DEVELOPING Pittsburgh

FALL 2025

CRE FINANCE UPDATE

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
PITTSBURGH CHAPTER

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FALL 2025

NAIOP
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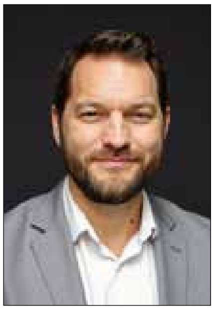
PRESIDENT'S MESSAGE

Energy, specifically the electrical variety, has dominated the headlines and breakfast roundtables lately. Every policy maker, investor, and wide-eyed landowner is trying to understand the demand-drivers and reel in the whale datacenter project that we all assume is circling the waters of Pittsburgh. It feels a lot like the start of the Marcellus shale boom in our region, or the chatter around the "inevitable" massive downstream manufacturing investments stemming from the Shell cracker plant. In the oil and gas case, the benefit to commercial real estate, and our regional economy as a whole, is/was outsized and lasting. The cracker plant, well, not as much. We'll see which economic reality this latest trend represents.

There are lots of reasons for optimism though. We saw national attention with the Energy and AI Summit, and perhaps most notable was the cross-party cooperation on display from our governor and senators. Pittsburgh will have a new mayor that values business attraction and sees development as a way to lift the city's national profile, its citizens, and its tax base. Everyone seems to be singing from the same songbook, and the answers to unlocking transformational, sustaining investment feel like they are close to revealing themselves. The equation of cheap energy + smart people = Pittsburgh's AI dominance is PA Economic Developer canon at this point.

Those of us in commercial real estate though, know that we've got a lot of challenges ahead to bring sites online that can support not only AI related projects, but any energy intensive development. That's why NAIOP Pittsburgh is dedicating resources to help create energy policy in Pennsylvania that will not only help attract datacenters but also expand electrical infrastructure for our bread-and-butter projects. We're bringing our utility companies into the fold to forge better relationships with our developers. We're also targeting legislation that will spur grid investment. The changes we're fighting for represent a big lift, and we won't be able to do it alone and without your voices. But with this much focus on Pittsburgh, it feels like there's no better time to give it a go.

I look forward to working with you.



Nate Phillips
NAIOP Pittsburgh President

As we reflect the first half of 2025, I'm proud to share the achievements of NAIOP Pittsburgh in delivering value through education, networking, and advocacy. Your engagement has been the cornerstone of our success, and I'm excited about the opportunities ahead as we continue to shape Pittsburgh's commercial real estate landscape.

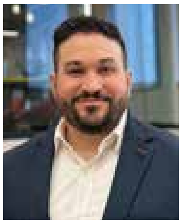
This year, our chapter hosted a series of impactful events that embody our mission and celebrate our members. The Golf Outing and Clay Shoot fostered connections, while the Awards Banquet celebrated outstanding projects and members transforming our region. Our chapter breakfasts and Developing Leaders project series tours featured speakers from government agencies, prestigious companies, and industry leaders, providing insights on market trends, economic development and more. These events underscore our commitment to educating members on issues shaping our industry. The Developing Leaders Bus Tour, in partnership with the Washington County Chamber of Commerce, explored the Washington County Corridor, highlighting its robust development potential.

Our advocacy efforts have also gained momentum. We attended the CL&LR Retreat in Washington, D.C., engaging with policymakers on national issues like opportunity zones, which align with Pittsburgh's economic goals. In Harrisburg, we met with elected officials to advocate for policies supporting commercial real estate and manufacturing. We're conducting a study exploring energy and power solutions, such as microgrids and transmission upgrades, to drive industrial development. Locally, we've established new connections and have advocated alternative funding/incentive solutions to Pittsburgh's potential inclusionary zoning legislation through City Council meetings and speaking at the hearings. The NAIOP Pittsburgh PAC supported this vision by donating to Corey O'Connor's campaign for mayor, reinforcing our commitment to leadership that prioritizes growth and development.

Looking ahead, we have an exciting slate of events. Our chapter breakfasts will cover opportunity zones, the Eds & Meds sector, and our energy initiative, offering insights into Pittsburgh's economic drivers and future economic development opportunities. The DL Golf Outing in August promises networking and fun, followed by our 25th Annual Night at the Fights in November, a milestone celebration of one of organizations must unique and fun events. We'll cap the year with our holiday party, and I hope to see you all there to celebrate our shared successes.

These initiatives reflect NAIOP Pittsburgh's dedication to fostering innovation and opportunity. Whether through events that spark collaboration or advocacy that shapes policy, we're building a stronger future for our region. Your participation drives our impact, and I'm grateful for your commitment. Without the consistent support of our volunteers, our board of directors and our sponsors, none of this would be possible.

Thank you for being part of NAIOP Pittsburgh. I look forward to connecting at our upcoming events and working together to advance our industry and community.



Tom Frank
Executive Director
NAIOP Pittsburgh

Photo by Douglas Rissing.

CRE Finance Update

Commercial real estate (CRE) is an important asset class underpinning the wealth and savings of investors worldwide. Although the prototype of the real estate investor may be the wealthy Manhattan developer, the reality is more democratic. A portion of the average 401K, pension fund, or life insurance premium is allocated to real estate investment for its desirable return. Without the participation of these long-term investment funds, financing CRE would be more difficult.

Despite its time-tested reputation for producing steady, strong risk-adjusted returns, CRE is a cyclical investment. CRE returns are typically double the yield of a long-term Treasury note but the cyclical risk of CRE means that when there are atypical conditions, returns shrink or become losses. Those difficult markets result from imbalances, usually the result of overbuilding, or Black Swan events. The Great Financial Crisis was an extreme example of the former. The 2020-2021 pandemic was the latter.

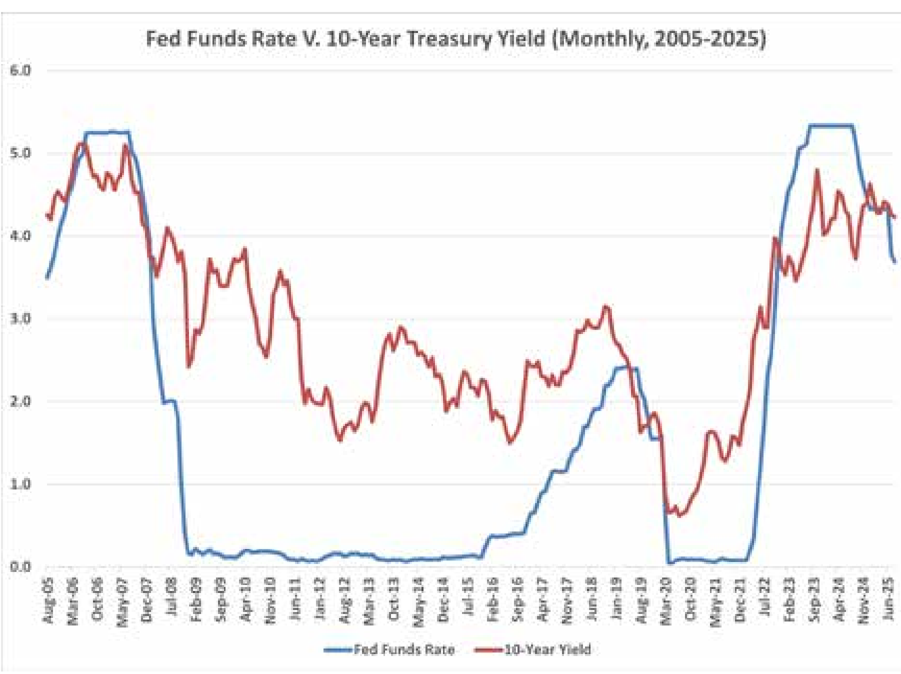
It is the combination of those two recent examples of CRE financing disruption that have created the market conditions of 2025.

The zero-interest-rate policies that were used to stimulate recovery from the Great Recession lingered through and beyond the 2010s, warping the perception of risk and return for CRE. Moreover, the duration of the period of low rates was so long that virtually every commercial property was financed or refinanced at rates below five percent. That left landlords vulnerable to the kind of rapid increase in long-term rates that occurred in reaction to the supply-driven inflation that followed the pandemic. Add a major negative shift in office utilization to that rate spike and you have a recipe for CRE financing gridlock.

When prime rates spiked, capitalization rates followed, draining as much as 30 or 40 percent from property values. Refinancing stalled. Capital chilled. Lenders were faced with the choice of forcing good customers to take a haircut or to "extend and pretend" maturing loans. Three years into "extend and pretend" the outlook is as uncertain as it was when rates first moved higher. There is a new administration in Washington, DC. There are new economic concerns. But the challenge of financing CRE acquisition or development remains.

Sticky Interest Rates

There are supply and demand problems facing CRE. The economy is not on as firm a footing, elevating the possibility of higher unemployment and lower demand for office, industrial, and retail space. Multi-family and industrial developers overbuilt supply earlier in this decade, which softened rents for the past two years. The largest CRE property type, office buildings, still faces uncertainty about long-term utilization. However, none of these cyclical problems have influenced CRE finance to the degree that the sharp increase in borrowing costs in 2022-2023 did.



Long-term bonds remain stubbornly higher more than a year after the Federal Reserve Bank cut its overnight lending rate. Source: Federal Reserve Bank.

Higher borrowing costs chilled most projects in the acquisition and development pipeline, wreaking havoc on pro forma forecasts for income. That, in turn, raised considerable problems for permanent financing and property values.

Jim Scalo, CEO of NAI Burns Scalo Real Estate, likes to say that business is about math and people. The same can be said about commercial real estate finance, with greater emphasis on the former. It is not an oversimplification to say that the current problems facing commercial real estate finance are math problems.

When long-term borrowing rates rose by 150 basis points, it meant that commercial real estate deals became very different math problems from those done just 12 months earlier.

To a significant degree, market demand froze in 2022-2023, which made tightening credit somewhat unnecessary. Inflation made economic demand decline. That, in turn, reduced the appetite for new development. With construction costs also rising dramatically in the year before, new projects simply did not pencil. The same unpleasant math made acquisition undesirable. Moreover, there was a prevailing sentiment that the higher rates would crush inflation and be elevated only temporarily. Through 2024, there was dramatically lower demand for new commercial real estate loans.

For lenders, the problem was not establishing standards for new loans, it was managing the refinancing of commercial loans that were maturing in an environment where the base rate was 150 basis points higher and spreads were often 50 basis points higher than when the loan was made. The strategic response to that dilemma has been to extend the debt past maturity, a practice jokingly known as "extend and pretend" or "blend and pretend." A similar approach worked for lenders after the Great Financial Crisis, but success depends upon conditions improving. In this case, that means long-term rates falling closer to the 2022 levels.

A common misconception – apparently held even by the President of the United States – is that the Federal Reserve Bank can determine the interest rate for real estate mortgages. Those loans, whether residential or commercial, are pegged to the 10-year Treasury bond, which is influenced more by perceptions of future inflation and fiscal health. For several reasons, investors remain concerned enough about both of those that the Treasury Department must offer yields above four percent.

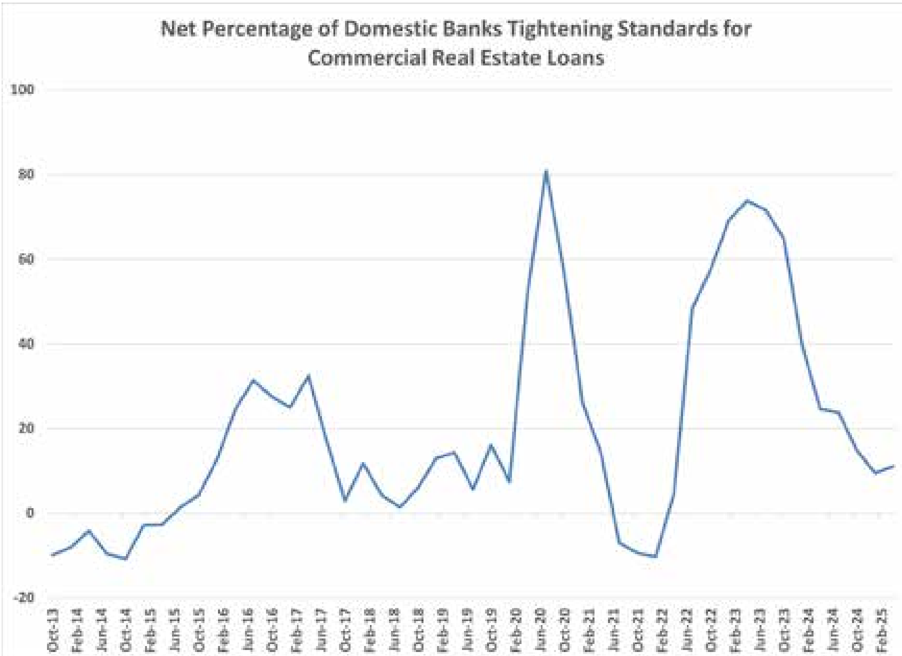
"The things working against the 10-year are the Big Beautiful Bill and the $3.4 trillion of additional debt. That additional debt is working against any rally of the 10-year," says Mark Popovich, executive managing partner and co-head of Pittsburgh's office of JLL Capital Markets. "One thing that helped a little was the talk of relaxing the bank regulations on capital requirements, but that was a 15- or 20-basis point rally and then just the inertia of the news took it back to where it's been for a while."

Principal among investor concerns are fears that the Trump administration's trade wars will re-ignite inflation and that the U.S. fiscal policy is making its debt unsustainable. While there has not been market action that suggests that buyers of U.S. Treasury bonds fear an actual payment default – Treasury auction volume remains high – bidding for Treasuries fades as the yield approaches four percent. The recent passage of a budget that pushes the debt higher, along with more arbitrary tariffs on long-term trading partners, has hardly eased inflation and debt fears about long-term bonds.

Tariffs present an interesting challenge to bond markets and the Treasury Department. In theory, and in practice in the past, tariffs are inflationary. Despite the protestations to the contrary by elected officials, tariffs are not paid by the countries that are home to the businesses on which the tariffs are levied. Those that supply materials and goods that have tariffs applied, whether they are manufacturers or supply chain companies, pay the tariffs. Tariff payers may choose to absorb the cost to maintain market share at lower margins or if the tariff is viewed as temporary. History shows that such cost absorption is limited and temporary. The lion's share of tariffs levied are passed on to customers, whether those are businesses or consumers. Tariffs above 10 percent nearly always end up on the final consumer's price tag.

What makes circumstances different in 2025 is that the global markets had plenty of lead time to prepare for higher tariffs, even before the April 2 "Liberation Day" announcements. Tariffs are among the few policies to which Donald Trump has hewed consistently, even before entering politics. His re-election in November 2024 was a buying signal that triggered a dramatic increase in inventory buildup, sufficient to knock U.S. gross domestic product (GDP) down by as much as two full percentage points in the first quarter of 2025.

That pre-tariff inventory build is the reason cited for why inflation has barely moved higher (and in some areas is lower) since January 1. Similarly, uncertainty about the legality and duration of the tariffs has led to slow remittance and workarounds,



Federal Reserve Bank Senior Lending Officer's Opinion Survey, May 2025.

like deferring customs release by storing goods duty free in bonded warehouses.

These factors dampened the effective tariff rate to around seven percent, even though the statutory tariff rates increased by a combined 17.5 percentage points.

The effect of these tactics has heightened uncertainty about inflation for bond and Treasury buyers. One possible outcome of the trade wars is a short-term, only marginal bump in inflation. Most global trade economists expect that the inflationary effect of the heightened tariffs will only begin to be felt in the fourth quarter of 2025. That is another disincentive for the Fed to cut rates until at least September. It also defers any signal to Treasury buyers that inflation is not reheating until late 2025. As a result, the base rate for commercial mortgages is unlikely to move materially in the coming 12 months, even though short-term rates are expected to be roughly at least 100 basis points lower by late 2026.

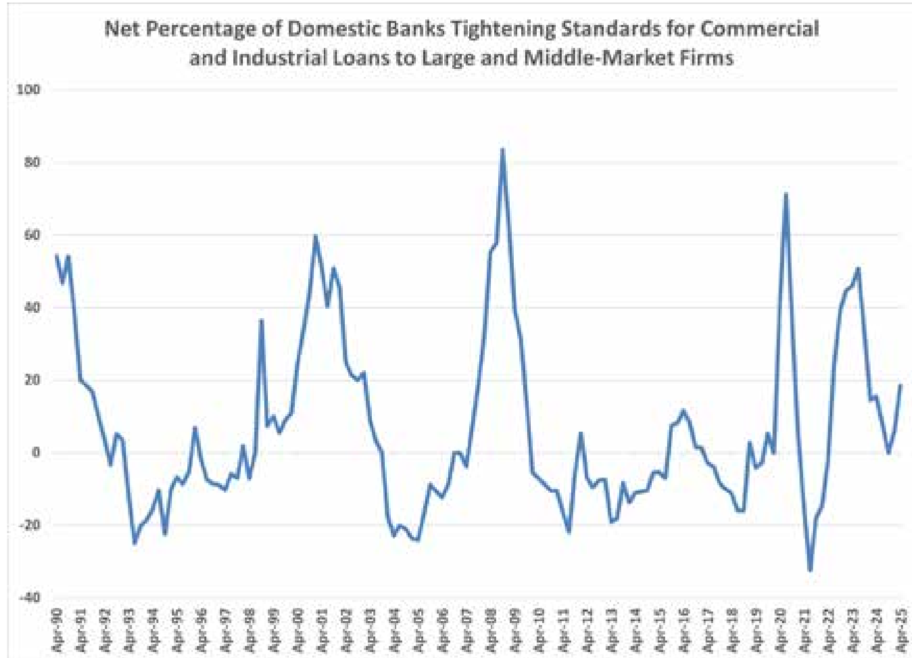
It is the stickiness of long-term rates in the face of lower short-term rates that is the sand in the gears of CRE finance, and the durability of the higher mortgage rates elevates the risk of "extend and pretend." Following the financial crisis, banks bet that the eventual economic recovery would re-inflate commercial property values and make refinancing viable again. That practice worked, but the value destruction in 2009 came from massive deleveraging and a severe recession, from which a recovery could reasonably be expected to occur within a handful of years. The value destruction today results from borrowing costs that will reduce or wipe out equity at refinancing, even on properties that have experienced full occupancy and rent growth.

The Mortgage Bankers Association (MBA) surveys lenders to produce an annual loan maturity report. The survey found that roughly 40 percent of the loans maturing in 2025 were previously set to mature earlier but were extended because of the difficulty of refinancing at a higher rate. The total value of $957 billion in loans maturing in 2025 is three percent higher than in 2024, when maturing loans also increased due to extensions, and comprised 20 percent of the $4.8 trillion total outstanding commercial loans. The $384 billion in loan extensions also exceeded the 2024 total extensions.

Banks and commercial mortgage-backed securities (CMBS) were most likely to be extended. Office and multi-family loans were the most extended property types. Lenders also stated that they expected a significant share of loans maturing in 2025 (including those that originally matured in 2022-2024) to be extended into 2026.

Lenders want to avoid foreclosure on even troubled assets, since the problem with most properties lies with market conditions rather than the landlord. Forcing a sale at maturity would force a significant write-down for the lender. Extending the mortgage can result in fees for the lender. In many cases, a bridge loan is made to extend or cover the property after loan maturity at higher rates. These are additional incentives for extending beyond pretending that more time will solve the rate problem.

"We do have those conversations about maturing loans. We keep a good eye on that in our own portfolio, but we've also read for years about the amount of CMBS and life company loans that are scheduled to mature over the next 12 months," says John Casile, senior vice president



Federal Reserve Bank Senior Lending Officer's Opinion Survey, May 2025.

at Dollar Bank. "We pay attention to the number of office complexes that are scheduled to mature and analyze it with regard to what is maturing in Pittsburgh."

"I can't share what we have maturing over the next couple of quarters but, based on the size of organization we are, where we're seeing the most stress in commercial real estate refinancing is the central business district office space and that's not an area we play in," says Steve Drahnak, chief commercial banking officer at S&T Bank.

"Office buildings are the most vulnerable to loan maturities," says Popovich. "In other property types, if you have had a loan for five or 10 years, and had some sort of amortization, you've been reducing the principal and the property's been appreciating. Unless something bad happened, for most property types I don't see a maturity cliff that would cause widespread blend and extend."

Popovich explains that the higher rates mean that borrowers can refinance their existing loans for non-office properties, although there is no windfall for appreciation, as may have happened at refinancing in the past. He also sees "extend and pretend" as having a significant impact on the decision to sell properties.

"Multi-family deals, for example, were underwritten to an exit cap rate that is much lower than today based on where the 10-year is. Deals were underwritten five or 10 years ago to a sale price of a high four- or five-cap rate. That's not going to happen when the 10-year is 4.5 percent," Popovich notes.

Lending Standards and Appetite

The Federal Reserve Bank conducts a quarterly survey of senior bankers, known as the Senior Lending Officer's Opinion Survey (SLOOS), to gauge how strong demand is for business and consumer loans and whether lenders are tightening or loosening underwriting standards. The nature of the survey tends to elicit responses that foreshadow changes in the financing environment.

In the most recent survey, published in mid-May concerning the conditions during the first quarter of 2025, lenders were more neutral than the past couple of years, reporting that standards were mainly unchanged or slightly tighter than during the fourth quarter of 2024.

For commercial and industrial (C&I) loans, growing concerns about recession were reflected in the lenders' responses. Nearly one in five banks (18.5 percent) reported tightened standards on C&I loans,

compared to just 6.4 percent a quarter earlier. Lenders reported tightening across most loan terms: smaller credit line maximums, higher risk premiums and spreads, tighter covenants, and tighter collateral requirements. A modest net share of respondents reported lower spreads for smaller businesses while leaving spreads for larger and middle-market businesses unchanged.

Lenders reported tighter standards and lower demand for CRE loans in the first quarter, but only marginally so compared to the fourth quarter. A net 11.1 percent of respondents reported tighter standards for CRE during the first three months of 2025, an increase of 1.6 percentage points. By comparison, nearly 25 percent more lenders reported higher standards a year earlier and a net 73.8 percent reported tighter standards in the first quarter of 2023. There was a loosening of credit standards on construction and land development loans and nonfarm nonresidential loans among large banks.

"Banks are continuing to extend loans. We are not getting a lot of opportunities from owners who are being forced to refinance a maturing loan. The rolling loan gathers no loss as they say," Puntil jokes.

Across all lender sizes, demand for nonresidential and multifamily loans was unchanged, while demand for construction and development loans dipped slightly.

At the local and regional level, there is a strong consensus that lending standards are not substantially different today than a year ago. That is likely because lenders in the Pittsburgh market became more conservative, more quickly than other markets, and also because development and acquisition activity slowed faster than the commercial real estate market nationwide.

"Our lending standards haven't tightened," says Drahnak. "We've had good growth in the first half of the year specific to real estate.

"Our standards don't fluctuate dramatically," says Casile. "We may be in and out of different product types; for example, we're not doing a lot of office now. Our standards for the other property types are pretty much what they've been historically. We don't usually chase deals when things are booming but we don't back off when things are slower."

"FNB maintains consistent underwriting standards throughout the economic cycle, which enables us to provide capital when clients need it most during uncertain times like these," agrees Robert Powderly, executive vice president of investment real estate banking at FNB.

"We're not changing anything from a guideline or loan policy approach. We're interested in growing with the right borrowers and the right projects," says Craig Howard, senior credit officer and real estate chief credit officer at First Commonwealth Bank. "What we're seeing in the marketplace has everything to do with the bank's capital. There are banks that have to pull back on real estate and deploy elsewhere. It's really bank-by-bank, rather than being industry driven."

The goal of lending standards, regardless of credit conditions, is to assure that the loan can be reasonably repaid out of cash flow or the proceeds of the sale of the property at exit. Lenders have a variety of ways of matching their appetite for a deal to the conditions of the loan. They can increase or decrease the equity required from a borrower, pushing the loan-to-value (LTV) ratio higher or lower as the market dictates. They can accept or challenge the borrower's rationale for income, occupancy level, or future appreciation, pushing the cap rate higher or lower. Or they can focus on the ability of the borrower to service the debt. It is the latter, the debt service coverage ratio, that has driven financing decisions for the past few years.

For a conventional CRE loan, increasing the debt service coverage ratio 25 percent higher to 1.25 (where it sits today) impacts the rest of the pro forma for the deal. The LTV ratio will be lower, which will put upward pressure on the exit cap rate. Returns to investors will be more modest. The loan sponsors may need to find equity partners. The deal will become more difficult to get across the finish line if there are any unexpected conditions that arise during due diligence or construction. A focus on debt service coverage reflects an appetite for CRE deals that have less risk than deals being done in 2019.

