The CoStar Office Report

Third Quarter 2016

Portland Office Market

CoStar™

The knowledge market

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Methodology

The CoStar Office Report, unless specifically stated otherwise, calculates office statistics using CoStar Group's entire database of existing and under construction office buildings in each metropolitan area. Included are office, office condominium, office loft, office medical, all classes and all sizes, and both multi-tenant and single-tenant buildings, including owner-occupied buildings. CoStar Group's national database includes approximately 80.7 billion square feet of coverage in 3.5 million properties. All rental rates reported in the CoStar Office Report have been converted to a Full Service equivalent rental rate.

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CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Portland Office Market

Overview

Portland's Vacancy Decreases to 7.3%

Net Absorption Positive 378,641 SF in the Quarter

The Portland Office market ended the third quarter 2016 with a vacancy rate of 7.3%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 378,641 square feet in the third quarter. Vacant sublease space increased in the quarter, ending the quarter at 286,939 square feet. Rental rates ended the third quarter at $23.49, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 117,500 square feet, with 1,545,056 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Portland office market was positive 378,641 square feet in the third quarter 2016. That compares to positive 753,779 square feet in the second quarter 2016, positive 304,281 square feet in the first quarter 2016, and positive 624,762 square feet in the fourth quarter 2015.

Tenants moving out of large blocks of space in 2016 include: Stoel Rives, LLP moving out of 140,490 square feet at Standard Insurance Center; Oregon Department of Justice moving out of 43,165 square feet at 1515 Market Square; and HSBC Capital One moving out of 123,121 square feet at the Tigard Corporate Center.

Tenants moving into large blocks of space in 2016 include: Stoel Rives LLP moving into 132,382 square feet at Park Avenue West; Oregon Department Of Human Services moving into 117,500 square feet at DHS Multi-Service Center; and Simple moving into 62,000 square feet at Clay Creative.

The Class-A office market recorded net absorption of positive 140,247 square feet in the third quarter 2016, compared to positive 679,427 square feet in the second quarter 2016, positive 133,677 in the first quarter 2016, and positive 222,587 in the fourth quarter 2015.

The Class-B office market recorded net absorption of positive 154,772 square feet in the third quarter 2016, compared to positive 10,171 square feet in the second quarter 2016, positive 147,461 in the first quarter 2016, and positive 324,808 in the fourth quarter 2015.

The Class-C office market recorded net absorption of positive 83,622 square feet in the third quarter 2016 compared to positive 64,181 square feet in the second quarter 2016, positive 23,143 in the first quarter 2016, and positive 77,367 in the fourth quarter 2015.

Net absorption for Portland's central business district was positive 63,976 square feet in the third quarter 2016. That compares to positive 225,179 square feet in the second quarter 2016, negative (30,136) in the first quarter 2016, and positive 128,591 in the fourth quarter 2015.

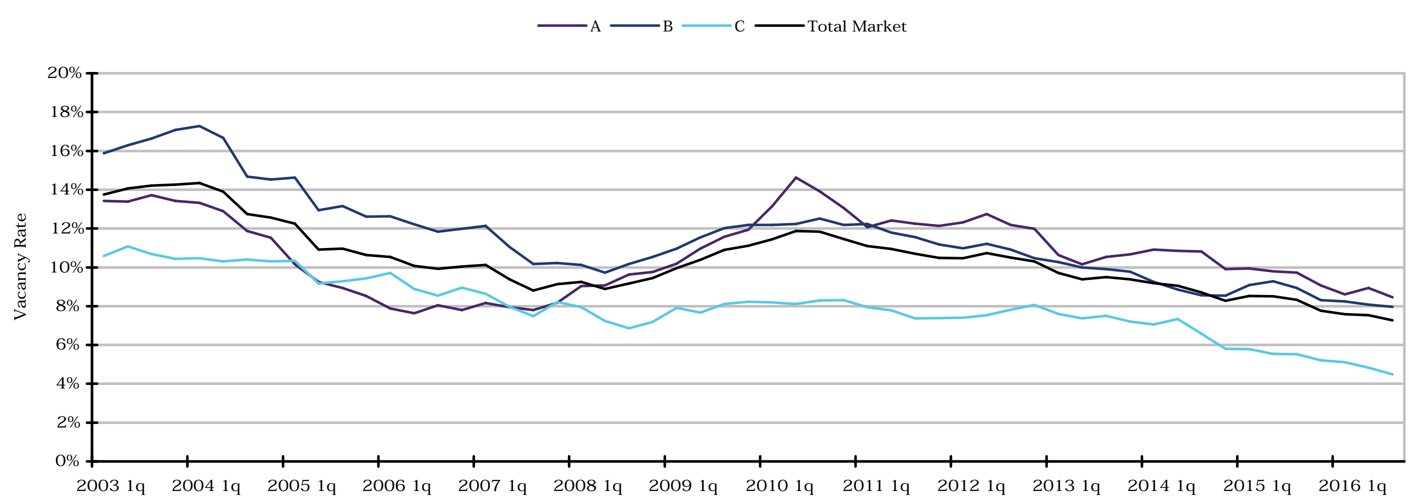
Net absorption for the suburban markets was positive 314,665 square feet in the third quarter 2016. That compares to positive 528,600 square feet in second quarter 2016, positive 334,417 in the first quarter 2016, and positive 496,171 in the fourth quarter 2015.

Vacancy

The office vacancy rate in the Portland market area decreased to 7.3% at the end of the third quarter 2016. The vacancy rate was 7.5% at the end of the second quarter 2016, 7.6% at the end of the first quarter 2016, and 7.8% at the end of the fourth quarter 2015.

Class-A projects reported a vacancy rate of 8.5% at the end of the third quarter 2016, 8.9% at the end of the second

Vacancy Rates by Class 2003-2016



Source: CoStar Property®

quarter 2016, 8.6% at the end of the first quarter 2016, and 9.1% at the end of the fourth quarter 2015.

Class-B projects reported a vacancy rate of 8.0% at the end of the third quarter 2016, 8.1% at the end of the second quarter 2016, 8.2% at the end of the first quarter 2016, and 8.3% at the end of the fourth quarter 2015.

Class-C projects reported a vacancy rate of 4.5% at the end of the third quarter 2016, 4.8% at the end of second quarter 2016, 5.1% at the end of the first quarter 2016, and 5.2% at the end of the fourth quarter 2015.

The overall vacancy rate in Portland's central business district at the end of the third quarter 2016 decreased to 9.4%. The vacancy rate was 9.7% at the end of the second quarter 2016, 9.3% at the end of the first quarter 2016, and 9.1% at the end of the fourth quarter 2015.

The vacancy rate in the suburban markets decreased to 6.5% in the third quarter 2016. The vacancy rate was 6.8% at the end of the second quarter 2016, 7.0% at the end of the first quarter 2016, and 7.3% at the end of the fourth quarter 2015.

Largest Lease Signings

The largest lease signings occurring in 2016 included: the 101,400-square-foot lease signed by Elemental Technologies at 1320 SW Broadway St in the CBD market; the 82,140-square-foot deal signed by Consumer Cellular at 12447 SW 69th Ave in the I-5 Corridor market; and the 53,792-square-foot lease signed by DAT Solutions at Creekside Corporate Park – Bldg 1 in the Southwest market.

Sublease Vacancy

The amount of vacant sublease space in the Portland market increased to 286,939 square feet by the end of the third quarter 2016, from 280,930 square feet at the end of the second quarter 2016. There was 278,354 square feet vacant at the end of the first quarter 2016 and 277,052 square feet at the end of the fourth quarter 2015.

Portland's Class-A projects reported vacant sublease space of 148,547 square feet at the end of third quarter 2016, down from the 173,914 square feet reported at the end of the second quarter 2016. There were 171,349 square feet of sublease space vacant at the end of the first quarter 2016, and 210,667 square feet at the end of the fourth quarter 2015.

Class-B projects reported vacant sublease space of 124,948 square feet at the end of the third quarter 2016, up from the 91,881 square feet reported at the end of the second quarter 2016. At the end of the first quarter 2016 there were 97,050 square feet, and at the end of the fourth quarter 2015 there were 54,614 square feet vacant.

Class-C projects reported decreased vacant sublease space from the second quarter 2016 to the third quarter 2016. Sublease vacancy went from 15,135 square feet to 13,444 square feet during that time. There was 9,955 square feet at the end of the first quarter 2016, and 11,771 square feet at the end of the fourth quarter 2015.

Sublease vacancy in Portland's central business district stood at 95,449 square feet at the end of the third quarter 2016. It was 82,976 square feet at the end of the second quarter 2016, 94,363 square feet at the end of the first quarter 2016, and 108,158 square feet at the end of the fourth quarter 2015.

Sublease vacancy in the suburban markets ended the third quarter 2016 at 191,490 square feet. At the end of the second quarter 2016 sublease vacancy was 197,954 square feet, was 183,991 square feet at the end of the first quarter 2016, and was 168,894 square feet at the end of the fourth quarter 2015.

Rental Rates

The average quoted asking rental rate for available office space, all classes, was $23.49 per square foot per year at the end of the third quarter 2016 in the Portland market area. This represented a 0.2% decrease in quoted rental rates from the end of the second quarter 2016, when rents were reported at $23.54 per square foot.

The average quoted rate within the Class-A sector was $28.32 at the end of the third quarter 2016, while Class-B rates stood at $22.02, and Class-C rates at $17.55. At the end of the second quarter 2016, Class-A rates were $28.11 per square foot, Class-B rates were $22.30, and Class-C rates were $17.64.

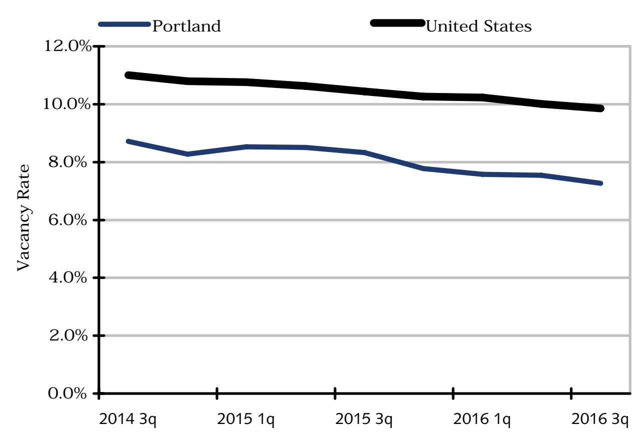
The average quoted asking rental rate in Portland's CBD was $28.77 at the end of the third quarter 2016, and $21.40 in the suburban markets. In the second quarter 2016, quoted rates were $28.98 in the CBD and $21.14 in the suburbs.

Deliveries and Construction

During the third quarter 2016, one building totaling 117,500 square feet was completed in the Portland market area. This compares to six buildings totaling 936,270 square feet that were completed in the second quarter 2016, four buildings totaling 125,219 square feet completed in the first quarter 2016, and 83,249 square feet in five buildings completed in the fourth quarter 2015.

U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

There were 1,545,056 square feet of office space under construction at the end of the third quarter 2016.

Some of the notable 2016 deliveries include: Daimler Trucks North America HQ, a 265,000-square-foot facility that delivered in second quarter 2016 and is now 100% occupied, and Park Avenue West, a 220,889-square-foot building that delivered in second quarter 2016 and is now 90% occupied.

The largest projects underway at the end of third quarter 2016 were Nike North Expansion Bldg A, a 412,000-square-foot building with 100% of its space pre-leased, and Broadway Tower - Office, a 175,689-square-foot facility that is 5% pre-leased.

Inventory

Total office inventory in the Portland market area amounted to 99,132,940 square feet in 5,283 buildings as of the end of the third quarter 2016. The Class-A office sector consisted of 29,707,521 square feet in 201 projects. There were 1,521 Class-B buildings totaling 45,324,434 square feet, and the Class-C sector consisted of 24,100,985 square feet in 3,561 buildings. Within the Office market there were 235 owner-occupied buildings accounting for 8,952,110 square feet of office space.

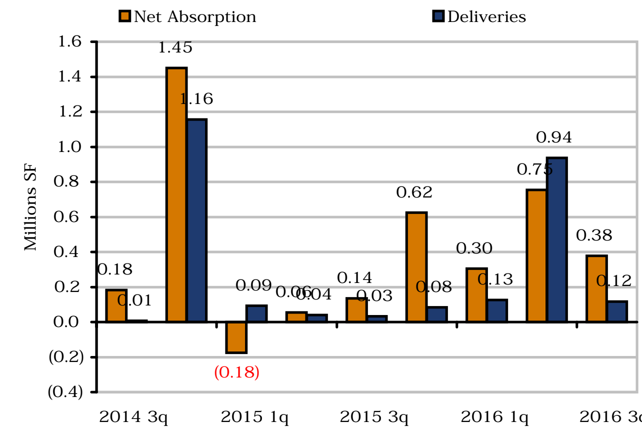
Sales Activity

Tallying office building sales of 15,000 square feet or larger, Portland office sales figures rose during the second quarter 2016 in terms of dollar volume compared to the first quarter of 2016.

In the second quarter, 17 office transactions closed with a total volume of $353,829,307. The 17 buildings totaled 1,575,257 square feet and the average price per square foot equated to $224.62 per square foot. That compares to 18 transactions totaling $155,477,500 in the first quarter 2016. The total square footage in the first quarter was 822,755 square feet for an average price per square foot of $188.97.

Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property®

Total office building sales activity in 2016 was up compared to 2015. In the first six months of 2016, the market saw 35 office sales transactions with a total volume of $509,306,807. The price per square foot averaged $212.39. In the same first six months of 2015, the market posted 29 transactions with a total volume of $503,171,280. The price per square foot averaged $235.88.

Cap rates have been lower in 2016, averaging 5.87% compared to the same period in 2015 when they averaged 6.74%.

One of the largest transactions that has occurred within the last four quarters in the Portland market is the sale of US Bancorp Tower & Plaza in Portland. This 935,601-square-foot office building sold for $316,625,000, or $338.42 per square foot. The property sold on 8/26/2015, at a 0.00% cap rate."

