

FIGURES | PITTSBURGH INDUSTRIAL | Q4 2025

Leasing momentum builds in supply-constrained market

▼ 5.5%
Vacancy Rate

▲ 273,953
SF Net Absorption

▼ 0
SF Construction Delivered

▶ 318,277
SF Under Construction

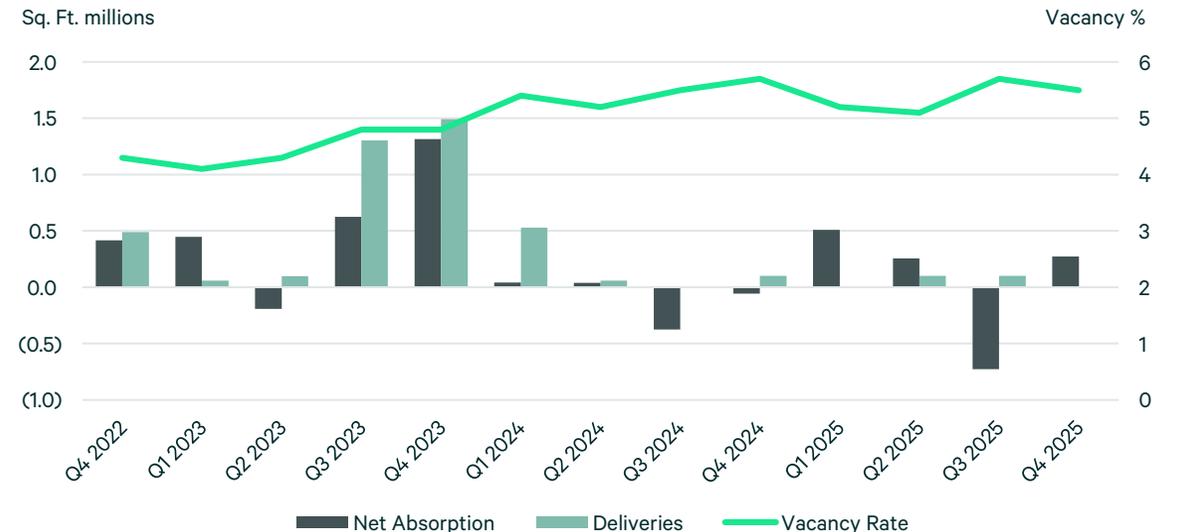
▼ \$7.69
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

- Total availability declined quarter-over-quarter to 6.4%, reflecting steady space absorption and limited new product entering the market, even as availability trends modestly higher over longer term horizon.
- Net absorption rebounded meaningfully in Q4, swinging position after a soft prior quarter and reinforcing the market’s ability to re-capture demand once tenant decision-making loosens.
- Leasing activity accelerated sharply with 1.5 million sq. ft. leased across eight large transactions, signaling improving tenant confidence heading into 2026.
- The West submarket continues to anchor Pittsburgh’s industrial growth, standing out as the region’s most viable location for modern development while maintaining exceptionally tight availability, underscoring both strong tenant demand and limited competitive supply
- Construction remains muted, with just two projects underway and no deliveries this quarter, keeping competitive pressure contained and positioning existing assets to benefit from renewed demand.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy

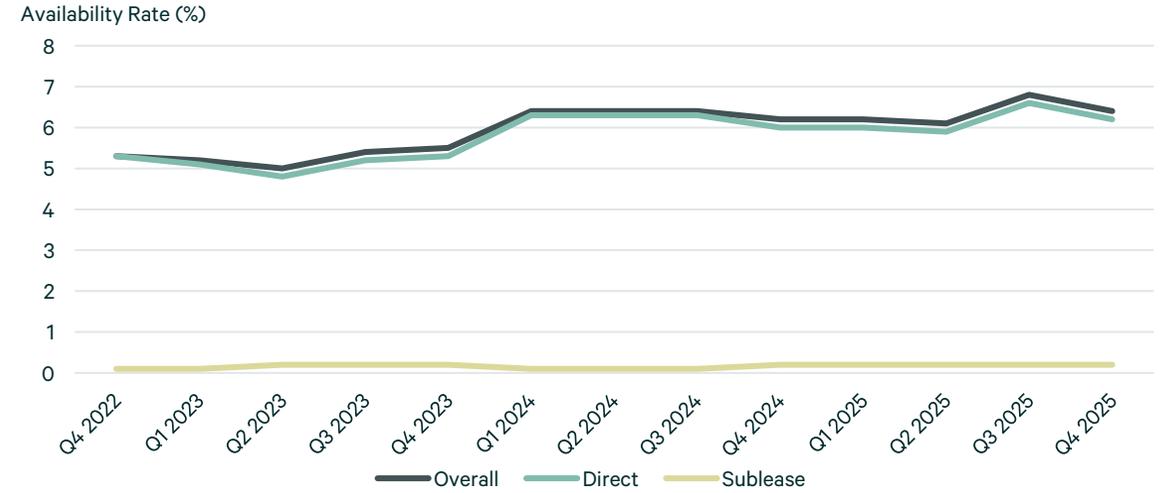


Source: CBRE Research, Q4 2025

Availability Rate

Total availability in the Pittsburgh industrial market declined to 6.4% in Q4 2025, down 40 basis points (bps) quarter-over-quarter, reflecting improving demand and limited new supply entering the market. Direct availability followed a similar trajectory, falling to 6.2% while sublease availability remained minimal at just 0.2%, underscoring the absence of meaningful excess space. While availability has trended modestly higher over the past three years, current levels remain low by historical standards and continue to reflect Pittsburgh’s structurally constrained Industrial environment.

FIGURE 2: Availability Rates

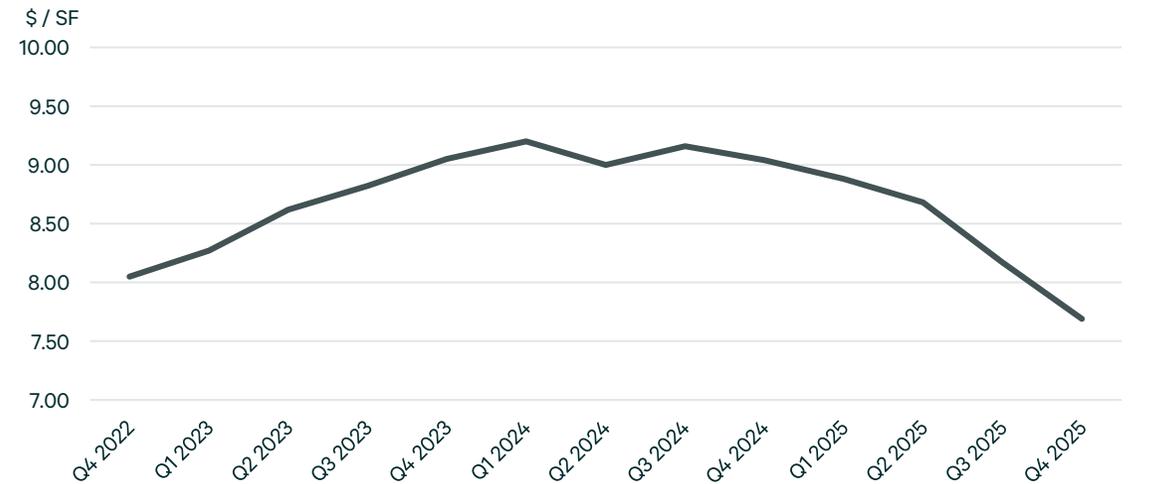


Source: CBRE Research, Q4 2025

Asking Rent

Average direct asking rents closed the fourth quarter in 2025 at \$7.69 per sq. ft. NNN, reflecting a quarter-over-quarter decline driven more by availability mix than a softening in underlying fundamentals. In a market where newer, higher-quality industrial assets remain largely occupied or transact off-market, quoted rents are disproportionately influenced by older product that is special use and that lingers on the market longer. As a result, asking rent trends are less indicative of where deals are actually landing and more of a function of limited availability in top-tier space, reinforcing that pricing in Pittsburgh’s industrial market remains supported by tight supply and steady demand.

