

White Plains CBD drives Westchester County leasing

▼ 21.4%
Availability Rate

▲ 194,979
SF Net Absorption

▼ 209,361
SF Leasing Activity

▼ \$29.74
PSF Average Asking Rent

Note: Arrows indicate change from previous quarter.

QUICK FACTS

- Quarterly leasing activity totaled 209,000 sq. ft., down 4% from the previous quarter but 3% above the five-year quarterly average.
- Quarterly renewal activity amounted to 105,000 sq. ft., 9% above Q4 2024
- The availability rate was 21.4%, down 20 bps (basis points) quarter-over-quarter but up 170 bps from a year ago.
- Quarterly net absorption was positive 195,000 sq. ft.
- The average asking rent was \$29.74 per sq. ft., flat both quarter-over-quarter and year-over-year.

Market Overview

Westchester County demand was slightly above average in Q1 2025, due to focused activity in White Plains. Leasing activity in Q1 totaled 209,000 sq. ft., 3% ahead of the five-year quarterly average, but 7% behind last quarter’s figure and the lowest Q1 leasing total since 2022.

Absorption was positive at 195,000 sq. ft., as few space additions were added in Q1. The availability rate in Westchester was 21.4%—down 20 bps from the prior quarter. Asking rent was \$29.74 per sq. ft., virtually unchanged quarter-over-quarter and year-over-year.

White Plains CBD was the driver of demand in Q1. The submarket captured roughly 50% of leasing activity as well as the largest renewal of the quarter and the top three largest leases. Most of the activity was concentrated at White Plains Plaza, 445 Hamilton Avenue. The Downtown office renewed Keane & Beane for 28,000 sq. ft. and added the Westchester County Board of Elections and Traub, Liberman & Straus for over 20,000 sq. ft. each. The submarket is expected to continue seeing substantial activity in 2025, with over 225,000 sq. ft. of active requirements focused on the CBD.

Economic Conditions

Policy speculation and announcements are now the key catalysts for macro expectations and financial markets. Consumer sentiment has declined noticeably, albeit much more than actual spending. Consequently, CBRE has revised its GDP growth outlook for this year down to just below 2%.

Despite policy uncertainty, there has been more credit issuance in Q1 compared to where the market was a few quarters ago. More fluid credit markets have yet to translate into stronger sales volume, as many institutional owners remain on the sidelines. The continuation of accretive credit trends and eventual deployment of dry powder will depend upon the impact of new policies.

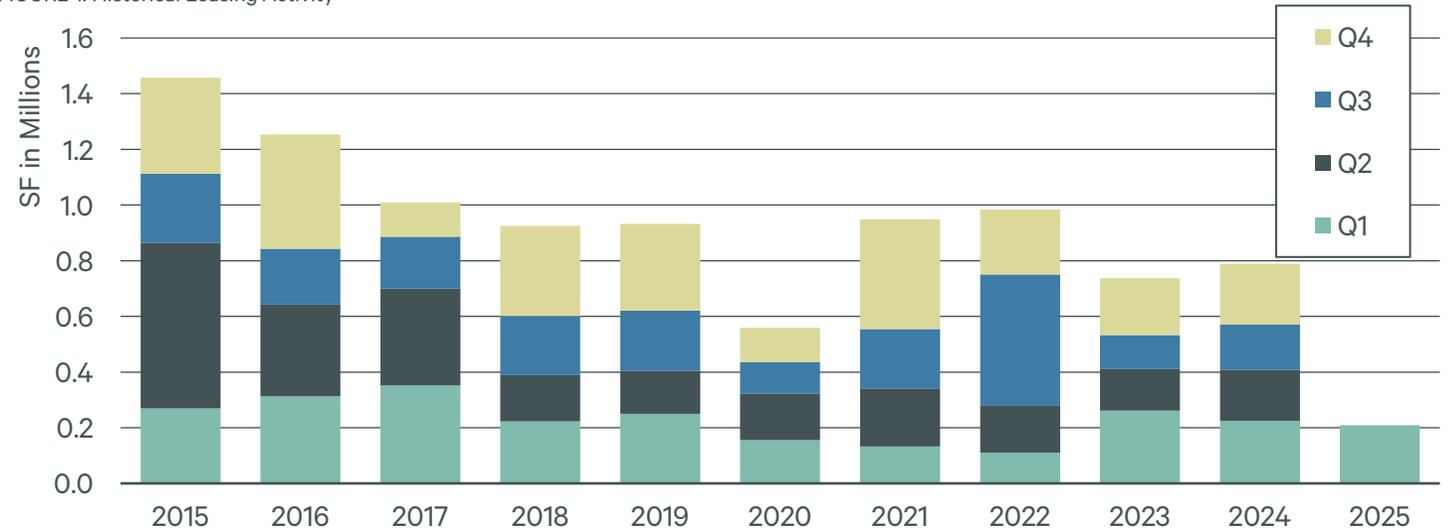
Total employment in Westchester County fell in Q1 2025 by 700 jobs (-2.4%) quarter-over-quarter. Year-over-year, employment in Westchester is up by 200 positions (+0.7%). Office-using employers (OUE) accounted for a loss of 3,300 positions in Q1 (-3.2%). Professional and business services accounted for most of the decrease, letting go of 1,800 positions in Q1 (-2.7%), while information services shed 800 positions (-12.1%), and professional and business services employment increased by 200 roles (+0.7%). Westchester’s overall OUE stands at 98.6% of the 2019 level.

