Construction Compensation Insurance Group Reports a 25 Percent Dividend for Its Members

Real Estate Group Also Announces a 25 Percent Dividend

TARRYTOWN

New York State Workers Compensation Group 458, the compensation insurance group of The Builders Institute (BI), recently announced a 25 percent dividend for the policy year ending June 29, 2021.

The dividend was announced at the group's Annual Meeting on May 4. Levitt-Fuirst Insurance, the manager of Group 458 and the insurance manager of The Builders Institute (BI), made the announcement. The dividend was in addition to a 30 percent advance discount that group members are eligible to receive, spokesmen said. Group 458 officials said that the group has now had 71 consecutive years of dividends. Group 458 was formed in 1951. A total of 675 construction industry members participate in the program. Contractors, Sub-Contractors, Suppliers and Renovation/ Remodeling companies are eligible to be members of Group 458, group officials added.

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Impact

Serving Westchester and the Mid-Hudson Region

News for the Building and Realty Industry

76 Years of Providing Knowledge to the Building Community

BRI

JULY/AUGUST 2022 VOL. 21 NO. 2

The Westchester County Rent Guidelines Board Approves Increases of 2 Percent and 3 Percent for Lease Renewals

NEW ROCHELLE

The Westchester County Rent Guidelines Board on Jun. 27 decided on guideline increases for renewal leases affected by The Emergency Tenant Protection Act (ETPA).

Owners and Managers of ETPA properties are mandated by the board to issue a 2 percent increase for a One-Year Lease Renewal. For a Two-Year Lease Renewal, Owners and Managers can issue a 3 percent increase. The board reached its decisions, in a final vote of 5-3, during its Deliberation and Voting Session at New Rochelle City Hall.

The board conducted three Public Hearings (Jun. 8 in Yonkers, Jun. 14 in White Plains and Jun. 21 in Mount Vernon), as well as a Research and Analysis Presentation Meeting (Jun. 13 in White Plains) and a Presentation Meeting (Jun. 22 in New Rochelle) prior to its final decisions.

The guidelines affect renewal leases between Oct. 1, 2022 and Sep. 30, 2023. The guideline increases are scheduled to be certified at the board's next meeting in September. The date and location of that meeting will be announced in the weeks ahead, according to officials from The New York State Homes and Community Renewal Agency (HCR).

Representatives of the Apartment Owners Advisory Council (AOAC) of the Building and Realty Institute (BRI) said that, although the new increases will avoid the rent freeze and near-freezes of the past two years, the rent adjustments do not keep up with the operating costs of rent-stabilized buildings that have dramatically increased due to inflation and the supply shortages caused by the COVID-19 pandemic.

AOAC and BRI officials stressed that, nationally, the inflation rate has risen to over eight percent. Building materials are up 19.2 percent year-over-year, according to the National Association of Home Builders (NAHB), and 35.6 percent since March of 2020.

Since September, AOAC/BRI officials added, the cost of lumber shot up again by 60.4 percent. Labor costs and windows and doors are increasing on jobs across Westchester County. Across the county, heating oil prices increased from 302 cents per gallon to 515.1 cents per gallon from April of 2021 to April of 2022, a 71 percent increase. The U.S. Energy Information Administration (EIA) estimated that on average there will be an increase of 3.9 percent in the price of electricity for U.S.

Continued on p. 4

BUILDING AND REALTY REPORT: Weakening Builder Confidence Points to Economic Troubles Ahead

WASHINGTON, D.C.

Rising inflation and higher mortgage rates are slowing the traffic of prospective home buyers and putting a damper on builder sentiment across the U.S., according to a building and realty industry report.

In what the report said is a troubling sign for the housing sector, builder confidence in the market for newly built single-family homes posted its sixth straight monthly decline in June, falling two points to 67, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Jun. 15.

The study said the analysis contains the lowest HMI reading since June of 2020.

"Six consecutive monthly declines for the HMI is a clear sign of a slowing housing market in a high inflation, slow growth economic environment," said NAHB Chairman Jerry Konter, a builder and developer from Savannah, Ga. "The entry-level market has been particularly affected by declines for housing affordability and builders are adopting a more cautious stance as demand softens with higher mortgage rates. Government officials need to enact policies that will support the supply-side of the housing market as costs continue to climb."

"The housing market faces both demand-side and

Continued on p. 9

NAHB STUDY: The Residential Remodeling Market Across the U.S. Remained Stable Year-Over-Year

WASHINGTON, D.C

The National Association of Home Builders (NAHB) released its NAHB/Westlake Royal Remodeling Market Index (RMI) for the first quarter, posting a reading of 86, which remained unchanged compared to the first quarter of 2021.

The finding is a signal of residential remodelers' confidence in their markets across the U.S., for projects of all sizes, the report said. The study was released on Apr. 14.

"Business remains strong for most remodelers at the beginning of 2022," said NAHB Remodelers Chair Kurt Clason, a remodeler from Ossipee, N.H. "However, a few are starting to report that customers are reluctant to move forward on projects due to the delays and higher costs caused by supply chain problems."

The index asks remodelers to rate five components of the remodeling market as "good," "fair," or "poor." Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor, NAHB officials said.

The Current Conditions Index is an average of three components: the Current Market for Large Remodeling Projects, Moderately-Sized Projects and Small Projects. The Future Indicators Index is an average of two components: the Current Rate at Which Leads and Inquiries are Coming In and the Current Backlog of Remodeling Projects. The overall RMI is calculated by averaging the Current Conditions Index and the Future Indicators Index. Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor, the report said.

Continued on p. 9

Co-op and Condo Corner

The Cooperative and Condominium Advisory Council (CCAC) Is Continuing Its Consistent Advocacy Efforts

***Editor's Note:** The staff of IMPACT is happy with the return of Co-op and Condo Corner to our publication. The column was originally written by the late Herb Rose, a well-known Co-op and Condo Consultant throughout the New York metropolitan area. Former CCAC Chair Diana Virrill also wrote the column, which covers topics of interest to the Co-op and Condo Sector. Current CCAC Chair Jane Curtis will now author the report on a regular basis.*

By Jane Curtis, CCAC Chair

MOUNT VERNON

Jane Curtis

Co-ops have come under intense legislative scrutiny in recent years, resulting in a Westchester County law regulating the Co-op Admissions Process that requires any rejection of an applicant to be reported to the Westchester County Human Rights Commission (HRC), along with the reason for the denial.

While the HRC has not disclosed whether the number of fair housing complaints has increased as a consequence of these reports, another aspect of the law is clearly creating poor outcomes for Co-ops, applicants, and real estate brokers alike.

Beginning in August of 2021, Co-ops are now not only required to publish their existing financial criteria for prospective shareholders, but also to create a set of 'preferred' minimum standards specified by the Westchester County Board of Legislators.

The unfortunate, unintended effect of this provision is a forced binary decision making process and automatic rejection of marginal candidates, whom the Admissions Committees would previously have worked with toward acceptance.

Many of these rejected applicants are from the protected classes the law was intended to benefit.

This law, and many other proposed laws, reflect fundamental misunderstandings of Co-ops, which the Cooperative & Condominium Advisory Council (CCAC) seeks to address through our advocacy.

No fewer than 50 bills related to Co-ops and Condos, most of them detrimental, were recently introduced in the New York State Legislature, a number of which are similar to the Westchester County Admissions Law. Many others inadvertently sweep Co-ops into legislation intended for Landlords and Renters. Yet another, which was recently passed by the legislature, would change the method of property taxation for new Co-ops, creating a disincentive just at the time when the formation of new Co-ops is most needed as part of the answer to our region's Affordable Housing Crisis. The legislation is now before Gov. Hochul and will become law if she signs it.

The CCAC's Board of Directors, our staff, lobbyist, Government Affairs Director, and Political Action Committee (PAC) are working diligently to engage with legislators in discussions of the value and unique aspects of Co-ops

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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

The Steady Flow of News on Key Topics Affecting the Building, Realty & Construction Industries Continues

ARMONK

The Beat Goes On.

That title from the 1967 rock hit by Sonny and Cher most definitely summarizes the consistent flow of news in this issue of IMPACT. There are, without question, no shortages of reports in this edition on important topics affecting the building, realty and construction sectors. The stories include:

- A Page One report on the Westchester County Rent Guidelines Board approving rent increases of two percent and three percent for lease renewals that are affected by the Emergency Tenant Protection Act (ETPA).
- A Page One story on New York State Workers Compensation Groups 458 and 530 recently reporting their recent dividends for their respective memberships.
- A Page One report from the National Association of Home Builders (NAHB) citing that rising inflation and higher mortgage rates are slowing the traffic of prospective home buyers and putting a damper on builder sentiment across the U.S.
- A Page One summary on how the Cooperative and Condominium Advisory Council (CCAC) of the BRI is continuing its consistent advocacy efforts on behalf of our region's Co-op and Condo Community. The summary was written by Jane Curtis, CCAC Chair. The report marks the return of Co-op and Condo Corner to IMPACT. Co-op and Condo Corner has been a longtime feature of our publication.
- A Page Two article in Insurance Insights on Home and Building Insurance Replacement Cost Limit scenarios. The article was written by Ken Fuirst and Jason Schiciano, co-presidents of Levitt-Fuirst Insurance. Levitt-Fuirst Insurance is the Insurance Manager for the BRI and its seven component associations. Fuirst and Schicano also authored a Page Three article on the possibility of Workers Compensation Rates skyrocketing in the months ahead.
- A Page Three report in Counsels Corner on two recent areas of interest in Co-op and Condo law. The story was written by representatives of Finger and Finger, A Professional Corporation. Finger and Finger serves as Chief Counsel to the BRI and its seven component associations.
- A Page 12 report from the NAHB stressing that Builder confidence across the U.S. fell for the eighth straight month in August as elevated interest rates, ongoing supply chain problems and high home prices continue to exacerbate housing affordability challenges.

The staff of the BRI hopes that you enjoy the remainder of this summer. And this issue!

Insurance Insights

By Ken Fuirst and Jason Schiciano
Levitt-Fuirst Insurance

Have You Checked Your Home or Building Insurance Replacement Cost Limit? With Historic Inflation, Now is Definitely the Time!

"Some two-thirds of fire victims typically are underinsured"

— United Policyholders, 1/8/22

TARRYTOWN

The most significant input in the cost of a Property Insurance Policy is the Replacement Cost Limit.

In general (not withstanding policy enhancements, endorsements, etc.) the Replacement Cost Limit is the maximum dollar the insurance carrier will pay to reconstruct a home (Dwelling Replacement Cost) or building (Building Replacement Cost). All other things being equal, the higher the Replacement Cost, the higher the policy premium.

Carriers seek to compute premiums based on adequate Replacement Costs for all insured properties. If a carrier allows its portfolio to be under-insured, then over time, it will not collect enough premium in order to pay claims, and maintain profitability. Eventually, the carrier will go out-of-business.

Arguments

Homeowner and Building Owner clients often complain that the insurance carrier has set the Replacement Cost, at more than what they believe is required to replace the building or home, thereby inflating the premium they must pay. Typical arguments include:

- **Homeowner:** "That's double what I paid for the home when I purchased it two years ago, the replacement cost can't possibly be that high."
- **Homeowner:** "I spoke to a builder, who said he could rebuild my home for much less than that."
- **Building Owner:** "My building is mostly masonry and steel. There's no way the whole building would ever completely burn-down, so use a lower replacement cost."
- **Building Owner:** "That's a 40 percent higher replacement cost than the current insurance carrier is using. I just want you to match what the building is currently insured for."

Carriers don't just arbitrarily set the Replacement Cost Amount. The figure is typically calculated by algorithms, which estimate the replacement cost, based on numerous factors, including: square footage of the structure; construction type (e.g. wood-frame, joisted masonry, fire resistive, etc.); location (e.g. it costs more to build in Manhattan than in Rockland County); The Number of Stories (multi-story buildings cost more to construct); and the quality of construction (average, superior, etc.).

A Variety of Choices

One Common Replacement Cost Estimating Software is CoreLogic/Marsal & Swift, but there are many others, including carriers' proprietary systems. High-end Homeowner insurers - such as Chubb, PURE, Cincinnati, AIG, or BerkleyOne - typically do an In-Home Replacement Cost Appraisal, and provide the homeowner with a detailed report, including Property-Specific Replacement Cost Calculations. Commercial Carriers will often inspect a property, or use publicly available data, to help estimate Replacement Cost.

Over the past decade, many carriers have sought to correct what they deemed under-insured homes and buildings, citing either an insufficient Limit used when the policy was originally written, and/or lack of regular increases to the Limit, in order to keep-up with inflation. Many carriers now routinely increase Replacement Cost Limits upon every renewal, to help keep the reconstruction value in-line with inflation over time.

With minimal inflation over the past decade up until 2021, homeowners and property owners often complained that carriers' typical 2 percent

Continued on p. 6

Phyllis and Ed Lashins

A Lashins Family Donation Helps Northern Westchester Hospital Healthcare Workers Receive a Wellness Gym

ARMONK

Well-known and longtime members of Westchester County's real estate community were recently acknowledged by a local organization.

Northern Westchester Hospital, part of Northwell Heath, recently announced the dedication of the Lashins Family Employee Wellness Gym, a 1,350-square-foot, fully equipped onsite gym for employees. The facility is open 24 hours a day, seven days a week. The gym was made possible through a generous donation from Ed Lashins and Phyllis Lashins, officials said.

Ed Lashins is the principal of Lashins Development Corporation. The company, which is based in Armonk, is a longtime member of the Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI). Ed Lashins is a former president of the BRI. He is a current member of the association's Board of Trustees. Ed Lashins and Phyllis Lashins are residents of Armonk.

"We know how difficult the past few years were for everyone, but especially the heroic efforts of our health care workers," said Ed Lashins and Phyllis Lashins, Armonk residents and Northern Westchester Hospital patrons for more than 30 years. The comments were reported on in the Apr. 29, 2022 edition of The River Journal.

Ed Lashins and Phyllis Lashins added: "As soon as we heard about this project, we knew we needed to make this come to fruition. We are excited for this moment and the future health of NWH and its excellent staff."

According to the report in The River Journal, over the past two decades, Northern Westchester Hospital's philanthropic community invested more than $160 million to improve the hospital's medical and surgical excellence. This enabled the hospital to continually renew, expand, and accelerate its best-in-class patient care and state-of-the-art technology, becoming the first hospital in the nation to achieve both designation as a Planetree Patient-Centered Hospital with Distinction and Magnet Recognition for quality patient care, nursing excellence and innovation in the facility's professional nursing practice.

The gym is equipped with two treadmills, two adjustable weight benches, a lat tower, a Smith machine, a rowing machine, an elliptical cardio machine, stationary bikes, free weights, stretch mats, a Mirror workout system, two active Peloton workout systems and two bathrooms with showers. The space also features rotating motivational quotes and QR codes that will provide tips on food and nutrition, mental health and physical wellness and integrative medicine, according to the report in The River Journal.

"Our patients and team members are at the center of every decision we make," said Derek Anderson, executive director at Northern Westchester Hospital, in the report by The River Journal. "Going to the gym regularly improves your health, mind, and body. We are grateful to the Lashins family and our own employees who donated the funds to open this fitness center. As a Planetree Hospital, we prioritize investing in our team members' total well-being because we know that when they are strong, in body and mind, it's good for our patients and our community."

News for the Building and Realty Industries **Impact**

PUBLISHER: Tim Foley
EXECUTIVE EDITOR: Jeffrey R. Hanley
EDITORIAL ASSISTANT: Margie Telesco
DESIGN AND PRODUCTION: Roher/Sprague Partners
PHOTOGRAPHIC CONSULTANT: Anika Nahar
CONTRIBUTORS: Carl Finger, Dan Finger, Ken Finger, Dorothy Finger, Ken Fuirst, Jason Schiciano

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SUBSCRIPTION is $20 per year, included in membership dues.

IMPACT (USPS 259-900) is published bi-monthly by The Builders Institute/Building and Realty Institute. Periodical Postage Paid at White Plains, NY 10610 and at additional mailing offices.

