DECEMBER BROKER AWARDS MEETING

JANUARY 11, 2023

MONTHLY STATISTICS

LEASING	# OF TRANSACTIONS	TOTAL $ VALUE
December 2020	23	$3,909,186
December 2021	13	$3,612,575
December 2022	**24**	**$4,856,972**

SALES	# OF TRANSACTIONS	TOTAL $ VALUE
December 2020	3	$3,124,500
December 2021	11	$25,652,000
December 2022	**5**	**$5,865,000**


TOP LEASES

3RD TOP LEASE

Willamette Electric Vault Building
9730 SW Tigard Street
Tigard, OR

Lessor: Fife Investments, LLC

Lessee: PWCC Marketplace, LLC

Lease Value: $458,269

Lease Rate: $1.11 SF MG

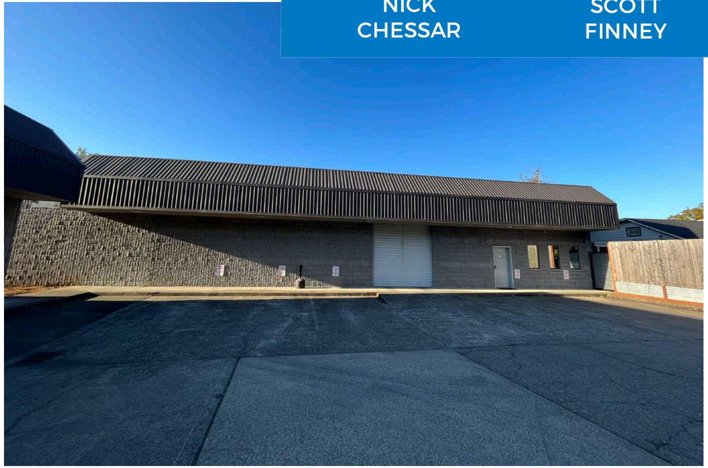
Leased Area: 6,600 SF

Lease Term: 60 months

TI's & Concessions: 2 Months abated
No tenant improvements

NICK CHESSAR

SCOTT FINNEY



2ND TOP LEASE

Tigard Central Industrial Park

12700 SW Hall Blvd, Unit G1
Tigard, OR

Lessor: The McLellan Company

Lessee: Crystal Greens, LLC

Lease Value: $464,496

Lease Rate: $.75 NNN

Leased Area: 16,533 SF

Lease Term: 36 months

TI's & Concessions: No TI and No Free Rent


SCOTT FINNEY


GREG NESTING

TOP LEASE

23rd & Overton to Pettygrove
1310 NW 23rd Ave
Portland, OR

Lessor: Legacy Health

Lessee: Tara Thai

Lease Value: $1,022,052

Lease Rate: $35 PSF Modified Gross

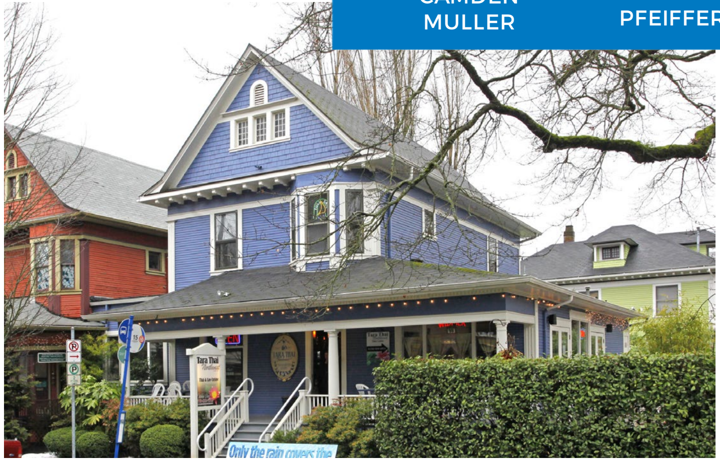
Leased Area: 2,500 SF

Lease Term: 120 months

TI's & Concessions: None

CAMDEN MULLER

TIM PFEIFFER




TOP SALES

3RD TOP SALE

1225-1235 NE Hogan Drive
Gresham, OR

Seller: Alfa Hogan, LLC,

Buyer: Abundant Property Holdings LLC

Sale Price: $750,000

Price per SF: $154.70 PSF

Property Size: 4,848 SF

Cap Rate: 6.74%

Financing: Cash

TODD VANDOMELEN

2ND TOP SALE

