



THE CONCORD BUILDING

PORTLAND, OR

Offering Memorandum

Marcus & Millichap

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ACT ID ZAA0210001

BROKER OF RECORD: ADAM LEWIS, OR 201209561

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PORTLAND, OR

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THE CONCORD BUILDING

PORTLAND, OR

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HISTORIC DOWNTOWN CREATIVE OFFICE INVESTMENT



EXECUTIVE SUMMARY

THE CONCORD BUILDING

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OFFERING HIGHLIGHTS

THE CONCORD BUILDING PORTLAND, OREGON

204-212 SW Harvey Milk Street • Portland, OR 97204

OFFERING PRICE

\$7,250,000

PROFORMA CAP RATE


7.20%

VITAL DATA

Price	\$7,250,000
Cap Rate	7.20%
Price/SF	\$252
Net Rentable Area (NRA)	28,820 SF
Occupancy	45.95%


98
WALK SCORE

Walker's Paradise

96
BIKE SCORE

Biker's Paradise

97
TRANSIT SCORE

Rider's Paradise

+23,000
VEHICLES PER DAY

SW Washington/Morrison

INVESTMENT OVERVIEW

Marcus & Millichap has been selected to exclusively market for sale the Concord Building, a historic office building located in Portland Oregon's Central Business District. Ideally situated at the base of the Morrison Bridge and near Northwest Naito Parkway, each provide relatively easy access in and out of the Downtown Core and to local amenities. Moreover, having been partially but not completely upgraded and being on the National Register of Historic Places, this offering is unique in providing an investor with the possibility of taking advantage of the opportunity zone and Historic Rehabilitation Tax Credit *simultaneously*.

Located in what is commonly referred to as the "Technology Triangle" of Portland's Central Business District, the Concord benefits from being close to companies including Puppet Labs, Google, Survey Monkey, Airbnb, New Relic, iOvation and others. Nearby are numerous restaurants, food trucks and hotels and additionally, there are several new hotels, residential and office developments being currently built or planned nearby which will only serve to create further density in the Subject Property's micro market.

The Concord Building is a 30,000 square foot, six-story office building (five stories of office above ground floor retail), built in 1896 and partially renovated in 1981 and then again in 2017. However, the building is largely vacant which is an ideal time to seismically upgrade the current unreinforced masonry (URM) building to current earthquake standards and if an investor did so and combined the seismic upgrade with other energy saving improvements, it is likely to qualify for not only the tax saving offered by the Opportunity Zone legislation but also from the Historic Rehabilitation Tax Credit available to properties on the National Register of Historic Places.



HISTORIC RENOVATED
OFFICE & RETAIL IN
OPPORTUNITY ZONE



INVESTMENT HIGHLIGHTS

- ▶ Partially Upgraded Historic Office Building in Downtown Portland (within an Opportunity Zone)
- ▶ Rare Chance to Benefit from Both the Opportunity Zone and Historic Rehabilitation Tax Credit
- ▶ Located in Portland's "Tech Triangle" with Numerous Technology Companies Located Nearby
- ▶ Outstanding Walk, Bike and Transit Scores
- ▶ Located at the Base of the Morrison Bridge, Providing Easy Access In and Out of Downtown
- ▶ Numerous Restaurants Nearby Allow the Concord to Benefit from Portland's Iconic Food Scene

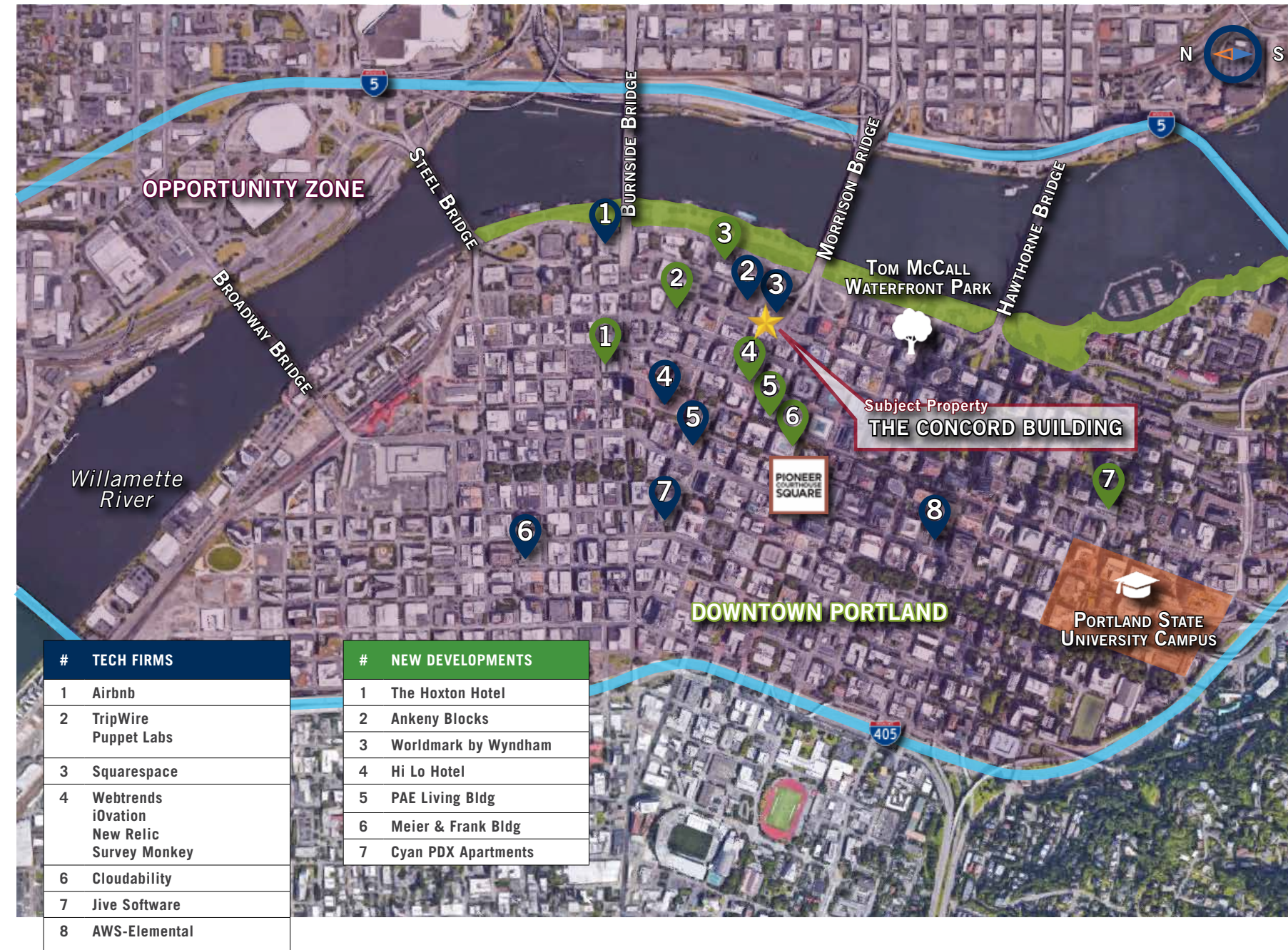
OPEN CONCEPT FLOOR PLANS







LOCATED IN TECH TRIANGLE AND AN OPPORTUNITY ZONE



ABOUT OPPORTUNITY ZONES

Opportunity Zones were created as a result of the 2017 Tax Cut and Jobs Act and are designed to encourage private investment generally in certain areas of the country through deferral of capital gains taxes. To benefit from the program, one has to make capital improvements into an asset equal to the basis of the property less the land value and then retain ownership of that asset for up to 10 years. A large majority of Portland's Central Business District has been designated an Opportunity Zone including the location of the Subject Property. Moreover, the Oregon tax code automatically mirrors the federal one, so Oregon is effectively offering the same Opportunity Zone discount to investors a second time on Oregon tax bills. Given the strength of Downtown Portland's real estate market, it's made the Portland Central Business District one of the top Opportunity Zone submarkets in the country.

Land values have appreciated in Downtown Portland and surrounding neighborhoods significantly and although an appraisal would be required, we have estimated the land value of the Subject Property to be upwards of \$3,000,000. This results in an additional investment of just over \$4,000,000 to qualify for tax benefits outlined by the Opportunity Zone. When combined with the purchase of the Subject Property, the total investment is approximately \$11,250,000 or \$375 per square foot. In comparison, the Weatherly Building sold at \$314 per square foot with the expectation of an additional \$140 per square foot in capital improvements needed. At the upper end of sales comparables the Town Storage Building, home to Autodesk, sold at over \$600 per square foot.

