

**CONSTRUCTION
ACTIVITY**



UNDER CONSTRUCTION **3,135**

UNITS DELIVERED (YTD) **1,207**

**MARKET
FUNDAMENTALS**



VACANCY RATE **4.4%**

YEAR-OVER-YEAR CHANGE **-20bps**

ASKING RENTS **\$1,483**

YEAR-OVER-YEAR CHANGE **+3.5%**

**TRANSACTION
ACTIVITY (YTD)**



MEDIAN PRICE PER UNIT **\$67,900**

PITTSBURGH
MULTIFAMILY
Q3 2025

MARKET INSIGHTS

Rent growth accelerates as vacancy tightens

HIGHLIGHTS

- Operating fundamentals in Pittsburgh were strong during the third quarter, with vacancy improving and rent growth accelerating. Units currently under construction represent 2.5% of total inventory, suggesting a lower risk of overbuilding.
- Vacancy fell in the first nine months of the year following pressure from elevated supply in 2023 and 2024. The rate dipped 20 basis points during the third quarter to 4.5%, down 20 basis points year over year.
- Asking rents rose 1.1% in the third quarter to \$1,483 per month, reflecting an acceleration in growth. Over the past year, rents are up 3.5%.
- Third-quarter sales volume was nearly 40% higher than in the same period in 2024. Through the third quarter, the median sale price reached \$67,900 per unit, up 3% from 2024.

PITTSBURGH MULTIFAMILY MARKET OVERVIEW

The Pittsburgh multifamily market is positioned for continued improvement. Property fundamentals ended the third quarter on solid footing, with declining vacancy and accelerating rent growth. Deliveries remain elevated but are expected to fall nearly 25% from the annual peak set in 2024. The construction pipeline contracted about 7% from one year ago, with approximately 3,100 units underway, as development activity returns closer to historical norms. In contrast, permitting activity has increased to a record high, and year-to-date unit permits pulled are up roughly 70% compared with the same period in 2024. Following a period of nearly flat vacancy, the rate compressed in the second quarter and continued declining in the third quarter, as demand outpaced new supply.

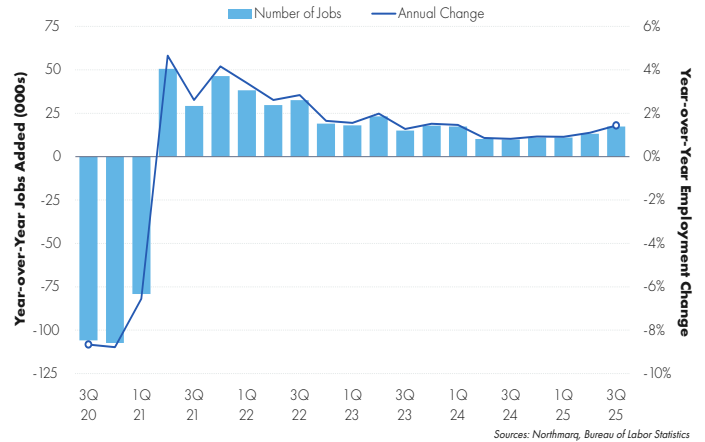
Rolling four-quarter sales volume in the Pittsburgh multifamily investment market improved about 8% from the prior quarter, though year-to-date volume remains roughly 50% below the same period in 2024. The year-to-date median sale price increased 3% from 2024 to \$67,900 per unit. Most transactions continue to involve older vintage properties, averaging 1960, held by landlords for 10 years or more and primarily located in suburban submarkets. In 2025, in-place cap rates for quality assets with large discounts to replacement cost and value-add or operational upside have generally been 5.5% to 6.0%. High-quality, stabilized assets with no material upside have been trading in the low to mid-5% range.

EMPLOYMENT

- Employers across Pittsburgh added jobs at an accelerating pace through the third quarter. During the past 12 months, local payrolls have expanded by 1.4% with the addition of 17,300 new positions.
- The private education and health services sector has expanded by 5.1% in the past year, adding 12,900 jobs. Gains in this sector have outpaced total employment growth across all industries over the past year.
- Recently, Eos Energy Enterprises announced a \$352.9 million investment to relocate its headquarters to Pittsburgh’s North Shore and expand battery manufacturing in Allegheny County, a project expected to create 735 new jobs in advanced energy storage and manufacturing.
- **FORECAST:** Hiring is expected to improve slightly in the final months of 2025. Employment in Pittsburgh is projected to increase by 18,000 workers this year, representing a 1.5% annual gain.

