



LAND ACQUISITION · ENTITLEMENT · CONSTRUCTION ·
SOUTHWESTERN PA

From Vacant Lot to Finished Property.

A straight-talking guide to buying land and building residential real estate in Southwestern Pennsylvania — with realistic expectations and a few hard lessons learned by people who came before you.

Building from the ground up is one of the most rewarding — and genuinely humbling — things you can do in real estate. You start with a piece of dirt, a set of plans, and the unshakeable confidence of someone who has never dealt with a municipal planning board at 7pm on a Tuesday. You finish with something permanent. A home. A duplex. A small apartment building. An asset that didn't exist before you decided to make it exist.

This guide covers finding and evaluating land in SWPA, understanding zoning and entitlement, financing ground-up construction, building single-family vs. multifamily, navigating the permit and municipality process in Allegheny County and surrounding areas, and what separates the projects that get built from the ones that spend three years in planning and end up as tall grass with a For Sale sign.

4–18

MONTHS TYPICAL
ENTITLEMENT
TIMELINE IN
SWPA

20–30%

LAND AS % OF
TOTAL PROJECT
COST (TYPICAL)

3

PHASES:
ACQUISITION →
ENTITLEMENT →
CONSTRUCTION

∞

UNEXPECTED
CONDITIONS
YOU'LL FIND
ONCE YOU BREAK
GROUND

Finding & Evaluating Land in Southwestern PA

Not all dirt is created equal. The lot that looks like a deal often has a storm sewer easement through the middle, a 30% grade, or a deed restriction from 1952 that prohibits anything with more than one bathroom. Due diligence isn't optional — it's what separates a project from a problem.

Where to Find Buildable Land in SWPA

MLS / Listed Lots

The most accessible source. Lots and land actively listed through Realtors. Competition is higher, but you know what you're getting and can make an offer through a standard process. Many builders start here.

Filter on MLS by 'Lots & Land' category. In SWPA this surfaces everything from \$10,000 infill lots in Mon Valley to \$500,000+ parcels in premium South Hills locations.

Off-Market & Tax-Delinquent

Allegheny County and surrounding counties have significant volumes of tax-delinquent and vacant land. The Treasurer's Office publishes delinquent lists. LERTA (Local Economic Revitalization Tax Assistance) zones can also provide tax incentives on new construction.

Requires more legwork — title is often messy, heirs may be unknown, utilities may never have been run. Higher ceiling, more work.

Infill Lots — Urban / Suburban

Pittsburgh and inner-ring suburbs have thousands of vacant infill lots — some city-owned, some privately held, some stuck in estate limbo. Urban Redevelopment Authority (URA) of Pittsburgh sells lots at below-market prices to builders who commit to developing them.

Check the URA's online land inventory. Many lots are available for \$1,000–\$25,000 with development commitments. Excellent for builders with the ability to navigate the URA process.

Greenfield / Raw Land

Undeveloped parcels in the outer suburbs and exurbs — Washington, Butler, Westmoreland, Beaver Counties. Typically requires subdivision or land development approval. Longer entitlement timeline but more control over the project from scratch.

Much of SWPA's single-family new construction activity is happening in South Hills (Peters Twp, Bethel Park), North Hills (Marshall, Pine, Hampton), and Cranberry/Adams in Butler County.

Critical Due Diligence Before You Buy Land

Zoning & Use

- Current zoning classification
- Permitted uses by right vs. conditional use
- Setback requirements (front, side, rear)
- Maximum lot coverage & height limits
- Parking requirements
- Accessory unit allowance
- Any overlay districts (flood, historic, hillside)

Utilities & Access

- Public water available / tap fee
- Public sewer available / connection cost
- Electric at lot line or extension needed
- Gas service availability
- Stormwater management requirements
- Road access (public vs. private, right-of-way)
- Fiber / telecom (matters for new construction)