POSTMASTER: Send address changes to IMPACT, 80 Business Park Drive, Suite 309, Armonk, NY 10504.

New Research Shows Regulations Account for 40.6 Percent of Apartment Development Costs

WASHINGTON, D.C.

Regulation imposed by all levels of government accounts for an average of 40.6 percent of multifamily development costs across the U.S., according to new research released on Jun. 9 by the National Association of Home Builders (NAHB) and the National Multifamily Housing Council (NMHC).

"The U.S. is facing a serious housing affordability crisis, in part, because of this overly burdensome regulatory environment," said Doug Bibby, NMHC president. "We need to do all we can to lower the cost of housing, and that should start with eliminating duplicative and unnecessary regulations. Those extra costs make many projects financially unviable given that housing providers are already dealing with sky-high land, materials and labor costs."

"This study clearly shows how burdensome regulations are exacerbating the nation's housing affordability crisis and that officials at all levels of government need to make it a priority to reduce excessive regulatory costs to allow developers and builders to boost housing production and ease affordability challenges," said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga.

Apartment developers are subject to a variety of regulations at all levels of government. Among others, they include zoning requirements, building codes, impact fees, permitting requirements, design standards, public land requirements, and federal Occupational Safety and Health Administration (OSHA) regulations and other labor requirements. Smart regulations play an important role in ensuring the health and well-being of the American public, but many regulations such as design standards go far beyond those important goals and impose costly mandates on developers that drive housing costs higher. Others are duplicative and require resources to confirm compliance with multiple regulators, the research said.

The new research, based on a survey of 49 developers across the U.S., also examined regulations and other factors that can impact whether development even occurs. Three quarters (74.5 percent) of respondents said they encountered "Not on My Backyard" (NIMBY) opposition to a proposed development. Confronting that opposition adds an average of 5.6 percent to total development costs and delays the completion of those new properties by an average of 7.4 months.

The research asked detailed information about affordability mandates. Slightly less than half (43.8 percent) of respondents said their typical project was in a jurisdiction with inclusionary zoning, a regulation that requires developers to offer a certain number of apartments at below-market rents. Covering the costs of those lower rents, on average, resulted in a 7.6 percent rent increase, the research said.

As a result, 47.9 percent of developers said they avoid building in a jurisdiction with inclusionary zoning requirements. A total of 87.5 percent avoid working in jurisdictions with rent control. This translates into housing not being built in many areas where it is so desperately needed, the research added.

Identifying duplicative and unnecessary regulatory costs is a critical factor as the work of addressing the critical shortage of affordable housing facing the U.S. continues, the research said.

REPORT:

Rising Interest Rates and Higher Construction Costs Are Slowing Housing Production Across the U.S

WASHINGTON, D.C.

Rising interest rates and ongoing building material supply chain disruptions that raise construction costs continue to act as significant headwinds on the housing market, according to a recent report.

Overall housing starts across the U.S. fell 14.4 percent to a seasonally adjusted annual rate of 1.55 million units in May from an upwardly revised reading the previous month, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The findings of the report are contained in a recent analysis by The National Association of Home Builders (NAHB). The analysis was released on Jun. 16.

The May reading of 1.55 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 9.2 percent to a 1.05 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, decreased 23.7 percent to an annualized 498,000 pace, the NAHB analysis said.

"Single-family home building is slowing as the impacts of higher interest rates reduce housing affordability," said Jerry Konter, chairman of NAHB and a home builder and developer from Savannah, Ga. "Moreover, construction costs continue to rise, with residential construction materials up 19 percent from a year ago. As the market weakens due to cyclical factors, the long-term housing deficit will persist and continue to frustrate prospective renters and home buyers."

"In further signs that the housing market is weakening, single-family permits are down 2.5 percent on a year-to-date basis and home builder confidence has declined for the last six months," said NAHB Chief Economist Robert Dietz. "Due to the acceleration in construction activity in recent quarters, housing completions are rising. Single-family completions were up 8.5 percent in May of 2022 compared to May of 2021 as inventories rise."

On a regional and year-to-date basis, combined single-family and multifamily starts are 2.1 percent higher in the Northeast, 1.2 percent higher in the Midwest, 12.9 percent higher in the South and 4.3 percent higher in the West, the NAHB analysis said.

Overall permits decreased 7.0 percent to a 1.70 million unit annualized rate in May. Single-family permits decreased 5.5 percent to a 1.05 million unit rate. This is the lowest pace for single-family permits since July of 2020. Multifamily permits decreased 9.4 percent to an annualized 647,000 pace, the NAHB analysis added.

The NAHB analysis noted that, looking at regional permit data on a year-to-date basis, permits are 8.3 percent lower in the Northeast, 5.2 percent higher in the Midwest, 4.6 percent higher in the South and 1.6 percent higher in the West.

Construction Compensation Insurance Group Reports a 25 Percent Dividend for Its Members, Continued from p. 1

Group 530 Announces Its Dividend

New York State Workers Compensation Group 530, the compensation insurance group for The Cooperative and Condominium Advisory Council (CCAC), The Apartment Owners Advisory Council (AOAC) and The Advisory Council of Managing Agents (ACMA) of The Building and Realty Institute (BRI), recently announced a 25 percent dividend for the policy year ending June 1, 2021. Group spokesmen said that the dividend is in addition to the Advance Discount of 25 percent that group members are eligible to receive. The announcement was made during the group's Annual Meeting on Apr. 5. A total of 475 cooperatives, condominiums, apartment buildings and office buildings participate in the program, spokesmen said. Group 530 was formed in 1990.

Officials for Group 458 and Group 530 added that that the upfront discount for both groups increased five percent from last year.

Counsels' Corner

Two Recent Areas of Interest in Co-op/Condo Law

Ken Finger

Dorothy M. Finger

Carl Finger

Dan Finger

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

WHITE PLAINS

Reasonable Accommodation, once again.

The State of New York, in 2020, enacted into law a requirement that housing providers notify all residents of their potential rights to a Reasonable Accommodation.

At the time of the enactment of the law, the New York State Division of Human Rights (DHR) then published a sample form of notice. Thereafter, in 2021, the state repealed the 2020 law and enacted a new law requiring again that housing providers notify all residents of their potential rights to a Reasonable Accommodation. While the essence of the notification did not significantly change, there were sufficient changes to require that a new notice be sent out to the residents.

Once again, the state promulgated a new form. The promulgation of a new form raised questions in the minds of some landlords, such as do we again have to go to the time and expense of sending out a notice advising the residents of their potential rights to reasonable accommodations? The answer is simply yes. Since the old law was repealed and there was a new law and new form, even though the basic concept is the same, strict compliance with the requirements of the law is necessary.

While one might argue that the form was perhaps more detailed than the legal requirements, and a notice could be fashioned that technically complies with the requirements of the law, the safest route to take is to send out the notice that the DHR promulgated and thereby avoid any complaint that the requirements of the law were not followed.

Housing providers should consult with their own counsel if they have not as of yet complied with the law, and take steps to do so immediately. It is noted, among other things, that if your building was constructed on or prior to March 13, 1991, the building owner might not be required to meet the accessibility standards that are required for all buildings constructed after March 13, 1991. It is also noted that a complaint must be filed with DHR within one year of the alleged discriminatory act or within three years if in court. It is strongly suggested that if there is any question, that the particular building owner / manager consult with counsel. A link to the form can be found at www.dhr.ny.gov.

Electronic Procedures Approved by the Court

The Pandemic resulted in many changes in Cooperative and Condominium procedures, among which were virtual Board meetings and modification of the Annual Meeting Procedure.

A case recently was decided (Lifesavers Bldg. Homeowners Group v. Bd. of Mgrs. of the Landmark Condo, Supreme Court, Westchester County, May 23, 2022) that dealt with a board's ability to create new electronic procedures for voting, specifically related to verification of votes by email, pursuant to recently amended New York Non-Profit Corporation Law (NPCL) §603 (whose language mirrors that of the New York Business Corporation Law (BCL) §708).

The Pandemic caused many Co-ops and Condominiums to either delay or postpone Annual Meetings for fear of spreading COVID-19. The state, in response, and understanding the frequent use of "Zoom" meetings or virtual meetings by some other form, caused a statutory change to certain methods of meetings which had been promulgated by Executive Order. That change allowed Condos and Co-ops to hold "virtual" shareholder and unit owner meetings. The statute also allowed the utilization of electronic methods to verify participation of shareholders and unit owners and to conduct virtual meetings (avoiding in-person meetings). Thus, the use of email, and virtual meetings, with appropriate safeguards, has now been court approved and can give comfort to those Condos and Co-ops that want to continue using virtual meetings to use electronic means to document action by written consent by boards and to hold virtual shareholder meetings.

The laws permit the board to conduct electronic meetings and to implement "reasonable measures" to "verify that each person participating electronically is a member or a proxy of a member."

***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 Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI) and its seven component associations.*

A Warning: Workers Comp Rates Might Skyrocket!

By Ken Fuirst and Jason Schiciano, Co-Presidents, Levitt-Fuirst Insurance

TARRYTOWN

Workers Compensation Bill A1118/S768 has passed both houses in Albany. This is a major change to workers compensation law and would drastically alter the costs of insurance in New York State!

One of the key goals of the Workers Compensation system is to help an injured worker return to work. For example, if a warehouse worker has injured their shoulder, and can no longer lift heavy objects, then a different suitable job should be found for them, like lifting smaller boxes or operating the forklift or an office job. If a secretary develops Carpal Tunnel and can no longer type, maybe they can answer phone calls. Or what if a salesperson gets hurt and can no longer drive to appointments - can they get an inside sales job?

Under the current Workers' Compensation system, an injured employee who can't return to their pre-injury employment must seek new work within their medical restrictions. That worker will be paid wage replacement benefits so that if the new role has a lower salary, the WC Insurance Company makes up some of the difference.

The new bill on the Governor's desk eliminates that requirement to seek work. WC Bill S768 will now place an injured worker on Total Disability if they cannot perform the exact responsibilities they were doing prior to the injury, or if the current employer cannot provide light duty. So, in the examples we just listed, those employees will now collect full WC benefits, possibly for the rest of their lives, just because they cannot do exactly what they used to do! Basically, someone with a five percent degree of disability will now be allowed to collect 100 percent of the benefits.

Specifics

PROBLEM 1

Total Disability pays the Employee more than Partial Disability, so this law will drive up Insurance Premiums!

Continued on p. 11

BUILDING INDUSTRY STUDY:

Housing Market at Inflection Point as Builder Confidence Across the U.S. Continues to Decrease

WASHINGTON, D.C.

Rapidly rising interest rates combined with ongoing home price increases and higher construction costs across the U.S. continue to take a toll on builder confidence and housing affordability.

Builder confidence in the market for newly-built, single-family homes moved two points lower to 77 in April, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Apr. 18. The index said it was the fourth straight month that builder sentiment has declined.

"Despite low existing inventory, builders report Sales Traffic and Current Sales Conditions have declined to their lowest points since last summer as a sharp jump in mortgage rates and persistent supply chain disruptions continue to unsettle the housing market," said NAHB Chairman Jerry Konter, a builder and developer from Savannah, Ga. "Policymakers must take proactive steps to fix supply chain issues that will reduce the cost of development, stem the rise in home prices and allow builders to increase production."

"The housing market faces an inflection point as an unexpectedly quick rise in interest rates, rising home prices and escalating material costs have significantly decreased housing affordability conditions, particularly in the crucial entry-level market," said NAHB Chief Economist Robert Dietz.

Mortgage interest rates have jumped more than 1.9 percentage points since the start of the year and currently stand at 5 percent, the highest level in more than a decade, the report said.

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the report 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, the report added.

The index gauging Current Sales Conditions, the report said, fell two points to 85 and the component charting the Traffic of Prospective Buyers posted a six-point decline to 60. The gauge measuring Sales Expectations in the Next Six Months increased three points to 73 following a 10-point drop in March.

Looking at the Three-Month Moving Averages for regional HMI scores, the Northeast posted a one-point gain to 72. The Midwest dropped three points to 69, the South fell two points to 82 and the West edged one-point lower to 89, the report said.

HMI tables can be found at nahb.org/hmi. More information on housing statistics is also available at Housing Economics PLUS (formerly housingeconomics.com), NAHB officials said.

Building Industry Report:

Multifamily Production at a Two-Year High as Single-Family Starts Remain Strong

WASHINGTON, D.C.

Despite production bottlenecks and rising construction costs, total housing starts, led by a strong multifamily reading, posted a solid gain across the U.S. in February as demand stays strong and existing inventory remains at low levels.

Overall housing starts increased 6.8 percent to a seasonally adjusted annual rate of 1.77 million units, according to data from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The figure is 22.3 percent above the rate posted a year earlier. The assessments are contained in a building and realty industry analysis that was released on Mar. 17 by The National Association of Home Builders (NAHB).

The February reading of 1.77 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts increased 5.7 percent to a 1.22 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, increased 9.3 percent to an annualized 554,000 pace, the NAHB analysis said.

"Builders continue to start homes as the demand for new construction remains solid in a market lacking inventory of previously owned homes," said Jerry Konter, NAHB chairman and a home builder and developer from Savannah, Ga. "However, construction costs are rising too quickly, which threatens housing affordability conditions in 2022 as interest rates rise."

"The February pace for apartment construction was the best since January 2020 and we expect the multifamily sector to continue to show strength as the economy reopens," said NAHB Chief Economist Robert Dietz. "On the single-family front, the count of homes permitted but not started construction reached a four-month high in February, rising to 152,000. This is an indication of the ongoing supply-chain delays and cost issues that are limiting the pace of home building in many markets."

On a regional basis compared to the previous month, combined single-family and multifamily starts are 28.7 percent higher in the Northeast, 15.3 percent higher in the Midwest, 11.4 percent higher in the South and 11.4 percent lower in the West, the NAHB analysis said.

The NAHB analysis added that overall permits decreased 1.9 percent to a 1.86 million unit annualized rate in February. Single-family permits remained essentially flat, falling 0.5 percent to a 1.21 million unit rate. Multifamily permits decreased 4.4 percent to an annualized 652,000 pace.

Looking at regional permit data compared to the previous month, permits are 22.7 percent higher in the Northeast, 8.4 percent lower in the Midwest, 5.5 percent lower in the South and 2.1 percent higher in the West. There are now 799,000 single-family homes under construction, a 28.3 percent year-over-year gain, the NAHB analysis added.

Cohen Brothers Realty Corporation Proposes an Overhaul for the Former Arrowwood Hotel and Conference Center Location

RYE BROOK

Cohen Brothers Realty Corporation recently announced a proposal for a dramatic redevelopment of the defunct Doral Arrowwood Hotel and Conference Center in Rye Brook.

The proposal, announced on May 12, calls for the facility to be redeveloped as a wellness-focused luxury boutique hotel and spa destination featuring multiple restaurants, celebrity-chef dining, extensive indoor and outdoor recreation facilities and luxury housing, officials said.

The proposal calls for replacing the complex on Anderson Hill Road that closed in January of 2020 with a 146-room luxury boutique hotel, together with 36 apartments and 78 townhomes on the approximately 90-acre property, much of which would remain open space. The concept will feature signature architecture and envisions two marquee destination restaurants, as well as a hotel restaurant, bars, lounges, fitness facilities, conference and meeting rooms and ballrooms, officials added.

The existing hotel, officials said, will be demolished, and the golf course will be reimagined as natural open space with a trail network.

Officials said the proposed project would create a new footprint that would define the aesthetic and environmental qualities of the site. It is expected to draw from the surrounding Westchester and southern Connecticut regions, as well as New York City residents seeking a nearby luxury spa with signature amenities.

"We are very excited to be moving forward with a proposal that we believe is well-suited for the property, the adjacent community, the Village of Rye Brook and Westchester County," said Charles S. Cohen, president and chief executive officer of Cohen Brothers, who grew up in nearby Harrison.

Cohen added: "This is a complete reimagination of an outdated use that is aligned with business and consumer trends of the 21st century."

A formal proposal and application will be submitted to the Village of Rye Brook for consideration and discussion, officials said.

Cohen Brothers Realty Corporation is a private real estate development and management firm with more than 50 years of success in New York and across the country, company officials said.

