

2023
Q4



Westchester OFFICE LEASING

Q4 | MARKET REPORT | 2023

Q4 Takeaways

- The western submarket continued to suffer with multiple new blocks of availability.
- Overall availability went up slightly as asking prices remained flat.
- 3 full floors were listed at 50 Main, adding to the White Plains CBD availability.

SUMMARY

The Westchester office market faced ongoing challenges in the fourth quarter. Availability rate of 20.98% was up, both quarter over quarter (+0.8% from Q3) and year over year (+1.2% from Q2 2022), but down from its Q2 high of 21.70%.

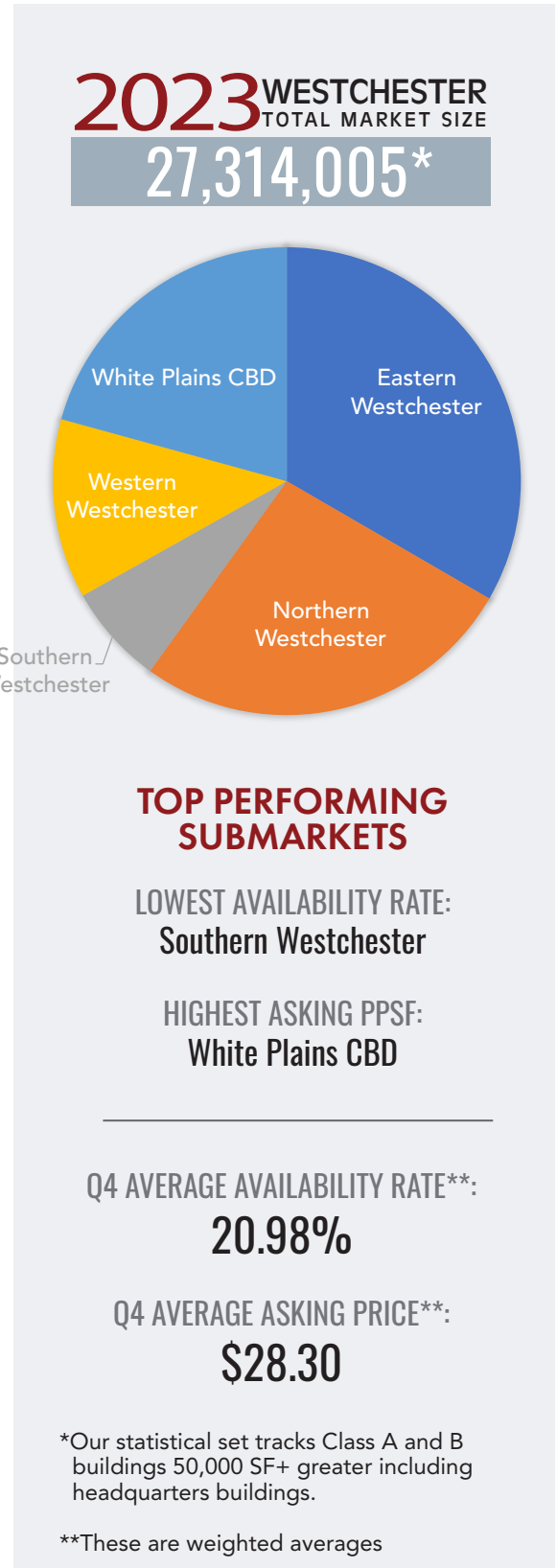
The Western submarket experienced the most significant struggles, with an availability rate of nearly 26%. Many buildings in this submarket are either in receivership or close proximity to it.

Transactional activities were limited in the fourth quarter, with many smaller deals being signed at City Square and similar Class A buildings. Larger transactions including Atlas Air's 64,607 SF sublease at 1 North Lexington, Maze Reproductive Health at 14,128 SF, and UBS at 12,928 SF were signed at the end of the year.

