



Sherwood Old Town Market Analysis

PREPARED FOR



DECEMBER 2024

PREPARED BY



Introduction

Purpose & Goals

Around 2019, the City of Sherwood embarked on a broad-based effort to grow as a regional hub of business, technology, and culture—built on a foundation of civic pride, local amenities, and a high quality of life. In 2024, the city decided it was time to pursue a key step of this journey: revitalizing Old Town and reaffirming it as the historic heart of the community.

To accomplish this revitalization goal, the City Council engaged an interdisciplinary team led by First Forty Feet, and in partnership with Leland Consulting Group and HHPR, to identify a vision for Old Town, assess economic opportunities, and offer specific policy recommendations. This vision and accompanying analysis will ultimately fold into the “Sherwood Old Town Strategic Action Plan” deliverable to the City Council.

This document serves as an existing conditions and market analysis for Old Town. It is intended to contextualize Old Town as part of a larger local and regional market, and identify opportunities and challenges based on current market conditions. The findings in this report will be used to inform policy recommendations later in the process.

This report starts with an executive summary with key takeaways, a SWOT analysis, a description of existing market conditions, demographic and population insights, and a real estate market analysis for retail, multifamily and hospitality.

“Promote the ongoing revitalization of ‘Old Town’ as the traditional heart of the community. The Strategic Plan should reflect the interests of main street businesses, the community’s vision, and that of Decision-Makers to be the Road Map with actionable steps focused on a 5-year timeframe.”

– Sherwood Project Advisory Committee meeting,
“Purpose” slide

Introduction

Table of Contents

Executive Summary	3
Existing Market Conditions	7
<i>Study Area</i>	8
<i>Population & Demographics</i>	19
Local Market Context	27
<i>Old Town Retail Market</i>	28
<i>Multifamily & Hospitality Trends</i>	32



Executive Summary

Executive Summary

Introduction and Key Takeaways

To understand the potential for future growth in Old Town Sherwood, Leland Consulting Group (LCG) analyzed the existing physical and market conditions of Old Town and the broader area. This report includes an analysis of businesses, demographics, and real estate market conditions in Sherwood with comparisons to the broader region. Key takeaways from this analysis are below:

Business takeaways

- 49 businesses operate in Old Town; over half (57 percent) are miscellaneous service businesses, which draw less foot traffic than retail (16 percent) or dining (14 percent).
- About 50 percent of Old Town businesses are concentrated in the southwest portion near the intersection of SW Washington Street and SW Railroad Street.
- Old Town is a hub for various civic uses already (Arts Center, Field House, Community Garden, City Hall, etc.), representing an existing market for new pedestrian-friendly businesses like restaurants and boutique shops.
- Manufacturing as a Sherwood employment sector grew by 16 percent between 2012 and 2022, representing the second-fastest growth rate behind the education and health care sector. The two industrial centers developing to the east of Old Town—Sherwood Commerce Center and Rock Creek Industrial—reflect and bolster this employment trend locally.
- Old Town must continue to focus on differentiating itself from the retail cluster surrounding Pacific Highway 99W to the north. In contrast to that cluster's big box stores and car-centric strip malls, the revitalized Old Town will offer a pedestrian-friendly, locally-flavored experience for small business shopping, dining, and spending time with family, friends, and neighbors.

Demographic takeaways

- Sherwood's demographics are broadly conducive to a thriving downtown. The city's high population growth rate relative to the region (12 percent) and high median household income (\$110,000) both signal demand and disposable income for Old Town business development. Also, Sherwood's significantly low renter rate considering its population growth suggests potential demand for multifamily housing construction in Old Town, especially if additions of walkable amenities are projected.
- While Sherwood currently has a high share of prime working-aged adults and children, the city's retiree population is expected to grow significantly in the next decade. Yet Sherwood's housing stock lacks smaller-sized units that are typically more suitable for the older demographic segment. As the Sherwood population ages over time, it will be imperative for the city to offer smaller housing units that better suit elderly households and empty-nesters.

Real Estate takeaways

- The Improvement to Land Value analysis reveals key opportunity sites in Old Town; two notable examples include an infill site at the corner of Sherwood Boulevard and 3rd Street on the northeastern boundary, and a stretch of contiguous, city-owned vacant parcels along Columbia Street.
- Old Town's land acreage ownership is slightly more concentrated among fewer owners than Old Town's total parcel ownership, which is more fragmented across owners. The City of Sherwood owns the highest percentage of parcels in Old Town—particularly parcels that are contiguous—which is advantageous for catalytic redevelopment.
- Sherwood's regionally low 2024 multifamily vacancy rate (4.5 percent), paired with its regionally high 2024 multifamily asking rent (\$2.44) shows that the city's multifamily market is competitive, and developers should be attracted to Sherwood.

Executive Summary

SWOT Analysis

A **SWOT analysis** is an assessment of the strengths, weaknesses, opportunities, and threats in a given area. How these terms are defined is explained in the graphic to the right.

Old Town has many strengths and opportunities, suggesting that **this is an area of significant potential**. Several weaknesses and threats also exist, revolving mainly around the themes of housing costs, business composition, and geographic location.

Strengths

- Areas where energy should continue to be concentrated to build on existing successes.

Weaknesses

- Features that detract from the neighborhood's success and future potential.

Opportunities

- Current trends and future improvements that can help the city prioritize investment.

Threats

- Trends, typically outside of city control, that could have a negative impact on future growth and economic development if they are not addressed strategically.

Executive Summary

SWOT Analysis

Strengths

- Fast-growing, working-age population: up over 12 percent from 2012 to 2022
- High median household income compared to peer cities and region, suggesting disposable income for shopping and leisure
- High home ownership and values signal strong housing market and continued growth
- Six civic institutions in Old Town, representing the heart of the community
- Four parks and outdoor spaces in Old Town, including a community garden
- One school within Old Town, and another directly on the border
- High concentration of business especially in the southwest corner of Old Town
- Retail asking rents are higher than the regional average, telling of strong demand
- Multifamily vacancy rate of 4.5 percent is below the regional and national average

Opportunities

- Dining options catering to Arts Center or other Old Town community events
- Shopping experiences that complement existing activities like the Saturday Market
- The vacant city-owned parcel at the north end of Old Town is ripe for infill development
- The contiguous row of vacant city-owned parcels around SW Columbia Street represent a key redevelopment opportunity
- Strong housing demand suggests market could readily absorb small unit development, especially in Old Town with anticipation of walkable amenities
- Nearby car-oriented retail centers around Pacific Highway attract shoppers to Sherwood, and Old Town could draw people with local offerings at close distance
- National retail trends have shifted toward the style of walkable retail nodes and placemaking for which Old Town is primed

Weaknesses

- Over-representation (57 percent) service businesses like law firms and accountants which fail to draw foot traffic like retail or dining (only 30 percent combined share)
- Comparatively low renter rate may indicate fewer affordable housing choices for lower-income households
- Geographic isolation from easy on/off highway access

Threats

- High home prices and low renter rate could continue to put pressure on renter households and serve as a barrier to demographic diversity
- Retiree segment expected to increase, necessitating additional housing units to suit a downsized lifestyle
- Retail centers around Pacific Highway could draw shoppers away from Old Town, especially if landlords decide to invest in placemaking and walkability
- Broader shift to e-commerce could negatively impact Old Town businesses
- High interest rates and construction costs could hinder development
- Competition from retail centers in Wilsonville, Newberg, Tualatin and other nearby cities



Existing Market Conditions

Study Area

Study Area

Description

Sherwood, Oregon is an affluent, family-oriented city in the Portland-Vancouver-Hillsboro metropolitan area, located southwest of Portland in Washington County. As of 2022, the city had a population of over 20,286. Sherwood is home to a young population with a high median income and educational attainment compared to the region.

Sherwood's Old Town is based approximately on the following boundaries: the intersection of SW Oregon Street and SW Langer Farms Parkway (east); SW Park Street (west); SW 3rd Street (north); SW Willamette Street (south). Old Town is about five miles west of I-5. Hawks View Elementary School is located at the northern boundary of Old Town. Further north beyond the school is a cluster of strip malls and shopping attractions along Pacific Highway 99W and SW Tualatin-Sherwood Road.

There is a mix of commercial, residential, and civic use in Old Town. 49 businesses operate in the area; geographically, about half are concentrated in the southwest portion near the intersection of SW Washington Street and SW Railroad Street. Over half (57 percent) of all Old Town businesses are service-oriented, either professional (accountants and law firms) or personal care (salons and barbershops). In addition to business, Old Town is a cultural and civic destination thanks to the Sherwood Center for the Arts, and the location of Sherwood City Hall and Public Library. Residents also enjoy indoor recreation at the Sherwood Field House.

Old Town Sherwood



Sherwood's Old Town is host to a variety of uses. Its uses can be grouped into two broad use buckets: 1) Businesses and 2) Local Points of Interest & Civic Spaces. The next slide identifies the 49 specific businesses in Old Town, ranging from restaurants to professional services to retail. The slide after that identifies local points of interest and civic spaces like parks, schools, the library, arts center, government institutions, and other public uses.

Notably, nearly six out of ten Old Town businesses are service-oriented businesses; at the same time, only three out of ten Old Town businesses are retail or dining establishments. **While service industries of all kinds have value for a local economy, retail and dining businesses are best at attracting people to shop, dine, and spend time in a downtown district like Old Town.**

Below is a summary of the various sub-categories within each of the two use buckets.

Businesses

The 49 businesses are categorized as follows:

Business type	Count	Share
Services/office	28	57%
Retail	8	16%
Dining	7	14%
Other	4	8%
Medical/wellness	1	2%
Wholesale	1	2%
Total	49	

Local Points of Interest & Civic Spaces

The 12 points of interest are categorized as follows:

Site type	Count	Share
Civic	6	50%
Park/outdoor	4	33%
School	2	17%
Total	12	

Study Area

Existing Businesses

Name	ID	Type	Name	ID	Type	Name	ID	Type	Name	ID	Type
Hill Tax, Payroll & Bookkeeping	1	Services/ office	Sherwood Tailoring	15	Retail	Gardner Team Real Estate Premiere Property Group, LLC	29	Services/ office	Andy's Auto & Truck Service Inc	43	Services/ office
Crestwood Consulting Services, LLC	2	Services/ Office	Barking Frog Winery	16	Dining	Laurie H Zwingli Law Office	30	Services/ office	Treetop Preschool	44	Other
Sherwood Tax and Accounting	3	Services/ office	Kitts Law Group, LLC	17	Services/ office	Pacific Handling Systems Inc	31	Wholesale	Larry's Barbershop	45	Services/ office
J Rallison Cellars	4	Retail	The Portland SEO Company - A Digital Marketing Agency	18	Services/ office	Law Office of David Blair	32	Services/ office	Ditters Insurance	46	Services/ office
Cedar & Stone Mercantile, LLC	5	Retail	Black Mountain Consulting LLC	19	Services/ office	Symposium Coffee	33	Dining	Escape To Yoga	47	Other
StreetWise Property Management	6	Services/ office	A-1 Remodeling	20	Services/ office	Clancy's	34	Dining	Casey Hill - State Farm Insurance Agent	48	Services/ office
We Are Technology	7	Services/ office	Kelly Martin Insurance Agency Inc.	21	Retail	Katlin Ronningen, Realtor	35	Services/ office	Rebecca Fairbanks: Allstate Insurance	49	Services/ office
Knapp Todd D	8	Services/ office	Rainbow Market	22	Dining	Hair by Janelle	36	Services/ office			
Sherwood Family Law	9	Services/ office	The Hungry Hero Dessert Co.	23	Services/ office	Gogh Box Art Crate	37	Other			
Adams & Stewart	10	Services/ office	McGrath Learning Systems	24	Services/ office	Sherwood Old Town Dental	38	Medical/ wellness			
Mark Stewart Home Design	11	Services/ office	Breakaway Bookkeeping & Advising	25	Dining	Fat Milo's	39	Dining			
Allied Products, LLC	12	Retail	503 Uncorked	26	Dining	Araceli's Cocina	40	Dining			
Oregon Unemployment Lawyer	13	Services/ office	Sherwood Broadband	27	Services/ office	E-Bike Central	41	Retail			
Karta Wines	14	Retail	Honey Rose Boards	28	Other	Railroad Street Antique Mall	42	Retail			

