



Tim Foley

Foley Appointed Executive Director of The Builders Institute (BI)/Building and Realty Institute (BRI)

By Jeff Hanley, *IMPACT* Editor

ARMONK

Tim Foley of Scarsdale was recently appointed the new Executive Director of The Builders Institute (BI)/Building and Realty Institute (BRI) of Westchester and The Mid-Hudson Region.

BI/BRI President Vincent Mutarelli made the announcement on Dec. 4, 2019. Foley started in his new position on Jan. 2. Foley spent the past two years as the Communications Director for

New York State Assembly Member Amy Paulin, who represents the 88th Assembly District (Eastchester/New Rochelle/Pelham/Scarsdale/White Plains). In addition to serving as Paulin's General Liaison with the press and media, he was an important aide for many of her special projects and initiatives focused on Westchester County.

Those projects and initiatives included coordinating the work of 33 local governments and school districts in Westchester, Suffolk, and Nassau Counties to challenge the IRS regula-

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Impact

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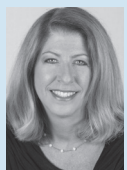


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Building and Realty Institute (BRI) Starts Lawsuit Challenging The New York Housing Stability and Tenant Protection Act (HSTPA)

By Kenneth J. Finger, Dorothy M. Finger, Carl L. Finger and Daniel S. Finger

WHITE PLAINS

On Jun. 14, 2019, New York adopted an amendment to The Emergency Tenant Protection Act (ETPA), entitled The Housing Stability and Tenant Protection Act (HSTPA).

The consequences of the HSTPA were anticipated to be detrimental to the multi-family housing industry in Westchester and, in response to what building and realty industry officials term as "this destructive legislation," The Building and Realty Institute of Westchester and Putnam Counties, Inc. (BRI), its affiliated Apartment Owners Advisory Council (AOAC) and several Westchester landlords who are affected by the HSTPA filed a lawsuit seeking to void the HSTPA.

The suit was filed in the United States District Court in White Plains. The BRI, AOAC and other plaintiffs are represented by the White Plains law firm of Finger and Finger, A Professional Corporation, which is Chief Counsel to the BRI and its affiliated councils.

The lawsuit challenges the constitutionality of the HSTPA in a 98-page complaint. HSTPA (and the ETPA) cover approximately 25,000 rent regulated apartments in Westchester County. However, the HSTPA also applies in certain regards to cooperative apartment developments, as well as any other rental residence in Westchester County, including single-family apartment units; single-family dwellings and condominium units. The defendants are the State of New York and Ruthanne Visnauskas, the commissioner of the New York Homes and Community Renewal (HCR) agency.

The lawsuit stresses that the HSTPA violates the United States and New York State constitutions in that it constitutes an unlawful "taking" without compensation and violates "due process" of law. It states that the HSTPA is irrational because, among other things, it fails to attain the goals that it purports to achieve and does not target affordable housing to those in need, nor is it a rational means of ensuring socio-economic or racial diversity; does not increase the vacancy rate; has a deleterious impact on the community at large and more reasonable and effective alternatives are available to achieve the goals claimed. The HSTPA also denies the individual landlords their investment-backed expectations and return. The lawsuit points out that although a five percent Vacancy Rate in a community is required for the establishment of the ETPA, and consequently the HSTPA, there has not been a survey by any of the Westchester communities that adopted ETPA since their adoption (it is noted that New York City states it does a survey every three years).

A total of 18 of the 21 communities subject to ETPA adopted it no later than 1981, and without a further survey, it cannot be said that the initial housing "emergency" still exists. Therefore, there is no compelling state interest for the adoption of the HSTPA, the lawsuit stresses.

The lawsuit alleges that the unlawful taking is without compensation and is an arbitrary exercise of the power of government and there is no justification for the government's adoption of this law, which restricts the Plaintiffs' right to possess, use and dispose of their real property as well as its financial

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A Building & Realty Industry Analysis:

"Good Cause" Is Bad Law

Examining the Proposal For Universal Rent Control Throughout N.Y. State

By Kenneth J. Finger, Dorothy M. Finger, Carl L. Finger and Daniel S. Finger

WHITE PLAINS

A new law has been proposed in Albany by legislators who apparently want to continue the effort to destroy not only existing multi-family buildings which provide affordable housing in New York, but effectively bring the entire state under rent control with a proposal that works to the detriment of tenants, as well as landlords and local communities.

Many legislators in the State Senate and Assembly have proposed adding to the limitations imposed on Emergency Tenant Protection Act (ETPA) landlords by bringing virtually every other landlord in the state under a restrictive universal rent control system.

Essentially every property that is rented in the state, whether it be a single-family residence, or a cooperative, or a condominium unit, or an apartment, is covered by this proposed law, which is called the "Prohibition of Eviction Without Good Cause Law." It applies to every housing accommodation except owner-occupied premises with three or less units. It will impact detrimentally on tenants, the communities where the buildings are located, as well as landlords.

As with The Housing Stability and Tenant Protection Act (HSTPA), the so-called "Good Cause Law" will be another nail in the coffin of affordable housing. This proposed law is bad for everyone. While it is claimed by its sponsors that it is intended to protect tenants from unreasonable rent increases, it does

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Jeff Hanley

"Constructive Conversations with The Building and Realty Institute (BRI)" Moves to Talk Radio 77WABC

NEW YORK

"Constructive Conversations with The Building and Realty Institute (BRI)" has a new home. The half-hour radio show - which covers issues and topics of interest to the building, realty and construction industry, as well as the general business community - made its debut on the iconic Talk Radio 77WABC on Feb. 8. The program airs every Saturday from 8 p.m. to 8:30 p.m.

Jeff Hanley, associate executive director of the BRI, is the host of "Constructive Conversations with The Building and Realty Institute (BRI)." The program aired on AM 970 The Answer and am970theanswer.com from Nov. 24, 2018 to Feb. 1, 2020.

"We've found that here in Westchester County and throughout the Greater New York City region, the interest in construction and development, rental real estate, and affordable housing has never been higher," said Tim Foley, executive director of the BRI. "Since 2017, Jeff Hanley has been a knowledgeable and thought-provoking guide on the airways, helping listeners better understand the tough challenges and exciting new trends that

builders, apartment owners, co-op and condo board members, managing agents and service providers are wrestling with. We're thrilled that Jeff has joined the 77WABC family, and we're sure the station's listeners will be thrilled, too."

Talk Radio 77WABC first went on the air in 1921. The station has been a dominant News Talk Radio station in the New York Metro area since 1982. The station reaches 500,000 listeners in New York, New Jersey, Connecticut and beyond and is the home for award-winning hosts like Bernie & Sid in the Morning, Brian Kilmeade, Ben Shapiro, Mark Levin, and John Batchelor. It is also the number one streamed radio station in the country. Episodes of "Constructive Conversations with The Building and Realty Institute (BRI)" will be available on WABCradio.com and through its podcasting channel moving forward, BRI officials said.

BRI officials said that the half-hour interview format showcases Hanley's skills as an interviewer and a journalist. Hanley has more than three decades of experience with the BRI and with prominent business owners in the building,

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From the Editor's Desk

Hanley's Highlights

by Jeff Hanley

Associate Executive Director, Building and Realty Institute (BRI), *Impact* Editor

Summarizing an Edition Filled With A Series of Important Reports

ARMONK

- One of the first editors I worked with in my days as a member of the print media consistently used one word when describing the large workload that we faced at extremely busy times - packed.
- "We're packed tonight Jeffrey, we are packed," was the phrase consistently said to me by the late Jim O'Toole, a longtime reporter, columnist and editor for the former Gannett Westchester Newspapers. The former chain of publications is now *The Journal News*.
- O'Toole, one of the most talented, versatile and gifted members of the print media that I ever worked with, would most definitely issue the "packed phrase" to describe this edition of IMPACT. There are many important reports for members of the building, realty and construction industry in the issue. They include:
- ❖ A Page One report on The Builders Institute (BI)/Building and Realty Institute (BRI) starting a lawsuit that challenges The New York Housing Stability and Tenant Protection Act (HSTPA). The story was written by Finger and Finger, A Professional Corporation. Finger and Finger is Chief Counsel to the BRI and its affiliate organizations.
 - ❖ A Page One analysis of the proposed "Good Cause Eviction" law for New York State. Finger and Finger, the authors of the analysis, provide an excellent overview in the report on the many negatives of the proposal.
 - ❖ A Page One report on the recent appointment of Tim Foley of Scarsdale as the new Executive Director of the BI/BRI. Foley started in his new position on Jan. 2.
 - ❖ A Page One story on the move of "Construction Conversations with The Building and Realty Institute (BRI)" to Talk Radio 77WABC. The program made its debut on 77WABC - one of the largest stations in the Tri-State region - on Feb. 8. It airs every Saturday from 8 p.m. to 8:30 p.m.
 - ❖ A Page Two report in Insurance Insights on New York's "Stop Hacks and Improve Electronic Data Security Act," also known as the "Shield Act." The noteworthy analysis is of importance to all businesses. The summary was written by Ken Furst and Jason Schiciano, co-presidents of Levitt-Furst Insurance. Levitt-Furst Insurance is the Insurance Manager for the BI/BRI and its component associations. The deadline for compliance with the act is Mar. 21, 2020. Again, all businesses need to review this important article.
 - ❖ An analysis in Counsels' Corner that reviews the many negative results of the enactment of The Housing Stability and Tenant Protection Act (HSTPA) on Jun. 14, 2019 by the N.Y. State Legislature. The excellent summary was written by Finger and Finger.
 - ❖ A report on the BI/BRI sponsoring more than 52 meetings, seminars and networking events during 2019 for its members. The programs addressed issues of importance to the building, realty and construction industry in the Westchester and Mid-Hudson Region, as well as the New York Tri-State Area. The events also covered topics of interest to the general business community and provided a series of valuable networking opportunities.
 - ❖ An article reviewing that builder confidence in the market for newly-built, single-family homes across the U.S. is still strong. The assessment was contained in the latest National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) that was released on Feb. 18. The index said that the level of builder confidence decreased by one point to 74 in February. NAHB officials said that the last three monthly readings of the index mark the highest sentiment levels since December of 2017.
 - ❖ A report in Tech Talk on the importance of testing new Web Sites before they are launched. Andrea Wagner, the principal of Wagner Web Designs, wrote the study.

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Insurance Insights

by Ken Furst and Jason Schiciano
Levitt-Furst Insurance



New York's "SHIELD ACT" - A Noteworthy Reminder of The Importance of Having Cyber/Data-Breach Liability Insurance

TARRYTOWN

Does Mar. 21, 2020 mean anything to you?

If you are a business in New York, this is the deadline to comply with New York's "Stop Hacks and Improve Electronic Data Security Act," or the "SHIELD" Act. Compliance requires any business maintaining "...computerized data which includes private information of a resident of New York shall develop, implement and maintain reasonable safeguards to protect the security, confidentiality and integrity of the personal and private information including, but not limited to, disposal of data."

Importantly, the SHIELD Act broadens notification obligations by expanding the definition of information, which if breached, or possibly exposed, could trigger notification obligations. Previous law defines "personal information" as: "any information concerning a natural person which, because of name, number, personal mark, or other identifier, can be used to identify such natural person."

The SHIELD Act adds requirements for protection of "private information," and may require notification to individuals if their "private information" was - or may have been - breached. "Private information" includes accessed/breached, or simply unencrypted and potentially exposed data, such as:

Social Security Number; driver's license number; account number, credit or debit card number (when accompanied by security code/password, etc.); biometric information (e.g., fingerprint from fingerprint time-clock); a user name or e-mail address in combination with a password or security question and answer that would permit access to an online account; or any unsecured protected health information.

For small businesses (those with fewer than 50 employees, less than \$3 million in gross annual revenue, or less than \$5,000,000 in assets), compliance with the law requires that their personal/private information data security safeguards are appropriate for the size and complexity of the small business, the nature and scope of the small businesses' activities, and the sensitivity of the personal information that the small business handles.

Businesses not defined as "small" (as previously stated) have more specific, onerous requirements. The law provides that the state's Attorney General can impose various fines for violations of the SHIELD Act.

There are several points to consider, in light of the new SHIELD Law requirements:

All businesses (even small businesses, and not-for-profits) - including landlords, condos, co-ops, property managers, contractors, developers, etc., - retain/store some amount of personal/private information on people, such as tenants, unit owners, shareholders, and/or employees.

"Cyber/data-breach crimes are no longer crimes that you can ignore because your business is "not big enough" to be a target, or your business "doesn't have much personal data." A 2018 Verizon Data Breach Investigations Report advised that 58 percent of cyber-attack victims were small businesses with less than 250 employees."

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The Home Buying Desires of Millennials Mirror The Silent Generation, Realtor Report Stresses

WASHINGTON, D.C.

A number of the homebuying characteristics of younger millennials are replicating the buying desires of those in the silent generation.

That was the assessment in the latest study from The National Association of Realtors (NAR), the 2020 Home Buyer and Seller Generational Trends Report. The study researched each generation to examine the differences of recent homebuyers and home sellers, NAR officials said.

The NAR report found that, despite the obvious age gap between millennials and those that make up the silent generation, the two groups are likeminded in terms of buying preferences. Among both age groups, proximity to friends and family is a high priority, with 53 percent of homebuyers between the ages of 22 to 29 and 74 to 94 listing this as a major factor that would influence their decision in selecting a neighborhood, the report said.

"The silent generation - older Americans who are typically grandparents and great-grandparents - for years have prioritized living near family and other loved ones," said Lawrence Yun, NAR's chief economist. "But it was surprising to see younger millennials with homebuying preferences and ideals similar to older segments of the population."

A total of 33 percent of home sellers aged 74 to 94 said the primary reason for selling their previous home was to move closer to friends and family, a deviation

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Building and Realty Institute (BRI) Starts Lawsuit Challenging TheNew York Housing Stability and Tenant Protection Act (HSTPA), Continued from p. 1

ability to maintain, repair, renovate and improve their multi-family rental housing by various means.

These include the elimination of rent increases when an apartment is vacated; eliminating High Rent and High Income Decontrol; virtually eliminating the ability of a landlord to recoup its complete expenses incurred in undertaking Major Capital Improvements (MCI's), as well as Individual Apartment Improvements (IAI's); and limiting the ability of a landlord to make a reasonable return on its investment and lowering the value of the multi-family buildings. The landlords state that the HSTPA will reduce the quality and quantity of affordable housing in the 21 ETPA communities in Westchester that adopted ETPA and that without the income that has now been denied them the multi-family housing will deteriorate in the coming years, to the detriment of both tenants and landlords and the local communities by reason of increased certiorari proceedings.

