

# IMPACT

## BUILDING & REALTY NEWS

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SERVING WESTCHESTER AND THE MID-HUDSON REGION

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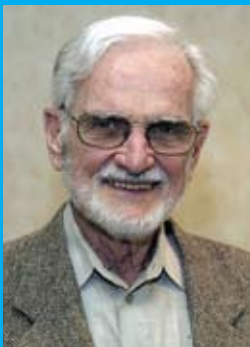
### THE HANLEY REPORT



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for a photo chronicle  
highlighting some of last  
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#### Westchester Works to Reduce Growing Unemployment

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## Analyst: Economic Relief Could Be On the Horizon

By Jeff Hanley and Albert Annunziata

WHITE PLAINS – While stressing that economic conditions are significantly weak, a regional economist recently told members of the building and realty industry that relief could be just months away.

Marc Goloven, a well-known analyst, was cautiously optimistic, saying that even “a slight restoration of confidence could lead to an economic resurgence in the latter half of 2009.”

Goloven issued that assessment at the Jan. 15 General Membership Meeting of the Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI) before a con-

cerned audience at the Crowne Plaza Hotel in White Plains.

Goloven, a frequent contributor to media reports on economic conditions, said that current energy and housing prices could be a factor in the modest restoration of the economy.

“These are very challenging and difficult times,” he said. “We are in the midst of a downward spiral, a significant economic contraction, and we should do something about it. We are hearing that it could get worse before it gets better – but I don’t think the economy is as chilly as the 40-degree below weather in Bismarck (North Dakota)!”

Goloven reviewed factors affecting the national economic scene. They included:

“Media reports that inevitably shake the confidence of the public. “It seems as if we have been bombarded with negative economic reports from the media since 1776,” he said. “If I hear another report beginning with the sentence of ‘during these tough economic times,’ I will jump out of the second floor of my house!” Goloven posed the question as to whether the problem is as large as some media reports say. “Whether you’re talking about foreclo-

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## Realty Group Begins Its Preparations For the Upcoming “Guidelines Season”

By Jeff Hanley, *IMPACT* Editor

ARMONK—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).

AOAC officials recently announced that the association will schedule a strategy session on the guidelines process for its members in the coming weeks. The session will allow members to voice their opinions on how the realty industry should prepare for the upcoming public hearings and deliberations of the Westchester County Rent Guidelines Board.

The board is the entity that annually decides on guidelines for lease renewals affected by ETPA. Those guidelines are decided upon after the board conducts its public hearings and deliberations.

The hearings and deliberations were tentatively scheduled by the board at its Jan. 14 meeting at the Division of Housing and Community Renewal (DHCR) offices in White Plains. The schedule, with times and locations to be announced, is as follows:

#### Public Hearings

June 15 (Mount Vernon)

June 16 (Yonkers)

June 18 (White Plains)

#### Deliberations

June 24 (White Plains)

June 25 (White Plains, if needed)

The board’s decision will affect rent adjustments for one or two-year leases which begin between Oct. 1, 2009 and Sep. 30, 2010.

#### Valuable Input

“Members who want to voice suggestions on how we should prepare for the realty industry’s testimony be-

fore the guidelines board will have the chance in the weeks ahead, both at meetings and by communicating with the AOAC staff,” said Jerry Houlihan, chairman of the AOAC.

Houlihan added that the AOAC definitely uses the suggestions and experiences of its members as the association prepares for the board’s public hearings and deliberations. He also stressed the importance of participation from AOAC members at those events.

“We annually highlight the fact that it is extremely important that owners and managers testify on the continuing increases in costs that the realty

sector is facing,” he said. “We continue to urge our members to attend the hearings and deliberations and to offer their individual struggles with their day-to-day costs to the guidelines board. We can’t say it enough – we need the AOAC membership to help us. In turn, the participation of our members will help us help them.”

AOAC members will receive updates on the efforts of the association as it continues to prepare for the public hearings and deliberations, Houlihan said.

The AOAC represents more than 300 owners and managers of more than 25,000 rental units.



Photo by Myron Marcus

**EXAMINING FORECLOSURES** – Foreclosures and their effects on the building and realty industry were examined at a recent joint meeting between the Building and Realty Institute (BRI) and the Westchester County Board of Realtors (WCBR). Pictured at the Feb. 12 event are, from left to right, Gil Mercurio, chief executive officer, WCBR, Mark Boyland (speaker), president, Westchester-Putnam Multiple Listing Service (WPMLS), Ken Finger, chief counsel, BRI, and Albert Annunziata, executive director, BRI.



## CO-OP CONDO CORNER

By HERB ROSE



NEW YORK—We have all become so inured to paying taxes as a way of life, that often obvious overcharges go on unchallenged.

Sales tax is so ubiquitous that we don't see it as overpaid and under-challenged. High on this list is the tax on utilities added on by Con Edison in the metropolitan area, which ranges from 3 percent in most of Westchester County to 11.3 percent in New Rochelle.

It appears to be a loosely guarded secret that co-op and condo buildings are considered residential by the New York State Tax Department and should be billed at residential rates. These tax rates are generally about half of the commercial tax charges.

One would assume that this is the standard way of doing business, but in a recent survey of 55 co-op and condo

buildings, 11 were billed at commercial tax rates! You do the math and find that is 20 percent of the participants!!

### Important Numbers

"It's only a few cents" is the immediate reaction. Really? Recent refunds have been \$1,400 plus, plus \$240, and \$3,600 plus! Since the cost of obtaining these refunds is normally nothing, one would wonder why so few buildings apply for tax refunds. Consultants who do this work base their fees as a contingency, which is a percentage of the refund. Typical applications may go back up to three years and the effort of the co-op/condo building is some minimal paper work.

Applicable sales tax rates are a veritable "mish-mash," with the lowest residential rate in Westchester County be-

# Hiding, In Plain Sight, Are Savings for Your Building

ing three percent. Exceptions are New Rochelle, 6 percent; White Plains, 6 percent; Mount Vernon, 4 percent; and Yonkers, 4 percent. New York City also has a 4 percent residential rate. If you are being billed more than these numbers, you're entitled to a substantial refund. Note that commercial rates are considerably higher than these figures.

### The Great Hope

Deregulation was the great hope of free marketers who believed that allowing competition in the delivery and production of electricity would lower prices and provide public benefits.

In practice, we have seen the rise and fall of Enron, a general rise in power costs, and the wholesale bankruptcy of independent generators and energy supply companies (ESCOS).

Part of this package of regulations was to separate the generation or manufacture of electricity from the delivery systems of utilities. A great op-

portunity for short-term profit fell to utilities and the new companies who took over the supply system.

New York State's Legislature enacted a whole raft of laws to enable and encourage free-market participation. One of these regulations provided for the state Sales Tax on the delivery portion of the electric bill to be phased out, providing that power was purchased from an ESCO. Delivery of electricity is about 40 percent, or two fifths of the cost, and carries the promise of a reduction in the bill.

Since residential rates for electricity are not easily available for a lower cost than Con Edison, the savings in this activity are in the tax rate.

Let's consider the sales tax in most of Westchester County, which is 3 percent. Eliminating the delivery portion would lower the rate by 1.2 percent.

