

3Q25

Pittsburgh Industrial Market Overview



NEWMARK



Market Observations

Economy

- Since mid-2023 the Pittsburgh unemployment rate has outperformed, remaining below the national rate by roughly 0.3–0.6 points. As of August 2025, unemployment stands at 4.3% nationally versus 3.8% in Pittsburgh MSA.
- Over the past 12 months, Pittsburgh’s job growth has been led by service-oriented sectors, with Education and Healthcare surging 4.7%. This momentum underscores the robust shift toward knowledge, healthcare, and service-driven employment, supporting demand for medical, research, and high-quality office environments.
- Commercial lending is now experiencing slightly reduced interest rates but still has strict credit standards and trade policy uncertainty still causing instability in the market.

Major Transactions

- 460 Nixon Road reportedly sold to TreeTop Co for \$32 million.
- Amcell Two, in Westmoreland County, secured two leases totaling 94,370 SF.
- Lighthouse Electric is expanding into an additional 65,000 SF at Brockway Commerce Center.
- Bakery Barn signed a lease for an 85,000 SF build-to-suit in Alta Vista Business Park.

Leasing Market Fundamentals

- Vacancy trended down to a low of 5.5% in 2022 before edging up to about 7.1% by the third quarter of 2025 amid the limited new deliveries and steady, but more modest absorption, signaling stabilization rather than tightening in the market.
- Momentum has stabilized at moderate, positive levels through third quarter of 2025, with three consecutive quarters of gains, resulting in 500,000 SF of year-to-date positive absorption signaling steady demand in the market.
- From third quarter of 2020 to third quarter of 2025, overall vacancy drifted up from 6.5% to 7.1%, while Class A vacancy remained lower throughout, however climbing to a peak of 6.5% in first quarter 2024 before easing to 5.6% by third quarter 2025. Recent quarters show stabilization at steady levels, with overall vacancy holding near 7.0% and Class A around 5.0%

Outlook

- The fourth quarter of 2025 will feature several significant industrial transactions with an immediate impact on the market.
- Data center development is expected to increase in the coming quarters due to anticipated project announcements.
- Class A available inventory will be reduced significantly by the end of 2025, creating a positive outlook moving into 2026.

1. Economy
2. Leasing Market Fundamentals
3. Submarket Overview

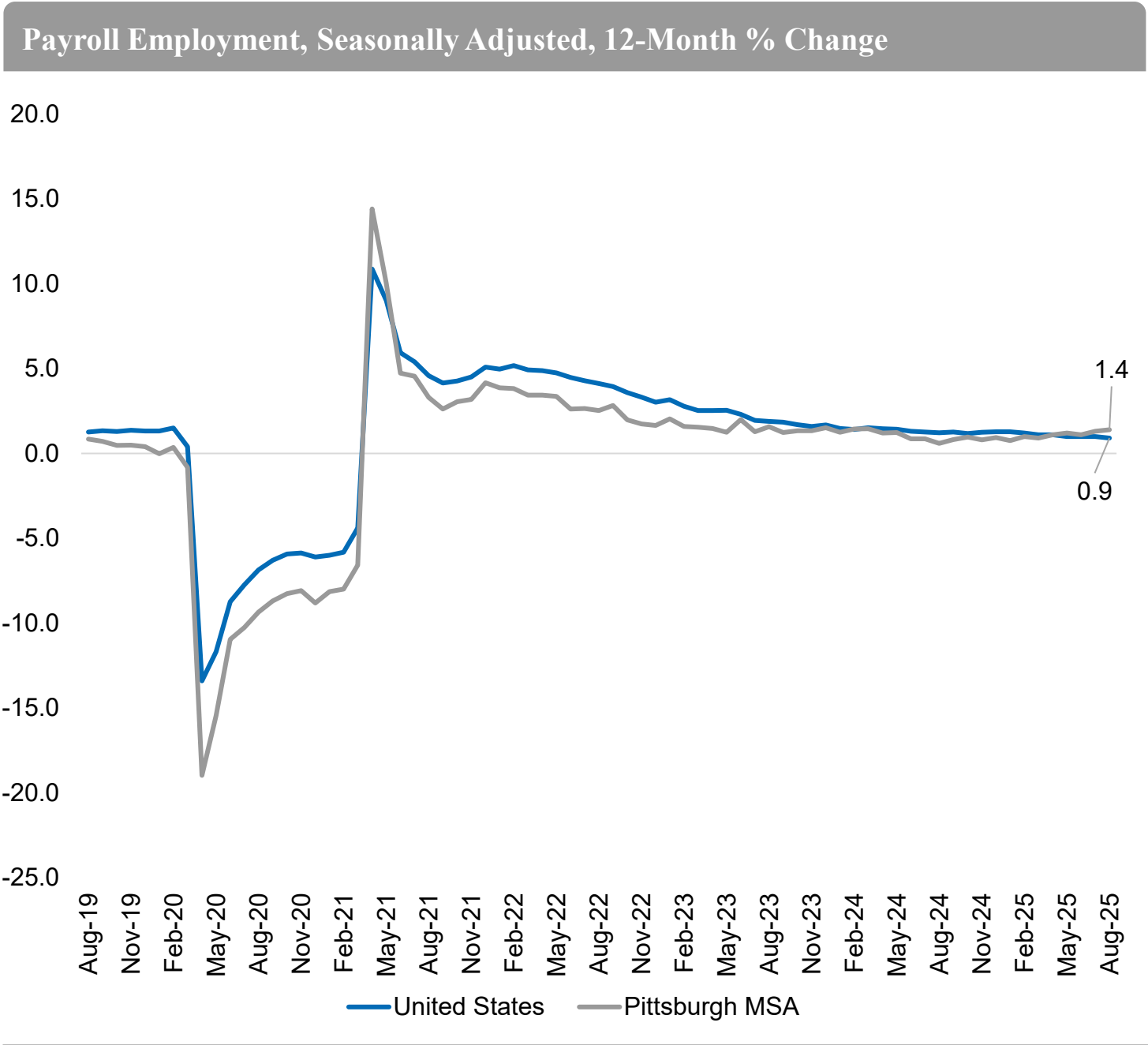
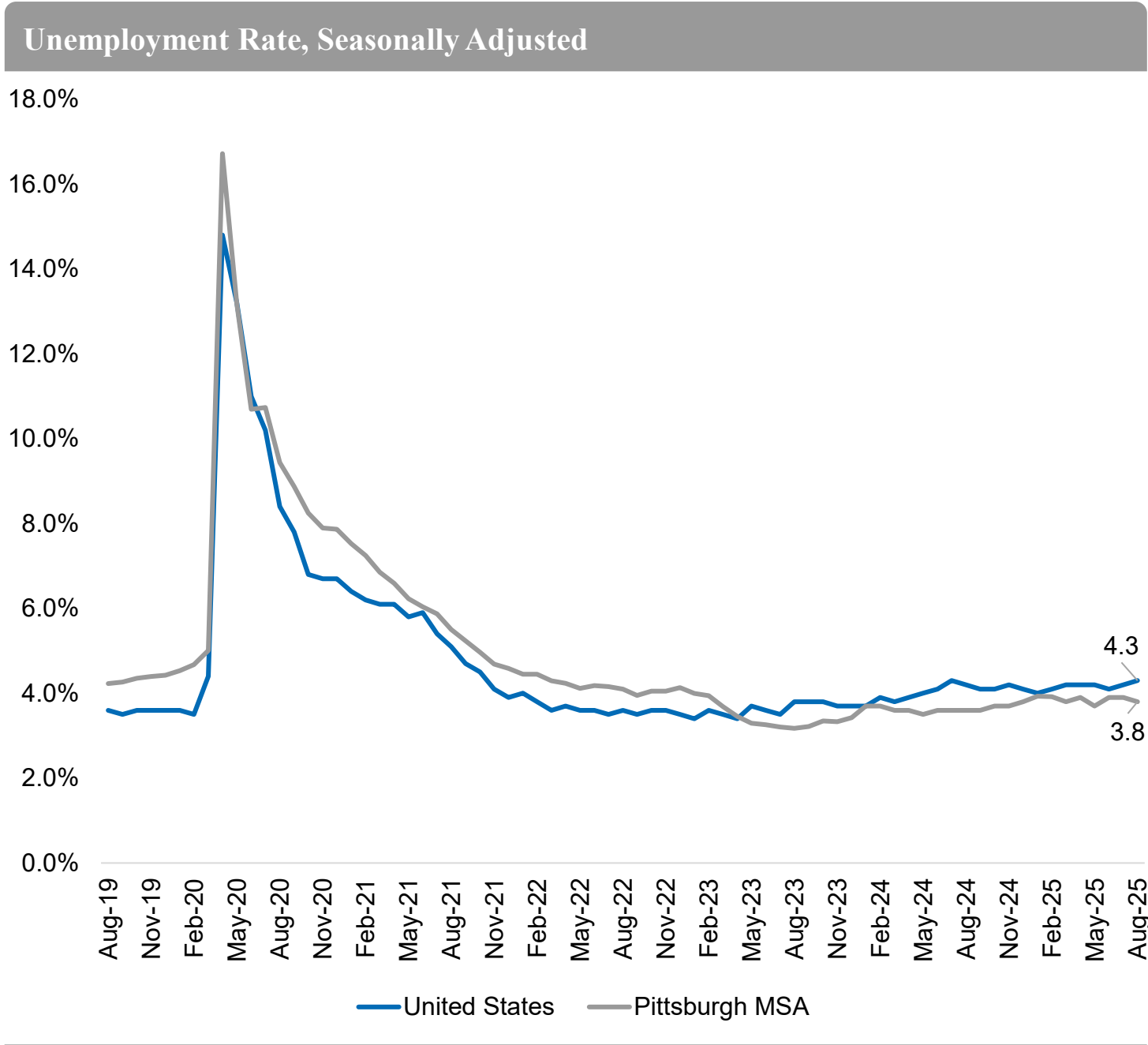
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Economy



