



# 2026 Value of Jobs STATE OF DOWNTOWN & THE CENTRAL CITY

## Report at a Glance

Compared to last year's report, the story in 2026 is less about office recovery and more about the region's 'new normal.'

Office leasing has reached record lows, and vacancy continues climbing. Hybrid work is a lasting shift, not a temporary disruption.

Recovery will depend less on restoring past commuting patterns and more on building a Central City that attracts a diverse mix of residents, visitors, and activity throughout the day and week.

### 86%

total percent of foot traffic in the Central City compared to 2020 levels

### 252,289

quarterly average of leased square footage in 2025, lowest on record, with the exception of 2020

### 10.2 million

quarterly average square feet of vacant office space in the Central City in 2025, which is the highest level on record

View the full report with interactive charts at [PortlandMetroChamber.com](http://PortlandMetroChamber.com)



*Flip over for charts and analysis*

Report presented by:



Value of Jobs Coalition:



*With gratitude to ECONorthwest, our State of Downtown & the Central City partner since 2010.*



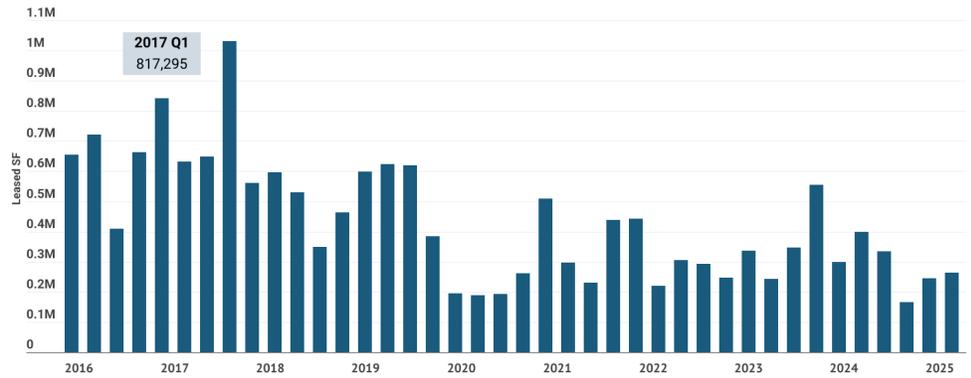
## Portland office leasing reaches an all-time low

Portland's quarterly office leasing fell from 400,000 to 250,000 square feet in 2025, the lowest level on record. This is below leasing activity during the 2020 pandemic and far below the 2014 peak of 800,000 square feet per quarter.

See Figure 1.

Figure 1: Office leasing volume, Portland Central City (2016-2025)

Source: CoStar



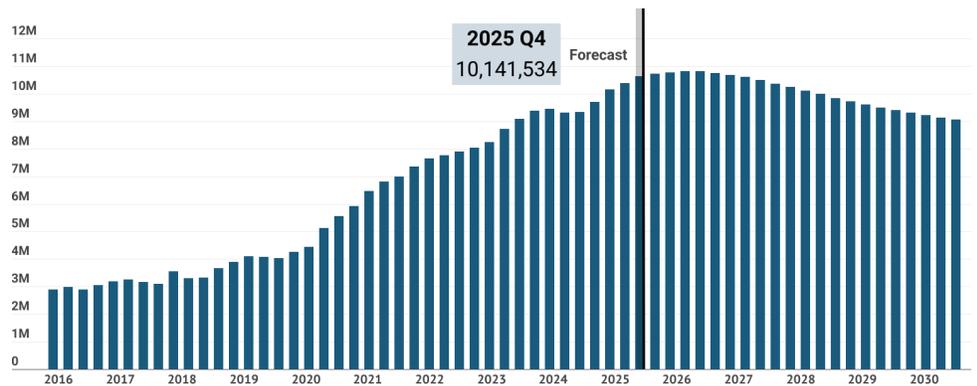
## Portland's office vacancy faces a historic surplus through 2026

Vacancy is moving in the opposite direction, with Portland's Central City reporting the highest vacant office inventory on record. In 2025, vacancy averaged more than 10 million square feet and has increased steadily. It is projected to peak at the end of 2026 before gradually declining.

See Figure 2.

Figure 2: Office vacancy square footage, forecast through 2030

Source: CoStar



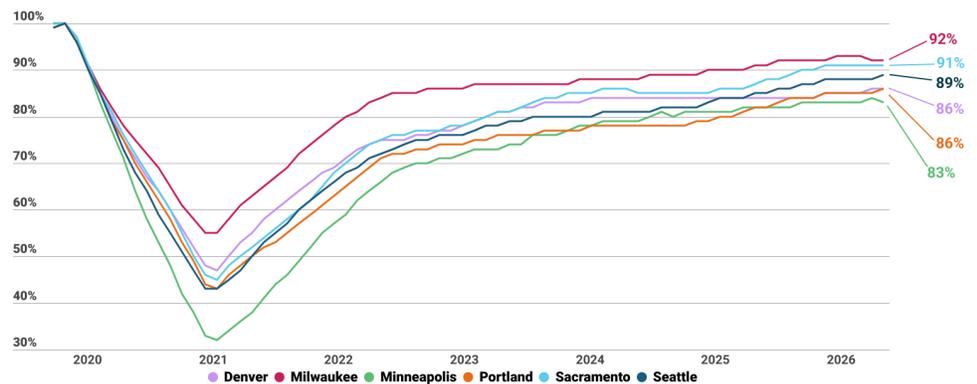
## Visitor activity returns at varying rates; Portland lags slightly behind

Overall, Portland's Central City foot traffic has recovered to about 86 percent of pre-pandemic levels, placing it near the middle of its peer group. Milwaukee is closest to a full recovery at roughly 92 percent, while Minneapolis continues to lag at about 83 percent of its pre-pandemic activity.

See Figure 4.

Figure 4: Change in total visitor foot traffic (2020-2025)

Source: Placer.ai, ECONorthwest



The data in this year's report make clear that Portland's Central City can no longer wait and hope for office demand to return. Record-low leasing, historically high vacancy, and stabilized work-from-home patterns point to a structural shift in how downtown space will be used.

At the same time, foot traffic has continued to recover, suggesting downtown's future depends less on full pre-pandemic commuting and more on creating a place that draws residents and visitors throughout the week.

Residential activity represents a clear opportunity for long-term growth, though housing permitting and construction are slowing. The scale of vacant office space is now a defining challenge and opportunity.

How Portland addresses these challenges will shape the Central City's vitality and economic role for years to come.

