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PITTSBURGH DOWNTOWN PARTNERSHIP RELEASES
2017 STATE OF DOWNTOWN PITTSBURGH REPORT

- PUBLICATION PRESENTS KEY ECONOMIC INDICATORS THAT POINT TO A HEALTHY, EVOLVING DOWNTOWN PITTSBURGH
 - NEW TRENDS EMERGE – PARTICULARLY IN THE OFFICE SECTOR
- GREATER DOWNTOWN'S POPULATION CONTINUES TO GROW, DESPITE REGIONAL POPULATION DECLINES
 - \$3.2 BILLION IN TOTAL ACTIVE AND ANNOUNCED INVESTMENTS

Downtown Pittsburgh, PA – Today the Pittsburgh Downtown Partnership released the *2017 State of Downtown Pittsburgh* report. The sixth annual publication provides a comprehensive look at economic development indicators in Downtown Pittsburgh, as well as data set comparisons to peer Central Business Districts.

Greater Downtown remains an active and attractive center of development in the region. In 2016, the number of building permits issued in Greater Downtown increased 12% while the value of combined projects increased 114% to \$217 million. Major projects contributed to this growth including the Kaufmann's Grand on Fifth redevelopment, the 350 Oliver Parking Garage, Oxford Centre updates, Riverfront West at 3 Crossings, and the North Shore parking garage.

As of today, 25 projects are under construction representing 555 additional hotel rooms, 784 residential units, and a combined project value of \$906 million. There is currently \$3.2 billion in total active and announced investment activity, supplementing \$2.9 billion in total completed investments since 2007.

The *2017 State of Downtown Pittsburgh* report tracks key economic development indicators across seven sectors, providing a high-level overview of what is happening in Greater Downtown. "Downtown is thriving and this report allows us to examine the various facets of the economy to identify trends and bring opportunities for growth to light," said Jeremy Waldrup, President and CEO of the Pittsburgh Downtown Partnership. "We are expecting significant growth in the residential and hotel markets over the next year and are looking forward to working with Downtown stakeholders to develop ways to attract new office users and retailers to Downtown."

Additional key findings of the report include:

The office market in Downtown is seeing new trends

- 60,000 square feet of co-working space was announced at four new Downtown facilities in 2016.
- 20% of new lease transactions over 20,000 square feet in Greater Downtown in 2016 were by companies new to Pittsburgh.
- Institutional investors from outside of the market continue to be attracted to both value-add and trophy properties as evidenced by the recent transactions of Federated Tower and I I Stanwix after recent improvements, and 525 William Penn Place and One Oxford Centre which require new capital investment by the new owners.

Residential growth is continuing at unprecedented levels

- Greater Downtown's population has grown 22% since 2010 with 15,000 total residents, while the regional population decreased by 1% in the same time period.
- Increase in population is a direct result of 2,000 new units being delivered to the marketplace since 2010.
- Apartment occupancy remained flat at 92% through the first three quarters of 2016 and dropped slightly to 90.3% in the fourth quarter.
- There are 4,222 pipeline residential units in the development pipeline including 784 units currently under construction.

Restaurants continue to find success in Greater Downtown, retail offers new opportunities

- 30 new food and beverage establishments opened in 2016 with ten more in the first four months of 2017. A large number of the new establishments have been concentrated near Market Square (5), Mellon Square (6), and the North Shore (9).
- 2016 Pedestrian counts showed large increases in activity near Market Square of more than 30%, which has seen 12 new restaurants open since the last count in 2012. The 900 block of Penn Avenue also saw a 108% increase compared to 2012, which is supported by eight new restaurants that have opened in that corridor during the same time period.
- In Greater Downtown, there is an estimated 200,000 square feet of retail space currently for lease or in the development pipeline.
- Unique retail offerings such as Moop, Steel City, and Surmesur are seeing new opportunities for success in Downtown. According to Wendy Downs, owner of handbag company Moop, "When we located our space Downtown, the idea of street-level retail was not at the forefront of our plans. However, I've been consistently impressed by the by the larger-than-anticipated walk-in traffic we've experienced since opening."

Downtown is regional destination, hotels see the benefit

- In 2016, there were 13.4 million visitors to sports and entertainment venues in Greater Downtown.
- The total number of hotel rooms has grown 25% since the beginning of 2015 with nearly 6,000 rooms in Greater Downtown. In 2015, there were nearly 1.4 million occupied room nights.
- Although new hotel inventory delivery contributed to a slower market in 2016 with Greater Downtown annualized occupancy at 66% compared to 69% in 2015, Downtown still remains the strongest submarket in the region based on overall occupancy and average daily rate.
- There are currently 1,183 proposed hotel rooms in the pipeline, including 555 currently under construction.
- Professional sports season-extending playoff runs have a positive effect on the hotel market. The Penguins' 2016 Stanley Cup Championship run can be credited with helping to boost June 2016's occupancy to 82% with a 8% average daily rate increase compared to the prior year when the Penguins were not playing.

Other notable findings in the report include:

- The number of on-street parking meter transactions has increased 7% since 2013. In Downtown, there was a 2% transactional increase between 2015 and 2016, but coin and card transactions each decreased 17% now that users can pay via a mobile app.
- Downtown makes up 66% of all LEED and Energy Star certified space in Allegheny County

New Retail Snapshot Brochure released:

In addition to the report, the Pittsburgh Downtown Partnership released a revised Retail Snapshot brochure today. This piece is designed to present relevant market data and statistics surrounding retail opportunity in Greater Downtown. The brochure was developed with assistance from the real estate community and will be useful in retail attraction efforts. The brochure can be viewed [on our website](#).

This size of this year's State of Downtown Pittsburgh report is nearly 20 pages shorter than previous editions. However, the Pittsburgh Downtown Partnership collected and analyzed more data than ever before. The printed report features high level statistics and data, with more detailed charts and graphs being shifted to the PDP's website.

The PDP has enhanced the online offerings by utilizing a data visualization tool called Tableau. Users can view and interact with data and trends over multiple years, customize functionality to meet individual needs, and download data and reports for personal use. Much of the data will be updated more frequently and released via a new research newsletter that will debut in coming weeks. The complete report and additional data will be available for download at DowntownPittsburgh.com/sodp.

Support for the *2017 State of Downtown Pittsburgh* was provided by Presenting Sponsor: Urban Redevelopment Authority of Pittsburgh; Supporting Sponsors: Alco Parking, Huntington Bank, Point Park University; and Featured Sponsors: Cohen & Grigsby, McCaffery Interests, and Q Development

Data presented in the *2017 State of Downtown Pittsburgh* is derived from many sources, which are noted in the publication, and covers activity within the boundaries of the Downtown Business Improvement District and Greater Downtown. Greater Downtown includes the Golden Triangle, North Shore, South Shore, Strip District (to 33rd Street), Lower Hill and Bluff/Uptown.

About the Pittsburgh Downtown Partnership

Pittsburgh Downtown Partnership (PDP) is a dynamic, nonprofit organization comprised of business and community leaders, property owners, civic organizations, foundations and residents who provide energy, vision and advocacy for Downtown Pittsburgh. Working collaboratively with its partners, the PDP strives to create a positive Downtown experience for residents, workers and visitors alike. The PDP's strategic initiatives include clean and safe services, transportation, and economic development and advocacy. For more information, visit www.DowntownPittsburgh.com, follow us on Twitter at <http://twitter.com/downtownpitt> and "like" us on Facebook.

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