While the appetite or regulation of lenders remains largely unchanged in the last year, it is obvious from CRE mortgage data that banks or other depository lenders have greatly reduced exposure to CRE. The headlines of the MBA's report on loan maturities address the unusual share of maturing loans that have been extended, but a closer look at the data reveals that the share of CRE loans by depository lenders shrank from slightly more than half the loans maturing in 2023 to less than 20 percent of the loans maturing after 2030. The lower level of CRE exposure by depository lenders creates an opportunity for other lenders to serve borrowers.

There are signs that borrowers are slowly accepting the new rate environment and the subsequent impact on returns. Whereas the conventional wisdom in 2023 and early 2024 was that no deals would be done except those that had to, there is capital looking to deploy in commercial real estate, especially with a growing number of properties trading at steep discounts.

"There are deals getting done", observes Dan Puntil, senior vice president at Colliers Mortgage. "We recently helped a group here in Pittsburgh that had very little debt overall on their portfolio and a business model of purchasing properties through cash flow. We advised they place low-leveraged debt on one of their unencumbered assets to use as equity to purchase other properties, thereby maintaining their excess cash flow."

While the higher level of economic uncertainty has chilled deal activity since April, CRE remains an attractive asset class for investors that seek to diversify their portfolios. The appeal of CRE suffers somewhat when compared to 4.5 percent 10-yearTreasury yield, but the bench of investors looking for CRE deals is hardly empty. Those investors remaining active in CRE are probably less passive than they may have been five years ago.

"I think if we're buying more of a long-term bond type of real estate, investors accept lower returns, but going into something speculative, the demands on returns haven't changed that much. Investors still say that if they are going to do a real estate project, they want higher than competitive returns," says Bill Hunt, CEO of Elmhurst Group. "It's not so much more reluctance, but there's more thoroughness, more questions. I think they trust Elmhurst, but I think they feel that if it's real estate, they need to ask more questions."

"It seems to evolve every couple of months. Right now, ground up new multi-family construction is still the hardest to find equity for," says John Deklewa, president of RDC Design + Build. "A lot of that has to do with the uncertainty of the tariffs. New construction is complicated enough as it is. Most equity shops are going after easy returns, and new construction is not that.

"Most of the projects that are getting started are using their own money or have a captive source of equity like a family office. Those will have lower expectations for return. Deals can no longer be internal rate of return-driven in the new multi-family construction business. Those returns don't hit the thresholds they once did. That said, multi-family is one of the property types for diversification that is on most investor's radar."

The Financing Outlook

There are two fundamental problems stifling the freer flow of CRE financing. The interest rate for permanent financing remains at least 150 basis points above the levels of commercial mortgages closed before spring 2022. And, the economic fundamentals of the office market are dramatically different than those that existed prior to the pandemic. Even if the U.S. economy remains robust, which is hardly a given, these problems will be headwinds for lenders and borrowers for the foreseeable future.

As detailed above, there are few scenarios in which the long-term interest rates return to the levels of the 2010s. Even in the event of a serious recession, it is conceivable that investors in long-term debt will demand that the interest on those bonds remain at or above four percent. That means the problem of value destruction by the higher cap rates might not be solved by monetary easing at the short end of the yield curve.

The second fundamental problem, the difficult economic office market, remains a systemic problem for CRE finance. The office sector is the largest of the commercial property types but is only one of numerous types. Because most participants in CRE diversify their lending, borrowing, or investing, the devaluation of office properties is a drag on CRE as an industry. There are signs of recovery in the office market, as daily occupancy improves and more properties that are not viable are sold at prices that allow the new owners to make them viable again. To the extent that fewer offices are problem properties, financing should improve incrementally.

"Compared to different asset classes, office is challenged but recovering, and we are seeing signs of improvement as employers bring back a more office-centric working model. Owners and developers are adjusting to the new norm, absorbing the impact of higher expenses, while investors more often are bringing on partners and arranging joint ventures," notes Powderly. "That's what happens during these types of cycles — the marketplace evolves, and the industry adapts."

"We have office in our portfolio and we're seeing a pickup in leases happening. But we're not stepping off the curb for any new or major renovation offices," says Casile.

Drahnak notes that S&T's size limits its exposure to large central business district office deals, which is where he sees most of the stress in CRE finance. As for the regional-level projects to convert obsolete offices to other use, Drahnak says, "We're not seeing any opportunities in that space as they try to reinvent what central business district office is going to look like."

Given the likelihood that long-term rates will remain at levels that keep the stress on the office market, expect to see lenders extending loans that mature at least into 2026.

"Banks are continuing to extend loans. We are not getting a lot of opportunities from owners who are being forced to refinance a maturing loan. The rolling loan gathers no loss as they say," Puntil jokes.

The drag from the office market should not prevent solid deals in other property types from happening, although there are other concerns that may slow activity. Most local lenders see pockets of opportunities.

"When you look at what opportunities exist, I think there are a lot of projects on the shelf. Equity is expensive and debt is more expensive than it was 10 years ago, so it's hard to make deals pencil," says Howard. "We banks are comfortable refinancing retail assets because they're relatively stable. Industrial deals in our marketplace are few and far between so, if there's a good industrial asset available, it will attract a lot of lenders. Obviously, office properties are less attractive."

"There were more developers waiting to see what was going on with rates last year, but we've seen a nice uptick demand for commercial real estate in the first two quarters," says Drahnak. "Multi-family has been the asset class with the highest demand, but we've seen increases in self-storage, mixed-use retail, and industrial."

Casile sees the well-publicized challenges that several downtown offices are facing as opportunities for other properties, which would ultimately lead to a re-balancing of the supply and demand.

"We see the Class A and higher-class B buildings starting to absorb the tenants that are in those buildings," Casile says. "We have had a great pipeline all year and closed a number of loans. I think the market is getting more active from a banking perspective. I think there are more lenders looking for new deals than in the past few years."

At the macroeconomic level, the outlook for CRE financing will be more heavily influenced by decisions made by the Trump administration. The decision to engage in widespread renegotiation of trade deals stalled momentum that was building for real estate. Even as many or most of the desired deals are being concluded in August, there remains significant uncertainty about the economic impact of what is a much higher tariff environment for goods imported to the U.S. There are divided opinions about whether the inflationary effects of higher tariffs are being overstated or will be short-lived, allowing the downward trend of inflation to continue.

While the trade wars have been something of a self-inflicted wound for the economy, other Trump initiatives will boost CRE activity. These include reductions in environmental regulation and a streamlining of regulations on financing.

For multi-family financing, the government-sponsored enterprises, Fannie Mae and Freddie Mac, saw their loan caps increased for 2025, to a combined $146 billion. The enterprises must do at least 50 percent of their business in 2025 on projects defined as affordable housing. Projects categorized as workplace housing are excluded from Fannie's and Freddie's loan caps. Puntil points out that the spreads on Fannie Mae loans have been in the 150 to 170 basis-point range. That would put five-year money below 5.75 percent and 10-year loans at six percent or slightly above.

By most metrics, the U.S. economy is slowing down. While unemployment remains low, the trends in initial unemployment claims and layoffs suggest that unemployment could hit five percent by the end of 2025. The August jobs report included downward revisions of 258,000 jobs from the previous two months' data. The ADP Private Payroll report from July 30 showed growth of 104,000 jobs, following a decline of 29,000 jobs in June. The U.S. Jobs-Workers Gap, which tracks the number of jobs compared to the available workers, has fallen from nearly four million more jobs than workers in April 2022 to 12,000 in July 2025.

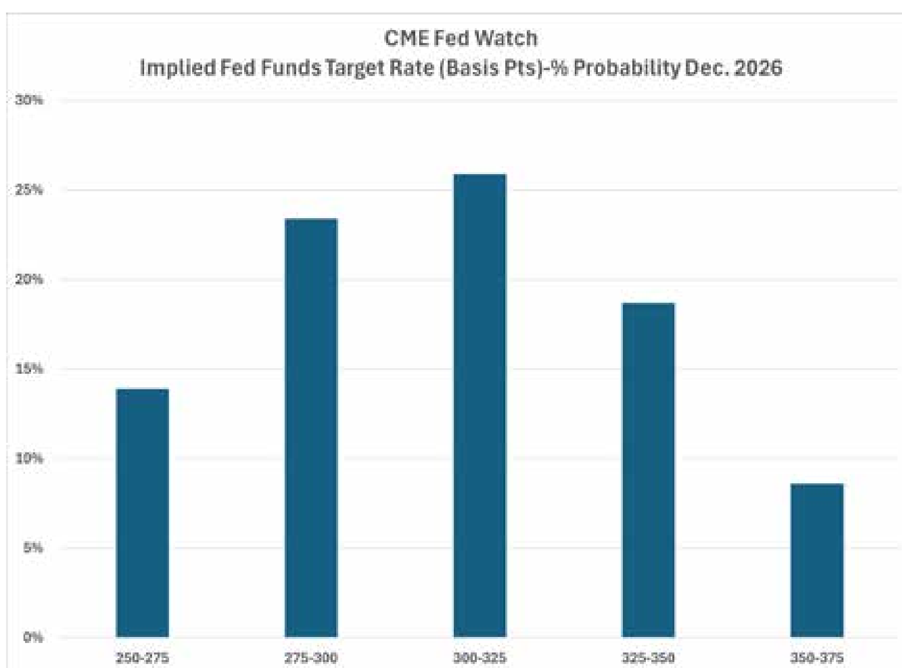
None of these metrics show the kind of spike in unemployment that precedes a severe recession, and the overall health of the U.S. consumer is still relatively strong. The growing evidence of a slowing economy has had a beneficial effect on the 10-year Treasury, which rallied to push yields to 4.2 percent as August began.

Perhaps the best source for optimism about CRE financing is the 2026 election. The political landscape makes the Republicans an underdog to maintain its majority in the House of Representatives. Such an outcome would mean split government in 2027-2028, a return to the gridlock that business typically prefers. Popovich notes that, for better or worse, such gridlock would present stability that is missing today.

"Split government usually does nothing major to change things. The private sector knows how to underwrite that," he says.

Popovich believes that those who are looking for stability may want to accept that a higher level of uncertainty is going to be present over the next few years, as long as a "move fast and break stuff" attitude prevails in the federal government. His advice is to focus on the deal, not the environment.

"We always say if the deal works at this interest rate or this sale price, do it and don't look back," he says. "There is a lot of capital out there and there's no shortage of liquidity in the debt or equity markets. Fundraising has been more difficult and there are some private fund redemption issues, but there's money available if you come to terms with the likelihood that things aren't going to change in the next three or four years." **DP**



Futures trading on the Fed Funds rate implies that short-term interest rates will be lower by a percentage point or more at the end of 2026. Source: CME Group.

Brockway Commerce Center (The Rest of the Story)

Brockway Commerce Center. Photo by Gateway Engineers.

In spring 2022, DevelopingPittsburgh published a profile of the soon-to-be-constructed Brockway Commerce Center, a proposed 165,000 square foot speculative industrial building that Crossgates, Inc. was developing on the former Brockway Glass site west of Washington, PA. The project was set to deliver spec industrial space into a market that had none in mid-2023. Before work could get underway, the Federal Reserve Bank threw a curve into Crossgates' plans.

After bumping the Fed Funds rate 25 basis points in March 2022 and 50 basis points in May, the Fed aggressively hiked rates 300 basis points over the next six months. In the wake of the tightening monetary policy, long-term rates followed steadily higher, ending 2022 nearly 150 basis points higher than when the year began. The spike in rates chilled commercial real estate development, including Brockway Commerce Center.

The rate hikes, and the inflation spike that precipitated them, did not have as deleterious an effect on the Brockway Commerce Center development, however. Instead, those challenges were just a small part of a larger story of a creative development that culminated with construction starting in fall 2024. To channel the late Paul Harvey, that is the rest of the story.

The rate hike was not the first challenge that Crossgates had faced in getting Brockway Commerce Center to fruition. In 2020, the project's original lender informed Crossgates and its equity partner, PenTrust Real Estate Advisory Services, that it was reducing the amount it would finance, leaving a $3 million gap. In the midst of a pandemic, Crossgate's president, Ryan Schwotzer, and PenTrust's CEO, Tyler Noland, realized that they were unlikely to find another lender. As they reassessed the project, Noland suggested that PenTrust could shift from equity partner to lender.

PenTrust is the exclusive investment advisor and servicer for the ERECT Funds, which are funded primarily by the pension funds of the local union building trades. Working with Ameriserve Financial Bank as trustee, PenTrust deploys the ERECT Funds as debt and equity to finance commercial real estate projects that will be built with union labor. ERECT Fund construction projects

create work hours that add pension contributions and long-term investment returns to the union pension funds. Its multi-faceted mission allows the ERECT Funds to provide debt in ways that are often more advantageous to the developers than most conventional lenders.

While work was being done behind the scenes to re-think the financing, Crossgates planned the demolition of the 200,000 square foot plant and preparation of the site for potential multi-tenant industrial buildings. Brockway Glass has used a rail spur to move most materials in and out of the site, but the new development would need to have highway access for heavy truck traffic. The Brockway site was accessed by roads that were essentially residential, as it was surrounded by neighborhoods of homes in Washington, Canton Township, and South Franklin Township. The principal advantage of the property was its access to interstate highways. Crossgates had to figure out how to create access to modern expectations and the municipal and PennDOT standards.

"The biggest challenge of the property was the access to it. This is an old glass plant that requires trucks to go up on a residential road to access the back of the property. It wasn't conducive to modern-day tractor trailers to circulate through the property," Schwotzer says.

The cost of the major infrastructure improvements, plus the demolition, site work, and environmental work, was disproportionally high. After construction costs escalated more rapidly in 2020-2021, Schwotzer says, "we had to find other means of financing and programs to offset the added project costs."

Washington County and the Washington County Redevelopment Authority helped steer the project to sources of assistance. Brockway Commerce Center received Redevelopment Capital Assistance Program (RACP) and Business in Our Sites grants to help with the development of the site. The county viewed the project as a high priority and added a grant from its Loan Share Account (LSA) program.

In total, Crossgates received $8 million in grants and loan assistance to get the former glass manufacturing facilities to a pad-ready state.

As planned, Brockway Commerce Center was to encompass 195,000 square feet. Crossgates was ambitious in its programming of the center, hoping to get 165,000 square feet out of the ground in the first phase.

"We finished all the site preparation and chose to wait a while waiting for the project to get some traction," Schwotzer recalls. "We put some proposals together, then decided to just build a spec building. Once that decision was made it was our job to find a partner."

The equity partners similarly point to the ERECT Funds' mission-driven financing as one of the reasons they could execute a spec building during challenging times for lending.

Noland helped Crossgates find a partner in a way that is typical for the Pittsburgh commercial real estate community.

"I was golfing with Bill Hunt, and he asked what we were working on. I mentioned this project. He was interested and the three of us sat down to discuss the project. Bill's interest increased and started talking about a joint venture with Crossgates," he recalls.

"The nexus of I-70 and I-79 is so valuable. Interstate 70 is a major road for distribution, and I liked that this was a site that users could have access to east-west and could access Pittsburgh by Interstate 79 one exit away," Hunt says. "There are very few alternative sites down there because of water and sewer. It's a unique location. Those two or three exits will be a great long-term play for Elmhurst or other developers who want to come into that market."

"Crossgates did a terrific job of setting the land up. I knew the Schwotzer family fairly well over the years and I think we're in alignment in values between Crossgates and Elmhurst, which was very helpful," continues Hunt. "Our willingness to say, 'let's put 100,000 square feet of spec space up' was valuable. Obviously, there was demand, but we were willing to take that risk and it's not a small risk."

With the decision made to build speculatively, the Crossgates-Elmhurst partnership elected to build the project in two phases, the first of which would be 100,000 square feet. The new partners continued to work with ARCO National as the general contractor. In mid-2024, ARCO worked to bring the revised, scaled-back design into a budget that had little wiggle room.

"We worked with the contractor and sort of reverse engineered it. We didn't ask them to keep bidding and bidding with the subs, but we made sure they knew what number we needed. They made it work," says Hunt.

ARCO's Pittsburgh market leader, Gary Gabor, explains that meeting clients' budget expectations requires lots of creativity in market conditions such as existed in 2024.

"We have to get more aggressive and creative. We'll go back to our subs or expand our bid process to include regional or national players. We'll go to vendors and commit to multiple deals with them but at a lower rate. It's buying a little harder, going back and looking for a point or two to make the deal go. We will have to be more competitive with our fee too," Gabor says. "If we're involved early, we can also help the owner find contingencies that they don't need to carry because we have those items in our number."

ARCO started work in September 2024 on what was not a spec industrial building for very long. Lighthouse Electric agreed to lease the entire first phase of the project in February 2025 and began occupying the building in April. The final bits of construction were wrapped up in August. Construction on the next 65,000 square foot phase is underway, with Lighthouse expanding to occupy the remainder of the expanded building.

For the partners in the Brockway Commerce Center project, the quick lease up validated the initial interest each had in the development.

"The two main things that were appealing to us were the people involved and the location," says Noland. "We've always had a lot of respect for Crossgates and Elmhurst. It was very attractive to us that the site was within three miles of two interstates that are not tolled. There was no Washington County speculative development at the time, so we thought available Class A space in Washington County would lease quickly, and that has proven to be the case."

Noland and Schwotzer both credit the support of the numerous public sector agencies with filling the gap in financing the preparation of the former industrial site for higher and better use. The equity partners similarly point to the ERECT Funds' mission-driven financing as one of the reasons they could execute a spec building during challenging times for lending.

"Our lender worked with us in a way that was helpful. The way that they structured the debt made the project work. A conventional loan would not have worked but an ERECT Fund loan made the numbers work out," says Hunt.

"The project worked because of PenTrust and Elmhurst. We needed a partner to propose the project to a bank and, through the interviews with banks it was clear that it would be difficult to get a spec project financed without one," Schwotzer says. "That's where PenTrust came through because they focused heavily on the real estate and understood it. They knew about the location and the lack of Class A product there. They focused on that more than some of the other factors that stalled conventional banks." **DP**

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Understanding the Growing Power Shortage

In late May, there was plenty of buzz among Pittsburgh's industrial real estate brokers, who were expecting announcements of new deals at one or more of Imperial Land Company's industrial parks served by the Westport exit of the Southern Beltway. These were not the data center or AI projects that were generating so many front-page headlines, but rather the bread-and-butter Class A industrial buildings that had driven the boom in industrial construction following the pandemic. But, as spring turned to summer, there were no such announcements of the rumored deals. The reason was as simple as it was surprising: uncertainty about adequate power for the new buildings.

Across the road at Chapman Westport, Nate Phillips and Tony Rosenberger from Chapman Properties received the same news while making inquiries for prospective occupants on Chapman's property.

"We never imagined 18 years ago that we would be short of power," Rosenberger says.

It is a story that is, fortunately, not yet replaying throughout the region, but the bad news is that there are many industrial and business parks that are approaching the point of full utilization of the electrical circuits that serve them. Even those that have been fully developed will likely have to soon grapple with the reality that new technology requires more power than was anticipated when the parks were developed. That is certainly the case at Westport, where the developers still have more than three million square feet of entitled buildings still to come.

This shortfall of electricity coincides with high-profile public conversations about the need for power to support the emerging artificial intelligence industry and the hyperscale data centers that civic leaders are hoping will locate in Western PA. As regional and national leaders propose solutions to the outsized demand for electricity that the future economy will have, it is reasonable to ask whether there are deals being lost today.

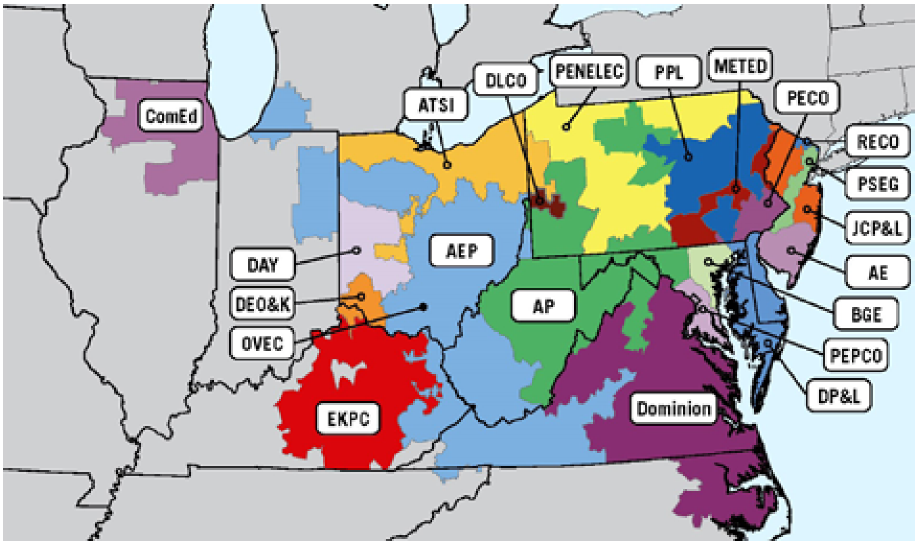
The Allegheny Conference on Community Development does not maintain data on the reasons why companies that are interested in Western PA sites go elsewhere. Representatives of the Conference acknowledge that power concerns are among those reasons.

"In most cases, we don't even know that we miss out on opportunities with these larger sites that are part of national or multi-regional searches," says Will Thomeier, director, economic & tourism development for the Washington County Chamber of Commerce. "I will say that for even our existing business parks, Bentleyville and Alta Vista, there have been problems with supply. There have been outages because demand is too high."

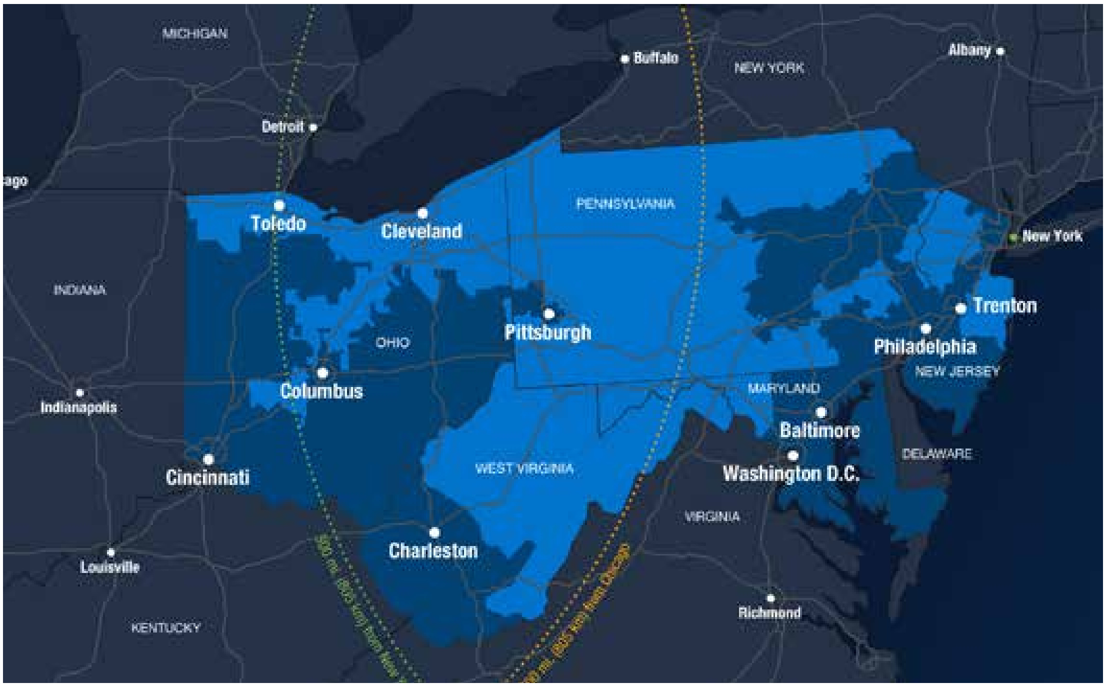
"Did a deal fail because of the lack of power or was that just the excuse?" wonders Rosenberger. "I will say that Amazon would not be at Chapman Westport if we had known then what we know now about the power. We ran four generator sets for a year at our expense to power Amazon because the utility did not deliver as promised."

When the Westport intersection was being proposed in the mid-2000s, Rosenberger prepared a binder for the municipal government entities and the utilities that outlined roughly what would be more than eight million square feet of buildings between Chapman's development and the Imperial Land Company's development. Those developments have steadily added new buildings, reaching 4.9 million square feet under roof, including two million square feet for Amazon in two buildings. Although additional power distribution has been promised over the years, the three Westport industrial parks are now effectively out of power, even though roughly 40 percent of the potential development is still to come.

The easy culprits in this power shortage are the utilities, Duquesne Light and First Energy, which serves Western PA through West Penn Power. Despite evidence of growing future need, the utility companies have not built additional infrastructure in anticipation of future demand. The reasons for that are regulatory rather than poor corporate planning or under investment by the utilities. Moreover, some of the alternative solutions being



Western Pennsylvania is served by two of 21 different providers of electricity within the PJM Interconnect power grid. Source: PJM Interconnect.



touted to solve the problem are likewise limited or forbidden by Pennsylvania's Public Utility Code.

