

FIGURES | PITTSBURGH OFFICE | Q4 2025

# Pricing first, velocity next: Early signs of stabilization take hold

▼ 17.2%

Vacancy Rate

▲ 197,315

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▶ \$26.49

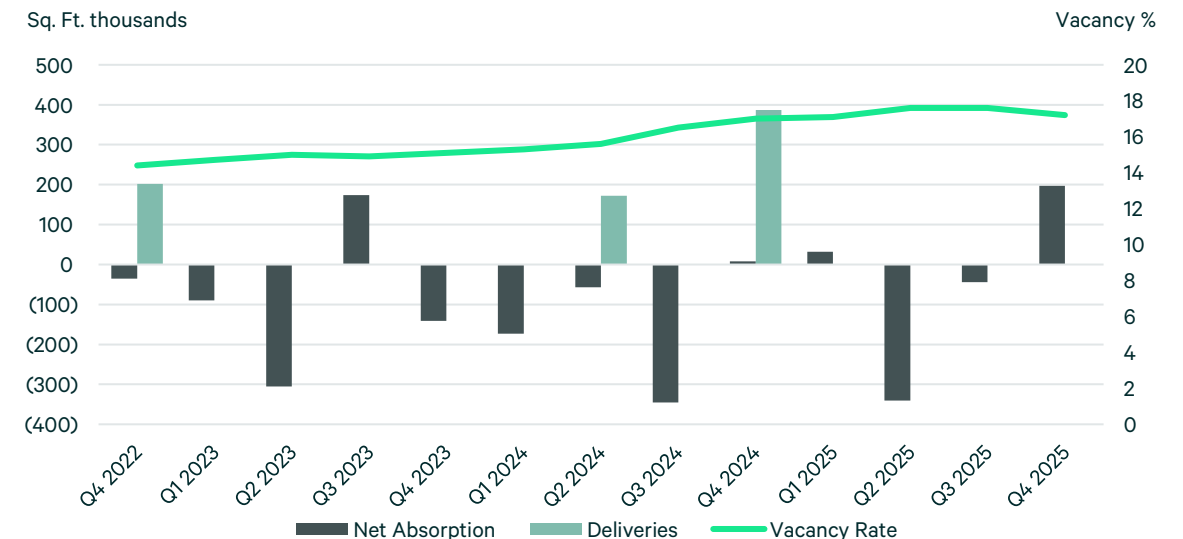
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## MARKET OVERVIEW

- The overall vacancy rate declines to 17.2% in Q4 2025, down 40 basis points (bps) quarter-over-quarter, signaling incremental stabilization following several years of elevated vacancy.
- Net absorption turned positive at 197,315 sq. ft., led by Class A space, reinforcing the market’s ongoing flight-to-quality dynamic despite softer conditions in lower-tier assets.
- Rents continue to demonstrate notable strength, with market wide average asking rents rising to \$26.49 per sq. ft., up 5.3% year-over-year; Class A assets remain the primary driver of growth, with multiple fourth quarter comps exceeding \$40 per sq. ft in prime assets., reinforcing landlord pricing power at the top end of the market.
- Construction remains fully paused, with no new projects underway or being delivered.
- Leasing activity increased from the prior quarter but remained concentrated in Class A assets, underscoring tenant selectivity and preference for high-quality space.
- While many occupiers continue to right-size, a growing number of firms that have already downsized and are now reassessing space needs and selectively expanding, suggesting leasing velocity could improve in 2026 in a pattern similar to early-stage recoveries observed in Manhattan.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

