

IMPACT

BUILDING & REALTY NEWS

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THE HANLEY REPORT

Networking in A Unique Location Produces Positive Results

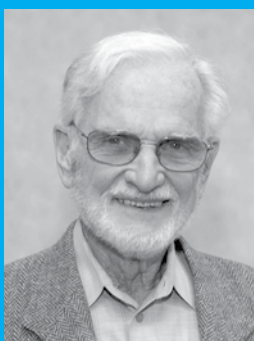
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Save Your Records

By KENNETH J. FINGER, ESQ.,
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DANIEL S. FINGER, ESQ.
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Insurance Premiums – They're Up, Up and Away

By Jason Schiciano and Ken Fuirst, Co-Presidents, Levitt-Fuirst Associates Ltd.

YONKERS—Too bad the “Up, Up and Away” phrase in the title of this article doesn't refer to a ride in a “beautiful balloon” (as in the 1967 rock song from The Fifth Dimension).

For about 14 months now, construction contractors and real estate

owners (condominiums, cooperatives, apartment and office building owners) have endured increasing insurance premiums.

Some have just experienced their second consecutive renewal premium increase, leaving them to ask: “Will insurance premiums continue to rise like an untethered balloon?” The question is understandable, given almost 10

years of stable or declining premiums. The answer to the question will come in a moment. But first, another question – why are insurance premiums continuing to rise?

The Factors

There are several reasons, some common to all industries (including
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Analysis:

Modest Economic Growth Is On the Horizon

By Jeff Hanley, IMPACT Editor

WHITE PLAINS—The economy of the Westchester and Mid-Hudson Region will grow by no more than two percent in 2013, according to a well-known analyst.

Kevin Bannon, chief investment officer for Highmount Capital, delivered that message while speaking at the Jan. 17 General Membership Meeting of The Building and Realty Institute (BRI).

“There are not a lot of answers here regarding what is broken,” Bannon said.

Bannon said that the region's business community has been so scarred as to what happened in 2008-2009 — the beginning of ‘The Great Recession’—that members of the business sector are still expressing conservative approaches due to the desires of “just wanting to feel safe.”

“We all have run to one side of the boat,” he said. “The corporations are sitting on piles of cash, but they are filled with uncertainty. We have to gear ourselves up for a different kind of growth – at most, two percent per year.”

Bannon, in further examples of his analysis, said that:

- The Federal Reserve is doing all it can to spark the economy, but the challenge is that it cannot make the banks lend money to the business sector, as well as to individuals.
- Consumers are spending more, but businesses are leaning toward more conservative approaches.
- The region is still several million jobs below the level that it was at prior to the start of the recession in 2008-2009. As a result, more job growth is a necessity.
- Wages in the region are not growing.
- Looking toward Washington for help will not produce positives and the related spark to the economy.
- But, Bannon stressed that there are positives. One is the effort of the Fed-

eral Reserve to “rev up” the economy by dropping interest rates to stimulate economic growth, including the creation of more jobs.

“Ben Bernanke (chairman of The Federal Reserve) is doing all that he can (to produce better economic conditions),” Bannon said. “He seems to be succeeding in lowering Interest Rates, and, accordingly, stimulating growth in the housing market. Some of the actions are starting to work. National housing starts are up, so the reserve

seems to be having success in getting the housing market going.”

Another positive cited by Bannon was the return of consumer confidence in the region and in Westchester County.

As for the investment sector, Bannon said that “going forward, I give a huge edge to stocks and bonds.”

More than 70 BRI members attended the event at The Crowne Plaza Hotel in White Plains. The meeting served as the association's annual Economic Symposium.

AOAC Preparing for Upcoming “Rent Guidelines Board Season”

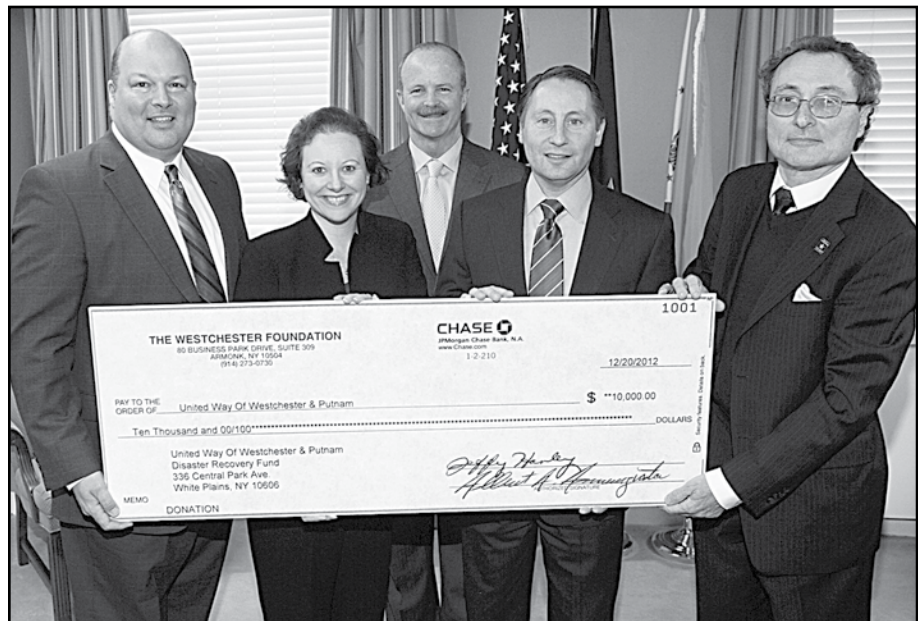
By Jeff Hanley, IMPACT Editor

WHITE PLAINS —The Apartment Owners Advisory Council (AOAC) has begun its preparations for the realty industry's testimony on rent guideline increases for rental apartment buildings affected by The Emergency Tenant Protection Act (ETPA).

The AOAC held a Membership Meeting on Feb. 14 to review the orga-

nization's preparations and strategies on the guidelines process. The meeting allowed members to voice their input on how the AOAC should prepare for the upcoming Public Hearings and Deliberations of The Westchester County Rent Guidelines Board, officials said.

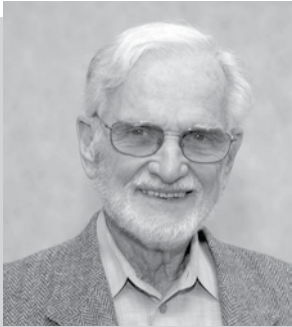
The board is the entity that annu-
Continued on page 4



HELPING THOSE IN NEED—The Westchester Foundation of The Building and Realty Institute (BRI) recently issued a \$10,000 grant toward Westchester County's recovery and relief efforts in the wake of Superstorm Sandy. The Disaster Recovery Fund, announced recently by Westchester County Executive Rob Astorino, was established in partnership between Westchester and The United Way of Westchester and Putnam. Pictured during the Jan. 14 presentation ceremony are, from left to right, Michael Beldotti, president, BRI; Naomi Adler, president and chief executive officer, United Way; Steve McCulloch, board member, BRI; Astorino; and Albert Annunziata, executive director, BRI. The Westchester Foundation is the endowment arm of the BRI. Photo by Barbara Hansen

CO-OP
CONDO
CORNER

By HERB ROSE



NEW YORK—Have you ever burned money?

With this absurd idea in mind, I lighted up a \$1 bill after considering \$5 and \$20 bills. The duration of the fire was a little less than 60 seconds and left me with a feeling of utter stupidity. There are many ways to destroy money and many of them do not require physical currency.

First and most destructive is overpayment when purchasing almost anything. When you pay more than is necessary for a product, the overage is just like burning money.

For example, an excess of more than \$9 million is overpaid each year in New York State in Sales Tax on utility bills. Since 1980, residential Sales Tax Rates have been lower than the regular (commercial) rates.

Only \$3 million of this vast amount is refunded yearly because of the lack of applications for this money. Utility

companies—and particularly Energy Service Companies (ESCO'S)—charge the excess rates even though there is no benefit to them. Detailed paper work is necessary to get the refund from the state.

Not A Simple Scenario

Simple it is not. There are seven separate rates for jurisdictions in Westchester County, while there is only one in New York City. County rates range from 3 percent to 7 percent, depending on locality. Are you included in the \$6 million of un-refunded overcharges?

Reading and understanding a utility bill is a daunting challenge! Both electric and natural gas bills have separate sections for delivery and product. Electric is charged according to (kWh) kilowatt hours while gas is billed in relation to therms.

Electric Bills separate sections for delivery and product and have numerous items which are minimal in price and

Burning Money – You May Be Doing It Without Even Knowing How!

consequence. Final totals are most important in determining your bill:

- 1) Total Electrical Supply.
- 2) Total Delivery.
- 3) Total Electric Charges.

Just after Total Supply Charges is the kWh charge and a suggestion that you look for a bargain with an ESCO. Remember that the delivery price is fixed by the Public Service Commission (PSC) and you can shop for the product. Most ESCO's offer good deals at the introduction of their service. Finding a price lower than Con Edison after the introductory period is elusive and a great way to burn money.