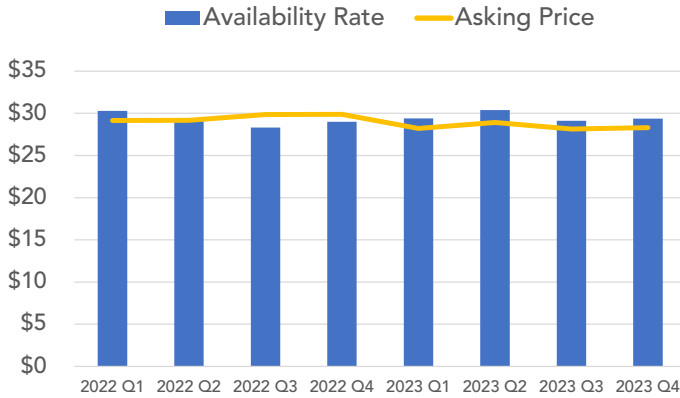
Despite strong leasing occupancy rates at Class A buildings like City Square, a notable development is the official listing of the three full floors subleased from Bunge to Argus for lease. Additional small blocks were added in each submarket, with all submarkets showing flat or negative net absorption quarter over quarter.

Looking ahead, we anticipate further challenges before witnessing improvement. The expectation is for more adaptive reuse as the office market adjusts - evidence of which can be seen in the fourth quarter sale of One Executive Boulevard in Yonkers from Robert Martin to Simone, who plan to convert the office building to medical use.

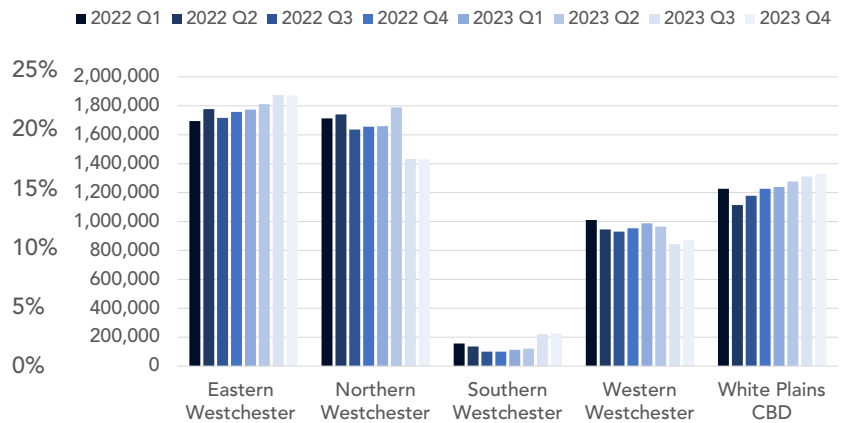
We expect more availability and lower asking rents as more tenants downsize as workers continue to embrace a hybrid work environment.



