



### MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>6.2%</b> Vacancy Rate	▲	▲
<b>-226.5K</b> YTD Net Absorption, SF	▼	▲
<b>\$7.93</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▼

### ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>1.2M</b> Pittsburgh Employment	▲	▲
<b>3.4%</b> Pittsburgh Unemployment Rate	■	▲
<b>4.2%</b> U.S. Unemployment Rate	▲	▲

*Source: BLS*

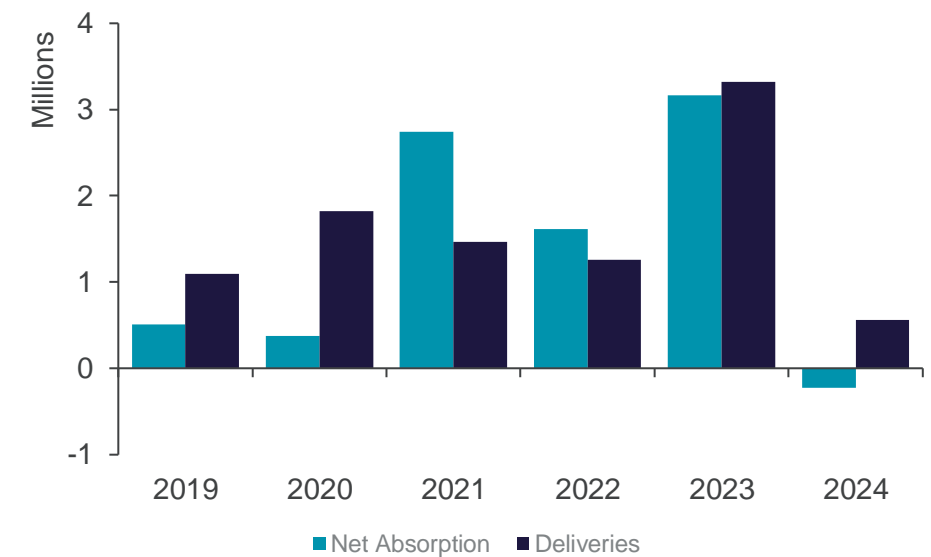
### ECONOMIC OVERVIEW

The Federal Reserve (Fed) doubled down on last quarters interest rate cut by cutting rates another 50 basis points (bps). The target federal funds rate is now 4.25 – 4.50%, the lowest value since Q4 2022. The Fed opted for a continued retreat of the interest rate despite a slight resurgence in inflation. The year-over-year (YOY) CPI growth rate ticked upwards to 2.7% (from 2.4%) in the latest measurement. This YOY growth in prices falls just outside the Fed’s long-term goal of 2.0 – 2.5%. Nonetheless, the Fed deemed it necessary to cut rates further to combat stalling economic growth and rising unemployment.