A total of 1.2 percent of \$100 is \$1.20, 1.2 percent of \$1,000 is \$12, but 1.2 percent of \$10,000 is \$120 each month!

Care must be taken to make

a contract with the ESCO to keep costs for power at or under Con Edison's and the bills need to be monitored each month to protect the building. These functions are not easily done by the board or managing agent, but consultants are available who will do all this work for a contingency fee.

There it is, hiding in plain sight—sales tax overpayments in 20 percent of buildings and possible savings for those co-ops and condos with large electric bills.

### Herb's Hints

1) Change batteries in your Smoke and/or Carbon Monoxide detectors.

2) Draw blinds and/or curtains at night to cut heat loss.

**Editor's Note:** *Herb Rose is a co-op and condo 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](mailto:hrose47563@aol.com).*

## THE HANLEY REPORT

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



# Evaluating "The Bad and The Good" for the Industry

ARMONK — "What would you like first, the good news, or the bad news?"

That cliché-like question is definitely appropriate when reviewing two building and realty industry reports from the National Association of Home Builders (NAHB).

The studies, both released in mid-February, summarize national trends in the home building and remodeling sectors and how those areas are affected by the current economic crisis.

First, the bad news.

The NAHB/Wells Fargo Housing Market Index (HMI), released on Feb. 17, held in the single digits for a fourth consecutive month in February. The HMI rose a single point to 9 — virtually unchanged from an all-time low in the previous month — indicating that home builders have seen essentially no improvement in the market for new, single family homes, the study said.

"Clearly, the market for new, single family homes remains very weak at this time," said NAHB Chairman Joe Robson. "However, looking forward, we are certainly hopeful that the newly passed economic stimulus bill, which includes some favorable elements for first-time home buyers and

small businesses, will have a positive impact that will help get housing and the economy back on track."

The report noted that provisions within the overall stimulus package that should help stimulate demand for housing and otherwise bolster the housing sector include:

- A new and improved \$8,000, first-time home buyer tax credit;
- An extension of 2008 Federal Housing Administration (FHA), Fannie Mae and Freddie Mac loan limits for high-cost areas through the end of 2009;
- An expansion of the net operating loss carry-back period from two years to five years for small businesses;
- Other tax elements relating to energy-efficient and low-income housing programs.

### A Look Ahead

"Home builders are especially concerned about the continually rising number of foreclosures and short sales, which are flooding the market with excess inventory and undermining overall home values," said NAHB Chief Economist David Crowe in the study.

"This is one reason that home builder expectations for the next six months de-

clined in the February HMI, even though the traffic of prospective buyers has improved somewhat, and present sales conditions were basically unchanged. We are therefore looking forward to working with the Treasury Department as details of its plan to address the urgent foreclosure problem emerge," Crowe added.

Derived from a monthly survey that NAHB has been conducting for more than 20 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single family home sales and sales expectations for the next six months as "good," "fair," or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view sales conditions as good than poor.

The study reported that two-of-three of the HMI's component indexes gained a bit of ground in February. The index gauging current sales conditions rose a single point to 7, while the index evaluating the traffic of prospective buyers rose three points to 11. Meanwhile, the

index reviewing sales expectations in the next six months fell two points to a record low of 15. The report noted that, regionally, the HMI rose a single point in both the South and West, to 12, and 5, respectively, in February. The Midwest posted a two-point gain, to 8, and the Northeast registered a one-point decline, to 9.

### The Home Improvement Sector: Opportunities Ahead

While starting off with bad news, the second NAHB report provides a series of positive projections.

The study begins with the summary that a growing number of home builders are di-

*Continued on page 3*

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# Evaluating “The Bad and the Good” for the Industry

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versifying into remodeling in hopes of finding jobs to “tide their businesses over until the home buying market returns.”

But, the report added, remodeling over the short term continues to display a weakness of its own as home owners pull back from major improvements to their property.

The study stresses that economists at the recent International Builders Show in Orlando noted that “consumers have lost significant amounts of both confidence and wealth, and are not in a spending mood.”

The report added that for most remodelers—who haven’t

absence of conditions favorable for upper-end discretionary jobs.” Expenditures in that category grew 23 percent in 2005 and 7 percent in 2007, compared to 13 percent and 6 percent, respectively, for total remodeling activity, the Harvard Index reported.

The report added a bit of further good news, noting that, while the current remodeling downturn is more severe than in previous cycles, “the industry is performing notably better than home building.”

As of the third quarter of last year, home improvements were down an estimated 15.5

cent buyers are different from longer-term owners.”

According to the Joint Center report, households that relocate spend an average 20 percent to 25 percent more on improvements than otherwise similar households that do not move.

Apgar also observed that “there has been a definite decline in the past four-to -five years in the likely recovery of remodeling expenditures when the house is sold.”

## Additional Positives

The additional good news, Apgar said, is that those who

domestic-born population,” the Joint Center report said.

- Emerging interest in sustainable remodeling projects. “If we are going to meet the nation’s energy goals, we have to continuously search for ways to improve the residential built environment,” said Mohsen Mostafavi, dean of the Harvard University Graduate School of Design, where attention to green design is a growing focus in the classrooms and studios, the Joint Center study said. “Maximizing energy-efficiency in existing housing may be one of our greatest challenges, but also one of our greatest opportunities. Consumer demand for sustainable design is on the rise. Architects and planners can lead the way in devising appropriate solutions.”

In 2007, home owners devoted more than \$52 billion of their improvement expenditures to energy-related projects such as replacing appliances and lighting systems, upgrading their HVAC systems and increasing insulation—up from less than \$33 billion in inflation-adjusted terms a decade earlier, the Harvard study said.

“Motivated by broader environmental concerns, consumers have demonstrated a growing interest in products

and projects that meet additional green goals: quality and durability, environmental performance, and safety and disaster mitigation,” the Harvard report said.

- The Joint Center report also noted that when the housing markets recover, foreclosed properties will provide opportunities for home improvements. Banks and new owners will renovate and repair those properties and state and local governments will make use of the Housing and Economic Recovery Act of 2008, which allocated \$4 billion for the redevelopment of abandoned and foreclosed properties.

Despite the current economic downturn, the Joint Center reports that “remodeling still rests on a solid foundation with 130 million homes—and one to two million added yearly—in continuous need of maintenance, upgrades, repairs and adjustments to meet the nation’s changing preferences and lifestyles.”

So there it is—the bad news, followed by a variety of positive outlooks.

It’s safe to say that building and realty industry members hope the upbeat projections are on target.

Enjoy the issue.

**The Joint Center Report also noted that when the housing markets recover, foreclosed properties will provide opportunities for home improvements.**

taken as much of a drubbing as home builders—the goal will be to survive another difficult year as they prepare for opportunities that will emerge on the other side of the recession.”

And there, at last, is the good news from the studies—opportunities that await the remodeling sector when economic improvement arrives.

## Key Data

According to the NAHB report, the Leading Indicator of Remodeling Activity from the Joint Center for Housing Studies of Harvard University projects that home owner improvement spending will be declining at an annual rate of 12.1 percent by this year’s third quarter, moving to \$109.5 billion.

