

# Above-average leasing and conversions led to positive absorption

▼ 20.1%  
Availability Rate

▲ 332,684  
SF Net Absorption

▲ 252,429  
SF Leasing Activity

▲ \$30.06  
PSF Average Asking Rent

Note: Arrows indicate change from previous quarter.

## QUICK FACTS

- Quarterly leasing activity totaled 252,000 sq. ft., up 21% from the prior quarter and five-year quarterly average
- Year-to-date leasing totaled 462,000 sq. ft., up 13% from the same period a year ago.
- The availability rate was 20.1%, down 130 basis points (bps) quarter-over-quarter and 100 bps from a year ago.
- Net absorption was 333,000 sq. ft. in Q2, bringing the year-to-date total to 528,000 sq. ft.
- Westchester County’s average asking rent was up 1% quarter-over-quarter to \$30.06.
- Sublet space currently makes up 5% of all available space in the county.

## Market Overview

Westchester County saw all major fundamentals improve in Q2. Supply contracted as leasing improved and obsolete stock continued to be converted. Leasing activity totaled 252,000 sq. ft. saw a 21% increase quarter-over-quarter and five-year quarterly average. The Q2 figure brings Westchester's year-to-date leasing to 462,000 sq. ft.

Absorption reached its highest quarterly mark since Q3 2018, totaling 333,000 sq. ft.—largely due to the approved apartment conversion of 113 King Street in Armonk. The availability rate fell 130 bps from the prior quarter to 20.1%—the lowest rate since Q2 2020. Average asking rent in Westchester rose 1% quarter-over-quarter to \$30.06 per sq. ft.

## Economic Conditions

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a steadier economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025.

Total employment in Westchester County rose in Q2 2025, increasing by 4,800 jobs (+1.1%) quarter-over-quarter. Year-over-year, employment in Westchester is up by 2,200 positions (+0.5%). Office-using employers (OUE) accounted for a gain of 500 positions in Q2 (+0.5%). Professional and business services accounted for the entirety of the increase in Q2 with a gain of 500 positions (+0.8%), while information services and professional and business services employment were both flat (0.0%). Westchester’s overall OUE stands at 99.9% of the 2019 level.

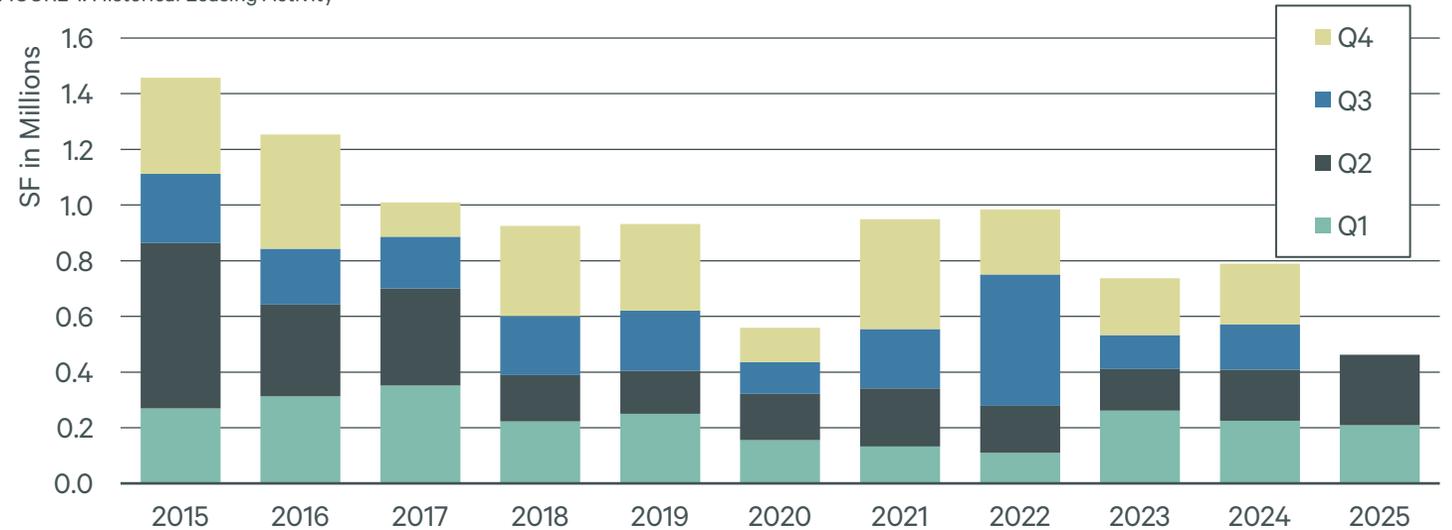
New York’s overall unemployment rate is 4.0%, down from 4.2% at the end of Q1 and below the national unemployment rate of 4.2%.

