

## The Building and Realty Institute (BRI) Files a Cert Petition to Have the U.S. Supreme Court Hear Its Lawsuit Against HSTPA

ARMONK

Small property owners of the Building and Realty Institute (BRI) whose buildings are rent-regulated submitted on May 15 a cert petition to have the U.S. Supreme Court review its lawsuit against the 2019 enactment of the Housing Stability and Tenant Protection Act (HSTPA).

The lawsuit argues that the enactment of HSTPA in 2019 was unconstitutional and has negatively impacted the ability of property owners

to maintain their properties and businesses.

BRI officials said the case - Building and Realty Institute of Westchester and Putnam Counties, Inc., et al., Petitioners v. New York, et al. - is centered on the fact that HSTPA has modified rent-stabilization laws without compensating property owners. The modifications, BRI officials added, directly contradicts the Takings Clause of the Fifth Amendment of the U.S. Constitution.

The clause, BRI officials said, states that private property cannot be

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# Impact

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Years of Providing Knowledge to the Building Community

BRI

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## The Westchester County Rent Guidelines Board Approves Increases of 2.5 Percent & 3.5 Percent

WHITE PLAINS

The Westchester County Rent Guidelines Board on Jun. 27 approved a rent increase of 2.5 percent for one-year lease renewals and 3.5 percent for two-year lease renewals during its Rebuttal and Vote Meeting at White Plains City Hall.

The increases affect leases renewing between Oct. 1, 2024 through Sep. 30, 2025. The increases, which affect buildings under the Emergency Tenant Protection Act (ETPA), passed with a final vote of 6-1.

Officials from the Apartment Owners Advisory Council (AOAC) of the Building and Realty Institute (BRI) said that while the new increases will prevent the destructive and counter-productive rent freeze that tenant advocates had been seeking, they do not match the escalating operating expenses of rent-stabilized buildings. The expenses have surged due to inflation, rising material costs, and soaring insurance rates over the past year, AOAC/BRI officials added.

"Once again, property owners are given disappointing rent increases. We have the oldest stock of housing which has the highest need for maintenance and repairs. It is becoming increasingly difficult, if not impossible, to provide safe and well-maintained units. The Rent Guidelines Board has become our only avenue for these necessary increases but year-after-year, these increases don't even keep up with inflation or the Consumer Price Index (CPI). The board is completely skewed toward the tenants, without anyone taking into consideration the documented facts provided. The system is clearly broken and I fear it won't get fixed until a catastrophic event occurs," said Lisa DeRosa, president of the BRI and a White Plains property owner.

### Key Facts

AOAC/BRI officials said that the major points of discussion during the Public Hearings of the Westchester County Rent Guidelines Board have been soaring insurance premiums and the ongoing devaluation of rent-stabilized properties, in addition to inflation and rising maintenance costs for property owners. The factors have contributed to the number of rent-stabilized units being taken off the market entirely since 2019 - nearly 5,000, according to statistics presented to the board by the Division of Housing and Community Renewal (DHCR).

Insurance premiums, AOAC/BRI officials said, have been escalating by an average of 26 percent annually, while coverage is diminishing or challenging to secure. The average cost to insure an affordable apartment has surged to \$1,770, marking a 103 percent increase from four years ago when the average annual premium per unit was \$869. A decrease in insurers willing to provide coverage for multifamily housing, especially rent-stabilized buildings, has made it increasingly challenging for property owners, AOAC/BRI officials added.

The aftermath of the enactment of the Housing Stability and Tenant Protection Act (HSTPA) in 2019 has led financial lenders to reassess the viability of granting loans to rent-stabilized properties due to the new regulations and years of sub-par rent increases, AOAC/BRI officials said during the Public Hearings of the Westchester County Rent Guidelines Board.

AOAC/BRI officials added that valuations of the limited multifamily property sales have dropped, impacting loans and posing risks to financial institutions like Signature Bank and New York Community Bank. Reports indicate that two-thirds of rent-stabilized buildings in New York City are at risk of selling for less than their previous sales price, with a significant portion losing market value since 2018.

The diminishing property values, AOAC/BRI officials said, have restricted property owners' access to loans for essential

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## Study: High Mortgage Rates Are Acting As a Drag on Builder Confidence Across the U.S.

WASHINGTON

Mortgage rates that continue to hover in the seven percent range, along with elevated construction financing costs, continue to put a damper on builder sentiment.

Builder confidence across the U.S. in the market for newly built single-family homes was 43 in June, down two points from May, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) that was released on Jun. 19.

The reading is the lowest since December of 2023, the report said.

"Persistently high mortgage rates are keeping many prospective buyers on the sidelines," said NAHB Chairman Carl Harris, a custom home builder from Wichita, Kan. "Home builders are also dealing with higher rates for construction and development loans, chronic labor shortages and a dearth of buildable lots."

