

# State of Downtown Pittsburgh

## Q1 2025

January 30, 2025



PITTSBURGH  
DOWNTOWN  
PARTNERSHIP

# STRATEGIC PLAN 2025-2028



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DOWNTOWN  
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# STRATEGIC PLAN 2025-2028

## Our Mission

Leading Downtown's transformation with innovative programs that drive growth, vibrancy, and engagement.

## Our Vision

Downtown Pittsburgh will lead the region as the dynamic center where visitors play, workers thrive, and residents proudly call home.

## Our Values

Service  
Leadership  
Innovation

Community  
Engagement

### STRATEGIC TIERS

#### CORE

Deliver well-maintained public spaces, provide hospitality to visitors, and offer outreach services to the unhoused, creating a **clean and safe** environment for all.

#### ACTIVATION

Create **vibrant spaces** full of art, culture, and community, while activating downtown parks with **engaging experiences** to foster community, safety, and belonging.

#### TRANSFORMATION

Accelerate Downtown Pittsburgh's **economic growth** by leading data-driven advocacy and collaborative stakeholder engagement to promote a vibrant, economically diverse, and resilient neighborhood.

PILLAR

Clean & Safe

## 2025-2028 GOALS

**Clean Public Realm:** Invest in and foster a clean and welcoming atmosphere that enhances quality of life and promotes a vibrant and attractive Downtown.

**Safe & Secure Public Spaces:** Foster a sense of security and belonging where all residents, employees, and visitors feel protected and supported.

2025-2028 GOALS

- Clean Public Realm
- Safe & Secure Public Spaces

## Success Measurement

Bi-Annual stakeholder surveys measuring the public's perception of cleanliness, safety, PDP's work in improving conditions, and the recover of Downtown post-pandemic.

PILLAR

Vibrant Spaces  
Engaging Experiences

## 2025-2028 GOALS

**Vibrant Spaces:** Create Beautiful, Inviting Sidewalks & Public Spaces that foster community and support the needs of a mixed-use neighborhood. Promote the design of streets that prioritize multi-modal transportation and a welcoming pedestrian experience.

**Engaging Experiences:** Contribute to the vibrancy of Downtown Pittsburgh through the creation of memorable experiences with large-scale festivals and everyday activations that create a sense of community and attracts diverse audiences. Strengthen connections, support local business, and coalesce stakeholders to advocate for and build a stronger Downtown.

2025-2028 GOALS

- Events & Activations
- Streets & Transportation
- Public Realm
- Constituent Services

## Success Measurement

### Events & Activations

- 4 events per year attracting >50,000 attendees.
- >500 individual activations annually.
- Increase in downtown stakeholder's perception of events and programming as evidenced through stakeholder surveys.
- 10% annual increase in individual or corporate members and sponsors
- Completion of bi-annual stakeholder surveys and benchmarking dashboards.

### Public Realm

- Increase the number of public art and landscaping elements in Downtown by 20% by 2028.
- Wayfinding implementation and maintenance
- Advance design and construction of Market Square (April 2026) and Gateway Median Islands (TBD) and Smithfield Street (2026).

PILLAR

Economic Growth

## 2025-2028 GOALS

**Diverse & Resilient Neighborhood:** Encourage the development of office-to-residential conversions, a wide variety of restaurants and retailers, and an optimal balance of office real estate that creates a more resilient and economically diverse neighborhood.

**Stakeholder Collaboration & Collective Action:** Lead collective action and advocacy efforts for policies and programs that incentivize new development, enhance Downtown safety and vibrancy, and drive Downtown revitalization through collaborative efforts and data-driven strategies.

