

# ALLEGHENY COUNTY- PITTSBURGH PENNSYLVANIA MARKET

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The following profile summarizes key current economic development issues affecting Allegheny County: sustainable economic growth, which promises to reach every corner of Allegheny County, remains the highest priority. Ground-breaking public-private partnerships have resulted in projects and initiatives that could energize the regional economy and change the face of the community.

A decade of new building projects, including an expansion of the David L. Lawrence Convention Center, Heinz Field and PNC Park (the new football stadium and baseball park), coupled with continued redevelopment and investment in Downtown Pittsburgh as a residential neighborhood and a central shopping destination, could significantly alter the economic outlook for the region.

A major natural gas discovery in this region has created a significant wealth building asset for thousands of landowners. This will eventually translate into 100's of millions of dollars in the hands of the general populace as well as larger corporate landowners.

## *Significant projects include:*

Children's Hospital - a \$625 million facility recently opened in the Lawrenceville neighborhood.

Majestic Star Casino - a \$780 million slots casino opened in August 2009 on the North Shore.

Penguins Arena - a \$290 million new arena for the Pittsburgh Penguins scheduled to open in 2010 in the Lower Hill district.

Three P C Plaza - a \$178 million mixed use tower in the CBD. Construction was completed in the summer of 2009, and occupancy has begun on the first floor for retail use and office space. The hotel is due to open in the Spring of 2010, and marketing has commenced on the 28 luxury condominiums.

Downtown Pittsburgh - Investment in developments in or proximate to downtown Pittsburgh are estimated to have reached \$4.8 billion. Projects that are within the downtown area or are considered influential to downtown include Three PNC Plaza, the August Wilson Center, Rivers Casino and Market Square Place.

Westinghouse has moved into their new, 922,000 square foot headquarters in the Cranberry Woods Office Park in Cranberry Township. In addition, the company recently began construction on an additional 120,000 square foot building to accommodate 600 employees. The building is expected to be ready for occupancy in the summer of 2010

Dick's Sporting Goods will be moving into a new headquarters building in Findlay Township near the Pittsburgh International Airport in early 2010. The building is under construction and will reportedly contain 730,000 square feet.

The strongest sectors of employment in the county are health care, technology, research and education. These sectors are also the most stable with higher income than other sectors.

Housing prices remain stable and the most affordable compared to the largest markets in the nation.

Other nationally recognized companies with a presence in the area include Alcoa, Bayer, Fed Ex Ground and Bank of New York Mellon. Along with these companies, 250 international firms have world, national or

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regional headquarters in Pittsburgh. Pittsburgh has one of the nation's top 30 bank holding companies headquartered in the city and is the fourth largest financial center in the country.

The unemployment rate, employment distribution and array of principal employers suggests adequate economic diversity. The labor force and employment levels are generally in balance. While historically there are few drivers for considerable new employment, recent activity suggests that growth in the health services and research generated from the region's universities may be starting to reinvigorate the economy. The relocation of the Westinghouse Headquarters and the planned job growth will have a significant positive impact on development in the northern tier of Allegheny County and the southern tier of Butler County.

## *Summary and Conclusions*

Allegheny County is part of the Pittsburgh Metropolitan Statistical Area (MSA), the primary population center and economic hub of Southwestern Pennsylvania. Proximity and access to employment centers, retail opportunities and essential goods and services are adequate.

The highway system provides adequate access throughout the region and good linkage to nearby major markets. Other modes of transportation supporting passenger and freight movement are also good. The utility infrastructure is developed to the point where public utilities are available to most portions of the county. Overall, the regional infrastructure is well developed and is an asset to attracting new business to the area.

There remains an abundance of land available for development within the region, especially in the outlying counties, with development opportunities being limited by the infrastructure and terrain characteristics. While the household growth does not support significant retail development and job growth and employment characteristics do not support office or industrial development to any significant degree, a shift in the economic base is driving demand for more modern industrial warehouse space in the outlying counties and increased office/research employment is sparking demand for new office development. Lastly, the sprawling residential growth is driving new retail development, especially in the out lying suburban areas.

Regional population growth has been generally negative and has lagged behind national trends. Additionally, the state's proportionate population growth is near the low end of the range. The 2009 estimate suggests a continuing but slight population decrease for the MSA. Household formation is also negative, a trend that is expected to continue. The majority of demand for new housing units will be generated by the need for replacement housing, spurred by both aging housing stock, shifting consumer demand, and the migration of population from one part of the region to another.



*For additional or more current information on the residential market in the Pittsburgh area, visit [www.rac.net](http://www.rac.net) and select "The RAC Report," or contact the following RAC member:*

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