

| CREW PORTLAND

PRESENTED BY

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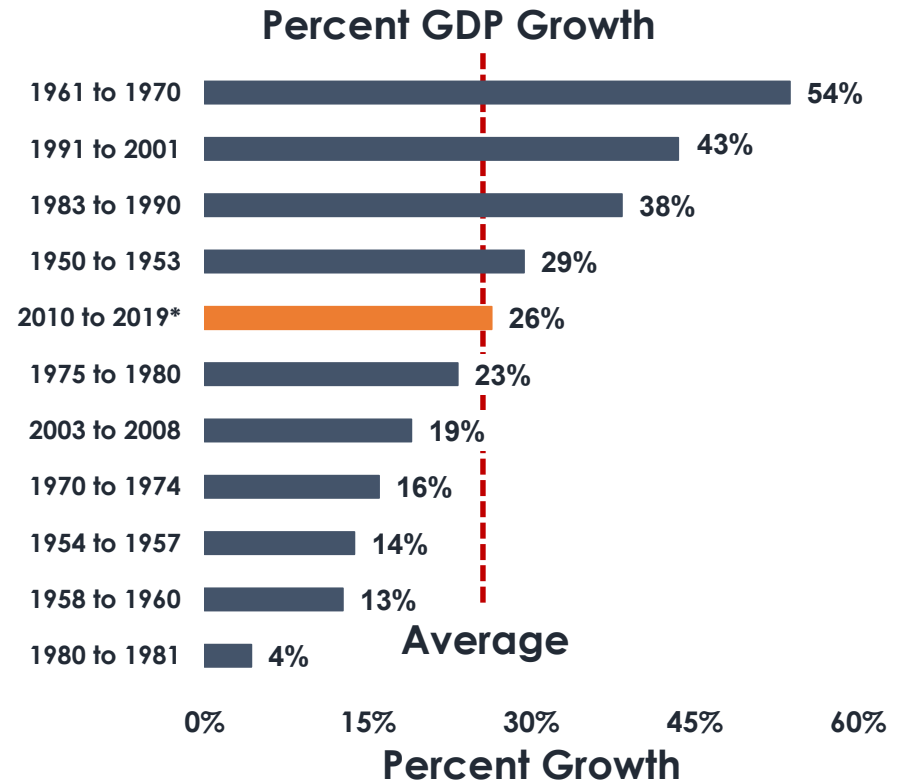
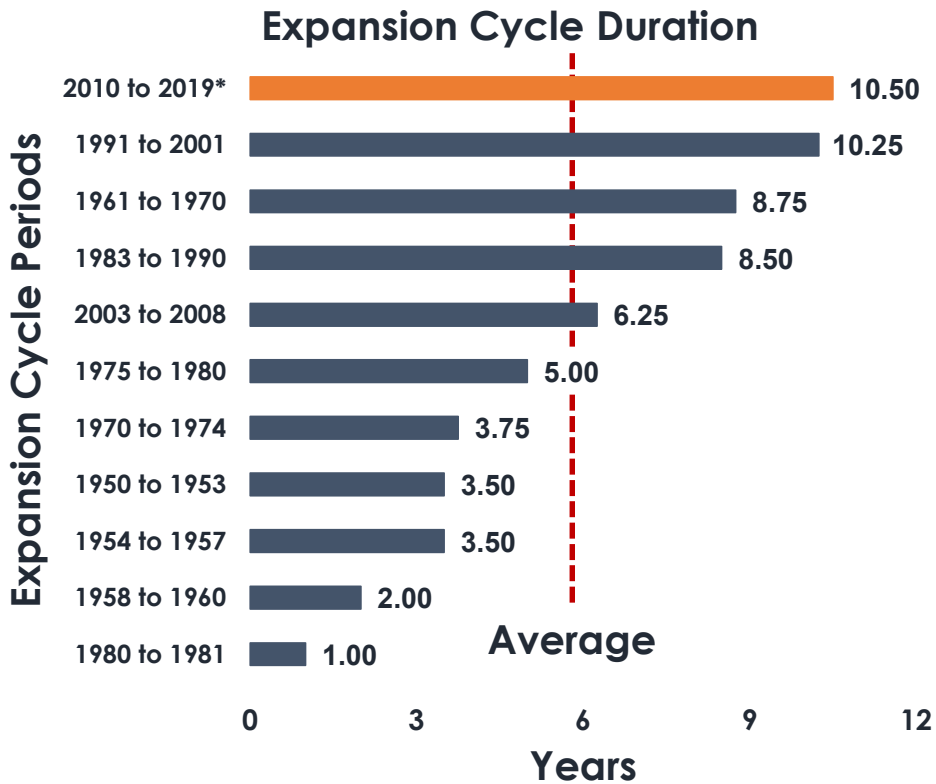
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WHAT A DIFFERENCE 10 YEARS MAKES

Ten Years of Economic Growth Has Transformational Impact

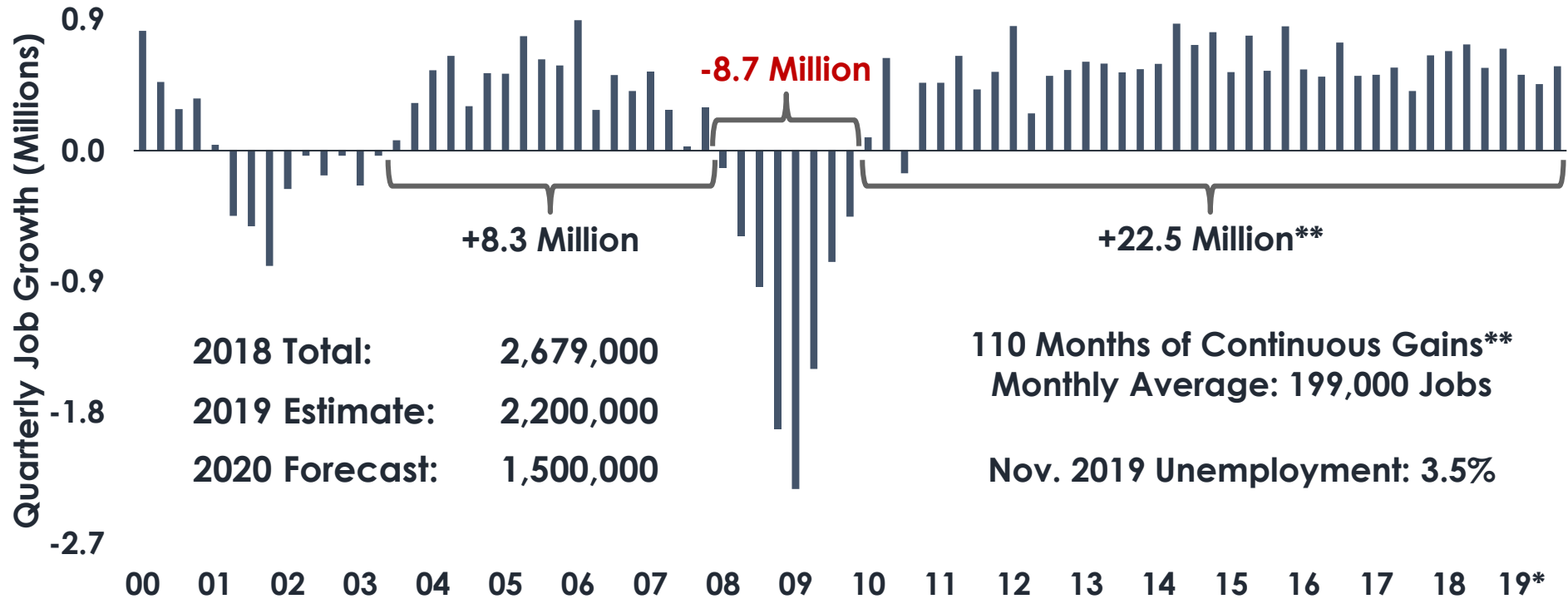
- ❖ **\$6.9 Trillion** GDP Growth Since 2009 (Double U.K.'s Total GDP)
- ❖ **22.2 Million** Population Gain Since 2009 (Pop. of Australia)
- ❖ **22.5 Million** More Jobs Than 2009 (Labor Force of Spain)
- ❖ **640 bps Decline** Unemployment Rate Down From to 9.9% to 3.5%
- ❖ **4.8 Million** More Job Openings Than 2009 (2.5 Million)
- ❖ **10.9 Million** More Households Than 2009
- ❖ **70 bps** Decline in Inflation Rate (PCE) to 1.5%
- ❖ **170 bps** Decrease in 10-Yr. Treasury Yield to 1.9%

