

Yardi® Matrix

Pittsburgh Gears Up

Multifamily Report Summer 2018

Rent Growth Trails Nation

Employment Gains Pick Up

Transaction Volume Declines

PITTSBURGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Health Care, Technology Drive Growth

Thanks to a highly educated hiring pool, pockets of growth in the health-care, banking and technology sectors are pushing the economy forward in Pittsburgh, bolstering demand for multifamily product.

Following a sluggish 2017, job growth began to pick up, reaching 1.5% year-over-year as of April. Gains were led by education and health services, a trend which is set to continue, with upcoming projects such as UPMC's \$2 billion plan to build three specialty hospitals on the campuses of UPMC Presbyterian in Oakland, UPMC Mercy in Uptown and UPMC Shadyside. Employment growth was also significant for leisure and hospitality, as well as for professional and business services. Moreover, the high-tech startup scene is expanding in the city, which is home to Carnegie Mellon University and the Robotics Institute: Some \$687 million was invested in local tech companies last year, according to the Pittsburgh Downtown Partnership.

Despite a shrinking population at the metro level, Greater Downtown saw a 24% demographic expansion between 2010 and 2017, which has prompted developers to consistently target the area for new multifamily development. The recent boost in higher-paying jobs is slated to continue underpinning rental demand, especially in core urban areas. We expect rents to advance 1.8% in 2018.

Recent Pittsburgh Transactions

Ascent 430



City: Wexford, Pa.
Buyer: Graycliff Capital
Purchase Price: \$61 MM
Price per Unit: \$191,301

Thorn Run



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

Brightwood Manor



City: New Brighton, Pa.
Buyer: Treetop Development
Purchase Price: \$6 MM
Price per Unit: \$41,118

Edgewood Court



City: Pittsburgh
Buyer: Birchmere Ventures
Purchase Price: \$4 MM
Price per Unit: \$62,429