## 2025-2028 GOALS

- Future Focused Neighborhood
- Stakeholder Collaboration & Collective Action

## Vision for Downtown

PDP programs and advocacy efforts will support the realignment of Downtown real estate to an optimal balance of 40% residential, 45% office, and 15% play by decreasing office square footage by 32% and increasing residential square footage by 114%

## Success Measurement

- Provide 4 market data information sessions and reports per year, positioning PDP as the reliable source of data about economic and real estate trends in downtown.
- Retain 25 office tenants with leases that expire in Downtown
- Increase retail occupancy by 10%
- Develop and begin implementation of an advocacy agenda by May 2024, providing specific points of engagement for the Board and Stakeholders to support this work
- Continuation of weekly convening of city and county leadership to address quality of life, human service, and safety concerns.
- Facilitate regular engagement with the Housing Working Group, Economic Development Advisory Group, and key partners to build consensus and secure buy-in for the Vision for Downtown
- Demonstrated support for 1-3 catalytic projects per year

# STATE OF DOWNTOWN: ANALYSIS



**LIVE**

- Multifamily rental
- Student housing
- For sale

**WORK**

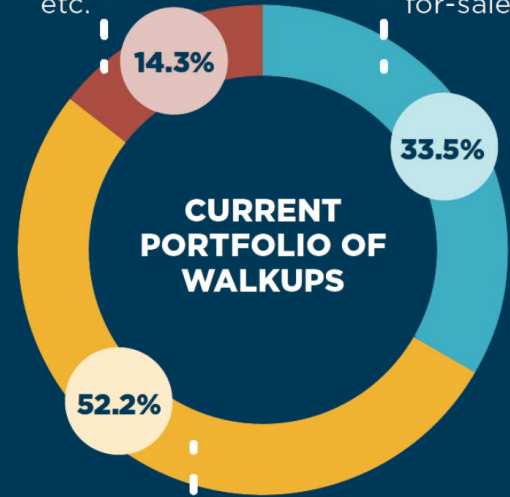
- Office
- GSA
- Owner-occupied
- University

