

FIGURES | PITTSBURGH INDUSTRIAL | Q2 2026

Pittsburgh Industrial Holds Steady

▶ 5.4%

Vacancy Rate

▼ (67,554)

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 958,740

SF Under Construction

▲ \$7.73

NNN/YR Direct Lease Rate

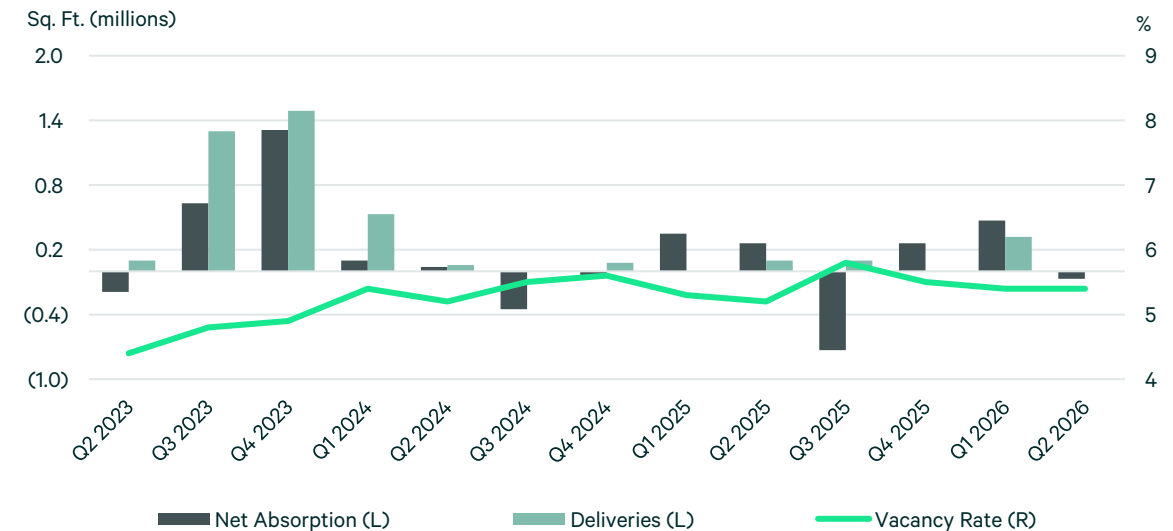
Note: Arrows indicate change from previous quarter.

Market Overview

The market ended the quarter with vacancy at 5.4%. Net absorption measured negative 68,000 sq. ft. during the period. This reversed 473,000 sq. ft. of positive absorption in the prior quarter. Net absorption decreased by 323,000 sq. ft. year-over-year. Vacancy remained unchanged quarter-over-quarter. It was 20 basis points higher than one year earlier. Vacancy increased by 100 basis points compared with the earliest period provided. The availability rate reached 6.2%. Average asking rents stood at \$7.73 per sq. ft. Average rents declined by 10.9% year-over-year. They decreased by 10.3% relative to the earliest period.

The construction pipeline measured 959,000 sq. ft. in the current quarter. It increased by 56,000 sq. ft. quarter-over-quarter. The pipeline declined by 2.4 million sq. ft. from the earliest quarter in the data set. No new space delivered during the quarter. This followed 318,000 sq. ft. of deliveries in the prior quarter. Reported top new leases totaled 369,000 sq. ft. for the period. The largest was a 226,000 sq. ft. confidential lease in the South submarket. Cranberry recorded two leases totaling 143,000 sq. ft.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy Rate

In Q2 2026, overall vacancy was 5.4%, unchanged quarter-over-quarter, while direct vacancy measured 5.3%, 10 basis points higher than in Q1 2026. On a year-over-year basis, overall and direct vacancy are each 20 basis points higher than in Q2 2025, when they stood at 5.2% and 5.1%, respectively. Compared with Q2 2023, overall vacancy has increased by 100 basis points from 4.4% and direct vacancy has increased by 110 basis points from 4.2%. Sublease vacancy was 0.1% in Q2 2026, unchanged quarter-over-quarter, year-over-year, and relative to Q2 2023.

