

FIGURES | PITTSBURGH INDUSTRIAL | Q3 2026

Positive Net Absorption and Rent Growth Define Third Quarter

▼5.2%

Vacancy Rate

▲189.3

KSF Net Absorption

►0.0

KSF Construction Delivered

Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions tightened, with occupancy improving even as leasing volume pulled back. Net absorption turned positive at 189,000 sq. ft., compared with negative 68,000 sq. ft. recorded in Q2 2026, and vacancy fell 20 basis points quarter-over-quarter to 5.2%. Average asking rent increased to \$8.32 per sq. ft., up from \$7.74 per sq. ft., and under-construction space held at 859,000 sq. ft. across 8 properties with no deliveries in the quarter. Despite these gains in occupancy and pricing, tenants leased 513,000 sq. ft., down from 771,366 sq. ft. in Q2 2026.

Over the full data series, the market cycled between strong expansion, periods of contraction, and a rebuilding development pipeline.

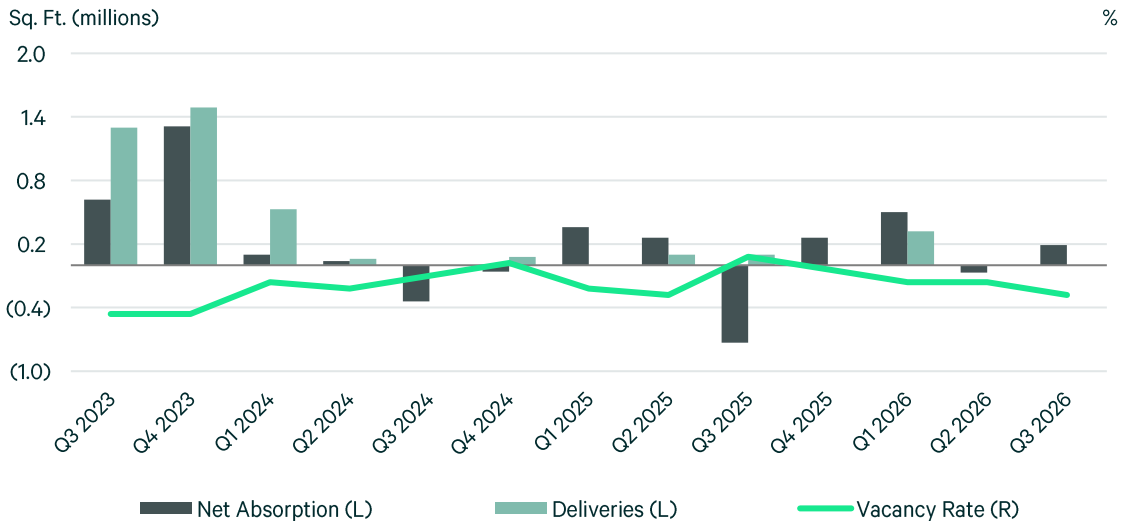
►858.7

KSF Under Construction

▲\$8.32

Avg. Direct Asking Rate (NNN/YR)

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research, Q3 2026

Vacancy Rate

In Q3 2026, the market posted a slight reduction in overall vacancy compared with Q2 2026. Overall vacancy measured 5.2% in Q3 2026, down 20 basis points quarter-over-quarter and 60 bps lower year-over-year. Direct vacancy followed a similar path, ending Q3 2026 at 5.1%, down 20 bps quarter-over-quarter.