The firm has built a national reputation for developing and redeveloping premier properties in prime locations and operating them impeccably, including 333 Westchester Avenue in White Plains, officials added.

Once the headquarters of the General Foods Corp., Cohen Brothers acquired the 39-acre property, officials said, and worked with famed architect Philip Johnson and transformed it into a multi-tenant office campus with lush gardens, tree-lined courtyards and first-class amenities.

More Than 600 NAHB Members Urge Congress to Take Action to Ease the National Housing Affordability Crisis

WASHINGTON, D.C.

More than 600 builders, remodelers and associate members from across the nation traveled to Capitol Hill on Jun. 15 for the National Association of Home Builders (NAHB) 2022 Legislative Conference.

NAHB officials said a goal of the conference was to spotlight the growing housing affordability crisis that threatens to derail the U.S. economy. NAHB representatives urged their lawmakers to support policies that will ease building material production bottlenecks and increase the production of quality, affordable housing, association officials said.

"A growing shortage of affordable housing and rising housing costs stemming from historically high price levels for lumber and other building materials, supply chain bottlenecks, surging interest rates and excessive regulations are hurting families and communities nationwide," said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga.

Konter added: "Building professionals from across the nation are sending a loud and clear message that Congress must act now to help improve affordability conditions by implementing policies that will help builders to construct more single-family homes and apartments to meet consumer demand."

In more than 200 individual meetings with their representatives and senators, NAHB members, association officials said, discussed several key housing issues. They included volatile building material prices and supply chain disruptions; diminishing housing affordability conditions; burdensome federal, state and local building regulations; skyrocketing inflation and interest rates; and a chronic construction labor shortage.

Building material prices are up 47 percent since the spring of 2020 and Fannie Mae estimates that the monthly principal and interest payment to purchase a median-priced home has risen by $500 since the beginning of the year due to the rapid rise in mortgage rates, NAHB representatives stressed to legislators.

Legislators were told that reducing excessive regulations that account for nearly 25 percent of the price of building a single-family home and more than 30 percent of the cost of a typical multifamily development will provide more homeownership and rental housing opportunities for all Americans. On the labor front, there is a record-high shortage of 449,000 workers in the construction industry, and this is resulting in housing construction delays and higher home building costs, NAHB representatives stressed.

In their meetings with lawmakers, NAHB representatives urged Congress to take the following actions:

- Call on the Biden administration to suspend tariffs on Canadian lumber imports into the U.S. to help reduce unprecedented lumber price volatility and to move immediately to enter into negotiations with Canada on a new softwood lumber agreement.
- Pass the No Timber from Tyrants Act, which would ban lumber imports from Russia and ramp up responsible harvesting of timber from federal lands to create jobs and produce more sustainable wood products.
- Promote and fund job training programs to prepare individuals for careers in home building and pursue immigration policies that help fill labor gaps while protecting the nation's borders.

The NAHB representatives also thanked their respective members of Congress for passing the Ocean Shipping Reform Act (the proposal passed in early June). The legislation will help ease building material supply chain bottlenecks and allow builders to increase the production of badly needed affordable housing, NAHB representatives said.

In a related development, NAHB leaders discussed the urgent need to address critical housing affordability issues in a meeting with Housing and Urban Development Secretary Marcia Fudge in early June, NAHB officials said.

The Westchester County Rent Guidelines Board Approves Increases of 2 Percent and 3 Percent for Lease Renewals, Continued from P. 1

households this summer. In Con Edison's Westchester County territory, bills could jump 15 percent, the company said.

Along with rising operating costs, insurance premiums have doubled in the past few years and will continue to grow for the foreseeable future. As a result, property owners are finding it difficult to make any sort of return on renovations leading to more vacancies in an already depleted housing market. The passing of the statewide Housing Stability and Tenant Protection Act (HSTPA) in June of 2019 also placed many restrictions on how buildings can be improved or renovated, AOAC/BRI officials stressed.

"We're not faceless corporations, or fly-by-night investors, or people looking to make a quick buck," said Lisa DeRosa, president of the BRI. "We have deep roots in these communities, we have deep connections with many of our tenants, and we're dedicated to keeping our buildings in proper condition. We are all on the same side at the end of the day - we want safe and quality housing for everyone in our communities. But not providing us with a sufficient increase prevents us from supplying that, which will undoubtedly hurt our tenants as well."

The AOAC represents more than 300 Owners and Managers of rental apartment buildings and complexes. Those Owners and Managers are responsible for more than 17,000 rental units, AOAC officials said. The 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 aspect of the building, realty and construction sectors, BRI officials said.

An IMPACT Staff Report

BUILDING AND REALTY INDUSTRY ANALYSIS:

Home Builders Across the U.S. Warn of Significant and Noteworthy Affordability Declines

WASHINGTON, D.C.

Housing affordability posted a modest gain for average conditions in the first quarter of 2022 as a strong jump in national median income helped to offset a gradual rise in interest rates, according to a recent building and realty industry report.

However, home builders warn of current deteriorating conditions as a sharp jump in mortgage rates in March and April, coupled with ongoing building material supply chain disruptions, labor shortages and high inflation, drive up housing costs.

According to the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI), 56.9 percent of new and existing homes sold between the beginning of January and end of March were affordable to families earning the U.S. median income of $90,000. While this is up from the 54.2 percent of homes sold in the fourth quarter of 2021, current market indicators point to worsening affordability conditions, the report said.

The first quarter HOI was calculated based on the following key factors:

- ✦ An average quarterly interest rate of 3.86 percent, up 70 basis points from the previous quarter
- ✦ A 2022 median income of $90,000, up from last year's $79,900.
- ✦ A national median home price of $365,000, up $5,000 from the fourth quarter of 2021 and a whopping $45,000 from the first quarter of 2021.

Affordability Dips Below 50 Percent Based on Recent Mortgage Rates

Keeping all other factors the same and calculating nationwide affordability conditions based on end of April mortgage rates of 5.11 percent instead of the first quarter average of 3.86 percent, the HOI would have fallen from 54.2 in the fourth quarter of 2021 to 48.7 today, the report said.

This means that based on where the housing market stands today, just 48.7 percent of homes sold in the first quarter were affordable to median-income families, the lowest affordability level recorded on the HOI since the beginning of the revised series in the first quarter of 2012, the report said.

"The first quarter reading is a backward gauge, as surging interest rates, ongoing building material supply chain constraints and labor shortages continue to raise construction costs and put upward pressure on home prices," said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga.

Every quarter-point hike in mortgage rates means that 1.3 million households are priced out of the market for a nationwide median priced home. And with the Federal Reserve moving aggressively to raise short-term interest rates and reduce its holding of mortgage-backed securities to combat inflation that is running at a 40-year high, mortgage rates are expected to rise even further.

"Looking at current market conditions, affordability woes continue to mount as rising interest rates and home building material costs that are up 20 percent year-over-year are causing housing costs to rise much faster than wages," said NAHB Chief Economist Robert Dietz. "The HOI falling below 50 using these real-time estimates is an indication of significant housing affordability burdens, particularly for frustrated, prospective first-time buyers. The best way to ease growing affordability challenges is for policymakers to address ongoing supply chain disruptions that will allow builders to construct more affordable homes."

The Most and Least Affordable Markets In the First Quarter

Lansing-East Lansing, Mich., was the nation's most affordable major housing market, defined as a metro with a population of at least 500,000. There, 92.3 percent of all new and existing homes sold in the first quarter were affordable to families earning the area's median income of $89,500, the report said.

The study noted that the Top Five Affordable Major Housing Markets are:

1. **Lansing**-East Lansing, Michigan
2. **Indianapolis**-Carmel-Anderson-Indiana
3. **Scranton-Wilkes-Barre**-Pennsylvania
4. **Rochester**- New York.
5. **Dayton-Kettering**-Ohio

The report added that, meanwhile, Wheeling, W.Va.-Ohio., was rated the nation's most affordable small market, with 97.3 percent of homes sold in the first quarter being affordable to families earning the median income of $75,400.

The Top Five Affordable Small Housing Markets, the report said, are:

1. **Wheeling**-West Virginia.-Ohio
2. **Cumberland**-Maryland-West Virginia
3. **Elmira**-New York
4. **Utica-Rome**-New York
5. **Davenport-Moline-Rock Island**-Iowa-Illinois

For the sixth straight quarter, Los Angeles-Long Beach-Glendale, Calif., remained the nation's least affordable major housing market. There, just 8.3 percent of the homes sold during the first quarter were affordable to families earning the area's median income of $90,100, the report said.

The report added that the Top Five Least Affordable Major Housing Markets, all in California, are:

1. **Los Angeles-Long Beach-Glendale**
2. **Anaheim-Santa Ana-Irvine**
3. **San Francisco-San Mateo-Redwood City**
4. **San Diego-Chula Vista-Carlsbad**
5. **Stockton**

The Top Five Least Affordable Small Housing Markets were also in the Golden State. At the very bottom of the affordability chart was Salinas, Calif., where 9.2 percent of all new and existing homes sold in the first quarter were affordable to families earning the area's median income of $90,100

The report emphasized that the Top Five Least Affordable Small Housing Markets, all in California, are:

1. **Salinas**
2. **Santa Maria-Santa Barbara**
3. **San Luis Obispo-Paso Robles**
4. **Napa**
5. **Santa Cruz-Watsonville**

Further information can be found at nahb.org/hoi.

REPORT: Builder Confidence Plummets on Rising Interest Rates and Growing Affordability Woes

WASHINGTON, D.C.

In a sign that the housing market across the U.S. is now slowing, builder confidence took a steep drop in May as growing affordability challenges in the form of rapidly rising interest rates, double-digit price increases for material costs and ongoing home price appreciation are taking a toll on buyer demand.

Builder confidence in the market for newly built single-family homes fell eight points to 69 in May, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on May 17. The report said it is the fifth straight month that builder sentiment has declined and the lowest reading since June of 2020.

"Housing leads the business cycle and housing is slowing," said NAHB Chairman Jerry Konter, a builder and developer from Savannah, Ga. "The White House is finally getting the message and yesterday released an action plan to address rising housing costs that emphasizes a very important element long-advocated by NAHB - the need to build more homes to ease the nation's housing affordability crisis."

"The housing market is facing growing challenges," said NAHB Chief Economist Robert Dietz. "Building material costs are up 19 percent from a year ago, in less than three months mortgage rates have surged to a 12-year high and based on current affordability conditions, less than 50 percent of new and existing home sales are affordable for a typical family. Entry-level and first-time home buyers are especially bearing the brunt of this rapid rise in mortgage rates."

> *"The housing market is facing growing challenges. Building material costs are up 19 percent from a year ago, in less than three months mortgage rates have surged to a 12-year high and based on current affordability conditions, less than 50 percent of new and existing home sales are affordable for a typical family. Entry-level and first-time home buyers are especially bearing the brunt of this rapid rise in mortgage rates."* – Robert Dietz, NAHB Chief Economist

Perceptions

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate 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.

All three HMI indices, the report said, posted major losses in May. The index gauging current sales conditions fell eight points to 78, the gauge measuring sales expectations in the next six months dropped 10 points to 63 and the component charting the traffic of prospective buyers posted a nine-point decline to 52.

Looking at the three-month moving averages for regional HMI scores, the Northeast held steady at 72, while the Midwest dropped seven points to 62, the South fell two points to 80 and the West posted a six-point decline to 83, according to the report.

HMI tables can be found at nahb.org/hmi. More information on housing statistics is also available at Housing Economics PLUS (formerly housingeconomics.com), NAHB officials said.

Leading Developers Discuss Westchester's Future Growth & Challenges at the BCW's "State of the Economy" Webinar

RYE BROOK

Some of Westchester County's leading developers offered viewpoints on the competitive advantages of building in Westchester and the challenges in getting projects approved during the Mar. 30 "State of the Economy" Webinar of The Business Council of Westchester (BCW).

The webinar featured a discussion about positive municipal leadership in the cities of New Rochelle, White Plains and Yonkers that has enhanced these communities' abilities to compete with New York City for new residents, jobs, and investment, event officials said.

"I'm sure you have all noticed the changing skyscape and landscape of Westchester County's cities and village and towns," said BCW President and Chief Executive Officer Marsha Gordon. "These leaders in Westchester County are creating new jobs, new opportunities to live and to work and to play, and adding to the vibrancy of Westchester County."

Speakers at the event were William Balter, president, WBP Development LLC & Griffon Construction, LLC; Louis Cappelli, founder, The Cappelli Organization and chairman and chief executive officer, LRC Construction; Joe Cotter, president, National Resources; Rella Fogliano, chief executive officer, Macquesten Development; David Garten, senior vice president, corporate affairs, RXR; and Andrew Weisz, executive vice president, RPW Group, Inc., officials said.

Specifics

Balter described WBP Development's eight current affordable- and workforce-housing projects, including the redevelopment of the former YMCA in Tarrytown into 109 units of senior housing and a municipal garage.

"We look as a company to work in communities that are really actively engaged in economic development, and then planning the growth of their downtowns," said Balter. "We're working with communities that want growth."

Cappelli announced that LRC Construction was scheduled to deliver One Clinton Park in downtown New Rochelle to RXR on Apr. 1, and then will partner again with RXR again to begin construction in June on Hamilton Green, which will be a four-year redevelopment of the former White Plains Mall. He said that this building boom will not produce empty apartments, according to event officials.

"All of these units that we're building in New Rochelle, which are 2,000 units under construction now and/or just finished, we have no doubt will be rented by high-quality individuals at great prices for Westchester County," said Cappelli.

Cotter discussed how National Resources is building the largest film and movie studio complex in the Northeast in downtown Yonkers that will bring 1,500 new jobs over the next three years. At the former IBM East Fishkill site, National Resources repurposed the property for food manufacturers and is building a back lot operation for film and television production. What's urgently needed now is housing, he said.

"Sadly, there's no places for workforce housing or young people in any of the better suburbs," said Cotter. "Our aging population should be something of great concern.... we can't have senior, assisted-living projects in every wealthy community because they don't want school children. What society is anti-school children?"

Fogliano said that she was initially wary of building affordable workforce housing next to the Mount Vernon West Station, but the demand for apartments by the Metro-North Railroad made the development successful. She described her vision for affordable housing as a product that looks like luxury housing.

"It takes a few dollars out of my pocket to use special materials inside and out, but I think that the rewards are tenfold," said Fogliano. "I don't want anybody to look at one of my buildings and say, 'Oh, that's affordable housing.' "

Garten noted how the entire region has underbuilt housing, which is causing an affordability crisis. For example, RXR's 143-unit affordable housing project in Brooklyn has received 11,000 applications. He said one remedy to the affordability crisis in Westchester County is difficult conversations that challenge local mindsets, officials said.

"You can't be pro-affordability, but anti-density. You can't be for sustainability, but against growth," said Garten. "These are unfortunately economic truisms...how do we move forward not only as a county, but also these individual municipalities? How do they create a development plan that addresses the need but is also unique to their own individual community?"

Weisz said RPW Group's greatest challenge in past years was housing for existing and prospective office tenants' employees. Now prospective tenants are visiting office buildings with maps indicating nearby housing, retail, and amenities. Weisz said RPW Group is focused on converting office parks into mixed-use properties that include housing and retail, such as 300 units of new housing at 1133 Westchester Ave. expected to open in September.

"Being able to potentially work and live on the same site and being able to take the shuttle to Wegmans or Lifetime and maybe go to downtown White Plains is exciting and attracting talent to Westchester," said Weisz. "We're now, with these projects, able to start offering the type of product that these people want to live in."

The State of the Economic Series is presented by PCSB Bank and sponsored by Simone Development Companies, The Catalyst—Westchester County Biosciences Accelerator, and RM Friedland.

A recording of the webinar is posted on the BCW's Facebook page, officials said.

The BCW is a business membership organization focusing on economic development and advocacy. It is the 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, officials said.

