STATE OF DOWNTOWN PITTSBURGH

Q3 | DOWNTOWN OFFICE

August 2026

PITTSBURGH
DOWNTOWN
PARTNERSHIP

PITTSBURGH DOWNTOWN PARTNERSHIP

A REVIEW OF THE Q3 2025 REPORT

Our 2025 Office Market Report identified four major trends shaping Downtown's office market.

01 **Leases renew at 60–70% of prior footprint**

Tenants would recommit, but at a smaller scale.

02 **30–40% of office space could become vacant within a decade**

As leases expire and renew.

03 **Future vacancy concentrates in Class B & C**

Flight-to-quality leaves older buildings behind.

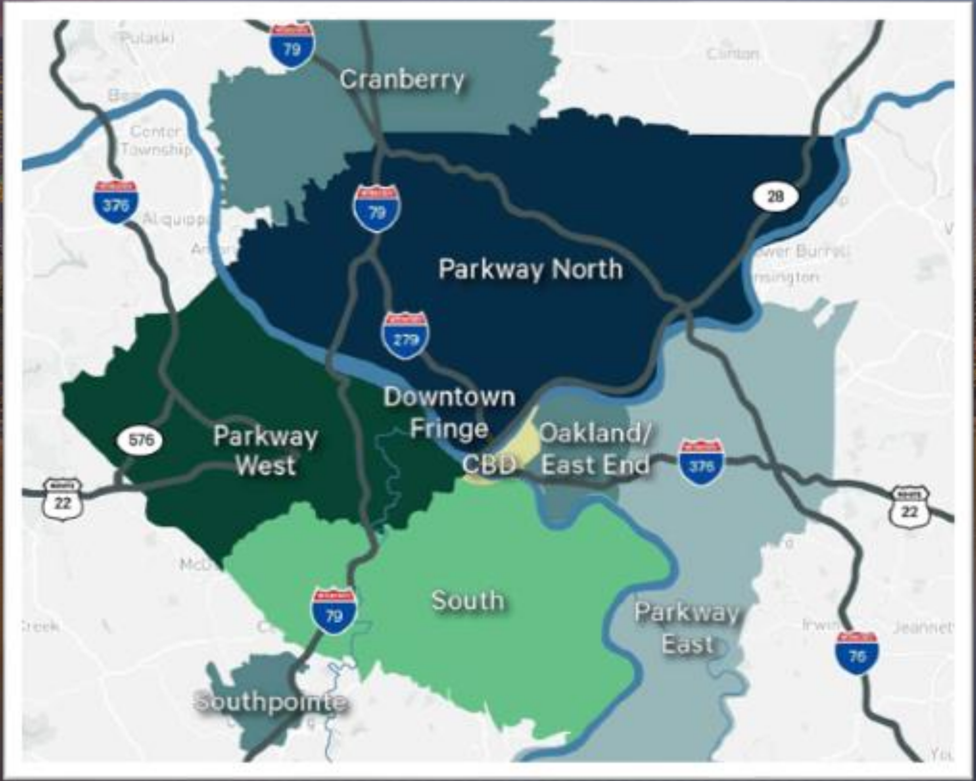
04 **8.2M SF should convert to non-office use**

35% of Downtown's office square footage.

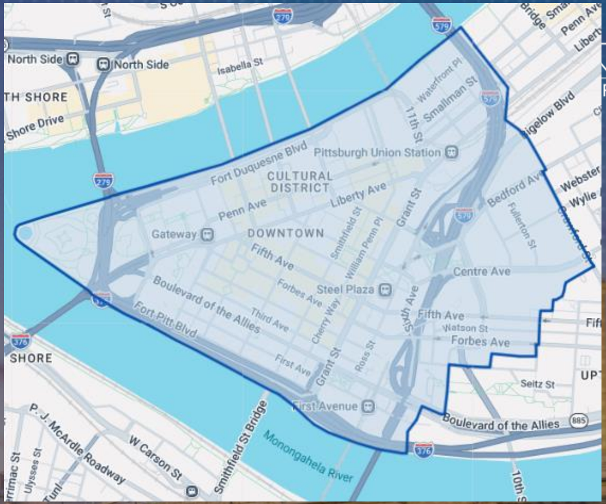
Source: PDP Strategic Plan, January 2025 (Places Platform, LLC; Cushman & Wakefield Research).

STATE OF DOWNTOWN PITTSBURGH | Q3

MARKET AREA OVERVIEW



CBD



Greater Downtown

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THE CBD TODAY

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CBRE Office Snapshot, Pittsburgh Central Business District, Q2 2026.

19.0%

DIRECT VACANCY

Peaked at 19.5% in Q3 2025

+21,899

SF NET ABSORPTION, 2026 YTD

2025 full year: –215,324

$28.99

AVERAGE ASKING RENT

Holding near $29 since early 2025

0

SF UNDER CONSTRUCTION

And none planned

23.6M

SF OF INVENTORY

Down 430,312 SF since Q1 2025

1.0%

SUBLEASE RATE

Lowest in the urban core

Source: CBRE Office Snapshot, Pittsburgh CBD, Q2 2026. Vacancy figures are direct. Inventory: 143 buildings, 23,633,946 SF.

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A NOTE ON THE DATA

In Q2 2025, CBRE updated the CBD's building classifications.

