

# MARKET REPORT Q4 '24



**OFFICE**   **INDUSTRIAL**   **RETAIL**

**BUNCHER | BUNCHER**  
COMPANY   REALTY SERVICES

Developing with a Purpose.

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An aerial photograph of Pittsburgh, Pennsylvania, taken at dusk or dawn. The city skyline is visible in the background, with several skyscrapers illuminated. The Allegheny River flows through the city, and several bridges are visible. In the foreground, a red trolley is traveling on a track that runs along a snowy hillside. The sky is a mix of blue, purple, and orange, suggesting a sunset or sunrise. A large, semi-transparent blue triangle is overlaid on the right side of the image, containing the text.

**OFFICE** MARKET  
**REPORT**  
Q4 '24

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# MARKET SUMMARY

The Pittsburgh office landscape continues to trend towards stability, but not without challenges. Bolstered by especially strong activity in Greater Downtown, Butler County, and Parkway East, Q4 2024 saw a rise in direct asking rent across the entire region, as well an overall decline in vacancies. Conversely, markets like the Central Business District, Washington County, and Oakland all saw decreased net absorption. While some legacy office assets remain in turmoil, the growing prevalence of return-to-work mandates, adaptive reuse and redevelopment projects, and sustained flight-to-quality sentiments should prove to shape the future of the asset class during the second half of the decade.

## HISTORICAL MARKET DATA

	Q2 '24	Q3 '24	Q4 '24
<b>Total Inventory</b>	126,126,183	133,049,530	133,176,958
<b>Net Absorption</b>	304,584	323,121	(88,010)
<b>Overall Vacancy</b>	10.5	10.1	10.2
<b>Under Construction</b>	699,452	704,452	235,000
<b>Overall Asking Rate</b>	\$20.04	\$19.74	\$20.16

The final quarter of 2024 presented a mixed performance for the Pittsburgh office market. Direct asking rates saw a notable increase of nearly \$0.40, while Q4 deliveries surpassed the combined total of the year's earlier quarters. However, this surge of new supply contributed to the negative net absorption recorded in the market during Q4.