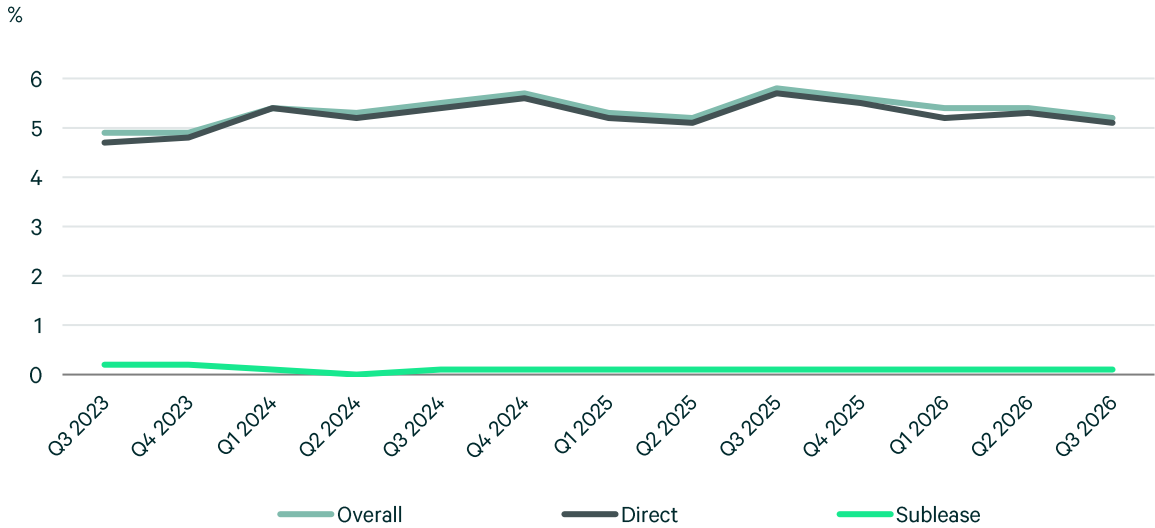
Vacancy conditions in Q3 2026 differed sharply by submarket, offering occupiers and investors a mix of very tight and more flexible locations. Butler County recorded the lowest overall vacancy rate at 0.7%, with Northeast posting the second lowest rate at 2.5%, underscoring limited availability in these areas. At the other end of the spectrum, the East submarket had the highest overall vacancy rate at 14.5%, while Westmoreland County also showed elevated availability at 7.3%, providing more options for tenants seeking space.

Net Absorption

In Q3 2026, total net absorption for the market measured 189,000 sq. ft., indicating modest occupancy gains. This total exceeded the negative 68,000 sq. ft. recorded in Q2 2026 as the market returned to positive territory quarter-over-quarter. Net absorption also exceeded the negative 727,000 sq. ft. recorded in Q3 2025, marking a significant improvement year-over-year from the deep contraction in that period.

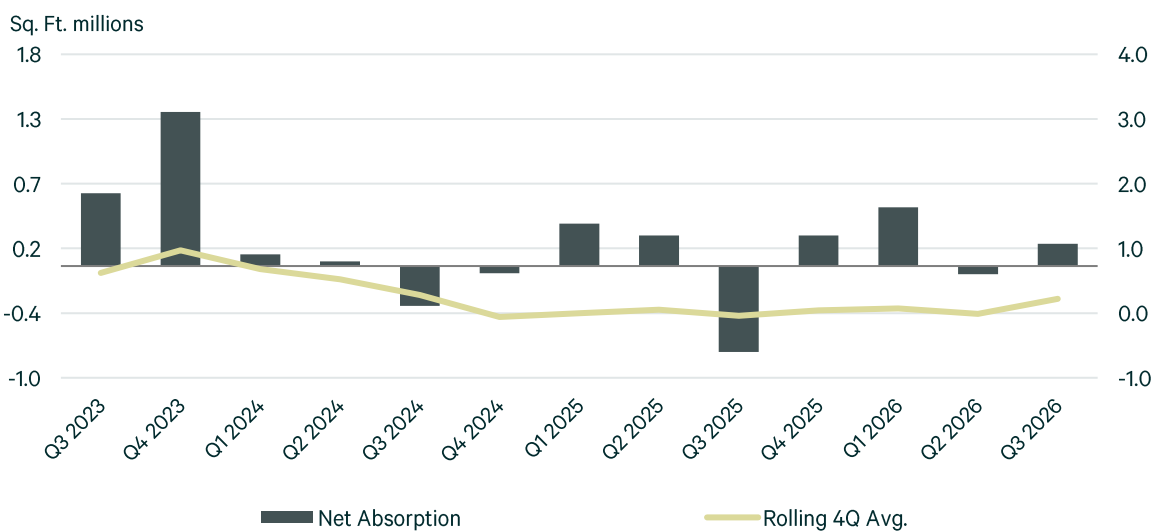
At the submarket level in Q3 2026, City of Pittsburgh and South posted the strongest positive net absorption, at 247,000 sq. ft. and 121,000 sq. ft., respectively. Butler County and Northwest also recorded solid gains, with net absorption of 96,000 sq. ft. and 61,000 sq. ft., respectively, further contributing to the quarter's overall occupancy growth. On the negative side, East registered the most pronounced contraction with net absorption totaling negative 123,000 sq. ft., followed by West at negative 12,000 sq. ft., highlighting areas where occupancy continued to retreat.