CBD OFFICE STOCK	Q1 2025	Q2 2025	CHANGE
Class A — buildings	21	16	**−5**
Class A — square feet	12,664,846	11,794,424	−870,422
Class B — buildings	93	37	**−56**
Class B — square feet	10,610,124	7,520,446	−3,089,678
Class C — buildings	33	90	**+57**
Class C — square feet	789,288	4,431,379	+3,642,091

56

BUILDINGS RECLASSIFIED

≈ 3.1M SF
Class B → Class C

CLASSIFICATIONS WERE REEVALUATED

As flight to quality accelerated, CBRE reassessed whether older buildings still meet today's Class A and Class B standards. The Fringe classifications did not change.

Note: Class level comparisons before and after Q2 2025 should be interpreted with caution because CBRE updated its CBD building classifications.

Source: CBRE Office Snapshot, Pittsburgh CBD, Q1 2025 and Q2 2025.

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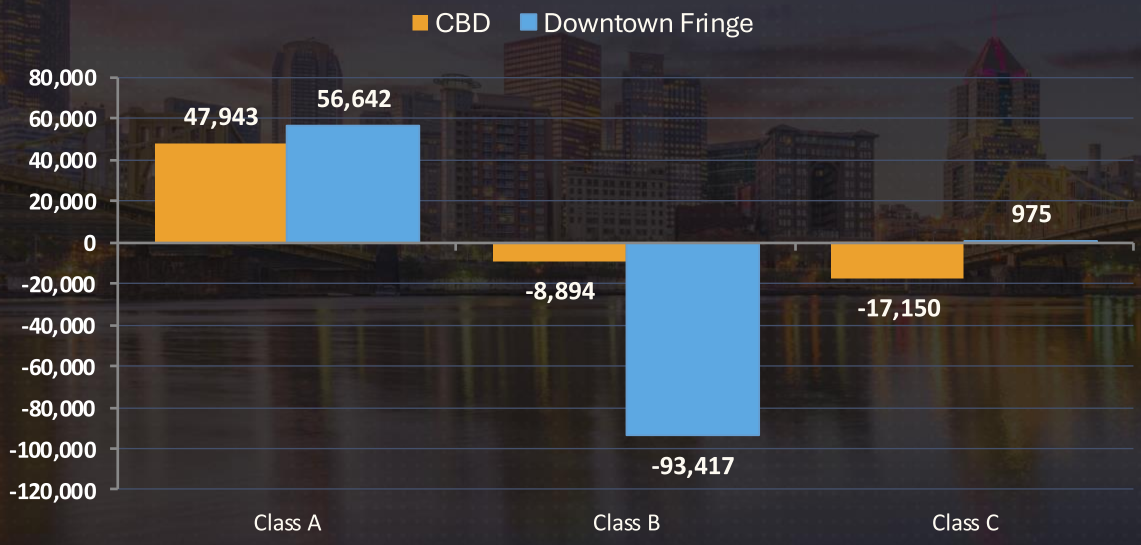
THE FLIGHT TO QUALITY IS REAL

Where Tenants Are Moving (Class Absorption)



+104,585

SF ABSORBED – CLASS A CBD + Downtown Fringe, 2026 YTD

–102,311

SF GIVEN BACK – CLASS B Greater Downtown, 2026 YTD

2026 year-to-date net absorption, SF. Source: CBRE.

Source: CBRE Office Snapshot, Pittsburgh CBD and Downtown Fringe, Q2 2026 (YTD net absorption by class).

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CLASS A STILL COMMANDS A PREMIUM

Despite elevated vacancy, Class A pricing remains resilient.

	CLASS A	CLASS B	CLASS C
CBD — asking rent	$32.20	$27.39	$21.31
CBD — direct vacancy	20.1%	19.1%	15.9%
Fringe — asking rent	$35.10	$26.23	$16.82
Fringe — direct vacancy	14.8%	20.2%	2.7%

WHAT THE DATA SUGGESTS

- Tenants continue to prioritize quality space, even as they lease fewer square feet.
- Competition is occurring through space optimization and amenities, not widespread rent discounting.
- The strongest Class A buildings are still competing on quality rather than price.

WHY CBD CLASS A HAVE HELD UP

- Vacancy is concentrated in a handful of large availabilities rather than spread across the market.
- Many tenants are reducing their footprint while remaining in Class A buildings, limiting downward pressure on pricing.
- Pittsburgh has a limited supply of true trophy office space, supporting rents for the highest-quality buildings.

Source: CBRE Office Snapshot, Pittsburgh CBD and Downtown Fringe, Q2 2026.

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TAKING STOCK

One year later, the market is largely following the path we anticipated.

01 **Leases renew at 60–70% of prior footprint**

Many tenants are reducing their footprints, while some major anchors continue to renew at or near full size. K&L Gates renewed at 75%. Buchanan renewed at 100%.

SUPPORTED

02 **30–40% vacant within a decade**

Availability exceeds vacancy by 3.3 percentage points, indicating additional space is already being marketed.

EMERGING

03 **Vacancy concentrates in Class B & C**

Class A absorbed +104,585 SF in 2026 while Class B gave back −102,311 SF.

CONFIRMED

04 **8.2M SF should convert**

647,024 SF has already left the office inventory, an early down payment toward the goal of 8.2 million SF conversion target.

UNDERWAY

Sources: PDP Strategic Plan, January 2025; CBRE Office Snapshot, Pittsburgh CBD and Downtown Fringe, Q1 2025 – Q2 2026.

KEY TAKEAWAY #1:

The market is rewarding quality and reinvestment.

