

FIGURES | PITTSBURGH OFFICE | Q2 2026

Pittsburgh Leasing Activity Rebounds Sharply in Q2

▶ 17.7%

Vacancy Rate

▲ 16,475

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▲ \$27.16

FSG/YR Direct Lease Rate

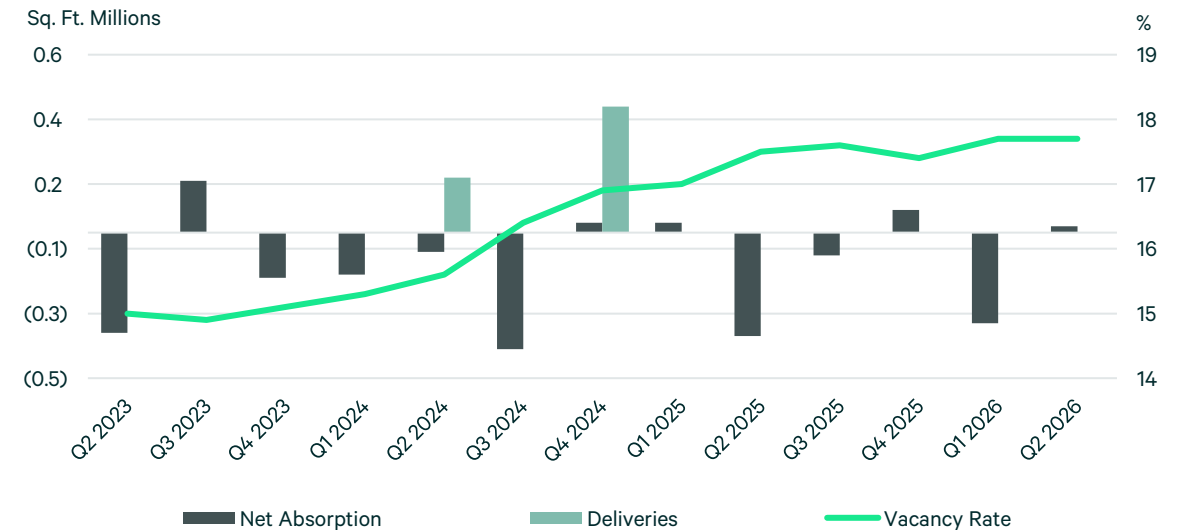
Note: Arrows indicate change from previous quarter.

Market Overview

In the current quarter, the office market recorded an improvement in demand as net absorption increased by 297,000 sq. ft. quarter-over-quarter. Year-to-date net absorption improved by 28,000 sq. ft. compared with the same period one year earlier. Vacancy was unchanged quarter-over-quarter but rose by 20 basis points (bps) year-over-year. Availability declined by 70 basis points quarter-over-quarter. It also fell by 60 basis points year-over-year. Average asking rents increased by 1.5% quarter-over-quarter. They rose by 1.3% year-over-year.

Since the earliest period in the data set, vacancy increased by 270 basis points. Availability was lower than that period by 30 basis points. Over the same span, average asking rents grew by 9.0%. The construction pipeline decreased from 603,000 sq. ft. in the earliest period and reached zero as projects delivered. Deliveries over that wind-down period totaled 559,000 sq. ft. New leasing this quarter included a 452,000 sq. ft. commitment in Parkway East by a confidential tenant. Another confidential tenant leased 59,000 sq. ft. in Parkway West. GBU Financial Life completed a 31,000 sq. ft. lease in Southpointe.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, Class A space posted the highest overall vacancy at 21.3%, down 20 basis points quarter-over-quarter and unchanged year-over-year. Class B vacancy reached 16.4%, edging up 10 basis points quarter-over-quarter and 20 basis points year-over-year. Class C vacancy was 10.1%, up 10 basis points quarter-over-quarter and 50 basis points year-over-year, yet it remains the lowest among the three classes. Compared with Q2 2023, vacancy has climbed by 300 basis points in Class A, 240 basis points in Class B, and 470 basis points in Class C, pointing to a broad-based rise in available space over the last three years.