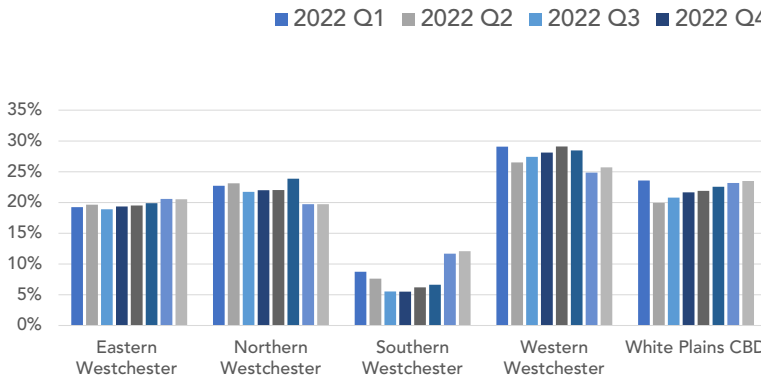
AVAILABILITY RATE AND ASKING PRICE TRENDS



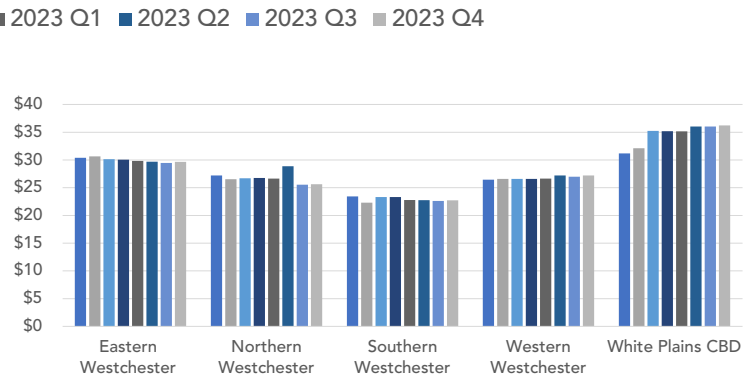
TOTAL AVAILABILITY WESTCHESTER SUBMARKETS QTR OVER QTR



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

20.98%
Q4 WESTCHESTER OVERALL AVAILABILITY RATE



YEAR OVER YEAR INCREASE

ASKING PRICE TRENDS



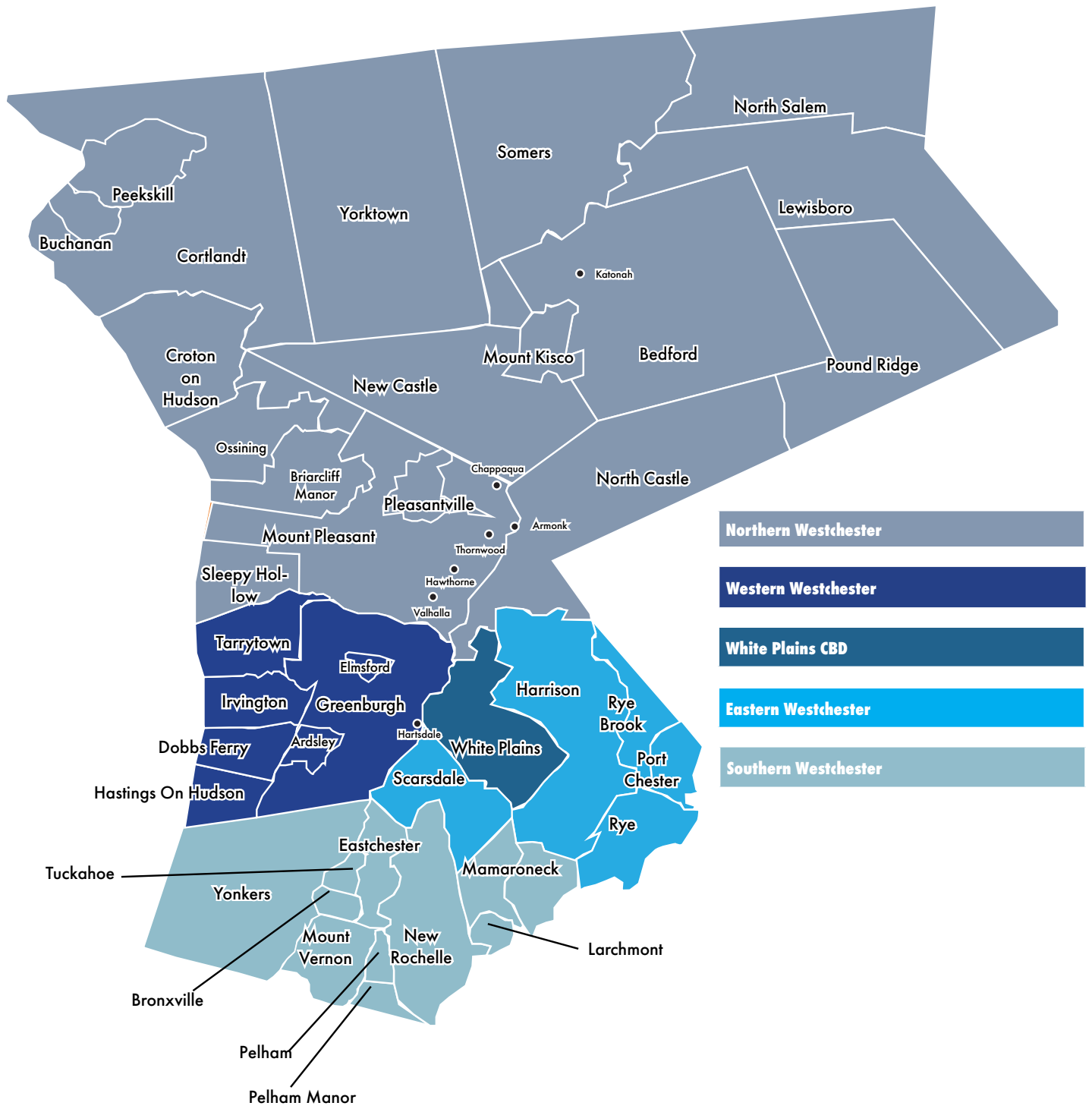
QUARTER OVER QUARTER INCREASE

\$28.30
Q4 WESTCHESTER AVERAGE ASKING PRICE



YEAR OVER YEAR DECREASE

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





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