Demand is concentrating in quality space while obsolete office inventory is increasingly struggling.

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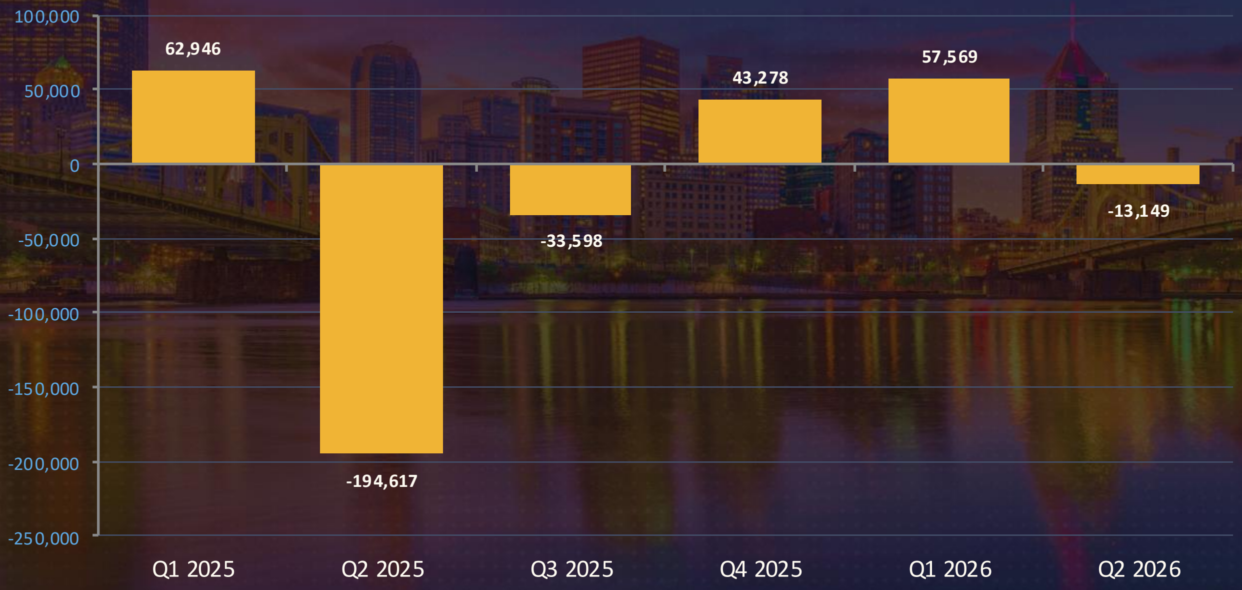
Signs of Stabilization

CBD quarterly net absorption – Downtown is moving against the regional tide.



-215,324

SF — FULL YEAR 2025
Downtown's worst year of the recovery.

2026 YTD — CBD vs. METRO

▲ +21,899

SF · DOWNTOWN

▼ -264,000

SF · THE METRO

Square feet. CBRE restates prior quarters; annual totals use CBRE's reported year-to-date figures.

Source: CBRE Office Snapshot, Pittsburgh CBD, Q1 2025 – Q2 2026; CBRE Pittsburgh Office Figures, Q2 2026.

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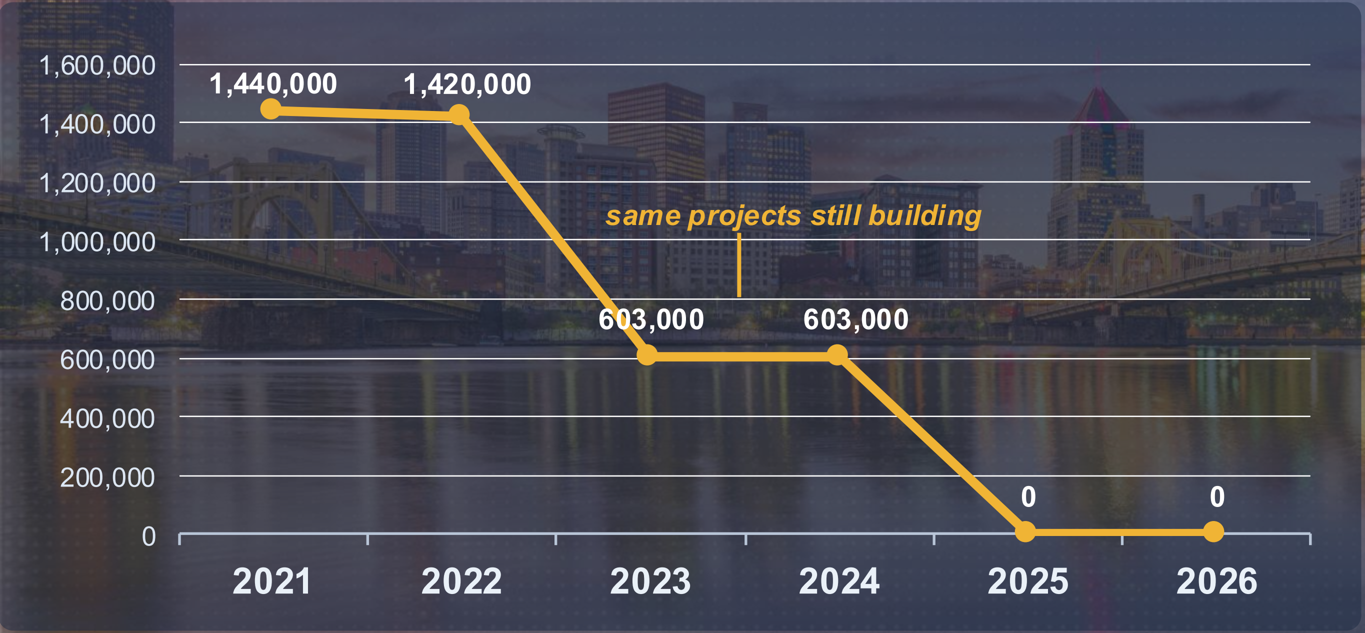
NO NEW OFFICE SUPPLY

The metro Pittsburgh area has no office space under construction or in the development pipeline.