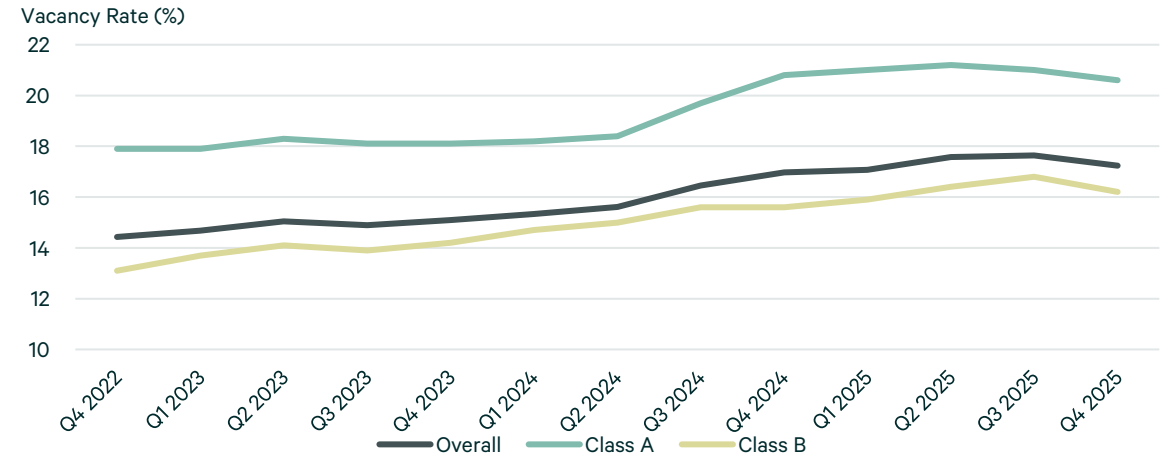
## Vacancy

The Pittsburgh office market closed Q4 2025 with an overall vacancy rate of 17.2%, representing a 40-bps decline from the prior quarter and making a modest but meaningful step toward stabilization. Both Class A and Class B vacancy improved quarter over quarter, suggesting that recent positive absorption is beginning to translate into tighter market conditions across multiple segments of the market. While vacancy remains elevated relative to pre-pandemic norms and has increased over the last several years, the recent downward movement indicates that much of the near-term correction may be behind the market. With no new construction underway and tenant demand increasingly concentrated in higher-quality assets, vacancy levels, particularly within the well-located Class A buildings, appear better positioned to stabilize in the new year.

## Asking Rent

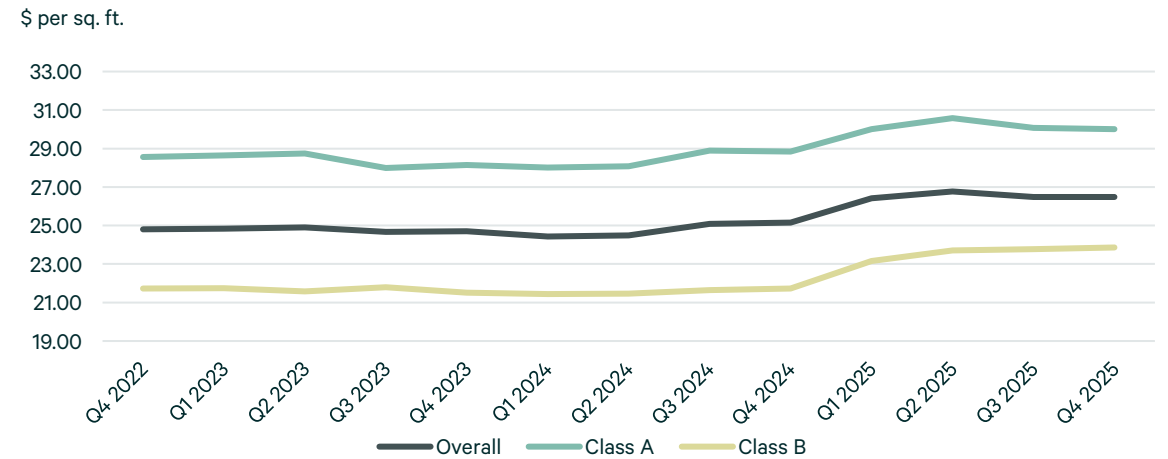
Average asking rents across the Pittsburgh office market closed Q4 2025 at \$26.49 per sq. ft., reflecting continued year-over-year growth and reinforcing the durability of current pricing levels. Class A asking rents, which are increasingly serving as the clearest indicator of true market conditions, remained firm at \$30.00 per sq. ft., with recent lease comps exceeding \$40.00 per sq. ft. These outcomes suggest that asking rents are closely aligned with where transactions are ultimately landing, with limited evidence of broad-based discounting at the top end of the market. While competitive pressures persist in lower-quality assets, the stability of Class A pricing underscores sustained tenant demand for high-quality space and affirms landlord pricing power within the market’s most competitive buildings.