Yonkers IDA Votes and Issues Its Preliminary and Final Approvals of Incentives for Three New Projects

Projects Represent $106.5 Million in Private Investment and Are Expected to Create Up to 375 Construction Jobs, Officials Said

YONKERS

The Yonkers Industrial Development Agency (YIDA) voted at its Mar. 31 meeting preliminary and final approvals of financial incentives for three new residential and commercial projects that will build on Yonkers ongoing development boom, officials recently announced.

Officials said that the three projects represent a total private investment of $106.5 million and are expected to create up to 375 construction jobs.

Warburton Avenue Apartments

The Center for Urban Rehabilitation and Empowerment, Inc, a local non-profit, and Conifer Realty, LLC, in partnership with the City of Yonkers, is proposing a 94-unit senior affordable community on existing vacant publicly and privately owned parcels in the Warburton-Ravine neighborhood in Yonkers. The $42.1 million project, to be known as Warburton Avenue Apartments, is a public-private partnership that will transform the corner of Warburton and Point from vacant land and buildings into a vibrant senior community, officials said.

Located at 321 Warburton Avenue, Warburton Avenue Apartments will offer eight senior apartments targeted to seniors earning no more than 30 percent of area median income (AMI), 15 apartments targeted to 40 percent AMI households, 55 apartments targeted to 60 percent AMI households, and 15 apartments targeted to 80 percent AMI households. The six-story, mid-rise building will consist of an overall unit mix of 36 studio apartments, 57 one-bedroom apartments, and one two-bedroom apartment reserved for an onsite superintendent. The apartments will incorporate technology and amenities to create a state-of-the-art senior, 62 and over, community. A total of 15 units will have a preference for individuals with mobility, visual and hearing-impaired special needs, officials said.

The project is expected to create approximately 140 construction jobs over the 24-month construction period, and approximately two new permanent jobs upon completion of construction. The start date is May, with completion scheduled for September of 2023. The project developer is requesting a sales tax exemption of $976,250 and a mortgage recording tax exemption of $480,000, officials added.

"The city has been assembling abandoned and tax delinquent parcels on this block for many years, and we are now able to combine those city-owned parcels with the developer to transform a blighted block into one that will provide more quality affordable housing for our working families," Mayor and YIDA Chairman Mike Spano said.

Plant Manor

The Plant Manor LLC, a New York based development company, is proposing to transform The Manor, a private estate of a Gilded Age copper baron built in 1912,

into a 70,000 square-foot, eco-chic venue for weddings and celebrations; professional events; and film, photo, and audio production. Accompanied by 25 guest rooms, The Manor will serve as the sister property to The Plant, just a seven-minute drive away, and open in the fourth quarter of 2023, officials said.

Plant Manor acquired the property and has worked closely with the City of Yonkers and the State Historic Preservation to complete Parts One and Two of the Nation Parks Service Historic Preservation Certification to achieve Historic Tax Credits, officials added.

Officials said the property, which is at 1097 North Broadway, consists of approximately 6.5 acres and contains four structures: Alder Manor will be restored. Bosch Hall, a non-historic building partially demolished in 2019, will be renovated into the Cliff House, a modern event space. The final two structures - a small chapel and an even smaller detached cottage - will undergo exterior envelope upgrades. The site will be upgraded with new parking, lighting, and landscaping.

The $48.6 million project is expected to create 100 to 200 construction jobs and 30 full-time jobs. The start date is May, with completion scheduled for September of 2023. The project developer is requesting a sales tax exemption of $1,952,500 and a mortgage recording tax exemption of $457,773.

It should be noted that the YIDA action is a financial inducement only, and that in order to begin construction the project must complete the land use process with the City Planning Board, as well as reviewed by the Department of Housing and Buildings, according to project spokesmen.

1969 Central Park Avenue

In other business, the IDA Board voted final approval of financial incentives for the development of a five-story, 91,181-square-foot self-storage facility above 5,815 square feet of ground-level retail space on a site at 1969 Central Park Avenue. The $15.8 million project will also include charging stations in the parking lot for Electric Vehicle (EV) cars. It is estimated that the project will create and retain eight full-time jobs, 12 part-time jobs and 35 construction jobs. The applicant, 1969 Central Park Avenue LLC, was approved for a sales tax exemption of $948,294, a mortgage recording tax exemption of $236,520 and a 15-year PILOT. Construction is expected to take 14 months, officials said.

The Cooperative and Condominium Advisory Council (CCAC) Is Continuing Its Consistent Advocacy Efforts, Continued from P. 1

as a form of Affordable Homeownership. Interested CCAC members actively participate in this advocacy in meetings with legislators, at public hearings and campaign fundraisers and in Online Campaigns targeting key legislation.

The CCAC has also advocated for the creation of new Co-ops, giving testimony during the recent state budget hearings in support of the Governor's Limited Equity Co-op Community Controlled Housing Initiative, focusing on Mitchell-Lamas.

We frequently collaborate with our New York City counterparts to amplify our message to state and federal officials that as small, non-profit organizations, governed by elected volunteer shareholder owners, with breakeven budgets and revenue entirely dependent on the reliable Maintenance Payments of shareholders, Co-ops need their support. We ask our lawmakers to include Co-ops in helpful housing legislation that often overlooks us, to exclude us from misapplied Landlord/Tenant Laws, and to lift the heavy hand of regulation that threatens our financial stability and operational integrity.

We invite all Westchester County Co-ops to join the CCAC as members in this critical advocacy during the important 2022 election year. And, we remind Condos in our region that we are also advocating for them on a regular basis.

Co-ops and Condos which are not members of the CCAC can obtain further information about our organization by visiting buildersinstitute.org. Simply hit the About and Realty Council Links. Next, hit the CCAC link for a full summary on the Benefits of Membership in our association. Buildings can also contact Jeff Hanley, the BRI's Associate Executive Director, at (914) 273-0730 for Membership Information on the CCAC.

Yonkers IDA Votes Preliminary Approval of $49.6M Mixed-Use Residential Building

YONKERS

The Yonkers Industrial Development Agency (YIDA) has voted preliminary approval of a $49.6 million, 10-story mixed-use residential building featuring 76 affordable rental dwelling units and ground floor commercial space, officials recently announced.

Called St. Clair Residences, the project is located on parcels at 36-38 Main Street, 32 Main Street, and 1-3 Riverdale Avenue. The project site is currently vacant.

The building would consist of a total of 81,105 square feet. The ground floor of the building would be 9,741 square feet, including 3,071 square feet of commercial uses. The nine floors of residences would be a total 71,364 square feet. The project would contain a mix of units, including 12 studios, 36 one-bedrooms, 23 two-bedrooms, and five three-bedroom units. The units would be occupied only by persons whose annual household income ranges from 50 percent to 80 percent of the Westchester Area Median Income (AMI), officials said.

The project, officials added, is being developed by MacQuesten Development LLC through a related entity called St. Clair Development, LLC. The project is expected to create approximately 240 construction jobs over the 28 months-construction period, and approximately 20 new permanent jobs upon completion of construction in 2025. The developer is requesting a sales tax exemption of $1,570,875 and a 30-year PILOT. The vote by the YIDA board was held at its Apr. 20 meeting.

"We applaud MacQuesten Development on this exciting and attractive residential building that will transform a vacant site into quality affordable housing in our downtown area that will create construction and permanent jobs," said Yonkers Mayor Mike Spano, who also serves as Chairman of the YIDA Board.

"Having access to good quality affordable housing is a right that every person deserves. I am proud to support this development along with the IDA and Mayor Spano because it will make a difference in downtown Yonkers," said Shanae V. Williams, Yonkers city councilwoman, District 1.

Established in 1982, the Yonkers Industrial Development Agency is a public benefit corporation that provides business development incentives to enhance economic development and job growth in the City of Yonkers, officials said.

Insurance Insights: Have You Checked Your Home or Building Insurance Replacement Cost Limit? With Historic Inflation, Now is Definitely the Time!, Continued from P. 2

to 4 percent Replacement Cost Limit Increases amounted to padding premiums (over-and-above any rate increases.)

Well, welcome to 2022! The following are quotes from various recent articles and publications written about inflation, material costs and labor costs, relative to home and building construction:

- "Building Materials Prices have risen 31.3 percent since January 2020." (Bureau of Labor Statistics 2/2022)
- "...construction costs went up by 17.5 percent... from 2020 to 2021, the largest spike...since 1970." (NBC 5 Dallas-Fort Worth 2/16/22)

which increases the time for a homeowner to return to the home; residents to return to a Condo, Co-op, or Apartment Building; or Owners/ Tenants to return to a commercial building. These delays drive-up insurance payments for (homeowner) alternate living expenses (e.g. temporary housing) or (commercial building) loss of business income (e.g. rents, association common charges, temporary office space, etc.). Longer Reconstruction Periods help explain why insurance rates are increasing, beyond just the impact of higher Replacement Costs.

Extreme Rebuilding Cost Increases, coupled with delays for completing repair and rebuilding projects,

> ***"Now, more than any time in decades, it is important to discuss your Replacement Cost Limit for your home or building with your insurance broker or carrier."***

- "Non-Residential Starts [Jan. - Feb. 2022] increased 39 percent over this time last year...." and "...skilled labor has become even more scarce, meaning construction projects are taking longer to break ground." (Engineering New Record, 3/22/22)
- "Job Opening Rates in the construction industry are higher than at any time in the last two decades." (Joint Center for Housing Studies of Harvard University, 1/24/22)
- "The price of softwood lumber...has jumped about 85 percent in just the past three months after the U.S. doubled tariffs on Canadian lumber and wildfires disrupted lumber production." (NBC 5 Dallas-Fort Worth, 2/16/22)
- "The Producer Price Index for Steel Mill Products is 74.4 percent greater than 12 months ago." (National Association of Home Builders (NAHB), 3/18/22)
- "Year-over-year, the prices of exterior and interior paint have climbed 30.3 percent and 21.2 percent, respectively." (National Association of Home Builders (NAHB), 2/17/22)
- The cost of a top-of-the-line Sub-Zero Refrigerator was $5,000 in 2000. in 2019 it was $17,965. (Chubb-Reported Data)

It costs a lot more to re-build your home or building today than it did five years ago, or even one year ago. Insurance companies want your home or building to be insured for the proper current Replacement Cost, and to collect the corresponding premium. Also, if your home or building is under-insured for Replacement Cost, and you suffer a large or total loss, your claim payment may be reduced by penalty for being under-insured (if your policy has a co-insurance clause.)

In addition, due to Material Supply-Chain Delays and Labor Shortages, reconstruction may be delayed, highlight the value of special policy terms provided by some homeowner and commercial carriers. They may offer "Guaranteed Replacement Cost," assuring that your home or building cannot be under-insured, even if the policies' Replacement Cost limit is less than the actual cost to rebuild.

Certain Homeowner Carriers (previously mentioned) provide Alternate Living Expense Coverage, in a home of similar kind and location, for as long as it takes to rebuild your home (versus other carriers, which restrict Alternate Living Expenses to a capped dollar amount of limited time period [e.g., one year]).

A Summation

In summary:

If your insurance carrier requires an increase to your Dwelling or Building Replacement Cost Limit, resulting in a premium increase, the increase may be well-justified, based on the data presented herein.

Insurance companies and brokers can provide guidance on proper home or building Replacement Cost Limits, but they are not builders. It is the Policy Holder's responsibility to confirm an adequate Replacement Cost Limit for the reconstruction of a home or building.

Now, more than any time in decades, it is important to discuss your Replacement Cost Limit for your home or building with your insurance broker or carrier.

If you have questions about your insurance policy Replacement Cost Limit, contact your insurance broker, or Levitt-Fuirst Insurance at (914) 457-4223.

***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.*

REALTY REPORT:

Despite Strong Buyer Demand, Home Sales Declined in Quarter One Due to A Lack of Inventory

RYE BROOK

Despite unprecedented buyer demand, single-family home sales in the markets North of New York City posted declines in the first quarter of 2022 due to a continued lack of inventory, according to the Houlihan Lawrence Westchester-Putnam-Dutchess Quarter One Market Report released on Apr. 12.

Home sales in Westchester were down 20.1 percent from the first quarter of 2021, while Putnam and Dutchess posted declines of 33 percent and 21.3 percent, respectively. Nearly every submarket surveyed reported a decline in sales from Q1 2021. Meanwhile, median sale prices were up 2.1 percent in Westchester, 24 percent in Putnam and 7 percent in Dutchess. Inventory is down 30 percent in Westchester, 15 percent in Putnam, and 38 percent in Dutchess, the report said.

The report noted that while there are bidding wars and sale prices that went way over the asking price in many locations with well-priced homes, price sensitivity remains a reality. Buyers will act swiftly and enthusiastically if there is a perception of value but will just as easily ignore an overpriced listing. In fact, in some areas, over 50 percent of sales did not sell above the asking price. At the other end of the spectrum, homes have seen offers at 20 percent or more over the asking, according to the study.

The report said there has been a considerable shift in where the buyers are coming from. In 2020, for example, the number of buyers from New York City was significant. In Larchmont, 50 percent of the buyers were from New York City in Q1 2020 compared to 29 percent this year, as buyers are no longer fleeing the city. The shift is to more local first-time buyers and trade up, trade down buyers who previously were holding off. Dutchess County, known predominantly in 2020 as a second-home market, saw 29 percent of its buyers from the city. For this quarter, that number is down to 8 percent, with considerably higher local demand. This shift holds true throughout the markets in Westchester, Putnam, and Dutchess Counties, with varying percentages, the study said.

"There are external factors that can always affect a real estate market. Still, today's supply and demand ratio indicate that the market will remain a strong seller market for the foreseeable future. If a house is lingering on the market under these conditions, it is very likely the price," said Liz Nunan, president and CEO of Houlihan Lawrence.

Q1 2022 Markets At A Glance (Q1 2022 vs Q1 2021)

WESTCHESTER COUNTY
Homes Sold: Down 20.1 percent
Median Sale Price: Up 2.1 percent

NEW YORK CITY GATEWAY
(Mount Vernon, New Rochelle, Pelham and Yonkers)
Homes Sold: Down 28 percent
Median Sale Price: Up 1 percent

LOWER WESTCHESTER
(Bronxville, Eastchester, Edgemont, Scarsdale and Tuckahoe)
Homes Sold: Down 22 percent
Median Sale Price: Up 8 percent

RIVERTOWNS
(Ardsley, Dobbs Ferry, Hastings, Mount Pleasant, Pleasantville, Tarrytown, Briarcliff Manor, Elmsford, Irvington, Ossining and Pocantico Hills)
Homes Sold: Down 17 percent
Median Sale Price: Up 1 percent

GREATER WHITE PLAINS
(Greenburgh, Valhalla and White Plains)
Homes Sold: Down 2 percent
Median Sale Price: Up 4 percent

SOUND SHORE
(Blind Brook, Harrison, Mamaroneck, Port Chester, Rye City and Rye Neck)
Homes Sold: Down 18 percent
Median Sale Price: Up 2 percent

NORTHERN WESTCHESTER
(Bedford, Byram Hills, Chappaqua, Katonah-Lewisboro, North Salem and Somers)
Homes Sold: Down 26 percent
Median Sale Price: Up 9 percent

NORTHWEST WESTCHESTER
(Croton-on-Hudson, Hendrick Hudson, Lakeland, Peekskill and Yorktown)
Homes Sold: Down 13 percent
Median Sale Price: Up 9 percent

PUTNAM COUNTY
(Brewster, Carmel, Garrison, Haldane, Lakeland, Mahopac and Putnam Valley)
Homes Sold: Down 33 percent
Median Sale Price: Up 24 percent

DUTCHESS COUNTY
Homes Sold: Down 21.3 percent
Median Sale Price: Up 7 percent

SOUTHWEST DUTCHESS
(Beacon, East Fishkill, Fishkill, La Grange, Poughkeepsie, City of Poughkeepsie and Wappinger)
Homes Sold: Down 23 percent
Median Sale Price: Up 7 percent

SOUTHEAST DUTCHESS
(Beekman, Dover, Pawling and Union Vale)
Homes Sold: Up 4 percent
Median Sale Price: Up 4 percent

NORTHWEST DUTCHESS
(Clinton, Hyde Park, Milan, Pleasant Valley, Red Hook and Rhinebeck)
Homes Sold: Down 32 percent
Median Sale Price: Up 11 percent

NORTHEAST DUTCHESS
(Amenia, North East, Pine Plains, Stanford and Washington)
Homes Sold: Down 37 percent
Median Sale Price: Up 3 percent

Houlihan Lawrence is the leading real estate brokerage serving New York City's northern suburbs, company officials said. Founded in Bronxville in 1888, the company is deeply committed to technological innovation and the finest client service, company officials added.