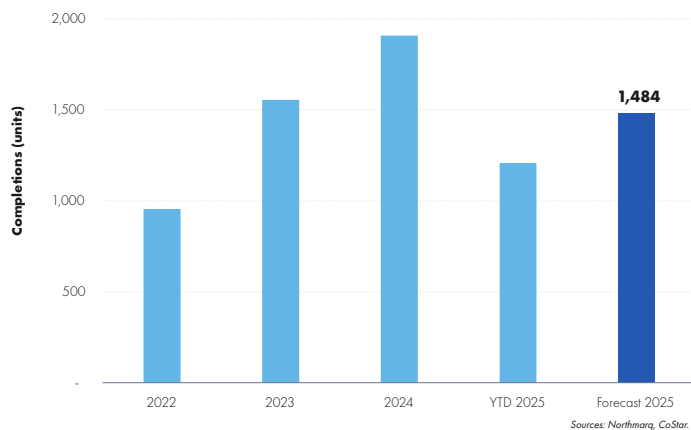
Area employers added 17,300 jobs year over year.

EMPLOYMENT OVERVIEW



More than 3,100 units are under construction.

DEVELOPMENT TRENDS

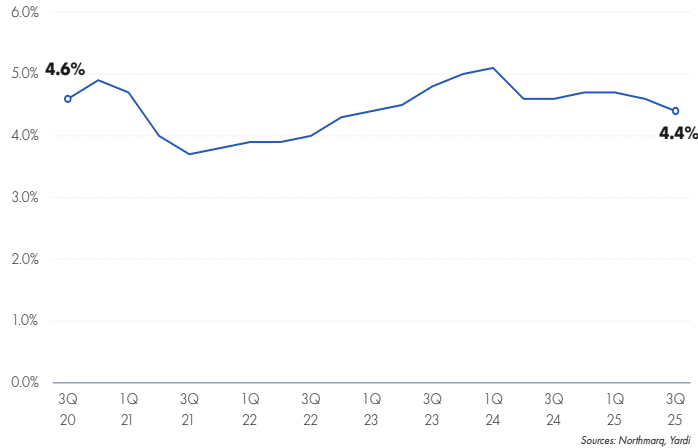


DEVELOPMENT & PERMITTING

- Multifamily deliveries in Pittsburgh peaked in 2024, but the pace of new completions has since begun to slow. More than 1,900 units came online in 2024, up from about 1,600 in 2023. So far this year, about 1,200 units have come online. For context, annual completions averaged around 900 units between 2017 and 2022.
- More than 3,100 units are under construction, representing about 2.4% of existing inventory. While development is occurring across the region, the Strip District accounts for about 30% of all ongoing construction.
- Multifamily permitting in Pittsburgh is accelerating in 2025. Through the first three quarters, permits have already topped last year’s total, with about 1,900 units approved so far. The year is on track to reach a new high of roughly 2,400 units, rebounding sharply after declines in 2023 and 2024.
- **FORECAST:** Following two years of robust activity, multifamily completions in Pittsburgh are projected to stay elevated in 2025, with about 1,500 units expected for the full year.

Annual absorption continues to outpace new deliveries.

VACANCY TRENDS



VACANCY

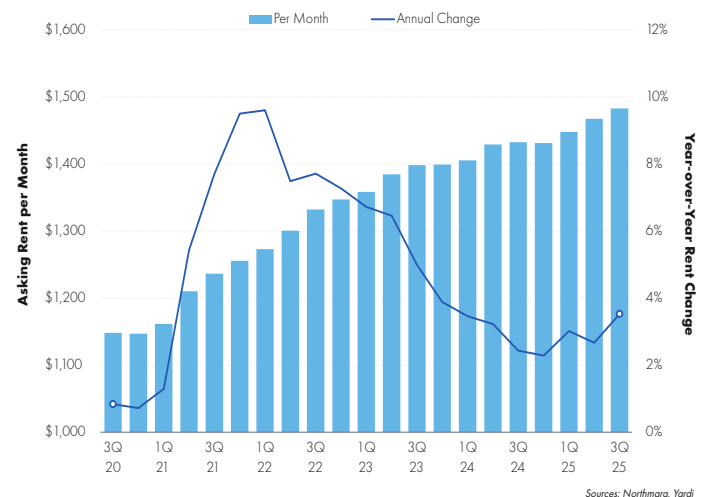
- Vacancy in Pittsburgh has generally declined since peaking in the first quarter of 2024. In the third quarter, the rate dipped 20 basis points from the previous quarter and 20 basis points year over year. Annual absorption continues to outpace new deliveries, supporting the ongoing improvement.
- The Oakland/Shadyside submarket posted the largest vacancy improvement during the past year, with demand eclipsing new supply to bring the rate down 350 basis points to 3.9%.
- Occupancy improvement has been most pronounced for the highest- and lowest-tier segments. Top-tier vacancy fell 130 basis points year over year to 4.4% while lower-workforce housing improved 280 basis points over the same period to 6.3%.
- **FORECAST:** The vacancy rate is expected to soften slightly in the final quarter of 2025 due to additional supply, but year-over-year it is projected to improve. Area vacancy is expected to end the year at 4.4%, down 30 basis points from 2024.

