

REDEVELOPMENT OFFERING

1318-1344 FIFTH AVENUE, PITTSBURGH, PA 15282 PITTSBURGH UPTOWN

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Offering Highlights • Development Map

PROPERTY DESCRIPTION SECTION 2

Parcel Breakdown • Aerial • Highlights

MARKET OVERVIEW 12 MARNE SECTION 3

Pittsburgh Market • Pipeline Map

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EXECUTIVESUMMARY

OFFERING HIGHLIGHTS

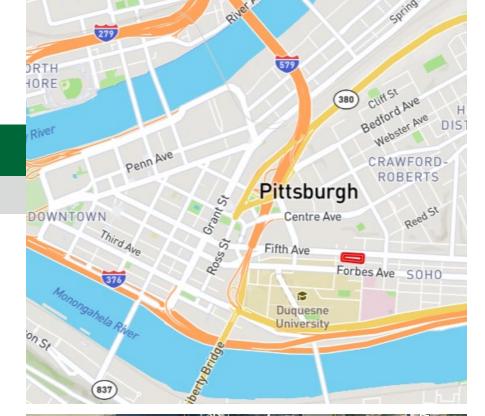
REDEVELOPMENT OPPORTUNITY

1318-1344 FIFTH AVENUE, PITTSBURGH, PA 15282

Hanna Commercial Real Estate Pittsburgh, as exclusive advisor, is pleased to offer the opportunity to acquire the redevelopment offering (the "Property") located at 1318-1344 Fifth Avenue in Pittsburgh, Pennsylvania.

Located less than 1 block from PPG Paints Arena and directly adjacent to Duquesne University, this offering provides the unique opportunity to capture the momentum of an ever changing Uptown Neighborhood. Historically mired in economic uncertainty, Uptown finds itself in an unprecedented wave of new investments thanks in part to the redevelopment of the Lower Hill District, the addition of the BRT, Mercy Hospital's latest expansion and the convenience of being directly between the 2nd and 3rd largest urban clusters in PA (Downtown Pittsburgh & Oakland).

Amenitized by multiple new apartment projects, an upcoming addition of Salem's Market to nearby Centre Avenue, Shell Gas Station and Convenience store and multiple small businesses/markets this site will provide the opportunity to be a part of the new Uptown: a livable urban community with proximity to the regions largest economic drivers while maintaining a more relaxed neighborhood setting.







OFFERING:.85 ACRES FOR RED

NEARBY DEVELOPMENT







PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

ADDRESS		Fifth Avenue n, PA 15229		
SIZE		ately 0.85 AC s comprised of 12 se	parate parcels.	
ZONING	, ,	otown Public Realm n's first <u>Ecolnnovati</u>	,	
NEARBY DRIVERS	Duquesne	University & PPG P	aints Arena	
		Development: FNB n pavilion, public pa		ing, etc.
	UPMC Me Mercy Pav	rcy campus, includi ʻilion	ng the newly const	ructed UPMC
	units), Alp Fifth & Dir	esidential Developr ha Residential (240 nwiddie (167 units) + opment map on pa	units), 1717 Fifth Ave more	
NOTES	· Locate	ed in an Opportunity	y Zone - <u>more info h</u>	<u>nere</u>
		PR-A (Uptown Publi ole - high density	c Realm District A)	zoning is very
		oned along the new nnects Oakland and		
		n walking distance t 's Market	o full service grocer	y store,
DEMO SNAPSHOT	-	1 MILE	3 MILES	5 MILES
EST POPULATION		22,299	160,251	383,224
EST HOUSEHOLDS	5	10,733	72,605	174,655
CONSUMER SPEN	DING	\$279.1M	\$1.8B	\$4.7B



Located in Opportunity Zone 103.00

Created as part of the Tax Cuts and Jobs Act, Opportunity Zones are a federal economic development tool aiming to improve the outcomes of distressed communities around the country.

Opportunity Zones are census tracts that offer tax incentives to groups who invest and hold their capital gains in Zone assets or property. By investing in Opportunity Zones, investors stand to gain a temporary deferral on their capital gains taxes if they hold their investments for at least 5 years, and a permanent exclusion from a tax on capital gains from the Opportunity Zones investments if the investments are held for 10 years.

