

Strong leasing demand continued in Q3

▼ 19.9%
Availability Rate

▼ 64,013
SF Net Absorption

▲ 255,327
SF Leasing Activity

▶ \$30.17
PSF Average Asking Rent

Note: Arrows indicate change from previous quarter.

QUICK FACTS

- Quarterly leasing activity totaled 255,000 sq. ft., up 1% from Q2 2025 and 19% above the five-year quarterly average.
- Year-to-date leasing activity totaled 717,000 sq. ft., up 25% from the same time last year.
- The availability rate decreased to 19.9%, down 30 basis points (bps) from Q2 2025 and down 120 bps from a year ago.
- Quarterly net absorption was positive 122,000 sq. ft., bringing year-to-date absorption to positive 766,000 sq. ft.
- The average asking rent was \$30.17 per sq. ft., unchanged from the prior quarter and down 2% from one year ago.

Market Overview

Westchester County’s 255,000 sq. ft. of leasing activity in Q3 was 19% above the five-year quarterly average contributing to leasing improvement from 2024 volume. Year-to-date activity is 717,000 sq. ft., a 25% increase from last year's figure.

Absorption was positive for the fourth consecutive quarter. Q3 totaled 64,000 sq. ft. of positive absorption—more moderate than the 333,000 sq. ft. seen in Q2. Reduction in supply dropped the availability rate 20 basis points (bps) from the prior quarter to 19.9%—the lowest mark since Q1 2020. Westchester’s average asking rent remained stable at an all-time high of \$30.17 per sq. ft.

White Plains has continued to be a primary driver of demand contributing to the broader market’s improvement. White Plains CBD recorded 103,000 sq. ft. of new activity and saw the largest renewal of the quarter with Heineken's extension of 51,000 sq. ft. at 360 Hamilton Avenue.

Economic Conditions

CBRE has revised its U.S. growth outlook upward, a shift from the more pessimistic view held in the spring. Greater clarity around trade policy and private sector resilience should equate to 1.6% GDP growth this year. Much of this growth is expected to be front-loaded as higher inflation—peaking in the low-3% range by early 2026—creates some headwinds during the latter half of the year. The labor market is showing important signals such as falling job openings and weak hiring by firms.

Total employment in Westchester County fell by 8,500 positions quarter-over-quarter in Q3 (-1.9%). Year-over-year, employment in Westchester is up by 7,000 positions (+1.6%). Office-using employers (OUE) accounted for a gain of 700 positions in Q3 (+0.7%). Professional and business services added 300 positions (+0.5%), and financial activities added 400 positions (+1.4%). Information services employment was flat in Q3. Westchester’s overall OUE stands at 101.0% of the 2019 level.

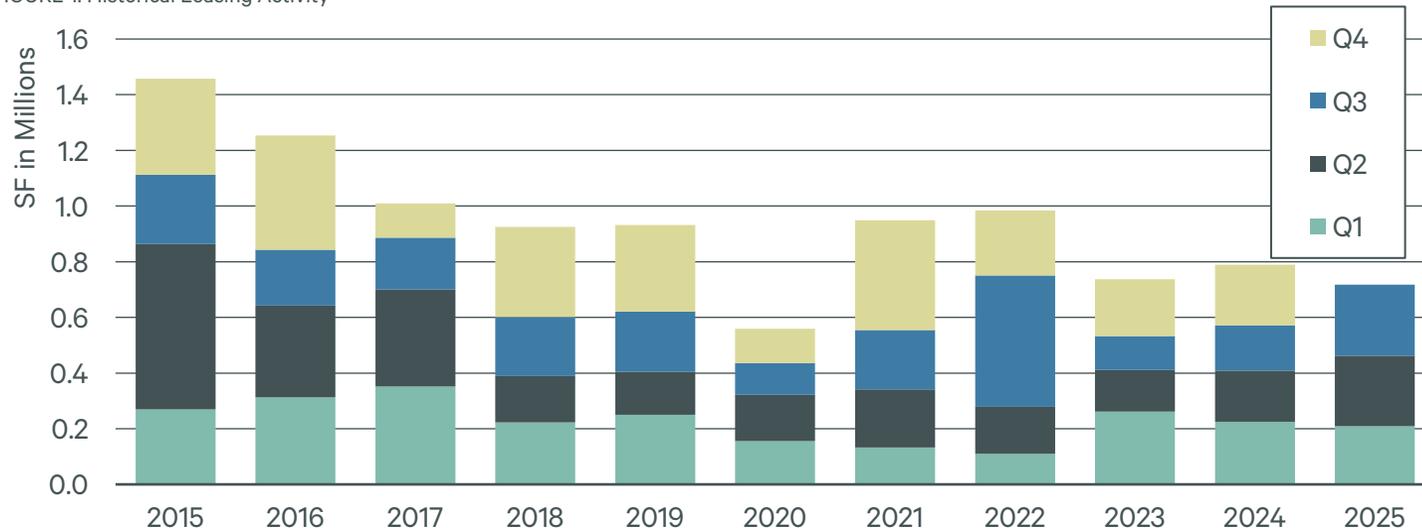
New York’s overall unemployment rate is 4.0%, unchanged since May 2025, and below the national unemployment rate of 4.3%.