## NOTABLE REGIONAL TRANSACTIONS



300 Weyman Rd. | 44K SF | \$3,175,000  
**Bethel Park**

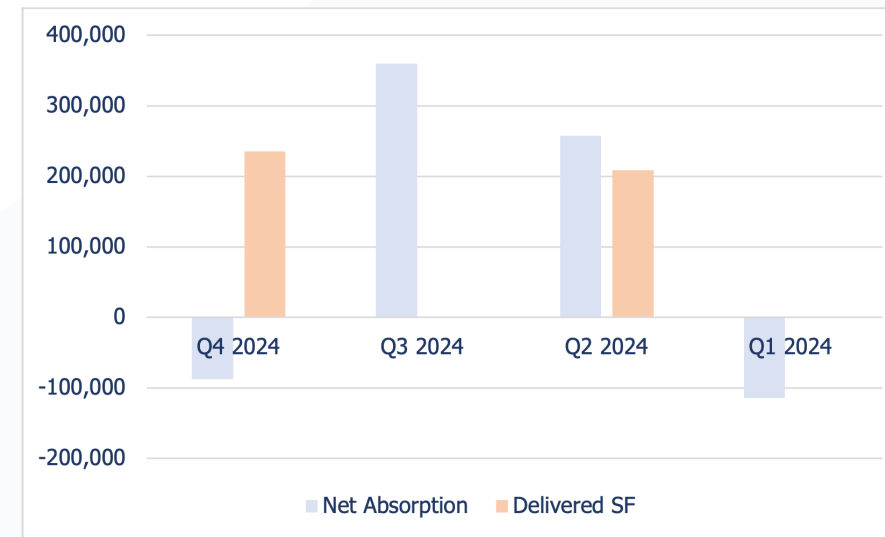


2600 Boyce Plaza | 30K SF | \$2,150,000  
**Upper St. Clair**

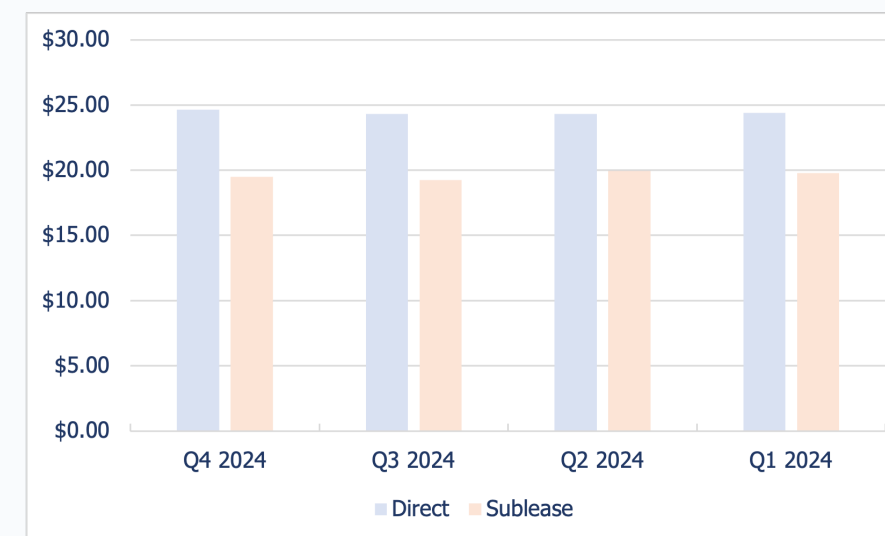


100 First Avenue | 79K SF | \$2,878,000  
**CBD**

## SUPPLY & DEMAND



## ASKING RATE



- VACANCY RATE
- NET ABSORPTION
- UNDER CONSTRUCTION

# QUICK SNAPSHOT

**UNEMPLOYMENT RATE**  
**3.61%**

**GDP QUARTERLY PERCENT**  
**1.96%**

**U.S. TREASURY NOTE**  
**4.59%**

## REGIONAL MARKET UPDATE

### RANGE RESOURCES RENEWS SOUTHPOINTE LEASE:

Range Resources Corp. has renewed its regional headquarters lease in Southpointe, reducing its space from approximately 180,000 square feet to 146,000 square feet.

### DUQUESNE LIGHT'S NEW HEADQUARTERS AT NOVA PLACE:

A \$20 million investment will fund the construction of a new grand entrance and atrium at Nova Place on Pittsburgh's North Side. The development will include Duquesne Light's new 124,000-square-foot headquarters, expected to house approximately 600 employees upon completion next year.

### AURORA INNOVATION'S HEADQUARTERS FOR SALE:

The 1600 Smallman building, a redeveloped warehouse in Pittsburgh's Strip District, has been listed for sale. The 126,000-square-foot property houses the headquarters of autonomous vehicle company Aurora Innovation Inc. and features the restaurant Balvanera on the first floor.

### NEW YORK LIFE LEASES SPACE IN THE STRIP DISTRICT:

New York Life's Group Benefit Solutions division has signed a lease for 43,000 square feet at The Vision on Fifteenth, a mixed-use development in Pittsburgh's Strip District. The company plans to relocate from its current office in North Fayette.

### FORECLOSURE ACTION AGAINST GATEWAY CENTER:

Wells Fargo Bank has filed a foreclosure action against Hertz Gateway Center LP over an \$84.37 million debt on Gateway Center, a four-building complex near Point State Park. The filing indicates a potential public sale to recover the debt, amid challenges in maintaining the property's operating expenses.

### BAKERY SQUARE EXPANSION MOVES FORWARD:

We wish our friends at Walnut Capital good luck with their \$5 million state grant that will support the launch of a 10-story mixed-use development in Pittsburgh's East End. The project will feature 400 apartments (15% affordable), retail space, and an AI Workforce Hub, as part of a broader \$850 million redevelopment plan.



