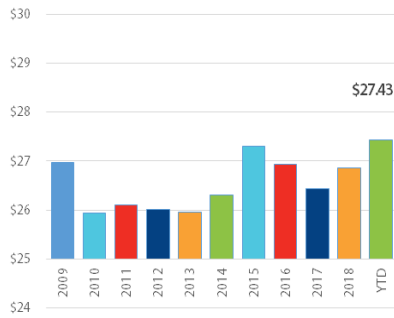


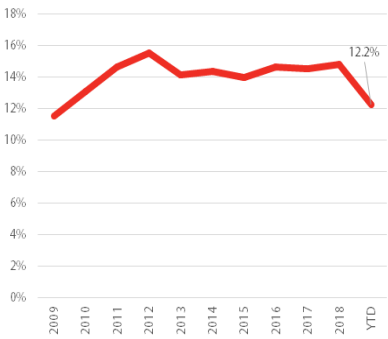
Westchester County

Continued tightening of Westchester County Office Market

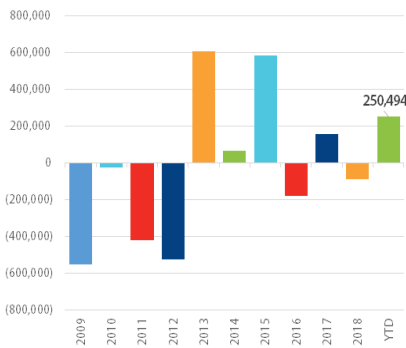
Overall Average Asking Rent



Overall Historical Vacancy



Overall Historical Net Absorption



Economy and Office Market Overview

By the close of November 2019, Westchester County's unemployment rate had dropped to 3.5 percent from 3.9 percent where it stood at the beginning of the year, while it was 20 basis points (bps) up year-over-year. Meanwhile, the county's labor force shrunk by over 2,309 jobs from January 2019 and by 11,923 relative to three years prior. In December, the acquisition by New Media Investment Group of mass media company, Gannett Co. Inc., who owns The Journal, among other newspapers, saw the first round of job cuts by 200. Reportedly, the new owner is anticipated to cut an estimated 950 more jobs through February 2020. The future impact of these job cuts to Westchester County and to The Journal's space at 1133 Westchester Avenue in White Plains where it occupies an estimated 34,000 SF remains to be seen.

Nonetheless, positive growth in the office-using employment sectors of Financial Activities and Healthcare continued to bode well for the Westchester County office market in the fourth quarter with a drop in vacancy and positive net absorption.

Vacancy

Vacancy dropped again county-wide in fourth quarter, closing at 12.2 percent. This represented a drop of 20 basis points (bps) from the third quarter 2019 and 310 bps relative to the fourth quarter of 2018 when it stood at 15.3 percent. Decreases in vacancy were seen across all submarkets. The East I-287 and West I-287 submarkets saw the steepest year-over-year declines with over 400 bps, down to 13.2 percent and 10.4 percent, respectively. Both of these markets saw the year's largest new lease transactions, two of which closed in the fourth quarter. Namely, a new lease executed by Montefiore Medical Center for 127,000 square feet (SF) in the West I-287 submarket and another lease by Westmed Medical Group for 25,000 SF in the East I-287 submarket.

Absorption

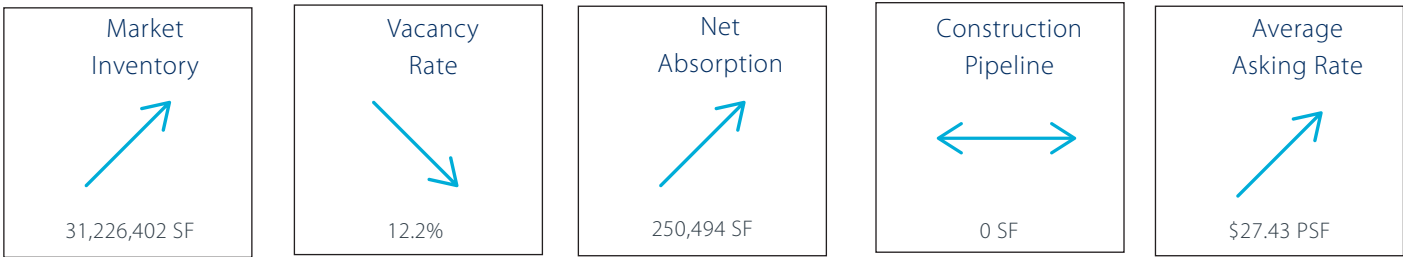
At the close of 2019, absorption ended on positive ground with a net of 250,494 SF, marking an improvement over the previous year which finished with a negative 55,627 SF. Quarterly net absorption in the fourth quarter was also positive by 95,883 SF. The highest net absorption was in the East I-287 which ended the year with 153,147 SF. The East I-287 submarket saw several notable lease deals in the course of 2019 and topped the 4th quarter with three of the most notable lease deals in the market, the largest of which was a renewal by Orthonet at 1311 Mamaroneck Avenue of 60,000 SF.

Asking Rate

The market-wide average asking rent per square foot (PSF) rose by 2.0 percent year-over-year and. The highest increases were in the East and West I-287 submarkets. In the latter, a few buildings saw a marked year-over-year increase in average asking rent ranging from \$2.00 to \$4.00 per square foot.