FIGURE 2: Vacancy Rates by Class



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q4 2025

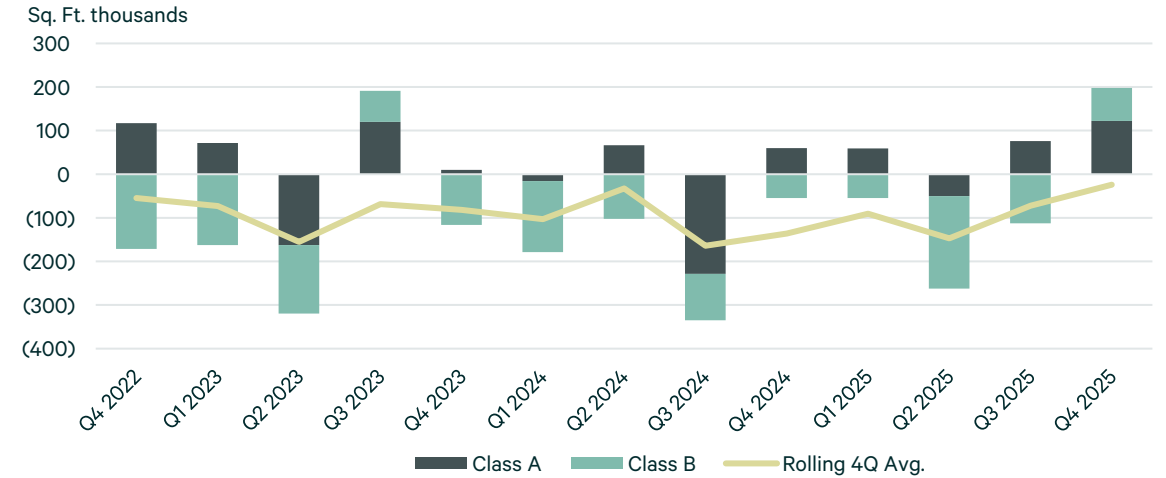
## Net Absorption

Net absorption was positive 197,315 sq. ft in Q4 2025, Class A net absorption was positive 122,244 sq. ft in Q4 2025. This marks a notable improvement from the prior quarter and a sign that leasing activity is beginning to translate into tangible occupancy gains. Class A space accounted for the majority of absorption during the quarter, continuing to outperform and reinforcing the market’s flight-to-quality trends as tenants prioritize modern, amenity rich buildings. While longer-term absorption remains negative and reflects the cumulative impact of tenant right-sizing over recent years, the quarter’s positive results suggests that much of the near-term demand adjustment may be nearing completion. With no new supply entering the market and an increasing number of tenants reassessing space needs after earlier contractions, absorption trends, particularly within Class A assets, appear better positioned to improve as leasing momentum builds.