Economic Cycle Sets New Record; Growth Cycles Don't Die of Old Age



* Estimate through 4Q
Sources: Marcus & Millichap Research Services, BEA

Employment Growth Durable – Labor Shortage Tapering Momentum

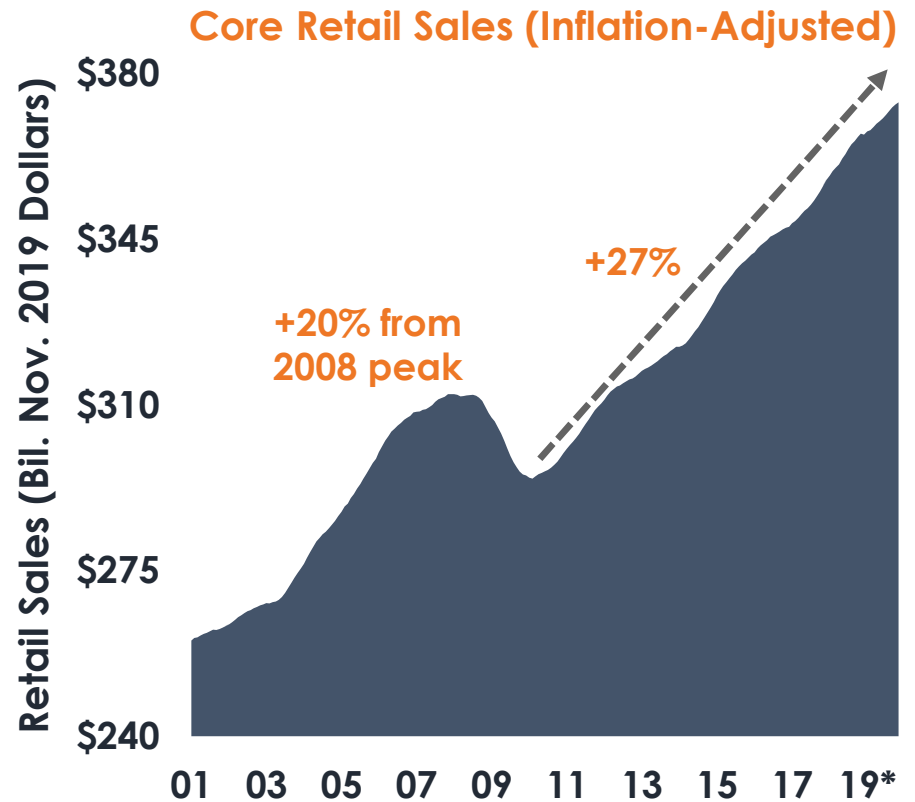
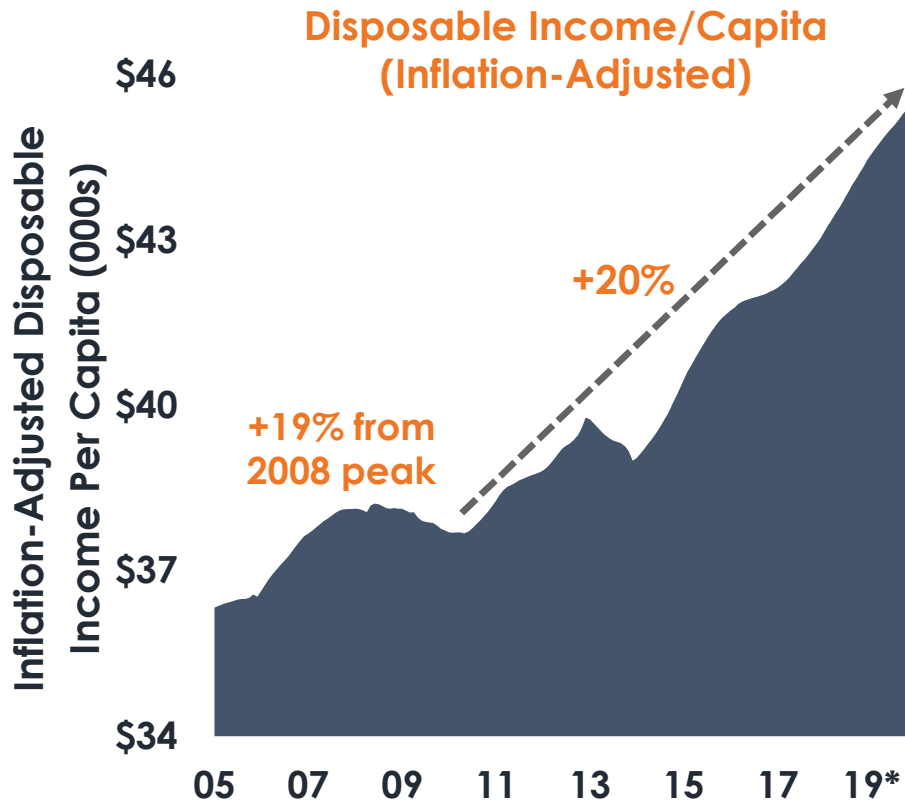


2018 Total: 2,679,000
 2019 Estimate: 2,200,000
 2020 Forecast: 1,500,000

110 Months of Continuous Gains**
 Monthly Average: 199,000 Jobs
 Nov. 2019 Unemployment: 3.5%

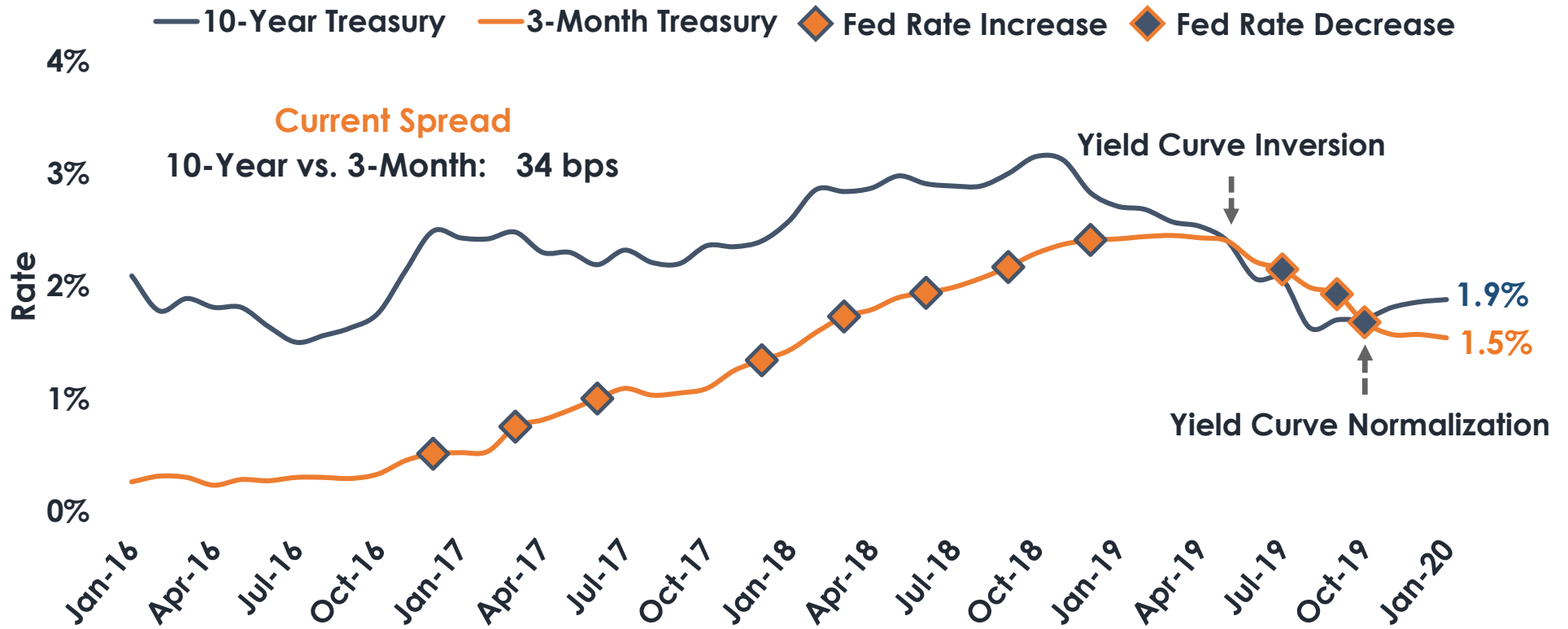
* Through 3Q
 ** Through November
 Sources: Marcus & Millichap Research Services, BLS