Businesses in the Old Town Study Area



Study Area

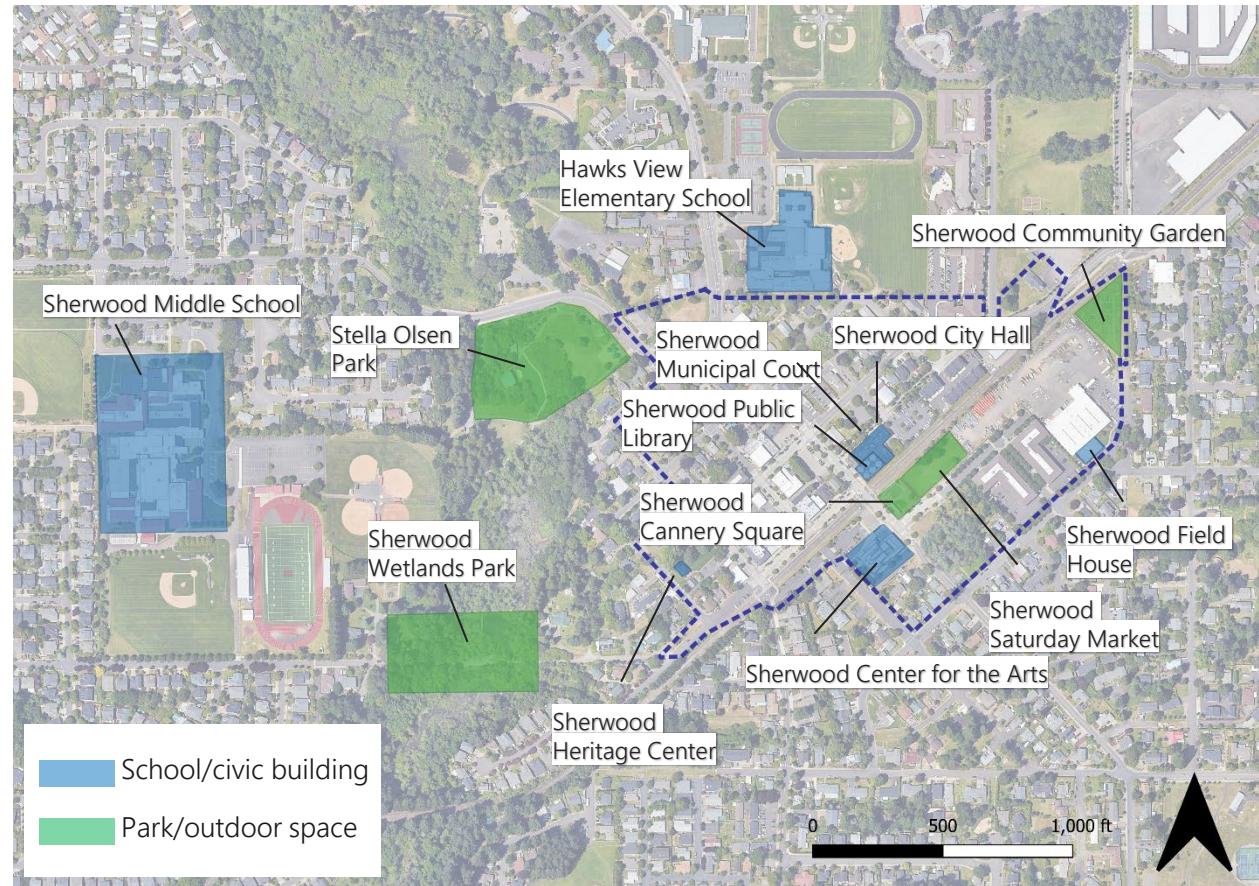
Local Points of Interest & Civic Spaces

Old Town is situated among several local points of interest and civic spaces. These spaces cater to both recreation, education, and public administration. Outdoor community spaces like the Sherwood Community Garden, Sherwood Saturday Market & Sherwood Cannery Square, and the two parks (Stella Olsen and Wetlands) provide accessible and family-friendly opportunities for recreation. The Sherwood Field House—connected to the public works facility—offers organized soccer leagues and private rentals. The Sherwood Center for the Arts hosts regular classes, art exhibits, and other community events. Sherwood City Hall, Sherwood Public Library, and Sherwood Municipal Court are all located in the same complex.

In addition to these permanent institutions, Old Town also hosts regular community programming, especially in the summer. There are regular farmer's markets, wine and artisan's festivals, classic car shows, art walks, and music performances.

This high level of civic activity shows that Old Town already acts as a community hub. Tapping into and leveraging Old Town's existing activity is one of the keys to restoring Old Town to its roots as the commercial *and* civic heart of the community. This may look like more dining options for Arts Center attendees, or more locally-owned accessory shops in which a visitor could spot a new satchel just in time for the Saturday Market haul. There is opportunity for this type of complementary economic activity in Old Town.

Old Town Local Points of Interest and Civic Spaces



Source: LCG.

Study Area

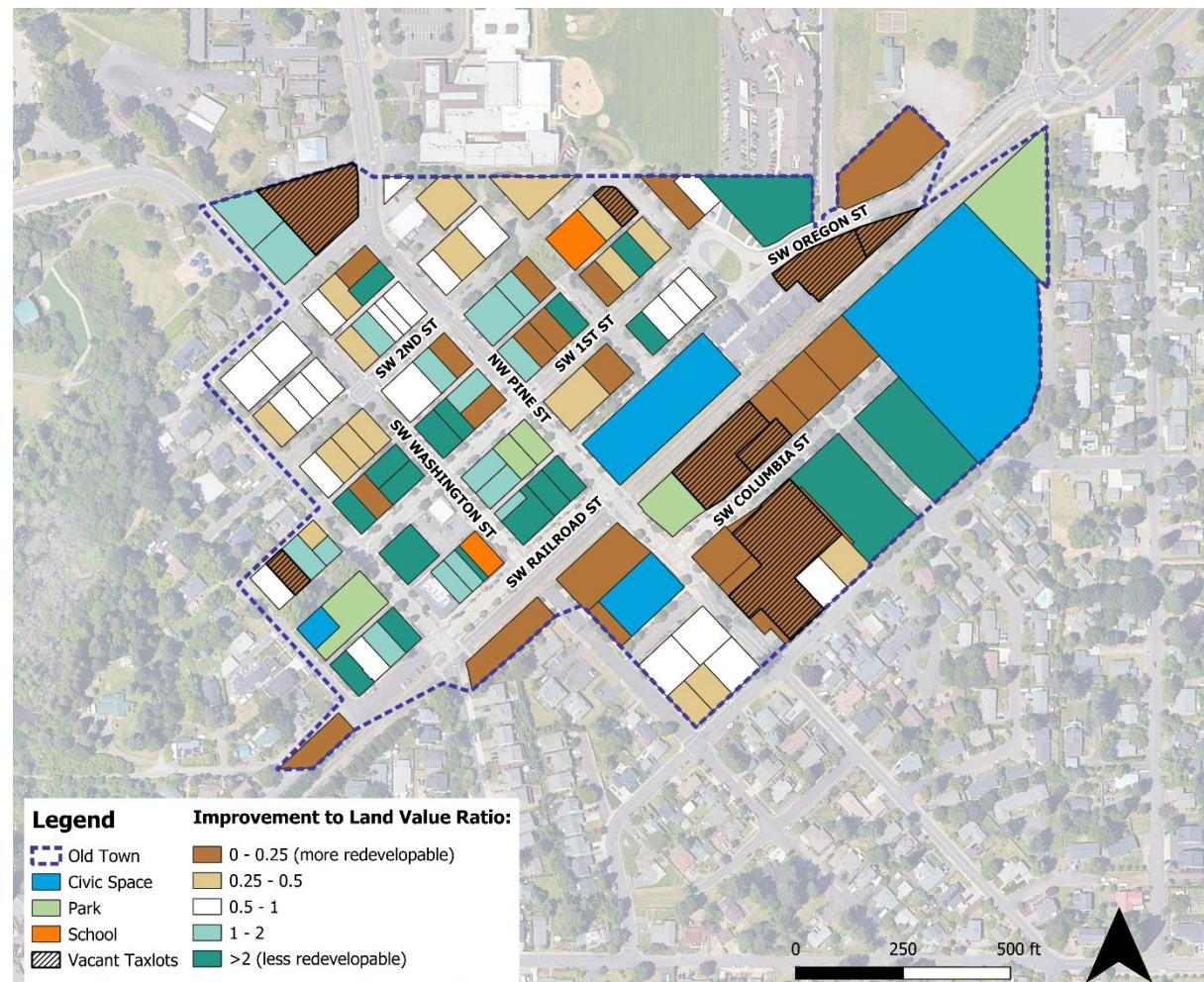
Underutilized Land

To assess potential development opportunities, LCG analyzed the Improvement to Land Value Ratio (ILV) of parcels in Old Town. ILV is a metric that is used to estimate the development potential of a lot. It is a ratio of the assessed value of improvements to the assessed value of land. An ILV below 1.0 suggests that a site is likely underutilized. **Darker brown parcels indicate higher opportunity sites for future development.**

There are a few key opportunity sites indicated by the ILV map. Most notably, the corridor along SW Columbia Street in the southeast of Old Town has several contiguous parcels with low ILV ratios and vacancy. As shown on the parcel ownership map in the next slide, the contiguous parcels on the north side of SW Columbia Street are also owned by the City of Sherwood. Considered together, a low ILV ratio, vacancy, and municipal ownership are all ingredients for redevelopable land. Even more compelling is that these redevelopable parcels are in the heart of Old Town.

At the opposite end of Old Town at SW 3rd Street, there is also a relatively large, vacant, city-owned parcel. This parcel is zoned for Retail Commercial, and Sherwood's Project Advisory Committee identified that this intersection needs a greater "sense of arrival." This parcel is ripe for strategic infill development that could serve as a spot for shopping, gathering, and placemaking at the northern boundary of Old Town.

Improvement to Land Value Ratio in Old Town



Source: Washington County; LCG.