At the submarket level, South records the lowest overall vacancy in Q2 2026 at 6.5%, followed by Cranberry at 8.0%. Parkway West posts the highest vacancy at 22.4%, while the CBD and Southpointe also sit in the high-teens to low-20s with overall vacancy of 19.6% and 20.5%, respectively.

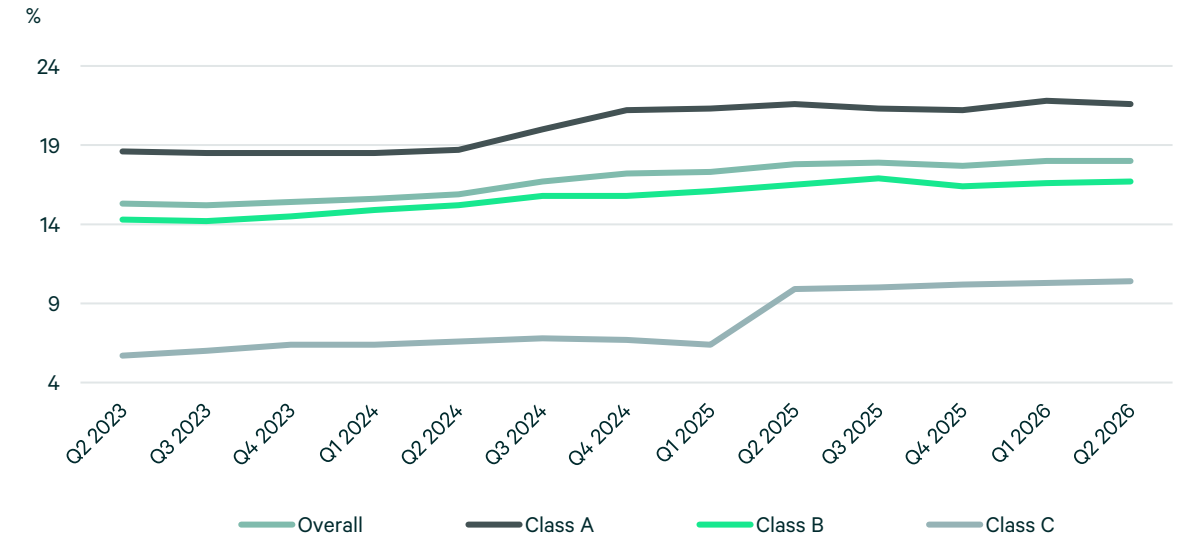
Sublease vacancy has been relatively stable quarter-over-quarter: in Q2 2026, Class A sublease vacancy rose 20 basis points to 1.7%, Class B increased 10 basis points to 0.4%, and Class C held at 0.1%. Across all submarkets, this equates to 650,000 sq. ft. of sublease space available in the market.

Asking Rent

Market-wide average asking rent reached \$27.16 per sq. ft. in Q2 2026, up 1.5% quarter-over-quarter from \$26.75 in Q1 2026 and 1.3% year-over-year from \$26.82 in Q2 2025. Since Q2 2023, overall asking rents have increased 9.0% from \$24.91, with modest fluctuations but a steady upward trajectory. Class A asking rents rose to \$31.24 per sq. ft. in Q2 2026, up 3.1% quarter-over-quarter, 2.2% year-over-year, and 8.7% above Q2 2023, while Class B and Class C rents, at \$24.35 and \$20.20 per sq. ft., posted stronger cumulative gains of 12.8% and 13.3%, respectively.