In Q2 2026, Butler County recorded the lowest overall vacancy at 1.9%, followed by the Northeast submarket at 2.4%. Beaver County, Northwest, and Cranberry each posted overall vacancy between 3.4% and 3.7%. The East submarket registered the highest overall vacancy at 13.2%, with the South and Westmoreland County at 7.3% and 6.3%, respectively.

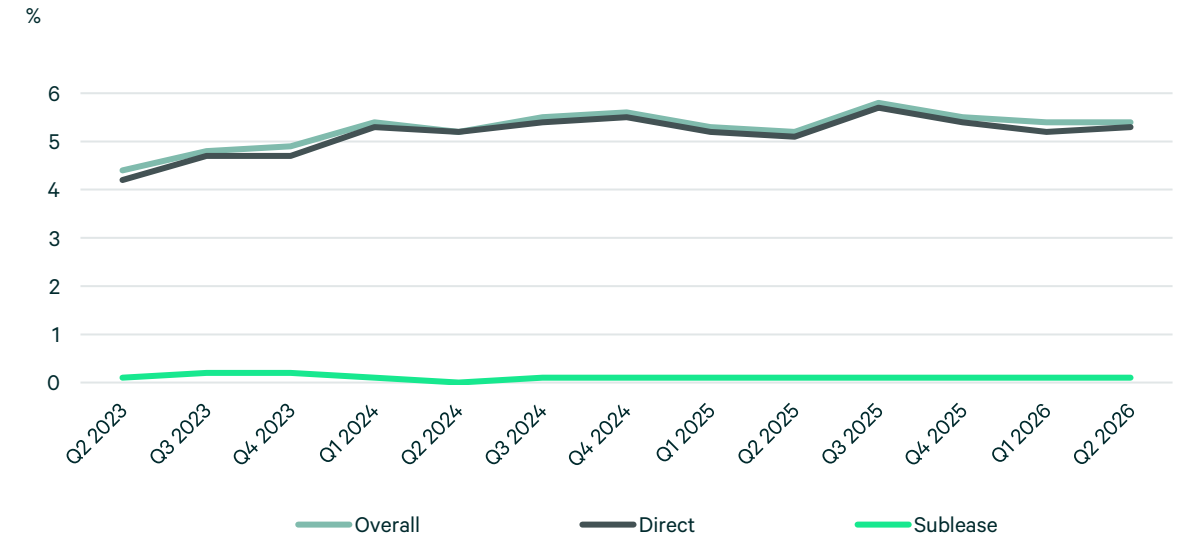
Sublease vacancy was 0.1% in Q2 2026, unchanged from the prior quarter. Sublease space totaled 160,017 sq. ft. of vacant area across the market in Q2 2026.

Asking Rent

The average asking rent for the market was \$7.73 in Q2 2026, reflecting a 0.9% quarter-over-quarter gain as pricing continues to stabilize. From Q2 2023 through Q2 2026, asking rents rose from \$8.62 to a high of \$9.20 in Q1 2024, before settling to a more sustainable \$7.73 as the market recalibrated to current demand fundamentals.