## Leasing Activity

Leasing activity in Westchester County reached 252,000 sq. ft. in Q2 2025, bringing the year-to-date figure to 462,000 sq. ft. Quarterly leasing activity was up 21% from the prior quarter and the county’s five-year quarterly average.

White Plains recorded the highest volume of leasing among Westchester submarkets for the fourth consecutive quarter, notching 100,000 sq. ft. of new activity.

FIGURE 1: Historical Leasing Activity



Source: CBRE Research, Q2 2025.

FIGURE 2: Top Transactions | Q2 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
33,369	L	D	Pure Insurance	1 North Lexington Avenue	White Plains CBD
27,132	R/E	D	Mass Mutual	565 Taxter Road	Westchester West
24,984	L	D	Ralph Lauren	1 Pepsi Way	Westchester North
22,740	R	D	Jackson & Lewis PC	1133 Westchester Avenue	Westchester West
20,097	L	S	National Public Finance Guarantee	1 Manhattanville Road	Westchester East

Source: CBRE Research, Q2 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

Q2's leasing was down 7% from Q1 but 67% above its five-year quarterly average. PURE Insurance's full-floor lease at 1 North Lexington Avenue accounted for 33% of the submarket's activity. This was the largest lease at 1 North Lexington since Atlas' two-floor lease at the end of 2023. Year-to-date activity in the submarket totaled 207,000 sq. ft., 115% ahead of 2024 year-to-date figures.

Westchester East's leasing activity bounced back in Q2 with 74,000 sq. ft.—the most the submarket has seen in a year. The quarterly figure is 76% above Q1 2025 totals and brings year-to-date leasing to 116,000 sq. ft. Several deals larger than 10,000 sq. ft. bolstered the Eastern submarket's activity, including the National Public Finance Guarantee's 20,000 sq. ft. lease at 1 Manhattanville Road in Purchase and USI's 11,000 sq. ft. relocation to 6 International Drive.

Westchester North saw 48,000 sq. ft. of activity, bringing year-to-date figures to 67,000 sq. ft. The quarterly figure is 37% above the five-year quarterly average for the submarket. The uptick in activity was largely attributed to Ralph Lauren's 24,000 sq. ft. new lease at 1 Pepsi Way in Somers. This was the largest lease in the North submarket since Q3 2022.

Westchester South's leasing slowed in Q2, down 60% from the prior quarter. The 7,800 sq. ft. in leasing for the submarket fell 20% shy of its five-year quarterly average.

## Net Absorption and Availability

Westchester County experienced positive absorption for the third straight quarter— this ties the longest stretch of positive absorption since 2023. Q2's 333,000 sq. ft. of absorption pushed the availability rate down 130 bps to 20.1% —the lowest mark since Q3 2020. Year-to-date absorption figures accumulated to 528,000 sq. ft.

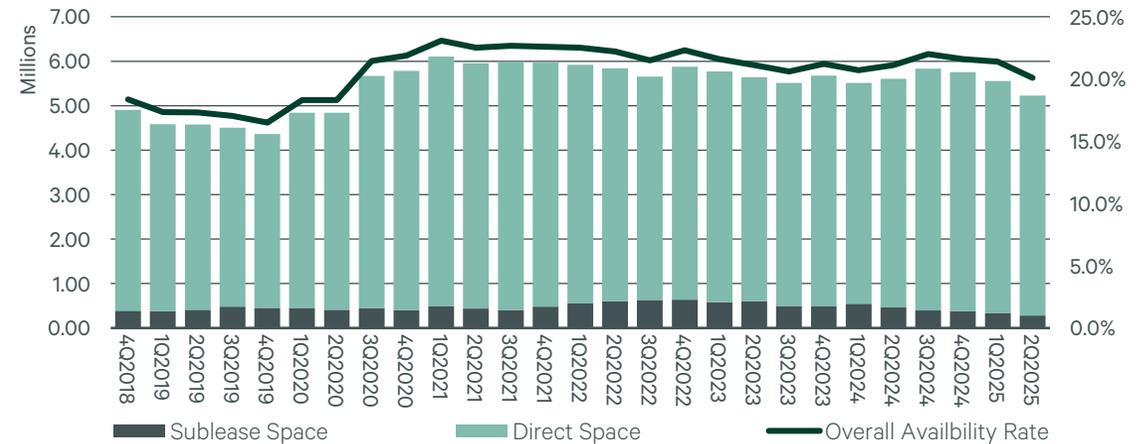
The main driver of the positive absorption stemmed from Westchester North. The submarket saw its availability fall 570 bps to 14.7%, the lowest figure in the past 10 years. The submarket saw 380,000 sq. ft. of positive absorption due to the removal of office availability at 113 King Street in Armonk. This building, which formally housed MBIA Insurance, is now slated for a residential conversion by Toll Brothers.