"We are in an unusual situation because a lack of progress on reducing shelter inflation, which is currently running at a 5.4 percent year-over-year rate, is making it difficult for the Federal Reserve to achieve its target inflation rate of two percent," said NAHB Chief Economist Robert Dietz. "The best way to bring down shelter inflation and push the overall inflation rate down to the two percent range is to increase the nation's housing supply. A more favorable interest rate environment for construction and development loans would help to achieve this aim."

### Additional Facts

The June HMI survey also revealed that 29 percent of builders cut home prices to bolster sales in June, the highest share since January of 2024 (31 percent) and well above the May rate of 25 percent.

However, the report added, the average price reduction in June held steady at six percent for the 12th straight month. Meanwhile, the use of sales incentives ticked up to 61 percent in June from a reading of 59 percent in May. This metric is at its highest share since January of 2024 (62 percent).

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## "Good Cause" Eviction and Other Housing Policies Pass in the New York State Budget

ARMONK

When the New York State Legislature and the Governor passed into law the \$237 billion Fiscal Year 2025 New York State Budget on Apr. 20, the budget contained a number of seismic changes to property owner-tenant laws that have been the center of housing policy debate for the past five years.

Among the top lines being touted by the Gov. Hochul and legislative leaders were "tenant protections" in the form of a modified "Good Cause" Eviction law, a replacement for the lapsed 421-a tax credit for New York City development and affordable housing, increased incentives for office to residential conversion, and a new law intended to prevent insurance discrimination against affordable housing.

But which of those policies are focused only on the five boroughs of New York City and which are ones that those who work in housing in Westchester County and the Lower Hudson Valley will need to take into account?

The Building and Realty Institute (BRI) hosted member briefings on "Housing and the New York State Budget" on Jun. 4 and Jun. 5, 2024. Below are some of the must-know highlights of how housing policy has changed in the Empire State.

### "Good Cause Eviction" Passes, But Heavily Amended

No issue has dominated the policy landscape on housing for the past five years in the Capitol so much as the controversial "Good Cause" Eviction bill to overhaul landlord-tenant law throughout the state. Failure to reach agreement on this wide-reaching bill was one of the deciding factors in the failure to pass an extension or replacement for the expiring 421-a in 2022 - a lapse which caused housing production in New York City to drop dramatically - and the sinking of the end-of-session mega-deal on addressing the housing shortage in 2023. Within this year's state budget, the controversial "Good Cause" Eviction bill finally became law, albeit in a highly modified version intended to placate critics but leading to frustration and discontentment on all sides of the issue.

The fundamentals of the "Good Cause" law remain the same as the original, expansive version. Property owners must now give an automatic lease renewal to tenants unless they have explicitly done one of a few negative actions, like failure to pay rent, violating the lease terms, engaging in criminal activity, etc.

Landlords will also be prevented from evicting tenants except for those same reasons, which also include when a landlord intends to reclaim the unit in good faith for self-use or for a family member, or when a landlord plans to remove the unit or the building off the rental market entirely. The law also establishes an "unconscionable rent increase" across the board for all rentals. If the landlord raises rent in any year above that threshold and the tenant refuses to pay part or all of the rent, the tenant cannot be evicted for failure to pay rent unless the landlord first proves in court why the rent increase that

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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

## Remembering Alan Furst, A True Gentleman, Ally and Friend of the Building and Realty Institute (BRI)

ARMONK

Howdy!

That greeting came to me upon learning of the Jul. 1 death of Alan Furst, a co-founder of Levitt-Furst Insurance, the Insurance Manager for the Building and Realty Institute (BRI).

Furst, who passed away at the age of 88, was a true friend and ally of the BRI, as well as the building, realty and construction sectors. And those who had the pleasure of knowing him will undoubtedly remember the upbeat "howdy" greeting he used so often.

Furst was an iconic figure in the tri-state area's insurance industry, as well as at the BRI. He was a participant in many of our organization's meetings and seminars. And, he was always available to help the association and its members. He was a true gentleman and a definite asset to the BRI. Several members of our organization recently shared their good memories and immense respect of Alan through e-mails to his son, Ken Furst. Alan will most definitely be missed. He was respected and admired by all.

A page 3 report contains a summary of Alan's life. All of us at the BRI send our condolences to his family and friends.

