



THE STEEL CITY AGENT
Amanda Tihey | Keller Williams Exclusive



LONG-TERM RENTALS · SHORT-TERM RENTALS · CASH FLOW · WEALTH BUILDING

Your Tenants Are Paying Your Mortgage.

A practical (and occasionally honest) guide to building wealth through investment properties.

Real estate has made more ordinary people wealthy than any other asset class in history. Not because it's glamorous — it's mostly spreadsheets, maintenance calls, and politely reminding people that rent was due on the 1st — but because the math, when done correctly, reliably works over time.

This guide covers long-term rental investing, short-term rentals (Airbnb/VRBO), how to analyze a deal before you buy, the four ways real estate builds wealth simultaneously, and what Pittsburgh specifically offers investors that most markets don't. We'll keep it real — and occasionally funny, because investing in rental properties absolutely earns the right to laugh about it.

4

WEALTH PILLARS
WORKING
SIMULTANEOUSLY

20%

AVG PITTSBURGH
APPRECIATION 5-
YR

1%

RULE OF THUMB
RENT-TO-PRICE
RATIO

∞

STORIES ABOUT
DIFFICULT
TENANTS



Amanda Tihey

The best time to buy a rental

The Four Ways Real Estate Builds Wealth (Simultaneously)

Most investments do one thing: go up or go down. Real estate does four things at once. This is why it's been the cornerstone of generational wealth for as long as there have been property records.

01 Cash Flow

Monthly income after all expenses

Rent collected minus mortgage payment, taxes, insurance, property management, and maintenance reserves. If you're doing it right, there's money left over every month. If you're doing it wrong, you're subsidizing your tenant's housing — which is generous but probably not your goal.

EXAMPLE

A \$220,000 duplex in Pittsburgh renting for \$1,800/month with a \$1,200 PITI and \$200 in expenses nets approximately \$400/month, or \$4,800/year in cash flow.

Cash flow is king in the early years. It covers your holding costs and lets you survive a rough tenant without selling in a panic.

02 Appreciation

Your property increases in value over time

Real estate has historically appreciated at 3–5% per year nationally. Pittsburgh has outperformed that in recent years. On a \$200,000 property, even 4% annual appreciation is \$8,000 in wealth gain per year — without you doing anything except not selling.

EXAMPLE

A property purchased for \$180,000 in 2018 in many Pittsburgh neighborhoods would be worth \$240,000+ today. That's \$60,000 in wealth built while the tenant paid the mortgage.

You don't realize appreciation until you sell or refinance — but it's real, it compounds, and it's tax-advantaged in ways most people underutilize.

03 Loan Paydown

Your tenant pays off your mortgage

Every mortgage payment reduces your principal balance. On a 30-year loan, the early payments are mostly interest — but as years pass, more and more goes to principal. Your tenant is, in effect, paying down your debt and building your equity. You own more of the property every single month without spending an additional dollar.

EXAMPLE

On a \$160,000 mortgage at 7%, by Year 5 you've paid down roughly \$8,000–\$10,000 in principal — entirely funded by rent.

This is the 'boring' wealth builder. It doesn't feel exciting until you look at your equity position after 10 years and realize you own significantly more than you did — for free.

04 Tax Benefits

Depreciation, deductions, and the 1031 exchange

Rental properties come with significant tax advantages. You can deduct mortgage interest, property taxes, insurance, repairs, management fees, and mileage. You can also depreciate the structure (not land) over 27.5 years — often creating a 'paper loss' that offsets other income. And when you sell, a 1031 exchange lets you defer capital gains indefinitely.

EXAMPLE

A rental property generating \$6,000/year in cash flow may show a tax loss after depreciation, reducing your taxable income — even though you're actually making money.

Talk to a CPA who specializes in real estate. The tax code treats real estate investors remarkably well compared to W-2 earners. Use it.

WHAT ALL FOUR LOOK LIKE TOGETHER — YEAR 1 VS. YEAR 10

\$220,000 property, 20% down (\$44k), Year 1	Same property, Year 10
Cash Flow ~\$3,600–\$4,800	Property Value (4%/yr) ~\$325,000
Appreciation (4%) ~\$8,800	Original Equity (down pmt) \$44,000
Loan Paydown ~\$2,200	Appreciation Equity ~\$105,000
Tax Savings (est.) ~\$1,500–\$3,000	Loan Paydown Equity ~\$22,000
Total Year 1 Return ~\$16,100–\$18,800	Total Equity Built ~\$171,000

Return on \$44k invested: ~37–43%

Plus 10 years of cash flow and tax benefits collected along the way.