Report compiled and edited by: Certified Research Analyst - John D. Walz; Research Associate - Kate Retzinger; and CoStar Research Manager - Pharoeth Mendoza

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

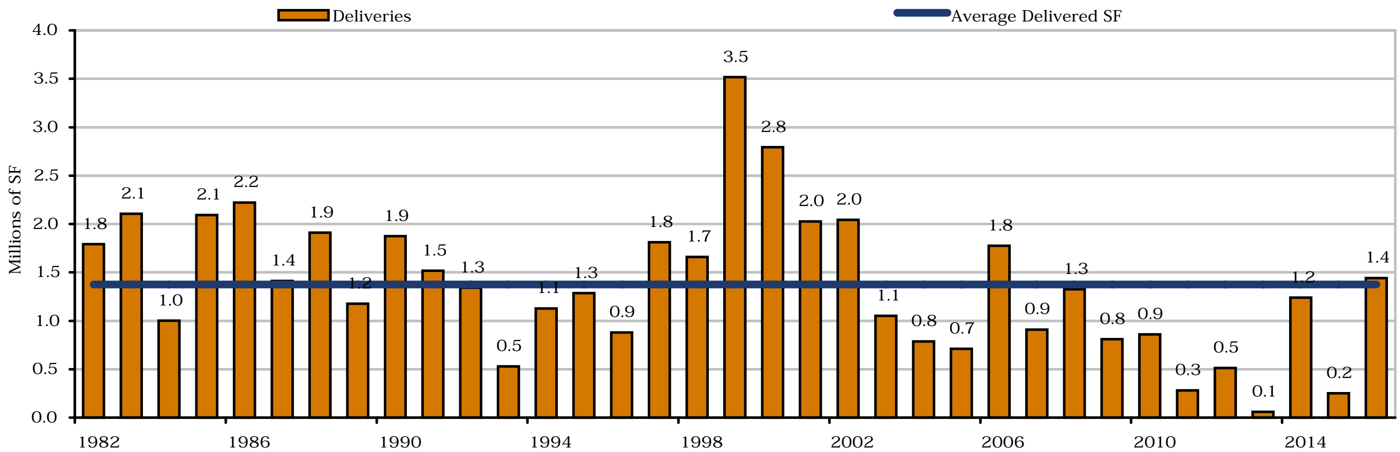
Submarket Clusters	Submarkets			
CBD	CBD*			
Clark County	Camas/Washougal Orchards	Cascade Park St Johns/Cntrl Vancouver	CBD*/West Vancouver Vancouver Mall	Hazel Dell/Salmon Creek
I-5 Corridor	Kruse Way Tualatin	Lake Oswego/West Linn Wilsonville	Sherwood	Tigard
Lloyd District	Lloyd District			
Northeast	Airport Way Hayden Island/Swan Island	East Columbia Corridor NE Close-In	Gateway Rivergate	Gresham
Northwest	Guilds Lake	NW Close-In		
Skamania County	Skamania County			
Southeast	Clackamas/Milwaukie	Mall 205	Oregon City	SE Close-In
Southwest	217 Corridor/Beaverton SW Close-In	Barbur Blvd/Capitol Hwy Sylvan/Hillsdale	Johns Landing	North Beaverton
Westside	Sunset Corridor/Hillsboro			

* Submarkets comprising the CBD. For statistics reference the CBD vs Suburban Figures at a Glance Page.

Portland Office Market

Inventory & development

Historical Deliveries 1982 - 2016



Source: CoStar Property®   * Future deliveries based on current under construction buildings.

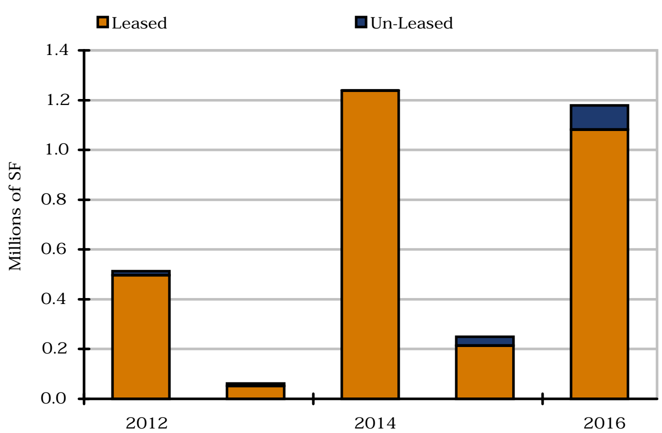
Construction Activity **Markets Ranked by Under Construction Square Footage**

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
CBD	6	452,884	119,690	26.4%	72,354	75,481
Westside	1	412,000	412,000	100.0%	33,275	412,000
Northwest	2	299,056	0	0.0%	16,693	149,528
Lloyd District	3	191,350	34,790	18.2%	23,666	63,783
Southeast	3	80,280	23,350	29.1%	9,258	26,760
Southwest	1	70,000	70,000	100.0%	15,741	70,000
Northeast	2	35,103	28,735	81.9%	9,712	17,551
Clark County	1	4,383	4,383	100.0%	13,507	4,383
Skamania County	0	0	0	0.0%	4,388	0
I-5 Corridor	0	0	0	0.0%	16,787	0
Totals	19	1,545,056	692,948	44.8%	18,765	81,319

Source: CoStar Property®

Recent Deliveries

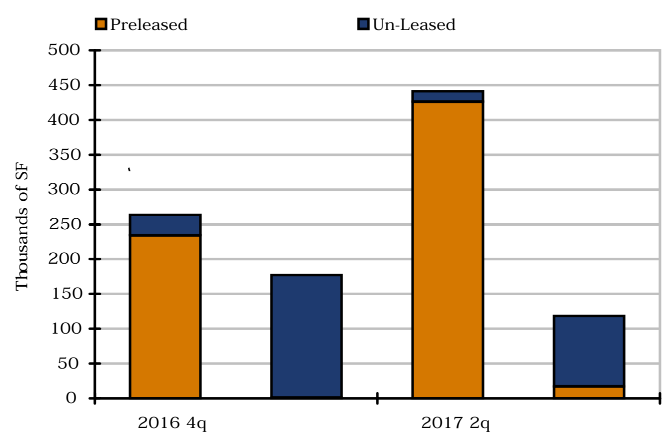
Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®

Future Deliveries

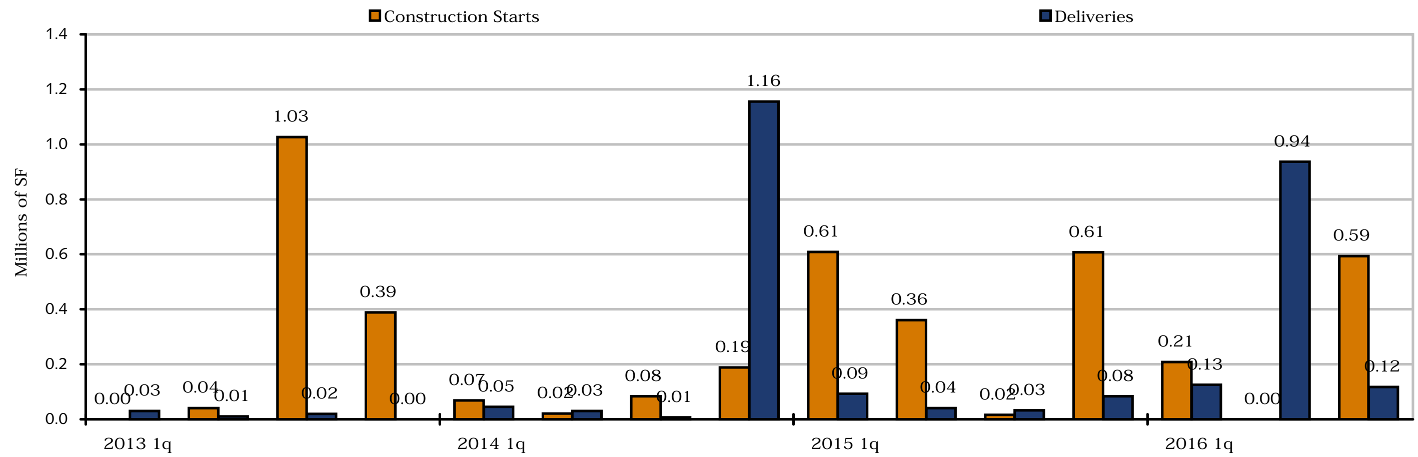
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size

Breakdown of Year-to-Date Development Based on RBA of Project

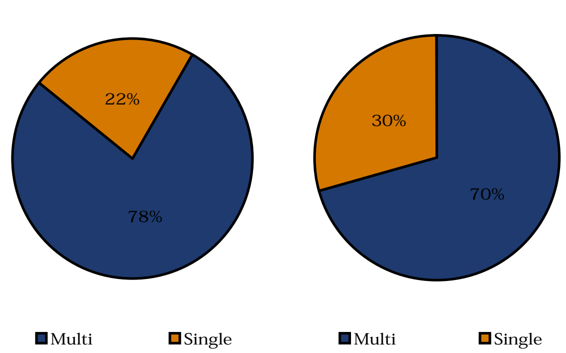
Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	5	141,939	92,674	65.3%	$26.03	0	141,939
50,000 SF - 99,999 SF	1	72,000	72,000	100.0%	$28.50	0	72,000
100,000 SF - 249,999 SF	4	700,050	651,499	93.1%	$42.41	0	700,050
250,000 SF - 499,999 SF	1	265,000	265,000	100.0%	$0.00	265,000	0
>= 500,000 SF	0	0	0	0.0%	$0.00	0	0

Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2016 Deliveries   Currently Under Construction

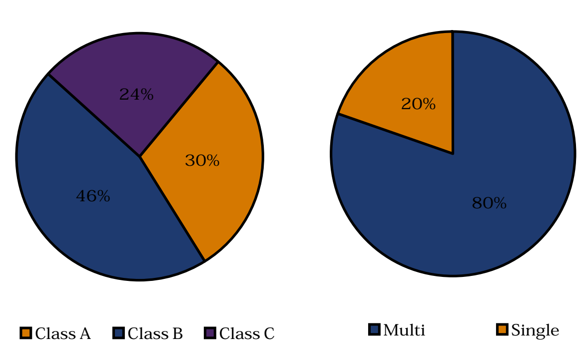


Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Class   By Space Type



Source: CoStar Property®

Select Year-to-Date Deliveries

Based on Project Square Footage

1. Daimler Trucks North America HQ

Submarket:	**Northeast**
RBA:	**265,000**
# Floors:	**10**
Class:	**A**
Occupied:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**First Quarter 2015**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Daimler Trucks North America LLC**
Developer:	**Hoffman Construction Company**
Architect:	**Ankrom Moisan**

2. Park Avenue West

Submarket:	**CBD**
RBA:	**220,889**
# Floors:	**30**
Class:	**A**
Occupied:	**90%**
Quoted Rate:	**$45.19**
Grnd Brk Date:	**Fourth Quarter 2013**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Capacity Commercial Group**
Developer:	**TMT Development Company, Inc.**
Architect:	**TVA Architects**

3. Banfield

Submarket:	**Clark County**
RBA:	**206,000**
# Floors:	**1**
Class:	**A**
Occupied:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**First Quarter 2015**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Columbia Tech Center LLC**
Developer:	**Banfield Pet Hospital**
Architect:	**TVA Architects, Inc.**

4. Pearl West

Submarket:	**CBD**
RBA:	**155,661**
# Floors:	**9**
Class:	**A**
Occupied:	**83%**
Quoted Rate:	**$41.00**
Grnd Brk Date:	**Fourth Quarter 2014**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Kidder Mathews**
Developer:	**BPM Real Estate Group**
Architect:	**GBD Architects, Inc.**

5. DHS Multi-Service Center

Submarket:	**Northeast**
RBA:	**117,500**
# Floors:	**1**
Class:	**B**
Occupied:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**Second Quarter 2015**
Deliv Date:	**Third Quarter 2016**
Leasing Co:	**American Property Management**
Developer:	**LCG Pence Construction, LLC**
Architect:	**TVA Architects, Inc.**

6. Clay Creative

Submarket:	**Southeast**
RBA:	**72,000**
# Floors:	**5**
Class:	**B**
Occupied:	**100%**
Quoted Rate:	**$28.50**
Grnd Brk Date:	**Second Quarter 2015**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Apex Real Estate Partners**
Developer:	**N/A**
Architect:	**Mackenzie**

7. The Hudson

Submarket:	**Clark County**
RBA:	**48,000**
# Floors:	**3**
Class:	**B**
Occupied:	**93%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Second Quarter 2015**
Deliv Date:	**First Quarter 2016**
Leasing Co:	**Colliers International**
Developer:	**Killian Pacific**
Architect:	**Mackenzie**

8. 401 SW 5th Ave

Submarket:	**CBD**
RBA:	**38,498**
# Floors:	**4**
Class:	**B**
Occupied:	**8%**
Quoted Rate:	**$25.75**
Grnd Brk Date:	**First Quarter 2015**
Deliv Date:	**First Quarter 2016**
Leasing Co:	**JLL**
Developer:	**Seven Hills Properties**
Architect:	**N/A**

9. 1250 NW 17th Ave

Submarket:	**Northwest**
RBA:	**29,933**
# Floors:	**1**
Class:	**B**
Occupied:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**First Quarter 2015**
Deliv Date:	**First Quarter 2016**
Leasing Co:	**Cody Development Corp.**
Developer:	**Project^**
Architect:	**Beebe Skidmore**

10. 6030 SE 52nd Ave

Submarket:	**Southeast**
RBA:	**16,720**
# Floors:	**2**
Class:	**B**
Occupied:	**52%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2015**
Deliv Date:	**Second Quarter 2016**
Leasing Co:	**Cascade Commercial Real Estate**
Developer:	**N/A**
Architect:	**N/A**

11. 17707 SE Mill Plain Blvd

Submarket:	**Clark County**
RBA:	**8,788**
# Floors:	**1**
Class:	**B**
Occupied:	**72%**
Quoted Rate:	**$30.00**
Grnd Brk Date:	**Second Quarter 2015**
Deliv Date:	**First Quarter 2016**
Leasing Co:	**Commercial Realty Advisors NW**
Developer:	**N/A**
Architect:	**N/A**

Source: CoStar Property®

CoStar™

Portland Office Market

Inventory & development

Select Top Under Construction Properties

Based on Project Square Footage

1. Nike North Expansion Bldg A

Submarket:	**Westside**
RBA:	**412,000**
# Floors:	**1**
Class:	**A**
Preleased:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**Fourth Quarter 2015**
Deliv Date:	**Second Quarter 2017**
Leasing Co:	**NIKE, Inc.**
Developer:	**Gerding Edlen**
Architect:	**ZGF Architects**

2. Broadway Tower - Office

Submarket:	**CBD**
RBA:	**175,689**
# Floors:	**20**
Class:	**A**
Preleased:	**5%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2016**
Deliv Date:	**Second Quarter 2018**
Leasing Co:	**Kidder Mathews**
Developer:	**N/A**
Architect:	**GBD Architects, Inc.**

3. Field Office - West

Submarket:	**Northwest**
RBA:	**165,653**
# Floors:	**6**
Class:	**A**
Preleased:	**0%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2016**
Deliv Date:	**First Quarter 2018**
Leasing Co:	**JLL**
Developer:	**Project^**
Architect:	**Hacker**

4. Field Office - East

Submarket:	**Northwest**
RBA:	**133,403**
# Floors:	**6**
Class:	**A**
Preleased:	**0%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2016**
Deliv Date:	**Fourth Quarter 2017**
Leasing Co:	**JLL**
Developer:	**Project^**
Architect:	**Hacker**

5. Towne Storage

Submarket:	**Lloyd District**
RBA:	**108,750**
# Floors:	**5**
Class:	**B**
Preleased:	**0%**
Quoted Rate:	**$31.00**
Grnd Brk Date:	**Fourth Quarter 2015**
Deliv Date:	**First Quarter 2017**
Leasing Co:	**Apex Real Estate Partners**
Developer:	**N/A**
Architect:	**N/A**