0

0 SF UNDER CONSTRUCTION
0 SF IN THE PIPELINE
0 SF DELIVERED SINCE 2024

FNB Financial Center was the region's last major office delivery. No additional projects are currently planned.

Metro Pittsburgh office SF in the construction pipeline (running balance, year-end). Source: CBRE.

Source: CBRE Pittsburgh Office Figures, 2021– Q2 2026 (metro-wide construction pipeline).

SUBLEASE SPACE REMAINS LOW

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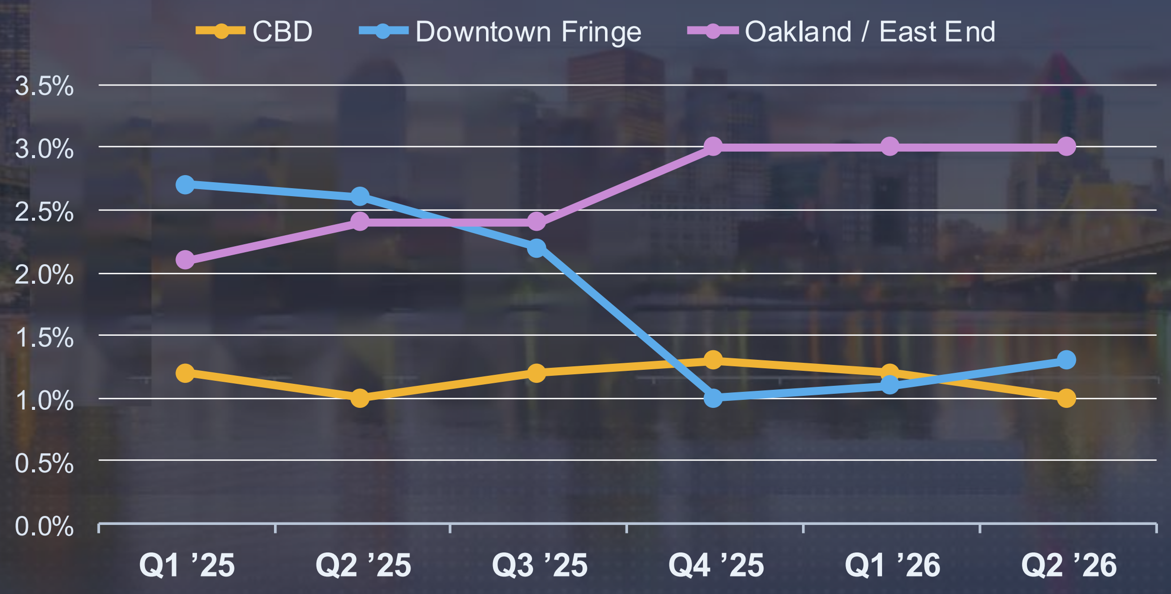
The CBD held near 1% all year Downtown Fringe and Oakland/East End swung between 1% and 3%.



Sublease availability rate by submarket, Q1 2025 – Q2 2026. Source: CBRE.

1.0%

CBD SUBLEASE RATE — STEADY

Held near 1% for the past year: the lowest and most stable sublease rate in the urban core.

REGIONAL COMPARISON

Oakland/East End climbed to **3.0%**, and Downtown Fringe ranged from **2.7%** to **1.3%**. The CBD held relatively steady near **1%**.

Source: CBRE Pittsburgh Office Figures and Office Snapshots, Q1 2025 – Q2 2026 (submarket sublease availability).

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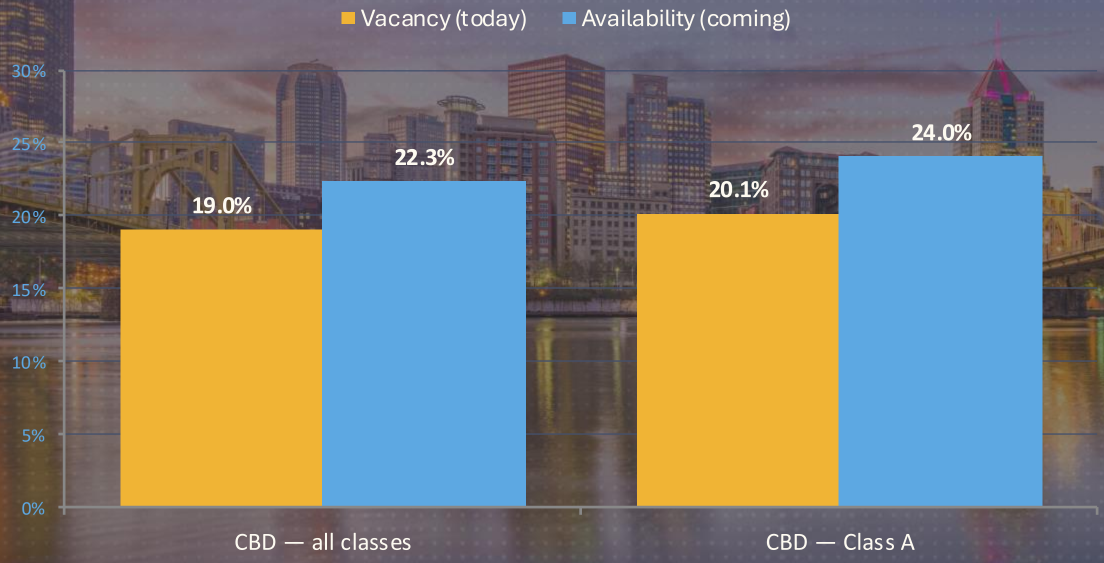
THE NEXT CHALLENGE: VACANCY VS. AVAILABILITY