## Construction Activity

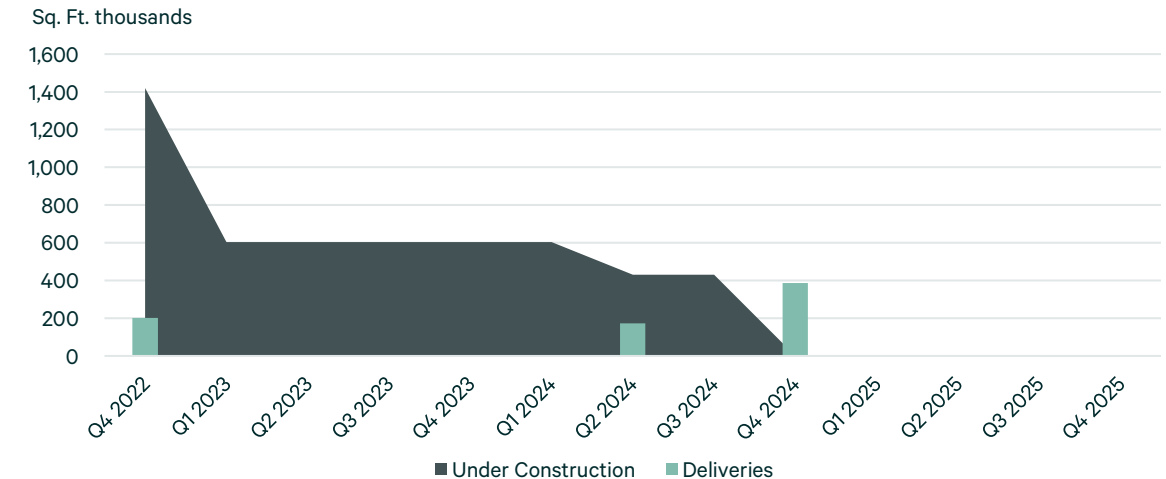
Construction activity in the Pittsburgh office market remains fully paused, with no projects currently underway and no new supply projected to deliver in the near term. This prolonged development pause is contributing to gradually tightening market conditions by eliminating competitive pressure from new deliveries and allowing existing inventory time to be absorbed. As leasing activity increasingly concentrates in higher-quality assets, the lack of incoming supply reinforces pricing stability and positions well-located buildings to capture future demand as tenant expansion activity resumes.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity

