



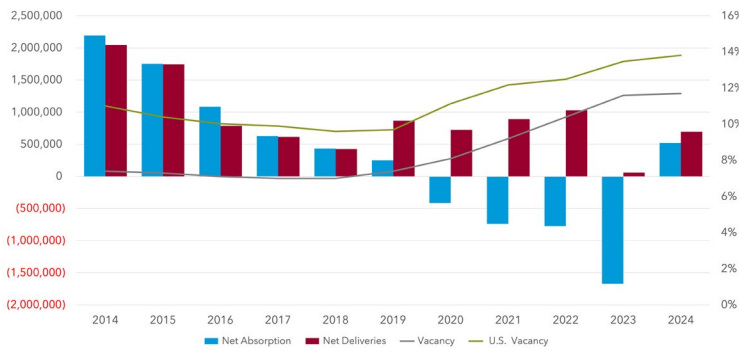
OFFICE MARKET OVERVIEW

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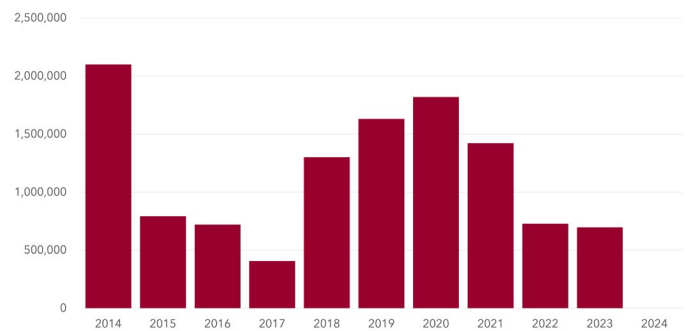
The Q4 2024 Western Pennsylvania office market showed signs of recovery after years of challenges. Vacancy remained stable throughout the year, ending at 11.7% in Q4, suggesting the market is beginning to stabilize. Positive absorption of 521,613 SF marked a turning point after four years of negative figures. Leasing activity surged to 4.1 MSF, the highest since pre-COVID levels. Construction deliveries rebounded to nearly 700 KSF in 2024, compared to just 60,000 SF in 2023. With no new projects underway, the market has an opportunity to absorb existing space. Lease rates remained steady in the \$24.00/SF range.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	521,613	(33,653)	(293,474)	(1,243,698)	(1,669,942)
▲ Vacancy Rate	11.7%	11.4%	11.7%	11.7%	11.6%
▲ Avg NNN Asking Rate PSF	\$24.48	\$24.15	\$24.19	\$24.25	\$24.15
▼ Sale Price PSF	\$51	\$61	\$105	\$60	\$53
▲ Cap Rate	10.5%	8.5%	11.8%	6.6%	9.5%
▼ Under Construction SF	-	488,640	488,640	696,761	696,761
▲ Inventory SF	143,933,258	143,444,618	143,444,618	143,236,497	143,236,497

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 Technical Drive, Building C New Kensington, PA	267,700 SF	\$5,881,540 \$21.97 PSF	Tecfusions Keystone LLC Arconic Technologies LLC	Class B
100 Technical Drive, Building J New Kensington, PA	58,000 SF	\$1,274,297 \$21.97 PSF	Tecfusions Keystone LLC Arconic Technologies LLC	Class B
300 Weyman Road Pittsburgh, PA	44,000 SF	\$3,175,000 \$72.16 PSF	WPG Realty LLC Weyman Associates	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100 South Commons Pittsburgh, PA	120,000 SF	Faros Properties	Duquesne Light Company	Utilities
555 Southpointe Boulevard Canonsburg, PA	90,250 SF	NAI Burns Scalo	WVU Medicine	Clinics, Outpatient
116 15th Street Pittsburgh, PA	43,693 SF	The Buncher Company	New York Life	Life Insurance

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