

# PITTSBURGH OFFICE MARKET

Yardi® Matrix

## Market Analysis

Third Quarter 2019

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## Metro Nears Tech Momentum



Pittsburgh's expansion has sped up in the past year, driven by rapid growth in the tech and life sciences sectors. The metro's stabilized economy has paved the way for a number of new initiatives in the artificial intelligence and robotics fields. Other incentives programs, such as the Keystone Innovation Zone tax initiative, further consolidate Pittsburgh's status as a thriving tech hub and a hotbed for startups.

The metro gained 3,700 office-using jobs in the 12 months ending in June. The professional and business services sector added 3,400 new jobs as Elite Transit Solutions and other service-based companies expanded their operations in the Pittsburgh area. The information sector, which was the primary catalyst behind economic growth, added 800 new positions over the same period. The largest contributors were self-driving technology companies including Argo AI and Uber.

Carnegie Mellon University and the University of Pittsburgh provide a steady stream of tech talent, leading to company expansions in the area. As a result, construction has increased in and around the urban core, where the majority of the development pipeline is located. Some 2 million square feet of office space was under construction throughout the metro as of July. Even with mega-conversions such as the 5.1-acre Bakery Square or the 600,000-square-foot The Highline lined up, the metro will likely continue to see positive absorption. The redevelopment and restoration of former warehouses will make way for an upgraded inventory, pushing up the average rental rate.