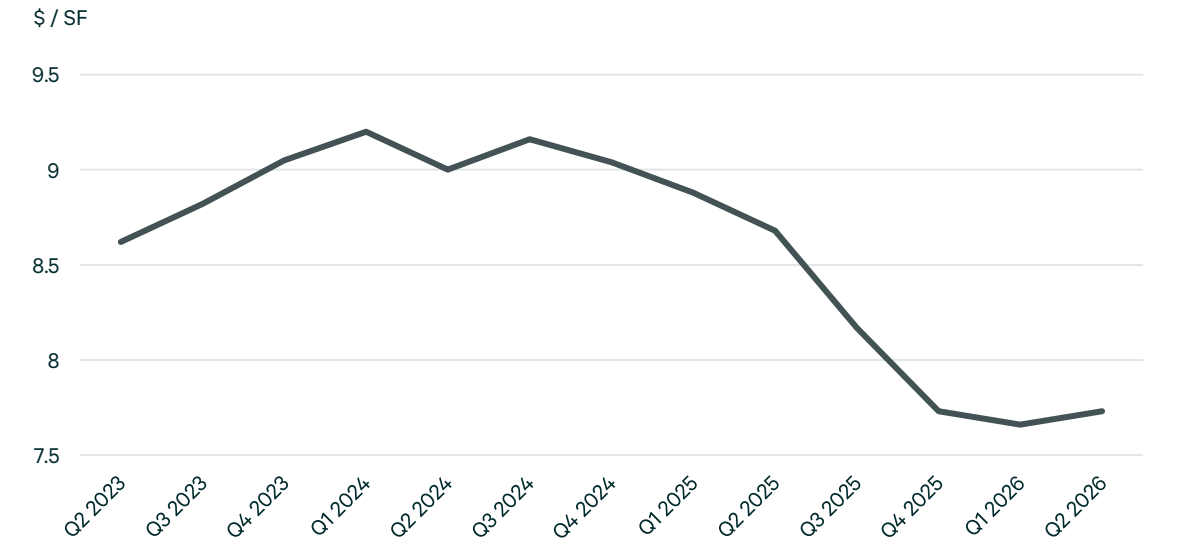
At the submarket level in Q2 2026, Cranberry led all submarkets with an average asking lease rate of \$15.50, followed by Northeast at \$11.72, while East (\$5.19) and Westmoreland County (\$5.77) offered the most competitive pricing in the region. The City of Pittsburgh (\$9.76), West (\$8.97), South (\$8.02), Beaver County (\$6.62), Washington County (\$7.06), and Butler County (\$6.38) rounded out a broad and consistent middle tier of pricing across the market.

Figure 2: Vacancy Rate



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

Total net absorption in Q2 2026 was negative 68,000 sq. ft., indicating a pullback in occupied space. This result was below the 473,000 sq. ft. recorded in Q1 2026 by 541,000 sq. ft., a 114.4% decline quarter-over-quarter. It was also below the 255,000 sq. ft. recorded in Q2 2025 by 323,000 sq. ft., a 126.7% decline year-over-year. The rolling four-quarter average net absorption stood at negative 15,250 sq. ft., down from 65,500 sq. ft. in Q1 2026, a 123.3% decline quarter-over-quarter.

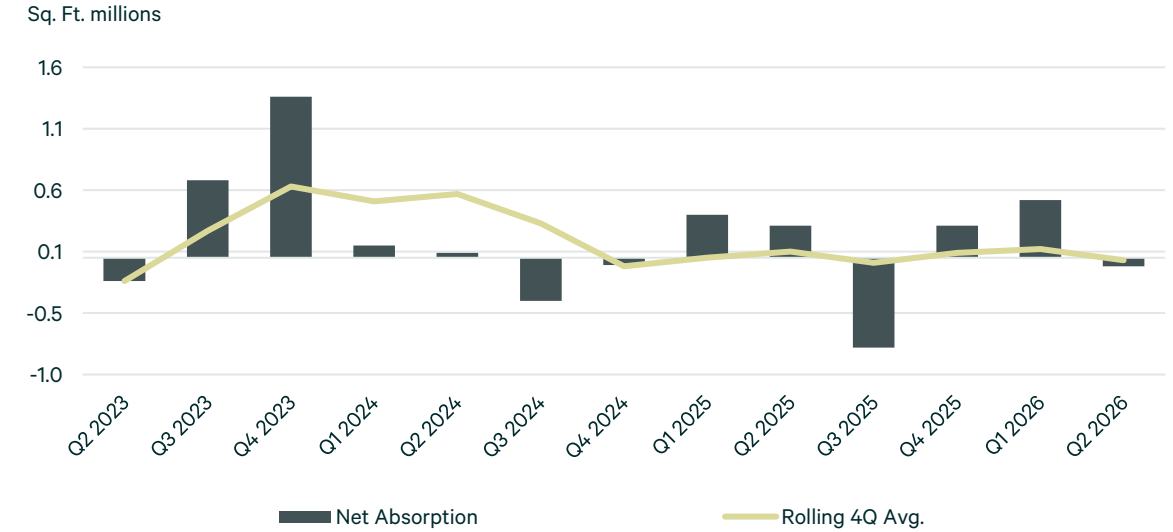
In Q2 2026, Westmoreland County posted the highest positive net absorption at 60,000 sq. ft., followed by Washington County at 36,000 sq. ft. The City of Pittsburgh and Northwest submarkets also recorded positive net absorption of 22,000 sq. ft. and 14,000 sq. ft., respectively. On the downside, Cranberry registered the most negative net absorption at negative 64,000 sq. ft., while South recorded negative 44,000 sq. ft.