Availability is what will become vacant. Vacancy is what already is. The gap is what's coming next.



3.3%

OF FUTURE VACANCY, ALREADY VISIBLE

3.9%

IN CLASS A — THE WIDEST GAP

Source: CBRE Office Snapshot, Pittsburgh CBD, Q2 2026. Direct vacancy 19.0%, direct availability 22.3%. Class A: 20.1% and 24.0%.

KEY TAKEAWAY #2:

A smaller office market is a stronger office market.

With no new office supply entering the market, long-term stabilization will depend on reinvesting in competitive buildings and converting obsolete office space to new uses.

For Discussion Purposes Only

Downtown Transit Revitalization Investment District (TRID)

August 11, 2026

Urban Redevelopment Authority
of Pittsburgh

Agenda

01 WHY DOWNTOWN MATTERS

02 DOWNTOWN TRID OVERVIEW

03 EXPECTED OUTCOMES

04 NEXT STEPS

WHY DOWNTOWN MATTERS

Why Downtown Matters

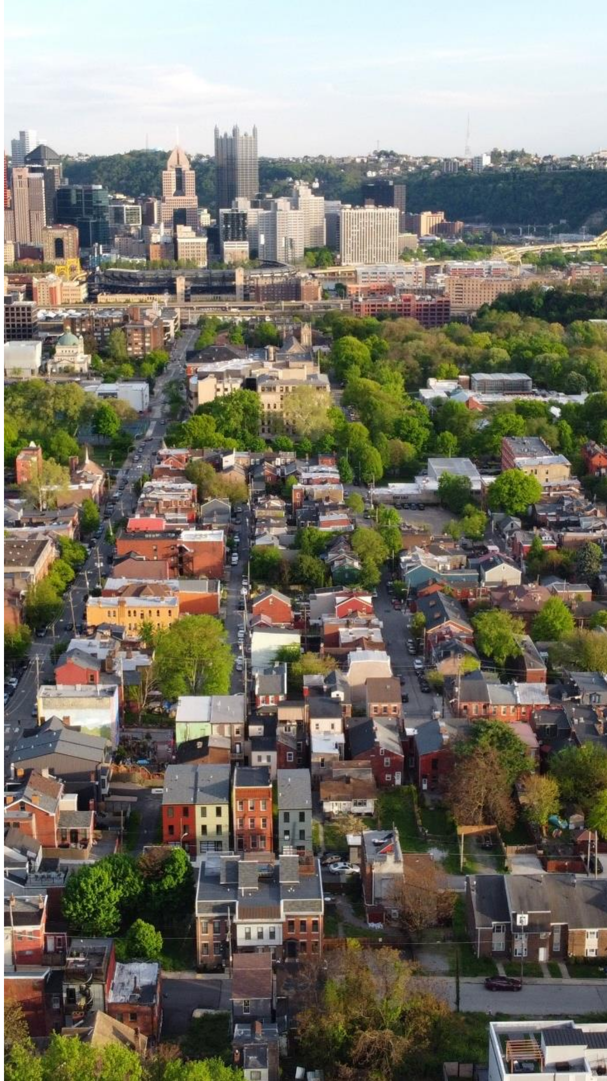
- Downtown represents approximately **25% of the City's total taxbase**.

- From 2019- 2024 the 24 largest Downtown Office towers **lost over ½ billion in assessed value** – Pittsburgh Business Times, March 2024

- JLL analysis for TRID study, since 2024, Downtown real estate assessments of the 28 largest office towers have declined by $813 million which represents a 42% decline and **reduces annual real estate tax revenues** by:

$7.9 million for the City of Pittsburgh

$23.3 million across the three taxing bodies



DOWNTOWN TRID OVERVIEW

Urban Redevelopment Authority
of Pittsburgh

Why a TRID?

- The **Pittsburgh region's long-term economic and social health depends on Downtown**.
- Collectively, we **require a flexible, dedicated funding source** to support Downtown's continued revitalization and growth.
- The **proposed TRID serves as a sustainable funding mechanism** to achieve this shared goal among regional partners and will enable the URA to advance inclusive growth.
- The Golden Triangle Reinvestment Fund, funded by a TRID-backed bond, will eliminate blight, create jobs, invest in shared infrastructure and housing, and generate taxes. Its **success will emanate beyond Downtown – boosting economic opportunities and quality of life** for Pittsburghers and regional residents.
- The Golden Triangle Reinvestment Fund will be repaid by future incremental real estate taxes, derived from TRID.