10543 SE Fuller
Milwaukie, OR

Seller: Alfa Fuller, LLC

Buyer: JSLI Investments, LLC

Sale Price: $830,000

Price per SF: $176.37 PSF

Property Size: 4,706 SF

Cap Rate: 7.82%

Financing: Cash

TODD VANDOMELEN

TOP SALE

Clackamas Community Federal Credit Union HQ
18600 SE McLoughlin Blvd
Milwaukie, OR

Seller: Clackamas Community Federal Credit Union

Buyer: Teen Challenge International Pacific Northwest Centers

Sale Price: $3,460,000

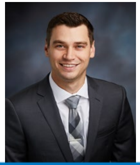
Price PSF: $188.04 SF

Property Size: 18,400 SF

Cap Rate: None Owner/ User

Financing: Cash

TIM PFEIFFER



CAMDEN MULLER


TOP DOGS

LEASING BROKER OF THE MONTH

SCOTT FINNEY

SALES BROKER OF THE MONTH

TIM PFEIFFER

PRESIDENT'S AWARD

CAMDEN MULLER

IN RUNNING FOR PINNACLE AWARD

SCOTT FINNEY

GREG NESTING

TODD VANDOMELLEN


ANNOUNCEMENTS

Norris & Stevens
INVESTMENT REAL ESTATE SERVICES

SALES MEETING SCHEDULE

January 18th	**Continuing Education – *Chirstie Williams from Fidelity National Title & Gary Winkler from ABR Commercial Mortgage***
January 25th	**Annual Broker Awards Breakfast – Portland City Grill**
February 1st	**Brokers Meet By Industry Group**
February 8th	**No Meeting –TCN Spring Conference**
February 8th	**Broker Awards Meeting for January 2023** **Market Reports by Charlie DiGregorio & Amy Beck**

N&S ANNUAL BROKER AWARDS BREAKFAST

Date: **Wed., January 25TH**

Time: **8:00 AM**

Where: PORTLAND CITY GRILL On the 30th floor

111 SW 5th Ave
30th Floor

- **Pinnacle Award**
- **Industry Group Brokers of the Year**
- **Rookie of the Year**
- **Most Inspirational**
- **Top Deals**
- **The Timmies**

