

4Q25

Pittsburgh Industrial Market Overview



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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 September 2025, unemployment stands at 4.4% nationally versus 3.9% in Pittsburgh MSA.
- Over the past 12 months, Pittsburgh’s job growth continued to be led by Education and Healthcare at 3.8%, as Financial activities saw a large growth of 2.3% over the same period. Construction employment increased 1.0% over the period while Manufacturing is still experiencing negative job growth.
- Pennsylvania extends Pittsburgh’s LERTA tax abatement from 10 to 20 years, which is expected to boost investment in Pittsburgh and downtown development.

Major Transactions

- Imperial Land Corporation sold 55 acres in the Ft. Cherry Development District for a truck terminal featuring 140+ dock doors and 600+ trailer spots. The location offers lower Washington County taxes and a five-year LERTA tax abatement, enhancing its appeal for transportation and warehouse/distribution users.
- Lowes Home Center renewed 100,000 SF lease at Imperial Business Park.
- RIDC Westmoreland Innovation Center signed a renewal of 218,000 SF for Intervala.
- Eos Energy Enterprises signed a lease to occupy 150 Thorn Hill Road formerly occupied by American Eagle.
- Construction began on an 85,000 SF build-to-suit for Bakery Barn in Alta Vista Business Park.

Leasing Market Fundamentals

- In 2025, only 188,000 SF delivered in first quarter of 2025, while absorption remained positive totaling 965,060 SF at year-end, with vacancy hovering between 7.1% and 7.0% midyear before easing back to 6.8% by fourth quarter of 2025. This signals stable demand and gradual rebalancing amid limited new supply to the market.
- Total absorption was positive for seven consecutive quarters through fourth quarter of 2025. Momentum strengthened over time, with approximately 523,000 SF absorbed in 2024 and 965,000 SF in 2025, capped by a strong fourth quarter at 464,729 SF.
- Overall vacancy rose from 5.5% in fourth quarter of 2022 to a high of 7.1% in first quarter of 2025 before easing to 6.8% by fourth quarter of 2025, while Class A vacancy climbed from 3.9% to a peak of 6.5% in the first quarter of 2024 and then improved to 4.9% by year-end 2025. Class A consistently remained below the overall rate, with the gap narrowing through late 2023–early 2024 and widening again in 2025 as higher-quality assets backfilled space more quickly than the overall market.

Outlook

- As predicted in our third quarter report, there were several significant transactions completed in fourth quarter of 2025 and there is reason to believe momentum will continue into first quarter of 2026.
- Renewed investment interest in stabilized industrial assets should continue in 2026.
- Build-to-suit activity may rival or exceed speculative construction in 2026.