The legal action also claims that the HSTPA is arbitrary and capricious in that it violates the United States' Constitution's 14th Amendment's Due Process clause in that the government has interfered with the private right to contract. The HSTPA is alleged to affect a physical as well as a regulatory taking in violation of the Constitution.

Specifically the Complaint alleges that "the HSTPA imposes significant regulatory restrictions and in addition requires Plaintiffs to rent their property at rates often far below market-based rates, while denying the Plaintiffs the right to choose their own tenants as well as placing limits on rent increases and the recovery of investments in improvements, as well as a reasonable return on investments and investment expectations."

The Complaint alleges that the harmful effects of the HSTPA are not limited to multi-family rent regulated buildings, but also detrimentally impact cooperatives and other property owners. Among other things, neither landlords nor cooperatives can require more than one month's security deposit, thereby requiring the rejection of marginal tenants and shareholders who might be accepted if security was deposited to secure timely payment of rent. The HSTPA also limits the ability to investigate the past payment court history of a prospective tenant or shareholder, which would increase the risk of a landlord or cooperative accepting a person with a negative payment history. HSTPA also delays the ability to collect overdue maintenance, rent and additional charges.

The Complaint seeks to have the HSTPA declared to be an unlawful violation of due process; that it unlawfully interferes with constitutional protections and that it effects a physical and regulatory taking without due process.

Further information on the lawsuit can be obtained by calling the BRI at (914) 273-0730, or Finger and Finger at (914) 949-0308.

Editor's Note: The authors are attorneys with Finger and Finger, A Professional Corporation. The firm, based in White Plains, is Chief Counsel to the BRI and its component associations.

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Industry Report: Multifamily & Industrial Markets Remain Strong, While Retail & Office Sectors Continue to Struggle

RYE BROOK

The local market for multifamily apartments and industrial space continues to be strong, while there are weaknesses in leasing retail and office space, and the volume of commercial real estate transactions is weak.

Those are the assessments of the Houlihan Lawrence Fourth Quarter Commercial Market Report for Westchester County. Yet consistent with national trends, Westchester's employment trends have also improved which could mean a healthy year for leasing and transactions in 2020, the report said.

Here are the major trends in the Westchester market during the fourth quarter, according to the study:

The Westchester Multifamily Apartment Financial Strength Continues Unabated.

High deliveries of newly developed apartment units during the fourth quarter did not dent the strength of the multifamily sector in Westchester and fundamentals remain stellar. The unabated strength of apartment demand continues to attract investment capital as new projects have been able to pass on most of incurred construction costs increases or make modifications that help offset higher costs.

Existing buildings have been successful in obtaining better rental pricing in renewals. During the fourth quarter there was a modest decline in occupancy, not surprising, as this is the slowest seasonal period of the year and deliveries continued at a pace of more than 500 units or 0.7 percent of the existing stock of apartments during the quarter. Average rents increased 2.5 percent versus the same quarter of the prior year and effective concessions were at a multi-year low.

Market Trends Forcing Retail Adaptation.

Large mall and shopping center owners continue to face store closings of well-known established brands, particularly in the soft goods categories. These brands have become increasingly vulnerable to e-commerce and digital sales competition. Gap, JC Penney, and Foot Locker have recently announced additional closures. The traditional "anchor" store formerly occupied by these and other recently shuttered retailers must be reformatted to house smaller, niche service-related businesses that are taking up space.

In Westchester, assimilation of large footprint retailer displacements is underway. For example, large format space left vacant by Dress Barn and Staples is now being leased or receiving interest from value and wellness retailers such as Home Goods and CVS. Others are being re-purposed as state-of-the-art medical facilities, wellness businesses. or re-formatted to accommodate a variety of tenants.

Westchester's retail demand was modestly positive during the fourth quarter. New leasing activity was weak, but more retailers remained in place. Leasing prices remain stable. The report's first-hand observation of the Westchester market is that landlords owning retail spaces with visibility are staying firm or even increasing pricing as take up of highly visible space with accessible parking has been steady over the last few quarters. Westchester's

high-income demographics continue to support these properties.

Suburban Office Market Facing Headwinds.

During the fourth quarter, net leasing activity in Westchester was weak with a modest loss in overall leased space. Pricing was under pressure, losing approximately 3 percent from the average of the prior quarter, but still above the same quarter of last year. Sublet space led occupancy losses. The number of leasing deals declined below last years' fourth quarter.

Leasing trends for Class A office space have been good in large urban centers, however, smaller office spaces, lacking convenience and amenities are struggling to attract new businesses. The traditional attributes of good location, convenient parking, and attractive physical space are necessary to secure tenants. Office occupiers now demand that their physical space supports their business' brand and employee retention.

Industrial and Flex Space - Strong Demand with No New Building in Sight.

The report's market observations support the view that industrial properties continue to be in high demand. Costar data suggests that a large block of industrial space that became available earlier in the year has now been re-tenanted. As a result, reported industrial space take-up was very strong and vacancy declined .3 percent. Industrial/Flex Lease Pricing has been stable over the last three quarters, and in an upward trajectory since 2014. There is no new supply planned for this segment of the market in the area south of I-287, therefore, a firm market with upward pressure on occupancy and pricing is likely to continue for the foreseeable future.

Westchester Investment Volume: Buyers Taking A Wait and See Approach.

Commercial real estate transaction volume in Westchester weakened as international economic worries weighted on investor confidence. Median price per transaction edged upwards, partly in recognition of higher replacements costs, a result of construction cost increases. Foreign investment activity, which has been in retreat for a few quarters, continues to be weak.

Recent multi-million-dollar investment transactions in Westchester underscore the attractiveness of well-located Retail assets. Ashkenazy Acquisition Corp., a New York City-based private real estate firm, boasting a portfolio of more than 100 retail, hospitality, office and residential assets, recently purchased Vernon Hills Shopping Center in Scarsdale (380,000 square feet) and the grocery- and pharmacy-anchored Ferndale Shopping Center in Larchmont (84,000 square feet) for \$35 million (over \$400/sf).

Houlihan Lawrence is the leading real estate brokerage serving New York City's northern suburbs, company officials said. Founded in Bronxville in 1888, the family-run company is deeply committed to technological innovation and the finest client service, company officials added. The firm has 30 offices and 1,300-plus agents serving Westchester, Putnam, Dutchess, Columbia, Ulster and Orange counties in New York and Fairfield County in Connecticut.

"Constructive Conversations with The Building and Realty Institute (BRI)" Moves to Talk Radio 77WABC, Continued from p. 1

realty and construction industry. Past shows have illuminated building, realty and construction industry topics, including the likely impacts and aftermath of the 2019 statewide rent reform laws, the labor shortages in the construction industry and its effects on the housing market, new opportunities for energy efficiency and clean energy in buildings, insurance conditions and developments, and issues affecting all employers, including the challenges of marketing and implementing new state mandates around Sexual Harassment Prevention Training.

BRI officials said that the move comes at a time when the association is retooling its engagement with public education and engagement around the issues affecting housing and development.

"For the past few years, it's been a joy and a privilege to bring on really fascinating guests to talk about the issues and the challenges that the building, realty and construction industry faces," Hanley said. "I love being able to bring so many industry experts who I respect and learn from to an even wider audience. I am so pleased that 77WABC invited us to join the station."

Based in Armonk, the BRI has more than 1,800 members in 14 counties of New York State. Those members are involved in virtually every sector of the building, realty, and construction industry. The BRI, formed in 1946, is one of the largest business membership organizations in New York, association officials said.

The BRI also sponsors "Building Knowledge with The Building and Realty Institute (BRI)" on WVOX 1460 AM and wvox.com. The radio program airs Friday mornings from 11:30 a.m. to 12 noon. The show, which is also hosted by Hanley, began on Jun. 2, 2017.

- An IMPACT Staff Report

Counsels' Corner

Eight Months Later - The Negative Results of the Enact- ment of the Housing Stability and Tenant Protection Act (HSTPA)

By Kenneth J. Finger, Esq., Carl L. Finger, Esq. and Daniel S. Finger, Esq., Finger and Finger, A Professional Corporation, Chief Counsel, Builders Institute (BI)/Building and Realty Institute (BRI)

The HSTPA built a coffin around the affordable multi-family housing industry in New York by, among other things, denying sufficient monies to landlords to renovate existing apartments upon vacancy or to do necessary capital improvements and also by limiting the ability of a landlord to achieve a reasonable return on its investment.

The HSTPA is a law of unintended consequences. While it was intended to apply essentially to multi-family landlords, it is also applicable in many respects to cooperative housing developments.

At the time of the passage of the HSTPA we opined that the HSTPA would neither achieve its stated goal, i.e., provide more affordable housing at a lower cost, nor have a positive effect on the housing market, but, in fact, would ultimately work to destroy the multi-family housing market in New York. Unfortunately, those dire observations have come true significantly sooner than anticipated. Before we analyze the effects of the law after eight months, the following are some of the negatives that have resulted from the HSTPA:

- ◆ The renovations of vacant apartments have significantly decreased, resulting in fewer apartment dwellers having upgraded or newly renovated modern apartments - this is due, in part, not only to the elimination of the Vacancy Allowance or the long term Vacancy Increase, but the capping of Individual Apartment Improvements (IAI's) to \$15,000 over 15 years, including no more than three improvements for the total of \$15,000 with the elimination of that increase and any guideline increase based on that increase after 30 years. The monthly increase is also more limited than in the past. \$15,000 renders it impossible to renovate an apartment and/or kitchen and/or bathroom, particularly as to apartments that had long term tenants;
- ◆ An increase in apartments not being renovated at all and being left vacant due to the inability to recoup costs for renovations, nor an adequate increase from the tenancy of the former long term, low-rent tenant;
- ◆ Less improvements and maintenance of multi-family buildings due to reduction of financial recompense for Major Capital Improvements (MCI's) - limited to 2 percent per year (it was 15 percent per year);
- ◆ A decline in the maintenance of buildings and apartments due to reduced income as a result of the elimination of Vacancy/High Rent/High Income Increases;
- ◆ A decline in maintenance and income due to the prohibition of a Vacancy or Low Rent Increase by Guidelines Boards;
- ◆ Fewer Moderate-Income Apartments due to a decrease in tenant mobility and vacancies since more apartments will be warehoused and not renovated, making them less desirable for young families;
- ◆ An increase in the cost of collections due to extended court collection times with resultant numbers of court actions and lost income as well as increased social service costs to make up larger rent arrears;
- ◆ Inclusion of cooperatives / condominiums / single-family housing in the HSTPA;
- ◆ A reduction in tax revenues from lower assessed multi-family buildings;
- ◆ A decline in work for contractors, many of whom are minorities. Decreased revenues also for suppliers and other vendors associated with renovation and capital improvement work;

"After eight months, the deleterious effects of the HSTPA are increasing. Hopefully the legislature will see the necessity of understanding that the aim of the laws affecting housing should be to encourage the economic viability, not destruction, of the multi-family industry."

- ◆ The virtual elimination of cooperative conversions;
- ◆ The extended look back period for rent calculation to six years from four and further look back for calculation of rents, requiring virtually perpetual record keeping by landlords;
- ◆ Lengthened time for court proceedings and required additional notices;
- ◆ Extension of discretionary court stays to one year after eviction granted;
- ◆ Restrictive time limits as to apartment inspection and return of security;
- ◆ Notification of up to three months in the event that a tenancy is not renewed or rent increases over five percent;
- ◆ The possible elimination of the ability of landlords to terminate month-to-month tenancies outside of New York City;
- ◆ The inability to investigate prior landlord-tenant court actions and prohibition of refusal to rent thereupon;
- ◆ The prohibition of adding "additional rent" to non-payment court proceedings;
- ◆ Prohibition of charging over \$50 or five percent of rent for late charges;
- ◆ No increase of Preferential Rent during the continuation of tenancy other than Rent Guideline Increases;
- ◆ Greater exposure to treble damage overcharge and elimination of "safe harbor" payment of overcharge.

The majority of the housing subject to ETPA is "affordable," and giving consideration to the fact that the 81 percent of the housing stock in Westchester was built before 1979 and 30 percent was built before 1940, the HSTPA, rather than provide incentives for more affordable housing, has disincentivized landlords to both invest in and maintain their multi-family housing.

A recent article by Crain's pointed out that one landlord cancelled a \$300,000 renovation of four apartments since it did not make financial sense for that investment when the rents could not go up a reasonable amount to reimburse for the cost of the renovation. Another landlord recently cancelled renovations in 40 hallways in



Ken Finger



Carl Finger



Dan Finger

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Building and Realty Industry Analysis: Remodelers’ Confidence Increases in the Fourth Quarter of 2019

WASHINGTON, D.C.

The National Association of Home Builders’ (NAHB) Remodeling Market Index (RMI) posted a reading of 58 in the fourth quarter of 2019, up three points from the previous quarter, NAHB officials announced on Jan. 21.

The RMI has been consistently above 50 - indicating that more remodelers report market activity is higher compared to the prior quarter than report it is lower - since the second quarter of 2013. The overall RMI averages current remodeling activity and future indicators, the index said.

“The low inventory of homes on the market is forcing people to stay in their homes, thus increasing the desire and demand to remodel,” said NAHB Remodelers Chair Tim Ellis, a remodeler from Bel Air, Md.

The Data

The index said that the Current Market Conditions category increased two points from the previous quarter to 56. Among its three major components, Major Additions and Alterations gained four points to 56, Minor Additions and Alterations increased by one point to 54 and the Home Maintenance and Repair Component rose one point to 58.

The Future Market Indicators, the index added, gained three points from the previous quarter to 60. Calls for Bids increased by three to 58, the Amount of Work Committed for the next three months gained three points to 57, the Backlog of Remodeling Jobs jumped five points to 64 and Appointments for Proposals increased by two points to 62.

“The jump in the backlog of remodeling jobs is unsurprising due to several factors,” said NAHB Chief Economist Robert Dietz. “Demand for remodeling is high, supported by a strong overall economy and low interest rates, and it is challenging to meet the demand and work off a backlog quickly due to the ongoing shortage of skilled labor.”