Home owner spending on improvements peaked at an annual rate of \$141.9 billion in the second quarter of 2006, the data said.

The market has seen steady declines since the middle of 2007, although recently the rate of decline has flattened, the Harvard Index added.

“While we may be nearing the bottom of the remodeling cycle, there is little to push spending back into a growth phase until the economy recovers,” said Kermit Baker, director of the Joint Center’s Remodeling Futures Program.

Expenditures on owner-occupied units were responsible for 84 percent of the remodeling market’s \$326 billion in activity in 2007. Improvements—as opposed to more routine maintenance and repair—accounted for 70 percent of the total, the NAHB report said while analyzing the Harvard Index data.

The NAHB study, however, did cite further good news from the Harvard Index.

“Despite the gloom today, remodeling is still viable,” said William Apgar, senior scholar at the Harvard Joint Center. He added that his assessment will stand strong, “even in the

percent, compared to a far steeper 52.6 percent slump for single family construction, according to the Harvard Index.

And, a new Joint Center study, “The Remodeling Market in Transition,” emphasizes that exterior replacements, system upgrades and disaster repairs—which vary little from year to year—are “creating a floor for spending in the home improvement market.”

“While upper-end discretionary projects are responsible for most of the volatility in home owner spending, even at their inflated 2007 share, these projects accounted for 30 percent or less of total expenditures,” the Joint Center study said.

The study added that, as a result, even if some discretionary projects were deferred and others were downsized, the impact on overall remodeling expenditures would be much more modest than the decline to date on the construction side.

## A Factor

Apgar cited the decline in home equity, a major funding source for projects, as a significant factor behind the remodeling slowdown. From its recent \$12.5 trillion peak in the final quarter of 2005, owner equity in household real estate has declined by roughly \$4 trillion, or almost 32 percent.

Even so, Apgar said in the study, “this will stabilize.” He noted “that home owners still have equity of \$8.5 trillion, a lot of wealth, but people want to see where the end is before they commit.”

## A Negative

Another drawback for remodeling is the current slowdown in home sales, the Joint Center report said. Existing home sales were off nearly 30 percent in the third quarter of 2008 from their recent peak, the study noted.

“New buyers engage in a lot of remodeling activity,” Apgar said. “The patterns of re-

do make it through another difficult year can expect to have some strong fundamentals on which to build new remodeling business. He stressed that the new Joint Center Report identifies three sources of demand that are most likely to boost improvement spending once a remodeling turnaround begins to materialize:

- The increasing need to upgrade the rental housing stock. “Years of underinvestment have left the nation’s rental stock, at an average age of 36 years, in desperate need of improvement and repair,” the Joint Center report said.
- Spending will be focused on replacements and system upgrades, as well as maintenance, the Joint Center study noted. However, current housing market conditions are likely to delay the process of significant reinvestment in the rental stock. For the time being, the glut of vacant for-sale units that have at least temporarily been converted to rentals is reducing rents and dampening the demand for older units, “discouraging rental property owners from making improvements in the near term,” the report added.
- Ongoing growth in the immigrant home owner market. “Foreign-born home owners, who currently account for more than 10 percent of home improvement spending, are heavily concentrated in their 30’s and 40’s, ages when families are growing and changing the use of their home,” according to the Joint Center study.
- “Immigrants are key to the future growth of the U.S. home improvement industry,” according to the Joint Center Report. “In 2007, foreign-born households spent about \$23 billion on improvements on their homes. Their spending levels have grown almost 13 percent per year since 2000—well in excess of the 7 percent among the

## A CCAC BOARD MEETING



Photo by Myron Marcus

The board of directors of the Cooperative and Condominium Advisory Council (CCAC) met on Feb. 9 to help plan the association’s agenda for 2009. Pictured at the meeting, from left to right and sitting, are board members Joe Fernandez, Sarah Hughes and Carl DiMaio. Pictured standing, from left to right, are Jason Schiciano, Levitt-Fuirst Associates (insurance manager for the CCAC), and board members Angelo Ponzi and Jane Curtis. The CCAC represents more than 400 co-ops and condos in the Westchester and Mid-Hudson Region.



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## CPC Provides Financing for Middletown Development

HAWTHORNE—The Community Preservation Corporation (CPC) has closed on a \$2.573 permanent loan for Phase II of Middlecrest Crossing Senior Apartments, company spokesmen recently announced.

The project is a 100-unit, affordable senior housing building in Middletown, N.Y.

Located on the corner of Uhlig Road and Waywayanda Avenue, the new, fully occupied, two-story building is comprised of 46 one-bedroom and 54 two-bedroom apartment units. It is adjacent to Phase I of Middlecrest Crossing, which is also a 100-unit senior housing building.

Conveniently based near shopping areas, Middlecrest Crossing Senior Apartments is served by a local bus stop, as well as a van service provided by the property's management to transport tenants for appointments and shopping, spokesmen said.

The borrower is a limited partnership consisting of Loewen Development, whose principals are Peter Murray and Howard Loewentheil, and Elant, Inc., which is formerly known as Arden Hill Senior Health System.

Based in Larchmont, Loewen Development has extensive experience in affordable housing, including Phase I of Middlecrest Crossing. Goshen-based Elant, Inc. developed and currently manages the Glen Arden Life Care Retirement Community in Goshen, including 120 assisted

living units and 150 independent senior units with meals, spokesmen said.

In addition to CPC's permanent loan, financing for Middlesex Crossing Phase II also included \$970,000 in Low-Income Housing Tax Credits from the New York State Housing Trust Fund, a New York State HOME grant of \$808,500 and a grant from Orange County of \$270,000, officials added.




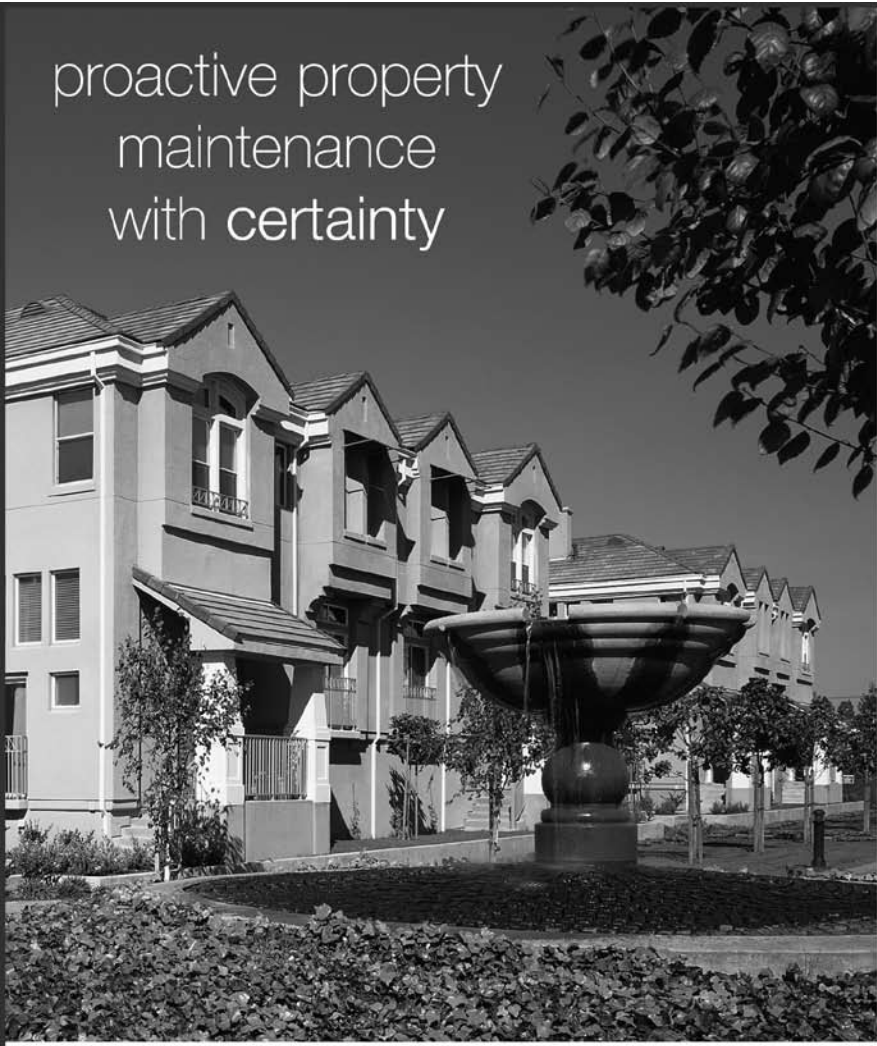
The CPC loan will be insured by the State of New York Mortgage Agency (SONYMA).