6. 38 Davis

Submarket:	**CBD**
RBA:	**90,991**
# Floors:	**6**
Class:	**A**
Preleased:	**87%**
Quoted Rate:	**$27.38**
Grnd Brk Date:	**Second Quarter 2015**
Deliv Date:	**Fourth Quarter 2016**
Leasing Co:	**Apex Real Estate Partners**
Developer:	**Gerding Edlen**
Architect:	**Ankrom Moisan Architects, Inc.**

7. Under Armour Inc

Submarket:	**Southwest**
RBA:	**70,000**
# Floors:	**2**
Class:	**B**
Preleased:	**100%**
Quoted Rate:	**N/A**
Grnd Brk Date:	**First Quarter 2016**
Deliv Date:	**Fourth Quarter 2016**
Leasing Co:	**Interurban Development**
Developer:	**Interurban Development**
Architect:	**Siteworks Design I Build**

8. Block 136 Offices

Submarket:	**CBD**
RBA:	**69,766**
# Floors:	**5**
Class:	**A**
Preleased:	**9%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**First Quarter 2016**
Deliv Date:	**Fourth Quarter 2017**
Leasing Co:	**Apex Real Estate Partners**
Developer:	**N/A**
Architect:	**Mith n**

9. 1127 SW Morrison St

Submarket:	**CBD**
RBA:	**62,381**
# Floors:	**6**
Class:	**B**
Preleased:	**12%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2016**
Deliv Date:	**Third Quarter 2017**
Leasing Co:	**CBRE**
Developer:	**N/A**
Architect:	**LRS Architects, Inc.**

10. The Fair-Haired Dumbbell

Submarket:	**Lloyd District**
RBA:	**56,000**
# Floors:	**6**
Class:	**B**
Preleased:	**17%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Third Quarter 2016**
Deliv Date:	**Third Quarter 2017**
Leasing Co:	**Colliers International**
Developer:	**Guerrilla Development**
Architect:	**FFA Architecture Interiors**

11. The Dairy Building

Submarket:	**Southeast**
RBA:	**40,185**
# Floors:	**1**
Class:	**B**
Preleased:	**0%**
Quoted Rate:	**$24.30**
Grnd Brk Date:	**First Quarter 2016**
Deliv Date:	**First Quarter 2017**
Leasing Co:	**Intrinsic Inc.**
Developer:	**Lindquist Development Company, Inc.**
Architect:	**N/A**

12. Division

Submarket:	**Southeast**
RBA:	**29,295**
# Floors:	**5**
Class:	**B**
Preleased:	**48%**
Quoted Rate:	**$28.25**
Grnd Brk Date:	**Fourth Quarter 2015**
Deliv Date:	**Second Quarter 2017**
Leasing Co:	**SolTerra - Brooklyn Yard**
Developer:	**N/A**
Architect:	**N/A**

13. Mason Ehrman Annex

Submarket:	**CBD**
RBA:	**28,500**
# Floors:	**2**
Class:	**B**
Preleased:	**3%**
Quoted Rate:	**$17.00**
Grnd Brk Date:	**First Quarter 2016**
Deliv Date:	**First Quarter 2017**
Leasing Co:	**Apex Real Estate Partners**
Developer:	**Beam Development**
Architect:	**N/A**

14. 811 Stark

Submarket:	**Lloyd District**
RBA:	**26,600**
# Floors:	**4**
Class:	**B**
Preleased:	**95%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**Fourth Quarter 2015**
Deliv Date:	**Fourth Quarter 2016**
Leasing Co:	**Beam Development**
Developer:	**Beam Construction & Management**
Architect:	**Works Partnership Architecture**

15. Overland Building

Submarket:	**CBD**
RBA:	**25,557**
# Floors:	**3**
Class:	**B**
Preleased:	**67%**
Quoted Rate:	**Negotiable**
Grnd Brk Date:	**First Quarter 2015**
Deliv Date:	**Fourth Quarter 2016**
Leasing Co:	**Commercial Realty Advisors NW**
Developer:	**N/A**
Architect:	**Emerick Architects**

Source: CoStar Property®

Portland Office Market

Figures at a Glance

Class A Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	44	12,006,312	1,177,390	1,227,809	10.2%	248,331	376,550	336,446	$31.53
Clark County	34	2,572,755	171,721	179,866	7.0%	303,322	206,000	0	$23.42
I-5 Corridor	41	3,532,159	452,283	468,961	13.3%	(24,552)	0	0	$28.09
Lloyd District	7	1,991,814	52,031	52,031	2.6%	11,732	0	0	$30.41
Northeast	11	1,191,814	24,909	36,349	3.0%	259,919	265,000	0	$24.80
Northwest	2	415,780	118,000	118,000	28.4%	0	0	299,056	$32.00
Skamania County	0	0	0	0	0.0%	0	0	0	$0.00
Southeast	9	681,768	47,858	47,858	7.0%	20,921	0	0	$24.92
Southwest	20	2,141,781	191,837	225,828	10.5%	56,136	0	0	$24.32
Westside	33	5,173,338	127,863	155,737	3.0%	77,542	0	412,000	$23.11
Totals	201	29,707,521	2,363,892	2,512,439	8.5%	953,351	847,550	1,047,502	$28.32

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	144	10,239,994	930,482	970,225	9.5%	(27,151)	38,498	116,438	$27.29
Clark County	276	5,862,453	558,702	567,168	9.7%	48,927	56,788	4,383	$16.98
I-5 Corridor	234	4,419,775	413,019	444,176	10.0%	(86,654)	0	0	$22.00
Lloyd District	56	1,859,268	63,259	63,259	3.4%	4,667	0	191,350	$27.08
Northeast	189	4,021,935	188,371	193,951	4.8%	126,841	117,500	35,103	$18.85
Northwest	43	1,691,513	86,889	86,889	5.1%	45,028	29,933	0	$24.18
Skamania County	1	6,332	0	0	0.0%	0	0	0	$0.00
Southeast	192	4,177,393	186,015	186,015	4.5%	148,376	88,720	80,280	$21.79
Southwest	233	6,368,154	590,697	614,003	9.6%	67,178	0	70,000	$20.13
Westside	153	6,677,617	469,864	486,560	7.3%	(14,808)	0	0	$21.22
Totals	1,521	45,324,434	3,487,298	3,612,246	8.0%	312,404	331,439	497,554	$22.02

Source: CoStar Property®

CoStar™

Portland Office Market

Figures at a Glance

Class C Market Statistics

Third Quarter 2016

Market	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
CBD	174	3,946,022	263,655	268,942	6.8%	37,839	0	0	$22.91
Clark County	505	2,573,213	84,379	92,536	3.6%	42,231	0	0	$15.14
I-5 Corridor	329	2,187,471	81,152	81,152	3.7%	16,412	0	0	$17.54
Lloyd District	154	1,284,485	44,519	44,519	3.5%	29,173	0	0	$14.94
Northeast	784	4,342,679	182,244	182,244	4.2%	(9,413)	0	0	$15.83
Northwest	172	1,515,122	41,255	41,255	2.7%	11,985	0	0	$18.16
Skamania County	2	6,832	0	0	0.0%	0	0	0	$0.00
Southeast	731	3,768,935	160,705	160,705	4.3%	(8,869)	0	0	$15.66
Southwest	511	3,516,296	176,469	176,469	5.0%	48,437	0	0	$14.76
Westside	199	959,930	32,451	32,451	3.4%	3,151	0	0	$16.49
Totals	3,561	24,100,985	1,066,829	1,080,273	4.5%	170,946	0	0	$17.55

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2016

Market	Existing Inventory # Blds	Existing Inventory Total RBA	Vacancy Direct SF	Vacancy Total SF	Vacancy Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
CBD	362	26,192,328	2,371,527	2,466,976	9.4%	259,019	415,048	452,884	$28.77
Clark County	815	11,008,421	814,802	839,570	7.6%	394,480	262,788	4,383	$18.21
I-5 Corridor	604	10,139,405	946,454	994,289	9.8%	(94,794)	0	0	$24.75
Lloyd District	217	5,135,567	159,809	159,809	3.1%	45,572	0	191,350	$25.35
Northeast	984	9,556,428	395,524	412,544	4.3%	377,347	382,500	35,103	$17.93
Northwest	217	3,622,415	246,144	246,144	6.8%	57,013	29,933	299,056	$26.72
Skamania County	3	13,164	0	0	0.0%	0	0	0	$0.00
Southeast	932	8,628,096	394,578	394,578	4.6%	160,428	88,720	80,280	$20.08
Southwest	764	12,026,231	959,003	1,016,300	8.5%	171,751	0	70,000	$20.28
Westside	385	12,810,885	630,178	674,748	5.3%	65,885	0	412,000	$21.59
Totals	5,283	99,132,940	6,918,019	7,204,958	7.3%	1,436,701	1,178,989	1,545,056	$23.49

Source: CoStar Property®

Portland Office Market

Figures at a Glance

Class A Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	44	12,006,312	1,177,390	1,227,809	10.2%	248,331	376,550	336,446	$31.53
Suburban	157	17,701,209	1,186,502	1,284,630	7.3%	705,020	471,000	711,056	$26.09
Totals	201	29,707,521	2,363,892	2,512,439	8.5%	953,351	847,550	1,047,502	$28.32

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	144	10,239,994	930,482	970,225	9.5%	(27,151)	38,498	116,438	$27.29
Suburban	1,377	35,084,440	2,556,816	2,642,021	7.5%	339,555	292,941	381,116	$20.64
Totals	1,521	45,324,434	3,487,298	3,612,246	8.0%	312,404	331,439	497,554	$22.02

Source: CoStar Property®

Class C Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	174	3,946,022	263,655	268,942	6.8%	37,839	0	0	$22.91
Suburban	3,387	20,154,963	803,174	811,331	4.0%	133,107	0	0	$15.67
Totals	3,561	24,100,985	1,066,829	1,080,273	4.5%	170,946	0	0	$17.55

Source: CoStar Property®

Class A & B Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	188	22,246,306	2,107,872	2,198,034	9.9%	221,180	415,048	452,884	$29.70
Suburban	1,534	52,785,649	3,743,318	3,926,651	7.4%	1,044,575	763,941	1,092,172	$22.45
Totals	1,722	75,031,955	5,851,190	6,124,685	8.2%	1,265,755	1,178,989	1,545,056	$24.54

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
CBD	362	26,192,328	2,371,527	2,466,976	9.4%	259,019	415,048	452,884	$28.77
Suburban	4,921	72,940,612	4,546,492	4,737,982	6.5%	1,177,682	763,941	1,092,172	$21.40
Totals	5,283	99,132,940	6,918,019	7,204,958	7.3%	1,436,701	1,178,989	1,545,056	$23.49

Source: CoStar Property®

CoStar™

Portland Office Market

Figures at a Glance

Class A Market Statistics

Third Quarter 2016

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 3q	201	29,707,521	2,363,892	2,512,439	8.5%	140,247	0	0	6	1,047,502	$28.32
2016 2q	201	29,707,521	2,478,772	2,652,686	8.9%	679,427	4	847,550	3	572,757	$28.11
2016 1q	197	28,859,971	2,313,214	2,484,563	8.6%	133,677	0	0	7	1,420,307	$27.79
2015 4q	197	28,859,971	2,407,573	2,618,240	9.1%	222,587	1	35,671	6	1,350,541	$27.31
2015 3q	196	28,824,300	2,561,970	2,805,156	9.7%	18,445	0	0	6	974,212	$27.58
2015 2q	196	28,824,300	2,620,951	2,823,601	9.8%	74,511	1	34,000	6	974,212	$27.15
2015 1q	195	28,790,300	2,650,887	2,864,112	9.9%	(10,466)	0	0	6	917,221	$26.64
2014	195	28,790,300	2,654,130	2,853,646	9.9%	1,112,274	1	1,000,000	4	446,221	$26.49
2013	194	27,790,300	2,782,727	2,965,920	10.7%	365,151	0	0	2	1,220,889	$25.00
2012	194	27,790,300	3,120,357	3,331,071	12.0%	158,978	1	134,159	0	0	$24.38
2011	193	27,656,141	3,178,495	3,355,890	12.1%	408,723	2	176,300	1	134,159	$23.86
2010	191	27,479,841	3,383,501	3,588,313	13.1%	222,466	2	602,779	2	196,459	$23.68
2009	189	26,877,062	2,898,845	3,208,000	11.9%	(299,280)	3	315,541	2	602,779	$23.90
2008	186	26,561,521	2,328,371	2,593,179	9.8%	175,401	11	648,272	5	918,320	$25.10
2007	175	25,913,249	1,892,577	2,120,308	8.2%	199,061	5	322,130	13	1,183,388	$24.33
2006	170	25,591,119	1,770,318	1,997,239	7.8%	721,759	4	589,836	6	354,787	$22.20

Source: CoStar Property®

Class B Market Statistics

Third Quarter 2016

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 3q	1,521	45,324,434	3,487,298	3,612,246	8.0%	154,772	1	117,500	13	497,554	$22.02
2016 2q	1,520	45,206,934	3,557,637	3,649,518	8.1%	10,171	2	88,720	12	496,673	$22.30
2016 1q	1,520	45,278,881	3,634,586	3,731,636	8.2%	147,461	4	125,219	14	585,393	$22.64
2015 4q	1,516	45,153,662	3,699,264	3,753,878	8.3%	324,808	4	47,578	15	571,927	$21.70
2015 3q	1,512	45,106,084	3,942,399	4,031,108	8.9%	121,613	2	32,960	14	424,060	$21.15
2015 2q	1,511	45,141,124	4,116,942	4,187,761	9.3%	(79,342)	1	6,242	15	440,300	$20.30
2015 1q	1,510	45,134,882	4,051,033	4,102,177	9.1%	(159,282)	2	93,348	10	176,851	$20.32
2014	1,508	45,041,534	3,783,591	3,849,547	8.5%	654,698	20	239,404	5	132,550	$19.44
2013	1,492	44,926,919	4,172,134	4,389,630	9.8%	371,274	4	61,083	14	235,675	$18.50
2012	1,488	44,865,836	4,491,496	4,699,821	10.5%	647,129	19	378,845	4	61,083	$18.30
2011	1,470	44,488,691	4,765,723	4,969,805	11.2%	507,424	8	105,125	19	351,941	$18.25
2010	1,463	44,422,566	5,131,666	5,411,104	12.2%	203,651	15	229,085	11	274,521	$18.38
2009	1,449	44,195,461	5,080,167	5,387,650	12.2%	(289,350)	28	495,650	14	196,220	$17.99
2008	1,421	43,699,811	4,382,420	4,602,650	10.5%	431,517	42	671,427	28	493,369	$18.72
2007	1,382	43,065,188	4,309,230	4,399,544	10.2%	1,164,899	26	578,140	40	694,751	$18.57
2006	1,357	42,608,048	4,937,187	5,107,303	12.0%	1,270,124	36	1,162,410	19	615,826	$17.01