UPCOMING LOCAL EVENTS

CREW PORTLAND

Forecast Breakfast

Friday, January 13 @ 7:00 AM – 9:15 AM

Hyatt Regency Oregon Convention Center, 375 NE Holladay

PORTLAND BUSINESS ALLIANCE
Commerce • Community • Prosperity

Business After Hours

Wednesday, January 18th @ 5:00 PM – 7:00 PM

The Mahonian – 726 SE 6th Ave, Portland

OMBA
OREGON MORTGAGE BANKERS ASSOCIATION

2023 Annual Dinner

Thursday, January 19th @ 5:30 PM

Tualatin Country Club – 9145 SW Tualatin Rd, Tualatin

WEA
WESTSIDE ECONOMIC ALLIANCE

Legislative Reception

Thursday, January 19th @ 6:00 PM

McMenamin's Old Church & Pub, Wilsonville

WEA
WESTSIDE ECONOMIC ALLIANCE

January Forum: Overview of the Westside's Real Estate Environment

Thursday, January 26th @ 7:30 PM

Embassy Suites Tigard - Washington Square

EXECUTIVE CORNER

INVESTMENT MARKET PLACE

BY THOMAS MCDOWELL

INTRODUCTION

Mild Recession

Searching for A Quality Investment

Portland’s Investment Market Place

Why Owners Sell

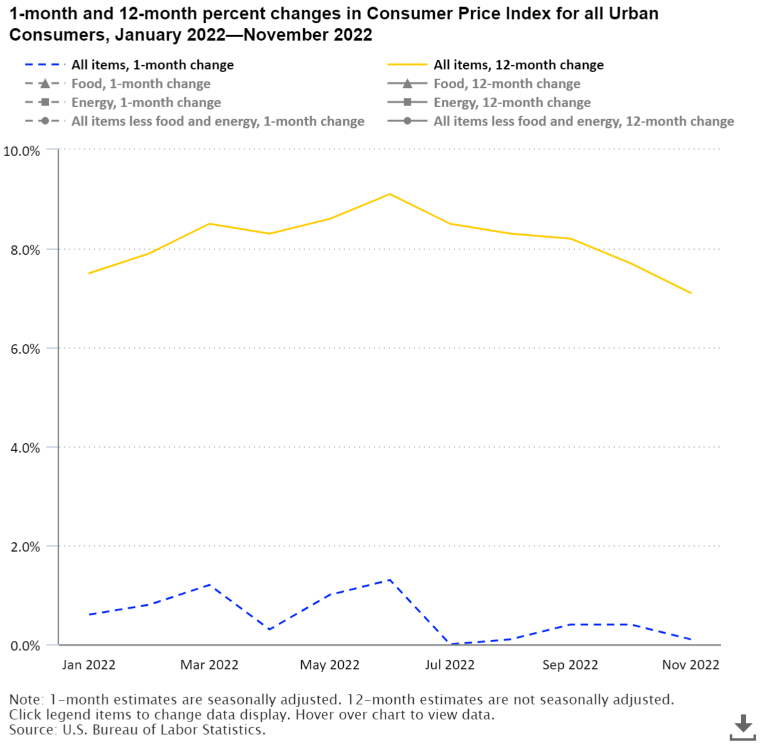
Investment Forecast

MILD RECESSION

Current Recession
Different than 2008 – 2009

- Last Recession was a broken banking system
- Currently economic fundamentals are very strong
- Recession is defined as 2 quarters of negative GDP
- Predictions – mild, shallow, shorter recession

Inflation at 7.2%



MILD RECESSION

Feds control rising inflation

- Raise Interest Rates to slow economy
- Federal Reserve 2023 Meeting Schedule
  - Jan/Feb 31-1
  - March 21-22
  - May 2-3
  - June 13-14
  - July 25-26
  - September 19-20
  - Oct/Nov 31-1
  - December 12-13
- Commercial real estate values decline
  - Sellers want yesterday's price
  - Buyers want a return after higher debt service
  - This disconnect corrects in 6 to 18 months

SEARCHING FOR QUALITY INVESTMENT

Potential Buyer wants help

- $2,000,000 cash
- No experience in Commercial Real Estate
- Understands Money, well educated
- Minimize Risk
- Keep ahead of inflation

Seek Assistance from a Norris & Stevens Investment Broker

PORTLAND'S INVESTMENT MARKET PLACE

Multi Family

- Low risk and low return
- Constant demand for more housing
- Management intensive
- Quality Properties rarely make it to the open market

