

Annual absorption reached highest mark since 2018



Note: Arrows indicate change from previous quarter.

QUICK FACTS

- Quarterly leasing activity totaled 145,000 sq. ft., down 43% from the previous quarter and down 33% from the five-year quarterly average.
- Annual leasing activity totaled 862,000 sq. ft., up 9% year-over-year.
- The availability rate fell 20 bps (basis points) quarter-over-quarter to 19.7% and was down 190 bps from year end 2024.
- Quarterly net absorption was positive 35,000 sq. ft., which brought year-to-date absorption to positive 627,000 sq. ft.
- The average asking rent was \$30.09 per sq. ft., virtually unchanged quarter-over-quarter and up 1% from a year ago.

Market Overview

Westchester’s office market closed 2025 with mixed momentum. Annual leasing tallied 862,000 sq. ft. outpacing 2024 by 9%. Despite the annual improvement Q4’s below average total highlights the uncertainty around demand. Like most markets in the United States, tenants’ preference for quality was apparent throughout the year as Class A leasing accounted for more than 77% of all activity in 2025. Although the top end of the market demonstrated strong performance, certain segments of the inventory continue to see slower leasing velocity.

The removal of obsolete space is still a trend that is contributing to reductions in the availability rate. Westchester’s availability rate fell 190 bps annually to 19.7%—partially driven by the removal of office buildings slated for conversion and demolition. Average asking rent stood at \$30.09 per sq. ft.— 1% lower than 2024 as premium-priced space in the CBD was leased.

White Plains CBD led Westchester County in leasing for the second straight year capturing 39% of all new activity and securing 6 new lease agreements above 20,000 sq. ft.

Economic Conditions

CBRE has The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle. Conversely, consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. Annual average GDP growth will be steady in 2026, at 2%. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters.

Total employment in Westchester County rose by 13,800 positions quarter-over-quarter in Q4 (+3.1%). Year-over-year, employment in Westchester is up by 1,000 positions (+0.2%). Office-using employers (OUE) accounted for a gain of 1,400 positions in Q4 (+1.4%). Professional and business services grew headcount by 900 positions (+1.4%), financial activities gained 500 roles (+1.7%), and information was flat (0.0%). Westchester’s overall OUE stands at 102.4% of the 2019 level.

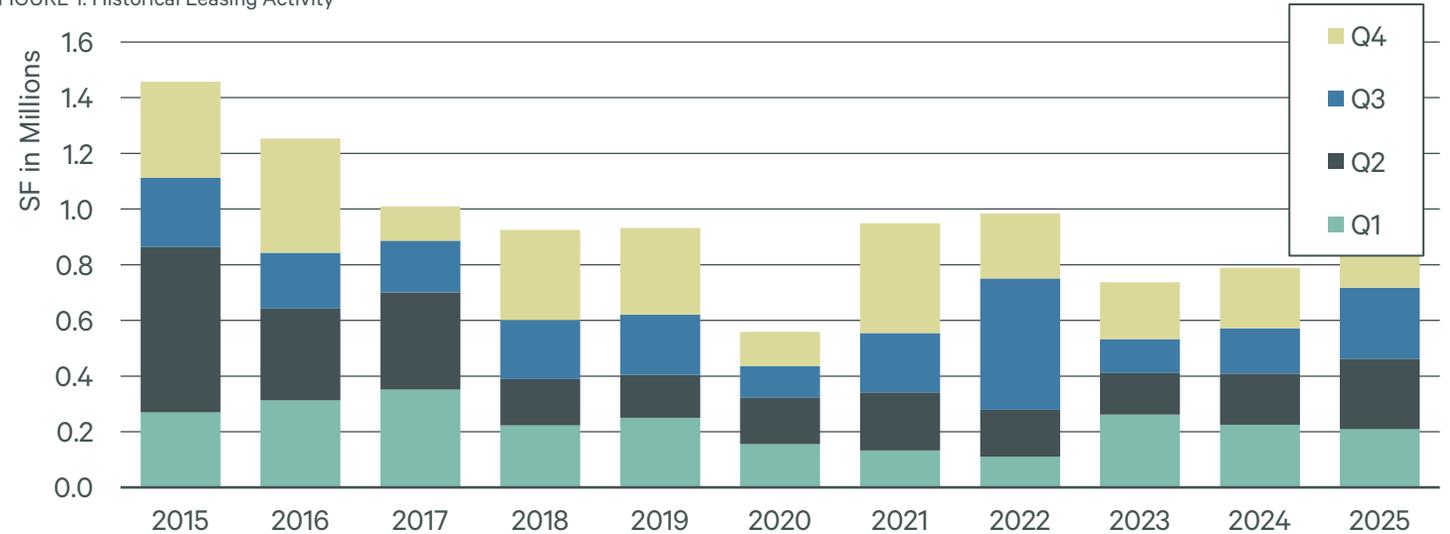
New York’s overall unemployment rate is 4.5% and the national unemployment rate is 4.6%.