"Somebody has to pay for it. It's not a case of if we build it, they will come," explains Todd Meyers, spokesperson for West Penn Power. "We can't build something speculatively because we can't have current consumers subsidizing somebody else's factory. The Pennsylvania Utility Commission (PUC) doesn't allow for that."

"If you think about that 500-acre Westport area, that's been a well-known development for 20 years. Duquesne Light had adequate sources of power at Westport. We had 20 megawatts and that was adequate for the first 20 years," says Zach Merritt, director of project management office at Duquesne Light. "Two or three years ago, we started meeting with the Buncher team as they were planning the Arthur Court development. We knew that when that happened, we could serve the first building and perhaps the second building, but by the third building, we would be out of power.

"We had developed a draft plan for us to build another circuit out to that part of Solar Drive and Findlay Industrial Park. The trick is, we can't build those kinds of things on speculation. We need to wait until someone applies for service to justify the spending of capital. It's a difficult part of the regulatory model, but it exists to make sure that we're spending money judiciously. There are ways that we can ask customers to guarantee future bills but not every developer is willing to put money on the line on the chance of having a tenant in six or 12 months."

Compounding the regulatory issues for the utility companies, the legislated means for getting power to customers in Pennsylvania makes solving the problem more difficult. Like in other states, Pennsylvania customers get their electricity from regional distributors – in this case, Duquesne Light or West Penn Power – but power is generated by firms that sell to the multi-state grid operator, PJM Interconnect. In its effort to shield Pennsylvania residents from potential price gouging by monopolistic utility companies, the legislature established a system that creates few incentives – and a few disincentives – for risk taking by the generators or distributing utilities.

The solution to the problem would seem to be simple: change the Public Utility Code. That requires getting a divided government to elevate the power shortage as a priority that supersedes the many other problems before the lawmakers.

NAIOP Pittsburgh, in its advocacy role, has hired HMS Legal to study the utility code and suggest ways that it could be amended or worked within to increase the electrical capacity to sites in Western PA. The attorney heading up the effort, Todd Stewart, a partner at HMS Legal, notes that there are a couple of potential paths that the utility code allows for local generation, specifically microgrids.

"There are provisions currently in the Public Utility Code for exemptions that could apply to a microgrid. The big issue for a microgrid is that it could potentially fall under the jurisdiction of the PUC and be regulated as a utility," explains Stewart. "One means for seeking an exemption is based on the Drexelbrook[1] case from 60 years ago that said if the service is to a limited group of customers - in that case it was an apartment complex - and the Entity isn't holding itself out to serve anybody else, it doesn't constitute a public utility. There's another provision that says that the owner of a facility that leases to people and operates the electric system and sells them electricity is not a public utility. That's less applicable but is a potential solution."

Stewart notes that there are problems with either solution, should the exemption be used widely. First among those are that each exemption reduces the revenue potential for the utility franchises serving that area. Moreover, there are inherent issues with an exemption-by-exemption solution.

"My recommendation to the organization is to seek some sort of authorization for microgrids as a separate entity that is not regulated as a public utility," Stewart says. "The problem is that both approaches are exemptions to the law. You never know [if a microgrid can be exempt] unless you go to the PUC and appeal. That's not a great way to have policy."

Nate Phillips, president of Chapman Properties and current NAIOP Pittsburgh president, prefers a solution that becomes part of the regulatory fabric, even though he acknowledges the political and practical challenges of having municipalities or counties financing electrical infrastructure development.

"It could be something similar to the transportation, sewer or water districts. Users pay an annual fee based on usage to repay the bond that the authority issued to fund the construction," he says.

Stewart agrees that such a solution is possible but is not convinced the legislature would allow such speculative investment at the municipal level. While the municipal electrical authority solution creates the risk that overly optimistic local governments could become overextended and default on bonds, a model like that of the local electric cooperative association is widely successful throughout the U.S.

In the wake of the recent energy summit convened by Senator McCormick at Carnegie Mellon University, enthusiasm is high for gas-fired electricity generation that is off the grid. As proposed by Homer City Redevelopment or by the Range Resources-Liberty Energy-Imperial Land joint venture at Fort Cherry District in Washington County, behind-the-meter generation that was exclusively for a single site could be a power solution, provided the PUC or PJM does not have grounds to claim the generator is a de facto public utility. Many of the projects touted at the energy summit were proposed as speculative gas-fired plants that would be capable of serving a data center or other large-scale energy user, but which would sell the energy directly to the market or to the grid as a strategy for reducing the risk. The former is not allowed, and the latter requires the type of investment (and patience) that currently discourages more infrastructure development.

"A new generator wishing to sell into the grid must go through the interconnection process and be in possession of a Generation Interconnection Agreement," explains Dan Lockwood, senior lead, strategic and stakeholder communications for PJM Interconnect. "If a generator is connected to the grid, it can sign a bilateral agreement to provide its energy to a specific customer, but that generator can still be called upon by PJM to provide reliability to the larger system. A generator has the right to operate behind-the-meter, serving one or more customers without connecting to the grid, but that generator cannot participate in PJM markets or receive generation from PJM."

That means a generator is either behind-the-meter or is part of the grid. No hybrid status exists by rule today that would de-risk private investment by allowing the generator to supply the grid and be independent. Asked how PJM is working to solve the power capacity problem, which it says will create the need for rolling brownouts as soon as 2026, Lockwood says that PJM is working on a solution.

"PJM recognizes that load flexibility is one of the areas that can help address the system's reliability needs while also accommodating growth in large loads. PJM has been working on an approach to this and expects to be active on this front over the second half of this year and beyond," he says.

Absent a sea change in PUC rules or a novel legislative solution, developers in Western PA will need to attempt to gain the exemptions HMS Legal suggests, and assume the risk of on-site generation, or assume a greater risk that future occupancy will offset the guarantees they must offer the utility providers to add capacity to sites. Duquesne Light's Merritt says the latter is what is occurring now at Westport, but it will be until 2027 before it is available.

"We've been going through the approval processes, vetting and ordering materials to get a new 20-megawatt circuit up and running. It is unfortunate that the timelines are what they are. I would love to have more power on that site in six months but that's not feasible with the scope of work. We're talking about miles of line work and hundreds of poles that will be impacted," Merritt explains.

Merritt cautions that while the new circuit will be located in the Westport interchange area, it is not being built for any specific customers or industrial parks but will rather be an additional 20-megawatt circuit made available on a first-come, first-served basis. As for how the utility company expects to solve capacity problems elsewhere, Merritt encourages earlier communication.

"We want developers to call us when they're dreaming of a project. I would rather know about it and have it come to nothing than be surprised by it," he says. "There are parts of the region where we know there is plenty of distribution available and parts that are more of a problem. The earlier we know about a potential project, the more time we have to think about a solution."

Lou Oliva, managing executive director for Newmark, who represents Imperial Land Company's Westport properties, notes that if he has to tell prospects that adequate power is two years away, it will be difficult to be competitive. While his first concern is his clients' properties, he is worried that the growing talk about meeting the needs of major power consumers is making the utilities gun shy about committing to power requests of all sizes.

"If we can't provide basic electrical service to our traditional, bread-and-butter, light industrial users, who add significant employment and tax base to the region, so we can land a data center, that's a concern," Oliva says. "Hopefully, we can repurpose one or more of the existing brownfield properties with potentially heavy electrical loads that are under consideration, which should be logical locations for data center users." **DP**

[1] *Drexelbrook Associates v. Pennsylvania Utility Commission*


BOROUGH OF FOREST HILLS

By Ben Atwood

Headline figures for the local economy remain relatively unchanged through 2025. Preliminary numbers from the Bureau of Labor Statistics (BLS) June release show Pittsburgh's civilian labor force hovering around 1.23 million, an uptick of roughly 8,000 from May to June.

Pittsburgh unemployment is at 4.2 percent as of June, around the same level as it started the year, but a slight increase from 2024's annualized average. Nationally, the unemployment rate hovers around 4.1 percent, down slightly from May.

The June Employment Situation Survey showed that total U.S. job growth was at plus 147,000 for the month, in line with the 12-month average. National unemployment remained relatively unchanged at seven million, while the labor force participation rate held at 62.3 percent with no major change to employment to population ratio at 59.7 percent. However, long term unemployment (those out of work for longer than six months) climbed to 1.6 million, while discouraged workers (those who gave up seeking employment) grew by 256,000.

The June Job Openings and Labor Turnover Survey (JOLTS) showed nationwide job openings held steady at 7.4 million or 4.4 percent. Hiring remained relatively unchanged at 5.2 million or 3.3 percent, with separations staying steady at 5.1 million. Job openings were flat overall, but the data indicates a shift is occurring under the hood.

Job openings were down noticeably in accommodation and food services (-308,000), health care and social assistance (-244,000) and finance and insurance (-142,000). Gains were seen in retail trade (190,000), information (67,000), as well as state and local government (61,000).

Payroll processor ADP's monthly employment report for July indicated that 104,000 people were added to business payrolls in July. The largest changes by industry were in leisure and hospitality (46,000), financial activities (28,000), trade and transportation (18,000), and construction (15,000).

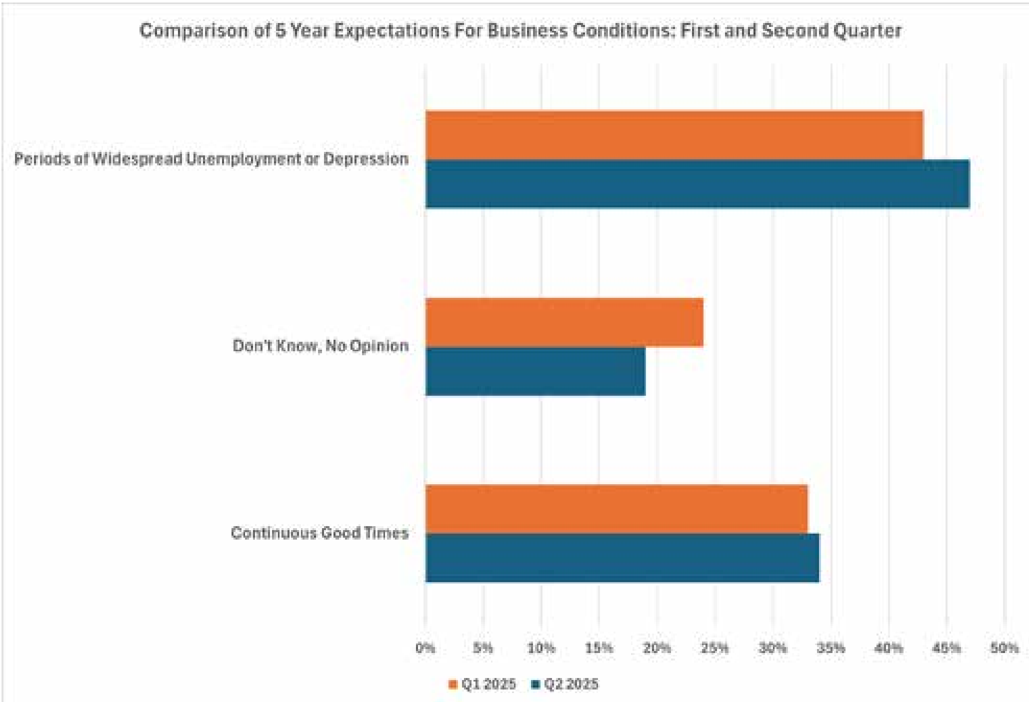
June data for personal consumption expenditures, the feds measurement of inflation, showed a year-over-year change of 2.6 percent. This is about where inflation stood at the start of 2025 and marks the third month of inflation creeping higher. Though not overheated, it is still above the Fed's target rate of 2 percent.

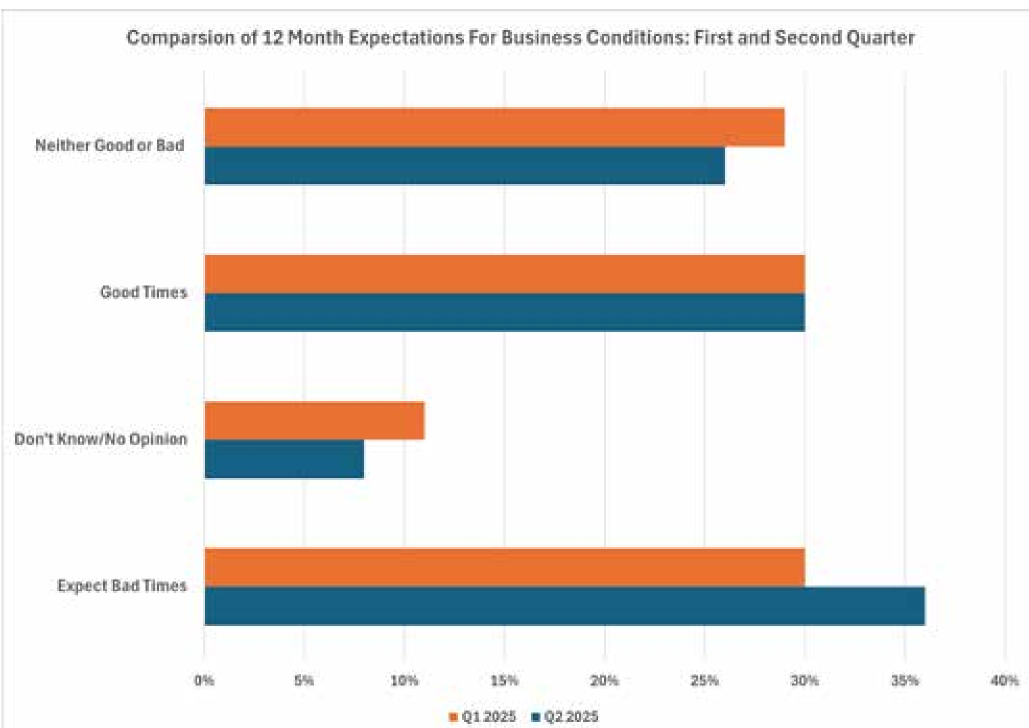
The Trump administration's ongoing trade war and often bombastic rhetoric is impacting consumer sentiment and potentially federal rate cuts.

June's release of the University of Michigan's Consumer Sentiment surveys indicates a modest uptick in confidence, though levels remain notably low. Their index of consumer sentiment registered at 61.8 for July, marking a 1.8 percent growth month-over-month, but still down nearly seven percent from June of 2024.

That same survey showed a 3.1 percent month-over-month growth of confidence in the current economic conditions, marking a 6.5 percent growth in confidence year-over-year. Their index of consumer expectations climbed by about one percent in June, while remaining nearly 15 percent down year-over-year.

The University also published a snapshot examining current versus pre-pandemic long run inflation expectations. A special report shows that people are still anxious about inflation over the long-haul, but that panic is fading slightly. In early 2025, inflation expectations surged to four straight months of increases. This peaked in April, at 4.4 percent. They were back to 4 percent in June but that matches the previous peak from mid-2022, but the 3-month moving average is still a little higher than 2022.





Locals remain a bit more pessimistic. Consumer sentiment in Pittsburgh declined slightly in the second quarter, according to the Metropolitan Consumer Sentiment Index (MCSI). These scores reflect daily input from over 5,000 participants across 40 metropolitan areas, and showed Pittsburgh scoring 95.4, down from 96.3 in the first quarter. Both figures are just below the national average, with scores above 100 indicating generally positive sentiment. Among 47 metros surveyed, 35 registered negative consumer sentiment, with Pittsburgh ranking 30th overall, just behind Philadelphia.

The surveys reflect expectations about the economy, personal finances, and major purchases. In Pittsburgh, sentiment around business conditions over the next year deteriorated, with 36 percent anticipating bad times (up from 30 percent in the prior quarter) while 30 percent continued to expect good times. Over a five-year horizon, 47 percent foresee periods of widespread unemployment, up from 43 percent in the first quarter, though 34 percent still expect continuous good times. Personal financial outlooks were mixed: 38 percent expect them to be better off in a year, up one percent from the first quarter, while 24 percent now anticipate being worse off, compared to 20 percent in quarter one.

Compared to a year ago, 23 percent of respondents said their personal finances had improved, up from 19 percent, while 36 percent reported worsening finances, which is slightly better than the 38 percent who said the same in the first quarter. The second quarter results also captured the effects of broader economic volatility, including tariffs and stock market swings, which may have shaped local responses.

The ongoing uncertainty generated by the current administration's aggressive use of tariffs is also cited as a main reason why the Federal Reserve is not reducing benchmark interest rates. On July 30th, the Federal Open Market Committee held their fifth meeting of the year and voted to keep the rate of 4.25 to 4.5 percent unchanged, citing elevated uncertainty regarding the national economy. Interestingly, for the first time since 1993, two board members dissented from the decision.

Chairman Jerome Powell cited sticky inflation as the driving reason for maintaining the status quo, though he noted that the economy remains in good shape. The vote did not surprise the markets, though there is widespread consensus that rates will be cut at the September meeting. As of August 1st, Goldman Sachs is still forecasting multiple cuts before the end of 2025, with additional ones in 2026.

Tariffs remain the wild card in all for the economy. The administration's unprecedented use of tariffs as economic weapons has created heightened levels of uncertainty. On April 2nd of this year, the President unveiled his long-promised reciprocal tariffs, placing a ten percent baseline tax on imports from all countries, with additional rates imposed on scores of nations than ran a trade surplus with the United States.

This led to numerous retaliatory tariffs by other countries and briefly caused the stock market to collapse. On the 9th, the administration announced a suspension of many of these rates for 90 days, for negotiations. The market recovered and over the course of the next few months numerous deals and concessions were made on all sides, including with Great Britain, China, and the European Union.

This high stake back and forth is still unfolding and while it is tying the Fed's hand, the market appears to have adjusted somewhat. Trump's announcements of tariffs rarely make economic waves, unemployment and inflation have remained stable, and the stock market has hit new record highs.

Real gross domestic production (GDP) grew at a stronger than expected 3.0 percent annualized rate in the second quarter of 2025, according to the Bureau of Economic Affairs (BEA) July 30th report. This was driven primarily by a combination of strong consumer spending and a decline in imports. Household demand remained resilient, with notable gains in both services and goods. Health care, restaurants, financial services, and auto sales led the charge on the consumption front, showing continued strength in categories that are closely tied to labor market health and consumer confidence.

On the trade side, imports fell sharply, particularly in non-durable consumer goods like pharmaceuticals and personal care products. Since imports are subtracted from the GDP calculation, this drop gave a boost to the overall figure. However, exports also declined during the quarter, led by falling overseas demand for American made vehicles and parts.

Business investment also took a step back, with private inventory investment dragging heavily. Companies cut back inventories across manufacturing and wholesale sectors, particularly in chemicals and durable goods. The move reflects a cautious stance from businesses facing a murky economic outlook.

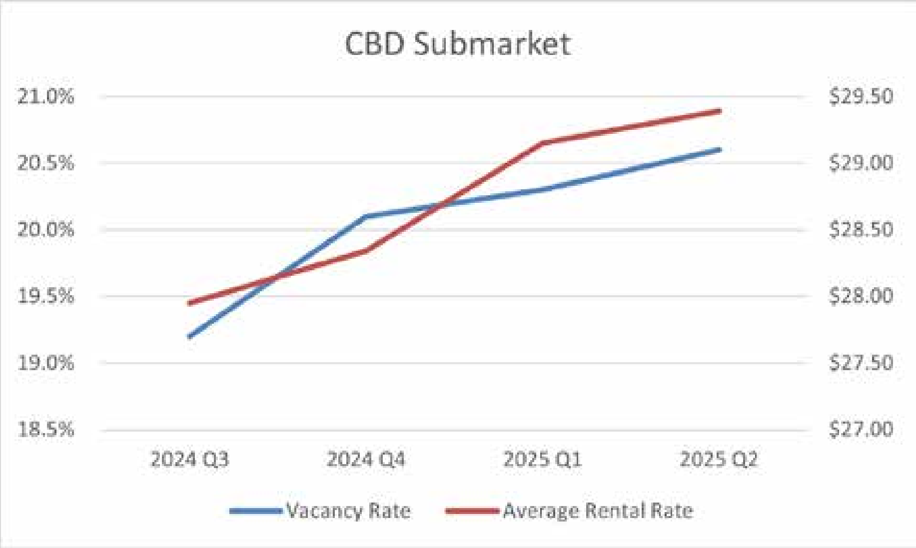
Total construction spending continues its slow decline. The latest figures from the Federal Reserve Bank of St. Louis show that in May of 2025, 2.1 trillion was spent on construction activity. That figure represents another slight drop from previous months and indicates that momentum for construction is cooling. This is occurring in both non-residential and residential sectors with the residential construction spending showing slightly more volatility.

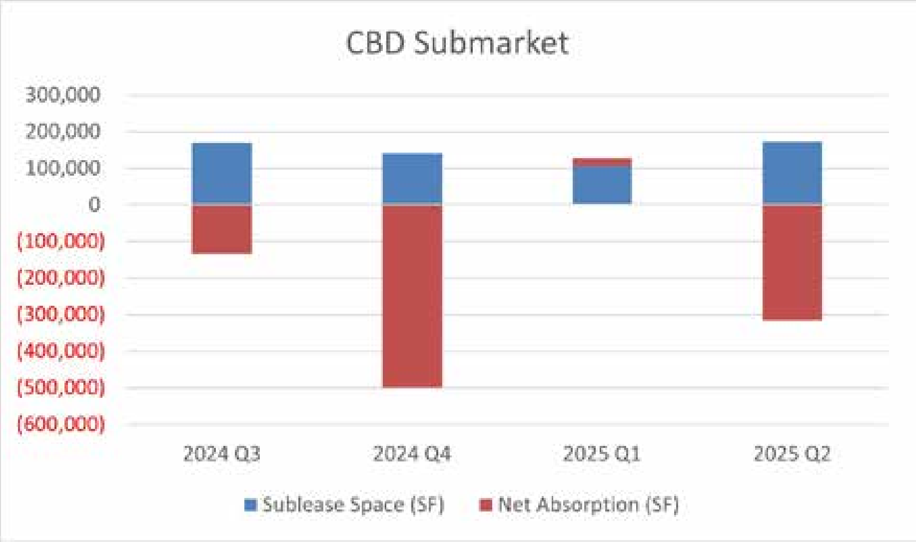
The latest housing data from U.S. Census Bureau paints a picture of a market facing friction. June's data showed that building permits, a forward-looking indicator, ticked up slightly to a seasonally adjusted annual rate of 1.397 million units. That's just .2 percent above May's revised rate; however, it marks a 4.4 percent drop from a year ago. This decline was driven by a notable 3.7 percent dip in single family authorizations, which fell to 866,000 units. Multifamily permits (5+units) held steadier at 478,000.

Housing starts, which reflect actual groundbreaking activity, rose 4.6 percent month-over-month to an annual pace of 1.321 million. But despite this bump, the number still lags the June 2024 level. The strength in overall starts was offset by the 4.6 percent decline in single family starts, which dropped to 883,000 units. Multifamily starts came in at 414,000, showing a moderate level of resilience.

Completions saw the most dramatic slowdown, dropping by 14.7 percent from May to 1.314 million units. They are now down a dramatic 24.1 percent year-over-year. This sharp pullback includes a 12.5 percent drop in single-family completions to 908,000 units and a fall to 363,000 for larger multifamily projects. The slowdown suggests that ongoing construction is getting delayed, potentially by financing challenges, labor constraints, or developers pulling back amid market uncertainty. Within the Pittsburgh market, CoStar data shows there are close to 2,250 units under construction. This figure is slightly below the five- and ten-year quarterly averages. **DP**

Pittsburgh Office Market: Stabilization Through Selective Growth and Strategic Flight to Quality





Executive Summary: Signs of Life in a Polarized Market

Pittsburgh's office market is currently exhibiting encouraging signs of life and resilience. Prior to the pandemic, employers viewed real estate as a key asset for attracting and retaining talent, a priority that remains unchanged today. However, that objective has now expanded to include the critical challenge of drawing employees back into the office environment. Despite this broader positive outlook, the Central Business District (CBD) continues to face significant challenges, a trend expected to persist for the foreseeable future. Conversely, several specific submarkets are demonstrating robust performance, notably The North Side/North Shore, Strip District, Lawrenceville, and the North Suburbs, particularly along the I-79 corridor.