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

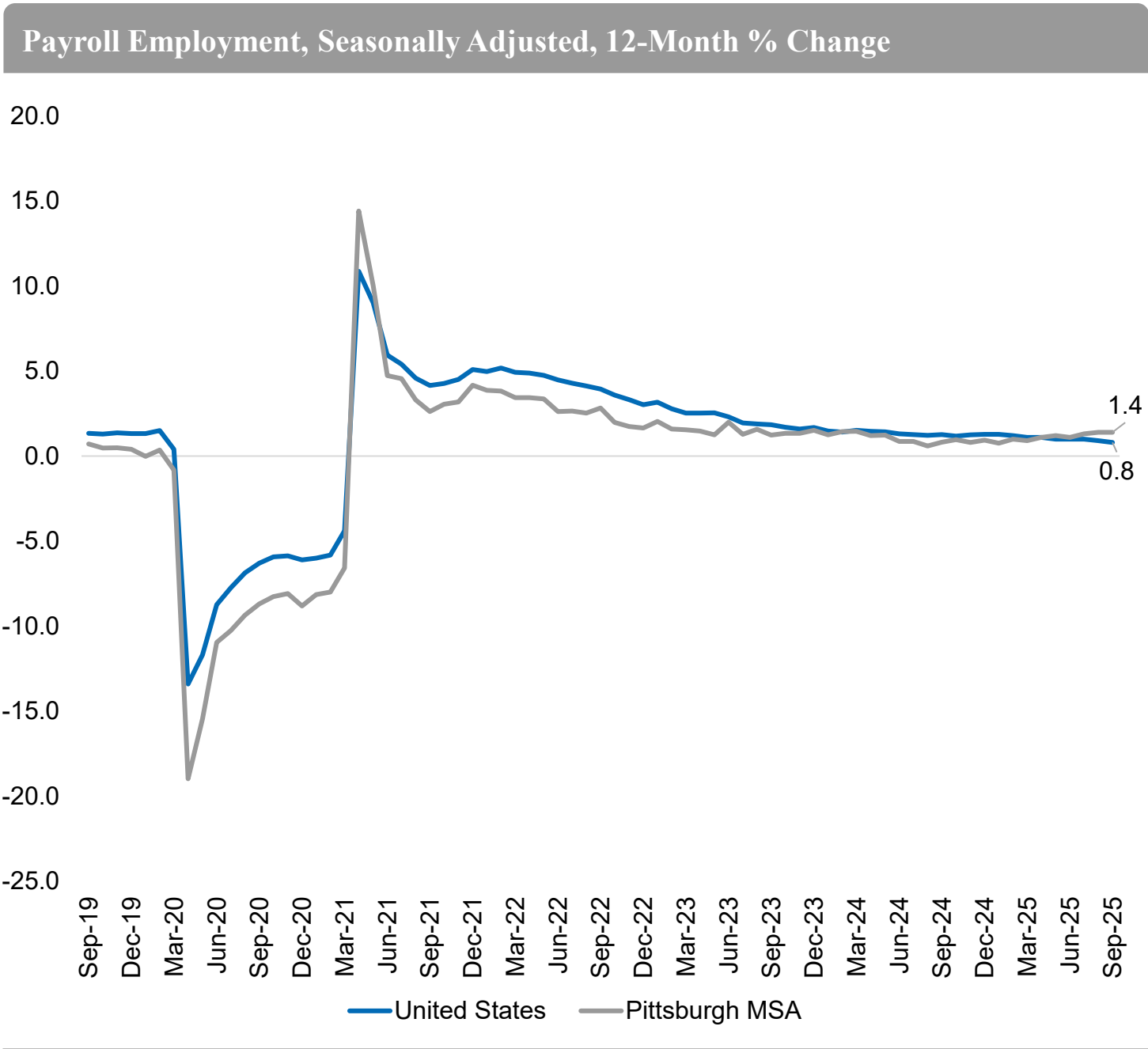
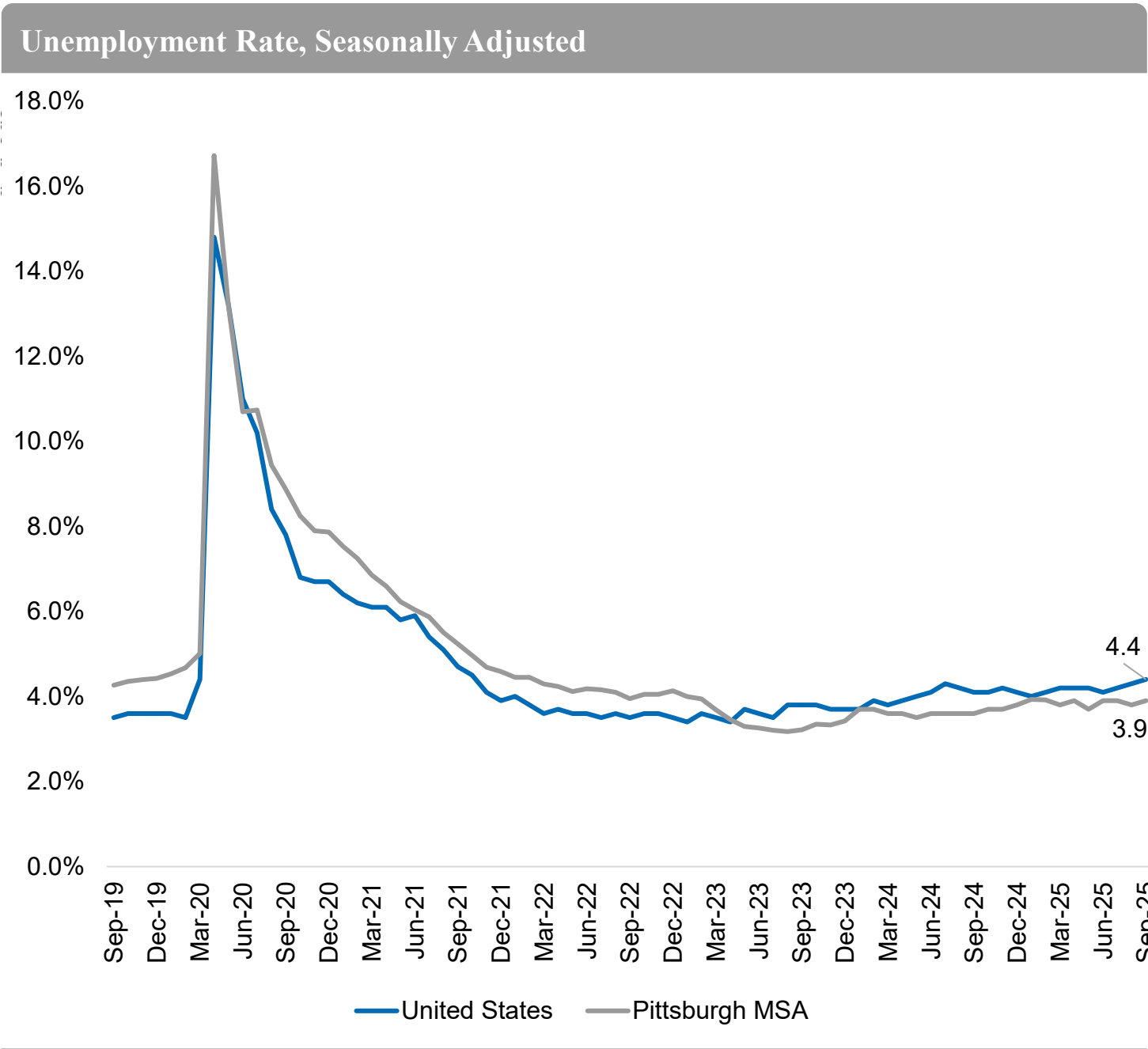
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Economy



Pittsburgh Remains Below U.S. Unemployment

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 September 2025, unemployment stands at 4.4% nationally versus 3.9% in Pittsburgh MSA. Payroll employment in both the United States and the Pittsburgh MSA plunged in 2020 followed by strong rebounds in 2021. 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. 0.8% in September 2025, signaling a relative strengthening of the region’s labor market.