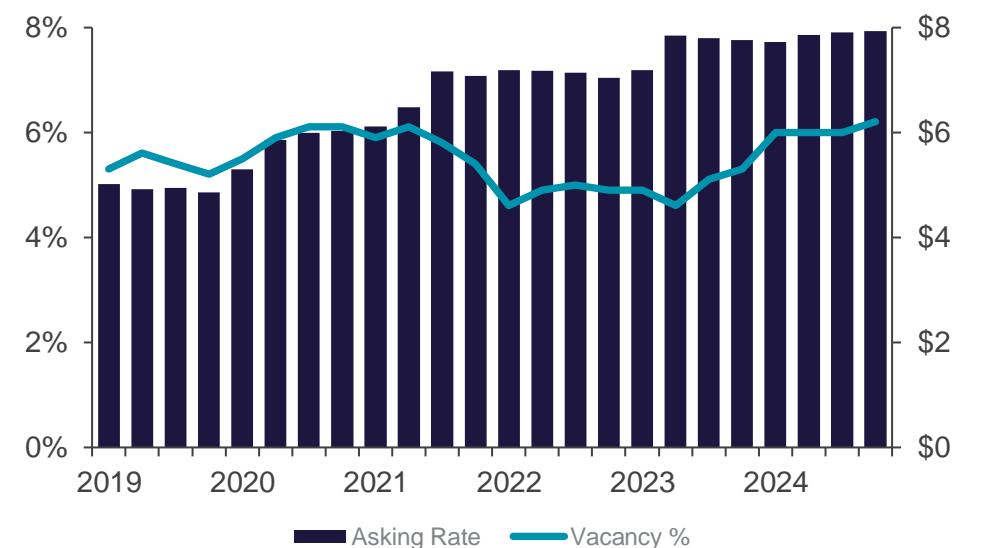
### SUPPLY AND DEMAND

The under-development pipeline has softened significantly, with only 129,500 square feet (sf) of industrial space currently under construction. Developers have paused nearly all projects as they wait for the newly delivered product of the historic post pandemic development boom to stabilize. In 2024, only 563,000 sf delivered, and 129,500 sf broke ground. On the demand side, the vacancy rate ticked nominally upward quarter-over-quarter (QOQ), increasing 20 bps to 6.2%. Despite vacancy rising at large, space in the Airport Corridor (Parkway West and West Pittsburgh) continues to be in demand. The vacancy rate in the Parkway West has dropped for the fifth consecutive quarter, falling 30 bps QOQ to 8.5%. This vacancy rate is down 210 bps YOY from the submarkets all-time high of 10.6% at the close of 2023. Net absorption ended the year at -226,484 sf, the first time the metric registered a negative value for the entire year since 2017. The driving force for the negative absorption has been several prominent move outs, indicating a softening Pittsburgh industrial market. Despite lackluster absorption, leasing activity continued to trudge forward, with 2.4 million square feet (msf) of new industrial leases transacted in 2024. The vast majority of this space, 68.9%, was within warehouse/distribution (W/D) product. Across 2024, 14 new deals exceeding 50,000 sf were executed, indicating that, despite signs of softening, Pittsburgh remains a desired market for big box tenants.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NNN RENT (MF)	OVERALL WEIGHTED AVG NNN RENT (FLX)	OVERALL WEIGHTED AVG NNN RENT (W/D)
Armstrong County	1655107	164842	10.0%	0	0	0	0	\$4.50	\$9.64	\$2.25
Beaver County	10,257,458	453,776	4.4%	-104,875	-58,956	303,317	0	\$5.38	\$8.50	\$6.85
Butler County	14,399,065	831,682	5.8%	14,969	110,123	242,234	0	\$2.55	\$13.98	\$11.64
Fayette County	3,508,994	117,800	3.4%	0	6,000	36,000	0	\$4.50	\$12.00	\$11.66
Greater Downtown	9,071,499	597,427	6.6%	-51,415	-64,105	26,605	0	\$3.75	\$16.44	\$9.67
Monroeville	2,717,868	51,505	1.9%	1,556	-5,500	7,056	0	\$5.00	\$6.12	\$5.27
North Pittsburgh	14,173,717	682,908	4.8%	95,728	-34,653	372,084	0	\$3.85	\$9.41	\$8.97
Northeast Pittsburgh	15,314,259	545,856	3.6%	-80,995	-176,774	199,686	0	\$4.50	\$11.51	\$11.95
Oakland	294,185	0	0.0%	0	12,000	0	0	\$8.75	\$21.92	\$8.17
Parkway East Corridor	12,716,200	1,748,705	13.8%	24,204	-71,077	118,421	0	\$1.54	\$13.48	\$5.04
Parkway West Corridor	12,063,353	1,026,831	8.5%	93,528	331,289	671,771	29,500	\$6.35	\$11.62	\$8.46
South Pittsburgh	15,521,934	403,386	2.6%	-93,640	-67,795	104,048	0	\$8.79	\$7.99	\$6.24
Washington County	9,937,129	450,194	4.5%	8,426	-16,482	80,944	100,000	\$5.21	\$15.04	\$4.85
West Pittsburgh	15,476,523	1,106,805	7.2%	62,328	-230,582	208,827	0	\$7.50	\$10.15	\$8.11
Westmoreland County	28,381,142	1,999,146	7.0%	-97,300	-3,307	40,822	0	\$6.27	\$6.95	\$7.34
<b>Total</b>	<b>165,488,433</b>	<b>10,180,863</b>	<b>6.2%</b>	<b>-127,486</b>	<b>-226,484</b>	<b>2,411,815</b>	<b>129,500</b>	<b>\$5.23</b>	<b>\$12.71</b>	<b>\$7.42</b>