RENTS

- Sustained rent growth continued in 2025, with two consecutive quarterly increases. Asking rents rose 1.1% during the third quarter to \$1,483 per month, a 3.5% increase year over year, following last year’s modest 2.3% gain.
- Rent growth has generally cooled since peaking in early 2022, reaching a low point in late 2024 that coincided with a peak in new supply. Growth has started to reaccelerate since that time.
- With new supply competing for occupants, top-tier asking rents have underperformed the broader market, rising 1.6% quarter over quarter but dipping 0.1% year over year to \$2,270 per month. In contrast, upper-workforce housing rents gained 0.3% during the third quarter and are 3.6% higher than a year ago, reaching \$1,189 per month.
- **FORECAST:** The annual pace of rent growth this year is expected to finish ahead of 2024 levels. Apartment rents are expected to rise 3.8% in 2025, reaching \$1,485 per month.

Rents increased 3.5% year-over-year.

RENTS TRENDS

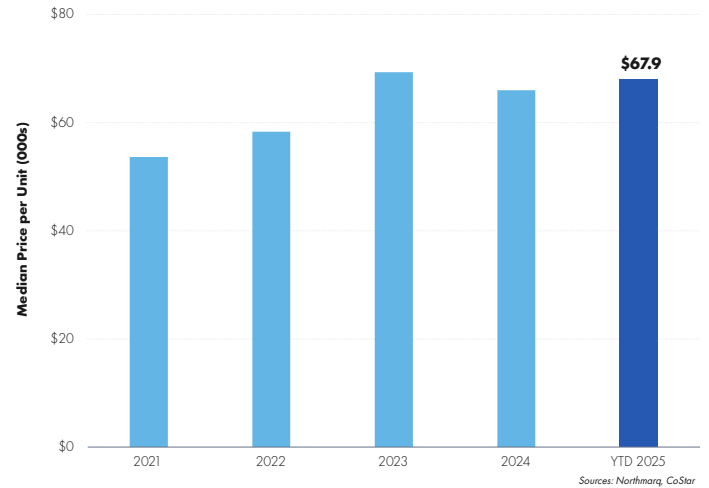


MULTIFAMILY SALES

- While year-to-date transaction volume is roughly 50% lower than the same period in 2024, third quarter volume was nearly 40% higher than a year ago. Rolling four-quarter transaction volume increased about 8% quarter-over-quarter, signaling an improvement after three consecutive quarterly declines.
- In 2025, the median sale price is \$67,900 per unit, up nearly 3% from 2024. The average vintage of properties that have traded this year is 1960, about seven years older than the 2024 average.
- Nearly 60% of all sellers in 2025 have held their properties for 10 or more years, and over 30% have held them for 20 years or more.
- In-place cap rates for quality assets with significant discounts to replacement cost or value-add potential have generally ranged from 5.5% to 6.0%, while high-quality, stabilized assets with limited upside have been trading in the low to mid-5% range. Overall, cap rates have generally fallen since the recent highs of 2023 and 2024, reflecting improving conditions for quality multifamily and value-add assets.

The median sale price is \$67,900 per unit.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