Leasing Activity

Westchester County’s Q3 leasing activity reached 255,000 sq. ft., 19% ahead of the five-year quarterly average—the fourth consecutive quarter the market topped the average. Year-to-date leasing was 717,000 sq. ft.,—25% ahead of the same period in 2024. Class A leasing remained a driving force in Westchester in 2025. Q3 saw the share of Class A leasing increase to 82% of all new activity, 16% above the quarterly average seen over the past seven quarters.

White Plains CBD recorded the highest volume of leasing among Westchester submarkets for the fifth consecutive quarter—notching 103,000 sq. ft. of new activity in Q3.

FIGURE 1: Historical Leasing Activity



Source: CBRE Research, Q3 2025.

FIGURE 2: Top Transactions | Q3 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
51,210	R	D	Heineken USA Inc.	360 Hamilton Avenue	Westchester CBD
33,331	E	D	Massachusetts Mutual Life Insurance	565 Taxter Road	Westchester West
23,138	L	D	RWE Clean Energy Services	50 Main Street	Westchester CBD
23,138	L	D	PDC Brands	50 Main Street	Westchester CBD
19,255	L	D	Tokio Marine	1 Manhattanville Road	Westchester East

Source: CBRE Research, Q3 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

50 Main Street saw a flurry of activity in Q3 with full-floor commitments from RWE and PDC Brands bringing the building to 93% occupancy. White Plains CBD also saw the largest renewal of the quarter with Heineken renewing its 51,000 sq. ft. office at 360 Hamilton Avenue.

Westchester West recorded 59,000 sq. ft. of new activity—a 164% improvement from the prior quarter. Mass Mutual's 33,000 sq. ft. expansion at 565 Taxter Road in Elmsford contributed a large portion of the submarket's Q3 leasing. The submarket outpaced the prior year as year-to-date leasing in 2025 reached 103,000 sq. ft.—a 12% improvement.

Westchester East's 74,000 sq. ft. of leasing activity in Q3 matched the prior quarter and was 5% below the five-year quarterly average. The submarket recorded three of the county's top 10 largest deals in Q3. The largest of which was Tokio Marine's 19,000 sq. ft. relocation to 1 Manhattanville Road. Year-to-date leasing activity in 2025 was 190,000 sq. ft.—22% behind 2024 figures.

Westchester South saw 14,000 sq. ft. of leasing, up 79% from the prior quarter, and brought year-to-date figures to 41,000 sq. ft., 37% higher than 2024 and the highest year-to-date total since 2019. Q3 leasing was also 34% ahead of the submarket's five-year quarterly average.

Net Absorption and Availability

Westchester County experienced positive absorption for the fourth straight quarter. Q3's 64,000 sq. ft. of absorption pushed the availability rate down 20 bps from the prior quarter to 19.9%—the lowest mark since Q1 2020. Year-to-date absorption figures accumulated to 592,000 sq. ft.,—the highest year-to-date mark ever recorded.