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)

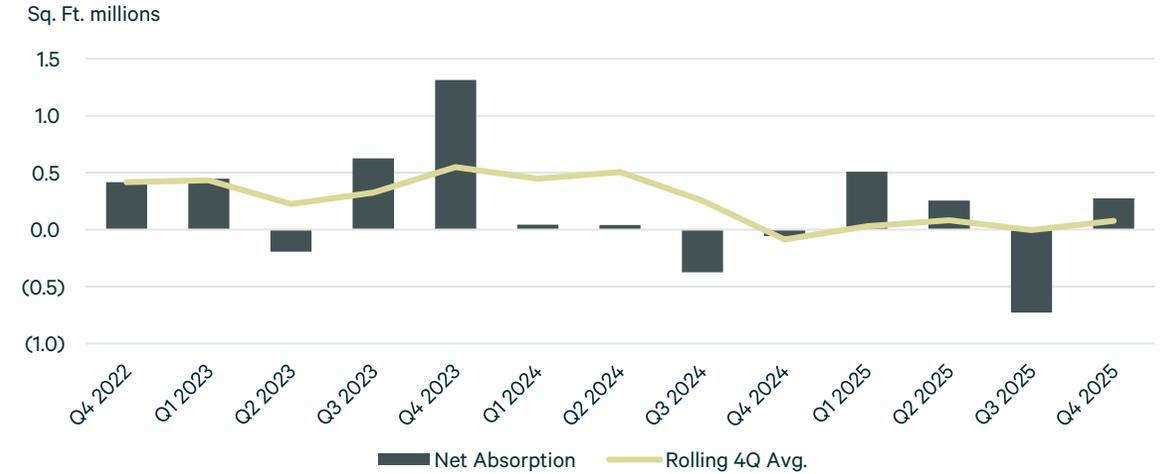


Source: CBRE Research, Q4 2025

Net Absorption

Net absorption totaled positive 273,953 sq. ft. in Q4 2025, a meaningful reversal from negative absorption in the prior quarter and a clear signal that tenant demand re-engaged as the year closed. Over the past four quarters, the market has posted positive cumulative absorption, reinforcing that recent volatility reflects timing and decision delays rather than structural weakness. Longer term, Pittsburgh continues to demonstrate steady space consumption, supported by its diversified industrial base and limited supply pipeline.

FIGURE 4: Net Absorption Trend

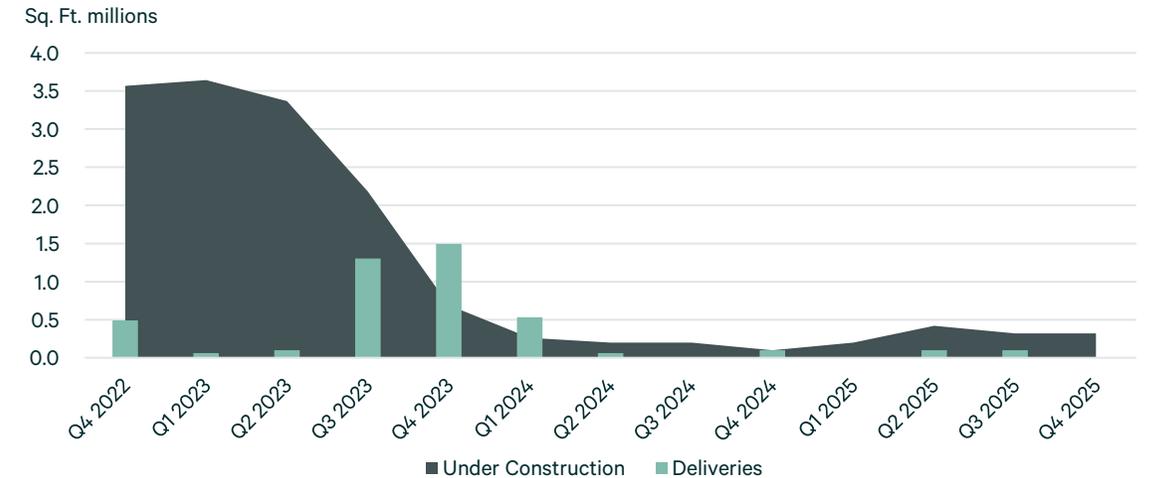


Source: CBRE Research, Q4 2025

Construction Activity

Construction activity remained limited in Q4 2025, with just two projects underway totaling 318,277 sq. ft. and no new deliveries during the quarter. While year-over-year construction levels increased modestly, the broader pipeline remains well below historical norms, reflecting both development constraints and disciplined capital deployment. This muted construction environment continues to support market balance, ensuring that new supply is largely aligned with demand rather than speculative excess.