Leasing Activity

Westchester County saw 145,000 sq. ft. of leasing activity in Q4—the lowest figure seen since Q1 2022. Countywide leasing was down 43% from the prior quarter and 33% below the five-year quarterly average. Overall annual leasing did see a slight uptick in activity, 9% ahead of 2024 figures.

High-quality space remained popular, with 77% of 2025 activity taking place in Class A assets. Prime assets, which are the best of the Class A set are performing particularly strong. This segment of the market captured 27% of annual leasing, despite accounting for only 11% of inventory.

FIGURE 1: Historical Leasing Activity



Source: CBRE Research, Q4 2025.

FIGURE 2: Top Transactions | Q4 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
30,770	L	D	Rectangle Health	1133 Westchester Avenue	Westchester East
26,219	L	D	Ultra Fabrics	560 White Plains Road	Westchester West
14,293	R	D	Judicial Title Insurance Agency	800 Westchester Avenue	Westchester East
12,466	L	D	Boies, Schiller & Flexner	1 North Lexington Avenue	Westchester CBD
11,333	L	D	HDR, Inc.	2 Manhattanville Road	Westchester East

Source: CBRE Research, Q4 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

Three industries made up 52% of 2025’s leasing activity: Insurance firms made up 22%,the Health Care sector notched 16%, and the Financial Services captured 14%.

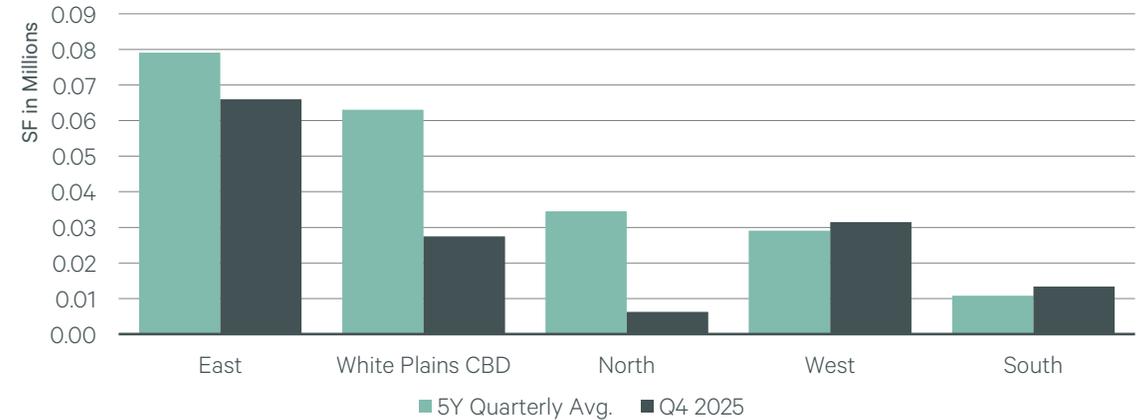
White Plains CBD led all Westchester submarkets in leasing activity for the second consecutive year, contributing 39% of 2025’s total leasing volume. The submarket recorded 27,000 sq. ft. of new activity in Q4, bringing its full-year total to 338,000 sq. ft. Annual leasing rose 12% from the prior year, as the CBD saw an influx of tenants relocating from the Northern part of the county. Notable relocations throughout the year included: Boies, Schiller & Flexner relocation to 1 North Lexington Avenue, Traub, Lieberman and Straus relocation to 445 Hamilton Avenue and RWE’s relocation to 50 Main Street. White Plains CBD also posted 121,000 sq. ft. of renewals, (Not included in leasing activity) including Westchester County’s largest deal of 2025—Heineken’s 51,000 sq. ft. renewal at 360 Hamilton Avenue.