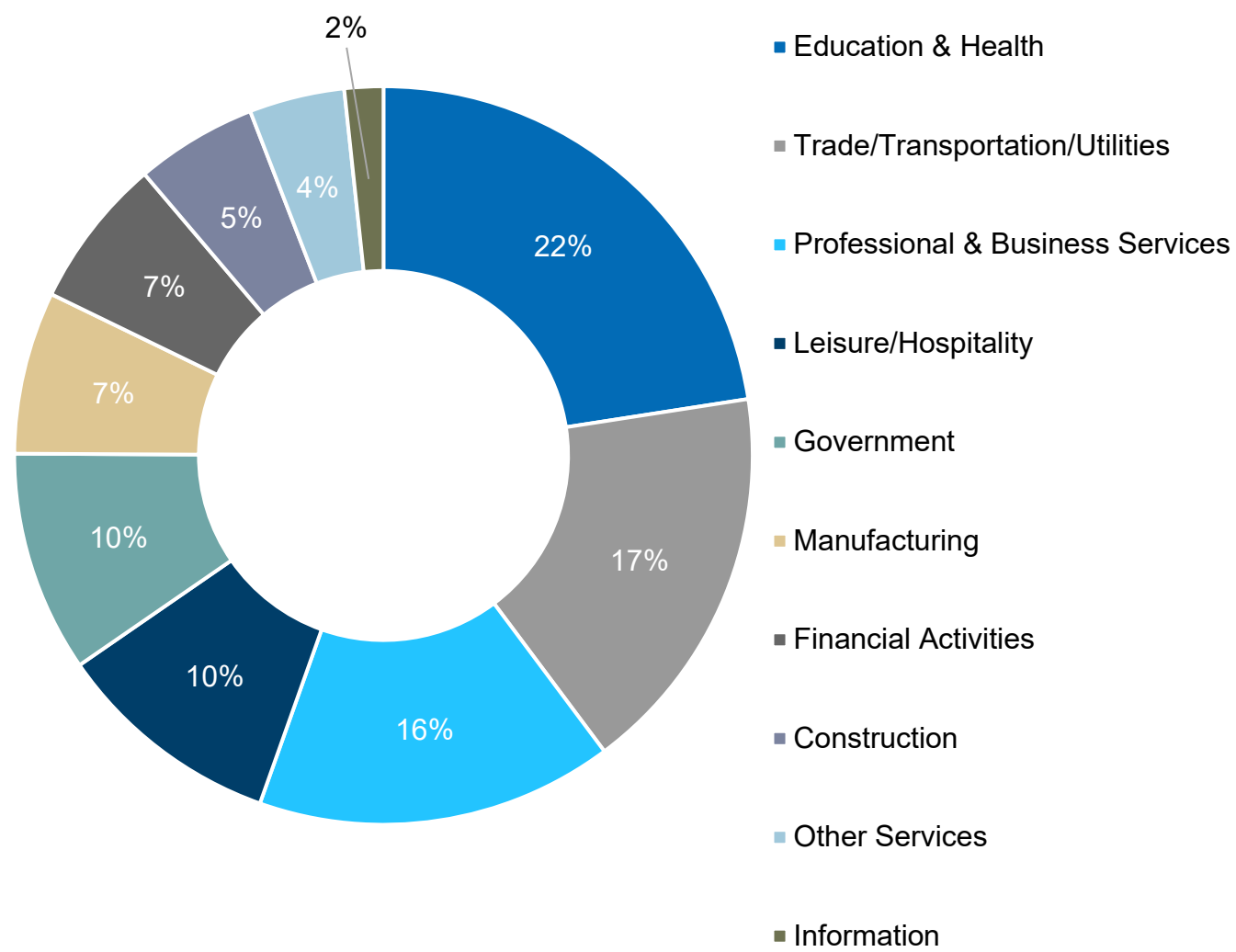


Source: Moody's Analytics, Pittsburgh MSA

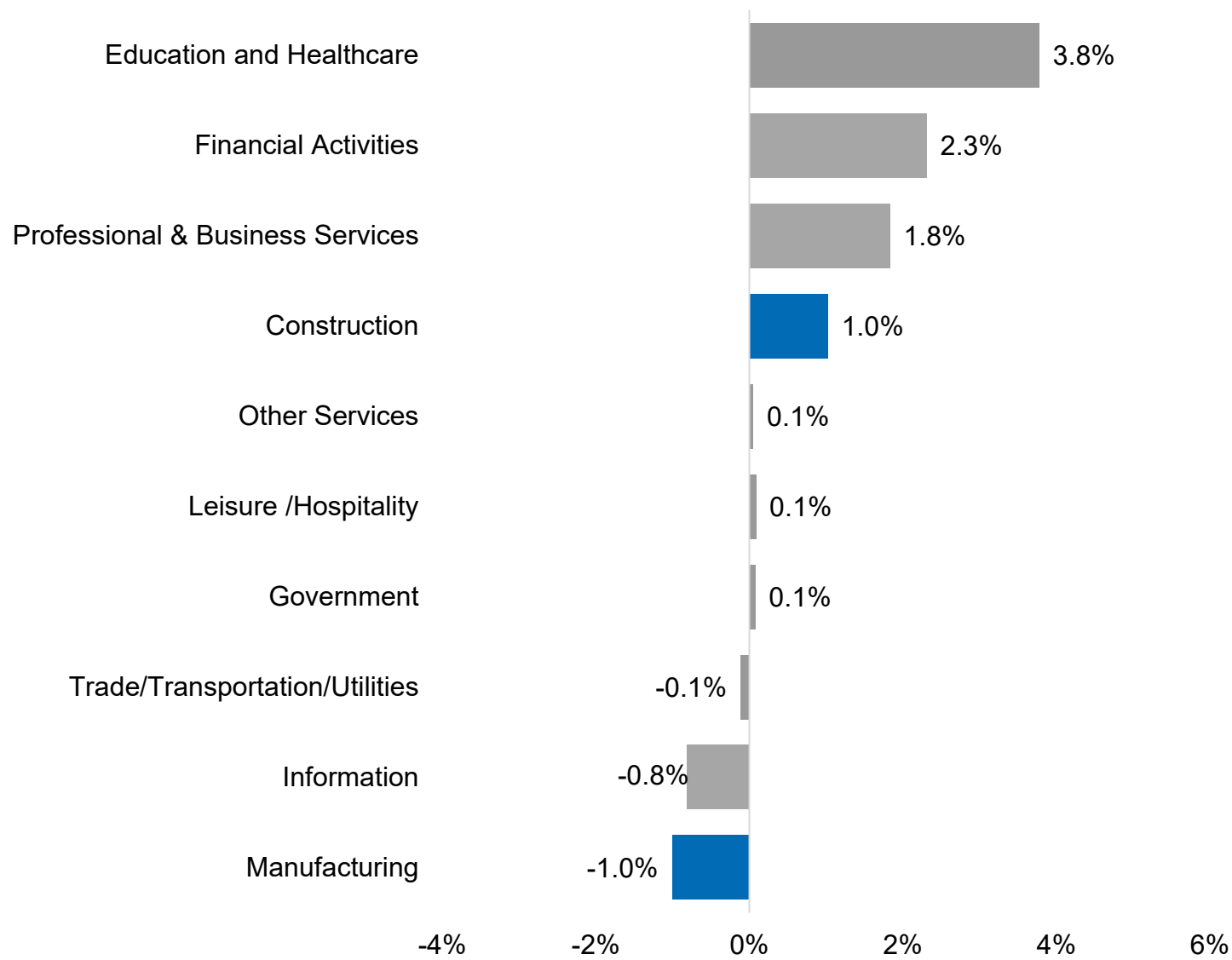
Pittsburgh Job Growth Led By Education & Healthcare and Financial Activities

