

WESTCHESTER COUNTY



Office Q1 2022

	YoY Chg	12-Mo. Forecast
26.1% Vacancy Rate	▲	▼
-152K Net Absorption YTD, SF	▼	▲
\$29.91 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
461K Westchester County Employment	▲	▲
3.5% Westchester County Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Employment on the Rise

Total employment in Westchester County increased by 3.3% over the last twelve months to 460,935, adding 14,582 new jobs. Likewise, quarter-over-quarter total employment grew by 1.9%, with the addition of 8,550 jobs since year-end 2021. The unemployment rate is nearing a 15-year low, falling 270 basis points (bps) since the first quarter of 2021 to 3.5%. Compared to the national average unemployment rate of 3.6%, the Westchester County overall unemployment rate was 10 bps lower at the end of the first three months of 2022.

SUPPLY & DEMAND: Slow Start To 2022

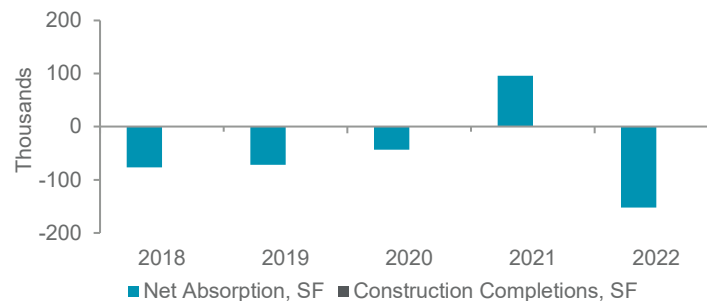
Leasing activity ebbed in the first quarter, producing only 167,929 square feet (sf) of new transactions —down by 32.3% compared to the five-year average. Downtown White Plains, however, registered 82,709 sf of new leasing activity, outpacing the average over the last five years by 35.9%. Approximately 25.0% of total leasing in downtown White Plains was attributed to Knotel taking 20,696 sf at 360 Hamilton Avenue. Furthermore, New York-Presbyterian Hospital purchased the former Pepsi bottling site at 1111 & 1129 Westchester Avenue for approximately \$83.0M, with plans to convert the building into medical use, furthering their commitment to Westchester County.

Nonetheless, overall vacancy inched higher throughout the county in the first quarter, increasing 153 bps year-over-year (YOY) to 26.1%. The East I-287 submarket registered a 136-bp increase in vacancy since the first quarter of 2021, rising to 21.9%. Similarly, downtown White Plains recorded a nominal 30-bp YOY uptick in vacancy to 23.2%. As a result, overall net absorption in the county remained in the red, ending the first quarter at negative 152,144 sf. Most of the occupancy loss was fueled by the East I-287 submarket, specifically in Harrison, where a couple of large blocks of space totaling nearly 50,000 sf became available earlier this year.

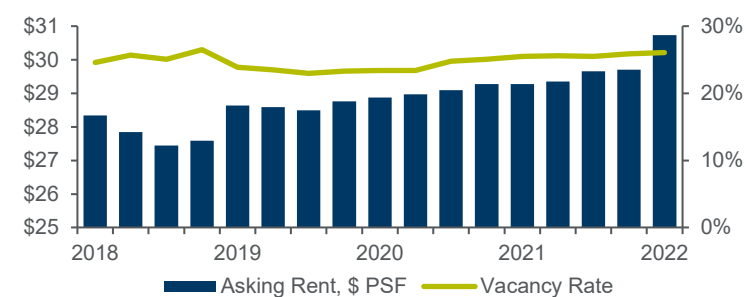
PRICING: Steady Escalation

Overall average asking rents in the county increased by \$0.78 per square foot (psf) over the last twelve months, ending the first quarter at \$29.91 psf. Downtown White Plains averaged \$35.32 psf, up by \$0.57 psf YOY. Throughout the county, average asking rents for Class A space grew by \$0.95 psf since the first quarter of 2021, averaging \$30.74 psf in the first three months of 2022, while asking rents for Class B space fell by \$0.19 psf to \$26.86 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





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	95,685	1,147,996	23.5%	-65,210	-65,210	82,709	0	\$35.79	\$38.91
East I-287	8,831,791	120,445	1,659,922	20.2%	-85,718	-85,718	29,339	0	\$30.40	\$30.47
Northern	1,764,708	11,140	940,394	53.9%	-7,045	-7,045	0	0	\$27.64	\$27.86
West I-287	4,776,387	208,410	1,075,031	26.9%	-8,824	-8,824	40,808	0	\$27.74	\$28.56
Hudson Valley	568,000	0	505,710	89.0%	0	0	0	0	\$24.00	\$24.00
Southern	1,830,296	4,097	246,546	13.7%	14,653	14,653	15,073	0	\$28.50	\$28.37
WESTCHESTER COUNTY TOTALS	23,053,512	439,777	5,575,599	26.1%	-152,144	-152,144	167,929	0	\$29.91	\$30.74

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
450 Mamaroneck Avenue, Harrison	East I-287	Boards of Cooperative Educational Services	58,459	Renewal*
440 Mamaroneck Avenue, Harrison	East I-287	Transamerica Financial Life Insurance	27,470	Renewal*
360 Hamilton Avenue, White Plains	White Plains CBD	Knotel	26,679	New Lease
1 North Lexington Avenue, White Plains	White Plains CBD	Greenberg Traurig	20,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1111 & 1129 Westchester Avenue, White Plains	East I-287	Onyx Equities / New-York Presbyterian	376,993	\$83M / \$220
1 North Broadway, White Plains	White Plains CBD	Ivy Realty Services / Argent Ventures	375,365	\$56M / \$149
445 Hamilton Avenue, White Plains	White Plains CBD	Ivy Realty Services / Argent Ventures	340,000	\$49M / \$145
100 Hillside Avenue, White Plains	West I-287	Alfred Weissman / Downtown Capital Partners	134,000	\$8M / \$59

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