Natural Gas Bills offer opportunities to save money and possibilities to lose as well. Billing is done in therms, with each therm representing 100,000 btus of heat energy. Billing is much the same form as electricity, with Delivery and Product listed separately. Supply has a number of small charges listed. Disregard all these and

look for the total supply charge. Delivery has a number of small charges, but only the total charge is significant.

Searching For Options

You are encouraged to look for a cheaper supplier (ESCO) for your natural gas product. Remember that you can only shop the gas product itself

Product bought from an ESCO should be price-checked at least every two months.

since the delivery price is regulated and fixed by the PSC. In the event that you elect to use an ESCO for your gas supply, you will need to read your bill more carefully.

The billing contains:

- 1) The Total Delivery Charge.
- 2) The Total ESCO Gas Charge.
- 3) The Total Bill.

All charges are plus Sales Tax, except delivery in West-

chester County when Electricity or Gas is purchased from an ESCO. In New York City, there is no longer such a discount.

Product bought from an ESCO should be price-checked at least every two months. The results may be surprising. Please remember to read your Utility Bills carefully to avoid burning money!

Herb's Hints

Are you among the \$6,000,000 of Sales Tax "over payers?" For free, you can find out by sending me a copy of your latest bill and I'll check it for you!

Check your Utility ESCO billing rate against Con Edison.

Editor's Note: Herb Rose is a Co-op and Consultant. He is also a member of The Board of Directors of The Cooperative and Condominium Advisory Council of Westchester and The Mid-Hudson Region (CCAC). Rose can be reached at hrose47563@aol.com. The CCAC can be reached at (914)273-0730.

THE HANLEY
REPORT

By JEFF HANLEY
Associate Director, Building and Realty Institute (BRI)/IMPACT Editor



ELMSFORD—One of the goals of The Building and Realty Institute (BRI) is to show prospective members how valuable joining our association can be.

An example of that objective happened on Feb. 26 at an evening meeting in a unique location. BRI members joined with non-members that night at The Captain Lawrence Brewing Company in Elmsford for our association's Open House/Membership Meeting. The outcome was highly positive.

Non-members had the opportunity to see how the BRI's Membership Meetings and Seminars can produce valuable networking opportunities for their respective businesses. BRI members, meanwhile, were happy to network with non-members in a special setting. The result was a classic "win-win" scenario.

"The meeting was everything we hoped it would be," said Albert Annunziata, executive director of the BRI. "The non-members who attended the meeting told members of our staff how impressed they were with the event and the networking opportunities that the meeting provided. And, as the event approached, we actually had to decline requests for reservations, since we reached the maximum number of participants that the facility allows."

A full-page report on the Open House is one of the features of this issue of IMPACT. Other reports include:

- An important analysis on page one explaining how rising premiums in the Insurance Sector are affecting members of the building, realty and construction industry. Levitt-Fuirst Associates, insurance manager for the

BRI, authored the article.

- A page-one report detailing the views of Analyst Kevin Bannon on economic prospects for 2013. Bannon was the keynote speaker at the BRI's Annual Economic Symposium on Jan. 17.
- An update on the preparations of The Apartment Owners Advisory Council (AOAC) of the BRI for the upcoming Public Hearings and Deliberations of The Westchester County Rent Guidelines Board. The story is on page one.
- A page-three analysis on how the Town of Mamaroneck recently declined to enact "The Homestead Tax Option." The approval of that option would have had highly negative consequences to the building and realty sector, industry officials said. Dan Finger, Esq. of Finger and Finger – chief counsel to the BRI – wrote the report.
- An update in Co-op and Condo Corner on how building and realty industry members should carefully check their respective utility bills in an effort to save money. Herb Rose authored the piece.
- An important report from Finger and Finger – chief

Networking in A Unique Location Produces Positive Results

counsel to the BRI – on how building and realty industry members should be prepared for possible requests from the recently formed Tenant Protection Unit (TPU) of New York State.

- A review in Tech Talk on five ways that technology should drive businesses. Andrea Wagner of Wagner Web Designs wrote the article.
- An update from the National Association of the Remodel-

ing Industry (NARI) on how conditions in the remodeling sector are improving for building and realty industry members.

- A report by the Hudson Gateway Association of Realtors (HGAR) showing that sales in the residential real estate market "heated up" in 2012.

Here's wishing you all a happy, healthy and prosperous spring. Enjoy the issue!

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An IMPACT Special Report: Town of Mamaroneck Decides Not to Elect “The Homestead Tax Option”

By Daniel S. Finger, Esq.,
Finger and Finger, A Profes-
sional Corporation

MAMARONECK—The Town of Mamaroneck, which is currently completing a revaluation of its tax assessments, held a Public Hearing on Feb. 27 to help decide on whether or not to elect “The Homestead Tax Option.”

Our firm, chief counsel to The Building and Realty Institute (BRI) and its affiliate association, The Cooperative and Condominium Advisory Council (CCAC), was asked to represent the associations at the hearing.

A huge turnout of residents from the Town of Mamaroneck spoke out against The Homestead Tax Option. The residents were vociferous in their opposition to the proposal. At the end of the Public Hearing, after many comments and a great deal of discussion, the town board decided not to elect The Homestead Tax Option.

The Public Hearing began with a presentation from a representative of the State of New York who explained what The Homestead Tax Option is and how it would affect the residents of the Town of Mamaroneck (and certain condominium unit owners in particular).

Over the past several years an increasing number of municipalities in our area – the Westchester and Mid-Hudson Region – have undertaken revaluation projects similar to the one in Mamaroneck. Analyzing whether or not to adopt The Homestead Tax Option seems to be a relatively normal part of such a project, though not one to be taken lightly.

The initial presentation at the Public Hearing was followed by a second presentation that provided additional detail on the revaluation project in general and the impact of the Homestead Option versus the Non-Homestead Option on the condominium unit owners that would have been affected.

If the Town had elected The Homestead Tax Option, any condominium that was built as a condominium (not converted) would be part of the residential class for purposes of establishing the taxable value, which means that the value would be computed by calculating the selling price of the units.

Currently, all condominiums are considered commercial property for purposes of calculating the taxable value (i.e. the “income approach”).

The average-affected con-

Continued on page 9

Proper Procedures for Interviewing Prospective Shareholders in Co-ops the Topic of Mar. 20 Meeting of Co-op & Condo Group

By Jeff Hanley, IMPACT
Editor

WHITE PLAINS – “How to Interview Prospective Shareholders in Co-ops” is the subject of the Mar. 20 Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC).

CCAC officials recently announced the scheduling of the event, which will begin at 6:30 p.m. The meeting will be at The Crowne Plaza Hotel in White Plains.

Mark Fang, executive director of The Westchester County Human Rights Commission, will be the keynote speaker.

“We are very happy that Mr. Fang has agreed to speak to our membership,” said Diana Virrill, CCAC chair. “We urge our members to attend this meeting. We will be addressing a very important issue to our members.”

Fang, who was appointed to his position last year, is an attorney. He has worked in the public and private sectors, county officials said.

A practicing attorney for 17 years, Fang was an assistant attorney general in the Criminal Division of the New York State Attorney General's Office. He has also served as an assistant dis-

trict attorney in the Westchester County District Attorney's Office, the first Asian American to be appointed to that position in Westchester County, according to county officials.

Fang is a Phi Beta Kappa graduate of Tufts University and received his law degree from Georgetown University Law Center. He has been in the private practice of law since 2000, where he has concentrated on litigation, in both criminal and civil matters. He is a former board member of the Westchester Chapter of the Organization of Chinese Americans. Fang is originally from Yorktown Heights and is a graduate of Yorktown High School, county officials added.

Those interested in attending the conference can make reservations by calling the CCAC offices at (914) 273-0730. CCAC officials said that the meeting is open to all members of the association, as well as to all members of The Building and Realty Institute (BRI), an affiliate of the CCAC.

The CCAC is a realty industry membership organization. The association is composed of more than 400 co-ops and condos. The CCAC, based in Armonk, was formed in 1979.



THE AOAC MEETS – The Apartment Owners Advisory Council (AOAC) held its Winter Membership Meeting on Feb. 14. Pictured at the event are, from left to right, Dan Finger, counsel, AOAC; Carmelo Milio, chair, AOAC; and Albert Annunziata, executive director, AOAC. The event was at The Crowne Plaza Hotel in White Plains. A full report is on page one.



ADDRESSING MANAGEMENT ISSUES – The Jan. 28 Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC) addressed issues related to communications between property managers and boards of co-ops and condos. Pictured during the event are, from left to right, Diana Virrill, CCAC chair; Mark Garrahan, CCAC member; and Leonora Merkel, CCAC member. More than 45 CCAC and Advisory Council of Managing Agents (ACMA) members attended the conference at The Crowne Plaza Hotel in White Plains.

