

*STRATEGY  
IN ACTION*

STATE OF DOWNTOWN PITTSBURGH | Q3

# **DOWNTOWN'S OFFICE MARKET**

## **Trends, Tenants, and Trajectory**

August 5, 2025



PITTSBURGH DOWNTOWN PARTNERSHIP



# STRATEGIC PLAN

## 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.



# STRATEGIC PLAN

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.

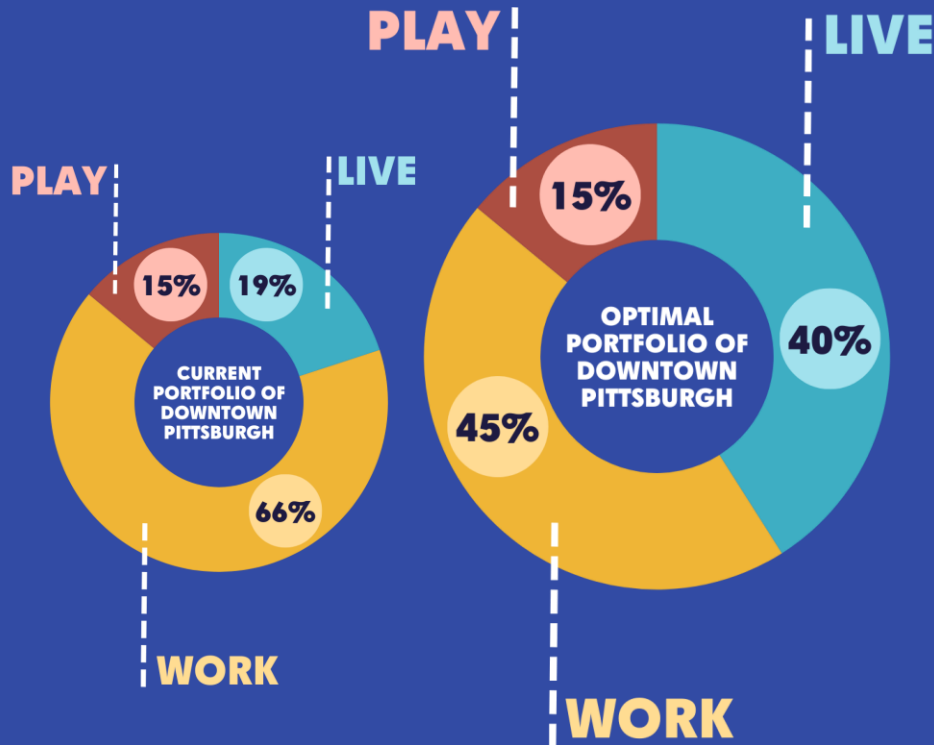
**Stakeholder Collaboration & Collective Action:** Lead collective action and advocacy efforts for policies and programs that incentivize new development, enhance Downtown safety and vibrancy, and drive Downtown revitalization through collaborative efforts and data-driven strategies.



# RECAP

## 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.







# RECAP

## PDP Strategic Plan

Released January 2025

## Transformation

Success Measures:

- Increase residential population to 15,000
- Increase retail occupancy by 10%

### STRATEGY IN ACTION

## TRANSFORMATION TIER

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

### 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.

#### GOALS

1. Promote office-to-residential conversions.
2. Build tenant engagement campaign to encourage lease renewals.
3. Recruit non-traditional users to existing office space.
4. Implement retail strategy, activating vacant storefronts with diverse offerings.