\*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q4 2024

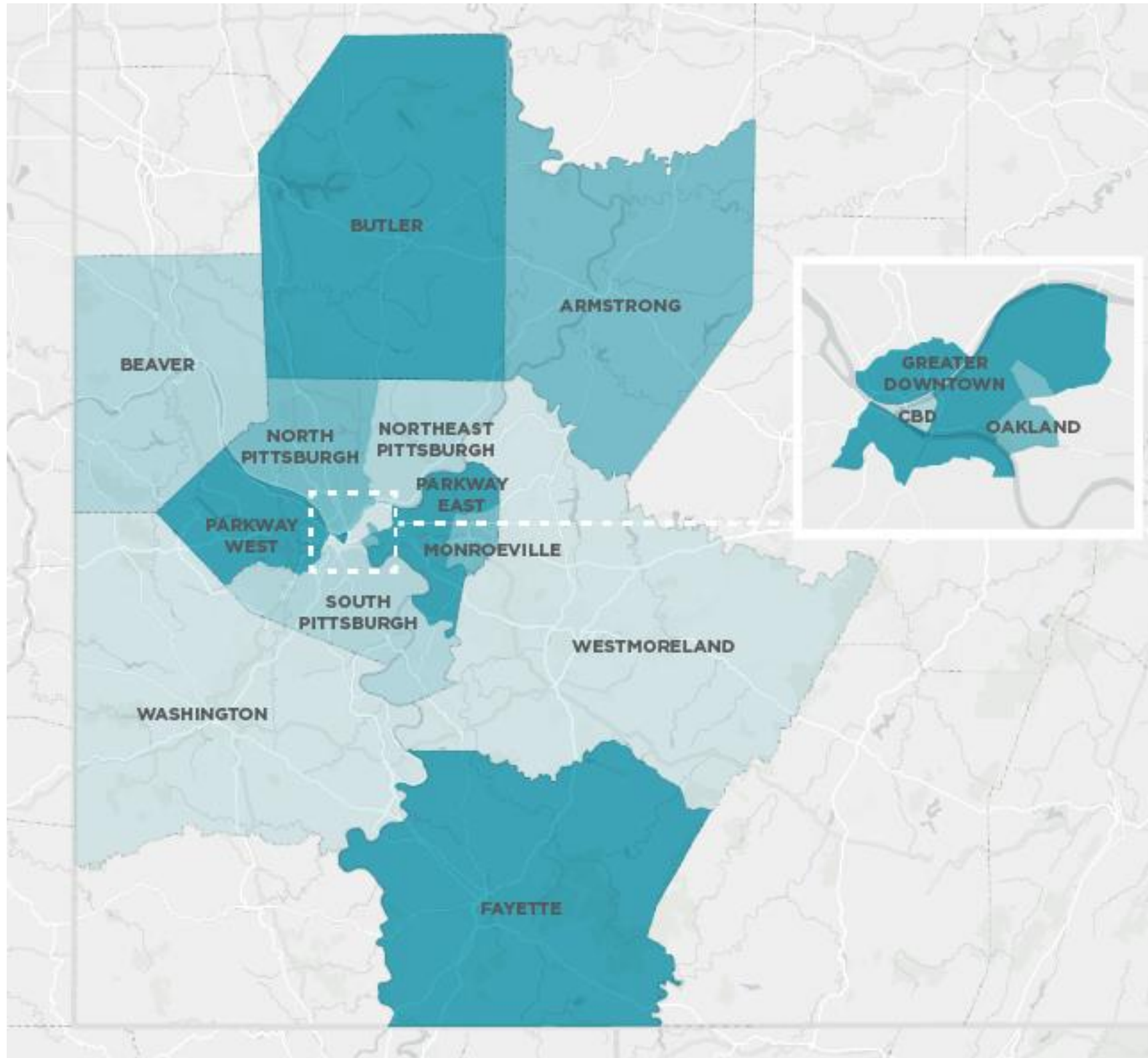
PROPERTY	SUBMARKET	TENANT	SF	TYPE
460 Nixon Rd	Northeast Pittsburgh	BFG Supply Company	196,000	Direct / Renewal
260 Solar Dr	Parkway West Corridor	SDC Nutrition	133,521	Direct / New Lease
460 Nixon Rd	Northeast Pittsburgh	Truelite	60,013	Direct / New Lease
251 Solar Dr	Parkway West Corridor	JMC Smucker	57,844	Direct / New Lease
401-423 Bingham Dr	Greater Downtown	Plantscape	56,236	Direct / New Lease

\*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
500 Woodlawn Rd	Beaver County	Middleton Properties / Avalotis Corp	237,100	\$4,100,000 / \$17.29
320-380 Locust St	Parkway East Corridor	RIDC / Keystone Basement Systems	145,715	\$3,000,000 / \$20.59
491 Chantler Dr	Butler County	Cygnus Manufacturing / Partner Holdings	81,223	\$10,530,000 / \$129.64
182 Northpointe Blvd	Armstrong County	BNY Mellon / Chirisa Capital Management	71,000	\$5,500,000 / \$77.46

INDUSTRIAL SUBMARKETS



**STEVEN PATTERSON**

Research Analyst  
Tel: +1 412 347 8973  
[Steven.Patterson@cushwake.com](mailto:Steven.Patterson@cushwake.com)

**MICHAEL HANES**

Senior Research Manager  
Tel: +1 215 963 4037  
[Michael.Hanes@cushwake.com](mailto:Michael.Hanes@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.