Strong Job Market and Wage Gains Deliver Rising Income and Consumption



* Through November
 Trailing 12-month average; adjusted for inflation using core PCE
 Core retail sales exclude auto and gasoline sales
 Sources: Marcus & Millichap Research Services, BEA, U.S. Census Bureau

Policy Disconnect Sparked Yield Curve Inversion; Aggressive Fed Response Normalizes

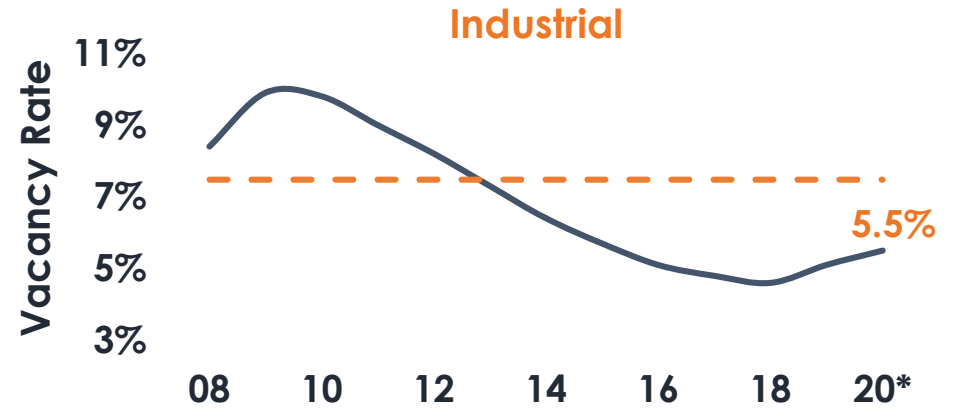
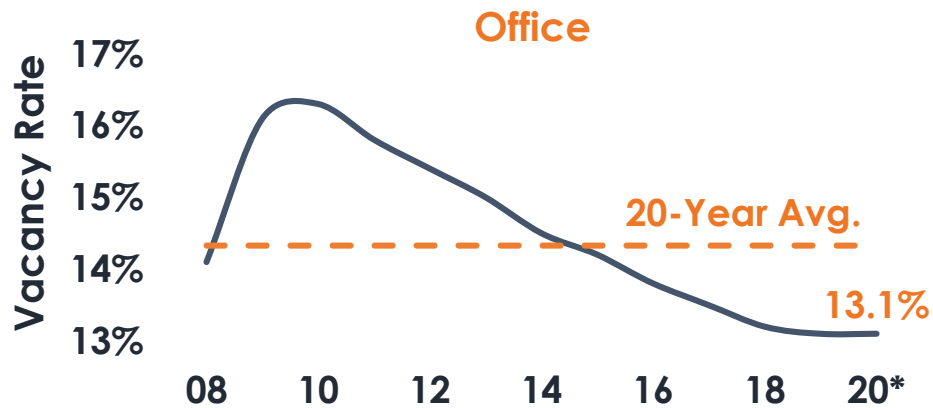
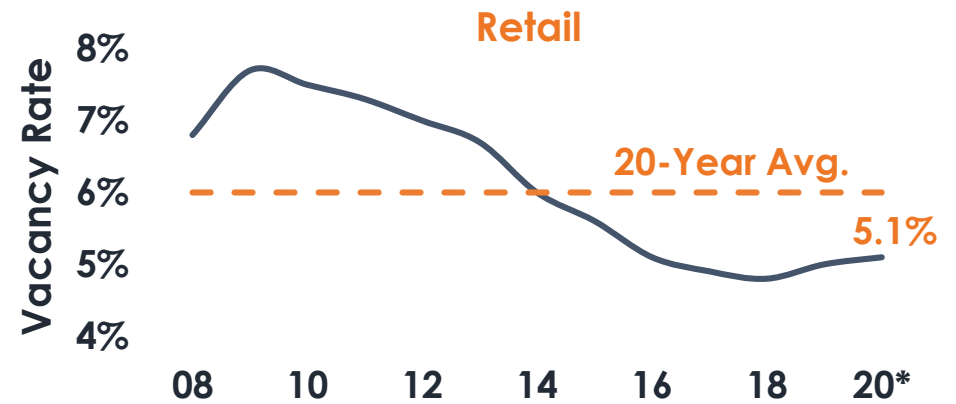


Through January 02
Sources: Marcus & Millichap Research Services, Federal Reserve

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NATIONAL COMMERCIAL REAL ESTATE OVERVIEW AND OUTLOOK

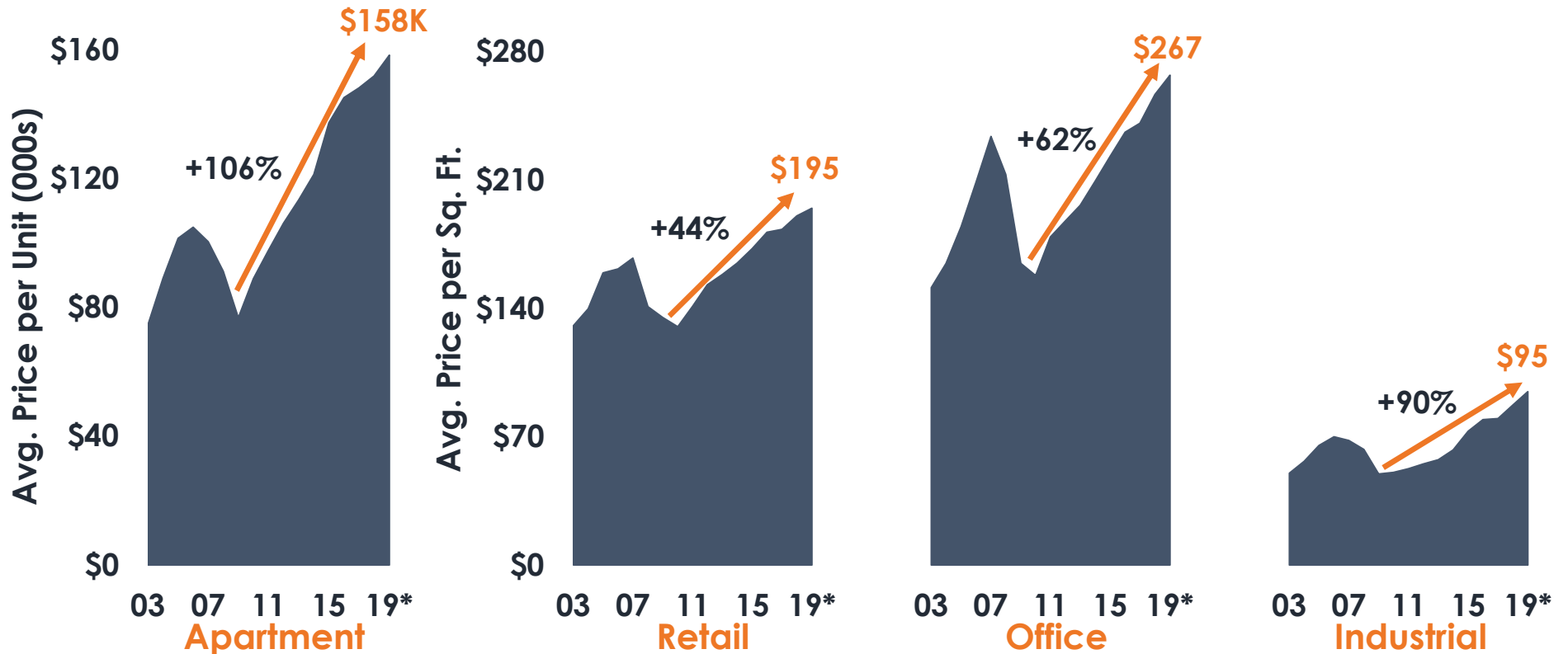
National Vacancy Rate Remains Stable Across All Property Type



* Forecast
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., RealPage, Inc.