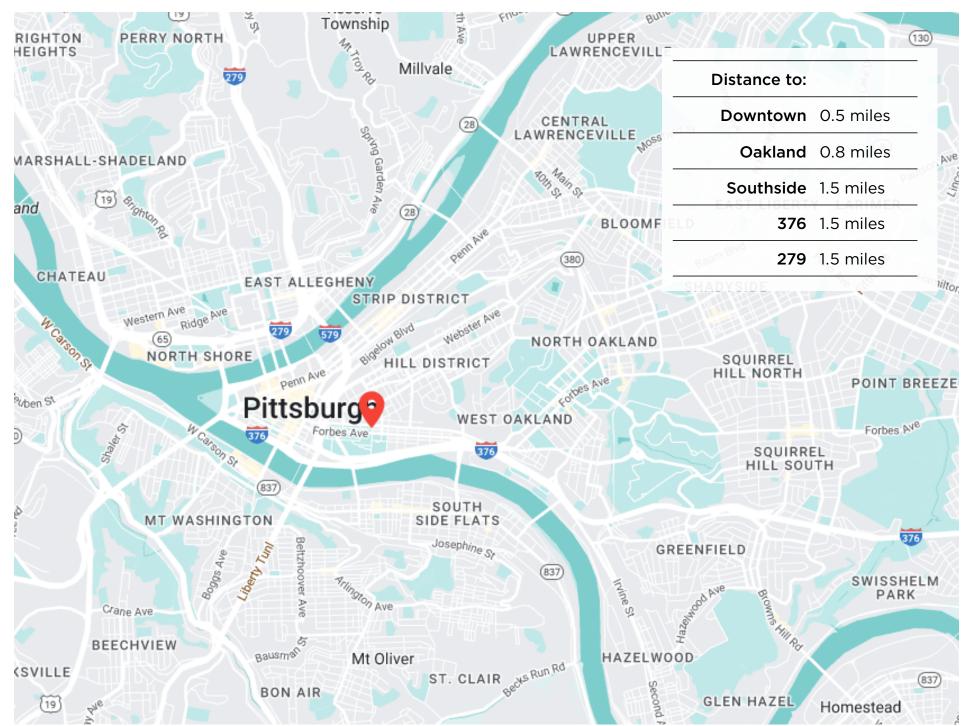
For more information about how Opportunity Zones work, a directory of designated areas, or additional information, please visit the <u>CDFA website</u>





** Measurements are per Allegheny County Records Independant measurements by HCRE resulted in .8 - .9 acres Total land area requires verification







PITTSBURGH BRT

Pittsburgh's bus rapid transit project, or BRT, is a \$291 million transportation development that will run through Uptown to Oakland, and into eastern neighborhoods. BRT is a high-capacity bus-based transit system that delivers fast and efficient service that includes dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms and enhanced stations. This Pittsburgh BRT corridor regional transit plan includes changes to physical infrastructure and transit operations along the Downtown-Uptown-Oakland portion of the corridor (BRT Core) along with bus services and stations in the East End portion of the corridor – Highland Park, Squirrel Hill, and the East Busway.



PRTX Bus Rapid Transit: The University Line is Coming Soon!

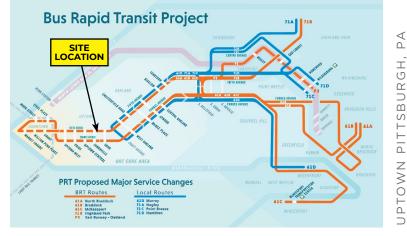
PRTX is Pittsburgh Regional Transit's bus rapid transit service. Communities with PRTX service can expect more reliable, on-time service thanks to transit-only travel lanes and intersection and signal improvements. The project includes 23 new shelters with upgraded amenities like next bus arrival screens, ticket and fare vending machines, seating, trash receptacles, lighting, emergency phones, and security cameras. The entire community will benefit from significant investments in pedestrian and bicycle infrastructure including new sidewalks, ADA curb ramps, protected bike lanes, traffic signals, and landscaping. The University Line is Pittsburgh Regional Transit's first corridor under PRTX.