Pittsburgh Labor Strengthens: Unemployment Below U.S. and Payroll Growth Leading

Both the United States and Pittsburgh MSA saw a significant unemployment spike in April 2020 before steadily improving through 2021–2022 and since mid-2023 Pittsburgh has outperformed, remaining below the national rate by roughly 0.3–0.6 points. As of August 2025, unemployment stands at 4.3% nationally versus 3.8% in Pittsburgh MSA. Payroll employment in both the United States and the Pittsburgh MSA plunged in 2020, with Pittsburgh’s decline deeper at -19.0% in April versus -13.4% nationally, followed by strong rebounds in 2021. Through 2021–2022, Pittsburgh generally trailed the nation, but the gap narrowed steadily in 2023–2024. By mid-2025, Pittsburgh’s growth began to meet or exceed the U.S., reaching 1.4% vs. 0.9% in August 2025, signaling a relative strengthening of the region’s labor market.



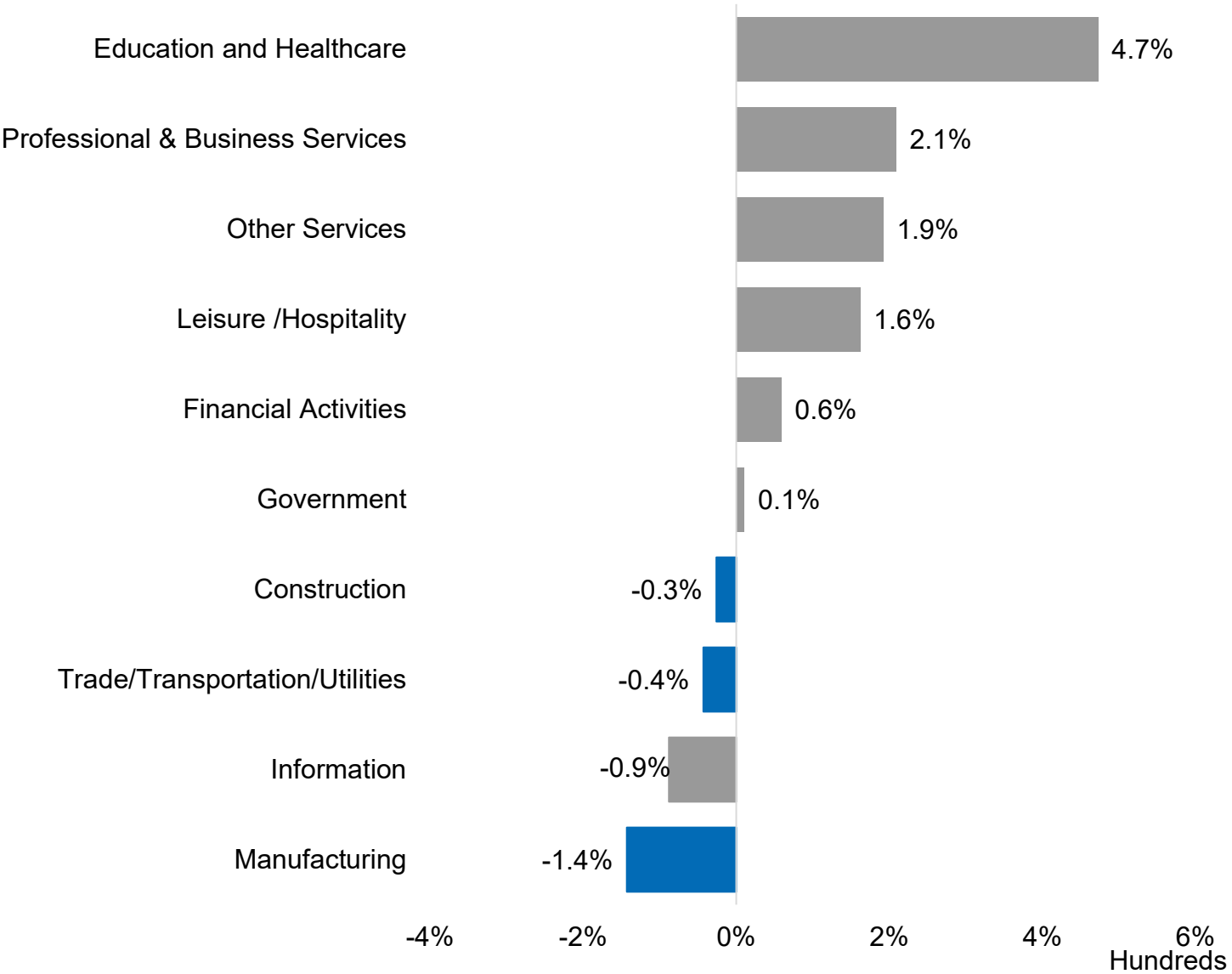
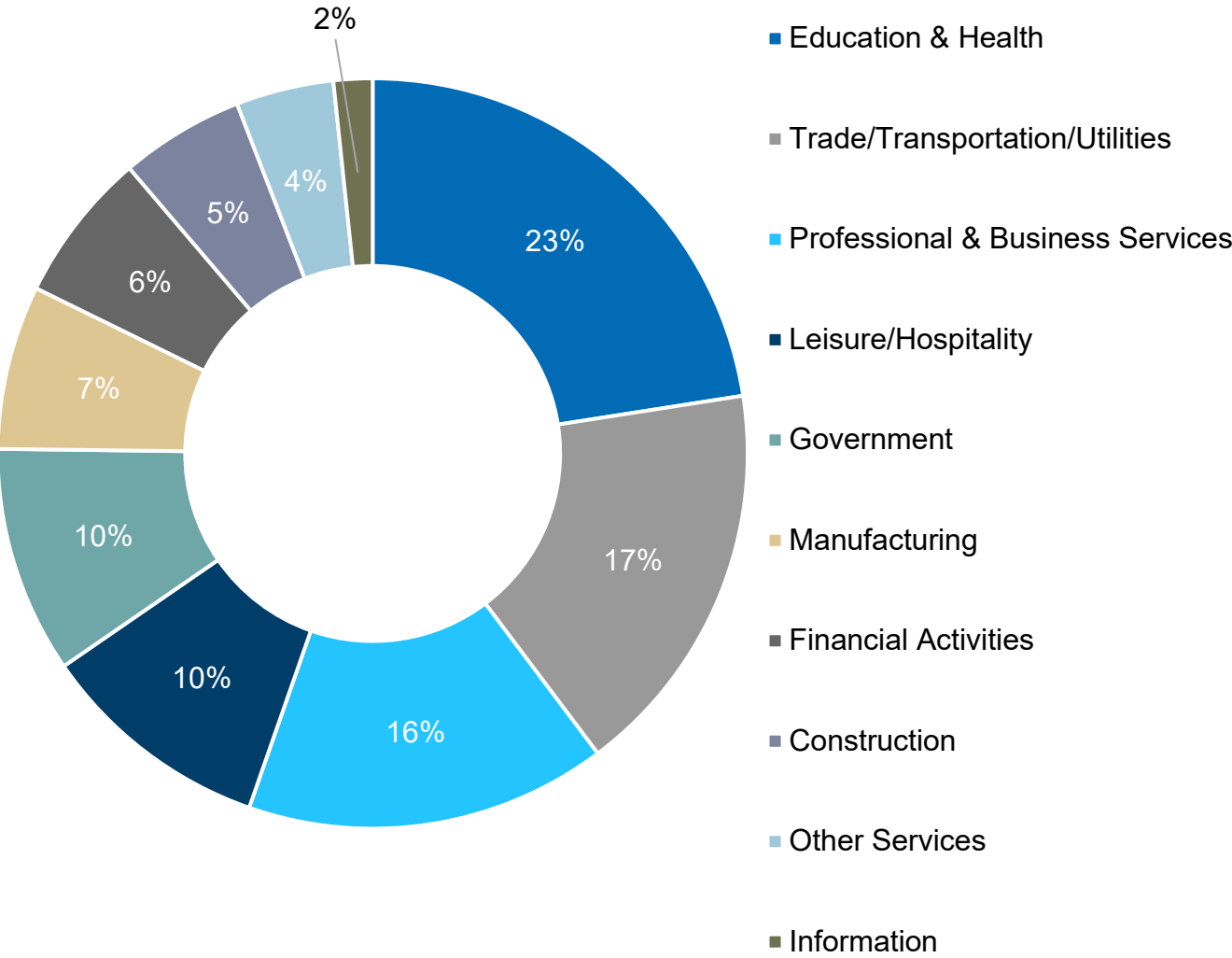
Source: Moody's Analytics, Pittsburgh MSA

Pittsburgh Job Growth Led By Education & Healthcare and Professional Services

Over the past 12 months, Pittsburgh’s job growth has been led by service-oriented sectors, with Education and Healthcare surging 4.7%, Professional and Business Services expanding strongly, Other Services growing, and Leisure and Hospitality advancing alongside gains in Financial Activities and Government. This momentum underscores a robust shift toward knowledge, healthcare, and service-driven employment, supporting demand for medical, research, and high-quality office environments. While sectors like Manufacturing and Information have seen an improvement in industry performance are still experiencing negative job growth.