Source: CoStar Property®

Total Office Market Statistics

Third Quarter 2016

	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
Period	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 3q	5,283	99,132,940	6,918,019	7,204,958	7.3%	378,641	1	117,500	19	1,545,056	$23.49
2016 2q	5,282	99,015,440	7,185,169	7,466,099	7.5%	753,779	6	936,270	15	1,069,430	$23.54
2016 1q	5,279	98,243,240	7,169,324	7,447,678	7.6%	304,281	4	125,219	21	2,005,700	$23.52
2015 4q	5,275	98,118,021	7,349,688	7,626,740	7.8%	624,762	5	83,249	21	1,922,468	$22.77
2015 3q	5,270	98,034,772	7,820,827	8,168,253	8.3%	135,995	2	32,960	20	1,398,272	$22.54
2015 2q	5,271	98,076,686	8,060,212	8,346,162	8.5%	55,473	2	40,242	21	1,414,512	$21.92
2015 1q	5,269	98,036,444	8,090,942	8,361,393	8.5%	(175,716)	2	93,348	16	1,094,072	$21.93
2014	5,268	97,952,821	7,828,154	8,102,054	8.3%	1,970,420	21	1,239,404	9	578,771	$21.38
2013	5,259	96,984,587	8,697,191	9,104,240	9.4%	888,186	4	61,083	16	1,456,564	$20.04
2012	5,259	96,986,519	9,539,136	9,994,358	10.3%	640,051	20	513,004	4	61,083	$19.71
2011	5,241	96,475,923	9,731,255	10,123,813	10.5%	1,140,234	10	281,425	20	486,100	$19.69
2010	5,232	96,233,498	10,528,779	11,021,622	11.5%	386,496	18	860,983	13	470,980	$19.91
2009	5,219	95,426,061	9,962,634	10,600,681	11.1%	(844,516)	31	811,191	17	828,118	$19.24
2008	5,189	94,616,436	8,435,384	8,946,540	9.5%	841,278	55	1,325,861	33	1,411,689	$20.12
2007	5,139	93,350,025	8,191,755	8,521,407	9.1%	1,526,275	33	908,886	55	1,884,301	$19.86
2006	5,111	92,592,115	8,841,871	9,289,772	10.0%	2,126,124	44	1,775,051	27	979,229	$17.94

Source: CoStar Property®

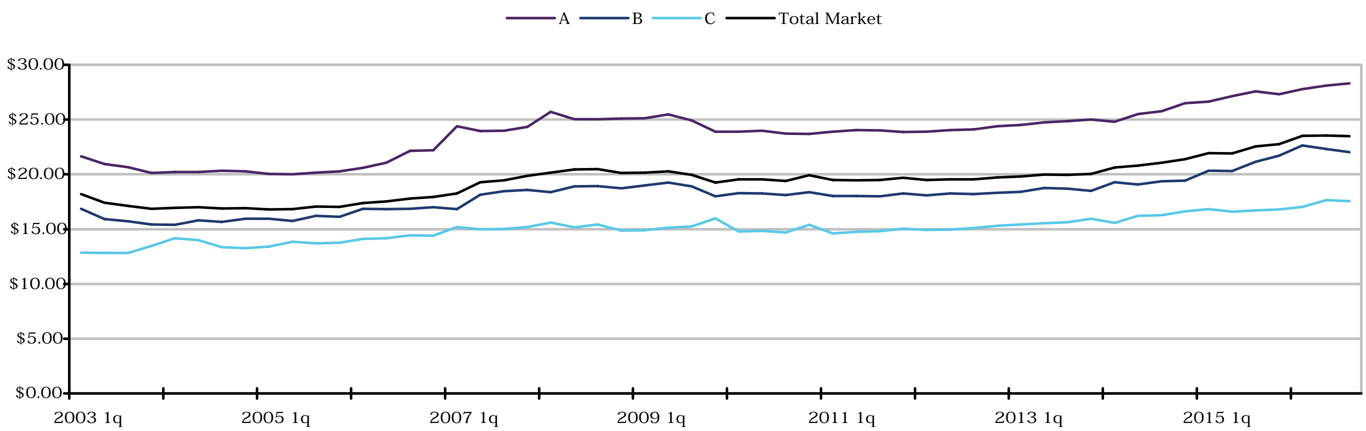
Portland Office Market

CoStar™

Leasing Activity

Historical Rental Rates

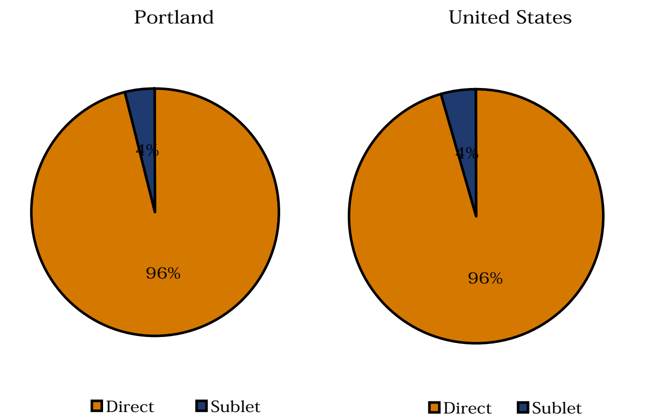
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

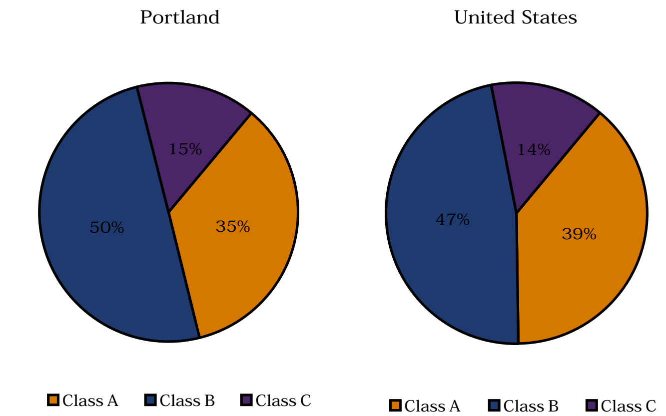
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Class

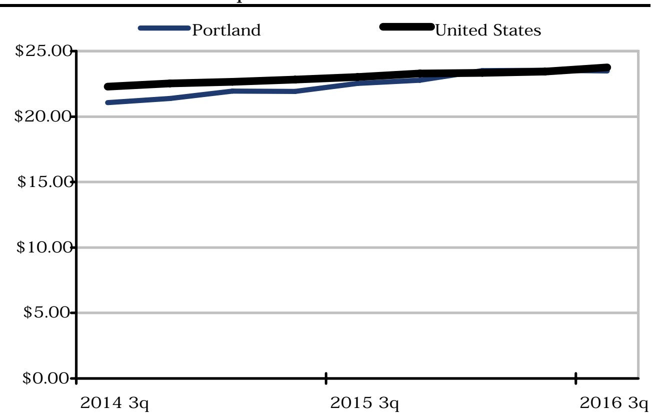
Percent of All Vacant Space by Class



Source: CoStar Property®

U.S. Rental Rate Comparison

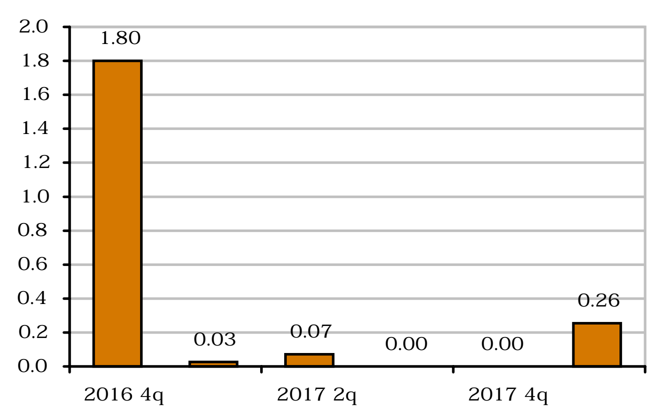
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



* Includes Under Construction Spaces

Source: CoStar Property®

CoStar

Portland Office Market

Leasing Activity

Select Top Office Leases Based on Leased Square Footage For Deals Signed in 2016

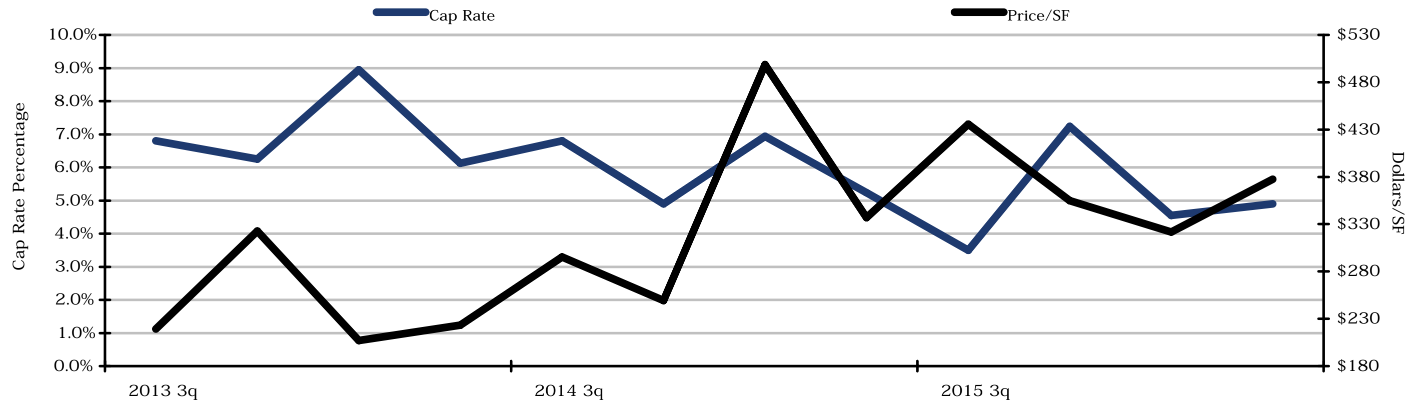
	Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1	1320 SW Broadway St	CBD	101,400	2nd	Elemental Technologies	JLL	JLL
2	12447 SW 69th Ave	Tigard	82,140	2nd	Consumer Cellular	Capacity Commercial Group	JLL
3	Creekside Corporate Park - Bldg 1	217 Corridor/Beaverton	53,792	1st	DAT Solutions	JLL; ICON Commercial Interests LLC	JLL
4	1320 SW Broadway St	CBD	45,617	2nd	D+H	Colliers International	JLL
5	3305 NW Aloclek Dr	Sunset Corridor/Hillsboro	40,294	3rd	Virginia Garcia Memorial Health Center	Macadam Forbes	JLL
6	Block 300	CBD	37,889	1st	Puppet Labs, Inc.	JLL	JLL
7	RiverTec	CBD	37,441	1st	Vacasa Rentals	JLL	JLL
8	8909 SW Barbur Blvd*	Barbur Blvd/Capitol Hwy	35,945	1st	Qmedtrix	Marcus & Millichap	Marcus & Millichap
9	Nimbus Corporate Ceneter - Bldg 10	217 Corridor/Beaverton	34,987	1st	Greatbatch	JLL	Colliers International
10	16440 SE 82nd Dr*	Clackamas/Milwaukie	33,000	2nd	State of Oregon- Dept. of Human Services	Neihaus Properties, Inc.	Neihaus Properties, Inc.
11	Pearl West	CBD	30,193	1st	ZoomCare	JLL	Kidder Mathews
12	611 E Powell Blvd	Gresham	29,510	2nd	NARA NW	Apex Real Estate Partners	Apex Real Estate Partners
13	Pioneer Tower	CBD	22,840	2nd	Lewis Brisbois Bisgaard & Smith LLP	N/A	CBRE
14	Willamette Oaks	Johns Landing	20,998	2nd	Cardno	Cushman&Wakefield of Oregon, Inc.	JLL
15	2430 NW 206th Ave	Sunset Corridor/Hillsboro	20,988	3rd	N/A	N/A	Felton Properties, Inc.
16	323-351 NW 12th Ave	CBD	20,000	1st	Alliant Heating & Cooling	Capacity Commercial Group	Colliers International
17	Nimbus Corporate Center - Bldg 11	217 Corridor/Beaverton	19,712	2nd	West End Surgical LLC	Colliers International	Colliers International
18	Jantzen Office Building*	Lloyd District	18,760	3rd	Perry Ellis International	N/A	Direct Deal
19	Bank of America Financial Center	CBD	18,197	1st	Act-On Software, Inc.	JLL	Cushman&Wakefield of Oregon, Inc.
20	Bank of America Financial Center*	CBD	18,197	1st	Act-On Software, Inc.	JLL	JLL
21	Creekside Corporate Park - Bldg 6*	217 Corridor/Beaverton	18,148	1st	Nvoice Pay	JLL	JLL
22	Block 6	CBD/West Vancouver	18,000	2nd	M.J. Murdock Charitable Trust	Colliers International	Colliers International
23	South Place	Tualatin	17,299	2nd	Keystone Automotive	CBRE	Cushman&Wakefield of Oregon, Inc.
24	Overland Building	CBD	17,176	2nd	moovel transit	CBRE	JLL
25	Block 300	CBD	17,151	2nd	Google, Inc.	CBRE	JLL
26	Block 300	CBD	16,501	1st	Dexcom	Cushman&Wakefield of Oregon, Inc.	JLL
27	M Financial Plaza	CBD	16,394	3rd	Waggener Edstrom	Cushman&Wakefield of Oregon, Inc.	Cushman&Wakefield of Oregon, Inc.
28	805 Broadway Building	CBD/West Vancouver	15,975	1st	DiscoverOrg	Norris & Stevens, Inc.	Colliers International
29	Pioneer Tower	CBD	15,161	2nd	N/A	N/A	Kidder Mathews
30	Providence Tanasbourne Health Center	Sunset Corridor/Hillsboro	14,979	2nd	Neighborhood Health Center	Colliers International	JLL
31	Murdock Executive Plaza*	CBD/West Vancouver	14,695	2nd	M.J. Murdock Charitable Trust	Colliers International	Direct Deal
32	Plaza at the Round	North Beaverton	14,500	3rd	N/A	N/A	Kidder Mathews
33	International Plaza	Clackamas/Milwaukie	14,371	3rd	N/A	Colliers International	Menashe Properties; Macadam Forbes
34	Montgomery Park	NW Close-In	13,327	3rd	N/A	N/A	Kidder Mathews
35	West Gresham Plaza	Gresham	13,000	1st	Multnomah County Dept. of Human Resources	American Property Management	American Property Management
36	Montgomery Park	NW Close-In	12,993	3rd	N/A	N/A	Kidder Mathews
37	Pacific Corporate Center - Bldg 3	Tigard	12,958	3rd	RS Fit NW	Direct Deal	Pacific Realty Associates, L.P.
38	CH2M Center	CBD	12,622	3rd	N/A	N/A	Kidder Mathews
39	1631 Building	Guilds Lake	12,605	1st	6D Global Technologies, Inc.	Living Room Realty; Colliers Int'l	Melvin Mark Companies
40	US Bancorp Tower & Plaza	CBD	12,224	2nd	AllMed	Kidder Mathews	JLL