The full RMI tables are on www.nahb.org/rmi.

Alfred Weissman Real Estate Announces the Signing of a Major Transportation Company for a 435,000 Sq. Ft. Center in Yonkers

YONKERS

In what officials said is one of the largest commercial lease transactions in Westchester County in recent memory, Alfred Weissman Real Estate has announced that United Parcel Service (UPS) has signed a long-term lease for a new state-of-the-art distribution center at 555 Tuckahoe Road in Yonkers.

The 435,000-square-foot building was formerly occupied by POP Displays, a manufacturing company that recently moved its operations to Georgia. UPS will be renovating the space for its distribution operations serving Yonkers and surrounding communities, officials said.

“We are thrilled to have completed this very important lease transaction that will further energize the Yonkers’ economy and provide room to grow for UPS. We applaud Mayor Mike Spano for his leadership in promoting business development in Yonkers, which is currently enjoying an economic renaissance,” said Alan Weissman, principal and chief executive officer of Alfred Weissman Real Estate.

“Yonkers welcomes UPS to its newest hub in the region,” said Spano. “Yonkers serves as an ideal location and center for their world class services and operations. We are especially excited as UPS soon will bring hundreds of jobs to local and area residents, contributing to our growing economy.”

The building was acquired by Alfred Weissman Real Estate in 1999 from Saks Fifth Avenue, which used the facility for distribution to its stores. Prior to Saks, the building was occupied by Western Electric, according to spokesmen.

Based in Harrison, Alfred Weissman Real Estate has been developing properties for more than 50 years. The company, officials said, acquires value-add investments that

are typically too small for large investors and funds, and too big for small independent investors. In addition to 555 Tuckahoe Road, the company’s commercial portfolio includes the Hampton Inn & Suites in Yonkers, 100 Hillside Avenue in White Plains, as well as properties in Rockland County, Manhattan, upstate New York, Connecticut and Maryland. The company’s past developments in Yonkers include 1 Larkin Plaza and 20 South Broadway.

Al Gutierrez, currently of JLL, acted as leasing broker. Gideon Gill of Cushman Wakefield procured the financing for the transaction.

Alfred Weissman Real Estate is currently developing The St. Regis Residences, Rye, a collection of 92 exquisitely appointed condominium residences featuring luxurious amenities and services that reflect the St. Regis brand’s unparalleled quality and sophistication, officials said. It is the world’s first St. Regis Residences property to operate without a hotel, officials added.

NAHB: Strong Attendance at 2020 Builders Show Reflects Building Industry’s Optimism & Enthusiasm

LAS VEGAS

Nearly 65,000 home building professionals from around the world recently filled the exhibit halls of the Las Vegas Convention Center as The National Association of Home Builders (NAHB) hosted one of the largest turnouts in recent years at the NAHB International Builders’ Show (IBS) from Jan. 21 through Jan. 23, NAHB officials recently announced.

IBS and the Kitchen & Bath Industry Show (KBIS) once again combined for the annual Design & Construction Week®(DCW), which drew a total of approximately 90,000 attendees, NAHB officials added.

“The strong attendance at this year’s show reflects the positive outlook for the home building industry and the enthusiasm that our attendees have for the future,” said Geoff Cassidy, NAHB senior vice president of exhibitions and meetings. “Attendees continue to seek the innovative products, education sessions and networking opportunities that

Continued on p. 5

CASE STUDY: Westchester County IDA a Major Driver of Economic Development for the County in 2019

WHITE PLAINS

The Westchester County Industrial Development Agency (IDA) was a driving force in spurring economic development in the county in 2019, providing financial incentives for a wide range of new commercial developments, officials recently announced.

The projects represent a total private investment in the county of approximately \$1.6 billion and more than 2,800 in new residential units. Some of the projects involved repurposing vacant office properties along the I-287 corridor. Others were transit-oriented developments to be built close to Metro-North train stations, officials added.

“Westchester County is attracting private investment not only from local and regional developers, but national development companies as well. The message is clear – Westchester County is open for business,” Westchester County Executive George Latimer said.

“The wide range of development projects benefitting from IDA incentives speaks to the diversity and vitality of Westchester’s economy. Thanks to the success of our IDA, the county continues to be an attractive environment for businesses to prosper and grow,” said IDA Chairperson Joan McDonald.

“2019 was a banner year for the Westchester County IDA. The total private investment of \$1.6 billion was more than double what was achieved in 2018. The projects receiving financial incentives last year ranged from mixed-use residential developments to healthcare facilities to senior care communities to biotech companies. In addition to spurring economic development, these projects are estimated to generate thousands of construction and permanent jobs for the County,” said Westchester County Office of Economic Development Director Bridget Gibbons.

Major development projects receiving IDA incentives in 2019, officials said, included:

- ❖ BioMed Realty was given approval of IDA incentives to expand its Ardsley Park biotech campus in the Town of Greenburgh with the renovation of 97,000 square feet of new state-of-the-art life sciences space. The \$38 million development is projected to create 350 full-time jobs, with a payroll of approximately \$35 million.
- ❖ Simone Healthcare Development received IDA benefits for the renovation of a vacant, four-story office building at 104 Corporate Park Drive in Harrison into a pediatric care ambulatory facility that will be fully leased to Montefiore Medical Center. The IDA approved \$1,328,021 in sales tax exemptions and \$419,755 in mortgage tax exemptions for the project, which is anticipated to create approximately 100 construction jobs and 250 permanent healthcare related jobs.
- ❖ WP Mall Realty, LLC received preliminary approval for \$17.5 million in sales tax and mortgage recording tax exemptions for Hamilton Green, a \$585.2 million mixed-use, transit-oriented development on Hamilton Avenue in downtown White Plains. The project is comprised of 860 apartments, 85,400 square feet of specialty retail and restaurant space and 27,000 square feet of co-working office space. Approximately 1,437 construction and 500 full- and part-time jobs are expected to be created.
- ❖ Lennar Multifamily Company received preliminary approval for \$12.15 million in sales tax and mortgage recording tax exemptions for a \$500 million mixed-use development at the site of the former Westchester Pavilion at 60 South Broadway, White Plains. The project will be comprised of 814 apartments in two towers, including 50 units affordable to 60 percent of the Area Median Income (AMI). The project is estimated to create between 600 and 700 construction jobs and 20 permanent jobs.
- ❖ National Development received IDA approval for \$3.22 million in sales tax and mortgage recording tax exemptions for a five-story, 132-unit independent living community to be built at 120 Bloomingdale Road in White Plains. The \$115 million development will be targeted to active seniors. The development is projected to create 1,250 construction jobs and 48 full- and part-time jobs over the life of the project.
- ❖ RPW Group received financial incentives for a \$95 million apartment complex to be built on a parking lot across from an office building at 1133 Westchester Avenue on the I-287 office corridor. The complex would be comprised of three separate five-story buildings on a 20-acre site with a total of 303 apartments. The IDA gave the project preliminary approval of \$1.82 million in sales tax exemptions. The project is expected to create 120 construction jobs and eight full-time jobs.
- ❖ 3 WPD Apartments LLC received incentives from the IDA for its plans to demolish a 160,000-square-foot vacant office building at 3 Westchester Park Drive in Harrison and replace it with a five-story, two-building complex featuring 450 rental apartments. The development, which represents a total private investment of \$195 million, is projected to create 150 construction jobs. The applicant received a sales tax exemption of \$5,402,000 and mortgage tax exemption of \$1,168,000.

More information about the Westchester County IDA can be found at westchestergov.com.

Panelists Present Review of 2019 Office Market and Upbeat Outlook for 2020 at BOMA Westchester Event

WHITE PLAINS

More than 150 commercial property owners and brokers were on hand for the recent Annual State of the Market Luncheon presented by The Building Owners and Managers Association of Westchester (BOMA), program officials recently announced.

The event was on Jan. 9 at The Crowne Plaza Hotel in White Plains.

The panelists included Jim Fagan, managing principal, market leader, Cushman & Wakefield; James Houlihan, managing partner, GHP Office Realty; and Tim Jones, chief executive officer, Robert Martin Company. The moderator was Robert Weisz, chief executive officer, RPW Group. Westchester County Executive George Latimer delivered welcoming remarks.

Program officials said that the panel was generally upbeat about the office market, as well as the markets for industrial, flex and biotech space. Other topics discussed included the impacts of the recent rent reform legislation on the multifamily market; the need to attract more Millennials to Westchester, and the strong market for industrial warehouse space that is being fueled by the boom in e-commerce.

Weisz provided a positive outlook for the Westchester market, saying: “I predict that the next five to ten years are going to be the most successful period that Westchester has seen probably in the last 50 years. Everything is going in the right direction.”

BOMA Westchester is Westchester’s leading professional organization dedicated to meeting the needs of building owners, property managers and allied professionals and tradespeople, association officials said. BOMA Westchester is an affiliate of BOMA International, the oldest and largest association of the office building industry, with more than 100 federated associations in the United States and around the world. The 17,000-plus members of BOMA International own or manage more than nine billion square feet of commercial properties in North America and abroad, association officials added.



Pictured during the Jan. 9 Annual State of the Market Luncheon of The Building Owners and Managers Association of Westchester (BOMA) are, from left to right, BOMA President Scott Tangredi of Reckson, a division of SL Green; Robert Weisz of RPW Group; Westchester County Executive George Latimer; Tim Jones of Robert Martin Company; Jim Fagan of Cushman & Wakefield; and James Houlihan of GHP Office Realty. The program was at The Crowne Plaza Hotel in White Plains.

Officials: GDC Reinvents 50 Main Street Office Building with the “Ambiance and Amenities of a Boutique Hotel”

WHITE PLAINS

Stating that “It’s time for office buildings to move beyond the cold sterile mausoleum look of yesterday’s work environment,” Ginsburg Development Companies (GDC) Principal Martin Ginsburg on Jan. 28 celebrated the Grand Opening of the first phase of his reinvention of the 50 Main Street office building that stands at the gateway entrance to White Plains.

The new mezzanine amenity level features a modernized cafeteria, a fitness center with a yoga motion room, a lecture hall, a lounge with billiards and private dining and meeting rooms. A key feature of the new common space is a contemporary art collection curated by ArtsWestchester that features numerous local artists, officials said.

“With this exciting new space in 50 Main, we are creating a common amenity area to be enjoyed by all tenants in the building that reflects today’s warmer casual work environment, punctuated by beautiful art throughout. We are introducing many of the same resort class amenities found in our luxury residential properties, making 50 Main a truly unique commercial office building,” Ginsburg said.

“ArtsWestchester would like to salute Martin Ginsburg for having the vision to understand that art enlivens spaces with creative energy that helps motivate us all to be creative in our business endeavors,” said ArtsWestchester Chief Executive Officer (CEO) Janet Langsam.

Langsam added: “We are very excited to unveil the work of nine artists from the greater Westchester area as part of GDC’s investment in its art collection for 50 Main Street.”

“It is great to see the progress by Ginsburg Development Companies at 50 Main Street. The new amenities space shows real forward thinking in terms of attracting new and interesting businesses to White Plains. Together with the other amenities offered by the city, such as proximity to transit and a lively downtown, this space is sure to be an attractive option to businesses and workers alike,” said White Plains Mayor Tom Roach.

Ginsburg also unveiled renderings of the new lobby, which will begin reconstruction soon and will feature the same level of finishes and artwork as the amenity mezzanine, officials said.

“When people walk into 50 Main Street, we want them to feel the energy and vibe of a boutique hotel where the lobby will be activated as a yet another common gathering space within the building,” Ginsburg said.

National Housing Starts Finish 2019 Strong, Industry Report Says

WASHINGTON, D.C.

Total housing starts increased 16.9 percent in December to a seasonally-adjusted annual rate of 1.61 million units, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the Commerce Department.

The figure is a 13-year high for housing starts. The data is contained in an analysis by The National Association of Home Builders (NAHB) on [nabh.org](#).

The December reading of 1.61 million starts is the number of housing units builders would begin if they kept this pace for the next 12 months. Within this overall number, single-family starts increased 11.2 percent to a 1.06 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 29.8 percent to a 553,000 pace, the study said.

Total housing starts for 2019 were 1.29 million, a 3.2 percent gain over the 1.25 total from 2018. Single-family starts in 2019 totaled 888,200, up 1.4 percent from the previous year. Multifamily starts in 2019 totaled 401,600, up 7.3 percent from the previous year, the report added.

“The solid housing production numbers are in line with strong builder sentiment, supported by a low supply of existing homes, low mortgage rates and a strong labor market,” said NAHB Chairman Greg Ugalde, a home builder and developer from Torrington, Conn.

“The year ended on a high note with solid gains in single-family and multifamily production,” said Danushka Nanayakkara-Skillington, NAHB’s assistant vice president of forecasting and analysis. “And while the December estimates will likely be revised down, the trend moving forward is still positive.”

On a regional and year-to-date basis, combined single-family and multifamily starts in December are 3.0 percent higher in the Northeast and 8.6 percent higher in the South. Starts are down 0.8 percent in the Midwest and 4.7 percent in the West, the study said.

The report added that Overall Permits, which are a harbinger of future housing production, decreased 3.9 percent to a 1.42 million unit annualized rate in December. Single-family permits decreased 0.5 percent to a 916,000 rate, while multifamily permits also fell 9.6 percent to a 500,000 pace.

Looking at regional permit data on a year-to-date basis, permits are 13.4 percent higher in the Northeast, 0.1 percent higher in the Midwest, 5.1 percent higher in the South and 0.1 percent higher in the West, the analysis said.

Industry Report: Builder Confidence in the 55+ Housing Market Drops Slightly in the Fourth Quarter of 2019

WASHINGTON, D.C.

Builder confidence in the single-family 55+ housing market dropped four points to 68 in the fourth quarter, according to the National Association of Home Builders (NAHB) 55+ Housing Market Index (HMI).The index was released on Jan. 30.

The 55+ HMI measures two segments of the 55+ housing market: Single-Family Homes and Multifamily Condominiums. Each segment of the 55+ HMI measures builder sentiment based on a survey that asks if Current Sales, Prospective Buyer Traffic and Anticipated Six-Month Sales for that market are good, fair or poor (high, average or low for traffic).

“Overall, builder and developer sentiment in the 55+ housing market remains positive,” said Harry Miller III, chairman of NAHB’s 55+ Housing Industry Council and president of Regal Builders LLC in Dover, Del. “However, development costs and lack of labor are contributing to affordability concerns and preventing even more robust growth in the market.”