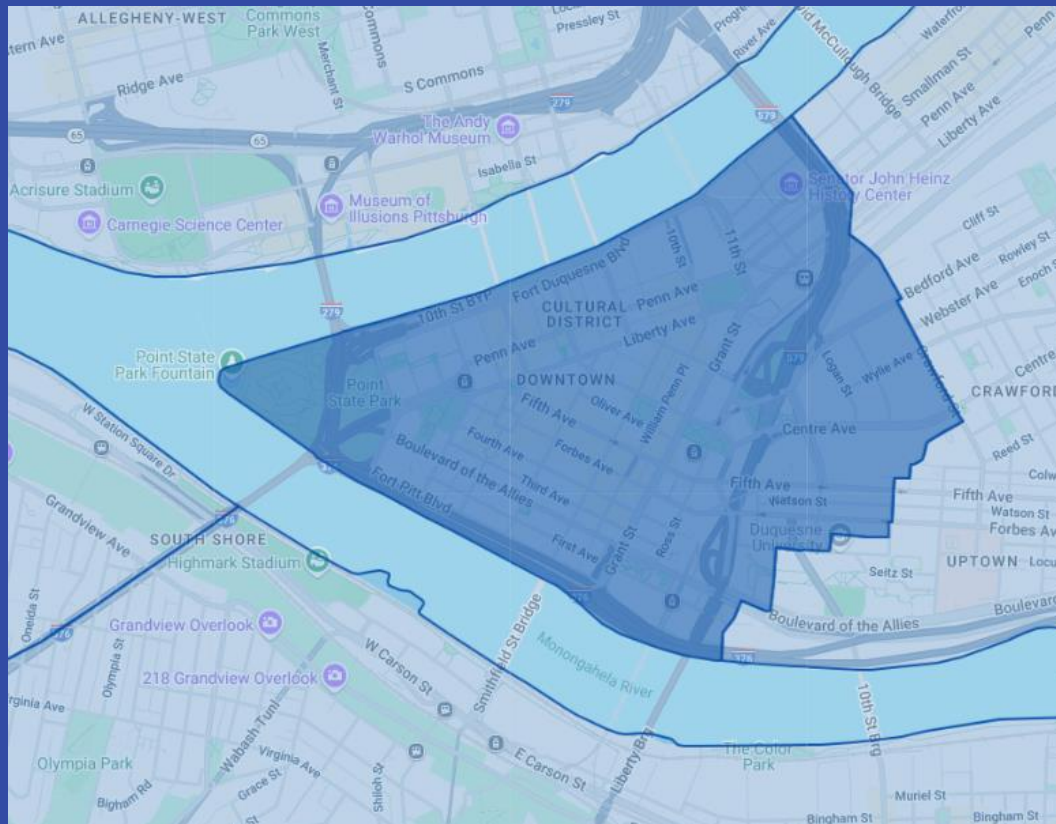
#### SUCCESS MEASURES

Programs and advocacy efforts will support the realignment of Downtown real estate by doubling residential square footage to increase the population to 15,000 and increasing retail occupancy by 10% within the next decade.