Study Area

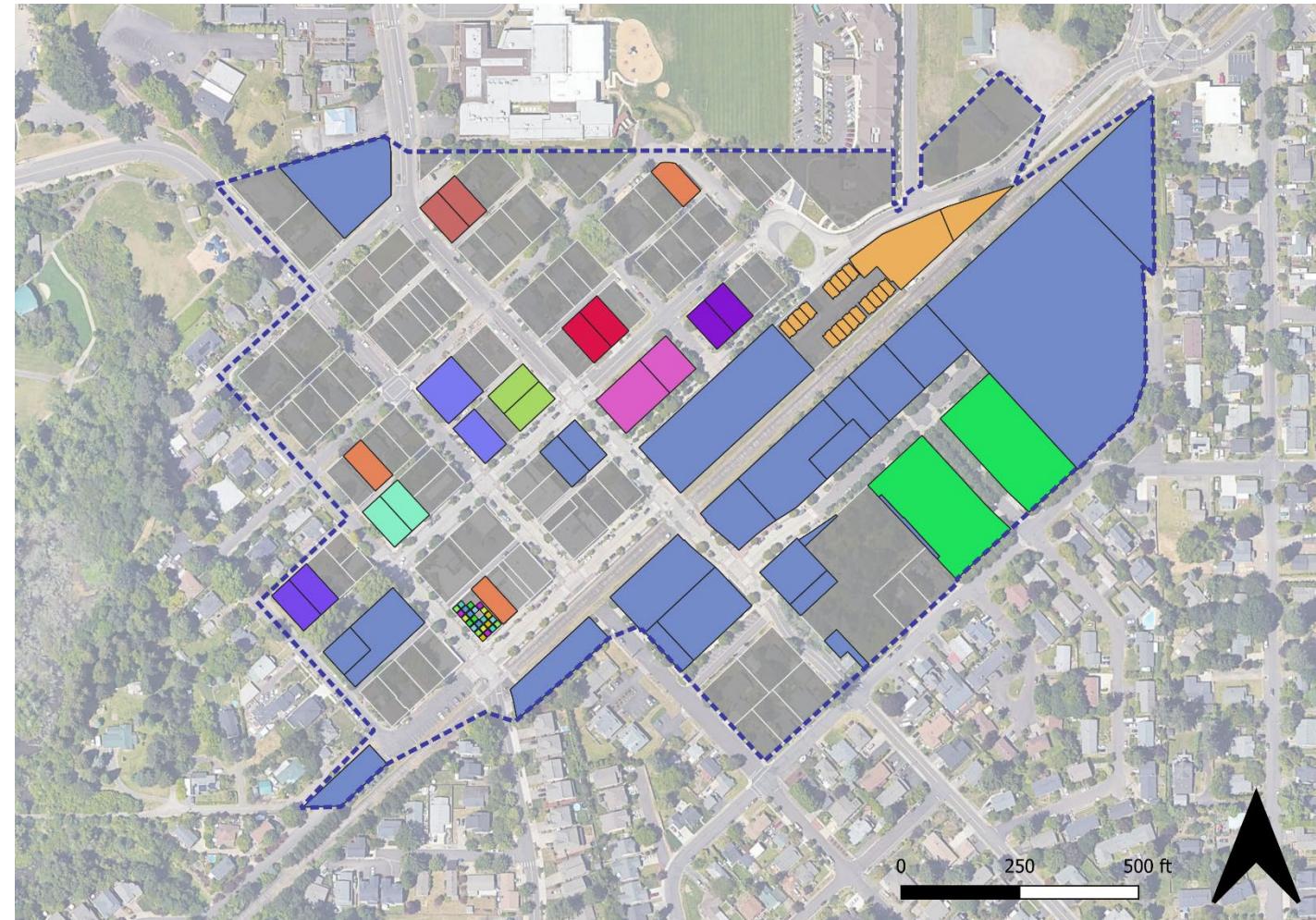
Old Town Property Ownership

Multi-parcel Owner

Multi-parcel Owner	Parcels	AT Acres	Share*
SHERWOOD CITY OF	24	10.93	23.2%
JDR LLC	19	0.56	1.2%
CHILDS JOHN & CAROL REV TRUST	3	0	0.0%
HANSON RICHARD BRIAN	3	0	0.0%
HARBICK CHARLES C & HARBICK PEGGY S	3	0.31	0.7%
HARRISON R BRADLEY	3	0	0.0%
KRAMER JEFFREY M & KRAMER REBECCA L	3	0	0.0%
LEGACY PATRICIA A	3	0	0.0%
STEWART MARK GREGORY & STEWART CHLOE C	3	0	0.0%
VAUGHAN MARGARET	3	0	0.0%
VOELKER GERALD B & VOELKER PATRICIA M	3	0	0.0%
190 WASHINGTON LLC & CACH JOAN L &	2	0.37	0.8%
ARGONNE POST NO.56 OF THE AMERICAN LEGION	2	0.43	0.9%
FRONTIER COMMUNICATIONS NORTHWEST INC	2	0.22	0.5%
MARSHALL JOYCE E	2	0.23	0.5%
OREGON CARE GROUP LLC	2	0.22	0.5%
SHERWOOD URBAN RENEWAL AGENCY CITY OF	2	0.22	0.5%
SIEGFRIED CHRIS	2	0.22	0.5%
SR WATT CANNERY ROW LLC	2	1.79	3.8%
VOXIA COMMUNITY LH LLC	2	0.22	0.5%
Total	88	15.72	33.4%

*Share of total acreage of parcels which overlap with the boundaries of Old Town.

Old Town Property Ownership by Parcel, 2024



Source: City of Sherwood Tax Lot Data; LCG

Study Area

Old Town Property Ownership

In Old Town, there are 168 parcels owned by 101 registered property owners. **The owners possessing the largest number of parcels are the City of Sherwood (24), who is by far the largest property owner in the Old Town. This presents opportunity for City-led catalytic development through the creative use of their land.** JDR LLC (19) owns the second most parcels, followed by a "long tail" of the other 99 owners each possessing 1 to 3 parcels each.

On the other hand, the owners possessing the largest cumulative acreage of parcels are the Sherwood School District (32.4%*), City of Sherwood (23.2%), and Mountain High Apartments Owner LLC, etc. (10.81%*).

As the map shows, there are several clusters of property ownership (i.e., one owner possessing multiple parcels in Old Town). The colored parcels are possessed by owners who possess more than one parcel in Old Town. Approximately 15 (32%) of the 47 total acres of Old Town property are distributed across 20 multi-parcel owners. The grey parcels belong to an owner who does not possess any other Old Town parcels.

Old Town's property ownership is moderately concentrated. Using the Herfindahl-Hirschman Index (HHI) of market concentration, we see that acreage ownership slightly more concentrated among fewer owners (HHI = 1,679). Old Town's total parcel ownership is more fragmented across owners (HHI = 385). According to the DOJ, agencies generally consider markets in which the HHI is between 1,000 and 1,800 points to be moderately concentrated, and markets in which the HHI is greater than 1,800 points to be highly concentrated. (Source: [DOJ](#))

*These owners have parcels that are partially within the boundaries of Old Town. Therefore, the percentage shares are based on the total acreage of parcels which overlap with the Old Town study area.

Old Town Property Ownership by Parcel, 2024



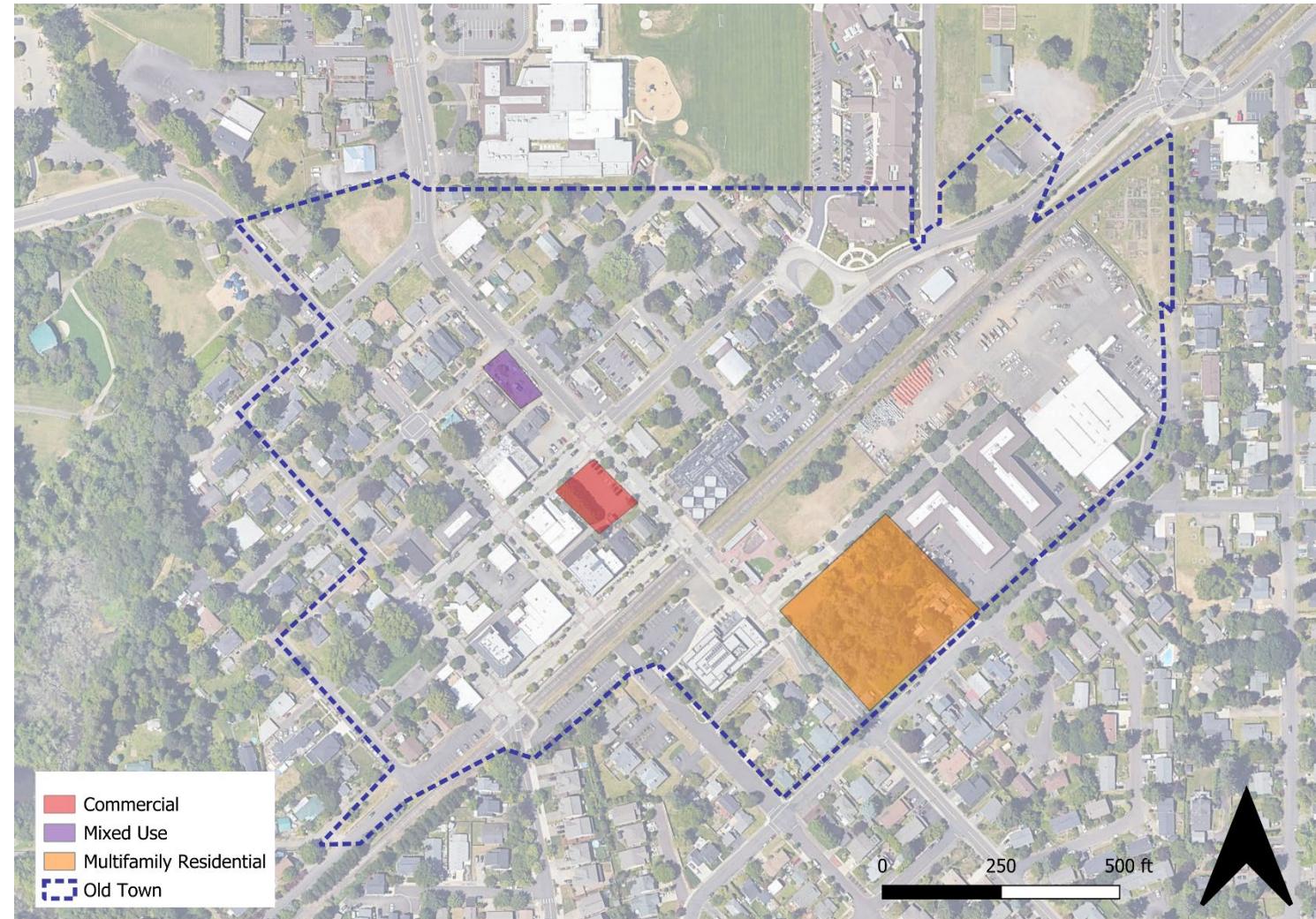
Source: City of Sherwood Tax Lot Data; LCG

Planned and Recent Development In Old Town

Sherwood is the site of recent and future residential, commercial/industrial, and mixed-use developments. Several of those developments are in Old Town. The following two slides identify seven key developments in Old Town and Sherwood more broadly.

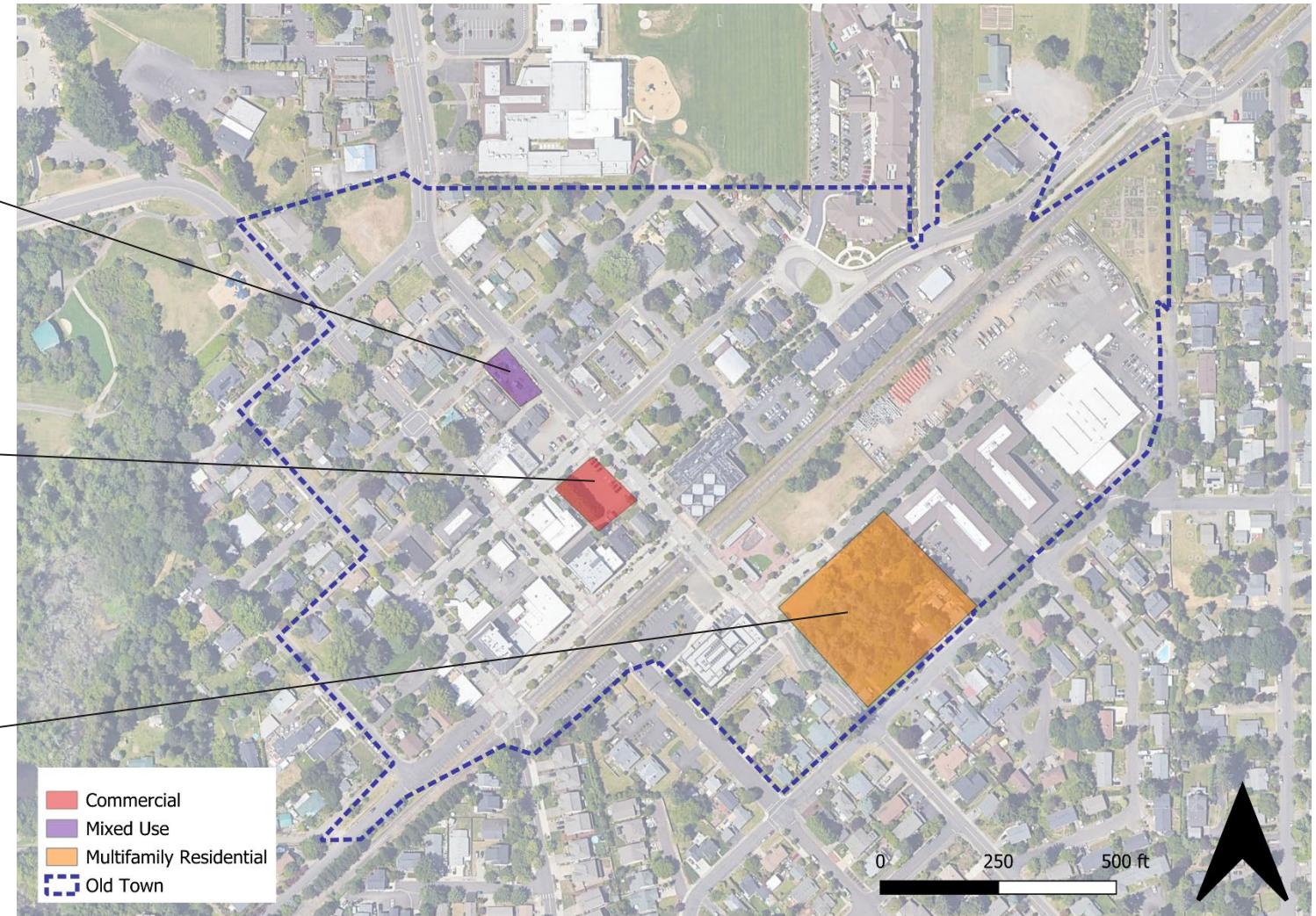
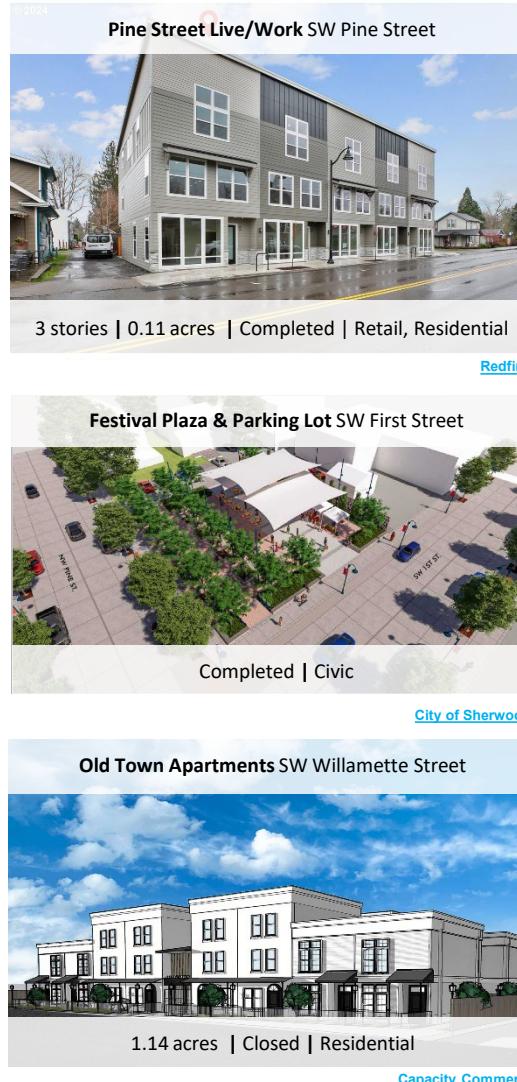
New Old Town developments include a live/work community and a festival plaza. A multifamily development called the Old Town Apartments was permitted in 2022, but construction never began, and the permit has since been closed.