For the three index components of the 55+ Single-Family HMI, Present Sales fell five points to 73, Expected Sales for the Next Six Months dropped two points to 75 and Traffic of Prospective Buyers fell four points to 51.

The 55+ Multifamily Condo HMI rose five points to 58. All three index components posted increases from the previous quarter: Present Sales rose four points to 60, Expected Sales for the Next Six Months went up five points to 61 and Traffic of Prospective Buyers increased six points to 53, the report added.

All four components of the 55+ Multifamily Rental Market went up from the third quarter: Present Production increased eight points to 65, Future Expected Production jumped 11 points to 66, Present Demand increased 10 points to 82 - a record high - and Future Expected Demand rose nine points to 83, also a record high, the index said.

“Although down from a record-high previous three quarters, the 55+ HMI is still strong at 68 and is consistent with the gradual upward trend the index has shown since 2013,” said NAHB Chief Economist Robert Dietz. “The strong performance of the 55+ indices for the multifamily market, meanwhile, is in line with the surge in multifamily starts at the end of 2019.” For the full 55+ HMI tables, visit [nabh.org/55hmi](#).

Residential Remodeling Spending Continues to Slowly Grow, Industry Report Says

LAS VEGAS

Spending on residential improvements will continue to grow over the next two years at a gradual pace. That was the recent opinion of experts at a press conference hosted by The National Association of Home Builders (NAHB) Remodelers at the NAHB International Builders Show (IBS) in Las Vegas. Professional remodelers from across the country agreed with the forecast, citing increased consumer confidence and demand. The summary of the press conference was released by NAHB on Jan. 21.

NAHB predicts that remodeling spending for owner-occupied, single-family homes will decrease 0.6 percent in 2020 and increase 1.2 percent in 2021, association officials said.

“Remodeler certainty continues to remain at a high level, as remodeling spending reached \$158 billion in 2019,” said 2019 NAHB Remodelers Chair Tim Ellis, a remodeler from Bel Air, Md. “Although there is steady consumer demand in all areas of the country, the biggest challenge continues to be the cost of, and the lack of, skilled labor to meet the interest.”

“We’re not only seeing more requests for proposals because the housing stock is limited, but also a higher request for aging-in-place work because boomers want to stay in their homes longer,” said Nick Scheel, a remodeler from Spokane Valley, Wash. “Because people are choosing to stay in their homes, the demand and backlog for remodeling remains high.”

“NAHB estimates that real spending on home improvements will even out at a slower place of about 0.6 percent in 2020 and an increase of 1.2 percent in 2021,” said Paul Emrath, NAHB’s assistant vice president for surveys and housing policy research. “The biggest factor prohibiting stronger growth is mainly the ongoing labor shortage.”

Although the economy is slowing slightly, the risk of a recession is low and remodeling should keep pace with inflation into 2021, the NAHB summary said.

New Jersey Builder Elected Chairman of The National Association of Home Builders (NAHB)

LAS VEGAS

Dean Mon, a New Jersey-based builder and developer with more than 30 years of experience in the home building industry, was elected as the 2020 Chairman of The National Association of Home Builders (NAHB) during the association’s recent International Builders’ Show in Las Vegas, NAHB officials said.

Mon is the first Hispanic to be elected Chairman of NAHB, association officials added.

Mon is President of the D.R. Mon Group, Inc., which specializes in the development and construction of green urban living projects throughout New Jersey. Since 1985, the company has created communities in Morris, Hunterdon, Union, Hudson and Monmouth Counties, NAHB officials said.

“In this pivotal presidential election year, our top priority will be to work with Congress and the administration to tackle America’s housing affordability crisis by removing regulatory barriers that harm small businesses and raise housing costs,” Mon said. “We will also urge Congress to enact comprehensive housing finance reform to ensure that single-family and multifamily housing credit remains readily available and affordable.”

Mon has been active in the NAHB leadership structure at the local, state and national levels throughout his career. A Senior Life Director with more than 20 years of service, Mon has chaired several influential NAHB committees, including the Federal Government Affairs Committee, the Construction Safety & Health Committee and the Single-Family Production Builders Committee. He also served three terms as the NAHB National Area 2 Chairman and is a member of the NAHB Executive Board, association officials said.

Actively involved in the New Jersey building industry, Mon has served as Director, Executive Board Member and President of The New Jersey Builders Association (NJBA). As the 1996 President of the NJBA, Mon led the charge to amend the state’s Uniform Construction Code Act to require that all codes must be necessary, practical and cost-effective. The review resulted in an annual savings of approximately \$4,000 per home. He was inducted into the NJBA Hall of Fame in 1996 and named the NJBA Builder of the Year in 1998. In 2000, he received the NJBA Affordable Housing Award, NAHB officials said.

Mon has held every leadership position from Committee Chair to President at his local association, the Metropolitan Builders and Contractors Association of New Jersey. A New Jersey resident since 1964, Mon attended Newark College of Engineering, where he acquired a Bachelor of Science degree in Chemical Engineering. Mon served in the U.S. Army from 1968 to 1970, achieving the rank of Sergeant, and served a tour of duty in Vietnam, NAHB officials added.

NAHB: Strong Attendance at 2020 Builders Show Reflects Building Industry’s Optimism & Enthusiasm, Continued from p. 4

only IBS can provide.”

Exhibit space for IBS totaled approximately 600,000 square feet, where more than 1,400 exhibitors displayed the latest in building products and technology, NAHB officials said.

In all, DCW featured more than 2,000 exhibitors occupying more than one million square feet of indoor and outdoor exhibits, NAHB officials added. Many of the exhibitors noted the strong foot traffic this year.

“It was a great show for us,” said Darren

“The strong attendance at this year’s show reflects the positive outlook for the home building industry and the enthusiasm that our attendees have for the future...”

Salapka, vice president of builder experience at Allegion Home, a representative at the Schlage booth. “We had a lot of traffic, a lot of good interactions and really good meetings throughout the day.”

In addition to meeting suppliers and seeing product demos throughout the three-day show, attendees networked with peers and attended any of the more than 140 education sessions led by experts on a wide range of industry topics, NAHB officials said.

Next year’s IBS and Design & Construction Week events will be in Orlando from Feb. 9 through Feb. 11, NAHB officials said.

SURVEY:
Westchester Chief Executive Officers (CEO's) Are More Optimistic About The Economy Than Upstate CEO's

RYE BROOK

Chief Executive Officers (CEO's) from Westchester County are decidedly more optimistic about the economy than upstate CEO's.

That was the assessment of The Annual New York State Business Leaders Survey released by The Business Council of Westchester with The Siena College Research Institute and The Business Council of New York State.

The new survey reveals how CEO's are feeling about the business climate, regulatory environment, the economy, growth and capital investment plans for the next few years. Nearly 670 CEO's participated statewide, with nearly 100 from Westchester County.

Below are some highlights from Westchester CEO's:

- ❖ 25 percent believe 2020 will be better economically
- ❖ 44 percent have plans to increase their workforce
- ❖ 63 percent expect revenue to grow, the highest of any region surveyed
- ❖ 52 percent forecast increased profitability
- ❖ 54 percent rated the workforce as good/excellent

Westchester's Index of Business Confidence was 87.5, the highest of the nine regions surveyed and 10 points higher than the statewide average of 75.3

Top challenges are government regulation (53 percent), healthcare costs (43 percent), adverse economic conditions (43 percent) and taxation, at 40 percent

Westchester CEO's believe medical is the top industry sector anticipated to have the most positive impact on economic vitality over the next three-to-five years

Top issues CEO's would like to see the Governor/Legislature focus on are personal income tax reform (53 percent), infrastructure development (52 percent), business development incentives (52 percent) and business income tax reform (46 percent)

The Business Council of Westchester has formed a partnership with The Siena College Research Institute and The Business Council of New York State, Inc., to gather insight from CEO's statewide on the state's business climate.

More information on the survey can be found at <https://thebcw.org/data/> under data resources.

The Business Council of Westchester is Westchester's largest and most influential business membership organization, association officials said. The organization is committed to helping businesses market, learn, advocate and grow.

Association officials added that the organization is actively involved in reviewing federal, state and county legislation and regulations in order to assess the potential impact on the business community and to influence the outcomes through advocacy when the business community's interests may be affected. The Business Council of Westchester also acts as an information resource for the business community and government leaders at all levels.

**NAHB Testimony:
The House Energy Bill Would
Harm Housing Affordability**

WASHINGTON, D.C.

The National Association of Home Builders (NAHB) on Feb. 12 urged the House of Representatives to oppose to H.R. 3962, the Energy Savings and Industrial Competitiveness Act of 2019, warning that the legislation would exacerbate the nation's housing affordability woes.

Testifying on behalf of NAHB before the House Energy and Commerce Subcommittee on Energy, Arn McIntyre, a green builder from Grand Rapids, Mich., said that several provisions in H.R. 3962 would needlessly raise home construction costs while doing little to boost energy efficiency in the housing sector.

"This legislation would harm housing affordability as a result of its mandates for overly costly and aggressive energy efficiency requirements to be included in model building energy codes," McIntyre said. "NAHB is also concerned that the bill will expand the federal government's authority over state and local governments' prerogatives to adopt cost-effective and location-appropriate building codes."

**The Home Buying Desires of
Millennials Mirror The Silent
Generation, Realtor Report
Stresses, Continued from p. 2**

tion from historical trends that pushed home sellers to relocate more so due to reasons such as career changes or retirement, the study said.

However, now sellers have expressed a strong desire to be near family and friends and in some cases are motivated to sell for this reason, the report added.

The study noted that another similarity between the two groups is seen in those classified as "recent buyers." Younger millennials and silent generation buyers who purchased a new home were the most likely to make the purchase due to the amenities a newly constructed home provides. This aligns with norms of older generations but represents a new trend for younger homebuyers, the report added.

NAR found those in each generational group began their home search by viewing properties online, although buyers 74 and older contacted a real estate agent or broker nearly as often as they looked online. This group, along with the youngest buyers, were more likely than others to confer with a friend or relative regarding their homebuying process, indicating that despite the resources made readily available by the internet, both younger and older buyers call on the advice of a trusted friend or relative.

All generations of buyers found the services of a Realtor or agent were needed as the primary resource to help them buy and sell their home, the report said.

"As technological advances are made, more potential buyers will want to consider the latest home-buying apps," said Yun. "However, we see buyers of all ages prefer an experienced Realtor or broker to assist with this major, complex transaction."

Moreover, half of all homebuyers between the ages of 22 to 39 found a real estate agent through a referral provided by a friend or family member, according to the study.

Although younger homebuyers closely mirror older buyers, the two groups are not totally in sync. Younger millennials have the highest share of unmarried couples buying homes at 21 percent, whereas only three percent of homebuyers in the silent generation and three percent of older boomers were unmarried at the time of purchase. Older millennials have the highest share of married couples, at 67 percent, the report said.

For context, 61 percent of all recent buyers were married couples, 17 percent were single women, 9 percent were single men and another 9 percent were

unmarried couples, according to the study.

A total of 22 percent of homebuyers between the ages of 65 to 73, older baby boomers, are single women. A number of factors go into this share, including single divorcees entering the market, widows and unmarried women, the study added.

Another area where younger homebuyers stood apart from other buyers was in their living arrangements. A total of 33 percent of homebuyers aged 22 to 29 reported living with parents, relatives or friends prior to buying a home. Of this 33 percent, 13 percent paid rent and 20 percent paid no rent. The next highest share was homebuyers aged 30 to 39, where 13 percent lived with parents, relatives or friends. This same living situation was found in only five percent of buyers aged 65 to 73, and in six percent of buyers ages 74 to 94, according to the report.

Other Noteworthy Findings

A total of 25 percent of the homes purchased by those aged 22 to 29 were located in a small town. This speaks to affordability conditions, essential among younger buyers who traditionally are not in a position to afford high-cost housing. As affordability wanes, as outlined in a recent NAR report, 64 percent of homebuyers aged 22 to 29 said the overall affordability of a home influenced their decision to purchase, the report said.

The study added that a total of 46 percent of homebuyers aged 30 to 39 said school district quality influenced their decision making, while 36 percent of buyers from the same age group cited proximity to schools as an influential factor.

"The importance of being near schools and assessing the quality of a given school district is prevalent among older millennials," said Yun. "Also, proximity to healthcare facilities is important for older boomers."

The NAR report found that homebuyers aged 40 to 54, Generation Xers, had the highest household incomes of any age group at \$110,900. Still, Gen Xers overall are facing some challenges, as 11 percent of Gen X home sellers stated a desire to sell earlier but were delayed because their home was worth less than the mortgage, the study said.

The report added that home purchases were delayed a median of five years for Gen X buyers, which Yun says is in part due to student loan debt and lingering impacts of the Great Recession of 2008-2009. This age group also comprised the most racially and ethnically diverse population of homebuyers, with 24 percent identifying they were a race other than White/Caucasian. This finding comes as a recent NAR report examined the change in the homeownership

With the nation in the midst of a housing affordability crisis, McIntyre added that H.R. 3962 would worsen the problem by:

- ◆ Focusing on initiatives that will increase costs for new housing and buildings while ignoring the existing older structures, which constitute more than 80 percent of the U.S. building stock and are responsible for an even greater portion of greenhouse gas emissions and energy consumption;
- ◆ Failing to establish reasonable criteria for technology readiness or meet the economic payback period expected by the consumer (less than 10 years) for any minimum code requirement or proposal supported or initiated by the Department of Energy (DOE);
- ◆ Empowering the DOE to advocate for overly prescriptive, not fully vetted, and costly energy targets for new residential buildings;
- ◆ Authorizing the DOE to impinge on the states' abilities to customize model codes to meet their specific jurisdictional goals to improve building performance.

"NAHB wants to work as a partner with all levels of government to encourage energy efficiency," said McIntyre. "However, we must all work together to ensure housing affordability is not jeopardized in the process. Therefore, NAHB urges Congress to focus on solutions that are market driven, such as above code voluntary programs and other incentives, and to focus on increasing the energy efficiency of the existing housing stock."

rate among minorities, the study added.

One in six younger boomers and Gen Xers are buying multi-generational homes. In many cases, the intent is to care for aging parents or to accommodate children over the age of 18, according to the report.