Note: These figures are illustrative estimates. Actual returns vary by property, market, financing, and management. The point is not the specific numbers — it's that all four wealth pillars compound simultaneously on the same original investment. That's the part most people miss.

Long-Term Rentals — The Boring Strategy That Actually Works

Nobody posts Instagram reels about their tenant paying on time for 36 consecutive months. But that tenant quietly built their landlord significant wealth while they did it.

LTR Property Types — Which One Makes Sense

Single-Family Best for: First-time investors	Duplex / Small Multi Best for: House hackers, wealth builders	Small Apartment (3–4 units) Best for: Investors scaling up	Commercial (5+ units) Best for: Experienced investors
<p>PROS</p> <ul style="list-style-type: none"> ✓ Easiest to finance ✓ Attracts long-term tenants ✓ Simpler management ✓ Easiest to sell <p>CONS</p> <ul style="list-style-type: none"> ✗ 0% income if vacant ✗ One tenant = all eggs, one basket 	<p>PROS</p> <ul style="list-style-type: none"> ✓ Live in one unit (house hack) ✓ Income from both units ✓ Single mortgage ✓ Residential financing available <p>CONS</p> <ul style="list-style-type: none"> ✗ Shared wall situations ✗ Tenant proximity if owner-occupied 	<p>PROS</p> <ul style="list-style-type: none"> ✓ Still residential financing ✓ Income from multiple units ✓ Vacancy risk spread <p>CONS</p> <ul style="list-style-type: none"> ✗ More management complexity ✗ Harder to find at good prices 	<p>PROS</p> <ul style="list-style-type: none"> ✓ Professional income stream ✓ Valued on income, not comps ✓ Economies of scale <p>CONS</p> <ul style="list-style-type: none"> ✗ Commercial financing (higher rates) ✗ More complex management ✗ Higher entry cost

How to Analyze a Long-Term Rental Deal

The 1% Rule (Quick Screen)

Monthly rent should be at least 1% of the purchase price. A \$200,000 property should rent for \$2,000/month. In Pittsburgh, this is actually achievable in many neighborhoods — which is why investors from expensive coastal markets are quietly buying here.

Disclaimer: The 1% rule is a filter, not a verdict. A property at 0.85% with strong appreciation potential may beat a 1.1% property in a declining neighborhood. Use it to screen, not to decide.

The 50% Rule (Expense Estimate)

Roughly 50% of gross rental income will go to expenses — taxes, insurance, maintenance, vacancy, management. If the rent is \$1,800/month, budget \$900 for expenses, leaving \$900 for debt service. If your mortgage is under \$900, you cash flow.

Full Deal Analysis — \$195,000 Duplex

INCOME	
Unit A Rent	\$950/mo
Unit B Rent	\$875/mo
Gross Monthly Income	\$1,825/mo
EXPENSES (EST.)	
Mortgage (20% dn, 7%)	\$1,039/mo
Taxes + Insurance	\$250/mo
Maintenance Reserve (5%)	\$91/mo
Vacancy Reserve (5%)	\$91/mo
Total Expenses	\$1,471/mo
RESULT	
Monthly Cash Flow	\$354/mo
Annual Cash Flow	\$4,248/yr
Cash-on-Cash Return	~11% on \$39k down

The House Hack — The Best First Investment Move Almost Nobody Takes

Buy a duplex, triplex, or quadplex. Live in one unit. Rent the others. Your tenants cover your mortgage — or most of it. You build equity, gain landlord experience, and live for cheap (or free) while accumulating an asset. You finance it with an owner-occupant loan (lower down payment, better rate). Then when you move out eventually, you keep it as a full rental.

Amanda has helped multiple clients buy their first property this way. It is, objectively, the most financially intelligent housing decision most people in their 20s and 30s can make — and almost nobody does it because they'd rather have their own entrance.

Short-Term Rentals — Higher Upside, More Work, More Drama

Airbnb and VRBO transformed what a rental property can earn. They also introduced a new category of problem: the guest who checks out and leaves behind what can only be described as a crime scene.