Bakery Square Connector Expansion  
Rendering by Walnut Capital



## PITTSBURGH OFFICE MARKET STATISTICS | Q4 2024 | U.S. MARKET RESEARCH DATA

Data provided by CoStar\*

	Inventory	Availability Rate	Vacancy Rate	Net Absorption Current	Net Absorption YTD	Deliveries	Under Development	Average Asking Rate
Armstrong	740,513	8.5	4.7	4,000	(820)	-	-	\$11.47
Beaver	3,036,420	6.5	5.7	(3,875)	63,719	-	-	\$14.59
Butler	6,968,394	7.8	6.3	53,912	3,093	-	-	\$21.83
CBD	34,330,627	18.0	17.5	(240,208)	(537,958)	1	-	\$27.85
Greater Downtown	16,420,584	14.7	12.2	93,142	33,802	-	-	\$28.75
East End	5,463,375	18.8	14.4	(16,680)	148,767	-	-	\$33.29
Fayette	2,071,217	5.4	5.1	(5,418)	24,529	-	-	\$19.13
Monroeville	3,529,696	16.2	15.9	28,556	27,218	-	-	\$15.61
North Pittsburgh	7,121,465	10.6	9.1	(8,560)	(39,533)	-	45,000	\$20.11
Northeast Pittsburgh	4,564,590	10.1	9.7	(1,694)	(33,743)	-	-	\$12.84
Oakland	5,665,627	7.3	6.6	(34,174)	(70,298)	-	-	\$21.99
Parkway West	10,862,726	17.7	12.8	165,355	505,001	-	-	\$22.64
Parkway East	7,347,381	14.3	10.0	23,484	(26,827)	-	185,000	\$17.55
South Pittsburgh	1,448,728	10.4	7.0	(13,869)	9,485	-	-	\$18.06
Washington	9,459,603	11.1	10.2	(55,819)	220,114	-	-	\$19.43
West Pittsburgh	4,810,134	22.6	20.4	(81,009)	112,220	-	-	\$22.17
Westmoreland	9,335,878	9.4	5.3	4,847	(59,973)	-	5,000	\$15.46
<b>TOTAL</b>	<b>133,176,958</b>	<b>12.3</b>	<b>10.2</b>	<b>(88,010)</b>	<b>378,796</b>	<b>1</b>	<b>235,000</b>	<b>\$20.16</b>



A night-time photograph of an industrial facility, likely a steel mill, with various structures, pipes, and smokestacks. In the background, a large white arch bridge spans across the scene. The sky is dark blue, and the facility is illuminated by numerous bright lights, creating a starburst effect. The overall atmosphere is industrial and active.

# INDUSTRIAL MARKET REPORT Q4 '24

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# MARKET SUMMARY

Pittsburgh's industrial market sustained positive net absorption and decreased vacancies for the third quarter in a row, despite demand trending negatively in larger market sectors like Westmoreland County, West Pittsburgh, and North Pittsburgh. Logistics, advanced manufacturing, and clean energy are at the forefront of new developments, solidifying Pittsburgh's role as a hub for innovation and supply chain operations. Significant public and private investments are driving large-scale projects, creating jobs, and enhancing the region's appeal to industries seeking infrastructure, talent, and sustainable growth opportunities.

## HISTORICAL MARKET DATA

	Q2 '24	Q3 '24	Q4 '24
<b>Total Inventory</b>	228,221,927	229,206,117	229,820,619
<b>Net Absorption</b>	480,656	387,132	179,506
<b>Overall Vacancy</b>	5.4	5.3	5.1
<b>Under Construction</b>	315,100	301,060	313,849
<b>Overall Asking Rate</b>	\$9.13	\$9.27	\$9.46

Pittsburgh saw its third straight quarter of positive net absorption throughout the region among industrial assets. Simultaneously, deliveries ground to a halt in Q4, with only 2,400 SF of new space coming available. Vacancies continue to hover around 5%, as they've done for all of 2024, while direct asking rent continues to grow (\$8.83 psf, up \$0.36 from Q3). Strong activity in Parkway East, Parkway West, and Butler County counterbalanced weak performances in markets like the Central Business District, Washington County, and Oakland, which all saw decreased net absorption.