**PLAY**

- Retail
- Hotel
- Sports
- Entertainment

**PLAY**  
• retail, hotel,  
• sports and  
• entertainment,  
• etc.

**LIVE**  
• multifamily  
• rental, student  
• housing and  
• for-sale

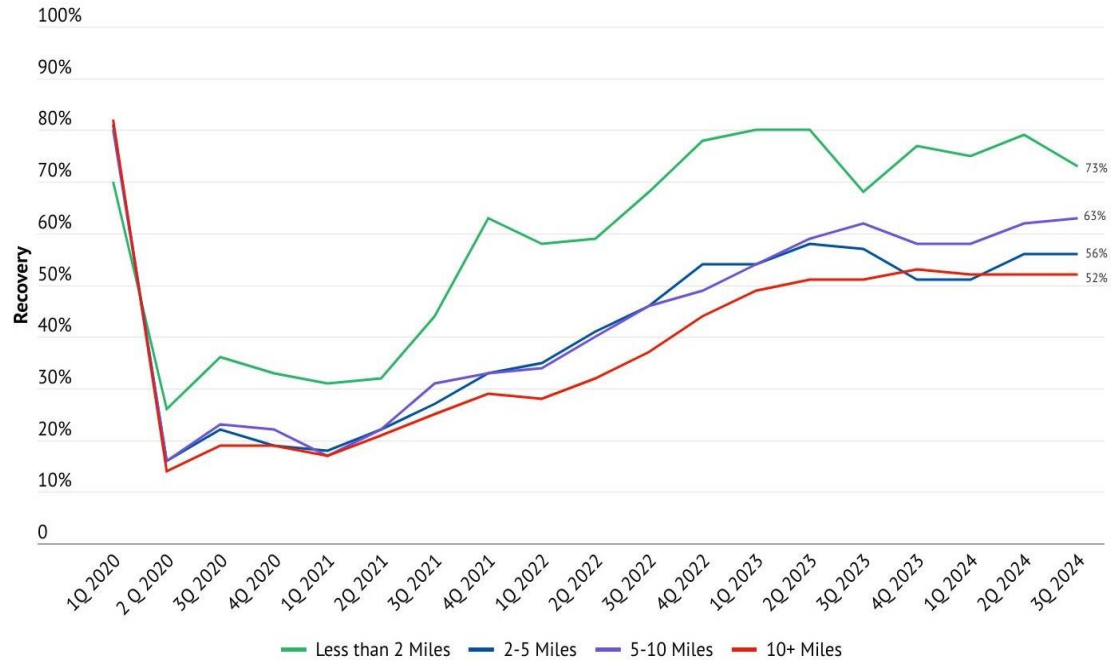


**WORK**  
• office, GSA,  
• owner-occupied,  
• university

## The Great Stabilizers: Residents

73% of employees who live within two miles are more likely to RTO, compared to average monthly range of 55-65%.

### Downtown Pittsburgh Employee Recovery Rate by Commuting Distance



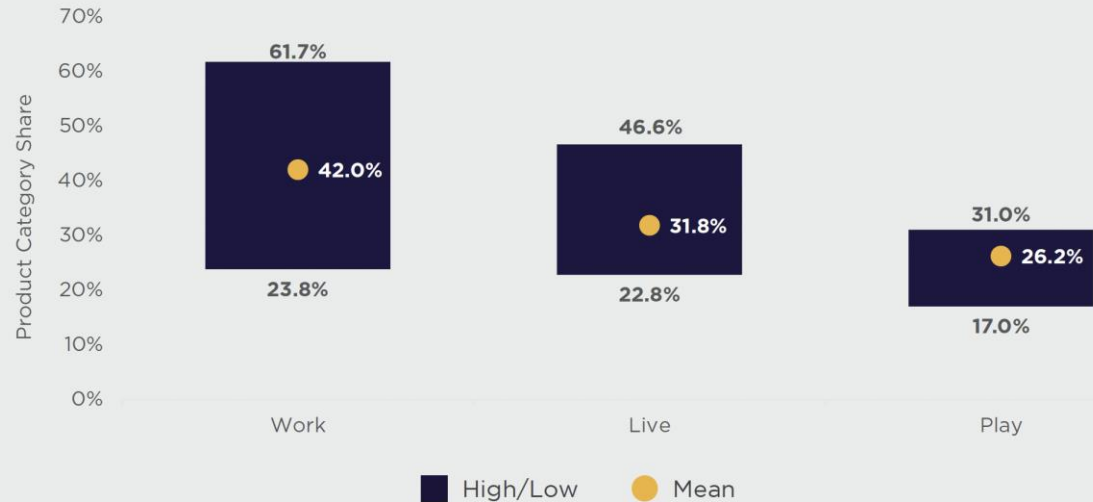
**Takeaway #1:**  
Those who live and work  
Downtown go to the office  
10-20% more than others.

## Proposed Recommendations:

- Reduce total "Work" space
- Increase "Live" space
- Support "Play" space growth

### OPTIMAL PRODUCT PORTFOLIO

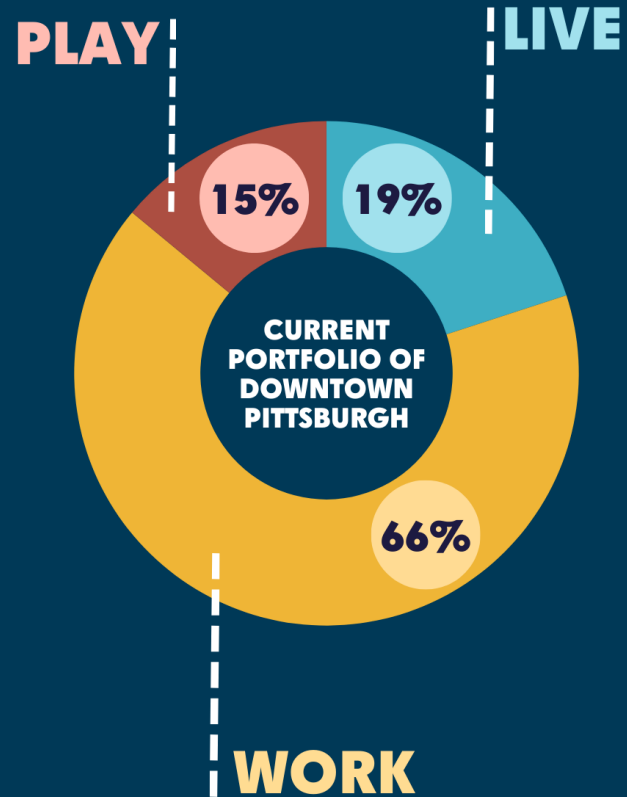
Mean optimal share and 90% conditional margin of error estimates