In other parts of Sherwood, the potential expansion of the urban growth boundary westward may pave the way for more residential and commercial development. There is an additional residential development at the southeastern limit of the city, just south of two large, industrial facilities in progress at the eastern limit.



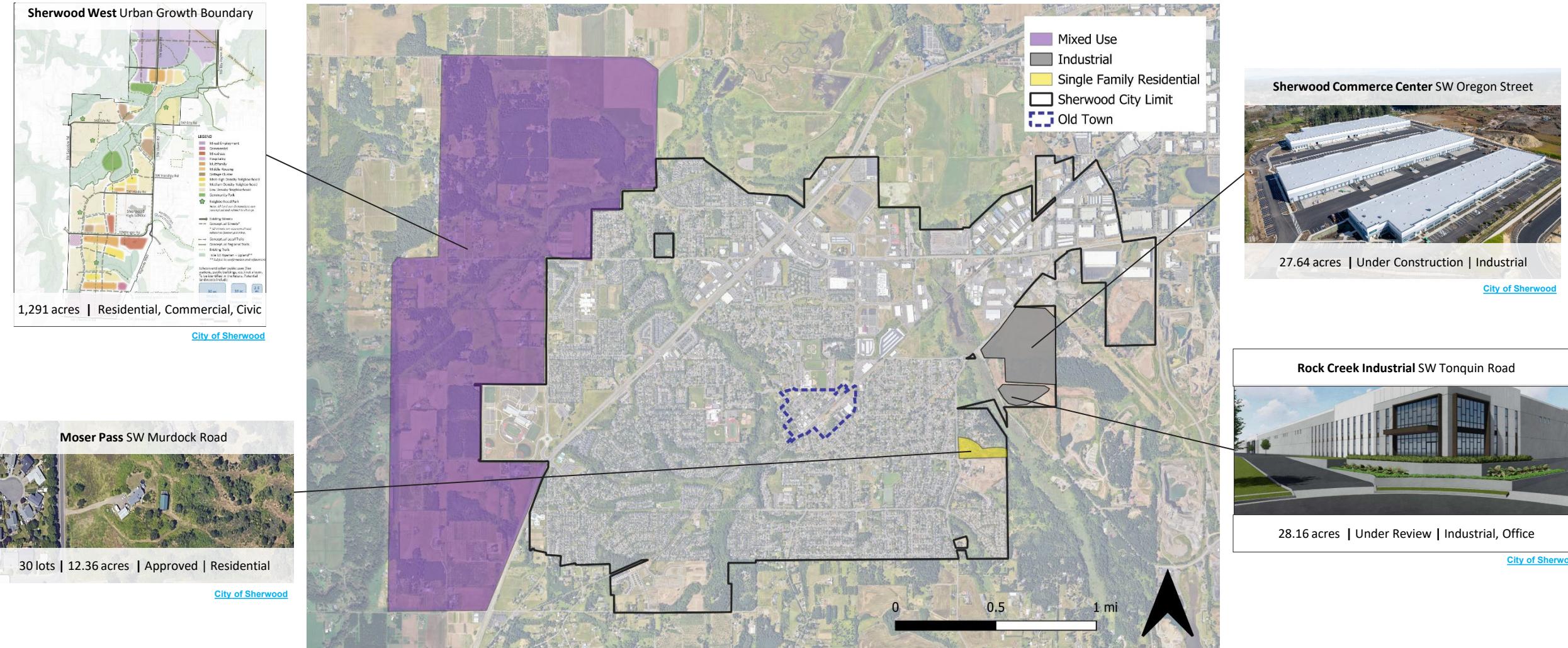
Study Area

Planned and Recent Development In Old Town



Study Area

Planned Development Near Old Town



Population & Demographics

Population & Demographics

Sherwood is a Fast-Growing City with High Incomes

The demographics of Sherwood are conducive to a thriving Old Town. Three demographic factors stand out as particularly conducive: population, housing tenure (i.e., owner versus renter rates), and income. There is already high spending power and population growth present in the community, and a multifamily rental development in Old Town may draw even more people to the area.

Population

From 2012 to 2022, Sherwood's population has grown by about 12 percent – faster than Oregon and roughly in line with the county and Portland metro. There is sustained growth in the community.

Housing tenure

Only 25 percent of Sherwood residents rent, the lowest share by over 10 percentage points. Paired with the existing growth, there is likely unmet demand for renter households in Sherwood.

Income

Households in Sherwood earn a median income of almost \$110,000, which is the highest median income among the regional comparison jurisdictions.

Population & Demographic Comparisons

	Sherwood	Wilsonville	Tualatin	Washington County	Portland MSA	Oregon
Population	20,286	25,992	27,804	599,541	2,505,312	4,229,374
% Change, 2012-2022	12.15%	34.94%	6.50%	12.73%	12.21%	10.24%
Households	6,829	10,614	10,909	230,122	986,857	1,680,800
% Renter	25.85%	49.37%	44.94%	39.09%	37.80%	36.78%
People per Household	2.96	2.33	2.53	2.57	2.5	2.46
Median Household Income	\$109,770	\$83,210	\$105,542	\$100,121	\$90,451	\$76,632
Median Age	36.4	38.3	37.3	37.5	38.8	39.9
% Bachelors or Higher (25+)	49.16%	46.16%	45.79%	42.53%	41.33%	35.48%
Median Home Value	\$520,500	\$547,800	\$544,500	\$504,300	\$490,400	\$437,900

Source: Census ACS 2022 5-Year Estimates

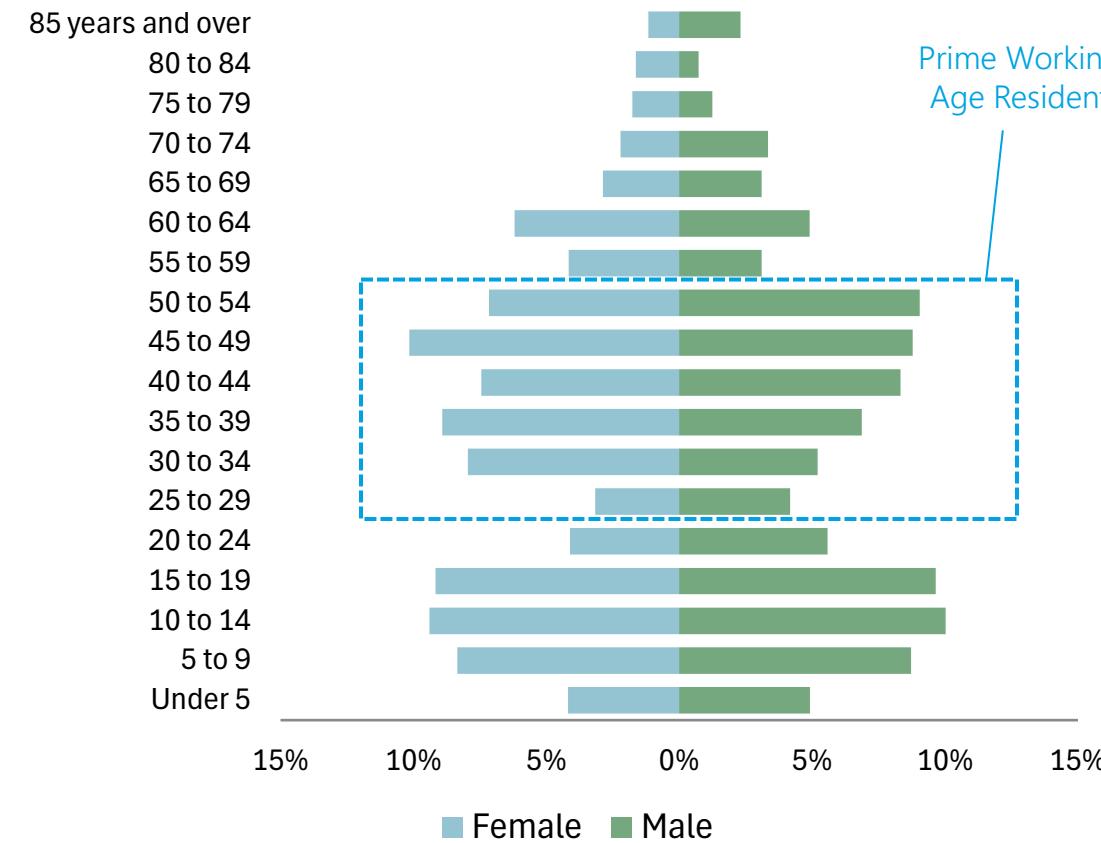
Population & Demographics

Prime-Working Ages and Retirees Expected to Increase; Youth to Decrease

Sherwood's population is slightly younger than that of the region – the median age is about 36, while the Portland metro is 39 and the state of Oregon is 40. Prime working age residents (those between the ages of 25-54) make up 44 percent of the total population. This group is expected to grow by 204 net residents by 2029.

The other demographic projected to increase in Sherwood are residents over 55. Currently, this group makes up about 1 in 5 Sherwood residents and is expected to increase by 645 people in the next five years. On the other hand, youth (younger than 20) is projected to decline by 496 people in the next five years. Youth currently make up a third of Sherwood's total population.

Population & Demographic Comparisons



Expected Population Change by Age Group, 2024-2029



Source: US Census via Esri Business Analyst.