## NOTABLE REGIONAL TRANSACTIONS



5876 Centre Ave | 45K SF | \$4,800,000  
**East Liberty**

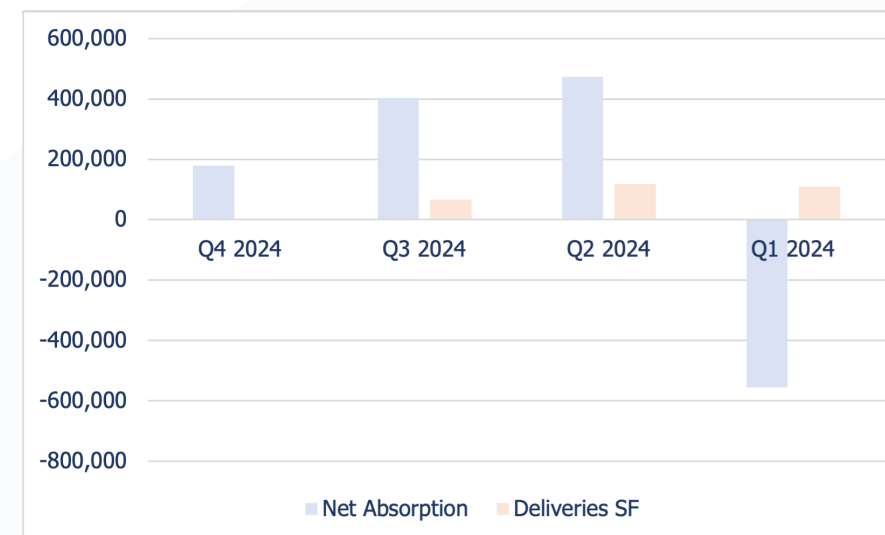


491 Chantler Dr. | 100K SF | \$10,530,000  
**Saxenburg**

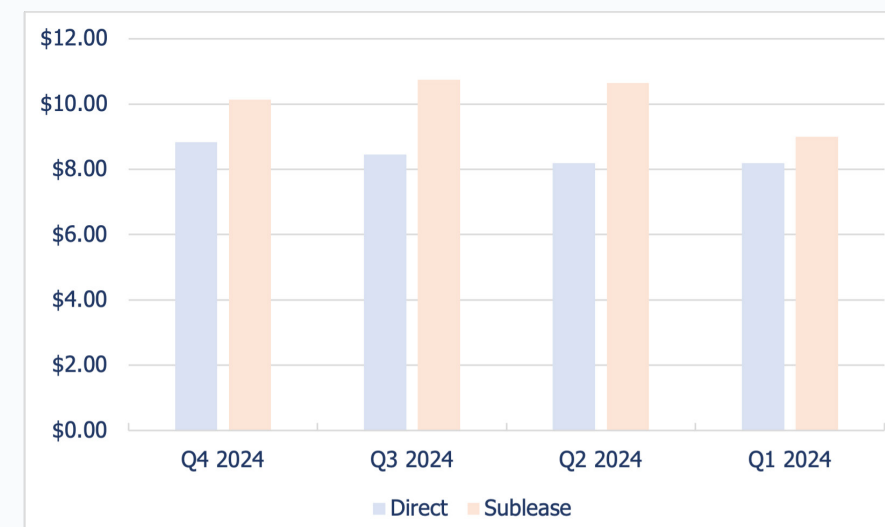


320 Locust St | 145K SF | \$3,000,000  
**McKeesport**

## SUPPLY & DEMAND



## ASKING RATE



- ↓ VACANCY RATE
- ↓ NET ABSORPTION
- ↑ UNDER CONSTRUCTION

# QUICK SNAPSHOT

UNEMPLOYMENT RATE  
**3.61%**

GDP QUARTERLY PERCENT  
**1.96%**

U.S. TREASURY NOTE  
**4.59%**



## REGIONAL MARKET UPDATE

### AMAZON EXPANDS NEAR PITTSBURGH INTERNATIONAL AIRPORT:

Amazon has leased an additional 191,000 square feet of distribution space in the Westport Ridge business park near Pittsburgh International Airport. This marks Amazon's third significant lease in the Westport area, bringing its total distribution space near the airport to nearly two million square feet.

### UNIVERSITY OF PITTSBURGH SELLS U-PARC IN HARMAR:

The University of Pittsburgh has sold the University of Pittsburgh Applied Research Center (U-PARC) in Harmar Township. The sale includes multiple buildings and facilities that previously supported the university's research and development initiatives. The new ownership entity is A&W LLC.