Source: CoStar Property®

* Renewal

The Optimist Sales Index

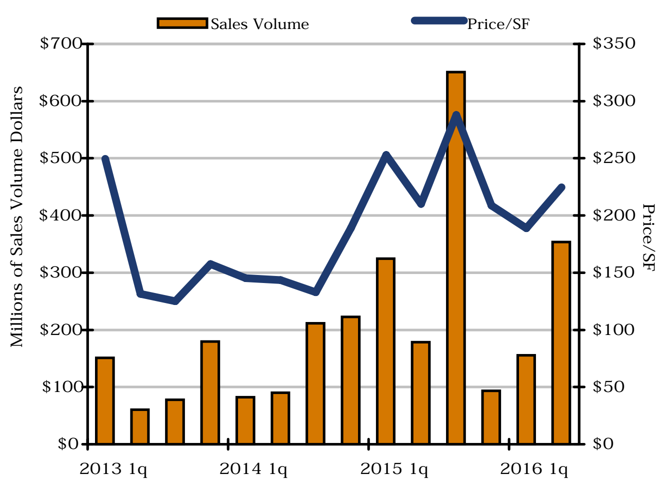
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

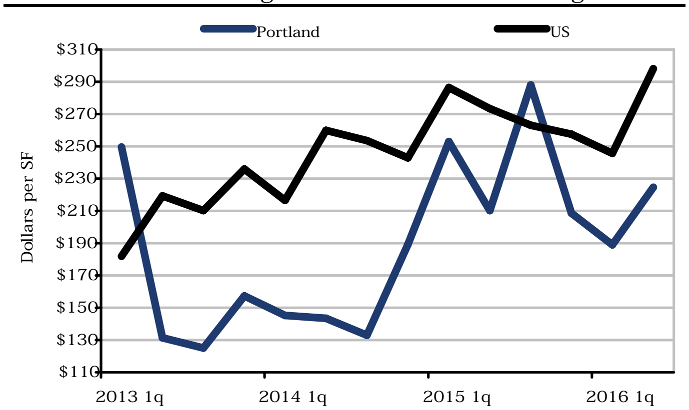
Based on Office Building Sales From July 2015 - June 2016

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 50,000 SF	201	2,143,182	$352,222,943	$ 164.35	6.37%
50K-249K SF	17	1,569,979	$371,257,667	$ 236.47	5.89%
250K-499K SF	4	1,266,978	$366,752,000	$ 289.47	5.10%
>500K SF	1	935,601	$316,625,000	$ 338.42	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

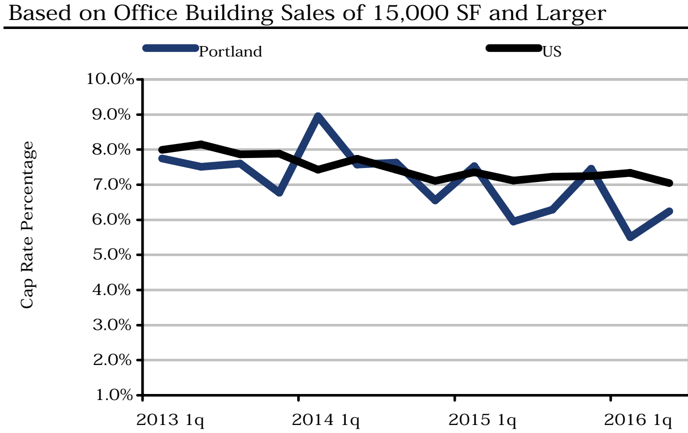
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

CoStar™

Portland Office Market

Sales Activity

Select Top Sales

Based on Sales from July 2015 Through September 2016

1. US Bancorp Tower & Plaza

Portland

Price:	$316,625,000
Price/SF:	$338.42
Cap Rate:	N/A
RBA:	935,601
Date:	8/26/2015
Year Built:	1983
Buyer:	TPF Equity REIT Operating Partnership LP
Seller:	LaSalle Income & Growth Fund IV

2. Block 300

Portland

Price:	$155,252,000
Price/SF:	$429.10
Cap Rate:	4.3%
RBA:	361,805
Date:	7/30/2015
Year Built:	1991
Buyer:	PGIM Real Estate
Seller:	Rubicon US REIT

3. Pioneer Tower

Portland

Price:	$121,750,000
Price/SF:	$410.86
Cap Rate:	4.8%
RBA:	296,329
Date:	6/30/2016
Year Built:	1989
Buyer:	JLL Income Property Trust, Inc.
Seller:	General Growth Properties, Inc.

4. Commonwealth Building

Portland

Price:	$69,000,000
Price/SF:	$314.00
Cap Rate:	5%
RBA:	219,742
Date:	6/30/2016
Year Built:	1948
Buyer:	KBS Growth & Income REIT, Inc.
Seller:	Unico Properties

5. Everett Bldg

Portland

Price:	$47,300,000
Price/SF:	$442.06
Cap Rate:	N/A
RBA:	107,000
Date:	9/30/2015
Year Built:	1999
Buyer:	Northwest Evaluation Association
Seller:	Washington Real Estate Holdings LLC

6. Nike Property

Hillsboro

Price:	$45,500,000
Price/SF:	$170.51
Cap Rate:	6.21%
RBA:	266,840
Date:	6/16/2016
Year Built:	2001
Buyer:	Griffin Capital Essential Asset REIT II, Inc.
Seller:	Washington Real Estate Holdings LLC

7. Mohawk Corporate Center

Tualatin

Price:	$44,250,000
Price/SF:	$129.38
Cap Rate:	N/A
RBA:	342,004
Date:	4/14/2016
Year Built:	1988
Buyer:	Westport Capital Partners LLC
Seller:	UBS Realty Investors LLC

8. Skidmore Building

Portland

Price:	$42,600,000
Price/SF:	$309.69
Cap Rate:	N/A
RBA:	137,559
Date:	11/4/2015
Year Built:	1883
Buyer:	University of Oregon Foundation
Seller:	Venerable Properties, LLC

9. RiverEast Center

Portland

Price:	$33,500,000
Price/SF:	$335.47
Cap Rate:	4.54%
RBA:	99,860
Date:	3/3/2016
Year Built:	1952
Buyer:	ASB Real Estate Investments
Seller:	Rivers East LLC

Source: CoStar COMPS®

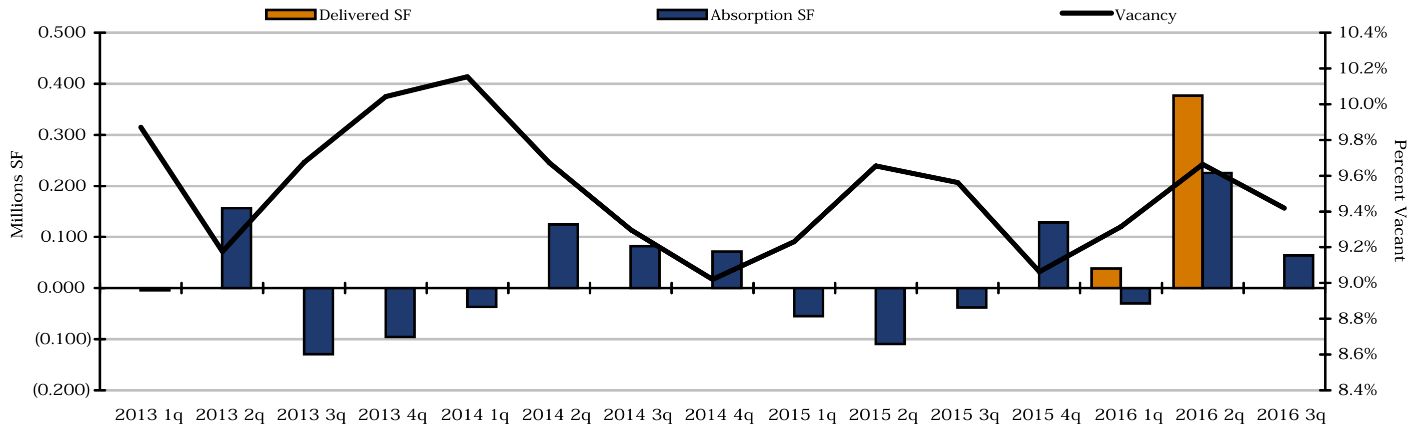
Portland Office Market

CBD Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

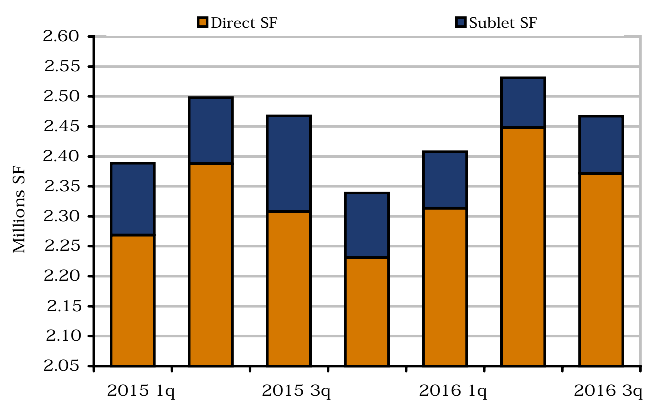
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

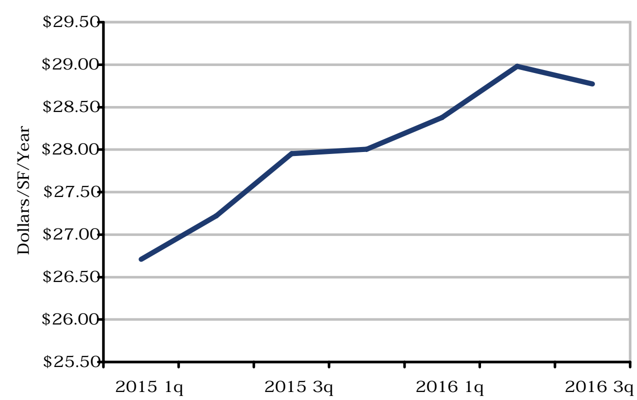
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	362	26,192,328	2,466,976	9.4%	63,976	0	0	6	452,884	$28.77
2016 2q	362	26,192,328	2,530,952	9.7%	225,179	2	376,550	4	214,814	$28.98
2016 1q	361	25,843,778	2,407,581	9.3%	(30,136)	1	38,498	6	591,364	$28.38
2015 4q	360	25,805,280	2,338,947	9.1%	128,591	0	0	5	531,596	$28.01
2015 3q	360	25,805,280	2,467,538	9.6%	(37,685)	0	0	5	531,596	$27.95
2015 2q	361	25,873,280	2,497,853	9.7%	(109,330)	0	0	5	531,596	$27.22
2015 1q	361	25,873,280	2,388,523	9.2%	(54,614)	0	0	4	440,605	$26.71
2014 4q	361	25,873,280	2,333,909	9.0%	71,560	0	0	2	376,550	$26.44
2014 3q	361	25,873,280	2,405,469	9.3%	82,043	0	0	1	220,889	$25.54
2014 2q	362	25,889,863	2,504,095	9.7%	124,622	0	0	1	220,889	$24.98
2014 1q	362	25,889,863	2,628,717	10.2%	(36,795)	0	0	1	220,889	$24.09
2013 4q	363	25,898,863	2,600,922	10.0%	(95,267)	0	0	1	220,889	$24.03
2013 3q	363	25,898,863	2,505,655	9.7%	(129,308)	0	0	0	0	$23.35
2013 2q	363	25,898,863	2,376,347	9.2%	156,272	0	0	0	0	$23.03
2013 1q	364	25,925,263	2,559,019	9.9%	(4,221)	0	0	0	0	$22.93
2012 4q	364	25,925,263	2,554,798	9.9%	(73,191)	0	0	0	0	$22.75

Source: CoStar Property®

CoStar

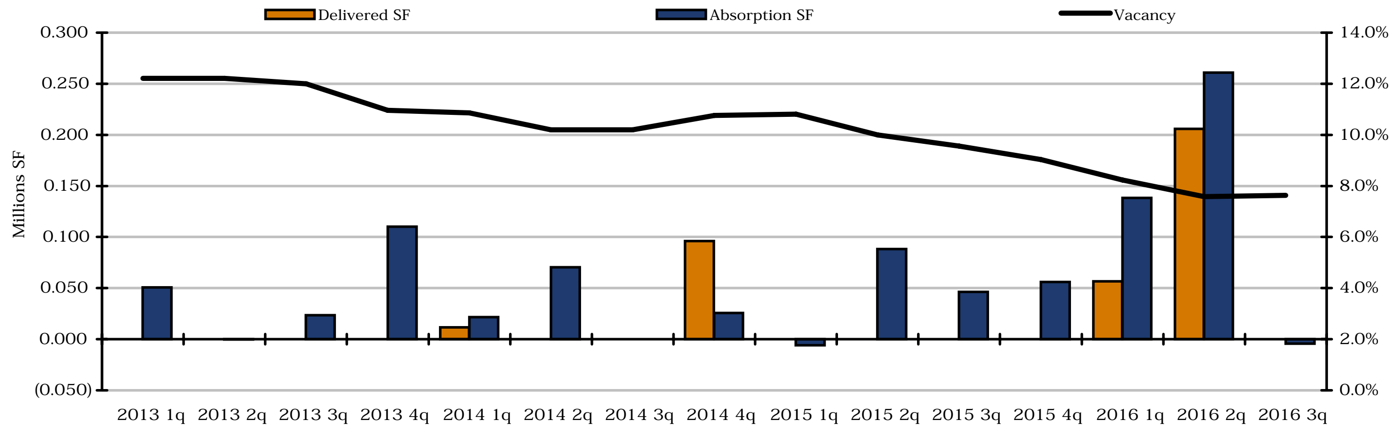
Portland Office Market

Clark County Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

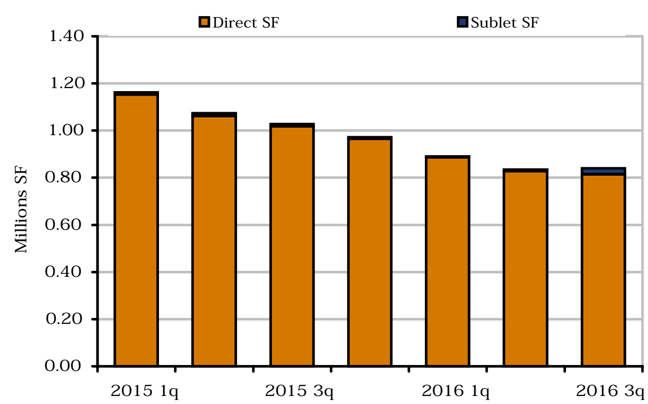
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

