Q1 Takeaways

- Although the availability rate remained flat, asking rates came down by over $1.00 per square foot.
- More sublease space came on the market in multiple submarkets.
- Similar to the 4th quarter, leasing activity continued to include a few office expansions.
SUMMARY

In one’s everyday travels it is hard not to run into some negative news about the office market. True that Class B and C office buildings have their challenges and that hybrid work may be here longer than people expected, but as a company on the frontlines of Westchester’s office market we are here to say: things are not as bad as they may seem. Despite our thoughts on the market, in a sign of perception versus reality and market fear, even though the County’s availability rate quarter over quarter remained pretty flat asking rates declined by over $1.00 per square foot.

First quarter absorption was close to equilibrium. Sublease space was added to the market at buildings like 120 White Plains Road in Tarrytown and 145 Huegenot in New Rochelle as well as direct space at 555 Theodore Fremd in Rye and 222 Westchester Avenue in White Plains. This was substantially buoyed by transactions like Quorum Federal Credit Union at 2500 Westchester Avenue in Purchase, who took 5,379 SF and Mavis Tire at 200 Summit Lake Drive in Tarrytown who signed an expansion transaction for 6601 square feet. City Square also continues to lease smaller spaces of 2,000-5,000 square feet to tenants that are eager to get into better space for their companies. One of the largest transactions of the quarter was the USTA, signing an approximately 25,000 square foot lease at 2500 Westchester Avenue, relocating from their headquarters building which was purchased last year and will be redeveloped into something other than office.

Looking ahead, we are going to keep our heads down. There is plenty of opportunity out there and we believe, maybe even cause for optimism in the Westchester County office market as people tire of working from home, but are not excited about a commute to the City.
All information contained herein is based upon information which we consider reliable, but because it has been supplied by third parties, we cannot represent that it is accurate or complete, and it should not be relied upon as such. The offerings are subject to errors, omissions, changes, including price, or withdrawal without notice. The content is provided without warranties of any kind, either express or implied. RM Friedland, LLC, its representatives or employees shall not be held liable for any errors, omissions or consequences under any circumstances. You and your advisors should conduct a careful, independent examination of the property to determine to your satisfaction the suitability of the property for your needs.

**AVAILABILITY RATE AND ASKING PRICE TRENDS**

**TOTAL AVAILABILITY WESTCHESTER SUBMARKETS**

**QTR OVER QTR**

**2022 to 2023 AVAILABILITY RATE BY SUBMARKET**

**HIGHEST AVAILABILITY RATE:** Western Westchester

**LOWEST AVAILABILITY RATE:** Southern Westchester

**2022 to 2023 ASKING PRICE BY SUBMARKET**

**HIGHEST ASKING PPSF:** White Plains CBD

**LOWEST ASKING PPSF:** Southern Westchester

**MOST AVAILABLE SF:** Eastern Westchester

**LEAST AVAILABLE SF:** Southern Westchester

**AVAILABILITY RATE TRENDS**

**QUARTER OVER QUARTER INCREASE:** 21.00%

**Q1 WESTCHESTER OVERALL AVAILABILITY RATE**

**YEAR OVER YEAR DECREASE**

**ASKING PRICE TRENDS**

**QUARTER OVER QUARTER DECREASE:** $28.22

**Q1 WESTCHESTER AVERAGE ASKING PRICE**

**YEAR OVER YEAR DECREASE**

Rental rates are quoted on a gross basis using a formula for net costs*
FOR MORE REGARDING THESE REPORTS CONTACT:

TENERRIA HUGHES
MARKETING & RESEARCH
THUGHES@RMFRIEDLAND.COM

FOR ADDITIONAL INFORMATION REGARDING THE WESTCHESTER OFFICE MARKET CONTACT:

CHRIS O’CALLAGHAN
914.968.8500 X342
COCALLAGHAN@RMFRIEDLAND.COM

ROBERT TAYLOR
914.968.8500 X341
RTAYLOR@RMFRIEDLAND.COM

JILLIAN REINER
914.968.8500 X343
JREINER@RMFRIEDLAND.COM

HERSCHEL HALESWORTH
914.968.8500 X301
HHALESWORTH@RMFRIEDLAND.COM