

Portland

Impact

The office market is recovering from blows dealt by the recession, but high-tech industry growth is translating into increased leasing activity and positive net absorption. Several high-tech companies have announced plans to expand or invest in existing operations, which will lead to hiring and ultimately boost demand for office space.

Overview

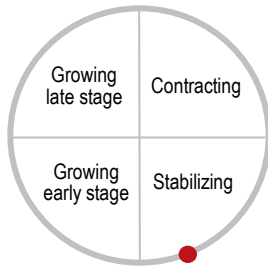
Portland's main high-tech cluster is located in Washington County, west of Portland proper, stretching from Beaverton to Hillsboro. Established high-tech giants, including Intel, fuel much of the start-up and entrepreneurship activity in the market, and attract venture capital funding. However, the market lacks a homegrown tech giant like many of its West Coast neighbors, which limits the area from attracting other companies and talent, ultimately limiting expansion within the office market.

Outlook

The presence of big-name, high-tech firms will foster start-up activity, resulting in sustained industry growth and a greater impact within the commercial real estate industry.

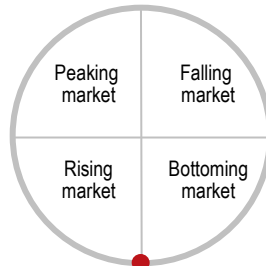
High-tech industry

Economic cycle clock



Office property

Market cycle clock



Players: top high-tech firms By real estate footprint



Intel

TriQuint Semiconductor

Epson

Scorecard



Economic

		rank
High-tech jobs / annual growth	52,415 / 0.8%	7/10
Percent of total jobs	6.4%	7
Number of firms	2,514	10
Venture capital funding (past 4 quarters)	\$136.1 M	16
Share of U.S. total	0.5%	
College education	32.9%	15
Diversity (non-white / foreign born)	13.1% / 12.0%	16/14

Office

Cost (average asking rent)	\$20.53	16
Annual growth	-0.7%	12
Supply (vacancy rate)	12.5%	3
Demand (net absorption sf / %)	816,346 sf / 1.4%	11 / 10
High-tech concentration (high-tech services vs. office jobs)	9.4%	12

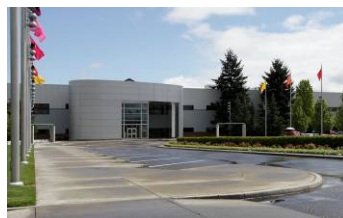
Recent lease activity



Hewlett Packard
1115 SE 164th Avenue
143,000 sf



RadiSys Corporation
5435 NE Dawson Creek Drive
46,000 sf



Lionbridge Technologies
1115 SE 164th Avenue
35,000 sf



eBay
1400 SW 5th Avenue
28,000 sf