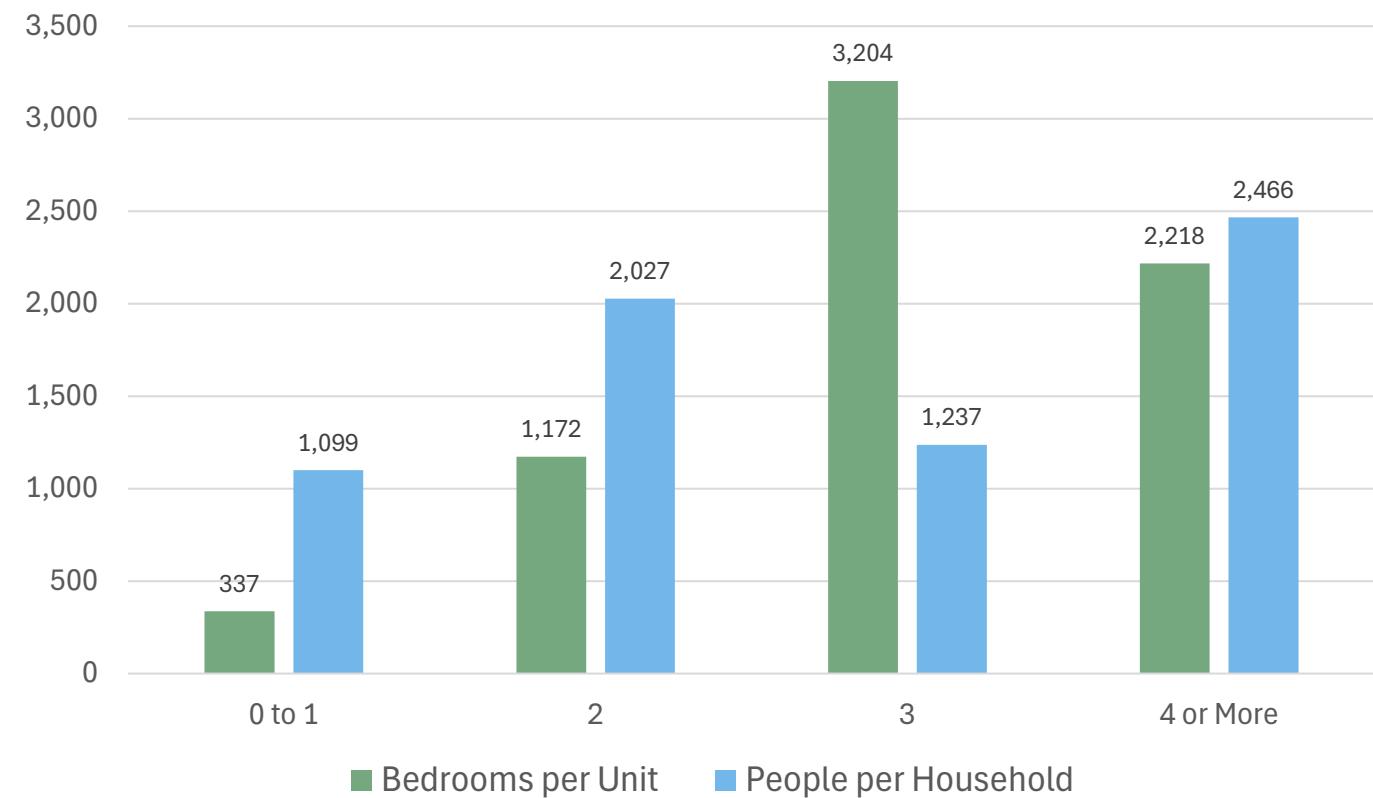
There May Be Unmet Demand for Smaller Units in Sherwood

In Sherwood, over three quarters (78 percent) of housing units have at least three bedrooms. However, a little over half (54 percent) of households have three or more people. While some households may prefer to have an extra bedroom as flexible space for a guest room, office, or gym, the current housing mix in Sherwood offers few opportunities for households seeking smaller homes.

As the City works to achieve its housing goals over the next ten years, it should focus on adding smaller housing units catering to the 46 percent of households with fewer than three members.

Given Sherwood's existing strong housing demand, it would be reasonable that the market would quickly absorb any additional smaller and cheaper housing supply, especially if this development was focused in Old Town with the anticipation of walkable amenities.

Bedrooms per Unit and People per Household



Source: US Census Bureau 2022 ACS, Table DP04.

Population & Demographics

Sherwood Has More People Per Household Than Region

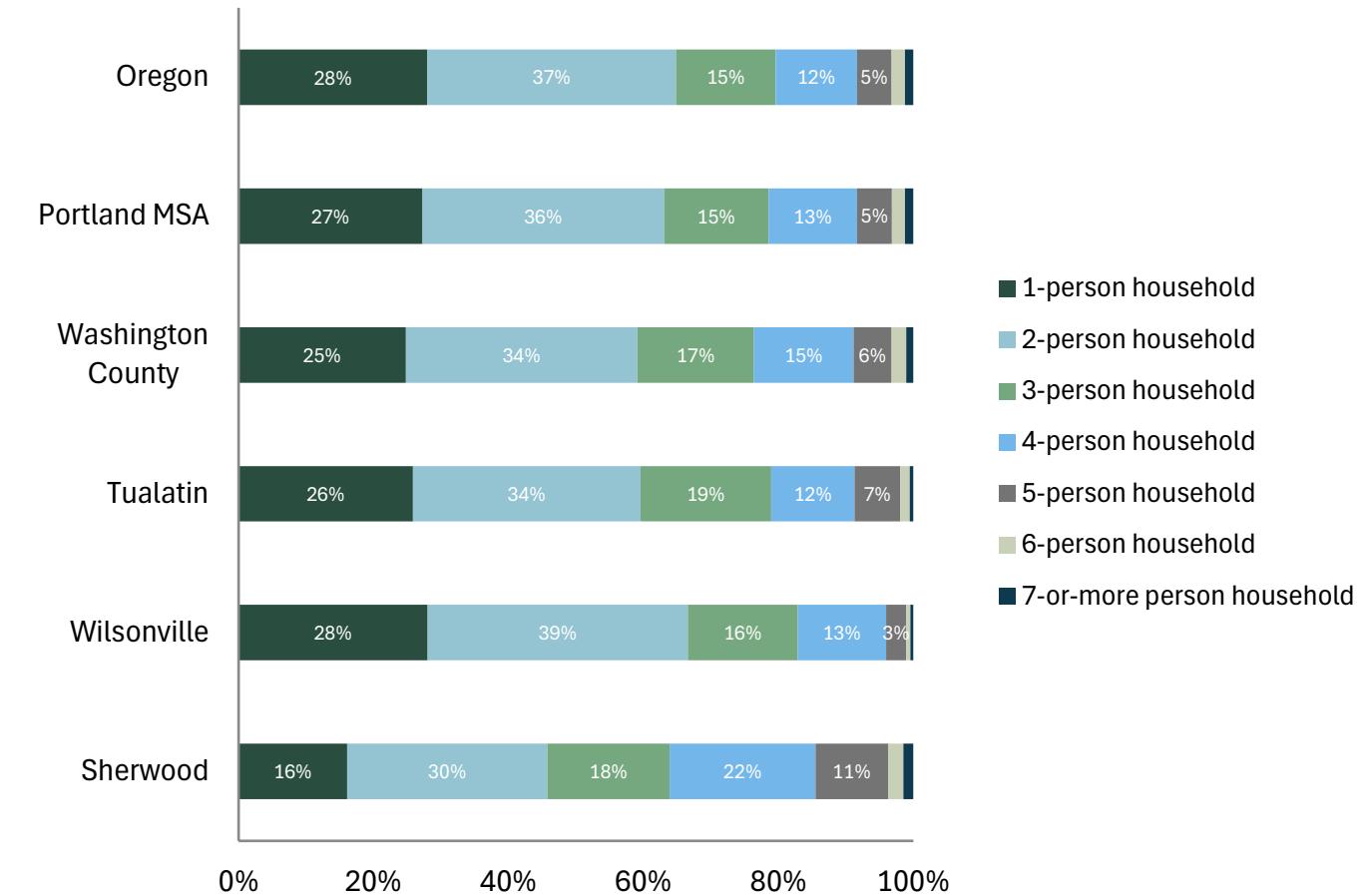
Analyzing housing unit and household sizes may be extended with a regional comparison, which further points to a lack of housing options for smaller households in Sherwood.

Sherwood has a significantly higher share of 4+ person households than the comparison jurisdictions. For instance, the share of 4 or 5-person households in Sherwood (33 percent) is nearly double the share of those households in the state of Oregon (17 percent). These figures are reflected in Sherwood's average household size of 2.96 being 20 percent larger than Oregon's average (2.46).

Conversely, Sherwood has a relatively small share of 1 or 2-person households compared to the other jurisdictions. While these smaller households make up 46 percent of Sherwood households, they make up 67 percent of Wilsonville households and 65 percent of Oregon households. Sherwood's 3-person household share (18 percent) is roughly in line with the comparison jurisdictions.

As the Sherwood population ages, it will be imperative for the city to offer smaller housing units that better suit elderly households and empty-nesters.

Share of Households by Number of Residents



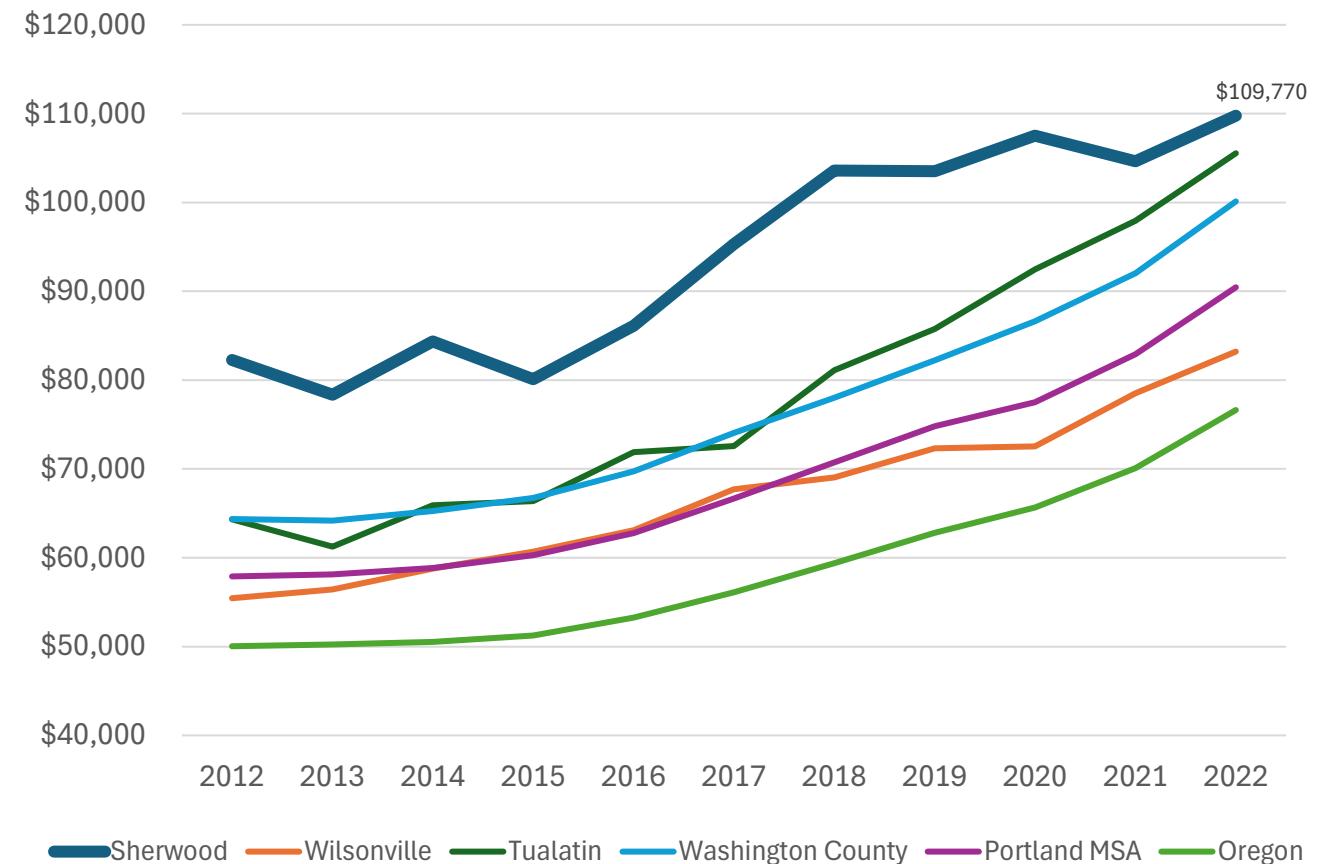
Source: US Census Bureau 2022 5-Year ACS, Table B11016.

Population & Demographics

Sherwood Household Incomes Highest, but Growing Slower than Region

Sherwood has had a median household income above the regional median for the past decade. Between 2012 and 2022, the median household income in Sherwood increased from \$82,257 in 2012 to \$109,770 in 2022. Over the same period, the median household income in the Portland Metro Area rose from \$57,896 in 2012 to \$90,451 in 2022. Though Sherwood's incomes have been higher in terms of dollar value, the rate of change has been slower in Sherwood. From 2012 to 2022, Sherwood incomes rose by 33 percent, while the Portland metro's incomes rose by 56 percent. Moreover, Tualatin's median household income has increasingly closed the gap with Sherwood's after lagging for the past ten years.

