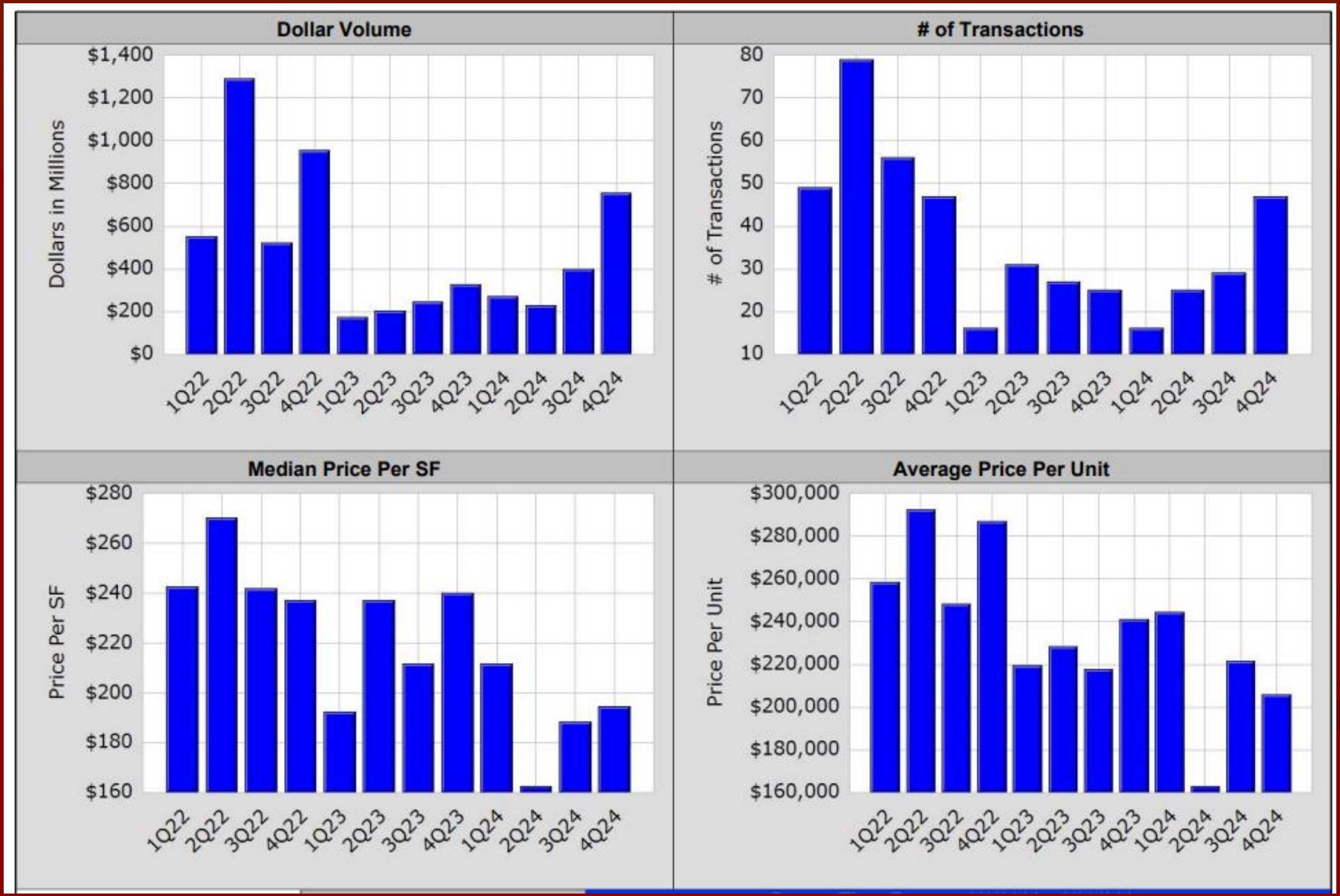