### STYROPEK'S BEAVER VALLEY PLANT FOR SALE AHEAD OF CLOSURE:

Styropek plans to shut down its chemical plant in Monaca, Beaver County, by January 2025. The 296-acre property, featuring industrial facilities and riverfront access, is being marketed for sale. The site offers potential for various industrial uses due to its existing infrastructure and strategic location.

### MITSUBISHI ELECTRIC POWER PRODUCTS EXPANDS IN PITTSBURGH:

Mitsubishi Electric Power Products Inc. will invest \$86 million in a 160,000-square-foot facility to produce advanced switchgears, supporting electrical grid modernization and decarbonization. The project, backed by \$6.75 million in state funding, will create 200 jobs and enhance MEPP's Warrendale operations. MEPP has also expanded at Buncher's Tri-County Industrial Park.

### MAINSRING ENERGY TO BUILD PLANT IN CORAOPOLIS:

Mainspring Energy plans a \$175 million, 300,000-square-foot manufacturing facility near Pittsburgh International Airport. With \$87 million in federal funding, the facility will focus on producing linear generators and is expected to create over 600 permanent jobs when it opens in 2025.



Stropek's Beaver Valley Plant For Sale  
Photo by Pittsburgh Post-Gazette



## PITTSBURGH INDUSTRIAL MARKET STATISTICS | Q4 2024 | U.S. MARKET RESEARCH DATA

Data provided by CoStar\*

	Inventory	Availability Rate	Vacancy Rate	Net Absorption Current	Net Absorption YTD	Deliveries	Under Development	Average Asking Rate
Armstrong	2,568,292	4.6	3.7	10,475	(16,700)	-	-	\$16.50
Beaver	16,902,814	4.9	5.1	(3,046)	(132,996)	-	-	\$6.62
Butler	21,295,128	5.1	4.4	139,732	216,162	-	12,789	\$10.09
Greater Downtown	13,841,018	7.1	7.2	(27,928)	49,904	-	-	\$13.52
Fayette	5,821,478	2.8	3.1	11,500	10,780	-	-	\$11.15
Monroeville	3,436,169	5.4	5.5	4,589	(60,844)	-	-	\$9.26
North Pittsburgh	19,408,511	8.7	5.7	(57,931)	158,097	-	-	\$9.25
Northeast Pittsburgh	17,923,819	5.5	4.2	(41,892)	(195,837)	-	-	\$7.95
Oakland	438,236	3.4	3.4	-	12,000	-	-	-
Parkway West	14,609,754	10.9	7.2	192,720	499,743	-	-	\$11.25
Parkway East	16,653,370	13.3	9.9	191,202	167,561	-	-	\$4.86
South Pittsburgh	20,695,721	3.9	2.4	(27,222)	14,735	-	-	\$7.86
Washington	17,540,327	6.3	4.3	(4,497)	140,552	-	187,060	\$7.52
West Pittsburgh	18,050,374	7.0	5.6	(54,168)	(331,612)	1	88,000	\$8.63
Westmoreland	40,635,608	6.7	4.6	(154,028)	(27,318)	-	26,000	\$7.95
<b>TOTAL</b>	<b>229,820,619</b>	<b>6.4</b>	<b>5.1</b>	<b>179,506</b>	<b>503,228</b>	<b>1</b>	<b>313,849</b>	<b>\$9.46</b>



# RETAIL MARKET REPORT

## Q4 '24

**BUNCHER** | **BUNCHER**  
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# MARKET SUMMARY

As we enter the New Year, the retail market represents a true confluence of varying forces. Some national net lease powerhouses continue to show signs of weakness as e-commerce and on-demand delivery maintain their footholds as disruptors of traditional retail. Meanwhile, consumer preferences continue to change, with a priority placed on allotting for experiences while still tightening discretionary spending overall. Pittsburgh's Q4 2024 marks the third straight quarter with positive net absorption, as well as deliveries eclipsing the previous three quarters combined.