Median Household Income, 2012-2022



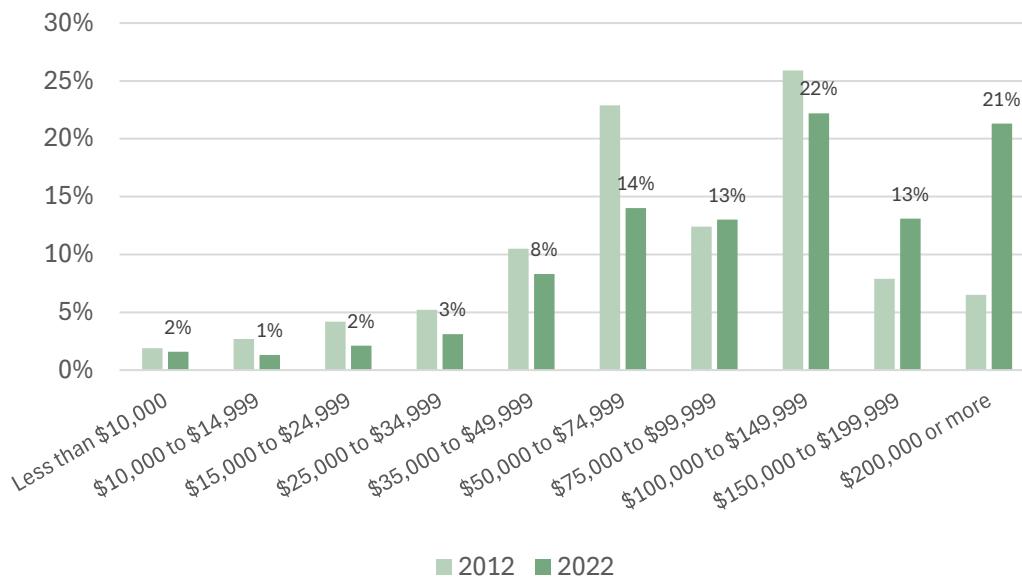
Source: US Census Bureau 5-Year ACS, Table S1901.

Population & Demographics

Sherwood Household Incomes Outpace Portland's

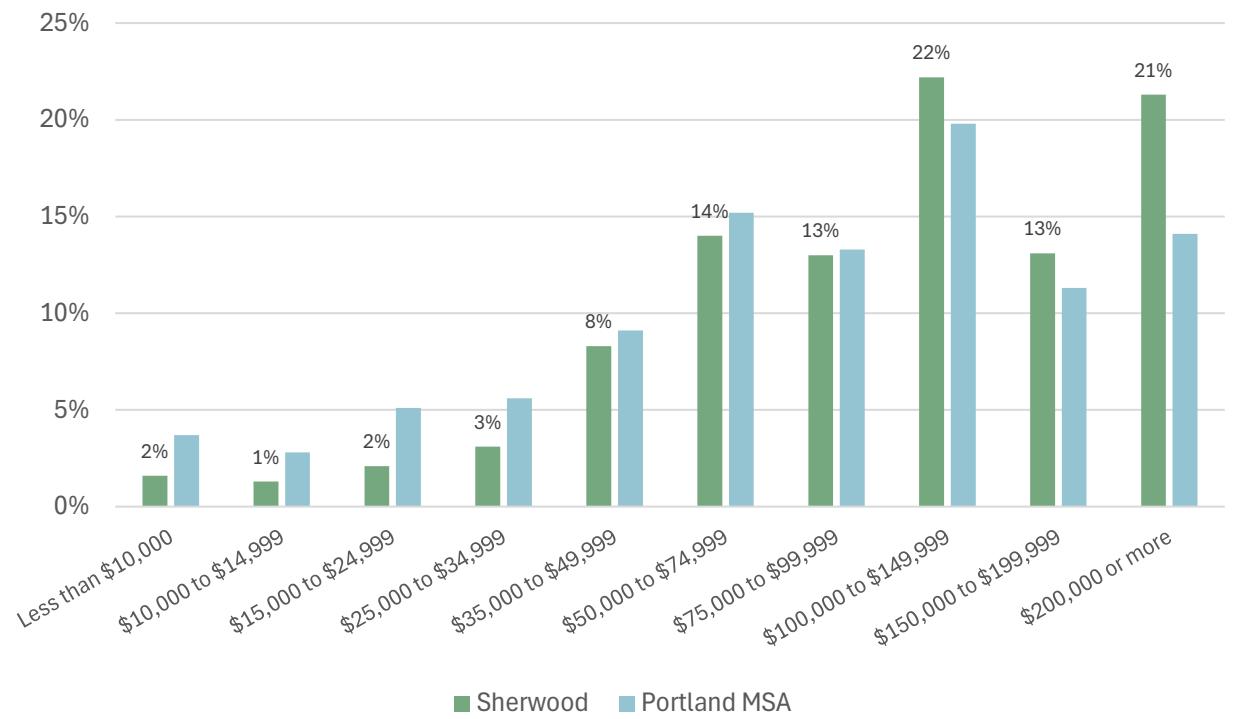
As of 2022, 83 percent of households in Sherwood made more than \$50,000 per year, compared with 73 percent in the Portland Metro Area. Sherwood also has a higher share of households in each income bracket above \$100,000, and a third more households than Portland in the \$200,000 or more bracket.

Income Distribution among Sherwood Households, 2012 vs. 2022



Source: US Census Bureau 5-Year ACS, Table S1901.

Household Income Distribution, Sherwood and the Portland Metro Area (2022)



Source: US Census Bureau 2022 5-Year ACS, Table S1901.

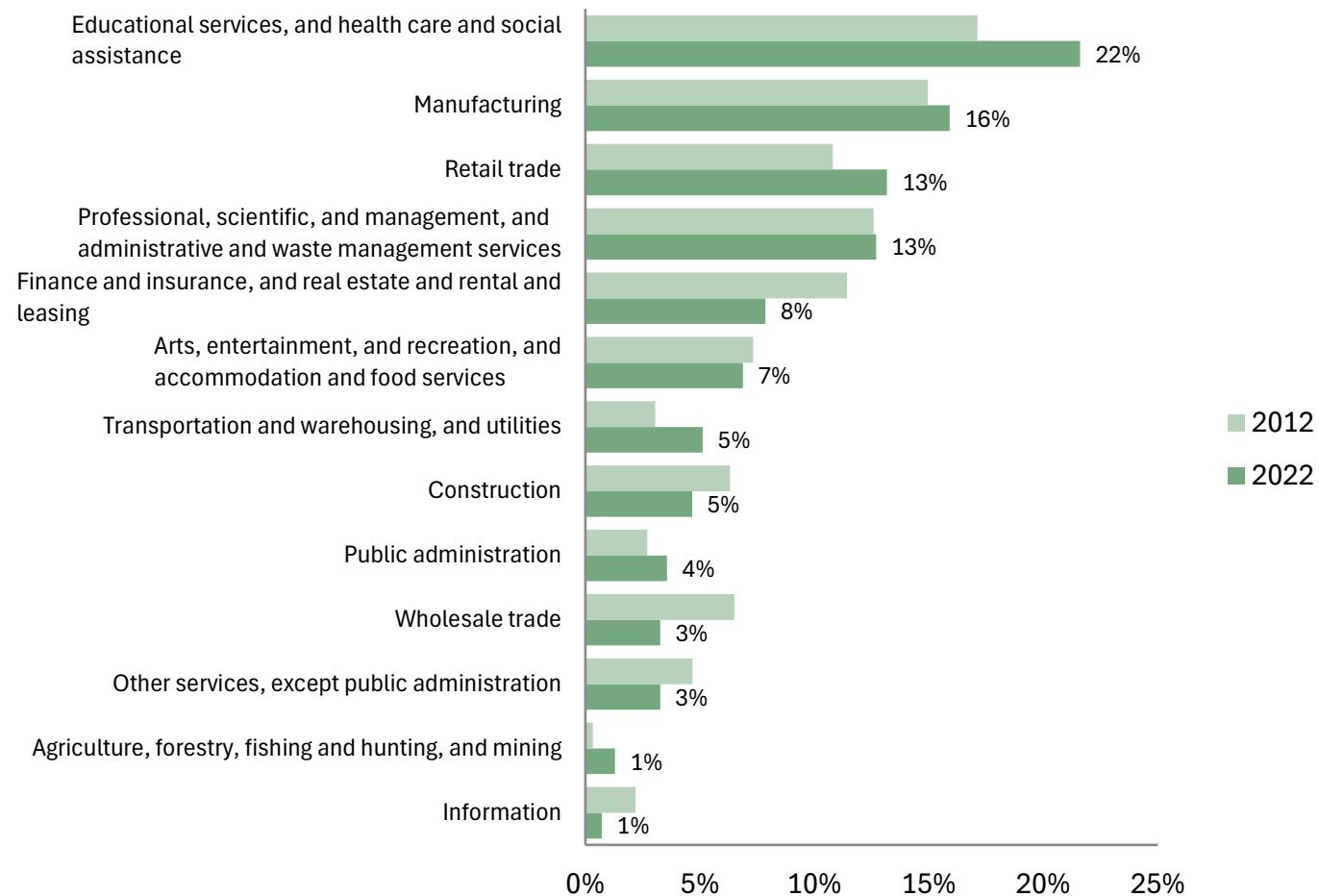
Population & Demographics

Sherwood employment led by education/healthcare, manufacturing, and retail trade

In 2022, Sherwood's leading employment sector was educational services & health care, followed by manufacturing and retail trade. The city's least prevalent employment sector was information, followed by agriculture and other services except public administration.

Between 2012 and 2022, Sherwood saw growth in about half of its employment sectors; the fastest-growing sectors were agriculture, transportation & warehousing, and educational services & health care. Sherwood's largest declines were in finance & insurance, construction, information, and wholesale trade.

Sherwood Employment Growth by Sector (2012 vs. 2022)



Source: US Census Bureau 5-Year ACS, Table S1901.

Source: US Census Bureau 2022 5-Year ACS, Table S1901.



Local Market Context

Old Town Retail Market

Old Town Retail Market

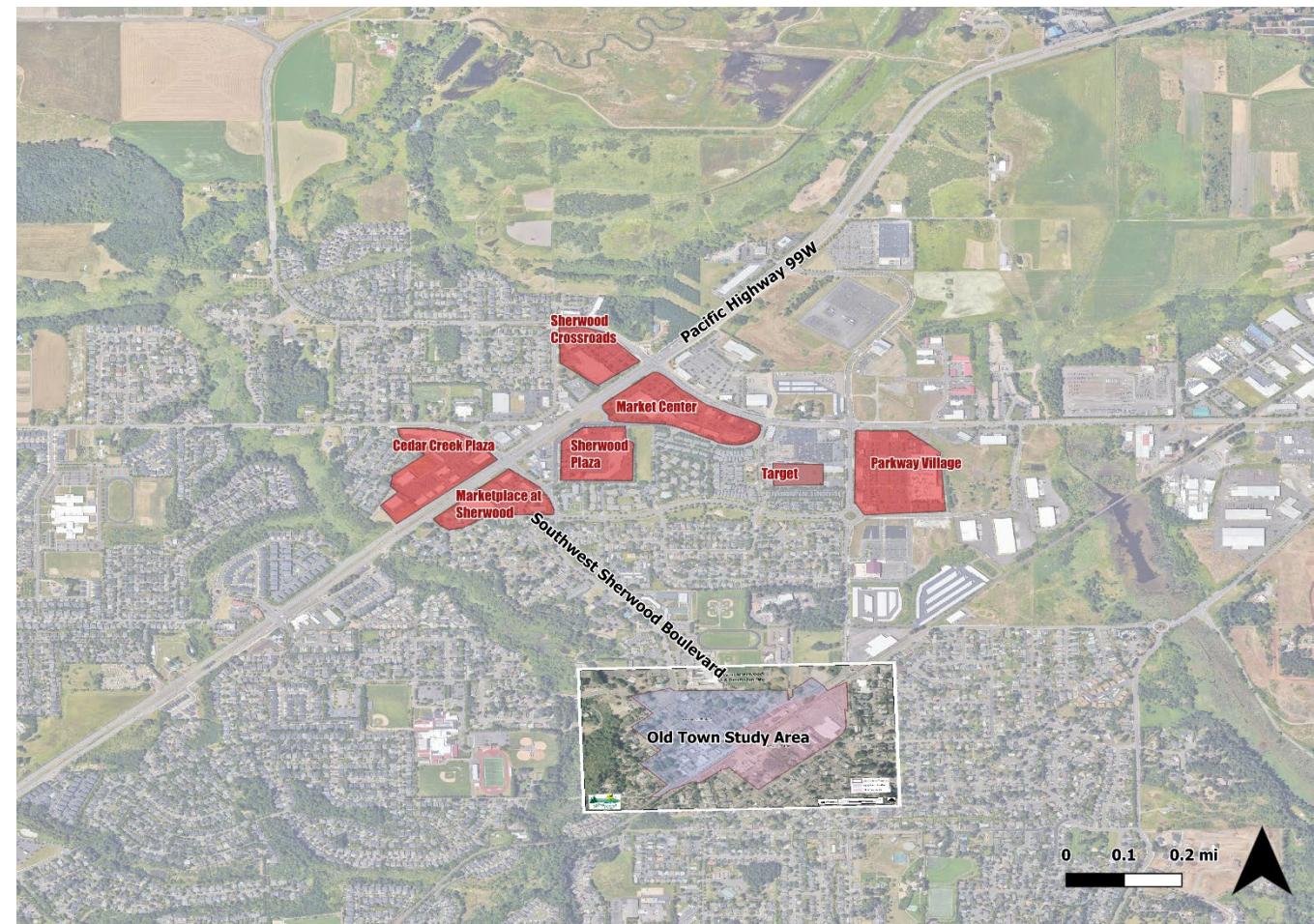
Old Town Needs to Differentiate from Nearby Retail Centers

While the “existing businesses” slide captures Old Town’s current commercial profile – primarily consisting of retail, professional services, and restaurants – this section of the report includes an analysis of nearby retail sites.