Golden Triangle Reinvestment Fund - Downtown TRID Value Capture

Legend

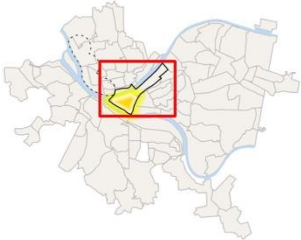
Proposed Value Capture Boundary

Golden Triangle Reinvestment Fund Area

Manchester-Chateau TRID

Existing TIFs

Map Key



Urban Redevelopment Authority of Pittsburgh

0 1,000 2,000 Feet

Map Prepared on: July 21, 2026
Map Prepared by: Oscar Medina, GIS & Real Estate Analyst II

Urban Redevelopment Authority of Pittsburgh
412 Boulevard of the Allies
Suite 901
Pittsburgh, PA 15219

EXPECTED OUTCOMES

Expected Outcomes

Strengthen Downtown's Tax Base by

- Reducing excess office space and encouraging positive absorption and accretive valuation of office towers

- Increasing number of people living and working downtown by delivering new housing units and increasing market value of office towers

- Support small businesses with more people living, working, and visiting Downtown

- Long term investment in Downtown public and transit infrastructure

Reduce excess office space

- Converting 1.7M SF of office space into housing could deliver as many as 1,700 new residential units

Support Housing Growth and Affordability

- Potential delivery of approximately 1,700 new residential units in Downtown
- Increase Downtown's affordable housing share from 18% to 21%

Generate Economic Activity

- Estimated creation of 5,100 construction jobs
- Estimated $124M in combined federal, state, and local taxes

Generate New Tax Revenue

- For every 500 new residents Downtown, could generate approximately $600,000 annually in new EIT
- For every 20% increase in increase in assessed value could generate $6.5 million annually in increase real estate taxes

LEGISLATIVE SCHEDULE
&
NEXT STEPS

Legislative Process

- Complete all required legislative and administrative approvals
- Structure and issue the initial $50 million Tranche #1 bond financing through the Urban Redevelopment Authority of Pittsburgh
- Deploy Tranche #1 proceeds to support housing, infrastructure, and economic development projects within the TRID boundary

Proposed Downtown TRID
and Related City Bond Legislative Schedule
(subject to change)

URA	
Authorization to Engage 3TB and Professional Services	January 15, 2026
Notice of Intent to Issue TRID Bonds	February 12, 2026
Authorization to adopt Downtown TRID Implementation Plan	April 9, 2026
Authorization to enter into a Cooperation Agreement	April 9, 2026
Authorization to issue Urban Redevelopment Authority of Pittsburgh Revenue Bonds, amount TBD	August 10, 2026
Authorization to enter into a cooperation agreement with the City of Pittsburgh [City guarantee]	August 10, 2026
Allegheny County	
Pre-Meeting	February 26, 2026
First Reading	June TBD, 2026
Economic Dev. Committee #1	July/August TBD, 2026
Economic Dev. Committee #2	July/August TBD, 2026
Second Reading	August TBD, 2026
Pittsburgh Public Schools	
Pre-Meeting	March 23, 2026
Budget and Finance Committee	June 8, 2026
Agenda Review	August TBD, 2026
Public Hearing	August TBD, 2026
Legislative Session	August TBD, 2026
City of Pittsburgh	
Pre-Meeting	April 27, 2026
Introduce Legislation	May 26, 2026
Committee Discussion #1	June 3, 2026
Public Hearing	June 25, 2026
Post Agenda	July 1, 2026
Final Vote	July TBD, 2026
Send Bond Issuance and Guarantee Legislation	September 1, 2026
Pittsburgh Regional Transit	
Board Committee Meeting	July/August TBD, 2026
Board Meeting	August TBD, 2026
Cooperation Agreement	
Circulated to 3TBs & PRT	August 2026
Signed by all	September 2026

DRAFT July 7, 2026

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DOWNTOWN IN CONTEXT

Metro Pittsburgh office submarkets, Q2 2026

SUBMARKET	INVENTORY	VACANCY	AVG RENT	SUBLEASE	YTD ABSORPTION
Central Business District	**23.63M SF**	**19.0%**	**$28.99**	**1.0%**	**+22,000**
Downtown Fringe	11.16M SF	18.3%	$28.71	1.3%	**(36,000)**
Parkway West	10.28M SF	22.4%	$23.89	1.5%	**(89,000)**
Parkway North	6.85M SF	12.0%	$21.85	0.9%	**+13,000**
Parkway East	5.19M SF	18.7%	$17.38	0.1%	**+5,000**
Oakland / East End	4.80M SF	16.8%	$41.08	3.0%	**(190,000)**
South	3.54M SF	6.5%	$20.82	0.2%	**+6,000**
Cranberry	3.39M SF	8.0%	$23.66	0.2%	**+5,000**
Southpointe	3.13M SF	20.5%	$22.06	0.3%	**+1,000**

Source: CBRE Pittsburgh Office Figures, Q2 2026. Vacancy is total (includes sublease). CBD YTD absorption per CBRE's metro report; the CBD snapshot reports +21,899.