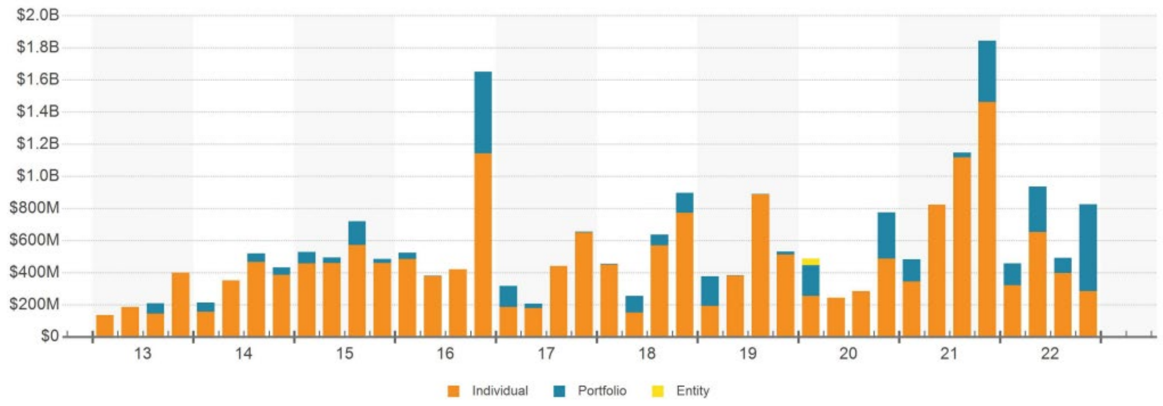
PORTLAND'S INVESTMENT MARKET PLACE

Multi Family

Submarket	Sales Volume	Deals
Vancouver	$564,813,692	35
Hillsboro	$505,156,591	7
Beaverton	$302,980,780	15
Sherwood/Tualatin	$230,225,000	7
SE Portloand	$168,218,650	53
Tigard	$157,525,000	5

		Trends
Market Cap Rate	4.40%	Down
Price per Unit	$296	Up
Vacancy Rate	5.24%	Same
Transactions	262	Up
Sale to Asking Price	-2.80%	Down
Sales Volume	$2.7 B	Down

SALES VOLUME BY TRANSACTION TYPE



PORTLAND'S INVESTMENT MARKET PLACE

Industrial

- Low Vacancy - high demand – low supply
- Quality Properties rarely make it to the open market
- User Own (Buy & Sell) a majority of the Industrial Properties
- Industrial zoned land is popular

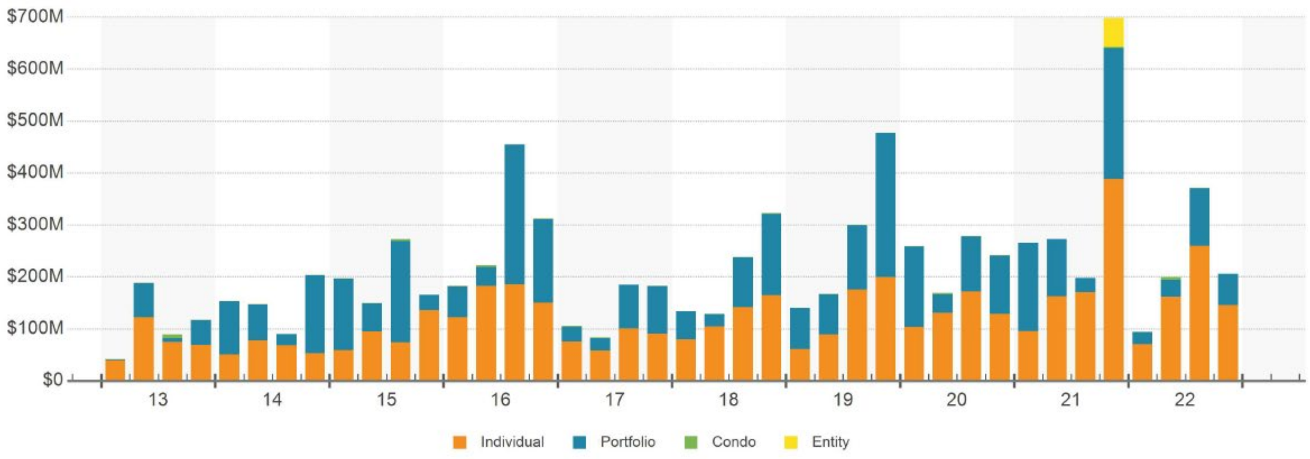
PORTLAND'S INVESTMENT MARKET PLACE

Industrial

Submarket	Sales Volume	Deals
Clackamas/Milwaukie	$118,459,921	21
Rivergate	$117,100,001	11
Tualatin	$95,467,500	20
217 Corridor/Beaverton	$79,700,000	10
Wilsonville	$77,964,438	5
Sunset Corridor/Hillsboro	$67,747,972	23