A unique and significant added benefit of investing in the Subject Property is that it also qualifies for historic tax credits given it's on the National Register of Historic Places. Similar to the Opportunity Zone program, the Historic Rehabilitation Tax Credit program requires additional investment in a property equal to the basis less the land value. After such an investment, an investor can receive tax credits up to 20 percent of the additional investment over a certain period of time. This dual track tax savings is unique among Opportunity Zone offerings in the Portland market.

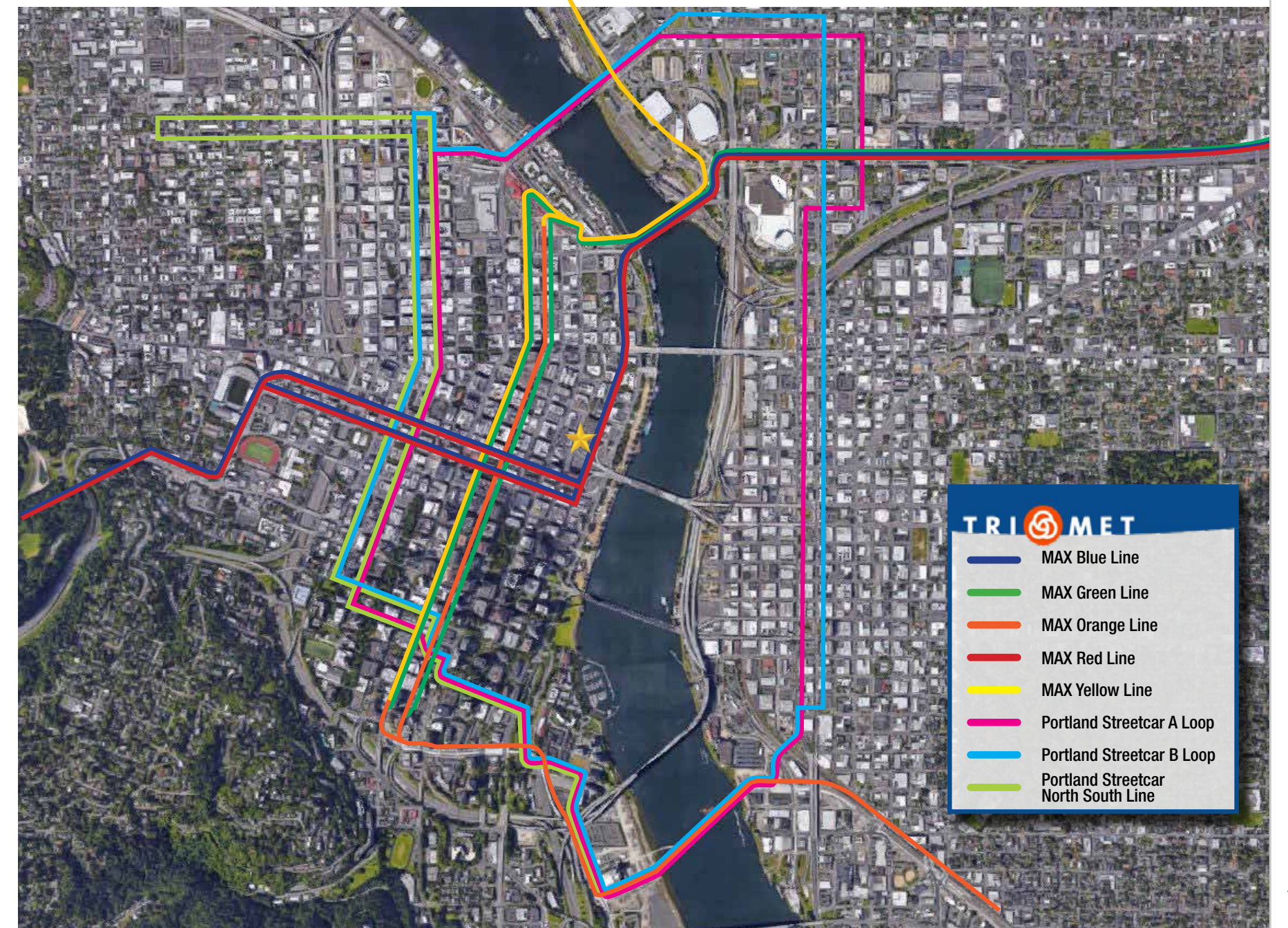


CLOSE IN MAP



While the building does not feature parking, lots in the immediate area that can be used for daily and monthly parking are abundant. The property also sits between the TriMet MAX 1st Avenue and 5th Avenue routes, which gives the Concord easy access to all five rail lines in the TriMet system and with transfer to buses offers access to the entire TriMet transit system earning this location a 97 out of 100 transit score.

TRANSIT MAP



\$7,250,000 || 7.20%

SALE PRICE

PROFORMA CAP RATE

FINANCIAL ANALYSIS

THE CONCORD BUILDING

Marcus & Millichap

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PROPERTY SUMMARY

THE OFFERING	
PROPERTY	THE CONCORD BUILDING
Property Address	204-212 SW Harvey Milk Street Portland, OR 98683
Price	\$7,250,000
Net Rentable Area (NRA)	28,820 SF
Price per Square Foot	\$252

PROPERTY DESCRIPTION	
Year Built / Renovated	1891 / 2017
Number of Suites	12
Gross Building Area (GBA)	30,050 SF
Zoning	CX - Central Commercial
Type of Ownership	Fee Simple
Lot Size	0.11 Acres
Occupancy	45.95%

ANNUALIZED OPERATING INFORMATION	
CURRENT INCOME	\$338,715
Net Operating Income	\$191,781
CAP Rate	2.65%
PROFORMA INCOME	\$700,246
Net Operating Income	\$512,996
CAP Rate	7.20%
Debt Service	(\$254,297)
Total Return	\$267,700 (7.38%)

FINANCING	
Loan Type	New
Loan Amount	\$3,625,000
Loan to Value	50.00%
Interest Rate	5.00%
Amortization	25 Years
Term	10 Years

*Loan information is subject to change. Contact your Marcus and Millichap Capital Corporation representative.

OPERATING DATA

INCOME DATA	CURRENT	PSF	PROFORMA	PSF
Gross Potential Rental Income	\$723,601	\$25.11	\$723,601	\$25.11
Expense Reimbursement ¹	\$13,500	\$0.47	\$13,500	\$0.47
Total Income	\$737,101	\$25.58	\$737,101	\$25.58
General Vacancy	(\$398,386) (54.05%)		(\$36,855) (5.00%)	
Effective Gross Income	\$338,715	\$11.75	\$700,246	\$24.30

CURRENT OPERATING EXPENSES	CURRENT	PSF	PROFORMA	PSF
Property Tax	\$25,676	\$0.89	\$25,676	\$0.89
Insurance	\$15,000	\$0.52	\$15,000	\$0.52
Janitorial	\$23,902	\$0.83	\$28,820	\$1.00
Utilities	\$39,675	\$1.38	\$39,675	\$1.38
Repairs and Maintenance	\$17,232	\$0.60	\$28,820	\$1.00
Security Fire/Life Safety	\$6,485	\$0.23	\$6,485	\$0.23
Management Fee (4.00% or \$1,100 minimum)	\$13,200	\$0.46	\$28,010	\$0.97
Reserves (\$0.20 psf)	\$5,764	\$0.20	\$5,764	\$0.20
Total Operating Expenses	\$146,934	\$5.10	\$178,250	\$6.18
Net Operating Income	\$191,781	\$6.65	\$521,996	\$18.11

[1] The tenants proportionate share is based off the lease information, which gives a total of 24,574 square feet. The rent roll has a total of 30,121 square feet and Portland Maps shows the building as 27,000 square feet.