## HISTORICAL MARKET DATA

	Q2 '24	Q3 '24	Q4 '24
<b>Total Inventory</b>	(136,808,926)	143,529,602	135,353,131
<b>Net Absorption</b>	237,782	359,588	117,629
<b>Overall Vacancy</b>	4.4	3.9	4.3
<b>Under Construction</b>	699,452	-	127,515
<b>Overall Asking Rate</b>	\$19.89	\$24.15	\$18.24

Demand for quality retail space remains high, as we saw the third straight quarter of positive net absorption throughout the region. Meanwhile, there was a supply boom, with deliveries in Q4 eclipsing the previous three quarters combined. As a result, average direct asking rates fell by almost \$9 per square foot, while vacancies plummeted to 4.3%.

## NOTABLE REGIONAL TRANSACTIONS



415 27th St. | 12,575 SF | \$8,000,000  
**South Side**

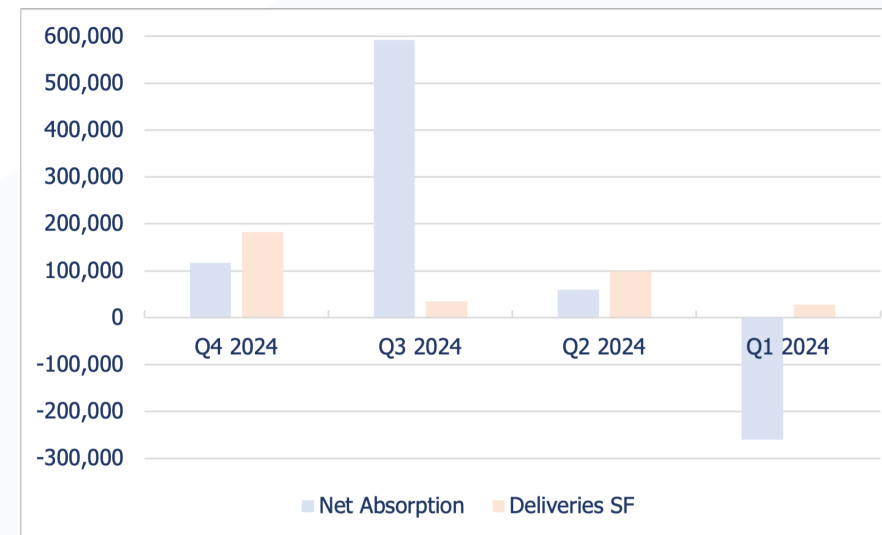


4301 Butler St. | 10,700 SF | \$2,000,000  
**Lawrenceville**

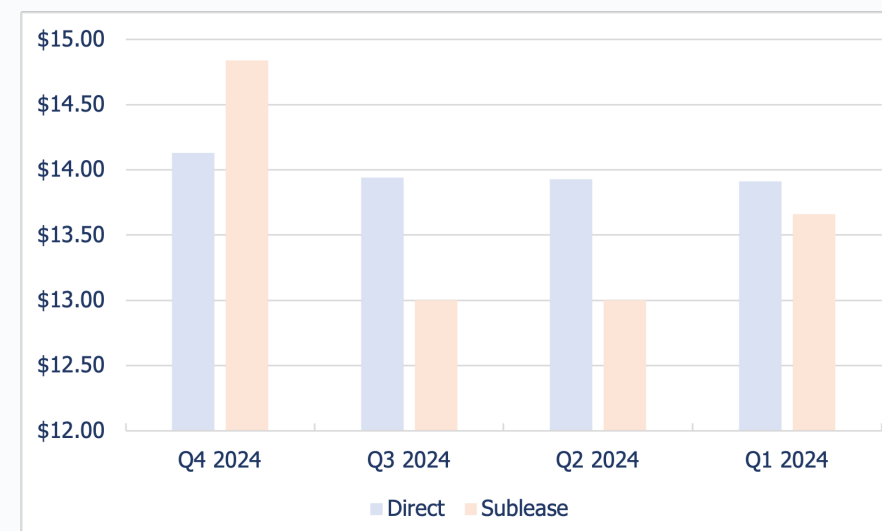


300 Mall Blvd. | 56,649 SF | \$4,137,716  
**Monroeville**

## SUPPLY & DEMAND



## ASKING RATE



- ↓ VACANCY RATE
- ↓ NET ABSORPTION
- ↑ UNDER CONSTRUCTION

# QUICK SNAPSHOT

UNEMPLOYMENT RATE  
**3.61%**

GDP QUARTERLY PERCENT  
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U.S. TREASURY NOTE  
**4.59%**



## REGIONAL MARKET UPDATE

### MONROEVILLE MALL FOR SALE:

Pittsburgh's largest regional mall, Monroeville Mall, is being marketed for sale. Although no asking price has been disclosed, the property is promoted as having "multiple spin-off opportunities," "redevelopment potential," and "immediate upside."