STR vs. LTR — The Real Comparison

FACTOR	LONG-TERM RENTAL	SHORT-TERM RENTAL
Monthly Income Potential	Consistent, predictable	1.5–3x LTR equivalent
Vacancy Risk	Low (12-month leases)	High (nightly/weekly gaps)
Management Intensity	Low (monthly check-ins)	Very high (constant turnover)
Wear and Tear	Moderate (one tenant)	Heavy (30+ guests/month)
Regulatory Risk	Stable (tenant law is settled)	Variable — cities regulate actively
Seasonal Sensitivity	None — year-round income	Significant peaks and valleys
Startup Costs	Low — minimal furnishing	High — full furnish + supplies
Guest Interactions	Rare, mostly by phone	Frequent, 24/7 messaging
Predictability	High — set it and forget it	Low — demand fluctuates

STR Income Analysis — Pittsburgh Example

3BR house near Shadyside/Squirrel Hill, well-furnished, active management

Average Nightly Rate	\$175–\$220
Occupancy Rate (realistic)	62–72%
Gross Monthly Revenue	\$3,300–\$4,800
Platform Fees (3%)	-\$100–\$145
Cleaning Fees (collected)	Typically break-even
Supplies & Restocking	-\$150–\$250/mo
Property Mgmt (if used)	-\$500–\$800/mo (20–25%)
Mortgage + Tax + Ins	-\$1,400–\$1,600/mo
Net Monthly Cash Flow	\$1,050–\$2,005/mo

vs. same property as LTR: ~\$350–\$500/mo cash flow

What Makes a Good STR Property in Pittsburgh

Location: Near universities, hospitals, Acrisure Stadium, PPG Paints Arena, downtown, or tourist areas (Strip District, Mt. Washington)

Parking: Off-street parking dramatically increases bookings in Pittsburgh. Non-negotiable for many guests.

Layout: Private entrances, separate bedrooms, good Wi-Fi. Guests will leave 3-star reviews over slow internet and mention nothing about the beautiful kitchen.

Walkability: Guests want to walk to restaurants and bars. SqHi, Shadyside, South Side, Lawrenceville all perform well.

Uniqueness: Character properties outperform generic ones on Airbnb. The Pittsburgh skyline view unit rents for \$60 more per night than the identical unit without it.

⚠️ The Regulation Reality Check

Pittsburgh requires STR operators to obtain a rental permit through the City. Zoning rules vary by neighborhood — some areas restrict or prohibit short-term rentals. Before buying a property with STR intent, verify the zoning and permit requirements. The City of Pittsburgh has been actively enforcing compliance, and the landscape continues to evolve.

Before You Buy

- Verify STR is permitted in the zoning district
- Check for HOA restrictions (condos especially)
- Research any pending local ordinances

When You Set Up

- Apply for rental permit from City of Pittsburgh
- Register with PA for hotel tax collection
- Get appropriate landlord/STR insurance

Ongoing Compliance

- Collect and remit occupancy taxes
- Maintain permit (annual renewal)
- Keep noise, parking, occupancy within limits

The honest summary: STRs can generate 2–3x the income of a long-term rental from the same property. They also require 5–10x the management effort. The sweet spot is a well-located property in a strong Pittsburgh market, managed either personally with solid systems or through a reputable local property manager who specializes in STRs. Going in expecting passive income from an STR is a fast route to burnout and bad reviews.

Why Pittsburgh Specifically — And How to Get Started

Pittsburgh is not the most exciting thing to say at a dinner party when asked where you invest. But it has quietly outperformed many "sexy" markets on the metrics that actually matter: price-to-rent ratio, appreciation rate, and the ability to actually find deals.

The Pittsburgh Investment Thesis

Price-to-Rent Ratios That Actually Work

In most major markets — LA, NYC, Boston — the 1% rule is a fantasy. In Pittsburgh, it's achievable. You can buy a property for \$150,000–\$220,000 that rents for \$1,400–\$2,200/month. Coastal investors have noticed. Out-of-state investment in Pittsburgh has increased significantly in the last five years.

A University & Medical Anchor

Pitt, Carnegie Mellon, Duquesne, Robert Morris, and a dozen others. UPMC and Allegheny Health Network employ tens of thousands. These institutions create a permanent, rotating tenant base of students, residents, fellows, and medical professionals — demand that doesn't go away when the economy wobbles.

