Pittsburgh

Industrial market snapshot | Q1 2024

Overall vacancy increased 50 basis points compared to the previous quarter, reaching 5.9% at the end of Q1 2024. In Q1 2024, leasing activity recovered as there was 26% more leasing activity Q4 2023. Construction activity has slowed following record-breaking deliveries in 2023. Pittsburgh saw negative net absorption in Q1 2024 for the first time since Q2 2022, largely driven by the Parkway West and Parkway North submarkets, which saw the largest negative changes while the Downtown Fringe and Westmoreland County submarkets recorded positive absorption.

5.9%

Vacancy recorded at 5.9% at the end of Q1 2024, up 50 basis points from the prior quarter. Parkway East and Oakland/East End have the highest vacancy rates.

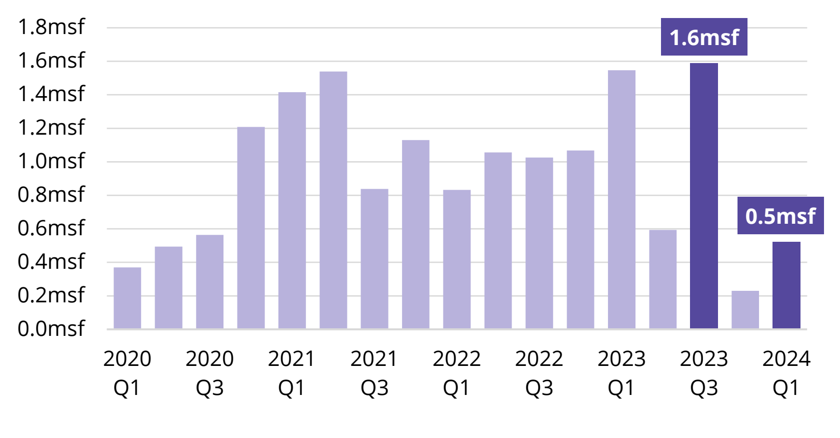
-85%

Under construction inventory has decreased 85% from the record-breaking development pipeline level of 3.1msf recorded in Q4 2022.

67%

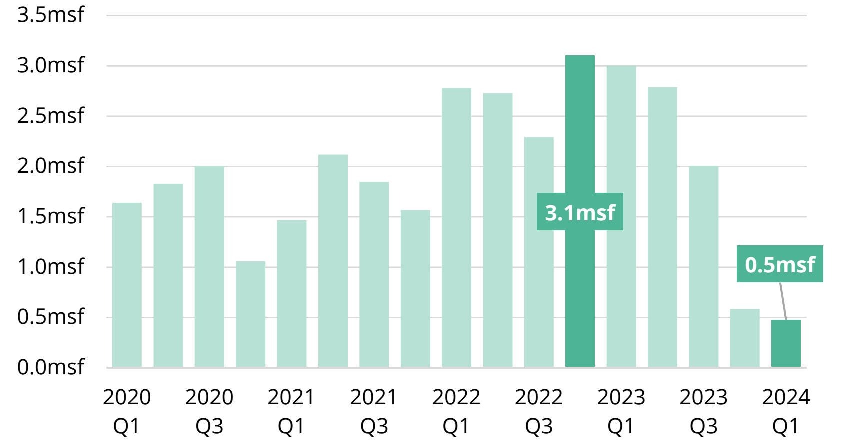
Parkway West has over 320ksf currently under construction, or 67% of the total pipeline, likely to exacerbate the negative absorption trend within this submarket.

Leasing activity softens substantially



Leasing activity peaked in Q3 2023 with a total of 1.6msf and has since sharply declined. A total of just over 520ksf leased during Q1 2024, down 47% from the quarterly average leasing volume in 2023 of nearly 990ksf.

Development pipeline shrinking



Under construction inventory has decreased 85% from the all-time high of 3.1msf in Q4 2022, down to 0.5msf currently under development. Pittsburgh experienced substantial deliveries over the course of 2023, substantially reducing the amount of space anticipated to come online in 2024.