"We are pleased to provide financing for the second phase of what will be a very significant-sized, quality senior housing destination in Middletown," said Douglas L. Olcott, vice president of CPC's Hudson Valley Office in Hawthorne.

Sadie McKeown, regional director of CPC's Hudson Valley office, added: "Middlecrest Crossing will provide a superior quality of life for the area's seniors who will not only have excellent apartments but the convenience of being in close proximity to downtown Middletown and easy access to all essential services, entertainment and culture, and shopping."

CPC is a not-for-profit mortgage lender that finances residential multifamily development throughout New York, New Jersey and Connecticut. Since its founding in 1974, the company has invested more than \$7 billion in more than 130,000 units of housing, company officials said.

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## Residential Management Study:

# Clothes Dryer Fires—How to Prevent Them in Your Complex

By Bill Boyle, Chute Master Environmental

NEW YORK – The “failure to clean” is the leading factor contributing to clothes dryer fires in residential buildings.

For many households and other establishments, the clothes dryer is an indispensable convenience and necessity. However, if clothes dryers are not properly installed or maintained, critical fires can occur.

### The Negative Numbers

The yearly national fire loss for clothes dryer fires in structures is estimated at \$99 million. Each year, these losses result from an estimated 15,600 fires that required a fire department response. These clothes dryer fires cause an annual average of approximately 400 injuries and 15 fatalities.

Dryer fires in non-residential buildings are far more injurious than those in their residential counterparts. Non-residential buildings generally can include large occupancy-type buildings such as hospitals, schools, institutions, service areas or stores. Data shows that 80 percent of clothes dryer fires in structures occur in residential buildings and resulted in approximately 12,700 fires, 15 deaths, 300 injuries and \$88 million in property loss each year.

### The “How’s” and “Why’s” of a Dryer Fire

A clothes dryer works by forcing hot air through a turning drum. Wet clothes placed in the drum are then dried by the moving hot air. It is possible for a full load of wet clothes to contain as much as one and a half gallons of water. Lint is created from the clothes as

the water is removed and the clothes dry.

While much of the lint is trapped by the dryer’s filter, lint also is carried through the venting system, together with moist air. The accumulation of lint, both in the dryer and in the dryer vent, reduces the airflow and creates a highly flammable fuel source.

In addition to the accumulation of lint, blockage in dryer exhaust vents also can occur from the nests of small birds and animals or from bends in the venting system itself. A compromised vent will not exhaust properly to the outside. Overheating may result. If enough heat is produced to ignite the lint itself or nearby combustible items, such as the clothes in the dryer or combustibles left nearby, the engineered safety mechanisms are compromised and fire ensues.

Proper maintenance for clothes dryers involves removing the lint from the traps, vents and surrounding areas of the dryer. Studies show that a failure to clean accounts for 70 percent of dryer fire operational deficiencies.

### Proper Dryer Maintenance

By observing a few simple indications of poor system performance, one can examine the dryer components for any blockage or excessive heat.

If you notice heavy clothes such as blue jeans or towels taking a long time to dry, or clothes feel hotter than usual at the end of the cycle, then a clogged dryer vent exhaust is likely the problem.

Disconnect, clean, and inspect the dryer duct and vent-

ing every couple of years, or hire a professional company to clean the dryer components.

Some dryer vents may need more frequent inspection, such as in homes with complex construction where the dryer vents exceed six feet from the outside, or with smaller stack dryers and dryers that are older and do not have

moisture sensors or high temperature safety limit controls. This will reduce the fire risk and increase the dryer’s efficiency.

In most cases, clothes dryer fires can be prevented. A “failure to clean” is the number one factor contributing to clothes dryer fires. Clogged dryer vents occurring from lint buildup may make the dryer

operate incorrectly. If you do not feel comfortable cleaning or inspecting the dryer vent yourself, you can call a duct cleaning service.

**Editor’s Note: Bill Boyle is a regional manager for Chute-Master Environmental, Inc., a certified provider of indoor environmental cleaning services.**

## Persanis Receives Industry Award

NEW YORK—Matthew Persanis, a partner in the law firm of Elefante and Persanis, LLP of Eastchester, was one of the honorees at the recent “Year-End Gala” of the New York Association of Realty Managers (NYARM).

Persanis, labor counsel to the Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI), was one of 14 realty industry members who received recognition for their contributions to the real estate community, event officials said.

The ceremony was on Jan. 31 at the Marriott Marquis Hotel in New York.

NYARM, a leading industry group representing property managers, presented Persanis with its “NYARM Peace



Matthew Persanis

Prize.” The award recognizes the efforts of Persanis during the BRI’s 2006 labor contract negotiations with Local 32-BJ Service Employees International Union (SEIU).

Persanis was the lead negotiator for the BRI during the process, which resulted in a

four-year agreement between the parties.

Persanis has been labor counsel to the BRI since 1996. He has represented the association as its lead negotiator for its labor contract negotiations for the last 12 years. During that time, Persanis’ efforts have helped to result in “very favorable contracts for employers,” BRI officials said.

“We are happy to see Matt receive this well-deserved award,” said David Amster, chairman of the BRI’s Negotiating Committee. “He was a key factor for the BRI during the negotiations. He also helps the BRI keep up a positive dialogue on labor issues with Local 32-BJ and its representatives. He deserves this recognition.”

## Sampson Appointed Vice President and General Counsel at Simone Development

NEW ROCHELLE—Simone Development Companies recently announced the appointment of Brian T. Sampson as vice president and general counsel.

Sampson joined Simone Development in 2007 as associate counsel for the company. Previously, he was a corporate and real estate associate for White & Case LLP, a global law firm based in Manhattan. From 2001 to 2005, he served as a real estate associate for Duval & Stachenfeld LLP, with

a concentration on national transactions.