Photos by Myron Marcus



LOOKING AT 2013 – The Board of Trustees of The Building and Realty Institute (BRI) met on Jan. 10 at Crabtree's Kittle House in Chappaqua. A portion of the meeting's agenda focused on the key issues that will affect the building and realty industry in 2013. Pictured during the event are, from left to right, Joe Pizzimenti, BRI board member; Mark Drexel of Con Edison, a guest speaker at the meeting; Ken Finger, chief counsel, BRI; and Gus T. Boniello, BRI board member and former BRI president.

Grants of \$25,000 Available to First-Time Homebuyers in Westchester County, Local Association Announces

WHITE PLAINS—Community Housing Innovations, Inc. (CHI) recently announced its receipt of \$400,000 in Down-Payment Assistance from the New York State Affordable Housing Corporation.

Unlike previous awards that limited recipients to 80 percent of the Area Median Income, the new eligibility standards are higher. Families may now earn as much as 90 percent – or \$96,600 a year – for a family of four, CHI said.

“An income of nearly \$100,000 per year sounds like a lot of money,” said CHI Executive Director Alexander Roberts. “But when you live in Westchester, it doesn’t qualify you to purchase much housing at all. Down-Payment Assistance of up to \$25,000 can mean the difference between renting and buying for many families.”

In 16 years, CHI has provided \$11 million in Down-Payment Assistance Grants and free counseling to over 450 first-time homebuyers with incomes up to 80 percent of the

Area Median Income, officials said.

But, officials added, thanks to the award of \$400,000 from the New York State Affordable Housing Corporation, the non-profit agency is expanding its First-Time Homebuyer Assistance Program, allowing

sive housing market in Westchester County, officials said.

For example, CHI used the case of Cristina Peralta, a personal banker working at a Yonkers branch. Peralta just closed on a Yonkers co-op using a \$19,000 down payment assistance grant from CHI. Peralta, who lived in the Bronx, now lives 10 minutes from her job, officials said.

“The free counseling from CHI is just as important as the money,” Peralta said.

With the new award, the CHI Homebuyer Assistance Program offers grants of up to \$25,000 each for households at, or below, 90 percent of the Area Median Income, with the actual amount based on the need of the

applicant. Each grant will include a mortgage with a recapture obligation balance that will decline to zero after 10 years, CHI officials said.

To qualify, the property must be within Westchester County and may be a house, co-op or condo. Reflecting the state’s commitment to improve existing housing, at least 51 percent of the value of the grant must

be applied to renovation work to restore the home and implement energy-efficiency initiatives, CHI officials added.

In order to be eligible for the grants, prospective homebuyers must attend a First-Time

Homebuyer Orientation Seminar and complete an application documenting that their overall gross household income does not exceed the maximum income guidelines, CHI spokesmen added.

With the new award, the CHI Homebuyer Assistance Program offers grants of up to \$25,000 each for households at, or below, 90 percent of the Area Median Income, with the actual amount based on the need of the applicant.

“higher-income people” to participate more consistently. The move to assist higher-income households is part of an ongoing effort by the organization to increase Workforce Housing Options and to recognize an underserved market – namely, first-time homebuyers making too much money to be considered low-income, but who are still unable to afford the expen-

AOAC Preparing for Upcoming “Guidelines Season”

Continued from page 1

ally decides on guidelines for lease renewals affected by the ETPA. Those guidelines are decided upon after the board conducts its Public Hearings and Deliberations.

The board released its schedule of Public Hearings and Deliberations for 2013 at its Jan. 23 meeting at the offices of the New York State Homes and Community Renewal Agency (HCR) in White Plains. The schedule is below, with locations to be announced.

The board’s decision will affect rent adjustments for one or two-year leases which begin between Oct. 1, 2013 and Sep. 30, 2014.

The Vital Needed For Participation

“Every year, the AOAC highlights the fact that it is extremely important that owners and managers testify on the continuing increases in costs that the realty sector is facing,” said Carmelo Milio, chairman

of the AOAC.

“We are, once again, continuing to urge our members to attend the Public Hearings and Deliberations and to offer their individual struggles with their day-to-day costs to the guidelines board,” Milio added. “We cannot say it enough – we need the AOAC membership to help us. In turn, the participation of our members will help us help them. A lack of a good turnout from the membership of the AOAC will, without a doubt, hurt the realty industry in this process.”

AOAC officials said that members of the association will receive updates on the efforts of the organization as it continues to prepare for the Public Hearings and Deliberations.

The AOAC represents more than 300 owners and managers of more than 25,000 rental units, association officials added. The AOAC is an affiliate organization of The Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI).

Insurance Premiums – They’re Up, Up and Away

Continued from page 1

both the construction and real estate industry), and others which are industry-specific. The reasons that are common to both construction and real estate insurance include:

- Poor Industry Performance – Hurricane Irene, floods, tornadoes, wildfires, a tsunami – 2011 was a bad year for property/casualty insurers, and a catalyst for premium increases (insurance premiums began rising at the end of 2011).

In 2011, the 108.2 combined ratio posted by the private property/casualty industry was the worst since 2001 [Property-Casualty360.com 4/17/12]. By the way, the combined ratio is a measurement of insurance industry profitability involving claims and expenses relative to premiums. A ratio above 100 is considered a poor result. The combined ratio through nine months of 2012 was 100.9 [Claims Journal 12/31/12], but that tally does not include Superstorm Sandy claims, so it appears that 2012 – even if better than 2011’s abysmal results – will yield another 100+ combined ratio (i.e. poor) result.

- Low Bond Interest Rates – Insurance companies rely on secure, conservative investments, such as bonds, for a significant portion of their income, especially when combined ratio results are poor. By any measure, bond interest rates have

been historically low, resulting in historically low investment returns for insurance carriers.

- Insurance Company Stock Prices – When combined ratios are topping 100 and bond interest rates are historically low, carriers have few alternatives to improve financial results – and their stock prices – besides raising rates, and that’s exactly what’s happened.

For November 2011 to February 2013, the Property & Casualty Insurance Sector Index (comprised of insurance company stock prices including Chubb, CNA, Hartford, Tower, Travelers, and others) is up over 30 percent [CBS Money Watch]! Good if you are an investor in insurance stocks, bad if you are paying higher insurance premiums (as we all are.)

Specifics

Besides the broad-based explanations noted above, there are also industry-specific reasons for premium increases. In New York, real estate premiums are also being driven by carriers’ requirements to increase the amount for which their property is insured (i.e. the Building Limit or Replacement Cost).

New York construction contractor rates are increasing due to a number of factors, including: continued exorbitant settlements and judgments stemming from Labor Law 240/241;

requirements for contractors to carry \$2,000,000 General Liability Limits (in place of less expensive \$1,000,000 limits previously accepted); and contraction, or in some cases complete withdrawal, of General Liability and Umbrella Liability carriers from the NY construction market. Many contractors have experienced liability insurance premium increases of 20 percent to 100 percent, or more!

So, back to the original question – will insurance premiums continue to rise like an untethered balloon? Unfortunately, it doesn’t appear the balloon will begin falling anytime soon. The insurance market, like other financially-driven markets (e.g. the stock market, bond market, etc.), is cyclical, with rates increasing or decreasing for over-varying periods.

Factors that could trigger rate declines include: carriers’ excess capital and/or sustained improved financial results; economic downturn; changes in laws impacting construction and/or real estate; and, of course, fewer crane collapses and hurricanes.

Unfortunately, pins don’t work on the insurance premium balloon.

Editor’s Note: Levitt-Fuirst Associates Ltd. is the Insurance Manager for The Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI).

Public Hearings

(locations to be announced)

- Monday, June 10, 7 p.m. – Mount Vernon;
- Tuesday, June 11, 7 p.m. – Yonkers;
- Monday, June 17, 7 p.m. – White Plains.
- Deliberations of the Board
- Thursday, June 20, 7 p.m. (in White Plains);
- Wednesday, June 26, 7 p.m. (in White Plains).

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Save Your Records — New York State's New Tenant Protection Unit May Ask You to Produce The Documentation

COUNSEL'S CORNER

By **Kenneth J. Finger, Esq.,
Carl L. Finger, Esq., and
Daniel S. Finger, Esq.**
*Finger & Finger, Chief Counsel,
Building & Realty Institute (BRI)*



WHITE PLAINS—Whether or not you are familiar with the (relatively) new Tenant Protection Unit (TPU) at The New York State Homes and Community Renewal Agency (HCR), the only advice that we can give you—which we urge you to heed—is to please save all of your records!

Many landlords may be unfamiliar with the TPU and have not yet had any involvement with this new branch of HCR. The TPU was created approximately one year ago by Gov. Andrew Cuomo as part of an effort to “proactively enforce landlord obligations to tenants and impose strict penalties for failure to comply with HCR orders and New York’s rent laws.”¹

The mission of the TPU, as stated by Cuomo, is to “proactively prevent problems and root out fraud that can wreak havoc in the lives of rent-regulated residents.”² The TPU will have the ability to enforce Landlord obligations and impose strict penalties for failure to comply with New York State’s rent laws.

