

Yardi® Matrix

Steel City Shifts To Expansion Mode

Multifamily Report Winter 2018

Core Growth
Remains Paramount

Transaction Volume
Hits Cycle High

Major Projects to Spur
Development Activity

PITTSBURGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Golden Triangle's Growth Spurt

Although underperforming against the U.S. average, Pittsburgh's multifamily market has stayed relatively stable. Boosted by the emergence of its urban core as a popular live-work-play destination, the city's apartment demand remains tepid but steady, with rents up 0.5% year over year as of January.

Anchored by Carnegie Mellon University—along with the health-care, technology, finance and tourism sectors—the metro is adding jobs across the board. The city is slowly losing residents overall, but according to the Pittsburgh Downtown Partnership, greater downtown's population expanded by 22% between 2010 and 2016. Meanwhile, several large-scale projects are underway or moving closer to breaking ground, including Shell's \$6 billion plant and eight new hospitals with a collective price tag of \$2.7 billion. At the same time, the Pittsburgh Penguins and the mayor's office have struck a new deal for the \$750 million, multi-phase redevelopment of the former Civic Center arena, which could bring roughly 1,000 residential units, as well as office and retail space, to the Lower Hill District.

Roughly 1,500 units came online in Pittsburgh last year, with an extra 2,500 units under construction as of January, 2,000 of which should come online in 2018. Even so, as Pittsburgh continues to add jobs at an accelerated rate, Yardi Matrix expects rents to increase 1.8% in 2018.

Recent Pittsburgh Transactions

Heinz Lofts



City: Pittsburgh
Buyer: Alterra Property Group
Purchase Price: \$25 MM
Price per Unit: \$94,163

Thorn Run



City: Moon Township, Pa.
Buyer: Steiner Realty
Purchase Price: \$23 MM
Price per Unit: \$78,231

The Residences of South Hills



City: Pittsburgh
Buyer: AION Partners
Purchase Price: \$18 MM
Price per Unit: \$17,370

Mifflin Estates/Camden Hills



City: West Mifflin, Pa.
Buyer: BLVD Capital
Purchase Price: \$11 MM
Price per Unit: \$55,224