FIGURE 5: Construction Activity

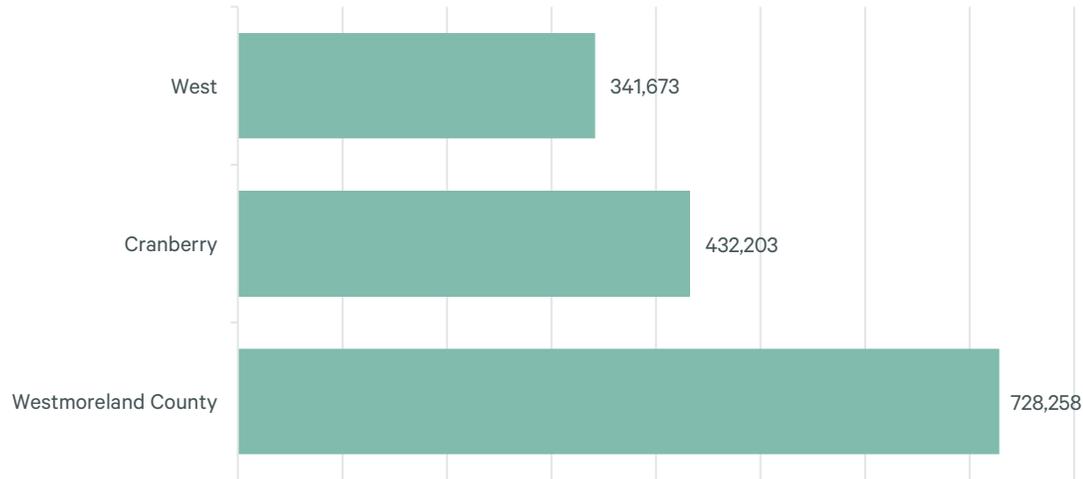


Source: CBRE Research, Q4 2025

Leasing Activity

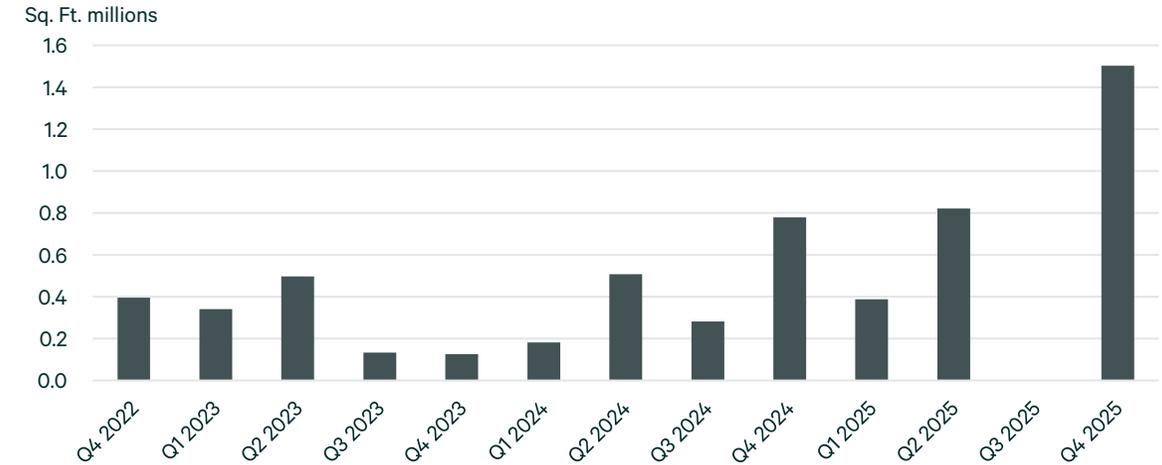
Leasing activity remained strong in Q4, totaling approximately 1.5 million sq. ft. across eight leases of 50,000 sq. ft. or greater, highlighting continued tenant demand for well-located industrial space. Much of this activity was concentrated in the West submarket, which continues to function as the region’s primary growth engine and one of the few areas capable of accommodating modern industrial development. Availability in the West submarket compressed to roughly 6.0%, an exceptionally tight level given its outsized role in capturing large-format requirements and new construction demand. The depth of leasing in the West underscores both the scarcity of functional space and the market’s ability to absorb activity even as development opportunities remain limited elsewhere.