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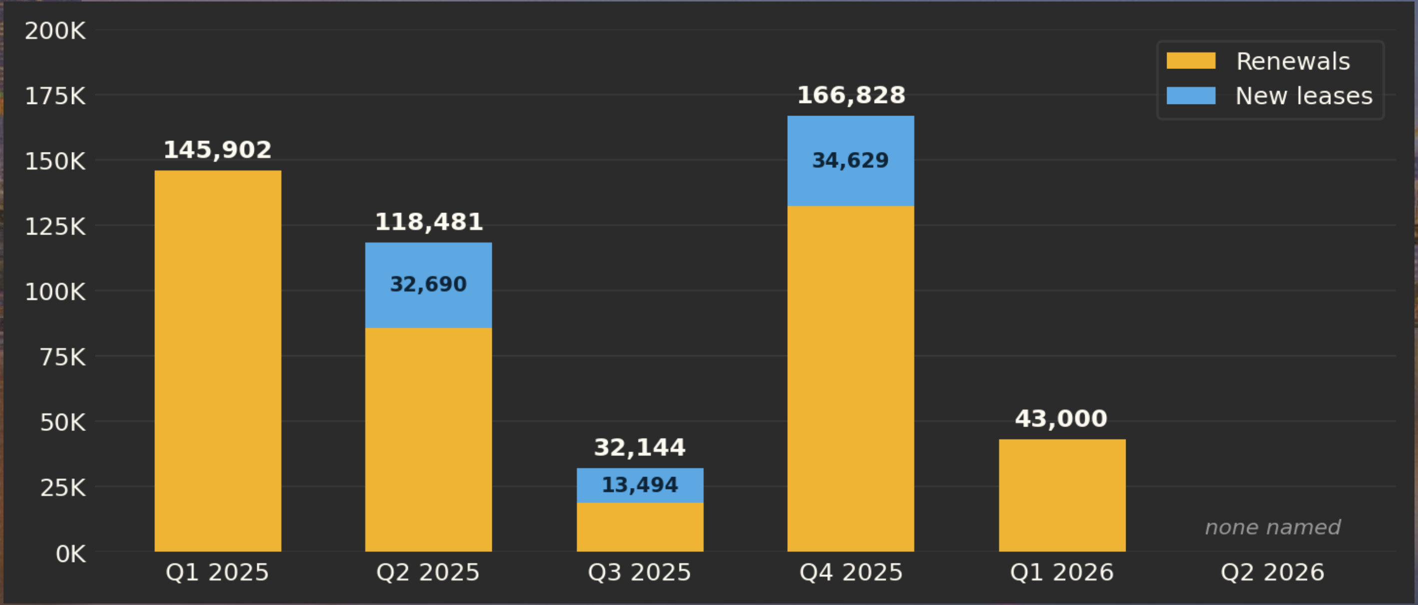
CAPTURING NEW DEMAND

Tenant retention has strengthened. The next opportunity is attracting a larger share of regional leasing activity.



84%

of named CBD leasing since 2025 was renewals

2026 YTD

Renewals are driving activity, and retention remains strong.

Named CBD leases (~13K SF and up), by transaction type.

Source: CBRE Pittsburgh Office Figures, notable-lease tables, Q1 2025 – Q2 2026.

KEY TAKEAWAY #3:

Downtown office tenant retention is high.
New office tenant attraction is low.

Lease renewals have become a strength, but long-term growth depends on capturing new leasing activity.

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THE DEALS BEHIND THE DATA

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Key CBD lease transactions, July 2025 – July 2026.

115,335
SF RENEWED AT FULL FOOTPRINT
Buchanan Ingersoll & Rooney

135,000+
SF COMMITTED AT ONE BUILDING
11 Stanwix Street

LEGAL
DROVE THE YEAR'S LEASING
Downtown's anchor sector

+33%
LARGEST FOOTPRINT INCREASE
CooksonPeirce

TENANT	SECTOR	SF	BUILDING	TRANSACTION
Buchanan Ingersoll & Rooney	Law	115,335	Union Trust Building	Renewal — flat
Raines Feldman Littrell	Law	21,933	11 Stanwix Street	New to building
Goldberg Persky & White	Law	21,933	11 Stanwix Street	Renewal - flat
Jackson Lewis	Law	16,022	11 Stanwix Street	New (sublease)
Strada Architecture	Design	14,503	11 Stanwix Street	Intra-Downtown
Saxton & Stump	Law	12,000	Union Trust Building	New to market
CooksonPeirce	Investments	10,000	11 Stanwix Street	Intra-Downtown expansion +33%

Sources: CoStar; JLL; The Davis Companies; Saxton & Stump; Pittsburgh Business Times. PDP research, July 2026.

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CASE STUDY: REINVESTMENT

11 Stanwix Street | 476,000 SF · 23 floors

2024 Acquisition

Kairos Investment Management acquires 11 Stanwix and begins repositioning the building.

135,000+

SF in leases secured since late 2024.

A strong example of how strategic reinvestment can reposition a Downtown office building.

WHO SIGNED

#	Tenant	Sector	Size	Note
1	Raines Feldman Littrell	Law	21,933 SF	New to building
2	Jackson Lewis	Employment law	16,022 SF	New (sublease)
3	Strada Architecture	Architecture	14,503 SF	From 925 Liberty Ave
4	CooksonPeirce	Investment mgmt	10,000 SF	Grew ~33% from 555 Grant

Sources: JLL (Feb 2026); Pittsburgh Business Times; CoStar.

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CASE STUDY: CONVERSION

Gulf Tower | 594,000 SF · 38 floors

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OFFICE TENANTS – RETAINED DOWNTOWN

Koppers Building
Frick Building

Absorbed most of the Gulf Tower's office tenants — now at near-full occupancy.