## OFFICE



Inventory SF: 34M

12 Mo Deliveries in SF: 489K\*

12 Mo Net Absorption in SF: (511K)

Vacancy Rate: 18.8%

Availability Rate: 17.8%

Market Asking Rent/SF: \$28.26

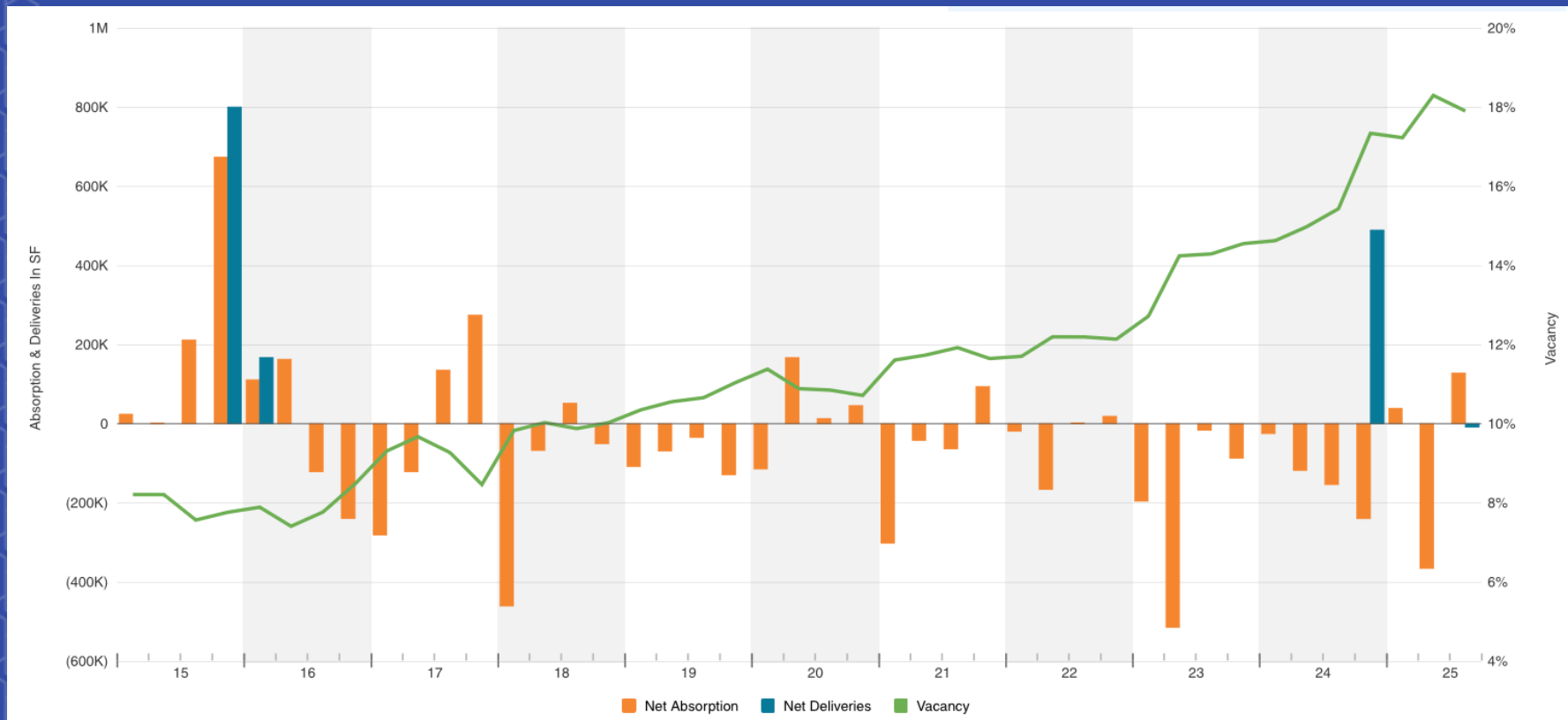
Market Asking Rent Growth: 2.7%

*\*FNB Tower delivered in 2024*

*Source: CoStar, CBD Office Properties 10K SF+*



## ANALYSIS



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# ANALYSIS





# ANALYSIS



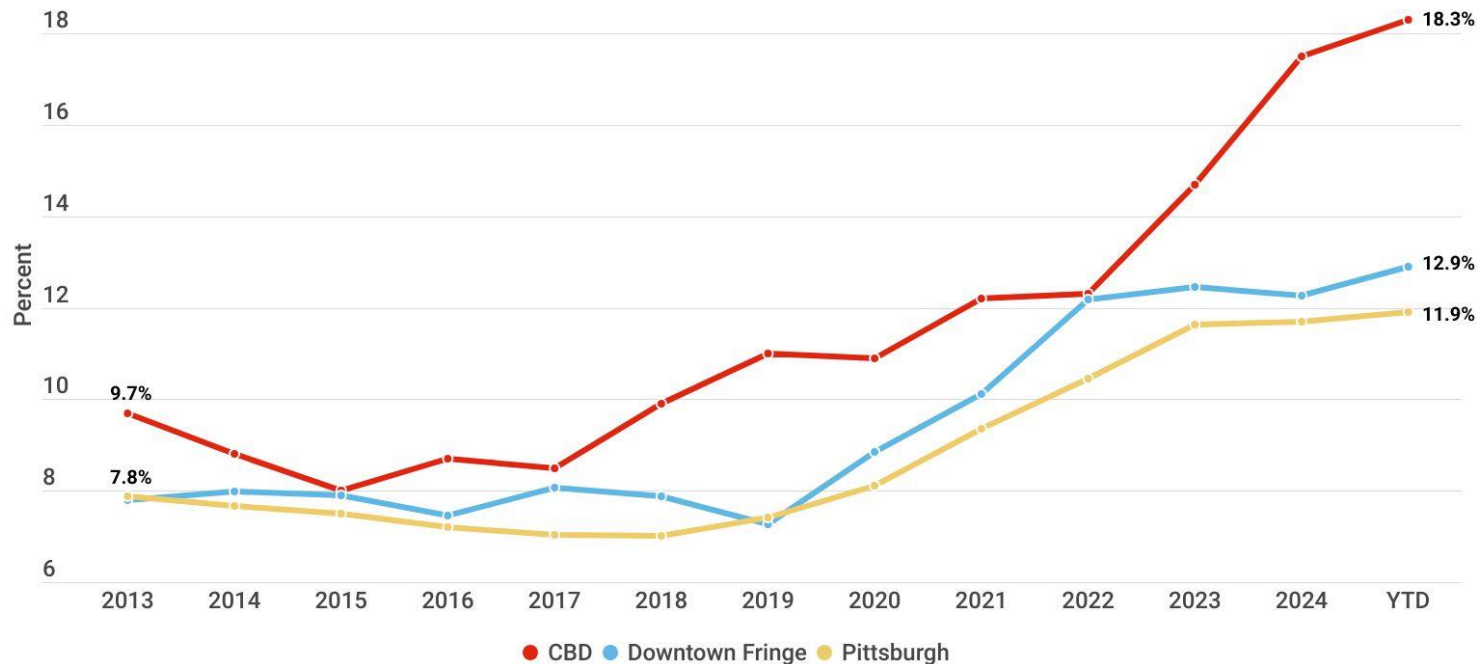
## ***Key Takeaway #1:***

The downtown office market  
is trending as predicted.