		Trends
Market Cap Rate	5.60%	Same
Price per SF	$179	Up
Vacancy Rate	3.59%	Down
Transactions	253	Up
Sale to Asking Price	4.00%	Down
Sales Volume	$871 M	Down

SALES VOLUME BY TRANSACTION TYPE



PORTLAND’S INVESTMENT MARKET PLACE

Office – Cloudy Future

- High Vacancy - remote work – Pandemic
- Medical Office Popular
- Movement to Suburbs – Safety Issues
- Flight to Quality – higher lease rates

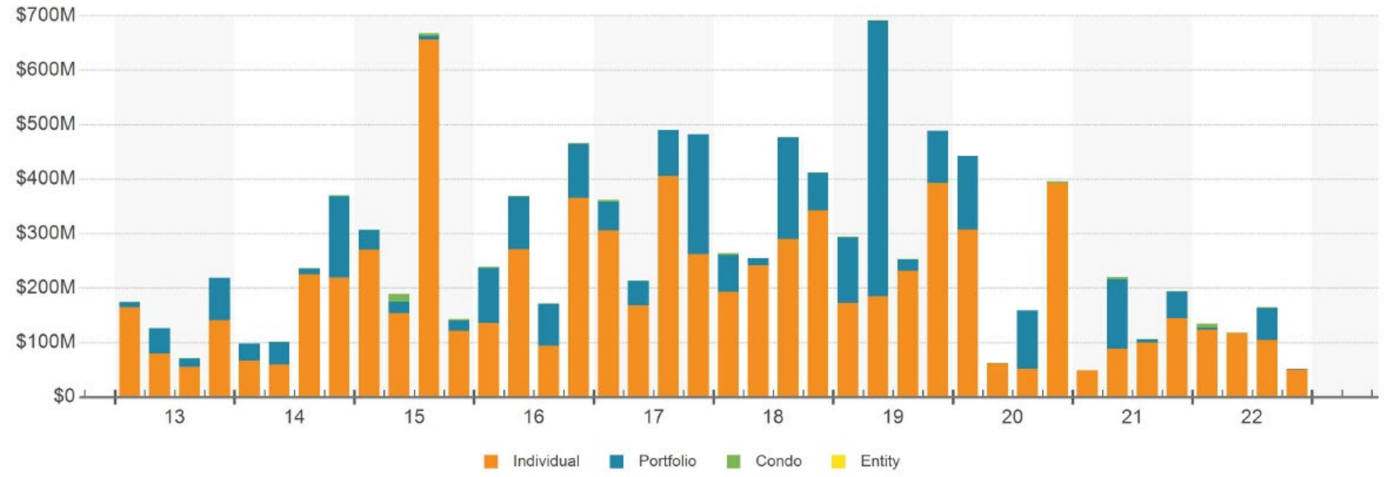
PORTLAND'S INVESTMENT MARKET PLACE

Office

Submarket	Sales Volume	Deals
Sunset Corridor/Hillsboro	$131,613,700	22
Clackamas/Milwaukie	$53,207,717	24
Tigard	$47,118,918	13
CBD	$25,370,947	10
Gateway	$20,769,895	29

		Trends
Market Cap Rate	6.30%	Same
Price per SF	317	Up
Vacancy Rate	11.86%	Up
Transactions	267	Down
Sale to Asking Price	-8.30%	Up
Sales Volume	$465 M	Down

SALES VOLUME BY TRANSACTION TYPE



PORTLAND'S INVESTMENT MARKET PLACE

Retail – Steady

- Grocery anchored
- Neighborhood Strip Centers Increasing
- Big Box Failures
- Still recovering from the pandemic