RENT ROLL

RENT ROLL EFFECTIVE MARCH 1, 2019									
TENANT	SUITE	LEASE START	LEASE EXPIRE	SQ. FT.	OCCUPIED SQ. FT.	% OF BUILDING	MONTHLY RENT	TOTAL ANNUAL BASE RENT	ANNUAL BASE RENT PSF
Mother's Bistro Bar Retail	First Floor	8/1/2017	7/31/2027	4,171	4,171	14.47%	\$8,499	\$101,988.00	\$24.45
Vacant	200-205			2,497		8.66%	\$6,034	\$72,413.00	\$29.00
Bike Room	206			294	294	1.02%			
Mother's Bistro Bar Office	208	8/1/2017	7/31/2022	1,458	1,458	5.06%	\$2,661	\$31,934.16	\$21.90
Vacant	Third Floor			4,296		14.91%	\$10,382	\$124,584.00	\$29.00
Truebeck Construction	400	3/18/2019	3/31/2021	4,298	4,298	14.91%	\$9,671	\$116,046.00	\$27.00
Vacant	Fifth Floor			4,309		14.95%	\$10,413	\$124,961.00	\$29.00
Atheer, Inc.	600	2/1/2016	2/29/2020	2,292	2,292	7.95%	\$5,092	\$61,104.96	\$26.66
Vacant	605			1,970		6.83%	\$4,760	\$57,121.30	\$29.00
Vacant	Basement Vault			488		1.69%	\$1,179	\$14,152.00	\$29.00
Mother's Bistro Bar Retail Basement	Basement	8/1/2017	7/31/2027	1,717	1,717	5.96%	\$1,178	\$14,141.88	\$8.24
Vacant	Basement2			1,031		3.58%	\$430	\$5,155.00	\$5.00
TOTALS				28,820	14,229	49.37% Occupied³	\$60,300	\$732,601	\$25.11

CAM Charges: The Tenants Proportionate Share is based off the lease information, which gives a total of 24,574 Sq. Ft. The Rent Roll totals 28,833 based off of the BOMA. Portland Maps shows the building as 27,000 Sq. Ft

[1] Mother's Bistro & Bar Retail has two 5-year options

[2] Per lease, no Operating Expense, Taxes or Insurance are to be paid by the tenant for basement space.

[3] Occupancy quoted throughout is based on Economic Vacancy vs. Physical Vacancy.