The University Line will operate between Downtown, Uptown and Oakland with bus service from the corridor extending into the east end and beyond. The University Line will use Fifth and Forbes Avenues in Uptown and Oakland and Fifth and Sixth Avenues in Downtown. Five bus routes will operate on this corridor once construction is complete - these routes are currently the 61A, 61B, 61D, 71B, and P3.

Project Status

The first phase of construction started in downtown Pittsburgh on September 13, 2023, and is expected to take about 18 months. The second phase that includes Uptown and Oakland is at 100% design. Once the project is awarded construction will take 24-30 months.

More info here.







FIFTH AVENUE REDEVELOPME

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PITTSBURGH INVESTMENT

DOWNTOWN INVESTMENT MAP

2022 | THIRD QUARTER

Investments from January 2012 - October 2022

TOTAL INVESTMENTS	\$7,872,409,551	
PROJECTS ANNOUNCED	\$1,803,683,137	
PROJECTS ACTIVE	\$1,703,660,137	
PROJECTS COMPLETED	\$4,365,066,277	

TOTAL INVESTMENTS

OFFICE/RETAIL

- Distillery on the South Shore
- 412 Boulevard of the Allies Renovations Skinny/Roberts and 433 Wood Street Adaptive Reuse
- 19 610 Wood Street Renovation
- 26 Pro Bike + Run and Cadence Clubhouse
- 29 FNB Bank (former McDonald's site) * Uptown Tech (304 Jumonville) *
- 32 Bayardstown Revitaliization (1700 Smallman) *
- 52 Dollar Bank Liberty Commmons Renovation
- 53 Allegheny Building Renovation
- 54 525 William Penn Place Renovations
- Vision on Fifteenth
- 57 1600 Smallman
- 62 3 Crossings Phase 2: buildings B. F1, and F2
- 3 Crossings Phase 2: The Stacks (buildings D & E)
- 72 Station Square Freight House Shops
- 78 1501 Penn Avenue (Wholey Building)
- 86 Fifth Avenue Place Renovation 87 Centre District: FNB Financial Center

MIXED USE

- 909 Liberty Avenue Renovation * Fifth-Dinwiddie Redevelopment
- 23 Post-Gazette Building Redevelopment *
- 27 633-641 Smithfield Street Redevelopment *
- 38 Station Square East *
- 63 Produce Terminal Redevelopment
- 65 2908 Smallman Street (Mecka Fitness/ 5 Borders CrossFit 2908)
- 68 City's Edge 🛊
- 9th and Penn Cultural Trust Master Plan 88 Smith & Fifth

TRANSPORTATION

- 12 Sister Bridges Rehabilitation
- 13 Traffic Signalization Upgrade Central Business District 17 Bus Rapid Transit Corridor
- 42 Centre District: Live Music Venue Parking Garage (Block E) ★
- 43 3 Crossings Phase 2: The Hive Parking Garage (Building H)
- 45 Ninth and Penn Garage 🖈
- 70 "Smallman Street Public Improvements
- Phase 2 (bike lanes, walking, and transit)"

 91 Smithfield Reconstruction Project Phase I

EDUCATION/CIVIC

- Point Park University: Student Center 🍁 Duquesne University College of Osteopathic Medicine
- UPMC Cooper Fieldhouse
- UPMC Vision and Rehabilitation Hospital at UPMC Mercy
 Project Cares Homeless Services Building
- 82 Weis Courthouse Renovation
- 90 DLCC Green Roof Phase 2

PARK/TRAIL

- 31 Josh Gibson Heritage Park
 35 Strip District Riverfront Park *
- 36 Curtain Call/ Pittsburgh Garden Passage *
- Completing the Loop: Allegheny Landing
- Completing the Loop: Allegheny Riverfront