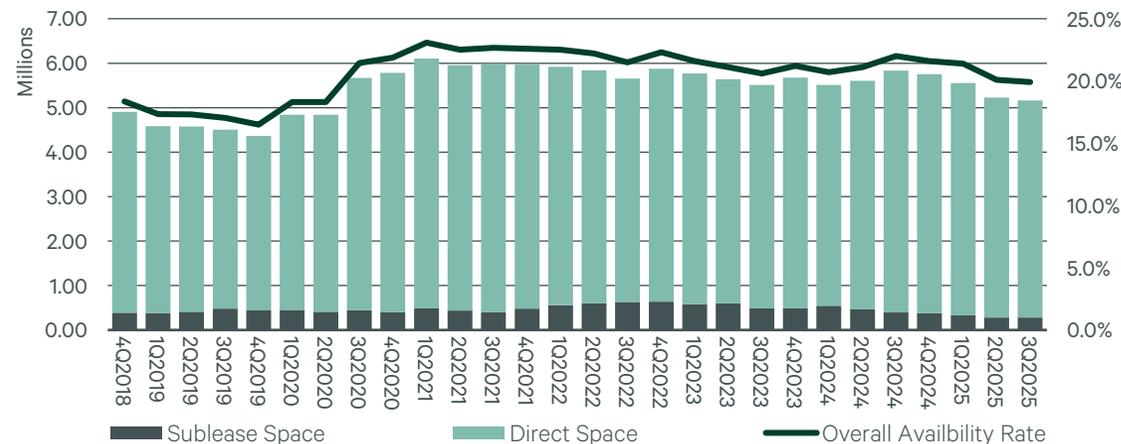
The biggest driver of positive absorption came from Westchester West, where leasing outpaced new space additions by a significant margin. The submarket notched 67,000 sq. ft. of positive absorption, which lowered the availability rate by 220 bps from Q2 to 24.3%. Only 10,000 sq. ft. of new space came to market across the submarket. Westchester West's year-to-date absorption figures reached positive 133,000 sq. ft.

FIGURE 3: Quarterly Leasing Activity by Submarket



Source: CBRE Research, Q3 2025.

FIGURE 4: Availability Rate | Direct vs. Sublease Breakdown



Source: CBRE Research, Q3 2025.

Net absorption was also positive in White Plains CBD. The downtown market saw absorption total 13,000 sq. ft., bringing the year-to-date figures to 139,000 sq. ft. White Plains also saw the largest space come available at 445 Hamilton Avenue. The former office site of AssuredPartners brought a full floor of 28,000 sq. ft. to market. Q3 availability was 20.9%—down 30 bps quarter-over-quarter and 340 bps year-over-year.

Westchester South's absorption skewed negative in Q3, resulting in negative 23,000 sq. ft. of absorption. Subsequently, year-to-date totals fell to negative 17,000 sq. ft. and inched availability up to 13.2%—the highest mark seen since Q3 2018. Most new space additions occurred in New Rochelle and Yonkers. Additions of note included, 22,000 sq. ft. of new sublease space at 140 Huguenot Street in New Rochelle and a full floor of 12,000 sq. ft. at 86 Main Street in Yonkers.