Construction Activity

In Q2 2026, under construction space in the market totaled 959,000 sq. ft., while no new space was delivered during the quarter. Under construction inventory increased 6.2% quarter-over-quarter and 129.4% year-over-year, reflecting a rebuild from the low point reached in late 2024. In contrast, construction deliveries declined by negative 100.0% quarter-over-quarter and negative 100.0% year-over-year, as activity paused after 318,000 sq. ft. completed in Q1 2026 and 100,000 sq. ft. in Q2 2025.

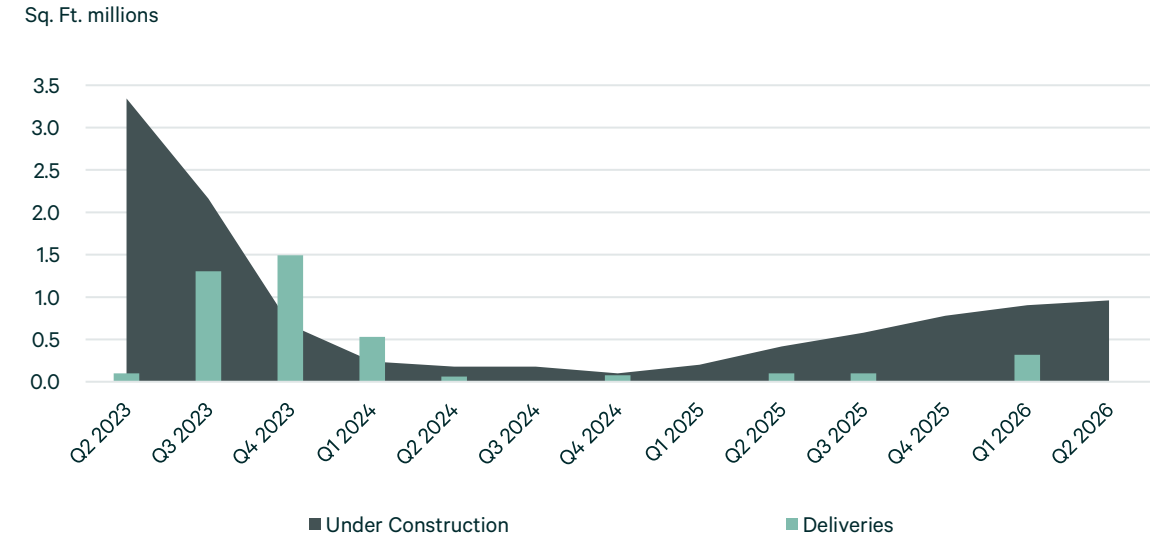
Beaver County has the highest construction volume at 360,000 sq. ft., followed by the West submarket with 332,000 sq. ft. underway. City of Pittsburgh has 150,000 sq. ft. under construction.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

