

Portland office space still attracting interest

By **CHUCK SLOTHOWER**
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Portland's office rental market tightened and grew more expensive in the first quarter, according to a new report from Jones Lang LaSalle.

The vacancy rate throughout the four-county metro area fell to 8.3 percent, down from 9.4 percent a year ago. That was the fourth-lowest mark in the nation, behind only Nashville (6.3 percent), Salt Lake City (6.5 percent) and San Francisco (8.2 percent).

Portland's Central City was the hottest market, with the lowest vacancy rate - 6.3 percent - and the highest rents, averaging \$29.96 per square foot.

Rents for Class B office space grew 14.2

percent. Class B rent, at \$30.13 in the Central City, is now closing in on Class A rent, at \$31.11.

"That's really indicative of another trend that we're seeing, which is increasingly class is not that relevant," said Patricia Raicht, senior vice president at Jones Lang LaSalle, a commercial real estate and investment management firm.

"That class B rent growth is pretty incredible in historical perspective," she added.

Net absorption was "restrained" in the first quarter at 178,000 square feet, Raicht said.

"We're probably going to see a big surge in the second and third quarter when some of these buildings deliver," she said.

Park Avenue West, to be delivered in

the second quarter, is 93 percent leased. Pearl West, another major office building due for delivery in coming months, is 88 percent leased, Raicht said.

About a third of tenant demand is coming from the technology sector. Tenant demand in the Portland market is already at record levels, approaching 4 million square feet in the first quarter.

A possible relief valve: 1.6 million square feet of office space is under construction, and projects totaling another 3.7 million square feet are in pre-development. The vacancy crunch should begin to see some relief beginning in 2017, the JLL report said.

The report tracks four Portland-area counties: Multnomah, Washington, Clackamas and Clark County, Wash.

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Interface Engineering has promoted **Douglas Cansdale** to associate. His background includes more than 25 years of mechanical engineering design and commissioning experience. His knowledge of design, installation and commissioning of various building control systems provides specialized expertise in all key building systems.

Interface Engineering has promoted **Andrew Craig** to associate principal. He has more than 10 years of experience in mechanical system design and project management as well as energy and CFD modeling.

Interface Engineering has promoted **Scott Holum** to associate principal. He has been with the firm for 37 years with a career focus on integrating sustainable design in plumbing and process systems including rainwater harvesting, wastewater treatment, high efficiency fixtures, devices and energy recovery systems for plumbing.

Interface Engineering has promoted **Mark Jackson** to associate principal. He has been with the firm for 20 years. He leads and mentors a team of electrical engineers who work both domestically and internationally.

Interface Engineering has promoted **Chris Larson** to associate principal. He has designed electrical systems for 20 years and is responsible for the design of electrical systems and overall project management. System design includes lighting, power distribution, emergency power, fire alarm, communications, controls and specifications.

Interface Engineering has promoted **Nick Marcyan** to associate. Over the past 15 years he has managed commissioning and test & balance projects throughout the U.S., South America and Asia for a variety of market sectors and building systems.

Interface Engineering has promoted **Michael Nelson** to associate. He has become a leader in PV system design and LEED

certified projects. His roles include project management, design validation, quality control review, construction administration and other critical areas of the design process.

Interface Engineering has promoted **Thomas Phuong** to associate principal. He is a senior electrical engineer and team leader with 15 years of experience. He has worked on a variety of projects, all with an eye toward high performance.



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DJC The Daily Journal of Commerce (ISSN 0896-0862) with USPS permit 143-560 - the official newspaper of the City of Portland, is published Monday, Wednesday and Friday with Periodical Postage Paid at Portland OR by The Dolan Company (DBA The Daily Journal of Commerce Inc.). It also is a member of American Court & Commercial Newspapers Inc., and the ACCN News Service, National Newspaper Association, International Newspaper Promotion Association, Oregon Newspaper Publishers Association Inc., The Associated General Contractors of America, Oregon-Columbia chapter and Associated Builders and Contractors Inc. Daily Journal of Commerce is an affiliate of The Dolan Company. **POSTMASTER:** Send address changes to Daily Journal of Commerce Subscription Services, 10 Milk St., Boston, Mass., 02108. Subscription rates: One year \$230. Subscriptions are non-refundable. Single copy \$2. Back issue, current month, \$4. Back issue, previous month, current year, when available, \$6. Back issue, previous year when available, \$8. Periodicals postage paid at Portland, Ore.

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