Source: AVANT By Avison Young, CoStar

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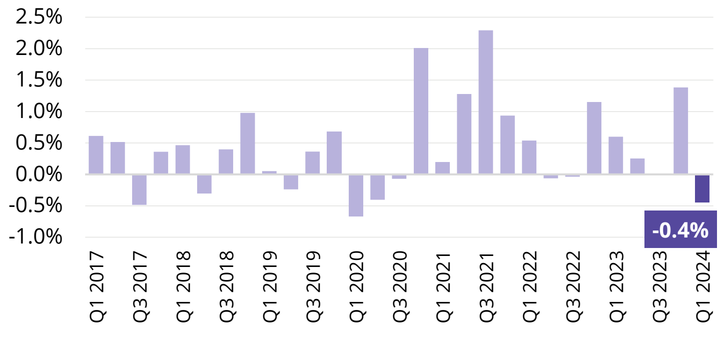
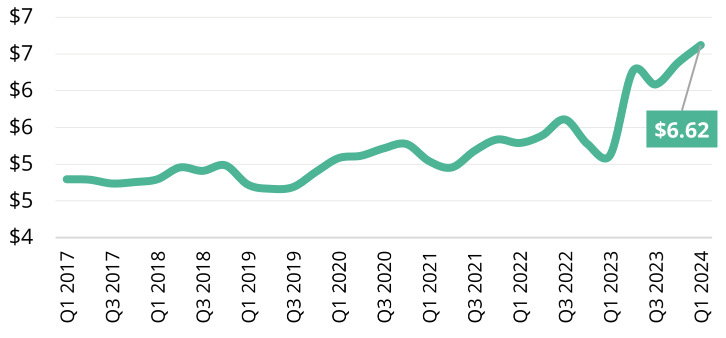
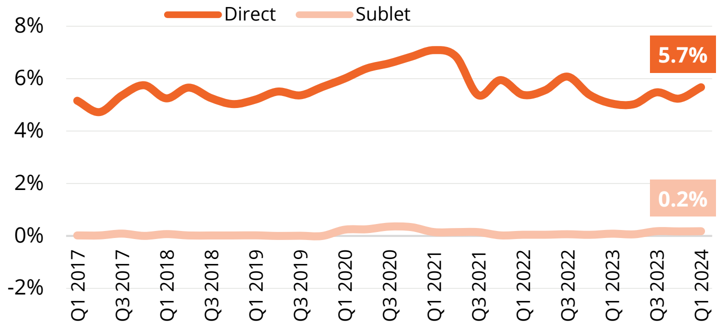
Net absorption as a % of inventory



Direct asking rents (psf/NNN)*



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Green Bridge Metals	670 Pennsylvania Ave	80,000	New	Direct
Wheel Mill	6815 Hamilton Ave	79,559	New	Direct
Air Ground Xpress	2400 Sweeney Dr	59,450	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Ardent Data Centers	615 McMichael Rd	$7,142,563	$172.66	Sampson Morris Group
AIC Ventures	14559 US-30	$4,725,000	$79.08	Operio Group
Jay W. Cleveland Jr.	101 Berry Rd	$4,500,000	$78.43	Hadanich Machine Manufacturing

Note 1: *Asking (NNN) rents included in this chart contain a blended average of Classes: A/B/C.

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption of inventory (YTD)
Westmoreland County	28,538,278	-	155,000	5.0%	0.0%	5.1%	(1.5%)	0.2%	55,273
Parkway West	18,857,828	109,348	320,500	8.0%	0.0%	8.0%	2.8%	(1.6%)	(299,261)
Parkway North	17,802,750	-	-	2.8%	0.1%	2.8%	0.9%	(1.2%)	(205,279)
Beaver County	12,211,848	-	-	3.7%	0.0%	3.7%	(1.8%)	0.3%	35,619
Butler County	11,742,325	-	-	7.6%	0.2%	7.7%	2.6%	(0.2%)	(20,000)
South	10,493,853	-	-	1.6%	0.0%	1.6%	0.5%	(0.4%)	(38,700)
Washington County	9,771,002	-	-	7.4%	0.0%	7.4%	(0.5%)	(0.2%)	(15,644)
Downtown Fringe	7,336,577	-	-	5.2%	0.0%	5.2%	1.2%	0.8%	58,988
Parkway East	7,206,011	-	-	13.6%	0.0%	13.6%	1.9%	(0.5%)	(39,460)
Oakland/East End	4,292,217	-	-	7.3%	4.4%	11.8%	7.1%	0.0%	-
Monroeville	1,021,071	-	-	0.1%	0.0%	0.1%	0.0%	0.0%	-
CBD	172,144	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	-
Market total	**129,445,904**	**109,348**	**475,500**	**5.7%**	**0.2%**	**5.8%**	**0.7%**	**(0.4%)**	**(468,464)**

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption of inventory (YTD)
Manufacturing	54,927,387	-	-	3.1%	0.0%	3.1%	(0.9%)	(0.1%)	(43,924)
Warehouse/Distribution	74,518,517	109,348	475,500	7.6%	0.3%	8.0%	2.0%	(0.6%)	(424,540)
Market total	**129,445,904**	**109,348**	**475,500**	**5.7%**	**0.2%**	**5.8%**	**0.7%**	**(0.4%)**	**(468,464)**

Source: AVANT By Avison Young, CoStar

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