



Office Q2 2020

YoY
Chg 12-Mo.
Forecast**23.4%**

Vacancy Rate

**-158K**

Net Absorption, SF

**\$28.97**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS
Q2 2020**YoY
Chg 12-Mo.
Forecast**400K**Westchester County
Employment**13.8%**Westchester County
Unemployment Rate**13.0%**U.S.
Unemployment Rate

Source: BLS

ECONOMY: Surging Unemployment

Westchester County was situated as one of the worst national hotspots in the COVID-19 induced pandemic. Unfortunately, more than 1,400 people have succumbed to the virus and nearly 70,000 jobs have been lost since early March. The overall unemployment rate was near an all-time low of 3.6% in the beginning of 2020, but by the end of the second quarter the unemployment rate soared to nearly 14.0%.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access Cushman and Wakefield's most recent information specific to COVID-19 [here](#).

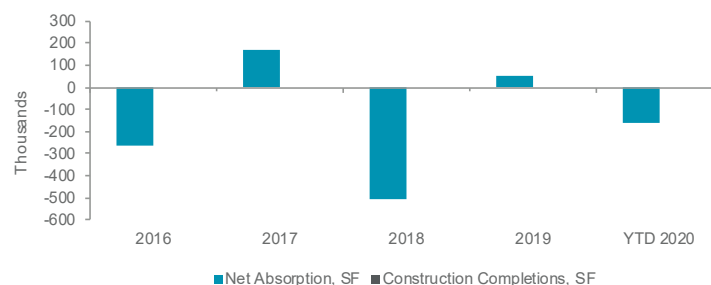
SUPPLY AND DEMAND: Leasing Activity Greatly Diminished

Demand in Westchester County was already depressed at the start of 2020, down 15.4%, year-over-year. However, as the national and local situation worsened from the COVID-19 pandemic, demand continued to decline with midyear leasing velocity falling 31.2% from this time last year to 392,487 square feet (sf). As a result, the second quarter of 2020 was lowest mid-year volume on record.

Despite the historically low leasing activity, the overall vacancy rate remained relatively unchanged. Year-over-year, overall vacancy in the county registered a nominal drop of 10 basis points (bps) to 23.4%. Most of this decline can be attributed to the removal of the former IBM campus in Somers, which totaled more than 1.0 million square feet (msf). Nonetheless, in more historically stable markets, such as downtown White Plains, the overall vacancy rate registered a year-over-year increase of 160 bps to 19.2%.

PRICING: Average Asking Rents Increase

Although the county is in the midst of one of its worst economic cycles to date, overall average asking rent registered a nominal increase from the previous year. Relative to this time last year, overall average asking rents increased \$0.37 per square foot (psf) to \$28.97. The uptick can be largely attributed to the White Plains CBD submarket, which registered a year-over-year increase of \$0.59 psf to \$34.06. Overall, Westchester County has seen a surge of new activity from tenants locating to expand their suburban footprint looking to expand their suburban footprint as a result of business disruptions associated with being located in more populated urban centers. As a result, we could see an improvement in future occupancy for Westchester.

SPACE DEMAND / DELIVERIES**OVERALL VACANCY & ASKING RENT**

MARKETBEAT WESTCHESTER COUNTY

Office Q2 2020



CUSHMAN &
WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
White Plains CBD	5,282,330	247,735	766,088	19.20%	-10,013	-19,707	166,560	0	\$34.06	\$37.41
East I-287	9,193,021	152,605	1,421,564	17.10%	29,669	-128,635	125,380	0	\$30.36	\$30.50
Northern	1,763,189	0	940,309	53.30%	-9,037	3,533	27,493	0	\$27.68	\$27.59
West I-287	4,774,652	43,638	1,105,715	24.10%	4,843	-2,520	60,401	0	\$26.97	\$28.39
Hudson Valley	568,000	0	505,710	89.00%	0	0	0	0	\$24.00	\$24.00
Southern	1,830,296	16,859	285,041	16.50%	-6,120	-10,800	12,653	0	\$28.85	\$29.73
WESTCHESTER COUNTY TOTALS	23,411,488	460,837	5,024,307	23.40%	9,342	-158,129	392,487	0	\$28.97	\$29.88

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
50 Main Street, White Plains	White Plains CBD	Argus	66,303	Sublease
1311 Mamaroneck Avenue, White Plains	East I-287	United Healthcare	38,724	Renewal*
360 Hamilton Avenue, White Plains	White Plains CBD	Sterling Bank	31,718	New Lease
2 International Drive, Rye Brook	East I-287	Schott North America	14,140	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
No significant sales transactions				

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