Other noteworthy reports in this issue include:

- ◆ A page one article on the recent decisions of the Westchester County Rent Guidelines Board regarding rent increases for multi-family buildings and complexes that affected by the Emergency Tenant Protection Act (ETPA).
- ◆ \*A page one report on the BRI filing a cert petition to have the U.S. Supreme Court hear its lawsuit against the 2019 enactment of the Housing Stability and Tenant Protection Act (HSTPA).
- ◆ \*A page one summary on the passage of a modified version of the Good Cause Eviction proposal and other housing policies as part of the New York State Budget.
- ◆ \*A page one article on a study from the National Association of Home Builders (NAHB) that cites that high mortgage rates are acting as a drag on builder confidence across the U.S.
- ◆ \*An analysis in Counsels' Corner that reviews the applicability of the business judgment rule to the decisions by a Board of Directors of a co-op or the Board of Managers of a condominium. The summary was written by representatives of Finger and Finger, A Professional Corporation. The firm serves as Chief Counsel to the BRI and its seven component associations.
- ◆ \*An article in Insurance Insights entitled "Insurance Headaches and the Related Question - Why Are We Paying a Premium on the Premium?" The analysis was written by Ken Furst and Jason Schiciano of Levitt-Furst Insurance.
- ◆ \*A report on how the podcast series of the BRI, "Building Knowledge With The Building and Realty Institute (BRI)," has been receiving positive comments since its debut in January.
- ◆ \*A Member Spotlight on The New Crystal Restoration Enterprises, Inc. The firm is a member of the Suppliers and Service Providers Advisory Council (SSPAC) of the BRI.

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

## The Westchester County Rent Guidelines Board Approves Increases of 2.5 Percent & 3.5 Percent, Continued from p. 1

upkeep, renovations, and maintenance, leading to a rapid deterioration of rent-stabilized buildings in the coming years.

### Serious Concerns

"Every morning, I wake up wondering how many more years can I afford to keep my building in business when I'm faced with abysmally low rent guideline increases and my maintenance and repair costs continue to rise? What's going to happen when it's time for me to refinance my mortgage in a year and I find that no bank wants to come near my building because it's already viewed as a negative investment?" Alana Ciuffetelli, chair of the AOAC, said during her testimony to the Westchester County Rent Guidelines Board.

Ciuffetelli added: "It's challenging to remain positive as a rent-stabilized property owner in these times, and these rent guideline increases offer a small glimmer of hope amidst the uncertainty."

Amid increasing operating expenses, the enactment of HSTPA in 2019 imposed significant limitations on programs for funding building upgrades and renovations, underscoring the importance of annual increases by the Rent Guidelines Board, AOAC/BRI officials said.

Despite the recent change in legislation which raised the Individual Apartment Improvement (IAI) cap to \$30,000, the amount falls short for comprehensive apartment rehabilitation after a long-term tenant leaves. Renovation costs typically range from \$100,000 to \$150,000, especially for extensive repairs, AOAC/BRI officials added.

A recent survey by the BRI revealed that most landlords have refrained from applying for Major Capital Improvements (MCI's), which include essential upgrades like boiler replacements, window installations, electrical rewiring, plumbing, and roofing. Landlords delaying major renovations are waiting for a more favorable economic climate to avoid unforeseen setbacks, AOAC/BRI officials said.

According to a study by Hudson Valley Pattern for Progress, MCI applications have declined by 83 percent in the last five years. Furthermore, rent guideline board increases have consistently lagged behind inflation, with this disparity intensifying over the past four years.

The Westchester County Rent Guidelines Board said that it will be scheduling a public meeting to be held in September, with the specific date to be determined, to certify the rent guidelines for rent-stabilized leases commencing between Oct. 1, 2024 and Sep. 30, 2025. The formality will not change the percentage rent increases voted upon on Jun. 27, AOAC/BRI officials said.

- An *IMPACT* Staff Report

## Insurance Insights

By Ken Furst and Jason Schiciano

Levitt-Furst Insurance



## Insurance Headaches and the Related Question - Why Are We Paying a Premium on the Premium?

TARRYTOWN

Lately, everyone seems to be talking about insurance, but for an unfortunate reason: rising premiums.

Anger and frustration brews at Condo and Co-op Board Meetings when the Annual Renewal is presented. Affordable Housing Advocates rant that increased premiums are a key factor in stifling the development and operating stability of affordable housing. Apartment owners lament that higher insurance costs are yet another dagger - along with insufficient rent increases, post-COVID rent arrears, and oppressive regulations - piercing the financial viability of multi-family real estate ownership.

And, commercial property owners wonder in disbelief at the growing divide between their insurance policies' building replacement limit, compared to the market value of their properties (which is declining, in many cases).

A Seinfeld fan might ask: "What's the deal with insurance premiums? Why are we paying a premium on the premium?"

We wrote about this topic last summer, but since then the pace of insurance premium increases has not slowed, so it's worth revisiting the root causes of this unwelcome trend.