Westchester East saw 66,000 sq. ft. of new activity in Q4, down 11% from the prior quarter and 17% behind the five-year quarterly average. Rectangle Health’s relocation from 115 East Stevens Avenue to 1133 Westchester Avenue contributed 47% of the quarterly total. Full-year leasing totals for Westchester East finished at 256,000 sq. ft., on par with 2024 and added 177,000 sq. ft. of renewals. That figure made up 34% of Westchester’s renewal activity for 2025, which included the largest renewal in Q4, Judicial Title Insurance’s 14,000 sq. ft. extension at 800 Westchester Avenue in Rye Brook.

Westchester West ‘s leasing total in Q4 notched 31,000 sq. ft., bringing annual activity to 135,000 sq. ft.—in line with 2024. The submarket secured the second-largest deal of Q4 with Ultra Fabrics’ 26,000-sq.ft. lease at 560 White Plains Road. Annual renewal activity was also strong, totaling 170,000 sq. ft. which accounted for 25% of all renewals countywide.

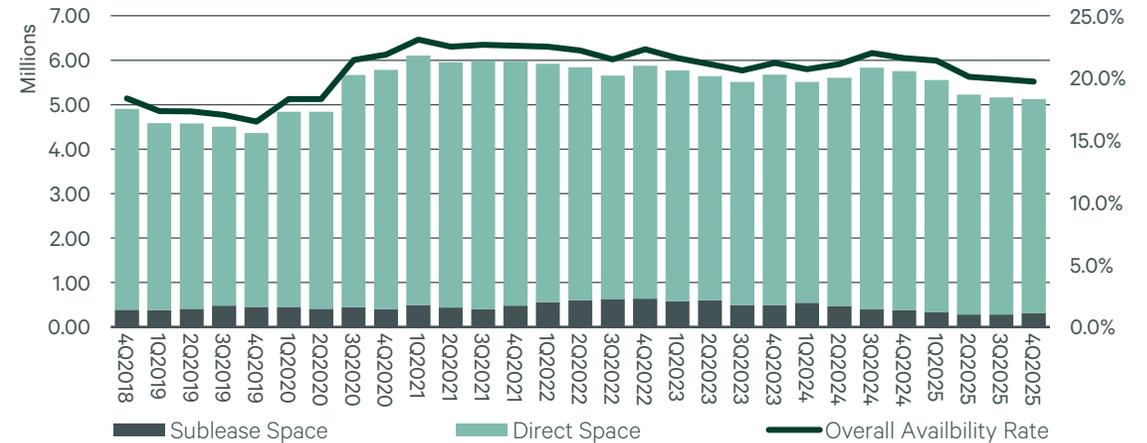
Westchester South’s 13,000 sq. ft. of leasing activity in Q4, brought annual leasing figures to 55,00 sq. ft. —the submarket’s strongest annual performance since 2022. Yonkers remained the primary driver of demand, contributing 58% of new activity in 2025, supported by increased interest in the office parks at Executive Boulevard and Executive Plaza.

FIGURE 3: Quarterly Leasing Activity by Submarket



Source: CBRE Research, Q4 2025.

FIGURE 4: Availability Rate | Direct vs. Sublease Breakdown



Source: CBRE Research, Q4 2025.

Net Absorption and Availability

Westchester County’s availability fell 20 bps quarter-over-quarter and 190 bps year-over-year to 19.7% as leasing outpaced new space additions. Absorption was positive for the fifth straight quarter in Westchester, amounting to 35,000 sq. ft., and brought the full-year total to 627,000 sq. ft.—the highest annual total since 2018.