Over the past 12 months, Pittsburgh’s job growth continued to be led by Education and Healthcare at 3.8%, as Financial activities saw a large growth of 2.3% over the same period. This momentum remains on an upward trend toward knowledge, healthcare, and service-driven employment, supporting the demand for medical, research, and high-quality office environments. Construction employment increased 1.0% over the period while Manufacturing is 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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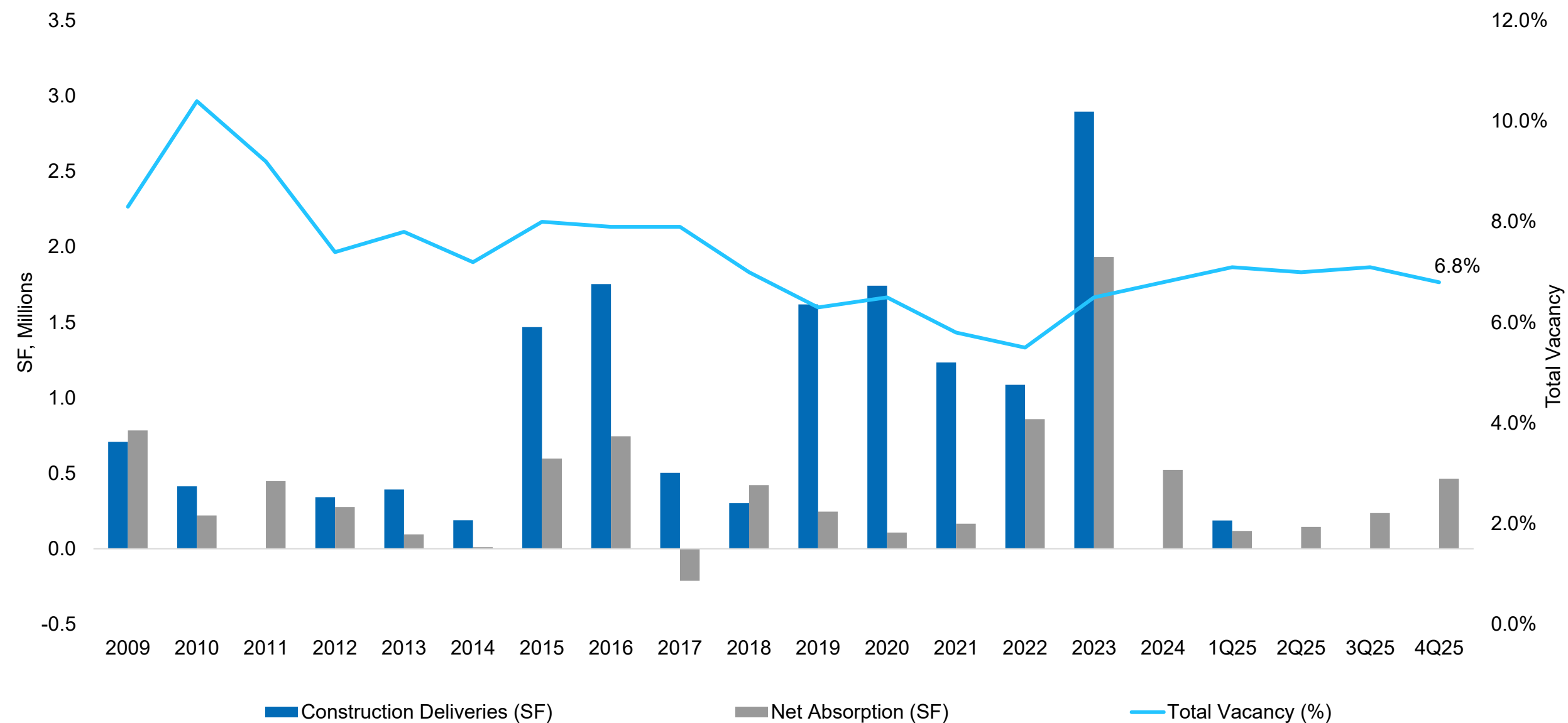
Leasing Market Fundamentals



Limited Deliveries and Consistent Positive Absorption in 2025

In 2024, there were no new deliveries, yet the market posted strong positive net absorption of 523,198 SF, holding vacancy at 6.8%. In 2025, only 188,000 SF delivered in first quarter of 2025, while absorption remained positive totaling 965,060 SF at year-end, with vacancy hovering between 7.1% and 7.0% midyear before easing back to 6.8% by fourth quarter of 2025. This signals stable demand and gradual rebalancing amid limited new supply to the market.