### The Facts

The core issues driving Insurance Rate Increases remain:

- ◆ Continued poor overall industry financial performance. "The 2023 net combined ratio for the property/casualty industry is forecast to worsen to 103.9 percent, from 102.4 percent in 2022" (Insurance Information Institute). Combined Ratio over 100 percent means insurance companies paid-out more in insurance claims and related expenses than they collected in premiums.
- ◆ Reinsurance rates continue to increase. "...in the global property-catastrophe reinsurance market, prices have seen an additional increase of three percent on a risk-adjusted basis, following a 37 percent rise last year" (Reinsurance Business). Continued increases are due to nationwide catastrophic claims events (hurricanes, floods, wildfires, tornadoes, etc.). Higher reinsurance rates generally result in higher insurance premiums to consumers.
- ◆ More Restrictive Underwriting: difficulty insuring old homes and buildings; coastal locations; high-risk flood zones; undesirable construction (wood frame, non-sprinklered, etc.); and homes/buildings that are considered high-risk exposures.
- ◆ Fewer Carriers Offering Insurance: in recent years, multiple insurance carriers have pulled-out of the New York's personal insurance and commercial insurance markets. Remaining carriers are often non-renewing clients whose properties are considered higher-risk, or that have a poor loss history. Less competition means higher insurance rates.

### Additional Factors

But, besides rate increases, building replacement limits (i.e. the maximum amount that an insurance carrier will pay to replace your home or building for a loss, as noted on your policy Declaration Pages) have risen dramatically over the last two years.

When told that the increases are in response to inflation, policyholders respond: "my policy's building replacement limits (and resulting premiums) have gone up far more than inflation!" or, "the building limits far exceed the market value of the property!" Typically, these are accurate statements. But why?

Building Replacement Limit Increases have exceeded inflation. In the past, homes and buildings were frequently under-insured, compared to their actual replacement cost (i.e. the cost to completely rebuild the structure after a loss, for instance due to a fire or tornado). For years, many insurance carriers ignored the shortfall, allowing replacement limits to remain unchanged, or requiring only moderate increases that were still below actual replacement costs.

Many policyholders were either unaware that they were under-insured or were aware but happy to keep lower coverage limits in exchange for lower premiums since they considered a total loss highly unlikely. As severe inflation has widened the gaps between policy dwelling/building limits and actual replacement costs, carriers have been focused on insuring homes and buildings at accurate replacement costs (as determined by construction cost estimating software). There are several reasons: pressure to do so from reinsurers; to avoid claims where insurance proceeds are insufficient to fully replace the insured property; and of course, to collect more premium. The last reason is arguably justified, since sound insurance underwriting relies on carriers collecting the proper amount of premium from all clients, to pay the large claims of relatively few clients, and also make a profit. Keep in mind, as noted above, the property/casualty industry has generally under-performed in recent years.

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## Study: High Mortgage Rates Are Acting As a Drag on Builder Confidence Across the U.S., Continued from p. 1

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, NAHB officials said.

The report stressed that all three HMI component indices posted declines in June and all are below the key threshold of 50 for the first time since December of 2023. The HMI index charting current sales conditions in June fell three points to 48, the component measuring sales expectations in the next six months fell four points to 47 and the gauge charting the traffic of prospective buyers declined two points to 28.

Looking at the three-month moving averages for regional HMI scores, the Northeast held steady at 62, the Midwest dropped three points to 47, the South decreased three points to 46 and the West posted a two-point decline to 41, the index added.

NAHB officials said that HMI tables can be found at [nahb.org/hmi](http://nahb.org/hmi). More information on housing statistics is also available at Housing Economics PLUS.

# Advertise in Impact

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# Higher Mortgage Rates Hammer Builder Confidence Across the U.S. In May, Building Industry Report Says

WASHINGTON

**W**ith mortgage rates averaging above seven percent from mid-April to mid-May, per data from Freddie Mac, builder sentiment across the U.S. recently posted its first decline since November of 2023.

Builder confidence in the market for newly built single-family homes was 45 in May, down six points from April, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on May 15.

"The market has slowed down since mortgage rates increased and this has pushed many potential buyers back to the sidelines," said NAHB Chairman Carl Harris, a custom home builder from Wichita, Kan. "We are also concerned about the recent codes rules that require HUD and USDA to insure mortgages for new single-family homes only if they are built to the 2021 International Energy Conservation Code. This will further increase the cost of construction in a market that sorely needs more inventory for first-time and first-generation buyers."

"A lack of progress on reducing inflation pushed long-term interest rates higher in the first quarter and this is acting as a drag on builder sentiment," said NAHB Chief Economist Robert Dietz. "The last leg in the inflation fight is to reduce shelter inflation, and this can only occur if builders are able to construct more attainable, affordable housing."

The May HMI survey also revealed that 25 percent of builders cut home prices to bolster sales in May, ending four months of consecutive declines in this metric. However, the average price reduction in May held steady at six percent for the 11th straight month. Meanwhile, the use of sales incentives ticked up to 59 percent in May from a reading of 57 percent in April, the NAHB report said.

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 NAHB report added.

All three HMI component indices, the NAHB report said, posted declines in May. The HMI index charting current sales conditions in May fell six points to 51, the component measuring sales expectations in the next six months fell nine points to 51 and the gauge charting the traffic of prospective buyers declined four points to 30.

