

Yardi® Matrix

OFFICE MARKET REPORT

Pittsburgh's Sustained Growth

Winter 2020

**Development Concentrated
In Urban Submarkets**

**Local Coworking
Industry Expands**

**Tech Drives Demand
For Quality Space**



PITTSBURGH OFFICE MARKET

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Redevelopment Leads Revitalization

Pittsburgh continues to grow and solidify its fundamentals, albeit at a slower pace. Local programs such as Allegheny Grows or the Local Economic Revitalization Tax Act District contribute to the metro's revival—and so is Volkswagen's \$2.6 billion investment in Argo AI, which indicates increasing interest from international investors and the tech sector's importance in the local economy. Other programs including Active Allegheny, Transportation 2070 Vision Plan and Our Next 75 are expanding public transportation options, offering the metro a much-needed infrastructure makeover.

The professional and business services sector led the way in job growth, with more than 2,600 positions added in the 12 months ending in October. The financial activities sector contracted by 300 jobs, following a national trend that resulted from the increased digitalization of banking services. Meanwhile, coworking continues to play a vital role in Pittsburgh's development, with the urban core encapsulating the largest share of flexible space. The metro's flexible space ecosystem is diverse: Operators such as Beauty Shoppe customize each location, while various coworking incubators such as Fulton Commons, Impact PGH or The Ahfis in the suburbs act like a catalyst for partnerships. In addition to that, developers are converting former police bureaus and schools into coworking spaces.

Pittsburgh's development pipeline encompassed 1.8 million square feet of office space as of November. Megaconversions such as the upcoming I-579 Cap Urban Connector, Produce Terminal and The Highline are set to change Pittsburgh's overall real estate landscape, a transition from obsolete industrial past to a community-oriented mixed-use future.

Market Analysis

Winter 2020

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