Source: Places Platform, LLC; Cushman & Wakefield Research

## Downtown Pittsburgh's Current Portfolio:

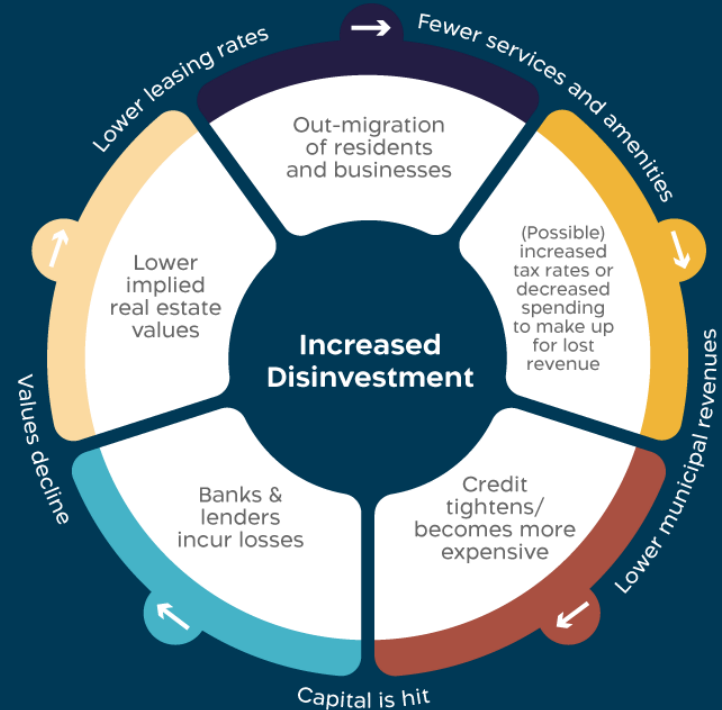
- Of total real estate square footage Downtown today, 66% is Work (24.8m sq ft)
- There are currently 4,212 units (apartments & condos) and 6,989 residents in the Golden Triangle, approximately 19% of Live sq footage (6.9m sq ft)
- The remaining 15% is Play, a mix of retail, hotel, performing arts, and nonprofit uses (5.5m sq ft)



## WORK

- Golden Triangle office leases are renewing in the Downtown market at 60-70% of their prior sq footage (same space or elsewhere)
- 30-40% of office space could be vacant within the next decade, when all current leases will likely expire.
- With the “flight-to-quality” Class A office leasing trend, future vacant office space will be primarily Class B & C (i.e. older buildings, easier to convert to residential).
- 35% of our office square footage (8.2m sq feet) should be converted to other, non-office uses, to arrive at a stable, office market equilibrium.