Looking at the three-month moving averages for regional HMI scores, the Midwest increased three points to 49, the Northeast fell two points to 61, the South dropped two points to 49 and the West posted a four-point decline to 43, according to the NAHB report.

HMI tables can be found at [nabh.org/hmi](http://nabh.org/hmi). More information on housing statistics is also available at Housing Economics PLUS, NAHB officials said.

## Building and Realty Industry Officials Saddened by the Death of Alan Furst, a Co-Founder of Levitt-Furst Insurance

ARMONK



Alan Furst

**O**fficials and members of the Building and Realty Institute (BRI) were upset to hear of the recent death of Alan Furst, co-founder of Levitt-Furst Insurance, BRI officials said.

A statement from Levitt-Furst Insurance, the Insurance Manager for the BRI, said that Furst died on Jul.1. He was surrounded by his family at the time of his passing. Furst was 88.

After graduating from New York University Law School, Furst followed his father into the insurance industry. They formed the firm William Furst and Son. In 1969, Furst merged businesses with his law school friend, V. David Levitt, to create Levitt-Furst Associates. Furst and Levitt grew the company into one of the most respected insurance brokers in the tri-state area, the statement said.

Furst, the statement added, focused on the insurance company's relationships, running the offices of

Levitt-Furst, and life insurance sales. Furst was well-known for the distribution of the very sought-after Levitt-Furst calendars, the statement cited.

In the 1980's, Furst received the Man of the Year Award from Mutual Benefit Life for being its top salesman in the U.S., the statement said.

Golf, the statement added, was always a major part of the life of Furst. He played twice in the Westchester Pro-Am. Furst remained an avid golfer up to the spring of this year. Last year, he shot his age at 87.

Later in life, Furst developed a valuable new skill set as a magician. The statement said that "there is not a waiter, car park attendant, caddy or anyone within the orbit of Furst that has not been baffled by his card tricks." In recent years, Furst volunteered at hospitals in New York and Florida, performing magic tricks for patients.

The statement added that "we will all miss Alan's sense of humor, warmth, intelligence, generosity and kindness. His magic will be in our hearts forever."

"Alan Furst was a true gentleman and a definite asset to the BRI," said Jeff Hanley, associate executive director of the organization. "He was an icon at both Levitt-Furst and the BRI. He was respected and admired by all. Several of our members shared their good memories and immense respect of Alan Furst through e-mails to his son, Ken Furst. Alan will most definitely be missed."

Join the **BRI**  
visit [buildersinstitute.org](http://buildersinstitute.org) for details

## Counsels' Corner

# Business Judgment Revisited



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

**T**he authors have previously discussed the leading case of *Levandusky v. One Fifth Avenue Apartment Corp.*, 75 N.Y. 2d 530 (1990), a Court of Appeals case which sets forth the applicability of the business judgment rule to the decisions by a Board of Directors (or Board of Managers in a condominium, herein the "Board").

In short, *Levandusky* established the basic principle that when a Board acts in good faith, within the law, within the by-laws, and within its authority, the Board's decisions are protected from a claim against it because the decision is considered to be within the Board's "business judgment." This rule, however, is not an unlimited pathway to the complete protection of the Board and this article will discuss several recent cases involving the business judgment rule.

In *72 Poplar Townhouse LLC v. Board of Managers*, the Appellate Court had before it a case where a condominium unit owner brought action against the condominium board of managers and individual board members alleging breach of contract, estoppel, breach of fiduciary duty, and fraud arising from the board's amendment of the condominium's governing documents that changed the method by which common charges were calculated and assessed to each unit owner.

The Supreme Court, Appellate Division, held that individual board members were not liable under breach of contract or estoppel theory.

However, an issue of fact raised regarding unequal treatment of the condominium owner precluded summary judgment. Another fact issue regarding board members' participation in fraud precluded summary judgment on that claim as well. Therefore, the case would be scheduled for a trial to determine the facts and thereafter the possible applicability of the business judgment rule.

### Other Scenarios

In *Christie v. Breezy Point Co-op, Inc.*, the Board attempted to condition its consent to the assignment of shares upon the shareholder removing alterations performed 10 years earlier. The cooperative failed in its motion to dismiss because the proprietary lease did not specifically authorize the Board to condition its consent on the removal of alterations. In all likelihood, the Court looked at the fact that the Board had not enforced its alteration agreement 10 years earlier. However, the Court did dismiss the breach of fiduciary duty claim alleged against the Board. This is not uncommon because Courts have found that Boards do not owe a fiduciary duty to individual shareholders.

In *Carpenter v. Shore Towers*, the court held that the Board Members, by the evidence presented, seemed to have acted outside their authority in suffering municipal violations, some apparently criminal, and that all owners would have to contribute to the payment of the fines.