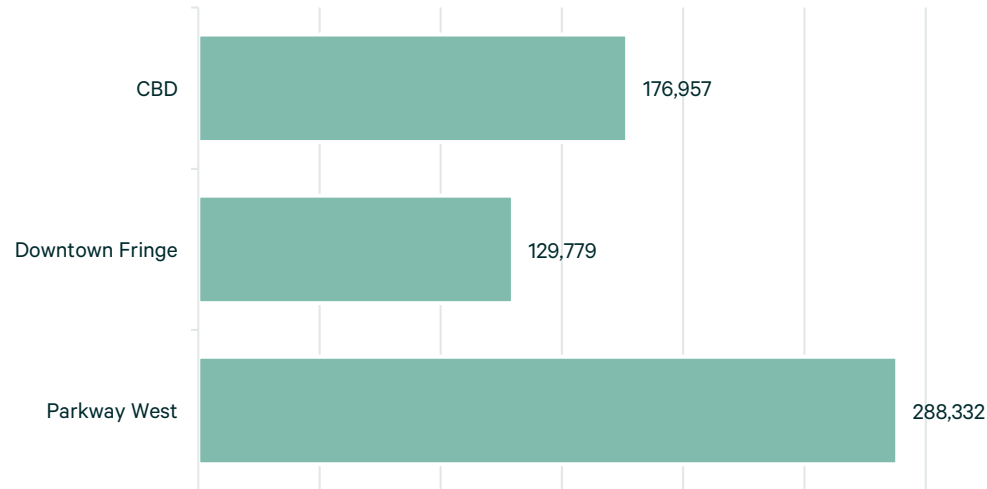


Source: CBRE Research, Q4 2025

## Leasing Activity

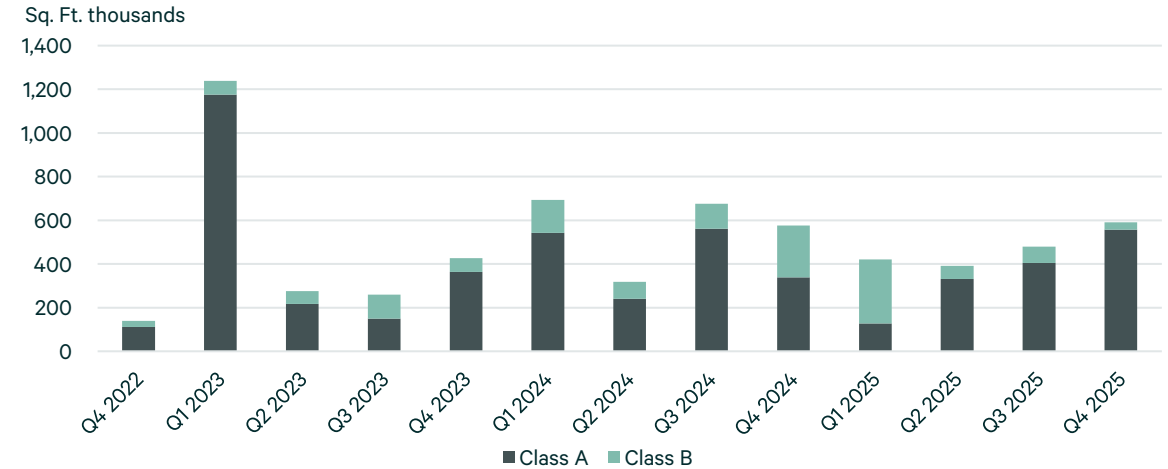
Leasing activity in Q4 2025 totaled 612,359 sq. ft. across 15 transactions, moderating from the prior quarter but continuing to reflect measured tenant engagement in the market. Activity remained concentrated in Class A space, reinforcing tenant preference for high-quality assets as occupiers remain selective in their decision-making. Notably, EOS Energy executed a 41,268 sq. ft. lease as part of a relocation of headquarters from New Jersey to Pittsburgh, representing a meaningful win for the region and highlighting the city’s continued ability to attract growing, operations-driven firms. While overall leasing volumes remains below longer-term averages, the quarter’s activity combined with an expanding pipeline of future requirements, suggests underlying demand is building and positions the market for improving leasing momentum as expansion-driven decisions begin to materialize.

FIGURE 6: Leasing by Submarket – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Quest Diagnostics	136,719	Renewal	875 Greentree Rd	Parkway West
Clark Hill	67,959	Renewal	301 Grant St	CBD
PWC	43,308	Renewal	301 Grant St	CBD
EOS Energy Enterprises	41,268	New Lease	2 Allegheny Ctr	Downtown Fringe
Govini	35,076	New Lease	1500 Smallman St	Downtown Fringe
Pittsburgh Post-Gazette	33,666	New Lease	225 N Shore Dr	Downtown Fringe
Govini	21,477	New Lease	1001 Liberty Ave	CBD
Urban League	20,932	Renewal	332 5th Ave	CBD
Biohaven Pharmaceuticals	19,769	Renewal	2100 Wharton St	Downtown Fringe
KLH Engineers	15,335	New Lease	5313 Campbells Run Rd	Parkway West
VisitPittsburgh	13,152	New Lease	120 5th Ave	CBD

Source: CBRE Research, Q4 2025

## Market Statistics by Index

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
<b>SUBURBAN</b>										
Class A	12,988,006	20.4	24.8	22.7	2.0	24.31	42,743	(48,891)	0	0
Class B	16,599,388	14.5	16.7	16.5	0.2	20.25	63,301	(3,315)	0	0
Class C	2,851,089	3.8	8.6	8.6	0.0	15.75	8,891	(7,127)	0	0
<b>Total</b>	<b>32,438,483</b>	<b>15.9</b>	<b>19.2</b>	<b>18.3</b>	<b>0.9</b>	<b>22.00</b>	<b>114,935</b>	<b>(59,333)</b>	<b>0</b>	<b>0</b>