The Focus

In layman’s terms, the TPU

is focused on eliminating fraud that arises from Major Capital Improvements (MCI’s) made to units and the buildings and the resulting increases to the monthly rents of units. More specifically, the TPU will be investigating improvements made to individual apartments, including—and especially those made—on vacancies. This is likely to be the most common situation for investigation.

Other situations for investigation by the TPU may include buildings that are the subject of building-wide orders due to service reductions and buildings that had ceased filing rent registrations with HCR. Upon completion of Major Capital Improvements (MCI’s), landlords are entitled to a permanent increase in the monthly rent based on the cost of the project.

Procedurally, the TPU reviews all of the apartment registrations and building registrations submitted annually by Landlords to determine if there have been any increases in the monthly rents of any apartments that are greater than the guideline increases that were approved by the lo-

cal Rent Guidelines Board for that year. As stated above, this will enable the TPU to target

tain all documentation and records that will assist the TPU with its analysis and examina-

Being thorough, accurate and complete with the Landlord’s documentation and records can only help protect the Landlord against the TPU disallowing portions—or all—of the Major Capital Improvement Increases being sought by, or being charged by, the Landlord (in addition to other penalties or ramifications).

apartment units (and, as a result, landlords) that should be investigated for potential fraud due to increases, especially on vacancy, that exceed the normal (guideline) amount.

In the event that the TPU discovers that there has been such an increase, the TPU will initiate a process that includes a further review of the registration and supporting documentation to determine whether there has been an overcharge. The TPU will communicate directly with the Landlord to ob-

tain of the registration.

This includes having the Landlord complete a three page worksheet for each apartment under investigation and providing cancelled checks, invoices and contracts for said work.

Additional Documentation

After the TPU completes its initial review—a process which can take anywhere from several weeks to several months—the TPU typically requests additional documentation from

the Landlord by serving the Landlord with a Subpoena Duces Tecum. A Subpoena Duces Tecum is a legal document by which a party to a proceeding—in this case the TPU of the New York State Division of Homes and Community Renewal (DHCR)—demands documents from another person who is a witness.³

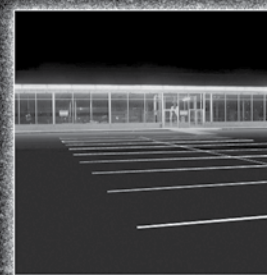
The time frame within which to respond to these subpoenas can be as little as 21 days from the date that the subpoena is signed. These subpoenas are often duplicative of the documents and materials previously supplied by the Landlords, but there is no way to avoid responding.

The demands of the subpoenas are broad not only in terms of the documents and records requested, but also in terms of the time frame of the records and documents requested. Generally, the subpoenas require documentation for a four-year period and for the Landlords to provide a copy of all documents being produced.

Although specific documents requested will vary on

Continued on page 6

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Report:

Residential Real Estate Sales Heated Up In 2012

WHITE PLAINS—The pace of residential real estate sales picked up considerably in 2012 in the four counties of the lower Hudson region – Westchester, Putnam, Rockland and Orange – served by the Realtor firms participating in the Hudson Gateway Multiple Listing Service (HGMLS), a recently released report said.

The study was released on Jan. 14 by HGMLS, a subsidiary of the Hudson Gateway Association of Realtors, Inc. (HGAR).

The report said that Realtors reported a regional sales aggregate of 11,481 residential units consisting of single-family houses, condominiums, cooperatives, and, in the case of Westchester, two-to-four family buildings as well. The numbers represent a 15 percent increase over 2011's total of 9,973 sales. It also arrested the steady decrease in annual sales that commenced in 2004 and continued through most of the subsequent period to date, the study added.

Westchester—the most populous of the counties and historically accounting for about two-thirds of the total sales activity in the region—posted a 14 percent gain in sales over 2011. Putnam, Rockland and Orange counties posted year-over-year gains of 9 percent, 11 percent and 9 percent, respectively. Also in those three latter counties, the highest percentage sales increases were posted in the single-family house sector. In Westchester, where house sales picked up by 16 percent, that performance was bested by a 20 per-

cent increase in condominium sales, according to the report.

Sales in the region generally increased in each quarter of 2012 but were especially strong in the final three months, depending on property type, when transactions that had been negotiated or contracted in the summer months finally went to closings and were reported to HGMLS. The fourth-quarter increase for single-family houses was 30 percent in Westchester and 10 percent in Orange, the study said.

Rockland's condominium and cooperative sector posted a 19 percent gain. Only Putnam posted a decrease. The report stressed that Putnam has a very small housing stock and, as a result, its market data are subject to larger swings from just a few transactions, up or down.

Inventory

The report said that the supply of for-sale housing listed with MLS Realtors has generally been quite low since 2008, largely due to the reticence of many potential sellers to enter the real estate market when economic conditions have been so uncertain and it appeared to them that their property would not command the kind of sale price they expected.

But in addition to that factor, the higher sales volumes reported in 2012 have also served to draw down the available inventory. The 2012 year-end stock in the four-county region amounted to 9,622 units, a decrease of 9 percent from the 10,603 available units at the end of 2011. The decreases

es ranged from 12 percent in Westchester to 3 percent in Putnam. Rockland and Orange counties reported decreases of 11 percent and 4 percent, respectively. While these amounts do not in any sense constitute a shortage of housing, the leaner than usual supply can be felt in the marketplace. Some Realtors have reported that prospective purchasers have had to speed up their decision making process in order to secure a property from competing buyers, the study said.

Prices

The report said that, for the past year and even before, there have been consistent reports of gradual price increases throughout the U.S. and in parts of New York State, as well. That has not been the case in the Lower Hudson Region, however. Except for a price uptick in Westchester and Rockland counties in the fourth quarter of 2012, the pattern all year long and in all four regional counties has been flat or declining prices.

For the year, as a whole, every county reported price decreases since 2011. The median sale price of a Westchester single family house was \$587,000, 2 percent lower than in 2011. The comparable price in Putnam was \$300,000,

or 8 percent below 2011. On the west side of the Hudson, Rockland's single family house median was \$380,000, a 3 percent decrease. And Orange posted a \$240,000 median, down 4 percent. Only in the fourth quarter were some increases reported: Westchester's fourth quarter median was \$547,000, an increase of 4 percent over 2011; and Rockland also posted a 4 percent increase, to \$383,000, according to the report.

The study stressed that the best explanation of the region's seeming lag behind other areas as to prices is not a problematic one but rather that purchasers are concentrating on the middle market, especially in Westchester but also in the other counties, in order to take advantage of conditions that make the region's housing as affordable as it has been in a very long time. Prospective buyers are choosing from a housing stock that has been heavily discounted since the recession.

The report added that "true bargains exist in all four counties." There is still activity in the high-end market, but it is smaller than it has been in relation to the middle market, the study said. For example, during the fourth quarter in Westchester, less than 18 percent of single family houses sold for \$1 mil-

lion or more, whereas five or six years ago that ratio was as high as 25- to 30 percent.

What's Ahead

The 2013 real estate market will likely accelerate from the momentum of the 2012 market as long as there are no economic or political catastrophes at the national level affecting unemployment, mortgage interest rates, tax treatment of housing, or the equity markets that would destroy consumer confidence, the report said.

If the nation survives that economic gauntlet, the region's homebuyers can look forward to a housing market that will offer moderate pricing – at least for a time – and a lean, but sufficient choice of stock whose affordability is supported by record-low mortgage interest rates. A faster-paced market with more stable pricing will bring new listings to the market as well, the study added.

The MLS's principal service territory consists of Westchester, Putnam, Rockland and Orange Counties. It also provides services to Realtors operating in the Bronx, Dutchess, Sullivan and Ulster Counties. The reported transactions do not include all real estate sales in the area or all sales assisted by the participating offices, but they are fairly reflective of general market conditions, the study said.

Save Your Records – New York State's New Tenant Protection Unit May Ask You to Produce The Documentation

Continued from page 5

a case-by-case basis and for each Landlord receiving this type of subpoena from TPU, they generally request all contracts, contract modifications, work orders, invoices, receipts, cancelled checks, and other proof of payment contemporaneous with the completion of the work claimed to be performed by contractors, subcontractors, electricians, plumbers, other service providers and for goods purchased in connection with the individual apartment improvements.

The TPU also usually requests summaries showing breakdowns of costs and materials and also written calculations showing the breakdown of a rent increase and the justification for said increase.

Demands

Finally, the TPU's requests also often include demands for leases and any written communications with the tenants and information concerning not only the tenants but also the Landlord and the Landlord's staff. The TPU may, on occasion, demand additional documentation or clarification even after this second round of demands have been responded to.

This information and documentation is used to assist the TPU in completing its investi-

gation and analysis and determining if the Landlord is overcharging the tenant or tenants. This determination may result in the Landlord being assessed damages for any rent overcharges that are found.

