



PITTSBURGH ACCOLADES

*Top Food City*  
-Zagat

*Fourth Best City for Foodies*  
-SmartAsset

*One of the Best Cities for Foodies*  
-NerdWallet

*Third Best Foodie City*  
-Livability

## Pittsburgh's Retail Market Continues to Thrive

Michelle Stewart Vice President | Pittsburgh

The Pittsburgh retail market continues to thrive with new retail space and tenants. The first quarter of 2017 has been successful for Landlords who own retail space in primary suburban markets and robust urban trade areas. With that being said, rental rates continue to climb into the mid to high \$20's per square foot and \$30's for new construction. These rates can be a sticker shock for new retailers and restaurants expanding into Pittsburgh and has forced tenants to become more strategic on where they open. However, Pittsburgh continues to win accolades for its growing retail, food and beverage scene.

Pittsburgh is also seeing an increase in junior box and big box retail vacancy. Macy's officially closed their doors in multiple mall locations, as well as Family Christian, Noodles and Company, Radio Shack, Half Price books, etc. But, as they say, "out with the old in with the new." Kmart's are becoming At Home, Office Max space is now Fresh Thyme, and Radio Shack space evolves into Sprint. Second generation restaurant space is still a hot commodity in the market with restaurant groups such as Mission BBQ, Texas Roadhouse, Conodado Tacos, Red, The Steakhouse, Blaze Pizza, Walhburger, and many more.

### BY THE NUMBERS

**143,600,453 SF**  
TOTAL RETAIL INVENTORY

UNDER CONSTRUCTION



COMPLETED



### AVERAGE VACANCY RATE





105 Culvert Street, Zelienople, PA

- > 9,854 SF building on .661 Acres
- > Signage available
- > Landlord will subdivide
- > Ample Parking



Shoppes at Adams Ridge  
Cranberry Township, PA

- > Available space: 17,000, 5,587 & 3,800 SF
- > Existing restaurant spaces
- > Large patio for outdoor seating
- > Equipment available



Millennium Shops, Bethel Park, PA

- > New 27,000 Square Foot Retail Development
- > Excellent traffic and visibility from Route 88 - 21,000 ADT
- > 4,366 SF available



Doughboy Square, Lawrenceville, PA

- > 2,408 SF retail space available
- > Hot Lawrenceville neighborhood
- > Great frontage on Butler Street
- > Newer construction - excellent condition



940 Ohio River Boulevard, Pittsburgh, PA

- > New 7,500 SF retail center
- > Join Dunkin Donuts and Supercuts
- > High visibility & full access to Route 65 traffic
- > Ample on site parking



173 Clairton Boulevard, Pleasant Hills, PA

- > Parcel size: 37,101 square feet
- > Building Size: 1,760 square feet plus lower level
- > 12' Ceiling Height
- > Building and pylon signage available
- > 300' feet of frontage along Route 51



Gateway Commons  
Cranberry Township, PA

- > New available space: 1,550 - 3,100 SF
- > Newer retail space located at the corner of Freedom Rd. / Route 228 and Commonwealth Drive



1910 Cochran Road, Pittsburgh, PA

- > 7,400 SF Restaurant For Lease
- > Great Mt. Lebanon/Scott Township location
- > Ample free parking
- > Build to suit



Robnson Square, Robnson Township, PA

- > New 115,000 SF community center
- > 21,000 ADT on Steubenville Pike
- > Two to three anchor positions
- > Proposed traffic light access

