

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Albany, OR

Core-Based Statistical Area Code:

10540

The Albany, OR commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

40.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Albany, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	47	47	45	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	2	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.4%	4.9%	-2.2%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.3%	4.7%	6.6%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$848	\$845	\$788	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	7.7%	5.0%	-4.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-	-	-	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	1.4	2.0	2.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	129	130	127	331,501	328,330	326,838	
Population growth (%)	-0.51%	1.68%	1.88%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Albany, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.7%	2.8%	2.8%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	7	4	6	58,097	61,951	187,113	
Absorption of units in past 12 months	62	61	106	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.2%	1.2%	2.1%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,165	\$1,150	\$1,098	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	6.0%	6.3%	5.2%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,159	\$1,145	\$1,095	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	5.9%	6.6%	5.2%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	15.7%	15.6%	16.0%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	5,215	5,208	5,153	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	57	57	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.1%	1.1%	-	2.2%	2.3%	2.5%	
Units under construction	150	150	207	774,864	744,997	732,144	
Units under construction, as % of inventory	2.9%	2.9%	4.0%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	19.3	38.6	-	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$11	-	\$2	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$123,424	-	\$106,944	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	5.5%	5.4%	5.6%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Albany, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.8%	1.8%	2.0%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(246)	5,440	(799)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	2,195	1,642	(7,596)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.1%	0.1%	-0.4%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$20.2	\$20.2	\$19.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	4.1%	4.4%	1.8%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.2)	0.0	0.2	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	1,948,258	1,948,504	1,946,063	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$1	\$1	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$143	\$161	\$124	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.1%	8.1%	8.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Albany, OR

Core-Based Statistical Area Code:

10540

IV. Industrial

	Albany, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	1.5%	1.6%	1.3%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	11,501	(115,562)	(17,600)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(26,681)	(55,782)	167,566	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-0.2%	-0.5%	1.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.0	\$7.8	\$7.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.7%	7.1%	4.8%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	12,218,648	12,207,147	12,245,329	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	12,000	44,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	0.1%	0.4%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$14	\$1	\$7	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$53	\$21	\$52	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.4%	6.3%	6.3%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Albany, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	0.9%	1.3%	4.8%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	22,311	63,256	(10,735)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	275,906	242,860	(54,251)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	3.9%	3.4%	-0.8%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$13.5	\$13.2	\$12.7	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.7%	4.8%	2.1%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.30	0.20	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	7,128,399	7,106,088	6,852,493	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-	-	-	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-	-	-	0.2%	0.2%	0.3%	
Under construction in sq.ft.	-	-	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$27	\$11	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$150	\$73	\$137	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.2%	7.2%	7.0%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	3.9	3.8	3.5	14,939	14,804	12,876	
Y/Y change ('000)	0.4	0.9	(0.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	8.4%	8.1%	7.7%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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Bend-Redmond, OR

Core-Based Statistical Area Code: 13460

The Bend-Redmond, OR commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 68.0

Overall economic conditions are stronger than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Bend-Redmond, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	90	90	85	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	5	6	(2)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	5.3%	7.7%	-2.5%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	3.6%	4.3%	6.3%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,060	\$1,021	\$1,007	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	5.3%	-2.5%	3.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.6%	5.2%	4.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	4.2	5.4	4.5	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	199	197	192	331,501	328,330	326,838	
Population growth (%)	0.98%	2.94%	2.57%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Bend-Redmond, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.5%	6.9%	3.6%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	109	115	43	58,097	61,951	187,113	
Absorption of units in past 12 months	231	165	485	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.3%	3.2%	9.5%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,617	\$1,592	\$1,507	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.4%	9.3%	9.0%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,610	\$1,586	\$1,504	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.1%	9.3%	9.1%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.5%	17.9%	17.2%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	5,333	5,224	5,101	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	410	322	467	387,022	391,271	417,342	
Net delivered units, as % of inventory	7.7%	6.2%	9.2%	2.2%	2.3%	2.5%	
Units under construction	209	277	599	774,864	744,997	732,144	
Units under construction, as % of inventory	3.9%	5.3%	11.7%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	11.0	19.9	(4.7)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$63	\$4	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	-	\$393,536	\$139,333	\$220,078	\$227,367	\$157,676	
Market cap rate	4.4%	4.4%	4.4%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Bend-Redmond, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.3%	3.9%	4.7%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	35,344	(7,356)	(4,371)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	90,537	50,822	39,740	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.6%	0.9%	0.7%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$26.5	\$26.5	\$25.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	4.3%	4.8%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.0	0.0	(0.1)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	5,775,833	5,740,489	5,685,296	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	7,744	28,744	88,612	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	0.1%	0.5%	1.6%	0.8%	0.8%	0.7%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	7,744	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	0.1%	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$8	\$10	\$5	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$304	\$304	\$216	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	6.4%	6.4%	6.4%	7.0%	7.0%	7.0%	Cap rates are lower than nationally