Physical & Title

- Survey — current boundary survey
- Topography — slopes, drainage patterns
- Soil borings / perc test (if septic needed)
- Wetlands / floodplain (FEMA map check)
- Easements (utility, drainage, access)
- Deed restrictions & covenants
- Title search — liens, ownership clarity

SWPA-SPECIFIC LAND CONSIDERATIONS — KNOW THESE BEFORE YOU CONTRACT

► Hillside Grading

Pittsburgh's topography is notoriously challenging. Steep lots require engineered retaining walls, cut-and-fill plans, and sometimes soil stabilization. A flat lot in Peters Twp may cost \$15,000 to prepare. A hillside lot in the North Side may cost \$80,000+. Get a grading estimate before you contract.

► Mine Subsidence

Large portions of SWPA sit over historical coal mine workings. Pennsylvania requires Mine Subsidence Insurance in affected areas. Builders should obtain a mine map search through DEP before purchasing land in Washington, Westmoreland, Fayette, or Allegheny County coal regions.

► Municipal Fragmentation

Allegheny County has 130 municipalities, each with its own zoning code, building department, and permit process. A project in Bethel Park follows completely different rules than one in Mt. Lebanon or North Huntingdon. What's allowed in one borough may be prohibited three blocks away in the next.

► Stormwater (Chapter 102/105)

PA DEP Chapter 102 and 105 regulations govern earth disturbance. Any project disturbing over 1 acre requires an NPDES Erosion & Sediment (E&S) permit and potentially a post-construction stormwater management plan. This adds time and engineering cost — budget for it.

Zoning, Entitlement & Permits — The Part Nobody Warned You About

Zoning is the set of rules that determine what you're allowed to build and how. Entitlement is the process of getting permission to build it. Together, they represent the phase of a project that takes longer than anyone predicts and costs more than anyone budgets. This is normal.

Understanding Residential Zoning in SWPA

R-1 / RS Single-Family Residential	R-2 / RT Two-Family / Townhouse	R-3 / RM Multi-Family / Apartment	PUD / MXD Planned Unit Dev / Mixed
<p>One dwelling unit per lot. Typical minimum lot sizes 6,000–15,000 sq ft depending on municipality. Most restrictive — no duplexes, no accessory units in many SWPA municipalities.</p> <p>TYPICALLY PERMITTED</p> <ul style="list-style-type: none"> ✓ Single-family detached ✓ Accessory structures (sometimes) ✓ Home occupations (limited) 	<p>Permits duplexes or townhomes. Common in Pittsburgh city proper and older suburbs. Allows higher density than R-1 on the same lot area. Very valuable for investors and small developers.</p> <p>TYPICALLY PERMITTED</p> <ul style="list-style-type: none"> ✓ Duplexes ✓ Semi-detached (twin homes) ✓ Townhouses (sometimes) 	<p>Permits apartment buildings, typically 3+ units. Density limits and building height vary dramatically by municipality. Most value-add potential for developers willing to do the entitlement work.</p> <p>TYPICALLY PERMITTED</p> <ul style="list-style-type: none"> ✓ Apartments (3+ units) ✓ Condominiums ✓ Mixed-use (sometimes) 	<p>Flexible overlay that allows negotiated density and uses in exchange for design review and public benefit commitments. Used for larger projects. Requires extensive planning board engagement.</p> <p>TYPICALLY PERMITTED</p> <ul style="list-style-type: none"> ✓ Negotiated use mix ✓ Density bonuses possible ✓ Higher design standards required