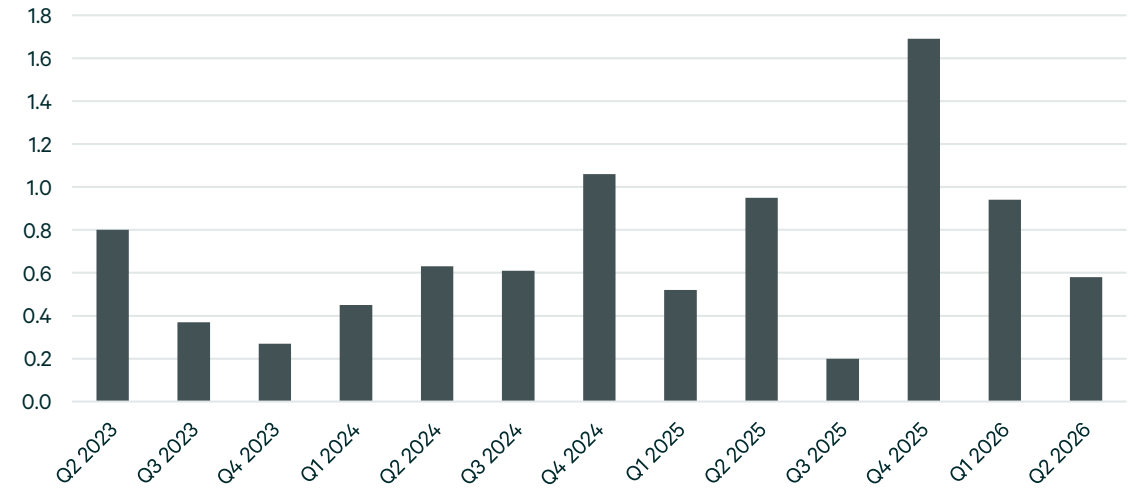
Leasing Activity

Leasing activity in Q2 2026 totaled 582,000 sq. ft., down 38.2% quarter-over-quarter and 38.8% year-over-year. Over the past four quarters, tenants leased a combined 3.4 million sq. ft., including 1.7 million sq. ft. in Q4 2025, the highest quarterly volume in the period.

By submarket, the South recorded the highest leasing volume at 260,000 sq. ft., followed by Cranberry at 143,000 sq. ft., both reflecting positive leasing activity. Northwest and West also posted positive leasing, with 126,000 sq. ft. and 54,000 sq. ft., respectively.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



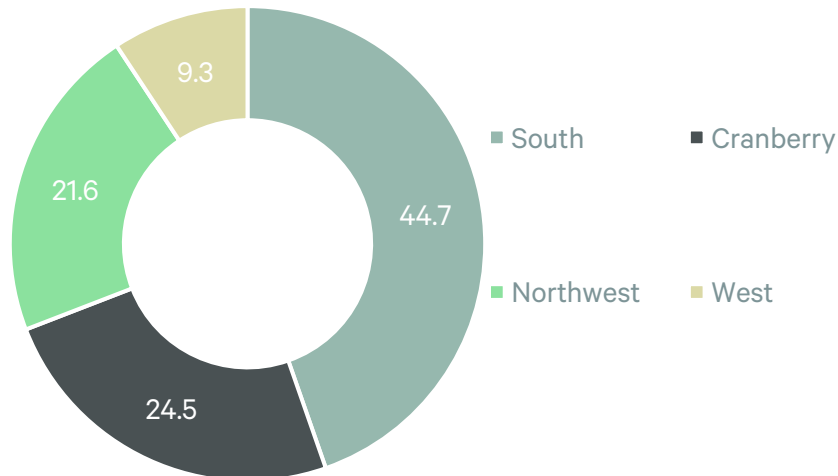
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	226,000	New Lease	601 W 7th Ave	South
Lab37	83,000	New Lease	19 Leonberg Rd	Cranberry
Prime Source Building Products	74,000	Renewal	19 AVENUE C	Northwest
Confidential Tenant	60,000	New Lease	108 Tomlinson Dr	Cranberry
Tansect	51,000	New Lease	11 Avenue B	Northwest
Confidential Tenant	40,000	New Lease	181 Spring Run Rdext	West
Confidential Tenant	34,000	New Lease	540 Mayer St	South
Metropolitan Siding and Windows	14,000	New Lease	500 N Bell Ave	West

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	41.75M	4.5	5.1	4.8	0.3	7.54	(364,000)	(65,000)	-	743,000
Manufacturing - General	1.00M	2.4	12.4	12.4	-	-	(24,000)	(24,000)	-	-
Manufacturing - Advanced	-	-	-	-	-	-	-	-	-	160,000
R&D/Flex	11.97M	5.8	7.1	7.1	-	14.01	9,000	140,000	-	56,000
Other Industrial	80.61M	5.9	6.6	6.5	0.0	6.71	311,000	355,000	-	-
Total	135.34M	5.4	6.2	6.1	0.1	7.73	(68,000)	405,000	-	959,000