Millennials as a whole made up the largest share of homebuyers over the past year (38 percent), marking the seventh consecutive year the group represented the most active generation of buyers. Millennials were also most likely to purchase a previously-owned home or townhouse, and were those most likely to find their home online and to use the internet during their home search. Convenience to workplaces and commuting expenses were some of the most important factors to the millennial age group, the study said.

"For several years now, millennials have shown that homeownership is important to them," said NAR President Vince Malta, a broker at Malta & Co., Inc., in San Francisco. "Their reasons vary: some are starting families, others are caring for aging parents, while others found that buying a home was decidedly cheaper than renting."

The report added that millennials had a dominating presence in several other homebuying categories, including in regard to first-time buyer totals. A total of 88 percent of younger millennials and 52 percent of older millennials were first-time home buyers, more than every other age group. The older millennials were also the most educated age group, as 79 percent hold at least a bachelor's degree, the study said.

Methodology

NAR officials said that the association mailed a 125-question survey in July of 2019 using a random sample weighted to be representative of sales on a geographic basis to 159,750 recent homebuyers. Respondents had the option to complete the survey via hard copy or online. The online survey was available in English and Spanish. A total of 5,870 responses were received from primary residence buyers. After accounting for undeliverable questionnaires, the survey had an adjusted response rate of 3.7 percent. The sample at the 95 percent confidence level has a confidence interval of plus-or-minus 1.28 percent.

The recent homebuyers had to have purchased a primary residence home between July of 2018 and June of 2019. All information is characteristic of the 12-month period ending in July of 2019, with the exception of income data, which are for 2018, NAR officials said.

NAR is America's largest trade association, representing more than 1.4 million members involved in all aspects of the residential and commercial real estate industries, association officials said.

Eight Months Later - The Negative Results of the Enactment of the Housing Stability and Tenant Protection Act (HSTPA), Continued from p. 3

several buildings because the lack of rent increases makes it economically unviable.

The Reality

A small property owner, A. Lusko, recently wrote into the New York Post : "Here's the reality: All people want are clean, modern, comfortable places to live. Sure, vintage is cool. But nobody really wants to rent an apartment with drafty vintage windows. Or old fuse boxes. Or ancient appliances. Tenants want a decent, safe place to call home, whether for just a year lease, a decade to establish roots and start a family or their entire adult lives - and building owners are eager to provide that. Yet landlords face government rules that make this shared goal tougher to achieve. I'm one of those landlords.

"It's not a 9-to-5 job either. Challenging situations and large expenses often pop up unexpectedly. It's a job that requires a strong personal willingness and effort – and the funds to do things right. Landlords have no choice but to pay property taxes, water bills, insurance, etc. But as these costs continue to take up more and more of the yearly budget, there's less left for all of the quality-of-life comforts and improvements for the individual tenant. Things my renters tell me they want! Even the Individual Apartment Improvement (IAI) Allowance has basically been done away with. What is the incentive for any landlord to continue modernizing, maintaining and serving tenants in the manner they want and deserve?"

Another article stated that "New York City's affordable-housing stock is drying up. Last year's ill-conceived Housing Preservation and Tenant Protection Act dealt a huge blow, forcing owners to keep thousands of units vacant for lack of operating income to fix them up. Now, the Legislature in Albany is poised to pile on more costs and regulatory burdens, on the bizarre theory that financially destroying landlords who offer affordable housing will create

more affordable housing . . . somehow.

"The supposed justification for Universal Rent Control is that a landlord who raises rents by more than three percent is trying to evict the tenant. Think about that for a second. If a property owner raised the rent to \$1,031 from \$1,000, the automatic assumption is that the landlord is trying to evict the tenant – even though operating costs likely went up at a minimum of \$47.50 a month in the past year. The truth is that the vast majority of small-building owners never want to evict their tenants. The best business model for them is to keep tenants in apartments for as long as possible. If they are raising the rents, it is because they need to offset costs. A building isn't a bank. It doesn't have an unlimited supply of funds to cover costs if tenants don't pay rents that match expenses. Taxes are still due, utilities and repairs are still needed.

"We see this in the New York City Housing Authority's (NYCHA's) recent struggles - proof that when a landlord can't match rents to the costs of running the building, the building stops running. The HSTPA has many unintended consequences, including the limitations on cooperatives securing

adequate background information of prospective shareholders; the warehousing of apartments due to the lack of funds and the lack of reimbursement for the renovations; the deterioration of buildings due to lack of reimbursement for Major Capital Improvements (MCI's); the lack of tenant mobility; the decrease in real estate investment and construction and the elimination of family and 'ma and pa' owners from the multi-family real estate market with their consequent attention and personal concern for their buildings and tenants and substitution therefor by large holding companies."

After eight months, the deleterious effects of the HSTPA are increasing. Hopefully the legislature will see the necessity of understanding that the aim of the laws affecting housing should be to encourage the economic viability, not destruction, of the multi-family industry.

Editor's Note: The authors are attorneys with Finger and Finger, A Professional Corporation. The firm, based in White Plains, is Chief Counsel to the BRI and its component associations.

The BI/BRI Begins 2020 with A Series of Solid Meetings

By Jeff Hanley, IMPACT Editor

ARMONK

The Builders Institute (BI)/Building and Realty Institute (BRI) began its 2020 sequence of Membership Meetings and Seminars in an impressive fashion during January and February, BI/BRI officials recently announced.

Attendance at the events was strong, as were the reactions to the programs, BI/BRI officials said. A photo report on the programs is featured on this page.

The BI/BRI is a building, realty and construction industry membership organization. The association, based in Armonk, has more than 1,800 members in 14 counties of New York State. Those members are involved in virtually every sector of the building, realty and construction industry, association officials said.

BI/BRI officials said that the organization is consistently planning meetings and seminars for its membership on key issues affecting the building, realty and construction sectors. Social events and networking sessions are also being planned for the months ahead. Details on the programs will soon be sent to BI/BRI members, association officials added.

BI/BRI meetings and events are always listed at buildersinstitute.org.



“Dealing with Smoking Issues and Troublesome Residents In Your Building or Complex” was the topic of the Jan. 29 Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC). Pictured after the program are, from left to right, Jeff Hanley, associate executive director, CCAC/Building and Realty Institute (BRI); Tim Foley, executive director, CCAC/BRI; Cesare Manfredi, chair, CCAC; Carl Finger (speaker), Esq., Finger and Finger, chief counsel, CCAC/BRI; and David Amster (speaker), chair, Advisory Council of Managing Agents (ACMA). More than 60 CCAC/BRI members attended the meeting at The Crowne Plaza Hotel in White Plains. Photo by Barbara Hansen



A total of 36 members of The Advisory Council of Managing Agents (ACMA) and The Building and Realty Institute (BRI) attended the Feb. 5 Membership Meeting of ACMA. “The Future of Energy In Westchester – The Gas Moratorium, The Closing of Indian Point, The Assault On Fossil Fuels – What’s Next?” was the topic of the program at The Crowne Plaza Hotel in White Plains. David Singer, president of Robison Oil, was the keynote speaker at the event. Singer is pictured, standing, in the center of the meeting area during his presentation. Photo by Barbara Hansen



“A Look At The Westchester and Mid-Hudson Region’s Retail, Office, Multifamily and Industrial Sectors!” was the topic of the Feb. 21 segment of “Building Knowledge With The Building and Realty Institute (BRI)” on WVOX 1460 AM and wvox.com. The program focused on Commercial Real Estate Issues from 2019, as well as what could happen in the commercial real estate market in 2020. Pictured during the show are, from left to right, Jeff Hanley, program host and associate executive director of the BRI; and Program Guest Garry Klein. Klein is the Regional Manager, Commercial Division, of The Houlihan Lawrence Commercial Real Estate Group. Photo by WVOX 1460 AM Staff



“The Challenges of New York In Transition – And How The Building and Realty Institute (BRI) Will Rise To The Challenge In 2020!” was the topic of the Jan. 23 General Membership Meeting of the BRI. A total of 62 BRI members attended the event at The Crowne Plaza Hotel in White Plains. Tim Foley, executive director of the BRI, was the keynote speaker at the program. Foley’s presentation covered the challenges facing the building, realty and construction industry that involve legislation, regulations and events at the state, regional and Westchester County levels. Foley is pictured, at the podium, during his presentation. Photo by Jeff Hanley



A total of 85 members of the local building, realty and construction industry attended the Feb. 20 General Membership Meeting of The Building and Realty Institute (BRI). “The Westchester County Affordable Housing Needs Assessment And The 2020 Census – What You Need To Know!” was the topic of the event. Westchester County Executive George Latimer and Westchester County Planning Commissioner Norma Drummond were the speakers. Latimer is pictured in the above photo, at the podium, during his presentation. Pictured in the photo on the left, after the program, are, from left to right, Vincent Mutarelli, BRI president; Drummond; and Tim Foley, executive director, BRI.



“Examining The Latest Trends In The HVAC Sectors!” was the topic of the Feb. 14 broadcast of “Building Knowledge With The Building and Realty Institute (BRI)” on WVOX 1460 AM and wvox.com. Stephen Becker, sales manager, InterCounty Supply of Port Chester and Bedford Hills, was the guest. Pictured during the segment are, from left to right, Jeff Hanley, program host and associate executive director, BRI; and Becker. Photo by WVOX 1460 AM Staff

Association Officials: The BI/BRI Provided More Than 50 Meetings, Seminars and Special Events For Its Membership Throughout 2019

By Jeff Hanley, IMPACT Editor

ARMONK

The Builders Institute (BI)/Building and Realty Institute (BRI) sponsored more than 52 meetings, seminars and networking events during 2019 for its members, association officials recently announced.

The programs addressed issues of importance to the building, realty and construction industry in the Westchester and Mid-Hudson Region, as well as the New York Tri-State Area. The events also covered topics of interest to the general business community and provided a series of networking opportunities, association officials added.

“We will be assessing the desires of our membership and continuing initiatives to make business conditions better for the building, realty and construction industry.” — TIM FOLEY, EXECUTIVE DIRECTOR, BRI

From the organization’s General Membership Meetings, to the Membership Meetings of its component groups, and to the seminars and social/networking events of the association, there was a series of events for BI/BRI members to participate in during 2019, BI/BRI officials said.

Representatives and staff members of the BI/BRI also attended a series of meetings and events of other business groups in the Westchester and Mid-Hudson Region while representing the organization and the building, realty and construction industry, BI/BRI officials added.

Tim Foley, executive director of the BI/BRI, said that the organization in 2020 will aggressively continue its sponsorship of meetings and seminars that address key issues for the building, realty and construction industry. Foley said that the association will also implement new programs for BI/BRI members throughout the year.

“We will be assessing the desires of our membership and continuing initiatives to make business conditions better for the building, realty and construction industry,” Foley said at the Jan. 16, 2020 Board of Trustees’ Meeting of the BI/BRI.

The BI/BRI is a building, realty and construction industry membership organization. The association has more than 1,800 members in 14 counties of New York State. Those members are involved in virtually every sector of the building, realty and construction industry. The BI/BRI is one of the largest business membership organizations in New York State, association officials said.

BI/BRI events can be found at buildersinstitute.org.

New App Helps Builders Meet the Accessibility Requirements of The U.S. Fair Housing Act

WASHINGTON, D.C. The National Association of Home Builders (NAHB) on Jan. 23 unveiled the Pocket Guide to the Fair Housing Act.

NAHB officials said that the free app is designed to help home builders, contractors and designers meet the accessibility requirements of the act.

“HUD (The U.S. Department of Housing and Urban Development) welcomes the efforts of this important housing industry partner in working to meet the needs of persons with disabilities,” said HUD Secretary Ben Carson. “This new app represents an exciting new tool in our collective effort to help ensure that home builders meet their Fair Housing Act obligations.”

“Through this free tool, NAHB strives to increase Fair Housing Act compliance within the housing industry and facilitate greater access to multifamily housing for persons with disabilities,” said 2019 NAHB Chairman Greg Ugalde, a home builder and developer from Torrington, Conn.

The app was partially funded by an educational grant from HUD through the Fair Housing Initiatives Program, officials said. Staff from NAHB’s legal, codes and technology departments made substantial in-kind contributions to the project. The app will enable builders and developers to determine if the Fair Housing Act’s accessibility requirements apply to their housing project and, if so, provide a quick reference guide to the seven basic accessibility requirements for compliance with the law, officials added.

“The more informed a home builder is, the easier it is for them to create the kind of housing they want to build while also complying with the nation’s fair housing laws,” said Anna María Fariás, HUD’s assistant secretary for fair housing and equal opportunity. “This phenomenal new app is just the resource that can make that possible.”

The information contained in the app is intended to provide a basic, non-exhaustive guide to understanding and conforming with the design and construction requirements of the Fair Housing Act. It is not a safe harbor for compliance with the Fair Housing Act, officials said.

Officials added that the app can be downloaded from the App Store (for iPhone and iPad) and from Google Play (for Android devices) by searching “FHA Guide” or “NAHB.”

More details can be found at nahb.org/fhaguide.

- ❖ A thorough analysis illustrating how the local market for multifamily apartments and industrial space continues to be strong, while there are weaknesses in leasing retail and office space, with the volume of commercial real estate transactions at a weak level. Those were the assessments of the Houlihan Lawrence Fourth Quarter Commercial Market Report for Westchester County. The study offers a comprehensive look at our area’s commercial real estate market through the fourth quarter of 2019.
- ❖ A story on NAHB’s Remodeling Market Index (RMI) posting a reading of 58 in the fourth quarter of 2019, up three points from the previous quarter. The RMI has been consistently above 50 - indicating that more remodelers report market activity is higher compared to the prior quarter than report it is lower - since the second quarter of 2013. The overall RMI averages current remodeling activity and future indicators, the index said.
- ❖ An analysis from NAHB stating that Total Housing Starts increased 16.9 percent in December of 2019 to a seasonally-adjusted annual rate of 1.61 million units, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Commerce Department. The figure is a 13-year high for housing starts, NAHB officials said.
- ❖ An article reporting that The Westchester County Industrial Development Agency (IDA) was a driving force in spurring economic

development in the county in 2019, providing financial incentives for a wide range of new commercial developments, officials say in the study. The projects represent a total private investment in the county of approximately \$1.6 billion and more than 2,800 in new residential units. Some of the projects involved repurposing vacant office properties along the I-287 corridor. Others were transit-oriented developments to be built close to Metro-North train stations, officials added. “Westchester County is attracting private investment not only from local and regional developers, but national development companies as well. The message is clear - Westchester County is open for business,” Westchester County Executive George Latimer said in the study.