In responding to the demands of the TPU, the Landlord should provide as much documentation as possible and make its responses as complete as possible. Some Landlords even take photographs before and after they perform Major Capital Improvements in apartment units to document both the work that was completed and the necessity for said work.

The Need to Be Thorough

Being thorough, accurate and complete with the Landlord's documentation and records can only help protect the Landlord against the TPU disallowing portions or all of the Major Capital Improvement Increases being sought by or being charged by the Landlord (in addition to other penalties or ramifications).

Although there are sure to be some growing pains as with any new agency, the TPU is here to stay and will remain a permanent part of the individual apartment MCI process. The only protection against this

oversight of the MCI process is for Landlords to have everything related to work done to individual apartment units put in writing and documented and for the Landlord to accurately and safely maintain its records.

So, we say again—please save your records!

Editor's Note: The authors are attorneys with Finger and Finger, A Professional Corporation. The firm, based in White Plains, serves as Chief Counsel to The Building and Realty Institute of Westchester and The Mid-Hudson Region (BRI).

(Endnotes)

¹ See press release issued by the Governor's Press Office dated February 17, 2012, titled "Governor Cuomo Announces Appointment of Senior Official to Oversee Historic Expansion of Rent Law Enforcement".


² Id.

³ Subpoena is defined by Black's Law Dictionary as "A court order commanding the appearance of a witness, subject to penalty for non-compliance." Subpoena duces tecum is defined by Black's Law Dictionary as "A subpoena ordering the witness not only to appear by also to bring specified books, papers, or records." See Black's Law Dictionary 1996 Edition.

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Mack-Cali Announces Leasing Activity in Manhattan

NEW YORK—Mack-Cali Realty Corporation recently announced that it leased 133,008 square feet during the fourth quarter of 2012 at 125 Broad Street in downtown Manhattan.

Portfolio-wide, Mack-Cali said that it leased 1,147,218 square feet of space during the quarter. The transactions involved:

- AECOM Technology Corporation, a global technical and support services firm, signing a new lease for 91,414 square feet. The tenant was represented in the transaction by Adam Foster, Fred Facklemeyer, and Michael T. Scimo, all of CBRE. AECOM is an existing Mack-Cali tenant at the company's 30 Knightsbridge Road facility in Piscataway (N.J.), where it also renewed its lease for 59,652 square feet, as well as expanding by 11,280 square feet.
- The Institute for Community Living, Inc., a not-for-profit corporation that assists individuals with disabilities, signing a new lease for 41,594 square feet. The tenant was represented by Janet Woods and Ellen Herman, both of Jones Lang LaSalle.

Mack-Cali was represented in both transactions by CBRE.

Officials for Mack-Cali said that 125 Broad Street offers Class A, State-of-the-Art office space in downtown Manhattan. In addition to efficiency and flexibility, the building features an impressive lobby, enviable New York Harbor views from all floors, and an extraordinary corporate address.

Situated at the entrance to the FDR Drive, the prime office space provides easy access to the Hugh L. Carey (formerly Brooklyn Battery) Tunnel, the Brooklyn Bridge, and the Holland Tunnel. In addition, the tower's location offers access to numerous transportation options, including subway, bus, ferry, and helicopter. Mack-Cali's ownership interests of 524,476 square feet in the building are 100 percent leased, officials said.

Mitchell E. Hersh, president and chief executive officer of Mack-Cali, said: "We're delighted to bring this premier property to full occupancy. The location and amenities combine to make 125 Broad Street one of downtown Manhattan's most prestigious business addresses."

Mack-Cali is a fully integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its Class A Real Estate Portfolio, company officials said.

Goldschmidt and Associates Reports Local Activity

SCARSDALE—Eric S. Goldschmidt of Goldschmidt and Associates recently announced that the company has brokered the sale of four Westchester County properties.

The former 5,500 square foot Spiga Restaurant at 718 Central Park Avenue in Scarsdale has been sold. The new occupant will be Ben's Restaurant and Kosher Deli. Ben's is a well-known, 40-year old restaurant with locations in Manhattan, Queens, Long Island and Boca Raton, Fla. Occupancy is expected by the early summer, officials said. Robert Dalton of RMD Realty Associates of Manhattan and Westchester County represented Ben's. Eric Goldschmidt represented the sellers, officials added.

Garry Klein, associate broker at Goldschmidt and Associates, brokered the sale of 168 Saw Mill River Road in Hawthorne. The 15,000 square foot building was purchased by an electrical contracting company for \$1,600,000 and is slated to undergo significant building-wide improvements, according to spokesmen. The building was formerly owned and fully occupied by Colorgroup Imaging, which remains as a tenant in the building. The buyer was represented by Douglas Servello of Houlihan Lawrence, officials said.

Gene Pep'e Jr. of Goldschmidt and Associates represented Ganesh Real Estate Venture, LLC, the purchaser of the office building at 475 Ashford Avenue in Ardsley. Harry Delany and Steve Rock of Marcus and Millichap represented the seller.

Eric Goldschmidt also represented an affiliate of Castle Bay Management Services LLC, which purchased the 16,000 square foot, mixed-use building at 15 River Street in New Rochelle. Representing the seller were Frank Rao and Michael Rao of NYC Realty of Harrison. The buyer will occupy part of the building and continue to lease space to the current occupants, officials said.

Eric Goldschmidt noted that the level of local sales activity "has increased dramatically." He added that he expects more transactions in the near future.

Goldschmidt and Associates specializes in the leasing and sales of office, retail, and industrial properties in the New York metro area.

Co-Developers Houlihan-Parnes Realtors and JJ Operating Inc. Complete Their Renovations to Former Verizon Building

NEW YORK—Houlihan-Parnes Realtors, LLC and JJ Operating, Inc. recently celebrated a ribbon-cutting at 1775 Grand Concourse in the Bronx to unveil the partnership's ongoing \$5 million capital improvement campaign at the former Verizon building at East 175th Street and Grand Concourse.

Bronx Borough President Ruben Diaz hosted the ceremony, along with Marlene Cintron, president of the Bronx Overall Economic Development Corporation (BOEDC) and Frank Randazzo, Bronx Empowerment zone director of the BOEDC.

"It's a great thing to see people once again investing in the future of the Bronx," said Diaz. "Houlihan-Parnes and JJ Operating's beautiful renovation of 1775 Grand Concourse will play a huge role in this neighborhood's burgeoning renaissance."

Houlihan-Parnes and JJ Operating also announced that approximately 50 percent of the building is presently leased or in negotiations for office and retail spaces.

The recently signed tenants include Bronx Lebanon Hospital Center, which will be occupying the full sixth floor of the building, or 38,000 square feet and the non-profit organization Abbott House, which has signed a lease for 25,000

square feet, to occupy a portion of the seventh floor. Bronx Lebanon and Abbott House will join other tenants that have previously signed leases, including Con Edison, Public Health Solutions, and a Pioneer Supermarket, officials said.

"The ribbon-cutting ceremony signified the commitment of a long capital improvement process that included a full renovation of the building's interiors, as well as the construction of a brand-new, 100-plus car indoor parking garage; the installation of a new HVAC system; and a new roof," said James J. Houlihan, principal at Houlihan-Parnes. "We're thrilled with the response we've received and the interest we've seen from businesses looking for office space in the Bronx."

The 1775 Grand Concourse facility is a 346,130-square-foot property at the center of a flurry of activity that is leading the Bronx's economic resurgence, Houlihan-Parnes officials said.

Houlihan-Parnes and JJ Operating contributed to this revival with its purchase of six of the eight floors at the building, officials said. The partnership has embarked on what officials termed as "an extensive capital improvement program that includes rezoning the property from residential to commercial use." Verizon, which previous-

ly owned the building, has retained two lower floors to house its state-of-the-art switching equipment for land lines in the Bronx, officials added.

"We purchased this building with the intent of contributing to the neighborhood's return to its former glory," said Sam Jemal, a partner of JJ Operating. "This section of the Bronx was a booming thoroughfare in the first half of the 20th century - we look forward to restoring that reputation."

The Background

Houlihan-Parnes is a multi-dimensional, privately owned real estate company that was founded in 1891. The company has a significant number of multi-family and commercial buildings throughout the U.S. Houlihan-Parnes and its affiliated companies also provide a wide array of services, including sales, mortgage finance, management, leasing, servicing and consulting services, company officials said.

The Jemal family has been active in the real estate business for approximately 50 years. Their current portfolio includes approximately 85 different buildings in the New York Metropolitan Area, New Jersey, and Pennsylvania. The family buys, manages, leases, and finances their own properties, officials said.

Report: NARI Remodelers More Successful Than the Norm

DES PLAINES, Ill.—Members of the National Association of the Remodeling Industry (NARI) continue to lead the industry in terms of sales, production and employees, according to the results of The 2012 NARI Member Profile Study.

The study, conducted by Fred Miller, president of Consumer Specialists, was released in the middle of February, NARI officials said.

The data—designed to provide a snapshot of NARI remodelers—shows slight growth in the number of company locations, in-house design work, dedicated salespeople and types of services offered, the report said.

