

# WESTCHESTER COUNTY



Office Q4 2023

YoY Chg      12-Mo. Forecast

**26.5%**  
Vacancy Rate



**35K**  
Net Absorption YTD, SF



**\$30.59**  
Asking Rent, PSF

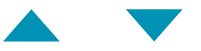


(Overall, All Property Classes)

## ECONOMIC INDICATORS Q4 2023

YoY Chg      12-Mo. Forecast

**431K**  
Westchester County Employment



**3.8%**  
Westchester County Unemployment Rate



**3.7%**  
U.S. Unemployment Rate



Source: BLS

## ECONOMY: Labor Force Exhibits Sustained Strength

Despite heightened economic concerns, the U.S. labor market defied expectations, adding over 2.7 million new non-farm payrolls since the end of the fourth quarter of 2022. In that time, the U.S. unemployment rate rose slightly from 3.6% to 3.7%, likely due to increased labor force participation. Similarly, Westchester County added nearly 7,000 new jobs over the last 12 months, equating to a 1.4% increase in overall employment. Despite robust job growth, overall unemployment in Westchester County increased by 83 basis points (bps) to 3.8%, year-over-year (YOY), likely linked to increased labor force participation. Despite mounting economic worries, overall labor market conditions remained generally favorable throughout 2023.

## DEMAND: Vacancy Falls Despite Notable Drop in Leasing Activity

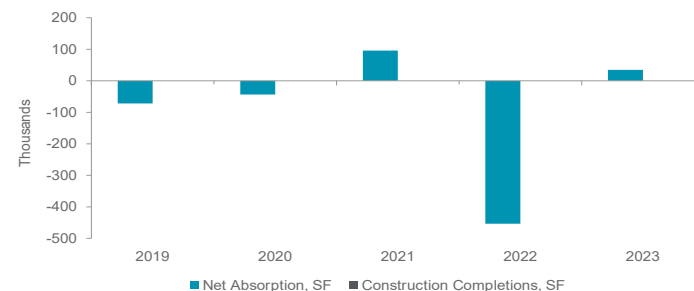
In 2023, the commercial real estate market in Westchester County witnessed a notable decrease in demand, accompanied by reduced overall vacancy levels. County-wide leasing activity totaled 816,980 square feet (sf), marking a 27.6% decline compared to the previous year and a 16.6% contraction from the five-year average of 979,693 sf. The notable decrease in demand was particularly evident in the downtown White Plains market, registering a 15.0% drop in leasing activity from the previous year and a 21.1% decline from its historical five-year average of 246,674 sf. Although the White Plains Central Business District (CBD) typically contributes 26.0% to the overall demand in Westchester County, this percentage fell to 23.8% in 2023, indicating subdued deal activity relative to the county as a whole.

Despite softened leasing activity, Westchester County's overall vacancy rate decreased by 30 bps YOY, reaching 26.5% by the end of 2023. The most significant YOY reduction in overall vacancy occurred in the Northern market, dropping by 31.2%, primarily attributed to inventory adjustments, notably in Pleasantville, where approximately 200,000 sf was repurposed. In contrast, the overall vacancy rate in the White Plains CBD recorded a 170-bps YOY increase, climbing from 25.1% to 26.9%. Similarly, the overall vacancy rate in the East I-287 corridor increased by 160 bps from the previous year, reaching 23.7%, despite the repurposing of 2700 Westchester Avenue in Purchase.

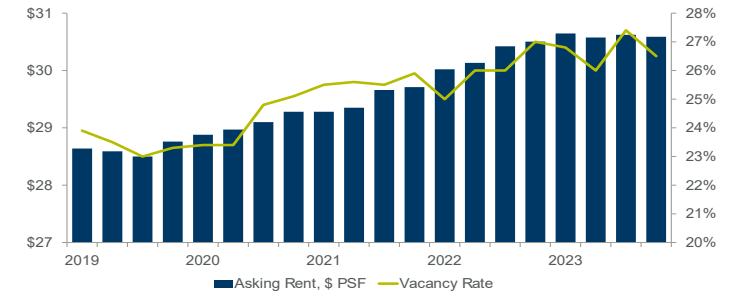
## PRICING: Overall Average Asking Rent Show Uptick

Average asking rents across Westchester County increased slightly by \$0.09 per square foot (psf) over the last 12 months to \$30.59. Most of the uptick in the overall average asking rent occurred in the East I-287 corridor, which recorded a \$0.13 psf rise YOY from \$30.47 to \$30.30 psf at the end of 2023. Conversely, overall average asking rents in the White Plains CBD fell \$0.13 psf over the last 12 months, declining from \$36.71 psf to \$36.58. The average effective rent county-wide, factoring in concessions such as free rent, jumped by almost \$3.00 psf to \$35.02 psf, mainly due to landlords providing one less additional month of free rent in 2023 compared to 2022.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



# MARKETBEAT WESTCHESTER COUNTY

Office Q4 2023



## 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	5,284,924	86,936	1,332,158	26.9%	-40,805	-90,412	194,511	0	\$36.58	\$39.44
East I-287	8,734,231	182,858	1,887,039	23.7%	54,206	-149,315	379,847	0	\$30.60	\$30.89
Northern	2,107,974	2,452	648,014	30.9%	-7,320	195,607	33,423	0	\$28.09	\$28.02
West I-287	4,515,390	274,847	976,662	27.7%	11,419	88,561	143,890	0	\$27.62	\$28.16
Hudson Valley	568,000	0	451,425	79.5%	0	0	0	0	\$24.00	\$24.00
Southern	1,830,296	13,208	240,464	13.9%	14,322	-9,688	65,309	0	\$28.41	\$29.23
<b>WESTCHESTER COUNTY TOTALS</b>	<b>23,040,815</b>	<b>560,301</b>	<b>5,535,762</b>	<b>26.5%</b>	<b>31,822</b>	<b>34,753</b>	<b>816,980</b>	<b>0</b>	<b>\$30.59</b>	<b>\$31.43</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1 North Lexington Avenue, White Plains	White Plains CBD	Atlas Air	64,607	New Lease
200 Summit Lake Drive, Valhalla	Northern	Fujifilm	57,514	Renewal*
520 White Plains Road, Tarrytown	West I-287	Regus	20,538	Renewal*
440 Mamaroneck Avenue, Harrison	East I-287	Maze Reproductive Health	14,128	New Lease
3 Manhattanville Road, Purchase	East I-287	UBS Financial	12,964	New Lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1 Executive Boulevard, Yonkers	Southern	Dune Real Estate / Simone Development	129,502	\$18.0M / \$139

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