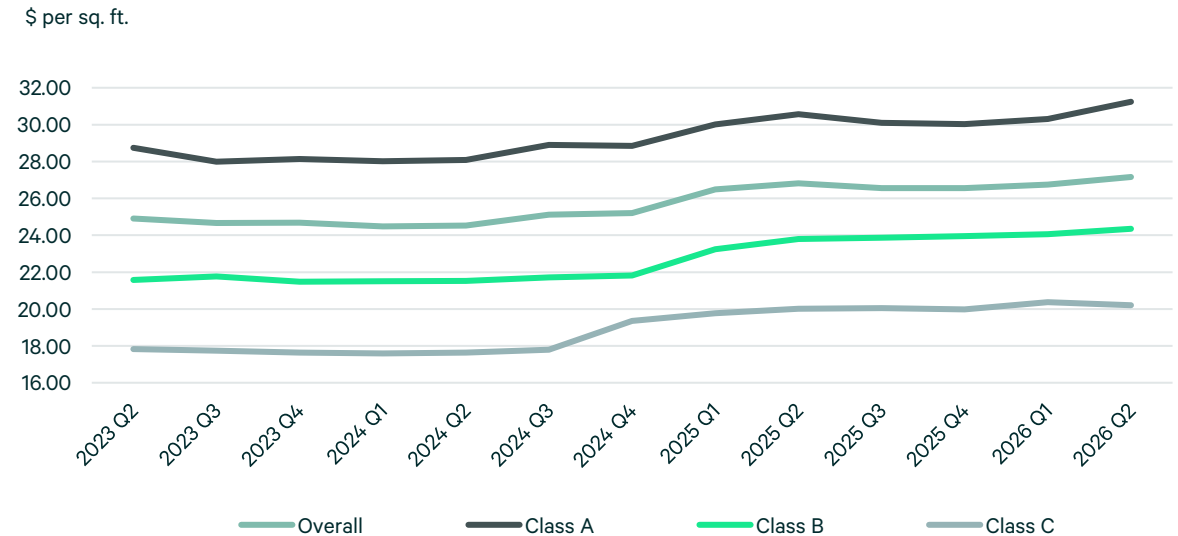
At the submarket level, Oakland/East End posted the highest average asking rent in Q2 2026 at \$32.71 per sq. ft., followed by the CBD at \$26.97 per sq. ft., underscoring the premium commanded in these core locations. Downtown Fringe and Parkway North also recorded relatively elevated levels at \$26.05 and \$23.28 per sq. ft., while Parkway West, Southpointe, Cranberry, South, and Parkway East offered more cost-effective options, with average rents ranging from \$23.66 per sq. ft. in Cranberry and \$21.75 per sq. ft. in Southpointe down to \$16.66 per sq. ft. in Parkway East.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded total net absorption of 16,000 sq. ft., a modest gain that contrasts with recent quarters of net givebacks. This total exceeded the negative 281,000 sq. ft. posted in Q1 2026 by 297,000 sq. ft. on a quarter-over-quarter basis. Year-over-year, Q2 2026 net absorption also exceeded the negative 324,000 sq. ft. recorded in Q2 2025 by 340,000 sq. ft., reflecting a marked reduction in net move-outs. Class A space drove much of this swing, with net absorption moving from negative 217,000 sq. ft. in Q1 2026 to 60,000 sq. ft. in Q2 2026, while Class B and Class C recorded negative 38,000 sq. ft. and negative 6,000 sq. ft., respectively.

At the submarket level, Downtown Fringe posted the highest positive net absorption in Q2 2026 at 49,000 sq. ft. across a 4.3 million sq. ft. inventory, followed by Southpointe with 47,000 sq. ft. on 538,000 sq. ft. of space. Additional gains were concentrated in Southpointe, which recorded another 34,000 sq. ft. of net absorption over 2.6 million sq. ft., and Cranberry, with 28,000 sq. ft. on a 2.2 million sq. ft. base. On the downside, Downtown Fringe registered the most negative result at negative 33,000 sq. ft. on 6.8 million sq. ft., with Oakland/East End close behind at negative 31,000 sq. ft. across 3.1 million sq. ft., underscoring pronounced move-outs in those areas.

Construction Activity

In Q2 2026, the market had 0 sq. ft. under construction and no space delivered. There was no construction activity this quarter, with both under construction and deliveries unchanged quarter-over-quarter and year-over-year at 0 sq. ft. This follows a drawdown of 603,000 sq. ft. under construction that held from Q2 2023 through Q1 2024 before declining to 431,000 sq. ft. in Q2 2024 and then to 0 sq. ft. by Q4 2024. Over the same period, deliveries moved from 0 sq. ft. to 172,000 sq. ft. in Q2 2024 and 387,000 sq. ft. in Q4 2024, bringing 559,000 sq. ft. of new space online over the last three years.