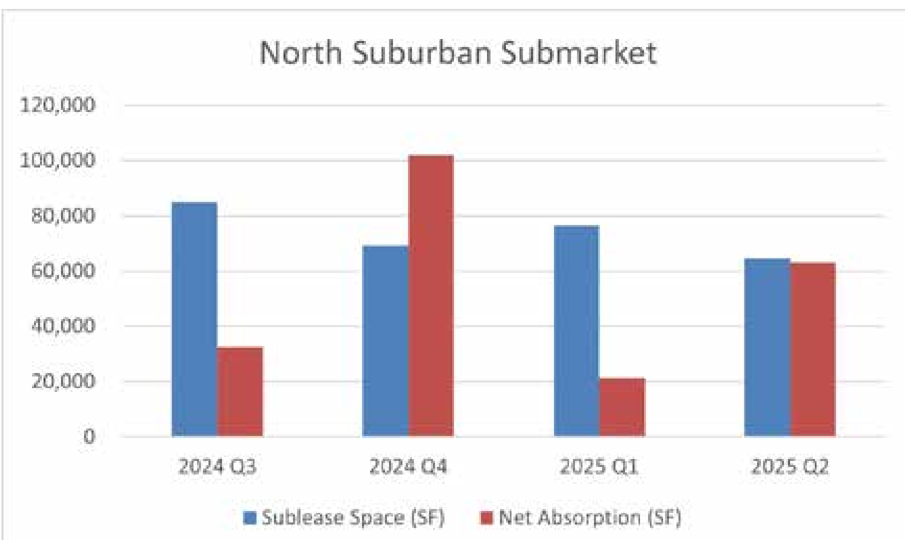
Market Fundamentals: Class A Outperforms, Tenant Commitments Lengthen

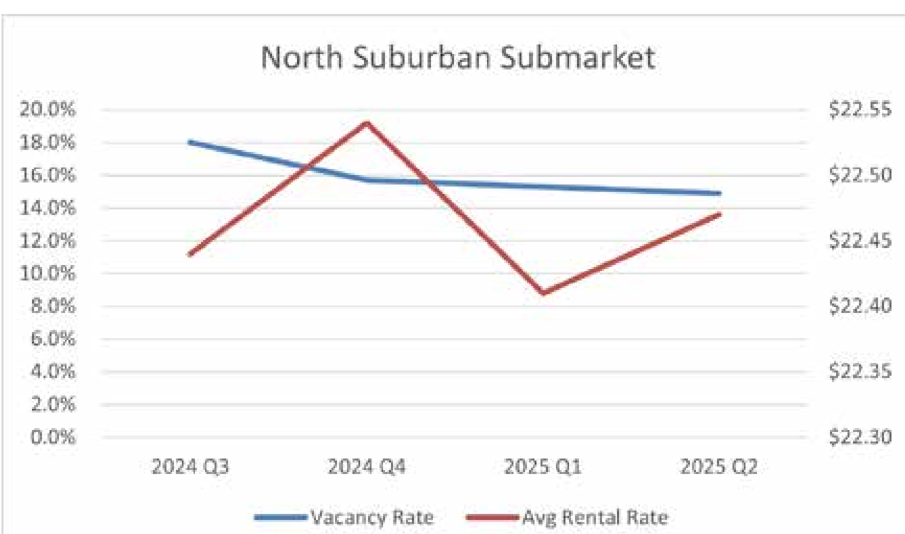
Analyzing the Class A office statistics for the Pittsburgh Metropolitan Statistical Area (Allegheny County and seven surrounding counties) reveals a positive net absorption of 188,000 square feet (SF) over the past 12 months, a marked improvement compared to the (-16,000) SF recorded in the preceding period. Concurrently, average lease rates for Class A space have climbed from $29.44/SF to $30.49/SF. Class B properties, while still experiencing negative net absorption of (-146,000) SF, show a slight improvement over the (-290,000) SF from the prior 12-month period, with average lease rates seeing only a modest increase from $19.81/SF to $20.33/SF. For transactions involving customized build-outs, tenants have increasingly been required to cover all or a portion of their own tenant improvement (TI) costs. With the cost of delivering high-quality space often ranging from $100 to $150 per square foot, many tenants have found themselves financing the gap between actual construction costs and the landlord's TI contribution. As a result, plug-and-play spaces, offering fully built, move-in ready solutions, have become particularly attractive, eliminating the complexity, time, and expense associated with managing a build-out.

Colliers' Pittsburgh office teams have observed a notable increase in tenant activity across the marketplace over the past 12 months. Tenants are now demonstrating a greater willingness to commit to longer lease terms, often extending to seven or 10 years, a crucial development given ongoing inflationary pressures related to tenant buildouts. A pronounced flight to quality is evident within the Pittsburgh market, where Class A buildings that are fully amenitized, strategically located, and offer strong parking options are consistently securing new tenants. This trend is largely a consequence of tenants reducing their overall footprints due to hybrid work models, coupled with a desire to encourage employees to return to the office with greater regularity, primarily to foster culture, enhance collaboration, and facilitate the mentoring of younger professionals.

The Central Business District (CBD): Challenges and Search for Stability

Pittsburgh's CBD, mirroring trends in major cities nationwide, continues to grapple with significant headwinds. While the Golden Triangle will likely remain the hub for many of the region's major employers, particularly in banking and healthcare, due to its centrally accessible location, the CBD has recently seen several prominent tenants relocate to nearby submarkets like the North Side and Strip District. This tenant migration is being driven by factors such as lower parking costs, access to newer office product, and growing safety concerns associated with locating in the CBD. The overall vacancy rate for the CBD currently stands at 20.6 percent, an increase from 19.2 percent one year ago. Furthermore, CBD net absorption registered a (-316,700) SF, worsening from the (-133,300) SF from the same quarter in 2024. Several historically well-performing office buildings are now experiencing low occupancy levels, including the Chamber of Commerce Building at 411 Seventh Ave (67 percent occupancy, with an anticipated significant decline as anchor tenant Duquesne Light departs in 2026), 625 Liberty Avenue (45.2 percent occupancy), 525 William Penn Place (41.2 percent occupancy), and The Grant Building (52.5 percent occupancy), which has entered receivership and is now available for sale at a steep discount. The Heinz 57 Center will be nearly vacant upon UPMC's announcement that it will not renew several leases, where it currently occupies 250,000 SF. Most significantly, BNY announced its intention to move all employees out of the BNY Mellon Center at 500 Grant Street by 2027, consolidating into its former operations center. BNY holds a master lease on the building and occupies the majority of its roughly one million SF, leaving building owner MetLife with difficult decisions ahead, as the building represents approximately 10 percent of the CBD's Class A space. Despite these challenges, the CBD has seen some positive activity, with several notable lease signings in the last two quarters, including Pietragallo Gordon Alfano Bosick & Raspanti renewing for 42,000 SF at One Oxford Centre, Meyer Unkovic & Scott signing a new lease for 32,690 SF at the US Steel Tower (down from 40,000 SF at 555 Smithfield Street), System One renewing and expanding for 28,000 SF at K & L Gates Center, and K & L Gates itself renewing for 150,000 SF (reduction from 200,000 SF), also at K & L Gates Center.





Submarket Spotlight: The North Side's Ascendance

The North Side of Pittsburgh has experienced a surge in demand over the past several months. While it is still centrally located, the North Side offers parking costs that can be one-third lower than those in the CBD. This submarket now boasts an array of amenities, including a growing number of restaurants, hotels, and the newly developed 21 West 11-story apartment building, which features 305 units, a rooftop bar lounge, and a pool. The North Side truly provides a comprehensive work/life/play environment for tenants, an unprecedented offering for the area. Recent new lease transactions in the North Side include Duquesne Light securing 124,000 SF at Nova Place, Gecko Robotics leasing 67,000 SF at Nova Place, PJ Dick taking 57,000 SF and Brunner Inc. recently signing a 35,000 SF lease at 30 Isabella Street, Castle BioScience occupying 44,000 SF at Nova Place, Mitsubishi Corporation leasing 33,600 SF at 225 North Shore, Softwriters securing 25,000 SF at the SAP Building, Edgar Snyder & Associates leasing 21,354 SF at 225 North Shore, and Edge Engineering & Science, LLC taking 10,957 SF at Nova Place. Over the past year, the North Side has seen 467,491 SF of activity, with average lease rates rising from $29.95/SF to $31.03/SF during that period.

Robotics Row: The Strip District and Lawrenceville Thrive

The Strip District and Lawrenceville areas have also enjoyed brisk demand and leasing activity. Known colloquially as "Robotics Row" due to its proximity to Carnegie Mellon University's National Robotics Engineering Center and the establishment of several prominent autonomous vehicle companies like Aurora Innovation, the area is now fully amenitized. It features a growing number of restaurants, breweries, and grocery stores, many of which are conveniently located within the Terminal Building on Smallman Street, situated in the heart of the Strip District. This corridor now offers an increasing number of quality living opportunities for professionals, further solidifying its work/live/play environment, with over 1,500 new Class A apartment units created since 2018. This vibrant corridor is attracting a diverse spectrum of new tenants from various industries, including New York Life Insurance Company, which leased 43,000 SF at Vision on 15, Gordon Rees securing 29,950 SF at 75 Hopper Place, Huntington Bank taking 21,534 SF at Vision on 15, and ST Engineering/Aethon leasing 20,000 SF at the Burns White Building. The Strip District/Lawrenceville corridors have seen average asking rental rates increase from $27.01 to $27.82 in the past 12 months, accompanied by a reduction in the vacancy rate from 24.9 percent to 22.5 percent. Further demonstrating the strength of this submarket, Tempus Realty Partners from Arkansas recently acquired the 95,000 SF Aurora Innovations HQ building at 1600 Smallman Street for $43.75 million, or $460.52/SF.

Regional Performance: North Suburbs, Parkway West, and Southpointe

A rundown of other notable submarkets in the region reveals varied performance. The North Suburban Market, specifically the I-79 corridor from Wexford to Cranberry, is performing well. The Colliers office team has witnessed a flurry of activity in this corridor over the past four quarters, resulting in 12-month positive net absorption of 218,000 SF, with vacancy declining from 18.0 percent in Q3 2024 to 14.9 percent in Q2 2025. Notable employers signing leases and relocating to this corridor include Emerson, which leased 142,000 SF at Cranberry Woods, and Giant Eagle, which took 107,033 SF, also at Cranberry Woods.

The Parkway West submarket has also experienced a modest rebound, with 117,000 SF of positive net absorption over the past 12 months, a reduction of the vacancy rate from 16.9 percent to 15.7 percent, and an increase in the average rental rate from $23.38 per SF to $24.02/SF. This activity coincides with the nearing completion of the $15.5 billion Terminal Modernization Program (TMP) at the Greater Pittsburgh International Airport. Additionally, Neighborhood 91, a successful development adjacent to the airport, stands as the world's first end-to-end manufacturing production campus, projected to create 6,000 jobs upon full completion. Notable new lease signings in the Parkway West include Tobii Dynavox for 38,152 SF at 1320 Cherrington Parkway, C & M Play Studio for 15,176 SF at 1200 Cherrington Parkway, AMG Resources Corp for 12,693 SF at 2000 Park Lane, and Federal Express for 9,604 SF at 300 Corporate Center.

The Southpointe Business Park has faced challenges since the pandemic, primarily due to its concentration of oil and gas companies that downsized or relocated as the market softened. However, a resurgence has been observed in the park over the past 12 months, with positive net absorption of 193,000 SF and an overall vacancy rate reduction from 18.3 percent to 13.8 percent during this period. Major lease transactions have included Range Resources renewing for 145,949 SF at 3000 Town Center Blvd, WVU Health Systems also signing a new lease for 90,000 SF at The Fountainhead, CORE Natural Resources renewing for 27,742 SF at 275 Technology Drive, and RGN Canonsburg renewing for 13,814 SF at 2400 Ansys Drive.

Submarkets Facing Headwinds: East End and Parkway East/Monroeville

Conversely, some notable submarkets have not fared as well recently. The East End of Pittsburgh, for instance, has struggled, with contributing factors including Chatham University placing its 250,000 SF Eastside Building at 6565 Penn Avenue for lease in July 2023, with the entire building still available. Additionally, 151,634 SF is currently available for sublease from Phillip North America at Bakery Square Three. Statistics for the East End indicate 120,000 SF of negative absorption over the past 12 months, with vacancies climbing from 18.4 percent to 20.9 percent. Despite this, Colliers anticipates a quick rebound for the East End submarket due to its proximity to Carnegie Mellon University and the University of Pittsburgh, the quality of available space, and the abundance of nearby amenities and quality housing. Lastly, the Parkway East/Monroeville, submarkets that have historically struggled, continues this trend with a combined net absorption of (-57,400) SF over the past 12 months and an increased combined vacancy rate from 33.3 percent to 35 percent.

Key Market Developments: Station Square's Future

Other significant developments in the office market include the fact that Station Square's ownership is no longer in receivership, following the satisfaction of debt issues by a junior lender. This development clears the path for Brookfield Properties to potentially sell the property. WS Development, a Boston-based developer, is reportedly in discussions to acquire Station Square. This mixed-use development along the Monongahela River encompasses over 400,000 SF of office space and 235,000 SF of retail. Furthermore, Fiserv Solutions signed a new lease for 28,337 SF at the Commerce Court Building at 4 W Station Square Drive in the second quarter of 2025.

Conclusion: A Market in Transition

Taken as a whole, Pittsburgh's office market is a study in contrast, both challenged and hopeful. While the CBD requires creative solutions and patient capital, surrounding districts and suburban corridors are proving that there is still strong demand for thoughtful, high-performing work environments. With tenant sentiment steadily improving and quality assets continuing to outperform, the market has a foundation from which to build. A pronounced flight to quality remains a defining trend, as employers seek modern, amenitized, and well-located Class A properties not only to right-size their footprints in line with hybrid work models, but also to encourage employees to return to the office. This emphasis on workplace quality reflects a broader strategy to foster collaboration, reinforce company culture, and support employee engagement in a post-pandemic era. **DP**

For more information about the Pittsburgh office market, contact Ed Lawrence at ed.lawrence@colliers.com.

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PITTSBURGH INDUSTRIAL MARKET – 2Q2025 STATS

167,116,124 SF MARKET BASE	9,453,409 SF AVAILABLE	5.66% AVAILABILITY RATE	8,151,629 SF VACANCY	4.88% VACANCY RATE	$7.37 WEIGHTED AVG ASKING RATE

Submarket	Inventory (SF)	Available (SF)	Availability Rate	Vacancy (SF)	Vacancy Rate	Weighted Avg Asking Rate
Beaver County	12,532,428	558,040	4.45%	558,040	4.45%	$5.48
Butler County	10,223,721	610,539	5.97%	532,589	5.21%	$5.92
City of Pittsburgh	14,567,325	936,469	6.43%	925,396	6.35%	$11.29
Cranberry	9,177,575	390,120	4.25%	114,398	1.25%	$9.86
Northeast Pittsburgh	16,272,286	371,886	2.29%	341,886	2.10%	$7.72
Parkway East	12,433,714	1,395,246	11.22%	1,167,791	9.39%	$6.05
Northwest	5,480,172	625,164	11.41%	512,486	9.35%	$8.75
South	14,257,250	407,243	2.86%	396,543	2.78%	$5.39
Washington County	12,992,914	834,483	6.42%	767,128	5.90%	$6.07
Parkway West	24,919,372	1,663,084	6.67%	1,306,501	5.24%	$8.51
Westmoreland County	34,259,367	1,661,135	4.85%	1,528,871	4.46%	$6.26

GENFOR REAL ESTATE

Source: Genfor Real Estate, 2025

Following a subdued period of transaction activity from 2023 through 2024, early 2025 opened with a very strong start in January. However, this strong start slowed as macroeconomic and policy uncertainty had a chilling effect on leasing activity starting in Q1 2025 as tenants exhibited caution. This trend is not unique to Pittsburgh as the national industrial vacancy rate is increasing and over 70 percent of industrial markets in the US are experiencing higher availability rates. What is unique to Pittsburgh is several recent events and trends that will have a very positive impact on the regional economy and local industrial market. Those include the formal closing of the Nippon-U.S. Steel transaction in June, The Pennsylvania Energy and AI Summit on July 15, certain regional strengths that position the Pittsburgh Marketplace very well for near term economic investment, and a general lack of overbuilding, which is not the case in many other industrial markets.

Regarding market fundamentals:

- Vacancy slightly down

  At the end of Q2 2025, the overall vacancy rate was 4.88 percent, a 5-basis-point decrease from Q1 2025. This is a 28-basis point decrease from Q2 2024, indicating relative stability in occupied space.

- Availability slightly up

  The broader availability rate has edged up to 5.66 percent, a 13-basis-point increase over the same period. This modest rise reflects the introduction of a few large sublease availabilities and several known future vacancies finally hitting the market - a trend largely absent over the prior 36 months.

- Deal Velocity

  While year-to-date overall deal volume in 2025 is tracking 18 percent below the average since 2018, four leases exceeding 100,000 square feet have been completed through Q2 2025 - already surpassing the total of two recorded in all of 2024. The 10,000–50,000 square foot segment remains the most active by deal count, consistent with historical patterns, but the total number of new leases is still 17 percent below the prior seven-year average.

- Rental rates have leveled out

  The average asking rent across the market is currently $7.37/SF NNN, representing a 3.5 percent year-over-year decrease from Q2 2024. While rental rates have generally leveled off, rates remain well above pre-pandemic rates.

- New Construction/Spec/BTS

  New construction projects have decreased substantially. There have been only four buildings delivered, totaling 289,000 square feet. With minimal additional starts anticipated for the remainder of 2025, demand for existing first-generation space should strengthen.

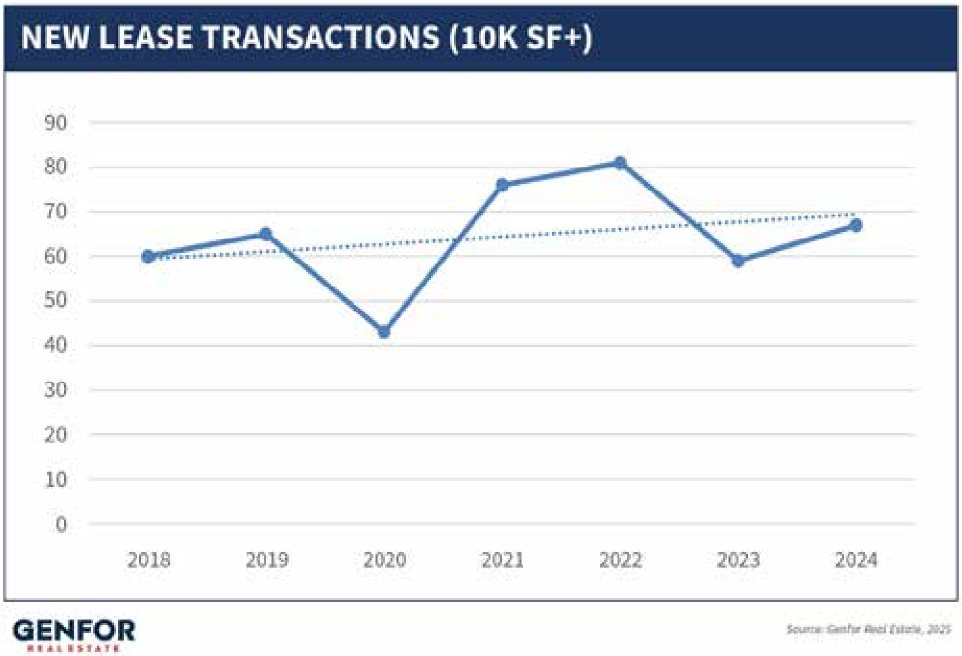
While the market has generally languished over the past 24 months, we expect tenant activity to pick up in the fall of 2025 as delayed investment decisions are made and more projects are green-lighted.

LEASING ACTIVITY

The market's leasing velocity reached a high point in 2022 as total leasing volume was over 4.1 million square feet. This was a 32 percent increase over the rolling 7-year historical average of total lease volume. 2023 and 2024 leasing volume were off historical averages by 27 percent and 26 percent, respectively. Despite some macroeconomic headwinds, 2025 leasing volume has increased from 2023 and 2024 levels, but remains below the market's average annual leasing volume of 3.1 million square feet. We expect final 2025 figures to be close to the historical average for the local market. The bread-and-butter deal size ranging from 10,000 – 50,000 square feet remains the most active part of the leasing market. Additionally, the market has seen several investment sales of size this year with more forthcoming, a dynamic which was fully absent since mid-2022.

NEW CONSTRUCTION & DEVELOPMENT DYNAMICS

Approximately 6.04 million square feet of new industrial space has been delivered to the market since 2022, of which 46 percent was built speculatively, and 54 percent were build-to-suit (BTS) projects. This reflects an average of 1.9 million square feet of new space delivered to the market annually. The deliveries to the



market have cooled down recently, with 1.06 million square feet delivered in 2024 and only 289,000 square feet delivered through the midpoint of 2025.

Speculative Construction

Since, 2022, 2.75 million square feet of speculative space has been delivered to the market. Through Q2 2025, 73.9 percent of the spec space has been absorbed with more absorption forthcoming. New spec construction projects have decreased substantially. For more near term and current data:

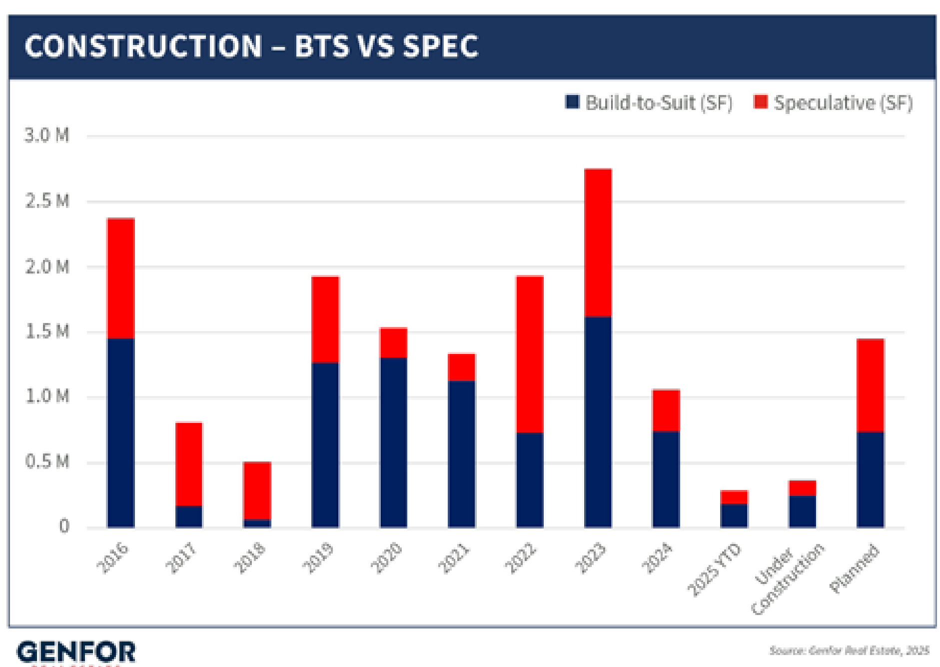
- The historical annual average (2016-2023) for speculative deliveries was 677,000 square feet.
- In 2024, 319,500 square feet of speculative industrial product delivered.
- Through Q2 2025, just one new spec building delivered: Brockway Commerce Center (100,000 square foot) in Washington County, which was fully pre-leased to Lighthouse Electric.
- There is 113,500 square feet of speculative space currently under construction (both projects are in Findlay Township) that is scheduled to deliver this year – bringing the 2025 projected total to 213,500 square feet.

The slowdown in development is not unexpected given elevated construction costs, a more challenging market for debt and equity, and softer demand fundamentals. Of the 113,500 square feet of spec space that is currently under construction in two buildings, one freestanding 23,200 square feet remains available and 90,300 square feet at Imperial Business Park has been pre-leased by CUMI, an existing tenant in the park. Of the 419,500 square feet of speculative deliveries over the past 18 months, nearly 58 percent have already been absorbed. This demonstrates that despite a challenging leasing environment, well-positioned projects continue to procure tenants. Moreover, Pittsburgh has avoided the overbuilding seen in many peer markets, leaving it comparatively better positioned with a more balanced supply and demand dynamic rather than facing a glut of new vacant buildings.

Build-To-Suit Construction

An increasing number of recent BTS projects have been owner-occupied, which is a departure from recent history. There have been eight BTS projects over 75,000 square feet that have been delivered since 2024 or are currently under construction. Six of those eight projects have been owner/occupied. Each of the eight projects has been a manufacturing or industrial service use, which helps explain the preference to own the real estate. It also speaks to the lack of pure warehouse uses currently landing in BTS projects.

The owner-occupied BTS trend is relatively new. By comparison, from 2020–2023 there were 16 BTS projects above 75,000 SF, of which 12 were developer-controlled and only four were owner-occupied. This recent shift underscores a growing inclination among manufacturers and



industrial service companies to control their facilities rather than lease.