New York’s overall unemployment rate is 4.4%, up from 4.2% at the end of Q4 and above the national unemployment rate of 4.0%.

Leasing Activity

Westchester County’s leasing saw a modest start to the year, with 209,000 sq. ft. of new activity in Q1. While this outpaced the five-year quarterly average by 3%, it trailed last quarter by 7% and was the slowest Q1 leasing total since 2022.

FIGURE 1: Historical Leasing Activity



Source: CBRE Research, Q1 2025.

FIGURE 2: Top Transactions | Q1 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
26,356	R	D	Keane & Beane PC	445 Hamilton Avenue	Westchester CBD
26,326	L	D	Westchester County Board of Elections	445 Hamilton Avenue	Westchester CBD
23,138	L	D	TransUnion LLC	50 Main Street	Westchester CBD
19,048	L	D	Traub, Lieberman, Straus & Shrewsbury LLP	445 Hamilton Avenue	Westchester CBD
15,008	R	D	United Teachers Association	520 White Plains Road	Westchester West

Source: CBRE Research, Q1 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

White Plains CBD was a stand-out submarket again, leading county-wide leasing for the third consecutive quarter and claiming 50% of Q1 activity. The Downtown market notched 108,000 sq. ft. of leasing, an 80% surge above the five-year quarterly average. The CBD accounted for four of the five largest deals, including the Westchester County Association Board of Elections' full floor lease at 445 Hamilton Avenue for 26,000 sq. ft.

Leasing in Westchester's suburban markets was more moderate in Q1. Westchester East notched 42,000 sq. ft. of activity—up 67% from the previous quarter but 44% behind the five-year quarterly average. Notably, 28% of activity was driven by Quintessential Mortgages' relocation to 3 International Drive in Rye Brook. 40% of activity over the past two quarters has been focused in Class B offices.

Westchester West's leasing cooled in Q1, with a 52% decrease in activity quarter-over-quarter. However, a major bright spot was the United Teachers Association's 16,000 sq. ft. renewal at 520 White Plains Road in Tarrytown – the county's second-largest renewal. Tarrytown remains the Western submarket's powerhouse, with below county-wide average rents and prime location driving activity along the Hudson River.

Westchester South's leasing improved quarter-over-quarter, totaling 20,000 sq. ft. of leasing activity—the highest quarterly figure achieved since the end of 2022.

Financial Services accounted for the largest share of leasing activity in Q1, accounting for 26% of new leases. Government associations accounted for 20% of county activity, driven by a recent wave in demand for new office space. Rounding out the top three was the legal sector—a Westchester mainstay—, which constituted 15% of new activity in Q1.

Net Absorption and Availability

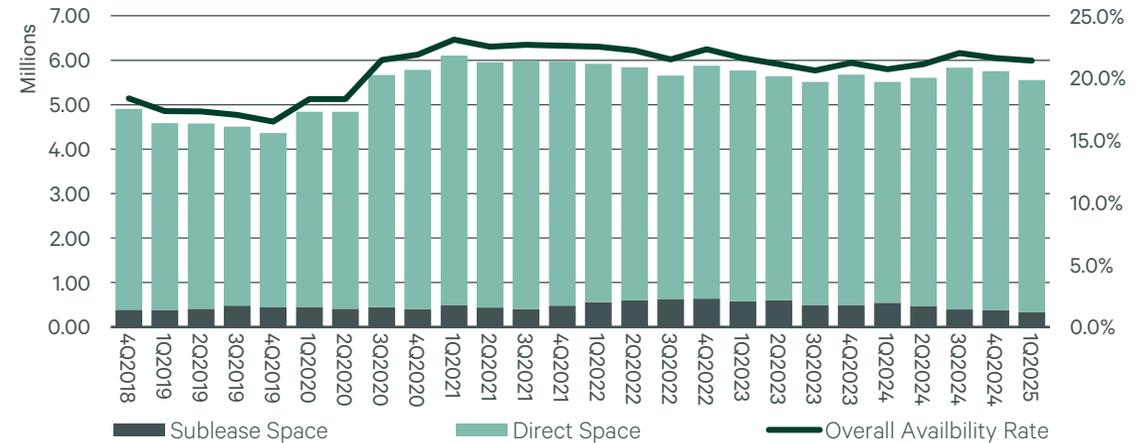
Westchester County experienced 195,000 sq.ft. of positive absorption in Q1, reducing availability by 20 bps to 21.4%. The improvement in absorption was facilitated by minimal space additions. The majority of the 10 largest spaces brought to market in Q1 were below 7,000 sq. ft.