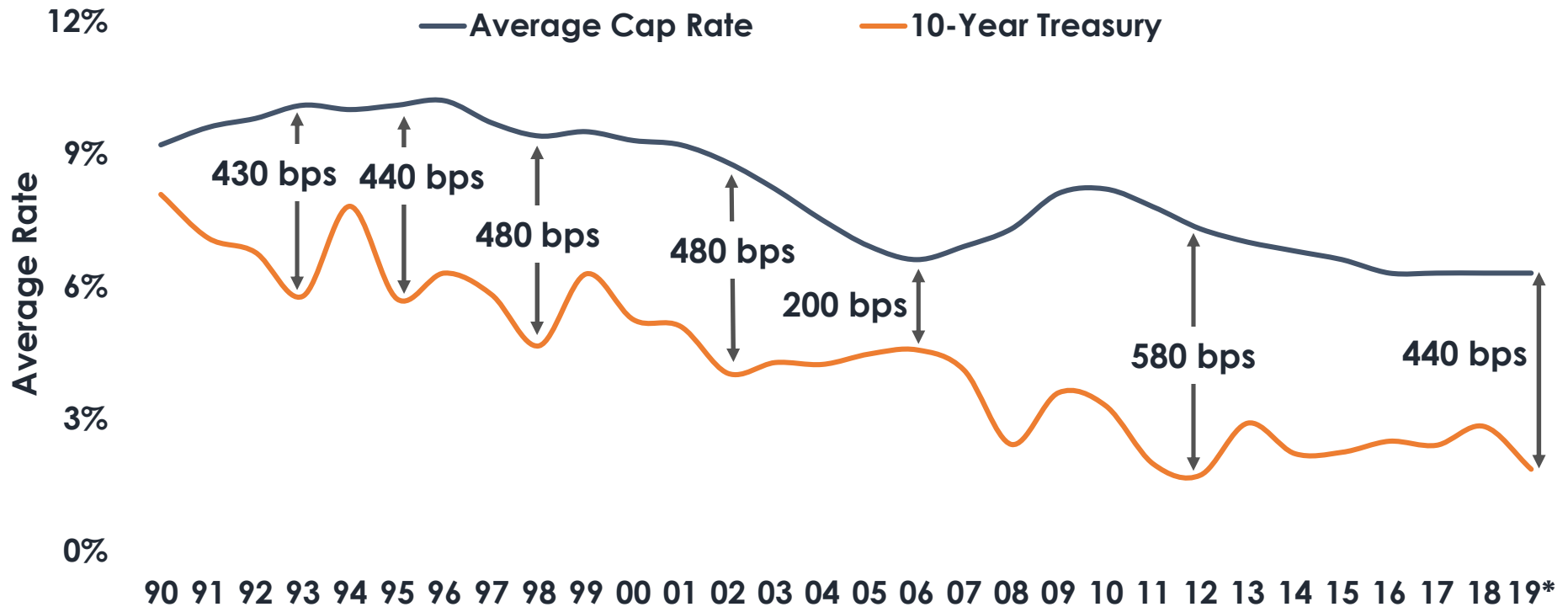
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U.S. Average Price Appreciation Has Been Strong Pace of Growth Beginning to Flatten



* Trailing 12 months through 3Q
Includes sales \$1 million and greater
Sources: Marcus & Millichap Research Services, Real Capital Analytics, CoStar Group, Inc.

Commercial Real Estate Avg. Yield vs 10-Year Treasury – Spread Has Re-Opened



* Through December
 Includes apartment, retail, office, and industrial sales \$1 million and greater
 Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics, Federal Reserve

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PORTLAND ECONOMIC SNAPSHOT

Portland Boasts Healthy Growth 10-Years of Momentum

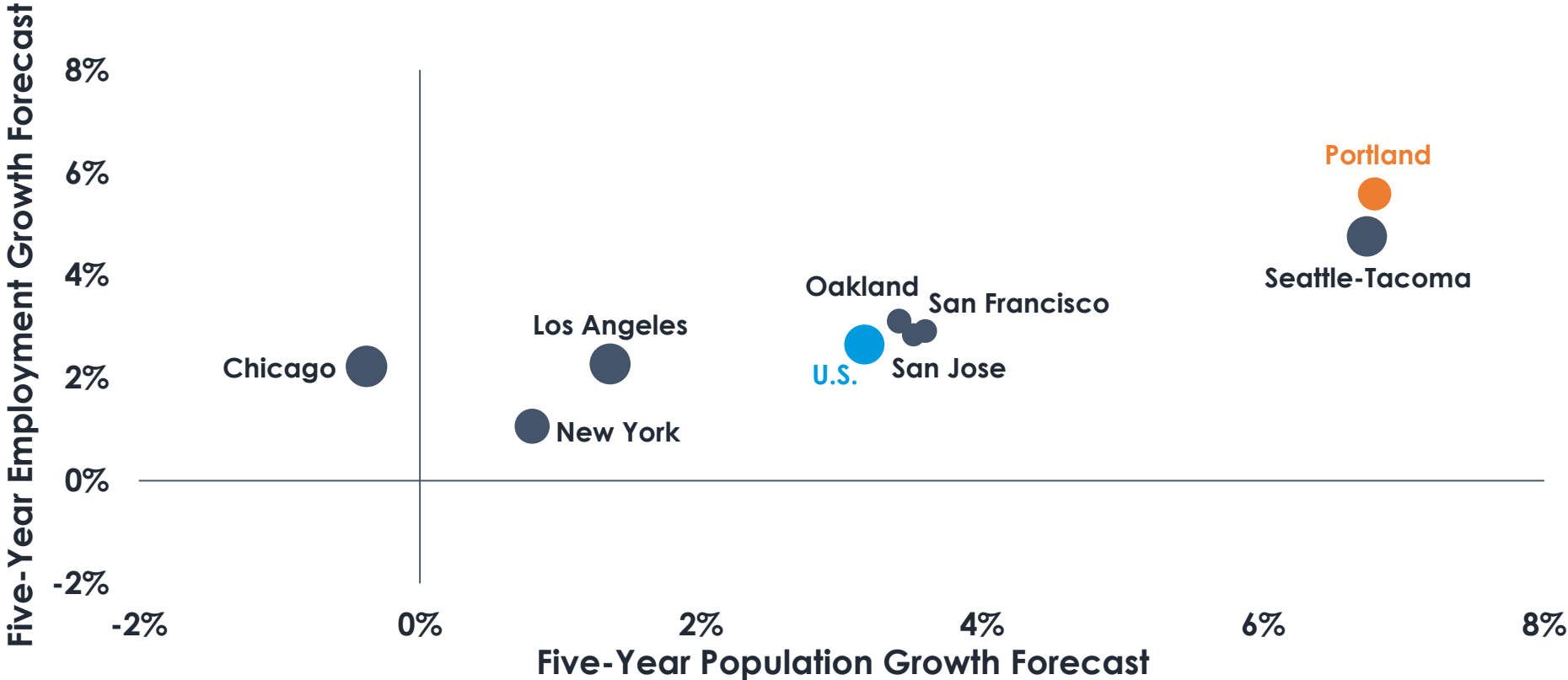
Factors Driving Portland Metro Appeal

- ❖ **13%** Growth in Population, +271K Since '09
- ❖ **21%** Young-Adults as % of Pop, 532K YA
- ❖ **26%** Growth in Employment, +255K Since '09
- ❖ **3.9%** Unemployment Rate, 1.2M Employed
- ❖ **58%** Increase in Retail Sales Since '09
- ❖ **34%** Economic Growth (GSP), \$56B Since '09
- ❖ **59%** Median Home Price Growth Since '09 - \$274K