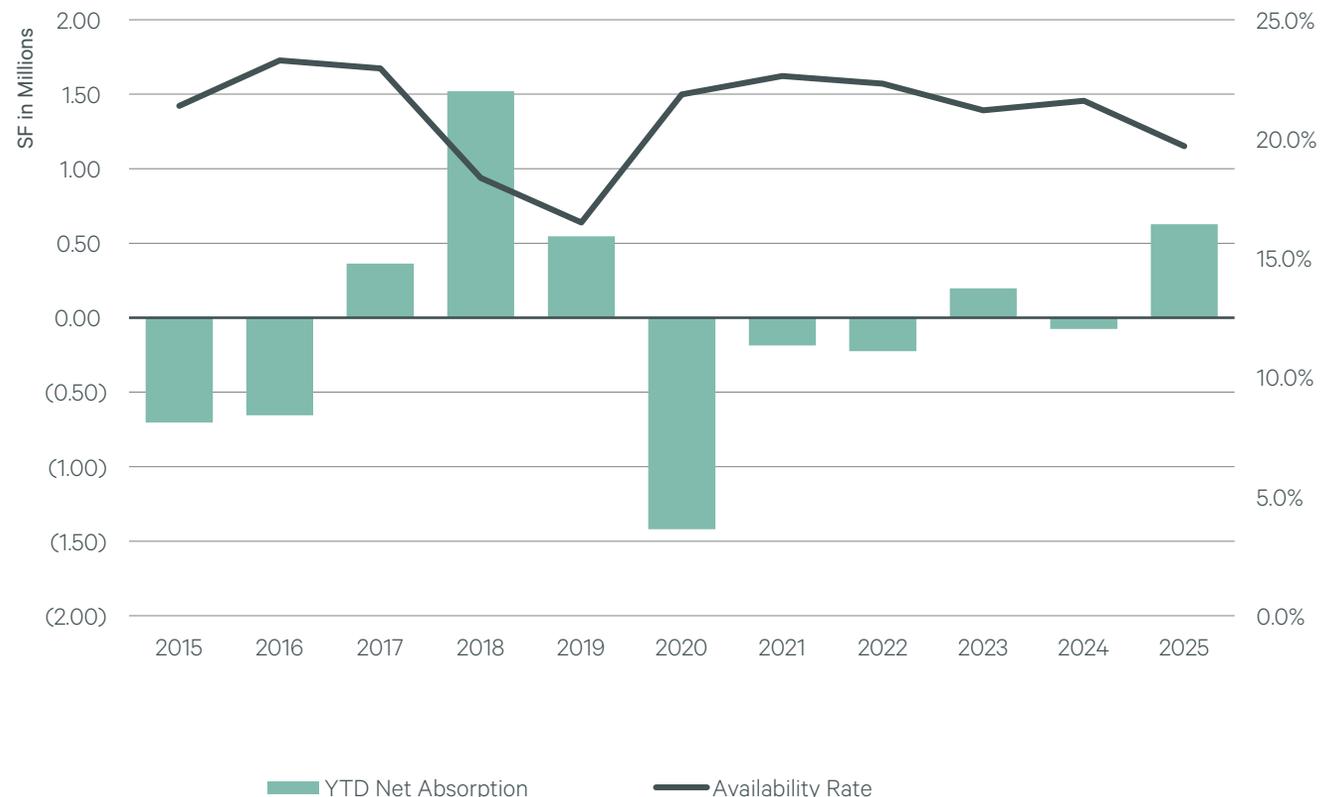
Westchester North finished 2025 with an availability rate of 14.3%—the lowest level since 2014. The majority of Westchester County’s positive annual absorption originated in the Northern suburbs, where two major mid year withdrawals sharply reduced availability. At 113 King Street, the fully vacant 287,000 sq. ft. headquarters, which formally housed MBIA, was approved for conversion into a 55 unit senior housing development. Additionally, 555 Pleasantville Road North was demolished, eliminating another 50,000 sq. ft. to make way for a new self storage facility. Together, these withdrawals accounted for most of the 433,000 sq. ft. of positive absorption recorded within the submarket—which represented 67% of the county’s annual total.

Westchester West notched 23,000 sq. ft. of positive absorption in Q4, bringing 2025 figures to positive 157,000 sq. ft. Correspondingly, availability fell 240 basis points year-over-year to 23.5%—the lowest mark seen since Q1 2020. Strong leasing and only four sizeable space additions above 10,000 sq. ft. kept conditions tight in the West.

Minimal leasing activity in White Plains CBD led to 44,000 sq. ft. of negative absorption in Q4. Despite Q4’s additions to supply, annual absorption was positive at 95,000 sq. ft. dropping the availability rate by 70 bps annually to 21.8%.

Westchester East continued to face headwinds in Q4, marking its third straight year of negative absorption and ending the year at negative 50,000 sq. ft. Availability climbed 60 bps annually to 23.1%. Westchester East saw four of the county’s ten largest new vacancies added throughout the calendar year. The most notable were the new spaces from the Centre at Purchase, which brought 94,000 sq. ft. of Class A space to market as companies relocated to White Plains, trimmed their footprints, or exited office use entirely.