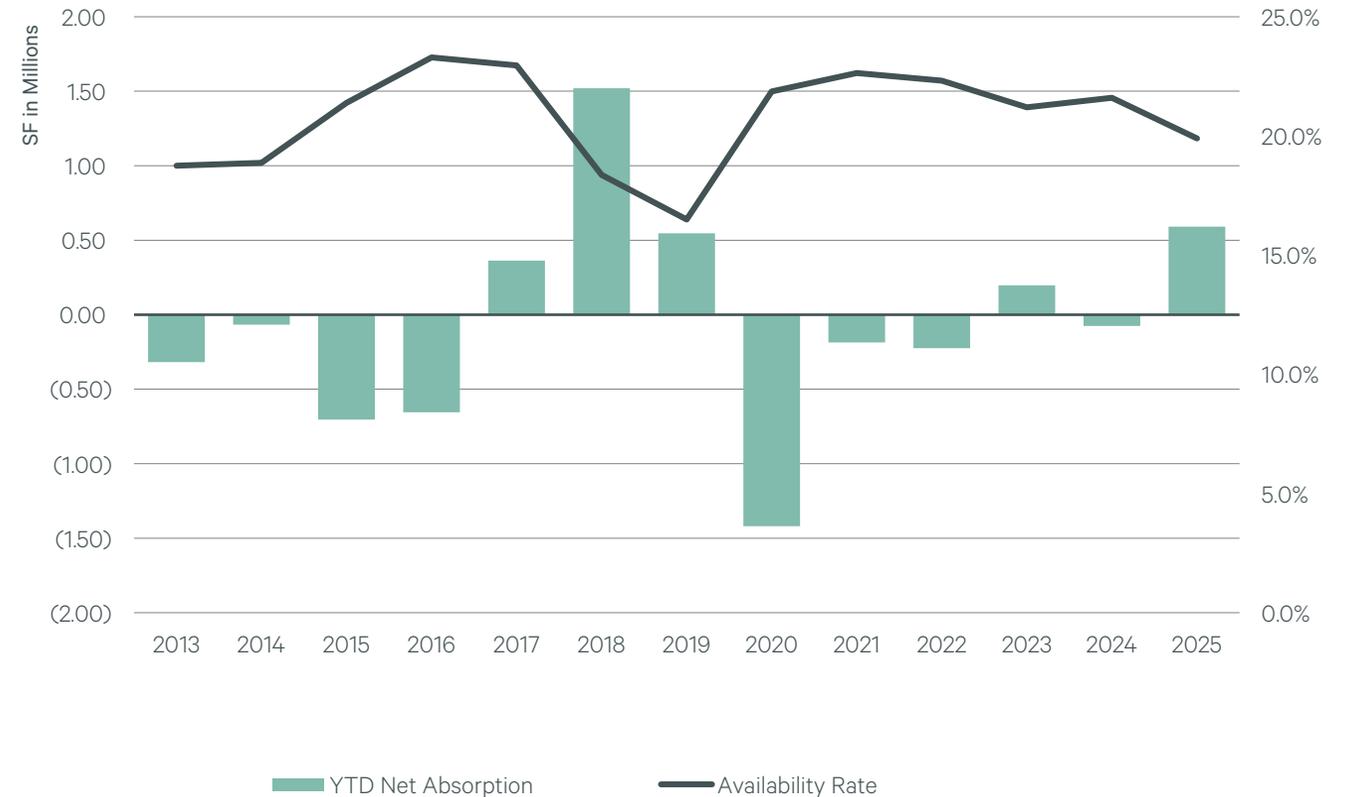
Westchester East and North's absorption remained flat quarter-over-quarter. Both submarkets' availabilities concurrently saw little change and stood at 23.1% and 14.8%, respectively.

Average Asking Rent

Westchester County's asking rent remained steady at \$30.17 per square foot, showing no change quarter-over-quarter nor year-over-year. The current average represents the highest recorded asking rent the market ever due to rising asking rents in White Plains CBD.

Westchester South's asking rents rose 1% quarter-over-quarter and 3% year-over-year, reaching \$27.46 per sq. ft. This increase is primarily attributed to Class A listings in New Rochelle and Yonkers commanding above-average rents.

FIGURE 5: Net Absorption | Historical



Source: CBRE Research, Q3 2025.

Westchester West’s asking rents surpassed \$28 per square foot for the first time since the spring of 2023, reaching \$28.07 per sq. ft. This represents a 1% increase quarter-over-quarter and a 2% increase year-over-year.

White Plains CBD and Westchester East’s asking rents were flat quarter-over-quarter with current asks standing at \$36.43 per sq. ft. and \$30.01 per sq. ft. respectively.

FIGURE 6: Average Asking Rent | By Submarket



Source: CBRE Research, Q3 2025.

