

2023
Q3



Westchester OFFICE LEASING

Q3 | MARKET REPORT | 2023

Q3 Takeaways

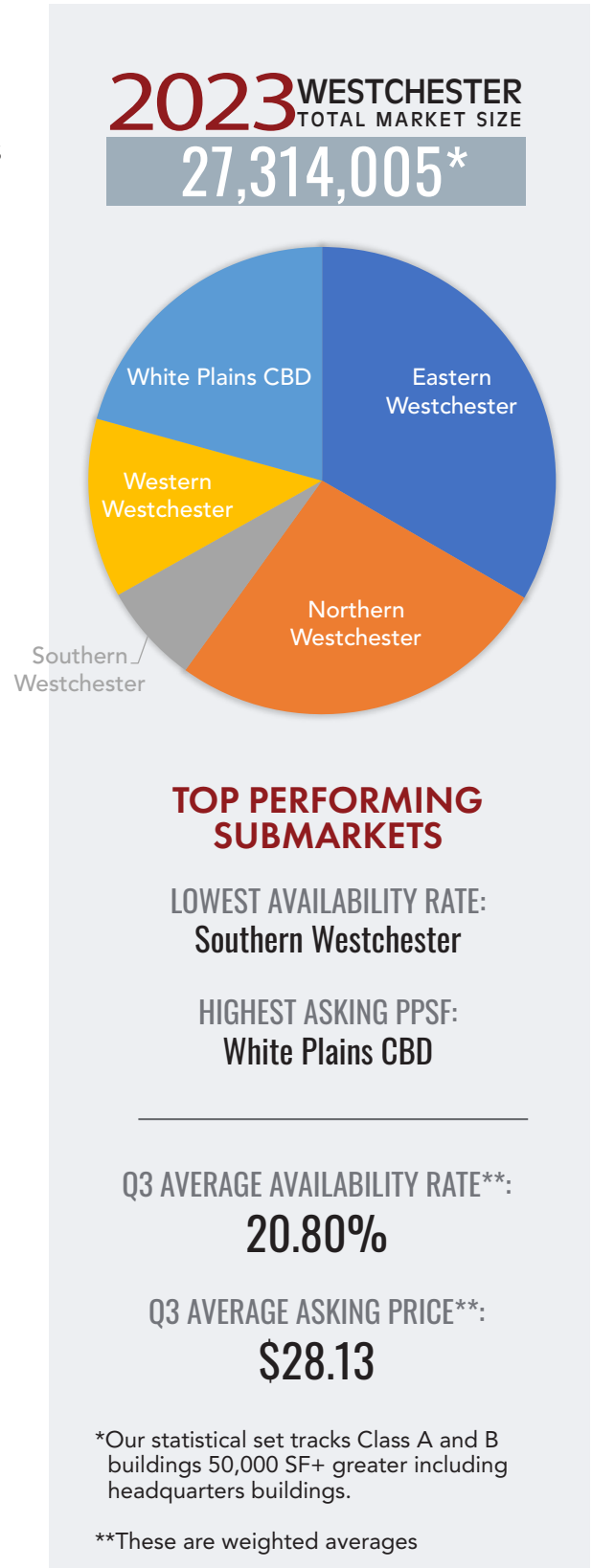
- Mavis' purchase of 100 Hillside Avenue in Greenburgh took a long available large block of space off the market.
- The availability rate dropped quarter over quarter in both the Northern and Western Westchester Submarkets.
- Average asking prices continue to drop in a sign of market sentiment.

SUMMARY

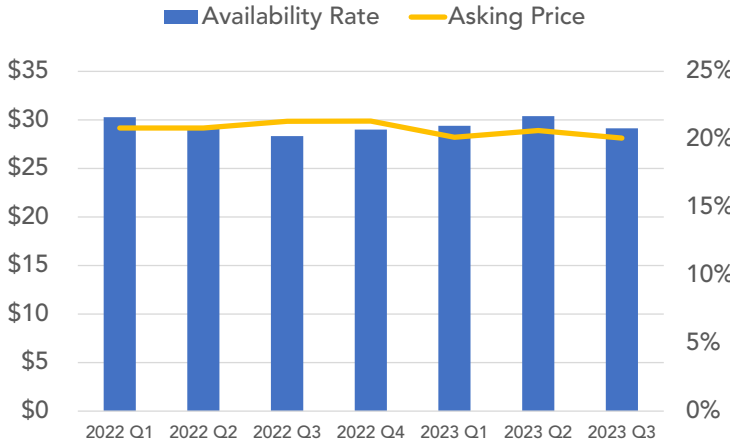
The Westchester office market will not fully recover until the supply in the market right-sizes. The County's 27 Million square feet is still too much for the employers of Westchester to absorb. Tenants continue to downsize and head to better buildings in the market, putting even more pressure on the B and C buildings across the County. Overall the availability rate decreased slightly quarter over quarter to 20.8%, but is still up year-over-year.

