

2023
Q1



Westchester OFFICE LEASING

Q1 | MARKET REPORT | 2023

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

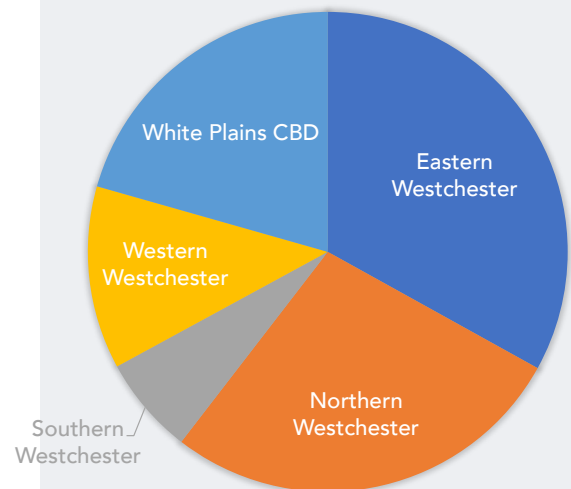
In one's everyday travels it is hard not to run into some negative news about the office market. True that Class B and C office buildings have their challenges and that hybrid work may be here longer than people expected, but as a company on the frontlines of Westchester's office market we are here to 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.

2023 WESTCHESTER
TOTAL MARKET SIZE

27,485,741*



TOP PERFORMING SUBMARKETS

LOWEST AVAILABILITY RATE:
Southern Westchester

HIGHEST ASKING PPSF:
White Plains CBD

Q1 AVERAGE AVAILABILITY RATE**:

21.00%

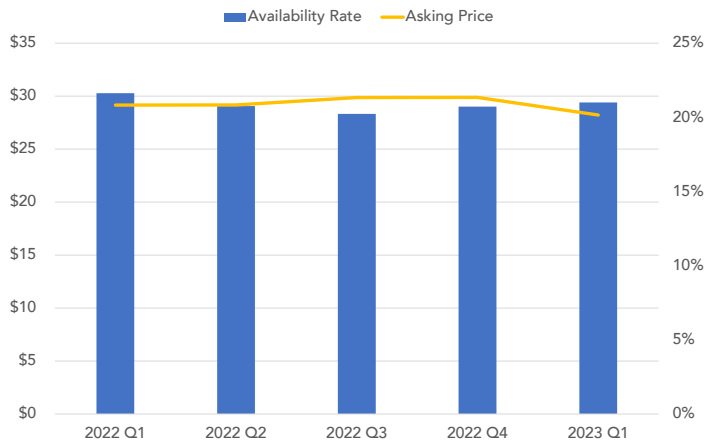
Q1 AVERAGE ASKING PRICE**:

\$28.22

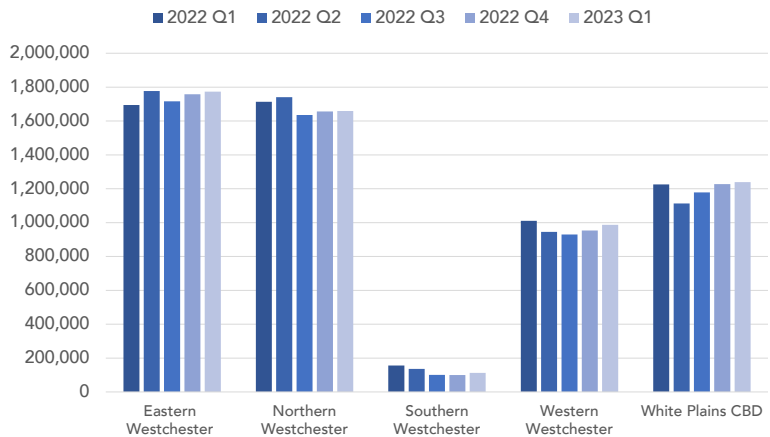
*Our statistical set tracks Class A and B buildings 50,000 SF+ greater including headquarters buildings.