### DICK'S SPORTING GOODS EXPANDING:

Dick's Sporting Goods Inc., headquartered in Findlay Township, has leased an 80,000-square-foot space at Waterworks, previously occupied by Walmart and vacant for nearly two years. The company also announced their plan to bring a House of Sports location to Westmoreland Mall, where they will occupy 78,000-square-feet of the former Sears space.

### AMC WATERFRONT RENOVATIONS:

AMC Theatres is planning significant renovations at its AMC Waterfront 22 cineplex after signing a long-term lease extension. Upgrades including reclining theatre seats, a bar, and new soft finishes throughout. By reducing the seat count by 50%, the theatre parking requirement is reduced, freeing up nearly 90,000-square-feet of paved lot area for redevelopment.

### APPLE ON THE MOVE:

Apple is set to relocate its Shadyside store from its current location at 5508 Walnut Street to a larger, three-level space at 5436 Walnut Street, previously occupied by The Gap, which closed earlier in 2024. The new store will span approximately 15,000-square-feet, tripling the size of the current 5,000-square-foot location that has served the area for over two decades.



Apple Store on Walnut Street in Shadyside





## PITTSBURGH RETAIL MARKET STATISTICS | Q4 2024 | U.S. MARKET RESEARCH DATA

Data provided by CoStar\*

	Inventory	Availability Rate	Vacancy Rate	Net Absorption Current	Net Absorption YTD	Deliveries	Under Development	Average Asking Rate
Armstrong	2,209,592	1.8	1.4	12,766	(11,699)	-	-	-
Beaver	10,645,795	6.6	5.0	(28,264)	(1,033)	-	-	\$15.57
Butler	12,323,517	5.3	2.3	104,884	90,962	-	-	\$13.50
CBD	1,296,034	5.0	7.6	(1,837)	1,463	-	50,000	\$37.40
Greater Downtown	5,521,889	4.6	4.2	31,817	68,256	-	-	\$20.19
East End	6,005,016	4.8	4.0	(49,705)	(6,404)	1	-	\$19.02
Fayette	7,296,139	12.4	9.4	18,173	(47,101)	-	-	\$12.01
Monroeville	5,683,585	3.8	3.6	(14,683)	28,816	-	4,200	\$15.87
North Pittsburgh	13,450,055	2.4	2.0	(5,710)	(54,339)	-	-	\$23.35
Northeast Pittsburgh	8,915,747	8.3	6.2	29,605	77,867	-	-	\$12.60
Oakland	1,106,238	4.8	3.8	1,648	(5,822)	-	-	\$31.59
Parkway West	7,174,293	5.8	2.1	(33,668)	(8,605)	-	-	\$15.39
Parkway East	11,710,593	5.1	3.8	(3,686)	(11,701)	-	-	\$10.70
South Pittsburgh	2,389,155	8.1	6.7	(37,544)	(21,380)	1	15,561	\$16.00
Washington	15,535,637	2.0	4.5	17,488	57,969	-	10,566	\$20.76
West Pittsburgh	3,535,201	5.4	3.2	17,969	32,318	2	-	\$16.28
Westmoreland	22,554,645	3.8	3.2	(97,879)	213,037	-	47,188	\$11.60
<b>TOTAL</b>	<b>135,353,131</b>	<b>5.3</b>	<b>4.3</b>	<b>(38,626)</b>	<b>402,634</b>	<b>4</b>	<b>127,515</b>	<b>\$18.24</b>