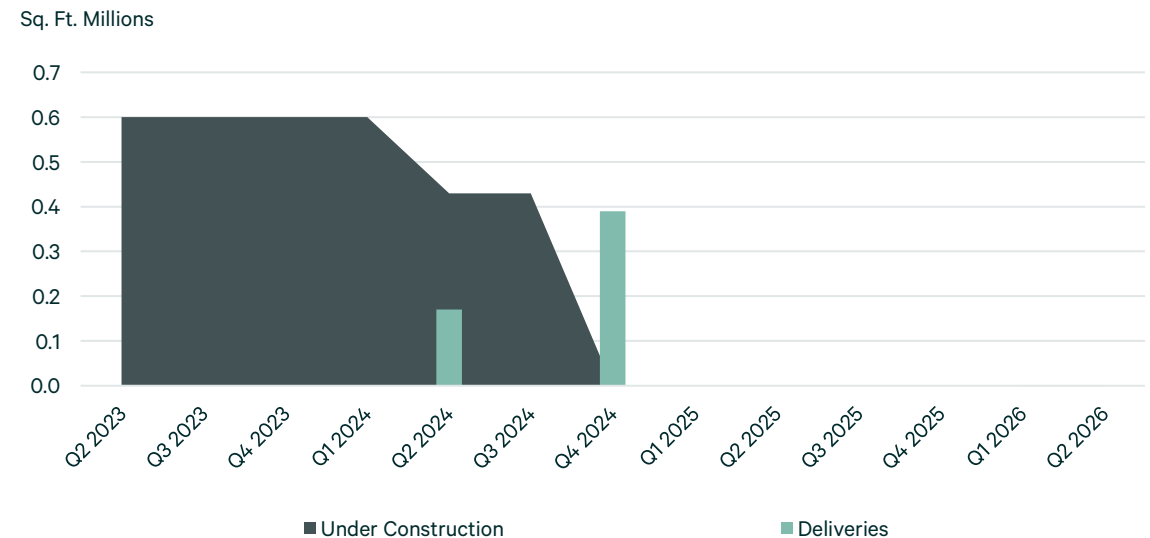
No current development activity.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

