

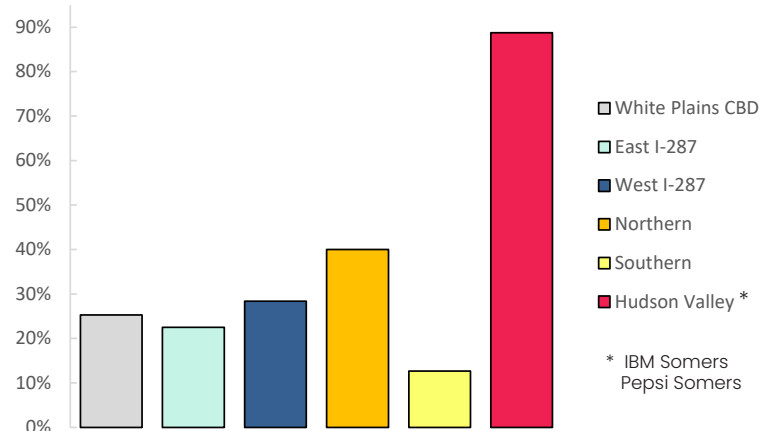
# WESTCHESTER COUNTY OFFICE MARKET REPORT

1<sup>ST</sup> QUARTER 2023



The Westchester County Office market ended the first quarter of 2023 with an overall vacancy rate of 26.8%. This constitutes a 70 basis point increase from same time last year (2.68% increase) and no change from the previous quarter. The County's year-to-date leasing activity recorded a negative (18,600) square feet. Of the six submarkets tracked, the West I-287 sub-market experienced the most positive net leasing absorption at 22,760 SF. Year-to-date leasing activity was 24.3% lower (164,300 SF) than the five-year historical average. The slowdown in tenant demand was most prominent in the White Plains Central Business District (CBD), which recorded it's lowest leasing activity since 2016. Asking rates throughout increased by \$0.60 per square foot over the previous year due to more expensive space coming on market. Sublease activity is up 8.8% from previous quarter accounting for 11.2% of total vacant space in the County.

## SUBMARKET VACANCY RATES



## MARKET INFORMATION MACRO • 1Q 2023

|                            |                        |
|----------------------------|------------------------|
| METRO AREA                 | Westchester County, NY |
| OFFICE MARKET SIZE (SF)    | 23,380,000             |
| OFFICE MARKET VACANCY RATE | 26.8%                  |
| AVERAGE RENT               | \$30.45                |
| Q1 NET ABSORPTION (SF)     | (18,600)               |

| SUBMARKET        | OVERALL VACANCY RATE | TOTAL VACANT SF | OVERALL AVG. PSF ASK RATE |
|------------------|----------------------|-----------------|---------------------------|
| White Plains CBD | 25.26%               | 1,339,000       | \$36.90                   |
| East I-287       | 22.5%                | 1,980,000       | \$30.55                   |
| West I-287       | 28.39%               | 1,320,000       | \$28.50                   |
| Northern         | 40.00%               | 840,000         | \$28.00                   |
| Southern         | 12.65%               | 231,500         | \$27.90                   |
| Hudson Valley    | 88.74%               | 505,800         | \$24.00                   |

## KEY Q1 LEASE TRANSACTIONS

| TENANT                      | SIZE (SF) | ADDRESS               | CITY         | TRANSACTION TYPE | SUBMARKET        |
|-----------------------------|-----------|-----------------------|--------------|------------------|------------------|
| U.S. Tennis Assoc.          | 21,855    | 2500 Westchester Ave  | Purchase     | Sublease         | East I-287       |
| MCI Communications          | 19,534    | 1 North Broadway      | White Plains | Renewal          | White Plains-CBD |
| Regus                       | 15,810    | 4 International Drive | Rye Brooke   | New Lease        | East I-287       |
| GSA Drug Enforcement Agency | 14,150    | 140 Grand Street      | White Plains | Renewal          | White Plains-CBD |

## KEY Q1 SALE TRANSACTIONS

| LOCATION              | CITY      | SIZE (SF) | SALE PRICE / PSF        | SUBMARKET  |
|-----------------------|-----------|-----------|-------------------------|------------|
| 355 & 357 Main Street | Armonk    | 34,633    | \$7,400,000 / \$213.67  | East I-287 |
| 50 S. Buckhout Street | Irvington | 137,500   | \$23,500,000 / \$170.91 | West I-287 |

## • THE LINCOLN TEAM •

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\* Data derived from Costar and other sources deemed to be reliable