To the north of Old Town there is a cluster of traditional retail shopping centers along Pacific Highway 99W. Although proximity can be a benefit in retail, these shopping centers are designed to be accessible by car and are not within walking distance of Old Town. Indeed, these suburban-style shopping centers serve a purely utilitarian purpose compared to Old Town, which has the potential to be a thriving hub of local businesses and character.

Included in the Pacific Highway retail cluster are the following destinations: Sherwood Crossroads, Cedar Creek Plaza, Sherwood Plaza, Market Center, Marketplace at Sherwood, Parkway Village, and a Target store.

Shopping Centers Near Old Town



Source: LCG.

Old Town Retail Market

Old Town Needs to Differentiate from Nearby Retail Centers

In addition to the existing retail in Sherwood, there are three sites of ongoing retail development. These sites are located around the existing Pacific Highway retail cluster.

16000 SW Tualatin Sherwood Road

Type: Freestanding retail

GLA: 4,000 SF

Construction start : March 2025

15995 SW Tualatin Sherwood Road

Type: Freestanding retail

GLA: 100,000 SF

Construction start: September 2025

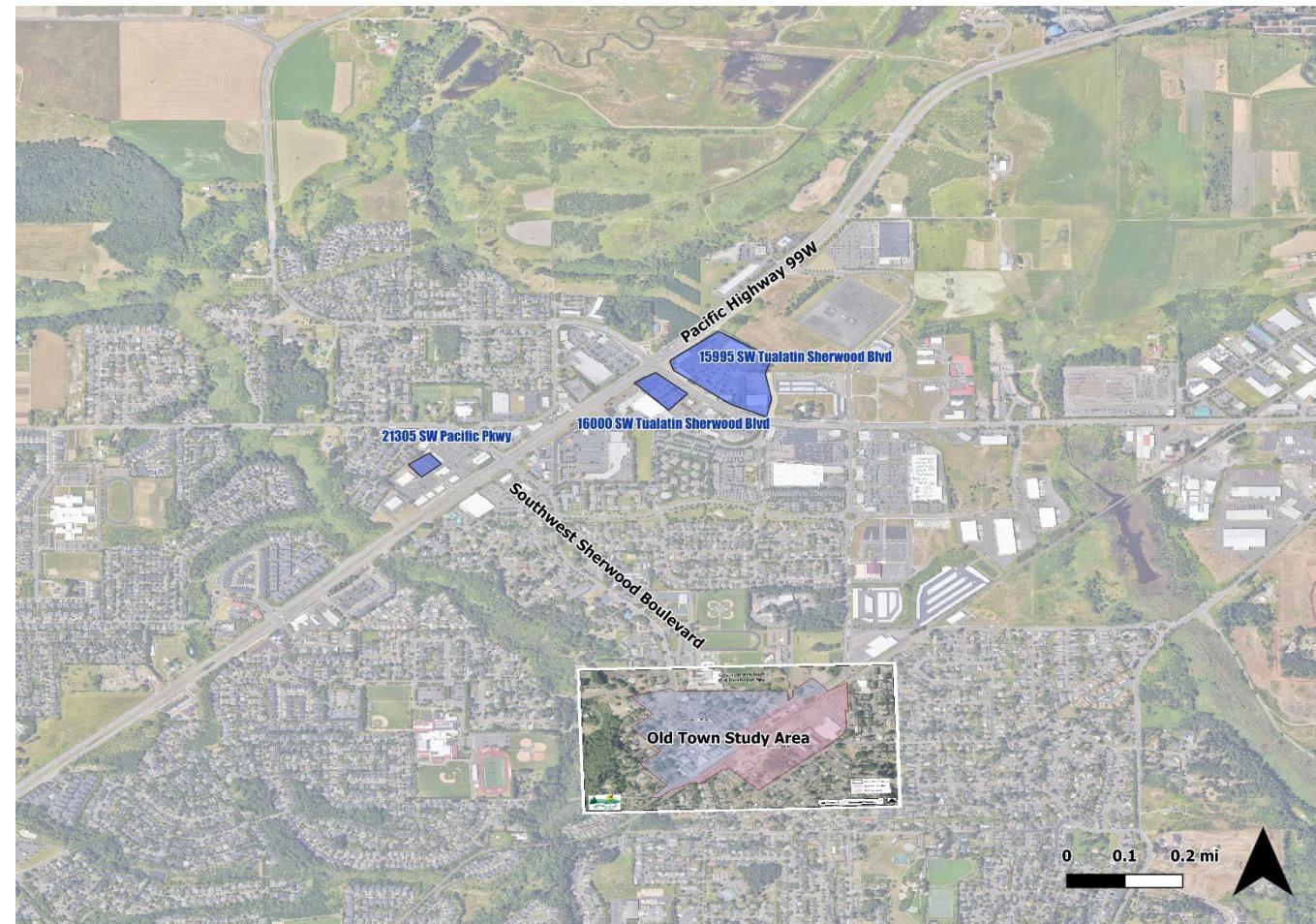
21305 SW Pacific Parkway

Type: Storefront retail (strip center)

GLA: 13,300 SF

Construction start: April 2025

Upcoming Shopping Centers Near Old Town

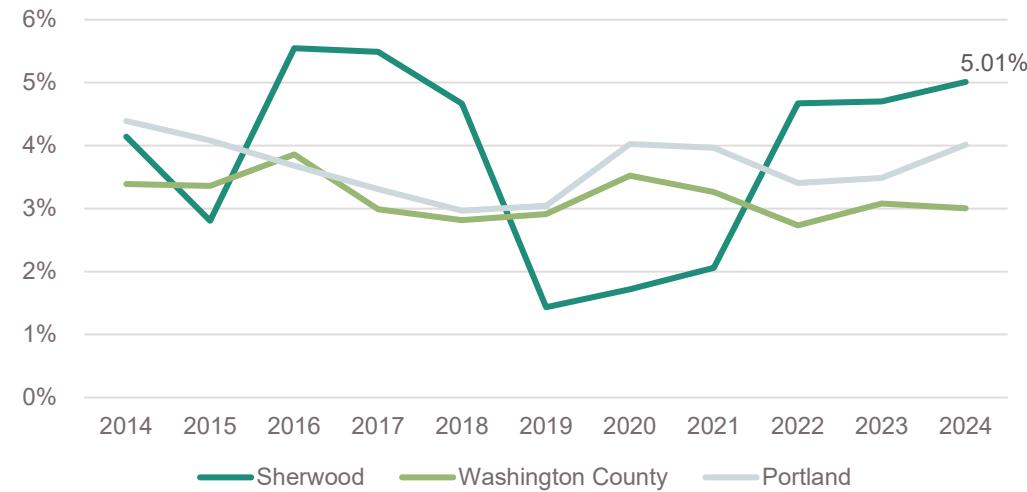


Sherwood Retail Vacancy and Asking Rent Higher than Region

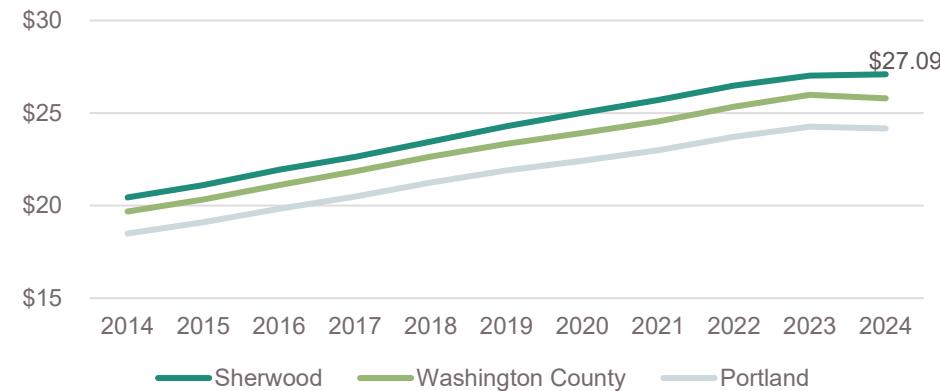
Despite local retail development, Sherwood has a higher retail vacancy rate (5 percent) than Washington County (3 percent) and Portland (4 percent). According to CoStar data, the variability of Sherwood's retail vacancy in the past ten years has also been larger than the other two geographies in the same time frame. At the same time, retail rents are still higher than the regional averages. Considering that a 5 percent vacancy rate is still roughly in line with U.S. national average, this data indicates that Sherwood has a healthy and competitive retail market, where space commands higher rents than the region at large.

Nationwide, retail trends have been shifting away from traditional centers toward walkable retail nodes featuring businesses and placemaking that offer a unique experience. The most successful retail centers now offer a variety of shops and services, all-day vibrancy, and places designed for visitors to stop and linger. Combining retail with other uses such as housing, office, hospitality, or civic space can help support local businesses in these centers. In addition, the inclusion of smaller or shared retail or restaurant spaces can help to support local entrepreneurs who are testing new business ideas.

Retail Vacancy Rate, 2014-2024



Retail Asking Rent per Square Foot, 2014-2024



Source: CoStar.

Multifamily & Hospitality Trends

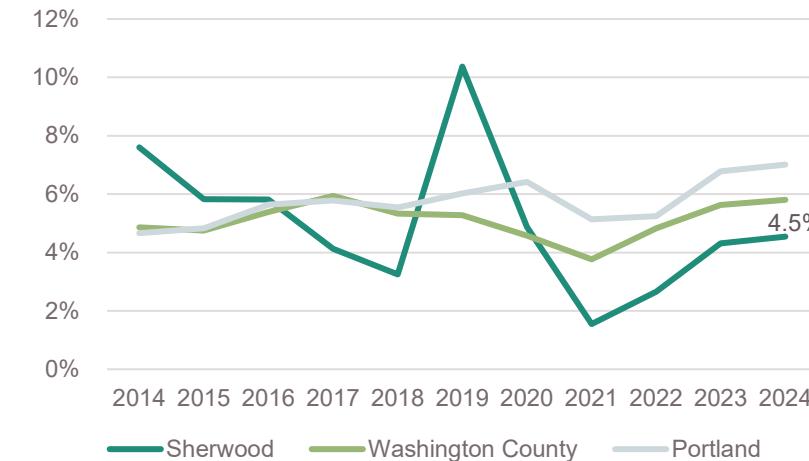
Multifamily Vacancy and Rents Suggest In-Demand Market

Sherwood's multifamily vacancy rate saw a temporary increase in 2019, likely due to the completion of two new multifamily developments (Oregon Street Townhomes and Ackerly). The citywide vacancy rate stabilized after that property leased up. Prior to 2019, the multifamily vacancy rate in Sherwood had been declining from about 8 percent to below 4 percent, which is below the 5 percent benchmark for a healthy market.

