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Portland Retail Market Highlights  
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While there certainly has been a noticeable downturn in national markets and chain retailers, when it comes to Portland's retail market, the overwhelming sentiment from developers and retailers is, "continue to expand, but proceed with caution."

Retail vacancy in the overall metropolitan area is expected to hover in the 5 percent range, primarily due to moderate retail development in proven suburban trade areas and new mixed-use development in central city neighborhoods.

The Pearl District and NW 23rd continue to enjoy low vacancy rates and rising rents. The expansion of The Pearl District in all directions has prompted an influx of retailers, especially to the south and east (West End and Old Town), bridging the gap between the central business district and The Pearl. The most significant developments to note include Unico's Asa Flats + Lofts in the north end of The Pearl, which incorporates a 35,000-square-foot Safeway grocery store and 22,000 square feet of retail, and Gerding & Edlen's LEED Platinum planned redevelopment of a 110,000-square-foot Meier & Frank warehouse building at NW 14th and Everett. Two additional LEED-certified developments along Naito Parkway are planned for 2009-2010 with both the SEED (Social Economic Environmental Design) redevelopment of Centennial Mills by Lab Holding and the office tower development of One Waterfront Place by Jim Winkler.

Park Avenue West, a 22-story mixed-use development at Park Avenue and Morrison downtown, will add upwards of 30,000 square feet of retail space to Portland's central business district. On the eastern border of downtown, Shorenstein's First & Main office tower is under construction with 346,000 square feet of office space and 20,000 square feet of retail space scheduled for occupancy in early 2010. The South Waterfront District continues its southern growth even though the condominium market has cooled considerably. To date, OHSU's Tower, The Meriwether, The John Ross and The Atwater have been completed and 75 percent of the ground-floor retail has been leased.

Portland's dense residential north and southeast sides have witnessed tremendous change and growth as neighborhood infill has become accepted and convenient for residents. Restorations and conversions of out-dated commercial properties have sparked a resurgence of retail activity led primarily by local restaurants. The recently completed Grand Central Bowl, a historical urban redevelopment, has not only been an attraction and amenity for the inner east side, but also a regional draw due to the uniqueness of the anchor tenant, a 20,000-square-foot, 12-lane bowling alley, restaurant and lounge with independent pizza, yoga, juice and coffee operators.

On the suburban front, the Bridgeport retail trade area continues to grow. Trammell Crow Residential will break ground late this year on The Alexan Bridgeport, a high-density, mixed-use project that will give the suburbs its first taste of urban development.

As the second half of 2008 approaches, there's no reason to panic. With continued selective construction and careful planning, Portland's retail market should remain strong throughout the remainder of the year and into 2009.