IN PORTLAND'S CENTRAL BUSINESS DISTRICT,
TECH TRIANGLE AND OPPORTUNITY ZONE



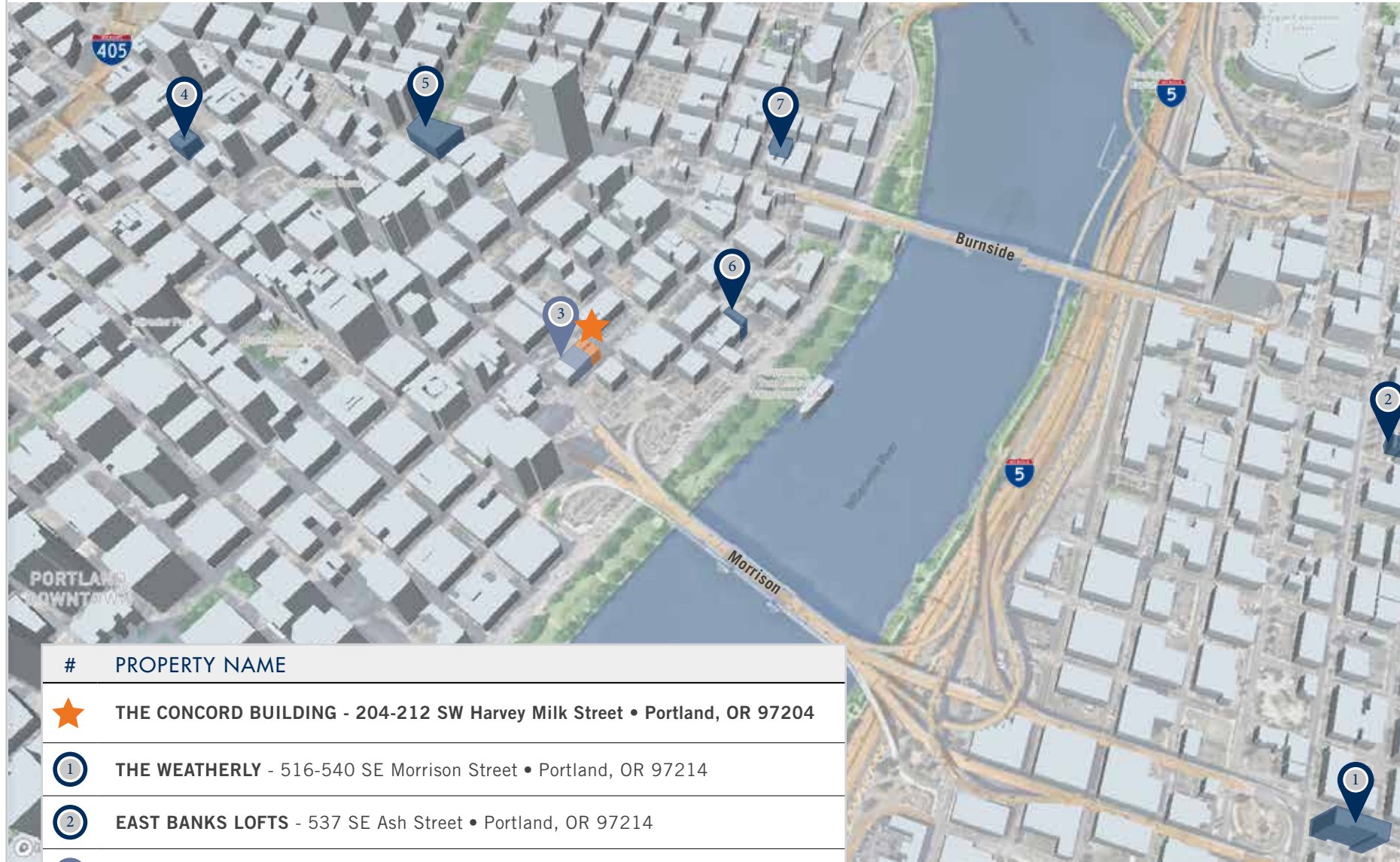
COMPARABLE PROPERTIES

THE CONCORD BUILDING

Marcus & Millichap

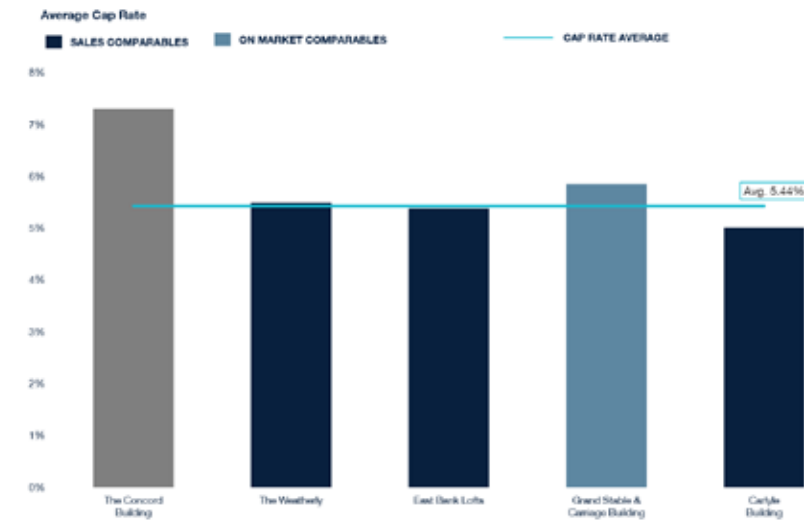
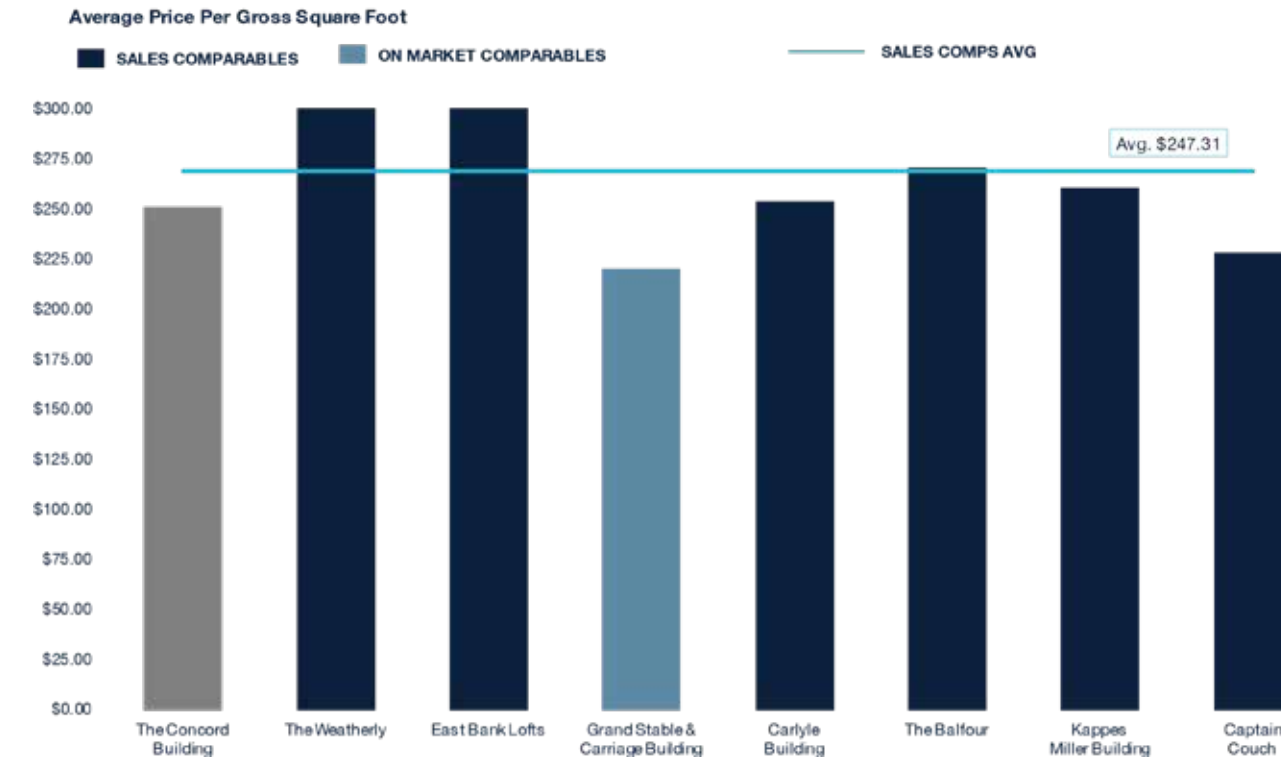
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#	PROPERTY NAME
★	THE CONCORD BUILDING - 204-212 SW Harvey Milk Street • Portland, OR 97204
①	THE WEATHERLY - 516-540 SE Morrison Street • Portland, OR 97214
②	EAST BANKS LOFTS - 537 SE Ash Street • Portland, OR 97214
③	GRAND STABLE & CARRIAGE - 411-421 SW 2nd Avenue • Portland, OR 97204
④	CARLYLE BUILDING - 521 SW 11th Avenue • Portland, OR 97205
⑤	THE BALFOUR - 733 SW Oak Street • Portland, OR 97205
⑥	KAPPES MILLER BUILDING - 50 SW Pine Street • Portland, OR 97204
⑦	CAPTAIN COUCH - 24 NW 2nd Avenue • Portland, OR 97209

SALES COMPARABLES



SALES COMPARABLES



★ THE CONCORD BUILDING

204-212 SW Harvey Milk Street • Portland, OR 97204

SALES PRICE	\$7,250,000
Price Per SF	\$252
Rentable Square Feet	28,820
Year Built / Renovated	1891 / 2017
Occupancy	45.95%
TENANTS	SQ FT
Mother's Bistro Bar	7,346
Atheer, Inc.	2,292



1 THE WEATHERLY

516-540 SE Morrison Street • Portland, OR 97214

SALES PRICE	\$20,000,000
Close of Escrow	7/31/2018
Price Per SF	\$314.43
Rentable Square Feet	63,608
Cap Rate	5.50%
Year Built / Renovated	1928 / 2003
Occupancy	94.0%
TENANTS	SQ FT
Grid Property Management LLC	9,057
MindSights	6,600
Mayfield Investment Company	4,989
Portland Running Company	2,234

NOTES

Owner has planned to invest an additional \$140 per square foot into the building. They also have proposed to develop the adjacent parking lot.



2 EAST BANK LOFTS

537 SE Ash Street • Portland, OR 97214

SALES PRICE	\$13,400,000
Close of Escrow	1/15/2019
Price Per SF	\$335.00
Rentable Square Feet	40,000
Cap Rate	5.39%
Year Built / Renovated	1912 / 2016
Occupancy	84.5%
TENANTS	SQ FT
Supply	10,000
Ergon Tech, Inc.	2,326
Remedy Group	2,250
These Numbers Have Faces	1,650

NOTES

The building has partial seismic upgrades.



3 GRAND STABLE & CARRIAGE BUILDING

411-421 SW 2nd Avenue • Portland, OR 97204

SALES PRICE	\$8,300,000
ON MARKET	2 Buildings
Price Per SF	\$220.25
Rentable Square Feet	41,300
Cap Rate	5.86%
Year Built / Renovated	1887-1894 / 1990-2003
Occupancy:	100%
TENANTS	SQ FT
Kafoury & McDougal Attorneys	7,980
Liquid Development	7,721
Hitt Hiller Monfils Williams	4,440
Scion Staffing	1,994

NOTES

The building has partial seismic upgrades.

SALES COMPARABLES



4 CARLYLE BUILDING
521 SW 11th Avenue • Portland, OR 97205

SALES PRICE	\$4,225,000
Close of Escrow	4/9/2018
Price Per SF	\$254.26
Rentable Square Feet	16,617
Cap Rate	5.02%
Year Built / Renovated	1909 / 1981
Occupancy	100%
TENANTS	SQ FT
Ricochet Partners	4,739
Josephien's Dry Goods	4,238
Dual Diagnosis	1,350
NOTES	

Unreinforced masonry building with no seismic upgrades completed.



5 THE BALFOUR
733 SW Oak Street • Portland, OR 97205

LIST PRICE	\$4,780,000
Close of Escrow	4/24/2018
Price Per SF	\$270.74
Rentable Square Feet	17,655
Year Built / Renovated	1913
Occupancy	Vacant
NOTES	

The building was 100 percent vacant at the time of sale.



6 KAPPES MILLER BUILDING
50 SW Pine Street • Portland, OR 97204

SALES PRICE	\$2,600,000
Close of Escrow	5/16/2017
Price Per SF	\$260.98
Rentable Square Feet	10,000
Year Built / Renovated	1983
Occupancy	50%
TENANTS	SQ FT
Seller	2,500
Buyer	2,500
NOTES	