FIGURE 3: Quarterly Leasing Activity by Submarket



Source: CBRE Research, Q2 2025.

FIGURE 4: Availability Rate | Direct vs. Sublease Breakdown



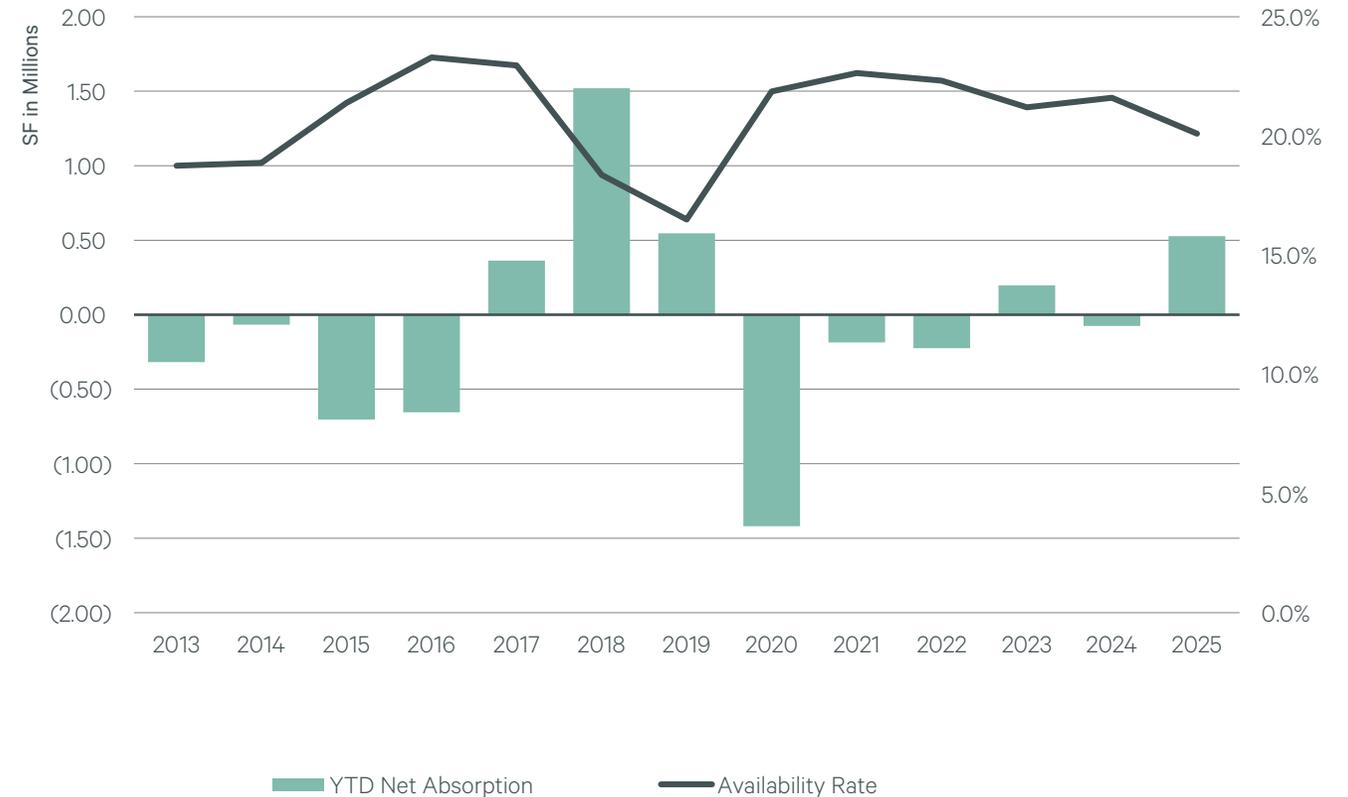
Source: CBRE Research, Q2 2025.

