

PITTSBURGH OFFICE MARKET

Yardi® Matrix

Market Analysis

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Changing Market Forces



Pittsburgh continues on its path of diversification, facing a new, much broader business landscape. The burgeoning tech sector sparked the largest share of transformations. Apple announced it will add 250 jobs to the metro, while upcoming projects such as the Allegheny County Airport Authority's 195-acre Airport Innovation Campus or public-private partnerships such as InnovatePGH will bolster further growth in innovation.

The largest number of job gains was recorded in the professional and business services sector, with more than 3,600 new positions added in the 12 months ending in December. The increase resulted from a rise in consumer confidence and the rapid growth of other service-based sectors. Companies are taking advantage of the local universities in order to attract and keep talent, their presence leading to elevated leasing activity in and around the metro's intellectual nodes. Asking rents were highest in supply-constrained submarkets such as Oakland (\$28.42 per square foot) and Cranberry (\$25.10 per square foot), paving the way for rent gains in the suburbs.

Development activity was robust, with more than 2.8 million square feet of office space under construction as of February. As land in the urban submarkets has become scarce, landlords are repurposing old industrial buildings rather than build from scratch. Meanwhile, the largest building under construction will be erected in the suburban Airport submarket and will add 1 million square feet to the metro's total office inventory.