- ❖ A report showing that stronger sales in the fourth quarter of 2019 brought Westchester’s Housing Market “into balance.” The analysis explains that sellers came to terms with the need for overall price corrections and, after a sluggish and challenging start, buyers found the improved value landscape that they have been waiting for, according to the Houlihan Lawrence Westchester, Putnam and Dutchess Market Report.
- ❖ A story illustrating that spending on residential improvements will continue to grow over the next two years at a gradual pace. That was the opinion of experts at a recent press conference hosted by NAHB’s Remodelers at the NAHB International Builders Show (IBS)

“Good Cause” Is Bad Law - Examining the Proposal For Universal Rent Control Throughout N.Y. State, Continued from p. 1

not do that. In fact, it undermines and ignores the common goals of tenants and landlords, which is to provide safe and affordable housing to all residents of our area.

This legislation covers virtually all rental housing and is detrimental in many ways. Specifically, among other things, it prohibits a landlord - any landlord, including the owner of a single family house who has rented out his/her house, or the owner of a condominium unit who has rented out the unit; or the shareholder of a cooperative who has rented out his/her apartment - from refusing to renew a lease or evict even a month-to-month tenant unless a court orders it and only if the landlord has shown “good cause.”

A landlord no longer has control over his/her own property. For example, the statute does not provide that “good cause” is the desire to sell his/her property. It gives a tenant essentially what is a life estate in his / her tenancy. Moreover, if a tenant does not pay the rent and is taken to court, the landlord has to prove that the rent charged has not been increased, “in any calendar” year [query: even 5 or 10 years ago] by more than 1 + times the Consumer Price Index (CPI) in the prior August.

Therefore, if the rent was \$1,500 per month, and the prior CPI was two percent, the rent could not have been increased by more than three percent, or in this case \$45.00. If it was increased by, for example, \$50, then that increase would be considered “unconscionable” and the landlord would not be able to successfully bring a non-payment court action to evict the tenant for no payment of rent nor presumably recover the outstanding rent.

Similarly, if the rent for a condo unit is \$5,000 a month, the increase in rent could only be \$150 when the common charge might have been increased \$250 or any amount in excess of \$150 and the Condo unit owner wants to get that rent increase, again essentially prohibiting a successful court proceeding to collect overdue rent. Other negative aspects of this “good cause” act are the elimination of an owner’s right to not renew a lease and requiring the landlord to “show cause” via the courts and secure an order of removal or lease termination. This would be the case in the situation of a problem tenant where the landlord was willing to remove the tenant and the other tenants did not want to be involved- a common occurrence; the landlord would be essentially ham-strung in its ability to keep only good tenants in its building.

This “Good Cause” legislation would deter new construction because of the inhibiting effect on the ability of a landlord to operate and maintain his / her property in accordance with the community standards, as well as because of the limitation on rents that can be charged. When this “Good Cause” legislation is considered in conjunction with the HSTPA, the negative effects are immense. A lack

of maintenance, upkeep, renovation and repair of existing housing, coupled with the likelihood of a decline in construction in new housing, will lead to a deterioration of multi-family housing with less available affordable housing.

Moreover, it will put a severe crimp on the rental market for single-family houses, apartments, condominiums and cooperatives which will inevitably also lead to a decline in the availability of housing as well as the value of these properties, with the resultant decrease in values and ultimately less real estate tax revenues for a community.

There is no good reason for “Good Cause” eviction legislation. In order to evict a tenant, a landlord already has to show good cause to a court, without the extreme limitations put on the eviction process

The “Good Cause” law will be bad for everyone. We hope that all legislators will take the time to read it and see the negative impact it will have on all their constituents. A positively named law does not lead to a positive result, and this is a prime example of that and we can only hope that our legislators will look past the name of this bill and see the folly of passing legislation that has no rational reason for its passage and, in fact, is extremely harmful to all segments of our society.”

by this proposed good cause act (on top of the restrictions already enacted with the HSTPA). This proposed “good cause” act will not achieve the purported purpose of stabilizing the housing market, but will disincentive real estate investment. It will add burdens to all property owners, including those who invest in one or two units for rental income, and want to keep tenants of their choice in the property. It will make it harder to remove bad tenants at the expense of those good tenants who ask for relief from troublesome neighbors. This legislation will cause more expense and the deterioration of property. It will result in still lower income, thereby lowering property values and ultimately local tax revenues which will ultimately have to be subsidized by single family homeowners.

What this bill will do is eliminate tenant mobility further - with tenants staying longer in apartments their owners won’t have the money to maintain. It will further devastate the housing industry, which provides housing for millions and jobs for hundreds of thousands of people.

A recent Crain’s article references landlords who are already warehousing their apartments because they do not have the income, nor can they recoup the expense of Individual Apartment Improvements (IAI’s) or Major Capital Improvements (MCI’s). The “Good Cause” law will be bad for everyone. We hope that all legislators will take the time to read it and see the negative impact it will have on all their constituents. A positively named law does not lead to a positive result, and this is a prime example of that and we can only hope that our legislators will look past the name of this bill and see the folly of passing legislation that has no rational reason for its passage and, in fact, is extremely harmful to all segments of our society.

Editor’s Note: The authors are attorneys with Finger and Finger, A Professional Corporation. The firm, based in White Plains, is Chief Counsel to the BRI and its component associations.

Summarizing an Edition Filled With A Series of Important Reports, Continued from p. 2

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 - ❖ A story illustrating that spending on residential improvements will continue to grow over the next two years at a gradual pace. That was the opinion of experts at a recent press conference hosted by NAHB’s Remodelers at the NAHB International Builders Show (IBS)
- in Las Vegas. Professional remodelers from across the country agreed with the forecast, citing increased consumer confidence and demand. The summary of the press conference was released by NAHB on Jan. 21. NAHB predicts that remodeling spending for owner-occupied, single-family homes will decrease 0.6 percent in 2020 and increase 1.2 percent in 2021, association officials said.
- ❖ A recent study stating that Chief Executive Officers (CEO’s) from Westchester County are decidedly more optimistic about the economy than upstate CEO’s. That was the evaluation of The Annual New York State Business Leaders Survey released by The Business Council of Westchester with The Siena College Research Institute and The Business Council of New York State. The new survey reveals how CEO’s are feeling about the business climate, regulatory environment, the economy, growth and capital investment plans for the next few years. Nearly 670 CEO’s participated statewide, with nearly 100 from Westchester County, officials said.
 - ❖ A photo report on how the BRI began its 2020 series of Membership Meetings and Seminars in an impressive fashion during January and February. Attendance at the events was strong, as were the reactions to the programs, BI/BRI officials said.
- So, as you can see, this edition is most definitely packed with important content. Even Jim O’Toole would agree! Enjoy the issue.

City of Peekskill Awarded Over \$3 Million in N.Y State Grants

PEEKSKILL

The City of Peekskill has been awarded more than \$3 million in New York State Grants, including \$2,285,000 from the state’s Consolidated Funding Application (CFA) program, officials recently announced.

The grants will fund a variety of important projects, including the reconstruction of Fleischmann Pier, designs for a waterfront trail and shoreline stabilization along the Hudson River and Gregory Brook, and round two of the city’s Microenterprise Program, officials added.

In 2011, Gov. Cuomo created ten Regional Economic Development Councils (REDC) and the Consolidated Funding Application (CFA) to advance the administration’s efforts to improve New York’s business climate and expand economic growth. The CFA, which streamlines and expedites the grant application process, marks a fundamental shift in the way state resources are allocated, ensuring less bureaucracy and greater efficiency to fulfill local economic development needs, according to spokesmen.

The Mid-Hudson REDC received a total of \$65.8 million for 105 projects in 2019, officials said, including three projects for the City of Peekskill:

Reconstruction of Fleischmann Pier

A total of \$2,000,000 was awarded for the Phase One Reconstruction of Fleischmann Pier, with a \$665,000 city match. Located on the Hudson River at Charles Point Park, the pier will provide docking for larger vessels and will also include a kayak dock, gangways, benches, lighting fixtures and viewing stations. The project will complement the city’s Local Waterfront Revitalization Program by enhancing water-based recreational amenities and supporting tourism by creating docking for large vessels, officials said.

The Local Planning Committee of the Downtown Revitalization Initiative may recommend that the state fund the phase two components of the reconstruction, which include floating docks and various park improvements, so that the entire project can be constructed at one time, officials added.

“I sincerely thank Governor Cuomo and the State for selecting Peekskill for almost \$3 million in additional CFA funding and for

recognizing the great potential Peekskill is successfully tapping into,” said City of Peekskill Mayor Andre Rainey. “With local stakeholders working together, as well as a forward-thinking administration, committed staff and City Manager, the City of Peekskill is continuously thriving. The reconstruction of Fleischmann Pier will increase opportunities for tourism. As the Governor mentioned, we’re unique to have such an asset like the Hudson River. Peekskill is growing, and importantly, we’re committed to sustainable tourism.”

Southern Waterfront Trail Connection and Shoreline Stabilization Design

The City of Peekskill received \$85,000 to prepare designs for the final segment of the City’s waterfront trail and shoreline stabilization along the Hudson River and Gregory Brook in Riverfront Green Park. The design will utilize bioengineering techniques to reduce erosion and address risks associated with climate change, officials said.

The project will implement the city’s Local Waterfront Revitalization Program and Southern Waterfront Trail Master Plan by enhancing Riverfront Green Park and developing the final link in the city’s nearly three-mile waterfront trail system, officials added.

Second Round of the Microenterprise Program

An additional \$200,000 grant was awarded to administer the second round of the city’s Microenterprise Program. Further details on the program will be announced in the spring, officials said.

Rainey added: “I am proud of Peekskill’s rich diversity and openness toward people of all faiths, nationalities and backgrounds. The Microenterprise Program will assist in giving everyone an opportunity to succeed.”

In addition to the CFA funds, the City of Peekskill also received a \$750,000 grant through the New York State Environmental Facilities Corporation toward the reconstruction of a \$3 million sewer line on Lower South Street, which is expected to preserve capacity and allow for future development, according to officials.

New York’s “SHIELD ACT” – A Noteworthy Reminder of The Importance of Having Cyber/Data-Breach Liability Insurance, Continued from p. 2

If your business possesses such data, the SHIELD Act applies, and you need to check with your computer/data/systems provider/consultant to make sure you are in compliance with SHIELD Act requirements for properly safeguarding such data, and have a plan in place to address a breach, or potential exposure, of the information.

The enactment of this new law, combined with the ever-increasing number of cyber/data-breaches occurring every day to businesses large and small, is further reason to include a robust, comprehensive cyber liability/data-breach insurance policy in your insurance program.

Your Business Owner’s Policy (BOP) or Package Policy (i.e., the policy that covers property and general liability claims) may offer an endorsement that adds coverage for cyber/data-breach. Be advised - often, cyber/data-breach coverage added by endorsement to a BOP or Package policy, is not comprehensive. The endorsement may contain only limited coverage (for instance: coverage for expenses associated with recovering your systems

and data after a cyber-attack, or paying a ransom for a cyber-extortion event).

A comprehensive cyber/data-breach policy will also pay liability-related expenses, such as expenses for breach notification letters, credit monitoring, and regulatory investigation expenses, fines, and penalties (i.e., expenses that could typically be associated with a data breach response, as required by the SHIELD Act).

Cyber/data-breach crimes are no longer crimes that you can ignore because your business is “not big enough” to be a target, or your business “doesn’t have much personal data.” A 2018 Verizon Data Breach Investigations Report advised that 58 percent of cyber-attack victims were small businesses with less than 250 employees.

Many Building and Realty Institute (BRI) members, insured by Levitt-Fuirst Insurance, have already experienced a cyber/data-breach crime. Several of our clients have suffered cyber/data-breach claims with costs that exceeded \$100,000, and even \$500,000.

Unfortunately, we’ve had a couple of clients that

declined cyber/data-breach insurance, and then suffered cyber-attacks, which were uninsured. A reminder - your company’s general liability and umbrella liability policies will not cover cyber/data-breach claims.

The arrival of the SHIELD Act, and its March 21, 2020 compliance deadline, is a blunt reminder that cyber/data-breach insurance should no longer be considered an “optional” or “only for big companies” insurance coverage, but rather a policy equally as important as your business’s fire, general liability, or auto insurance.

For information on the insurance matters reviewed in this article, contact your insurance broker, or Levitt-Fuirst Insurance, at (914) 457-4200.

Editor’s Note: Levitt-Fuirst Insurance is the Insurance Manager for The Builders Institute (BI)/Building and Realty Institute (BRI) of Westchester and The Mid-Hudson Region. Ken Fuirst and Jason Schiciano are Co-Presidents of the company. The firm is based in Tarrytown.

Foley Appointed Executive Director of The Builders Institute (BI)/Building and Realty Institute (BRI), Continued from p. 1

tions disallowing the use of charitable funds to offer relief for taxpayers straining with the new cap on the State and Local Tax (SALT) deduction at the federal level; supporting local community efforts to respond to both the problematic response by Con Edison to the March 2018 nor’easters; advocating for adequate funding for the Metro-North Railroad in the next MTA Capital Plan; and spreading public information on options to adapt to Con Edison’s moratorium on new natural gas services.

Prior to his work with Assembly Member Paulin, Foley was the Director of the Service Employees International Union (SEIU) Connecticut State Council, which includes six affiliated locals representing more than 65,000 active and retired members, making it the state’s largest union. In that capacity, Foley also served on the Coordinating Committee for Protect Our Care CT, a campaign that supports comprehensive, high quality, affordable and accessible health care for all Connecticut residents.

For nearly a decade, Foley was first the Communications Director and then the Political Director for the Committee of Interns and Residents/SEIU Healthcare, a labor union for resident physicians training in safety-net hospitals in California, Florida, Massachusetts, New Jersey, New Mexico, New York, and the District of Columbia, including the resident physicians at Westchester Medical Center. Foley sat on the Steering Committee for the Metro New York Health Care for All Campaign, a New York City-based multi-constituency health care justice coalition,

as well as for the Save Our Safety-Net Campaign, a community-labor coalition that focuses on the issue of hospital closures that disproportionately affect lower-income families and communities of color.