The firm has 30 offices and 1,450-plus agents serving Westchester, Putnam, Dutchess, Columbia, Ulster and Orange counties in New York and Fairfield County in Connecticut, company officials said.

Building Industry Report:

Declining Affordability Conditions Have Put a Damper on New Home Sales

WASHINGTON, D.C.

Worsening affordability conditions stemming from growing supply chain disruptions and rising mortgage rates pushed new home sales lower in March, according to a recently released building and realty industry analysis.

Sales of newly built, single-family homes in March fell 8.6 percent to a 763,000 seasonally adjusted annual rate from an upwardly revised reading in February, according to newly released data by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The data was evaluated in an analysis from The National Association of Home Builders (NAHB). The analysis was released on Apr. 26.

The analysis added that new home sales are down 12.6 percent when compared to March of 2021.

"Growing affordability challenges are slowing new home sales and taking a toll on the housing market," said Jerry Konter, chairman of NAHB and a home builder and developer from Savannah, Ga. "Mortgage rates jumped nearly a full percentage point between the end of February and March and builders continue to face escalating construction and development costs which are putting upward pressure on new home prices."

"Buyers are facing sticker shock due to deteriorating affordability conditions and a lack of existing home inventory," said NAHB Assistant Vice President of Forecasting and Analysis Danushka Nanayakkara-Skillington. "Only 14 percent of new home sales in March were priced below $300,000. A year ago, it was 34 percent."

A new home sale occurs when a sales contract is signed or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the March reading of 763,000 units is the number of homes that would sell if this pace continued for the next 12 months, the analysis said.

New single-family home inventory was up 52.4 percent over last year, rising to a 6.4 months' supply, with 407,000 available for sale. However, just 35,000 of those are completed and ready to occupy, the analysis added.

The median sales price, the analysis said, rose to $436,700 in March from $421,600 in February and is up more than 21 percent compared to a year ago, due primarily to higher development costs, including materials.

Regionally, on a year-to-date basis, new home sales fell in two regions, down 9.2 percent in the Midwest and 13.9 percent in the South. New home sales were up 10.5 percent in the Northeast and 8.5 percent in the West, the analysis added.

"Building Knowledge with The Building & Realty Institute (BRI)" Celebrates the Five-Year Anniversary of its Inaugural Broadcast

NEW ROCHELLE -

Five years on the air!

That was the milestone "Building Knowledge with The Building and Realty Institute (BRI)" - the BRI's radio show on WVOX 1460 AM and wvox.com - recently reached. The program, on Jun. 2, marked the fifth anniversary of its first broadcast. The show covers topics of interest to the building, realty and construction industries, as well as to the general business sector. The program is hosted by Jeff Hanley, associate executive director of the BRI. It airs live, every Friday, from 11:30 a.m. to 12 noon.

"I clearly recall the excitement all of us at the BRI felt on Jun. 2, 2017, when our first show went on the air, and I still feel the same excitement, five years later," Hanley said. "We are very, very happy to be on WVOX 1460 AM and wvox. com and to be covering issues of importance to the building, realty and construction sectors. We are very grateful to WVOX 1460 AM for the opportunity. The BRI is so very happy to be on such a great station."

Added Tim Foley, chief executive officer of the BRI: "We feel the program has done a solid job of addressing important issues to the building, realty and construction industries. We are also happy to cover topics of importance to our region's general business community. Jeff Hanley has done a great job of hosting the show. It continues to be well-received by our members and by listeners in our region."

The 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 sectors, officials said.

Based in Armonk, the BRI also has a weekend radio program on 710 WOR AM and 710wor.iheart.com. The show - "Constructive Conversations with The Building and Realty Institute (BRI)" - airs every Sunday from 6:30 p.m. to 7 p.m. The program began airing on Nov. 24, 2018, officials added.

Comments About "Building Knowledge with the Building and Realty Institute (BRI)"

"Jeff, we are thrilled, as always, to have your wonderfully informative program airing. Fridays at 11:30 a.m., when your show starts, continues to be a favorite with our listeners and with the entire WVOX staff." – *Judy Fremont, President, Stations Division, WVOX and WVIP, May 4th, 2022.*

"I listened to your show of yesterday, Jeff. It was great, as always. You are the ultimate professional behind the mike." – *Dennis Nardone, the Co-Host of "Good Morning Westchester" on WVOX 1460 AM and wvox.com, April 1st, 2022.*

"Jeff, I love being a guest on your shows. You are an amazing host. It is always a pleasure to be on with you." – *Jamie Kudla, the General Manager of Tarrytech, a Compass MSP Company, March 25th, 2022.*

"Jeff Hanley, you are radio magic! You are very good at what you do. You thank us for having the Building and Realty Institute (BRI) Program on our station, but we should thank you for being on our station." – *The Late William O'Shaughnessy, President and Chief Executive Officer, Whitney Global Media, the parent company of WVOX and WVIP. O'Shaughnessy issued his comments during his interview of Jeff Hanley at the Annual St. Patrick's Day Live Broadcast of the stations on March 17th, 2022. O'Shaughnessy passed away on May 28, 2022.*

"Jeff, you did a great job. Thank you for inviting me. I want to let you know that we had a good number of listeners! When I got back to the office, I found out that the phone was ringing during and after the show. We received at least four calls that attributed themselves to listening to the BRI show on WVOX. As always it is a pleasure to work with you and the BRI." – *Rand Manasse, Chief Operating Officer, Sunrise Solar Solutions, February 25th, 2022.*

"You always have such excellent guests on your show, Jeff. And your shows are excellent, they really are." – *Tonny Guido, Co-Host of "Good Morning Westchester" on WVOX 1460 AM and wvox.com, December 16th, 2021.*

Jeff Hanley, associate executive director of the BRI, is the host of "Building Knowledge with the Building and Realty Institute (BRI)," the BRI's radio show on WVOX 1460 AM and wvox.com. The program airs live, every Friday, from 11:30 a.m. to 12 noon.

New Home Sales Soften in February on Higher Mortgage Rates and Construction Costs, Building Industry Study Says

WASHINGTON, D.C.

Higher mortgage rates and construction costs pushed new home sales across the U.S. lower in February even as demand remains solid due to a lack of existing home inventory, according to a building and realty industry analysis.

Sales of newly-built, single-family homes in February fell 2.0 percent to a 772,000 seasonally adjusted annual rate from a downwardly revised reading in January, according to recently released data by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. New home sales are down 6.2 percent when compared to February of 2021. The data is contained in an analysis from The National Association of Home Builders (NAHB). The analysis was released on Mar. 23.

"The new home market is more important than ever as a source of inventory given the historically low level of resale homes available for purchase," said Jerry Konter, chairman of NAHB and a builder and developer from Savannah, Ga. "However, higher construction costs are hindering new home sales as the cost of lumber, shingles and other materials rise. Policymakers could help by reducing tariffs on materials as an anti-inflation measure."

"New home sales softened in January and February as mortgage rates increased," said NAHB Chief Economist Robert Dietz. "NAHB is forecasting additional gains in interest rates as monetary policy meaningfully tightens in 2022, putting additional pressure on housing affordability. However, because there is such limited inventory of existing single-family homes on the market, additional new construction is required to meet demand even as building costs significantly outpace inflation."

A new home sale occurs when a sales contract is signed or a deposit is accepted. The home can be in any stage of construction: not yet started, under construction or completed. In addition to adjusting for seasonal effects, the February reading of 772,000 units is the number of homes that would sell if this pace continued for the next 12 months, the NAHB analysis said.

New single-family home inventory was up 33.0 percent over last year, rising to a 6.3 months' supply, with 407,000 available for sale. However, just 35,000 of those are completed and ready to occupy, the NAHB analysis added.

The NAHB analysis said that the median sales price rose to $400,600 in February, and is up 10.6 percent compared to a year ago even as residential construction material costs are up 20 percent over the same period.

Regionally, compared to the previous month, new home sales increased 59.3 percent in the Northeast, increased 6.3 percent in the Midwest, decreased 1.7 percent in the South and decreased 13.0 percent in the West, the NAHB analysis said.

Extell Development Joins Yonkers Mayor Spano for Groundbreaking of Hudson Piers, a $585 Million Mixed-Use Community on the Hudson River

YONKERS

In what officials said will be one of the largest mixed-use communities in the Westchester Area, executives from Extell Development Company joined Yonkers Mayor Mike Spano and other city, county and state officials on May 5 for a groundbreaking ceremony for Hudson Piers, signifying the official start of construction.

When completed, the $585 million, multi-phase complex will include approximately 1,400 luxury and affordable apartments, retail, and a new riverfront esplanade along a prime waterfront location with views of the Hudson River across to the Palisades, officials said.

"Extell's Hudson Piers will be one of the most transformative developments along the Yonkers waterfront," said Yonkers Mayor Mike Spano. "It will cap off the extraordinary momentum seen in recent years that's spurred unprecedented investment in our city. I look forward to welcoming more families, businesses and jobs to Yonkers on the river and fulfilling our truest potential."

"We are proud to be a part of the incredible redevelopment which has turned Yonkers into the fastest growing big city in New York State under Mayor Mike Spano," said Gary Barnett, founder and chairman of Extell Development Company. "Hudson Piers will introduce a significant supply of new luxury and affordable housing to Yonkers and will bring the Extell quality of construction complemented by an unmatched array of lifestyle amenities to the city's waterfront."

The Details

Hudson Piers is the city's final waterfront development and will complete the transformation of an expansive former industrial site into a highly desirable, heavily-amenitized, residential enclave. The project, which will be developed in three phases over a 6-year period, is expected to create 200 permanent jobs and 450 to 500 construction jobs, officials said.

The 17.4-acre property sits as an unused piece of the Yonkers Hudson riverfront along Alexander Street, Water Grant Street and Babcock Place. Hudson Piers will activate the surrounding area by adding additional greenspaces, ease of access, and a riverfront promenade providing a connection to the surrounding neighborhoods, officials added.

Project officials said the development consists of approximately 870,000 rentable square feet of residential space across six, seven-story buildings, with over 37,000 rentable square feet of ground floor retail space. Hudson Piers will offer a mix of studio-to-three-bedroom residences. Interiors will feature fully tiled bathrooms, in-unit washer/dryers, premium stainless-steel appliances, Kohler fixtures, separate zones for heating and cooling, and private terraces.

Amenities

In what officials termed as true Extell style, an array of both indoor and outdoor amenities will complement the property. Outdoor amenities include spacious waterfront recreation terraces with hammocks, fire pits, grilling stations, sundecks, billiards, putting greens, bocce courts, an outdoor swimming pool, and fresh retail. Indoor amenities will include multiple fitness centers, lounges, playrooms, a catering kitchen, a basketball gym, a screening room, a game room, teen rooms, a business and conference center and a 24-hour attended lobby. A total of 1,028 covered parking spaces will be provided on the first two floors of the buildings, with an additional 212 on-grade spaces, for a total of 1,240 parking spaces. Each of the buildings will have their own package, storage and bicycle rooms. As an additional convenience, shuttle services will be provided for residents to and from the Yonkers Metro-North train station, officials added.

As part of the Hudson Piers project, 1.5 acres of new public parkland will be created as well as a 1.5-mile-long esplanade extension that will adjoin to the existing public waterfront promenade seamlessly integrating the property into the greater Yonkers community. Upon completion, the esplanade will take residents and visitors on a short walk along the river to the train station and further to downtown Yonkers. The project plans also call for the construction of a new elevated roadway to be named Riverside Drive, which will be deeded back to the city, officials said.

Hudson Piers is located near the Yonkers Metro-North station, which provides a direct 28-minute ride to Grand Central Terminal on the Hudson Line. Additionally, five major highways easily connect the site with the rest of Westchester County, Fairfield County (Conn.) and New York City, officials said.

Designed by renowned architectural firm Perkins Eastman, Hudson Piers, project officials said, builds on the remarkable renaissance underway in Yonkers under the administration of Mayor Spano which has seen more than $4 billion in private investment in new projects with over 9,100 multifamily units planned, completed, under construction and approved for development.

Extell worked closely with the City of Yonkers and the Yonkers Industrial Development Agency to provide the Hudson Piers project with a 20-year PILOT and a 100 percent abatement on taxes for improvements. It is the largest residential project to receive financial incentives from the Yonkers IDA, officials said.

Extell Development Company, officials added, is a nationally acclaimed real estate developer of residential, commercial, retail, hospitality, and mixed-use properties, operating primarily in Manhattan and other premier cities across the nation. In collaboration with world-class architects and design professionals, Extell creates properties distinguished by sophisticated design, gracious floor plans and first-class amenities, officials said.

Current projects of the company, officials said, include Central Park Tower, the tallest residential tower in the world located on Billionaire's Row; the largest condominium in Lower Manhattan, One Manhattan Square located on the edge of the New York Harbor; Brooklyn Point, a skyline defining tower in downtown Brooklyn; The Kent at 200 East 95th Street, an Art Deco inspired building;1010 Park, a bespoke collection of 11 full-floor and duplex luxury condominiums; and 70 Charlton, the first luxury residential development in Hudson Square, an enclave within West SoHo.

Extell has also restored and updated a number of classics in landmark neighborhoods, including the former Stanhope Hotel at 995 Fifth Avenue and The Belnord, a landmark building on the Upper West Side, officials added.

GHP Office Realty Leases Nearly 15,000 Square Feet at Four West Red Oak Lane in White Plains

WHITE PLAINS -

GHP Office Realty recently welcomed three law firms and a banking institution to its tenant roster at Four West Red Oak Lane in White Plains, according to company officials.

The four leases total 15,000 square feet of new deals at the property. The 135,000 square foot Class A office building was renovated within the past year to offer tenants a fully equipped gym, a newly renovated café and an upgraded lobby. On-site parking is abundant, with more than 400 covered and uncovered parking spaces available to tenants and their visitors, company officials added.

Four West Red Oak Lane is located at the intersection of I-287, I-684, and the Hutchinson River Parkway. GHP officials said that the facility is the prime location for professional services companies to operate their headquarters as it provides easy access to Westchester County, Rockland County and Fairfield County (Conn.). There is also a Bee-line bus stop on property for additional accessibility throughout Westchester, GHP officials added.

The Brotmann Law Group, a local law practice concentrating in commercial and residential real estate, recently moved in on the first floor, with approximately 3,000 square feet. Gahagan, Lando and Wagner, LLP, a metropolitan law group primarily focusing on real estate and business law, now occupies 2,854 square feet at the property, GHP officials said.

Other deals include Maguire Law Group PLLC and The Law Office of Dana Montone, PLLC leasing 3,262 square feet together with a five-year lease. Maguire Law Group PLLC specializes in trusts and estates, real estate and business law. The Law Office of Dana Montone, PLLC focuses on individual and small business real estate and litigation law, GHP officials said.

GHP officials added that Brendan Hickey, senior director of GHP Office Realty, represented the building ownership on these transactions.

Orange Bank and Trust Co., a financial institution focusing on commercial lending, business banking and wealth management services, has also leased over 5,500 square feet of space at the building. The New York Community Bank, which has a growing presence in Westchester County, has put down roots at Four West Red Oak Lane with multiple office spaces, GHP officials said.

GHP Office Realty is a division of Houlihan-Parnes Realtors, LLC, which is presently one of the New York area's leading owners, operators, and purchasers of suburban New York commercial and industrial space.

GHP Office Realty has acquired, financed, redeveloped, leased and managed more than 7,000,000 square feet. Regionally, the partners presently own and manage buildings in Westchester and Rockland counties, as well as in Fairfield County and in Bergen County (N.J.), company officials added.

