

## Industrial Market Picks Up Steam

Companies Entering the Market, Tenants Expanding, Leads to Lower Vacancy

### Net Absorption

The Portland Industrial Real Estate Market continued its slow and steady recovery during the quarter ending September 30, 2011. The market saw positive net absorption of nearly 900,000 square feet, a level of positive activity that has not been reached since 2008. Approximately 25% of that leasing activity came from a company new to the area, SoloPower, Inc. They signed a new lease for approximately 225,250 square feet in the Rivergate submarket.

### Recent Leasing Activity

A number of transactions contributed to a higher level of activity during this past quarter. A few of them include:

- Solo Power, Inc.  
(225,250 Square Feet)
- OIA Global Logistics  
(156,330 Square Feet)
- SAPA  
(142,800 Square Feet)
- Tucker Rocky Distributing  
(76,491 Square Feet)

### Sales Trends

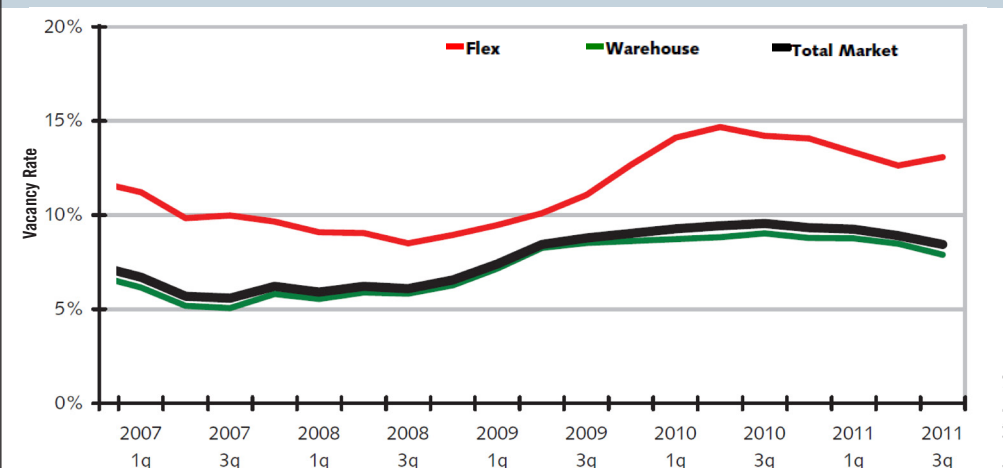
#### OWNER/USER SALES:

In speaking with building owners and prospective building owners on a daily basis, the general feeling seems to be "wait and see." It is apparent that more and more companies are profitable again after two extremely difficult years (2009, 2010). That being said, the confidence level that owners have about the future of the economy is still low and until there is more certainty, sales volume will continue to be sluggish.

#### INVESTMENT SALES:

The story in the investment world appears to be somewhat the opposite. Investors have kept money "on the sidelines" throughout the recession but for a different reason. The key motive is that the supply of investment real estate available on the market today is extremely limited. So, why are there so few properties available? With rental rates declining in excess of 20% in some markets, it caused a drop in value of the same percentage. In addition, investors are demanding a higher CAP rate which has caused building values to drop even farther. That has resulted in the unwillingness to sell at such a discount.

### VACANCY RATES: BY BUILDING TYPE 2007-2011



### CAPACITY'S MARKET MAKERS: RECENT TRANSACTIONS

Don Ossey, SIOR and Rob McEachern leased 76,406 SF to Tucker Rocky Distributing in Fairview.

Scott Kappes, SIOR leased 39,375 SF to Bridgetown Trucking at 130th & NE Airport Way in Portland.

Allen Patterson, SIOR leased 35,560 SF to Far West Fibers, Inc. at 4950 SE 26th Avenue in Portland.

John Fettig, SIOR and Evan Bernstein leased 32,750 SF to O'Neill Transfer & Storage Company at 6077 Lakeview Boulevard in Lake Oswego.

### FEATURED PROPERTIES:

FOR SALE



6803 SE Johnson Creek Blvd, Portland  
±168,000 SF on ±10.7 Acres  
Seller Financing  
Unincorporated Clackamas County  
**Contact: Allen Patterson, SIOR**

FOR LEASE



Prologis Park Southshore, Building C  
4253-4293 NE 189th Avenue, Gresham  
±90,000 SF, Divisible to:  
• ±45,263 SF, ±9,248 SF Office  
• ±44,737 SF, ±1,950 SF Office  
**Contact: Don Ossey, SIOR or Mark Childs, SIOR**

FOR LEASE



4000 SW Hocken Avenue, Beaverton  
±20,354 SF on ±5.68 Acre Site,  
472 Parking Stalls  
Located in the Heart of Beaverton  
**Contact: Dave Ellis or Evan Bernstein**

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# LOWERING YOUR COSTS

How Can You Run Your Company More Efficiently and Save Money?

## Improve Your Company's Cash Flow & Reduce Your Business Expenses

By: Terry Costello, Bank of America Business Banking



### Features and Benefits:

- **Vendor and Supplier Payments** – Leverage spending data to consolidate supplier base and secure vendor discounts and preferred pricing.
- **Leverage Float** – Walls create an average of 35 days and up to 50 days of float producing increased cash flow and greater liquidity.
- **Reduce Cost of Operations** - Dramatically lower transaction processing cost for purchase orders. Understand spending patterns and pinpoint opportunities for increased savings.
- **Increased Time Efficiencies** - Significantly reduce purchase order cycle time up to 68% which is an approximate average reduction of 6.3 days.
- **Streamline Your Accounts Payable Processes** - Eliminate duplication and manual entry with automated uploading of purchase data into accounting software. Seamlessly integrate purchasing data into company financial systems.

As companies navigate through the current economic conditions there are some common similarities which companies share with regards to their key operating strategies.

For example they're looking for ways to continue to improve cash flow and reduce expenses. One way to accomplish this is by leveraging a superior capital management tool with a Commercial Card. This treasury management product provides an alternative method for paying your vendors and suppliers.



## WHO WE ARE

Capacity Commercial Group LLC offers businesses a highly customized brand of industrial, office and investment real estate services. For individual and corporate clients, we handle leasing and sales, plus a full mix of landlord and tenant representation, including acquisitions and dispositions.



Local to Portland, Capacity Commercial Group has extensive experience in the market with 20 licensed real estate brokers in the Portland office and four licensed in Washington. Our mission is to be responsive and reactive to our customers by providing unparalleled local knowledge of our markets, coupled with relentless professional service and expertise to deliver superior results. Our scope goes beyond the local market as eight of Capacity Commercial Group's brokers have achieved designation with the Society of Industrial and Office Realtors (SIOR) network, and also as a member of CORFAC International – providing national and international reach.