Employment by Industry

Employment Growth by Industry, 12-Month % Change



Source: Moody’s Analytics, Pittsburgh MSA

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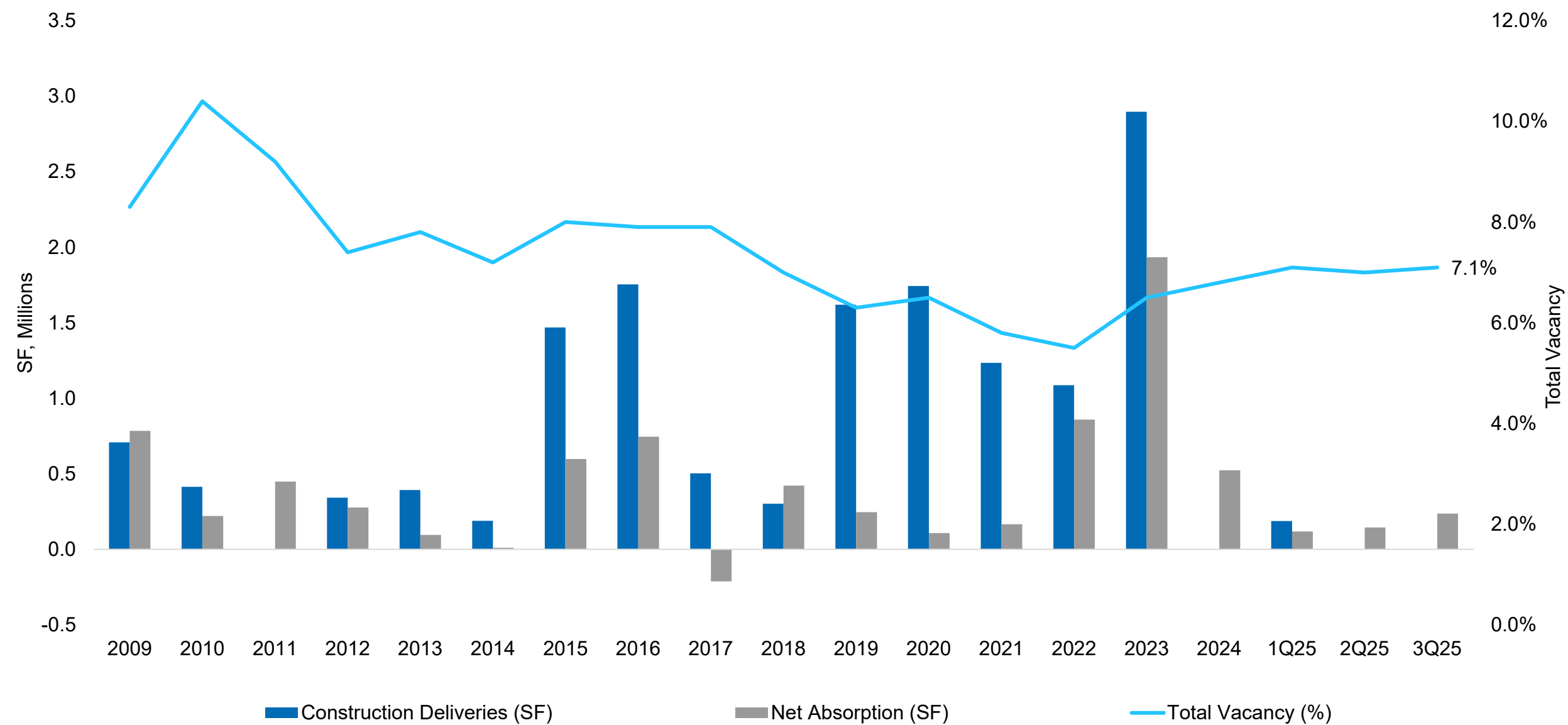
Leasing Market Fundamentals



Overall Vacancy Stabilizes As New Supply Pauses and Absorption Remains Positive

From 2019 to third quarter 2025, construction peaked in 2023 at 2.9 million SF with no new deliveries in 2024 and only limited additions in 2025. Vacancy trended down to a low of 5.5% in 2022 before edging up to about 7.1% by third quarter of 2025 amid the limited new deliveries and steady, but more modest absorption, signaling stabilization rather than tightening in the market.