Westchester County IDA Votes Preliminary Approval of Financial Incentives for $77 Million Transit-Oriented Development in Pelham

WHITE PLAINS

The Westchester County Industrial Development Agency (IDA) voted on May 26 preliminary approval of financial incentives for the construction of a five-story, transit-oriented development consisting of 127 rental apartments and approximately 5,000 square feet of retail space in the Village of Pelham.

Six of the apartments will be designated as workforce housing with rents at 80 percent Average Median Income. The building's amenities will include a gym, a business center, a lounge and a rooftop deck. Another important feature of the project is that it will include 160 private parking spaces and 60 much-needed parking spaces available to the public, officials said.

Called Pelham House, the $77 million project is at 215 Fifth Avenue, property that is currently owned by the Village. The developer is conveying the property it owns across the street at 200 Fifth Avenue to the Village in exchange for the 215 Fifth Avenue site, officials added.

The project developer, Pelham Green LLC, will, at its own expense, construct a Municipal Center for the Village of Pelham at the 200 Fifth Avenue site. In addition to covering the approximately $20 million costs related to the acquisition and development of the Municipal Center, the developer will make additional cash payments to the Village for public improvements related to traffic and pedestrian safety and parking, as well as other fees and important infrastructure needs, according to project officials.

"This exciting project is strongly supported by Pelham elected officials. The community benefit of providing needed public parking spaces, establishing a municipal center with modern police and fire services and environmentally advanced buildings will have a tremendous positive impact. It will also add to job creation and tax rateables," Westchester County Executive George Latimer said.

The project is estimated to create 77 full-time jobs during the three-year construction period representing $3.19 million of employee earnings. The post-construction phase is estimated to create 15 full-time jobs, officials said.

Pelham Green LLC is requesting a sales tax exemption of $1.1 million of which $52,000 would be foregone County tax revenue and a mortgage recording tax exemption of $500,000. The developer is also seeking a real estate tax exemption through a Payment in Lieu of Tax ("PILOT") agreement of $15.8 million of which $1.57 million would be foregone County property tax revenue. The tax benefits would total $17.4 million of which $2.1 million would be foregone County tax revenue. Construction is expected to start in August with completion and occupancy set for August of 2025, project officials said.

In another announcement, the IDA said it has voted preliminary approval of financial incentives for the construction of a $10.34 million warehouse on the site of a former La Quinta Hotel at 94 Business Park Drive in Armonk. The developers of the project, Armonk Fairview LLC and Aggro and Brassi LLC, have demolished the vacant hotel and are building a 71,574-square foot warehouse. The project site consists of 5.52 acres of land owned by the developers since 1983. The developers are requesting a $502,500 sales tax exemption and a one-year PILOT valued at $169,961.

Westchester IDA Votes Preliminary Approval of Financial Incentives for Three Energy-Related Projects

Projects Proposed for Briarcliff Manor, Ossining and Yorktown

WHITE PLAINS

The Westchester County Industrial Development Agency (IDA) has voted preliminary approval of financial incentives for three energy-related projects proposed in Briarcliff Manor, Ossining and Yorktown, officials recently announced.

"The Westchester IDA is pleased to offer financial incentives for these projects that will provide clean renewable energy for our communities as well as ensure stability of the power grid during times of high energy use. This is a new and important role for the IDA. It aligns well with the county's steadfast commitment to sustainability and sustainable development," said Westchester County Executive George Latimer.

"We are very pleased to expand the IDA's focus to provide financial incentives to the growing number of renewable energy companies in our county. The three companies receiving preliminary approval are the first in that sector that the IDA has approved. The renewable energy industry plays an important role for future economic growth in Westchester as we face the challenges of meeting our energy needs while reducing our carbon footprint," said IDA Chair Joan McDonald.

The IDA voted the preliminary approvals at its Apr. 28 meeting, officials said.

In Briarcliff Manor, Briarcliff Solar LLC, an affiliate of YSG Solar Development Company, is proposing to build Briarcliff Solar Garden, a $52.5 million solar energy facility on a 78.24-acre property of the former Philips Research complex off Scarborough Road. The proposed project will raze the dilapidated vacant 150,000-square-foot Philips complex and construct two 5-Megwatt Alternating Current community solar power facilities comprised of approximately 14,160 solar panels mounted on a steel racking structure that tracks the direction of the sun on a single axis. The solar panels are expected to power over 2,500 residential homes. They will generate clean electricity that will be fully exported into Con Edison's existing infrastructure, according to officials.

Briarcliff Solar said it has engaged with several demolition and abatement companies to prepare for the razing of the former research facility. The goal is to remove the facility while maintaining the integrity of Shadow Brook Lane for use as the project's access. No new roads or entrances will be required for the project.Briarcliff Solar, officials said, is requesting a sales tax exemption valued at approximately $1,546,934, a mortgage recording tax exemption of $93,000, and a Payment-in-Lieu-of-Tax (PILOT) real estate tax incentive of $2,220,691 for a total assistance request of $3,860,625. The project is estimated to create 56 full-time and 16 part-time jobs during construction of which 15 percent will be for Westchester residents. Briarcliff Solar expects to begin construction by November with operations expecting to begin in the first half of 2024.

In Ossining, Ossining Energy Storage 1, LLC is proposing to build a $6.2 million energy storage facility on vacant land on the property of St. Augustine Church at 381 North Highland Avenue. The company expects to store 4MW/16MWh of energy at the facility which is designed to provide grid stability by supplying power in times of high energy load. The area was identified by Con Edison as an area of high need during evening hours of the day. The site will operate unmanned and be remotely controlled during normal operations. The applicant is requesting a sales tax exemption of $519,250, a mortgage tax exemption of $31,000 and a real property tax exemption of $3,892,347 for a total requested assistance of $4,442,597, officials said.

Yorktown Energy Storage LLC is proposing to build a similar $6.2 million energy storage facility at 3901 Gomer Court in Yorktown. The site will operate unmanned and be remotely controlled during normal operations. The applicant is requesting a sales tax exemption of $519,250, a mortgage tax exemption of $31,000 and a real property tax exemption of $2,88,511 for a total requested assistance of $3,438,761, officials added

NAHB Study: The Residential Remodeling Market Across the U.S. Remained Stable Year-Over-Year, Continued from P. 1

Specifics

The study said that the Current Conditions Index averaged 89, remaining unchanged compared to the first quarter of 2021. The component measuring Large Remodeling Projects ($50,000 or more) rose four points to 89, while the component measuring Moderately-Sized Remodeling Projects (at least $20,000, but less than $50,000) fell one point to 89, and the component measuring Small Remodeling Projects (under $20,000) declined by two points to 90.

The Future Indicators Index edged down two points to 82 compared to the first quarter of 2021. The component measuring the Current Rate at Which Leads and Inquiries are coming in fell six points to 80, while the component measuring the Backlog of Remodeling Jobs increased two points to 84.

"An overall RMI of 86 indicates positive remodeler sentiment and is consistent with NAHB's projection of moderate growth in the remodeling market for 2022," said NAHB Chief Economist Robert Dietz. "Nevertheless, rising interest rates and the high cost of materials are significant headwinds to the remodeling industry and the housing industry at large."

NAHB said the index was redesigned in 2020 to ease respondent burden and improve its ability to interpret and track industry trends. As a result, readings cannot be compared quarter to quarter until enough data are collected to seasonally adjust the series. To track quarterly trends, the redesigned RMI survey asks remodelers to compare market conditions to three months earlier, using a "better," "about the same," "worse" scale. A total of 72 percent of respondents said the remodeling market is "about the same" as it was three months earlier.

The full RMI tables can be obtained by visiting http://www.nahb.org/rmi, NAHB officials said.

Building and Realty Report: Weakening Builder Confidence Points to Economic Troubles Ahead, Continued from P. 1

supply-side challenges," said NAHB Chief Economist Robert Dietz. "Residential construction material costs are up 19 percent year-over-year with cost increases for a variety of building inputs, except for lumber, which has experienced recent declines due to a housing slowdown. On the demand-side of the market, the increase for mortgage rates for the first half of 2022 has priced out a significant number of prospective home buyers, as reflected by the decline for the traffic measure of the HMI."

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate 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, the report said.

> **"Government officials need to enact policies that will support the supply-side of the housing market as costs continue to climb."**
>
> *– Jerry Konter, Chairman, National Association of Home Builders (NAHB)*

Declines

All three HMI indices, the study said, posted declines in June. The component charting the traffic of prospective buyers fell five points to 48, marking the first time this gauge has fallen below the breakeven level of 50 since June of 2020. The HMI index gauging current sales conditions fell one point to 77 and the gauge measuring sales expectations in the next six months fell two points to 61.

Looking at the three-month moving averages for regional HMI scores, the Northeast fell one point to 71, the Midwest dropped six points to 56, the South fell two points to 78 and the West posted a nine-point decline to 74.

HMI tables can be found at nahb.org/hmi. More information on housing statistics is also available at Housing Economics PLUS (formerly housingeconomics.com), NAHB officials said.

Holst Joins Simone Development Companies as Chief Operating Officer

NEW YORK

Simone Development Companies recently announced that Matthew Holst, AIA, LEED AP, a veteran real estate professional with more than two decades of experience holding senior management positions, has joined the company as Chief Operating Officer.

"We are extremely pleased to welcome Matt onto our team as he personifies our key values, brings technological innovation, an outstanding track record of success, environmental sustainability and operational excellence to assist Simone in achieving our future strategic growth objectives. Matt will work alongside our executive team and oversee all internal operations," said Joseph Simone, president of Simone Development Companies.

Simone added: "We have had a tremendous history of continued growth built on a relentless focus on being tenant centric. As we continue to strategically position ourselves for future growth, it is essential that we proactively build further operational capacity and scalability into key business processes."

Prior to joining Simone Development, Holst served as Managing Director of Architecture, Construction, Marketing and Design for Fisher Brothers' 9 million-square-foot commercial real estate portfolio. At Fisher Brothers, Holst completed more than $200 million of capital improvement projects and interior tenant improvements on schedule and under budget through innovation of design, technology, operations, leasing, marketing and proficiency of job oversight, officials said.

Holst has also served as Chief Real Estate Officer for Ease Hospitality and as Senior Vice President of Architecture, Construction and Leasing for SL Green Realty Corp., both in New York City, officials added.

A licensed architect, Holst is a member of numerous organizations, including the National Council of Architectural Registration Boards, the American Institute of Architects, and the Real Estate Board of New York (REBNY), where he served on REBNY's Management Division Board of Directors, officials said.

Simone Development Companies, officials said, is a full-service real estate investment company specializing in the acquisition and development of healthcare, mixed-use, office, industrial, retail and residential properties. Headquartered at the Hutchinson Metro Center, the firm boasts a portfolio of more than 7 million square feet throughout the Bronx, Manhattan, Queens, Long Island, Westchester County, Orange and Fairfield Counties (Conn.) and New Jersey.

With services spanning acquisition, development, construction, finance, asset management, accounting, leasing and property management, Simone Development Companies, officials added, is set apart by its vertically integrated management team, long-term asset ownership and its pursuit of visionary development.

Martin Ginsburg and Irene Ginsburg Honored at Local Program

POCANTICO HILLS

In recognition of Martin Ginsburg's and Irene Ginsburg's significant contributions to the economic development, environmental protection, and cultural vitality of Westchester County, Historic Hudson Valley (HHV) honored the couple at a dinner on Jun. 23 at Abeyton Lodge in Pocantico Hills, event officials recently announced.

Martin Ginsburg is the founder and principal of Ginsburg Development Companies (GDC), which has its headquarters in Valhalla and operates throughout the Hudson Valley region.

More than 150 guests - including New York State Senate Majority Leader Andrea Stewart-Cousins; Mark F. Rockefeller, chair, executive committee of Historic Hudson Valley; Wilson S. Neely, chairman of Historic Hudson Valley; and Kimberly J. Huchro, vice chair of Historic Hudson Valley and founding committee chair - gathered to celebrate the Ginsburgs' many achievements, including the restoration and transformation of a 19th-century convent in Peekskill into the Abbey Inn and Spa.

Since opening in 2020, the Abbey Inn and Spa has been profiled in the New York Times, named one of the best new hotels by USA Today, and has become one of the Hudson Valley's premier tourist destinations, event officials said.

Sen. Stewart-Cousins, who recently secured $1 million in the New York State budget to support arts programs in the region, spoke at the dinner. The senator has been involved with HHV's Women's History Institute initiatives in the past, including an appearance at the popular event, "Vote Like a Girl," a summer festival at Washington Irving's Sunnyside.

"I'm pleased to support Historic Hudson Valley's Women's History Institute, which tells the stories of the women - both free and enslaved - who contributed so much to the economy and culture of the Hudson Valley," Stewart-Cousins said. "My heartiest congratulations go out to Martin and Irene Ginsburg who were honored for their restoration and transformation of a historic Peekskill convent into a world-class destination."

Messrs. Rockefeller and Neely presented the Ginsburgs with an award recognizing their decades of work and their dedication to the area.

"As one of the most prominent real estate developers in the region, Martin and Irene Ginsburg have long been champions of the Hudson Valley as a world-class destination because of its natural beauty, historic significance, and extraordinary cultural institutions," said Waddell Stillman, president of Historic Hudson Valley. "With HHV's focus on preserving and contributing to this unique regional landscape, it is only fitting that we honor the Ginsburgs and their extraordinary adaptation of the former home of the Community of St. Mary, the oldest Episcopalian religious order in the United States."

The Women's History Institute, which was founded in 2016, illuminates the contributions of women in the Hudson Valley through critical research, popular events, and digital programs, such as "Invisible Women," a virtual field trip under development featuring the little-known stories of the free and enslaved women of Philipsburg and Van Cortlandt Manors. "Invisible Women" was supported by a prestigious grant from the National Endowment for the Humanities, event officials said.

Previous Women's History Institute honorees include Valerie Rockefeller, chair of the Rockefeller Brothers Fund; and Dawn Fitzpatrick, chief investment officer of Soros Fund Management.

Proceeds from the dinner support the programs of the Women's History Institute, including Summer Research Fellowships, educational resources for local students, and digital and virtual experiences for a global audience, event officials added.

The Women's History Institute, event officials said, fosters a deeper understanding of the women who shaped the culture and chronicle of the area, including the diverse women who lived and worked on our sites, and offers a contemporary audience the resources necessary to take inspiration from their history.

Martin Ginsburg, founder and principal of GDC, is first and foremost an architect, event officials said. As a result of his attention to design, site planning, and detail, GDC's developments have won numerous design and community planning awards. With more than 50 years of experience and market leadership, GDC has built many of the region's most successful and prestigious luxury developments throughout the Hudson Valley Region, earning GDC's reputation as the region's premier residential developer, event officials added.

Event officials said that Historic Hudson Valley, Westchester County's largest cultural organization, educates and entertains more than 325,000 visitors a year through school programs, tours of National Historic Landmarks, and large-scale events like The Great Jack O'Lantern Blaze. From its lower Hudson Valley base of operations, the organization focuses on delivering quality educational and entertaining experiences, striking a balance between tradition and vision, from preserving the past, to contextualizing it in creative ways for 21st-century audiences.

Building Industry Report: Housing Starts Across the U.S. Weaken in July as Market Slowdown Continues

WASHINGTON, D.C.

"A housing recession is underway with builder sentiment falling for eight consecutive months while the pace of single-family home building has declined for the last five months. However, multifamily construction remains very strong given the solid demand for rental housing. The number of multifamily five-plus units currently under construction is up 24.8 percent year-over-year."

A sharp decline in single-family home construction is another indicator that the housing slowdown across the U.S. is showing no signs of abating, as rising construction costs, elevated mortgage rates and supply chain disruptions continue to act as a drag on the market.

Those were the assessments contained in an Aug. 16 analysis of the National Association of Home Builders (NAHB). Overall housing starts fell 9.6 percent to a seasonally adjusted annual rate of 1.45 million units in July, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The NAHB analysis is based on the report.

The July reading of 1.45 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 10.1 percent to a 916,000 seasonally adjusted annual rate and are down 2.1 percent on a year-to-date basis. This is the lowest reading for single-family home building since June of 2020. The multifamily sector, which includes apartment buildings and condos, decreased 8.6 percent to an annualized 530,000 pace, the NAHB analysis said.