"NARI members are quite adept at diversifying and adapting to market trends in order to remain successful," said Tom O'Grady, chair of NARI's Strategic Planning and Research Committee. "The research suggests the majority

of NARI businesses are operating on a sophisticated level, with ongoing evaluation of revenues, sales margins, overhead, income, performance, shifts in housing and consumer demands as the basis for decision-making."

Important Signs

NARI officials said that this year's data shows other signs of improvement in the remodeling industry:

NARI members reported a 14 percent boost in average sales, with 38 percent reporting more than \$1,000,000 in annual sales.

Eighty-two percent of NARI members offer more than one remodeling service.

NARI members reported an increase in the number of employees, with a 3 percent uptick in dedicated sales employees.

"Though the recession took its toll on many small businesses, NARI members seem to have prevailed," O'Grady said.

"Many of us are taking time to refresh our operations and responsibilities in preparation for growth over the next couple of years."

The study noted that, in fact, 93 percent of NARI members predict future sales to be as good -or better - in 2013, according to the Member Profile Data.

Those interested in seeing the full 2012 Member Profile Study Results should send their requests to marketing@nari.org.

NARI is a professional association whose members voluntarily subscribe to a strict Code of Ethics, association officials said. Spokesmen added that NARI is the only trade association dedicated solely to the remodeling industry. The association, which represents 7,000 member companies nationwide, is comprised of 63,000 remodeling contractors. It is known as "The Voice of the Remodeling Industry," NARI officials said.

BECOME A MEMBER OF THE BRI: www.BuildersInstitute.org

BRI Sponsors Membership Meeting/Open House

By Jeff Hanley, *IMPACT* Editor

ELMSFORD – The Building and Realty Institute (BRI) sponsored an Open House/Membership Meeting and Networking Event on Feb. 26 at The Captain Lawrence Brewing Company in Elmsford.

More than 65 BRI members and prospective members attended the event. The meeting was held in an effort to inform non-members of the benefits of becoming a BRI member.

“We were very happy with the response to this event,” said Michael Beldotti, president of the BRI. “We actually had to decline reservation requests from those wanting to attend the meeting, since we reached the maximum number of participants that the facility allows.”

Albert Annunziata, executive director of the BRI, termed the event as “a total success.” “The meeting was everything we hoped it would be,” Annunziata said. “It provided non-members with the opportunity to learn how valuable membership in the BRI can be. The non-members who attended told members of our staff how impressed they were with the event and the networking opportunities that the meeting provided.”

Annunziata said that the BRI is planning future conferences at the facility. He said that details will be announced in the weeks ahead.

The BRI is a building, realty and construction industry membership organization. Based in Armonk, the association has more than 1,500 members in 14 counties of New York State. The BRI’s members are involved in virtually every sector of the building, realty and construction industry, association officials said.

A photo montage of the event is featured on this page.



Pictured during the opening portion of the program are, from left to right, Jason Schiciano, co-president, Levitt Furst Associates (insurance manager for the BRI); Ursula DiResta, BRI member; Gene DiResta, BRI member; Tom Mahnke, a member of The Apartment Owners Advisory Council (AOAC) of the BRI; Gisele Mahnke, AOAC member; and Dorothy Finger, Finger and Finger (chief counsel to the BRI).



Shown just minutes before the dinner portion of the event are, from left to right, Lisa Stewart, The Journal News; Gene DiResta, a member of The Apartment Owners Advisory Council (AOAC) of the BRI; Bruce Desmond, BRI member; and Bob Lupica, BRI member.



Pictured (on the far left) while addressing those in attendance about his company is Jon Alfini, a prospective BRI member. Also shown are, from left to right, BRI members Anthony Morgis and Eric Lashins.



Albert Annunziata (pictured on the far left) addressed participants on the programs of the BRI and the benefits of membership in the association. Pictured in front of Annunziata are, from left to right, Leslie Lew, a member of The Cooperative and Condominium Advisory Council (CCAC) of the BRI; Patricia Peterson, a new BRI member; Steven Peikes, a prospective member of the BRI; and BRI members Vincent Mutarelli, Chuck Wagner and Jason Schiciano.



Pictured during the opening portion of the event are, from left to right, BRI President Michael Beldotti; Ed Lashins, BRI board member and former BRI president; and Eric Lashins, chairman, BRI.

Photos by Myron Marcus



Jason Schiciano, co-president of Levitt-Furst Associates, insurance manager for the BRI, is shown on the far right while reviewing the insurance programs of the BRI. Also pictured are, from left to right, BRI Member Vincent Mutarelli; Ken Furst (in the background), co-president of Levitt-Furst Associates; Chuck Wagner, a member of The Apartment Owners Advisory Council (AOAC) of the BRI; and Alana Ciuffetelli (shown in the background), an AOAC member.



Patricia Peterson, a new BRI member, is pictured while addressing the conference. Also pictured are, from left to right, Leslie Lew, a member of The Cooperative and Condominium Advisory Council (CCAC) of the BRI; Steven Peikes, a prospective BRI member; and Vincent Mutarelli, a BRI member.



By Andrea Wagner
Wagner Web Designs, Inc.

TECH TALK

Five Ways That Technology Should Drive Your Business

1. Reaction and Delivery Must Be Faster

Because of the speed in which our messages are delivered (email, text, mobile), you can no longer afford to delay a response. People have shorter attention spans and less patience (remember TV before DVR?). When you receive an inquiry or order, it must be dealt with immediately, or at least a confirmation and initial conversation must be had, or your customer will move on.

2. Go Mobile

Before you know it, mobile

will be the primary way consumers access the internet. Make sure your site is mobile ready.

3. Going Global?

If your business is to sell global, read on. There are 1.2 billion people in an emerging middle-class market in Asia, Eastern Europe, Africa, China and India. How do you sell to them? Tailor your business to their needs? You're not going to reach them with traditional means of marketing.

Technology will assist in handling differences with culture, language, money transactions, and time differences.

4. Be Flexible and Stay Current

Technology has trained us to expect multiple shipping op-

tions, paying options and a fair return policy. Your message cannot get stale. Just because

Technology has trained us to expect multiple shipping options, paying options and a fair return policy.

Your message cannot get stale.

Just because you did really well in a particular market five years ago doesn't mean it is relevant today. Make sure you are keeping up with the trends.

you did really well in a particular market five years ago doesn't mean it is relevant today. Make sure you are keep-

ing up with the trends.

5. Look Outward

Every day, people are blog-

group that will analyze data in a particular category. You may get a jump on where the market is going.

Entrepreneurs need to read and become aware of emerging technology that, while may not be directly in their market, may either render their product obsolete, or assist them in gaining a greater market share.

Editor's Note: Andrea Wagner has been creating websites for small business for over 16 years. Contact her for design, redesign, updates for your site, SEO or to discuss creating a mobile site for your business. She can be reached at www.wagnerwebdesigns.com, or (914) 245-2626.

Town of Mamaroneck Decides Not to Elect "The Homestead Tax Option"

Continued from page 3

dominium unit has a current equivalent market value of \$193,000. With the soon to be completed revaluation, this will rise to approximately \$299,000 under The Non-Homestead Option. Had the Town decided to utilize The Homestead Option the value would have increased to \$505,000!

Needless to say, the amount of actual property taxes due would increase drastically under The Homestead Tax Option versus The Non-Homestead Scenario.

While taxes will rise for almost all of these affected condominium unit owners, this type of increase (by an average of approximately 67 percent over the anticipated taxes under the new Non-

Homestead valuation) is not feasible for many of the residents and would cause extreme hardship.

Many important points were raised to the Town Board for its consideration in deciding whether or not to elect The Homestead Tax Option, including the following:

*Residents purchased their condominium units with the expectation of a certain level of property taxes. Not only would this increase the amount of taxes but this would unfairly change the fundamental method by which the assessment is calculated for these affected units.

*Many residents would no longer be able to afford their homes due to the drastic increase in taxes. The result

would be the loss of a great deal of affordable housing in the community.

*Such increases would remove disposable income from the stream of commerce, thus negatively affecting the commercial properties and businesses in the area.

*In many ways, these condominiums, by their very nature, do not impact the community or use the community's resources in the same way, or to the same degree as the single family homes (i.e. garbage collection, street maintenance) and therefore using the same method to calculate taxes is inherently unfair.

*This overwhelming increase in taxes would destroy the property values of these condominiums and the abil-

ity of these condominium unit owners to sell their units.

In addition to the above issues, a number of people related their own personal stories detailing the effects that the dramatic increase in taxes would have on them and their ability to continue to live in their homes. Most striking was the fact that, despite the dramatic increase that The Homestead Option would have on the affected unit owners, the property taxes for owners whose properties are already classified as homesteads (i.e. owners of 1-3 family homes) would be virtually identical under the new valuation whether The Homestead Tax Option was used or not. In other words, they would not know the difference.