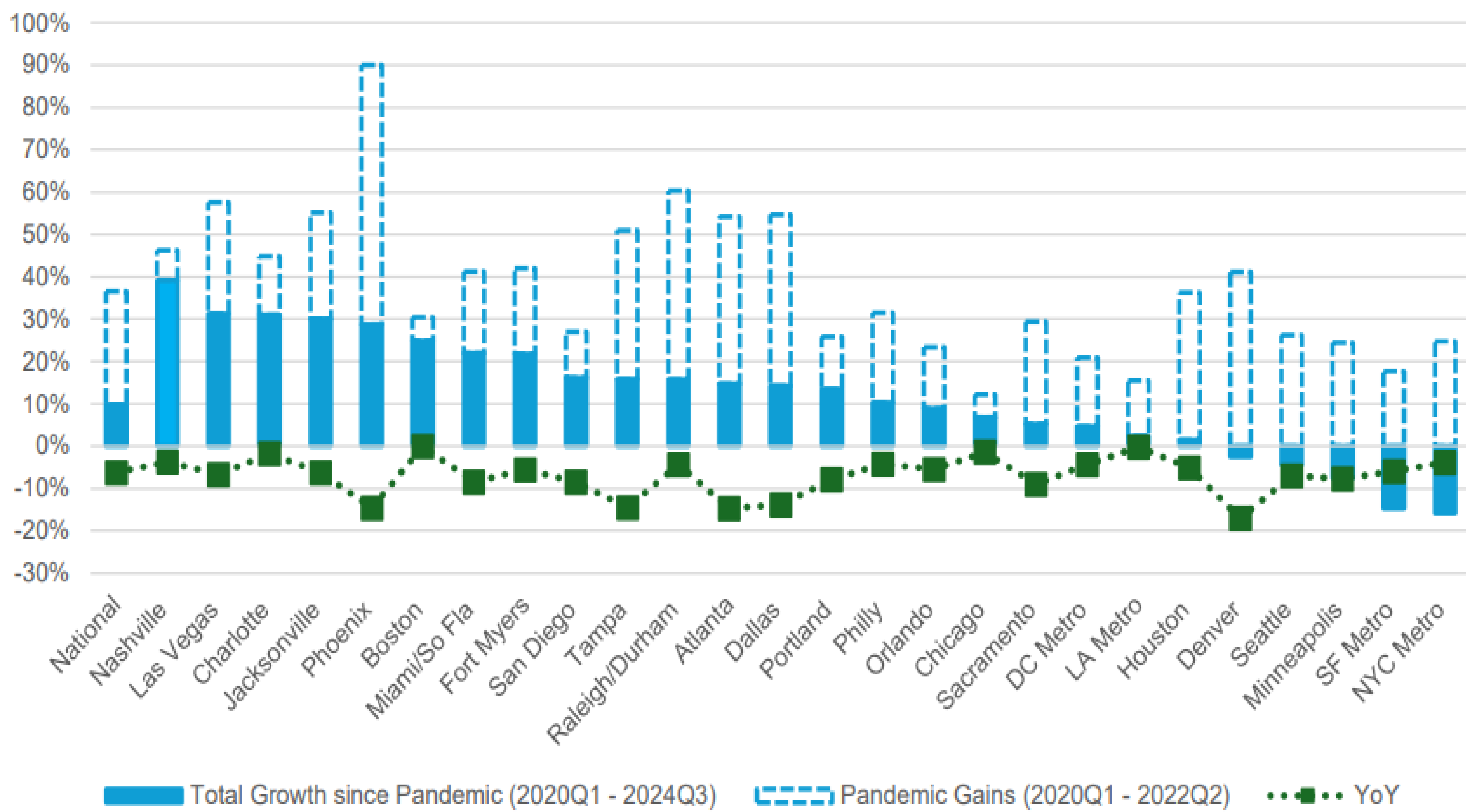