Figure 2: Vacancy Rate



CBRE Research, Q3 2026

Figure 3: Net Absorption Trend



CBRE Research, Q3 2026

Asking Rent

Average asking rents in Q3 2026 indicated a market that had begun to recover modestly following earlier declines. The market-average asking rent in Q3 2026 was \$8.32 per sq. ft., representing a 7.5% quarter-over-quarter increase and a 1.8% year-over-year gain. Across the full data series from Q3 2023, the average asking rent climbed from \$8.82 per sq. ft. to a peak of \$9.20 per sq. ft. in Q1 2024, then trended down to \$7.74 per sq. ft. by Q4 2025 before fluctuating in early 2026 and then rising to \$8.32 per sq. ft. by Q3 2026.

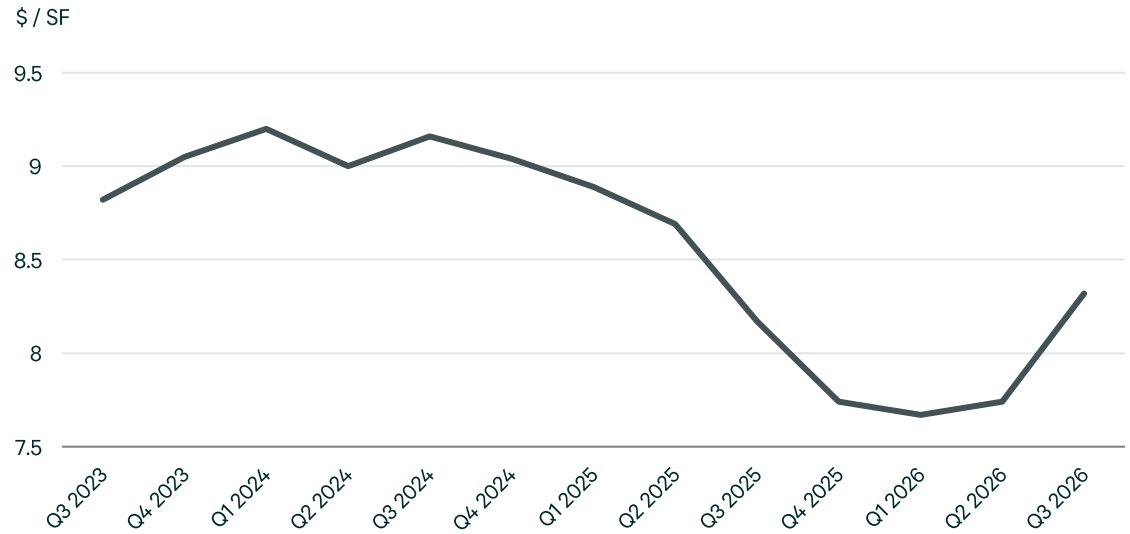
Submarket pricing in Q3 2026 remained widely dispersed, with clear differences between the most expensive and more moderately priced areas. Cranberry and City of Pittsburgh posted the highest average asking lease rates at \$15.50 per sq. ft. and \$13.13 per sq. ft., respectively, followed by Northeast at \$12.61 per sq. ft. West at \$8.95 per sq. ft., South at \$7.99 per sq. ft., Butler County at \$7.90 per sq. ft., Westmoreland County at \$5.75 per sq. ft., East at \$5.26 per sq. ft., Beaver County at \$6.62 per sq. ft., and Washington County at \$7.06 per sq. ft. offered a range of more moderate to lower rent levels.

