

PLAN FOR TOMORROW, TODAY

# THE WESTCHESTER TEAM



**William  
Cuddy**  
Executive Vice President



**Jacqueline  
Novotny**  
Senior Vice President



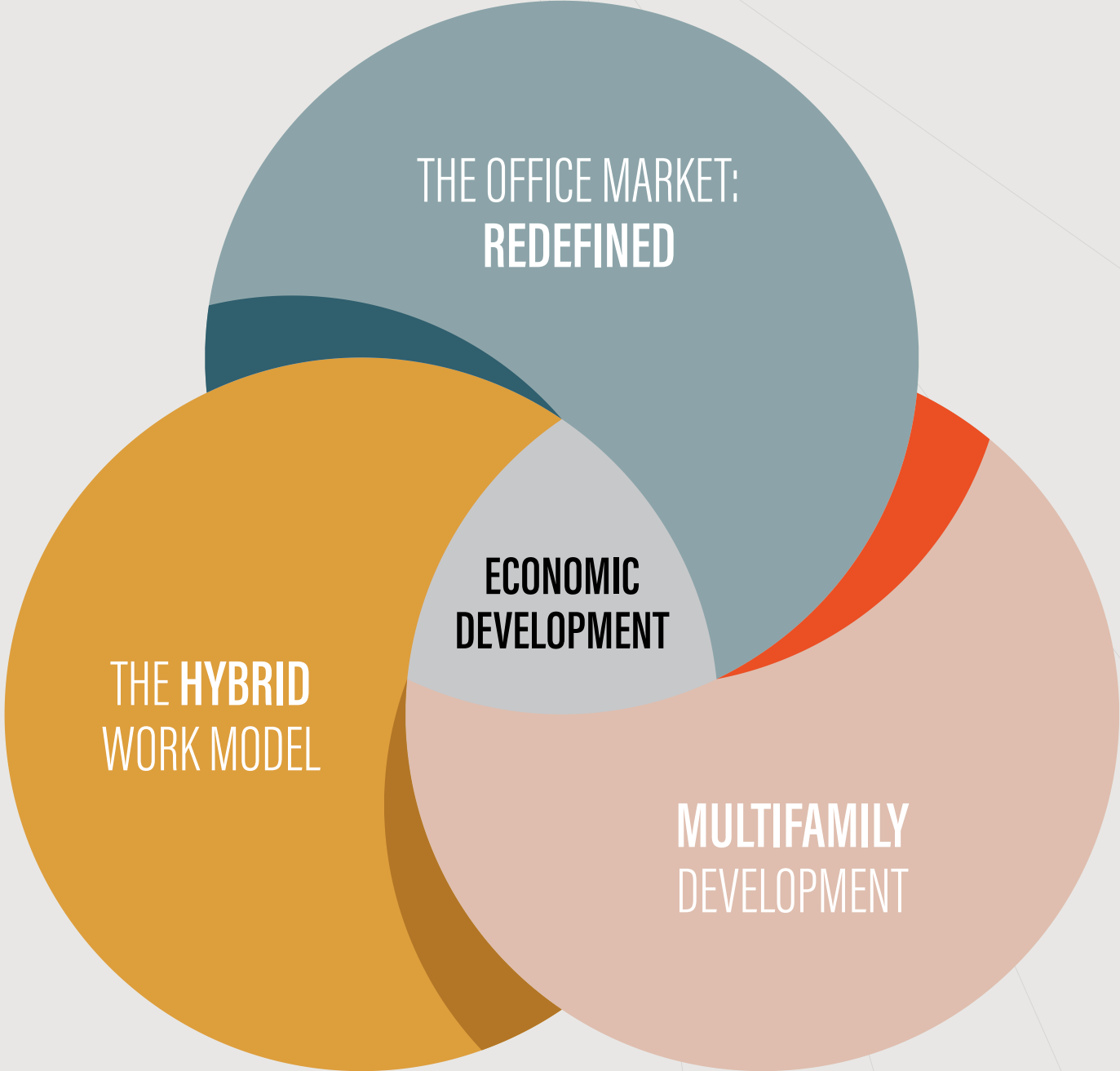
**Mike  
McCall**  
Senior Vice President



**Sheera  
Riemer**  
Vice President



*THREE EMERGING REAL ESTATE TRENDS ARE  
A CATALYST FOR ECONOMIC DEVELOPMENT*





**COVID-19 DID NOT CREATE THE HYBRID  
WORKPLACE, IT *ACCELERATED* IT.”**

**— *SABINE BENDIEK, SAP***

# THE HYBRID WORK MODEL

MANAGEMENT AND EMPLOYEES ARE ENGAGED IN A CONTENTIOUS RETURN-TO-OFFICE TUG OF WAR.