Exhibit 12: Multifamily Property Price Change by Metro



Sources: Freddie Mac, Real Capital Analytics CPPI

Dec 2024 – 8 Unit Apartment
SW Portland- $107,500/Unit

Nov 2024– Louis York Apts – N Portland
$156,383/Unit

Nov 2024 – 18 Unit Hood Ave S Portland - $207,778/unit

October 2024 - 28 Unit Glenwood Apts – SE Portland- $108,571/unit

July 2024 – 29 Unit Kennedy Park
$142,241/unit - Beaverton

53 Unit Golfside Apts – Gresham
January 2025 - $122,642/unit
February 2020- $146,226/unit
16% decline

166 Unit Oxbow 49 – SW Portland
December 2024 - $207,831/unit
February 2018 - $307,229
32% decline

Moody's ANALYTICS | CRE SOLUTIONS FOR PRODUCTS NEWS AND INSIGHTS ABOUT REQUEST DEMO LOGIN

CRE Debt Market: "Survive Until '25" Emerges as a Theme Among Lenders Facing Dual Threats of High Rates and Maturities

NOVEMBER 14, 2023 • AN ANALYSIS BY KEVIN FAGAN

You've Survived Till 2025. Now What?

By Robert Slatt

December 4, 2024

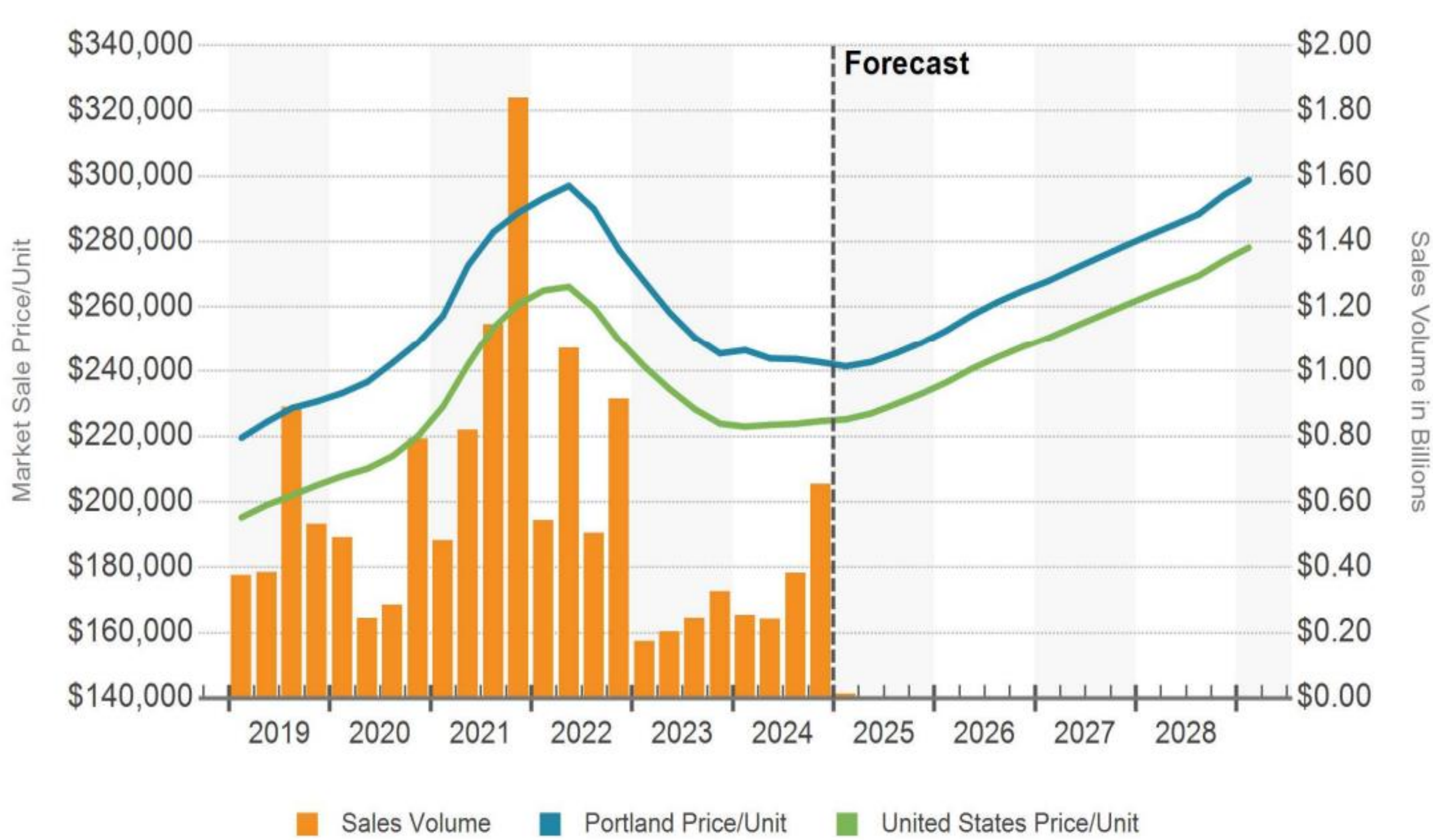
Viewpoint

With capital abundant and distress resolving, CRE is ready for a fresh start, writes Gantry's Robert Slatt.