FIGURE 3: Quarterly Leasing Activity by Submarket



Source: CBRE Research, Q1 2025.

FIGURE 4: Availability Rate | Direct vs. Sublease Breakdown



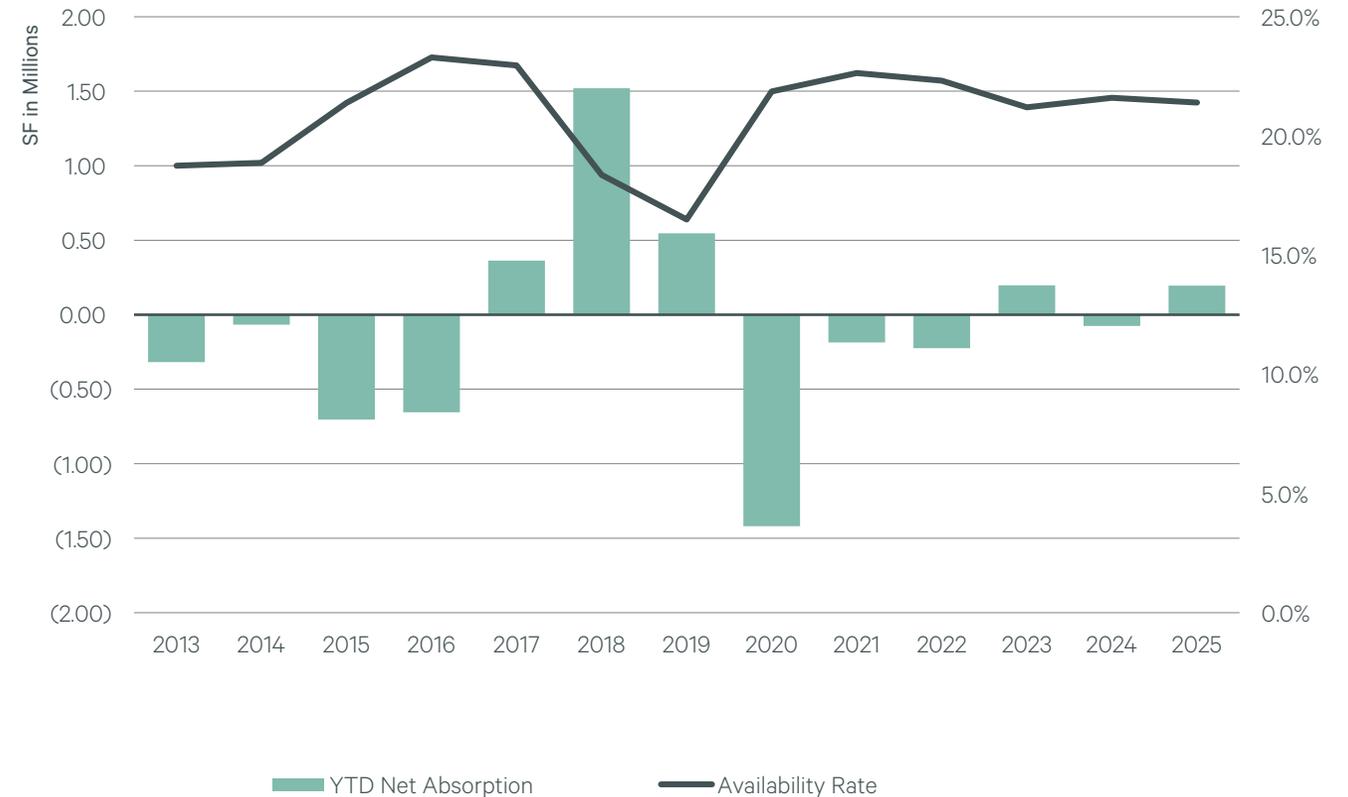
Source: CBRE Research, Q1 2025.

Another driver of the positive absorption was the White Plains CBD. The downtown market notched 142,000 sq. ft. of positive absorption, which dropped availability by 160 bps to 20.9%— the lowest level since the 2020. The downtown market saw a relatively modest influx of new space additions which primarily stemmed from 3 Barker Avenue.