RESIDENTIAL

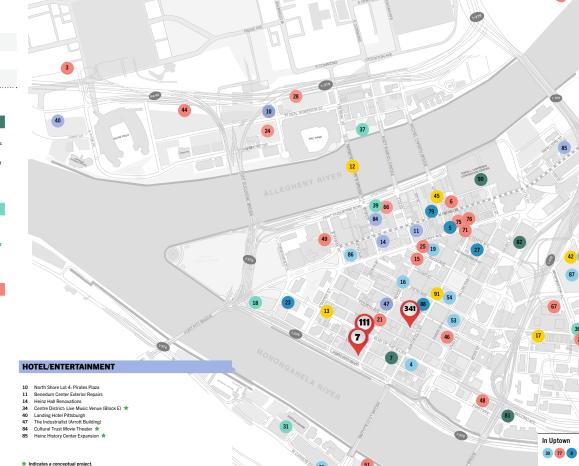
- 3 Fleven06
- 15 300 Sixth Avenue Residential Conversion (GNC)
- 20 St. Martin Hall Renovation
- 21 City Club Apartments (YWCA Conversion) Union on 5th Annex
- North Shore Lot 4: Residential
- 25 Granite Building Conversion n
- Stabile/RDC Residential Project *
- 33 2926 Smallman Street (former gas station/ Penrose) *
- 44 North Shore Lot 2 *
- The Pittsburgher *
- Terminal 21
- 625 Stanwix Street Unit Addition Forte Condominiums
- Glasshouse
- 55 Canital Suites at Fifth Avenue
- 59 308 Miltenberger Street Apartments 61 Heinz Research Building Apartments *
- 66 642 Fort Duquesne Boulevard Adaptive Reuse (Easter Seals) The Washington at Chatham

All other projects are in planning or under construction.

This ongoing list represents active and publicly announced projects in Downtown Pittsburgh as

Ihs ongoing list greezes active and publicly announced projects in Downtown Futbusingh as of September 2022. The study area includes the Golden Traingle, North Shore, South Shore, Lower Hill, Uptown, and been publicly Shirtich Projects are listed in three categories. Announced means a project has been publicly Shirtich Projects and and/or a construction schedule has been determined to the construction of the project of the project of the construction of the project of the means there is not only an active construction of the project site.

- 69 Centre District Apartments: Phase I ★
 71 Triangle Building Renovation
- 73 The Refinery
- Penn Avenue)
- 75 MaGinn Building Lofts 76 1709 Fifth Avenue
- Penn 23 (2330 Penn Avenue) Crucible Lofts (3150 Smallman Street)
- 89 The District



Visit DowntownPittsburgh.com/investment-map to view the Interactive Investment Map



VIEW INTERACTIVE MAP

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MARKET OVERVIEW

PITTSBURGH OVERVIEW



Pittsburgh's transformation into a global hub for technology, life sciences and higher education has buoyed the regional economy throughout the Covid pandemic. Unemployment rates remain at or below the national average and gradual gains in population point to the resilience of the region's people and industries.

In addition to its geographic proximity to nearly 40% of the total North American population, Pittsburgh's workforce is highly skilled and among the most well-educated in the country. WalletHub.com ranked Pittsburgh 35th out of 150 cities it evaluated for its 2023 list of the Most Educated Cities in America.





PITTSBURGH BY THE NUMBERS

EMPLOYMENT, BUSINESS & ECONOMY

#5 best city for STEM jobs – Wallet Hub, 2023 (5/100)
#7 best city in the U.S. to launch a career – LinkedIn, 2020 (7/15)
#21 best college towns & cities – Wallet Hub, 2020 (21/415)
Top city for filmmakers to live and work – MovieMaker Magazine, 2021 (3/10)
Top 3 start-up city in the Midwest – M25, 2020 (3/59)
#7 best city in the U.S. to work remotely – FinanceBuzz, 2020 (7/25)
#1 best city in the U.S. for healthcare jobs – Grand Canyon University, 2020 (1/50)
Top ranking city in the Ohio River Corridor for economic development –
Site Selection Magazine, 2020 (6/10)

LIVABILITY

Wallethub named Pittsburgh one of the top 25 Most Fun Cities in America for 2024 Pittsburgh was named one of the top 10 best places to retire in 2024 according to U.S. News & World Report