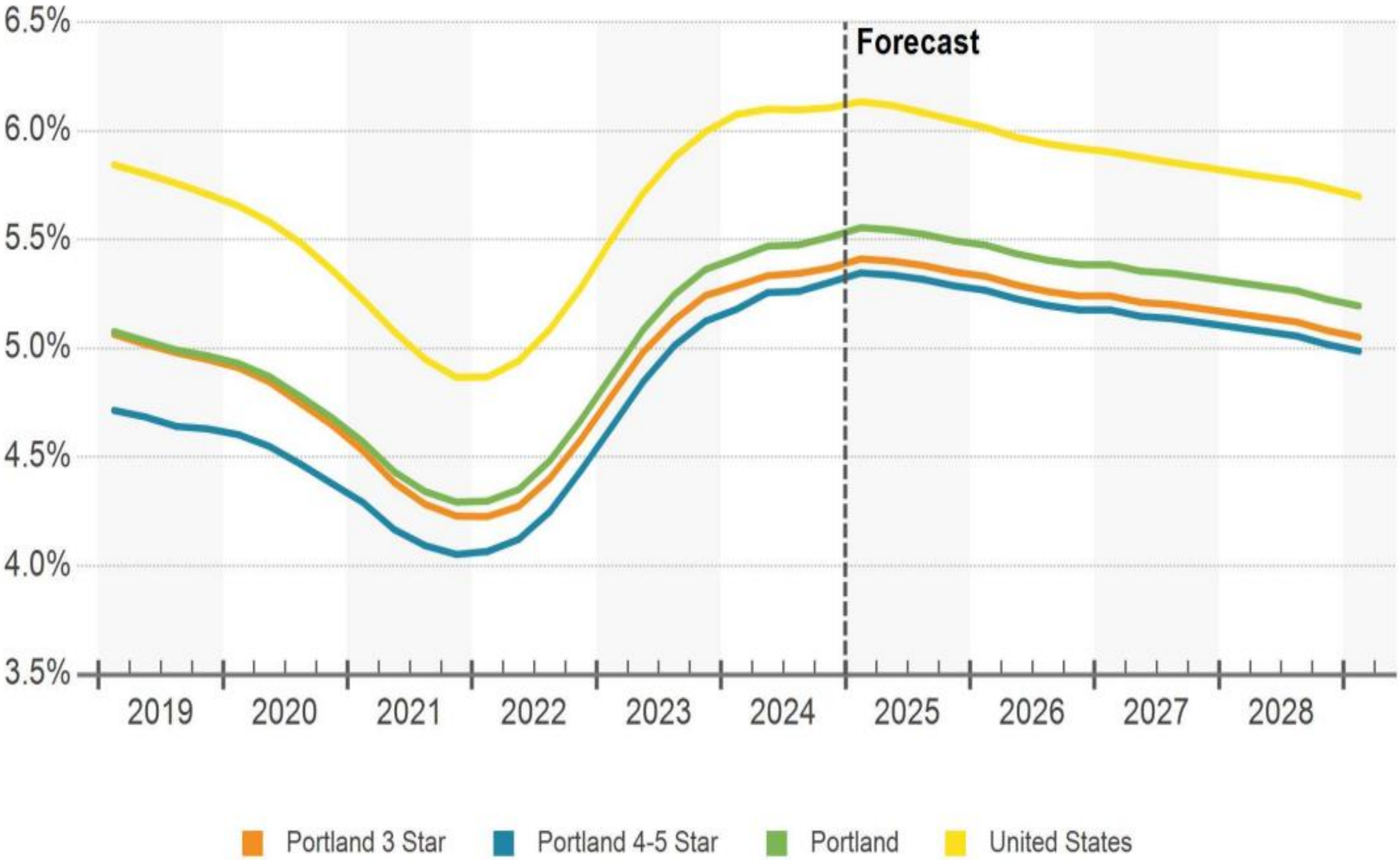
Sales

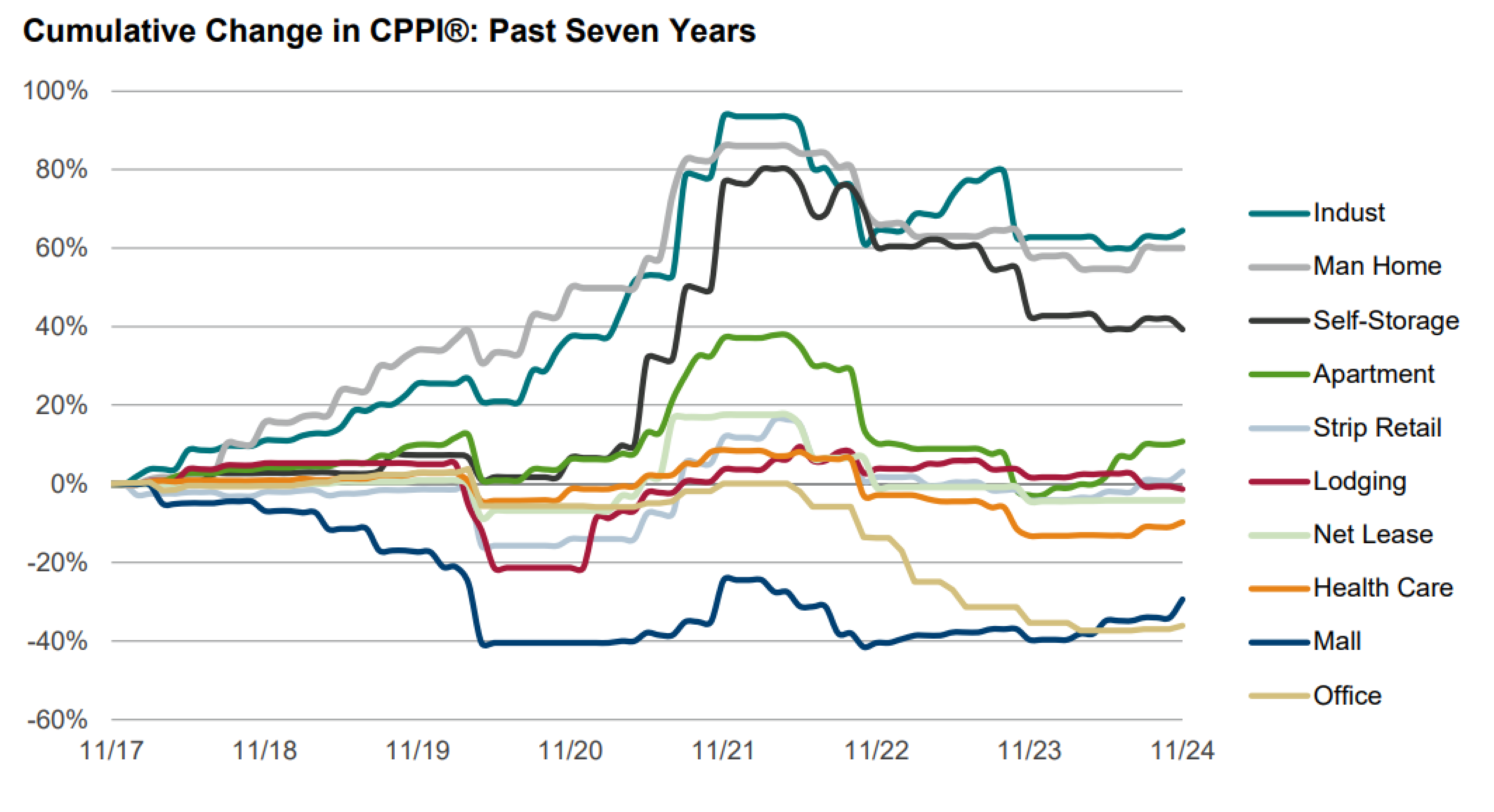
Portland Multi-Family

