



Office Q3 2020

YoY
Chg 12-Mo.
Forecast**24.8%**

Vacancy Rate

**-485K**

Net Absorption YTD, SF

**\$29.10**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS
Q3 2020**YoY
Chg 12-Mo.
Forecast**422K**Westchester County
Employment**13.2%**Westchester County
Unemployment Rate**8.8%**U.S.
Unemployment Rate

Source: BLS

ECONOMY: Unemployment Remains Elevated

The labor markets in Westchester County showed nominal improvement in the third quarter of 2020 as the unemployment rate recorded a 30-basis point (-bp) drop from the second quarter, from 13.5% to 13.2%. Furthermore, total employment registered a minor 3.0% uptick over the last three months, adding approximately 12,300 jobs. Despite this progress, the unemployment rate at the end of the third quarter was 570 bps higher than the peak in the 2008- 2009 recession.

Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in the second quarter of 2020. Mounting evidence indicates that the recovery began in May or June with third quarter 2020 data likely reflecting that. But until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent research on CRE and the state of economy [here](#).

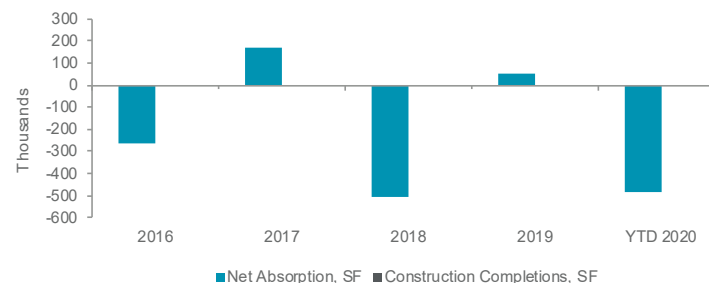
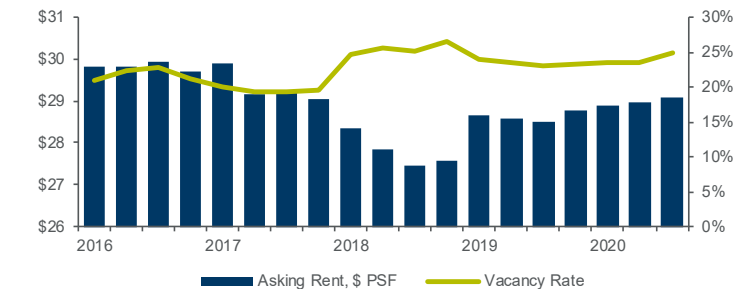
SUPPLY AND DEMAND: Slowdown Continues

Quarterly leasing activity continued to taper in the third quarter, falling 17.2% from the previous year. The overall year-to-date (YTD) impact was a 26.4% reduction in leasing velocity compared to demand levels recorded one year ago. Nearly 62.0% of all the YTD new leasing activity was comprised of tenants less than or equal to 10,000 sf—700 bps higher than the five-year average. Although the overall market registered a significant contraction in tenant demand, downtown White Plains produced a 12.3% year-over-year (YOY) uptick in overall leasing activity that was predominately fueled by Argus' relocation to 50 Main Street.

Nonetheless, the overall vacancy rate in the County increased 180 bps over the last twelve months to 24.8%. County-wide, every submarket posted a YOY increase in overall vacancy. The largest escalation occurred in downtown White Plains, which recorded an upswing of 320 bps to 20.2%. Westchester County's growth in overall vacancy can be largely attributed to a significant rise in sublease space, posting a 34.5% YOY increase.

PRICING: Average Asking Rents Increase

Direct average asking rents increased \$0.29 per square foot (psf) county-wide since one year ago to \$29.10 psf. The West I-287 submarket recorded the largest YOY increase of \$0.61 psf to \$27.20 psf, which was largely attributed to 49,000 square feet (sf) becoming available at 303 South Broadway in Tarrytown, priced at \$28.00 psf.

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

MARKETBEAT WESTCHESTER COUNTY

Office Q3 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	261,132	807,206	20.2%	-53,237	-74,302	178,757	0	\$34.05	\$37.54
East I-287	9,193,021	201,624	1,578,638	19.4%	-190,249	-334,826	230,810	0	\$30.30	\$30.38
Northern	1,763,189	0	949,223	53.8%	-6,914	-5,381	40,106	0	\$27.77	\$27.52
West I-287	4,774,652	51,013	1,153,488	25.2%	-59,873	-57,807	92,752	0	\$27.20	\$28.87
Hudson Valley	568,000	0	505,710	89.0%	0	0	0	0	\$24.00	\$24.00
Southern	1,830,296	16,859	285,119	16.5%	-4,821	-12,730	18,938	0	\$28.87	\$29.75
WESTCHESTER COUNTY TOTALS	23,411,488	530,628	5,279,384	24.8%	-315,094	-485,046	561,363	0	\$29.10	\$30.01

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
100 Manhattanville Road, Purchase	East I-287	Milber, Markis, Plousadis & Seiden	28,134	New Lease
411 Theodore Fremd Avenue, Rye	East I-287	Regus	19,102	Renewal*
1311 Mamaroneck Avenue, White Plains	East I-287	Westchester Visting Nurses	19,102	New Lease
440 Mamaroneck Avenue, Harrison	East I-287	Stillman Management	13,372	Expansion

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2020

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

LORI ALBERT

Research Director

lori.albert@cushwake.com

STEVEN FIORE

Senior Research Analyst

steven.fiore@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com