



MULTIFAMILY REPORT

Pittsburgh Retooling Still Underway

October 2022

Lifestyle-RBN Rent Gap Widens

Investment Activity Near Standstill

Employment Gains Trail Nation

PITTSBURGH MULTIFAMILY



Pittsburgh Shakes Off Its Rust

As a former manufacturing-heavy Rust Belt market, Pittsburgh has seen some lag in the development of its multifamily sector over the years. However, while national trends point to a significant slowdown or even stagnation, Pittsburgh rent growth is now outperforming, at 0.8% on a trailing three-month basis as of August, while the U.S. rate was 0.6%. The metro's average occupancy in stabilized properties was 96.3% as of July, 30 basis points higher than the national figure.

Following the emergence of the pandemic, the job market found itself in a bit of a hole, but the rebuilding is largely underway. No job sectors recorded losses in the 12 months ending in June, with total employment up 36,100 positions. Anchored by a high-end tech talent pool generated by a number of universities—chief among which is Carnegie-Mellon University—the city of Pittsburgh is using its new profile to aid its residents. A public-private partnership developed by the university, local authorities and micromobility company Spin has initiated a pilot program to examine the potential for free transportation for low-income residents.

Following a hot streak during the first year of the pandemic, Pittsburgh multifamily investment has since dwindled, with limited investment in 2022, as rising interest rates have curbed appetite across markets. With 2,055 units under construction, development is seeing solid but typically oscillating activity.

Recent Pittsburgh Transactions

Homewood House



City: Pittsburgh
Buyer: Rhodium Capital Advisors
Purchase Price: \$7 MM
Price per Unit: \$73,880

Meridian Point



City: Uniontown, Pa.
Buyer: Clark Capital
Purchase Price: \$5 MM
Price per Unit: \$63,750

Market Analysis | October 2022

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