- Management wants control, collaboration, and company culture.
- Employees want freedom, creativity, and quality of life.



**REMOTE WORK DOESN'T ALLOW FOR SPONTANEOUS IDEA GENERATION AND IT ERODES CULTURE."**

*— JAMIE DIMON, CEO JP MORGAN*

# THE HYBRID WORK MODEL

## FOUR FACTORS IMPACTING THE HYBRID/REMOTE WORK DISCUSSION:

- Industry
- Job Function
- Proximity to the Office
- Employee Demographic



# THE HYBRID WORK MODEL

TECHNOLOGY AND ARTIFICIAL INTELLIGENCE (AI), ARE COMPOUNDING THE REDUCTION IN SPACE UTILIZATION.

- Jobs eliminated, particularly in the insurance and finance sectors (Allstate, Prudential, Capital One).
- Zoom, Teams, and other technology platforms allow for vastly improved remote communication.



# THE HYBRID WORK MODEL

NET OVERALL IMPACT WILL BE A  
COMPRESSION IN OFFICE SPACE  
REQUIREMENTS BY 10-30%.

- Office utilization will be reimagined to create more expensive collaboration space and less dedicated individual space.
- 69% of respondents across all industry sectors revisited their design standards for office space in 2022; collaboration space saw the most planned change.\*
- Fully amenitized....will outperform the market.



\*Source: CBRE Research, Occupier Sentiment Survey H2 2022.



# THE OFFICE MARKET: REDEFINED



## A NEW MODEL OFFERS NEW INSIGHTS

### Industry-Accepted Office Model

CBRE's market report analyzes Westchester County's office buildings using the following criteria:

- Buildings totaling 20,000 SF or larger
- Class A and B only

### New Office Model

- Buildings totaling 20,000 SF or larger
- Class defined as A, B, and C
- Buildings are rated based upon: Location, Amenities, Infrastructure and Economic viability

### INDUSTRY-ACCEPTED MODEL, WESTCHESTER OFFICE MARKET STATISTICS, Q4 2022

MARKET	# OF BUILDINGS	MARKET RENTABLE AREA (MSF)	TOTAL AVAILABLE (MSF)	AVAILABILITY RATE (%)	VACANCY RATE (%)	2022 ANNUAL LEASING ACTIVITY (SF)	AV. ASKING RENT (\$/SF/YR)
Westchester County	191	26.32	5.67	21.6%	20.3%	984,820	\$29.55

### NEW MODEL, WESTCHESTER OFFICE MARKET STATISTICS, Q4 2022

MARKET	# OF BUILDINGS	MARKET RENTABLE AREA (MSF)	TOTAL AVAILABLE (MSF)	AVAILABILITY RATE (%)	VACANCY RATE (%)	2022 ANNUAL LEASING ACTIVITY (SF)	AV. ASKING RENT (\$/SF/YR)
Westchester County	298	30.9	7.5	24%	23%	1,064,834	\$27.23

# THE OFFICE MARKET: REDEFINED

## NEVER MORE RELEVANT

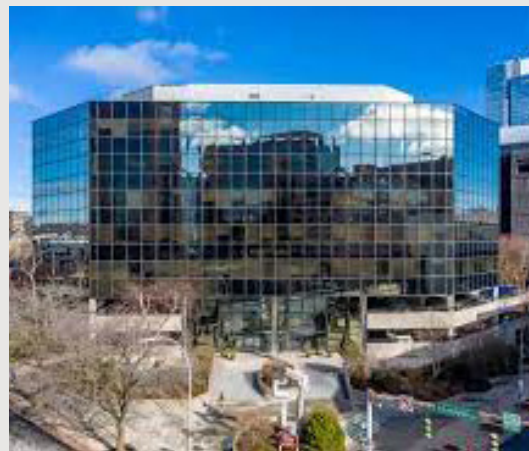
We inventoried 86 office properties across the 4 submarkets, applying our new scorecard model, with the following results:

CLASS A	
Weighted Average	4.0+
# of Buildings	11



50 MAIN STREET, WHITE PLAINS CBD	
Location	5
Building Amenities	4.5
Infrastructure	2.5
Economics	5.5
<b>Weighted Average</b>	<b>4.75</b>

CLASS B	
Weighted Average	3-4
# of Buildings	26



81 MAIN STREET, WHITE PLAINS CBD	
Location	5
Building Amenities	2.5
Infrastructure	5
Economics	3.5
<b>Weighted Average</b>	<b>3.8</b>

CLASS C	
Weighted Average	2-3
# of Buildings	32



1 BARKER, WHITE PLAINS CBD	
Location	5
Building Amenities	0
Infrastructure	1
Economics	1.5
<b>Weighted Average</b>	<b>2.05</b>

CLASS D	
Weighted Average	<2
# of Buildings	17



34 S. BROADWAY, WHITE PLAINS CBD	
Location	3.5
Building Amenities	1
Infrastructure	0
Economics	0
<b>Weighted Average</b>	<b>1.35</b>

SAMPLE SET: WHITE PLAINS CBD

# THE OFFICE MARKET: REDEFINED

## HOW DID WE DETERMINE THE SCORING METRICS?

The scoring metrics reflect tenants' actual priorities.

## THE SCORECARD

Location	0/5	Max	Parameters
Walkability to Area Amenities	0.00	1.5	within .5 mile
Transit Oriented	0.00	1.5	within .5 mile
Proximity to Retail and Services (Driving)	0.00	1	within 2 Miles
Nearby Access to Interstates (I-287, I-95, I-684)	0.00	1	within 2 Miles
Building Amenities (onsite or private)	0/5	Max	Parameters
Café	0.0	1	(Y/N)
Conference	0.0	1	(Y/N)
Shuttle	0.0	0.5	(Y/N)
Security	0.0	0.5	(Y/N)
Covered Parking	0.0	1	Y/N
Gym/Workout Area	0.0	1	(Y/N)
Infrastructure	0/5	Max	Parameters
LEED Certified	0.0	1.5	(Y/N)
Renovated HVAC	0.0	1	(Y/N)
Power Redundancy (Generator; DP; POE)	0.0	1.5	(Y/N)
EV Charging Stations	0.0	1	(Y/N)
Economics	0/5	Max	Parameters
Occupancy: Under 50: 0.5; 50-79: 1.5; 80+: 2.5;	0.0	2.5	Percentage
Renovations: 3 of 4 categories below:	0.0	2.5	Categories met
Keycard/Entry Point updates			(Y/N)
Pre-Built/1st Generation Units			(Y/N)
Café/Gym updates			(Y/N)
Renovated Entryway/Atrium			(Y/N)

# THE OFFICE MARKET: REDEFINED

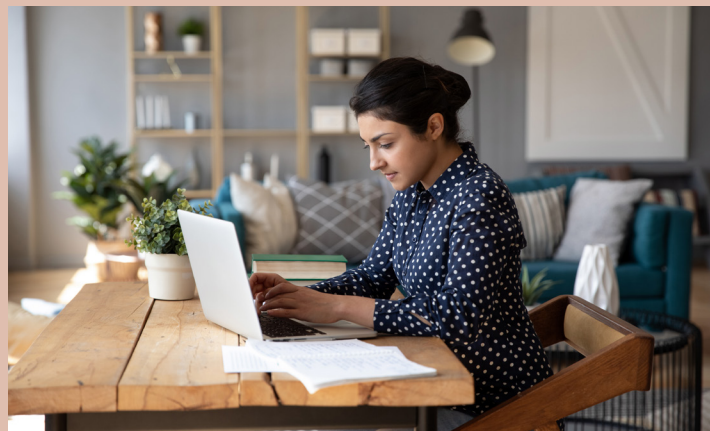


- The Westchester office market: redefined, consists of +/-7.5M RSF of vacant office space. The vacant space would fill 130 empty football fields back-to-back stretching nine miles long. The office market is overbuilt and littered with obsolete inventory.
- The new model adds 107 properties to the inventory, increases the availability rate to 24%, and lowers the average asking rent by \$2.32/RSF
- Our intention is for the CBRE Scoring Model to enable tenants, landlords, investors, lenders, brokers, architects, and planners to make informed and better decisions.