Construction Activity

In Q3 2026, under construction totaled 859,000 sq. ft., while no new space was delivered. Under construction was unchanged quarter-over-quarter, indicating a stable pipeline.

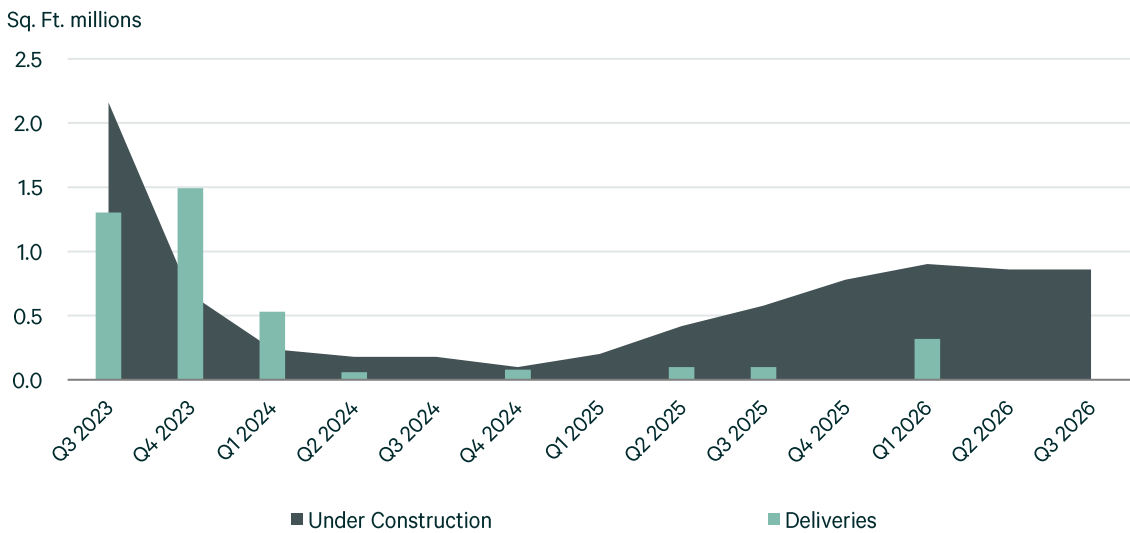
Beaver County and West recorded the highest under construction activity, with 260,000 sq. ft. and 332,000 sq. ft. underway respectively. The City of Pittsburgh also had 150,000 sq. ft. under construction.