**These are weighted averages

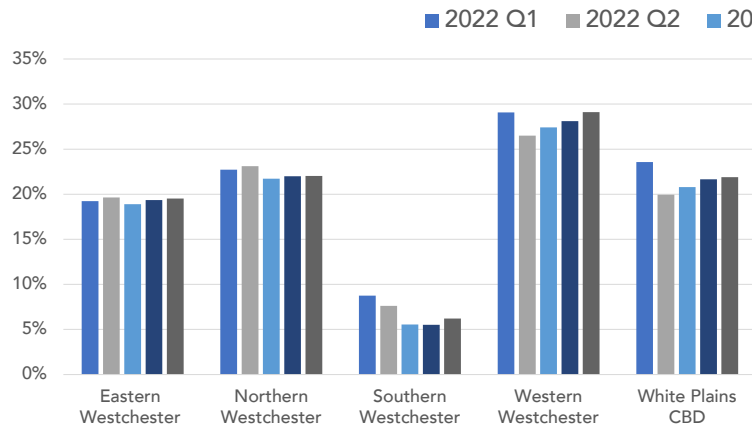
AVAILABILITY RATE AND ASKING PRICE TRENDS



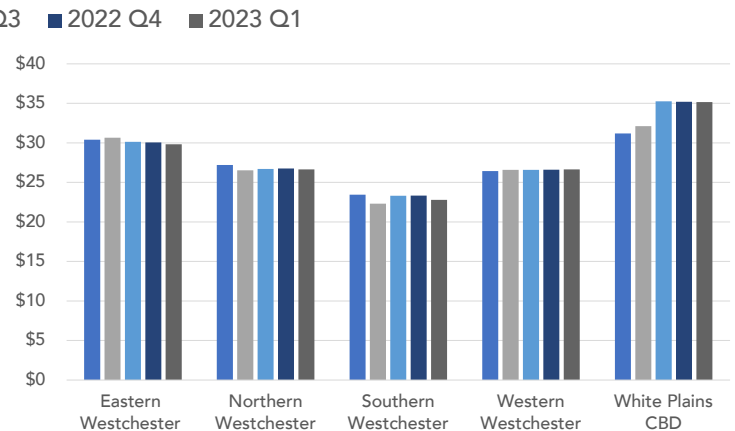
TOTAL AVAILABILITY WESTCHESTER SUBMARKETS QTR OVER QTR



2022 to 2023 AVAILABILITY RATE BY SUBMARKET



2022 to 2023 ASKING PRICE BY SUBMARKET



HIGHEST AVAILABILITY RATE:
Western Westchester

HIGHEST ASKING PPSF:
White Plains CBD

MOST AVAILABLE SF:
Eastern Westchester

LOWEST AVAILABILITY RATE:
Southern Westchester

LOWEST ASKING PPSF:
Southern 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



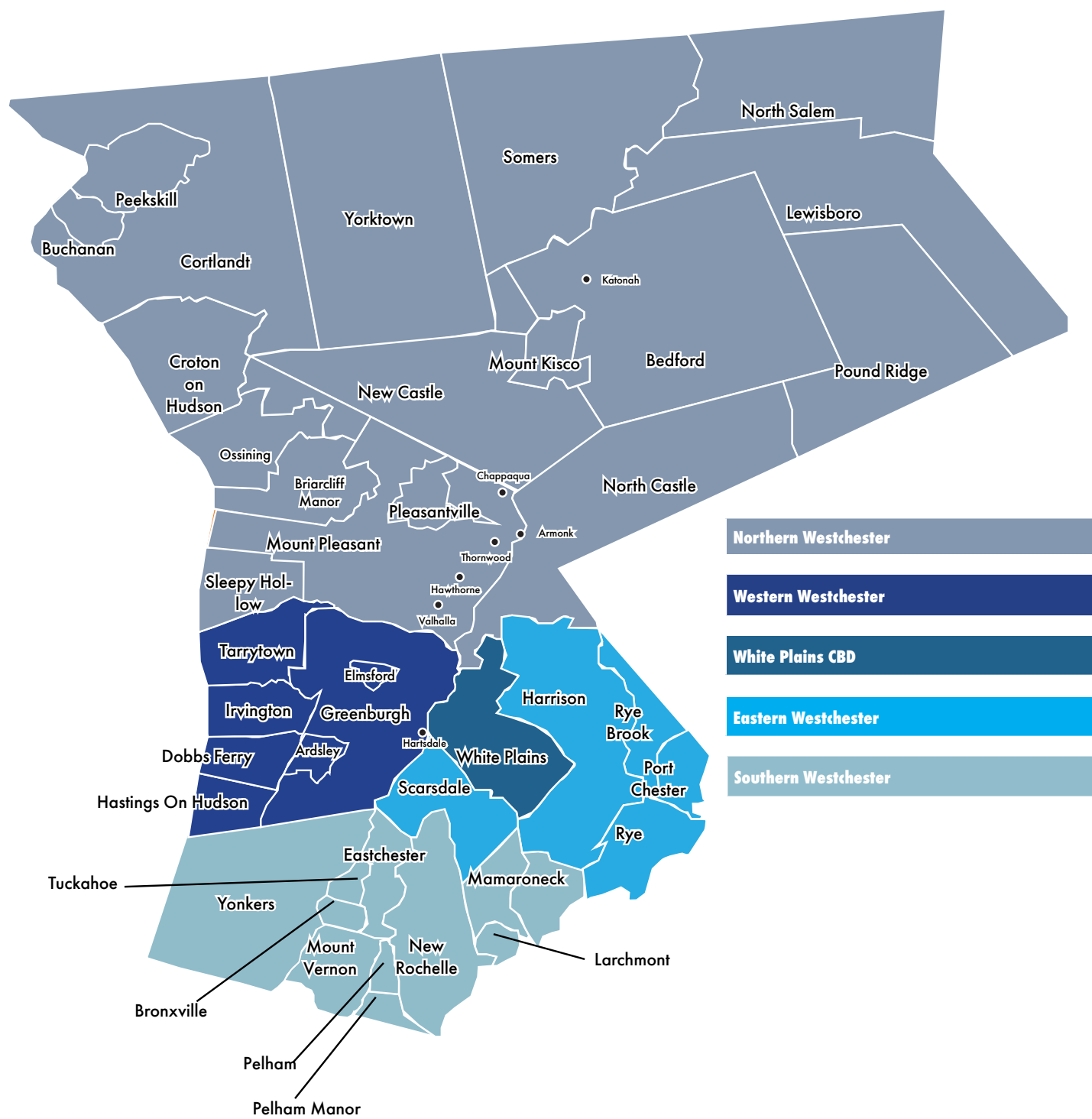
QUARTER
OVER
QUARTER
DECREASE

\$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:

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