# ANALYSIS

## Vacancy Rates 2013-2025

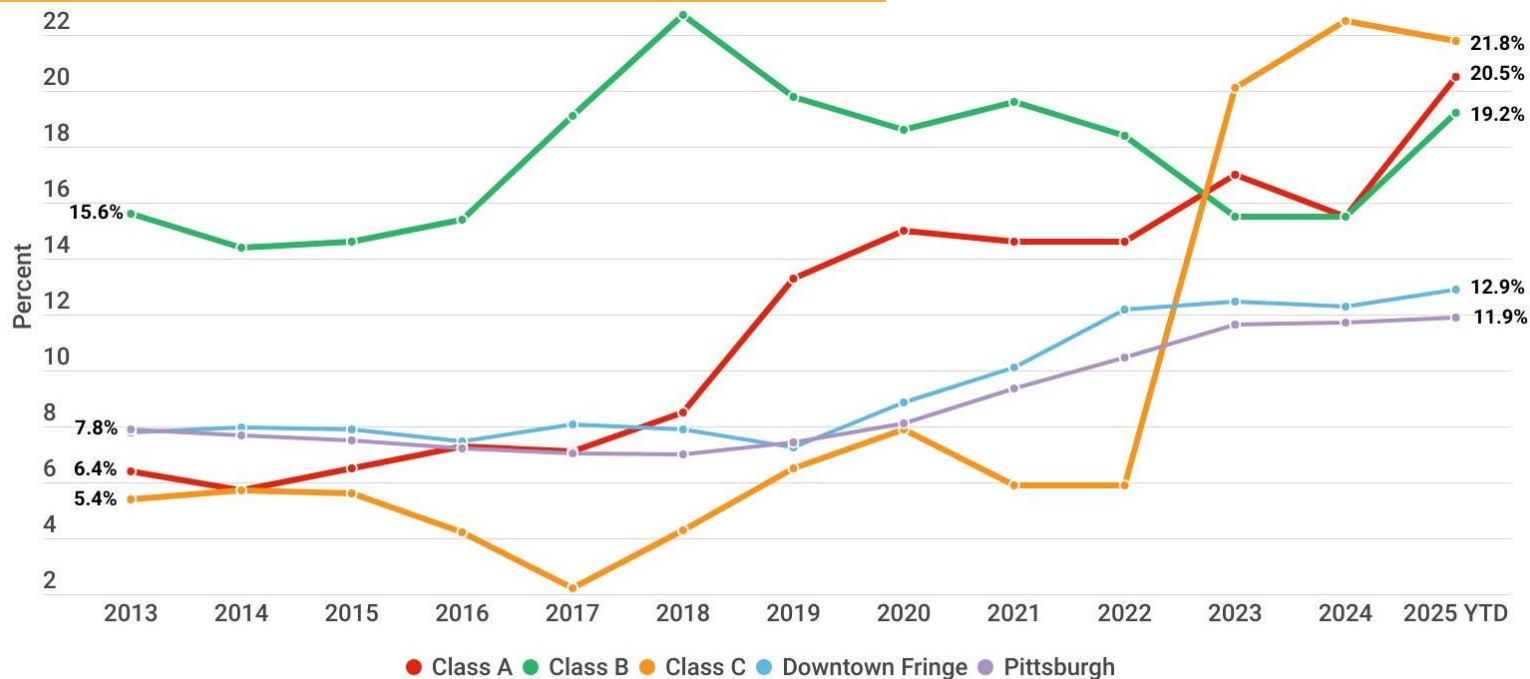


Source: CoStar. Includes office properties that are 10,000 SF or larger.



# ANALYSIS

## CBD Vacancy Rates by Class 2013-2025



Source: CBRE; Class A, B; CoStar Class C, Greater Downtown, Pittsburgh. 10,000SF and higher