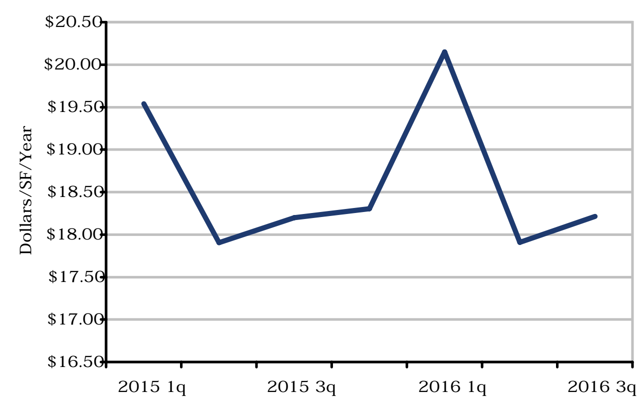
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	815	11,008,421	839,570	7.6%	(4,456)	0	0	1	4,383	$18.21
2016 2q	815	11,008,421	835,114	7.6%	260,790	1	206,000	1	4,383	$17.91
2016 1q	814	10,802,421	889,904	8.2%	138,146	2	56,788	2	210,383	$20.15
2015 4q	812	10,745,633	971,262	9.0%	55,887	0	0	4	267,171	$18.30
2015 3q	812	10,745,633	1,027,149	9.6%	46,361	0	0	4	267,171	$18.20
2015 2q	812	10,745,633	1,073,510	10.0%	88,285	0	0	4	267,171	$17.90
2015 1q	812	10,745,633	1,161,795	10.8%	(5,886)	0	0	2	210,383	$19.54
2014 4q	812	10,745,633	1,155,909	10.8%	25,562	2	96,074	0	0	$17.55
2014 3q	810	10,649,559	1,085,397	10.2%	157	0	0	2	96,074	$17.65
2014 2q	810	10,649,559	1,085,554	10.2%	70,318	0	0	2	96,074	$17.57
2014 1q	810	10,649,559	1,155,872	10.9%	21,511	1	11,521	2	96,074	$19.57
2013 4q	809	10,638,038	1,165,862	11.0%	110,183	0	0	2	90,175	$18.23
2013 3q	809	10,638,038	1,276,045	12.0%	23,430	0	0	1	11,521	$18.78
2013 2q	809	10,638,038	1,299,475	12.2%	(325)	0	0	0	0	$18.74
2013 1q	809	10,638,038	1,299,150	12.2%	50,833	0	0	0	0	$18.44
2012 4q	809	10,638,038	1,349,983	12.7%	104,743	1	51,833	0	0	$18.15

Source: CoStar Property®

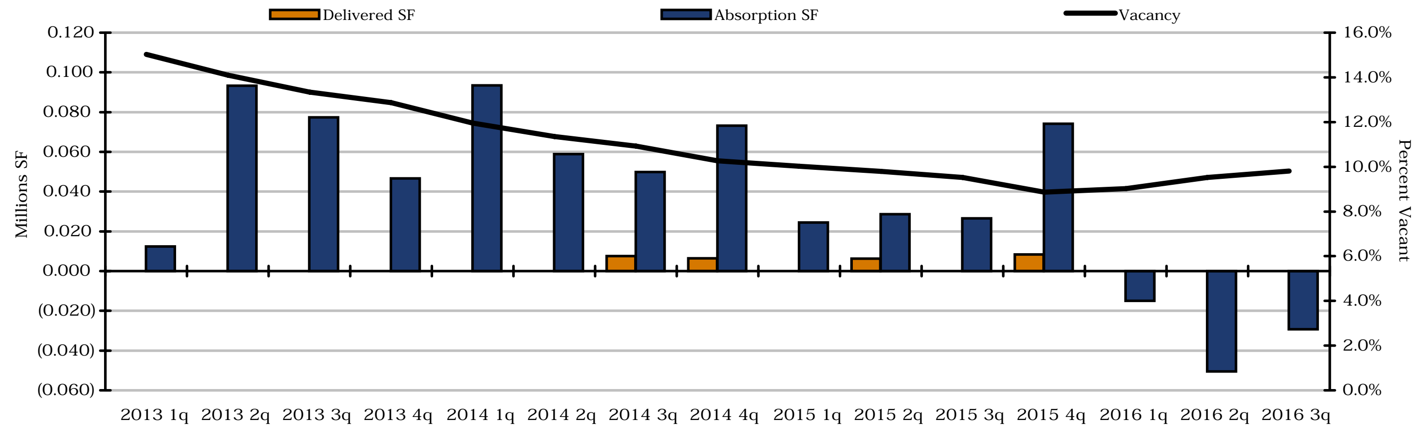
Portland Office Market

I-5 Corridor Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

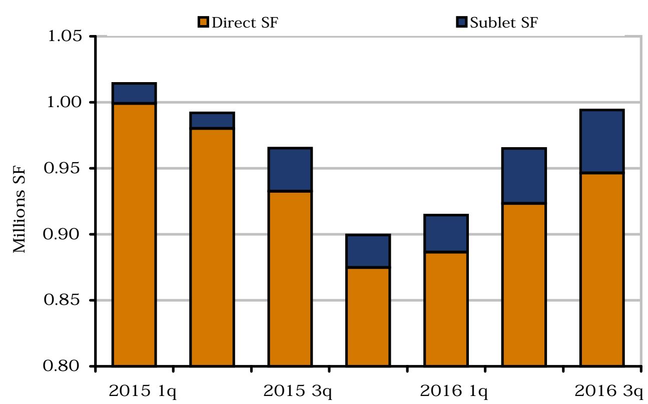
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

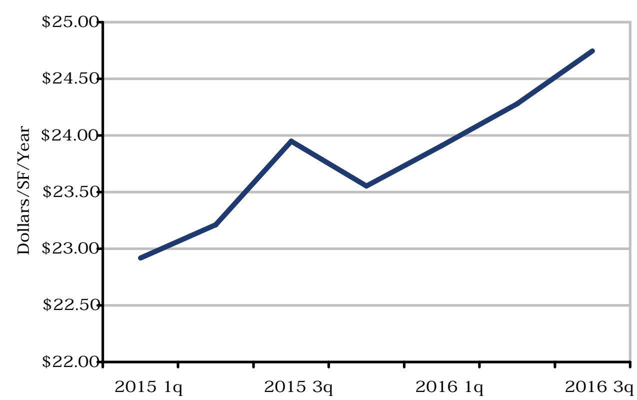
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
Period	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	604	10,139,405	994,289	9.8%	(29,288)	0	0	0	0	$24.75
2016 2q	604	10,139,405	965,001	9.5%	(50,511)	0	0	0	0	$24.28
2016 1q	604	10,139,405	914,490	9.0%	(14,995)	0	0	0	0	$23.91
2015 4q	604	10,139,405	899,495	8.9%	74,162	1	8,300	0	0	$23.55
2015 3q	603	10,131,105	965,357	9.5%	26,532	0	0	1	8,300	$23.95
2015 2q	603	10,131,105	991,889	9.8%	28,703	1	6,242	1	8,300	$23.21
2015 1q	602	10,124,863	1,014,350	10.0%	24,451	0	0	1	6,242	$22.92
2014 4q	602	10,124,863	1,038,801	10.3%	73,221	1	6,386	1	6,242	$22.64
2014 3q	601	10,118,477	1,105,636	10.9%	49,857	3	7,560	2	12,628	$22.82
2014 2q	598	10,110,917	1,147,933	11.4%	58,878	0	0	4	13,946	$22.72
2014 1q	599	10,112,617	1,208,511	12.0%	93,505	0	0	3	7,560	$21.95
2013 4q	599	10,112,617	1,302,016	12.9%	46,669	0	0	1	2,520	$21.45
2013 3q	599	10,112,617	1,348,685	13.3%	77,417	0	0	0	0	$21.58
2013 2q	599	10,112,617	1,426,102	14.1%	93,223	0	0	0	0	$21.71
2013 1q	599	10,112,617	1,519,325	15.0%	12,373	0	0	0	0	$21.63
2012 4q	599	10,112,617	1,531,698	15.1%	134,836	1	11,500	0	0	$21.71

Source: CoStar Property®

CoStar

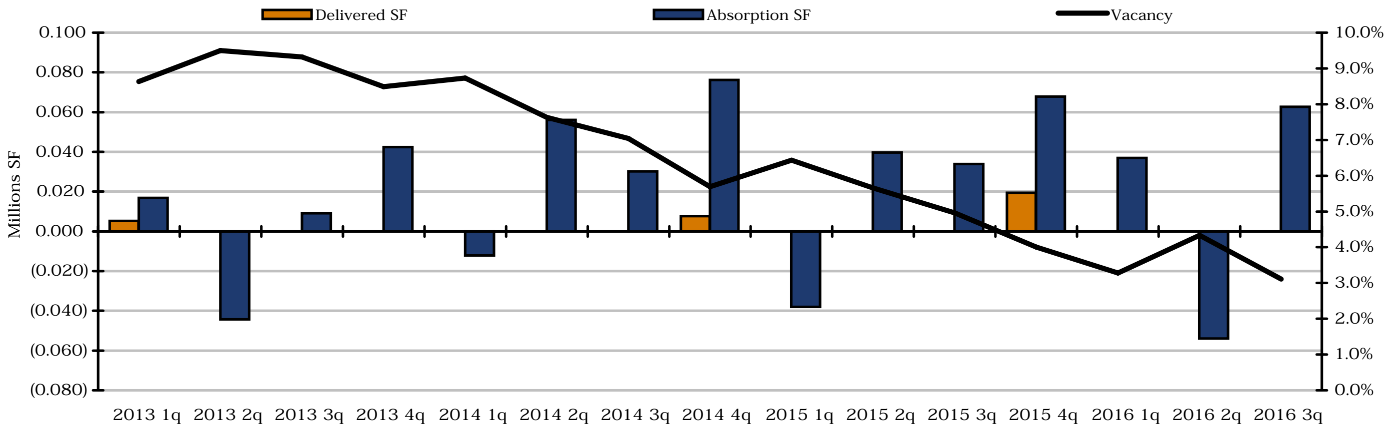
Portland Office Market

Lloyd District Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

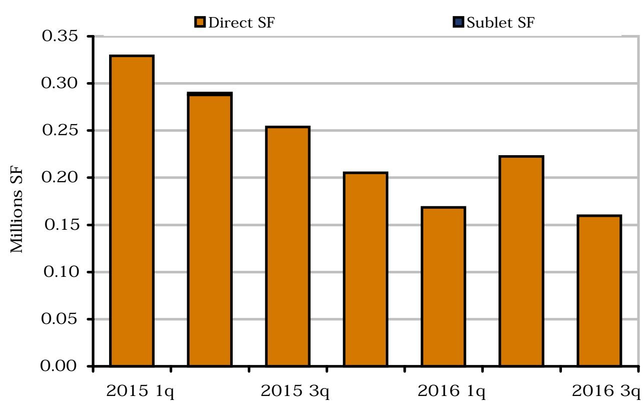
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

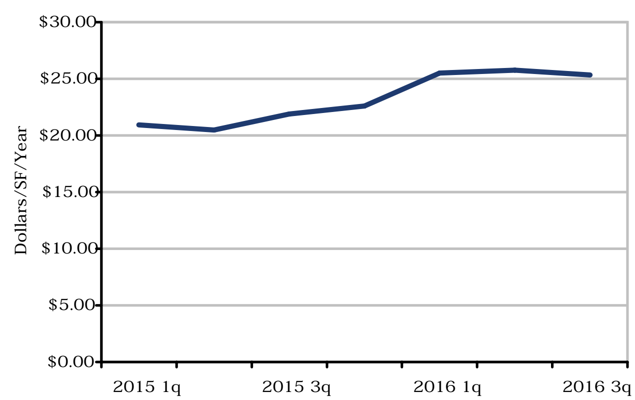
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	217	5,135,567	159,809	3.1%	62,606	0	0	3	191,350	$25.35
2016 2q	217	5,135,567	222,415	4.3%	(53,947)	0	0	2	135,350	$25.76
2016 1q	217	5,135,567	168,468	3.3%	36,913	0	0	2	135,350	$25.52
2015 4q	217	5,135,567	205,381	4.0%	67,834	1	19,347	2	135,350	$22.60
2015 3q	216	5,116,220	253,868	5.0%	33,957	0	0	1	19,347	$21.88
2015 2q	217	5,118,094	289,699	5.7%	39,634	0	0	1	19,347	$20.47
2015 1q	217	5,118,094	329,333	6.4%	(38,017)	0	0	1	19,347	$20.94
2014 4q	217	5,118,094	291,316	5.7%	76,190	1	7,600	0	0	$20.38
2014 3q	216	5,110,494	359,906	7.0%	30,259	0	0	1	7,600	$20.31
2014 2q	216	5,110,494	390,165	7.6%	56,028	0	0	0	0	$20.02
2014 1q	216	5,110,494	446,193	8.7%	(12,152)	0	0	0	0	$19.38
2013 4q	216	5,110,494	434,041	8.5%	42,356	0	0	0	0	$18.72
2013 3q	216	5,110,494	476,397	9.3%	9,072	0	0	0	0	$18.37
2013 2q	216	5,110,494	485,469	9.5%	(44,311)	0	0	0	0	$18.16
2013 1q	216	5,110,494	441,158	8.6%	16,866	1	5,238	0	0	$18.82
2012 4q	215	5,105,256	452,786	8.9%	(21,029)	0	0	1	5,238	$18.82

Source: CoStar Property®

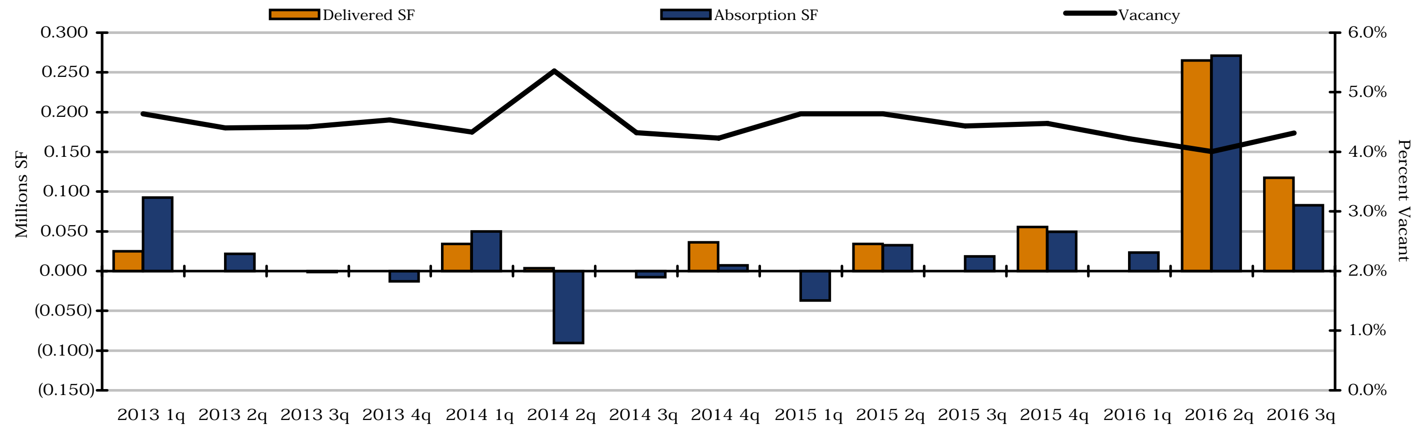
Portland Office Market

Northeast Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

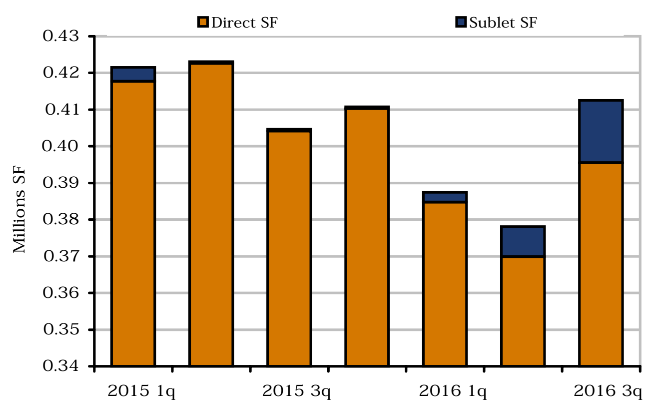
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