FIGURE 5: Net Absorption | Historical



Source: CBRE Research, Q4 2025.

Average Asking Rent

Average asking rent in Westchester County held steady quarter-over-quarter at \$30.09 per sq. ft. but declined 1% year-over-year, driven largely by leasing of premium-priced space in White Plains CBD.

Average asking rent in White Plains CBD declined 2% quarter-over-quarter and 1% year-over-year to \$35.71 per sq. ft., reflecting the removal of higher-priced Class A space and the addition of below-market listings at 3 Barker Avenue and 222 Bloomingdale Road.

Westchester South saw a 2% increase in rent year-over-year to \$27.31 per sq. ft. The increase stems from new sublease spaces priced at above average rates along Huguenot Street and North Avenue in New Rochelle. These offices are beginning to command higher rents due to the influx of development of multi-family properties, growing a new workforce for downtown.

FIGURE 6: Average Asking Rent | By Submarket



Source: CBRE Research, Q4 2025.

FIGURE 7: Average Asking Rent | Quarterly Historical



Source: CBRE Research, Q4 2025

FIGURE 8: Q4 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	0.95	14.3%	13.2%	32,191	6,230	\$25.94
Westchester CBD	5.04	1.10	21.8%	20.4%	(44,162)	27,433	\$35.71
Westchester West	3.02	0.71	23.5%	22.5%	23,110	31,509	\$28.37
Westchester East	9.08	2.09	23.1%	22.7%	6,290	65,991	\$29.89
Westchester South	2.17	0.27	12.4%	10.9%	17,552	13,366	\$27.31
WESTCHESTER COUNTY	25.98	5.12	19.7%	18.8%	34,981	144,529	\$30.09

Source: CBRE Research, Q4 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.

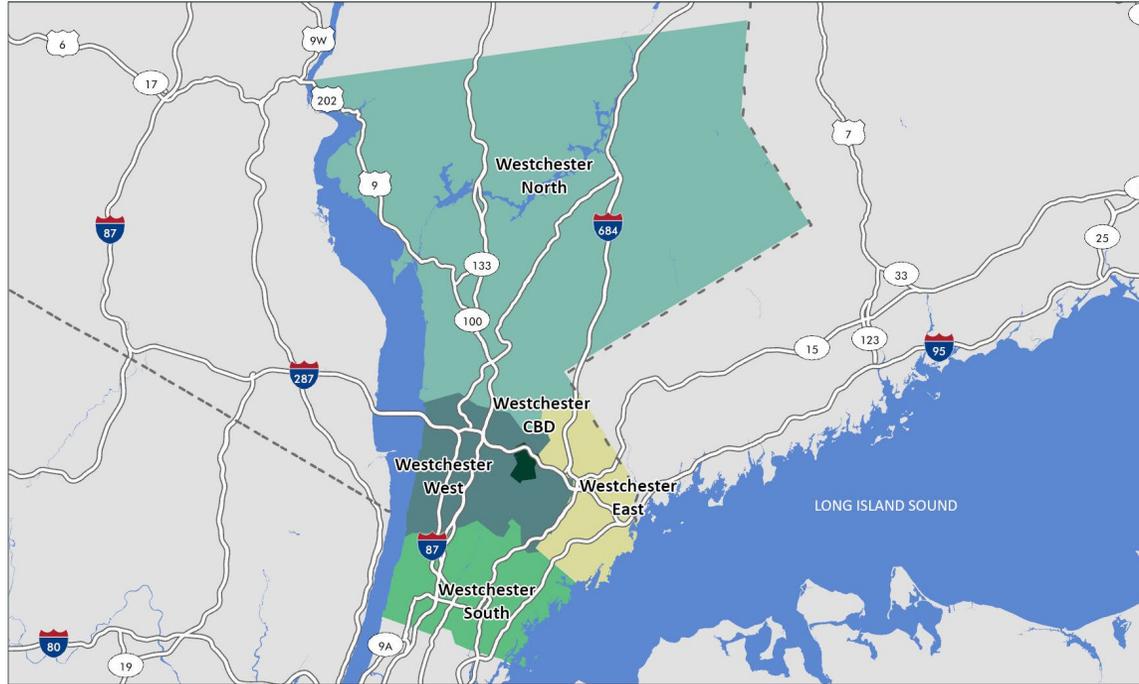
Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

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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