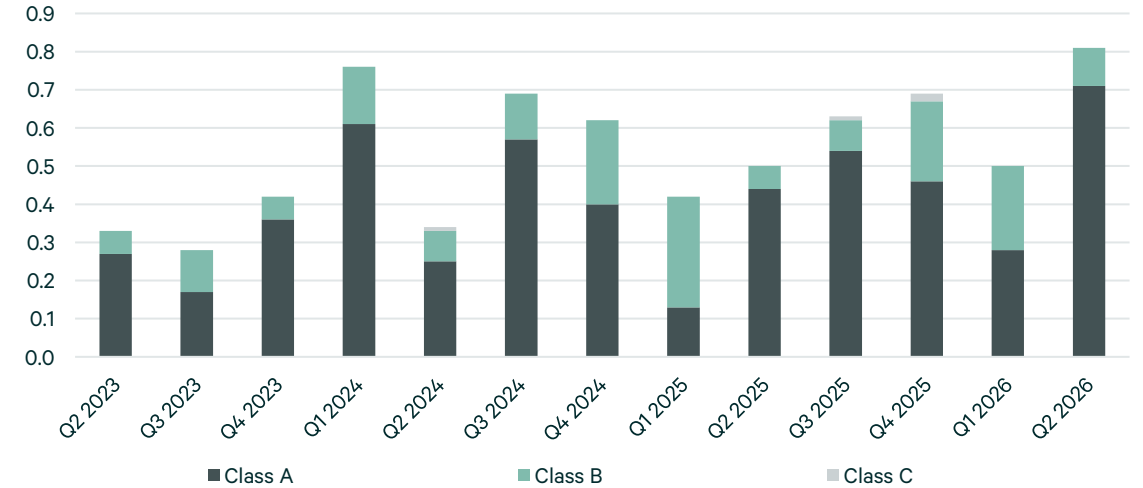
Leasing Activity

Total leasing activity reached 807,000 sq. ft. in Q2 2026, up 58.5% quarter-over-quarter from 509,000 sq. ft. in Q1 2026 and 60.1% year-over-year from 504,000 sq. ft. in Q2 2025. Class A volume climbed to 710,000 sq. ft., a 149.1% quarter-over-quarter and 59.9% year-over-year increase, while Class B leasing fell to 97,000 sq. ft., down 56.7% quarter-over-quarter but still 61.7% above the Q2 2025 level.

At the submarket level, Parkway East recorded the highest leasing activity in Q2 2026 at 452,000 sq. ft., with Parkway West next at 139,000 sq. ft. Positive, but more modest, volumes were posted in Downtown Fringe at 73,000 sq. ft., Cranberry at 51,000 sq. ft., Southpointe at 48,000 sq. ft., and the CBD at 44,000 sq. ft.

Figure 6: Leasing Activity Trend

Sq. Ft. Millions



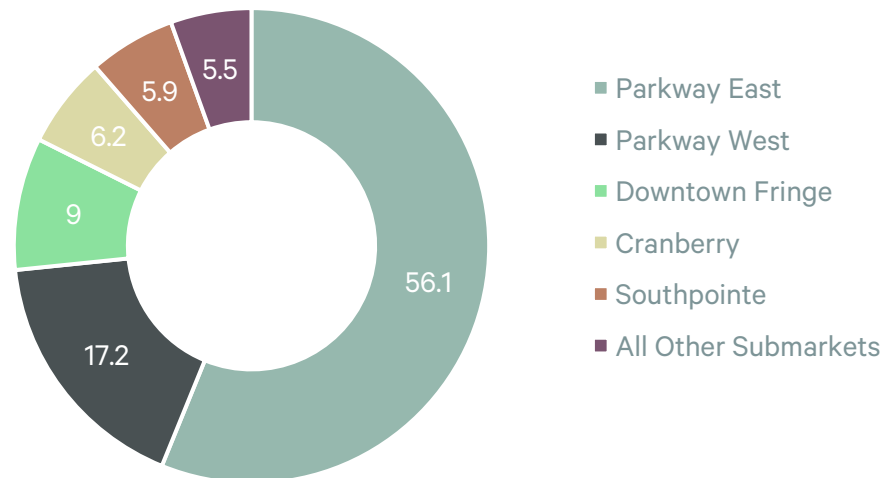
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	452,000	New Lease	4350 Northern Pike	Parkway East
Confidential Tenant	122,817	New Lease	1555 Coraopolis Heights Rd	Parkway West
Mortgage Connect	52,000	Renewal	600 Clubhouse Dr	Parkway West
GBU Financial Life	31,000	New Lease	2400 Ansys Dr	Southpointe
Nova Chemicals	28,000	New Lease	600 Lindbergh Dr	Parkway West
Sargent Electric Company	22,000	Renewal	2740 Smallman St	Downtown Fringe
Pace Analytical Services	22,000	Renewal	1401 Forbes Ave	Downtown Fringe
Confidential Tenant	22,000	New Lease	300 Allegheny Dr	Cranberry

Source: CBRE Research, Q2 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	30.72M	21.3	22.7	20.9	1.8	31.24	60,000	(157,000)	-	-
Class B	32.10M	16.4	19.1	18.5	0.5	24.35	(38,000)	(93,000)	-	-
Class C	9.15M	10.1	14.5	14.0	0.5	20.20	(6,000)	(14,000)	-	-
Total	71.98M	17.7	20.0	19.0	1.1	27.16	16,000	(264,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.99M	21.3	21.0	19.2	1.8	24.89	17,000	(128,000)	-	-
Class B	16.56M	14.0	16.2	16.1	0.1	20.63	37,000	68,000	-	-
Class C	2.83M	5.0	9.8	9.8	-	16.76	-	-	-	-
Total	32.38M	16.2	17.5	16.8	0.8	22.25	54,000	(60,000)	-	-