In 2014, Foley served on the Public Health Committee for the Transition Team for Newark Mayor Ras Baraka. He was also a member of the Paid Sick Days Advisory Committee for the Department of Consumer Affairs for the City of New York. Foley was also a delegate to the Westchester-Putnam Central Labor Body. Foley currently serves on the Village Planning Board of Scarsdale and previously served on the Advisory Council on Human Relations. He is also the President of the Scarsdale Forum, a not-for-profit volunteer organization in existence since 1904. The organization seeks to provide a platform for meaningful community dialogue about municipal, school and related civic affairs.

Foley replaces Albert Annunziata, who has retired. Annunziata served as Executive Director of the BI/BRI from December of 2001 to December of 2019. Annunziata is currently serving as a Consultant to the BI/BRI, association officials said.

The BI/BRI is a building, realty and construction industry membership organization. The association, based in Armonk, has more than 1,800 members in 14 counties of New York State. Those members are involved in virtually every area of the building, realty and construction industry. The BI/BRI is one of the largest business membership organizations in New York, association officials said.

Element 46 Incubator Program Finds New Home for 2nd Cohort at Robert Martin Company Offices

ELMSFORD

Westchester County’s Element 46 incubator program has a new home for its latest cohort of budding entrepreneurs.

Officials recently announced that Element 46’s startups will be located at new workspace at Robert Martin Company’s headquarters at 100 Clearbrook Drive in Elmsford. Robert Martin is leasing to the county 1,500 square feet of fully furnished, wi-fi equipped space for the duration of the 6-month incubator program.

“We are grateful to Robert Martin Company for providing this beautiful new space for our incoming cohort. This is the kind of exciting environment that encourages collaboration and inspires innovative thinking,” said Westchester County Director of Economic Development Bridget Gibbons.

“We believe initiatives such as Element 46 are a critical pathway for continuing to reinvest in an already strong economy,” said Greg Berger, president of Robert Martin Company, addressing the 11 startups at the new workspace. “We look forward to the day when we can lease you larger space because your businesses have grown beyond your wildest dreams.”

Greg Berger said it was fitting that Robert Martin is providing work space for entrepreneurial ventures, noting that the founders of the company – Robert Weinberg and Martin Berger – were true entrepreneurs who turned a small homebuilding company into what is today, the largest commercial real estate company in the county.

“Nurturing entrepreneurs is as much about the critical one-on-one interactions with experienced business owners and executives as it is about providing the infrastructure and tools to alleviate those initial challenges of launching a new venture,” said Laurence Gottlieb, managing director of Robert Martin Company’s life sciences and health technologies initiative, RMC Bio1. “Mingling the cohort with our team will absolutely create new and exciting business opportunities for all of us.”

Gottlieb will be RMC’s point person for Element 46, officials said. Element 46 incubator provides training, mentoring, free workspace and access to pro bono services from professionals to enable startups to develop their businesses within a network of peers. Entrepreneurs are embedded in an existing start-up community within Westchester, officials said.

Spokesmen added that Mentors assist the startups chosen for the program by offering their expertise, time and support. Mentors are hand-picked leaders with specializations in technology, finance, business strategy, venture capital, marketing or other thought leaders.

Tech Talk

The Noteworthy Importance of First Impressions

By Andrea Wagner, President, Wagner Web Designs, Inc

DELRAY BEACH, FL

If the Iowa Caucus taught us anything, it is that first impressions can make a difference.

Douglas Jones, a computer scientist at the University of Iowa, was one of many who warned for weeks that maybe it wasn’t such a good idea to introduce a new technology at such a critical time - with the eyes of the nation on the first presidential voting of 2020.

The phone app - which apparently was not fully tested - and its failures during the caucus will likely cause future attempts to use the app and convince users it is fixed, reliable and accurate to be closely watched.

The same is true for Websites that get launched without proper testing. Sites that get newly built and launched should have a soft launch - a term used for launching a product service or store without announcing it to the public. Let inter-office employees, friends and relatives view the site first.

Even the best of Web Designers may miss a broken link, or the owner did not proofread thoroughly. Websites that have forms to fill out, online directories, and shopping carts are even more vulnerable to inconsistencies across all platforms, devices and browsers.

Even after a site is tested and launched, browser or software updates can cause a perfectly functioning Website to fail. If one customer is lost because they get stuck on your Website, that is one too many. I suggest monthly checkups for your site. Fill out your contact form and make sure you receive. Google Search your site and click through each page.

Some sites are vulnerable to malware attacks which will redirect your site to a pharmaceutical site. I have had recent customers have this problem. One way to combat this is to have your Web Designer install SiteLock, or some Security Monitoring Software that alerts you when page content has been modified. Your hosting company has these as add-ons and I highly recommend utilizing the products in your website.

Editor’s Note: Andrea Wagner is President of Wagner Web Designs, Inc. The company specializes in optimized, small business Websites and Digital Marketing. Questions to Wagner can be directed to (914) 245-2626.



Builder Confidence Remains Strong On The National Level, Building and Realty Industry Report Stresses

By Jeff Hanley, *IMPACT* Editor

WASHINGTON, D.C.

Builder confidence in the market for newly-built, single-family homes across the U.S. is still strong. That was the assessment contained in the latest National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Feb. 18. The index said that the level of builder confidence decreased by one point to 74 in February. NAHB officials said that the last three monthly readings of the index mark the highest sentiment levels since December of 2017. “Steady job growth, rising wages and low interest rates are fueling demand, but builders are still grappling with increasing construction and development costs,” said NAHB Chairman Dean Mon, a home builder and developer from Shrewsbury, N.J. “At a time when demand is on the rise, regulatory constraints, along with a shortage of construction workers and a dearth of lots are hindering the production of affordable housing in local communities across the nation,” said NAHB Chief Economist Robert Dietz. “And while lower mortgage rates have improved housing affordability in recent months, accelerating price growth due to limited inventory may offset some of that effect.” Derived from a monthly survey that NAHB has been conducting for 30 years, the index 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 the 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 conditions as good than poor, NAHB officials said. The component of the index gauging Current Sales Conditions fell one point to 80. The component measuring Sales Expectations in the Next Six Months was one point lower at 79 and the component charting The Traffic of Prospective Buyers also decreased one point to 57, NAHB officials added. Looking at the three-month moving averages for regional HMI scores, the Northeast rose one point to 63, the Midwest increased one point to 67 and the South moved two points higher to 78. The West fell one point to 83, the index said.

The Local Story

Builders in the Westchester and Mid-Hudson Region, as well as throughout New York State, are continuing their struggles with a series of anti-growth regulations, a shortage of buildable lots and a serious lack of skilled workers, building and realty industry members are emphasizing. “The biggest obstacle, for builders in our region, is the regulatory environment on the state and local level,” said Gus Boniello, a past president of The Builders Institute (BI)/Building and Realty Institute (BRI) of Westchester and the Mid-Hudson Region. Boniello, a member of the Board of Trustees of the BI/BRI, is a principal of Boniello Development of Somers. NAHB officials said that the index is strictly the product of NAHB Economics. The index is not seen or influenced by any outside party prior to being released to the public. HMI tables can be found at nabh.org/hmi. More information on housing statistics is available at housingeconomics.com.

HPP Reports a Connecticut Transaction

WEST HAVEN, CT

Jeremiah A. Houlihan of Houlihan-Parnes Properties (HPP) has arranged the sale of the “Woodlawn Shopping Center,” a 31,150 square foot neighborhood shopping center consisting of 10 retail stores and four apartments at 841-867 Jones Hill Road in West Haven, Conn., officials recently announced. Also included in the sale was a 20,000 square foot vacant lot across the street at 239 Platt Ave. The lot is used for additional customer parking. Located 1.5 miles from I-95, the major north-south thoroughfare in Connecticut, West Haven has a dense concentration of single-family homes, local businesses and commercial enterprises. The West Haven beach and shoreline is 0.5 miles southeast of the shopping center, officials said. The property was sold to a family owned real estate holding and management company based in Yonkers for a sale price of \$2,100,000. The sale completed a 1031 Tax Free Exchange for the buyer, officials added. HPP is a full-service real estate company providing property/asset management, construction management, sales and mortgage brokerage, back office operations, and real estate consulting. The company specializes in the management of co-ops/ condos, residential, retail, and mixed-use properties.

Robert Martin Company Announces The Signing Of A Lease With Lightbridge Academy for A New Child Care Center at The Elm

ELMSFORD

Robert Martin Company LLC recently announced that it has signed a 10,000-square-foot lease for a new child care center at The Elm, a new luxury rental mixed-use building just off the Saw Mill Parkway in Elmsford. The new child care center, which is expected to have its grand opening this summer, will be operated by Lightbridge Academy. The company currently has more than 100 child care centers either open, under construction or in development throughout the Northeast. The Elmsford location is its first childcare center in Westchester County. The brokers in the lease were RM Friedland and Katz & Associates, officials said. “We are very pleased that Lightbridge Academy has chosen to open its first Westchester child care center at The Elm. With its easy and convenient access to the Saw Mill River Parkway, and close proximity to numerous major employers in the area, The Elm is an ideal location for Lightbridge Academy’s new center,” said Tim Jones, chief executive officer of Robert Martin Company. “There is a growing demand for child care facilities in Westchester County. Not only is this new child care center a great addition to our project but it’s also an important and much-needed addition to the community,” said Greg Berger, president of Robert Martin Company. According to the Child Care Council of Westchester, studies show that nationally 45 percent of parents miss at least two days of work a year due to child care breakdowns, and 65 percent of parents’ work schedules are affected by child care challenges. The annual cost to employers nationwide of unstable child care is estimated to be \$3 billion. “Lightbridge is the one-stop solution for working families. With an emphasis on our core values, advanced curriculum and state-of-the-art technology like live cameras throughout the center and biometric entry doors, we offer the highest level of care, development, safety and security,” said Ram

Jagadeesan, who along with his wife, JoAnne McKay Jagadeesan, are the first franchisees to open in the Westchester market. Ram Jagadeesan added: “We chose The Elm due to its amazing visibility and easy access to both the Saw Mill Parkway and 287. Also, having 100-plus residents literally above us made it very easy to choose this location. We look forward to serving Elmsford and the neighboring communities.” Ram Jagadeesan noted that Lightbridge Academy is offering a special discount to Robert Martin employees and tenants of The Elm, as well as residents of any future developments of Robert Martin. “The Village of Elmsford would like to thank Robert Martin Company for believing in Elmsford in making a substantial investment in building The Elm. We are excited that Lightbridge Academy has chosen The Elm in Elmsford to call home, as they open their first Child Care Center in Westchester County. Having the Lightbridge Academy open in The Elm will fill the void for child care in Elmsford and neighboring communities. Child Care is in big demand and this will greatly help families that had to travel far from home for child care and will assist families looking to start child care. We welcome Lightbridge Academy to the Village and wish them much success,” said Elmsford Mayor Robert Williams. With the signing of the Lightbridge Academy lease, The Elm, which features 100 apartments and ground-level retail space, is fully leased, officials said. The Elm features a wide variety of studio, 1-bedroom and 2-bedroom apartments ranging in size from 543 square feet for studios up to 1,418 for the largest two-bedroom units. Designer kitchens come with stainless steel appliances, Calacatta Quartz countertops, tile backsplash, and oversized cabinets. Bathrooms have dark wood vanities, white subway tiles and brushed nickel fixtures. Every apartment has a washer and dryer, as well as USB charging ports, officials added. Amenities include a fitness center, café and entertainment lounge equipped with kitchen/bar, large screen TV, workstations and a shuffleboard table;

free WiFi in the amenity area; electric car charging stations and covered parking spaces. Onsite storage is available, as well as free bicycle storage and a repair station. The Elm is pet friendly and smoke free. The apartments include a smart video intercom system with iPhone/Android compatibility. There are no fees for the amenities, officials said. Established in 1997, Lightbridge Academy provides early education and child care to children ages six weeks through kindergarten, as well as special programming for children up to 10 years old during school holidays, breaks and summer camp. In an effort to expand its concept throughout the Northeast, the company franchised in 2011. In 2019 and 2020, Lightbridge Academy was ranked on Entrepreneur Magazine’s Franchise 500, spokesmen said. Founded by the late Robert Weinberg and Martin Berger, Robert Martin Company is a fully-integrated real estate company with a proven track record of successfully acquiring, developing, and managing investment properties throughout its distinguished history, company officials said. Led by Jones and Greg Berger, the company has been a leader in real estate investment, development and management for more than 60 years. Emerging from its start as a local home builder and becoming, for several decades, Westchester County’s largest diversified developer and builder, Robert Martin Company and its affiliates have developed and acquired more than 20 million square feet of real estate across virtually every asset class. The company and its partners hold a portfolio that includes millions of square feet of office, retail, industrial, and residential properties, as well as developable land, company officials added. The company has been at the forefront of change and innovation in real estate investment, development and management across Westchester and Fairfield (Conn.) counties for more than six decades and is widely regarded as a pioneer in the development of executive office parks across the counties. RMC also played a significant role in the urban renewal development of Greenburgh, Tarrytown, Port Chester and downtown White Plains, spokesmen said.

REPORT: National Multifamily Builder & Developer Confidence Remains Unchanged In Fourth Quarter

WASHINGTON, D.C.

Confidence in the market for new multifamily housing across the U.S. remained unchanged in the fourth quarter. That was the assessment from the Multifamily Market Survey (MMS) released on Feb. 27 by The National Association of Home Builders (NAHB). The MMS produces two separate indices. The Multifamily Production Index (MPI) remained even at 49, while the Multifamily Vacancy Index (MVI) also remained even with a reading of 40, the report said. The MPI measures builder and developer sentiment about current conditions in the apartment and condo market on a scale of 0 to 100. The index and all of its components are scaled so that a number below 50 indicates that more respondents report conditions are getting worse than report conditions are improving, the study said. The MPI is a weighted average of three key elements of the multifamily housing market: construction of low-rent units - apartments that are supported by low-income tax credits or other government subsidy programs; market-rate rental units - apartments that are built to be rented at the price the market will hold; and for-sale units - condominiums. The component measuring low-rent units increased two points to 53, the section measuring market rate rental units rose six points to 50 and the division measuring for-sale units dropped four points to 46, according to the report. The MVI measures the multifamily housing industry’s perception of vacancies in existing apartments. It is a weighted average of current occupancy indexes for class A, B, and C multifamily units, and can vary from 0 to 100, where a number under 50 indicates more property managers believe vacancies are decreasing than increasing. With a reading of 40, the MVI has remained unchanged for the past three quarters and well under 50, indicating vacancies are improving, the study said. “Demand for apartments has been strong for the past several months, especially for apartments that are more affordably priced,” said Barry Kahn, president of Hetting-Kahn Holdings in Houston and chairman of NAHB’s Multifamily Council. “We are seeing an increased need for affordable housing in most markets around the country.” “Favorable weather conditions and high rates of production contributed to a positive outlook among multifamily developers in the fourth quarter,” said NAHB Chief Economist Robert Dietz. “Sentiment would be higher, but it is being constrained by emerging concerns over housing policies enacted in certain parts of the country, especially proposed rent control policies.” Historically, the MPI and MVI have performed well as leading indicators of U.S. Census figures for multifamily starts and vacancy rates, providing information on likely movement in the Census figures one to three quarters in advance, the study said. Data Tables on the MPI and MVI can be seen at www.nahb.org/mms.