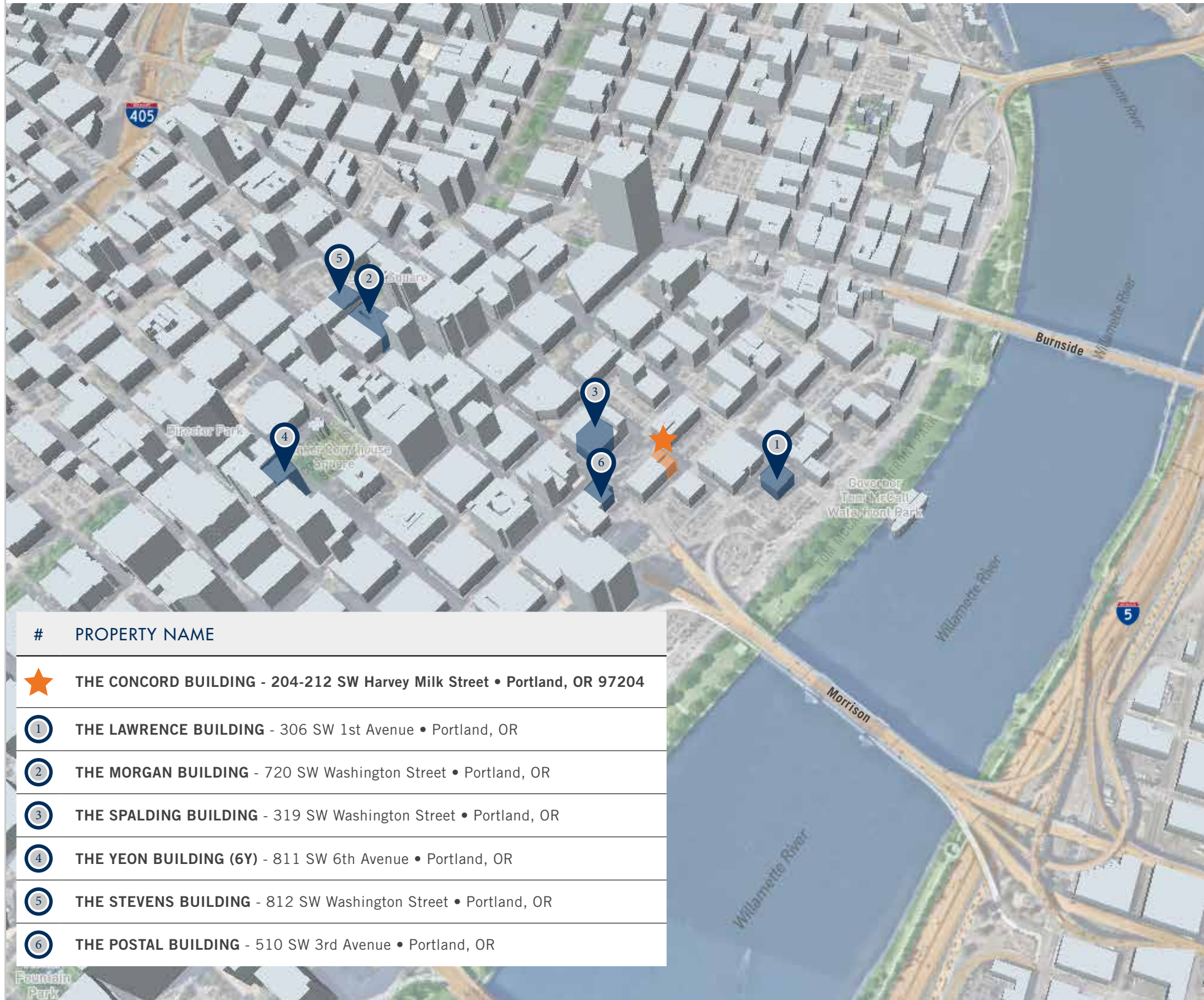
Seller completed a three year leaseback for the 4th floor of the building. Buyer planned to occupy the 2,500 square foot ground floor, leaving 2,500 square foot each 2nd and 3rd floors vacant at the time of sale.



7 CAPTAIN COUCH
24 NW 2nd Avenue • Portland, OR 97209

SALES PRICE	\$4,054,180
Close of Escrow	12/29/2017
Price Per SF	\$228.51
Rentable Square Feet	17,742
Year Built / Renovated	1912 / 1998
Occupancy	80.4%
TENANTS	SQ FT
Green Works PC	8,569
Third Angle	300
NOTES	

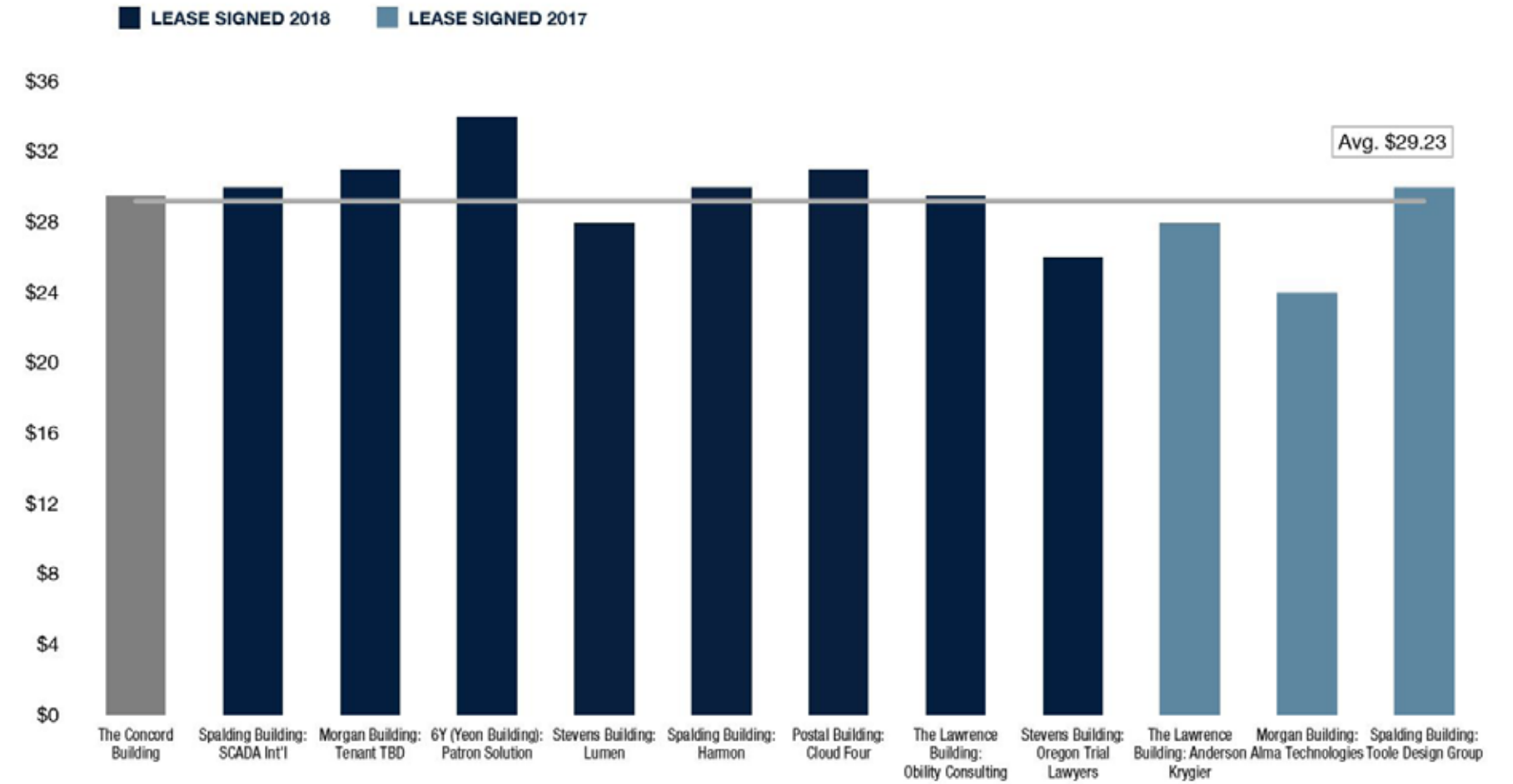
Unreinforced masonry building with no seismic upgrades completed. Cosmetic and ADA renovations completed in 1998.



#	PROPERTY NAME
★	THE CONCORD BUILDING - 204-212 SW Harvey Milk Street • Portland, OR 97204
①	THE LAWRENCE BUILDING - 306 SW 1st Avenue • Portland, OR
②	THE MORGAN BUILDING - 720 SW Washington Street • Portland, OR
③	THE SPALDING BUILDING - 319 SW Washington Street • Portland, OR
④	THE YEON BUILDING (6Y) - 811 SW 6th Avenue • Portland, OR
⑤	THE STEVENS BUILDING - 812 SW Washington Street • Portland, OR
⑥	THE POSTAL BUILDING - 510 SW 3rd Avenue • Portland, OR

LEASE COMPARABLES

AVERAGE RENT PER SQUARE FOOT



LEASE COMPARABLES

THE CONCORD BUILDING // COMPARABLE PROPERTIES



★ THE CONCORD BUILDING
204-212 SW Harvey Milk Street • Portland, OR 97204

Occupancy	45.95%	
Year Built / Renovated	1891 / 2017	
Class	B	
Net Rentable Area (NRA)	28,820 SF	
Marketed Rent per Square Foot	\$29.50	
Available Square Feet	14,350	
Lease Type	FS Gross	
Zoning	CX	
AVAILABLE SPACE	RATE	SF
2nd Floor	\$31.00 FSG	2,497
3rd Floor	\$31.00 FSG	4,296
5th Floor	\$25.00 FSG	4,068
6th Floor	\$29.50 FSG	1,970



1 THE LAWRENCE BUILDING
306 SW 1st Avenue • Portland, OR 97204

Occupancy	82.4%		
Year Built / Renovated	1902 / 1985		
Class	C		
Net Rentable Area (NRA)	60,000 SF		
Marketed Rent per Square Foot	\$29.50		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Anderson Krygier	76	\$28.00 FSG	3,384
Obility Consulting, Inc.	63	\$29.50 FSG	5,065