Sampson is a graduate of Franklin & Marshall College, where he earned a Bachelor of Arts degree. He earned his law degree from Brooklyn Law School, where he graduated cum laude.

Headquartered in New Rochelle, Simone Development Companies is a full service real estate investment company specializing in the acquisition and development of office, retail, industrial and residential

properties in the tri-state area.

Simone Development, a privately held company, owns and manages an extensive range of commercial projects from multi-building office parks to retail and industrial space in Westchester County, Queens, the Bronx, Long Island and Connecticut. The company’s portfolio of more than 90 real estate properties totals approximately 4 million square feet of development space.

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Managing Partner



# 2008—The Year In Review

## JAN/FEB



**ADDRESSING THE ECONOMY** – The Jan. 10 General Membership Meeting of the Building and Realty Institute (BRI) addressed current economic conditions. Noted economist Marc Goloven was the featured speaker. Pictured at the meeting are, from left to right, Jerry Houlihan, chair, Apartment Owners Advisory Council (AOAC); Ken Nilsen, president, BRI; Goloven; and Albert Annunziata, executive director, BRI. More than 75 building and realty industry members attended the event at the Crowne Plaza Hotel in White Plains.

## MAR/APR



**ADDRESSING KEY ISSUES** – The Mar. 13 General Membership Meeting of the Building and Realty Institute (BRI) addressed tax and marketing issues for businesses. Pictured at the conference are, first row, from left to right, Ken Nilsen, president, BRI; Suzanne Cortese, BRI member and speaker; and Andrea Wagner, BRI member and speaker. Pictured in the second row, from left to right, are Ken Finger, chief counsel, BRI; Albert Annunziata, executive director, BRI; Michael Dardano, BRI member and speaker; and Joseph Insalaco (speaker), 1031 Investment Services LLC. More than 60 building and realty industry members attended the program at the Crowne Plaza Hotel in White Plains.



**A LOOK AT THE NEW YORK CITY WATERSHED** – David Warne, assistant commissioner, watershed protection and planning for the New York City Department of Environmental Protection (DEP), was the speaker at the Apr. 10 General Membership Meeting of the Building and Realty Institute (BRI). Warne delivered a presentation on the New York City Watershed to more than 50 members of the BRI. The conference was at the Crowne Plaza Hotel in White Plains.



**EXAMINING IMPORTANT TOPICS FOR THE MULTI FAMILY SECTOR**– “An Update on Heating Issues Affecting Multi Family Buildings”; “Insurance for the Shareholders in Your Co-op – Why It’s Important!”; “An Update on Recycling Issues for Multi Family Buildings”; and “An Update on NYSERDA Programs” were the topics of the Jan. 24 membership meeting of the Cooperative and Condominium Advisory Council (CCAC). Pictured at the conference are, from left to right, Bob Morabito, Westchester County; Patrice Courtney Strong, NYSERDA; Bruce Berger, Westchester County; Jeff Foster, BRI member; Art DiCaro, BRI member; and Herb Rose, BRI member. All those pictured were speakers. More than 50 CCAC members participated in the program at the Crowne Plaza Hotel in White Plains.



**A CCAC MEMBERSHIP MEETING** – The Cooperative and Condominium Advisory Council (CCAC) of the Building and Realty Institute (BRI) sponsored a Mar. 20 membership meeting. The themes of the conference were “How Boards Can Deal With Major Capital Improvements!” and “How to Generate Additional Sources of Revenue!” Pictured at the meeting are, from left to right, Vincent Mutarelli, Capital One Bank and a BRI member; Doug Bottner, Capital One Bank, speaker; Jay Mendel, BRI member and speaker; and Herb Rose, BRI member and speaker. More than 55 CCAC members attended the event at the Crowne Plaza Hotel in White Plains.



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## MAY/JUNE/JULY



Carl Finger, standing, is pictured while addressing the May 22 membership meeting of the Cooperative & Condominium Advisory Council (CCAC). Also pictured, seated, from left to right, are CCAC board members Jeff Foster and Pat Kinsey.



**ADDRESSING THE REGION'S ENERGY ISSUES** – The June 12 General Membership Meeting of the Building and Realty Institute (BRI) addressed energy issues affecting the Westchester and Mid-Hudson Region. Pictured at the conference are, from left to right, Ken Finger, chief counsel, BRI; Howard J. Axelrod, speaker; Tim Cawley, speaker; and Albert Annunziata, executive director, BRI. More than 50 BRI members attended the program at the Crowne Plaza Hotel in White Plains.

## SEPTEMBER



**AN INDUSTRY MEETING** – “Defending Property Rights in New York State” was the topic of the Sep. 11 General Membership Meeting of the Building and Realty Institute (BRI). More than 55 members of the building and realty industry attended the event at the Crowne Plaza Hotel in White Plains. Pictured at the meeting, by the podium, are, from left to right, Carol LaGrasse (speaker), president, Property Rights Foundation of America and Albert Annunziata, executive director, BRI.



**NETWORKING** – More than 55 members of the local building and realty industry attended the Sep. 11 General Membership Meeting of the Building and Realty Institute (BRI). The event's reception provided opportunities for networking and discussions on industry conditions. Pictured during the reception are, from left to right, Melinda Parsons, Coldwell Banker; Albert Annunziata, executive director, BRI; and Harriet Lerner, Harriet Lerner Enterprises.



**A STRATEGY SESSION** – The Apartment Owners Advisory Council (AOAC) sponsored a strategy session for its members on Sep. 9. Topics of interest to owners and managers of multi family buildings were covered at the event. Pictured during the session is Ken Nilsen, president of the Building and Realty Institute (BRI), an affiliate organization of the AOAC. The AOAC represents more than 300 owners and managers who are responsible for more than 25,000 units.



**CO-OP AND CONDO GROUP MEETS**– The Board of Directors of the Cooperative and Condominium Advisory Council (CCAC) met on Sep. 22 to plan the association's programs for the remainder of 2008. Pictured during the meeting is Diana Virrill, chair of the organization. The CCAC is an affiliate association of the Building and Realty Institute (BRI). It represents more than 400 co-ops and condos throughout the Westchester and Mid-Hudson Region.

## NOVEMBER



**THE CREDIT STORY**—The Building and Realty Institute (BRI) sponsored a General Membership Meeting on Nov. 13. “The Credit Crisis – What Is the Real Story on the Availability of Credit for the Building and Realty Industry?” was the topic of the conference. More than 100 industry members attended the event at the Crowne Plaza Hotel in White Plains. Speakers pictured at the meeting are, from left to right, Don Arace; Peter Weisner; Julio Salazar; Arnold Streisfeld and Scott Bognar.



# BRI Holds Its Annual Holiday Reception

**OSSINING – More than 130 members of the Building and Realty Institute (BRI) attended the association’s recent Holiday Reception. The Dec. 11 event was at the Traveler’s Rest in Ossining. A photo report is featured below.**



Pictured during the event’s reception are, from left to right, Cathy Sama, International Facilities Management Association (IFMA), and BRI members Bob and Eva Lupica.



