



MULTIFAMILY REPORT

Pittsburgh Steels Its Resolve

April 2022



Occupancy Rate Improves

Stock Expansion Ticks Up

Rent Growth Trails US Level

PITTSBURGH MULTIFAMILY



Rent Growth Slows, Remains Solid

The Pittsburgh multifamily market had a largely unremarkable 2021. Although fundamentals began recovering, they remained below the national average in rent gains, inventory expansion and economic growth. On a trailing three-month basis through February, rents rose 0.3% to \$1,266, half the pace of the national rate. Meanwhile, overall occupancy rose to 96.1%, boosted primarily by the upscale segment, up by a substantial 180 basis points in the 12 months ending in January, to 95.6%.

The unemployment rate in Pittsburgh stood at 5.8% in January, according to preliminary data from the Bureau of Labor Statistics, trailing the 3.8% national rate, as well as the state (5.4%) and Philadelphia (5.3%). The job market expanded by 3.4% in the 12 months ending in December, 100 basis points below the U.S. rate. Financial activities—the only sector to gain jobs in the 12 months ending in December 2020—was the only sector to post job losses (-1,100 jobs) a year prior.

As of February, developers had 2,866 units under construction, heavily targeting the high-income renter. Last year registered a slight increase in stock expansion compared to the previous two years. Meanwhile, in 2021, transaction activity moderated (\$164 million) and amounted to half the peak volume recorded in 2020 (\$335 million). The average price per unit decreased by 22.2%.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research
and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Pittsburgh Transactions

Southside Works City



City: Pittsburgh
Buyer: Brookfield Properties
Purchase Price: \$90 MM
Price per Unit: \$340,909

River Oaks Townhomes



City: Pittsburgh
Buyer: AION Partners
Purchase Price: \$21 MM
Price per Unit: \$189,429

Allegheny Commons East



City: Pittsburgh
Buyer: WNC & Associates
Purchase Price: \$11 MM
Price per Unit: \$80,882