In *Queiroga v. 340 E.93rd Street Corp.*, the Supreme Court held that a shareholder failed to allege that the Board's actions: (a) had no legitimate relationship to the welfare of the cooperative, deliberately singled out individuals for harmful or unequal treatment, were taken without notice or consideration of the relevant facts, or were beyond the scope of the Board's authority. Therefore, the decision was protected by the business judgment rule.

### A Dismissal

The Court in *580 Llorrac Street Corp. v. Board of Managers of 580 Carroll Condo*, involving a unit owner's complaint of a leak, dismissed claims of breach of fiduciary duty and negligence under the business judgment rule. It held that absent any allegation of self-dealing, fraud, misconduct or unconscionability by any board member there was no claim.

Moreover, the evidence demonstrated that the board acted in good faith. However, the Court allowed a breach of contract claim to stand because of the failure to promptly repair the cause of the leak and damages arising therefrom. The proprietary lease is a contract which can be enforced by either the shareholder or the cooperative.

In *390 Riverside Owners v. Stout*, the cooperative was successful in defeating a claim for damages by a shareholder because the shareholder did not permit the cooperative's contractor access to fix a leak. Similarly in *Kabba v. Island House Tenants Corp.* the Court affirmed the right of a Mitchell-Lama Co-op to set both a minimum and maximum resale price.

### Within Authority

In *Levy v.103-25 68th Avenue Owners, Inc.*, the Court deferred to a cooperative board's determination finding that the cooperative board acted within its authority and did not violate its own governing documents. In that case, former residents of an apartment located in the building failed to state claims for housing discrimination against the cooperative and individual members of the board of directors. The Board had voted to terminate the residents' lease and commence eviction proceedings following a noise dispute with the neighbors. The complaint, as amplified by evidentiary submissions, failed to set forth acts outside the scope of authority of the board of directors or any violations of the cooperative's governing documents, and contained only conclusory allegations, without any factual basis, that defendants acted in bad faith or with discriminatory motive. Thus, the Board was protected by the business judgment rule.

While the Court did not dismiss the claims against the cooperative's board, the following language in *Stromberg v. E. River Hous. Corp.*, 82 Misc. 3d 871, 871-86 (N.Y. Sup. Ct. 2023) is of interest:

"Under the business-judgment rule, a court may not inquire 'into actions of corporate directors taken in good faith and in the exercise of honest judgment in the lawful and legitimate furtherance of corporate purposes.'" (Matter of *Levandusky v. One Fifth Ave. Apt. Corp.* [internal citation and quotations omitted]).

Therefore, unless there is 'illegal discrimination, the respondent members of the board of directors of the respondent cooperative corporation have the right to withhold their approval of petitioners' purchase for any reason or no reason.' (*Simpson v. Berkley Owner's Corp.*, accord *Singh v. Turtle Bay Towers Corp.*, [finding it proper for a co-op board to reject a purchase application when 'the decision to deny the purchase application was based upon the determination that the purchase price for the subject unit was significantly below market value].")

Thus, while the business judgment rule gives boards great flexibility in their decision making, so long as they are not involved in self-dealing, discriminatory conduct, fraud, misconduct and the like, and so long as they follow their bylaws and the law, the Boards are protected by the business judgment rule, although there can be exceptions. However, those instances must be reflected by legal complaints with detailed and specific factual allegations to overcome the presumption in favor of the Board acting in the best interest of the entity it governs using its business judgment.

**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.



## Co-op and Condo Corner

# Today is a Good Day to Join the CCAC!

By Jane Curtis, Chair, The Cooperative and Condominium Advisory Council (CCAC)



Jane Curtis

MOUNT VERNON

Serving on a co-op or condo board can be both a rewarding and a daunting experience.

Members of the Board of Directors of a co-op or condo are volunteers who typically do not earn our living in the realty, property management, or housing industry, so learning our responsibilities as board members and understanding the many faceted aspects of operating a co-op or condo can be challenging and leave us wondering where to turn for information and guidance.

Fortunately, The Cooperative and Condominium Advisory Council (CCAC) of The Building and Realty Institute (BRI) has been doing just that since 1979, providing education, resources, advocacy, and a forum for the exchange of ideas for Westchester's co-ops and condos. Many have benefited from our lively membership meetings, where we hear presentations on timely topics and meet other board members, suppliers and professional service providers in a relaxed, collegial setting.

As part of the Strategic Plan of the BRI to enhance educational offerings, the CCAC is continuing its work on developing a comprehensive board training program to orient new board members to their roles. Board members completing the training will receive a certificate. Details regarding the course will follow in the weeks ahead.

### The Benefits of Membership

The CCAC also offers services that benefit us in our relationship with our employees. Our Workers Compensation Insurance Safety Group (New York State Workers Compensation Group 530) offers cost-effective rates for this necessary coverage that assists injured employees.

