



Office Q3 2021

YoY
Chg 12-Mo.
Forecast25.5%
Vacancy Rate-86K
Net Absorption YTD, SF\$29.66
Asking Rent, PSF

(Overall, All Property Classes)

ECONOMIC INDICATORS
Q3 2021YoY
Chg 12-Mo.
Forecast450K
Westchester County
Employment5.0%
Westchester County
Unemployment Rate5.2%
U.S.
Unemployment Rate

Source: BLS

ECONOMY: Continued Growth

The labor markets maintained their momentum through the third quarter of 2021 as total employment grew by 3.9% over the last 12 months, translating to the creation of 16,928 jobs. As a result, the unemployment rate contracted 470 basis points (bps) from this time last year, ending the third quarter at 5.0%—20 bps lower than the national average. Despite the continued positive developments in the labor markets, overall employment levels at the end of September were approximately 24,000 jobs short from pre-pandemic levels.

DEMAND: Still Below Pre-Pandemic Levels

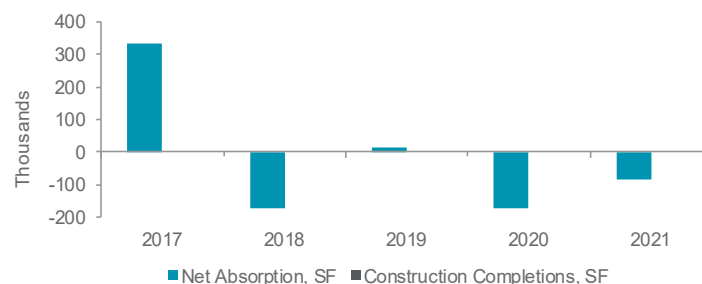
New leasing activity in Westchester County grew 27.8% over the last 12 months, with year-to-date (YTD) demand totaling 671,121 square feet (sf). The East I-287 submarket recorded a YTD total of 235,063 sf, accounting for 35.0% of leasing demand in the county. Leasing velocity in downtown White Plains also grew from the previous year, with YTD demand increasing 5.4% to 178,290 sf, albeit 13.5% below the five-year average of 206,016 sf. Despite the uptick in leasing activity, when compared against the ten-year average, overall YTD leasing activity throughout the county fell short by 19.4%.

The overall vacancy rate in Westchester County increased 80 bps year-over-year (YOY) to 25.5%. The overall vacant supply in downtown White Plains rose 9.8% over the last 12 months, pushing the overall vacancy rate up to 22.1%. Similarly, the overall vacancy rate in the East I-287 submarket increased 100 bps over the last twelve months to 20.2%, despite registering 40,678 sf in positive net absorption during the quarter. Overall net absorption county-wide, however, remained in the red at the end of the third quarter, with YTD occupancy falling approximately 85,000 sf.

PRICING: Average Rents Trending Higher

Compared to this time last year, overall average asking rents throughout the county increased \$0.55 per square foot (psf) to \$29.66. Downtown White Plains also registered a YOY uptick in the overall average asking rent, increasing \$1.21 psf to \$35.29. Similarly, the West I-287 submarket recorded a \$0.48 psf YOY increase in the overall average asking rate for space to \$28.42 psf. Despite fundamentally lower levels of tenant demand, asking rents appear to be on the rise.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT WESTCHESTER COUNTY

Office Q3 2021



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	161,719	1,004,698	22.1%	-123,468	-19,521	178,290	0	\$35.29	\$38.56
East I-287	9,192,972	127,016	1,733,323	20.2%	40,678	-30,914	235,063	0	\$30.35	\$30.38
Northern	1,764,708	11,140	948,133	54.4%	24	-979	36,775	0	\$27.98	\$27.83
West I-287	4,774,652	77,096	1,104,171	24.7%	22,448	-51,087	160,622	0	\$27.64	\$28.42
Hudson Valley	568,000	0	505,710	89.0%	0	0	0	0	\$24.00	\$24.00
Southern	1,830,296	12,963	277,190	15.9%	10,822	16,978	60,371	0	\$28.34	\$28.44
WESTCHESTER COUNTY TOTALS	23,412,958	389,934	5,573,225	25.5%	-49,496	-85,523	671,121	0	\$29.66	\$30.42

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7 Skyline Drive, Hawthorne	West I-287	Matrix Absence Management	20,845	Renewal*
1133 Westchester Avenue, White Plains	East I-287	Chubb Insurance	17,203	Renewal*
2975 Westchester Avenue, Purchase	East I-287	National Collectors Mint	10,933	Renewal/Expansion*
120 White Plains Road, Tarrytown	West I-287	Tappan Zee Construction	10,112	Renewal*

*Renewals/expansions not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
555 White Plains Road, Tarrytown	West I-287	Robert Martin Company / Farrell Building Company	133,645	\$8,850,000 / \$66

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