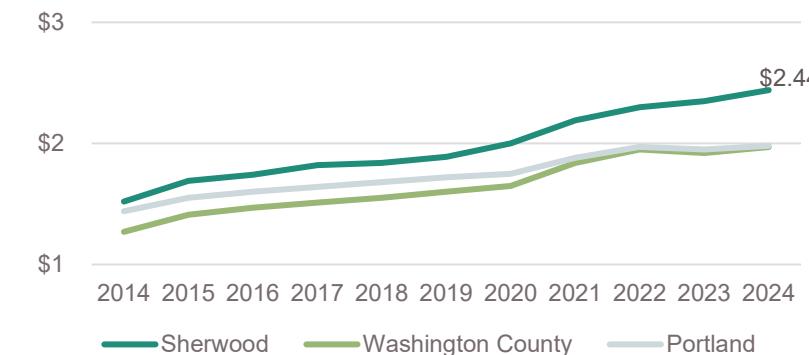
In terms of how Sherwood's multifamily vacancy compares to Washington County and Portland, Sherwood has had higher vacancy rate variability. This pattern is similar to its retail vacancy variability. While the county and Portland have had relatively stable vacancy rates over the past ten years, Sherwood's vacancy rate has fluctuated. Still, Sherwood's 2024 vacancy rate is about 4.5 percent, slightly lower than the county and Portland's vacancies.

Furthermore, multifamily asking rents per square foot in Sherwood have consistently been higher than in the county and Portland. In 2024, the average asking rent per square foot in Sherwood was \$2.44, almost twenty-five percent higher than the county and Portland (\$2). Together, these two data suggest that Sherwood's multifamily market is more competitive than the county and Portland's markets, as property owners can charge tenants higher rent for fewer vacant spaces.

Multifamily Vacancy Rate, 2014-2024



Multifamily Asking Rent per Square Foot, 2014-2024



Source: CoStar.

Multifamily Trends

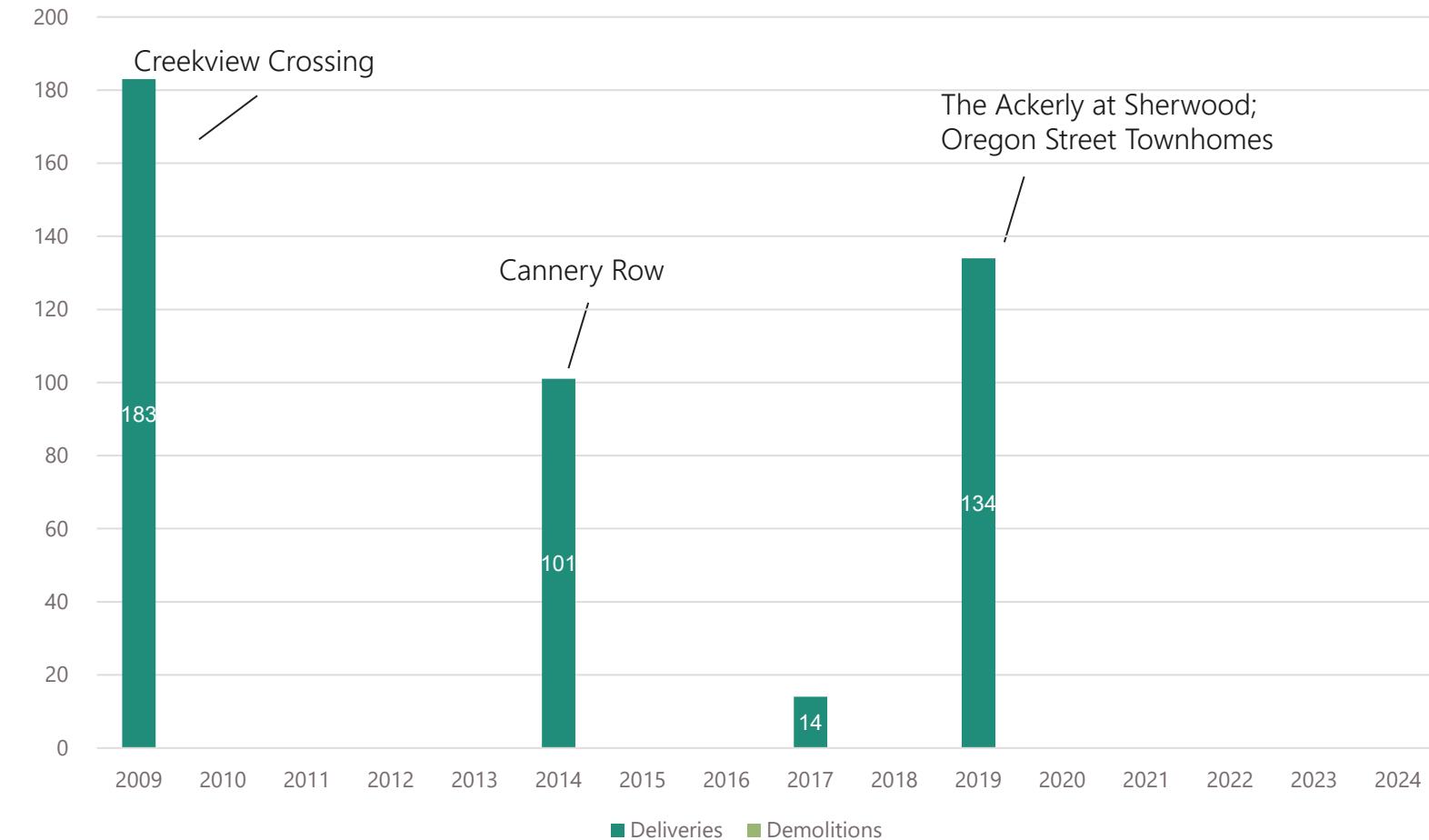
Sherwood Has Added 100+ Unit Development Every 5 Years

Sherwood added 433 multifamily housing units between 2009-2024. The largest properties built over that period were Creekview Crossing, The Ackerly, and Cannery Row. These developments consisted of over 100 units, were separated by about 5 years each.

The Ackerly is one of the most recent multifamily developments in Sherwood. Built in 2019, the 109-unit assisted-living facility is located across Pacific Highway from Old Town. The monthly rent per unit is \$5,483.

There are no known large apartment projects in the project pipeline at time of writing (December 2024).

Multifamily Deliveries & Demolitions in Sherwood (Units)



Source: CoStar.

Multifamily Trends

Recent Large Multifamily Developments in Sherwood



Cannery Row
22550 SW Highland Dr

Units: 101

Year Built: 2014

Rent / Unit: \$2,004

Rent / SF: \$2.40

Affordability: Market

Density: 56 units/acre



Oregon Street Townhomes
15790 SW Oregon St

Units: 25

Rent / Unit: \$2,070

Affordability: Market

Year Built: 2019

Rent / SF: --

Density: 21 units/acre



The Ackerly at Sherwood
16872 SW Edy Rd

Units: 109

Year Built: 2019

Rent / Unit: \$5,483*

Rent / SF: \$7.83*

Affordability: Market

*Senior living facility rents incorporate services and other living expenses

Density: 27 units/acre

Multifamily Trends

Recent Urban-Style Washington County Housing Development



Savanna at Reed's Crossing
3405 SE Reed Drive
Hillsboro, OR

Units: 301

Year Built: 2024

Rent / Unit: \$2,444

Rent / SF: \$2.44

Affordability: Market

Density: 59 units/acre



Merrill Gardens at Hillsboro
146 NE 4th Avenue
Hillsboro, OR

Units: 141

Rent / Unit: \$4,787*

Affordability: Market
*Senior living facility
rents incorporate
services and other
living expenses

Year Built: 2024

Rent / SF: \$7.49*

Density: 168 units/acre



The Steward
7007 SW Hampton Street
Tigard, OR

Units: 55

Rent / Unit: \$2,343

Affordability: Market

Year Built: 2024

Rent / SF: \$2.89

Density: 114 units/acre

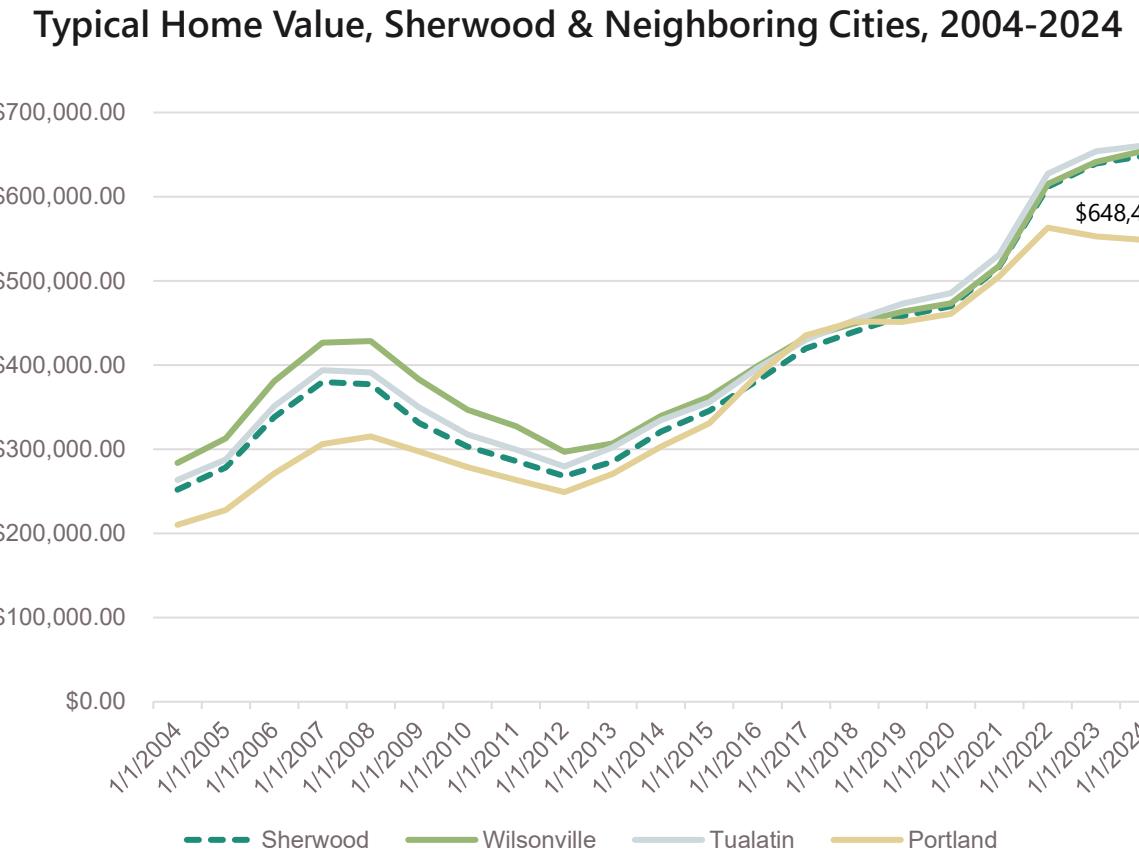
Ownership Housing Trends

Single Family Home Values

The Zillow Home Value Index (ZHVI) reflects the typical value of homes in the 35th to 65th percentile range. Based on the ZHVI, the typical home value in Sherwood is \$648,420. This figure is higher than the typical home value in the city of Portland, but commensurate with home values in Wilsonville and Tualatin.

Over the past 20 years, the typical home value in Sherwood has grown by 157 percent. In January 2004, the typical home price was just over \$250,000. Over the same period, Wilsonville home values grew by 131 percent, and Tualatin home values grew by 151 percent. Portland saw the greatest increase of 161 percent. Values surged across the board from 2020 to 2022, and have since experienced slower growth.

The high home values and strong growth in Sherwood reflect the regional (and national) housing shortage stemming from strong population growth and homebuilding that has not kept pace with demand.



Source: Zillow Home Value Index (ZHVI).

Sherwood Has One Hotel, Another On The Way

Sherwood currently has one hotel (Hampton Inn), located northwest of Old Town within driving distance. A new hotel has received land use approval (SpringHill Suites), and will be located slightly closer to Old Town, an approximate 15-minute walk.

Future accommodation in or around Old Town should focus on a boutique hotel or bed and breakfast style, in line with the city's vision for Old Town as an inherently local experience.



Hampton Inn Sherwood Portland
22000 SW Meinecke Parkway
Sherwood, OR

Rooms: 73

Year Built: 2020

Rate / Night: \$124

Meeting space: 920 SF

Affordability: Upper
Midscale

GBA: 56,794 SF



SpringHill Suites by Marriott Sherwood
14958 SW Tualatin Sherwood Rd
Sherwood, OR

Rooms: 100

Year Built: 2026 (est.)

Rate / Night: --

Meeting space: --

Affordability: Upscale

GBA: 75,000 SF



LELAND CONSULTING GROUP

People Places Prosperity

503.222.1600

www.lelandconsulting.com

Strategic Advisors to Public and Private Development