Through 3Q 2019; through November for employment; through 2Q 2019 for GSP
GSP for state of Oregon; young adults include 20 to 34 year olds
Sources: Marcus & Millichap Research Services, BEA, BLS, U.S. Census Bureau, CoStar Group, Inc.,

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Portland Offers Compelling 5-Year Outlook Outpacing Many Notable Gateway Markets



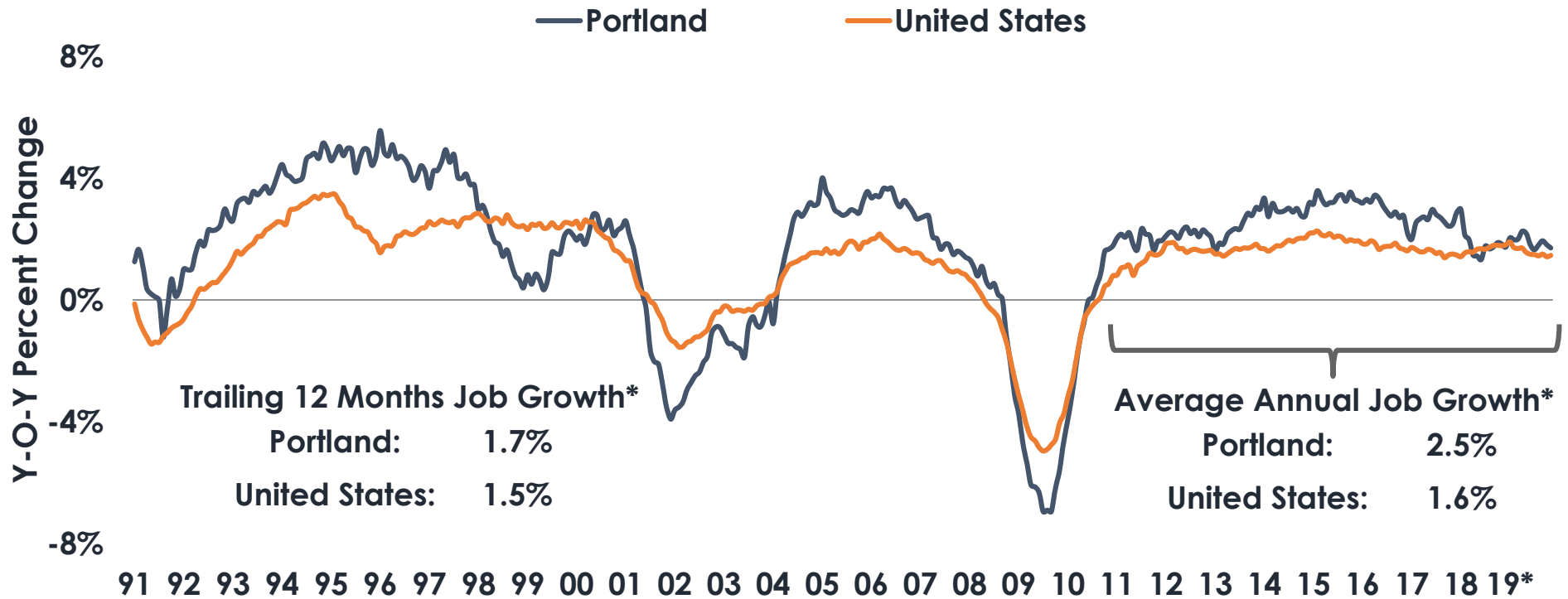
Five-year period: 2019 to 2024

Bubble size correlates to absolute employment growth excluding U.S.

Sources: Marcus & Millichap Research Services, U.S. Census Bureau, BLS, Moody's Analytics

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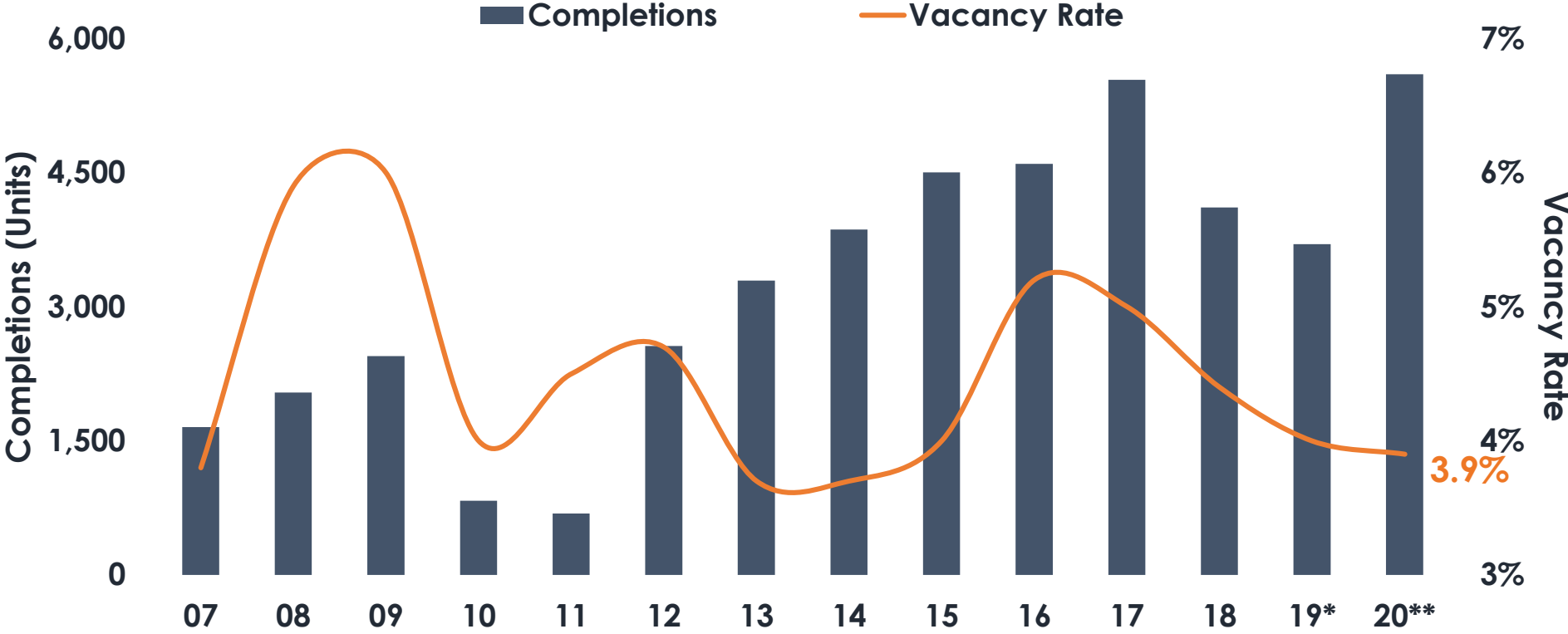
Portland Job Creation Outpacing U.S. Sustains Positive Outlook