## BUNCHER “BULLETIN” *Success and News Throughout the Quarter*

### CAPITAL EXPENDITURE PROJECTS THROUGHOUT OUR PORTFOLIO:

At Buncher Commerce Park in Leetsdale, we’re committed to enhancing the park’s infrastructure and amenities to better serve our current tenants while creating an inviting environment for future businesses. Through strategic improvements and thoughtful upgrades, we aim to foster a thriving community where companies can grow, innovate, and succeed. By staying ahead of industry needs and providing top-notch facilities, Buncher Commerce Park – Leetsdale remains a dynamic hub for both established and new tenants alike. The total cost for upgrades at Buncher Commerce Park – Leetsdale is estimated at around \$1.6 million. Key improvements include new asphalt at Buildings #15 and #18, totaling approximately \$525K. Masonry repairs and coatings were completed at Buildings #10, #11, #12, #13, #15, and #18, with costs ranging from \$100K to \$159K per building. These updates will also feature the addition of accent bands to the buildings, as well as Building #8, with the coating and banding becoming the new standard for future projects at Leetsdale. In addition, Building #15 received new landings and canopies at a cost of about \$150K. Finally, a new monument sign, billboard, and directional signage has been installed at the entrance of the park amounting to around \$83K.

Projects are still underway, even at our own headquarters! Capital improvements at One Waterfront Place include a refreshing update to our lobbies, featuring new paint, ceiling tiles, and upgraded lighting, creating a more welcoming environment for clients and visitors.

### DAVE HEATON PITTSBURGH BUSINESS TIMES POWER 100:

The Buncher Company is excited to congratulate our CEO, David Heaton on his third consecutive recognition as a Power 100 recipient by the Pittsburgh Business Times. This award highlights Dave’s significant impact as an industry leader in the Pittsburgh region.



### PROJECT BUNDLE UP POLAR BEAR PLUNGE:



The Buncher team kicked off the New Year with a splash, braving icy waters for the Polar Plunge to support Project Bundle Up and the Salvation Army. We’re thrilled to announce that our efforts raised over \$5,200 to help keep local children and seniors warm this winter. Thank you to our employees who made this possible—together, we’re making a difference!



BRS has reviewed research provided by our friends at IRR, a national independent appraisal and consulting firm, and The Urban Land Institute regarding trends and cycles in CRE for 2025. Below are our thoughts as we move into 2025:



**OFFICE:** We are in the “recession” phase, closer to the “recovery” phase than the “hyper supply” phase. The main reason that we are not headed towards hyper supply is solely due to the lack of new construction in the office market in Western Pennsylvania, which is virtually zero. Buncher’s office holdings, which are only in the Strip District market, are doing well as far as demand and activity because of the combination of new retail and residential development in the Strip.



**MULTI FAMILY:** The Pittsburgh metro has been deemed a hyper supply market at this time mostly due to moderate new construction activity. Certain pockets of Western Pennsylvania are doing extremely well, but some submarkets continue to offer free rent incentives in order to compete.



**RETAIL:** Coming out of the pandemic, the retail market in metropolitan Pittsburgh is now squarely in the recovery phase. We don’t believe that we will ever really hit an “expansion” phase due to the lack of available development sites in our market. The vacancy rate for retail over the last eight years has been the lowest when considering office and industrial.



**INDUSTRIAL:** Western Pennsylvania’s industrial market has been positioned into the hyper supply market, mostly we think due to the high vacancy in the airport corridor. However, in the last six months, a large amount of new or newer Class A industrial space in this submarket has been absorbed, and two new speculative projects are under development.

### HYPER SUPPLY DEFINITION

Increasing Vacancy Rates  
Moderate / High New Construction  
Low / Negative Absorption  
Moderate / Low Employment Growth  
Medium / Low Rental Rate Growth

### RECESSION DEFINITION

Increasing Vacancy Rates  
Moderate / Low New Construction  
Low Absorption  
Low / Negative Employment Growth  
Low / Negative Rental Rate Growth

### RECOVERY DEFINITION

Decreasing Vacancy Rates  
Low New Construction  
Moderate Absorption  
Low / Moderate Employment Growth  
Negative / Low Rental Growth



# FROM THE CEO

“Our team is actively engaged with Property Condition Assessments so we can pro-actively implement Capital Improvements to keep our buildings appealing to current and future tenants. We look forward to continued improvements during 2025, and we welcome input on amenities or improvements that would benefit the effectiveness of our tenants’ operations.”



**David Heaton**  
CEO

## CONTRIBUTORS



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