In conclusion, although

the mechanics of The Homestead Tax Option are complex and difficult to understand, the harsh impact of this proposed local law is easy to see. Fortunately, the Town of Mamaroneck Board listened to the residents who appeared at the Public Hearing, recognized the inequity of the Homestead Tax Option and the hardship that adopting it would have caused and wisely decided not to adopt The Homestead Tax Option.

Editor's Note: Daniel S. Finger is an attorney with Finger & Finger, A Professional Corporation. Finger and Finger is Chief Counsel to The Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI). The firm is based in White Plains.

DeClerck and Woolley Installed as Presidents of the Hudson Gateway Association of Realtors and Hudson Gateway MLS

WHITE PLAINS—Katheryn DeClerck, an associate broker with Better Homes and Gardens Rand in Warwick, will serve as the 2013 President of the Hudson Gateway Association of Realtors (HGAR), association officials recently announced.

Russ Woolley, owner and principal broker of Wright Bros. Real Estate in Nyack, will be the President of the Hudson Gateway Multiple Listing Service (HGMLS), officials added.

DeClerck succeeds Nancy Kennedy of Houlihan Lawrence in Croton, the 2012 HGAR President. Woolley takes over the reins from Gary Leogrande of Keller Williams in White Plains, the 2012 HGMLS President.

Kennedy and Leogrande will remain on the Executive

Committees of HGAR and HGMLS respectively, officials added.

DeClerck is currently a Director with the New York State Association of Realtors (NYSAR) and has chaired NYSAR's Communications and Public Relations Committees. She has served on NYSAR's Grievance Committee, was a Director with the former Orange County Association of Realtors (OCAR) for five years, and chaired its Diversity Committee. In 2011, she was named OCAR's "Realtor of the Year."

DeClerck holds many designations, including Green; GRI; ABR; ASR; Certified e-PRO; Certified by the National Association of Hispanic Real Estate Professionals and At Home with Diversity. In addition, she

has been a volunteer with the United Way of Orange County since 2007, serving on various committees and making site visits to its many agencies, including Big Brothers, Big Sisters, Literacy Volunteers, and Food Bank.

Woolley has been in the real estate business for 34 years. He has served as president of the former Rockland County Board of Realtors (RCBR) and has been the owner and principal broker of Wright Bros. Real Estate for the past 11 years. Woolley is a Charter Member of the Congers/Valley Cottage Rotary Club and Chairman of the Church Council of the New City United Methodist Church. He also serves on the Committee of Church and Society,

which is involved with social concerns.

In addition to the president, the 2013 HGAR Officers elected include: Diane Cummins of Douglas Elliman in Somers as HGAR's President-Elect for 2014; John Lease III of John Lease Realtors in Newburgh as Regional Vice President, Orange County; Drew Kessler of ERA Tucker Associates in Nanuet as Regional Vice President, Rockland County; Gail Fattizzi of Westchester Real Estate Inc. in Eastchester as Regional Vice President, Westchester/Putnam Counties; and Jennifer Maher of Keller Williams in White Plains as Regional Vice President, Westchester/Putnam Counties. Sharon Tucker of ERA Tucker Associates in Nanuet will serve

as Secretary-Treasurer.

The new HGMLS Officers include J. Philip Faranda of J. Philip Real Estate in Briarcliff Manor as Vice President; Leah Caro of Bronxville-Ley Real Estate in Bronxville as Secretary and Rosemarie Pelatti of Keller Williams in New City as Treasurer.

HGAR is a not-for-profit trade association covering more than 9,000 real estate professionals doing business in Westchester, Putnam, Rockland, and Orange counties.

HGMLS, owned by HGAR, offers some 24,000 properties in the Bronx, Westchester, Putnam, Dutchess, Rockland, Orange, Sullivan and Ulster counties. It is among the top 50 largest MLS's in the country, association officials said.

Faros Properties, Caspi Development Acquire White Plains Facility

WHITE PLAINS—The commercial real estate investment firms of Faros Properties, LLC and Caspi Development, LLC recently announced their joint acquisition of the 1950's Art Deco, former Nestle headquarters at 120 Bloomingdale Road in White Plains.

The six-acre property and its four-story, 145,000 square-foot office building sold at a deep discount for \$10.5 million, officials said. The building will undergo extensive renovations to the interior, exterior, courtyard and roof that are targeted for completion by next fall, spokesmen added.

Officials said that the property, previously appraised at \$33 million, was acquired from a special servicer of commercial mortgage-backed securities (CMBS) after the previous owner defaulted on its CMBS loan.

Carl Austin of Austin Corporate Properties in Rye Brook represented Faros and Caspi. The seller, C-III Realty Services, was represented by Joseph Garibaldi, IV of Jones Lang LaSalle. Jeff Weinberg and Jack Adler of Meridian Capital Group arranged financing through New York Community Bank, officials added.

"The acquisition of 120

Bloomingdale Road adds an attractive asset to our growing portfolio of office properties in the Westchester/Fairfield County (Conn.) market," said Alexander Leventhal, managing partner, Faros Properties. "This transaction represents our collective current focus on acquisitions and speaks to the strength of our platform."

Faros and Caspi have hired Gallin Beeler Design Studio of Tarrytown to design a new facade for the building. Officials said that the firms also plan to renovate the facility's parking lot and interior areas.

The new owners said that they are actively seeking additional tenants to fill the approximately 50,000 square feet of available space in the building, including a 20,000 square foot, full floor that is divisible.

Among the building's features are:

- Flexible Floor Plans;
- A Private Roof Deck;
- On-Site Property Management and Concierge;
- The benefit of 24/7 Building Access;
- A Private, 100-Car Parking Deck.

The building is across from Bloomingdales, one block from The Westchester Mall,

and within easy access of both highways and public transportation, spokesmen said. Current tenants include the New York State Department of Labor, Nationwide Insurance, Byram Healthcare, Oxman Tullis Kirkpatrick Whyatt & Geiger LLP, and Keller Williams Realty of White Plains.

"The property offers significant cost savings to prospective tenants," said Joshua Caspi, principal, Caspi Development. "For example, a 5,000-square-foot tenant could easily save around \$50,000 annually by relocating from pricier downtown White Plains to our park-like setting."

Caspi added that a planned complementary shuttle bus will enable building tenants to access train transportation and enjoy shops and dining downtown.

"Our planned improvements, as well as the repositioning of this property, increases its appeal in today's competitive leasing environment," said Jeremy Leventhal, managing partner, Faros Properties. "We look forward to welcoming new tenants and retaining our excellent existing tenant base at 120 Bloomingdale Road."

Officials said that Faros Properties continues to seek additional direct and venture investment opportunities in the New York and Boston areas as it expands its portfolio, primarily seeking distressed opportunities created from the recent economic downturn. Spokesmen for Faros and Caspi added that the firms are continuing to look for properties in their target markets.

Background

Faros Properties is a New York-based real estate investment firm. The company currently owns and operates three commercial assets in Westchester County and Fairfield County (555 Theodore Fremd Avenue in Rye; 120 Bloomingdale Road in White Plains; and Holly Pond Plaza in Stamford, Conn.). Faros and its predecessor companies trace their roots to The Beacon Companies, founded by Norman Leventhal and his brother in 1945. The firm has been active for more than six decades in the construction, development, acquisition, man-

agement, and financing of real estate internationally.

Caspi Development has been a leader in the ownership, management and development of residential and commercial real estate for more than 40 years. Based in Purchase, the company is known for being extremely diversified, acting on market conditions to capitalize on opportunities, officials said.

Over the last two years, the company has acquired—through joint ventures—approximately 1,000 apartments in New York City by converting distressed debt into stabilized real estate. Notable Caspi Development projects include the 600-room Holiday Inn in Midtown Manhattan on 57th Street; the Chambers Hotel, a luxury 80-room hotel off Fifth Avenue and 56th Street; the Stamford Marriott Hotel in Stamford; The Classic in Stamford and Hartsdale; 235-245 Main Street, a 158,000 square-foot office property in White Plains; and The Sanborn Map Building, a 75,000 square-foot office property in Pelham.

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Mack-Cali Begins Regional Development Projects

EDISON, N.J. —Mack-Cali Realty Corporation recently announced its Roseland subsidiary has commenced construction on two key multi-family communities in the Northeast.

The developments include RiverParc at Port Imperial in Weehawken, N.J. and The Highlands at Overlook Ridge in Malden, Mass.

Last December, Roseland commenced construction on RiverParc at Port Imperial, in joint venture with The Prudential Insurance Company of America and supported by a construction loan commitment led by PNC, with participation by Wells Fargo.

RiverParc, a 10-story, 280-unit luxury multi-family community, will be the latest rental property developed in the southern portion of Port Imperial. Port Imperial is a mixed-use, master-plan waterfront development which spans 2.5 miles directly across the Hudson River from Midtown Manhattan. The company said that it anticipates project costs of approximately \$100 million, with a projected initial stabilized unleveraged return on a pro forma basis of 6.5 percent.

