Q1 Takeaways

- Big block vacancy continues to be driven by the shuddering of places like Bed Bath & Beyond and Party City who have both declared bankruptcy.

- The Galleria mall was officially removed from the statistical retail set for White Plains shrinking the size of that submarket by approximately 10%.

- Vacancy rates continue to remain low especially in well located centers and village retail.
SUMMARY

While economic conditions continue to wane, the Westchester retail market is not dead. Overall availability rates did increase slightly throughout the County, but it was only half of the eight Westchester retail submarkets that saw an increase. In fact, Greater Port Chester, Greater White Plains, Soundshore and Greater Route 22 Corridor all saw positive absorption for the quarter.

The decrease in availability for the White Plains submarket can largely be attributed to the closing of the Galleria Mall. Though the Mall owners were never fully transparent about the exact amount of space that was unoccupied, the removal of the massive, obsolete retail building, certainly had a positive effect on the numbers. Other bright spots include Greater Port Chester, where the availability rate decreased from 6.66% to 6.55%. This was driven by several smaller leases including AFC Urgent Care taking 3,400 SF in the Waterfront at Port Chester. The Route 22 Corridor hit another high note with availability creeping below 5% and asking rates nearing almost $42.00 psf. In this same submarket X Golf signed a lease at the former Walgreens at Central Park Avenue in Scarsdale reflecting the continued demand in the market from experiential tenants.

Looking ahead, we believe there is cause for optimism for retail in Westchester County. Viable big box retailers will continue to right-size their footprints, but stay active in the market. New tenants seeking access to Westchester’s strong demographics will continue to emerge and more housing density in transit oriented districts will strengthen the tenant base in village shopping areas.
AVAILABILITY RATE AND ASKING PRICE TRENDS

OVERALL AVAILABILITY RATE and ASKING PRICES 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 INCREASE

6.30% Q1 WESTCHESTER OVERALL AVAILABILITY RATE

ASKING PRICE TRENDS

QUARTER OVER QUARTER DECREASE

YEAR OVER YEAR INCREASE

YEAR OVER YEAR DECREASE

$36.61 Q1 WESTCHESTER AVERAGE ASKING PRICE

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