INSIGHTS & CLOSING THOUGHTS

Several recent economic events have provided the region with a well-needed jolt of hope and optimism:

- Nippon Steel and U.S. Steel finalizing their historic partnership in June, which will result in 10 figures of investment in the Mon Valley Works.
- The Pennsylvania Energy and AI Summit at Carnegie Mellon in July. The attention and people that event brought to Pittsburgh had incredible benefits for our region, both tangible and intangible.
- Macro-economic policy shifts that are more friendly to natural gas and nuclear power should be very beneficial to Western Pennsylvania.

What does it mean for our local industrial market?

Significant investment in Western Pennsylvania's industrial economy will undoubtedly have a positive impact on our local industrial market. Furthermore, we have a tremendous opportunity to leverage our regional strengths, including our universities and labor force, to lead the AI revolution. Alongside this effort, we can build on and grow so many of the existing strong, legacy industrial businesses in the region that are manufacturing products currently in demand, whether it is switchgear to power the electric grid, pumps and motors to support nuclear power, or generators for data centers. All of this should lead to an increase in manufacturing projects in the next four to five years in Western PA and the historical driver of large warehouse leases (proximity to manufacturing in the region) should begin to re-emerge. A rising tide lifts all boats and a significant increase in local investment will benefit everyone from heavy industry to robotics firms. **DP**

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EFFICIENT BY DESIGN:
UNLOCKING CMU PERFORMANCE THROUGH DELEGATION

Pittsburgh is growing quickly. With new hospitals, tech campuses and research hubs rising across the city, the pressure is on developers to deliver projects quickly and efficiently, all without sacrificing long-term performance. To meet that challenge, more build teams are starting to leverage delegated design and design assist. These approaches bring in specialty engineers early, especially for systems like concrete masonry (CMU), to streamline detailing, reduce risk and ensure construction is both code-compliant and cost-effective. It's a strategy that's gaining momentum nationwide and one that could be a game-changer for a city like Pittsburgh.

What Is Delegated Design?

As with any build project, the architect of record (AOR) defines the performance criteria for the building based on its occupancy, use and location, while the engineer of record (EOR) develops the final structural details, calculations and drawings. But it can get overwhelming and cumbersome to handle all the details of every specific building system and material.

Delegated design brings in specialists who can do the heavy lifting on complex systems. For example, designing a CMU wall assembly requires careful consideration of seismic forces, climate conditions, wall geometry, fire ratings, energy codes and building code compliance. The EOR still maintains final performance approvals, but the specialty engineer, who knows and works with their assigned system regularly, provides the details and scope for that system.

Why Pittsburgh Teams Should Take Note

These systems can be overdesigned as a precaution, leading to unnecessary material use, added costs and project inefficiencies. By adopting delegated design, Pittsburgh developers can benefit from:

1. **Faster Starts**
   The deferred delegated design submittal can combine what currently takes three separate entities: structural design, reinforcement shop drawings and wall bracing/construction safety plans, streamlining the process.

2. **Efficient Design**
   Delegated design ensures efficiency, avoiding excess reinforcement, unnecessary grout and inefficient labor.

3. **Better Field Fit**
   Delegated engineers work closely with contractors and block suppliers, helping shop drawings match what's being built. Fewer surprises, fewer Requests for Information (RFIs), fewer change orders.

4. **Clearer Roles**
   AOR defines the vision, EOR oversees structure and the delegated engineer focuses on CMU. That clarity prevents miscommunication.

5. **Resilience Built In**
   Delegated design ensures CMU systems are tailored to Pittsburgh's real-world demands — from thermal performance to lateral loads.

Real-World Examples: Lessons From Michigan

The building industry in Michigan has excelled using delegated design, providing real-world examples that others are striving toward.

At the MyMichigan Medical Center[1] in Alpena, a 97,500-square-foot patient tower used load-bearing CMU and multiple façade materials to meet a demanding clinical program. The team prioritized early collaboration, and the complex façade system went up without a single issue.

In another project, Tri County Schools originally planned a K–5 school using precast concrete. A structural engineer with JK Masonry, Inc. proposed a design-assisted alternate using load-bearing CMU. The result was a simplified process, months shaved off the schedule and $500,000 to $750,000 in savings.

These examples show what Pittsburgh can replicate with its own projects: quality builds, fewer delays and real cost control by leveraging CMU expertise early in the process.

What Delegated Design Means for Pittsburgh Development

In a city that's building fast and aiming high, delegated design can help Pittsburgh teams move efficiently without compromising quality. Just like it has in Michigan, it can bring serious benefits to CMU-intensive projects, saving time, cutting costs and delivering high-performance buildings that last.

1. Photo Credit — Three Rivers Corporation

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TRYING DELEGATED DESIGN?

Start early.
Identify which systems are delegated from the outset.

Use the right experts.
Make sure your specialty engineer is licensed, experienced and familiar with Pittsburgh's climate and code.

Coordinate clearly.
Keep communication flowing between AOR, EOR and delegated engineer.

Review collaboratively.
The EOR still signs off, but now with more focused design input.

Have a question about delegated design and CMU?

The Block Design Collective offers free project support to architects, engineers, and developers and can help answer your CMU-specific questions.

For more information:

Contact Chuck Rotondo at crotondo@concretemasonrycheckoff.org or visit blockdesign.org

By Ben Atwood

In the spring, commercial real estate professionals sensed that capital markets could be approaching a time of capitulation, or acceptance, years after pandemic-related financial and cultural upheaval had opened a sizable gap in pricing expectations between buyers and sellers.

In 2023, that gap was wide enough to sharply reduce investment levels across the sector. According to CoStar, that year saw total investment in the major asset classes (office, industrial, multifamily, retail, hospitality) drop by over 120 percent. Investment levels bounced back somewhat in 2024 but remained 35 percent under the pre-pandemic annualized average.

But as the economy stabilized and loans reached maturity and balloon payments came due, a compromise (or capitulation) between the two parties appeared increasingly likely. For this season's column, we can say that there are certainly signs that this is happening, though perhaps not nearly as fast as many would hope.

CoStar's data provides some indication that this is indeed happening both nationally and locally. In the second quarter of 2025, over $78 billion in commercial transactions closed across the country. This is notably higher than in the first quarter, and above the two-year quarterly average.

In that same time frame, 465 commercial sales were completed for those major property types in the Pittsburgh market. Should deals continue closing at the same clip for the final two quarters of 2025, there will be around 925 commercial transactions by the end of the year. For comparison, in 2024, there were 838 transactions amongst those property types. In 2023, that number was 586.

It should be noted that CoStar's sales data often lags by several weeks as transactions come in, and that these figures are likely low. While things can certainly change, local experts back this data up.

"There's definitely an uptick in activity. Liquidity is coming back and there are new groups that want to come into Pittsburgh," said Bryan McCann, senior vice president at Colliers Capital Markets. "But the ask/bid spread is still wide."

McCann states that while more investors are testing the waters, the market is still far from ideal. Though sellers are no longer holding onto 2021 cap rates, they are aiming for low five caps, while buyers are targeting high five or low six. He notes that marketing volume has increased but risk tolerance remains unchanged and that while some buyers and sellers are gradually converging on deals, the process remains slow.

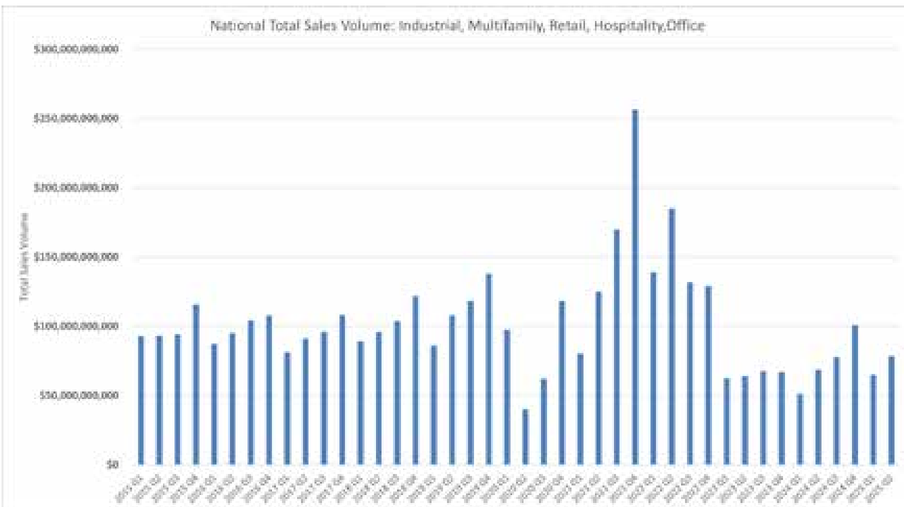
Anthony Rossi, a senior vice president at CBRE, largely agrees. "We are still in a period of discovery in many respects, but there is capital testing the market. We have seen an increase in deal volume from the first quarter. I think this is attributable to several factors including owners and capital providers reconciling their outlooks and strategy based on what they have seen out of the current administration and having a better sense of what the future might hold for interest rates."

Rossi notes that from a debt perspective, liquidity remains strong. Multifamily agencies are operating near full capacity, and they have seen spread compression throughout the year, but office transactions, particularly in the CBD, remain challenging.

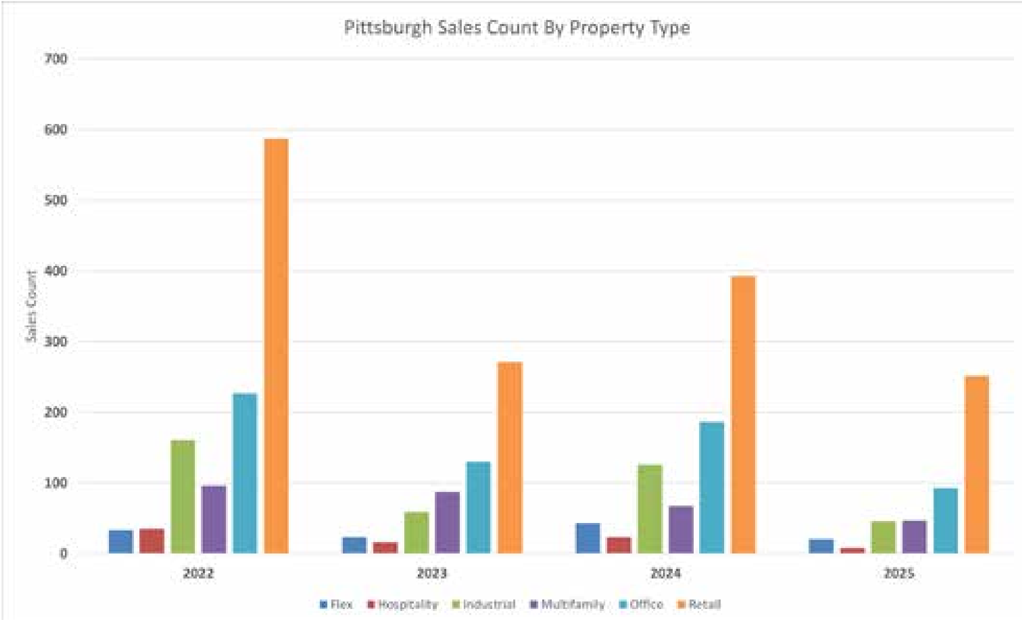
McCann also noted there was no uptick in distressed deals and core deals are seeing much tighter margin rates. He remains optimistic about the market's future, expecting rate cuts to have a positive impact. However, he also cautions that a sudden drop to 3.5 percent is not realistic.

But there is also evidence that the gap remains too wide to be bridged. According to a recent study published by Trepp, there is an increasing number of CMBS loan resolutions that never arrive.

While formal loan extensions remain a well-known tool, a growing share of loans are passing their maturity dates with no action. This unresolved category has surged from nearly zero in 2019 to over $23 billion today. The widening gap between matured loans and formally extended one's potentially signals mounting uncertainty in the market, not just an ask/bid gap.



National data reflects an upward trend in investment in the major commercial real estate asset types. Source: CoStar



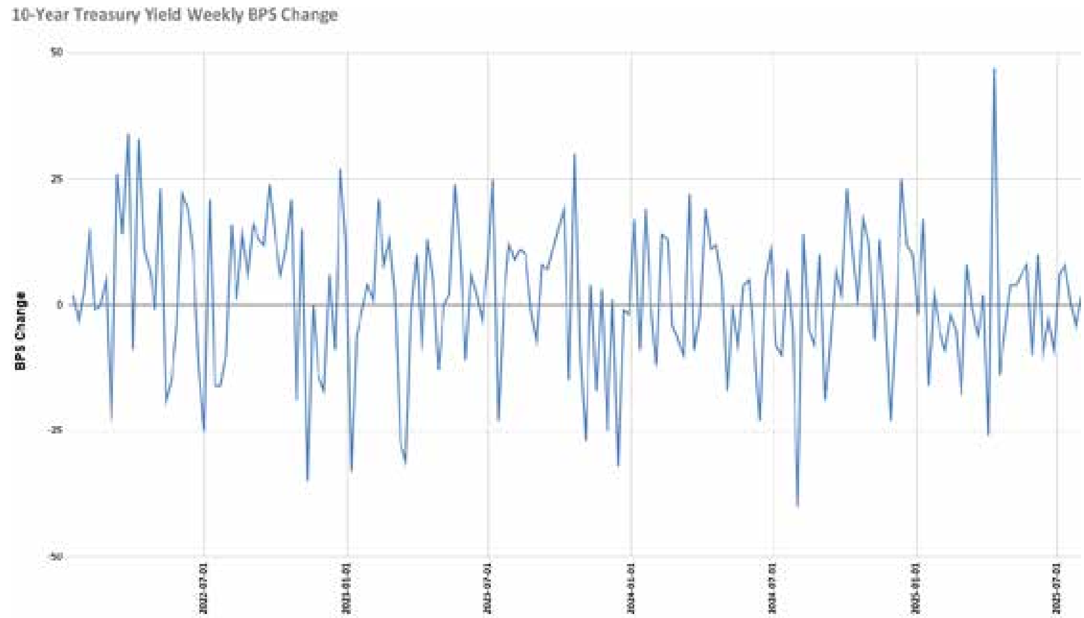
2025's commercial real estate transactions are largely driven by retail properties Source: CoStar

Trepp posits that this is not a case of "extend and pretend." Many of the stalled maturities are still current on interest payments. In fact, some of the underlying assets are performing well. Instead, the issue appears to be systemic: deals are stalling due to capital markets bottlenecks, such as unclear valuations, macroeconomic risk, and structural loan complexity.

This means many lenders are likely in reassessment mode. Today's delays correlate less with immediate distress and more with low debt yields. This indicates that even loans with solid near-term performance are now at risk of stalling if their long-term outlook is weak. Over time, even after controlling for weak fundamentals, the risk of maturity stalling has continued to rise, especially in the office sector.

If capital market dysfunction continues, these unresolved maturities could turn into forced loss recognition and defaults. But if liquidity and refinancing options re-emerge, the system could reabsorb this risk more smoothly through extensions, restructurings, or recapitalizations.

While retail led the trend during the pandemic, office loans now dominate the volume of stalled maturities. The broader delinquency trend also reflects this pressure: loans around maturity now account for 75 percent of all CMBS delinquencies, up from 42 percent in early 2022. That includes $13 billion in



Weekly basis point changes in the 10-year U.S. Treasury yield since mid-2022 highlight ongoing market sensitivity to economic data and monetary policy shifts. Source: Federal Reserve of St. Louis

loans already passed term and another $18 billion set to mature within six months.

"The lenders don't want those loans," said Kevin Wosko, managing director of PACE Equity. "It's much better to find a solution that works for everyone. A lot of our deals are now refinances. If someone got lending in 2023 with high rates, we're coming in and giving them a lifeline. We are seeing a lot more opportunities in the refinance market, whereas traditionally, we were more focused on new construction."

Wosko says his firm is seeing this uptick across all property types and attributes it to the necessity of staying afloat.

"Pittsburgh's not immune to the overall macroenvironment environment we're in. In the financial markets, everything is more or less the same. There's still lots of dry powder on the sidelines. The uncertainty of the macro-economic conditions is keeping things slow. People are hesitant to go full bore because they don't know what they are getting themselves into. We're based off the 10-year treasury and that's still a bit sticky. That's putting a lot of strain on people doing projects. The liquidity is certainly there but they are not putting it out in bulk."

A cut in long-term rates might take some time and short-term rates are proving stubborn as well. On July 30th, the Federal Open Market Committee (FOMC) voted to keep key borrowing rates between 4.25 percent and 4.5 percent, where it has sat since December of 2024.

That decision was unanimous, but the meeting's minutes indicated a forthcoming cut was likely, and perhaps soon. Most of the FOMC participants believe a reduction of the target range would "likely be appropriate" before the year's end and the FOMC's June "dot plot" projected a reduction in rates by .75 percentage points by the end of 2026.

However, meeting notes also indicate a potential divide amongst the board regarding rate cuts. Of the 19 FOMC participants, seven projected no rate cuts in 2025, eight projected 50 basis points cut, two projected 25 basis points, and another two projected 75 basis points.

At the July 30th meeting of the FOMC, that split became public. Though the board voted to keep the key borrowing rate between 4.25 percent and 4.5 percent, the decision was not unanimous.

Federal Reserve Chair Jerome Powell signaled continued caution, even hinting that rates could be raised in response to tariff driven inflation.

"The economy is not performing as though restrictive policy were holding it back in appropriately," he said at a press conference after. But two board members dissented, creating the biggest rupture within the FOMC in over 30 years.

The diverging consensus on whether the economy is ready for such a cut is largely due to uncertainty surrounding the potential impacts of President Trump's ongoing actions with economic tariffs.

In March, stock and bond markets declined sharply following the announcement of near global tariffs. Forecasters issued recession predictions, consumer confidence plummeted, and many businesses expressed concern about the near-term future.

The market was rattled but ongoing delays for negotiations seem to have settled things down. As of early August, none of the dire scenarios have occurred. In fact, June's unemployment level declined slightly from April, inflation was lower than forecasters expected, the stock market is setting new records, and the 10-year treasury yields are below what they were upon Trump's inauguration.

Interestingly, the market appears to be adjusting to the President's unorthodox negotiation tactics. In July, President Trump threated a 50 percent tariff on copper and up to 200 percent on pharmaceuticals. The threats "had effectively zero impact on equity valuations, interest rates, or the value of the dollar," wrote RSM chief economist Joe Brusuelas.

But the Federal Reserve remains more conservative, and the meeting minutes clearly reflect some overarching concerns about the potential impact of the tariffs, noting that many foreign banks had begun easing, citing weak outlooks and a need for flexibility.

The 12-month Personal Consumption Expenditure (PCE) inflation rate stood at 2.3 percent, and core PCE was at 2.7 percent, both lower than earlier this year but still too high for the Fed to relax. Short term inflation expectations in surveys remain elevated, signaling the market has not fully internalized a return to price stability.

Labor market data was another concern mentioned in the FOMC notes of the summer. Unemployment has held steady at 4.2 percent, and job growth remained strong, with May payrolls slightly outpacing recent months. But wage growth had cooled to 3.9 percent year over year, indicating some risk of fueling inflation. The job market was considered tight, with roughly one job opening for every unemployed worker, suggesting little slack in the system. The Fed remained wary that a strong labor market could reverse recent gains on inflation.

Real Gross Domestic Product (GDP) rebounded in the second quarter. Consumer spending was solid, and business investment increased, though some of it was likely front loaded to anticipate tariffs. The strength in private domestic demand suggested underlying momentum remained intact. While a positive signal, it raised some concerns. Chief among them was if economic activity reaccelerated while inflation was still elevated, the Fed might be forced to hold rates high or consider tightening.

Despite the concerns, it seems probable that at least one cut is coming in 2025. As of August 1st, Goldman Sachs continues to forecast three cuts before the end of the year, followed by two in 2026. The resilient job market suggests the economy is absorbing policy tightening better than anticipated. Additionally, wage growth was slowing gradually, helping to ease inflationary pressure without triggering a spike in joblessness.

Economic growth was clearly rebounding in the second quarter. Consumer spending remains healthy, supported by strong retail and auto sales. Business investment, while partially driven by tariff timing, continued to show strength.

Assessing capital market data, there remain plenty of reasons to believe capital markets will continue warming. There does appear to be a slight uptick in commercial real estate investment activity both locally and nationally. While higher than the Fed may like, inflation remains under control and experts widely believe rate cuts will be coming before the year end. But a substantial level of uncertainty clouds the future and its being generated in large part by the unorthodox style of the current administration. While the market is adjusting somewhat and the ominous predictions from earlier this year have thus far failed to materialize, it has kept 2025 investment activity more subdued than many hoped and believed possible at the beginning of the year. **DP**

Key Environmental and Energy Policies in the Second Trump Administration: An update on federal executive orders, policies and actions, and how businesses can navigate the rapidly changing legal and regulatory landscape

By Ben Clapp, Esq. and Gary E. Steinbauer, Esq.

Annnounced through a record-breaking number of executive orders, memoranda and directives, new White House energy and environmental policy initiatives are resulting in a rapidly changing environmental regulatory climate affecting the business community.

To help clients keep pace with these new policy initiatives, and recent steps that EPA has taken to implement this broad deregulatory agenda, attorneys at the law firm Babst Calland offer advice on how businesses can adapt and thrive in a swiftly changing regulatory environment.

It will be some time before we get a clear picture on "this administration's policy objectives and how they're all going to unfold," Gary Steinbauer, a shareholder working with the environmental law practice of Babst Calland's Pittsburgh office, says.

One of the emerging energy policy themes is the Trump administration's goal of "American energy dominance," achieved through permitting reform and environmental deregulation in the energy sector. Other themes include de-emphasizing climate change-based regulatory initiatives, promoting domestic manufacturing and mineral extraction, and grid reliability.

Executive orders 101

An executive order is a written statement in which a president broadcasts a directive to implement a policy change.

Presidents have fairly broad authority in terms of the scope of what they can order, "provided that that order is consistent with the applicable laws," Ben Clapp, shareholder and chair of the environmental section at Babst Calland's Washington, D.C. office, says.

A president cannot, through executive order, revise a regulation or amend or revoke a law. However, a president can revoke a previous administration's executive orders and use them to announce new policy initiatives. Sometimes, when undertaking specific activities that have been delegated to the executive branch by Congress or the Constitution, they can compel a specific, direct action through an executive order without further procedures. In other cases, such as when a president directs an agency to issue or rescind a regulation, the agency needs to comply with notice and comment rulemaking requirements under the Administrative Procedure Act before taking final action.

Of particular interest at present are a slate of executive orders directing agencies to undertake deregulatory and permit reform regulatory actions in furtherance of the promotion of domestic energy production. Among the most noteworthy, the Unleashing American Energy order directs agencies to identify those regulations that serve as an impediment to the production of American energy (in the context of this order – fossil-based resources, uranium, biofuels, hydroelectric power, geothermal energy and critical minerals but not including solar and wind energy sources), and develop and implement action plans to suspend, revise or rescind such actions. This order dovetails with a contemporaneous order Declaring a National Energy Emergency, which directs certain agencies to use emergency authority to facilitate energy development, transportation, refining, and generation.

Other executive orders of note relating to enhancing domestic energy production include:

- Immediate Measures to Increase American Mineral Production, which, in part directs the DOI to identify areas on federal lands that can be "immediately implemented for mineral production."
- Ensuring National Security Through 232 Actions on Processed Critical Minerals, ordering the initiation of an investigation to determine the effects on national security of imports of processed critical minerals and their derivative products.
- Unleashing America's Offshore Critical Minerals and Resources, aimed at seabed mineral development by developing domestic capabilities through streamlined permitting, enhancing coordination amongst agencies.
- Reinvigoration of America's Beautiful Clean Coal Industry, which classifies coal as a mineral of the same level of importance as critical minerals, uranium, and copper, prioritizes coal leases on federal lands, promotes coal technology, including data center support, and directs agencies to identify regulations impeding coal production and consider revising or rescinding them.
- A trio of executive orders aimed at enhancing the domestic production of nuclear power.

In addition, "the United States [issued executive orders] extracting itself from previous administrations' climate change-based regulatory efforts, including removing itself from international climate agreements and rescinding executive orders that were in place to promote climate change-related regulation," Clapp says.

National Energy Policy Act (NEPA) law reform.

Since 1970, NEPA has required that agencies closely examine the environmental impacts associated with major federal actions. In the context of emerging production, it's important because the law's environmental review requirements can be triggered:

- In connection with the issuance of leases on federal lands for domestic energy production.
- By the issuance of certain environmental permits, including those issued under Section 404 of the Clean Water Act, allowing the dredging and filling of wetlands.
- By certain federal funding initiatives supporting energy projects.