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	13.62M	2.8	3.4	3.2	0.2	7.83	(87,000)	(99,000)	-	60,000
50K-99,999 SF	26.15M	4.2	4.6	4.6	0.0	9.31	234,000	249,000	-	56,000
100K-249,999 SF	38.56M	5.5	6.4	6.2	0.1	6.76	(180,000)	199,000	-	843,000
250K-499,999 SF	25.42M	3.1	4.0	3.7	0.3	7.08	-	(4,000)	-	-
500K-749,999 SF	12.90M	13.8	14.4	14.4	-	7.51	(35,000)	(35,000)	-	-
750,000 SF +	18.69M	6.3	7.6	7.6	-	8.66	-	94,000	-	-
Total	135.34M	5.4	6.2	6.1	0.1	7.73	(68,000)	405,000	-	959,000

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 (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Beaver County	10.21M	3.4	4.8	4.5	0.3	6.62	8,000	(10,000)	-	360,000
Butler County	7.81M	1.9	3.2	3.2	-	6.38	-	(36,000)	-	-
City of Pittsburgh	12.96M	5.3	5.5	5.5	-	9.76	22,000	(19,000)	-	150,000
Cranberry	8.26M	3.7	3.5	2.9	0.6	15.50	(64,000)	(158,000)	-	-
East	9.63M	13.2	13.4	13.3	0.1	5.19	-	-	-	-
Northeast	13.31M	2.4	2.7	2.7	-	11.72	(83,000)	65,000	-	-
Northwest	5.96M	3.6	4.9	4.9	-	-	14,000	(37,000)	-	-
South	9.70M	7.3	9.6	9.6	-	8.02	(44,000)	66,000	-	56,000
Washington County	10.87M	4.4	4.5	4.5	-	7.06	36,000	41,000	-	-
West	20.84M	5.8	6.7	6.3	0.4	8.97	(17,000)	131,000	-	332,000
Westmoreland County	25.79M	6.3	7.5	7.5	-	5.77	60,000	363,000	-	60,000
Total	135.34M	5.4	6.2	6.1	0.1	7.73	(68,000)	405,000	-	959,000

Source: CBRE Research, Q2 2026

Economic Overview

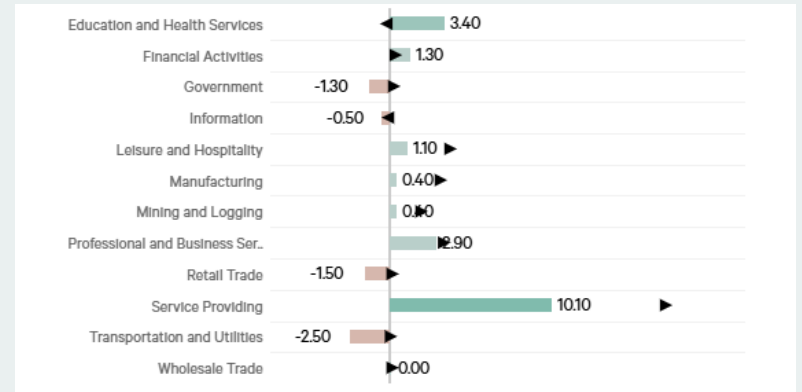
The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but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

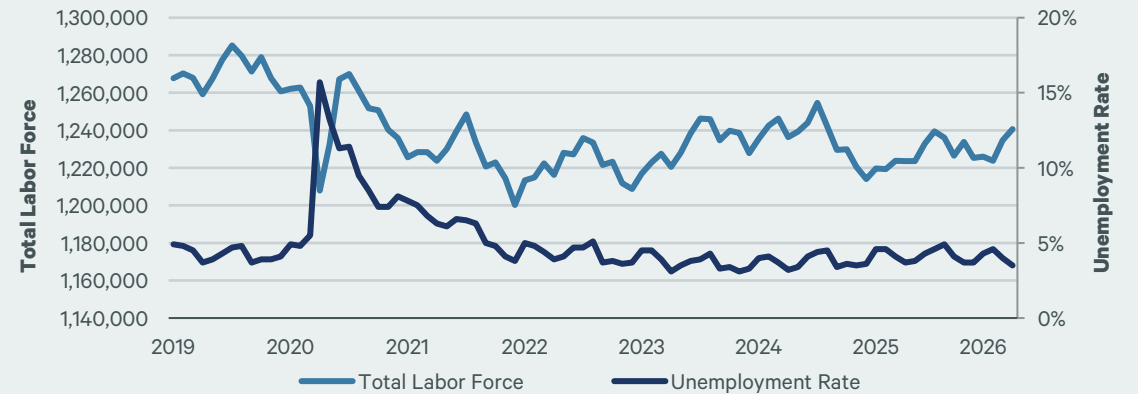
Employment Change by Sector – Yearly + Monthly
 Bars indicate yearly trend, arrows indicate monthly trend