Houlihan-Parnes Properties Reports Financing Activity For White Plains Apartment Building

WHITE PLAINS

Jeremiah A. Houlihan and James K. Coleman of Houlihan-Parnes Properties have arranged acquisition first-mortgage financing in the amount of \$4,650,000 for a five-story brick apartment building containing 36 apartments and four ground floor stores in White Plains, company officials recently announced. The financing was accomplished as part of the sale of the building to a local investor group. It was the first sale of the property in 40 years, officials said.

The property, officials added, is at 82 Bank Street at the southeast corner of Fisher Avenue, directly across from the White Plains Post Office. The property is under a Department of Housing and Urban Development (HUD) contract and the new owners plan to continue with this program and work to make further upgrades to the property. The loan was placed with a local Savings Bank for a seven-year term at a 4.4 percent interest rate with an 18-month interest only component, followed by a 30-year amortization schedule. The lender charged no

commitment fee and the loan has a manageable sliding scale pre-payment penalty, officials said. Houlihan-Parnes Properties is a full-service real estate company providing property/asset management, construction management, sales and mortgage brokerage, back office operations, and real estate consulting. The company specializes in the management of co-ops, condos, residential, retail, and mixed-use properties, officials said.

AN INSURANCE CASE STUDY: Can The Corona Beer Manufacturer and Building and Realty Institute (BRI) Members File Coronavirus Insurance Claims?

By Ken Furst and Jason Schiciano, Levitt-Furst Insurance

TARRYTOWN

Perhaps you’ve read stories that allege that Corona beer (my favorite) is suffering a huge sales drop, due to the brand name’s unfortunate similarity to the fast-spreading coronavirus, and fears that drinking the former can cause infection by the latter. Notwithstanding the tragic implications for human intelligence (or lack thereof), this lost-business scenario raises an interesting question, and one which our office staff has been asked dozens of times during the past few weeks, as the coronavirus has rapidly spread: does my insurance cover my business for coronavirus claims?

THE ANSWER

It depends on the insurance policies that your business or association maintains, and the endorsements and exclusions within the policies (you did know that the answer wasn’t going to be a straight “yes” or “no,” right?). Let’s look at several scenarios. Keep in mind that only your insurance carrier can definitively interpret its policy language, and make coverage claim decisions. The following is a review of possible claim outcomes for hypothetical claims:

BUSINESS INTERRUPTION

What if you own a shopping center, and tenants default on lease payments, claiming a sharp decline in their sales, due to the lack of retail traffic, resulting from coronavirus fears; or, your business is left at a stand-still, because your office workforce fails to show-up, due to a co-worker contracting the virus; or, the sickness of a tenant causes all of your other tenants to move-out, causing a massive reduction in rent collections? Can you file loss of income or loss-of-rents claims for these scenarios? Successful business interruption claims typically require “direct physical loss or damage” to an insured property, caused by a “covered cause of loss” (such as a fire, pipe break, or storm damage). However, if a commercial property is declared unusable or uninhabitable as a result of the coronavirus, the building owner may be able to make a case for loss, provided no other applicable exclusions, such as a “virus or bacteria” exclusion.

CONTINGENT BUSINESS INTERRUPTION

What if you’re a commercial roofer, and you can’t get roofing materials from your primary China-based supplier, whose factory is closed, due to the coronavirus? Like business interruption insurance, contingent business interruption insurance typically requires “direct physical loss or damage” due to a “covered cause of loss” to the contingent business location (e.g. that plant in China), and a virus may or may not be considered a “covered cause of loss,” depending on policy wording.

CIVIL AUTHORITY

What if your business suffers business interruption and loss of business income, due to your municipality declaring a quarantine (e.g. no one is allowed to visit public places, such as malls, offices, or shopping centers, for two weeks)? Similar to business interruption, a “civil authority” claim is triggered by damage - from a covered cause of loss - to physical property within a certain radius of the insured location, and dangerous “physical” conditions resulting from the damage (e.g. hurricane winds causing power plant outages and debris on highways). Again, a “virus” may not be defined by the policy as a “covered cause of loss” and/or may not be considered “damage to physical property.”

WORKERS COMPENSATION AND DISABILITY INSURANCE

Can a worker file a workers compensation insurance claim, alleging that he/she contracted the coronavirus at work? For employees employed by BRI members, the answer is: maybe, but the burden of proof could be challenging.

In the end, it seems prudent to heed the old adage: “an ounce of prevention is worth a pound of cure.” Do the obvious things to help prevent your employees, residents, clients, business, etc., from suffering harm from the coronavirus, rather than ignoring precautionary actions, and hoping insurance will respond to every complicated coronavirus claim scenario.

Workers compensation insurance coverage typically requires that an illness be triggered by an event at the workplace or result directly from the work being performed, and “ordinary diseases” may not be covered. While a hospital or nursing home employee may have a strong claim that he/she contracted the coronavirus while at work (i.e. an “occupational sickness”), it would be more difficult for a construction worker or building superintendent to directly and conclusively trace a coronavirus infection to work performed (as opposed to possibly contracting the virus while traveling, dining out, or at shopping mall). While a coronavirus-related workers compensation claim may be unlikely for employees of BRI members, NY disability insurance benefits would likely be paid, beginning on the eighth consecutive date of illness.

GENERAL LIABILITY

If you are sued for negligence in failing to take reasonable steps to keep your building virus-free (e.g. since you did not hire a company to disinfect the building, many people got sick), your commercial general

Continued on p. 12

The Business Council of Westchester Announces Its Hall of Fame Winners Six Business Leaders to be Honored on Apr. 28

RYE BROOK

The Business Council of Westchester (BCW) recently announced the winners of its prestigious Business Hall of Fame Awards, which recognize Westchester’s top business leaders. The winners will be honored at the 2020 Business Hall of Fame Awards Dinner on Tuesday, Apr. 28 at the Glen Island Harbour Club in New Rochelle, BCW officials said. The winners in their respective categories are:
Corporate Citizenship - Wheelabrator Technologies;
Entrepreneurial Success - Unitex; **Family Owned Business Success** - Robison Oil;
Small Business Success - Zyloware Eyewear;
Women in Business Success - Patricia Simone and Joanna Simone, Simone Development Companies;
Chairman’s Recognition Award - ArtsWestchester

“We are delighted and proud to have such a distinguished and diverse roster of honorees for this year’s Business Hall of Fame. Selecting winners for this prestigious award is never easy and this year was no different. The quality of this year’s nominees is truly outstanding. They represent the very best of Westchester businesses,” said BCW President and Chief Executive Officer (CEO) Marsha Gordon. The theme of this year’s awards celebration is “2020 Vision: Seeing the Future of Business.” The Business Council of Westchester (BCW) is the county’s largest and most influential business membership organization, BCW officials said. The organization is committed to helping businesses market, learn, advocate and grow. The association is actively involved in reviewing federal, state and county legislation and regulations in order to assess the potential impact on the business community and to influence the outcomes through advocacy when the business community’s interests may be affected. The BCW also acts as an information resource for the business community and government leaders at all levels, association officials said.

Robert Martin Company Selects BAM Architecture Studio for the Design of New Biotech Lab & Office Space

ELMSFORD

Following up on the recent launch of its RMC Bio1 initiative, Robert Martin Company recently announced it has selected BAM Architecture Studio (BAM) to help lead the effort in designing the real estate developer’s premier laboratory and office space to serve the burgeoning biotechnology and health technologies industry in Westchester County. RMC Bio1’s first project is the redevelopment of RMC’s 12 Skyline Drive property in Hawthorne, which sits within a highly active “innovation district” encompassing New York Medical College and its successful incubator space BioInc@NYMC, Westchester Medical Center, Regeneron Pharmaceuticals’ world headquarters and the proposed North 60 life sciences campus. BAM will work directly with RMC Managing Director Laurence Gottlieb, who joined the firm in late 2019 and launched RMC Bio1. RMC Bio1 is designed to assist start-up science and technology companies with their transition from regional incubator and accelerator programs into “graduation” spaces, which are flexible laboratories and offices designed especially for high-growth potential companies utilizing the latest in research and development workflow techniques. BAM, which has offices in New York City and Los Angeles, has worked with some of the area’s top life sciences and healthcare providers such as Regeneron Pharmaceuticals, Acorda Therapeutics, BioMed Realty Trust, Westchester Medical Center and White Plains Hospital, as well as Harlem Biospace and Weill Cornell Medicine, among others. Robert Martin Company Chief Executive Officer Tim Jones said: “We selected 12 Skyline because of the property’s proximity to so many other important assets that are critical to growing a viable life sciences and health technologies community. Westchester County is emerging as a powerful magnet for attracting STEM-based businesses using a winning formula that combines abundant intellectual capital, affordable lab and office space, proximity to New York City and easy access to numerous forms of transportation.” Gottlieb added: “RMC Bio1 will eventually encompass a multitude of critical components, but our core principle is developing workspaces dedicated to rapidly expanding, STEM-based companies who are seeking state-of-the art laboratories and workspaces that are flexible, smartly designed and cost-effectively delivered. That is the Robert Martin approach.” Officials said that the first phase of design will begin immediately, with construction expected to begin in the fall.

Business Council of Westchester Unveils Westchester EDGE, A Major & New Economic Development Initiative Multi-Dimensional Effort to Showcase Westchester County as a Region of Economic Growth and Vitality, Officials Say

WHITE PLAINS

The Business Council of Westchester (BCW) on Mar. 3 announced the Westchester EDGE, a bold new economic development initiative led by Maggie Peters, senior vice president of economic development for the BCW. The Westchester EDGE is an initiative designed to provide data resources, advocacy and expertise, as well as showcase, market and promote Westchester County’s business, quality of life, talent, and economic vitality. The proactive initiative includes business retention, attraction, nurturing entrepreneurs, and fostering organic business growth to ensure a prosperous future, officials said. Westchester EDGE (Economic Development, Growth and Enhancement) is a multi-faceted effort to ensure the county’s economic prosperity in the 2020’s and beyond. A collaborative effort among business, education and government leaders, Westchester EDGE provides the right resources and enhances an environment where business, investment, and development flourish. Westchester’s educational network, accessibility, talent, and diverse and abundant business community are just a few of the assets that Westchester EDGE will focus on, officials added. “Westchester is home to more than 20 higher education institutions, 54 percent of Westchester residents over the age of 25 have an associate degree or higher, and we have an extraordinary transportation network with 42 Metro North train stations,” said Peters. “We are experiencing tremendous investment in real estate and continue to see relocation rates rise especially from outside New York State.” Westchester EDGE’s multi-pronged approach to promoting Westchester County, officials said, includes several new and continuing efforts:
❖ **Downtown Revitalization:** The county’s downtowns and urban cores are critical to the region’s prosperity. Westchester EDGE will enhance efforts to market Westchester’s downtowns and urban centers.
❖ **Cluster Enhancement:** The Westchester EDGE will foster an innovation ecosystem, and support supply chain development and industry networks to ensure industry clusters continue to grow in Westchester.
❖ **Data Exchange:** Westchester EDGE provides data resources including, but not limited to, workforce statistics, data by partner organizations, and special reports. In addition, the BCW, in partnership with Siena College and the Business Council of New York, will continue to survey Westchester Chief Executive Officers (CEOs) about the business climate, regulatory environment, workforce, capital investment plans, and other relevant matters.
❖ **Business Incubation:** Supporting small business and the entrepreneurial spirit is a key component to Westchester’s economy, the

BCW’s strategy, and the Westchester EDGE. The BCW will continue to work with its in-house Small Business Development Center (SBDC) representative and the county’s incubators, Element 46 and Bio Inc.
❖ **Stronger Together Partnership Development:** The BCW’s long-standing belief in partnership is integral to the success of the Westchester EDGE. The BCW said that it is proud to announce its newest partner, GRO-BIOTECH. GRO-BIOTECH is a coalition of graduate biotechnology organizations from top life sciences programs in the NYC region.
❖ **Government Investment:** Westchester EDGE will enhance efforts to support municipal officials, businesses, and not-for-profits as they secure funding for projects through the county IDA and the N.Y. State Regional Economic Development Council.
❖ **Advocacy:** Westchester EDGE will push for economic development projects, state funding, and policies that work for Westchester at all levels of government.
❖ **Events:** The BCW and Westchester EDGE will host a number of important programs to support Westchester’s economic development initiatives, including:
March 20, 2020: “CEO’s Speak - BCW/Siena Poll CEO Review”
May 2020: Fordham University Real Estate 2020 - “How to Harness Emerging Technologies”
November 2020: Downtown Summit & Placemaking Awards
December 2020: Economic Outlook - “A Look Back and a Look Forward. What to Expect in 2021.” “The Business Council of Westchester is making an unprecedented effort to promote and help shape the county’s future prosperity,” said BCW President and CEO Marsha Gordon. “We are committing to an extraordinary effort to raise our county’s profile in the state and beyond.” The BCW, association officials said, is Westchester County’s largest and most prestigious business membership organization representing more than 1,000 members, including multinational corporations, hospitals, universities, biotech pioneers, not-for-profits, entrepreneurs and companies of all sizes. The BCW’s members enjoy unparalleled access to today’s top thought leaders, diverse business development opportunities and lawmakers at all levels of government, association officials said. The BCW Data Exchange provides the latest demographic research to help guide smart business decisions. The LEAP program, a one-of-a-kind initiative, gives members direct access to lobbying efforts at the county, state and national levels on issues that directly affect their businesses, association officials added.