Downtown Pittsburgh is the hottest neighborhood for young professionals – Niche, 2020 (1/20)

Top 100 cities to live in the U.S. – Livability, 2020 (51/100) Top city for millennial homebuyers – LendingTree, 2021 (9/50)

#11 best city in America for young professionals - Niche, 2021 (11/228)

Among top cities for LGBTQ inclusivity – Human Rights Campaign, 2020

Top 25 most livable city in the U.S. – Smart Asset, 2020 (17/25)

Best city to buy an affordable family home – Smart Asset, 2020 (20/25)

Best metro in the U.S. for first-time homebuyers during COVID-19 – MoneyGeek, 2020 (7/15)

TRANSPORTATION

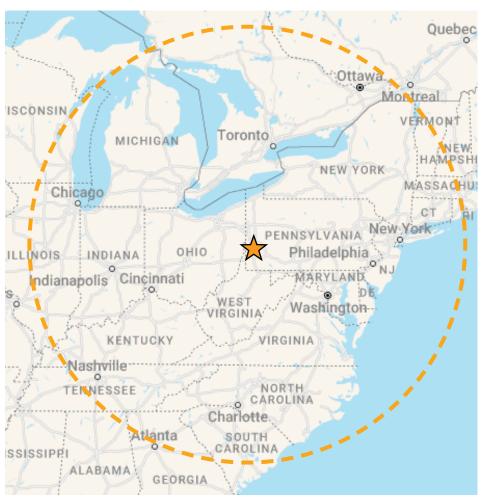
#1 Pittsburgh ranks as having one of the shortest commutes in the country, 2021 – Moovit (1/99)

7th least car-dependent metro in the U.S. – CompareCarInsurance.com, 2020 (7/10) #6 Pittsburgh International Airport (PIT) is ranked as one of the most innovative travel companies, the first time an airport has landed among the list of industry-changing firms – Fast Company, 2020 (6/10)

PITTSBURGH REGION

WITHIN A 500 MILE RADIUS OF PITTSBURGH:

- · 48% OF U.S. BUSINESSES
- · 45% OF U.S. & CANADA POPULATIONS
- · 63% OF NATIONAL INDUSTRY OUTPUT
- · 53% OF U.S. BUYING INCOME
- · 40+% OF TOTAL U.S. RETAIL SALES







2.3 M RESIDENTS1.2 M WORKERSACROSS 7 COUNTIES



2ND MOST POPULOUS CITY IN PENNSYLVANIA



1ST BEST CITY FOR HEALTHCARE JOBS



5TH BEST CITY FOR STEM JOBS



7TH BEST CITY
TO LAUNCH A CAREER



RANKED **11TH**IN VENTURE CAPITAL INVESTMENT
DOLLARS NATIONWIDE

PITTSBURGH MULTIFAMILY MARKET



AVERAGE RENTS

- ► AVERAGE STUDIO RENT \$1,393
- ► AVERAGE ONE-BEDROOM \$1,666
- ► AVERAGE TWO-BEDROOM \$2,132

RESIDENTIAL GROWTH

Downtown Pittsburgh has undergone many transformations and it is clear we are now at another inflection point. The pandemic has changed the dynamics of Downtown, but the neighborhood remains the vibrant economic center of the region. While office activity is still well behind 2019 numbers, the latest metrics show that daily activity in the Golden Triangle this fall was the highest it has been since February 2020. Furthermore, residential development continues to thrive in Greater Downtown, with 10 major residential developments representing \$284M in investment under construction since the start of 2021. Strong occupancy rates and feedback from the PDP's recent residential survey indicate that Downtown is a highly desirable area to live due to its walkability, proximity to entertainment, restaurants, bars, and transportation, and overall centrality to the rest of the city.