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	17.73M	21.3	24.0	22.2	1.8	34.36	43,000	(29,000)	-	-
Class B	15.54M	18.9	22.1	21.1	1.0	26.99	(75,000)	(161,000)	-	-
Class C	6.32M	12.4	16.6	15.9	0.7	21.11	(6,000)	(14,000)	-	-
Total	39.60M	18.9	22.1	20.8	1.3	29.88	(37,000)	(204,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	23.63M	19.6	23.3	22.3	1.0	28.99	32.20	(13,000)	22,000	-	-
Cranberry	3.39M	8.0	8.5	8.3	0.2	23.66	25.00	17,000	5,000	-	-
Downtown Fringe	11.16M	18.3	21.7	20.4	1.3	28.71	35.10	16,000	(36,000)	-	-
Oakland/East End	4.80M	16.8	17.4	14.3	3.0	41.08	46.21	(40,000)	(190,000)	-	-
Parkway East	5.19M	18.7	14.4	14.3	0.1	17.38	20.39	(2,000)	5,000	-	-
Parkway North	6.85M	12.0	13.9	13.0	0.9	21.85	25.94	(7,000)	13,000	-	-
Parkway West	10.28M	22.4	25.8	24.3	1.5	23.89	26.40	(45,000)	(89,000)	-	-
South	3.54M	6.5	9.9	9.8	0.2	20.82	21.30	8,000	6,000	-	-
Southpointe	3.13M	20.5	22.1	21.8	0.3	22.06	22.84	82,000	1,000	-	-
Total	71.98M	17.7	20.0	19.0	1.1	27.16	31.24	16,000	(264,000)	-	-

Source: CBRE Research, Q2 2026

Economic Overview

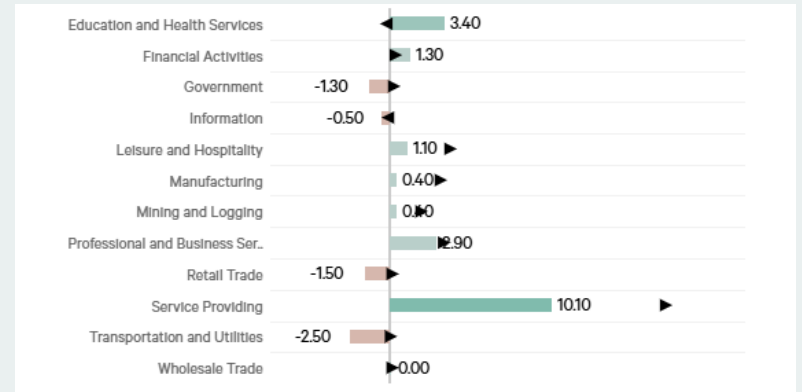
The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Employment Update

- ▼ 1.2M
Labor Force
- ▲ 3.5%
Unemployment Rate
- ▲ 286.4k
Office Using Jobs
- ▲ 347.7k
Industrial Using Jobs
- ▲ 154.1k
Retail Using Jobs

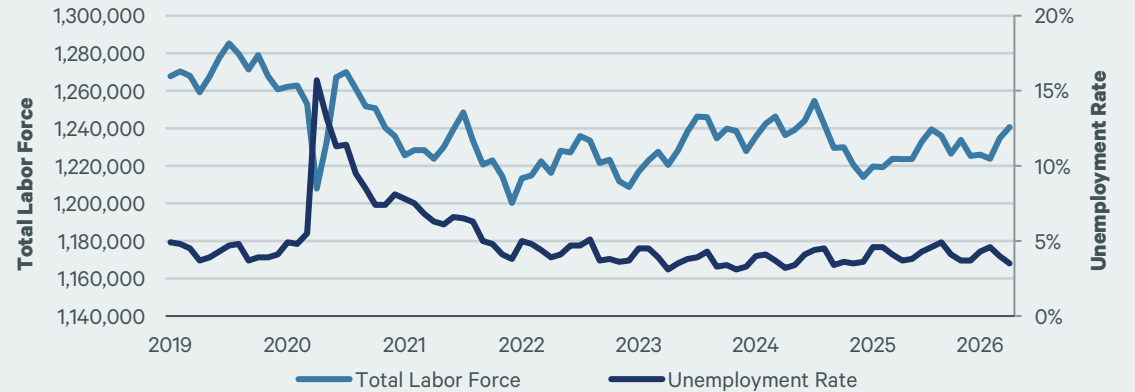
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, April 2026