* Through November
Sources: Marcus & Millichap Research Services, BLS

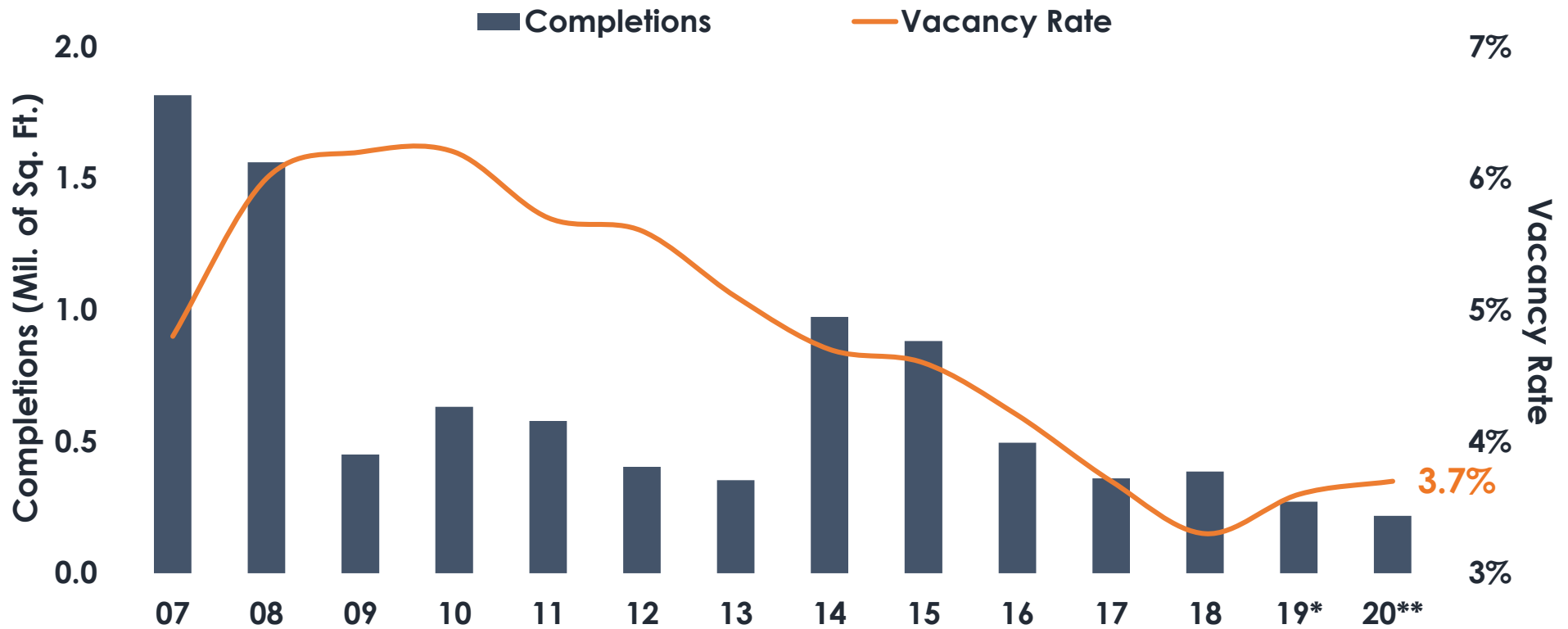
PORTLAND COMMERCIAL REAL ESTATE OVERVIEW AND OUTLOOK

Resurgent Apartment Construction in Portland Metro Will Pace Demand



* Estimate
 ** Forecast
 Sources: Marcus & Millichap Research Services, RealPage, Inc.

Nominal Portland Metro Retail Construction Sustains Tight Vacancy Levels

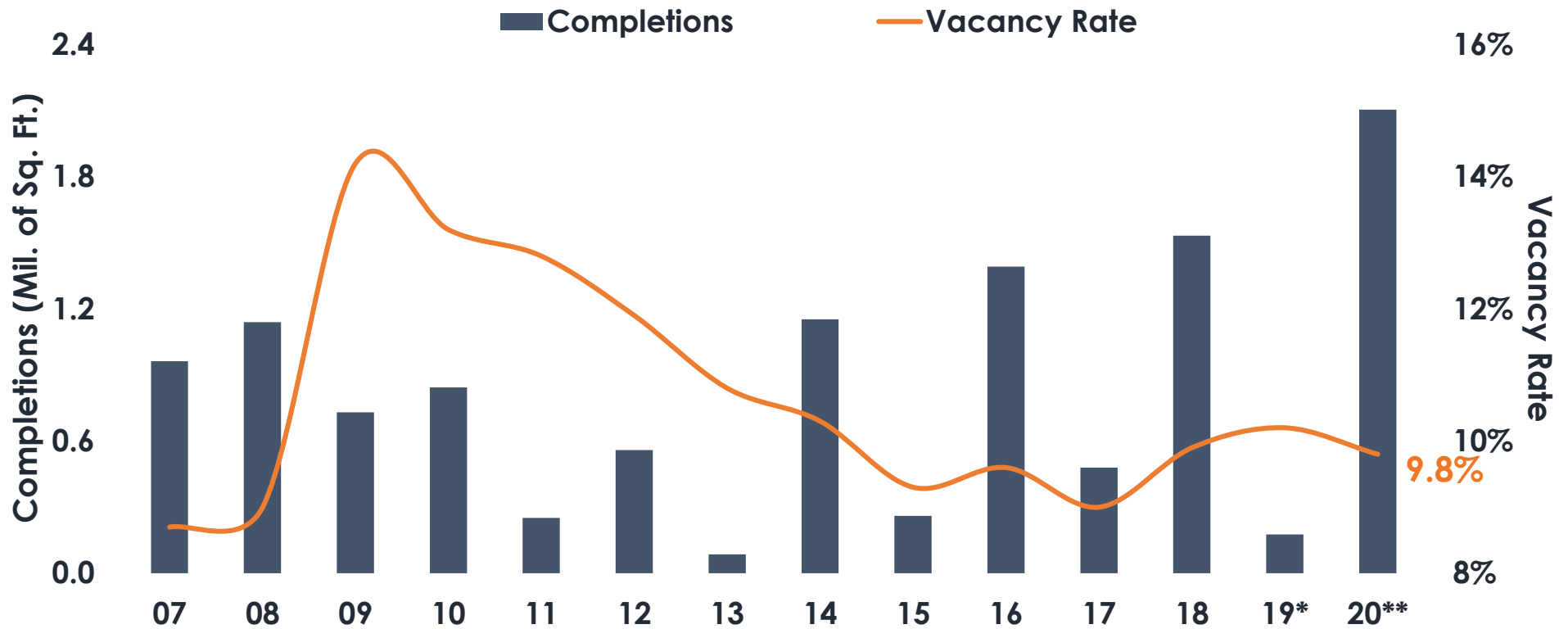


* Estimate
 ** Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

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Office Demand Outpacing Construction Keeping Portland Among Tightest Markets in U.S.

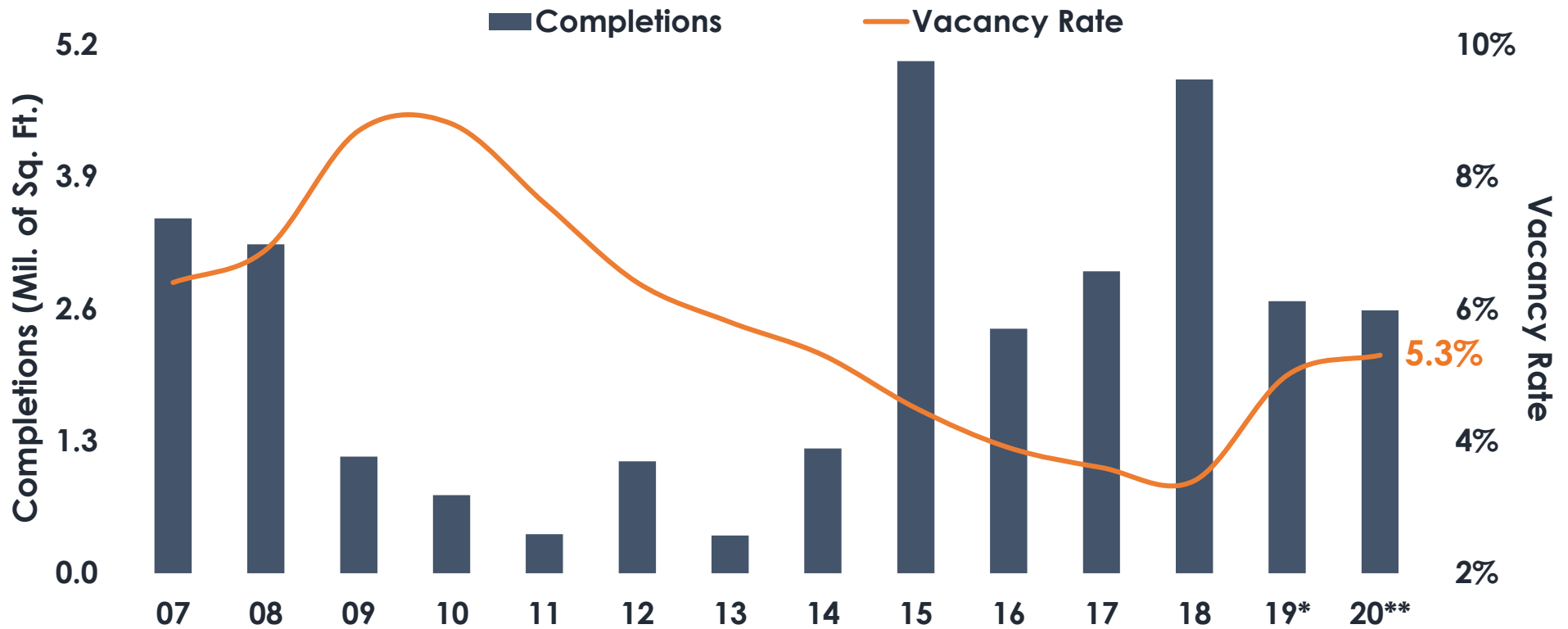


* Estimate
 ** Forecast

Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

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Portland Industrial Market Stabilizing Following Modest Uptick Last Year