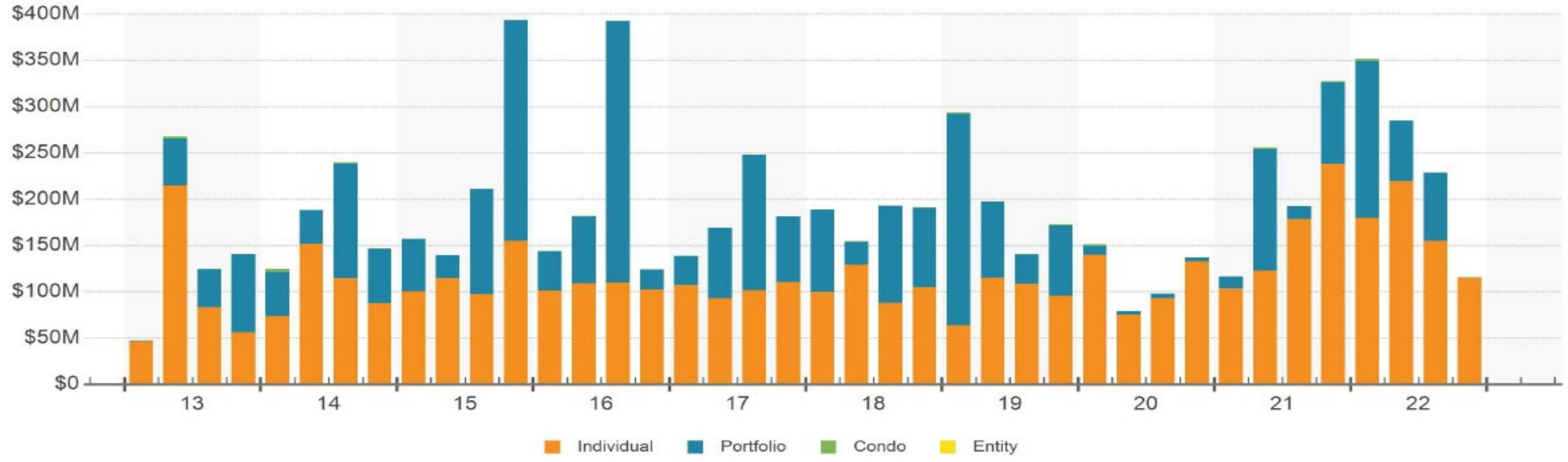
PORTLAND'S INVESTMENT MARKET PLACE

Retail

Year	Sales Volume	Deals
2022	$978,000,000	547
2021	$891,200,000	625
2020	$465,100,000	440
2019	$804,300,000	594
2018	$726,400,000	659

		Trend
Market Cap Rate	6.30%	Down
Price per SF	254	Up
Vacancy Rate	3.43%	Down
Transactions	548	Down
Sale to Asking Price	-5.50%	Down
Sales Volume	$978 M	Up