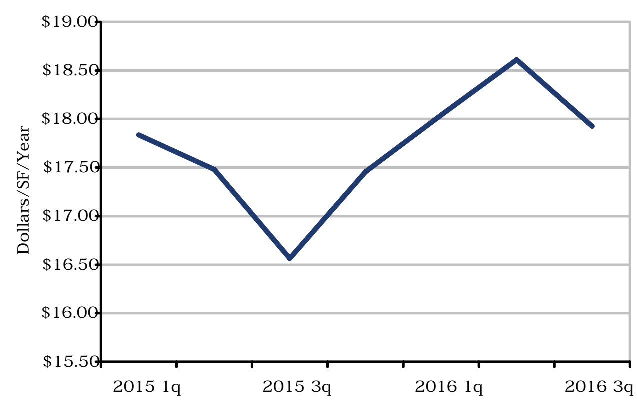
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	984	9,556,428	412,544	4.3%	83,034	1	117,500	2	35,103	$17.93
2016 2q	983	9,438,928	378,078	4.0%	270,998	1	265,000	3	152,603	$18.61
2016 1q	983	9,177,331	387,479	4.2%	23,315	0	0	4	417,603	$18.04
2015 4q	983	9,177,331	410,794	4.5%	49,479	3	55,602	4	417,603	$17.46
2015 3q	980	9,121,729	404,671	4.4%	18,390	0	0	6	453,205	$16.56
2015 2q	980	9,121,729	423,061	4.6%	32,420	1	34,000	6	453,205	$17.48
2015 1q	979	9,087,729	421,481	4.6%	(37,162)	0	0	5	354,602	$17.84
2014 4q	979	9,087,729	384,319	4.2%	7,105	1	36,000	2	69,671	$16.93
2014 3q	980	9,089,354	393,049	4.3%	(7,492)	0	0	3	105,671	$15.82
2014 2q	981	9,196,484	492,687	5.4%	(90,541)	1	3,663	1	36,000	$15.56
2014 1q	980	9,192,821	398,483	4.3%	49,858	2	34,000	2	39,663	$16.03
2013 4q	979	9,160,190	415,710	4.5%	(12,783)	0	0	3	37,663	$15.74
2013 3q	980	9,161,910	404,647	4.4%	(1,279)	0	0	3	37,663	$15.79
2013 2q	980	9,161,910	403,368	4.4%	21,690	0	0	2	34,000	$15.66
2013 1q	980	9,161,910	425,058	4.6%	92,562	1	24,929	0	0	$15.43
2012 4q	979	9,136,981	492,691	5.4%	2,807	1	18,750	1	24,929	$16.53

Source: CoStar Property®

CoStar™

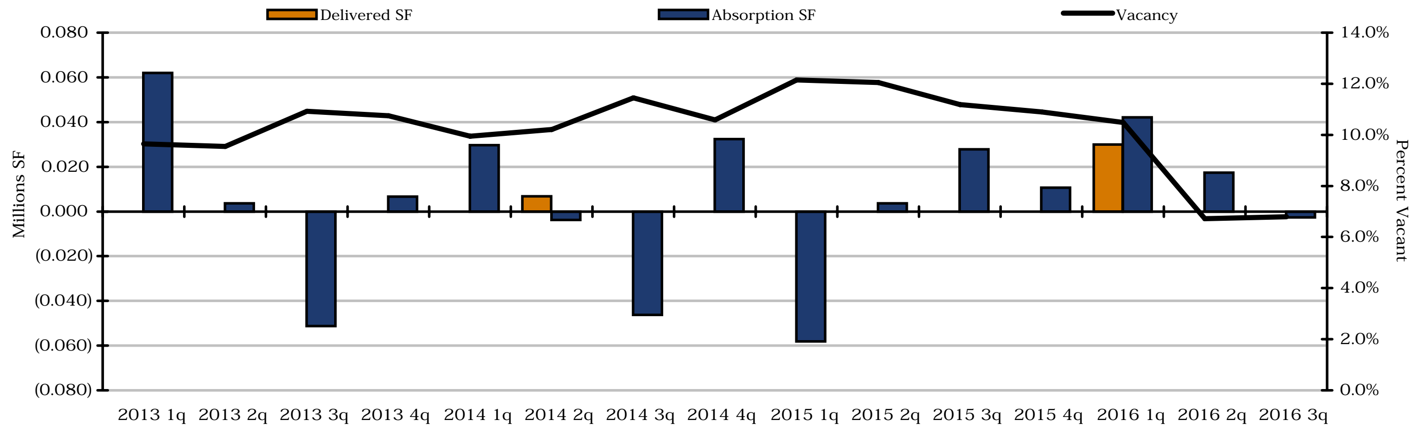
Portland Office Market

Northwest Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

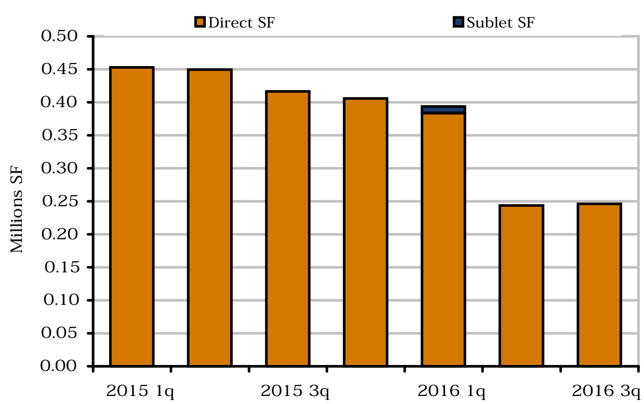
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

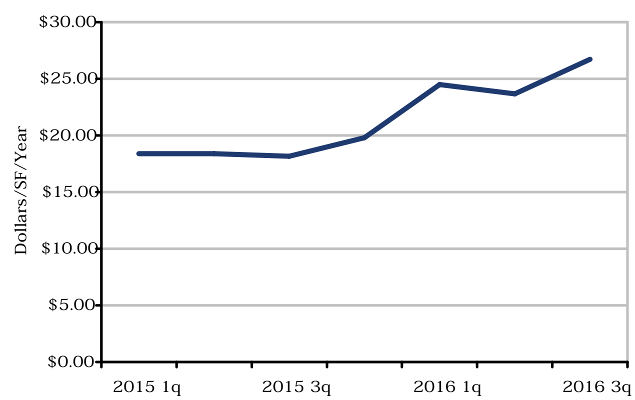
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	217	3,622,415	246,144	6.8%	(2,575)	0	0	2	299,056	$26.72
2016 2q	217	3,622,415	243,569	6.7%	17,414	0	0	0	0	$23.68
2016 1q	218	3,755,082	393,650	10.5%	42,174	1	29,933	0	0	$24.49
2015 4q	217	3,725,149	405,891	10.9%	10,616	0	0	1	29,933	$19.79
2015 3q	217	3,725,149	416,507	11.2%	27,853	0	0	1	29,933	$18.16
2015 2q	218	3,730,149	449,360	12.0%	3,602	0	0	1	29,933	$18.40
2015 1q	218	3,730,149	452,962	12.1%	(58,130)	0	0	1	29,933	$18.40
2014 4q	218	3,730,149	394,832	10.6%	32,418	0	0	0	0	$19.04
2014 3q	218	3,730,149	427,250	11.5%	(46,274)	0	0	0	0	$17.90
2014 2q	218	3,730,149	380,976	10.2%	(3,851)	1	6,794	0	0	$18.17
2014 1q	217	3,723,355	370,331	9.9%	29,688	0	0	1	6,794	$16.41
2013 4q	217	3,723,355	400,019	10.7%	6,580	0	0	1	6,794	$16.88
2013 3q	217	3,723,355	406,599	10.9%	(51,291)	0	0	1	6,794	$17.32
2013 2q	217	3,723,355	355,308	9.5%	3,625	0	0	1	6,794	$16.70
2013 1q	217	3,723,355	358,933	9.6%	61,979	0	0	0	0	$17.14
2012 4q	217	3,723,355	420,912	11.3%	8,714	0	0	0	0	$16.96

Source: CoStar Property®

Portland Office Market

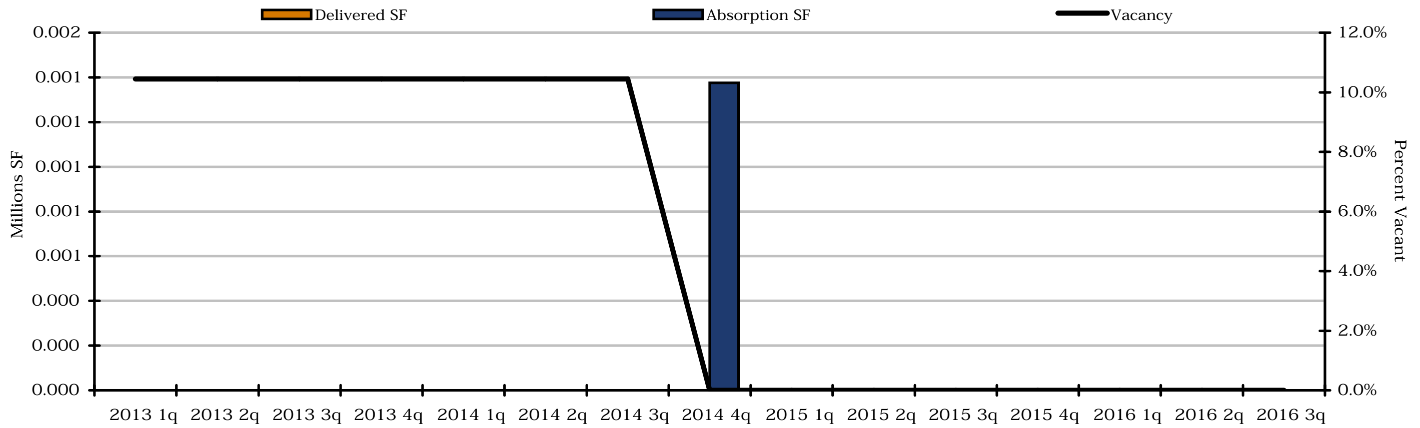
CoStar™

Skamania County Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

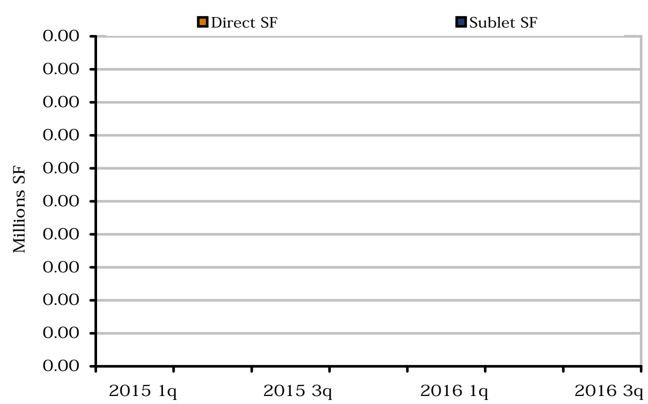
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

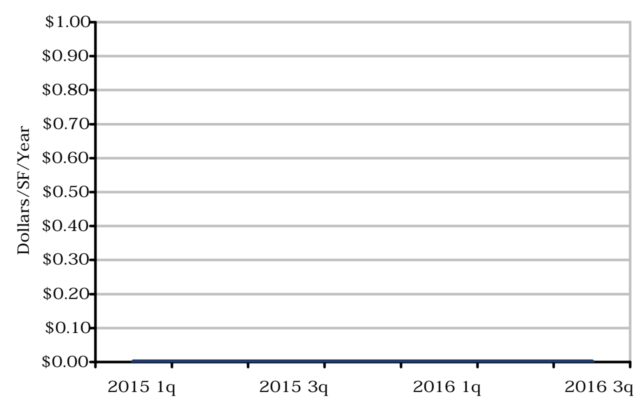
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2016 2q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2016 1q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2015 4q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2015 3q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2015 2q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2015 1q	3	13,164	0	0.0%	0	0	0	0	0	$0.00
2014 4q	3	13,164	0	0.0%	1,375	0	0	0	0	$0.00
2014 3q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2014 2q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2014 1q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2013 4q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2013 3q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2013 2q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2013 1q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00
2012 4q	3	13,164	1,375	10.4%	0	0	0	0	0	$0.00

Source: CoStar Property®

CoStar™

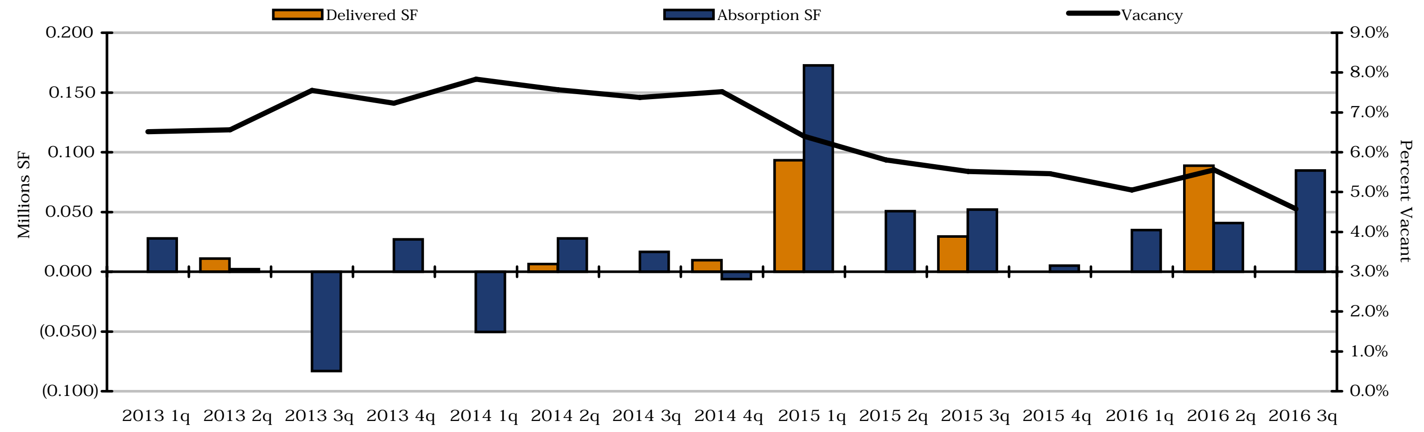
Portland Office Market

Southeast Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

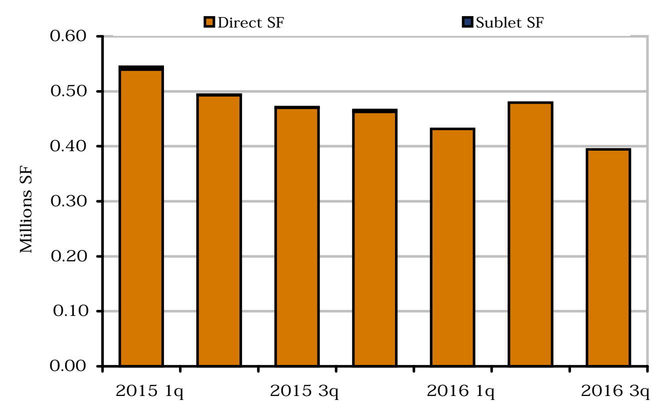
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