"The decline in single-family starts is reflected in our latest builder surveys, as housing demand continues to weaken on higher interest rates while on the supply side builders continue to grapple with higher construction costs," said Jerry Konter, chairman of NAHB and a home builder and developer from Savannah, Ga. "Builders are reporting weakening traffic as housing affordability declines."

"A housing recession is underway with builder sentiment falling for eight consecutive months while the pace of single-family home building has declined for the last five months," said NAHB Chief Economist Robert Dietz. "However, multifamily construction remains very strong given the solid demand for rental housing. The number of multifamily five-plus units currently under construction is up 24.8 percent year-over-year."

On a regional and year-to-date basis, combined single-family and multifamily starts are 10.7 percent higher in the Northeast, 0.4 percent lower in the Midwest, 6.5 percent higher in the South and 2.2 percent lower in the West, the NAHB analysis said.

Overall permits decreased 1.3 percent to a 1.67 million unit annualized rate in July. Single-family permits decreased 4.3 percent to a 928,000 unit rate and are down 5.9 percent on a year-to-date basis. Multifamily permits increased 2.8 percent to an annualized 746,000 pace, the NAHB analysis added.

Looking at regional permit data on a year-to-date basis, the NAHB analysis said that permits are 1.9 percent lower in the Northeast, 1.9 percent higher in the Midwest, 2.6 percent higher in the South and 0.2 percent higher in the West.

"The decline in single-family starts is reflected in our latest builder surveys, as housing demand continues to weaken on higher interest rates while on the supply side builders continue to grapple with higher construction costs."

Houlihan-Parnes Realtors Announces a Bronx Transaction

NEW YORK

Bryan J. Houlihan of Houlihan-Parnes Realtors, LLC recently announced the placement of a first mortgage in the amount of $2,500,000 on an 8,919 square foot multi-tenanted retail building at 3427 Jerome Ave in the Bronx.

The property is owned by long time partners ISJ Management and members of Houlihan-Parnes Realtors and has remained a strong cash-flowing asset despite the strains of the COVID-19 pandemic, officials said.

Houlihan-Parnes was able to negotiate favorable terms with a local bank for the loan. The loan was placed with a fixed rate of 3.59 percent with the first 24 months of the five-year term at Interest Only. The borrowers have the ability to extend the loan for an additional five years. The borrower was represented by John Hogan of Goldberg Weprin Finkel Goldstein, LLP, officials added.

Houlihan-Parnes Realtors is a privately owned, vertically integrated commercial real estate investment and management firm. Owning approximately six million square feet of office, retail, warehouse and industrial space, the firm also owns and/or manages approximately 15,000 multifamily units, company officials said.

Founded in 1891 and operated by the fourth and fifth generations of the Houlihan family, Houlihan-Parnes is headquartered in White Plains. The firm is engaged in acquisition, property and construction management, consulting services, leasing, investment sales and mortgage brokerage for all commercial real estate asset classes, both for the company's portfolio and for third parties, company officials added.

Whitehead Named President of the Westchester Municipal Planning Federation

WHITE PLAINS

Linda Whitehead

Linda Whitehead, a partner in the law firm of McCullough, Goldberger and Staudt, LLP (MGS) of White Plains, was recently named President of the Westchester Municipal Planning Federation (WMPF).

Whitehead, a resident of Irvington, regularly lectures on land use law and real estate matters. She is currently on the WMPF Board of Directors and has been a long-time member of the municipal planning organization, planning WMPF's annual Land Use Training Institute for several years. She is a graduate of the Community Leadership Alliance Program at the Pace University Elisabeth Haub School of Law, Land Use Law Center.

"The Westchester Municipal Planning Federation is well respected throughout the region, serving an important role in educating volunteer land use board members and representing governments, planners and other professionals throughout Westchester. It's been very fulfilling to serve on the board for so many years and I am honored to now serve as its President," said Whitehead.

The WMPF is a voluntary association of officials representing the county's 45 municipal governments, zoning and planning boards and land use consultants including lawyers, engineers, architects and planners. Governed by a 15-member Board of Directors, the organization's purpose is to "create an effective and permanent countywide organization for the exchange of information on matters of planning interest," officials said.

WMPF works closely with the Westchester County Department of Planning to arrange programs of interest to the Westchester planning community. These programs include an annual land use training institute, annual planning and zoning board seminars, and a variety of luncheon, evening and online programs on topical planning issues, officials added.

At MGS, officials said, Whitehead practices land use and municipal law, guiding both property owners and the firm's municipal clients through complex land use approval processes, including compliance with the State Environmental Quality Review Act (SEQRA).

Whitehead also heads the firm's transactional real estate practice, which represents clients in relation to the acquisition and sale, leasing and financing of all types of commercial and residential properties. She also represents lenders in making complex commercial loans, officials said.

Whitehead, a member of the Westchester County Bar Association, served as co-chairperson of the New Lawyers Section. She is also a member of the New York State Bar Association. She is also a former member and past president of the American Cancer Society Westchester-Rockland Volunteer Leadership Council and past president of the Mount Holyoke Club of Westchester, officials added.

McCullough, Goldberger & Staudt, LLP, officials said, represents a diverse group of clients. MGS (including its predecessor firm) has been an integral part of the Westchester community for more than 60 years. The firm offers a wide range of services in areas including land use, commercial and residential real estate, banking law, trusts and estates, municipal law, construction law and all types of litigation. Its clients include corporations, insurance companies, municipalities, co-op, condo and homeowners' associations, developers, golf and country clubs and not-for-profits, as well as individual property owners. Services are provided by a team of 12 experienced attorneys, officials added.

Report: Single-Family Starts Fall to Two-Year Low on Higher Construction Costs and Interest Rates

WASHINGTON, D.C.

Increased interest rates, building material supply chain bottlenecks and elevated construction costs continue to put a damper on the single-family housing market across the U.S., according to a recent building and realty industry report.

An analysis released on Jul. 19 by the National Association of Home Builders (NAHB) said that, for the first time since June of 2020, both single-family starts and permits fell below a 1 million annual pace.

Overall housing starts fell two percent to a seasonally adjusted annual rate of 1.56 million units in June from an upwardly revised reading the previous month, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The NAHB analysis is based on the report, NAHB officials said.

The June reading of 1.56 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts decreased 8.1 percent to a 982,000 seasonally adjusted annual rate. This is the lowest single-family starts pace since June of 2020. The multifamily sector, which includes apartment buildings and condos, increased 10.3 percent at an annualized 577,000 pace, according to the analysis.

"Single-family starts are retreating on higher construction costs and interest rates, and this decline is reflected in our latest builder surveys, which show a steep drop in builder sentiment for the single-family market," said Jerry Konter, NAHB chair and a home builder and developer from Savannah, Ga. "Builders are reporting weakening traffic as housing affordability declines."

"While the multifamily market remains strong on solid rental housing demand, the softening of single-family construction data should send a strong signal to the Federal Reserve that tighter financial conditions are producing a housing downturn," said NAHB Chief Economist Robert Dietz. "Price growth will slow significantly this year, but a housing deficit relative to demographic need will persist through this ongoing cyclical downturn."

On a regional and year-to-date basis, combined single-family and multifamily starts are 4.4 percent lower in the Northeast, 4.7 percent higher in the Midwest, 11.1 percent higher in the South and 0.4 percent lower in the West, the analysis said.

Overall permits decreased 0.6 percent to a 1.69 million unit annualized rate in June. Single-family permits decreased 8 percent to a 967,000 unit rate. This is the lowest pace for single-family permits since June of 2020. Multifamily permits increased 11.5 percent to an annualized 718,000 pace, the analysis added.

The analysis said that, looking at regional permit data on a year-to-date basis, permits are 5.1 percent lower in the Northeast, 2.5 percent higher in the Midwest, 2.9 percent higher in the South and 3 percent higher in the West.

Builder Confidence Is "Underwater" After Decreasing for the Eighth Consecutive Month, Continued from p. 12

Meanwhile, 69 percent of builders reported higher interest rates as the reason behind falling housing demand, the top impact cited in the survey.

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

All three HMI components, NAHB officials said, posted declines in August and each fell to their lowest level since May of 2020. Current sales conditions dropped seven points to 57, sales expectations in the next six months declined two points to 47 and traffic of prospective buyers fell five points to 32.

Looking at the three-month moving averages for regional HMI scores, the Northeast fell nine points to 56, the Midwest dropped three points to 49, the South fell seven points to 63 and the West posted an 11-point decline to 51, the NAHB report said.

HMI tables can be found at nahb.org/hmi. More information on housing statistics is also available at Housing Economics PLUS (formerly housingeconomics.com), NAHB officials said.

Simone Development and Argent Ventures Honored at BOMA Westchester's Annual Hall of Honor Dinner on May 12

WHITE PLAINS

More than 150 leaders of Westchester County's commercial real estate industry were on hand May 12 for the Building Owners and Managers Association of Westchester (BOMA) 30th Annual Hall of Honor Awards Dinner, event officials recently announced.

The dinner, at Abigail Kirsch at Tappan Hill in Tarrytown, honored Simone Development Companies and Argent Ventures for their contributions to Westchester's economy, event officials added.

Accepting the award for Simone Development Companies was Joanna Simone, principal and vice president of leasing and property management operations. Accepting the award for Argent Ventures was Jay Eisenstadt, partner.

Simone Development Companies is a fully integrated private real estate investment and development company that acquires and develops healthcare, mixed-use, commercial, industrial, retail and residential properties. Headquartered at the Hutchinson Metro Center, it boasts a portfolio of over seven million square feet throughout the Bronx, Manhattan, Queens, Long Island, Westchester, Orange and Fairfield Counties (Conn.) and New Jersey, company officials said.

In Westchester, Simone Development owns and manages approximately 2.5 million square feet of commercial and retail space. The company's Westchester properties include Boyce Thompson Center in Yonkers, Purchase Professional Park in Purchase, 80 Nardozzi Place in New Rochelle, 104 Corporate Park Drive in Harrison, One Zeiss Drive in Thornwood and 250 Sandford Boulevard in Mount Vernon, company officials said.

Argent Ventures is a diversified real estate investment and development firm specializing in opportunistic and value-add transactions throughout the United States, company officials said.

Founded in 1997 and headquartered in New York City, Argent Ventures pursues debt- and equity-related investments in any asset class. Since its inception, Argent has purchased over $3.0 billion in real estate assets and debt instruments in major markets in the United States and Europe. Argent Ventures recently announced its acquisition of White Plains Plaza for $105 million. The complex is composed of two 15-story office buildings totaling 715,365 square feet of office space, company officials added.

Additionally, the Distinguished Service Award was presented to all First Responders of Westchester County. Richard Wishnie, commissioner of emergency services of Westchester County, accepted the award on behalf of the organization.

The dinner also featured the winners of the Best of BOMA Westchester Signature Awards:

- Capital Improvement: Northern Westchester Executive Park, 2649/2651 Strang Blvd., Yorktown Heights
- Tenant Fit Out: Arcadis U.S., Inc., 44 South Broadway, White Plains
- Sustainable Green Award: One North Lexington, White Plains

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 over 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.

A Warning: Workers Comp Rates Might Skyrocket!, Continued from p. 3

Examples:

1. Temporary Injury: An injured worker breaks their arm and is assessed a 20 percent Scheduled Loss of Use of their arm. Assume they met the maximum $1,125 a week cap (66 percent of current earnings). Assume also that this type of injury under current Workers Comp benefits provides 52 weeks of disability with the first half defined as Temporary Total Disability while they are at home healing, and then the second half is Temporary Partial Disability when he returns for light work. Based on the current rules, they would be eligible for 62.4 weeks and collect $70,228. But if this claim instead was classified as Total Disability, they would be eligible for an additional 20 weeks of compensation, or an extra $22,509. A 32 percent increase!
2. Permanent Injury: A 54-year-old claimant with a life expectancy of 28.4 years gets classified with a 50 percent Scheduled Loss of Use for a Permanent Partial Disability. This person would be entitled to 50 percent of their temporary total disability rate for 300 weeks, total $168,819. But now that this will not be a Partial Disability, this will be a Total Disability, which could qualify for a lifetime benefit which would be $1,662,079! Ten times the cost.

PROBLEM 2

Total Disability Payments Are Paid 100 Percent By The Insurance Company Thereby Driving Up Rates!

Example:

In the current system, If the employee is classified Partially Disabled at 96 percent or higher and comes back to work and just lifts light boxes, he is kept whole for 10 years. His employer pays his salary and the insurance company makes up 2/3rds of the difference for the lower wage. But if the employee presents medical evidence that they can't lift heavy boxes they now will qualify for TOTAL disability. The employee will no longer be working, but he still is paid through WC, even though they are at home watching TV. And now his total compensation is paid for by THE INSURANCE COMPANY.

PROBLEM 3

Lawyers will now be involved to prove that the injured worker is not able to do exactly what they were doing beforehand, driving up rates!

> ***"The 2007 Workers Compensation reform has done a great job in balancing out giving injured workers higher compensation while controlling the employer's insurance costs. If injured employees are no longer incentivized to accept a different role and can collect more benefits as a result, the whole cost structure of the workers' compensation system will be upended."***

The History

Workers Compensation Insurance was created in the early 1900's to help injured employees get the medical care they needed and collect some portion of lost wages while they recover. Prior to the creation of WC, the employee would have to sue their employer for creating an unsafe environment. The employer would counter sue the employee for being careless and causing their own injury. The only one that would benefit would be the attorneys. WC was an efficient means to help the employee while keeping costs down, without the need for assigning blame.

In 2007, Gov. Spitzer passed significant WC Reform Legislation. Prior to 1997, the workers' compensation benefit available to the injured employee was 2/3rds of their average weekly wage up to a maximum of $400 per week. Obviously, that was not enough money for someone in New York to live off. So, it was changed to 66 percent of their weekly earnings, and the maximum was tied to the New York average weekly wage. In 2022, an injured employee can collect 66 percent of their prior weekly wages to a max of $1,125 a week.

This was very helpful to the employee and Labor was strongly in favor of this. But to keep WC costs from escalating, the Bill put a cap on the most expensive aspect of WC benefits. It capped the benefits for someone that was Permanently Partially disabled to 10 years. Labor believed this was a fair compromise.

Costs will increase with this new law because of litigation on most cases. Currently there are set medical guidelines determining payouts. Now the person's specific job duties within his particular company will be used to determine whether it is Total or Partial disabled.

Example:

The Warehouse worker has an injured shoulder and can no longer reach the top shelf to place boxes. Current WC laws have set benefits based on the exact medical situation. A dislocated shoulder pays one amount while a sprained shoulder pays another. It is clearly defined. But now the injured worker will hire a lawyer to state they cannot do exactly what they used to do. The Workers' Compensation Board will now have to evaluate every employment situation. Was he in a warehouse that stored heavy objects or pillows? How many shelves can they not reach? This will add significant costs to the system.

The 2007 Workers Compensation reform has done a great job in balancing out giving injured workers higher compensation while controlling the employer's insurance costs. If injured employees are no longer incentivized to accept a different role and can collect more benefits as a result, the whole cost structure of the workers' compensation system will be upended.

Editor's Note: Levitt-Fuirst Insurance, based in Tarrytown, is the Insurance Manager for the Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI) and its seven component associations.

Gordon Appointed to "New" New York Blue Ribbon Panel

RYE BROOK


Marsha Gordon

Business Council of Westchester (BCW) President and Chief Executive Officer Marsha Gordon has been appointed to the "New" New York Blue-Ribbon Panel to examine the future of New York City and the region's economy.

BCW officials made the announcement in June.

Gov. Kathy Hochul and New York City Mayor Eric Adams designated the 56-member panel to develop actionable strategies for the recovery and resilience of New York City's commercial districts, challenges stemming from the COVID-19 pandemic, and longstanding and systemic challenges facing the New York City region, officials said.

"This panel represents a diverse cross-section of New Yorkers with a track record of thinking big to develop innovative policies to drive growth in all five boroughs and beyond," said Gov. Hochul. "New York has demonstrated incredible resiliency over the last few years, and we owe it to New Yorkers to rebuild and revitalize our economy and ensure everyone has an opportunity to succeed."