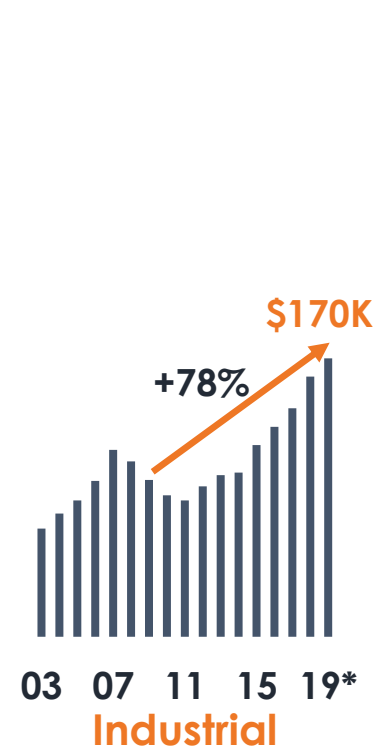
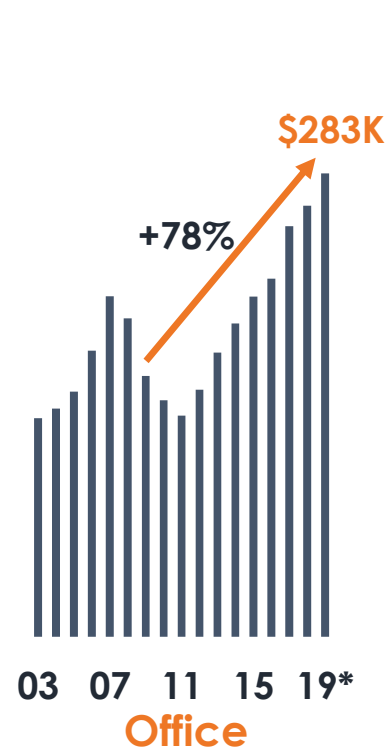
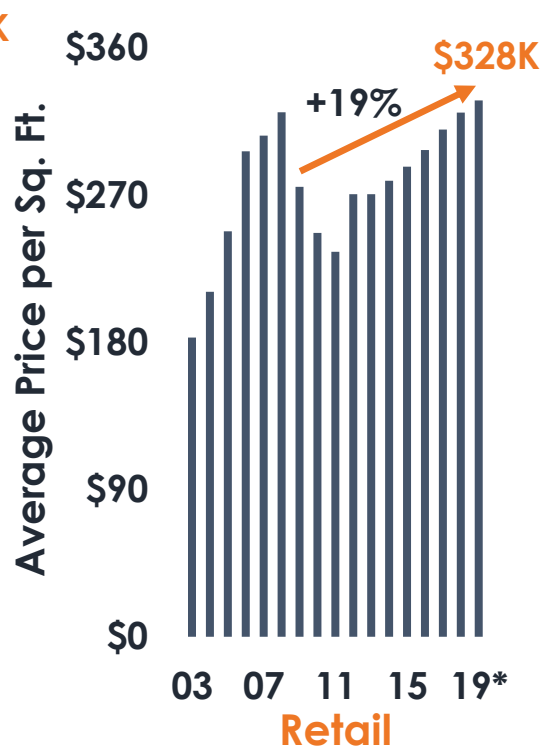
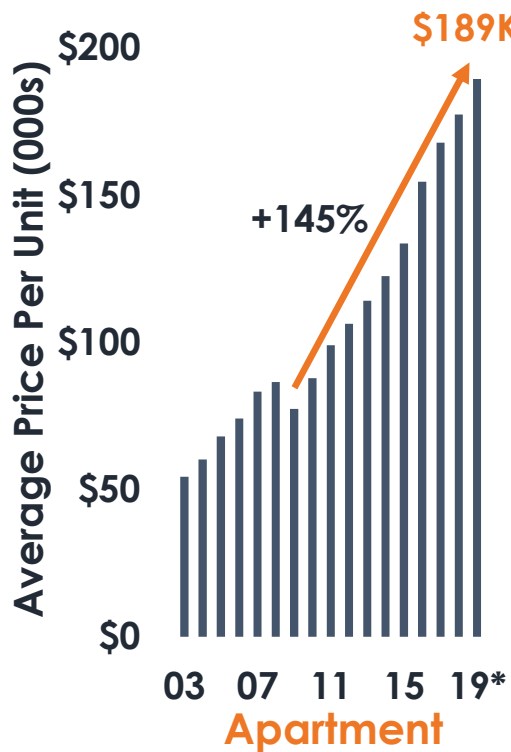


* Estimate
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Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

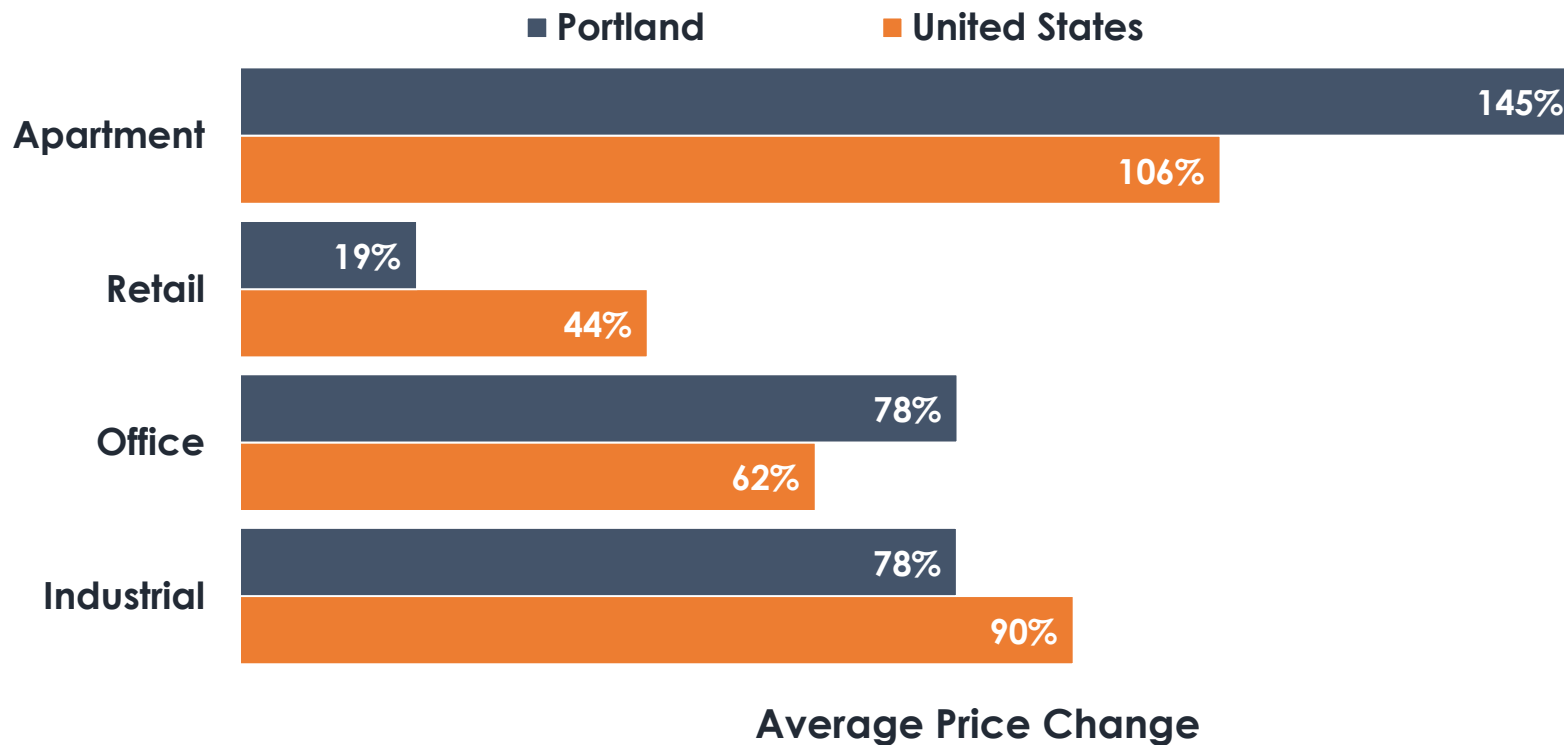
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Portland Delivers 10 Years of Strong Appreciation