Despite these positive trends, the residential population of the Golden Triangle is still relatively modest, with around 7,000 residents. Downtown needs a more robust residential population to support small businesses, add vibrancy to the streets, and complement our large commercial office market. Strong, resilient Downtowns have a residential population that is typically 5% of the city population, which would be nearly 15,000 residents in our CBD. Doubling the residential population in Downtown is very realistic, particularly when looking at the successful conversion of commercial office buildings into beautiful residential buildings that we have seen over the last decade. The evolution of Downtown will require a concerted effort by public and private sectors to creatively finance redevelopment and ensure our parks, schools and amenities continue to meet the needs of new residents and workers. This effort should be our North Star as we prepare Downtown to thrive long into the future. The following State of Downtown snapshot report provides an overview of the residential market as of Q3 2022 and includes insights on key areas that will inform future investments and support Downtown's continued vitality. As we look towards opportunities to support the revitalization of Down- town, the strong performance of the residential market shows that it is primed to lead the way.



Source: Pittsburgh Downtown Partnership

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POPULATION

Over the past 10 years, 44 projects have welcomed nearly 8,400 new residents to Greater Downtown, with 23 conversions that have breathed new life into some of the Golden Triangle's beautiful historic buildings. These residents are supporting new restaurants, retail, and service businesses while also changing Downtown's identity from a predominantly work- or event-specific destination into a growing and vibrant neighborhood. Proposed developments over the next few years will bring an estimated 9,000 new residents to Greater Downtown, further increasing the density, vitality, and resiliency of Downtown Pittsburgh.

RENTAL MARKET

The current occupancy rate for the Greater Downtown is 93.5%, which is slightly above the five-year average of 92.1%. The pandemic hit the Golden Triangle particular ly hard, causing a noticeable dip in occupancy rates to 81.6% during the second half of 2020, which was compounded as 135 new rental units came online. During this time, the Strip District and the North Shore maintained occupancy rates of 95.2% and 92.1% respectively, while absorbing 364 new units.

Residential occupancy rates began to rebound in the first quarter of 2021 and have continued to improve or remain relatively steady even with the addition of 1,864 new units, demonstrating the ability for the Downtown market to absorb additional inventory. The Golden Triangle market has rebounded to prepandemic levels, with the occupancy rate climbing from 86.1% in 2Q 2021 to 91.9% in 3Q 2022, while adding nearly 900 units.

Despite some fluctuations in occupancy levels, the average cost per square foot for rental apartments in Greater Downtown has remained stable over the past few years, with Greater Downtown ending the third quarter of 2022 with an average price of \$2.00/sq. ft.

ESTIMATED DOWNTOWN POPULATION

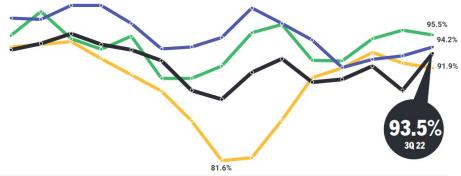


Neighboring Areas
 Golden Triangle

Population data are conservatively calculated based on residential unit growth and occupancy rate estimates for residential properties. Neighboring areas include: North Shore, Strip District, Lower Hill, Uptown, and South Shore.

Source: OnTheMap - Local Employment Dynamics Partnership, U.S. Census Bureau (2019); Pittsburgh Downtown Partnership