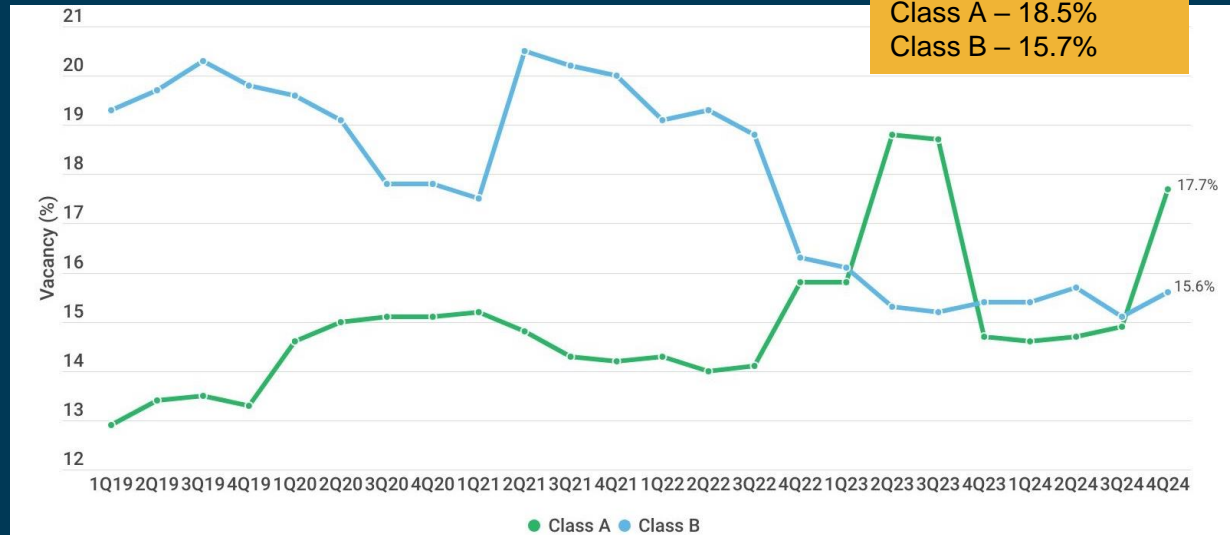
## Ingredients of Doom Loops



## Recent Office Transactions

- Gateway Center
- First National Bank Tower
- 11 Stanwix Street
- 625 Liberty Ave
- 210 6th Ave.
- One Oxford Centre