* Through 3Q
 Includes sales \$1 million and greater
 Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

Portland vs. United States Ten-Year Price Growth by Property Type



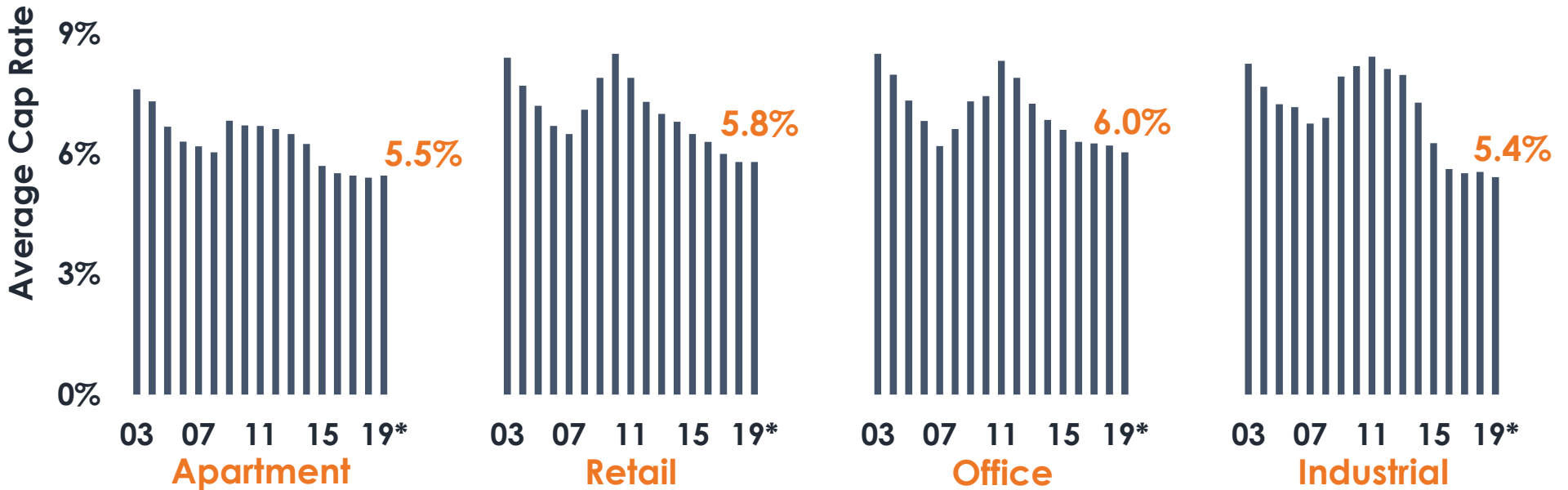
Ten-year period: 2009 to 3Q 2019
Includes sales \$1 million and greater
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

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Portland Average Cap Rates Below National Average (Mostly)

U.S. Average
Cap Rate

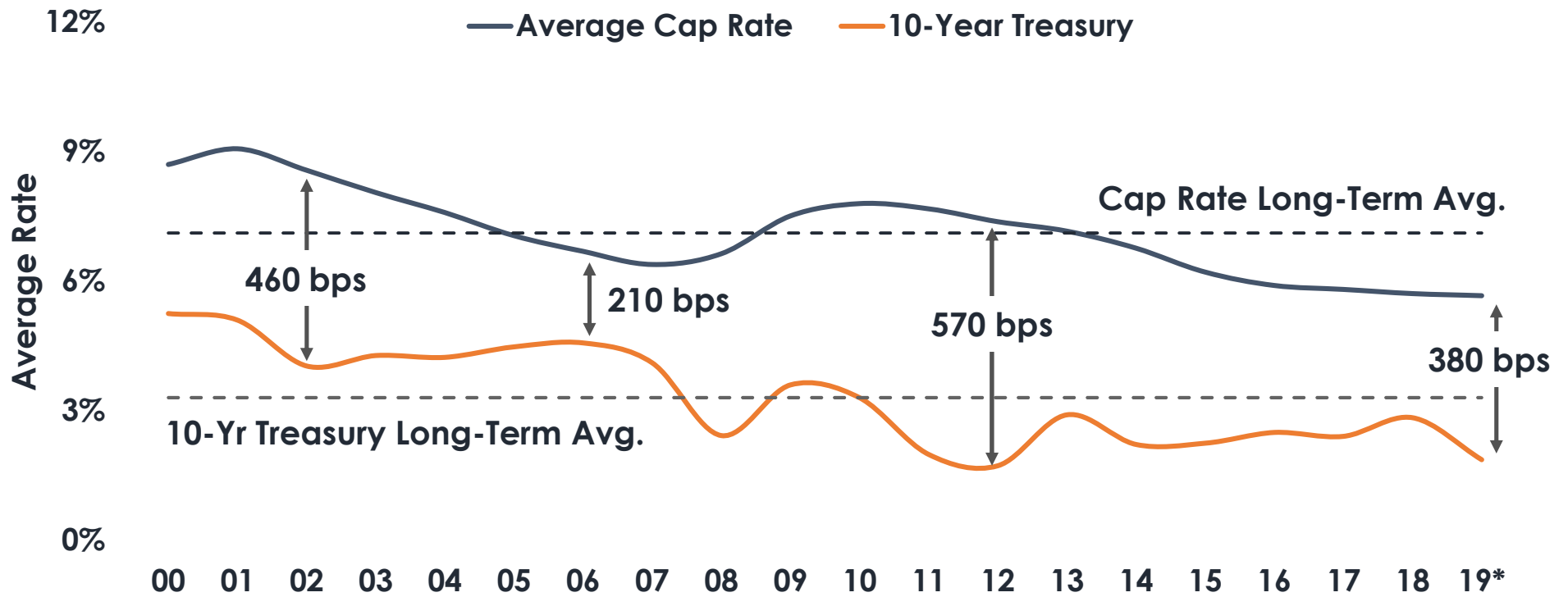
Apartment	Retail	Office	Industrial
5.1%	6.3%	7.1%	6.9%



* Through 3Q
Includes sales \$1 million and greater
Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics

Portland All Commercial Real Estate Cap Rate Trends

Average Cap Rate vs. 10-Year Treasury



* Through December
 Includes sales \$1 million and greater
 Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics, Federal Reserve

Major CRE Considerations for 2020

- ❖ **A recession could still be lurking out there**
 - Trade War not yet truly resolved
 - Europe slowdown/Brexit could spark challenges
 - Major geopolitical risks present (impeachment, election, Iran)
- ❖ **Public policy impacting flow of investor capital**
- ❖ **Relational affordability and quality of life increasingly relevant to workers and the companies hiring them**
- ❖ **Demographics point to increasing suburbanization**
- ❖ **Baseline forecast points to steady but slower growth**

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