Westchester CBD saw negative 16,000 sq. ft. of absorption occur downtown, lowering year-to-date figures to positive 126,000 sq. ft. The submarket saw 16,000 sq. ft. come available at 44 South Broadway. The availability rate for Westchester's CBD is currently 21.2%, an increase of 30 bps from the previous quarter. Despite the slight uptick, the availability rate remained well below the 2023 peak of 26.0%.

Westchester East's quarterly absorption figures totaled negative 39,000 sq. ft. for Q2, which brought year-to-date figures to negative 64,000 sq. ft. The submarket saw 42,000 sq. ft. come available at 2 Manhattanville Road in Purchase. The availability rate was at 23.2%— the highest mark since Q3 2021.

Westchester South and West's absorption and availability rates were flat quarter-over-quarter. The availability rates for these submarkets stood at 12.1% and 26.5%, respectively.

FIGURE 5: Net Absorption | Historical



Source: CBRE Research, Q2 2025.

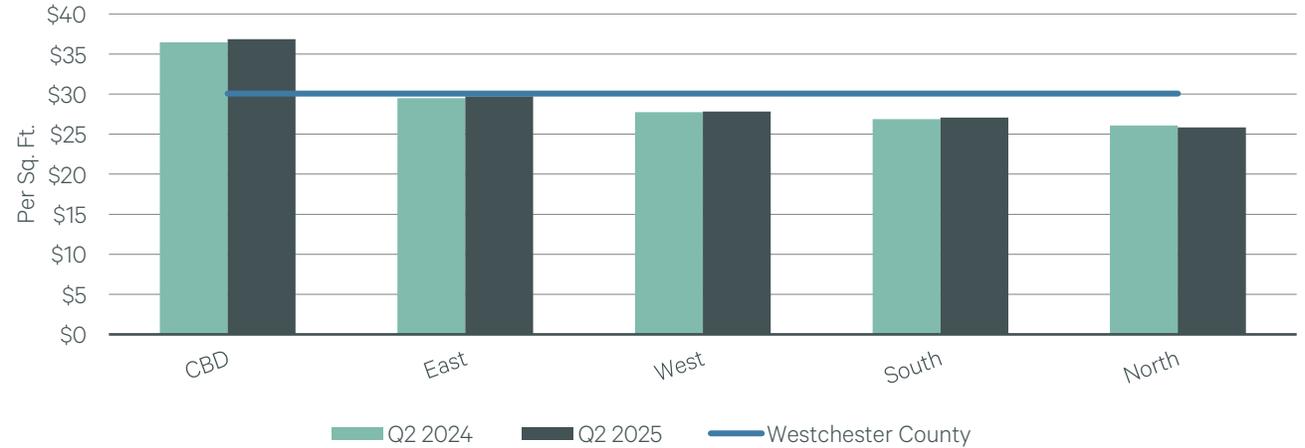
## Average Asking Rent

Average asking rent for Westchester saw a 1% jump quarter-over-quarter to \$30.06 per sq. ft.—on par with the all-time high reached in Q2 of last year. The increase stemmed from some large Class A spaces being listed at a premium rate in Westchester East and Westchester CBD.

Westchester CBD was the only submarket to experience a significant drop in asking prices due to high-quality space being leased at 1 North Lexington Avenue and White Plains Plaza. Q2 asking rent was \$36.84 per sq. ft.—down 4% from the prior quarter but up 2% from a year ago.

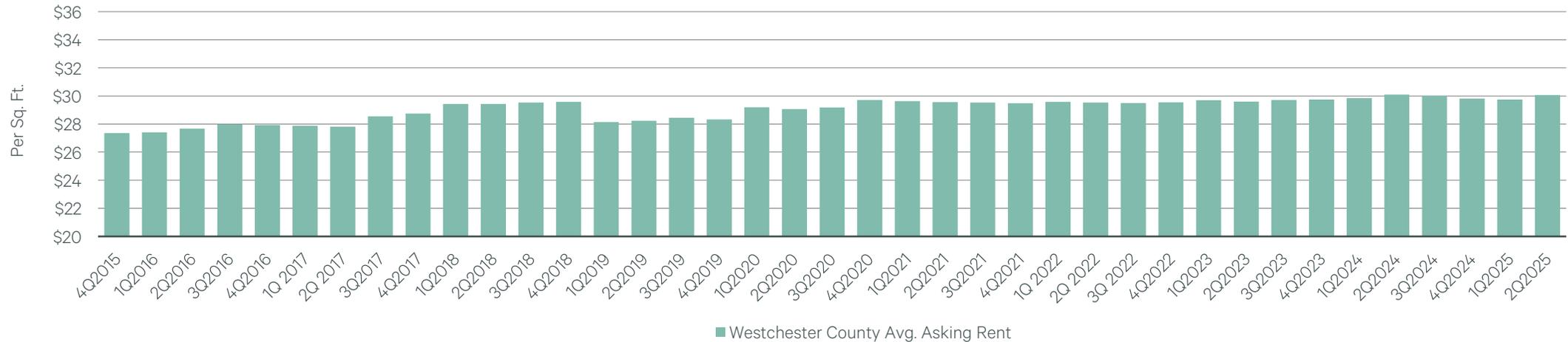
The asking rents in Westchester’s four outlying suburban office markets remained flat quarter-over-quarter.