Given the lengthy environmental review periods involved in the NEPA process and the propensity for project opponents to employ legal challenges to the NEPA process in attempts to delay or block energy projects, NEPA is viewed by the Trump administration as an "impediment to energy production," Clapp says. In furtherance of the Trump administration's Unleashing American Energy Executive Order, in February 2025, the Council on Environmental Quality (CEQ), which is the agency tasked with overseeing the implementation of NEPA, issued a memorandum directing agencies to revise or establish their NEPA implementing procedures to expedite permitting approvals in accordance with NEPA statutory timeframes. The CEQ followed that up with an interim final rule issued in April 2025 rescinding its own NEPA regulations that had been binding on other federal agencies. The current outlook for NEPA reviews remains unclear while we wait for agencies to develop their own NEPA regulations and implement the EO directives to make the approval process more efficient. Under the statute, however, agencies still have up to two years to complete the most detailed form of environmental review.

We are beginning to see early examples of agencies expediting NEPA reviews pursuant to the mandates contained in the executive orders and the CEQ February 2025 memorandum. For example, the Bureau of Land Management recently announced that they were rescinding its notice of intent to prepare Environmental Impact Statements – the most comprehensive and lengthy form of NEPA review, often taking more than two years – for more than 3,200 oil and gas leases in Western states on the grounds that it conflicted with its mandate to reduce regulatory barriers for oil and gas companies and expediting domestic energy development.

Emergency Permitting

Agency efforts are also underway to implement the emergency permitting directive issued in the Declaring a National Energy Emergency Executive Order, which requires that federal agencies, including the Army Corps of Engineers and the Department of the Interior, to use their emergency permitting powers to fast track energy projects requiring permits under Section 404 of the Clean Water Act, Section 10 of the Rivers and Harbors Act, and the Endangered Species Act. The issuance of these permits trigger NEPA reviews, and therefore, the emergency permitting procedures are entwined with the administration's efforts to expedite NEPA reviews.

In response to this directive, the Army Corps of Engineers is actively fast-tracking more than 600 energy projects. For example, in February, the Army Corps committed to issuing its Record of Decision, approving a pipeline underneath the Mackinac Straits in Michigan, in the fall of 2025 – a remarkably quick time frame for completing a NEPA review and issuing required permits.

In May, the DOI issued a memorandum stating they were going to conduct the permitting process for energy projects, using emergency permitting approvals, in no more than 28 days.

"That is an extraordinarily fast amount of time. It can only result in administrative records that are fairly thin," Clapp says. "These projects are going to receive a lot of attention" from opponents of fossil fuel energy production. I think there's a significant litigation risk there."

Key deregulatory actions

In March 2025, the EPA announced a sweeping deregulatory initiative identifying 31 regulations and agency actions that will be reconsidered in response to the Trump administration's executive orders. "The plan likely will take years to implement and execute," Steinbauer says.

The EPA has begun implementing its deregulatory plan, with the issuance of two significant deregulatory actions that were published in the Federal Register on June 17.

The first proposal is to repeal the Biden administration's greenhouse gas emission standards for the power sector based on a new statutory interpretation. "Here, the Trump administration is taking the position that to regulate greenhouse gas emissions, or any new pollutant under this Clean Air Act Section, EPA needs to find that that pollutant contributes significantly to dangerous air pollution," Steinbauer says. The EPA is also proposing an alternative basis for repealing the Biden-era power sector greenhouse gas emission standards. This alternative proposal takes a "more surgical" approach to repeal by finding that carbon capture and sequestration technology is not "adequately demonstrated" and the co-firing of natural gas and low greenhouse gas hydrogen at certain coal fired power plants is an inefficient use of natural gas.

The EPA's second proposal also affects the power generation sector and focuses on mercury emissions standards from coal-fired stations. The Trump EPA is proposing to repeal the Biden administration's 2024 Mercury and Air Toxic Standards (MATS) rule that regulated mercury emissions from coal-fired power plants and set filterable particulate matter emission standards, requires continuous emission monitoring systems to demonstrate compliance, and includes first-time mercury emissions standards for lignite coal plants. The Trump administration now seeks an outright repeal of the 2024 MATS rule, contending that the costs to comply with the Biden administration's MATS rule are too high, there are other means to demonstrate compliance, and there is too much variability in monitoring lignite coal plants to justify those standards.

The Trump administration "took very broad positions" aimed at striking down the Biden-era power sector greenhouse gas emission standards and the MATS rule "at their core and in their entirety," Steinbauer says. This could be a sign that we may see more of "a chainsaw approach" when it comes to deregulation.

On the proposed repeal of the Biden administration's power sector greenhouse gas emission standards, the EPA issued its proposed repeal in June and has pledged to finalize that rule, six months later, in December. "I don't think a rulemaking of this significance has ever proceeded at that pace," Steinbauer says. "Everyone will be watching carefully to see whether the administration follows through on that anticipated timeline."

Beyond the use of executive orders, the President is also using available statutory authorities to advance his goals. In April, President Trump gave roughly 50 coal-fired power plants a two-year compliance extension for the 2024 Mercury Air Toxic Standards using a never-before-used Clean Air Act provision. "Litigation has already been filed challenging this presidential compliance extension, but it could be "a signal that the president is willing to be big and bold and utilize statutory authorities in ways that haven't been contemplated or used before to advance his goals," Steinbauer says.

"Congress has also been involved in deregulation through its Congressional Review Act, a statute that allows Congress to nullify agency rules that were sent to it within the last 60 legislative days. Before 2017, the Congressional Review Act was only used once since it was enacted in 1996," Steinbauer says. In the first year of President Trump's first term, "it was used 16 times by Congress," Steinbauer says, and the act has been used more frequently since that time, by Congress during the Biden administration and now in President Trump's second term.

Recently, Congress has used the act to strike down a Biden-era EPA regulation implementing the so-called methane tax regulation. Congress has also used the statute to eliminate Clean Air Act waivers that the Biden administration issued to California, relating to motor vehicle and engine emission requirements.

Inevitable litigation

Recent Supreme Court precedent likely will feature prominently in lawsuits challenging the Trump administration's deregulatory actions. As an example, the Loper Bright case overturned the long-standing Chevron deference doctrine. Now, courts are obligated to exercise independent judgement in interpreting statutes, rather than deferring to an agency's reasonable interpretation of a statute. The Trump administration is aware of Loper Bright and other recent Supreme Court decisions, as its deregulatory proposals are using language intended to address these changes.

Litigation is also being used as a "sword" to achieve the administration's domestic energy policy initiatives, explains Steinbauer, referring to the executive order in which President Trump directed the attorney general to challenge state laws addressing climate change and environmental justice, and those imposing carbon taxes or carbon penalties. The order singles out California, Vermont and New York, and there are now four pending lawsuits filed by the Attorney General against Hawaii, Michigan, New York and Vermont stemming from this executive order.

The EPA is also managing several pending challenges to Biden-era EPA regulations, many of which challenge regulations that the Trump administration has vowed to reconsider. In such cases, the EPA files motions "to hold those lawsuits in abeyance while it undertakes its review and evaluation of the rules that are being challenged," Steinbauer says.

How the Trump administration is shaping EPA

The administration is also making structural changes at EPA, and through other efforts is seeking to change how agencies operate and optimize their workforce.

There are EPA workforce reorganizations occurring that could have lasting effects. For example, the EPA is proposing to eliminate its Office of Research and Development and to create a new Office of Applied Science and Environmental Solutions. The new office's purpose is described as guiding the agency in using science in the regulatory context, and it will be housed in the EPA Administrator's office.

Regarding EPA employees, the agency has incentivized multiple opportunities for deferred resignations or early retirements. There are reports that more than 3,000 EPA employees – or 20 percent of its workforce – took this offer in May. Reports suggest that 1,400 more EPA employees may have participated in this program in June. These workforce reduction efforts are significant because fewer EPA employees will be tasked with implementing the Trump administration's ambitious deregulatory plan, Steinbauer says.

Keeping pace with ongoing policy developments

We are beginning to see concrete steps EPA is taking to advance its sweeping deregulatory plan. The business community needs to stay abreast of these new developments, and there will be opportunities for strategic advocacy when the agency asks for input from the regulated community or other stakeholders, explains Steinbauer.

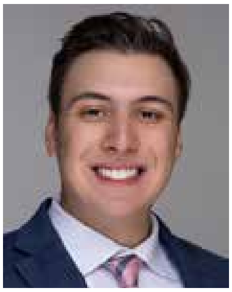
"The success of those deregulatory efforts depends often on the legal footing and the factual footing," he says. "The factual footing is based on the administrative record, and EPA only has access to certain data and information about a regulated industry." Strategically engaging with the EPA on its deregulatory proposals, whether in support of or against the specific proposal, will be key for businesses navigating the rapidly changing legal landscape.

Despite the EPA's deregulatory plans, many complex environmental regulations remain on the books, and maintaining compliance with those requirements is important. Steinbauer encourages the regulated community to perform audits to assess the strength of their compliance programs and consider using agency self-disclosure policies and laws to mitigate liability and civil penalty exposure.

Finally, Steinbauer says, be patient and adapt as necessary, as the next several years certainly will be eventful. **DP**

For more information on the actions discussed in this article or related matters, please contact Ben Clapp at bclapp@babstcalland.com or Gary Steinbauer at gsteinbauer@babstcalland.com, or visit babstcalland.com.

What impact do you believe the billion-dollar investments announced at the July 15 Energy and Innovation Summit will have on commercial real estate in Western PA, and when do you expect to see it?



Anthony Oliva
Associate
Newmark

"During the inaugural Energy and Innovation Summit, over $92 billion of investments were announced for the Commonwealth of PA dedicated specifically for energy related uses and data centers/AI. This gives Western PA a chance to compete with neighboring states for projects that had not been possible previously. This also gives Pittsburgh a chance to be proactive instead of reactive to market opportunities.

One of the highest priority topics for industrial occupiers is power. While there is a focus on data center power needs, light manufacturing uses don't have enough supply for current demand. If this investment is dedicated to the immediate need for power, it should help Pittsburgh climb the ranks nationally as a desirable location for larger national users. In the past five years the total industrial inventory, absorption, and average rent have all increased while still having lower vacancies than pre-pandemic levels. Given the abundance of natural gas available in southwestern PA, the immediate use of funding to generate more power is a priority and should be started immediately to build on this momentum. The combination of continued growth, the abundance of natural gas, and engineering talent from Pitt and CMU, could turn Pittsburgh into the next hub for AI.

Given this is not a lump sum of money to be used for any project and this investment is for the whole state not just Pittsburgh, it is still too early to predict the outcomes or timing for these projects' completions specific to Southwestern PA. The hope would be the immediate production of power to increase the Pittsburgh region's capabilities by the end of the year to then start discussions and construction for new projects like data centers in 2026. While this initial funding is linked to specific projects, there is reason to believe that some byproducts like more energy and higher electrical supply will migrate into other commercial real estate developments. Hopefully the momentum gained from this summit will result in immediate results and ideally the long-term impacts from this investment in energy infrastructure will keep Southwestern PA competitive for years to come."

Nick Scalo
Associate
NAI Burns Scalo

"These commitments will without a doubt have a positive effect on the commercial market in a multitude of ways. It begins with the show of belief in the area's potential to lead in energy innovation, technology development, and advanced manufacturing. From this belief, the commercial market will see an increase in demand for both industrial and flex product to support these initiatives. The office market will benefit as well, specifically Class A and lab-ready buildings immediately. This being an effect of the increase in tech companies invested in nearby flex/industrial efforts, AI firms, as well as start-up companies all desiring to be near these innovation hubs. Additionally, Pittsburgh is uniquely situated with leading universities in technology innovation in CMU and Pitt which will appeal to decision makers for several reasons. These institutions will provide a steady workforce with the skills needed to push technological advancement within the influx of new companies in the region. Having this talent pool easily accessible will not only be a further incentive investment but will keep more of these students in the region after graduation, leading to a larger demand for office and retail properties. As far as timing is concerned, I expect that within the first 24 months companies will be focusing on site selection, pilot projects, and begin early phase buildouts. From this ripple effect we will see increased venture capital activity and corporation relocations becoming more visible in approximately three to seven years."

Drew Martz
Associate
Oxford Development Co.

"The billion-dollar investments announced at the Energy and Innovation Summit represent an exciting commitment to the long-term growth of our region. While it will take time to see how these initiatives take shape, this level of public and private support for innovation, energy, and manufacturing has the potential to create real momentum across multiple industries. That momentum often brings with it new companies, job creation, and shifting space needs—all of which have implications for the commercial real estate market.

At Oxford Realty Services, we're keeping a close eye on how these investments may influence demand for office, flex, and R&D space over the next several years. We anticipate increased interest in locations that offer connectivity, modern infrastructure, and proximity to institutional partners. While timelines remain uncertain, the energy around these announcements is encouraging, and we're optimistic about what it could mean for the region's continued evolution.


eos

Allegheny County

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Lauren Connelly, Director
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Allegheny County Economic Development's (ACED) commitment to economic development is driven by the collaboration of public and private partners who work diligently to retain and attract investment, residents, and businesses. This multifaceted approach responds to urgent social, economic, and infrastructure needs while simultaneously laying the groundwork for long-term strategies that promise sustainable growth and improved quality of life for all county residents.

Recognizing the need for housing across income thresholds and typology, we are actively conducting a housing needs assessment to identify housing demand and market across the County that will inform future policies, investments and programs. ACED has also committed to supporting municipalities in their work to eliminate barriers to developing housing related to permitting and land use policy, and the County's Comprehensive Plan is focused on this work.

Allegheny County is on track to have created and identified 500 units of deeply affordable housing for residents, and to have matched even more individuals with housing by day 500 through private/ public partnership and development. ACED also launched the 1st Home Allegheny Program in May to support first-time homebuyers with closing cost and downpayment assistance. By prioritizing housing development, we create a solid foundation for community stability, which in turn fosters a more vibrant local economy.

Significant and strategic investments are being made in companies and economic development projects across Allegheny County and as part of coordinated and regional strategies focused on growing emerging sectors. The county's Higher Education Building Authority approved bond financing of up to $145 million to support the development of Duquesne University's Integrative Health Science building – only strengthening the region's strong foundation in life sciences. Allegheny County has committed $3.5 million this year to projects and investments at Neighborhood 91, strategically located near the airport, and growing in additive manufacturing, clean technology – led manufacturing, and clean energy development activity and investments. The continued development of this innovation hub, adjacent to the world-class and newly redeveloped and modernized Pittsburgh International Airport, positions Allegheny County as a forward-thinking leader in high-tech industries.

ACED continues to adopt a more comprehensive approach to community development, working closely with neighborhoods to work creatively with the tools that we have in order to leverage public and private investments across infrastructure, housing, and business development. In Sharpsburg, ACED recently invested $500,000 as match funds and to advance the flyover bridge project, and additional funding towards infrastructure improvements, business development, and housing development projects. This holistic approach yields more positive impact and is a more coordinated and strategic deployment of local, state, and federal resources that unlocks additional public, private, and philanthropic funds.

And we are approaching our work across all 130 municipalities in this comprehensive way. A cornerstone of our efforts is the comprehensive plan we are developing for Allegheny County,

envisioning our trajectory toward 2050. Each county department and affiliated authority is collaborating with partners to ensure strategic and effective resource allocation and deployment and a plan that supports growth. The plan will not merely document our goals; it will memorialize our commitments to building an inclusive and thriving Allegheny County that supports the needs of residents and businesses.

Through collaborative partnerships and proactive strategies, Allegheny County is working diligently to reshape its economic landscape to be one that manages growth rather than decline. As we embark on the journey toward our 2050 vision, we are dedicated to building an Allegheny County that is not only resilient but one that thrives on inclusivity and shared prosperity, and we invite you to join us.

Beaver County

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Beaver County and the community are proud to continue to showcase the County's wins and further development. We at CED continue working on our Business District Initiative that features a mini-grant program to assist main street businesses with establishing themselves and flourishing as core parts of the business districts. To date, the program has awarded $230,000 in total grant funding to Beaver County small businesses located within the walkable main streets.

The Chocolate Boutique has also had great success and is currently in the process of immense expansion. They are building a new chocolate manufacturing facility and retail storefront that features an innovative chocolate drive-through and will serve ice cream, milkshakes, and bubble tea. This expansion in Monaca adds to their existing operations that feature six other locations. Another business with vast expansion efforts is Jenmach. They are a contract production manufacturing company that utilizes CNC machining efforts. They have had great success in the last few years and are now building a new facility located on their current site in Ellwood City to house their expanding operations.

Furthermore, Frontier Group of Companies announced that they will be transforming Shippingport Industrial Park into a 2.7GW natural gas fired plant. For 43 years, this was the site of the former Bruce Mansfield Power Plant and is over 650 acres. The project is projected to create more than 15,000 construction jobs and 340 new full-time jobs in the region. EQT Corporation is the intended supplier of natural gas, while National Fuel Gas Supply Corporation is the intended primary transporter for the natural gas fired plant. Frontier Group of Companies has also obtained a partner that will build a data center that will support the United States' growing need for AI.

Fayette County

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Fayette County is embracing the future with vision and momentum, blending a rich industrial legacy with a modern strategy for economic growth. As industries evolve and digital connectivity becomes essential, Fayette is emerging as a location of choice for innovative companies seeking space, support, and opportunity.

With over 240 years of entrepreneurship and resilience behind it, the county is building on its strengths, from strategic infrastructure investments to a workforce ready for tomorrow's challenges.

"We're preparing Fayette County not just for what's next, but for what's possible," said Commissioner Vince Vicites. "With our cost advantages, geographic location, and strong partnerships, we're creating an environment where businesses can thrive — whether they're starting, relocating, or expanding."

Innovation Anchored in Industry

Fayette is already home to a growing roster of companies with national and global footprints. Boeing's facility in Smithfield, Advanced Acoustic Concepts in Lemont Furnace, and Edge Commercial Ovens in North Union Township are just a few examples of world-class businesses that have found long-term success in the region.

"These companies prove what's possible here," said Commissioner Harry Kaufman. "Fayette County offers the workforce, infrastructure, and livability that innovative employers are looking for — and we're just getting started."

Building with Purpose

One of Fayette's most impactful tools is the Fayette County Infrastructure Bank, launched in 2021. With more than $18.5 million already invested in local transportation and utility projects, the program is helping communities modernize quickly and efficiently, making land more development-ready and attracting private-sector investment.

This physical progress is paired with digital growth. Since 2020, Fayette County has invested over $5.3 million in broadband expansion, ensuring residents and businesses alike are connected and competitive.

"Our investments are intentional," said Commissioner Scott Dunn. "We're not just fixing roads or laying fiber, we're creating a foundation for long-term economic success across every corner of the county."

Location, Lifestyle, and Livability

Situated on a direct line between Pittsburgh and Washington, D.C., Fayette offers rare access to road, rail, river, and air connections, with proximity to eight metro markets. Yet its natural assets and small-town charm remain among its most powerful draws.

"People want to live where they have space, affordability, and quality of life," Dunn said. "Fayette County delivers that balance, and that's exactly what today's workforce is looking for."

From world-renowned destinations like Fallingwater and Ohiopyle State Park to top employers across healthcare, energy, manufacturing, and defense, Fayette offers a compelling combination of assets.

The county's Discover Fayette campaign is helping to showcase these strengths, from its business advantages to its unmatched outdoor lifestyle, making sure the right people, companies, and investors take notice.

A County on the Rise

With a clear focus on core industries including advanced manufacturing, healthcare, agriculture, tourism, and energy, and a commitment to workforce development, Fayette County is poised for continued momentum.

"We're not waiting for the future to come to us," said Dunn. "We're actively building it and we're inviting partners who share our vision to build it with us."

Discover Fayette, PA. Discover the future. Learn more at www.fayettecountypa.org.

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Indiana County is experiencing a period marked by significant economic development initiatives and infrastructure enhancements. These efforts are poised to bolster the local and regional economies, attract capital investment, and create temporary construction and long-term family sustaining permanent jobs. New developments in commercial real estate finance are further accelerating this momentum, underscoring strong public-private investment in the region.

Homer City Redevelopment

The redevelopment of the former Homer City Generating Station, a landmark project being undertaken by Homer City Redevelopment LLC (HCR), is moving forward with remarkable scale and speed. The retired coal-fired power plant is being transformed into a $10 Billion natural gas-powered energy and data center campus – an ambitious initiative designed to meet the soaring energy demands of artificial intelligence and high-performance computing sectors. Recent updates highlight the project's growing financial backing: at the inaugural Pennsylvania Energy and Innovation Summit on July 15, 2025, hosted by Senator Dave McCormick at Carnegie Mellon University in Pittsburgh and at the July 16th Community Open House at the Kovalchick Complex at Indiana University of Pennsylvania, HCR announced a $15 Billion contract with EQT Corporation to supply natural gas for the new power plant. This massive private investment, one of the largest in Pennsylvania's history, is expected to create approximately 10,000 construction jobs and 1,000 permanent positions upon completion. State Senator Joe Pittman hailed the development as "truly historic and incredibly exciting," underlining its potential to revitalize the region's economy. HCR have ordered seven GE Vernova 7HA.02 hydrogen-enabled gas turbines that will drive the plant, capable of generating up to 4.5 gigawatts (GW) of electricity – enough to power a campus of AI data centers. Local leaders note that this project is drawing national attention; even former President Donald Trump highlighted it as the largest gas-fired power plant ever planned in North America. With demolition of the former generating station well underway, the fuel supply secured, and turbines lined up, the Homer City Energy Campus is poised to solidify Indiana County as an emerging hub for energy and technology.

Infrastructure Improvements

Infrastructure upgrades continue to lay the groundwork for economic growth. Sen. Joe Pittman (R-41) and Reps. Jim Struzzi (R-62) and Brian Smith (R-66) announced that $1,805,023 in Multimodal Transportation Funding has been awarded for three projects to improve local roadways and bridges in Indiana County. These projects were as follows:

- Nehrig Road Bridge (Blacklick Township), grant amount: $855,023, scope: replacement and widening of the bridge on Nehrig Road in Blacklick Township purpose: To enhance safety and capacity for residents and emergency services.
- Behm Road Culvert (North Mahoning Township), grant amount: $450,000, scope: replacement of a culvert on Behm Road, purpose: to repair infrastructure on a local route serving rural areas and
- Martin Road Bridge (Rayne Township), grant amount: $500,000, scope: widening

and full replacement of the Martin Road bridge in Rayne Township, purpose: to improve structural capacity and reliability of local connectivity.

The Commonwealth Financing Authority (CFA) approved these investments on February 24, 2025, aiming to foster further economic development and enhance transportation infrastructure. "These projects are an extensive undertaking which aim to significantly improve the quality and safety of local roadways and bridges, benefiting both area residents and visitors alike," Pittman said. "By addressing deteriorating conditions, the projects will enhance driving experiences, reduce vehicle wear, and tear, and improve overall traffic flow. I am pleased to have advocated for this substantial state support, which will significantly benefit the long-term stability of our local transportation infrastructure. Such improvements will better connect communities and industrial sites, supporting the increased activity expected from major projects like the Homer City redevelopment.

The Welcome Center

A shining example of public-private partnership in the county is The Welcome Center located at 600 Philadelphia Street in Indiana Borough, which is currently under renovation. In February 2024, First Commonwealth Bank announced the donation of its historic downtown Indiana branch building, located at 600 Philadelphia Street, to Indiana County for this purpose. This initiative creates a centralized hub for community and economic engagement by co-locating the Indiana County Tourist Bureau, the Indiana County Chamber of Commerce and Downtown Indiana, a Non-Profit Corporation under one roof. The collaboration is expected to enhance coordination among these entities, promoting both business development and tourism throughout Indiana County. With the building donation completed in December 2024, the extensive renovations to transform the 600 Philadelphia Street building into the new Welcome Center commenced in the first quarter of 2025 with occupancy expected sometime in the fourth quarter of 2025. This development exemplifies a successful public-private collaboration, leveraging community assets to drive economic growth while preserving a historic building originally constructed in 1934. The Welcome Center is anticipated to become a vibrant focal point for Indiana County, enriching the cultural fabric of the community and greeting visitors and entrepreneurs alike with resources, information, and access to expanded services.

Healing the Future: IUP's College of Osteopathic Medicine

IUP has secured approximately 200 percent of the clinical training spots needed, surpassing the 120 percent required for accreditation.

Dr. Miko Rose was hired as the founding dean of the proposed college of osteopathic medicine in November 2023; the hiring of a founding dean is one of the first steps to establishing the college.

National studies show that graduates from programs of osteopathic medicine are more likely to pursue primary care in rural and underserved areas—57 percent of all Doctor of Osteopathic Medicine practice as general practitioners, and more than 20 percent of DO graduates practice in rural areas. Demand is high for osteopathic medicine training: in 2021, 22,708 applicants competed for 8,280 seats at schools of osteopathic medicine.

IUP's proposed college of osteopathic medicine and IUP's commitment to addressing the rural health crisis has resulted in funding from individual donors, foundations, agencies, and legislators totaling more than $34.3 million.