Together with the BRI's other realty councils - the Apartment Owners Advisory Council (AOAC) and the Advisory Council of Managing Agents (ACMA) - the CCAC enters into a Collective Bargaining Agreement with Local 32-BJ Service Employees International Union (SEIU), led by our outstanding labor counsel, Matthew Persanis, Esq. Our latest four-year agreement signed in 2022 was hailed as a "win-win" for co-ops and condos and their maintenance staffs.

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, among other things, that each co-op board member complete an approved Fair Housing Training Course every two years. The CCAC offers this training, free of charge, to its members.

Advocacy is a big part of the CCAC's mission. Our staff, Lobbyist, Government Affairs Director and Political Action Committee (PAC) work diligently to monitor and advocate for positive outcomes. And, we frequently collaborate with our New York City counterparts to amplify our message to state and federal officials. Interested CCAC members are encouraged to actively participate in meetings with our legislators and testify at public hearings, with the effective and authentic voice that only a constituent can bring, to educate legislators on the unique aspects of co-ops and condos as valuable forms of homeownership.

Our knowledgeable, professional staff is always available to assist members with information, perspective, and referrals on any issue your co-op or condo may be facing. Our dues structure, based on size, is a value proposition for non-profit businesses such as co-ops and condos, as recognized by our membership of more than 200 buildings and complexes.

Why wait? This is a good day to join the CCAC! You can sign up online at: <https://www.buildersinstitute.org/membership/become-a-member/ccac/> or by calling the BRI/CCAC offices at (914) 273-0730.

**Editor's Note: The Cooperative and Condominium Advisory Council (CCAC) has been representing co-ops and condos since its formation in 1979. The organization is a component association of The Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI).**

## Yonkers, County, State and Federal Officials Join with Mulford Corporation for the Grand Opening of La Mora Senior Housing

Project is One of Few Affordable Housing Projects in the Nation That Uses Energy Saving Passive House Design

YONKERS

Officials from the City of Yonkers, New York State, Westchester County, the U.S. Department of Housing and Urban Development (HUD) and New York State Homes and Community Renewal (HCR) joined with the Mulford Corporation on Jul. 9 to celebrate the grand opening of La Mora Senior Housing, one of the few affordable housing projects in the nation that uses energy saving Passive House design in a modular construction format.

Located at 23 Mulberry Street in the Hollow neighborhood of South Yonkers, the \$48 million, four-story building has 60 energy efficient, affordable apartments for seniors. La Mora Senior Housing was built by the non-profit Mulford Corporation, officials said.

Passive House design is a voluntary standard for energy efficiency which results in ultra-low energy buildings that require little energy for space heating or cooling. It is estimated to achieve 40-to-60 percent energy savings over a conventional building design, officials added.

"The grand opening of this beautiful new senior housing development is yet another example of how the City of Yonkers and the Mulford Corporation are working together to revitalize our neighborhoods with affordable, quality-built housing. We applaud the Passive House sustainable design incorporated into the construction, which is in line with the City's climate action plan for sustainable growth," said Yonkers Mayor Mike Spano.

"The Mulford Corporation is incredibly grateful for the financial support La Mora has received at every level of government from the City, county, state and federal government. Allowing Yonkers seniors to age in place in the most resilient housing possible was clearly a collective vision," said Wilson Kimball, president of Mulford Corporation.

Homes and Community Renewal Commissioner RuthAnne Visnauskas said: "It is so gratifying to see this \$48 million development up and ready, just two years after the groundbreaking. This project brings 60 affordable, energy-efficient homes to Yonkers and is a testament to how we value and respect our seniors. Our thanks to Gov. Hochul, the City of Yonkers, Mulford Corporation and our many partners and trades who worked with HCR to make this real and are helping us provide the types of housing opportunities that allow more New Yorkers to remain in the communities and neighborhoods they love."

New York State Senate Majority Leader Andrea Stewart-Cousins said: "La Mora Senior Apartments will ensure that more low-income seniors in Yonkers have safe, sustainable, and affordable housing options along with essential services. This development not only addresses the housing needs of our aging population but also sets a benchmark for energy efficiency and environmental responsibility. By integrating advanced design and construction standards, we are ensuring that our seniors can enjoy comfortable, secure, and modern homes while contributing to a greener future. I am proud to lead a State Senate dedicated to creating more affordable housing, from approving over \$26 million in state funding for this project, to the historic housing plan passed in the 2025 State Budget."

"HUD's primary mission is to improve people's lives and strengthen communities. La Mora Senior Apartments accomplishes both goals. It will provide seniors with safe, comfortable, and sustainable housing, while at the same time, revitalize the surrounding Yonkers Hollow neighborhood. I am delighted and proud of HUD's

## "Good Cause" Eviction and Other Housing Policies Pass in the New York State Budget, Continued from p. 1

exceeds the cap was necessary.

