

PRESS RELEASE



Contact:

CBRE, Inc.

Karen Hewitt
203.352.8905
Karen.hewitt@cbre.com

Great Ink Communications

Jimmy Lappas
212.741.2977
jimmy.lappas@greatink.com

CBRE Releases Q2 2017 Market Report for Westchester and Fairfield Counties

*Has the train left the station for a tenant's market?
Flight to competitively-priced, quality assets continues in Fairfield County*

Stamford, CT – July 24, 2017 – According to CBRE Group’s industry-defining Westchester and Fairfield County office market reports, Westchester’s leasing velocity of 349,929 square feet was down just slightly from 351,015 square feet recorded in Q1 2017. Fairfield County also experienced reduced leasing velocity, from 427,788 square feet of activity in Q1 2017 to 363,030 square feet this quarter.

“Although leasing velocity was down from last quarter, there are a number of bright spots for both Westchester and Fairfield Counties,” said Robert Caruso, Senior Managing Director of CBRE’s Westchester/Fairfield County operations. “Demand for Class A office space was particularly high and we expect this to continue to drive much of the activity in both of these markets. As the year goes on, we anticipate demand continuing to grow and leasing velocity to increase.”

Westchester County

Westchester County is trending in a very positive direction for 2017 year-to-date. There has been positive net absorption for the first two quarters of 2017 along with consistent leasing velocity and low availability rates—creating a very optimistic outlook for Westchester in Q2 2017. A majority of the leasing for Westchester County took place in Class A properties, which saw 324,352 square feet of activity, an uptick from last quarter’s 302,037 square feet. Total leasing velocity was strongest in the CBD/White Plains submarket, which posted 168,816 square feet of activity.

More specifically, availability rates across the County are at levels not seen in years. Westchester CBD’s availability rate of 17.7% is the lowest it has been since 2010. Meanwhile, Westchester East’s rate of 16.5% has not been this low in over 10 years. These markets are representative of the health of the county overall in terms of their location, relative property values and size of the markets.

A number of large transactions have contributed to Westchester’s leasing velocity this quarter. Sumitomo Mitsui’s 101,411-square-foot lease at 1 North Lexington was the largest lease for the quarter followed by Dannon Company’s 82,000-square-foot lease at 1 Maple Avenue in White Plains and Ascensia Diabetes’s 65,000-square-foot lease at 100 Summit Lake Drive in White Plains. All of these deals significantly helped contribute to the lower availability rates being seen in Westchester and specifically Westchester CBD.

For the fourth consecutive quarter, the Westchester County office market experienced positive net absorption, totaling 379,322 square feet during Q2 2017.

Rental rates in Westchester County remained consistent for the 15th consecutive quarter in the \$27-per-square-foot range. Rents closed Q1 2017 at \$27.81-per-square-foot. Rental rates in each of the submarkets remained on par from the previous quarter.

Fairfield County

Due to a shift in market sentiment, Fairfield County's leasing velocity was down compared to the previous quarter. However, the Stamford CBD submarket experienced the most leasing activity with 136,989 square feet, followed by the Stamford N/CBD with 62,177 square feet. The County continues to deal with large blocks of available space that have driven up the availability rate in the market, which ticked up just slightly from 24.6% in the first quarter to 25.4% in Q2 2017.

In Fairfield County, tenants continue to prefer quality buildings with competitive pricing. The two largest transactions this quarter were Daymon Worldwide's 46,488-square-foot lease and Icahn School of Medicine at Mount Sinai's 29,464-square-foot lease at 333 Ludlow.

Connecticut's Media Tax Credit Program is working to retain media companies already in the market. Ralph Edwards Productions' 18,739-square-foot relocation at 470 West Avenue in Stamford and Blue Sky Studios' significant 146,795-square-foot renewal at 1 American Lane as well as YES Networks 19,909-square-foot renewal at 250 Harbor Drive in Stamford were all driven by this state tax incentives program.

Fairfield posted negative net absorption of 309,666 square feet during the second quarter, which was largely due to the addition of 245,000 square feet at Glover Street in Norwalk.

At \$32.39-per-square foot, asking rents in Fairfield County rose slightly from last quarter's \$31.94 square feet.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (based on 2016 revenue). The company has more than 75,000 employees (excluding affiliates), and serves real estate investors and occupiers through approximately 450 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.