

# FORUM

## WEST COAST REPORT

### More Oregon Investments

Over \$220 million in planned industrial and commercial investments were announced in Oregon during 1984's second quarter, according to the state's economic development department. That figure represented a 13% increase over the first quarter of 1984 and is more than double the amount announced during 1983's second quarter. Planned industrial investments comprised about one-third of the state total; two-thirds were planned commercial projects. Because dollar values were disclosed for only 68% of the announced projects, the state total is thought to be a conservative figure. Nearly \$142 million worth of planned investments were announced in the Portland metropolitan region, where three large projects accounted for almost half of the state total. NEC America, Inc. intends to build a \$25 million fiber optics switching equipment plant near the Hillsboro Airport. Wacker Siltronic Corporation, which announced a \$60 million expansion project late in 1983, intends to invest an additional \$25 million in its northwest Portland facility. The commercial scene in the Portland region was highlighted by the \$50 million Centerpointe project planned for Lake Oswego. The 35-acre, 8-building office complex will be on Kruse Way at I-5. Approximately \$50 million of planned investments were announced for the Willamette Valley region, and nearly all of them were commercial projects. Nearly \$3 million worth of planned projects were announced in the Central Oregon region, most of them commercial. Nearly \$20 million in planned projects were announced in southwest Oregon, most of which are commercial endeavors.

### Japanese Build Ore. Plant

Nippon Electric Company America has purchased 210 acres in Hillsboro, Ore., on which it will build a \$25 million fiber optics plant, according to Jack R. McConnell, associate vice president, and Michael Tharp, industrial sales specialist, with Norris, Beggs & Simpson. Some 170 acres were purchased from a joint venture, represented to NEC America by Norris, Beggs & Simpson and Bump & Green Realtors. An adjacent 40 acres were purchased from the Hillsboro Union High School District, for a total price of \$6.28 million. The property is on the east side of Shute Rd. in Hillsboro. The transaction represents NEC America's first venture in Oregon, and is the result of a combined effort on the part of the Oregon Economic Development Commission, the Portland Development Commission, the Governor's office, and parties such as Norris, Beggs & Simpson.

**Bradford H. Fletcher and Mark Fraser, with the Industrial Technology Division of Grubb & Ellis Company in Portland, Ore.**

"The fast-paced development of high-technology industrial areas, such as the Sunset Corridor in Washington County, Ore., is leaving its own distinctive mark on commercial real estate, industrial development, architecture and space utilization in the Portland area. High-technology firms, having specific and unique needs and desires, have spawned the beginning of a new genre of industrial development, called 'flex

space'—buildings which allow for physical changes within a company over time, and which accommodate various functions, including office, research and development, manufacturing, warehousing and storage.

"In the southwest Portland area, which includes the Sunset Corridor, there has been a rapid increase in the past year in the amount of flex-space constructed. Since June 1983, over 755,000 square feet of industrial space was absorbed in this sub-market, with over 95% of that square footage being flex-space. In contrast, between 1982 and 1983, only 20% of new industrial space could be designated as flex-space. Projections for 1985 indicate that industrial development locally will be almost exclusively flex-space construction, totaling over 1 million square feet. The tenant mix in flex-space ranged from aerospace to biomedical, optical to electronics. The common denominator is that they are all growth-oriented companies and demand real estate that accommodates their rapidly changing requirements.

"In terms of economic development, progressive municipalities realize that flex-space is, in many ways, high-tech. Firms unable to find suitable space may look elsewhere, jeopardizing the best laid plans of any community. With average occupancy rates of flex-space in the Sunset Corridor currently running at over 95%, investments in these developments are a good bet. The structures are not designed as single-purpose buildings, thus making them as attractive to the second, third or fourth tenant as to the first occupant."