Figure 4: Average Direct Asking Rate



CBRE Research, Q3 2026

Figure 5: Construction Activity



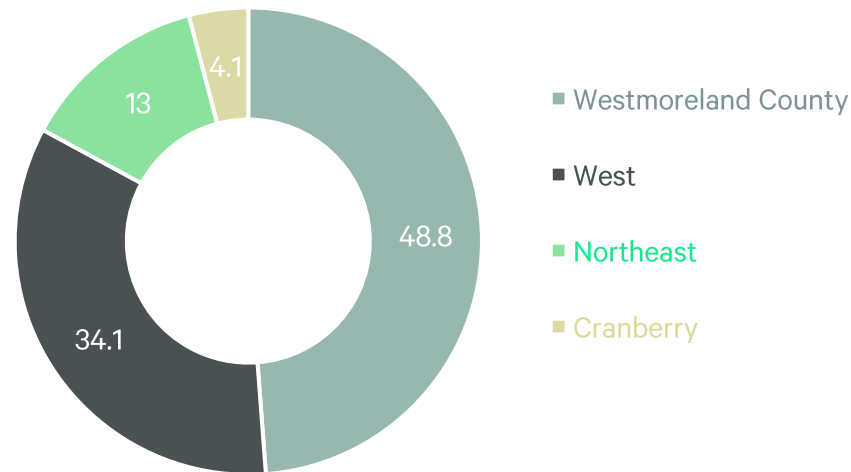
CBRE Research, Q3 2026

Leasing Activity

Leasing activity in Q3 2026 remained solid despite declining from recent peaks, as occupiers signed a sizable volume of new leases. Tenants leased 513,000 sq. ft. in the quarter, a 28.4% quarter-over-quarter decrease but still a 175.8% year-over-year increase. From Q1 2026 through Q3 2026, leasing activity totaled 2.15 million sq. ft., supported by strong year-over-year gains earlier in the year.

Westmoreland County and West recorded the strongest leasing activity among the reported submarkets. Westmoreland County saw 250,000 sq. ft. leased and West followed with 175,000 sq. ft., while Northeast and Cranberry posted positive but smaller totals of 67,000 sq. ft. and 21,000 sq. ft., respectively.

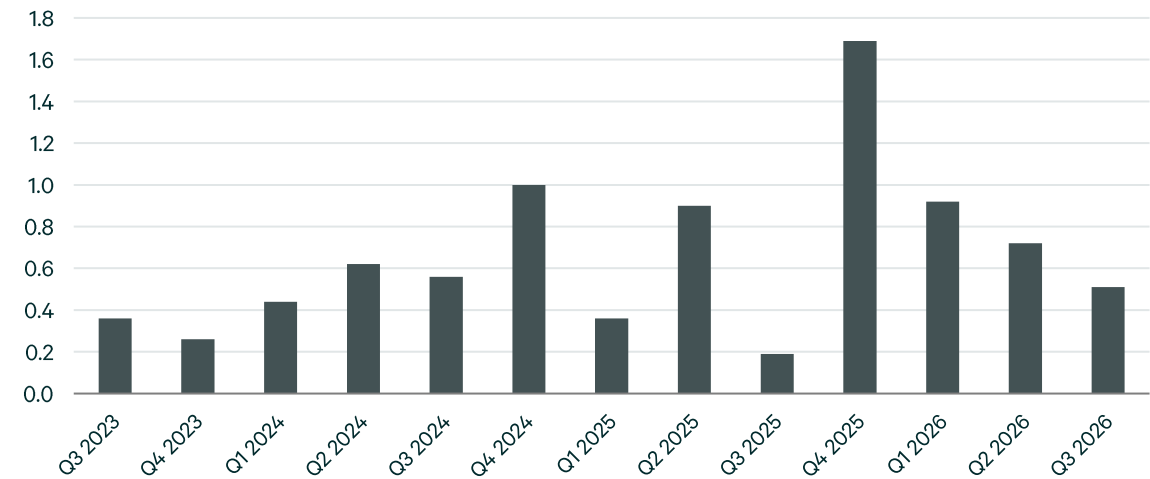
Figure 7: Leasing Activity by Submarket (% of Total Activity)



CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. millions



CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	250,000	New Lease	737 Waltz Mill Rd	Westmoreland County
Confidential Tenant	175,000	New Lease	2251 Sweeney Dr	West
Keystone Automotive Industries	67,000	New Lease	460 Nixon Rd	Northeast
Curbell Plastics	21,000	Renewal	250 W Kensinger Dr	Cranberry

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 9: Market Statistics by Product Type

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	42.37M	3.4	3.9	3.5	0.4	8.04	354,000	316,000	-	643,000
Manufacturing - General	1.12M	2.1	11.1	11.1	-	-	-	(24,000)	-	-
Manufacturing - Advanced	-	-	-	-	-	-	-	-	-	160,000
R&D/Flex	11.98M	5.8	7.1	7.0	0.1	15.81	3,000	143,000	-	56,000
Other Industrial	79.88M	6.1	6.3	6.3	0.0	6.64	(168,000)	186,000	-	-
Total	135.34M	5.2	5.7	5.5	0.2	8.32	189,000	622,000	-	859,000

