

Yardi® Matrix

Pittsburgh's Moving Forward

Multifamily Report Winter 2019

Rent Growth
Accelerates

Health Care, Technology
Propel Demand

Downtown Draws Millennials,
Baby Boomers Alike

PITTSBURGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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STEM Jobs Boost Rental Demand

A diverse and balanced economy has begun to slow the region’s population decline, underpinning multifamily demand. For years, the metro lost many graduates of local universities to larger cities, but an increasing number of young professionals have begun to call Pittsburgh their home.

Professional and business services led employment growth in the 12 months ending in September (4,000 jobs), followed by mining, logging and construction (3,100) and education and health services (3,000). The region’s tech scene is thriving in and around intellectual nodes including Downtown Pittsburgh, Cranberry Township and East Liberty/Shadyside, while public-private partnerships such as InnovatePGH are accelerating the city’s innovation economy. Pittsburgh benefited from \$5.5 billion in venture capital in 2017, with health care and life sciences accounting for more than half of the funding, while IT and robotics emerged as the most active sector.

Investors seeking higher returns than in gateway cities focused on Renter-by-Necessity assets with a value-add component. Multifamily development was concentrated in Downtown and Cranberry Township, where demand is boosted by Millennials and Baby Boomers alike, including empty nesters looking to downsize. Absorption is expected to keep up, bolstered by the ongoing increase in higher-paying health-care and technology jobs.

Recent Pittsburgh Transactions

Ascent 430



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

Waterford Nevillewood



City: Presto, Pa.
Buyer: The Solomon Org.
Purchase Price: \$41 MM
Price per Unit: \$130,063

The Heights at Slippery Rock



City: Slippery Rock, Pa.
Buyer: Channing Realty Advisors
Purchase Price: \$12 MM
Price per Unit: \$121,713

Edgewood Court



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