# Pittsburgh Region Retail Market Statistics > Q1 2017

Market Comparisons - Total Retail Market Statistics Q1 2017 > Quarterly Comparison and Totals									
MARKET	EXISTING INVENTORY		VACANCY			YTD NET ABSORPTION	YTD DELIVERIES	UNDER CONST. SF	QUOTED RATES
	# BLDGS	TOTAL GLA	DIRECT SF	TOTAL SF	VAC. %				
Armstrong County	191	1,731,573	79,160	79,160	4.6%	(2,260)	0	0	\$5.19
Beaver County	884	9,266,620	445,615	445,615	4.8%	19,332	0	0	\$9.14
Butler County	894	10,865,917	314,325	314,325	2.9%	16,915	18,220	15,000	\$14.97
Central Business District	133	2,332,047	135,322	135,322	5.8%	12,266	0	45,000	\$27.00
Greater Downtown	813	5,379,981	148,283	148,283	2.8%	(12,414)	0	29,500	\$13.83
Monroeville	263	6,173,354	141,050	162,550	2.6%	1,500	0	4,798	\$14.73
North Pittsburgh	1,420	14,949,367	198,956	210,624	1.4%	45,077	16,748	91,757	\$16.35
Northeast Pittsburgh	885	8,557,339	386,382	386,382	4.5%	(3,265)	0	31,100	\$12.08
Oakland	179	1,147,922	25,069	25,069	2.2%	(7,000)	0	0	\$21.12
Parkway East Corridor	2,187	16,030,804	450,092	450,092	2.8%	60,040	56,620	36,280	\$10.58
Parkway West Corridor	456	6,766,845	138,550	138,550	2.0%	(3,837)	0	33,715	\$13.31
South Pittsburgh	2,389	24,413,867	718,120	722,070	3.0%	272,451	40,000	138,683	\$15.07
Washington County	1,123	12,447,820	168,218	168,218	1.4%	72,805	13,134	102,664	\$15.17
West Pittsburgh	417	3,306,455	21,784	21,784	0.7%	(4,290)	0	0	\$11.50
Westmoreland County	1,923	20,230,542	734,466	734,466	3.6%	21,687	3,000	99,654	\$13.65
<b>MARKET TOTALS</b>	<b>14,157</b>	<b>143,600,453</b>	<b>4,105,392</b>	<b>4,142,510</b>	<b>2.9%</b>	<b>489,007</b>	<b>147,722</b>	<b>628,151</b>	<b>\$13.25</b>

## Colliers International | Pittsburgh > Tenant Representation



# Brewing Up A Foodie City

Mark Anderson Vice President | Pittsburgh

With the inauguration of President Trump fresh in our minds, it would be appropriate to discuss the impact of a new presidency on the retail real estate world. Will new tariffs impact retailers like Best Buy and Walmart, or could new manufacturing emerge that might lower costs? Instead of discussing these weighty issues, and because Colliers International | Pittsburgh has its priorities straight, we would prefer to talk about beer. Specifically the burgeoning microbrewery explosion we have seen in our region. Combined with a hot restaurant scene, Pittsburgh's food options have never been better.

The excitement in Pittsburgh's food scene is headlined by the strong growth in regional micro-breweries. Just this past month Mindful Brewing opened their new location on Route 88 in Castle Shannon. At the same time Southern Tier Brewing Company opened on the North Shore and Helltown Brewing announced it is expanding to Bloomfield. By some count, no fewer than seventeen breweries are planned or expected to open in the region in 2017. While many might wonder if this could be too much of a good thing, Kyle Mientkiewicz of Grist House Craft Brewery, one of Pittsburgh's first and most popular craft breweries disagrees. "In the grand scheme of things I don't think the market is saturated yet," he said, "but if you do enter the market you better have a good product". Grist House's success has shown other entrepreneurs that people will seek out good beer.

Local craft breweries are only a part of Pittsburgh's strong restaurant scene. National and regional restaurant chains are expanding rapidly within the market and competing for real estate options. Restaurants active in the market

include Firebirds, Bomba, Hello Bistro, Plaza Azteca, Choolah, Mission BBQ, Emiliano's, and many others. By some counts there may be dozens of restaurant concepts competing for the same prime locations. The result is a lack of opportunities for smaller local restaurants and increasing rental rates. Restaurants that used to lease space for \$15 or \$18 per square foot are now forced to deal with market rents that range between \$25 and \$40 per square foot. Rising occupancy and labor costs create a conundrum for many restaurateurs. Joe Billhimer, a franchisee of multiple restaurant concepts said, "The implications of higher rents, coupled with increasing difficulty in finding quality workers and their ability to get to your location absent mass transportation services, has added another factor into deciding the right location for a restaurant to be prosperous. It has become very important to look at your location and the availability of workers."

Some pundits believe that, nationally, there is an oversupply of restaurant uses and that there will be a market correction. In a recent poll by the National Restaurant Association, only 17% of restaurateurs believed that the market for restaurants will improve over the next year, while 29% see conditions worsening. Of course, we know that polls don't always correlate with reality, so have a beer, leave the politics aside and enjoy the plethora a food options that Pittsburgh provides.

## FOR MORE INFORMATION

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