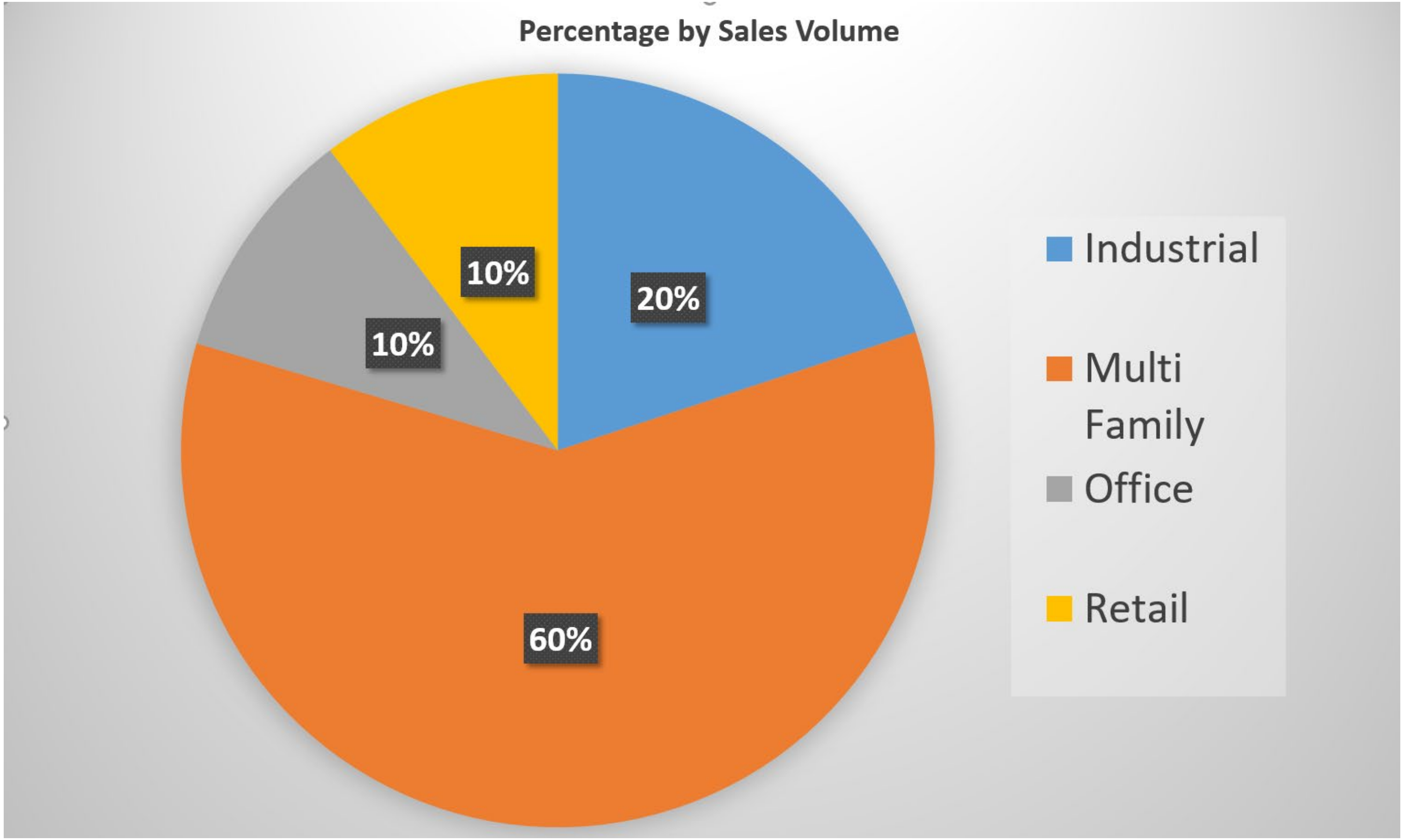
SALES VOLUME BY TRANSACTION TYPE



PORTLAND'S INVESTMENT MARKET PLACE

	# of Deals	Sales Volume	Ave Size	Percentage by Sales Volume		
Industrial	253	$871,000,000	$3,442,688	20%		
Multi Family	262	$2,700,000,000	$10,305,344	60%		
Office	267	$465,000,000	$1,741,573	10%		
Retail	548	$978,000,000	$1,784,672	10%		
Total	1330	$5,014,000,000	$17,274,276			