The Entitlement & Permit Process — Typical SWPA Path

<p>Pre-Application 2–6 weeks</p>	<p>Meet with the municipality's zoning officer or planner before submitting anything formal. Understand exactly what approvals are needed. In SWPA, a quick pre-app meeting can save months of rework. Ask: What uses are permitted by right? What requires a conditional use or variance? Is a land development plan required?</p> <p>→ <i>In Allegheny County municipalities, zoning officers vary enormously in responsiveness. Some municipalities process permits in 2 weeks; others take 4 months. Know your municipality before you buy.</i></p>
<p>Land Development / Subdivision Plan 60–180 days</p>	<p>If you're creating new lots, constructing on multiple parcels, or disturbing significant acreage, you'll need a formal Land Development Plan (LDP) prepared by a licensed civil engineer. This plan is reviewed by the municipality's planning commission and engineer. Public hearings are often required.</p> <p>→ <i>LDPs in SWPA municipalities typically require two to four review cycles before approval. Budget for your engineer to respond to two sets of comments. The planning commission meets monthly — missing one submission deadline costs you 30 days.</i></p>
<p>Conditional Use / Variance (If Required) 30–90 additional days</p>	<p>If your proposed use isn't permitted by right under current zoning, you'll need either a conditional use approval (discretionary, with conditions attached) or a variance (harder to get, requires proof of hardship). Both involve public hearings. Both involve neighbors. Some neighbors are delightful. Some are not.</p> <p>→ <i>Variations in PA require demonstrating hardship — 'I want to build something bigger' is not hardship. Conditional use approvals are more common and require showing the use meets specific criteria in the zoning ordinance.</i></p>
<p>Building Permit 3–8 weeks</p>	<p>Once entitlement approvals are in place, you submit construction drawings to the building department for permit review. In Allegheny County, municipalities not operating their own building department use the Allegheny County Health Department (ACHD) or a third-party building inspector program. Requirements: complete plans, energy code compliance, structural calculations for complex projects.</p> <p>→ <i>Construction drawings need to be complete and code-compliant on submission. Incomplete sets dramatically slow review. Hire an architect or design/build firm experienced with your specific municipality.</i></p>
<p>Permits Issued — Start Construction Day One</p>	<p>With permits in hand, you may commence construction. Post the permit on-site (it's required and inspectors will check). Schedule required inspections in advance — footing, framing, rough MEP (mechanical, electrical, plumbing), insulation, and final. Each inspection must pass before proceeding to the next phase.</p> <p>→ <i>The permit posting requirement is not a suggestion. Inspectors have turned around projects for a missing posted permit. It's a minor thing that causes major delays. Tape it to the window. Laminate it if you're thorough.</i></p>

The Entitlement Timeline Reality Check

A simple by-right single-family build on a platted lot with available utilities can be permitted in 4–8 weeks. A multifamily development requiring land development approval, conditional use, stormwater engineering, and multiple public hearings can take 12–24 months before you break ground. The SWPA region's 130 municipal governments means every project is different. The developers who succeed here are the ones who do the municipality research before they buy the land — not after.

Building Single-Family vs. Multifamily — The Real Comparison

Both strategies work. They attract different buyers, require different skills, access different financing, and carry different risk profiles. Most successful developers in SWPA started with one and eventually did both.

Single-Family New Construction

One unit, one buyer, one transaction

ADVANTAGES

- + Largest buyer pool — retail buyers, not just investors
- + Conventional financing readily available for buyers
- + Faster permitting in most SWPA municipalities
- + Easier to sell during construction (presale / spec)
- + Lower construction cost per project (smaller scope)
- + Simpler to manage as a builder/developer

CHALLENGES

- One sale = one profit event (no ongoing income)
- Price ceiling limited by neighborhood comps
- Market timing matters — if rates spike, buyers disappear
- Land cost must pencil against comp pricing
- Labor and material costs squeezed margins post-COVID

SWPA Market Context

New SF construction is active in Peters Twp, Cranberry Twp, Hampton, Pine, Marshall, and North Strabane. Typical new construction pricing ranges from \$350,000–\$750,000+ in premium suburbs. Custom homes on infill lots in Shadyside, Fox Chapel, or Mt. Lebanon command even more. The Pittsburgh new construction market absorbed rate increases better than most because demand exceeds existing supply in desirable school districts.