The panel will examine issues such as how and where people work and the use of space in key commercial centers, with the goal of minimizing vacancy, catalyzing vibrancy, and bolstering the tax base. The panel will recommend specific, immediate initiatives that will serve as the basis of a shared city-state agenda, as well as long-term, transformative ideas for the city and state to consider, officials said.

"I'm honored to have been chosen by the governor and mayor to serve on this important panel," said Gordon. "The pandemic has created many unanticipated side effects, not the least of which has been changes to the New York metro area's economic patterns. I welcome this challenging project as we continue to address the post-pandemic repercussions."

Report:
Luxury Home Market Stabilizing in New York and Connecticut With Home Sales Posting Mixed Results for Q2

Lack of Inventory Continues to Impact the Market

RYE BROOK

After two years of eye-popping increases in luxury home sales, the market appears to be stabilizing with luxury home sales in New York and Connecticut posting mixed results in the second quarter, according to the Houlihan Lawrence Q2 Luxury Market Report released on Jul. 18.

Homes sold in Westchester ($2M and higher) rose 12.2 percent in the second quarter while the Putnam-Dutchess market ($1M and higher) registered robust gains of 51.6 percent. The highest priced luxury home sold in Westchester in Q2 was $24,150,000 in Bedford. For Putnam the highest home sale was $5,720,000 in Haldane while in Dutchess it was $5,600,000 in Clinton, the report said.

In Connecticut, the Greenwich market ($3M and higher) showed a sales decline of 34.5 percent. Greenwich saw the highest price sold for a luxury home at $17,616,666. Darien and New Canaan ($2M and higher) posted declines of 48.3 percent and 44.1 percent, respectively. The highest price home sold in Darien was $6,150,000. The top selling price in New Canaan was $7,100,000. The Rowayton market ($2M and higher) experienced a 36.4 percent decline in luxury sales, the report added.

The study said that the median sale price in Westchester was down 0.9 percent while the median sale price in the Putnam-Dutchess market was down 9.1 percent. In Greenwich, the median sale price was up a slight 3 percent, while Darien and New Canaan showed modest declines of 0.6 percent and 1.1 percent, respectively. The median sale price in Rowayton was down 3.7 percent.

According to the report, the pace of increases in New York is slowing, and the declines in Connecticut are likely driven by a lack of inventory, not a lack of demand. The urgent need for more space and amenities in less dense areas that fueled our booming market the past two years has eased. Buyers remain motivated to purchase homes that are priced and presented to meet the market.

The lack of inventory, the report added, continues to impact the market north of New York City. As supply declines, so too do pended sales, which are those scheduled to close within 60 to 90 days and ultimately closed sales. Most buyers are sellers first, and the market is in favor of sellers. However, a confluence of events has convinced many luxury homeowners to stay put.

"Rising mortgage rates impact the decision to stay or move. The luxury buyer has the resources to absorb higher payments, however many would-be buyers who recently refinanced or purchased at a 3 percent mortgage are reluctant to trade their existing home and assume a significantly higher mortgage on a new purchase. Should their desire for a new home be stronger than practical implications, many don't want to compete in such a supply-constrained market," said Anthony P. Cutugno, senior vice president, director of private brokerage

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GHP Office Realty Named Exclusive Sales Agent for Conn. Property

WHITE PLAINS

GHP Office Realty, LLC, recently announced that it has been appointed to exclusively market, for sale, 20 Saugatuck Avenue in Westport, Conn.

The property, which is 100 percent leased, is being listed for $7,500,000. The 17,500 square foot mixed-use building is on 1.65 acres in the prestigious waterfront section of Westport. The location is unmatched as it is less than 0.5 miles from I-95, as well as the Metro-North Railroad Station. The facility is minutes from the Merritt Parkway and US-1, officials said.

The property is currently 100 percent leased to four tenants consisting of a mix of education and office users, including The Goddard School of Westport. The property has 70 parking spaces, officials added.

Leading the assignment for GHP Office Realty, officials said, are Brendan Hickey and Rachel Greenspan. The current owner spent a substantial amount of capital in recent years to bring the previously vacant building into the modern, eye-catching property that it is today, officials added.

Officials said the now state-of the-art building has been successfully repositioned due to an extensive gut renovation. All units display large floor to ceiling windows. This is a rare opportunity for an investor to purchase a long-term fully leased property with all new building mechanical equipment, officials added.

GHP Office Realty is a division of Houlihan-Parnes Realtors, LLC which is presently one of the New York area's leading owners, operators and purchasers of suburban New York commercial and industrial space, officials said.

GHP Office Realty was formed in 1999 and is headed by its principal owners, Andrew Greenspan and James J. Houlihan. GHP Office Realty has acquired, financed, redeveloped, leased and managed more than 7,000,000 square feet. Regionally, the partners presently own and manage buildings in Westchester County, Fairfield County (Conn.) and Bergen County (N.J), officials added.

Report: Luxury Home Market Stabilizing in New York and Connecticut With Home Sales Posting Mixed Results for Q2

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for Houlihan Lawrence.

Cutugno said the buyer's inertia mounts when they consider the hurdles to overcome once they purchase a new home. "Most new buyers want to put their personal mark on a new home, but material delays, supply chain issues and labor shortages keep homeowners out of the market," he noted, adding, "Low supply translates into competition, and sellers still have the upper hand. However, a sense of discipline has returned to the market as buyers contend with rising interest rates, stock market volatility and record high inflation."

Q2 2022 MARKETS AT A GLANCE (Q2 2022 vs Q2 2021)

WESTCHESTER COUNTY LUXURY HOME SALES /$2M AND HIGHER

Homes Sold: Up 12.2 percent
Median Sale Price: Down 0.9 percent
Highest Sale Price: $24,150,000 Bedford

PUTNAM AND DUTCHESS COUNTY LUXURY HOME SALES /$1M AND HIGHER

Homes Sold: Up 51.6 percent
Median Sale Price: Down 9.1 percent
Highest Sale Price Putnam: $5,720,000 Haldane
Highest Sale Price Dutchess: $5,600,000 Clinton

GREENWICH LUXURY HOME SALES / $3M AND HIGHER

Homes Sold: Down 34.5 percent
Median Sale Price: Up 3.0 percent
Highest Sale Price: $17,616,666

DARIEN LUXURY HOME SALES / $2M AND HIGHER

Homes Sold: Down 48.3 percent
Median Sale Price: Down 0.6 percent
Highest Sale Price: $6,150,000

ROWAYTON LUXURY HOME SALES / $2M AND HIGHER

Homes Sold: Down 36.4 percent
Median Sale Price: Down 3.7 percent
New Canaan Home Sales /$2M and Higher
Homes Sold: Down 44.1 percent
Median Sale Price: Down 1.1 percent
Highest Sale Price: $7,100,000

New Rochelle Breaks Ground on the $4M Transformation of Downtown Street into a Pedestrian-Friendly Plaza

NEW ROCHELLE

In what officials said is an innovative public-private partnership, developers Wilder Balter and L + M Development Partners and the City of New Rochelle broke ground on Jul. 21 on a $4M transformation of Anderson Street in downtown New Rochelle that is expected to be a bellwether for the city's continued evolution as an inclusive, forward-thinking walkable city.

With the project underway, and after three years of comprehensive planning with the renowned design firm Starr Whitehouse, the transformative project will enrich the public realm, enhance walkability and neighborhood vibrancy, improve the quality-of-life of residents, and increase foot traffic and activity, officials said.

By creating a neighborhood focal point and adding value for the community, downtown residents, shoppers, and workers, this project will create an increasingly attractive environment for transit-oriented development in New Rochelle, officials added. The rejuvenated plaza will be situated on Anderson Street, a one-way thoroughfare between North Avenue and LeCount Place in New Rochelle's Downtown Overlay Zone.

The renovated plaza will provide a versatile public retail corridor with bubbler play fountains, new seating options, refreshed landscaping, and a retail kiosk to help activate the space with complementary retail or local services. Roadway reconfigurations and regrading will allow traffic on Anderson Street to be controlled so the plaza and roadway can be temporarily pedestrianized and used as a welcoming outdoor event space for farmers' markets, festivals, and live performances, officials said.

Anderson Plazna is a first-of-its-kind public realm improvement project that will secure downtown New Rochelle as a haven for pedestrians and residents. At the groundbreaking ceremony, visitors were able to catch an early glimpse of what the plaza will look like through VR technology using NRVR, the city's community engagement platform. The construction on Anderson Plaza is expected to be completed before the end of the year, officials said.

"The new Anderson Plaza renovation is just one example of how New Rochelle's downtown has become a hub for innovation and improvement," said Mayor Noam Branson. "When neighbors can gather and celebrate in community spaces like the new Anderson Plaza, the quality-of-life soars. As more and more of our neighbors join us in appreciating the benefits of this renovation, we expect that local businesses and entrepreneurs will grow in kind along the way."

"The revitalization of Anderson Plaza is just one of many improvements to the pedestrian experience to come to downtown New Rochelle," said City Manager Charles B. Strome III. "As we continue to grow and invest in our community, these new and improved communal spaces will offer downtown visitors and residents a space for engagement and respite from the busy city streets."

"New Rochelle is a prime example of what busy New Yorkers dream of - everything young professionals or a growing family could want, just outside of New York City," said Adam Salgado, development commissioner for the City of New Rochelle. "The redevelopment of Anderson Plaza is just one example of how we invest in our community and offer a welcoming, engaging, quality space for our neighbors."

"Wilder Balter Partners and LMXD are thrilled to have begun work on the redevelopment of Anderson Plaza," said Katherine Kelman, managing director, LMXD. "The opportunity to provide New Rochelle residents with a rejuvenated public plaza and a purpose-designed location for civic events in the heart of downtown is in line with our mission to build vibrant, mixed-income communities."

"Starr Whitehouse is proud to support the City of New Rochelle, Wilder Balter, and LMXD to reinvigorate public spaces downtown," said Laura Starr, partner, Starr Whitehouse Landscape Architects and Planners. "By bringing nature into the city and creating welcoming social spaces, the Anderson Plaza design will make downtown New Rochelle more healthy, inclusive, and livable."

Anderson Plaza is a product of extensive public-private negotiations as a result of the Downtown's revitalization efforts. Other notable community amenities that have resulted from public-private partnerships include the Black Box Theater space at 595 Main Street, and a community and gallery space to be operated by The Lincoln Park Conservancy, Inc. at 393 Huguenot Street, officials said.

A Noteworthy Transformation

With its unparalleled location, superb quality of life, diverse and talented residents, and a focused business climate, New Rochelle is experiencing the transformation of a generation, officials said.

The city's current economic development plan, officials said, will provide a spark for the entire Hudson Valley region, positioning the city as "open for business" and embracing smart, transit-oriented development growth patterns that promote open space, its close proximity to New York City, and opportunities for businesses to rebound, recover and succeed in the current economic climate.

Accelerated by a new, fast-track zoning process along with resources for small businesses and micro-enterprises, the ongoing Master Development initiative will continue to enhance the downtown area by supporting job creation, property values, and private investment - while enhancing sustainability and livability through green and energy-efficient design, officials added.

NAHB Urges Congress to Act on Several Fronts to Ease Housing Affordability Crisis

WASHINGTON, D.C.

Testifying at a Senate Finance Committee hearing on Jul. 20 regarding the role of tax incentives in affordable housing, the National Association of Home Builders (NAHB) told Congress that the housing affordability crisis across the U.S. is far-reaching and will require action on several fronts, not just the tax arena.

"The housing affordability crisis is the result of failing to produce enough housing to match demand," said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga. "If we are going to solve this crisis, we must drive down the cost to build as well as the cost to own or rent. Well-structured housing tax incentives can help us achieve this, but Congress needs to take broader action as well."

Supply-side challenges, including building material production bottlenecks, excessive regulations and labor shortages coupled with rising inflation and increased mortgage rates have exacerbated the housing affordability crisis by raising construction and home costs, particularly as they relate to the entry-level market, NAHB stressed.

"A year ago, nearly one-quarter of new homes were priced under $300,000 - today, it's 10 percent," said Konter.

Recent housing data indicate the affordability crisis is worsening, as the Commerce Department reported on Jul. 19 that single-family housing starts fell below a 1 million annual pace in June and registered the lowest production level in two years. The lackluster housing report is in line with NAHB's latest Housing Market Index (HMI), which shows builder confidence in the single-family housing market plunged 12 points in July, the largest single-month drop in the history of the HMI, except for the 42-point drop in April 2020, NAHB said.

NAHB officials said that Congress can take several steps to help reverse this trend. On the tax front, the changes brought by the 2017 Tax Cuts and Jobs Act significantly reduced the number of taxpayers who itemize by doubling the standard deduction. This effectively changed the mortgage interest deduction into a tax benefit that is now geared primarily to wealthy households.

"A better policy is to scrap the mortgage interest deduction in favor of a 15 percent tax credit claimed against mortgage interest and real estate taxes paid," said Konter. "This homeownership tax credit would offer a more effective and progressive tax incentive, help first-time home buyers and young couples with growing families, spur job and economic growth, and keep the nation's long-standing commitment to housing."

Konter also urged lawmakers to strengthen the Low-Income Housing Tax Credit by enacting the Affordable Housing Credit Improvement Act to boost production of affordable rental housing. The bill would finance more than 2 million additional multifamily units over the next decade by increasing the credits allocated to each state and expanding the number of affordable housing projects that can be built using private activity bonds.

NAHB also supports Finance Committee Chairman Ron Wyden's proposal for a Middle-Income Housing Tax Credit, which addresses a growing need for affordable workforce rental housing. Konter also urged Congress to address the many housing tax incentives that are not indexed for inflation, such as the capital gains exclusion on the sale of a home, and asked lawmakers to reconsider the current limits on the state and local taxes deduction to help home owners ease cost burdens in high-tax states.

Outside of the tax arena, NAHB is urging Congress to take the following steps to make housing more affordable for homeowners and renters alike:

❖ Call on the Biden administration to suspend tariffs on Canadian lumber imports into the U.S. that are contributing to unprecedented price volatility and raising housing costs and to immediately enter into negotiations with Canada on a new softwood lumber agreement.

❖ Reduce burdensome regulations that account for nearly 25 percent of the price of building a single-family home and more than 40 percent of the cost of a typical multifamily development.

❖ Help ease a chronic construction labor shortage that is delaying home building projects and increasing construction costs by promoting and funding job training programs to prepare individuals for careers in home building.

❖ Act to ease production bottlenecks that have contributed to home building material costs rising 19 percent year-over-year.

Industry Study: Builder Confidence Is "Underwater" After Decreasing for the Eighth Consecutive Month

WASHINGTON, D.C.

Builder confidence across the U.S. fell for the eighth straight month in August as elevated interest rates, ongoing supply chain problems and high home prices continue to exacerbate housing affordability challenges.

In another sign that a declining housing market has failed to bottom out, builder confidence in the market for newly built single-family homes fell six points in August to 49, marking the first time since May of 2020 that the index fell below the key break-even measure of 50, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Aug 15.

"Ongoing growth in construction costs and high mortgage rates continue to weaken market sentiment for single-family home builders," said NAHB Chairman Jerry Konter, a home builder and developer from Savannah, Ga. "And in a troubling sign that consumers are now sitting on the sidelines due to higher housing costs, the August buyer traffic number in our builder survey was 32, the lowest level since April of 2014, with the exception of the spring of 2020 when the pandemic first hit."

"Tighter monetary policy from the Federal Reserve and persistently elevated construction costs have brought on a housing recession," said NAHB Chief Economist Robert Dietz. "The total volume of single-family starts will post a decline in 2022, the first such decrease since 2011. However, as signs grow that the rate of inflation is near peaking, long-term interest rates have stabilized, which will provide some stability for the demand-side of the market in the coming months."

Roughly one-in-five (19 percent) of home builders in the HMI survey reported reducing prices in the past month to increase sales or limit cancellations. The median price reduction was five percent for those reporting using such incentives.

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