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE

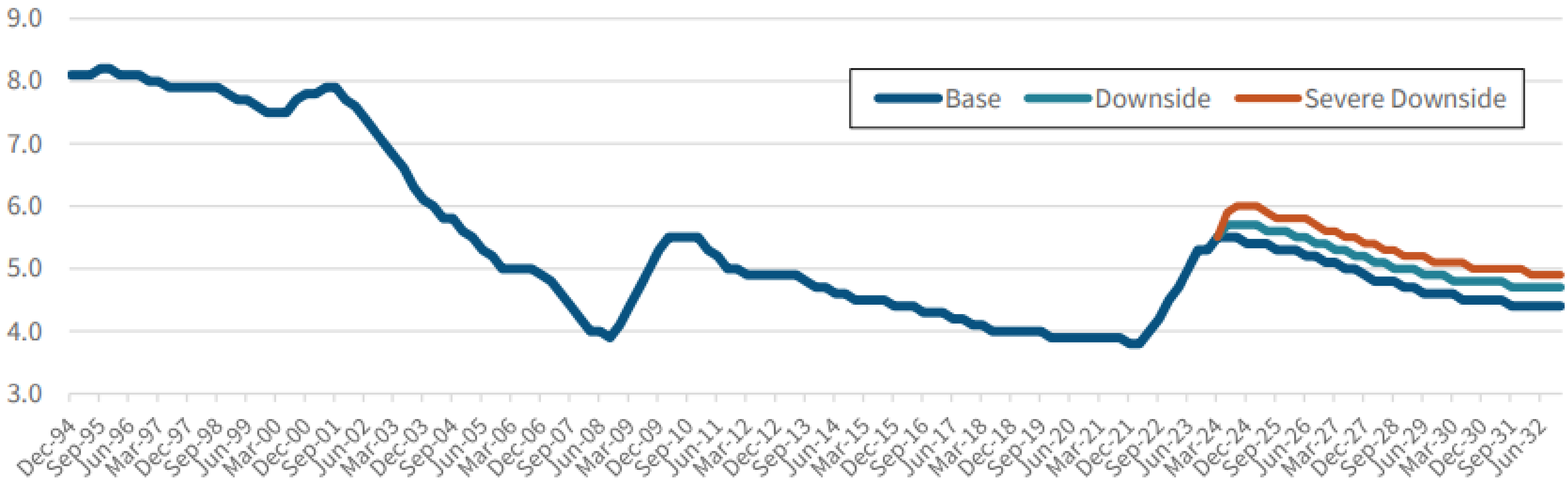




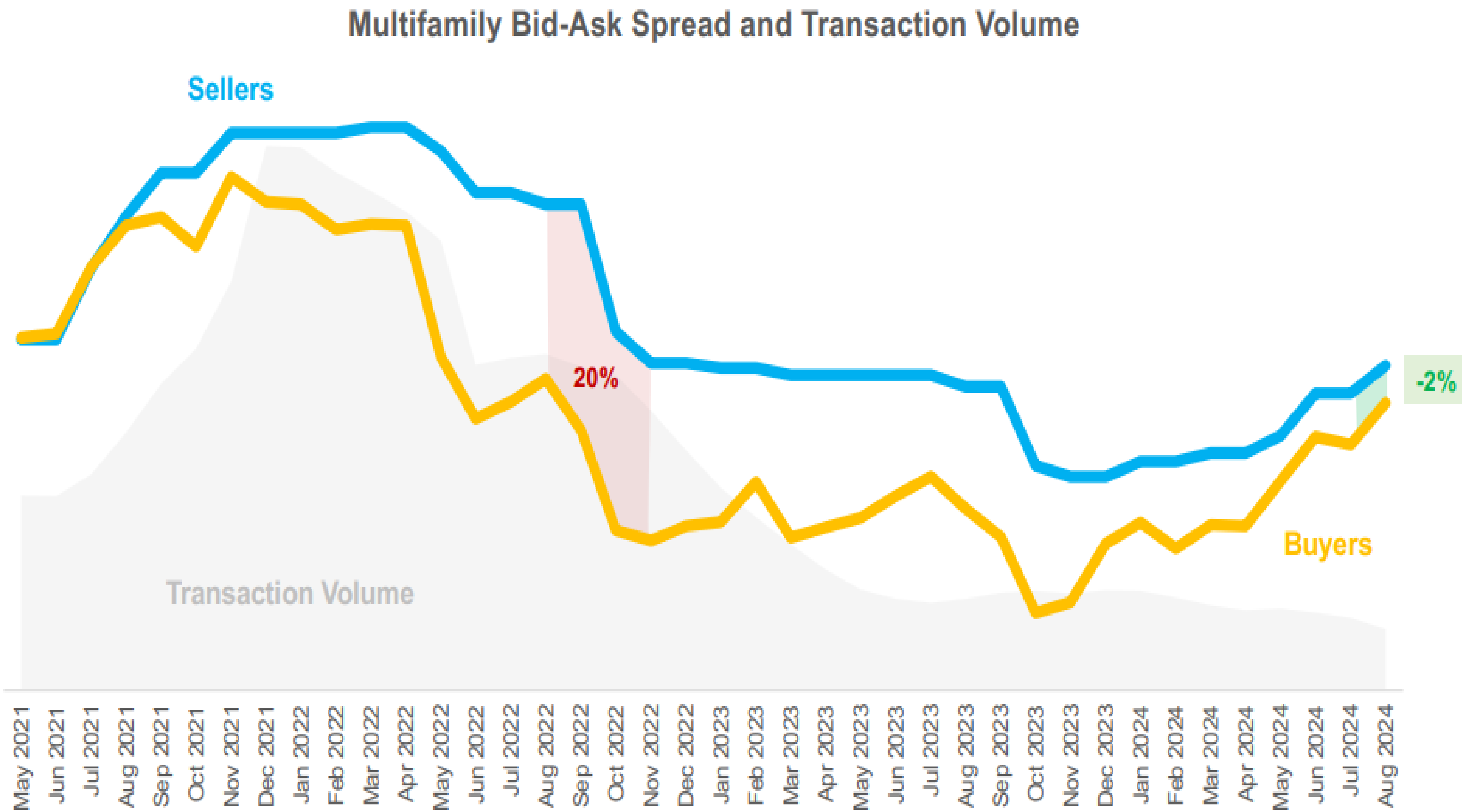
Cumulative Change in CPPI®: Past Seven Years
100%
80%
60%
40%
20%
0%
-20%
-40%
-60%
11/17
11/18
11/19
11/20
11/21
11/22
11/23
11/24
Indust
Man Home
Self-Storage
Apartment
Strip Retail
Lodging
Net Lease
Health Care
Mall
Office

