

Yardi® Matrix

# Pittsburgh Shows Its Mettle

Multifamily Report - Summer 2017

Rents Inch Up

Downtown Draws Millennials

Supply Growth Outpaces Nation



# PITTSBURGH MULTIFAMILY

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## Market Analysis

Summer 2017

### Contacts

#### Paul Fiorilla

Associate Director of Research  
Paul.Fiorilla@Yardi.com  
(800) 866-1124 x5764

#### Jack Kern

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

### Author

#### Adriana Pop

Senior Associate Editor

## Eds and Meds Spur Growth in the Steel City

Once a predominantly blue-collar city, Pittsburgh today relies on a diversified innovation economy and a highly educated workforce. University-based research is focused on life sciences, information technology and robotics, which are major economic drivers for both the region and nation.

Despite a slowly shrinking population, the city's multifamily market remains steady, bolstered by increased hiring in recession-resistant sectors—such as education and health services—which has had a ripple effect on the region's economy, driving demand for apartments and office space. Most of the growth can be attributed to the two largest health-care systems, UPMC and Allegheny Health Network, as well as education institutions such as the University of Pittsburgh, Carnegie Mellon University, Duquesne University and Robert Morris University. Increased tourism activity over the past year has also led to significant employment gains in the leisure and hospitality industry, offsetting the loss of manufacturing and mining jobs.

Demand for apartments is especially strong downtown, where more than 40% of all residents are Millennials. Developers are targeting the area, which has seen the city's fastest population growth in the seven years post-recession. Overall, the metro continues to be an affordable place to live, with rents averaging \$1,038 as of May and a median home price of approximately \$135,000 over the past year.

## Recent Pittsburgh Transactions

The Heights at Slippy Rock



City: Slippery Rock, Pa.  
Buyer: Ares Management  
Purchase Price: \$13 MM  
Price per Unit: \$126,000

The Venue



City: Pittsburgh  
Buyer: JoCo Partners  
Purchase Price: \$7 MM  
Price per Unit: \$110,448

Wood Towers



City: Pittsburgh  
Buyer: Millennia Housing Cos.  
Purchase Price: \$5 MM  
Price per Unit: \$50,871

Douglas Plaza



City: Pittsburgh  
Buyer: Belveron Partners  
Purchase Price: \$4 MM  
Price per Unit: \$16,262

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#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389