## CBD Class A & B Direct Vacancy Rates



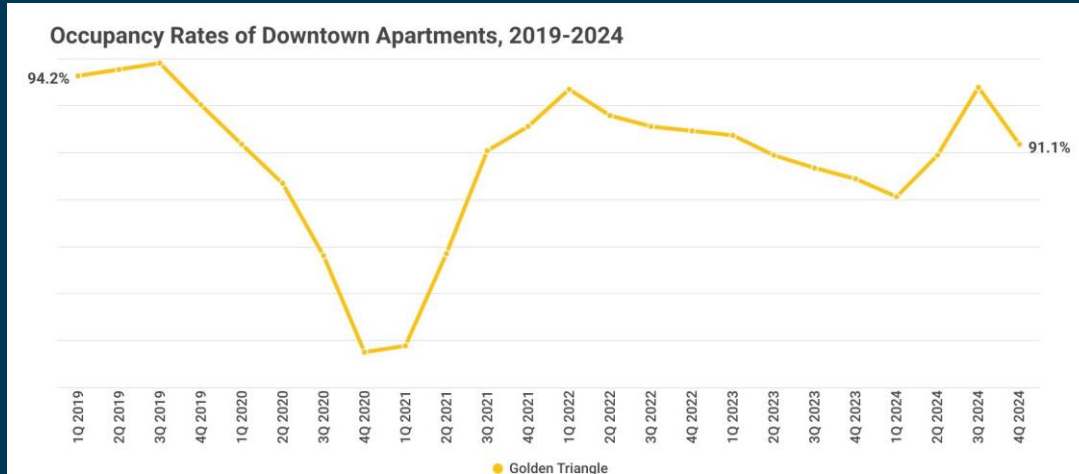
### 4Q 2024

Total Availability Rate  
Class A – 26.1%  
Class B – 19.9%

Total Vacancy Rate:  
Class A – 18.5%  
Class B – 15.7%

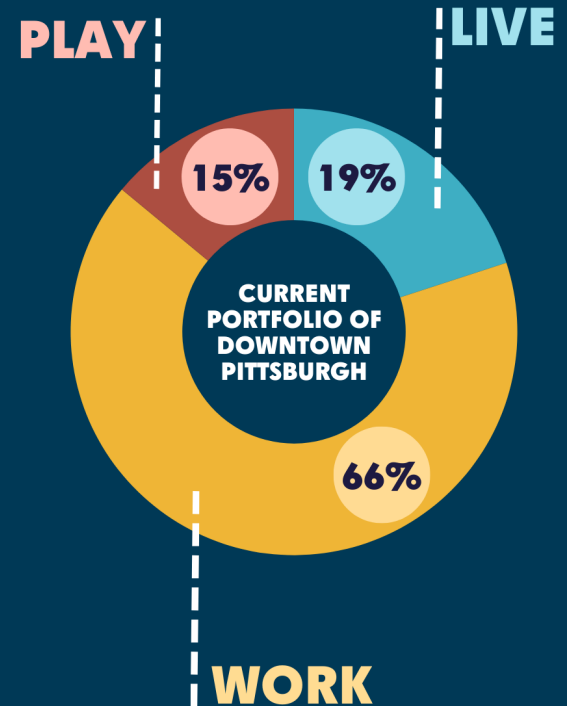
Source: CBRE

# STATE OF DOWNTOWN: ANALYSIS



Source: Pittsburgh Downtown Partnership, CoStar

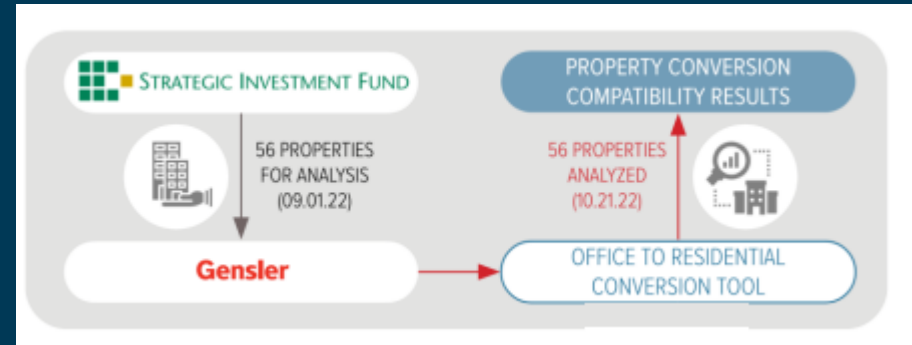
The average occupancy rate for the Golden Triangle is 91% for 2024, peaking in Q3 2024 at 93.7%.



# STATE OF DOWNTOWN: ANALYSIS

## LIVE

- Based on Gensler report (2021) which analyzed floor plates and conditions on a sample size of Class B & C office buildings, 91% were over 50% compatible for residential conversion.
- While there is 12.8m sq ft of Class B & C office space Downtown, only 8.68m of that needs to be converted to non-office use, based on the leasing trends.
- 91% of all 8.68m sq ft of Class B & C would amount to 7,900,000 sq feet that can be converted to residential.
- If we apply 1,000 sq ft per one-bedroom unit, that sq footage could be redeveloped into 7,900 new units
- 60% of 2-person households are residing in 1-bedroom units (385 of 638), based on the 2022 ACS 5-Year data
- 7,900 new units would therefore yield an additional population of 12,640 residents, bringing our total Downtown population to 19,629