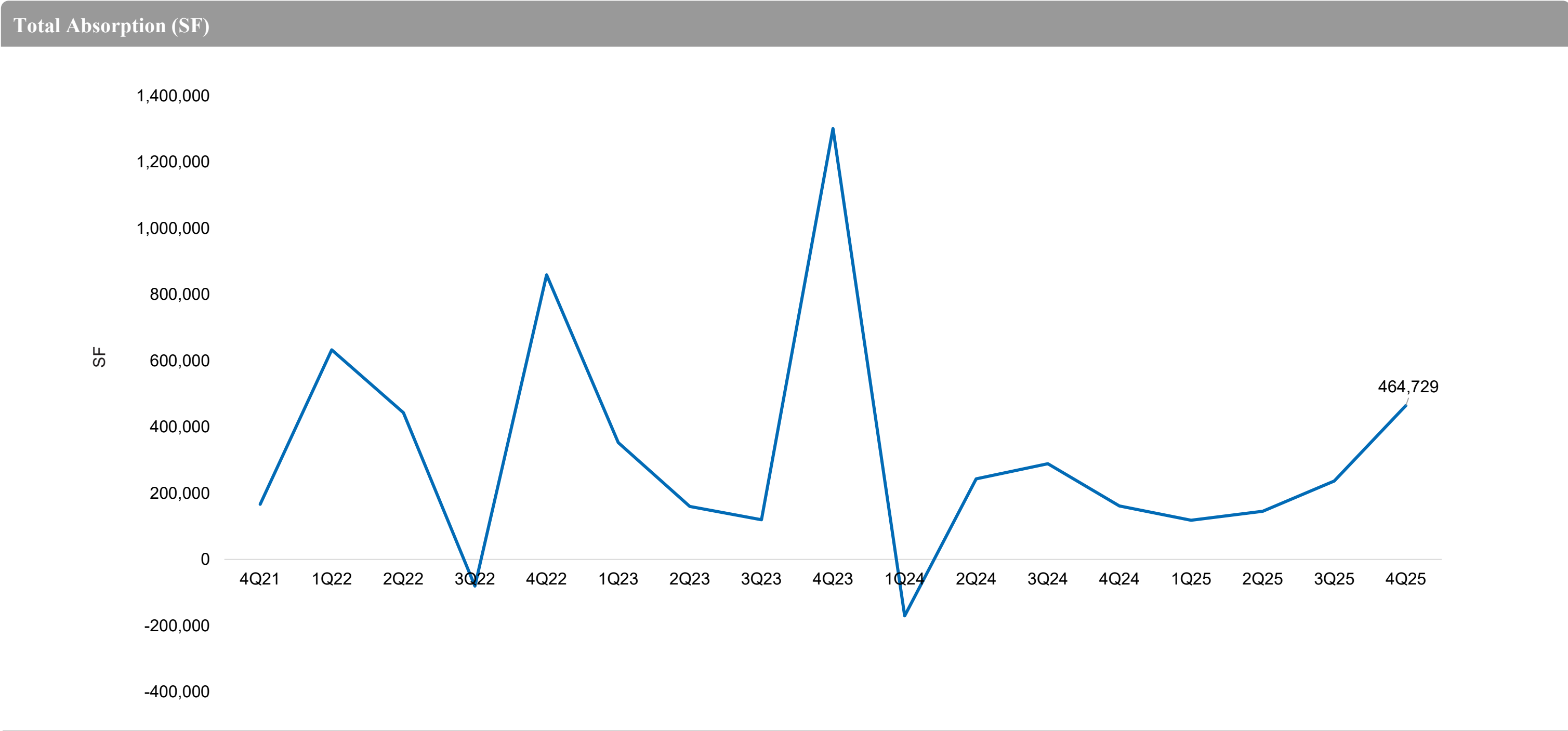
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research

Strong Fourth Quarter 2025 Drive Positive Absorption for the Year

Total absorption spiked in fourth quarter of 2023 with 1.3M SF of positive absorption, dipped briefly into negative territory in first quarter of 2024, and then turned positive for seven consecutive quarters through fourth quarter of 2025. Momentum strengthened over time, with approximately 523,000 SF absorbed in 2024 and 965,000 SF in 2025, capped by a strong fourth quarter at 464,729 SF.