Tech Sector Growth

Google, Uber, Amazon, and Bosch have significant Pittsburgh presences. The robotics and autonomous vehicle research ecosystem here is real. These employers bring high-income renters who want quality housing — and who often prefer renting while they figure out if Pittsburgh is permanent.

Entry Points Still Exist

In 2025–2026, you can still find cash-flowing duplexes in Pittsburgh for \$150,000–\$250,000. In Phoenix, Denver, or Austin you'd need to spend \$400,000–\$600,000 for the same property type and still not cash flow. The window won't be open forever, but it's currently open.

Neighborhood Cycles Work in Your Favor

Neighborhoods like Lawrenceville, East Liberty, and Hazelwood have transformed in the last decade. Identifying the next area before full appreciation hits is a Pittsburgh-specific skill — and Amanda knows these neighborhoods from the street level.

Relatively Landlord-Friendly State

Pennsylvania is not California. Eviction processes, while not fast, are more predictable. Rent control doesn't exist statewide. Lease terms are generally enforceable. This matters for managing your investment long-term.

The Getting-Started Roadmap

1

Get Your Financing In Order First

Talk to a lender before you look at a single property. Know your borrowing capacity, understand investment property rates (typically 0.5–1% higher than primary residence), and decide on your strategy: conventional 20–25% down, or owner-occupant (house hack) 3.5–10% down. Cash buyers skip this — but still benefit from understanding leverage math.

2

Define Your Strategy and Market

LTR or STR? Single-family or multi-family? Which Pittsburgh neighborhoods fit your budget and target renter? Don't try to do everything at once. Most successful investors started with one clear strategy and one target area. Complexity arrives on its own — no need to invite it early.

3

Run the Numbers on Everything

Use the 1% rule to screen, then run a full analysis on anything that passes: gross rent, all expenses (don't forget vacancy, maintenance, and capex reserves), net cash flow, and cash-on-cash return. A deal that looks good at 100% occupancy with zero repairs is not actually a deal — it's a fantasy.

4

Buy the Right Property with the Right Team

Work with an agent who understands investment properties — which means someone who can read a pro forma, knows rental comps, understands the neighborhoods, and won't just show you pretty kitchens. Amanda has helped investors identify and purchase rental properties throughout the Pittsburgh area with this exact lens.

5

Set Up Your Management System from Day One

Decide before you close: self-manage or hire a property manager? If self-managing, have your lease reviewed by a PA real estate attorney, set up a system for collecting rent (use software, not cash), and have a maintenance contact ready. The deals that go badly almost always fail on operations, not on the initial purchase.

6

Scale When the First One Works

Once Property 1 is stabilized and you understand the rhythm, use the equity and cash flow to position for Property 2. This is the boring, reliable, actual path to financial independence that the internet makes sound complicated because there's no exciting content in 'bought a duplex and waited five years.'

THE HONEST REALITY

"Real estate investing is not passive. It is less active than a second job, more active than an index fund, and more rewarding than both when done correctly. The people who build real wealth through rental properties are the ones who did the math before they bought, managed the asset with intention, and didn't panic when something broke — because something always breaks. Usually right after you close."

— Amanda Tihey, The Steel City Agent

READY TO STOP PAYING SOMEONE ELSE'S MORTGAGE?

Let's Find Your First (Or Next) Investment Property.

Whether you're a first-time investor trying to understand the basics, an existing landlord looking to expand your portfolio, or someone considering converting a property to an Airbnb and wanting to know if the numbers actually work — Amanda works with investors at every level in the Pittsburgh market.

This isn't theoretical for her. She understands rental analysis, knows the neighborhoods, works with investor-friendly lenders, and will tell you honestly whether a deal pencils — or whether it's priced for someone who doesn't know any better.

Reach Amanda



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How Amanda Helps Investors:

- ✓ Identifying investment properties that actually cash flow in Pittsburgh
- ✓ Running real rental comps — not Zestimate, not optimistic guesses
- ✓ Advising on LTR vs. STR strategy for specific properties and neighborhoods
- ✓ House hack strategy and owner-occupant purchase structuring
- ✓ Connecting investors with lenders who specialize in investment properties
- ✓ Helping investors evaluate off-market deals and wholesale offers
- ✓ Portfolio growth planning: what to buy next and when



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