FIGURE 6: Leasing Activity by Submarket – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend – Leases 50,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
EOS Energy Enterprises	432,203	New Lease	150 Thorn Hill Rd	Cranberry
Mondi	232,325	New Lease	2201 Sweeney Dr	West
Intervala	218,000	Renewal	1001 Technology Dr	Westmoreland County
Confidential Tenant	216,704	Renewal	1000 Westinghouse Dr	Westmoreland County
Confidential Tenant	116,985	New Lease	1000 Westinghouse Dr	Westmoreland County
Confidential Tenant	109,348	New Lease	1001 Blue Sky Ln	West
Hitachi	94,369	New Lease	216 Finley Rd	Westmoreland County
GE Grid Solutions	82,200	New Lease	1001 Technology Dr	Westmoreland County
J.V. Chujko	43,000	New Lease	400 Graham St	West
MRF North America	40,000	Renewal	410-416 Keystone Dr	Cranberry

Source: CBRE Research, Q4 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	39,591,596	4.0	5.1	4.8	0.3	8.67	16,309	(206,417)	0	90,277
100,000-199,999 sq. ft.	29,769,760	5.5	6.8	6.7	0.1	7.25	245,055	942,305	0	0
200,000-299,999 sq. ft.	18,187,679	5.7	7.6	7.3	0.3	6.72	32,086	205,338	0	228,000
300,000-499,999 sq. ft.	17,116,511	0.8	0.8	0.3	0.5	-	8,598	(124,995)	0	0
500,000-749,999 sq. ft.	12,897,518	13.5	14.1	14.1	0.0	3.25	(28,095)	(512,277)	0	0
750,000 sq. ft.	18,686,087	6.7	7.5	7.5	0.0	8.97	0	7,500	0	0
Total	136,249,151	5.5	6.4	6.2	0.2	7.69	273,953	311,454	0	318,277

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	41,689,689	3.9	4.4	3.9	0.5	7.14	261,304	1,022,863	0	318,277
Manufacturing	1,003,596	0.0	14.3	14.3	0.0	0.00	0	30,450	0	0
R&D / Flex	11,972,551	7.4	8.2	8.2	0.0	12.82	76,797	49,856	0	0
Other Industrial	81,583,315	6.0	7.1	7.0	0.1	6.50	(64,148)	(791,715)	0	0
Total	136,249,151	5.5	6.4	6.2	0.2	7.69	273,953	311,454	0	318,277

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Beaver County	10,430,468	1.7	3.4	3.3	0.2	6.0	0	272,746	0	0
Butler County	8,531,640	1.3	2.5	2.5	0.0	5.18	0	40,500	0	0
City of Pittsburgh	13,531,338	5.5	6.2	6.2	0.0	8.23	130,391	77,020	0	0
Cranberry	8,334,075	1.7	3.1	2.1	1.0	15.32	155,678	62,907	0	0
East	9,484,534	13.4	14.1	14.0	0.1	5.74	0	(7,500)	0	0
Northeast	13,166,915	2.9	3.2	3.2	0.0	12.11	8,165	74,257	0	0
Northwest	5,989,205	3.0	5.3	5.3	0.0		(35,301)	(5,999)	0	0
South	9,697,493	8.0	10.7	10.7	0.0	16.0	(45,662)	(547,357)	0	0
Washington County	11,048,564	4.7	5.0	5.0	0.0	6.63	0	36,151	0	0
West	21,317,188	6.4	6.8	6.0	0.8	9.07	47,277	260,968	0	90,277
Westmoreland County	24,717,731	7.1	8.1	8.1	0.0	5.93	13,405	47,761	0	228,000
Total	136,249,151	5.5	6.4	6.2	0.2	7.69	273,953	311,454	0	318,277