2 THE MORGAN BUILDING
720 SW Washington Street • Portland, OR

Occupancy	93.5%		
Year Built / Renovated	1913 / 2005		
Class	B		
Net Rentable Area (NRA)	144,667 SF		
Marketed Rent per Square Foot	\$31.00		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Alma Technologies, Inc.	18	\$24.00 FSG	3,163
TBD	65	\$31.00 FSG	6,300



3 THE SPALDING BUILDING
1319 SW Washington St • Portland, OR

Occupancy	95.2%		
Year Built / Renovated	1912 / 2011		
Class	B		
Net Rentable Area (NRA)	92,500 SF		
Marketed Rent per Square Foot	\$30.00		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Toole Design Group	70	\$30.00 FSG	2,952
SCADA International	62	\$30.00 FSG	1,294
Harmon Inc.	37	\$30.00 FSG	1,271

THE CONCORD BUILDING // COMPARABLE PROPERTIES

LEASE COMPARABLES



4 THE YEON BUILDING (6Y)

811 SW 6th Avenue • Portland, OR

Occupancy	80.1%		
Year Built / Renovated	1955 / 2016		
Class	B		
Net Rentable Area (NRA)	109,420 SF		
Marketed Rent per Square Foot	\$34.00		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Patron Solution, LLC	62	\$34.00 FSG	2,079



5 THE STEVENS BUILDING

812 SW Washington Street • Portland, OR

Occupancy	97.3%		
Year Built / Renovated	1914 / 1988		
Class	B		
Net Rentable Area (NRA)	63,424 SF		
Marketed Rent per Square Foot	\$28.00		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Lumen, Inc.	53	\$28.00 FSG	8,147
Oregon Trial Lawyers	103	\$26.00 FSG	4,206



6 THE POSTAL BUILDING

510 SW 3rd Avenue • Portland, OR

Occupancy	82.7%		
Year Built / Renovated	1900 / 1985		
Class	B		
Net Rentable Area (NRA)	38,560 SF		
Marketed Rent per Square Foot	\$31.00		
Lease Type	FS Gross		
TENANT	MONTHS	RATE	SF
Cloud Four, Inc.	63	\$31.00 FSG	1,811

STRONG DEMOGRAPHIC
AND MARKET TRENDS



MARKET OVERVIEW & DEMOGRAPHICS

THE CONCORD BUILDING

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PORTLAND-VANCOUVER METRO

The Portland-Vancouver metro is located near the confluence of the Columbia and Willamette rivers and stretches across the Oregon border into Washington State. The region is composed of Multnomah, Clackamas, Columbia, Washington and Yamhill counties in Oregon, and Clark and Skamania counties in Washington. Mount Hood and the Cascade Range stand to the east, and the Oregon Coast Mountain Range lies to the west. The metro contains approximately 2.4 million residents, with more than 640,000 people residing in Portland, the area's most populous city.

ECONOMY

- ▶ Lower land costs than other West Coast metros, a skilled labor pool and affordable, abundant power attract companies to the region. The favorable tax structure, with no state income taxes in Washington and no sales tax in Oregon, also lures businesses.
- ▶ The metro's economy has shifted from timber to industries that include athletic and outdoor activities, clean tech, advanced manufacturing and software.
- ▶ A diverse group of companies based in the metro include Nike, Daimler, Oregon Iron Works, Intel and IBM.

DEMOGRAPHICS

- ▶ The metro is expected to add nearly 120,000 people over the next five years, resulting in the formation of nearly 64,000 households.
- ▶ A median home price well above the U.S. level means 60 percent of households can afford to own their home, which is below the national rate of 64 percent.
- ▶ Of residents age 25 and older, 35 percent hold bachelor's degrees, and 13 percent have also obtained a graduate or professional degree.



DEMOGRAPHIC HIGHLIGHTS



2019 FORECAST JOB GROWTH
Metro 1.6%
 U.S. Average 1.3%



POPULATION AGE 20-34
Metro 21%
 U.S. Average 21%



SQ FT PER OFFICE WORKER
Metro 290
 U.S. Average 213



2018 OFFICE USING JOB GROWTH
Metro 0.7%
 U.S. Average 2.2%



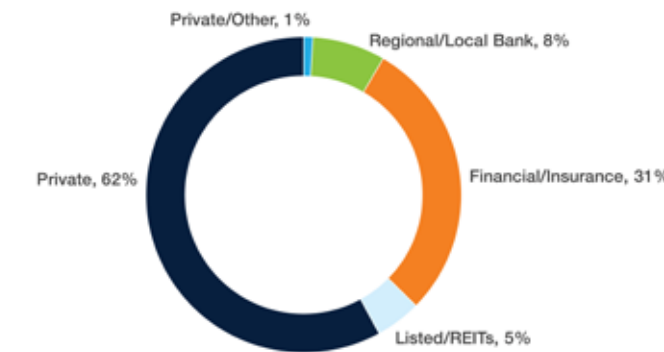
POPULATION OF AGE 25+ WITH BACHELOR DEGREE+
Metro 36%
 U.S. Average 29%

OFFICE SQUARE FOOTAGE

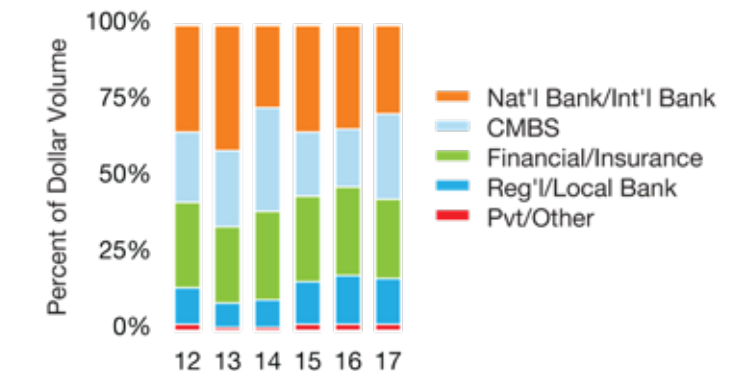
30% Urban
 U.S. Average 32%

70% Suburban
 U.S. Average 68%

1Q18 Office Acquisitions by Buyer Type



Office Mortgage Originators by Lender



SALES TRENDS

- ▶ The number of sales slowed during the prior 12-month period, through transactions picked up for Class A properties. Increased sales of higher-tier assets lifted prices up 14 percent to \$260 per square foot.
- ▶ Average first-year returns for office assets have held steady in the low- to mid-6 percent range for the past four years.

Include sales \$2.5 million and greater

Sources: CoStar Group, Inc.; Real Capital Analytics

PORTLAND-VANCOUVER METRO

FORBES BEST PLACES FOR BUSINESS AND CAREERS

Portland has ranked among the top five places for business by Forbes for the past four years. Credit its strong growth prospects and a large influx of highly-educated millennials. The city has been referred to as one of the most environmentally friendly or green cities in the world. Portland is known for its large number of microbreweries and micro-distilleries, as well as its coffee enthusiasm. The city is home to Portland Community College, Portland State University, Oregon Health & Science University, University of Portland, Reed College, and Lewis & Clark College. Washington Park, in the West Hills, is where some of Portland's most popular recreational sites are located, including the Oregon Zoo, the Portland Japanese Garden, the World Forestry Center and the Hoyt Arboretum. The Portland Art Museum owns the city's largest art collection presenting a variety of touring exhibitions each year.

U.S. NEWS & WORLD REPORT BEST PLACES TO LIVE

Portland ranked 6th of the 125 Metros measured by U.S. News & World Report. Portland's population toes the line between an innocent playfulness and a shameless wild side. Residents live up to the unofficial city motto: "Keep Portland Weird." Locals tend to be friendly and laid-back while maintaining a healthy work ethic. This, combined with Portland's emphasis on self-expression, has created a breeding ground for many independent businesses and startups. Portland is a well-rounded region with more than just the offbeat shops and events. Museums, art galleries and the oldest public library on the West Coast feed a population with more academic degrees than the national average. Wilderness is also close by. Two mountain ranges and the Pacific Ocean can be reached in an hour or two, while the fertile vineyards of the Willamette Valley lure city dwellers with a thirst for something fresh. The metro contains more than 37,000 acres of parks and provides numerous outdoor opportunities, including activities at Mount Hood and on the Hood River. The metro lies just 60 miles east of the Pacific Ocean and offers a significant number of major colleges and universities including Lewis and Clark, Pacific University, the University of Portland and Portland State University.