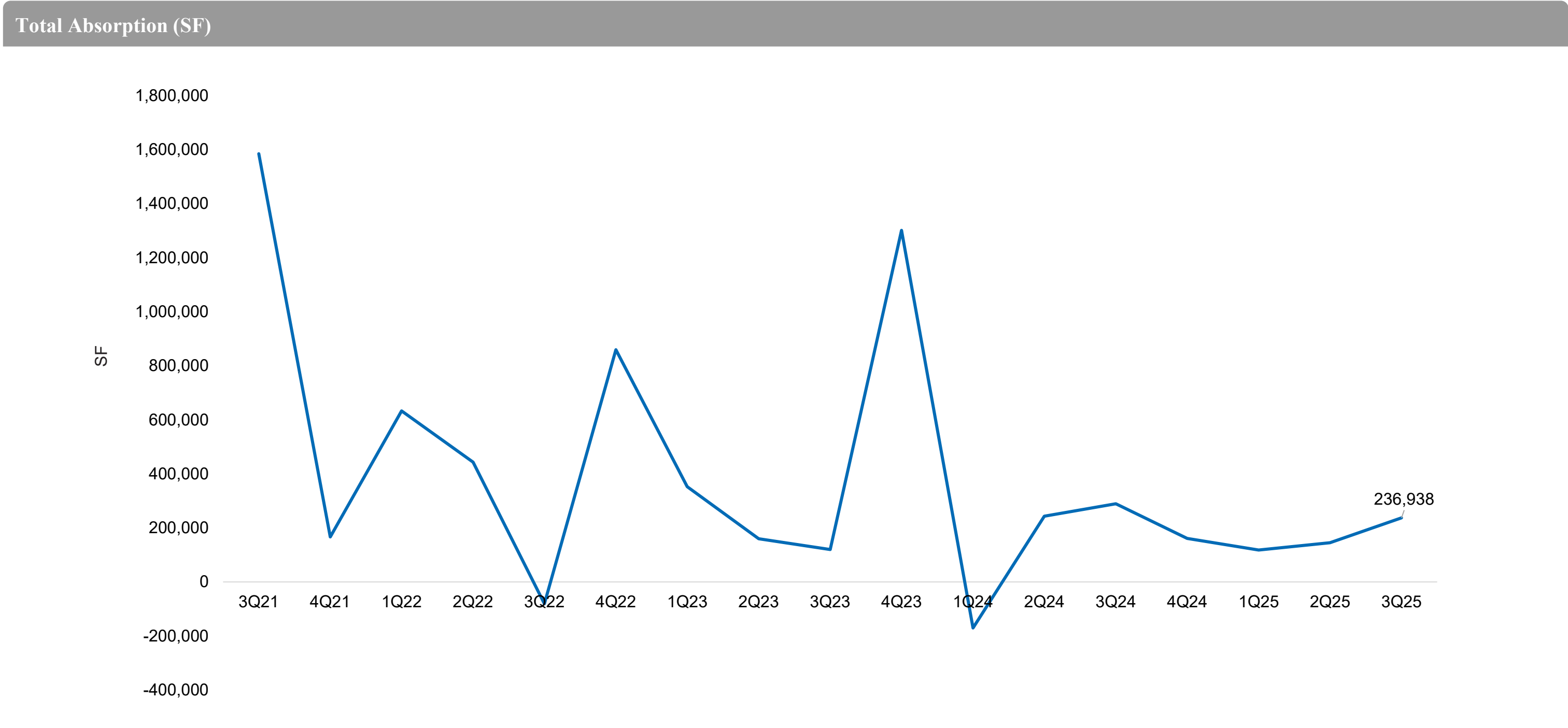
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research

Predominantly Positive Absorption With Steady Demand

Total absorption has been predominantly positive, highlighted by major spikes in third quarter of 2021 with 1.6 million SF and fourth quarter of 2023 at 1.3 million SF, with only two quarters showing slightly negative absorption in third quarter of 2022 and first quarter of 2024. Momentum has stabilized at moderate, positive levels through third quarter of 2025, with three consecutive quarters of gains, resulting in 500,000 SF of year-to-date positive absorption signaling steady demand in the market.

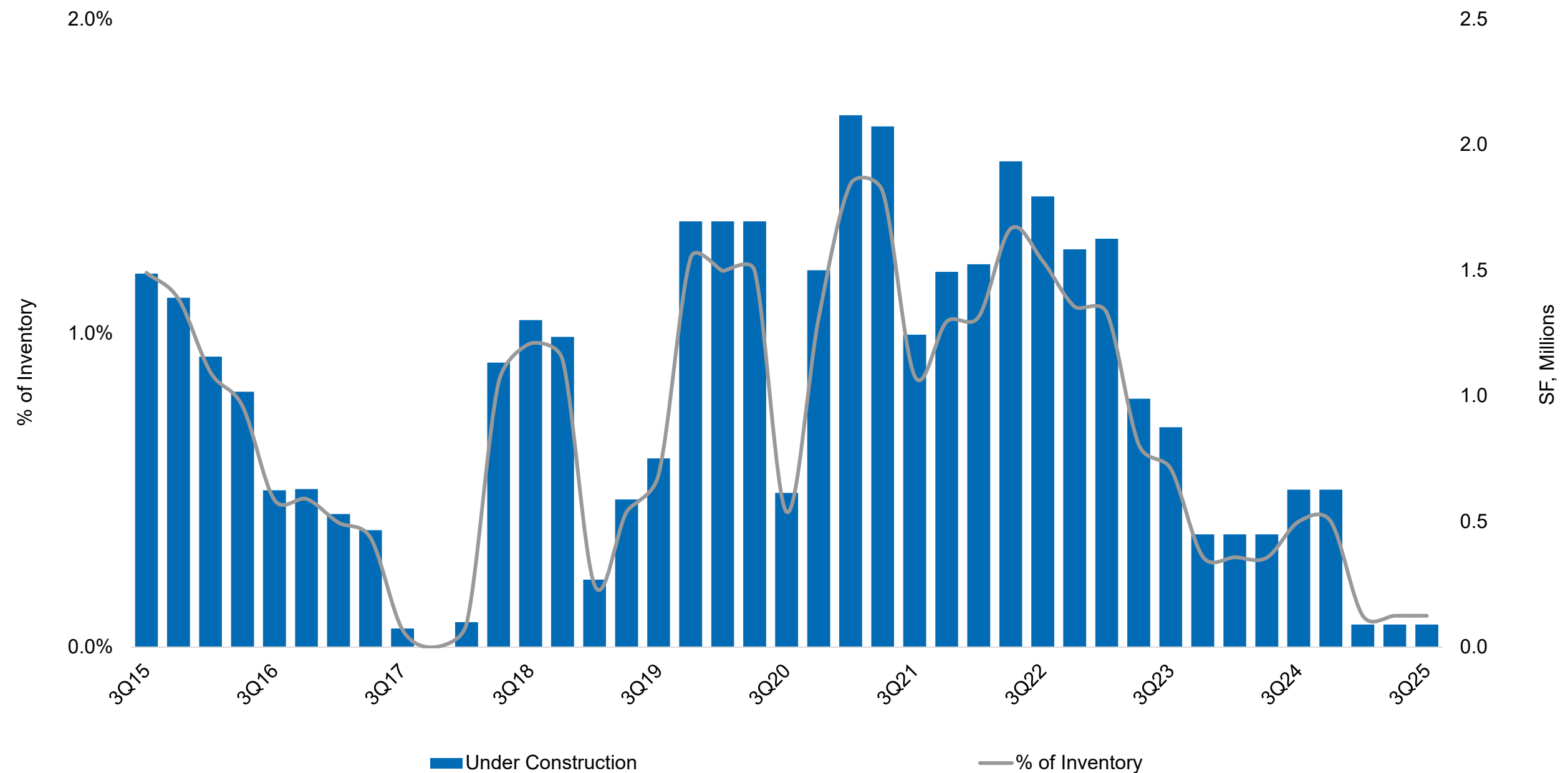


Source: Newmark Research

Thin Pipeline: New Development Anticipated in 2026

Once again only 90,277 SF remains under construction with scheduled completion by fourth quarter of 2025. Some speculative projects may commence in fourth quarter of 2025. However, due to lack of speculative projects, build-to-suit construction is expected to accelerate in 2026.