Westchester West saw the biggest increase in availability over the first quarter. One major space addition came to market at 50 South Buckhout Street in Irvington, which formerly housed Eileen Fisher. The 35,000 sq.ft. of space additions heightened availability to 26.6%, an increase of 50 bps quarter-over-quarter.

Westchester East saw slight negative absorption of 25,000 sq. ft., increasing the availability rate by 30 bps to 22.8%. Westchester South saw slight positive absorption of 2,000 sq. ft., which dropped availability 30 bps to 12.3%.

FIGURE 5: Net Absorption | Historical



Source: CBRE Research, Q1 2025.

Average Asking Rent

Westchester County asking rent remained flat quarter-over-quarter and year-over-year at \$29.74 per sq. ft.

Westchester East's asking rent held steady quarter-over-quarter but increased 5% year-over-year. Extensive Class B leasing over the past several quarters has removed lower priced space from the market and boosted the average asking rent.

White Plains CBD's rent surged to a record high in Q1 amounting to \$38.52 per sq. ft., a 6% quarterly and 5% annual increase. The sharp rise was driven by a few high-priced listings at Gateway – 1 North Lexington Avenue, 50 Main Street and 3 Barker Avenue, driving the asking rent in the CBD to a record high.

FIGURE 6: Average Asking Rent | By Submarket



Source: CBRE Research, Q1 2025.

FIGURE 7: Average Asking Rent | Quarterly Historical



Source: CBRE Research, Q1 2025

FIGURE 8: Q1 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	6.65	1,361,271	20.5%	20.1%	12,889	18,446	\$26.26
Westchester CBD	5.04	1,053,049	20.9%	20.4%	141,784	107,615	\$38.52
Westchester West	3.02	802,168	26.6%	24.5%	63,048	21,554	\$27.69
Westchester East	9.10	2,071,599	22.8%	21.4%	(24,837)	42,106	\$29.77
Westchester South	2.17	268,227	12.3%	12.3%	2,095	19,640	\$27.07
WESTCHESTER COUNTY	25.98	5,556,314	21.4%	20.5%	194,979	209,361	\$29.74

Source: CBRE Research, Q1 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.

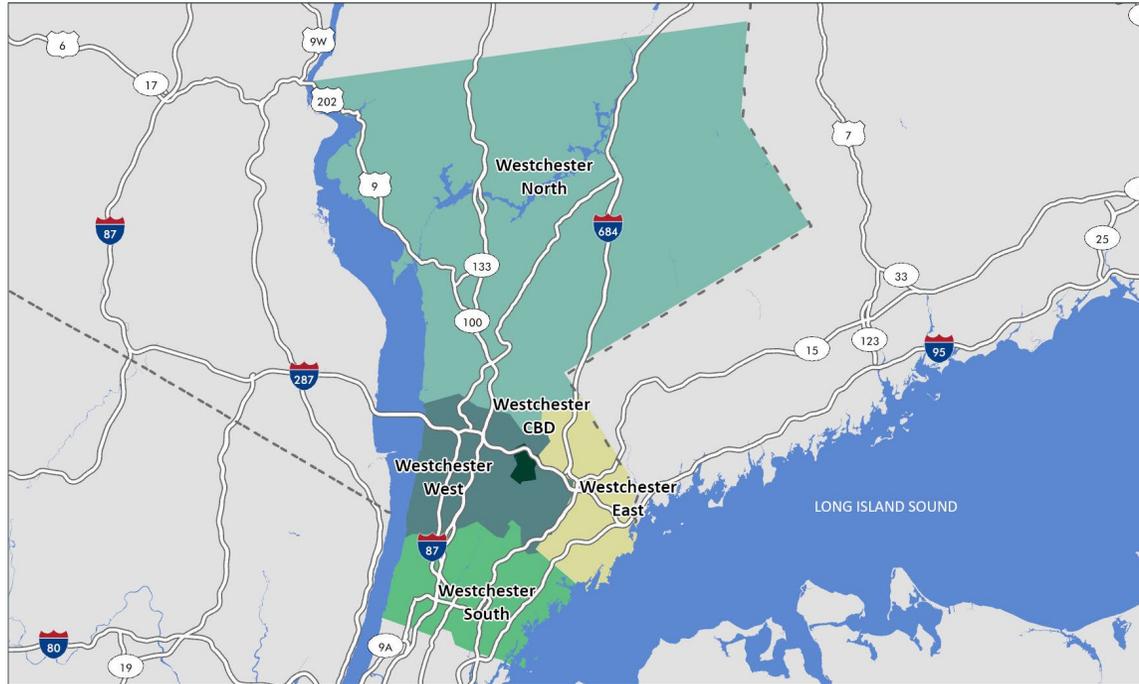
Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

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	6.65
Westchester CBD	5.04
Westchester West	3.02
Westchester East	9.10
Westchester South	2.17
WESTCHESTER COUNTY	25.98

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