Oakland Avenue Retail Expansion Gains Momentum

Oakland Avenue is experiencing a retail revival. Rural King, a farm supply retailer, will have a ribbon-cutting on August 15 in the former Kmart at Indiana Mall, filling the mall's last vacant anchor slot. On August 7, Raising Cane's will debut its first Indiana County restaurant. A 7 Brew Coffee drive-thru is under construction nearby, slated to open later this summer. Zamias Services President Perry Russ, whose firm is redeveloping the Renaissance Circle Shops, said the new additions will bring "new life" and a "diverse and exciting retail experience" to the community.

Lawrence County

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Lawrence County continued to grow its manufacturing, infrastructure, healthcare, retail and hospitality sectors over the past quarter, driven in large part by increased collaboration between our municipalities, elected officials, and the private sector, as well as a shared commitment to improving the quality of life and increasing prosperity for Lawrence County residents.

Berner International, a global manufacturer of air curtains, is doubling its manufacturing footprint at its headquarters in Shenango Township and broke ground on a 55,000 square foot expansion that will bring 70 new jobs to the area and boost production by 150 percent. The $15 million-plus investment, supported in part by PA DCED programs, will fuel Berner's growth across domestic and international markets. The expansion

is expected to be fully operational by mid-2026. At the groundbreaking, leaders from the state, including DCED Secretary Rick Siger, Forward Lawrence, and the local community, celebrated Berner's commitment to innovation, sustainability, and long-term investment in local talent. Air curtains, also known as air doors, are machines that blow a controlled stream of air across an opening on the other side to create an air seal which separates different environments while permitting a smooth uninterrupted flow of traffic and unobstructed vision.

FirmaPak, a major manufacturer of blow-molded packaging solutions, and parent company of Container Services, Inc., moved into much larger space for its New Castle production facility in Shenango Township. The new location, which formerly housed a McKesson Corporation distribution facility, measures 130,000 square feet, nearly triple the size of its previous location in Neshannock Township, and includes additional production space and warehouse capacity. The expansion is part of the company's ongoing investment in advanced PET bottle production to serve growing customer demand. The company is purchasing new machines as part of the relocation plan, including a six-cavity, two-stage PET machine for higher-volume projects.

"We appreciate Shenango Township and Lawrence County making New Castle a great place to do business, and we are excited to continue investing in our customers, the community, and our dedicated team," FirmaPak CEO Rob Goldberg said. "This move helps support our growth, enabling us to expand our capabilities and better serve our customers." The company currently employs 30 with plans to hire additional workers and add a new shift in the near future.

Via a $2.024 million low-interest loan secured from the Pennsylvania Industrial Development Authority, Wilson Services, LLC and Wilson's Lumber and Building Materials, Inc. are expanding and relocating from New Wilmington Borough to Neshannock Township. The loan, facilitated by the Lawrence County Economic Development Corporation, (LCEDC), will support the purchase and renovation of four industrial buildings totaling more than 81,000 square feet at the intersection of Wilmington Road and Clover Lane. The renovated space will also include a multi-tenant space with Wilson Lumber occupying 57 percent and four additional tenants leasing the remainder. The total investment exceeds $5 million and includes demolition, a 5,000 square foot expansion, and significant infrastructure upgrades. The project brings renewed activity to this former industrial site in Neshannock Industrial Township.

Progress continues at the Stonecrest Business Park in New Beaver Borough with improvements and the widening of State Route 18, nearly complete. The project, with the potential to house one million square feet of space, is ready for vertical construction, which is expected to begin soon.

Steelite International's 325,000 square feet expansion in Neshannock Township is continuing with site preparation underway in anticipation of construction beginning in the Fall. The new building will enable this worldwide leading manufacturer of high-end tabletop products to add 50 – 75 new jobs over the next three years and reinforce Lawrence County as its global distribution hub.

Construction and upgrades were completed on a former shuttered steel mill in New Castle, which will add 40,000 square feet of new industrial space. URC, a regional refractory company, has begun to move into the facility and will create 30 new jobs when fully operational.

Construction began on a new behavioral health inpatient and community care unit at UPMC Jameson Hospital in New Castle. The 11-bed unit for adult patients was funded by a $7.5-million grant from Southwest Behavioral Health Management, Inc. and another $2 million from UPMC. The grant is Southwest's largest to date with a planned 2026 opening.

"We are fortunate to work with our colleagues at Western Behavioral Health on our initiatives to meet these important needs and to keep care close to home," said Dave Patton, president of UPMC Jameson and Horizon hospitals. "The new inpatient unit is an essential part of the mental health care continuum for our communities."

The City of New Castle launched two programs targeted to small businesses and entrepreneurs for infrastructure and façade improvements including 1) a micro-grant initiative that provides up to $15,000 in matching funds to support market-ready products and services; and 2) a façade improvement initiative that provides up to $5,000 in matching funds for eligible façade projects. The façade program is being funded by a $50,000 grant from John E. and Sue M. Jackson Charitable Trust District and awarded through the PNC Charitable Trust Grant Review Committee. Both initiatives are part of an ongoing long-term effort to upgrade and improve the appearance and aesthetics of Lawrence County's largest municipality and its central business district.

National retailers Michael's, Five Below, and Jersey Mike's opened stores and ground was broken for JBG KidZone, an indoor play facility for kids, in the growing Union Township Route 224 business corridor. Clothing and housewares retailer, Marshall's, will open in the township before the end of the year.

Shenango Commons, a mixed-use refurbished former shopping plaza, continues to add tenants. The Lawrence County branch of Butler County Community College, (BC3), moved into newly constructed space in July. BC3 President Megan Coval described the move as "as true integration of the BC3 family with the Lawrence County community." Speedy Furniture, a regionally based furniture retailer, is under construction and expected to open soon in Shenango Commons.

Ben Bush, executivedDirector of the Lawrence County Regional Chamber and Economic Alliance, believes that the county's economic future is bright. "Lawrence County continues to see economic development fueled by private and public partnerships. We're attracting interest from local, regional, and national companies. When the projects mentioned are completed over the next few years, we believe they'll act as catalysts to sustain and grow our county further."

Washington County

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Washington County continues to maintain its leadership position among Pennsylvania counties as a premier location to start or grow a business, raise a family, or enjoy diverse recreational opportunities. The first half of 2025 has demonstrated strong confidence in our regional economy, with numerous positive investments and announcements.

Strategic investment across key industries remains a top priority, and maintaining a diverse economy fosters growth and creates opportunities for both job creators and job seekers. Highlights from the manufacturing sector, a critical pillar of the county's economy, include the expansion of AccuTrex Products, a veteran-owned custom metal manufacturing and fabrication company, which is growing its presence in both Southpointe and Chartiers Township. Atlas Metals, a titanium processing manufacturer, also announced plans to expand its facility in Eighty-Four to increase production capacity and meet rising demand for specialty titanium products.

The Mon Valley has also seen several exciting new manufacturing announcements in 2025. Spaleck USA, a leading global manufacturer of conveying and separation machinery, is partnering with the Mon Valley Alliance to construct a new building in the Alta Vista Industrial Park, consolidating its Pennsylvania and Indiana operations into one production facility. Nearby in Alta Vista Business Park, PR North America, an affiliate of California, PA-based rose plastics, is building a new plastic recycling facility. This operation will recycle pre-consumer waste plastics, providing sustainable feedstock for rose's packaging manufacturing operations in the California Technology Park.

Manufacturing was not the only industry making an impact. The energy sector continues to be a major economic driver in Washington County, with natural gas remaining central to our regional economy. U.S. Senator Dave McCormick recently hosted the Inaugural Energy and Innovation Summit at Carnegie Mellon University, aimed at positioning Pennsylvania as a national hub for AI and energy infrastructure. Several announcements from this event will have a transformative impact in Washington County, including GE Vernova's commitment of up to $20 million to expand its Charleroi grid equipment manufacturing operations. FirstEnergy has also pledged $15 billion for grid infrastructure improvements across 56 counties, along with the expansion of its electrical apprenticeship programs to ensure a skilled workforce is available to maintain this infrastructure.

Prior to the summit, Imperial Land Corporation, Range Resources, and Liberty Energy announced a strategic partnership to develop best-in-class power generation at the Fort Cherry Development District (FCDD) in Robinson Township. These on-site power production facilities will supply future data centers, industrial developments, and other energy-intensive businesses located at FCDD, in alignment with the Summit's emphasis on innovation in energy and technology.

The county's coal industry also made headlines in 2025. The merger of Consol Energy and Arch Resources into Core Natural Resources created one of the largest North American coal production and export companies. With 11 mines in six states and two East Coast export terminals, Core Natural Resources is headquartered in Southpointe and continues to serve a growing global market for metallurgical and thermal coal.

Washington County also continues to strongly believe in investing in its own future through infrastructure development and blight reduction initiatives. Using American Rescue Plan Act funding, the county has partnered with the private sector to demolish the blighted Washington Mall complex, paving the way for a new retail and commercial redevelopment project anchored by a national RV dealership and a national warehouse club. Additionally, the Local Share Account (LSA) grant program continues to drive investment in infrastructure and economic development. This year, the LSA program approved more than $10 million in grants, supporting 67 projects and leveraging over $68 million in matching investments for economic development, workforce, community recreation, and infrastructure improvements.

Through strategic diversification, ongoing business investment, and innovative public-private partnerships, Washington County remains a leading destination to grow a business or career, raise a family, and enjoy a rich variety of recreational and entertainment opportunities. We invite you to share the energy of Washington County.

Westmoreland County

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The first half of 2025 saw a wave of transformative announcements and continued momentum on key projects, further underscoring Westmoreland County's position as a hub for innovation, advanced manufacturing and strategic investment.

In January, TECfusions acquired the 1,395-acre former Alcoa Research and Development campus in Upper Burrell and announced that it will transform the site into a next-generation data center and artificial intelligence campus. TECfusions expects to initially generate as much as 300 megawatts of electricity on site to power the data centers but projects that at full build-out the site could generate more than 1 gigawatt and as much as 3 gigawatts. The project's first phase of development will create 100-150 jobs, and total employment once all phases are complete would be several hundred.

In April, Hitachi Energy announced it will invest $70 million to expand its operations in Westmoreland by adding

a new R&D facility and expanding its production of high-voltage components such as switchgear and circuit breakers at the Westmoreland Technology Drive cluster of industrial parks, which is along Route 119, just south of New Stanton. The expansion is expected to create more than 100 new jobs at those locations and a third Hitachi Energy facility in Greensburg.

Also in April, ARCO Pittsburgh broke ground on a 228,000-square-foot manufacturing facility for Chelsea Building Products. Situated within Commerce Crossing at Westmoreland, the facility will support increased production of the company's PVC window and door profiles and create new capacity for blending compound materials. The South Huntingdon industrial park is adjacent to Interstate 70 and just minutes away from the Pennsylvania Turnpike. It's also literally a stone's throw away from a Southwest Pennsylvania Railroad freight spur. The new Chelsea facility will feature a direct connection to this spur, enabling the company to streamline inbound raw materials delivery via rail.

As work began on the Chelsea site, activity continued elsewhere in the park, as M&G Realty continued to develop a lot into a gas station and convenience store. Though the wet spring and summer has slowed construction throughout the region, work at Commerce Crossing in Westmoreland has nevertheless progressed.

Elsewhere in the county, Premier Automation announced plans in June to launch its Premier Innovation Hub. Located in a refurbished 165,000-square-foot industrial building in Murrysville, the Innovation Hub will grow into a mixed-use facility for warehouse operations, robotics assembly, and venture incubation. The facility also houses Premier Labs, a new initiative focused on launching companies at the intersection of artificial intelligence and advanced manufacturing.

Lastly, a transformation is underway at New Kensington Advanced Manufacturing Park, where a joint venture between Westmoreland County Industrial Development Corporation and the Regional Industrial Development Corporation continues to revitalize the site. During the first half of the year, the Westmoreland County Redevelopment Authority and Land Bank razed three deteriorated structures. Three additional buildings are scheduled for demolition by fall. Removing these buildings — which were no longer viable for reuse — clears the way for modern construction and aligns with the partnership's long-term vision of the park as a hub for advanced manufacturing.

Together, these projects reflect the county's continued focus on site readiness, infrastructure connectivity, and business growth. As 2025 continues, Westmoreland remains firmly positioned to meet the needs of companies investing in innovation, production and logistics.

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(From left) Patrick Sentner from Colliers International, Jay Ginsburg from Metz Lewis, Colliers' Jeff Deitrick, and Metz Lewis' Christian Stoffan at the NAIOP Pittsburgh Golf Outing at Fox Chapel Golf Club on June 2.

(From left) Bryan McCann from Colliers, Jason Staley from Schneider Downs, and Oxford Development's Shawn Fox.

(From left) NAIOP Pittsburgh's Executive Director Tom Frank, David Caliguiri from C&G Strategies, Joe Sheerer from NAI Burns Scalo, and Elhurst's Justin Hunt.

(From left) Giffin Interior's Dustin Giffin, the MBA's Dave Daquelente and Ben Atwood.

(From left) Providence Engineering's Jordan Bryan, Kyle Brown from Gateway Engineers, Justin Bryan from Bryan Materials, and Chapman's Nate Phillips.

(From left) CBRE's Jason Cannon, Anthony Trapuzzano from Franjo Construction, Pieper O'Brien Herr's Loren Wright, and Drew Paolicelli from Architectural Lighting Sales.

(From left) Tim Merolillo from Elite Custom Fitness, RIDC's Mike Goldstrom, Aurora's Drew Bagnell, and Patrick Mondi from Thoro Ai.

NAIOP Executive Director Tom Frank (left) with Alcoa's Maureen Ford at the June 20 NAIOP CREW Clays Shoot.

Christina Bucciero (left) with Christy Neroni from Agency Assist.

Jeff Kotula from the Washington County Chamber of Commerce (left) and McKim & Creed's Ann Sekely.

(From left) LGA's Mary Rose Hopkins, Workscape's Amie Piz, Stacey and Mike Weniger from Sentinel Construction at the May 19 CREW Pittsburgh golf outing at South Hills Country Club.

(From left) Brian Bieber and Zach Merritt from Duquesne Light, NAIOP president Nate Phillips from Chapman Properties, and First Energy's Heather Johnson.

(From left) Matt Curtis from Continental Building Co., Anne Duggan from Kevcon, Christina Lengyel with Repco II and Justin Jenkins from Ford Office Technologies.

(From left) Bob Ferree from Landmark Property Group, ARCO National's Dom Broglia, Kento Ohmori with Fukui Architects, and Landmark's Robert Bowman.

Members of CREW Pittsburgh visited the Women's Center and Shelter of Greater Pittsburgh in June to prepare lunch and dinner for the residents. Pictured are Meriel Curry from Colliers International, LaRoche's Dina Muth, Automated Logic's Alexis Hughes, Alyssa Falarski from Louis Plung & Co., Leslie Woods from Chicago Title, and CREW Pittsburgh board president, Nicole Rice from Langan Engineering.

DEVELOPING Pittsburgh

2025 BUYER'S GUIDE

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Design 3 Architecture has been offering architecture, planning, and interior design services to the Pittsburgh region since 1982. We view inherent project constraints as potential opportunities for innovative design solutions. With a philosophy grounded in team collaboration, providing both personal attention and project leadership, Design 3 Architecture does more than solve problems. We provide solutions that are unique, exciting and affordable.

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NEXT architecture

NEXT architecture

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NEXT architecture is a full-service architecture and interior design firm located in Pittsburgh, PA. With a focus on innovation and collaboration, NEXT approaches every project as unique and utilizes talented individuals along with intentional principal involvement to ensure every project's success.

Our philosophy – no ego, every project is unique, and challenges are opportunities – is the driving force behind everything we aim to accomplish at NEXT. We are steadfast in communication and honest in our work, always ensuring that the final product is the best version. With a history of embracing challenges, our team is always evolving to deliver the best product possible.

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Forward-looking clients partner with PWWG for exceptional design and detailing; cost-effective, buildable designs using sustainable principles; our meticulous, ethical approach to professional responsibilities; and the partnerships we nurture. PWWG works throughout the tri-state area from offices in Pittsburgh and Cincinnati. Projects for developers and private clients include multi-family housing, cultural buildings, mixed-use commercial, and adaptive re-use of existing structures. PWWG's portfolio is 50% new construction and 50% renewal and re-use, creating new value for original buildings. Our turnkey services include: feasibility and space programming, concept studies, forensic assessment, support for funding applications, architectural & interior design, 3D visualizations, and project management.

R3A Architecture
48 South 14th St., Pittsburgh, PA 15203
T: 412-431-2480
www.r3a.com
James Sheehan – jas@r3a.com
Deepak Wadhwani – dw@r3a.com

R3A Architecture collaborates closely with our clients and partners to explore and discover each project's potential to transform and re-energize an existing building or a new site. We are motivated by the opportunity to support and enrich our communities – educational, scientific, workplace, residential, civic, non-profit, and others. Our clients include leading universities, technology enabled workplaces, life science and research institutions, and smart manufacturing environments. Our approach leverages design thinking to reframe the dialogue around our clients' needs, using a research-driven and iterative process to reimagine solutions. We synergize diverse disciplines such as user behavior, occupant wellness, project economics and the science of buildings, to shape and inspire the eventual outcome.

Wildman Chalmers Design
1622 Lowrie St, Pittsburgh, PA 15212
412.436.9303
wildmanchalmers.com
Chad Chalmers, RA, AIA, NCARB, LEED AP, Partner
chad@wildmanchalmers.com

Wildman Chalmers Design is an award-winning mid-size architectural and interior design firm based in Pittsburgh, PA that works collaboratively with clients, regionally and nationally, to transform their goals and visions into creative design solutions. The firm comprises a diverse group of professionals dedicated to delivering high quality design, documentation and execution, and client service. Our experience covers a wide range of new construction and adaptive reuse projects including commercial, institutional, education, hospitality, retail, residential, and workplace.

ASA SPECIALTY CONTRACTORS

The Genuine. The Original.

Overhead Door Company of Greater Pittsburgh
400 Poplar Street, Pittsburgh, PA 15223
T: 412-781-4000 Ext. 216 | F: 412-781-2446
www.overheaddoorpittsburgh.com
Jason Henze – jhenze@ohdpgh.com

Overhead Door Company of Greater Pittsburgh is a Veteran-owned business specializing in commercial, industrial, and residential door systems, loading dock equipment and operable partitions. Overhead Door has always produced and installed the highest quality products. Our superior craftsmanship and dedication to excellence has made us the leader in door systems for Western PA and the Tri-State Region. Our Red Ribbon trademark is your guarantee for receiving unequaled personalized service and expertise –from assistance with product selection through the timely completion of product installation. We also offer our customers preventative maintenance plans as well 24/7 emergency repair service 365 days a year.

Pellman Electric Associates
1133 Woodward Drive, Greensburg, PA 15601
T: 724-838-7150 or 412-431-5955
www.pellmanelectric.com
Darren Pellman, President
Darren@pellmanelectric.com

Pellman Electric Associates LLC was built by a team of professionals who established a reputable and customer-pleasing electrical contracting company in Greensburg PA.

Our high-level customer satisfaction rate is attributed to our ethical and professional office staff and our first-class field support team. Pellman Electric is focused on complete design-build services, thorough and competitive bidding, accurate accounting, and an excellent project management group complemented by warehouse "on time" material and tool expediting. Whether the project is a residential call or a large-scale commercial project, we recognize that quality and reliability are essential to our clients' success. Our clients and community deserve the highest level of service. Our experienced professionals arrive on time with materials needed to complete the project in a timely and efficient manner.

CIVIL ENGINEERS

A FULL-SERVICE CIVIL ENGINEERING FIRM

The Gateway Engineers
100 McMorris Road, Pittsburgh PA 15205
T: 412-921-4030 | F: 412-921-9960
www.gatewayengineers.com
David M. Heath, P.E.
dheath@gatewayengineers.com

Since 1954, Gateway Engineers and its predecessors have played an active role in the development of this region. The tradition of providing value-added engineering solutions carries on as the company continues to grow and expand its reach into other parts of the United States. Our team of professional engineers, surveyors, construction inspectors, and landscape architects, along with qualified technicians, is ready to provide the expertise and personalized service which every project deserves. Our mission has always been to help our clients reach a higher level of success through knowledge, experience, and responsiveness. This year marks our 70th anniversary, but our brightest days lie ahead. For more information, visit www.gatewayengineers.com.

Mackin Engineers & Consultants
103 Technology Drive, Suite 200
Pittsburgh, PA 15275
T: 412-788-0472
www.mackinengineering.com
Bill Harris, PE, CBSI - President
wharris@mackinengineering.com

Serving our clients since 1960, Mackin Engineers & Consultants continues to be a leader in the civil engineering field. We offer a wide range of professional consulting services for both public and private sector clients throughout the Commonwealth. Mackin places an emphasis on our staffs' ongoing professional development to best serve our clients. Our multi-disciplinary staff includes dedicated professionals in the fields of civil, traffic, transportation and structural engineering, landscape architecture, community planning, GIS mapping, and construction inspection/management.

CONTRACTORS

A. Martini & Company
320 Grant Street, Verona, PA 15137
T: 412-828-5500
www.amartinigc.com
Emily Landerman – Emily.Landerman@amartinigc.com

As a fourth generation, family owned and operated General Contracting and Construction Management firm, we are celebrating our 75 years of operation. The principals of A. Martini & Co. continue to provide hands on participation as a commitment to our clients and each of their projects. We believe that building projects as a true partner to the owner, utilizing sustainable building practices, and promoting true diversity in our subcontractor selection are the best practices for our region. As a mid-sized CM/GC, we utilize current technology for project tracking and scheduling coupled with personal attention to details, and our client's needs. A. Martini & Co. provides construction management, general contracting and design build services for corporate, healthcare, senior living, restaurant, religious, retail, non-profit, residential, industrial, historic, and education clients.

ARCO Pittsburgh
322 North Shore D., Bldg 1B Suite 200, Pittsburgh, PA 15212
T: 412-667-8488
www.arcopittsburgh.com
Gary Gabor, Division Manager
ggabor@arcodb.com

ARCO Pittsburgh is an industry-leading design-build general contractor with more than 30 years of experience providing clients with complete project delivery throughout the United States. With a local team in Pittsburgh and 46 offices coast to coast, ARCO offers the strength and presence of a national builder with the personalized attention of a small company. Specializing in industrial, cold storage, commercial/specialty, and tenant improvement projects, ARCO's Pittsburgh team offers local expertise, as well as complete turnkey construction solutions for projects nationwide, regardless of complexity or scale.

Burchick Construction Company, Inc.

500 Lowries Run Road, Pittsburgh, PA 15237
T: 412-369-9700
www.burchick.com
Dave Meuschke – meuschke@burchick.com

Burchick Construction is a full-service general contractor founded on the commitment to excellence that Joe Burchick brings to each project. Burchick's management approach is designed to ensure optimum results for our clients while setting the performance standard for construction services. Our executives and managers have broad-based experience delivering construction to the highest of standards with every delivery method preference. Burchick's project team and professional engineers on staff are equally comfortable with a completed design or with providing pre-construction assistance at the earliest stages of design. Burchick has managed commercial, institutional, and industrial projects from $1 million to $73 million with equal attention. Burchick Construction – Setting the Performance Standard.

Cuddy Roofing

22 Rutgers Road, Suite 102, Pittsburgh, PA 15205
412-458-3812
Mike Halpin –
halpinm@cuddyroofing.com
www.cuddyroofing.com

Established in 1991, Cuddy Roofing is one of the largest, premiere union roofing companies in the area. We specialize in difficult, high-end, and sheet metal sustainable applications as well as full-service repair and maintenance. Using state-of-the-art technology, Cuddy Roofing has topped some of the largest and most prestigious buildings in downtown Pittsburgh. We offer our customers superior roofing products that are backed by the best warranties in the industry.

Dick Building Company

46 South Linden Street, Duquesne, PA 15110
http://www.dickbuilds.com/
T: 412.567.8200
Alexander Dick, Chief Operating Officer
agdick@dickbuilds.com

Dick Building Company combines the knowledge acquired from four generations of industry leadership with the latest in construction technology to maximize value for our clients. We maintain integrity and an unwavering work ethic at all levels of the company and promote open communication in our relationships with clients, design professionals, subcontractors and vendors. Dick Building Company carries these values across our spectrum of services, which include: pre-construction consulting, construction management, general contracting, design-build, project management, program management, green building, and construction inspection.

Etzel Engineer and Build

205 West Water Street
Saxonburg, PA 16056
T: 724 524 1280
Twitter: @Etzel_Eng_Bld
www.etzelengbld.com
Rege Etzel - retzel@etzelengbld.com

Etzel Engineer and Build is a design-build contractor serving the mission critical and commercial construction industries. We are located in Saxonburg, Pennsylvania with roots dating back to 1987. Etzel has built strong relationships with subcontractors and equipment vendors serving the area. These relationships allow Etzel to better understand the local bid market; a more aggressive bid process reduces overall construction cost. Our capabilities reach beyond the Western Pennsylvania. We have completed construction projects from Kansas to Boston. We specialize in an open book, owner focused delivery method.