Discussing industry conditions during the event’s reception are, from left to right, BRI members Hillary Messer, Eric Messer, Doug Esposito and Barbara Curtis.



Representatives of Levitt-Fuirst Associates, the insurance manager for the BRI, attended the reception. Pictured, from left to right, are Jason Schiciano, Ken Fuirst and Darryl Fredericks.



Pictured as the event was about to begin are, from left to right, Ken Finger, chief counsel, BRI, Ed Lashins, BRI board member, Ken Nilsen, BRI president, and Glenn Riddell, lobbying consultant, BRI.

Photos by Barbara Hansen



Pictured prior to the dinner portion of the event are, from left to right, BRI board member Chuck Pateman, Gina Pateman and Ken Finger, chief counsel, BRI.



John and Gloria Marwell are pictured during the dinner portion of the reception. John Marwell is a counsel to the BRI.





By Andrea Wagner  
Wagner Web Designs, Inc.

**YORKTOWN HEIGHTS—**I recently came back from a wonderful trip to Japan, where I learned a great deal about their culture, technology and traditions.

After a daunting 14-hour flight, we landed in Tokyo. As we stopped at a newsstand, I watched a man pay for his paper with his phone being scanned (it acts as a debit card).

Most Japanese phones are equipped with digital cells, not SIM cards, like our phones. They use a system developed in Japan called PHS, which is a low-powered wireless technology which enables them to still work on subways and underground areas. They offer web, email, news feeds, music and, of course, text messaging.

The Japanese, are, generally speaking, very gracious, welcoming and polite.

## Prudential Rand Acquires Shaw Properties

**YONKERS—**Prudential Rand Realty recently announced that it has acquired Shaw Properties in Yonkers.

The move, company officials said, strengthens Rand's presence in the city and in the surrounding areas.

Shaw Properties will move into Prudential Rand's Regional Marketing Center at 1034 North Broadway in Yonkers. Duwayne Shaw, Shaw Properties' broker and owner, will join Rand as an associate broker.

Shaw Properties' licensed real estate professionals will join Rand, including Christina Byfield, Elvin Delgado, Karen Hall and Shkelzen Rugova.

"Duwayne is exactly the kind of broker we built this company for," said Greg Rand, managing partner of Prudential Rand Realty. "He is young, smart and talented with big plans and a bright future. He and his team will help us to accelerate our goal to be the market leader in Yonkers."

Shaw said he was attracted to Prudential Rand because of the company's reputation as an industry leader and its abundance of resources.

"I wanted to partner with a strong real estate company

that has goals and aspirations similar to my own," he said. "Prudential Rand is the leading real estate brokerage in the Greater Hudson Valley. The company continues to grow and strives to be the best. It has harnessed the best technology and partnered with the best people. I am looking forward to working with such an accomplished brokerage and helping the company to increase its market share in Yonkers and the surrounding areas."

Shaw has eight years of experience in real estate. He served four of those years as the broker and owner of Shaw Properties. He is a member of the National Association of Realtors (NAR), the New York State Association of Realtors (NYSAR), the Westchester-Putnam Multiple Listing Service, the Westchester County Board of Realtors (WCBR) and the Institute of Luxury Home Marketing.

Prudential Rand Realty, founded in 1984, is the top real estate brokerage in the Greater Hudson Valley, with 19 offices serving Westchester, Rockland and Orange counties, company officials said.

## TECH TALK

### A Trip Overseas Provides Tips for U.S. Businesses

Throughout my visit there, I thought about ways we can learn from them and conduct our business.

As we embark on the next few months of the New Year, we continue to tighten our budgets and work harder for new business to come our way. We need to maintain and strengthen the relationships we have. I feel that in these tough times, the little social graces that we have forgotten can go a long way in maintaining good relationships with your clients.

**Do your customers feel welcomed, when someone on your end answers the phone?**

Here are the top five:

1. When a customer walked into a store or restaurant, the entire staff was welcoming, not just one person at

the door. Do your customers feel welcomed, when someone on your end answers the phone?

2. I took many busses and trains throughout the city. Everyone has a cell phone, but hardly anyone was talking in public places. Make your customer and the person next to you more important than your phone call.

3. Cabbies bowed when stepping out of their cabs and wore uniforms with white gloves. The cabs were lined in white lace and doors opened automatically. Make sure you give your customers the "white glove treatment" and they will come back.

4. When touring temples and palaces, I noticed that, not only were the workers polite to the visitors, but the employees bowed to each other as they passed by. Train your

staff to respect each other. No matter how small their particular position is in your company, they are still a valued employee and will feel respected and give back to you.

5. Almost no restaurants placed paper napkins on the tables. Each person received a warm hand cloth to wash with before their meal, and is expected to use that throughout the meal. Most Japanese carry their own handkerchief, keeping down waste. Look around your office and see what you can do to make your environment a little greener. Instead of paper cups, use mugs. Have a regular set of

utensils sitting around instead of plastic. Brew coffee in the office instead of stopping for that "grande latte."

On another note, if you are planning your winter getaway, now, more than ever, there are bargains online to help plan your trip. Check out [sidestep.com](http://sidestep.com), [kayak.com](http://kayak.com) or [orbitz.com](http://orbitz.com)

**Make sure you give your customers the "white glove treatment," and they will come back.**

to find and compare travel costs.

And best wishes for new beginnings! *Sayonara!*

**Editor's Note: If you have any topics that you would like Andrea Wagner to address, please write to [jeff@buildersinstitute.org](mailto:jeff@buildersinstitute.org)**



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# Community Housing Innovations Forms Free Foreclosure Prevention Program

WHITE PLAINS—Community Housing Innovations (CHI) is launching a program to prevent home foreclosures in Westchester and Rockland counties.

The program, CHI officials said, will provide free counseling and legal assistance to local residents in danger of losing their homes because of the current financial crisis. It will assist with the following mitigation options: loan forbearance, loan modification, partial claim, pre-foreclosure sale (a.k.a. short sale), deed-in-lieu

CHI officials said that clients will first participate in an initial screening session designed to assess their delinquency and foreclosure status. A specialized plan will then be developed to address each specific case.

Clients who need legal representation will be referred for a legal consultation with Marc Bergman, Esq., an attorney experienced in representing homeowners with sub-prime mortgages. CHI will pay the fee for the initial legal consultation, officials said. Bergman is chair

Counties are heavily affected by the crisis.

In Westchester County, there were 822 foreclosure filings in the third quarter of 2008, representing a 513 percent increase over the past two years.

In Rockland County, there were 253 foreclosure filings in the third quarter of last year, representing a 66 percent increase in the past two years.

“The terms of the Housing and Economic Recovery Act of 2008 will encourage lenders to shift their approach and become more willing to work with troubled borrowers to find alternate resolutions to foreclosure,” said Watson. “Our clients will fully understand all of their options.”

CHI provides housing and human services that enable low and moderate-income families and individuals to achieve social and economic independence, company officials said.

Since its founding in 1991, CHI, a 501(c) (3) non-profit agency, has provided housing and human services to thousands of homeless persons and low-income families and individuals. CHI is skilled in the development of many different types of housing. The agency has developed 25 projects and owns and manages 600 housing units in Westchester, Dutchess, Ulster, Nassau and Suffolk Counties, agency spokesmen said.