Probably the biggest news of the quarter was the sale of 100 Hillside Avenue in Greenburgh to Mavis Tire. Mavis Tire purchased the long-vacant building for its new headquarters. This was great news for the market as 100 Hillside was a prime example of a Class B/C building that needed to be either repurposed or torn down. This had a positive effect on the Western submarket's statistics. Another positive for the market, was the purchase of One Executive Boulevard in Yonkers, New York. The long under-utilized One Executive is being converted to a medical building by its new owner Simone Development. Some of the largest additions of space were 30,000 square feet of direct space, formerly occupied by UBS at 709 Westchester Avenue in White Plains and Westmed 's 14,500 SF sublease on the market at 800 Westchester in Rye Brook. Illustrative of the times, UBS is leaving a Class B building that is in receivership, downsizing by more than half its footprint, and heading to a Class A building in the market.

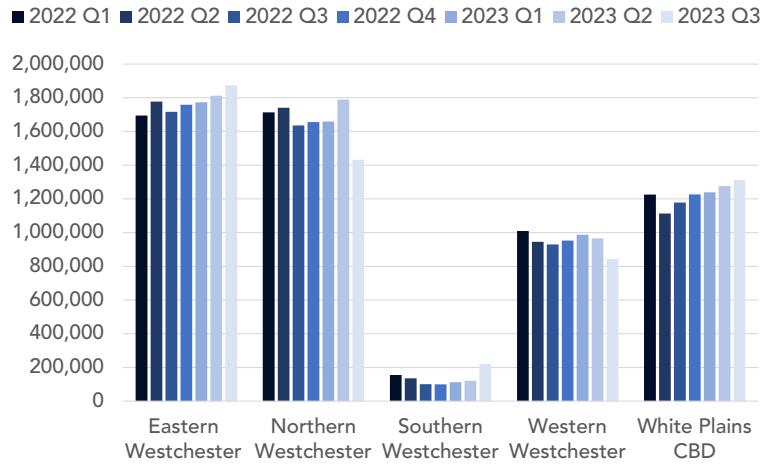
Looking ahead we expect more of the same, strong activity from companies looking to downsize and trade up and more distress from Class B and C buildings.