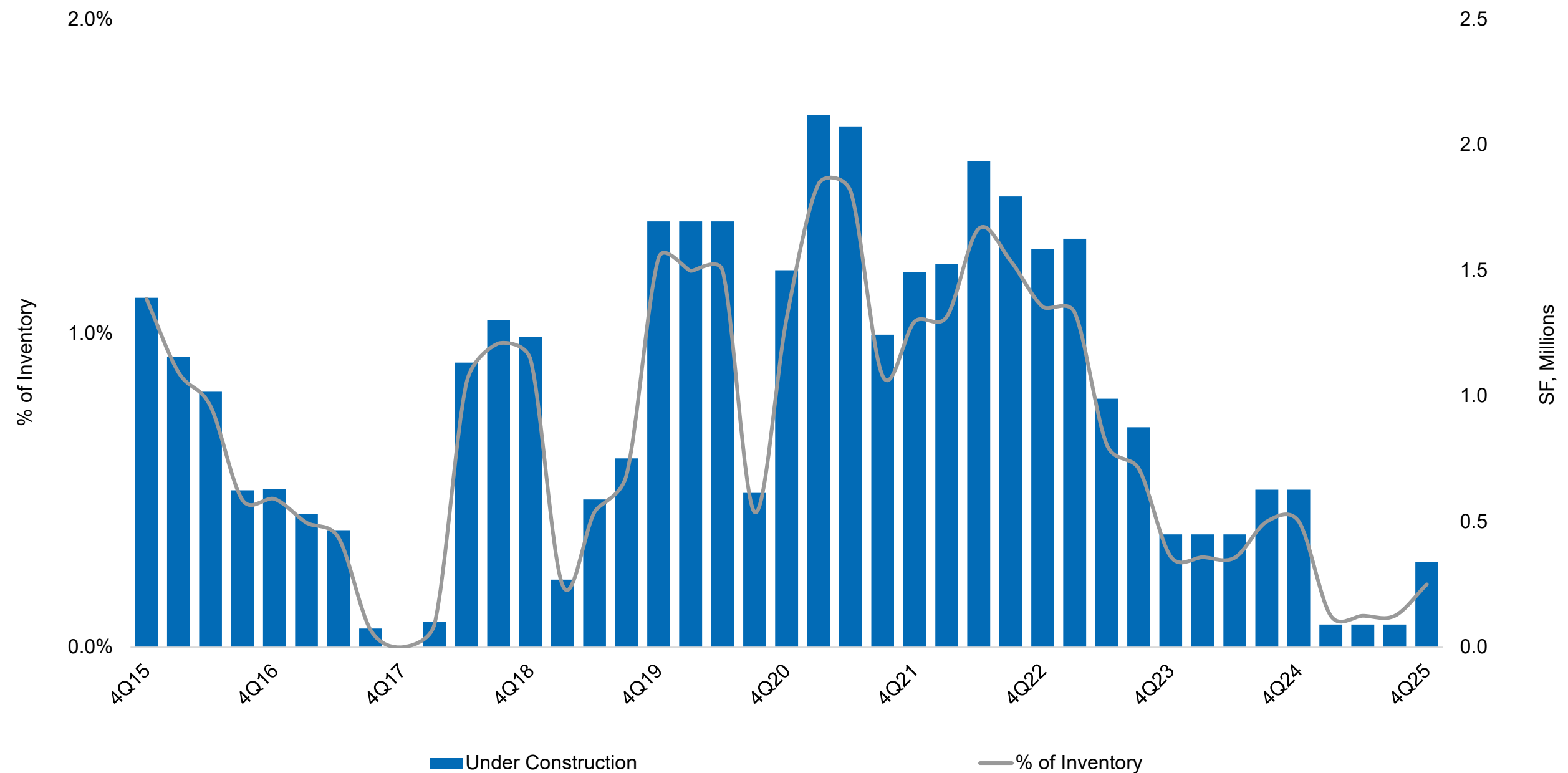


Source: Newmark Research

Modest Uptick of New Development in Fourth Quarter 2025

In 2025, construction activity held at 90,277 SF through the third quarter of 2025 before rising to 340,277 SF in the fourth quarter of 2025. Some speculative projects began in fourth quarter of 2025. However, due to lack of speculative projects, build-to-suit construction began to accelerate with approximately half of the total under construction being build-to-suit, which mostly consisted of Warehouse/Distribution space.

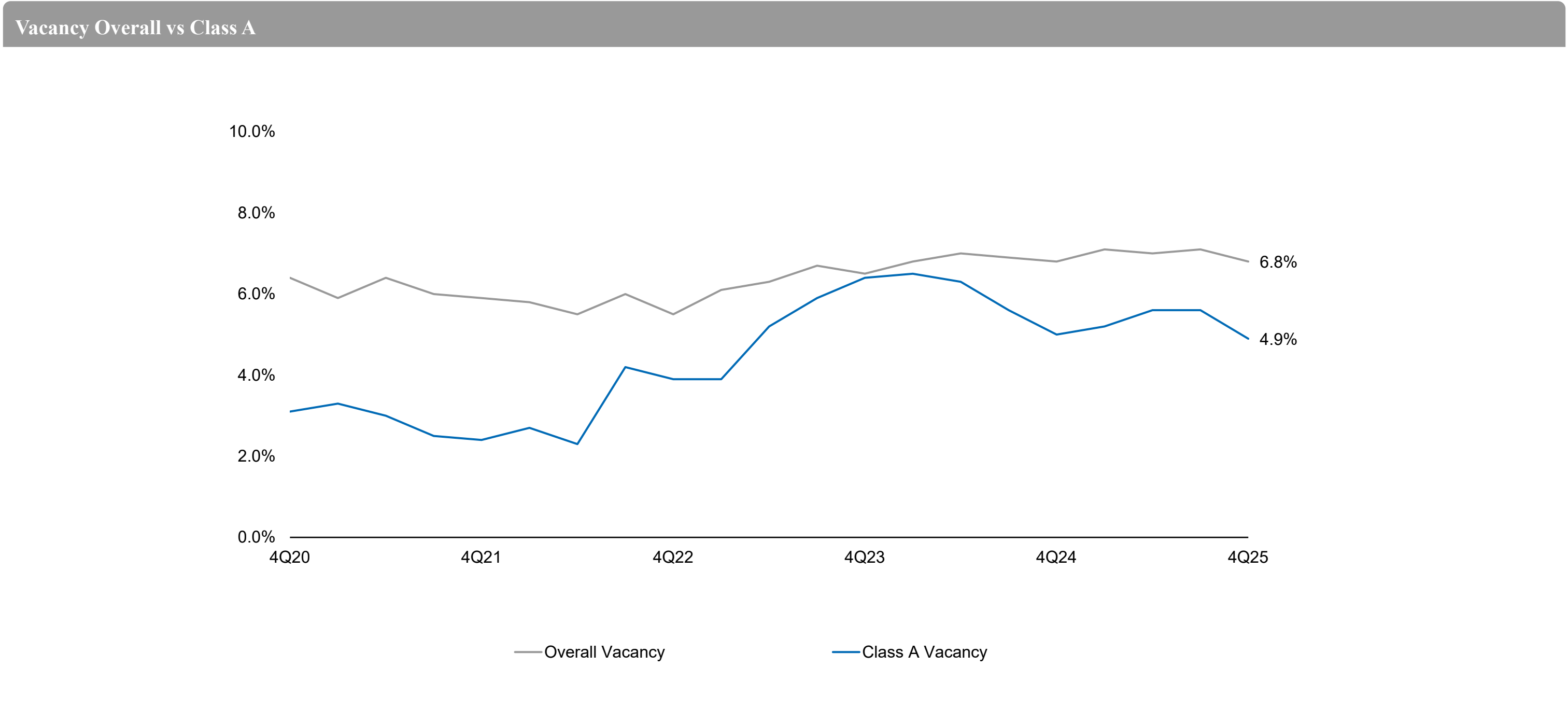
Industrial Under Construction and % of Inventory



