



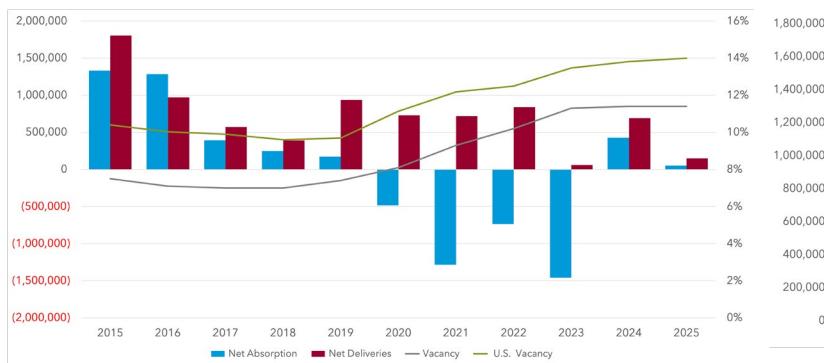
OFFICE MARKET OVERVIEW

HEATHER KREIGER, CCIM, Regional Research Director, Principal

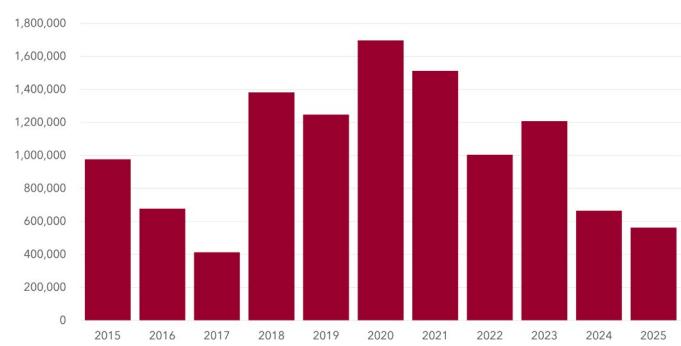
Western Pennsylvania's office market remained steady in Q4 2025, with vacancy holding at 11.4% and availability tightening to 13.1% (down from 13.7% a year ago). Net absorption was positive in Q4 (+403,332 SF), bringing trailing-12-month absorption to near breakeven (+51,456 SF) after a softer mid-year. Leasing activity slowed to 625,572 SF across 165 deals, well below Q4 2024 levels, reflecting more cautious tenant decision-making. Rents continued to firm, with average base rent at \$25.20/SF and average gross rent at \$26.89/SF. New supply remains limited, with 562,687 SF under construction and no Q4 deliveries.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	51,456	(267,563)	(129,697)	208,971	427,592
▼ Vacancy Rate	11.40%	11.70%	11.80%	11.60%	11.40%
▲ Avg NNN Asking Rate PSF	\$26.89	\$26.88	\$26.93	\$26.67	\$26.07
▲ Sale Price PSF	\$93.00	\$66.00	\$126.00	\$40.00	\$52.00
▼ Cap Rate	6.60%	8.40%	9.20%	10.70%	8.00%
▼ Under Construction SF	562,687	550,187	665,000	665,000	665,000
◀ ▶ Inventory SF	142,582,825	142,582,825	142,440,648	142,440,648	142,520,247

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
225 West Station Square Drive Pittsburgh, PA	379,106 SF	\$22,854,395 \$60.28 PSF	WS Development Brookfield Corporation	Class A
125-225 West Station Square Drive Pittsburgh, PA	115,877 SF	\$17,399,747 \$150.16 PSF	WS Development Brookfield Corporation	Class A
3011 Smallman Street Pittsburgh, PA	110,609 SF	\$25,264,000 \$228.41 PSF	Pittsburgh Water & Sewer Authority Schreiber Real Estate	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2 Allegheny Center East Pittsburgh, PA	41,246 SF	Faros Properties	EOS Energy	Manufacturer
116 15th Street Pittsburgh, PA	35,076 SF	NAI Burns Scalo	Govini	Technology
1001 Liberty Avenue Pittsburgh, PA	21,477 SF	CSB Holdings	Govini	Technology



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2025 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com