Westchester
INDUSTRIAL LEASING
Q1 MARKET REPORT | 2023

Q1 Takeaways

• Activity was very strong in the Central Westchester submarket for the first quarter.

• The availability rate for the County is now below 6% despite new product being added to the market.

• The average asking price dropped slightly driven by Class C space coming available in parts of Southern Westchester.
SUMMARY

Westchester’s industrial market remains very active. Leasing velocity for small and mid sized users continues to outpace supply driving availability rates further down. Net absorption remains positive despite consolidation among the ecommerce users.

The Central Westchester submarket had a flurry of activity with many new transactions closing ranging from 3,000-25,000 square feet. The biggest news of the quarter was likely Home Depot’s new lease at One Zeiss Drive in Thornwood. RM Friedland was proud to work with both the tenant and the landlord on a 22,000 square foot lease with Chief Fire Prevention who will be relocating from their current location in Mount Vernon to 100 Grasslands Road in Elmsford, taking over the space formerly occupied by Party City/Amscan. Numerous mid sized spaces hit the market at low prices in Mount Vernon, dragging overall asking prices down slightly.

The County’s velocity shows no signs of slowing, but for companies looking to locate to or relocate within Westchester the age old dilemma of a lack of supply persists.
AVAILABILITY RATE AND ASKING PRICE TRENDS

OVERALL AVAILABILITY RATE 2018-2023 QTR OVER QTR

2020 to 2023 AVAILABILITY RATE BY SUBMARKET

2020 to 2023 ASKING PRICE BY SUBMARKET

AVAILABILITY RATE TRENDS
QUARTER OVER QUARTER DECREASE
5.99% Q1 WESTCHESTER OVERALL AVAILABILITY RATE
YEAR OVER YEAR DECREASE

ASKING PRICE TRENDS
QUARTER OVER QUARTER DECREASE
$18.39 Q1 WESTCHESTER AVERAGE ASKING PRICE
YEAR OVER YEAR INCREASE

Rental rates are quoted on a gross basis using a formula for net costs.

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TOTAL AVAILABILITY

WESTCHESTER SUBMARKETS 2018-2023 YTD QTR OVER QTR

HIGHEST AVAILABILITY RATE: Greater Mount Vernon
LOWEST AVAILABILITY RATE: Northern Westchester

HIGHEST ASKING PPSF: Northern Westchester
LOWEST ASKING PPSF: Greater Mount Vernon

MOST AVAILABLE SF: Greater Yonkers
LEAST AVAILABLE SF: I-95 Corridor

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FOR MORE INFORMATION REGARDING THESE REPORTS CONTACT:

TENERRIA HUGHES
MARKETING & RESEARCH
THUGHES@RMFRIEDLAND.COM

FOR ADDITIONAL INFORMATION REGARDING THE WESTCHESTER INDUSTRIAL MARKET CONTACT:

WILLIAM ANSON
914.968.8500 X329
WANSON@RMFRIEDLAND.COM

KEVIN LANGTRY
914.968.8500 X322
KLANGTRY@RMFRIEDLAND.COM

PAUL ENEA
914.968.8500 X365
PENEA@RMFRIEDLAND.COM

ROSS SCHNEIDERMAN
914.968.8500 X328
RSCHNEIDERMAN@RMFRIEDLAND.COM

STEVE KORNSPUN
914.968.8500 X323
SKORNSPUN@RMFRIEDLAND.COM