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 10: Market Statistics by Size

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	13.59M	2.7	3.4	3.2	0.2	8.19	11,000	(88,000)	-	60,000
50K-99,999 SF	25.80M	3.9	4.6	4.5	0.1	10.24	49,000	298,000	-	56,000
100K-249,999 SF	38.86M	5.7	6.6	6.4	0.2	6.76	(120,000)	108,000	-	743,000
250K-499,999 SF	25.46M	3.3	3.3	2.9	0.3	7.47	(60,000)	(64,000)	-	-
500K-749,999 SF	12.90M	9.5	9.6	9.6	-	8.00	549,000	514,000	-	-
750,000 SF +	18.73M	7.6	7.6	7.6	-	9.47	(240,000)	(146,000)	-	-
Total	135.34M	5.2	5.7	5.5	0.2	8.32	189,000	622,000	-	859,000

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 11: Market Statistics by Submarket

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	9.82M	3.6	5.0	4.7	0.3	6.62	-	(10,000)	-	260,000
Butler County	7.73M	0.7	2.0	2.0	-	7.90	96,000	60,000	-	-
City of Pittsburgh	12.86M	3.0	3.6	3.5	0.1	13.13	247,000	228,000	-	150,000
Cranberry	8.26M	3.0	3.6	3.0	0.6	15.50	57,000	(101,000)	-	-
East	9.58M	14.5	14.9	14.8	0.1	5.26	(123,000)	(123,000)	-	-
Northeast	13.27M	2.5	2.3	2.3	-	12.61	(8,000)	57,000	-	-
Northwest	5.88M	2.6	5.0	5.0	-	-	61,000	23,000	-	-
South	9.70M	6.1	8.5	8.5	-	7.99	121,000	187,000	-	56,000
Washington County	10.87M	4.5	4.5	4.5	-	7.06	(8,000)	34,000	-	-
West	21.83M	5.6	5.7	5.3	0.4	8.95	(12,000)	119,000	-	332,000
Westmoreland County	25.55M	7.3	6.8	6.7	0.2	5.75	(242,000)	148,000	-	60,000
Total	135.34M	5.2	5.7	5.5	0.2	8.32	189,000	622,000	-	859,000

Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Employment Update

- ▼ 1.3M Labor Force
- ▲ 3.9% Unemployment Rate
- ▲ 287.4k Office Using Jobs
- ▲ 595.1k Industrial Using Jobs
- ▼ 154.5k Retail Using Jobs

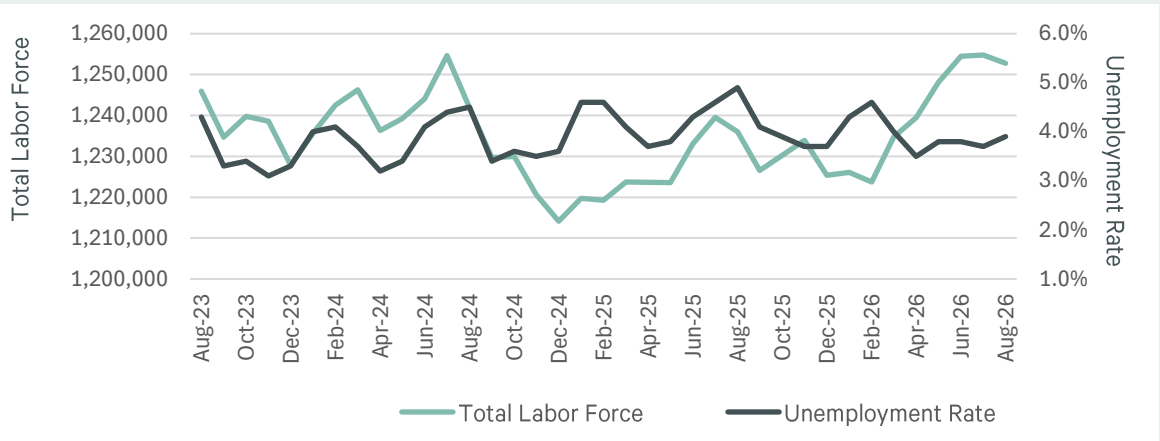
Employment Change by Sector – Yearly + Monthly
Bars indicate yearly trend, arrows indicate monthly trend



Note: Arrows indicate month-over-month change.