REDEVELOPMENT

225 APARTMENT UNITS

147 HOTEL SUITES

+ STREET-LEVEL RETAIL

Under construction · Office SF permanently removed from Downtown's office inventory

Sources: URA; Pittsburgh Post-Gazette; CBS Pittsburgh; CBRE Research, Q2 2026.

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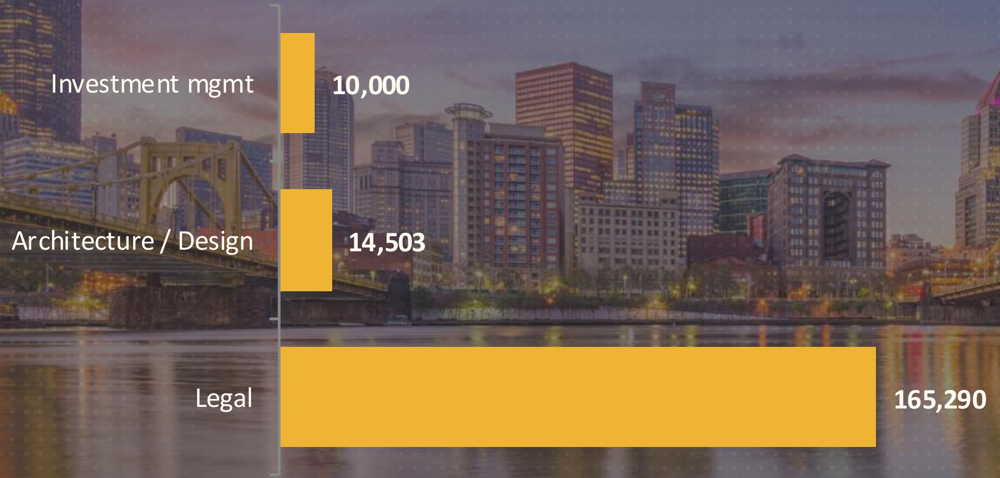
LEADING SECTOR OF DOWNTOWN'S RECOVERY

Law firms account for most of Downtown's major announced lease activity over the past year.



WHY LEGAL STAYS

- Courthouse proximity requires an in-person presence.
- Office space remains an important client-facing and recruiting asset.
- Long lease terms reduce tenant mobility.
- Prestige addresses remain valuable to many law firms.

Named CBD leases, July 2025 – July 2026 (new, renewal, expansion).

Source: PDP research from CoStar, JLL, and public announcements, July 2026.

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REGIONAL INDUSTRIES

01

KNOWLEDGE & PROFESSIONAL SERVICES

Legal | Financial & Investment | Professional Services

Protect and grow Downtown's strongest existing clusters.

PROVEN STRENGTH

WHAT WE'RE SEEING

115,335 SF

renewed

Buchanan renewed 115,335 SF Downtown, and Saxton & Stump opened its first Pittsburgh office.

Sources: PDP; CBRE; JLL; Pittsburgh Business Times. Recent CBD signings, 2025–2026.

REGIONAL INDUSTRIES

PITTSBURGH DOWNTOWN PARTNERSHIP

02

DESIGN & CREATIVE

Architecture | Engineering | Design

Capture firms that value creative talent and client-facing space.

EARLY MOMENTUM

EARLY MOMENTUM

14,503 SF

new lease

Strada Architecture took 14,503 SF at 11 Stanwix — a signal that creative firms want a Downtown address.

Sources: PDP; CBRE; JLL; Pittsburgh Business Times. Recent CBD signings, 2025–2026.

REGIONAL INDUSTRIES

PITTSBURGH DOWNTOWN PARTNERSHIP

03

UNIVERSITIES & PROFESSIONAL EDUCATION

Professional Education | Executive Programs | Workforce Development

Bring education to where careers happen.

LONG-TERM OPPORTUNITY

LONG-TERM OPPORTUNITY

The region's largest

concentration of professional jobs

Downtown offers universities direct access to employers, transit, housing, and the region's largest concentration of professional jobs.

Sources: PDP; CBRE; JLL; Pittsburgh Business Times. Recent CBD signings, 2025–2026.

REGIONAL INDUSTRIES

PITTSBURGH DOWNTOWN PARTNERSHIP

04

THE BIG OPPORTUNITY

TECH & INNOVATION

AI | Robotics | Advanced Manufacturing HQ

Help Pittsburgh's innovation economy scale without leaving the city.

THE BIG OPPORTUNITY

HQ + operations

as companies mature

As robotics and AI companies mature, Downtown can capture headquarters, management, engineers, and commercial operations.

Sources: PDP; CBRE; JLL; Pittsburgh Business Times. Recent CBD signings, 2025–2026.

KEY TAKEAWAY #4:

Future growth depends on intentional action.

Reinvestment and targeted recruitment are reshaping Downtown's office market. The data increasingly points toward deliberate action, not waiting for demand to return on its own.

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NEXT STEPS

HOW THE PDP CAN HELP

PROPERTY OWNERS

Reinvestment and adaptive reuse are increasingly diverging paths. Whether you're modernizing a competitive office building or exploring a residential or mixed-use conversion, PDP can help connect you with partners, incentives, and market intelligence.

BROKERS

Help us identify opportunities early. We want to work with brokers to retain major employers, recruit firms new to Downtown, and connect nontraditional office users with available space.

PUBLIC SECTOR

Public investment remains essential. Gap financing, streamlined permitting, and conversion incentives can accelerate projects that strengthen Downtown's long-term competitiveness and diversify its building stock.

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THANK YOU

Questions?

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