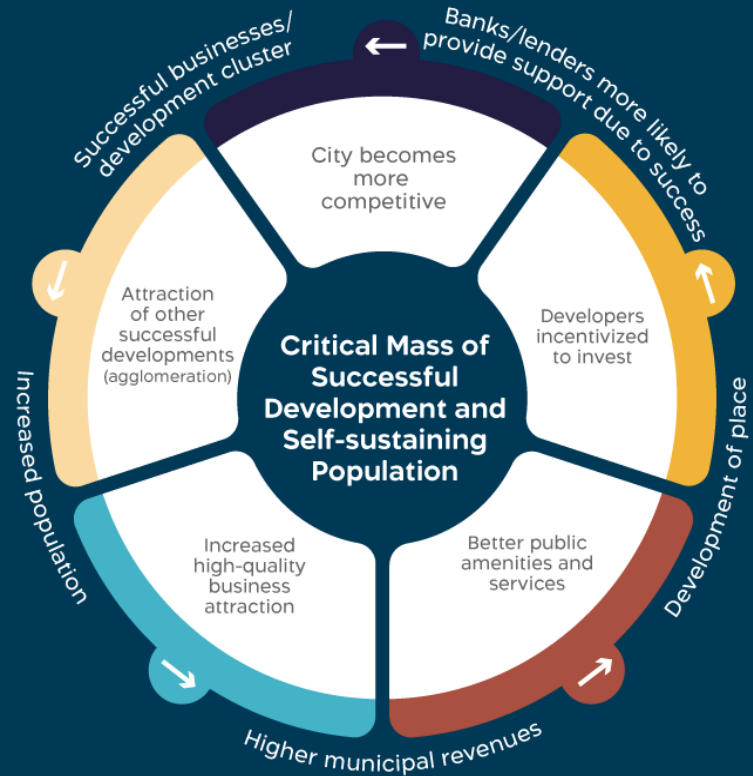


## Takeaway #2:

7.9 million square feet of  
Downtown vacant office  
space should be converted  
and can be converted.

## PLAY

- 200 retail spaces in Downtown
- Spaces over 10,000 sq ft have a much higher vacancy rate than spaces under 10,000 sq ft.
- Having almost 20,000 in population would be over the 10,000-population threshold that many national retailers require when making site location decisions
- Higher population benefits retail recruitment efforts and therefore can decrease the amount of currently vacant retail sq footage.
- But additional retail sq footage is not needed in the market, unless part of a new ground-up development.



## Takeaway #3:

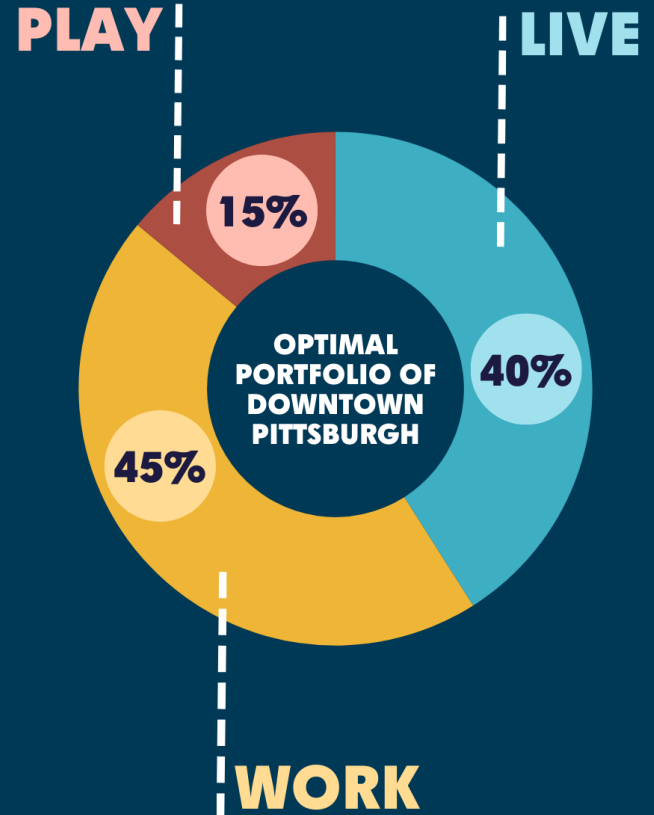
Higher Downtown residential population will bring higher retail occupancy.