FIGURE 7: Average Asking Rent | Quarterly Historical



Source: CBRE Research, Q3 2025

FIGURE 8: Q3 2025 | Market Statistics

Submarket	Market Rentable Area (MSF)	Total Available (MSF)	Availability Rate (%)	Vacancy Rate (%)	Net Absorption (SF)	Leasing Activity (SF)	Average Asking Rent (\$/SF/Year)
Westchester North	6.67	0.98	14.8%	13.6%	(2,061)	4,900	\$25.87
Westchester CBD	5.04	1.06	20.9%	17.3%	13,224	103,109	\$36.43
Westchester West	3.02	0.73	24.3%	23.4%	66,752	59,183	\$28.07
Westchester East	9.08	2.10	23.1%	22.2%	9,240	74,194	\$30.01
Westchester South	2.17	0.29	13.2%	11.3%	(23,142)	13,941	\$27.46
WESTCHESTER COUNTY	25.98	5.16	19.9%	18.3%	64,013	255,327	\$30.17

Source: CBRE Research, Q3 2025.

Market Area Overview

Definitions

Availability: Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

Asking Rent: Weighted average asking rent.

Leasing Activity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

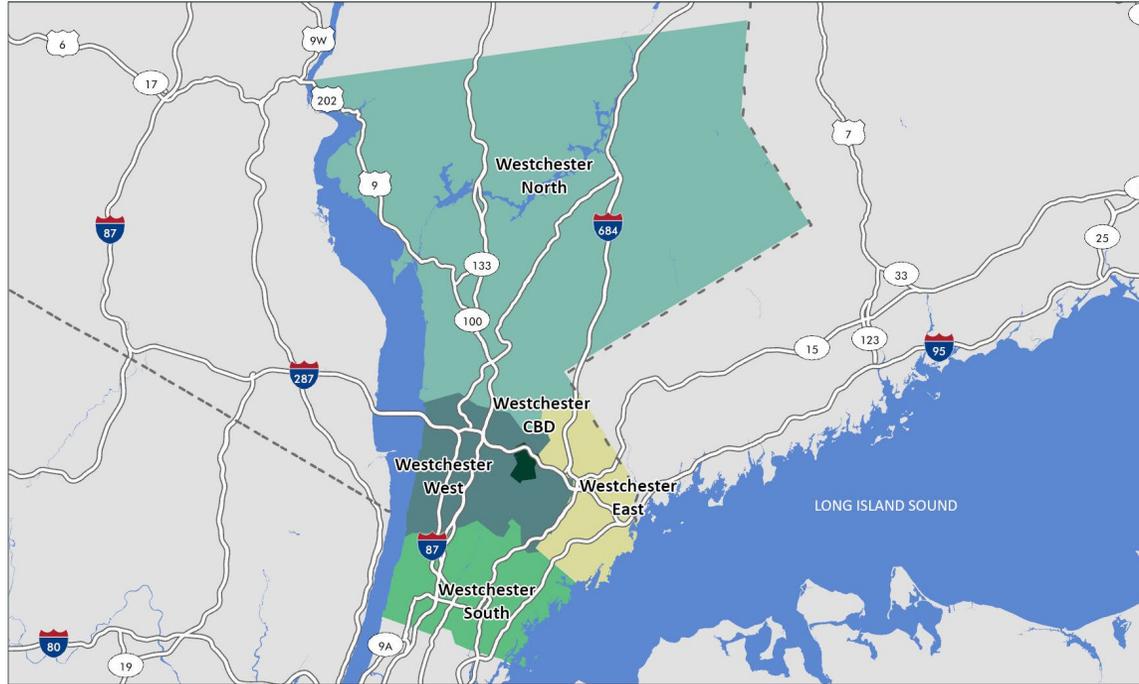
Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

Vacancy: Unoccupied space available for lease.

Survey Criteria

CBRE's market report analyzes Westchester County's fully modernized office buildings that total 20,000 SF or larger, Class A and B only, multi-storied, conventionally modernized, and not owned and occupied by a government or medical institution. New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

Market Area Overview



Submarket	Total Stock (MSF)
Westchester North	6.67
Westchester CBD	5.04
Westchester West	3.02
Westchester East	9.08
Westchester South	2.17
WESTCHESTER COUNTY	25.98

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