The background features several large, overlapping orange shapes on the left side, resembling stylized leaves or petals. On the right side, there are thin, light-colored lines radiating from the top right corner towards the center of the page.

**NEW YORK'S HOUSING SHORTAGE IS DECADES-  
LONG IN THE MAKING AND CONTINUES TO BE A  
SERIOUS IMPEDIMENT TO ECONOMIC GROWTH  
AND COMMUNITY VITALITY."**

*— MICHAEL ROMITA, CEO WESTCHESTER COUNTY ASSOCIATION*



*MULTIFAMILY RESIDENTIAL  
DEVELOPMENT IS NEEDED,  
UNDER-BUILT, AND ACCRETIVE  
TO BUSINESS*

# MULTIFAMILY DEVELOPMENT: IS NEEDED

Of the top 70 US Metropolitan Statistical Areas (MSAs) tracked by CBRE Econometrics Advisors, Westchester County ranks #59 for population size at 999,300, and #67 for population to-multifamily housing ratio at 17:1.



## Sample Set of 10 of the Top 70 MSAs

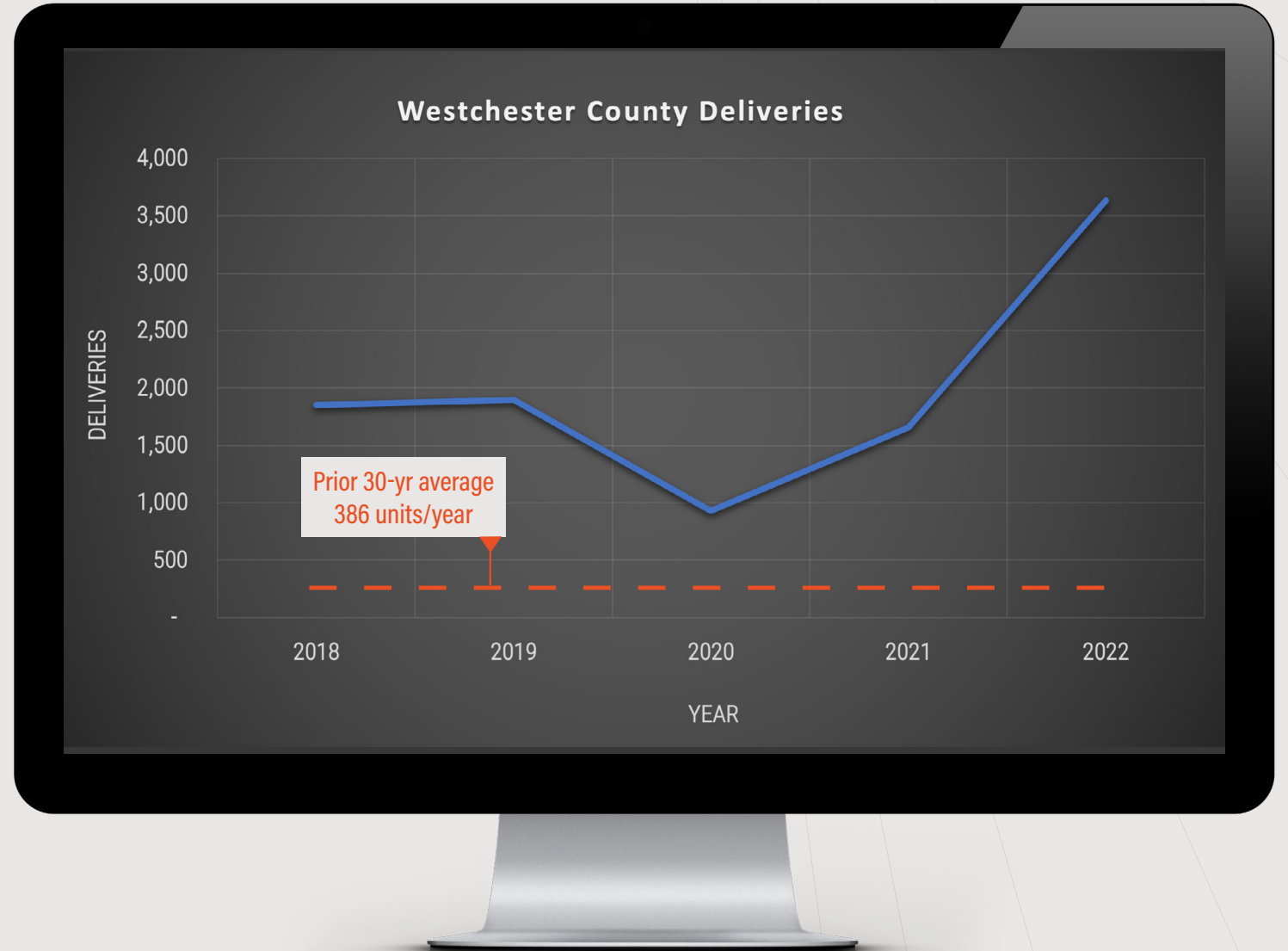
MSAs	Westchester NY	Average	Raleigh, NC	Portland, OR	Milwaukee, WI	Cincinnati, OH	Richmond, VA	Louisville, KY	Hartford, CT	Salt Lake City, UT	Providence, RI	Greenville, SC
2022 Population	999,300	1,421,900	1,241,000	1,946,000	1,505,000	2,005,000	1,063,000	1,262,000	1,154,000	1,437,000	1,590,000	1,016,000
<b>Population to Multifamily Ratio</b>	<b>17 : 1</b>	<b>11 : 1</b>	<b>8 : 1</b>	<b>9 : 1</b>	<b>10 : 1</b>	<b>12 : 1</b>	<b>12 : 1</b>	<b>12 : 1</b>	<b>13 : 1</b>	<b>14 : 1</b>	<b>15 : 1</b>	<b>16 : 1</b>
GDP Growth: 10-yr average	26%	32%	46%	36%	6%	33%	31%	13%	19%	71%	25%	35%