# ANALYSIS

## CBD Net Absorption by Class 2013-2025

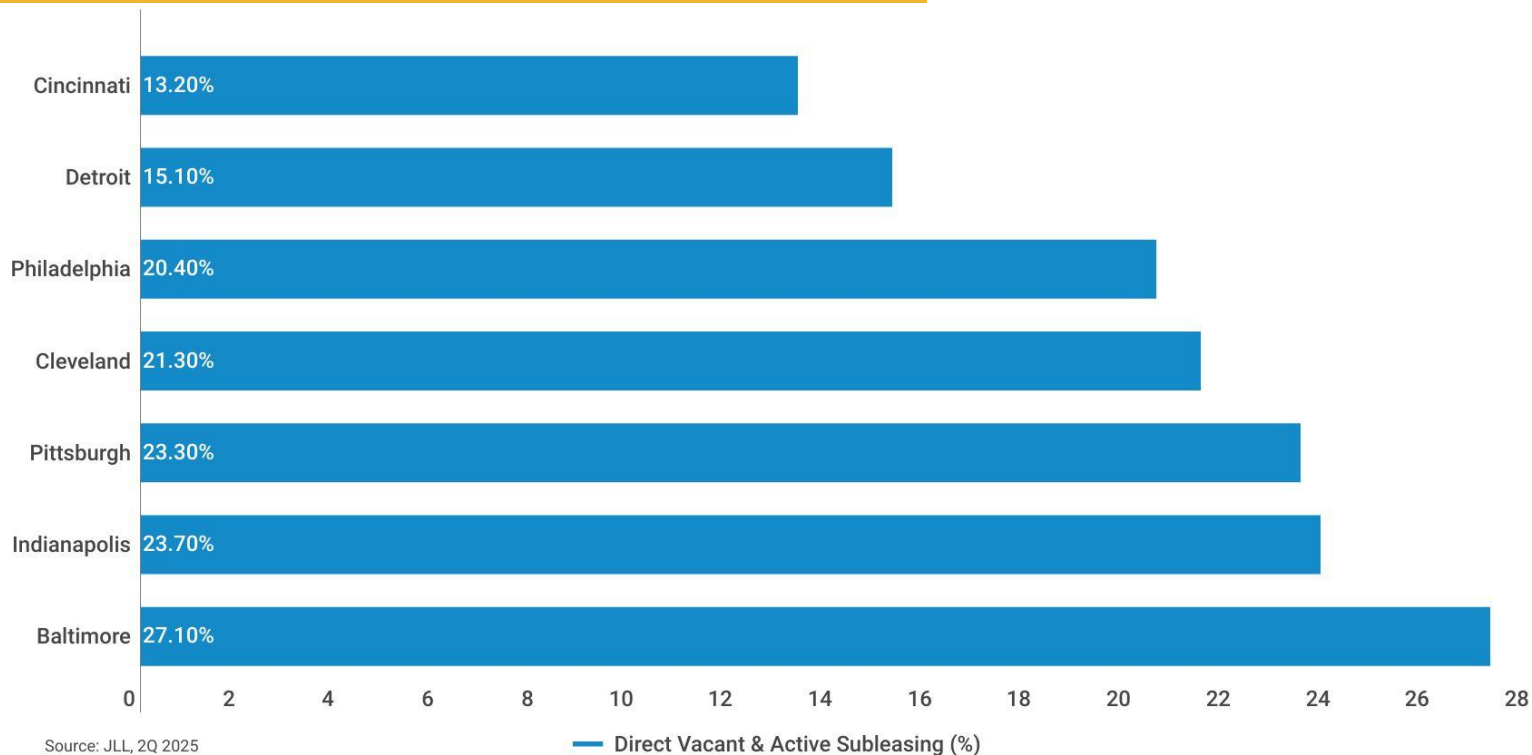


Source: CoStar. Includes Class A, B, and C office properties that are 10,000 SF or larger. Note: FNB is excluded from Class A.



# ANALYSIS

## Peer City CBD Comparisons





# ANALYSIS



## ***Key Takeaway #2:***

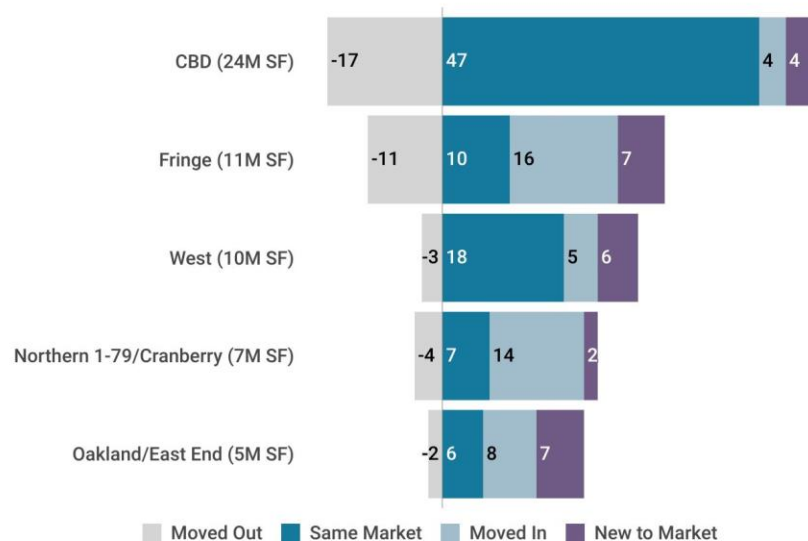
Office property reinvestment or use change are essential to stabilization.



# ANALYSIS

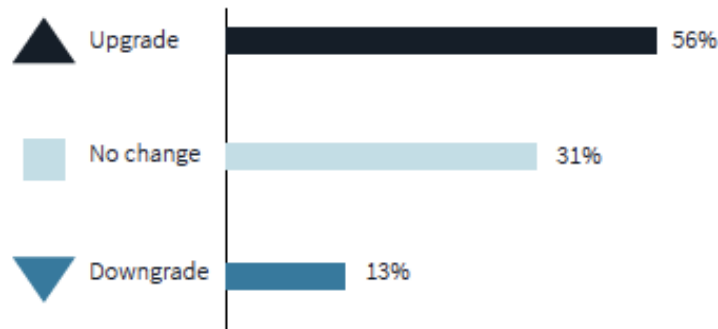
## Tenant Movements in 2023 & 2024

### Leasing Activity



These figures highlight net tenant movement within submarkets, offering a snapshot of how areas are gaining, losing, and maintaining tenants.