- Some data may not be available for the quarter

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Bend-Redmond, OR

Core-Based Statistical Area Code:

13460

IV. Industrial

	Bend-Redmond, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	1.2%	1.2%	2.0%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	64,250	42,292	87,707	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	156,654	180,111	271,762	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.4%	1.6%	2.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$10.0	\$9.8	\$9.2	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.5%	7.1%	4.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	11,576,233	11,511,983	11,419,579	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	65,921	17,156	266,971	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.6%	0.1%	2.3%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	107,834	149,705	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.9%	1.3%	-	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$36	\$31	\$23	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$165	\$168	\$148	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.0%	6.0%	6.0%	6.3%	6.3%	6.3%	Cap rates are lower than nationally

V. Retail

	Bend-Redmond, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.1%	2.5%	3.0%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	48,271	14,407	8,006	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	147,156	106,891	(63,763)	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	1.4%	1.0%	-0.6%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$19.2	\$19.0	\$18.4	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	4.6%	4.4%	2.1%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.70	0.40	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	10,513,297	10,465,026	10,366,141	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	50,041	73,192	30,651	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.5%	0.7%	0.3%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	30,223	32,223	71,871	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.3%	0.3%	0.7%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$27	\$41	\$6	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$274	\$332	\$148	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	6.5%	6.4%	6.7%	6.8%	6.8%	6.8%	Cap rates are lower than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	13.5	13.2	11.0	14,939	14,804	12,876	
Y/Y change ('000)	2.5	3.7	(2.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	15.1%	14.7%	12.9%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Corvallis, OR

Core-Based Statistical Area Code:

18700

IV. Industrial

	Corvallis, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	0.0%	0.0%	1.1%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	0	0	(6,500)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	19,436	12,936	8,500	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.1%	0.7%	0.5%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$11.5	\$11.3	\$10.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.9%	6.8%	3.7%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	1,732,046	1,732,046	1,712,610	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$2	\$2	\$3	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$158	\$129	\$66	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	6.9%	6.7%	6.8%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Corvallis, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.1%	2.4%	2.8%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(235)	(4,092)	(12,574)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	19,848	7,509	(39,347)	94,035,968	73,627,144	(22,757,808)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	0.4%	0.2%	-0.9%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$17.3	\$17.0	\$16.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.9%	5.0%	2.1%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
Supply indicators							
Inventory in sq. ft.	4,582,786	4,583,021	4,562,938	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-13,468	-228	-9,966	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	-0.3%	0.0%	-0.2%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	3,000	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.1%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$2	\$6	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$124	\$236	\$268	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.0%	7.0%	6.9%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	4.2	4.0	3.0	14,939	14,804	12,876	
Y/Y change ('000)	1.2	1.1	(1.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	9.8%	9.5%	7.5%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Eugene, OR

Core-Based Statistical Area Code:

21660

The Eugene, OR commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

44.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Eugene, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	159	157	153	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	6	6	(11)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.8%	3.8%	-6.8%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.1%	4.5%	6.4%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$835	\$862	\$846	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-1.3%	0.1%	4.0%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.1%	-0.2%	2.8%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	1.5	3.6	3.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	383	382	379	331,501	328,330	326,838	
Population growth (%)	0.23%	0.86%	0.83%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Eugene, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.5%	1.6%	2.4%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	24	16	87	58,097	61,951	187,113	
Absorption of units in past 12 months	205	268	1,012	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.0%	1.3%	4.9%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,299	\$1,261	\$1,178	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	10.2%	9.1%	4.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,295	\$1,258	\$1,174	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	10.3%	9.5%	5.2%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.8%	16.8%	16.0%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	20,690	20,666	20,486	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	356	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	1.7%	2.2%	2.3%	2.5%	
Units under construction	400	400	223	774,864	744,997	732,144	
Units under construction, as % of inventory	1.9%	1.9%	1.1%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(31.2)	17.1	17.2	(15.9)	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$27	\$58	\$4	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$150,911	\$176,101	\$93,553	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.0%	5.0%	5.2%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Eugene, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.7%	2.9%	4.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	25,249	(2,858)	138,384	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	168,496	281,631	72,302	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.5%	2.5%	0.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$22.2	\$22.2	\$21.6	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.9%	3.1%	1.1%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(1.0)	(0.2)	(0.1)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	11,322,584	11,297,335	11,154,088	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	5,888	5,888	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	0.1%	0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$5	\$11	\$10	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$180	\$106	\$239	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	7.8%	7.8%	7.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Eugene, OR

Core-Based Statistical Area Code:

21660

IV. Industrial

	Eugene, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	0.5%	0.3%	0.6%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(61,719)	(13,800)	157,004	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	62,949	281,672	576,826	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	0.2%	0.9%	1.9%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.5	\$8.3	\$7.8	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.7%	7.0%	4.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	30,583,996	30,645,716	30,521,048	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	35,100	35,100	49,920	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.1%	0.1%	0.2%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	-	-	30,000	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	0.1%	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$13	\$9	\$20	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$107	\$63	\$68	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	6.6%	6.6%	6.4%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Eugene, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	1.9%	2.0%	2.8%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	6,702	130,784	30,814	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	228,171	252,283	4,149	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.0%	1.1%	0.0%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$16.8	\$16.5	\$16.0	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	4.7%	4.0%	1.8%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.60	0.60	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	23,309,368	23,302,664	23,081,196	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	12,941	18,056	-673	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.1%	0.0%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	36,000	36,000	15,256	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$16	\$36	\$10	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$118	\$248	\$183	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.1%	7.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	17.7	16.2	13.5	14,939	14,804	12,876	
Y/Y change ('000)	4.2	4.2	(3.7)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	11.1%	10.3%	8.8%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Grants Pass, OR

Core-Based Statistical Area Code:

24420

The Grants Pass, OR commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 32.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Grants Pass, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	27	27	27	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	1	(1)	6,604	6,747	(6,644)	Job creation is weaker than nationally
Y/Y % chg. in nonfarm payroll employment	1.9%	4.2%	-2.9%	4.6%	4.7%	-4.4%	Unemployment rate is higher than nationally
Unemployment rate (%)	4.8%	5.3%	7.0%	3.6%	3.9%	6.0%	
Average weekly wages	\$801	\$846	\$811	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-1.2%	-0.6%	2.2%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.0%	6.5%	4.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.9	0.7	1.0	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	88	88	87	331,501	328,330	326,838	
Population growth (%)	0.49%	0.30%	0.79%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Grants Pass, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.0%	1.0%	1.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	0	0	3	58,097	61,951	187,113	
Absorption of units in past 12 months	-	3	10	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.0%	0.6%	2.2%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,038	\$1,032	\$1,021	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	1.7%	1.4%	1.0%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,035	\$1,029	\$1,020	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	1.5%	1.5%	1.5%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	14.9%	14.0%	14.5%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
Supply indicators							
Inventory	463	463	462	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$1	\$3	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	-	\$137,857	\$108,696	\$220,078	\$227,367	\$157,676	
Market cap rate	6.8%	6.8%	6.8%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Grants Pass, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	8.9%	5.8%	0.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(26,394)	(5,026)	49,278	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(73,762)	1,910	21,106	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-9.4%	0.2%	2.5%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$20.5	\$20.4	\$19.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	4.1%	4.4%	1.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.1)	(0.1)	(0.1)	1,153	1,161	(283)	Stronger office job creation than nationally
Supply indicators							
Inventory in sq. ft.	781,805	808,199	855,567	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$0	\$3	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$144	\$200	\$111	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.1%	8.1%	8.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Grants Pass, OR

Core-Based Statistical Area Code:

24420

IV. Industrial

	Grants Pass, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	7.0%	1.0%	1.0%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(66,400)	0	13,360	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(66,400)	13,360	20,033	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-6.5%	1.2%	1.8%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$9.5	\$9.3	\$8.8	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.4%	7.0%	4.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	1,020,357	1,086,757	1,086,757	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	10,080	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	0.9%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$1	\$0	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	\$125	\$120	\$140	\$136	\$105	
Market cap rate	6.3%	6.2%	6.1%	6.3%	6.3%	6.3%	Cap rates are lower than nationally
V. Retail							
Demand indicators							
Vacancy rate	3.1%	2.6%	3.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(15,017)	14,526	(15,625)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	16,745	16,137	(2,235)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.6%	0.6%	-0.1%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$15.6	\$15.4	\$14.7	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	6.1%	5.4%	2.3%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.20	0.20	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	2,898,785	2,913,802	2,882,040	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-	-	-	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-	-	-	0.2%	0.2%	0.3%	
Under construction in sq.ft.	-	-	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	\$11	\$2	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$57	\$120	\$104	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.1%	7.2%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)		
Leisure and hospitality payroll workers ('000)	3.7	3.6	3.0	14,939	14,804	12,876	
Y/Y change ('000)	0.7	0.9	(0.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	13.7%	13.2%	11.3%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Medford, OR

Core-Based Statistical Area Code:

32780

The Medford, OR commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

44.0

Overall economic conditions are not as strong than nationally.

The apartment property market is not as strong than nationally.

The office property market is stronger than nationally.

The industrial property market is not as strong than nationally.

The retail property market is stronger than nationally.

The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Medford, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	89	90	87	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	2	3	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.0%	3.9%	-3.4%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.2%	4.7%	6.2%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$888	\$918	\$852	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.2%	4.7%	4.0%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.3%	1.7%	1.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	1.4	1.4	2.8	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	223	221	220	331,501	328,330	326,838	
Population growth (%)	1.17%	0.55%	1.19%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Medford, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.7%	1.6%	1.5%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	(3)	(4)	3	58,097	61,951	187,113	
Absorption of units in past 12 months	(5)	1	38	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	-0.1%	0.0%	0.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,088	\$1,077	\$1,042	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.4%	5.0%	4.4%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,084	\$1,074	\$1,039	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.3%	5.0%	4.4%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	14.1%	13.5%	14.0%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	4,753	4,756	4,759	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	8	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	0.2%	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(387.5)	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$17	\$2	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$139,026	\$152,636	-	\$220,078	\$227,367	\$157,676	
Market cap rate	5.4%	5.4%	5.3%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Medford, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.3%	3.4%	3.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	2,053	(27,927)	7,689	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	6,680	12,316	11,714	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.2%	0.4%	0.3%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$22.2	\$22.2	\$21.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	3.9%	4.2%	1.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.0	0.1	0.3	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	3,464,585	3,462,532	3,457,905	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	5,940	5,940	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	0.2%	0.2%	-	0.8%	0.8%	0.7%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	5,940	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	0.2%	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$6	\$4	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$74	\$38	\$76	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.0%	8.0%	8.1%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Medford, OR

Core-Based Statistical Area Code:

32780

IV. Industrial

	Medford, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.4%	1.3%	0.9%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(87,026)	3,525	(30,857)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(127,371)	(71,202)	(28,934)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-1.4%	-0.8%	-0.3%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$9.5	\$9.2	\$8.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.6%	7.2%	4.1%	11.0%	9.3%	5.5%	<i>Rent growth is slower than nationally</i>
Supply indicators							
Inventory in sq. ft.	8,954,049	9,041,075	9,081,420	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	16,775	-	10,650	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.2%	-	0.1%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	-	16,775	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	0.2%	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$5	\$53	\$9	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$149	\$107	\$74	\$140	\$136	\$105	<i>Prices are rising faster nationally</i>
Market cap rate	7.1%	7.1%	7.0%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

V. Retail

	Medford, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.6%	3.5%	3.3%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(2,977)	(36,372)	27,599	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	24,119	54,695	13,619	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.2%	0.5%	0.1%	0.8%	0.7%	-0.2%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$16.5	\$16.3	\$15.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.7%	5.1%	2.3%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.40	0.50	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	10,092,690	10,095,667	10,068,571	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	54,911	59,161	10,368	19,624,738	21,905,704	37,703,262	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.5%	0.6%	0.1%	0.2%	0.2%	0.3%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	21,360	21,360	54,250	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	0.5%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$14	\$28	\$14	\$22,755	\$33,245	\$12,773	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$162	\$229	\$246	\$219	\$226	\$182	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.3%	6.2%	6.8%	6.8%	6.8%	6.8%	<i>Cap rates are lower than nationally</i>

