



MULTIFAMILY REPORT

# Pittsburgh: Still Standing

April 2023

**Investment Stalls After Solid 2022**

**Rent Growth Outperforms Nation**

**Job Market Slow But Stable**



# PITTSBURGH MULTIFAMILY



## Rental Market Holds Steady

Pittsburgh's multifamily market has shown resilience while navigating nationwide economic issues, with rent growth at 0.2%, on a trailing three-month basis as of February. Meanwhile, the U.S. rate remained flat month-over-month, down 0.1% on a three-month basis, to an overall average of \$1,702, as seasonal trends and economic pressures continue to impact the rental market. The metro's average occupancy rate in stabilized assets was 95.7% as of January, 50 basis points above the national rate.

Pittsburgh's economy recorded stable performance throughout 2022, having added 32,700 jobs, up 2.7% year-over-year. The metro has consistently registered below the national rate of employment growth, but its jobless rate outperformed both Pennsylvania and Philadelphia by solid margins at the end of last year. Large-scale medical projects by the University of Pittsburgh Medical Center, such as its Presbyterian Hospital and Mercy Pavilion developments, should bolster what is already the economic cornerstone of the metro.

Investment activity in 2022 was strong, at \$279 million, posting the metro's second-best year for sales in the past decade, but volume was slow out of the gate in 2023, as ongoing concerns about the credit environment pressured buyers. Development was solid, with 2,095 units under construction, following the market's strongest year for deliveries since 2016.

## Market Analysis | April 2023

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### Recent Pittsburgh Transactions

#### Coda on Centre



City: Pittsburgh  
Buyer: J.P. Morgan Asset  
Management  
Purchase Price: \$51 MM  
Price per Unit: \$292,000

#### The Residences at the Street



City: Washington, Pa.  
Buyer: Red Tail Acquisitions  
Purchase Price: \$20 MM  
Price per Unit: \$220,304

#### Towne North Tower



City: Pittsburgh  
Buyer: Capital Realty Group  
Purchase Price: \$7 MM  
Price per Unit: \$50,014

#### Valley Stream



City: Delmont, Pa.  
Buyer: Arbors Management  
Purchase Price: \$5 MM  
Price per Unit: \$34,091