# MULTIFAMILY DEVELOPMENT: IS NEEDED

## *DELIVERIES BY YEAR*

From 1986-2017, a total of 12,211 multifamily units, or an average of 386 units per year, were delivered across Westchester County.

From 2018-2022, a total of 9,967 units were delivered, or an average of 1,993 units per year, signaling a surge to address pent-up demand.





# MULTIFAMILY DEVELOPMENT IS ACCRETIVE TO BUSINESS

Over the past 5 years every multifamily development has been a success. The demand from within Westchester and Tri-state is almost insatiable, job opportunities abound. Essential workers can live closer to workplace opportunities. Relative to NYC rents, Westchester is considerably more affordable.

*THREE OF THE COUNTY'S FASTEST GROWING MULTIFAMILY HOUSING MARKETS ARE: WHITE PLAINS, NEW ROCHELLE AND YONKERS*



**CONTINUUM WHITE PLAINS**

Average Asking Rent (\$/PSF)	\$3.83
Units	288
Stabilization Time	12 months
Occupancy %	97.3%



**MODERA NEW ROCHELLE**

Average Asking Rent (\$/PSF)	\$3.68
Units	334
Stabilization Time	9 months
Occupancy %	94%



**HUDSON PARK YONKERS**

Average Asking Rent (\$/PSF)	\$3.53
Units	213
Stabilization Time	12 months
Occupancy %	93%