## Downtown Pittsburgh's Optimal Portfolio:

**45% is Work**, including academic (24.8m to 16.9m sq ft)

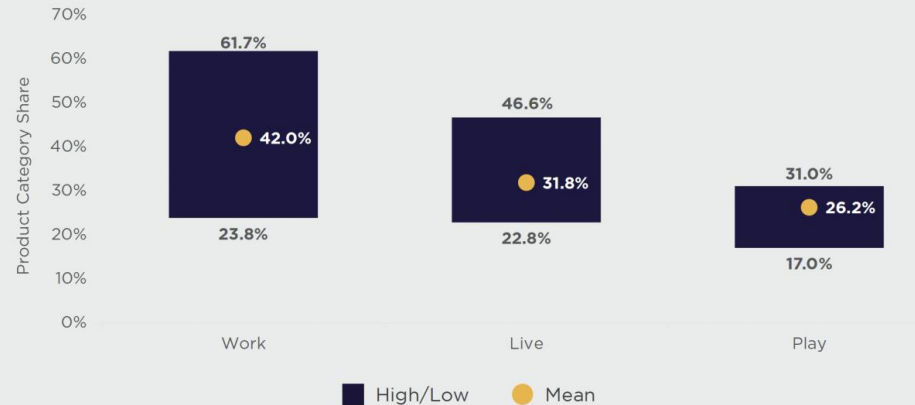
**40% is Live** (6.9m to 14.8m sq ft)

**15% is Play** (5.5m sq ft)



### OPTIMAL PRODUCT PORTFOLIO

Mean optimal share and 90% conditional margin of error estimates



## Major Takeaway:

Higher Downtown residential population will increase both retail and office occupancy, stabilizing Downtown real estate values / tax revenues.

# STATE OF DOWNTOWN: ACTION



**Gulf Tower – \$10 million in state investment allocated over multiple years to this project**  
Gulf Tower is being developed by Left Lane/Rugby Realty and will create **225 total units**, including **24** affordable units.

**933 Penn Avenue – \$2.5 million in state investment and \$1.6 million in local funds**  
This project is being developed by Rugby Realty/Hullett and will create **70 total units**, including **7** affordable units.

**City Club Apartments – \$5.5 million in state investment and \$3.5 million in local investment**  
City Club Apartments are being developed by Holtzman/City Club and will create **294 total units**, with **33** affordable units.

**The Porter – \$3 million in state investment and \$1 million in local funds**  
601 Grant is being developed by Oxford and RDC Design and Build and will create **165 total units**, including **32** affordable units.

**Smithfield Lofts – \$1 million in state funds, \$5.8 in local funds, \$15.3 in LIHTC funds, and \$2.6 in PHFA funds**  
This project is being developed by Woda Cooper and will create **46 total units**, including **39** affordable units

**First & Market – \$8.6 million local funds and \$17.7 million LIHTC ; no additional state funding required.**  
First & Market is being developed by Beacon Communities and there will be **93 total units**, all of which are affordable units.

**May Building – \$1.5 million in local funds, \$15.3 LIHTC, and \$9.3 million in PHFA loans; no additional state funding required**  
The May Building is a Beacon Communities project and there will be **86 total units**, including **54** affordable units.

- Seven development projects
- 893 residential units
- Conversion of 987,000 SF of office space

## #1: Office Retention

Do you have office tenants with expiring leases in Downtown who you want to keep Downtown? Would it be helpful for us to engage with them to offer specific interventions or guidance, that would encourage them to stay?

**If “Yes”, we want to hear from you!**

## #2: Growing the Residential Population

Are you interested in advancing an office-to-residential conversion project? Do you need help with market data, exploring public financial assistance, or other support?

**If “Yes”, we want to hear from you!**

## #3: Vibrant Ground-Floor Retail Experiences

Do you have vacant retail space? Interested in short-term activation and/or long-term tenant incentives?

**If “Yes”, we want to hear from you!**



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**SAVE THE DATE**

# Annual Meeting 2025

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WEDNESDAY, FEBRUARY 26

PITTSBURGH PLAYHOUSE  
AT POINT PARK UNIVERSITY

350 FORBES AVENUE  
DOWNTOWN PITTSBURGH

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PROGRAM STARTS AT 4:30 PM  
RECEPTION TO FOLLOW

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Q1 2025

Thank you! Questions?



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