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	9.7	9.6	8.9	14,939	14,804	12,876	
Y/Y change ('000)	0.8	1.9	(2.3)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	10.9%	10.7%	10.2%	10.0%	9.8%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Portland-Vancouver-Hillsboro, OR-WA

Core-Based Statistical Area Code: 38900

The Portland-Vancouver-Hillsboro, OR-WA commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 56.0

Overall economic conditions are stronger than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is about the same than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is stronger than nationally.

I. Economic and Demographic

Economic	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,206	1,209	1,150	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	56	72	(75)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.9%	6.4%	-6.1%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	3.8%	4.2%	6.0%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,190	\$1,178	\$1,095	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	8.7%	6.4%	2.1%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.2%	2.1%	5.4%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	10.3	7.4	6.4	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	2,516	2,492	2,475	331,501	328,330	326,838	
Population growth (%)	0.95%	0.70%	0.73%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.2%	5.2%	6.3%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	1,145	383	2,953	58,097	61,951	187,113	
Absorption of units in past 12 months	8,157	9,965	7,706	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.0%	4.9%	3.9%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,550	\$1,519	\$1,418	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	9.3%	9.4%	2.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,531	\$1,504	\$1,397	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	9.6%	10.1%	2.2%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	14.8%	14.7%	14.7%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	204,335	203,201	196,193	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	6,338	6,989	7,214	387,022	391,271	417,342	
Net delivered units, as % of inventory	3.1%	3.4%	3.7%	2.2%	2.3%	2.5%	
Units under construction	4,860	5,142	8,577	774,864	744,997	732,144	
Units under construction, as % of inventory	2.4%	2.5%	4.4%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	8.9	10.4	(10.4)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$460	\$1,912	\$482	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$245,807	\$289,735	\$212,900	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	4.5%	4.5%	4.5%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	12.2%	11.4%	10.5%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(839,988)	55,187	(841,172)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(527,113)	(528,297)	(2,575,835)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.5%	-0.5%	-2.6%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$28.7	\$28.6	\$28.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.4%	3.1%	-0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	5.0	7.0	(4.7)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	99,242,160	100,082,152	99,769,272	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	1,480,506	1,414,088	750,629	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	1.5%	1.4%	0.8%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	1,042,436	912,859	2,184,065	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.1%	0.9%	2.2%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$132	\$195	\$49	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$300	\$240	\$241	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	6.3%	6.3%	6.3%	7.0%	7.0%	7.0%	Cap rates are lower than nationally

- Some data may not be available for the quarter

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Portland-Vancouver-Hillsboro, OR-WA

Core-Based Statistical Area Code:

38900

IV. Industrial

	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.8%	4.1%	4.8%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	818,910	1,904,995	491,306	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	3,594,552	3,266,948	2,416,360	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.5%	1.4%	1.0%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$10.7	\$10.4	\$9.9	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.5%	7.0%	6.0%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	236,702,720	235,883,808	233,108,160	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	1,309,185	2,376,824	4,889,128	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.6%	1.0%	2.1%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	6,269,066	4,888,061	3,932,712	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	2.6%	2.1%	1.7%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$84	\$714	\$265	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$130	\$184	\$139	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	5.7%	5.7%	5.6%	6.3%	6.3%	6.3%	Cap rates are lower than nationally

V. Retail

	Portland-Vancouver-Hillsboro, OR-WA			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.7%	4.0%	4.2%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	484,306	50,941	(112,959)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	776,590	179,325	(942,822)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.6%	0.2%	-0.8%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$23.3	\$23.1	\$22.8	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.4%	1.8%	2.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.50	3.70	(1.70)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	119,651,672	119,167,368	118,875,080	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	152,126	168,000	113,633	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.1%	0.1%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	564,251	536,340	461,789	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$368	\$333	\$117	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$186	\$220	\$231	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	6.4%	6.4%	6.4%	6.8%	6.8%	6.8%	Cap rates are lower than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	110.5	109.7	86.7	14,939	14,804	12,876	
Y/Y change ('000)	23.8	35.0	(34.3)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	9.2%	9.1%	7.5%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at