### What Portion of Tenants Are Upgrading Building Class?



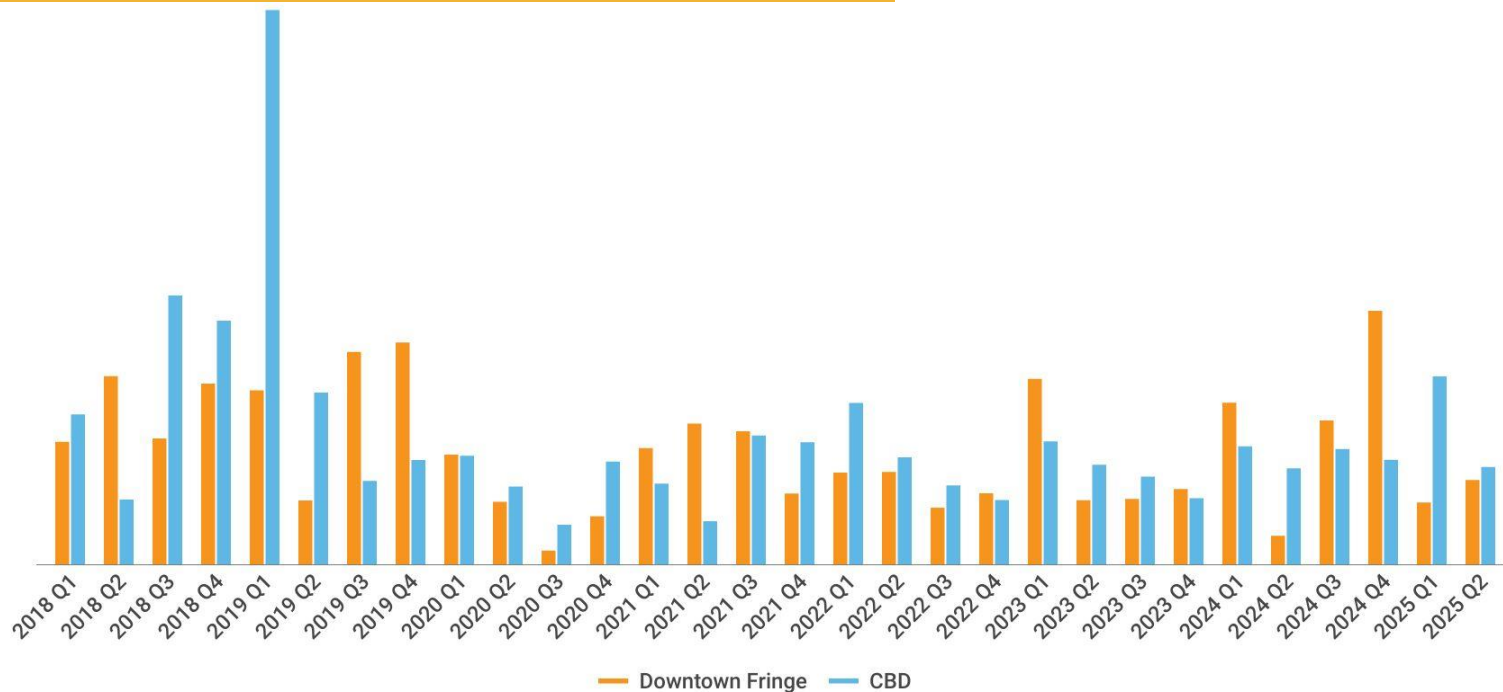
Source: JLL

From 2023 to Q1 2024, 56% of tenants upgraded their building class, reflecting a 6% increase in comparison to the four-year average. For leases signed in the period, the most common tenant movement was going from Class B to Class A buildings, accounting for 40% of the leases.



