



Are suburban office vacancy rates rebounding?

Introduction: Previous *Policy Briefs* have delved into the high office vacancy rate in Pittsburgh's Golden Triangle, largely the result of the pandemic. The loss of revenue for office building owners caused them to seek a reduction to their assessed values which, in turn, caused property tax revenue to fall for all three taxing bodies; it became the primary excuse for both the City of Pittsburgh and Allegheny County to raise property tax millages in the last couple of years. As had been mentioned in those *Briefs*, this isn't just a Pittsburgh problem but one that has extended well into the city's suburbs. However, the suburban market appears to be rebounding in 2026.

The Pittsburgh market has 60.24 million square feet of office space (all classes) as of 2026's second quarter. The urban area accounts for 57.9 percent and the suburban area accounts for 42.1 percent. Neither submarket has any new square footage under construction.

The latest office market information is for the second quarter of 2026. All data is from [Jones Lang LaSalle](#) real estate.

Urban vs. suburban

Pittsburgh's Downtown corridor's vacancy rate has been a problem since the COVID pandemic. In the second quarter of 2021 the vacancy rate for all classes of buildings Downtown stood at 20 percent. However low that may seem, it didn't reflect the new work-from-home culture that had taken root, causing firms to begin to downsize their office footprints. As leases expired, firms negotiated for smaller space to reflect the loss of in-house workers. In fact, on net, nearly 190,000 square feet of office space became unleased that quarter. Five years later, 2026's second quarter has seen that vacancy rate pushed up to 24.1 percent and office space is still becoming unleased, on net.

For Pittsburgh's surrounding areas, the suburban total is broken out into the following areas: northern I79/Cranberry; north; east; west; south and Southpointe. In 2021, the second quarter suburban vacancy rate was 22.7 percent (all classes of buildings).

However, unlike the urban experience, 2026's second quarter suburban vacancy rate fell to 20.2 percent and the amount of square footage that became leased was positive.

Suburban area breakdown

Of course, not all areas of the suburban market are performing equally. For 2026's second quarter, the lowest office vacancy rate can be found in both the northern I79/Cranberry market and the south, at 11.6 percent. This is followed by the north (14.7 percent) and Southpointe (19.8 percent). Rounding out the bottom are the west and the east markets (25.5 and 30 percent respectively).

Five years ago, the second quarter of 2021 had slightly different results as the south area had the lowest vacancy rate (13.1 percent) followed by the north (15.5 percent). The others were over 20 percent: northern I79/Cranberry (21.3 percent); west (25.1 percent); Southpointe (27.2 percent) and the east (30.4 percent).

The largest drop to office vacancy rates between 2021 and 2026 happened in the northern I79/Cranberry area (9.7 percentage points) and Southpointe (7.4 percentage points). The west market (+0.4 percentage points) and the east (-0.4 percentage points) had negligible changes over the time span.

As mentioned above, the post-pandemic work-from-home culture had firms reducing their office footprint to reflect fewer people actively being in the office. In the second quarter of 2021 the entire suburban area had a net of 483,153 square feet of office space becoming unleased, about 2 ½ times as much as the Downtown market. However, in 2026's second quarter, the suburban market had positive net absorption of 36,410 square feet, implying that firms are adding to their office footprint.

In contrast the Downtown area had negative absorption of 46,294 square feet of office space. While this implies that firms are still shedding office space, there is also a move to convert older office space into residential, which will also contribute space becoming unleased as office space needs to be vacant before conversion can begin. The majority of the unleased square footage (39,370) is in class A, premium buildings, which are less likely to undergo conversion. Class B buildings account for the remainder (6,924).

In 2026's second quarter, only the Southpointe market had on net square footage that became unleased (92,350). The other five markets had positive net leasing. One year prior, second quarter 2025, only the west market was negative while the other five had positive net leasing, implying that firms in the suburbs have been adding to their footprint while Downtown firms are still downsizing.

Conclusions

As mentioned above, the popular trend Downtown is to convert office space into residential. As we had written in a previous [Brief](#), this is best done with class B and lower space rather than premium class A space. Older buildings are even better suited as

they rely more on natural light than modern structures. But conversion is costly and [taxpayer money](#) is unwisely being handed out to make it happen. And the data shows that class A buildings are still losing out on leased space at a faster rate than the class B buildings.

Some firms have begun a mandatory return-to-office policy that may necessitate a larger office footprint. Perhaps the suburban market reflects this move.

But, as we have demonstrated over and over, the Pittsburgh area's job growth has been anemic for quite a while. Furthermore, Allegheny County is losing [working-age population](#) to other parts of the country. The anti-business climate just continues to get worse with the introduction of the county's paid parental leave law.

Until the pervasive anti-business climate in the city, county and state dramatically improves, expect the high Downtown office vacancy rates to continue.

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