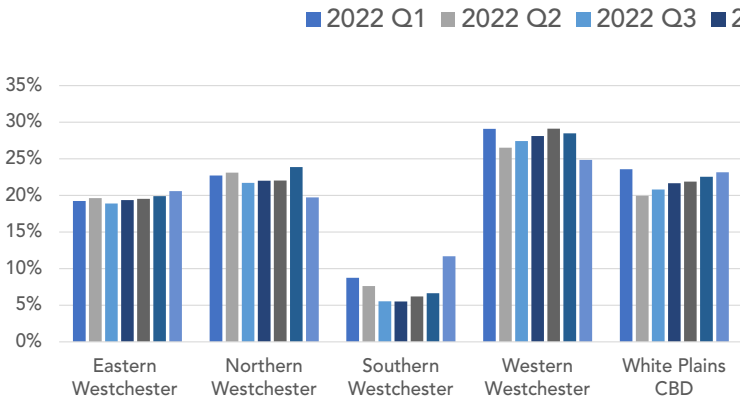
AVAILABILITY RATE AND ASKING PRICE TRENDS



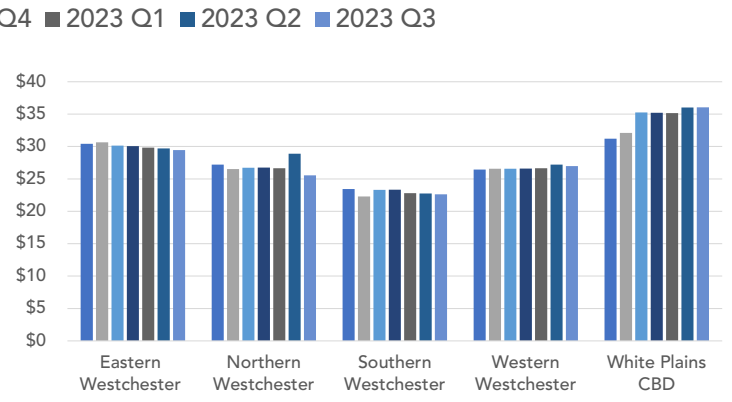
TOTAL AVAILABILITY WESTCHESTER SUBMARKETS QTR OVER QTR



2022 to 2023 AVAILABILITY RATE BY SUBMARKET



2022 to 2023 ASKING PRICE BY SUBMARKET



HIGHEST AVAILABILITY RATE:
Western Westchester

HIGHEST ASKING PPSF:
White Plains CBD

MOST AVAILABLE SF:
Eastern Westchester

LOWEST AVAILABILITY RATE:
Southern Westchester

LOWEST ASKING PPSF:
Southern Westchester

LEAST AVAILABLE SF:
Southern Westchester

AVAILABILITY RATE TRENDS



QUARTER OVER QUARTER DECREASE

20.80%
Q3 WESTCHESTER OVERALL AVAILABILITY RATE



YEAR OVER YEAR INCREASE

ASKING PRICE TRENDS



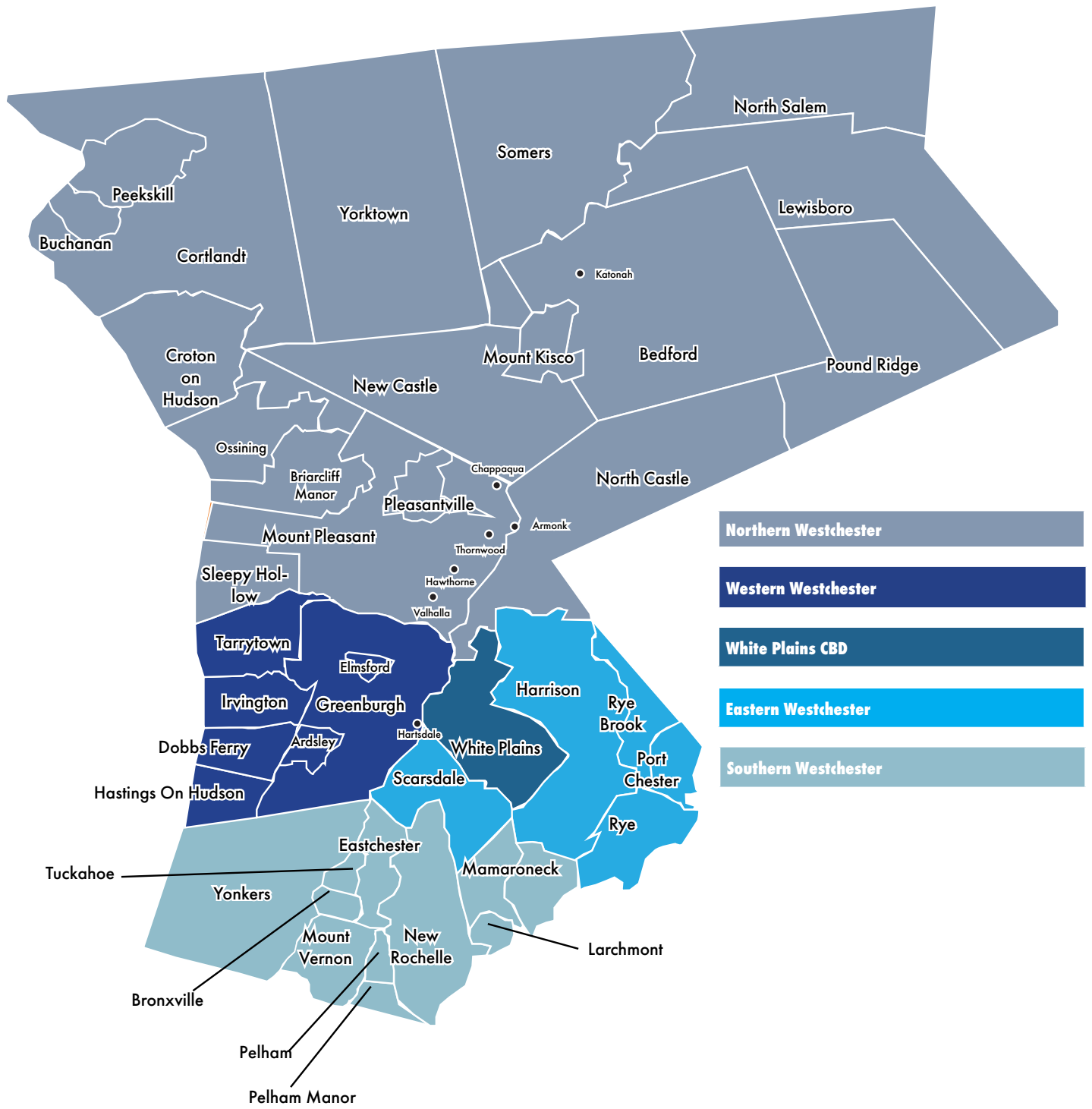
QUARTER OVER QUARTER DECREASE

\$28.13
Q3 WESTCHESTER AVERAGE ASKING PRICE



YEAR OVER YEAR DECREASE

Rental rates are quoted on a gross basis using a formula for net costs*





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