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Portland Oregon Rental Market Analysis

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GEOGRAPHIC CHARACTERISTICS



Portland is a city located near the confluence of the Willamette and Columbia rivers in the U.S. state of

Oregon. With a population of 537,081, it is Oregon's most populous city, and the third most populous city in the Pacific Northwest, after Seattle, Washington and Vancouver, British Columbia. Approximately two million people live in Portland metropolitan area, the 23rd most populous in the United States as of July 2006.

Portland lies in the Marine West Coast climate region, which is marked by warm summers and rainy but temperate winters. Portland is also known for its large number of microbreweries, and as the home of many private investment firms such as Intel Corporation, the leading employer in the HMA; SEH America, Inc.; Hewlett-Packard Development Company; Fujitsu Ltd.; Sharp Electronics Corporation; LSI Logic Corporation; Siltronic AG; and Seiko Epson Corporation.

HOUSING MARKET

Appreciation of Oregon home prices is still strong at 5-10% depending on area and neighborhood. Low interest rates continue to drive the market, as well as out-of-state people moving to Portland and out-of-state investors investing in Portland. Compared to other West Coast cities, Portland remains less expensive despite the rise in price.

RENTAL MARKET

With the recent sluggish real estate market and sub-prime loan crushing, more and more people are favorite renting. In additional, the continued population growth will add to the demand of rental units. According to the RealFacts Report on July 2007, the Portland Oregon MSAs (Metropolitan Service Area) reported 7.2% annually rent growth. It also reported strong occupancy at 95.7%.



EMPLOYMENT STATUS

Heading into late autumn of 2007, Portland economy is still expanding. Non-farm employment is up by 10,000 jobs over the year; a still-respectable growth rate of 1.4 percent. A year ago at this time, the region was averaging annual growth in excess of three percent. The Portland area should fare better than many other parts of the country since we have less exposure to sub-prime loans and the average sales price of a home is still rising.

OUR RENTAL MARKET STRATEGY

The Palace Rental currently manages over 150 rental homes and commercial spaces in the Greater Portland area and its surrounding cities. Our team of dedicated professionals is trained for personal and professional development in order to collectively and individually achieves superior results for clients and investors. We promote our rentals and reach our potential renters in the following ways:

1. **PalaceForRent.com – Our exclusive online rental listing service**

- *Up-to-date listing of all rental units in the area.*
- *Details information on each listing.*
- *A forum for potential renter to post an enquiry.*
- *Over 1,000 visitors monthly.*

2. **Craigslist.com – A popular network of online classified advertisements**

- *Our rental units are listed with details*

through this huge network.

3. **“For Rent” Banners and Signs**

- *Placement of large “For Rent” banners and rental signs on prominent spots of subdivisions or individual rental units for drive-by potential renters.*

4. **Open House and private showing**

- *Open house every Saturday and Sunday in subdivisions and private showing with appointment.*

5. **Advertising on Local Newspapers**

- *We have a special section for rental listing on our regular full-page advertisement in the local newspapers.*

We price our rental unit based on its size, characteristics, number of bedrooms, size of garage, as well as the market demand. In order to maintain a low turnover rate, we carefully screen all applicants and select tenants with outstanding credits and rental histories. Depending on location and features of the property, a 3-bedroom condo/townhouse takes an average of 15 to 30 days to rent out.

This analysis is prepared by Palace Construction Corp. and its rental department based on the information of the below sources. All figures are approximate estimates and are not guaranteed.

Ref. <http://www.repx.com/2007/09/24/ddressing-the-rent-vs-buy-conundrum/>
<http://www.qualityinfo.org/olmisj/Regions?area=000002&occtype=8&page=2>
http://www.huduser.org/Publications/PDF/CMAR_PortlandOR.pdf