Gilbane Building Company

11 Stanwix St Suite 701, Pittsburgh, PA 15222
T: 412-207-1700
Chris Perez, Business Development Manager
CPerez1@GilbaneCo.com | 412-207-1673

Gilbane Building Company provides a full slate of construction and facilities-related services – from preconstruction planning and integrated consulting capabilities to comprehensive construction management, general contracting, design-build, and facility management services – for clients across various markets. Founded in 1870 and still a privately held, family-owned company, Gilbane has more than 45 office locations worldwide. Gilbane first established a presence in the Pittsburgh market in 1987 and has built a wide range of projects in markets such as healthcare, higher education, and commercial in the area.

Jendoco Construction Corporation

2000 Lincoln Road, Pittsburgh, PA 15235
T: 412-361-4500 | F: 412-361-4790
www.jendoco.com
Michael Kuhn – mkuhn@jendoco.com

JENDOCO Construction, founded in 1957, is located in Pittsburgh's East End and provides building construction services to the Western Pennsylvania region. Jendoco believes that the built environment should have a Net-Positive impact on people, nature, and communities and that designing and constructing the places in which we live, work, worship, learn, heal and play should be collaborative, creative, and fun. Through proactive solution development, sustainable building practices, community engagement, and charitable support, Jendoco continues to demonstrate our commitment to the Greater Pittsburgh Region.

Landau Building Company

4378 Craighead Road, Allison Park, PA 15101
T: 724-935-8800
www.landau-bldg.com
Jennifer Landau, President – jplandau@landau-bldg.com

Landau Building Company, with a legacy spanning 130 years, has established itself as a leading construction management and general contracting firm in Western PA and the surrounding region. As a sixth-generation family-owned and operated company, we have cultivated a diverse portfolio of commercial, healthcare, institutional, and community-based projects, ranging from ground-up construction to major renovations. In 2006, we expanded our services to include northern West Virginia through our subsidiary, Marks-Landau Construction. To learn more about our services and experience, we invite you to visit our website at www.landau-bldg.com.

Mascaro Construction

1720 Metropolitan St, Pittsburgh, PA 15233
T: 412-321-4901
www.mascaroconstruction.com
Michael R. Mascaro - mcclp@mascaroconstruction.com

Mascaro is one of the region's largest construction firms specializing in design-build, construction management, and general contracting. Founded in 1988 on the simple premise to deliver excellence in construction services, we bring to your project the 'Mascaro Advantage:' We are humble, hungry, and smart – not shying away from hard work and complex projects, but tackling each one proactively. We do what we say we are going to do, right, the first time. We will provide a family atmosphere, concentrating on the health and welfare of not only our employees, but also that of our clients and community. Our success is based on our market diversity, superior planning, building relationships, and, most importantly, delivering great experiences.

McKamish, Inc.

50 55th Street, Pittsburgh, PA 15201
T: 412-781-6262 | F: 412-781-2007
www.mckamish.com
John Jordan – jjj@mckamish.com

Serving the mid-Atlantic region with almost fifty years of experience, McKamish is a full-service mechanical contractor specializing in commercial HVAC, plumbing, piping, industrial piping, custom metal fabrication, and 24/7 service and maintenance. McKamish is dedicated to "Building Excellence" on every project that we build. With a dedicated team of employees who are committed to our customers, you can feel confident that your project will be handled with integrity. A family-owned company with deep roots in the Pittsburgh community, our goal is to surpass customers' expectations and provide top quality service in everything we do.

PJ Dick Inc.

225 North Shore Drive, Pittsburgh PA 15212
T: 412-807-2000
www.pjdick.com
Bernard J. Kobosky | Bernie.kobosky@pjdick.com

PJ Dick provides best-in-class construction management staff to estimate, plan, and build the Mid-Atlantic region's most prominent projects. Since 1979, PJ Dick has constructed buildings for the commercial, government, hospitality, healthcare, higher education, industrial, K-12 education, multi-family, senior living, and sports and entertainment markets. Consistently ranked among the nation's top firms, PJ Dick offers unsurpassed general contracting, design/build, construction management, and consulting services while maintaining its values of safety, sustainable building, quality construction and innovative technology.

Rycon Construction

2501 Smallman St., Suite 100, Pittsburgh, PA 15222
T: 412-392-2525
www.ryconinc.com
Stephen Kosmer, Co-President - Pittsburgh
Lou Ferraro, Co-President - Pittsburgh

Founded in Pittsburgh, Rycon Construction is an employee-owned company (ESOP) that provides construction management, general contracting, and design-build services nationwide. An ENR Top 400 Contractor, ENR Top 100 Green Contractor, and BD+C Top 150 Contractor with nine offices, Rycon specializes in new construction, renovations, and adaptive reuse projects. Rycon's portfolio consists of projects and developments in healthcare, education (K-12 & higher ed), industrial/warehouse, commercial, multi-unit residential, retail, financial, food service, self-storage, governmental, hospitality, and LEED facilities. We have an in-house Architectural Woodwork & Specialty Fabrication Division that ships/installs nationally, and an in-house Service Division offering 24/7 emergency service/restoration and term service work in Western PA.

Shannon Construction Company

3257 West Liberty Ave., Pittsburgh, PA 15216
T: 412-341-1155 F: 412-341-2955
www.shannon1.com
Ken Schultz, President
ken@shannon1.com

Shannon Construction is a commercial builder with a rich legacy handed down from generations of family. Our objective is to develop and deliver customized building programs that meet our client's goals. Shannon utilizes a creative, collaborative project approach to ensure client satisfaction and successful outcomes on every project. Clients benefit from our service philosophy rooted in personalized attention to every detail. We believe the best way to do business is to treat people fairly and do the right thing. Our services include General Contractor, Construction Management, Design & Build, Self-perform Construction, Building Construction Maintenance, and Green Building techniques.

WOMAN OWNED | WBE CERTIFIED

TRE Construction & Real Estate
A Commercial Construction Company

1800 Pine Hollow Road, McKees Rocks, PA 15136
T: 724-650-5544
www.treconstruction.net
Angie Eger, Owner/Managing Member
angie.eger@treconstruction.net

Formed in 2022, TRE Construction focuses on being a high-quality and trusted commercial interiors subcontractor specializing in interior/exterior building systems, doors, frames and hardware, construction specialties, and casework/millwork installations in Greater Western PA, OH, WV, DC, MD, VA.

Family-owned and operated, we provide the highest quality of work and deliver cost-effective projects on schedule by employing and supporting motivated, flexible, and focused teams. Our clients count on our dependability, drive, and integrity. People and Safety are the most important assets to building better with TRE. We are a member of the Master Builders' Association, Master Interior Contractors Association and NAIOP Pittsburgh.

Turner Construction Company

600 Grant Street, Suite 2740, Pittsburgh, PA 15219
T: 412-255-5400
Chris DiLorenzo
cdilorenzo@tcco.com

Founded in 1902, Turner is the leading general builder in the United States, recognized for our unwavering commitment to excellence, innovation, and service. With nearly 50 offices nationwide, Turner combines the strength of a national organization with the responsiveness and insight of a local partner, delivering industry-leading construction solutions tailored to each community we serve. In the Western Pennsylvania region, our roots run deep; for over a century, we've helped shape Pittsburgh's skyline by playing a vital role in the development of many of the area's most iconic and transformative buildings. Since establishing a full-time office in Pittsburgh in 1976, we've become the trusted builder for a variety of clients across the region. Today, our Pittsburgh team—more than 100 strong—continues to build upon this legacy with a forward-thinking approach that embraces technology, sustainability, and collaboration. As Pittsburgh continues to grow and evolve, Turner stands at the forefront, ready to deliver the next generation of innovative, complex projects that will define the future of our region.

Volpatt Construction Corporation

100 Castleview Road, Pittsburgh, PA 15234
T: 412-942-0200
www.volpatt.com
Ray Volpatt, Jr. President – rayjr@volpatt.com

From our first renovation in 1991, to over 900 industrial, commercial, and institutional projects, Volpatt Construction has successfully positioned itself as one of the most respected building contractors in the Tri-State area. With a focus on high quality, hands-on service, competitive pricing, and timely project completion, Volpatt Construction has built and maintained a long list of repeat clients, partnering with the finest businesses and institutions in the area. Today, the family-operated company continues to play an integral role in building the region into a top global destination for healthcare, education, and research.

DEVELOPER

Ambridge Regional Center and ConAm3PL

2301 Duss Avenue #1, Ambridge, PA 15003
T: 724-266-4661
www.AmbridgeRegional.com
www.ConAm3PL.com
Ric Ford
rford@ambridgeregional.com

The Ambridge Regional Center offers over 1 million square feet of warehouse, distribution, manufacturing, lab and yard space for lease. Our tenants include Fortune 100 firms as well as small private companies.

ConAm3PL offers full third party logistics to international conglomerates as well as regional companies whom all utilize our distribution capabilities to maximize their operational efficiencies.

Developing with a Purpose.

The Buncher Company

One Waterfront Place
1251 Waterfront Place #201, Pittsburgh, PA 15222
412-422-9900
www.buncher.com

The Buncher Company, headquartered in Pittsburgh, Pennsylvania, is a recognized leader in all phases of real estate development, including site acquisition, construction, brokerage and leasing, and property management.

We are experienced in providing innovative solutions to prospective clients and tenants, and we understand what it takes to effectively adapt to the constantly changing real estate business environment. Our highly experienced staff of real estate and construction specialists can help clients navigate the complexities of finding the perfect location to build and lease. They bring in-depth industry expertise and knowledge of every property, and consistently deliver high-level tailored services, unlimited accessibility, and timely results.

Elmhurst Group

One Bigelow Square, Suite 630, Pittsburgh, PA 15219
T: 412 281-8731
www.elmhurstgroup.com
Eric R. Schindler, Director of Leasing
eschindler@elmhurstgroup.com

Elmhurst is a 52-year-old Pittsburgh-based organization that invests in, develops, and manages commercial real estate. Elmhurst's portfolio consists of industrial, office, multifamily, and hotels in the Greater Pittsburgh market area, totaling over 3.6 million square feet, including 2.1 million square feet of ground-up developments.

Elmhurst is a vertically-integrated organization that oversees investment acquisition, asset management, accounting, and property management services for its industrial and office properties. Elmhurst's tenancy includes prominent regional and national businesses, government agencies, and non-profits.

Oxford Development Company

2545 Railroad Street, Pittsburgh, PA 15222
412.261.1500
www.oxforddevelopment.com

For over 60 years, Oxford has stood at the forefront of the marketplace as a developer and full service commercial real estate services provider with experience in the local, regional, and national marketplace. Oxford's mission is to forge dynamic centers where community thrives alongside commerce, through real estate solutions that uplift and ignite inspiration for our people, partners, and communities alike. We deliver real estate solutions to our clients that are innovative, cost-effective, and sustainable. Our team has the depth of experience to manage, lease and develop all types of facilities. Oxford's ability to create unique partnerships and complete complex transactions makes us a preferred real estate partner.

ECONOMIC DEVELOPMENT

Indiana County Center for Economic Operations

801 Water St., Indiana, PA 15701-1705
T: 724-465-2662 | F: 724-465-3150
www.indianacountyceo.com
Byron G. Stauffer, Jr., Executive Director
byronjr@ceo.co.indiana.pa.us

The Indiana County Center for Economic Operations (CEO) serves as a public-private partnership promoting economic growth, development, and prosperity in Indiana County, PA. The CEO serves as a hub for businesses, government agencies, and community organizations. The CEO provides services and resources for businesses throughout their life cycle. The CEO offers site selection assistance, an array of pad-ready sites and buildings and coordinates financial incentives. The CEO seeks to support the continuous improvement of Indiana County through increased business activity, economic growth, education, tourism and quality of life.

Washington County Chamber of Commerce

1000 Horizon Vue Drive, Suite 1C80, Canonsburg, PA 15317
T: 724-225-3010 | F: 724-228-7337
www.washcochamber.com
Will Thomeier, Director Economic & Tourism Development – will@washcochamber.com

The Washington County Chamber of Commerce is the largest chamber of commerce Southwestern Pennsylvania and leading economic development agency in Washington County. The Chamber focuses on marketing and business development initiatives to expand the economy of Washington County and was one of the first organizations to publicly support the economic benefits and job creation potential of the natural gas industry. Learn more at www.washcochamber.com.

Westmoreland County Industrial Development Corporation

5th Floor, Suite 520,
40 North Pennsylvania Ave., Greensburg, PA 15601
T: 724-830-3061 | F: 724-830-3611
www.WestmorelandCountyIDC.com
Jason W. Rigone, Executive Director
WCIDC@westmorelandcountypa.gov

Founded in 1983 by the Westmoreland County Board of Commissioners, Westmoreland County Industrial Development Corporation promotes growth in terms of job creation, economic output and a stable tax base for Westmoreland County. By developing a robust industrial park system, deploying a comprehensive marketing strategy, administering a proactive Business Outreach Program and collaborating in public/private partnerships, WCIDC supports business growth that results in job opportunities for the citizens of Westmoreland County.

ENGINEERS

Civil & Environmental Consultants, Inc.

700 Cherrington Pkwy, Moon Township, PA 15108
T: 800-365-2324
www.cecinc.com
Mike Archer, P.E. – marcher@cecinc.com

CEC provides integrated design, engineering, surveying, environmental, and construction-related services with a tailored approach to address diverse development/redevelopment requirements. We have the local and national expertise necessary to support developers and architects with cost-effective designs for projects of all sizes. We understand the desire to minimize cost and maximize your return on investment. We will provide objective opinions regarding project feasibility to enable you to make informed business decisions. The complete real estate development life cycle... WE OWN IT.™

KU Resources, Inc.

22 South Linden St., Duquesne, PA 15110
T: 412-469-9331 | F: 412-469-9336
www.kuresources.com
Tysen Miller, PE, LEED AP, CPESC
Tmiller@KUResources.com

KU Resources, Inc. provides a full range of environmental management and site development engineering services to industrial, commercial, and community based clients. The firm specializes in brownfield redevelopment, environmental site assessment, economic revitalization assistance, regulatory permitting and compliance, remediation design and implementation, and environmental risk management strategies. The firm's engineering and environmental consulting capabilities also include the areas of civil and geotechnical engineering, site development engineering, water resources engineering, mining and quarry services, water quality monitoring, and air quality compliance and permitting.

LSSE Engineers and Surveyors

846 Fourth Ave., Coraopolis, PA 15108
T: 412-264-4400
www.lsse.com
Kevin A. Brett, P.E. – kbrett@lsse.com

A leading provider of civil engineering and surveying services for nearly 40 years. Serves public and private clients in the municipal, commercial, industrial, institutional, residential, and utilities markets. Specializes in wastewater facilities, water facilities, and stormwater/green infrastructure planning, design, and construction phase services. LSSE's operating plan turns on client satisfaction and corporate and individual career development.

ENVIRONMENTAL

KU Resources, Inc.

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www.kuresources.com
Dominick Anselmo
danselmo@kuresources.com

KU Resources, Inc. provides a full range of environmental management and site development engineering services to industrial, commercial, and community based clients. The firm specializes in brownfield redevelopment, environmental site assessment, economic revitalization assistance, regulatory permitting and compliance, remediation design and implementation, and environmental risk management strategies. The firm's engineering and environmental consulting capabilities also include the areas of civil and geotechnical engineering, site development engineering, water resources engineering, mining and quarry services, water quality monitoring, and air quality compliance and permitting.

INDUSTRY / TRADE GROUP

American Subcontractors Assn. of WPA

2219 Ridge Road, South Park, PA 15129
T: 724-538-8227
www.asawpa.org
Erin Joyce, Executive Director
erin@asawpa.org

ASA Western PA is the united voice dedicated to improving the business environment and representing subcontractors before all branches of government, other construction industry groups, and the media. We strive to promote quality construction, ethical and equitable business practices, safety in the work environment, and best industry practices. Our scholarship program reaches students interested in the trades through partnerships and school visits. A Mentorship Program is available for all scholarship recipients. ASA's Emerging Leaders create an environment of young professionals who have the potential to serve in leadership roles and provide networking opportunities that help to expand their careers.

Labor & Management ▸ Building Our Region's Success

Builders Guild of Western PA, Inc.

631 Iron City Drive, Pittsburgh, PA 15205
T: 412-921-9000
Jeff Nobers, Executive Director
jnobers@buildersguild.org

A unique, non-profit labor/management initiative, representing 16 building trade unions and nine affiliated contractor associations. The Builders Guild is a positive forum for labor, management, and community relationships, and fosters a cooperative and productive climate for regional commercial construction development. Through the Builders Guild, unions and management have forged fair and equitable working partnerships which promote economic and professional growth.

Guild initiatives include:

- Promoting the professionalism, skill, and pride inherent with union construction;
- Training for long-term careers in the construction trades;
- Providing a reliable, skilled and diversified workforce; Facilitating diverse partnerships with like-minded organizations throughout Western Pennsylvania.

CREW Pittsburgh

CREW Network
1201 Wakarusa Drive, Suite D, Lawrence, KS 66049
www.crewpittsburgh.org
Admin@crewpittsburgh.org

Commercial Real Estate Women (CREW) offers unparalleled business development, personal leadership growth, and networking opportunities, both in our local Pittsburgh market and across 80+ affiliates in the US, Canada, France, Mexico, and the United Kingdom with 14,000+ members. The Pittsburgh chapter has 20+ years of providing educational programs and networking events to its members and the CRE community. Whether male or female, join CREW to have a global commercial real estate network at your fingertips and your contact info in that worldwide network.

Ironworker Employers Association of Western Pennsylvania

135 Technology Drive #311, Canonsburg, PA 15317
T: 412-922-6855
www.iwea.org
Danielle Harshman, Executive Director
dharshman@iwea.org

The IWEA is a Trade Association of Union Contractors who work in all aspects of the ironworking trade within the construction industry. We are a resource for all owners, developers and contractors who are looking for a qualified contractor with a well-trained workforce. Visit our website or call our office for additional information.

Master Builders' Association of Western PA, Inc.

631 Iron City Dr., Pittsburgh, PA 15205
T: 412-922-3912
www.mbawpa.org
David D. Daquelente, Executive Director
dave@mbawpa.org

Master Builders of Western Pennsylvania, Inc., is a trade association and influential voice in the construction industry, including 301 general contractors, construction managers, specialty contractors, service, and supplier companies. Members are responsible for more than 80 percent of the Pittsburgh area commercial construction. MBA awarded $800,000 in scholarship support to students in industry-related categories, brought nearly 1500 representatives of our industry together to celebrate the MBA Building Excellence Awards, and supports mental health through its acclaimed Yinz Good? campaign. MBA's affiliation with Associated General Contractors of America affords members with broader access to national resources. For more information visit http://www.mbawpa.org/

NAIOP Pittsburgh

PO Box 100085, Pittsburgh, PA 15233
www.naioppittsburgh.org
Tom Frank, Executive Director
info@naioppittsburgh.org

NAIOP Pittsburgh is the regional association of developers, owners, investors, and professionals in commercial real estate. We are the leading industry resource to foster business relationships, promote responsible development and support growth of the region through education, leadership, and advocacy. Visit naioppittsburgh.com for additional information or contact info@naioppittsburgh.org.

Pittsburgh Works Together

631 Iron City Drive, Pittsburgh, PA 15205
Jeff Nobers, Executive Director
info@PghWorks.com | www.PghWorks.com

Pittsburgh Works is committed to creating an inclusive vision of economic progress that embraces and respects both traditional legacy industries and emerging ones, while honoring the diversity of cultures and traditions inherent to each, while ensuring a sustainable environment. We seek a Pittsburgh and a region in which the lines between "old" and "new" economy are erased and respect is shown for our work ethic and dedication to community, while building a future for all.

Pittsburgh Works Together knows that we need an economy that works for everybody. Created after meetings of union leaders and officials from the manufacturing, steel, and energy sectors, our organization is committed to working with leaders of tomorrow's industries by reminding them that without everybody, there is no New Pittsburgh.

Society for Marketing Professional Services

SMPS – Pittsburgh Chapter
www.smpspittsburgh.org
Tyler Niedzwicki, Chapter President
LGA Partners
444 Liberty Avenue, Suite 1500, Pittsburgh, PA 15222
T: 412-243-3430

The Society for Marketing Professional Services (SMPS) is a diverse community of marketing and business development professionals working together to move the Architecture/Engineering/Construction (A/E/C) industry forward. SMPS is the only organization dedicated to creating business opportunities in the A/E/C industry. Companies large and small are able to tap into our powerful national and regional network to form partnerships, secure business referrals, and benchmark performance. The Pittsburgh Chapter offers educational programs, professional development seminars, and networking opportunities to professionals from architectural, engineering, planning, interior design, construction, and consulting firms serving the Pittsburgh region. SMPS Pittsburgh has over 100 members representing more than 50 firms in the built industry.

INTERIOR DESIGNER

design at world scale

AE7, LLC

2840 Liberty Ave., Suite 403, Pittsburgh, PA 15222
T: 412-932-2044
www.ae7.com
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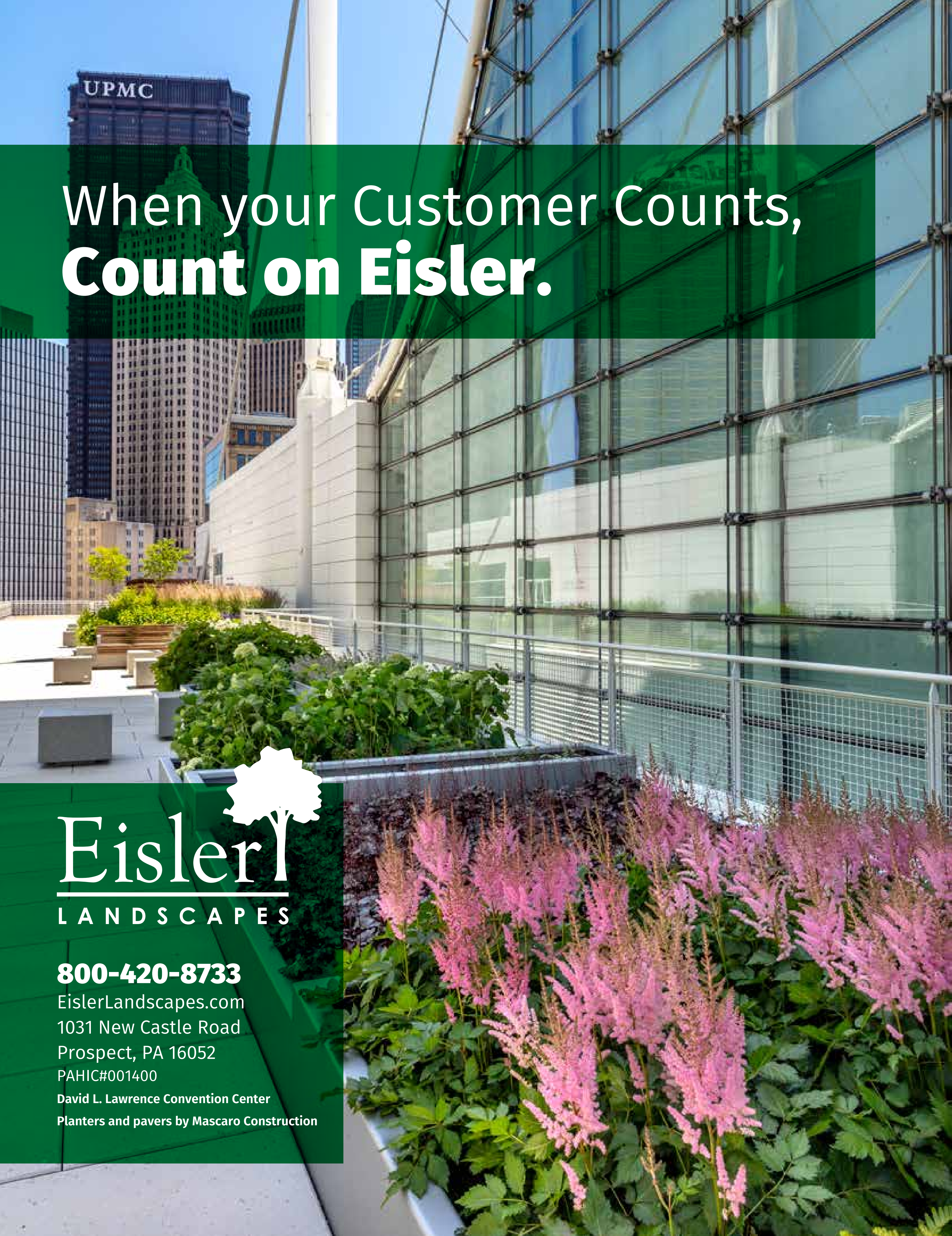
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