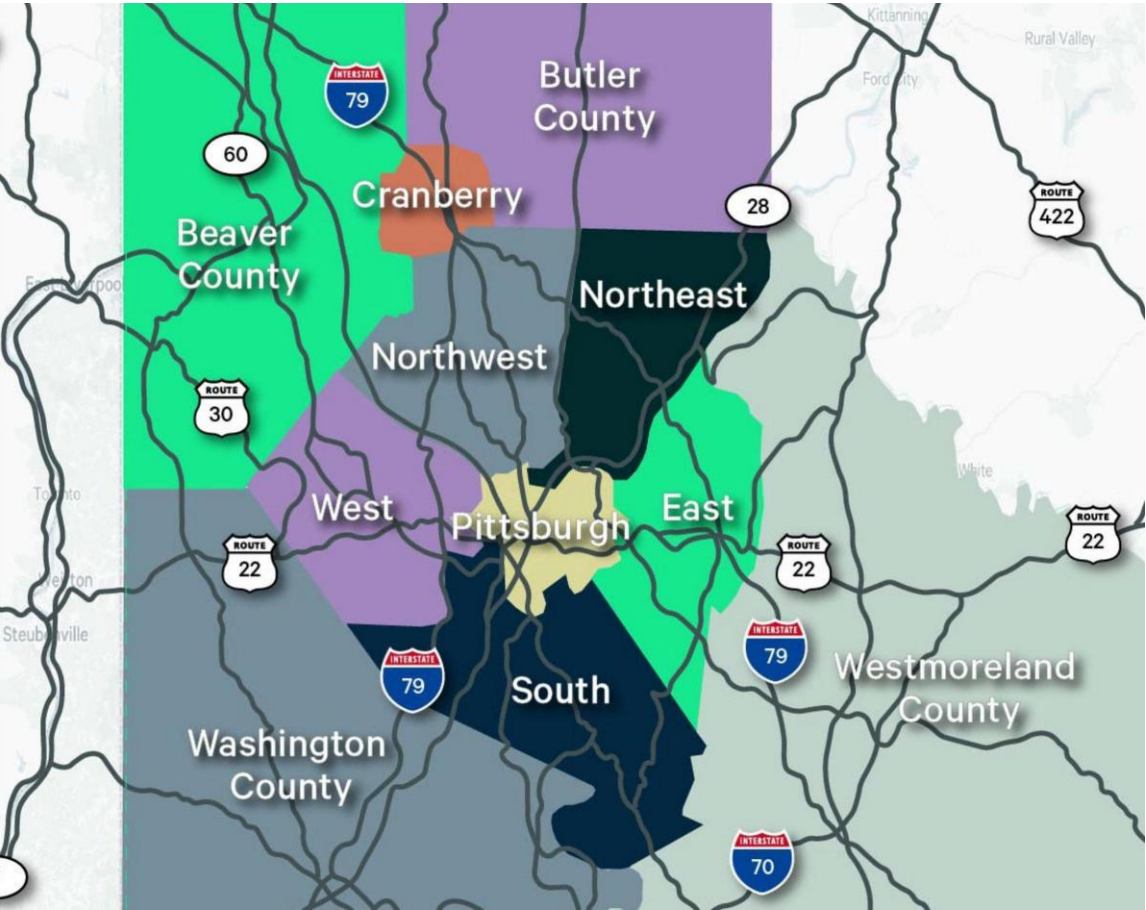
Source: US BLS, August 2026

Unemployment Rate and Labor Force Trends



Source: US BLS, August 2026

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

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

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