FIGURE 6: Average Asking Rent | By Submarket



Source: CBRE Research, Q2 2025.

FIGURE 7: Average Asking Rent | Quarterly Historical



Source: CBRE Research, Q2 2025

FIGURE 8: Q2 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	1,361,271	14.7%	13.7%	379,772	48,226	\$25.83
Westchester CBD	5.04	1,053,049	21.2%	18.5%	(15,610)	99,893	\$36.84
Westchester West	3.02	802,168	26.5%	25.6%	3,700	22,427	\$27.82
Westchester East	9.08	2,071,599	23.2%	22.5%	(39,465)	74,102	\$29.71
Westchester South	2.17	268,227	12.1%	11.7%	4,287	7,781	\$27.08
<b>WESTCHESTER COUNTY</b>	<b>25.98</b>	<b>5,556,314</b>	<b>20.1%</b>	<b>18.9%</b>	<b>332,684</b>	<b>252,429</b>	<b>\$30.06</b>

Source: CBRE Research, Q2 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.

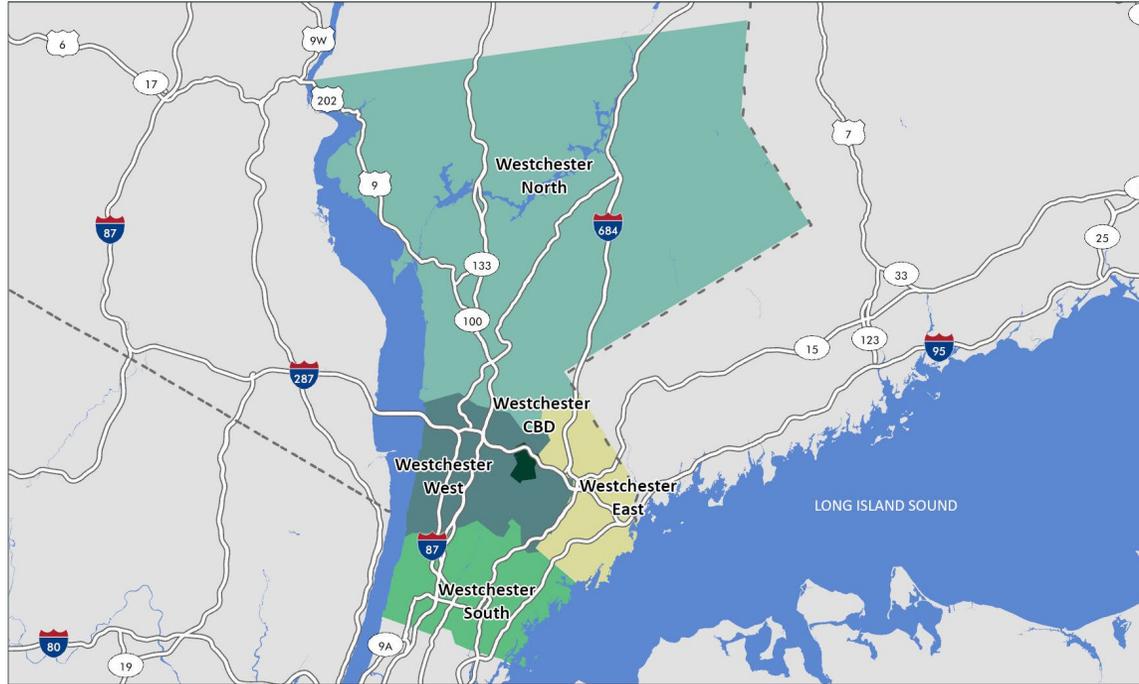
**Net Absorption:** The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

**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
<b>WESTCHESTER COUNTY</b>	<b>25.98</b>

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