<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Salem, OR

Core-Based Statistical Area Code:

41420

The Salem, OR commercial real estate market is stronger compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

52.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is stronger than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Salem, OR			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	174	175	168	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	6	10	(5)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.3%	5.8%	-2.7%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	4.3%	5.8%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$938	\$882	\$818	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	14.7%	9.8%	5.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.9%	2.5%	5.0%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	2.4	1.5	4.1	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	434	433	430	331,501	328,330	326,838	
Population growth (%)	0.15%	0.71%	1.37%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Salem, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.4%	2.4%	3.2%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	117	(75)	153	58,097	61,951	187,113	
Absorption of units in past 12 months	589	625	674	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.3%	2.4%	2.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,205	\$1,188	\$1,124	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.2%	7.1%	4.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,200	\$1,184	\$1,119	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.2%	7.1%	4.8%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	14.7%	15.5%	15.7%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	25,916	25,798	25,326	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	390	412	586	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.5%	1.6%	2.3%	2.2%	2.3%	2.5%	
Units under construction	1,389	1,307	1,551	774,864	744,997	732,144	
Units under construction, as % of inventory	5.4%	5.1%	6.1%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	14.4	23.1	(8.0)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$63	\$94	\$32	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$167,404	\$198,383	\$139,869	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	5.1%	5.1%	5.2%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Salem, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.5%	4.6%	5.1%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	4,891	7,772	15,104	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	57,237	67,450	(109,021)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.6%	0.7%	-1.1%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$21.9	\$21.9	\$21.2	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	3.1%	3.0%	2.0%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.2	1.4	(0.1)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	10,165,100	10,160,209	10,107,863	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	(1,505)	-	-	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.0%	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	3,200	3,200	3,200	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.0%	0.0%	0.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$10	\$36	\$25	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$144	\$236	\$340	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.1%	8.1%	8.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Salem, OR

Core-Based Statistical Area Code:

41420

IV. Industrial

	Salem, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.5%	4.3%	5.0%	4.1%	4.2%	5.3%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(52,538)	179,250	(31,095)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	340,216	361,659	(477,462)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.2%	1.3%	-1.7%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$8.9	\$8.6	\$8.2	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.7%	7.0%	4.6%	11.0%	9.3%	5.5%	<i>Rent growth is slower than nationally</i>
Supply indicators							
Inventory in sq. ft.	28,714,562	28,767,100	28,374,362	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	199,254	208,535	24,000	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.7%	0.7%	0.1%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	3,910,000	3,902,719	183,568	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	13.6%	13.6%	0.6%	3.5%	3.2%	2.4%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$40	\$93	\$12	\$21,817	\$51,629	\$16,323	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$120	\$85	\$178	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	6.2%	6.2%	6.1%	6.3%	6.3%	6.3%	<i>Cap rates are lower than nationally</i>

V. Retail

	Salem, OR			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.5%	2.3%	3.1%	4.5%	4.7%	5.1%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	127,771	1,053	(14,475)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	292,318	150,072	(39,054)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.4%	0.7%	-0.2%	0.8%	0.7%	-0.2%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$17.0	\$16.7	\$16.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	4.3%	3.6%	1.7%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.30	1.00	0.20	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	21,085,120	20,957,350	20,792,804	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	178,923	47,440	48,886	19,624,738	21,905,704	37,703,262	<i>Relatively more units delivered than nationally</i>
Net delivered units, as % of inventory	0.8%	0.2%	0.2%	0.2%	0.2%	0.3%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	6,600	174,269	7,180	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.8%	0.0%	0.5%	0.5%	0.5%	<i>Construction activity is slower than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$16	\$57	\$15	\$22,755	\$33,245	\$12,773	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$130	\$170	\$100	\$219	\$226	\$182	<i>Prices are rising faster nationally</i>
Market cap rate	6.5%	6.5%	6.5%	6.8%	6.8%	6.8%	<i>Cap rates are lower than nationally</i>

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	15.7	16.0	12.8	14,939	14,804	12,876	
Y/Y change ('000)	2.9	4.6	(2.4)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is weaker than nationally</i>
% share to nonfarm payroll employment	9.0%	9.2%	7.6%	10.0%	9.8%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

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