95% of vacancy concentrated in just a quarter of the market

Key Takeaways:

- Although office vacancy has remained consistently high, market activity is concentrated in newer, higher quality inventory, leaving older, vintage assets to hold a significant burden of impact as a result of their fragmental performance. More than 95% of vacancy in the market falls in a quarter share of total office inventory.
- Over 10% of all vacant space in the Pittsburgh office market is accredited to sublease spaces. A material portion of that sublease space is concentrated to a handful of large corporate occupiers like: BNY Mellon, EQT, and Highmark Health.
- Older, vintage assets continue to battle the effects of the hybrid work model as vacant space in buildings built prior to 1990 account for nearly 70% of all vacancy in the Pittsburgh office market. Vacant space in buildings constructed since 2010 accounts for less than 2% of all inventory.
- In the polarized office market, vacancy has become concentrated within a smaller segment of outdated inventory. As new construction persistently outperforms the rest of the market, buildings constructed from 2010-2019 have noted an impressive 40% decline in vacant square footage since the start of the pandemic.

28%
Vacant Square Footage is Concentrated in 1% of Inventory

60%
Vacant Square Footage is Concentrated in 5% of Inventory

95%
Vacant Square Footage is Concentrated in 25% of Inventory

66%
Inventory Holds No Vacant Space

Figure 1 - Percent of Total Office Vacancy by Percent of Total Inventory

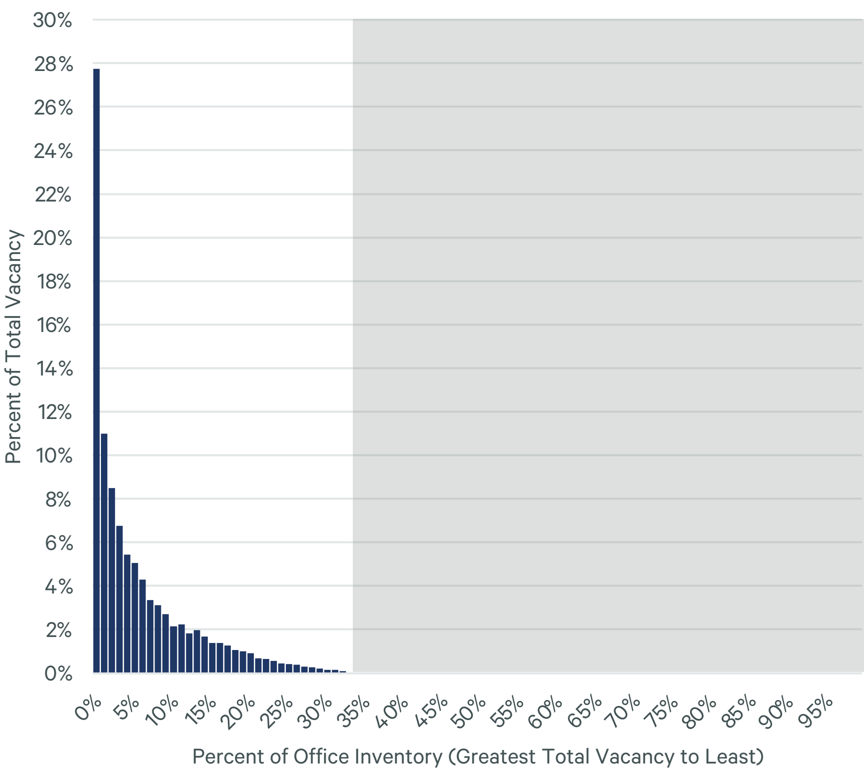

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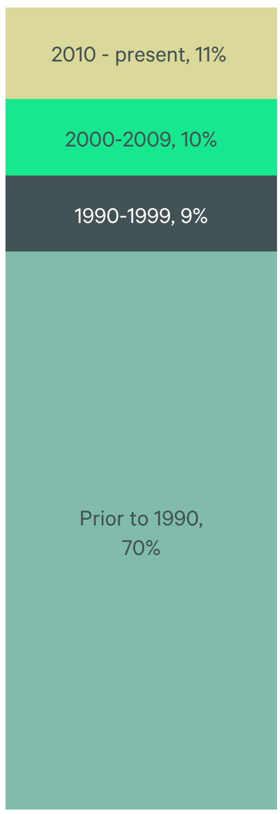
Figure 2 – Vacant SF by Year Built



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