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
<b>DOWNTOWN</b>										
Class A	17,733,329	20.7	24.2	22.0	2.2	33.56	79,501	255,715	0	0
Class B	15,650,722	18.1	21.3	20.5	0.8	26.63	12,679	(299,659)	0	0
Class C	6,362,490	12.1	16.8	16.1	0.7	20.96	(9,800)	(51,961)	0	0
<b>Total</b>	<b>39,746,541</b>	<b>18.3</b>	<b>21.9</b>	<b>20.5</b>	<b>1.4</b>	<b>29.34</b>	<b>82,380</b>	<b>(95,905)</b>	<b>0</b>	<b>0</b>

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
<b>METRO</b>										
Class A	30,721,335	20.6	24.4	22.3	2.1	30.00	122,244	206,824	0	0
Class B	32,250,110	16.2	18.9	18.4	0.5	23.86	75,980	(302,974)	0	0
Class C	9,213,579	9.5	14.3	13.8	0.5	19.96	(909)	(59,088)	0	0
<b>Total</b>	<b>72,185,024</b>	<b>17.2</b>	<b>20.7</b>	<b>19.5</b>	<b>1.2</b>	<b>26.49</b>	<b>197,315</b>	<b>(155,238)</b>	<b>0</b>	<b>0</b>

## Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
CBD	23,633,946	19.8	23.8	22.5	1.3	28.79	43,278	(215,324)	0	0
Cranberry	3,387,097	8.1	10.1	9.8	0.2	23.94	15,790	6,063	0	0
Downtown Fringe	11,179,695	17.8	21.5	20.5	1.0	28.44	17,730	23,556	0	0
Oakland/East End	4,932,900	12.4	13.3	10.4	3.0	38.86	21,372	95,863	0	0
Parkway East	5,208,992	19.0	22.0	22.0	0.1	19.07	(9,739)	(34,079)	0	0
Parkway North	6,888,430	12.6	14.3	13.5	0.8	20.87	3,432	14,063	0	0
Parkway West	10,283,318	21.1	25.9	24.0	2.0	24.0	71,991	(51,856)	0	0
South	3,536,169	6.6	9.8	9.3	0.5	19.24	13,349	5,416	0	0
Southpointe	3,134,477	20.0	23.7	23.4	0.3	21.16	20,112	1,060	0	0
<b>Total</b>	<b>72,185,024</b>	<b>17.2</b>	<b>20.7</b>	<b>19.5</b>	<b>1.2</b>	<b>26.49</b>	<b>197,315</b>	<b>(155,238)</b>	<b>0</b>	<b>0</b>

## Economic Overview

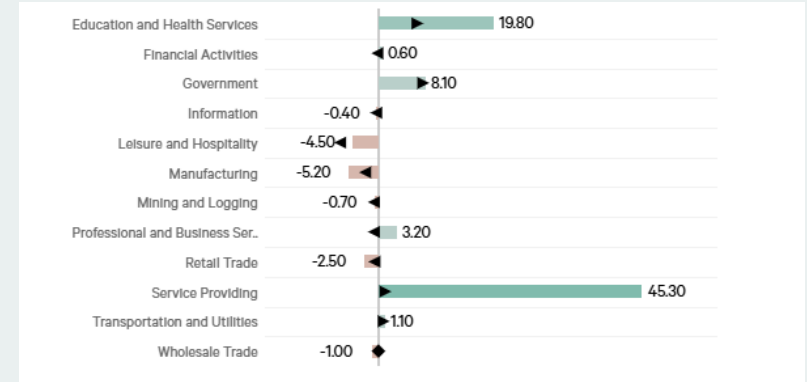
The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

## Employment Update

- ▼ **1.2M**  
Labor Force
- ▼ **3.9%**  
Unemployment Rate
- ▼ **291.3k**  
Office Using Jobs
- ▼ **355.3k**  
Industrial Using Jobs
- ▼ **156.1k**  
Retail Using Jobs

Employment Change by Sector – Yearly + Monthly  
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, September 2025