Multifamily Economic and Market Commentary

National Multifamily Cap Rate Forecast



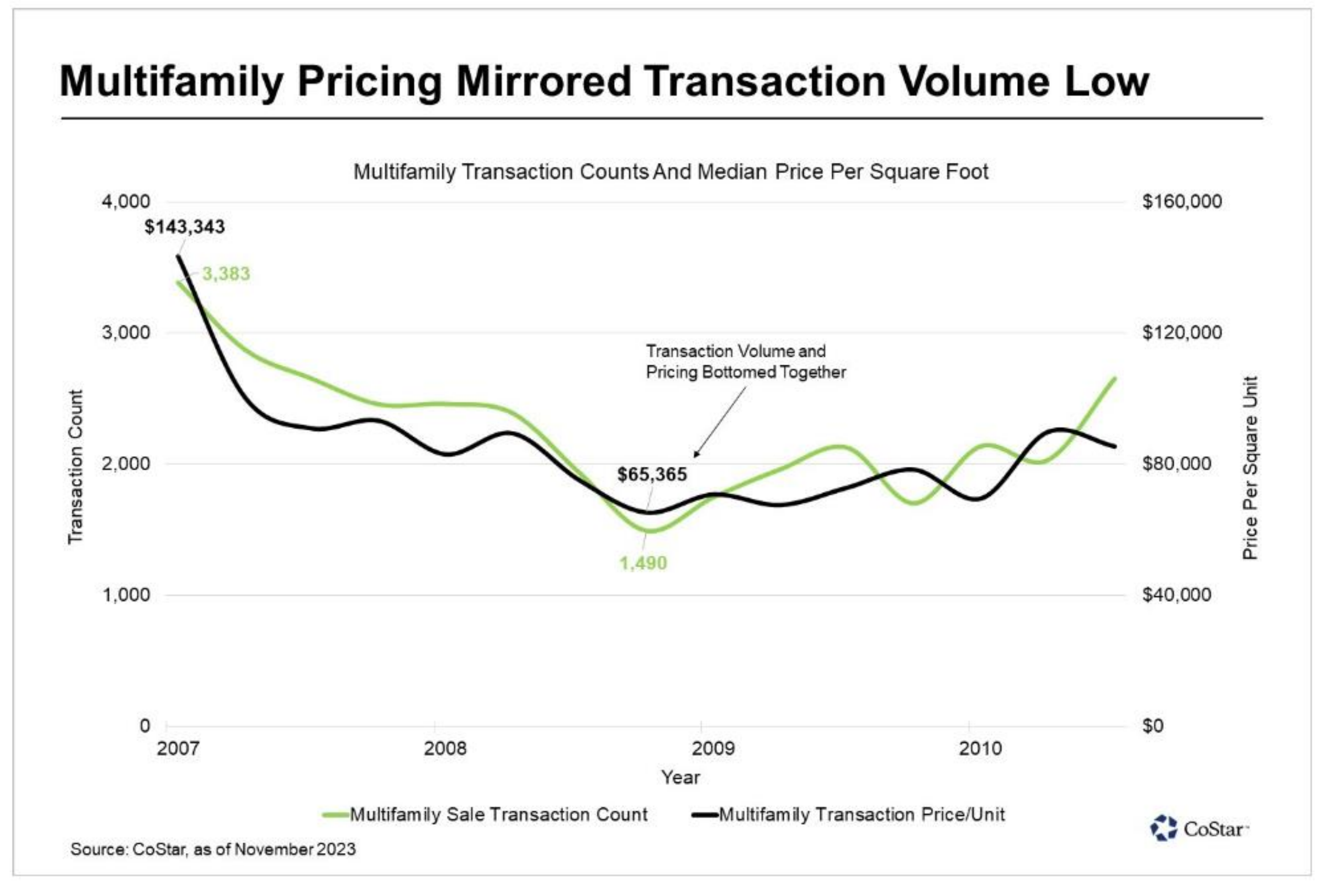
~~Mind the Gap~~ Here Comes the Sun



Source: Green Street

Don’t Count on Commercial Real Estate Prices Bottoming Out Any Time Soon

Historically, Property Values Don’t Increase Until Two Years After Sales Activity Rebounds



2025 Forecasts

- **Apartment Construction** – Until financing is readily available and fundamentals improve, construction will decline. No relief in sight.
- **Vacancy** – Modest decreases in 2025 based on limited new supply
- **Rents** – Rents to increase 2-3%, with more momentum in the second half of 2025
- **Expenses** – Expenses will continue to increase faster than CPI.
- **Sales** – Transactions in 2025 will outpace 2024, though remain below 150 total.
- **Cap Rates** – Likely to show modest declines or at least remain flat.
- **Values** – Flat or modest increases
- **Wild Card** – Trump administration. Many proposed policies inflationary. Which policies will be enacted and how will the Fed reaction

Questions

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Barry & Associates

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