Industrial Under Construction and % of Inventory

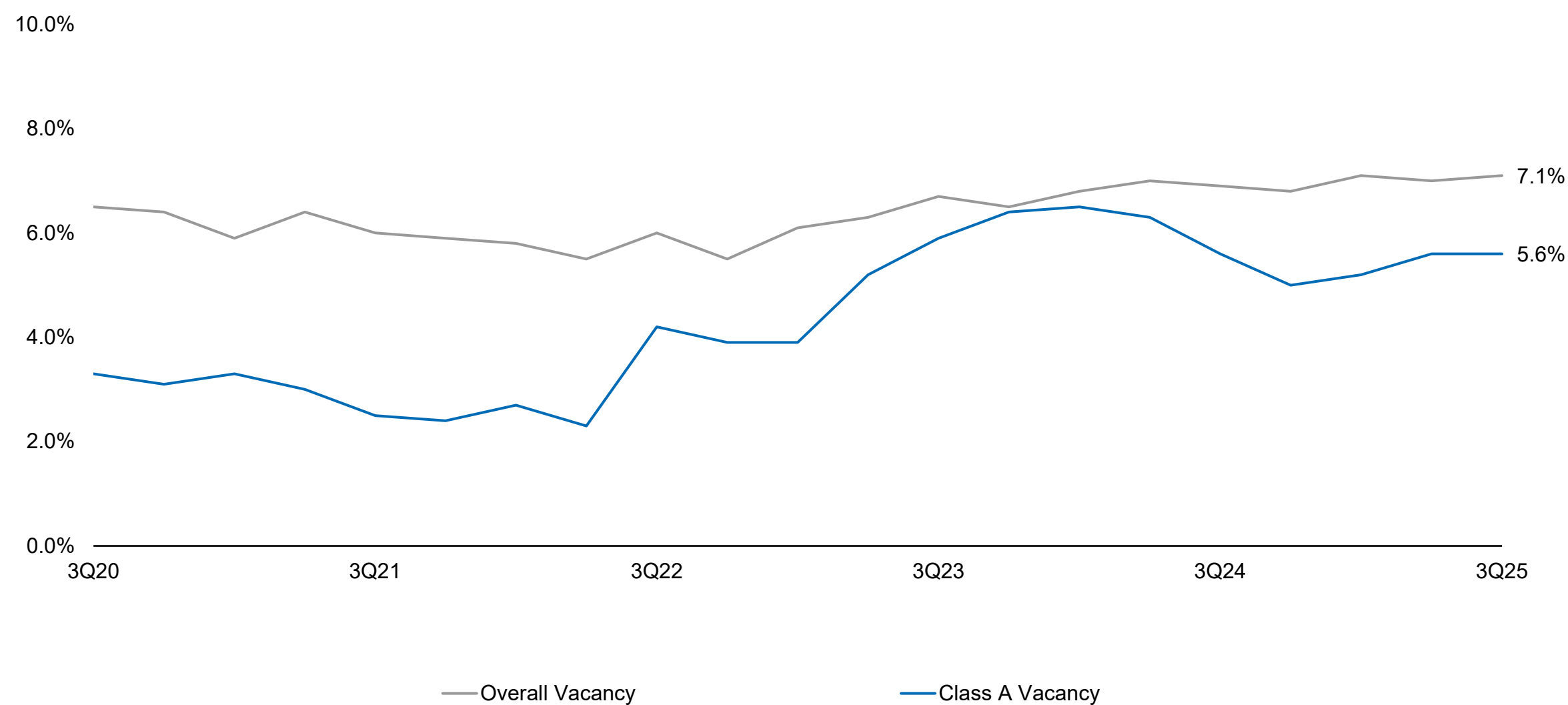


Source: Newmark Research

Overall and Class A Vacancy Stabilize

From third quarter of 2020 to third quarter of 2025, overall vacancy drifted up from 6.5% to 7.1% after bottoming at 5.5% in second quarter of 2022, while Class A vacancy remained lower throughout, however climbing to a peak of 6.5% in first quarter 2024 before easing to 5.6% by third quarter 2025. Recent quarters show stabilization at steady levels, with overall vacancy holding near 7.0% and Class A around 5.0%.