The terms of the Housing and Economic Recovery Act of 2008 will encourage lenders to shift their approach and become more willing to work with troubled borrowers to find alternate resolutions to foreclosure.

of foreclosure and bankruptcy. Funding for the program is being provided by a two-year grant from the Housing Trust Fund Corporation (HTFC).

CHI has hired Charlotte T. Watson, a local and well-known attorney, to direct the counseling program, officials said.

“It is a great advantage to have an attorney providing the homeowner counseling,” said Alexander Roberts, executive director of CHI. “This issue is tied to many legal ramifications and Watson is uniquely suited to provide our clients with the best advice from both a housing and legal perspective.”

of the Westchester County Bar Association’s Predatory Lending Project.

CHI estimates that it will receive 400 requests in the next two years for foreclosure mitigation counseling and negotiation services. Westchester and Rockland counties are affected by the sub-prime mortgage crisis to a greater extent than most other counties in the state, CHI officials said.

According to “Meltdown: The Housing Crisis and its Impact on New York State’s Local Governments,” a report released by New York State’s Office of the Comptroller, Westchester and Rockland

# Fries Inaugurated as President-Elect of NYSAR

ALBANY — Henry W. Fries of White Plains has been named president-elect of the New York State Association of Realtors (NYSAR).

Fries took the oath of office as the 2009 president-elect during the organization’s inauguration ceremony on Feb. 2. He will serve a one-year term, NYSAR officials said.

The ceremony was held in conjunction with NYSAR’s business meetings at the Turning Stone Resort and Casino in Verona (N.Y.).

Fries has been a Realtor for more than 25 years. He is the broker-owner of Henry W. Fries Real Estate in White Plains. He is also a member of the Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI).

A past president of the Westchester County Board of Realtors (WCBR), Fries has



Henry W. Fries

had a long history of involvement with that association. He served as the Legislative and Political Council chair from 1998 to 2007. In 1991, he was named Realtor of the Year by WCBR.

Fries is the 2009 chair of NYSAR’s Organizational Planning Committee. He sits on many of the association’s com-

mittees and working groups, including Article 12-A, Budget and Finance, Commercial Issues, Commercial Protection, Executive, Investment, Legislative Policy Forum and the Sellers Disclosure Working Group.

In 2006, Fries was named NYSAR’s Realtor of the Year.

Fries has also served on committees for the National Association of Realtors (NAR). They include the Land Use Property Rights and Environment Committee and the Public Policy Coordinating Committee. He has also served on NAR’s board of directors. In 2005, he was selected to serve as the first chair of NAR’s Multiple Listing Service (MLS) Forum.

NYSAR is a not-for-profit trade association representing more than 61,000 real estate professionals in New York State, association officials said.

# IMG Leases in White Plains

WHITE PLAINS—Austin Corporate Properties recently announced that New York City-based IMG Worldwide has leased approximately 5,000 square feet at Gateway in White Plains.

The facility is owned by the State of Alaska Pension Fund.

IMG is a premier and diversified sports, entertainment and media company. The firm is a global leader in event management and talent representation across golf, tennis and fashion. It has a significant presence in many other sports, cultural and lifestyle categories, spokesmen said.

The firm’s media division is one of the world’s top independent producers of sports

and entertainment television across multiple genres. The division is an emerging leader in video and interactive content creation for broadband and mobile platforms, company officials added.

Founded in 1960 with a handshake between Mark McCormack and golf legend Arnold Palmer, IMG has grown into a global operation. In 2004, renowned entrepreneurial pioneer Ted Forstmann acquired the company and infused it with renewed energy, creativity and strategic direction, officials said.

Austin Corporate Properties represented IMG on the lease.

# Jacono Joins Prudential Rand Commercial Services

YONKERS—Prudential Rand Commercial Services recently announced that John Jacono has joined the firm’s Yonkers branch as a licensed real estate salesperson.

“John is an experienced professional and he knows the commercial market well,” said Paul Adler, senior managing director of Prudential Rand Commercial Services. “With a history in the public service sector, he has strong ties to Yonkers and the surrounding Westchester County communities and a variety of resources. He is committed to providing top-tier customer service and we are delighted that he has chosen to join the Prudential Rand Commercial Services team in Yonkers.”

Jacono is the chair of the Yonkers Republican Committee and has a distinguished career in public service. Prior to joining Prudential Rand Commercial Services, he was a licensed real estate sales person with Avondale Real Estate, formerly in Yonkers, where he began his commercial real estate career four years ago.

In addition to serving as chair of the Yonkers Republican Committee, Jacono is

a trustee of the Yonkers Public Library and a member of the Purchase College Council. He is also a former Yonkers City Councilman, former church pastor, former acting superintendent of schools for the Greenburgh-New Castle Union Free School District and former chairman of the Board of Family Services Society of Yonkers.

Jacono has a bachelor’s degree from City College of New York in New York City and a master’s of religious education from Drew University in Madison, N.J. He also has a degree of advanced studies in supervision and administration from the State University of New York at New Paltz.

Prudential Rand Commercial Services entered the commercial brokerage market in 2006. It is the sister company of Prudential Rand Realty, the largest residential real estate brokerage in the Greater Hudson Valley, with 19 offices serving Westchester, Rockland and Orange counties. The company has more than 800 sales associates, plus Rand Mortgage and Hudson Abstract Title Agency, company officials said.

# Houlihan-Parnes/iCap Realty Coordinates Financing for a Mount Vernon Property

MOUNT VERNON—Jerry Houlihan of Houlihan-Parnes/iCap Realty Advisors, LLC recently arranged first mortgage financing of \$1,875,000 for the acquisition of a brick walkup apartment building in Mount Vernon.

The building contains apartments and retail stores with gross rents in excess of \$500,000, company officials said.

The loan was placed with a Long Island-based savings bank.

The borrowers, Milio Realty Corp., a property investment and management company based in Yonkers, have holdings of approximately

600 apartments in the tri-state area, officials said.

Houlihan-Parnes/iCap Realty Advisors, LLC is a nationally affiliated, multi-faceted real estate investment company headquartered in White Plains. Its companies and affiliates are engaged in the acquisition and ownership of all types of commercial real estate investment property in the continental U.S., spokesmen said.

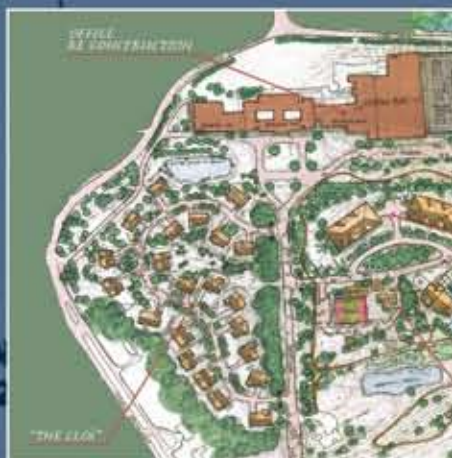
The firm’s various companies and affiliates specialize in commercial mortgage finance, investment sales, property management, leasing and mortgage servicing, spokesmen added.

