



Portland Ranks Among Most Attractive Markets for Tech

No longer a 'flyover market' for tech, deep talent pool, relative housing affordability and low cost of doing business lures technology start-ups and robust business expansion to Rose City

PORTLAND, OREGON – November 18, 2015 -- Portland is one the most dynamic cities for tech company growth in the country and the city's relatively low cost of doing business as well as its deep talent pool is spurring even more start-up activity, according to a new report issued today by JLL.

The firm's 2015 Technology Office Outlook confirms that demand is being driven to a great degree by tech start-ups and other technology-based firms, which added more than 2.6 percent of jobs, pushing total tech employment to more than 60,000 jobs in 2014 in the Portland area. This, in turn has pushed office vacancy to historic lows in the Rose City in the last 12 months. Additionally, this, strong demand is pushing rents steadily higher; rents grew by almost 10 percent in the last 12 months. Yet, at an average overall direct asking rent of \$24.08 per square foot, Portland still trails well behind larger, more established tech centers. The equivalent rent in the city's nearest major neighbor Seattle, is \$33.70, while rents in San Francisco and Silicon Valley are \$66.80 and \$41.68 respectively.

As a result, tech companies in Portland face far lower average total real estate costs per employee than many other markets. The annual total real estate cost per employee in Portland (based on 175 s.f. per employee) is \$4,214. In Seattle, the equivalent cost is \$5,898 and in San Francisco, \$11,690, while New York firms will pay a whopping \$12,362 per person.

"It's an exciting time for Portland. We have a high amenity lifestyle here— just as many other major cities in the region – but our low cost of doing business relative to major markets like New York and San Francisco and the high concentration of creative and educated talent here makes the city an increasingly desirable location for expanding tech companies. We are no longer a 'flyover' market between Seattle and Silicon Valley. We not only attract talent and great companies from around the globe, but also grow great Oregon technology companies," said Craig Reinhart, head of JLL's Technology practice group in Portland.

Reinhart pointed to home grown firms Puppet Labs, Jama Software and Elemental Technologies as well as firms that have opened offices in Portland in the last two years such as GuideSpark and Aruba, as helping to put the city on the technology map. Portland is one of 19 markets around the country that saw significant in-migration of tech firms in 2015.

In addition to lower real estate costs, living costs are generally lower for tech workers. Portland's average monthly apartment rent is \$1,146 and average wages for tech employees in 2014 were over \$112,000. This compares to an average monthly apartment rent in San Francisco over \$3,000.

Portland's ongoing appeal as a location also creates challenges for the tech sector. About 1.5 million square feet of new space will be added to the city's 58 million square foot office sector over the next 18 months and with current total vacancy just 9.1 percent, half of that space has already been spoken for by growing area firms.

"This is a dynamic market, especially for urban tech companies, however, as vacancies hit historic lows companies will need to assure they have the right space in place to support their most valuable asset – their employees," says Reinhart. "Right now, this market really is dictating that companies be nimble, manage an annual real estate plan and in many cases start their real estate search process and negotiations months and often years earlier than previously required," he adds.

For more information on JLL's High Tech Outlook for Portland or to get information on any of the other 36 markets contained in the report, visit: <http://www.us.jll.com/united-states/en-us/services/industries/technology-companies/2015-tech-outlook>

About the Technology Office Outlook Report

The report helps technology companies make informed expansion decisions and provides insight for investors looking to find the next high-tech growth opportunity. JLL's research ranks 37 U.S. markets by potential investment opportunity and by the best location for continued expansion with [our proprietary Locator Matrix](#).

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