Vacancy Overall vs Class A

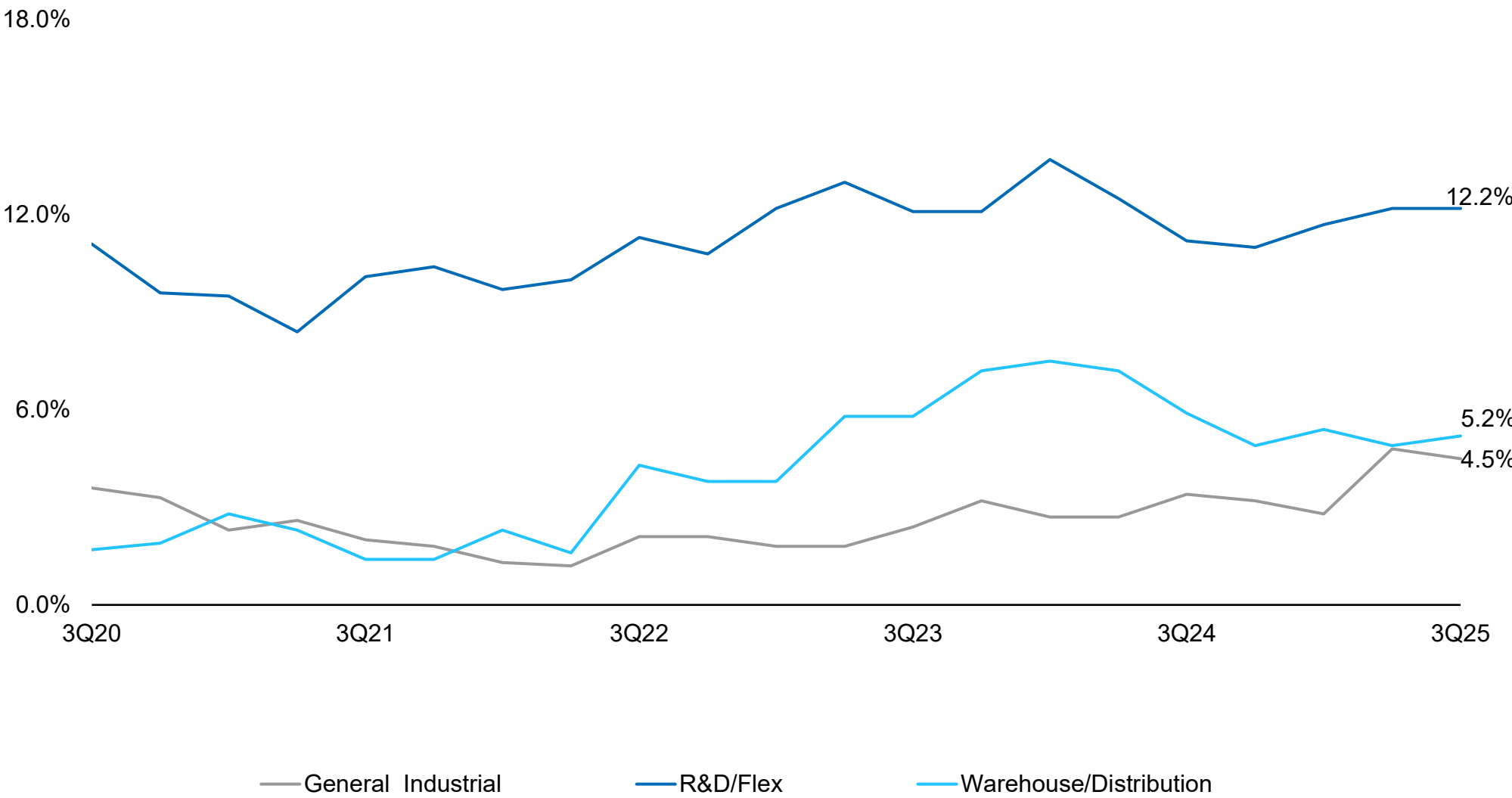


Source: Newmark Research

Class A Vacancy: R&D/Flex Elevated, Warehouse Eases, General Industrial Up

R&DFlex consistently posted the highest vacancy, ranging roughly 9.5% to 13.7% and ending at 12.2% in third quarter of 2025. Warehouse/Distribution vacancies rose from 1.7% in third quarter 2020 to a peak of 7.5% in first quarter 2024 before easing to 5.2% by third quarter of 2025. General Industrial tightened to a low of 1.2% in second quarter of 2022 but has since trended up, reaching 4.5% in the third quarter of 2025—signaling normalization in logistics space and continued low demand in general industrial space in the market..

Class A Vacancy By Subtype



Source: Newmark Research

Notable Lease Transactions

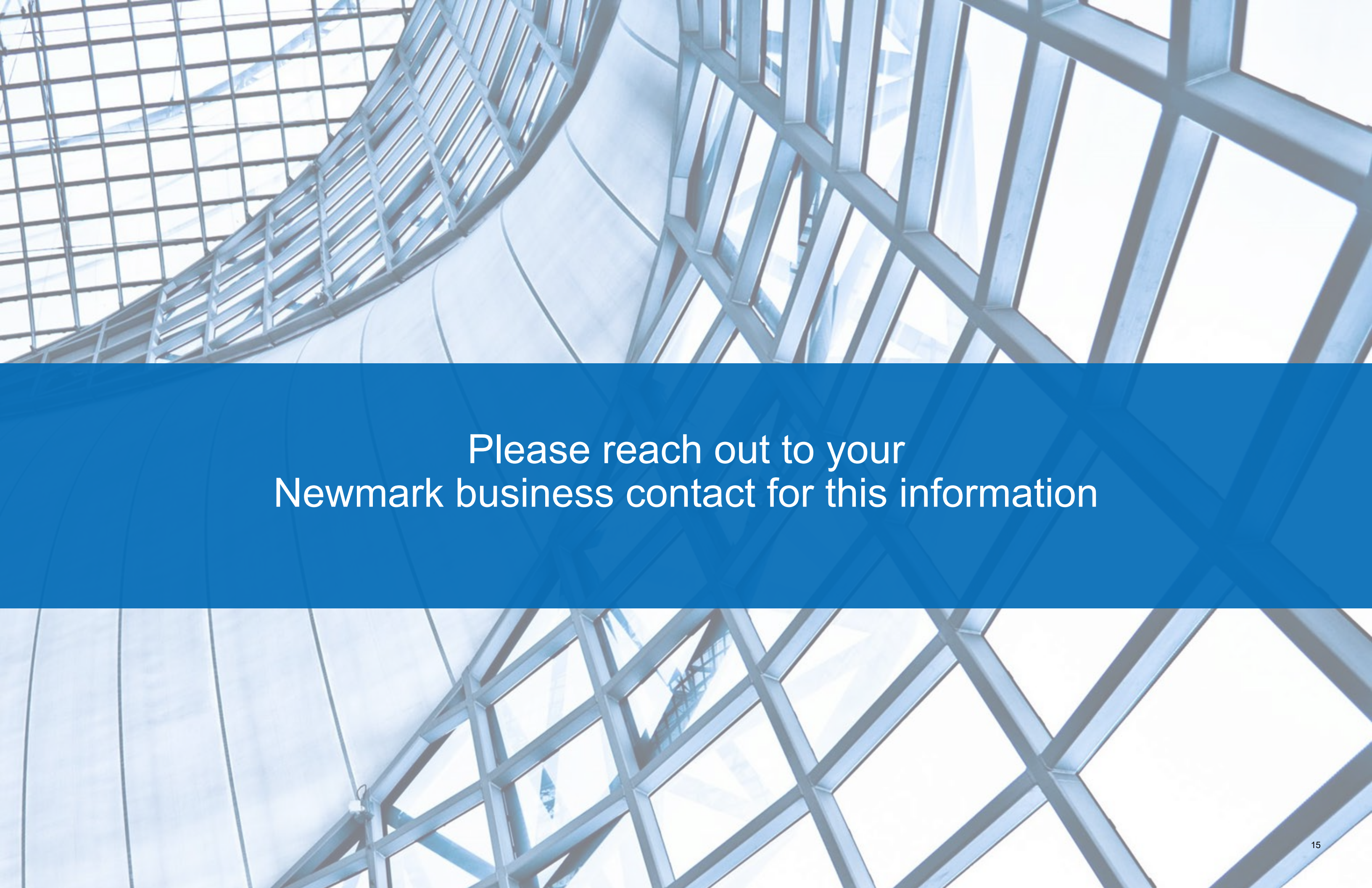
In the third quarter of 2025, Washington County recorded two notable new-construction leases: Bakery Barn committed to 85,000 SF, and Lighthouse Electric expanded by 65,000 SF at its Brockway Commerce Center location. In Westmoreland County, Amcell Two secured two leases totaling 94,370 SF. Overall, the market activity remained relatively active.