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# Westchester Works to Reduce Growing Unemployment

**County announces new “Green Jobs Training Program” and Economic Response Committee**

WHITE PLAINS—Noting it recognizes that the local economy is not producing enough jobs to keep up with those being lost, Westchester County last month announced new strategies it’s taking in partnership with the Business Council of Westchester and the New York State Labor Department to try to reduce unemployment.

At a press conference at the One-Stop Employment Center in White Plains, Coun-

ty Executive Andy Spano—

As part of the program, the county’s One-Stop Employment Center is re-training unemployed workers to become “Energy Analysts” for new, off-shoot businesses started by Robison Oil. The company wanted to hire 12 new energy analysts, but found few qualified candidates for the job since it is essentially a new job field, county officials said.

County officials said that

more jobs.

## The Numbers

Although jobless numbers in Westchester are below national numbers—which are at about 7.2 percent—the number of unemployed continues to rise.

The Labor Department recently announced that the jobless rate had increased to 5.7 percent, up from 3.7 percent last year at this time. In November, the jobless rate in Westchester was 5.2 percent, up from 4.8 percent the month before.

“We are in a tough economy,” said Spano. “The face of unemployment is changing. We are seeing more white-collar workers at the One-Stop and there are fewer jobs to be had. Programs like the new ‘Green Jobs Training Program’ help stimulate the local economy and create jobs.”

## Action

The program is just one example of strategies being developed by the county’s Economic Response Committee, county spokesmen said. The committee, which recently had its first meeting, has already outlined a course of action to bring down jobless numbers.

Marsha Gordon, president of the Business Council of Westchester, is chair of the committee. Gordon said that the committee has brought together experts from the business community, the state Labor Department, the Urban League, Westchester Community College, the Westchester Industrial Development Agency, the Office of

Economic Development and other entities to “find the best way to attack the problem.”

## Awareness

“One of our primary missions is to let the public know—particularly the business community—that the One-Stop Employment Center has many

program, which would be very helpful to them and their employees,” Spano said.

While the One-Stop has been successful in training and placing the unemployed, that challenge becomes greater as jobs dry up in a slow economy, county officials said. The trend produces the need

**The program is just one example of strategies being developed by the county’s Economic Response Committee, county spokesmen said. The committee, which recently had its first meeting, has already outlined a course of action to bring down jobless numbers.**

**At a press conference at the One-Stop Employment Center in White Plains, County Executive Andy Spano—reacting to the latest jobless figures announced by the New York State Labor Department—said that the county has been proactive in coming up with new ways to weather the tough economy.**

ty Executive Andy Spano—reacting to the latest jobless figures announced by the New York State Labor Department—said that the county has been pro-active in coming up with new ways to weather the tough economy.

One example, Spano said, is a new “Green Jobs Training

the One-Stop stepped in to find candidates and train them while using grant money to help pay part of their salaries during their initial on-the job training phase.

Dan Singer of Robison praised the program, saying that it has helped his local business expand and create

resources to offer them,” Gordon said. “Another is to try to attract federal economic stimulus dollars here to Westchester by identifying eligible projects and making sure we have a network in place when those monies become available.”

Spano added that one under-used service supplied by the Labor Department through the One-Stop is a Rapid Response Team, which can help employers who are about to lay off employees.

The team, Spano said, is available to come into companies and work to find new jobs for employees who are about to lose their jobs. Help is also offered with unemployment benefits and other information.

“I don’t think that many businesses are aware of this

for more innovative strategies, officials added.

During 2008, the One-Stop served 19,113 people, compared to 13,637 the year before, an increase of 40 percent.

While the One-Stop was successful in finding jobs for 7,959 customers in 2007, the program’s success rate dropped 50 percent the following year, with only 3,162 of the 19,113 finding jobs in 2008. A wave of layoffs in the latter part of 2008 was a key factor in that trend, officials said.

The One-Stop Employment Center is part of the Westchester-Putnam Workforce Investment System, which receives funding from the New York State Labor Department to conduct training and employment programs.

## Analyst: Economic Relief Could Be On the Horizon

*Continued from page 1*

asures or bank problems, you must delineate the true extent and geography of the problem,” he said.

- A sense from Goloven of a movement toward “renewed lending” from financial institutions.
- If there is a downturn in the commercial real estate market, it will depend on “the location” of the facilities involved in that sector of the building and realty industry, Goloven said.
- The housing and realty industry usually lead the nation out of economic downturns, and, Goloven said, that will be the case again.
- The “Mortgage Boom of 2004 to 2007” was a big factor contributing to the current economic downturn. Goloven referred to those mortgages as “the liar’s loans” (due to unqualified recipients and the lack of thorough research on mortgage applicants by lenders).
- Seventy percent of loans from the Sub-Prime Mortgage Sector are in default.

A large number, Goloven said, involve a misrepresentation of data from those involved in the process.

- Home ownership, despite the downward trend in the economy, is still up compared to a year ago (as of Jan. 15).
- National foreclosure rates, as of Jan. 15, were less than 2 percent, according to Realty Trac, an Internet data source, Goloven said. Nevada leads in foreclosures, followed by California and Florida, Goloven added while citing the Realty Trac data.
- In “the universe of the home scenario,” those with traditional mortgages “should be o.k.,” Goloven noted.

## Additional Observations

While the American Recovery and Reinvestment Act of 2009 stimulus package had not passed at the time of Goloven’s presentation, he said that the previous experience with the first half of the Trouble Assets Relief Pro-

gram (TARP) funds was “a mixed-one at best.”

“Can the next \$350B of TARP funds buy all the toxic assets of the banks or, conversely, is \$350B too much?”

he said.

Goloven added that, out of the universe of Sub-Prime Mortgages that are outstanding, which is approximately \$1.2 trillion, about a quarter will go bad, or approximately \$300 billion. Assuming even a 10 cents-on-the-dollar buy-out, that amounts to only \$30 billion that is necessary to take those toxic assets off the banks’ books, Goloven said.

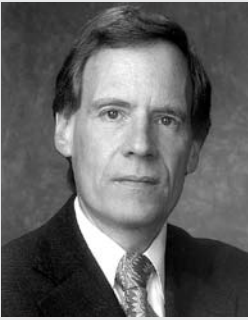
“Whatever the Congressio-

nal relief package is, it must be commensurate with the real—and not perceived—economic and financial problems out there,” he added.

Goloven stressed that he’s

**“It is at that point that people will realize the opportunities. You are never going to see the flexibility of pricing, price discounts and refinancing interest rates as favorable, and as low, as this again in our lifetimes.”**

—Marc Goloven



still optimistic that a recovery cycle “will have to start relatively soon.” He said that with the stock market nearing 10-year lows and real estate and construction taking a pounding, there comes a point when the overall economy just gets so oversold, that “there is nowhere else to go but up.”

“It is at that point that people will realize the opportunities,” he said. “You are never going to see the flexibility of pricing,

on the heels of renewed and strong activity in the housing and real estate sectors.

“There has to be a recovery cycle soon,” he said. “I’m convinced of that. I’m optimistic.”

**Editor’s Note: Jeff Hanley is the editor of IMPACT and the associate director of the Building and Realty Institute (BRI). Albert Annunziata is the publisher of this newspaper and the executive director of the BRI.**