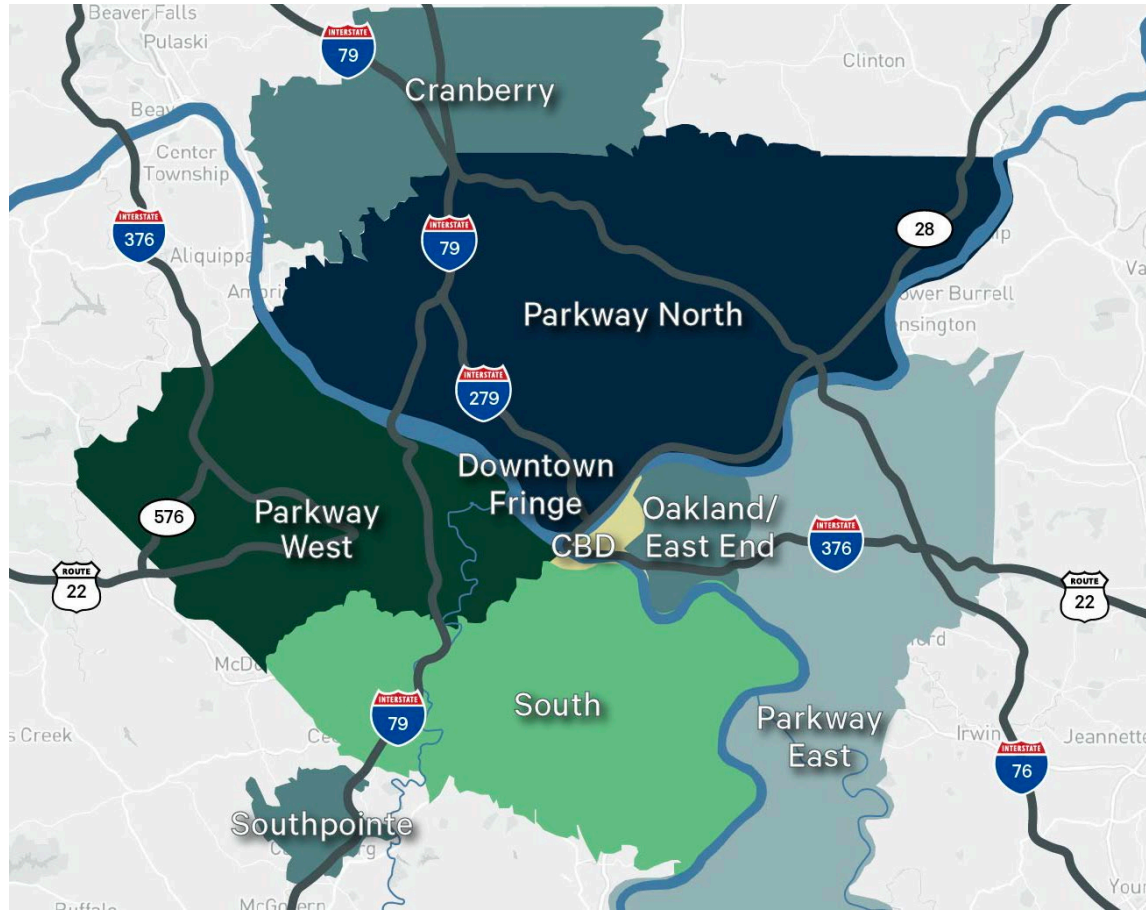
Note: Arrows indicate month-over-month change.

Unemployment Rate and Labor Force Trends



Source: US BLS, September 2025

**Market Area Overview**



**Definitions**

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

**Survey Criteria** Office buildings 10,000 sq. ft. or greater. Excludes single-tenant owner-occupied buildings, Government owned and occupied buildings, or medical buildings.

**Contacts**

**Jerry Lieb**  
 Research Analyst  
 412 592 9088  
 jerry.lieb@cbre.com

**Mamadou Baldé**  
 Senior Managing Director  
 412 918 5728  
 mamadou.balde@cbre.com