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
Derse	410-426 Keystone Dr	Butler	Renewal	89,363
Bakery Barn*	Alta Vista Business Park	Washington County	New Lease	85,000
Welly Bottle	565 Ave C – Leetsdale Ind Park	Northwest	New Lease	80,000
Lighthouse Electric*	Brockway Commerce Park	Washington County	New Lease	65,000
Tandem Foods	610 Alpha Dr	Northeast	Renewal	58,000
Champ Tires	2930 Lebanon Church Rd	South	New Lease	55,000
7-Eleven	1222 Clifford Ball Dr	West	New Lease	49,946
Leslie Pool Supplies	Amcell Two	Westmoreland	New Lease	46,280
Airgo Logistics	100 Crown Court – Imperial Business Park	West	New Lease	29,800

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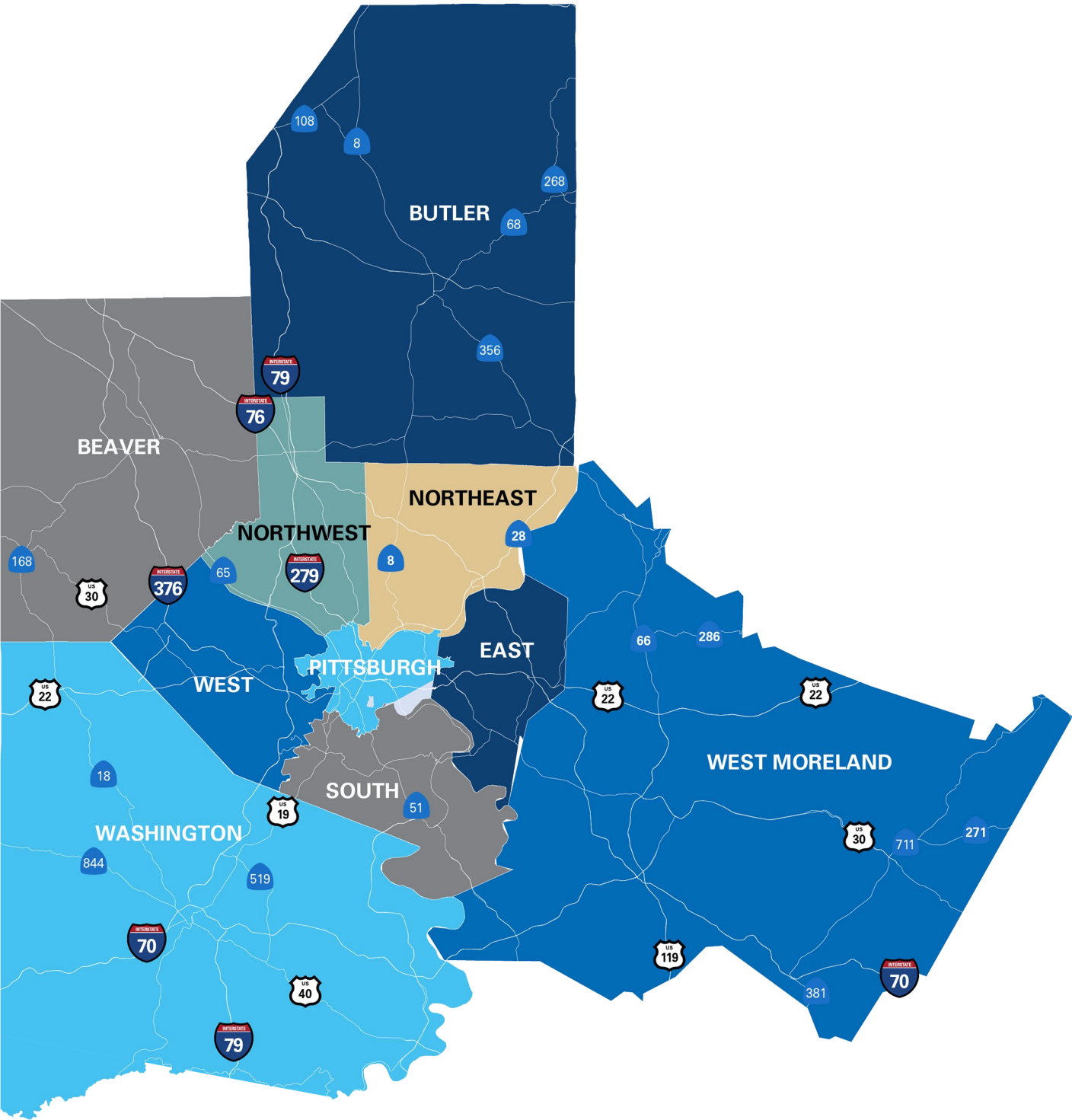
Submarket Overview





Please reach out to your
Newmark business contact for this information

Submarket Map



Source: Newmark Research

For more information:

Louis Oliva, CCIM, SIOR
Executive Managing Director
louis.oliva@nmrk.com

Gerard McLaughlin
Executive Managing Director
gerard.mclaughlin@nmrk.com

David Koch
Executive Managing Director
david.koch@nmrk.com

Patricia Beasock
Sr. Research Analyst
patricia.beasock@nmrk.com

Pittsburgh
210 Sixth Avenue, Suite 600
Pittsburgh, PA 15222
t 412-281-0100

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

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