

Yardi® Matrix

Pittsburgh's Steely Resolve

Multifamily Report Fall 2019

Rent Growth on Par
With National Average

Developers Target
Greater Downtown

Property Values
Reach New High

PITTSBURGH MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Population Declines, Income Rises

A diverse business climate and strong talent pool coming out of local universities are drawing companies to Pittsburgh, boosting the region's innovation economy. And while the metro's population may be declining, steady job gains in high-paying industries are driving demand for luxury properties.

As the hiring pool shrinks, Pittsburgh's employment rose just 0.5% in the 12 months ending in July, while unemployment has dipped to levels not seen since the 1970s. Construction led growth with 3,200 jobs, boosted by major developments, including the \$1 billion Hazelwood Green mixed-use project that recently opened its first building for Carnegie Mellon University's new research and development hub. Leisure and hospitality gained 3,000 jobs, followed by professional and business services (2,400). Pittsburgh's artificial intelligence research is thriving, attracting tech powerhouses such as Google, Uber and Argo AI.

Nearly \$130 million in assets traded in Pittsburgh in the first nine months of 2019, at an average price per unit of \$104,661, a cycle high as new construction in recent years has begun to attract more capital. Some 2,100 units were underway as of September, with more than half concentrated in the downtown area. Demand is expected to remain robust, allowing for an average rent growth of at least 2.0% by the end of 2019.

Recent Pittsburgh Transactions

Morrow Park City



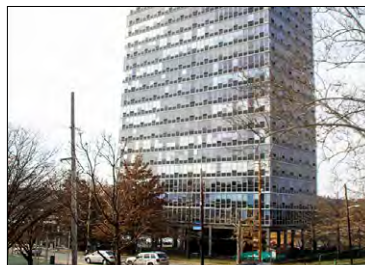
City: Pittsburgh, Pa.
Buyer: Albion Residential
Purchase Price: \$51 MM
Price per Unit: \$237,127

Bear Run Village



City: Pittsburgh, Pa.
Buyer: Nexus Real Estate
Purchase Price: \$46 MM
Price per Unit: \$104,452

Highland Park by Albion



City: Pittsburgh, Pa.
Buyer: Albion Residential
Purchase Price: \$10 MM
Price per Unit: \$60,823

Greenview Gardens



City: Butler, Pa.
Buyer: Evergreen Real Estate Services
Purchase Price: \$8 MM
Price per Unit: \$54,818