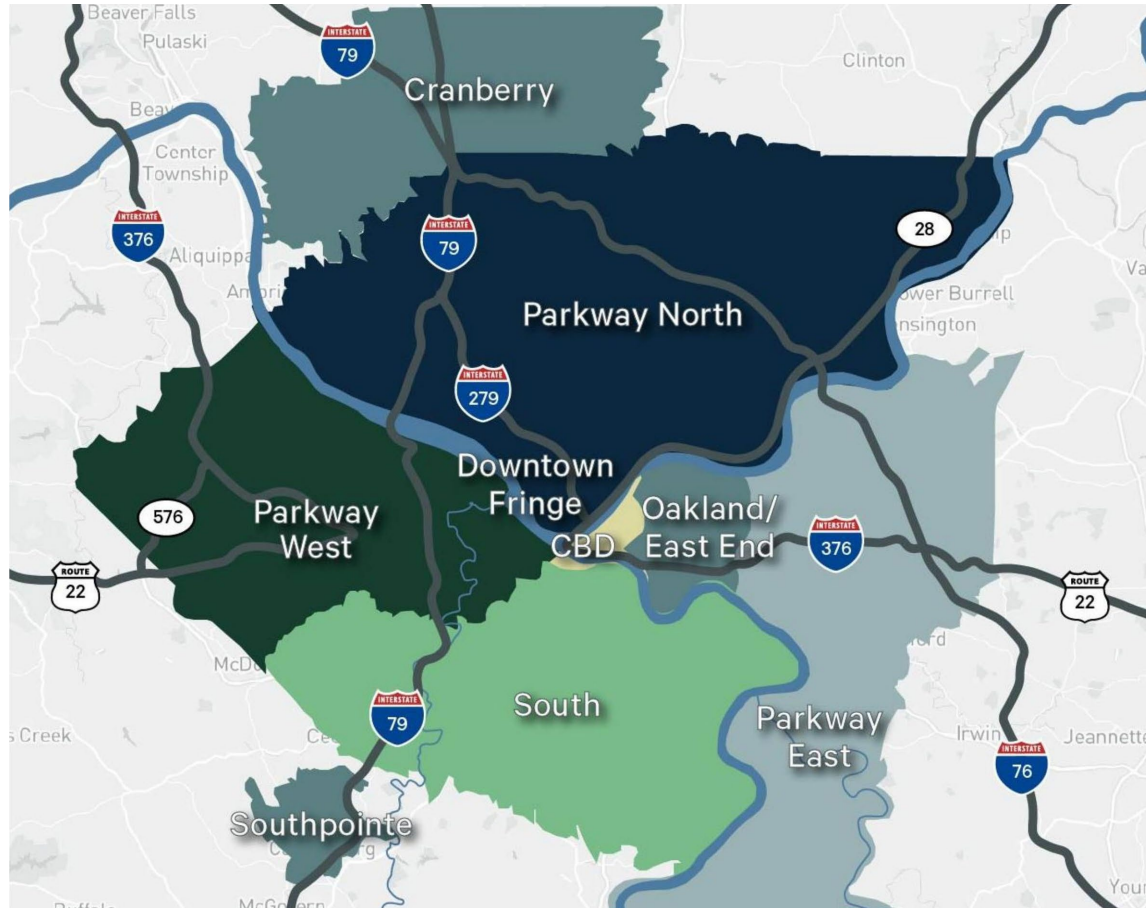
Note: Arrows indicate month-over-month change.

Unemployment Rate and Labor Force Trends



Source: US BLS, April 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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

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

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