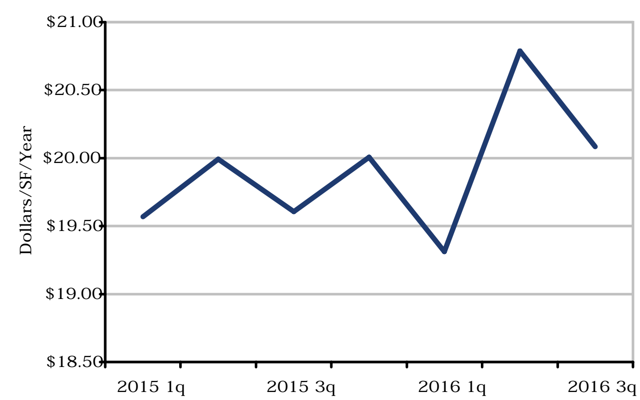
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	932	8,628,096	394,578	4.6%	84,820	0	0	3	80,280	$20.08
2016 2q	932	8,628,096	479,398	5.6%	40,748	2	88,720	3	80,280	$20.79
2016 1q	930	8,539,376	431,426	5.1%	34,860	0	0	5	169,000	$19.31
2015 4q	930	8,539,376	466,286	5.5%	5,082	0	0	4	128,815	$20.01
2015 3q	930	8,539,376	471,368	5.5%	51,962	1	29,483	2	88,720	$19.61
2015 2q	929	8,509,893	493,847	5.8%	50,756	0	0	2	101,483	$19.99
2015 1q	929	8,509,893	544,603	6.4%	172,702	2	93,348	1	29,483	$19.57
2014 4q	928	8,426,270	633,682	7.5%	(6,266)	1	9,631	3	122,831	$19.24
2014 3q	928	8,419,639	620,785	7.4%	16,555	0	0	3	102,979	$18.79
2014 2q	928	8,419,639	637,340	7.6%	27,873	2	6,375	3	102,979	$18.78
2014 1q	926	8,413,264	658,838	7.8%	(50,534)	0	0	4	94,354	$18.89
2013 4q	926	8,413,264	608,304	7.2%	27,192	0	0	3	84,723	$18.63
2013 3q	926	8,413,264	635,496	7.6%	(83,051)	0	0	2	6,375	$17.92
2013 2q	926	8,413,264	552,445	6.6%	2,142	1	10,916	0	0	$17.90
2013 1q	926	8,406,163	547,486	6.5%	27,985	0	0	1	10,916	$17.80
2012 4q	927	8,437,243	606,551	7.2%	9,672	0	0	1	10,916	$16.90

Source: CoStar Property®

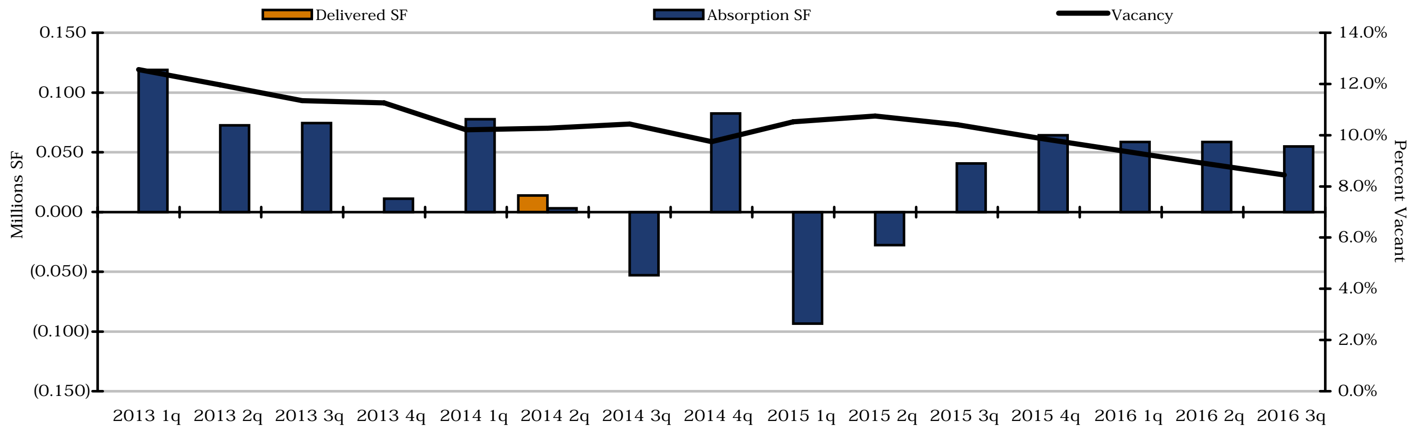
Portland Office Market

Southwest Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

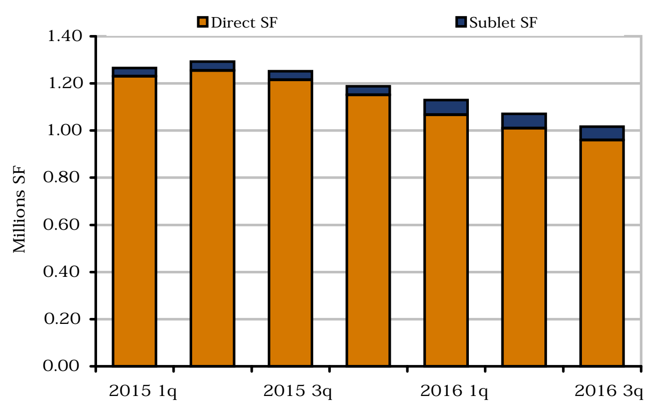
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

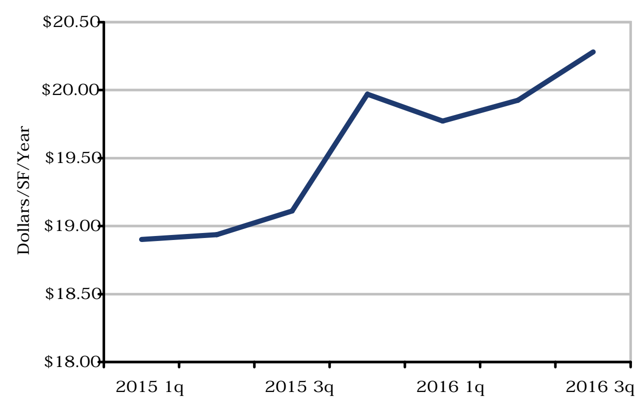
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	764	12,026,231	1,016,300	8.5%	54,831	0	0	1	70,000	$20.28
2016 2q	764	12,026,231	1,071,131	8.9%	58,467	0	0	1	70,000	$19.93
2016 1q	764	12,026,231	1,129,598	9.4%	58,453	0	0	1	70,000	$19.77
2015 4q	764	12,026,231	1,188,051	9.9%	64,181	0	0	0	0	$19.97
2015 3q	764	12,026,231	1,252,232	10.4%	40,556	0	0	0	0	$19.11
2015 2q	764	12,026,231	1,292,788	10.7%	(27,624)	0	0	0	0	$18.94
2015 1q	764	12,026,231	1,265,164	10.5%	(93,492)	0	0	0	0	$18.90
2014 4q	764	12,026,231	1,171,672	9.7%	82,494	0	0	0	0	$19.11
2014 3q	764	12,026,231	1,254,166	10.4%	(52,915)	0	0	0	0	$19.12
2014 2q	766	12,064,537	1,239,557	10.3%	3,194	4	13,800	0	0	$18.76
2014 1q	763	12,052,576	1,230,790	10.2%	77,716	0	0	4	13,800	$18.89
2013 4q	764	12,107,194	1,363,124	11.3%	11,057	0	0	4	13,800	$18.84
2013 3q	764	12,107,194	1,374,181	11.4%	74,519	0	0	2	5,096	$18.70
2013 2q	764	12,107,194	1,448,700	12.0%	72,467	0	0	0	0	$18.83
2013 1q	764	12,107,194	1,521,167	12.6%	118,922	0	0	0	0	$18.60
2012 4q	764	12,107,194	1,640,089	13.5%	(8,146)	0	0	0	0	$18.87

Source: CoStar Property®

CoStar™

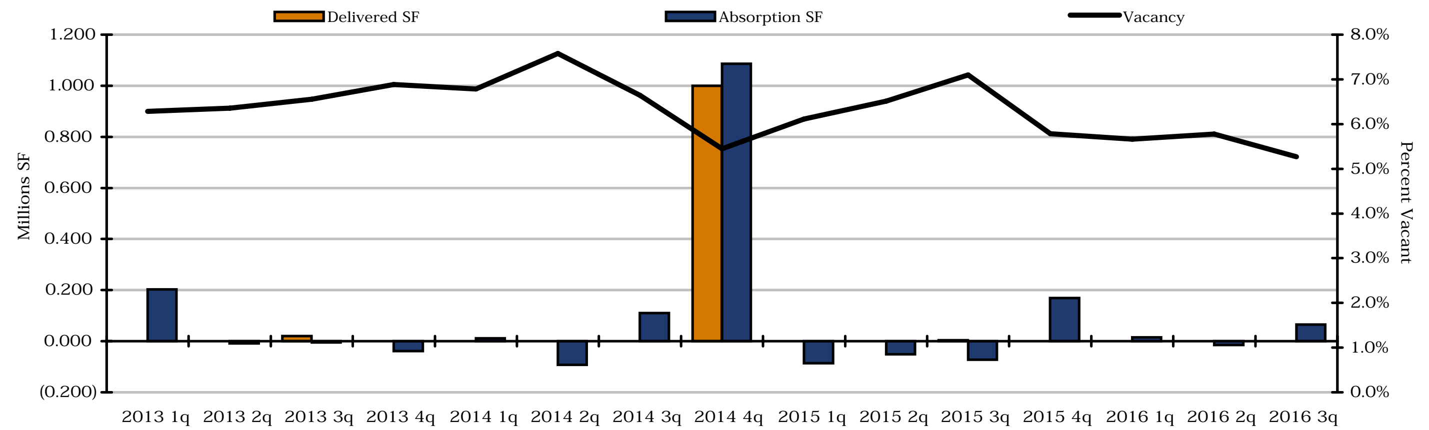
Portland Office Market

Westside Market

Market Highlights – Class "A, B & C"

Deliveries, Absorption & Vacancy

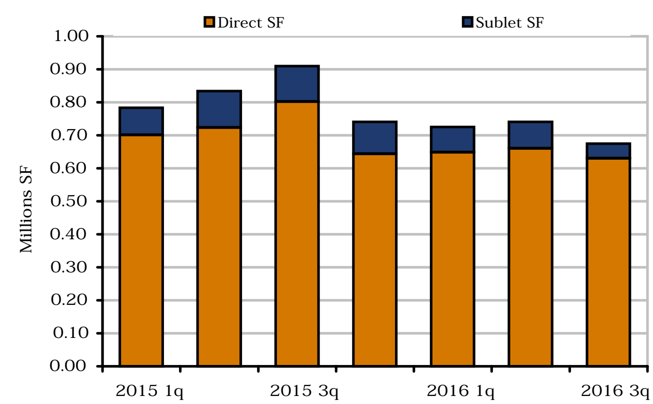
Historical Analysis, All Classes



Source: CoStar Property®

Vacant Space

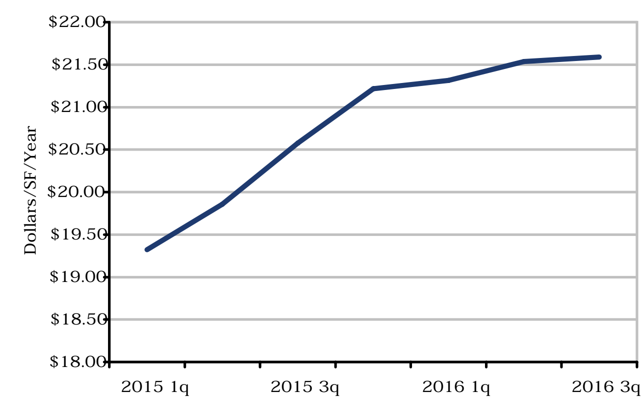
Historical Analysis, All Classes



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net	Delivered Inventory		UC Inventory		Quoted
	# Bldgs	Total RBA	Vacant SF	Vacancy %	Absorption	# Bldgs	Total RBA	# Bldgs	Total RBA	Rates
2016 3q	385	12,810,885	674,748	5.3%	65,693	0	0	1	412,000	$21.59
2016 2q	385	12,810,885	740,441	5.8%	(15,359)	0	0	1	412,000	$21.54
2016 1q	385	12,810,885	725,082	5.7%	15,551	0	0	1	412,000	$21.31
2015 4q	385	12,810,885	740,633	5.8%	168,930	0	0	1	412,000	$21.22
2015 3q	385	12,810,885	909,563	7.1%	(71,931)	1	3,477	0	0	$20.58
2015 2q	384	12,807,408	834,155	6.5%	(50,973)	0	0	1	3,477	$19.86
2015 1q	384	12,807,408	783,182	6.1%	(85,568)	0	0	1	3,477	$19.32
2014 4q	384	12,807,408	697,614	5.4%	1,086,301	1	1,000,000	1	3,477	$19.17
2014 3q	383	11,807,408	783,915	6.6%	110,461	0	0	1	1,000,000	$19.48
2014 2q	383	11,807,408	894,376	7.6%	(92,963)	0	0	1	1,000,000	$19.44
2014 1q	383	11,807,408	801,413	6.8%	11,454	0	0	1	1,000,000	$18.07
2013 4q	383	11,807,408	812,867	6.9%	(38,394)	0	0	1	1,000,000	$16.69
2013 3q	383	11,807,408	774,473	6.6%	(4,947)	1	20,000	1	1,000,000	$16.59
2013 2q	382	11,787,408	749,526	6.4%	(8,384)	0	0	1	20,000	$17.51
2013 1q	382	11,787,408	741,142	6.3%	202,333	0	0	1	20,000	$16.89
2012 4q	382	11,787,408	943,475	8.0%	107,378	0	0	1	20,000	$16.27

Source: CoStar Property®