Roseland also began construction last December on The Highlands at Overlook Ridge, in joint venture with a fund advised by UBS Global Asset Management and supported by a construction loan

commitment led by Bank of America with participation by TD Bank, officials said.

The 371-unit luxury apartment development will be the latest addition to the Overlook Ridge Master Plan Community. Overlook Ridge - a 92-acre community developed by Roseland - is directly adjacent to U.S. Route 1 at the Salem Street interchange, five miles north of downtown Boston and 4.5 miles from I-95, Boston's inner beltway in the towns of Malden and Revere.

To date, Roseland, in joint ventures, has successfully completed three residential phases totaling 973 units at Overlook Ridge, including Alterra IA in 2004, Alterra IB in 2008, and Quarrystone in 2009. The company said that it anticipates project costs of approximately \$75 million, representing a projected initial stabilized unleveraged return of approximately 6.88 percent.

Upon completion, Roseland will oversee the leasing and management responsibilities for these properties, officials added.

Mitchell E. Hersh, president and chief executive officer of Mack-Cali, said: "The Mack-Cali/Roseland team is excited to have embarked on these new projects. They offer residents an amenity-rich environment, luxury finishes and appointments, and ideal locations. Both RiverParc and The

Highlands complement our portfolio of premier, Class A Multi-Family Communities and represent significant value creation for Mack-Cali."

Background

Officials said that RiverParc at Port Imperial offers residents the highest quality living spaces and amenities available in the rental marketplace. The building is programmed to include studio, one, two, and three-bedroom floor plans ranging in size from 498 square feet for studios to 1,405 square feet for three bedrooms.

Apartment finishes will feature stone and tile bathrooms, hardwood floors, granite kitchen countertops, and stainless steel appliances. Many units will also offer unobstructed views of the Hudson River and Manhattan skyline. Community amenities will consist of a resident fitness center, theater room, billiards room, golf simulator, indoor pool, rooftop lounge and barbecue, and 16-hour concierge services.

The Highlands at Overlook Ridge will include 371 luxury apartment homes spread across four 4-story buildings, with parking on grade. The buildings are programmed to have unit types consisting of a mix of studio, one, two, and two bedroom/den units, with average sizes ranging from 502 square feet for alcove studios to 1,391 square feet for larger

two-bedroom units with dens, officials said.

Officials said that the project's proximity to Boston's central business district with easy highway and public transit access provides an excellent opportunity for commuting professionals seeking convenient access to the city, but who prefer to live in the suburban amenitized setting that the cities of Malden and Revere have to offer.

Community amenities will include a fitness center with state-of-the-art cardio and weight training equipment, a yoga room, a club room, a media room equipped with a Wii Gaming System, and an outdoor swimming pool. Unit interiors are being designed to include condo-level finishes, equivalent to those featured at the most re-

cently completed Quarrystone, spokesmen added.

Mack-Cali is a fully integrated, self-administered, self-managed real estate investment trust (REIT). The company provides management, leasing, development, construction and other tenant-related services for its Class A Real Estate Portfolio. Mack-Cali owns or has interests in 278 properties consisting of 271 office and office/flex properties totaling approximately 31.6 million square feet and seven multi-family rental properties containing over 2,000 residential units, all in the Northeast. The properties enable the company to provide a full complement of real estate opportunities to its diverse base of commercial and residential tenants, officials said.



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Conybeare to Speak at Membership Meeting of the BRI

By Jeff Hanley, IMPACT Editor

WHITE PLAINS — "An Update on The Important Activities of The New York State Thruway Authority" is the topic of the Mar. 14 General Membership Meeting of The Building and Realty Institute (BRI), association officials recently announced.

The meeting, scheduled for a 6:30 p.m. start, will be at The Crowne Plaza Hotel in White Plains.

Brian Conybeare, a special assistant to Gov. Cuomo and to Thomas J. Madison Jr., executive director of the Thruway Authority, will be the keynote speaker. He will review the recent activities of the Thruway Authority and their effects on the business sector of the Westchester and Mid-Hudson Region. Conybeare will also provide an update on recent developments concerning the construction of the new Tappan Zee Bridge, BRI officials added.

Cuomo announced the appointment of Conybeare last July to the position of Special Advisor for the Tappan Zee Bridge. Conybeare serves as the liaison for the Governor to Hudson Valley residents and businesses. He is based in the Hudson Valley on a full-time basis and conducts day-to-day meetings with local community and business leaders. He also works with Secretary to the Governor Larry Schwartz, who Cuomo recently appointed to oversee the Tappan Zee Bridge project. Officials said that Conybeare has played an important role in ensuring that the issues raised by residents involving the \$5 billion project are heard and resolved.

Prior to his appointment, Conybeare was an anchor for the News 12 Evening Edition television broadcasts. He was also a co-anchor on the weekly political talk show "Newsmakers." He hosted the station's local election debates and live town meetings.

Conybeare is an award-winning reporter, most recently receiving a 2011 New York Emmy Award for his exclusive story on a parking ticket scam called "Rental Rip-Off." In 2009, he won a national award from the Society of Professional Journalists (SPJ). His ground-breaking reporting on corruption in the promotions department of the Yonkers Raceway Casino led directly to a criminal probe and three arrests, officials said. It also won him the highly respected Sigma Delta Chi Award from the SPJ. He has also been honored with two other New York Emmy Awards, five Edward R. Murrow Regional Awards, and five New York Associated Press Broadcast Awards, officials added.

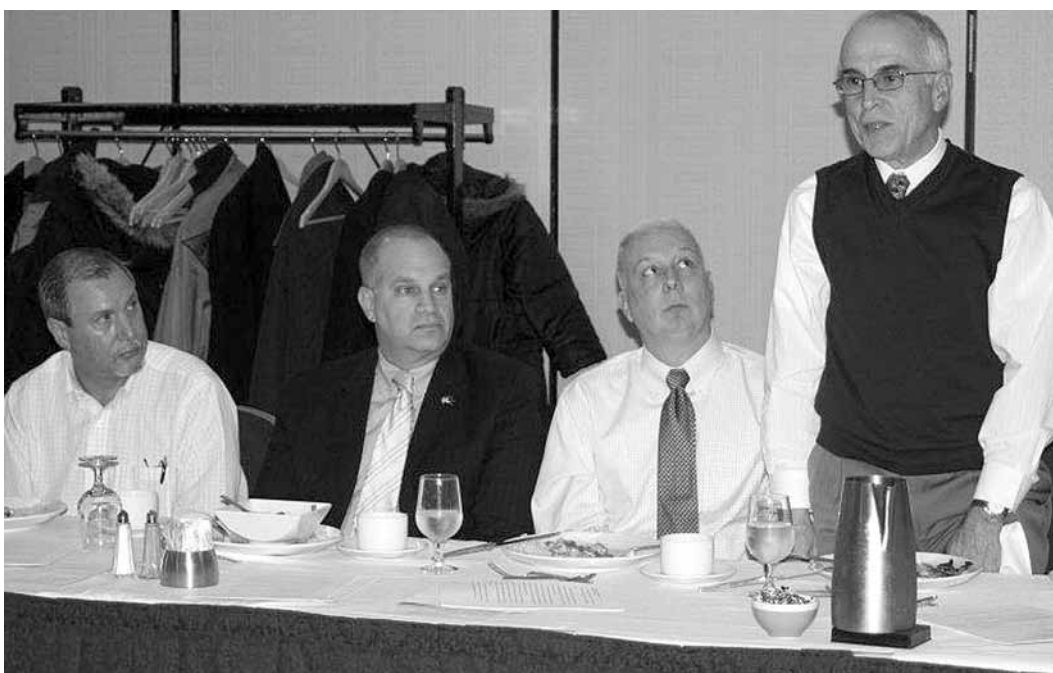
Conybeare received a Bachelor's Degree in Communications from the University of Michigan and a Master's Degree in Journalism and Mass Communications from New York University. He is an Eastchester resident.

"Having Brian Conybeare speak to our membership is something we are all looking forward to," said Michael Beldotti, president of the BRI. "We look forward to his update on infrastructure issues that are affecting our region, since those issues have such a direct effect on the business sector."

Event officials said that reservations for the meeting are open to all BRI members, as well as to non-members. Reservations are being accepted at (914) 273-0730.

The BRI is a building, realty and construction industry membership organization. Based in Armonk, the association has more than 1,500 members in 14 counties of New York State.

ACMA MEETS



The Advisory Council of Managing Agents (ACMA) held a Membership Meeting on Feb. 28. Pictured during the event are, from left to right, Bram Fierstein, an ACMA board member; Bruce Davison, a member of The Building and Realty Institute (BRI), an affiliate of ACMA; Brian Scally, an ACMA member; and John Bonito, vice chair, ACMA. More than 35 ACMA and BRI members attended the meeting at The Crowne Plaza Hotel in White Plains. ACMA is a realty industry membership organization composed of property managers of co-ops, condos and rental apartment buildings. Photo by Myron Marcus

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