Source: US BLS, April 2026

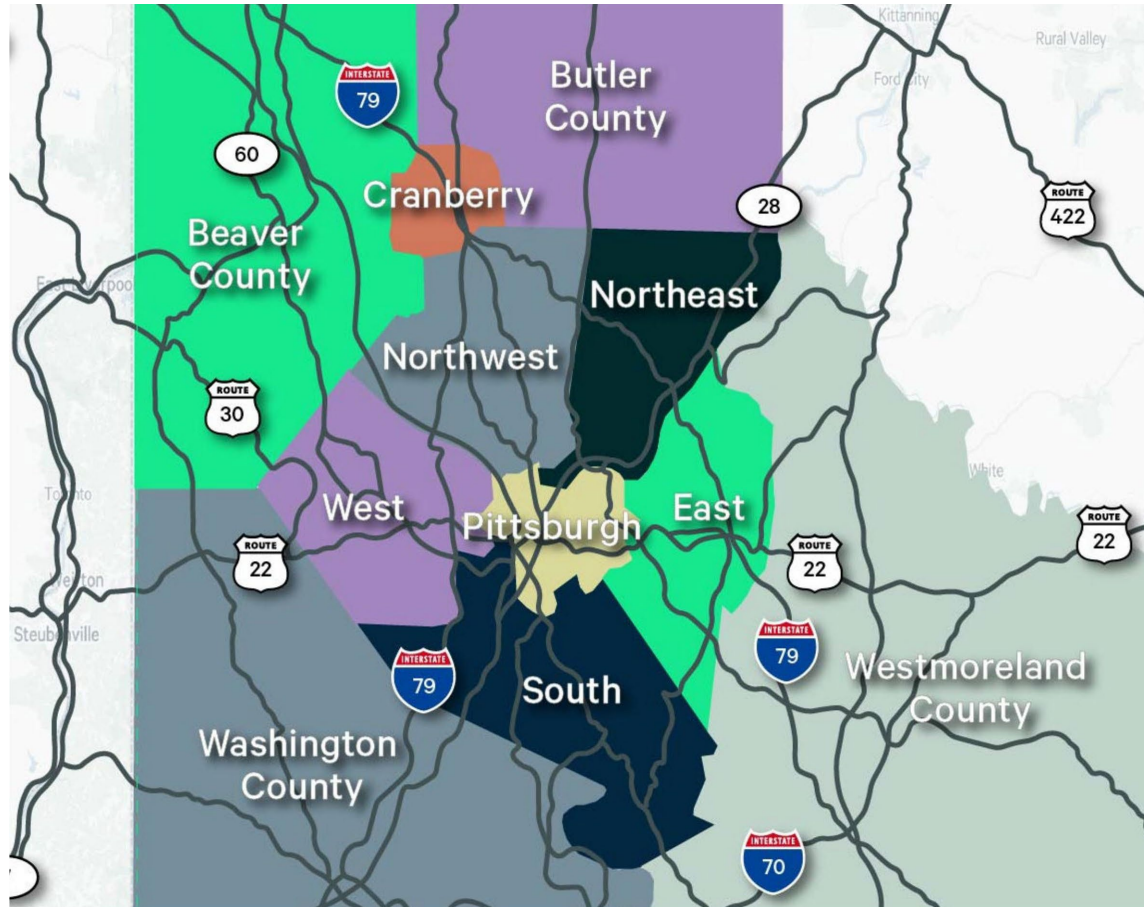
Note: Arrows indicate month-over-month change.

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

[Insert survey Criteria here. Contact your manager for specific criteria]

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