Office Market Snapshot

Below are 2019 year-to-date overall market indicators for Westchester County's office market compared to the fourth quarter of 2018:



Notable Lease Transactions

Tenant	Property/Submarket	SF/Type
Montefiore Medical Center	555 Taxter Rd /West I-287	127,034/New
Orthonet	1311 Mamaroneck Ave /East I-287	60,000/ Renewal
WestMed Medical Group	800 Westchester Ave /East I-287	25,000/New
Assured Partners	445 Hamilton Ave /White Plains CBD	25,000/New
Ice Data Service, Inc	1311 Mamaroneck Ave /East I-287	21,000/New

Quarter Highlights

- Year-to-date leasing volume in Westchester County by the end of the fourth quarter of 2019 was 21.0 percent higher than that of 2018 and 48.0 percent higher than it was in the fourth quarter of 2018. The strengthened leasing activity was attributable to strong demand from the Health Services sector which has been a significant driver of office demand. In the course of 2019, office leasing volume by Healthcare tenants totalled over 241,000 SF and the largest transaction was by Montefiore Medical Center for 127,034 SF in the fourth quarter. The year also saw the notable acquisition of 550 and 600 Mamaroneck Avenue by Anchor Health Properties who, reportedly, plans to re-configure the buildings to Class A medical facilities. The buildings currently have a high medical tenancy.

Notable Sales Transactions

Address/Submarket	Buyer/Seller	Price/Price PSF
700-720 White Plains Rd/ Southern*	Ashkenazy Acquisition Corp/ Vernon Hills Shopping Center LLC	\$42,248,754/ \$267
100 Manhattanville Rd/East I-287	RPW Group/CACEIS (USA) Inc.	\$36,250,000/ \$125
670 White Plains Rd/Southern	Ashkenazy Acquisition Corp/ Vernon Hills Shopping Center	\$21,750,836/ \$249

*Part of portfolio sale



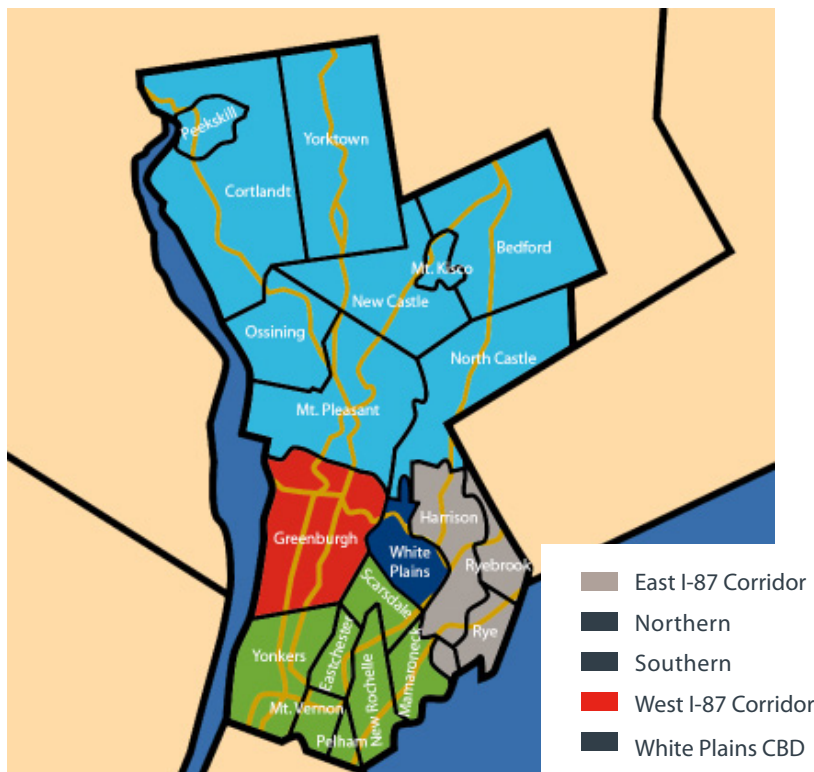
700-720 White Plains Rd,
Scarsdale, 158,000 SF



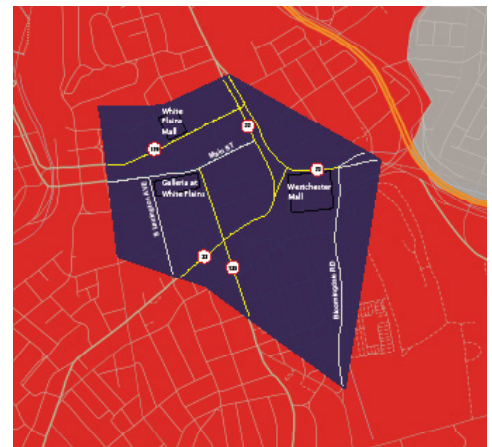
100 Manhattanville Rd, Purchase
290,631 SF



670 White Plains Rd, Scarsdale
87,244 SF



White Plains CBD



Market By The Numbers

Submarket	Inventory (SF)	Vacant (SF)	Vacancy (%)	Vacancy Trend (Q4'19- Q4'18)	Availability (%)	4Q19 Net Absorption (SF)	Year-to-Date Absorption	Under Construction (SF)	Overall Average Asking Rent
Northern	6,824,797	1,137,113	16.7%	Down	19.8%	-7,621	30,565	0	\$23.48
West I-287	3,578,976	372,411	10.4%	Down	22.8%	-11,901	-91,802	0	\$26.61
East I-287	10,028,625	1,319,546	13.2%	Down	14.6%	123,141	154,147	0	\$28.45
Southern	4,890,425	348,306	7.1%	Down	11.7%	1,135	96,335	0	\$25.44
Suburban Total	25,322,823	3,177,376	12.5%	Down	16.6%	104,754	189,245	0	\$26.20
White Plains CBD	5,903,579	645,648	10.9%	Down	16.9%	-8,871	61,249	34	\$35.14
Market Total	31,226,402	3,823,024	12.2%	Down	16.7%	95,883	250,494	34	\$27.43



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