OCCUPANCY RATES OF DOWNTOWN APARTMENTS, 2019-2022



1Q 2019 2Q 2019 3Q 2019 4Q 2019 1Q 2020 2Q 2020 3Q 2020 4Q 2020 1Q 2021 2Q 2021 3Q 2021 4Q 2021 1Q 2022 2Q 2022 3Q 2022

Golden Triangle
 North Shore
 Strip District
 Greater Downtown

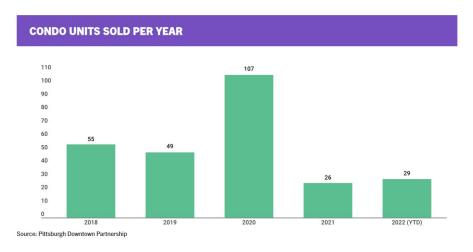
Source: Pittsburgh Downtown Partnership

Source: Pittsburgh Downtown Partnership



CONDOMINIUM SALES

The majority of the available units in the Greater Downtown area are rental apartments, with condominiums making up only 15% of the existing housing market. Condominium sales and prices spiked in 2020, with 107 units sold that year at an average of \$383/square foot. This can largely be attributed to new high-end condominiums coming on the market, namely Piatt Companies' Lumière development at 350 Oliver Avenue in the Golden Triangle and Hardy World's The Refinery development at 2545 Penn Avenue in the Strip District. Sales dipped in the beginning of 2021 due to limited projects coming on the market, and rebounded in the latter half of 2021 and the beginning of 2022. Prices have reduced over the past two years, averaging \$337/square foot in 2021 and \$300/square foot thus far in 2022, but they are still significantly higher than the years prior to 2020's surge. It is anticipated that condo sales will continue to increase over the next few years, as 280 new condo units are in the pipeline



Source: Pittsburgh Downtown Partnership

PROJECT NAME	ADDRESS	YEAR BUILT	SQUARE FOOTAGE 243,300	PROPOSED # UNITS
City Club Apartments	305 Wood Street	1963		
300 Sixth Ave Renovation	300 Sixth Avenue	1904	239,907	250
Easter Seals	642 Fort Duquesne Blvd	1917 1917 1966	160,000 227,884 130,000	137 136 125
Smith & Fifth	441 Smithfield Street			
The Pittsburgher	428 Forbes Avenue			
Smithfield Custom Condos	635 Smithfield Street	1895	35,600	13
MaGinn Building Lofts	915 Liberty Avenue	1891	19,029	11



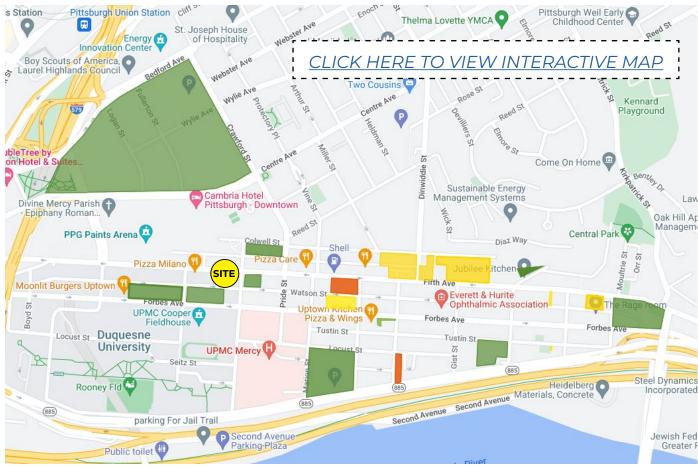
DEVELOPMENT SUPPORT & PIPELINE

UP Uptown Partners of Pittsburgh

Uptown Partners of Pittsburgh (UP) is a non-profit organization of residents, institutions, business owners and other concerned stakeholders to improve community quality of life — and to collaboratively create a vision and pathway for Uptown's much-needed revitalization.

Working with the City of Pittsburgh, our community and institutions, Port Authority of Allegheny County, the Urban Redevelopment Authority, Green Building Alliance, Oakland Planning & Development Corp., and other interested stakeholders in a unique public/private planning initiative, embodied in the Uptown/West Oakland EcoInnovation District plan (also referred to as the Uptown EcoInnovation District). Learn more here... uptownpartners.org

Uptown Development Pipeline 1903 Fifth by Fountain Residential Partners The Standard on Fifth by Beacon Communities... Duquesne University Dormitory Duquesne Light Watson Street Sub Station The Lower Hill Development x The Buccini/Poll. Fifth & Dinwiddie West x Bridging the Gap Fifth & Dinwiddie East by Bridging the Gap Duquesne University College of Osteopathic M... DPMC Vision and Rehabilitation Tower City's Edge by Midpoint Group of Companies L... 23 Miltenberger by Epic Development Jubilee Kitchen Expansion & Renovation Duptown Flats | Bethlehem Haven Tustin Single-Family Infill by Downtown Design ... 2028 Fifth Avenue - Gesher Management/Hart ... 1801 Boulevard of Allies - Hardy World LLC Stough Group - 1600 Block





Phoenix on Forbes by GSX Ventures

A Launchpad



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