Multifamily New Construction

2–20+ units, income stream, investor buyers

ADVANTAGES

- + Income-producing asset from Day 1 of occupancy
- + Valued on income (cap rate) — you build the value
- + Can retain and refinance (BRRRR) instead of selling
- + Economies of scale on larger projects
- + Strong demand in Pittsburgh rental market
- + Can build equity in the asset while collecting income

CHALLENGES

- More complex entitlement — conditional use often required
- Higher project cost and longer construction timeline
- Construction financing more complex (draws, inspections)
- Zoning must permit — not all areas allow multifamily
- More operational complexity post-completion

SWPA Market Context

Multifamily development is active in Pittsburgh city (East Liberty, Lawrenceville, Strip District, Shadyside), South Hills suburbs, and Cranberry Twp. Smaller 4–12 unit projects by local developers are filling a gap between large institutional apartment buildings and existing duplexes. Strong rental demand from CMU/Pitt students, medical professionals, and young professionals makes Pittsburgh multifamily fundamentals solid.

Illustrative Pro Forma Comparison — SWPA New Construction

New SF Home — South Hills Suburb	New Duplex — Pittsburgh / Inner Ring	New 8-Unit Apartment — Pittsburgh
Land Cost \$80,000	Land Cost \$45,000	Land Cost \$120,000
Construction Cost (2,400 sf @ \$432,000 \$180/sf)	Construction Cost (2,800 sf @ \$546,000 \$195/sf)	Construction Cost (8,000 sf @ \$185/sf) \$1,480,000
Soft Costs (permits, arch, eng, carrying) \$45,000	Soft Costs \$52,000	Soft Costs (significant at this scale) \$165,000
Total Cost \$557,000	Total Cost \$643,000	Total Cost \$1,765,000
Sale Price (current market) \$625,000–\$680,000	Option A: Sell as duplex \$680,000–\$720,000	Stabilized NOI (8 units x \$1,400) \$134,400/yr
Net Profit (est.) \$68,000–\$123,000	Option B: Hold, refinance (GRM) ~\$780,000 value at 7% cap	Estimated Value at 6.5% cap \$2,067,000
Margin 11–18%	Margin / Equity Built 6–21% depending on strategy	Equity Created ~\$302,000

All figures are illustrative estimates for educational purposes. Actual land costs, construction costs, and sale prices vary significantly by location, project scope, timing, and market conditions. Construction costs in SWPA have increased significantly since 2020 and remain elevated. Always build your pro forma from real bids, real land costs, and conservative market assumptions — not from the best-case scenario you optimistically typed at 11pm.

Financing the Build — Construction Loans, Land Loans & Exit Strategies

Ground-up development financing is fundamentally different from buying an existing property. Lenders are not financing what exists — they're financing what you promise to build. This distinction shapes every aspect of how the money works.

Financing Structures — Ground-Up Development

Land Loan

Acquisition financing for raw or improved land

Typically 50–65% LTV on raw land, up to 75% on improved/entitled lots. Higher rates and shorter terms than permanent financing (6–24 months). Many community banks and credit unions in SWPA offer land loans for established developers. Raw land is harder to finance — entitlement significantly improves your leverage options.

- 50–65% LTV raw land / 65–75% improved lots
- Rates typically Prime + 1–3%
- 6–24 month terms, balloon payment
- Lenders want to see your development plan
- Personal guarantee typically required

Construction-to-Permanent Loan

Funds acquisition + construction, converts to permanent

The most common structure for builder-occupants and small developers. Land acquisition and construction are funded in one loan that converts to permanent financing (mortgage) at completion. Less common for investor-owned projects but widely available for owner-occupied new builds through conventional lenders.

- One closing — reduces transaction costs
- Draws released at construction milestones
- Converts to 30-yr mortgage at completion
- Available through banks, credit unions, Fannie/Freddie
- Best for owner-occupied custom homes

Construction Loan (Interest-Only)

Short-term draw facility for ground-up projects

The standard tool for developers selling or holding properties. A credit facility that funds in draws as construction milestones are met (verified by lender's inspector). Interest accrues only on drawn amounts. At completion, you sell (and repay) or refinance into permanent financing.