PORTLAND'S INVESTMENT MARKET PLACE



LOCATION, LOCATION, LOCATION

Government

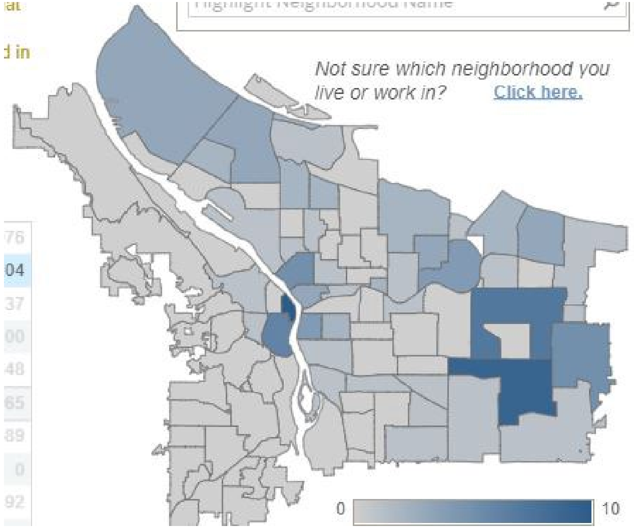
- State – Taxes, infrastructure costs
- City - taxes, planning, police force
- County - police force

LOCATION, LOCATION, LOCATION

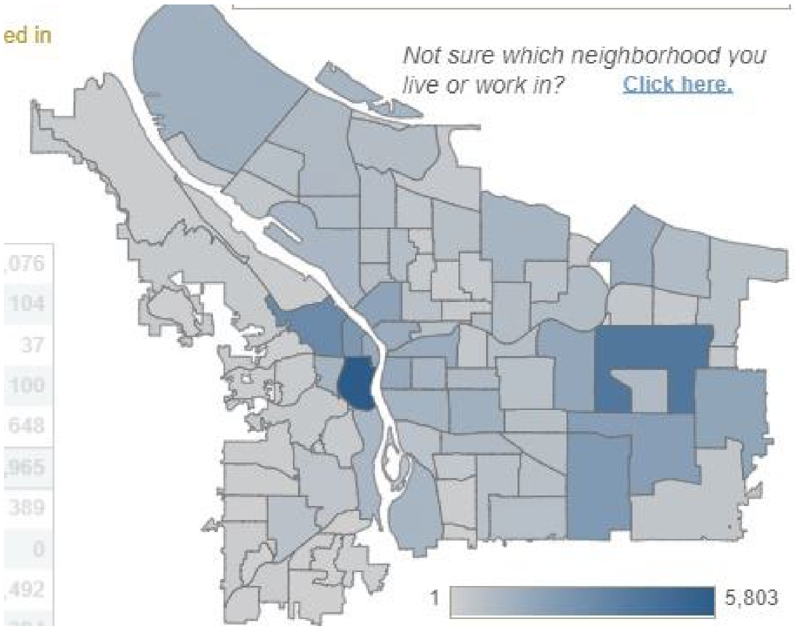
Safety Issues

- Homicides
- Homeless/tents/garbage
- Crimes

Portland Homicides
104 in 2022



Portland Property Crimes
66,077 in 2022



LOCATION, LOCATION, LOCATION

Accessibility

- Transportation
- Amenities/Neighbors
- Parking

2023

Impact of higher interest rates & inflation

- **Title companies forecast ± 50% decline in escrows**
- **Exchange Company anticipates 40% - 50% less exchanges**
- **4th quarter of 2022 was the lowest sales since 2008**

KEYS TO CRE SUCCESS IN 2023

- **Concentrate on Popular Products –** Single Tenant Retail, Multi-tenant industrial, more than 20 unit multi-family, grocery anchored retail
- **Certain Market segments will open up sooner than others**
- **Suggest sellers offer seller financing**
- **Seek Properties that are**
    - Distressed
    - Foreclosure Pending
    - Lender REO's
    - Vacant/Homeless Occupied/underutilized
- **Post Recession**
    - Fewer competing brokers---thinning the herd, 30-40% left in 2008, 2009
    - Your Major Clients will reward your "contact" calls

QUIZ

The $2.0 Million cash Buyer wanted upside, some risk, no vacancy and close early in 2023; what product type do you recommend?

For 2023 who should you be calling?

When is the next Federal Reserve meeting?

How many meetings will the Federal Reserve have in 2023?