Source: Newmark Research

Overall and Class A Vacancy On Decline

Overall vacancy rose from 5.5% in fourth quarter of 2022 to a high of 7.1% in first quarter of 2025 before easing to 6.8% by fourth quarter of 2025, while Class A vacancy climbed from 3.9% to a peak of 6.5% in the first quarter of 2024 and then improved to 4.9% by year-end 2025. Class A consistently remained below the overall rate, with the gap narrowing through late 2023–early 2024 and widening again in 2025 as higher-quality assets backfilled space more quickly than the overall market.

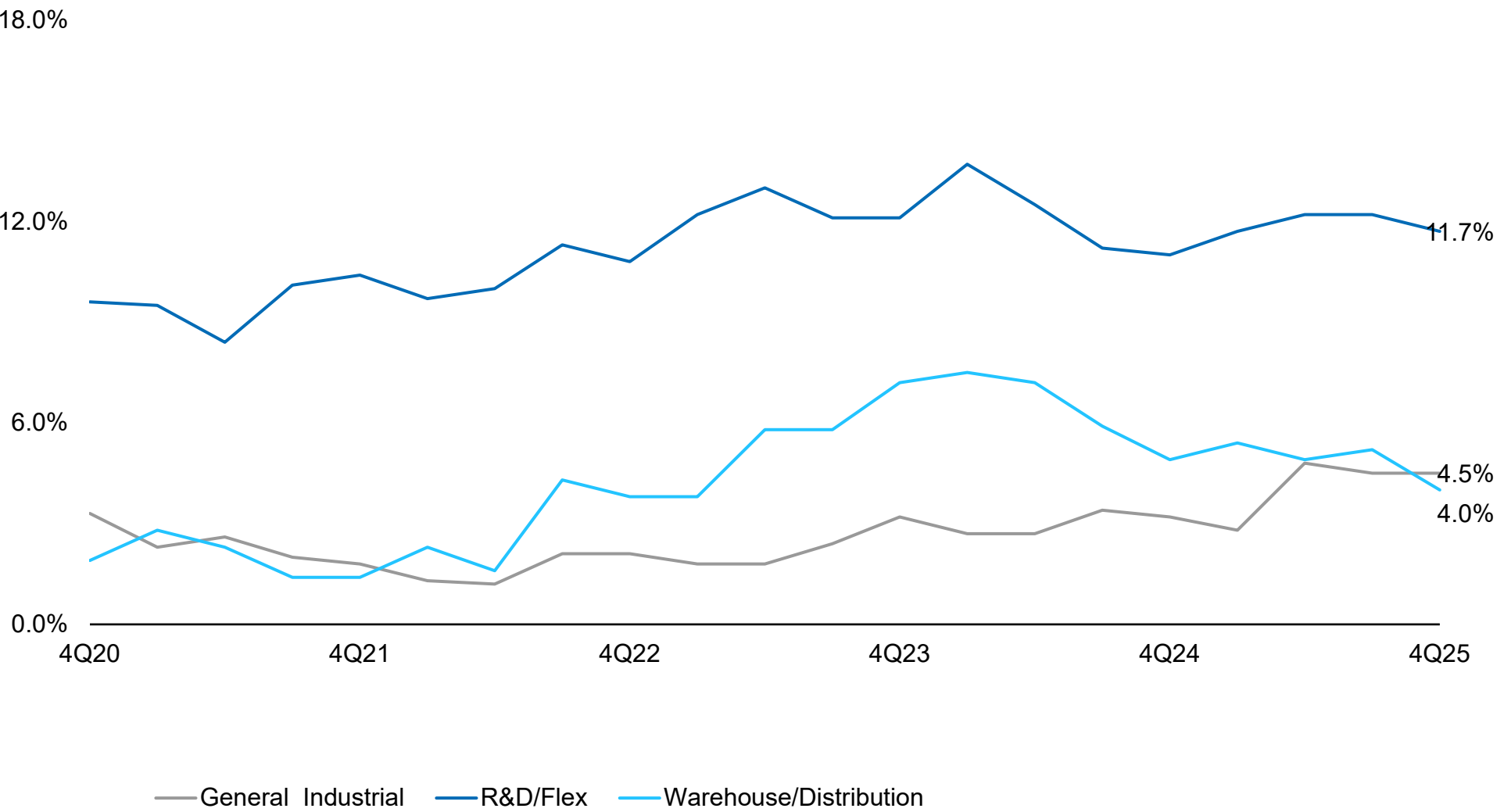


Source: Newmark Research

Class A Warehouse/Distribution Vacancy Improves

From fourth quarter of 2023 to fourth quarter of 2025, R&D/Flex consistently posted the highest vacancy, hovering in the 11%–13.7% range and easing to 11.7% by year-end 2025. Warehouse/Distribution showed the strongest improvement, declining from 7.2%–7.5% in late 2023/early 2024 to 4.0% by fourth quarter of 2025. While