INC 5000 MOST INSPIRING COMPANIES OF 2018

The Portland Metro made a strong appearance on 2018's Inc. 5000 list of the fastest-growing private companies in the U.S. In total, 61 of the metro's businesses made the list, several of which were repeat honorees from 2017. 2018 rankings included companies in fields ranging from live video software to IT staffing, and even one that once appeared on Shark Tank. In total, the ranked businesses represented more than \$2.5 billion in revenue with year over year growth ranging from 59 percent up to 5961 percent.

#3 BEST FOR BUSINESS

#6 BEST PLACE TO LIVE

8th
Most Popular
City in the U.S.

2nd
Greenest City in
the U.S.

2nd
Most Bike
Friendly City in
the U.S.

10th
Highest
Concentration of
Restaurants of
Cities
in the U.S.

PORTLAND: THE 8th MOST POPULAR CITY

Portland has been voted as the 8th most popular city in America. The city is very conscious of its effect on the environment and is one of the greenest cities in the world. Many people here cycle more than they drive, do a lot of walking and participate in farm-to-table dining.

Portland has a wide variety of attractions to experience in just in the surrounding areas, such as:

- ▶ Oregon Zoo & Portland Children's Museum
- ▶ Pittock Mansion
- ▶ Portland's Living Room better known as Pioneer Courthouse Square
- ▶ OMSI
- ▶ Come take a bite out of this amazing city, there is a little bit of everything here for everyone.



THE OFFICE MARKET

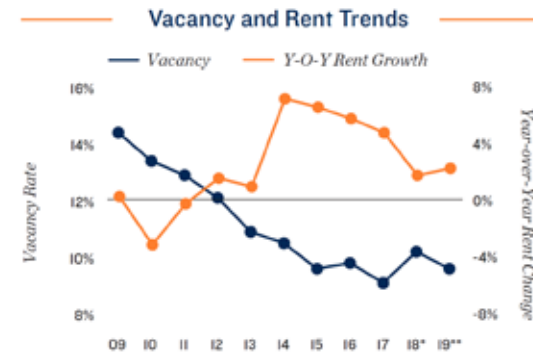
Portland's Office Market

Strong fundamentals make Portland's Office Market an ideal investment in 2019. High rates of appreciation place Portland in alignment with other tech-dominated West Coast and Texas metros like San Francisco, Los Angeles, San Jose, Oakland, Seattle, Austin and Dallas where appreciation has generally outpaced other markets. Portland currently ranks 11th, just behind New York City in Marcus & Millichap's National Office Index which ranks metros based on their cumulative weighted-average scores for various indicators, including projected job growth, vacancy, construction, housing affordability and rents. Weighing both the forecasts and incremental change over the next year, the Index is designed to show relative supply-and-demand conditions at the market level. A projected increase of 19,000 jobs, projected decrease in vacancy by 60 basis points, projected increase in rents by 2.2 percent and decreased new construction which will underpace demand all contribute to Portland's top ranking. Many of these metrics follow five or more years of similar trends. For example, Portland is projected to show a net gain in jobs for the 10th year in a row.

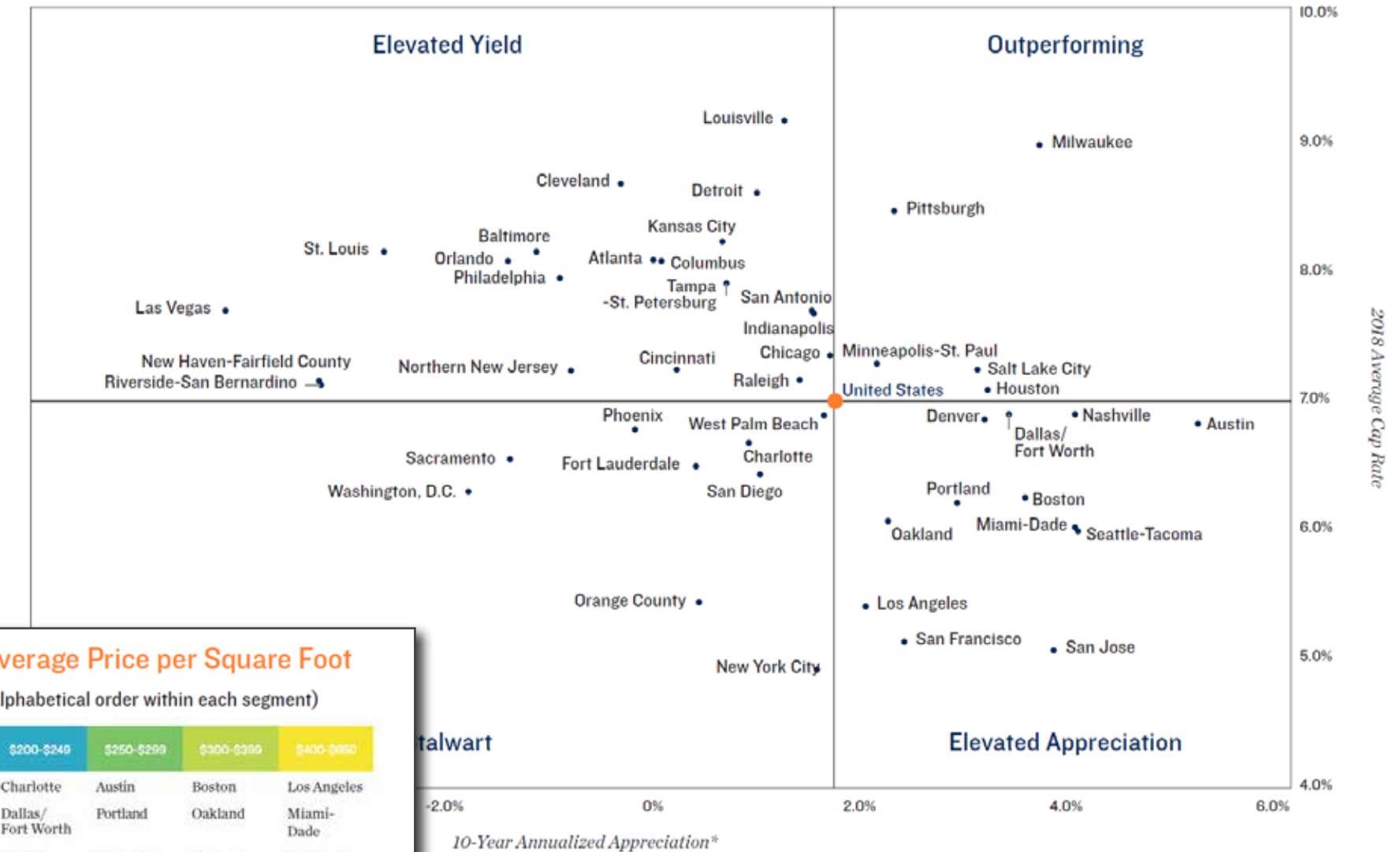
Diminishing Construction Pipeline Supports Vacancy Improvement

Office construction throughout the Portland market is plummeting considerably in 2019, after reaching a cyclical peak last year. The drop in new deliveries coupled with healthy net absorption will support a decline in vacancy this year, placing it among one of the lowest rates in the nation. Class B office assets drive sales velocity. Strong investor demand throughout the Portland metro has lifted property values over the past two years, which could prompt some owners to list their assets as buyers scour the market for deals. Class B properties are highly targeted, offering first-year yields in the low-7 percent on average metrowide where renovations can boost property values. Assets in the central business district remain popular, primarily led by larger institutional investors and out-of-state buyers. Here, properties change hands with average cap rates in the mid-5 percent.