# ANALYSIS

## Downtown Leasing Activity

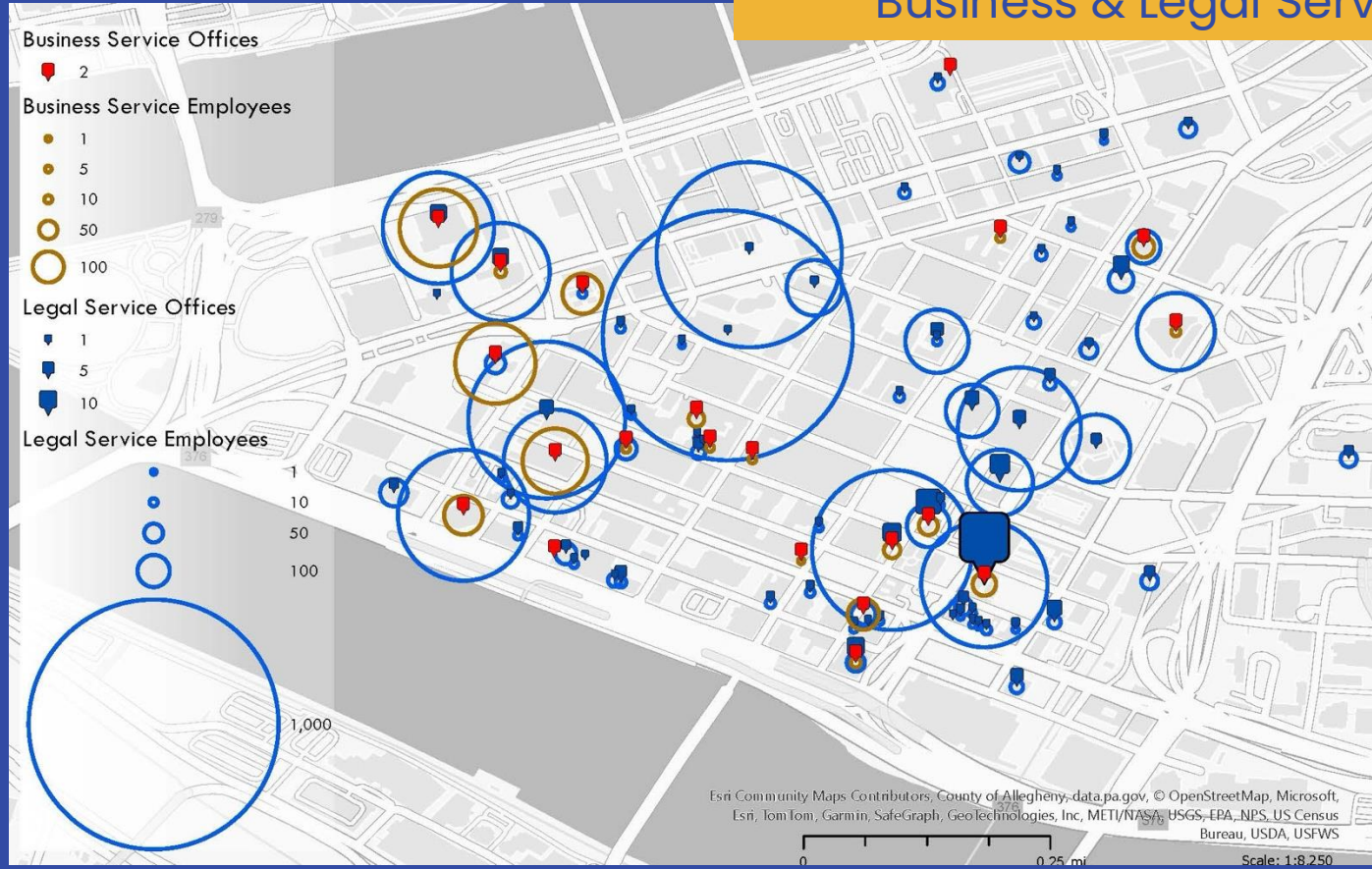


Source: CoStar, 2Q 2025



# TENANTS

## Business & Legal Services





# TENANTS



US Steel Tower,  
600 Grant St.

New Location



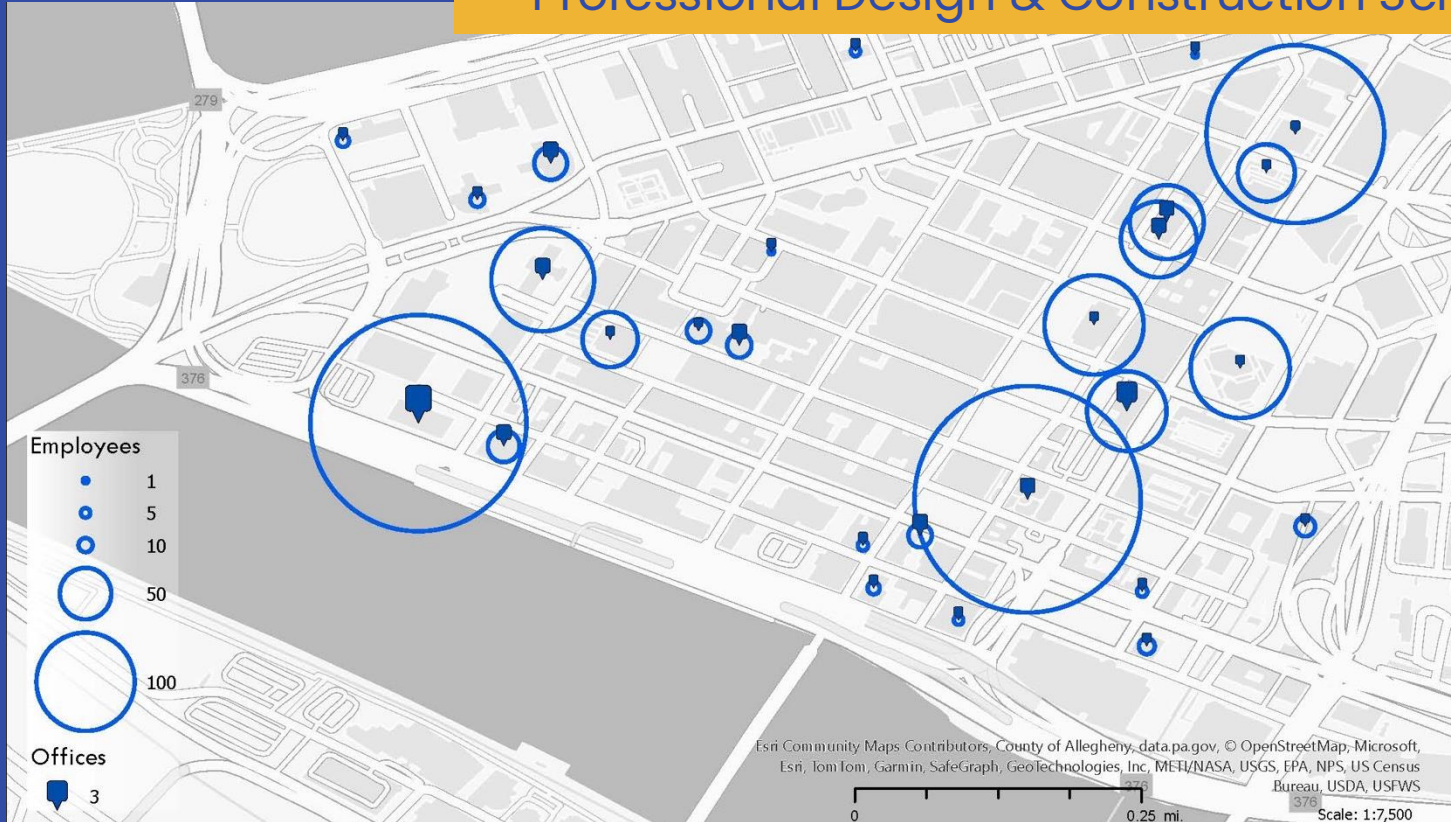
MEYER  
UNKOVIC  
SCOTT  
ATTORNEYS AT LAW