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

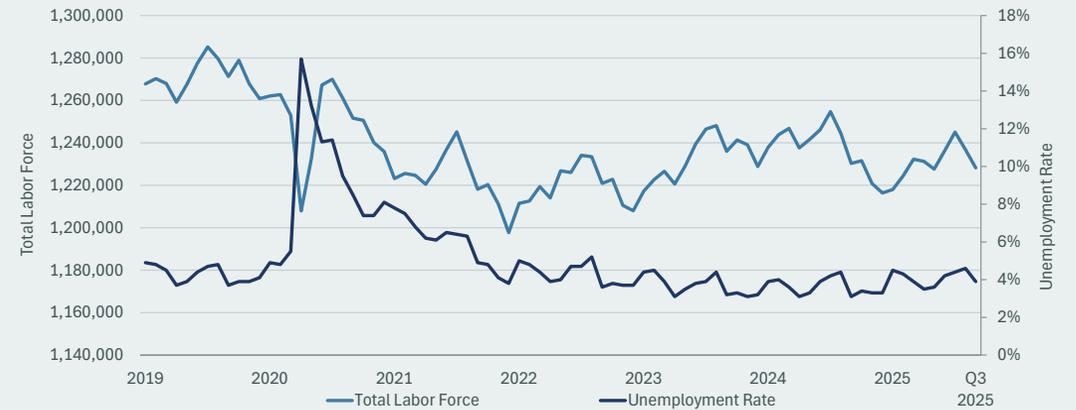
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, September 2025

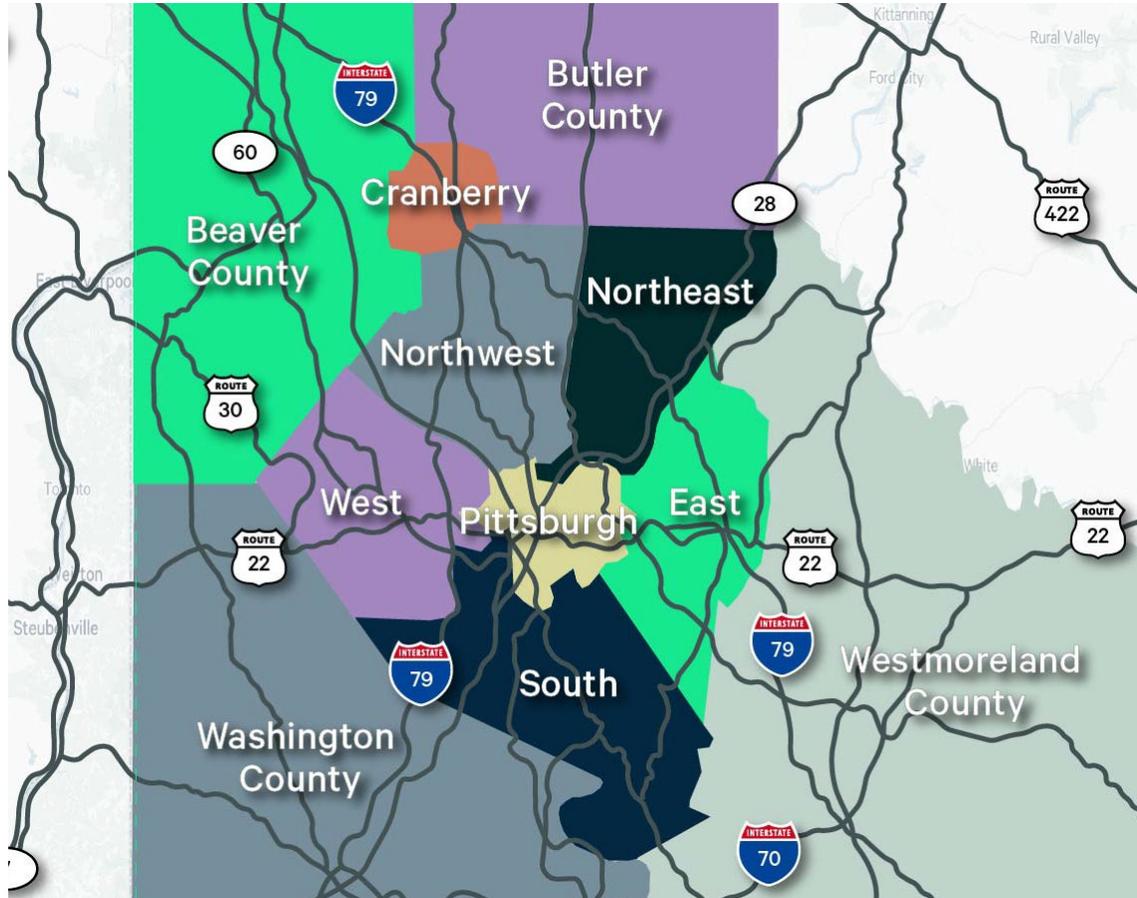
Note: Arrows indicate month-over-month change.

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

Survey Criteria

Industrial buildings with a net rentable area (NRA) of 30,000 square feet or higher.

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