* Estimate; ** Forecast; Sources: CoStar Group, Inc.; Real Capital Analytics



2008-2018 AVERAGE PRICE PER SQUARE FOOT APPRECIATION AND CURRENT AVERAGE




Average Price per Square Foot
(Alphabetical order within each segment)

\$200-\$249	\$250-\$299	\$300-\$399	\$400-\$999
Charlotte	Austin	Boston	Los Angeles
Dallas/Fort Worth	Portland	Oakland	Miami-Dade
Denver	West Palm Beach	Orange County	New York City
Fort Lauderdale		San Diego	San Francisco
Houston		Seattle-Tacoma	San Jose
Nashville		Washington, D.C.	
Phoenix			

* 2008-2018 Average annualized appreciations in price per square foot.
Sources: Marcus & Millichap Research Services; CoStar Group, Inc.; Real Capital Analytics

DEMOGRAPHIC HIGHLIGHTS

 **160,938**
DAYTIME POPULATION
IN 1-MILE RADIUS

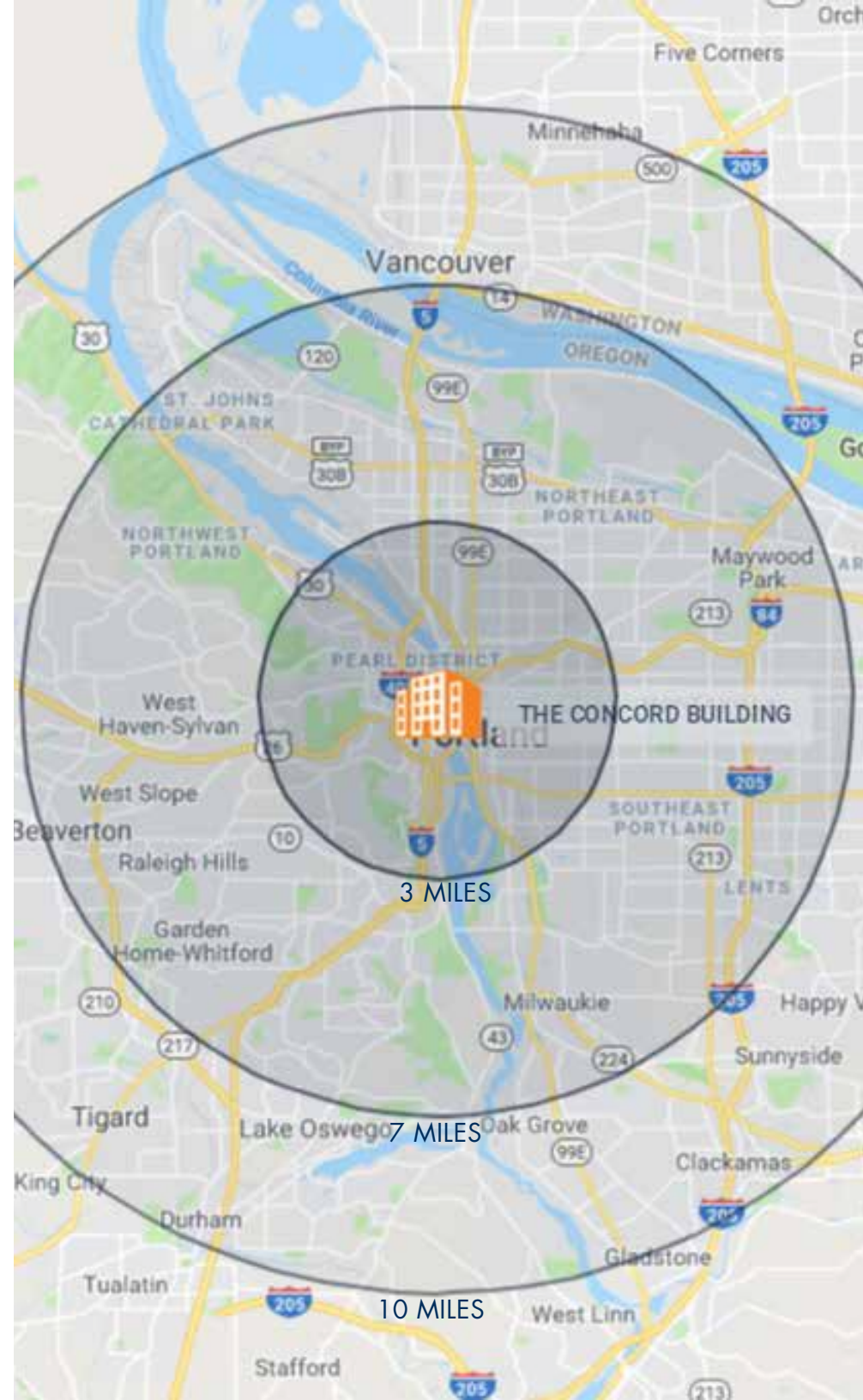
2,459,003
TOTAL MSA POPULATION EST. FOR 2018

10.5% INCREASE OVER
2010 CENSUS

 **69.5%**
COLLEGE EDUCATED
IN PORTLAND MSA

64.2%
WHITE COLLAR EMPLOYED
IN PORTLAND MSA


 TOP INDUSTRIES IN PORTLAND MSA:

- ▶ Health Services 11.1%
- ▶ Education 9.1%
- ▶ Bars, Pubs & Restaurants 7.4%
- ▶ Business Services 6.5%
- ▶ Technical Services 4.1%



DEMOGRAPHIC SUMMARY

TOTAL POPULATION	3 MILES	7 MILES	10 MILES
2023 Projection	194,073	723,919	1,323,942
2018 Estimate	186,544	703,336	1,276,457
2010 Census	162,841	638,463	1,162,967
2000 Census	144,950	590,161	1,050,386
2017 Daytime Population	387,403	891,305	1,470,804

TOTAL HOUSEHOLDS	3 MILES	7 MILES	10 MILES
2023 Projection	102,064	323,181	560,363
2018 Estimated Households	96,880	309,894	534,182
2017 Average Household Size	1.85	2.2	2.34
2010 Census	82,858	277,694	482,143
2000 Census	72,722	252,823	432,132

HOUSEHOLDS BY INCOME	3 MILES	7 MILES	10 MILES
2018 Estimate			
\$200,000 or More	10.34%	8.32%	7.39%
\$150,000 - \$199,999	6.50%	6.40%	6.51%
\$100,000 - \$149,000	14.85%	15.89%	16.34%
\$75,000 - \$99,999	11.74%	13.58%	14.02%
\$50,000 - \$74,999	15.30%	17.14%	17.31%
\$35,000 - \$49,999	9.84%	11.25%	11.71%
\$25,000 - \$34,999	8.16%	8.36%	8.57%
\$15,000 - \$24,999	8.33%	8.07%	8.19%
Under \$15,000	13.90%	12.55%	12.59%
Average Household Income	\$100,909	\$96,258	\$93,659
Median Household Income	\$64,370	\$66,516	\$66,529
Per Capita Income	\$53,006	\$42,816	\$39,498

POPULATION BY TRAVEL TIME	3 MILES	7 MILES	10 MILES
2018 Estimate Total Population			
Under 15 Minutes	23.74%	21.07%	21.91%
15 - 29 Minutes	41.95%	41.48%	39.86%
30 - 59 Minutes	20.04%	23.21%	24.02%
60 - 89 Minutes	3.12%	3.66%	3.88%
90 or More Minutes	1.23%	1.45%	1.60%
Worked at Home	8.71%	6.90%	6.34%
Average Travel Time in Minutes	25	26	27
Apparel	\$2,120	\$1,943	\$1,895

POPULATION PROFILE	3 MILES	7 MILES	10 MILES
Population By Age			
2018 Est. Total Population	186,544	703,336	1,276,457
Under 20	13.25%	19.69%	22.07%
20 to 34 Years	33.15%	25.31%	23.48%
35 to 39 Years	10.12%	9.00%	8.16%
40 to 49 Years	15.00%	14.73%	14.04%
50 to 64 Years	16.77%	18.25%	18.52%
Age 65+	11.70%	13.06%	13.73%
Median Age	36.65	37.71	37.67
Population 25+ by Education Level			
2018 Est. Population Age 25+	149,328	522,762	917,645
Elementary (0-8)	1.20%	2.25%	2.53%
Some High School (9-11)	2.50%	4.50%	5.09%
High School Graduate (12)	9.40%	15.09%	17.93%
Some College (13-15)	18.30%	21.42%	22.83%
Associate Degree Only	5.17%	6.60%	7.49%
Bachelors Degree Only	36.19%	29.76%	26.52%
Graduate Degree	26.83%	19.39%	16.47%

Source: © 2018 Experian



THE CONCORD BUILDING

PORTLAND, OR

EXCLUSIVELY LISTED BY:
Marcus & Millichap