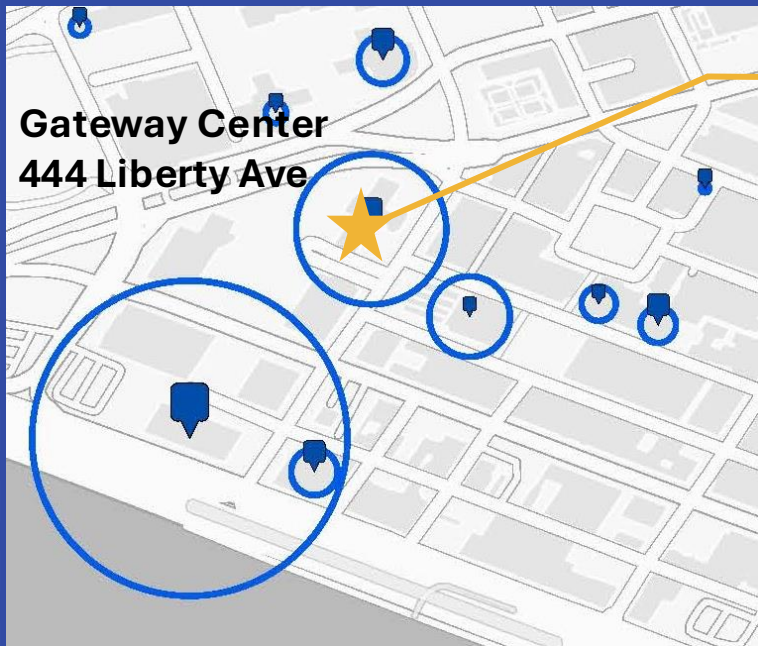
# TENANTS

## Professional Design & Construction Services





# TENANTS



LGA PARTNERS



# TENANTS





# TENANTS



# TENANTS





# TENANTS



# ANALYSIS



## ***Key Takeaway #3***

Sector, scale, and amenities drive leasing.

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# NEXT STEPS



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## **ACTION**

**Do your commercial tenants or companies have an upcoming lease expiration and are discussing whether to stay Downtown?**

**We are here to meet with them and help address any hesitations they have.**



## **ACTION**

**Are you a broker recruiting non-traditional users to office space?**

**We are here to support those efforts.**





## **ACTION**

**Are you a property owner interested in  
advancing an office-to-residential  
conversion project?**

**We are here to support you.**



# ACTION

## 3-Year CBD Residential Conversion Pipeline

Project	Status	Est Units
Sauer Building	Under Construction	12
635 Smithfield	Planning	42
938 Penn Ave	Under Construction	25
Smithfield Lofts (Brightside Academy Conversion)	Planning	46
Pittsburgh Allegheny County Thermal Building	Planning	94
First & Market	Under Construction	93
Former Pittsburgh Technical Institute	Planning	40
901 - 903 Liberty Ave	Planning	50
800 Penn Ave	Planning	44
209 Ninth Street	Planning	42
Gulf Tower	Under Construction	225
933 Penn Ave	Planning	70
The Porter	Conceptual	165
200 Ross St	Planning	68
100 Ross St	Planning	46

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## THANK YOU

### Questions?

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