- Typically 60–75% of total project cost (LTC)
- Interest-only during construction period
- 12–24 month terms with possible extension
- Draws disbursed after inspection approval
- Requires pre-sale, pre-lease, or strong equity

Private / Hard Money

Speed and flexibility at a premium cost

Private lenders and hard money funds can move fast, often closing in 1–2 weeks with less documentation scrutiny than banks. Cost is significantly higher — 10–14% rates, 2–4 origination points. Used when a deal needs to close quickly, when bank financing isn't available, or when a developer is building their track record.

- Faster close (days, not weeks)
- Higher LTV sometimes available (up to 80–90%)
- Rates: 10–14% + 2–4 points
- Less documentation-intensive
- Best as bridge, not permanent strategy

Exit Strategies — What You Do When It's Built

Sell (Flip)

Best for: Market-rate SF, townhomes, condos

Sell at completion to retail buyers or investors. Cleanest exit — repay construction debt, collect profit, move to next project. Requires strong presales or confidence in the market at completion.

Net margin: 10–20% typical

Hold & Refinance (BRRRR)

Best for: Multifamily, duplexes, rental properties

Complete construction, stabilize occupancy, refinance into permanent debt at appraised value. Extract equity (possibly all or most of invested capital), hold the asset long-term. The wealth-maximizing exit for income properties.

Best for: long-term wealth building

Sell Lots (Land Development)

Best for: Subdivision of larger parcels

Acquire raw land, obtain subdivision approval, install infrastructure, sell individual lots to builders. Lower construction risk, faster capital cycle, but requires entitlement expertise and upfront infrastructure investment.

Lot premium over raw: varies widely

KEY DEVELOPMENT FINANCE METRICS YOU MUST UNDERSTAND

LTC

Loan-to-Cost

Loan amount ÷ total project cost. Lenders typically cap at 70–80%. You fund the rest as equity.

ARV

After-Repair / After-Build Value

What the completed project is worth. Your lender underwrites to ARV to ensure their loan is secured.

Debt Yield

NOI ÷ Loan Amount

Used by commercial lenders on multifamily. They want 8–10%+. Lower = harder to get financing.

IRR

Internal Rate of Return

Time-adjusted return on invested equity. Accounts for when you put money in and when you get it back. Target 15–25% for development projects.

YOU'VE GOT THE VISION. LET'S FIND THE GROUND TO BUILD IT ON.

Let's Talk About Your Development Project.

Whether you're a first-time builder looking for a single infill lot, an investor considering a duplex or small apartment building, or a developer working through a larger subdivision — Amanda works with clients at every stage of the development process in Southwestern Pennsylvania.

She understands land, zoning, and the SWPA municipal landscape — not in the abstract, but from working actual deals in Allegheny, Washington, Westmoreland, Butler, and Beaver Counties. She'll help you find the right lot, understand what you can build on it, and connect you with the right engineers, builders, and lenders who know how to execute in this market.

Reach Amanda



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How Amanda Helps Developers & Builders:

- ✓ Sourcing vacant lots, infill parcels, and development land across SWPA
- ✓ Evaluating lot feasibility — zoning, utilities, topography, entitlement path
- ✓ Connecting with civil engineers, architects, and contractors experienced in SWPA municipalities
- ✓ Understanding Pittsburgh URA land programs and municipal incentive zones
- ✓ Navigating the Allegheny County 130-municipality zoning landscape
- ✓ Representing builders in lot acquisitions and presale/spec home marketing
- ✓ Working with investor-developers on multifamily site selection and project planning

"The best development projects start the same way: someone decided to stop looking at a piece of land and start doing something with it. The zoning research, the utility connections, the permit process, the contractor conversations — it all comes after that first decision. If you're in that first conversation with yourself about whether to build, that's the right time to call."

— Amanda Tihey, The Steel City Agent



Amanda Tihey

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