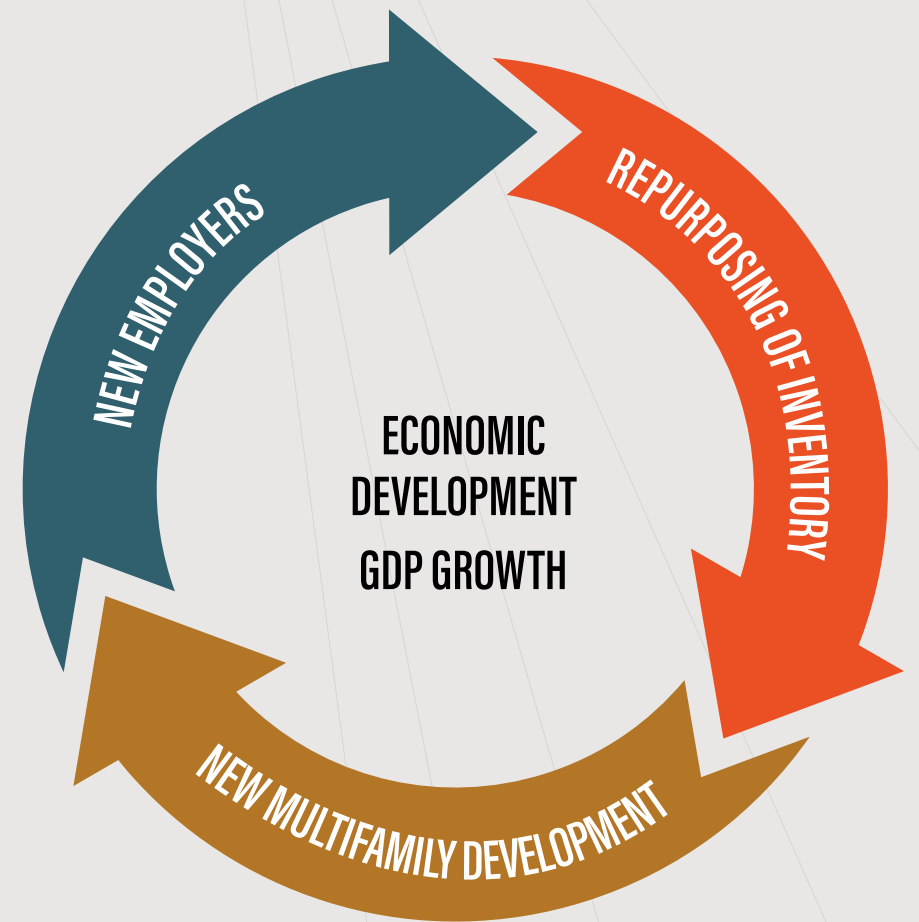
An aerial photograph of a large cable-stayed bridge spanning a wide body of water. The bridge features several tall, white, A-frame pylons connected to the deck by numerous white cables. The bridge extends from the foreground into the distance, where it transitions into a long trestle bridge supported by many smaller piers. The water is dark blue, and the sky is overcast with grey clouds. The overall tone of the image is monochromatic, with a blue-grey color palette.

WESTCHESTER  
COUNTY

**TURN A CRISIS INTO  
AN ECONOMIC DEVELOPMENT  
OPPORTUNITY**

# THE VIRTUOUS ECONOMIC DEVELOPMENT CYCLE

- Economic Development progress is measured via growth in Gross Domestic Product (GDP.)
- GDP Growth is achieved by increasing labor participation and productivity.
- Increasing Westchester County's labor participation rate is directly correlated to its ability to increase its housing stock.
- Improvement in Westchester County's productivity is directly correlated to more efficient utilization of its office inventory through adaptive repurposing.



# THE FUTURE OF ECONOMIC DEVELOPMENT

## *THE CRISIS OF NO CHANGE*

- Oversupply and unproductive office inventory is a drag on tax revenues.
- The tax burden, consequently, shifts to other properties - particularly single-family homes.
- Defeat the BANANAs: “**B**uild **A**bsolutely **N**othing **A**newhere **N**ear **A**nthing”

Smart Growth is the solution.



# THE FUTURE OF ECONOMIC DEVELOPMENT

## *ADAPTIVE REPURPOSING OF OFFICE INVENTORY*

- Multifamily residential
- Educational
- Recreation
- Medical
- Industrial

The “teardrop” redevelopment in West Harrison



# OUR DEDICATED RESOURCES

## *RAZOR-SHARP MARKET INTEL*

### CREATIVE, STRATEGIC MARKETING SPECIALISTS



**Sarah Cloonan**  
Marketing Manager



**Kelly Conaway**  
Director, Northeast Marketing

- Innovative marketing ideas
- Leading-edge execution

### OUR INDUSTRY-LEADING RESEARCH



**James Smith**  
Research Data Analyst



**Jared Koeck**  
Field Research Manager

520+ global researchers  
Tracking 60+ major markets worldwide  
40+ dedicated mapping professionals

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THANK YOU

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