General Industrial was more volatile—tightening to 2.7% in first half of 2024 before rising to 4.8% in second quarter of 2025 and finishing at 4.5% in fourth quarter of 2025.

Class A Vacancy By Subtype



Source: Newmark Research

Notable Lease Transactions

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
Eos Energy Enterprises	150 Thorn Hill Rd	Northwest	New Lease	440,000
Intervala	RIDC Westmoreland Innovation Center	Westmoreland	Renewal	218,000
Acutronic USA	615 Epsilon Dr	Northeast	New Lease	151,214
CVS	Skyview Business Park #2	West	New Lease	109,348
Lowes	Imperial Business Park	West	Renewal	100,000
JV Chujko	400 Graham St	West	New Lease	43,000

Source: Newmark Research, CoStar

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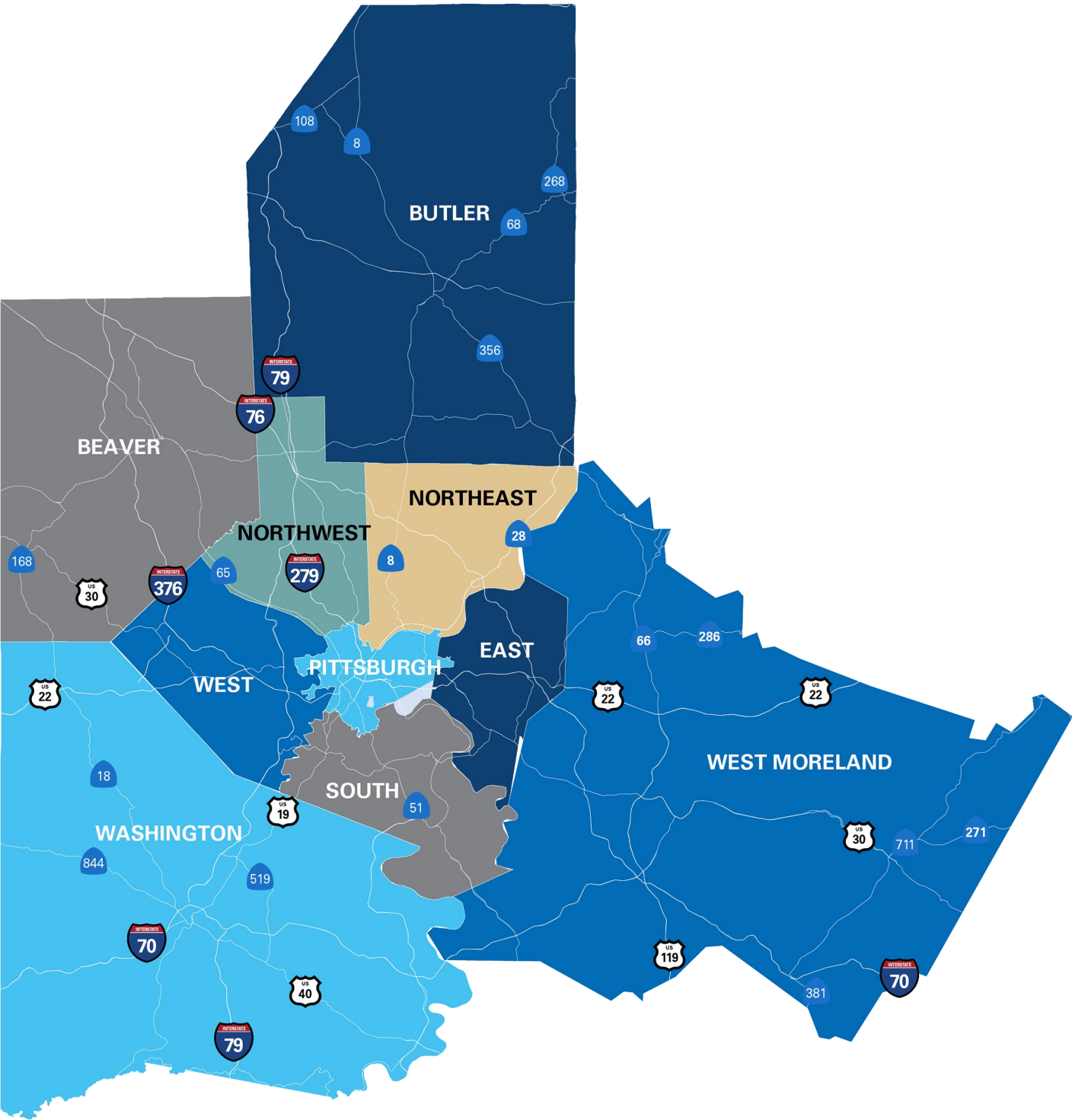
Submarket Overview





Please reach out to your
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Submarket Map



Source: Newmark Research

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