

Yardi® Matrix

MULTIFAMILY REPORT

Pittsburgh: Not Yet In The Clear

Spring 2020

Employment Still Shaky

Developers Target Downtown

COVID-19 Restrictions Ease



PITTSBURGH MULTIFAMILY

Yardi® Matrix

Pittsburgh Eyes New Cycle

Following moderate employment and deliveries in 2019, Pittsburgh's economy is once again being tested. As of April, rents were down 0.2% on a trailing three-month basis, to \$1,135, well below the \$1,465 national average. With strict statewide shelter-in-place orders in effect to contain the spread of the coronavirus, and with operations in many sectors—including construction—halted after being deemed nonessential, Pittsburgh reached a temporary impasse, further straining its real estate market.

The metro gained 3,000 jobs in the 12 months ending in March—a 0.5% uptick and 90 basis points below the U.S. average. By May 5, more than 1.7 million Pennsylvanians had filed initial unemployment claims. However, several bright spots are surfacing. The tech sector is gaining traction in Pittsburgh, headlined by Facebook, Google and Argo AI. The University of Pittsburgh continues to stimulate high-tech firms to move to the metro. In the meantime, work at construction sites resumed and some businesses reopened in May, after a six-week shutdown due to the COVID-19 outbreak.

With only 686 apartments delivered in 2019 and no property with more than 50 units completed this year through April, demand for multifamily product is expected to hold, despite the shutdown. However, the lingering effects of the pandemic will likely keep rent growth moderate.

Market Analysis | Spring 2020

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Recent Pittsburgh Transactions

Torrente at Upper St. Clair



City: Pittsburgh, Pa.
Buyer: Morgan Properties
Purchase Price: \$37 MM
Price per Unit: \$167,727

University Commons at Slippery Rock



City: Slippery Rock, Pa.
Buyer: DBC Real Estate Management
Purchase Price: \$12 MM
Price per Unit: \$80,822

Penwood Square



City: Pittsburgh, Pa.
Buyer: Steiner Realty
Purchase Price: \$7 MM
Price per Unit: \$75,209

Beacon Hill



City: Pittsburgh, Pa.
Buyer: Costello Management
Purchase Price: \$2 MM
Price per Unit: \$25,120