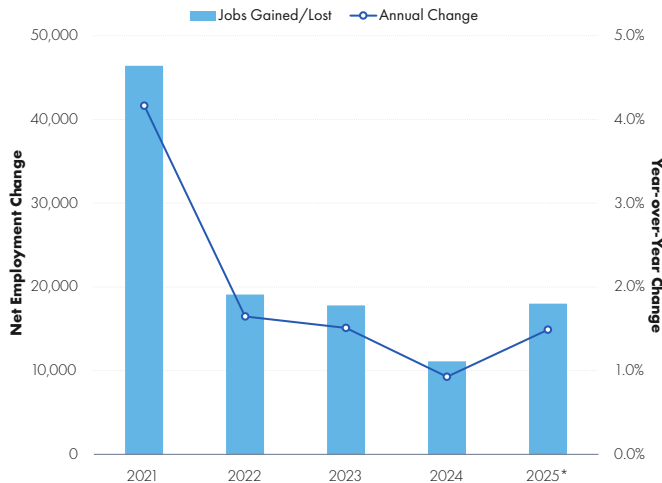
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Prism at Diamond Ridge	2000 Market Place Blvd., Coraopolis	2023	336	\$92,000,000	\$273,810
Woodlands	700 Woodlands Drive, Zelienople	1983	112	\$10,700,000	\$95,536
Eastwood Garden Apartments	549 Fairview Drive, Greensburg	1964	135	\$9,840,000	\$72,889
Concord Plaza	5532-5540 Convode St., Pittsburgh	1950	34	\$2,775,000	\$81,618
Renzie Park	755 Palm St., Mckeesport	1970	18	\$890,000	\$49,444

LOOKING AHEAD

Operating conditions are expected to continue stabilizing in the near term as the pace of supply growth moderates following peak completions in 2023 and 2024. Approximately 1,500 units are forecast to come online in 2025, below the levels recorded in the prior two years but about 70% above the 2017 to 2022 average. Vacancy is expected to soften slightly in the coming months, ending 2025 at 4.5%, down 20 basis points year over year and matching the five-year average. Rent growth is forecast to accelerate to 3.8% by year-end and remain positive through 2026, as supply and demand continue to balance.

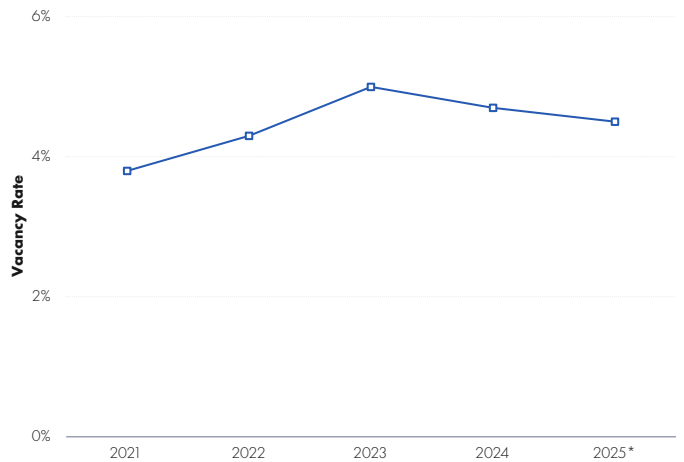
Sales volume in the Pittsburgh market is expected to finish 2025 below 2024 but above 2023. Properties built in the 1950s and 1970s account for nearly 25% of transactions year-to-date, reflecting investor interest in older assets suited for value-add or repositioning strategies. Few properties built in the last 15 years have traded, typically only one or two per year, but the recent supply wave is expected to create future opportunities in a market that has traditionally recorded fewer institutional-level transactions. Cap rates may continue to compress slightly as overall conditions improve. Overall, sales activity is projected to remain steady in the coming months, though a full return to historical transaction levels may not occur until mid- to late-2026.

EMPLOYMENT FORECAST



* Year End Forecast
Sources: Northmarq, Bureau of Labor Statistics

VACANCY FORECAST



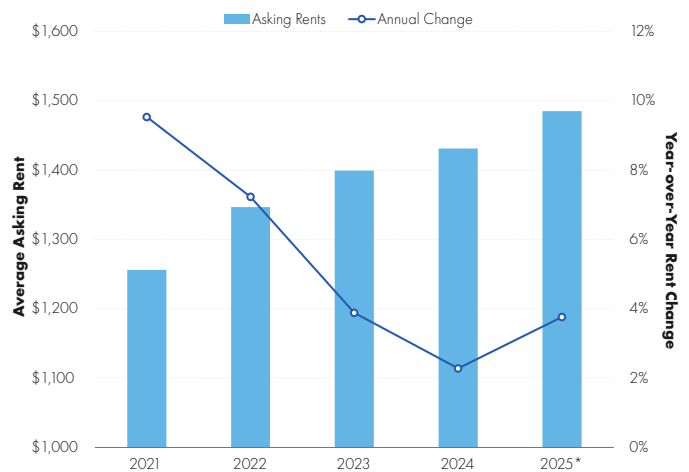
* Year End Forecast
Sources: Northmarq, Yardi

CONSTRUCTION & PERMITTING FORECAST



* Year End Forecast
Sources: Northmarq, CoStar, Census Bureau

RENTS FORECAST



* Year End Forecast
Sources: Northmarq, Yardi



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