Where the law that was passed differs is in two important respects. First, the unconscionable rent increase is set to be the rate of inflation plus 5 percent (8.82 percent for the New York metro area this year) or 10 percent, whichever is lower - a much more manageable threshold than the miniscule amount in the original bill.

Second, there are many exemptions and a lot of "to be determined" categories as to where this law will apply. Initially, it only applies in New York City, but every city, town, or village will have the option to "opt in" by passing a local law. All new construction after 2009 is exempted for 30 years, as are units in a housing cooperative or condominium. There is a "high rent" exemption for rents above 245 percent of fair market rent in the area, and a "small landlord" exemption for units that are owned in whole or in part by owner or owners who each do not own more than 10 rental properties in the state. The onus will be on the property owners to provide information to the tenants explaining why they are exempt, including providing the names of the other owners.

It remains to be seen how many communities in the Lower Hudson Valley will ultimately opt into the "Good Cause" Eviction law.

### Slight Improvements to the Individual Apartment Improvement (IAI) Program

The Housing Stability and Tenant Protection Act of 2019 (HSTPA) made major changes to the rent-stabilization laws. Some programs - like a bonus in rent upon vacancy - were eliminated entirely. Others, like the Individual Apartment Improvement (IAI) program, saw a dramatic change in its funding formulas that many property owners claimed made it largely unworkable.

Prior to HSTPA, an owner could apply for an IAI adjustment to rent for major work done to keep a unit in good working order, particularly to cover the costs of renovation when a long-term tenant moved out. HSTPA kept the program but capped the total amount of improvements that could be reimbursed through rent at \$15,000 - woefully inadequate to cover some apartments where repairs could run \$50,000-\$100,000 even before the recent surge of inflation - and limited to three apartments per building every five years. The amortization period was also stretched out so the new or existing tenant would pay less per month in rent, but with the result that a new renovation might need to be done before the old one was paid off.

Finally, and most confusingly, after 30 years, all of the increased rent based on the renovation, and all percentage increases based on that work, would have to be calculated and removed from the rent.

Property owners cried foul, and many had to choose between finding some other way to find financing for these renovations or going without, and in many cases found it made more sense economically to leave the apartments vacant since they had no credible path for paying for the renovations. The state budget makes some modest changes to the IAI program aimed particularly at vacant apartments. The nonsensical removal from rent after 30 years is eliminated, and for most property owners, the cap on an IAI is increased to \$30,000 moving forward. For apartments in two very specific circumstances - the apartment is newly vacant after 25 years of continuous occupancy or the apartment was registered as vacant each year in 2022-2024 - the cap is increased to \$50,000.

Although a step in the right direction, it's not clear how many units will benefit from these changes.

## The Building and Realty Institute (BRI) Files a Cert Petition to Have the U.S. Supreme Court Hear Its Lawsuit Against HSTPA, Continued from p. 1

taken for public use without fair compensation.

BRI officials said the organization's lawsuit differs from previous cases by pinpointing specific harmful aspects of HSTPA. For example, it restricts a property owner's "right to exclude" and prevents owners from using their property themselves. Furthermore, the lawsuit argues that HSTPA has significantly altered regulations regarding Individual Apartment Improvements (IAI's) and Major Capital Improvements (MCI's), while limiting an owner's ability to carry out necessary building repairs.

Although the BRI case is the "last group standing" when it comes to challenging the constitutionality of HSTPA, BRI officials said the plaintiffs are confident in their case because it focuses on the specific harm caused to owners by HSTPA and addresses a narrower scope of the legislation.

Attorneys Dorothy Finger and Kenneth Finger of Finger and Finger, A Professional Corporation, are representing the BRI in the process. The firm serves as Chief Counsel to the BRI.

### Pro-Housing Communities Program Expanded

After the collapse of Gov. Hochul's Housing Compact plan during the 2023 state budget and the comprehensive housing package at the end of the 2023 session, the Governor moved under Executive Order to establish some incentives to encourage more cities, towns, and villages to be part of the solution to addressing the severe housing shortage across the state. She established the Pro-Housing Communities program in August of 2023.

In order to qualify, a city, town or village needed to demonstrate with data that they had issued enough building permits to increase their housing stock by 1 percent (downstate) or 0.33 percent (upstate) over the past year, or that they had increased their housing stock by 3 percent (downstate) or 1 percent (upstate) over the past three years. Alternatively, they could pass the Pro-Housing Communities Resolution stating their intent to begin meeting that growth target and submit their housing starts data to the state so they could be held accountable.

In exchange, the municipality would receive extra points on its applications for various popular discretionary funding programs, like the Downtown Revitalization Initiative, Mid-Hudson Momentum Fund, and others. The program announcement also promised access to \$650 million in infrastructure funding that these communities apply for to support planning, storm-water impacts, water, traffic mitigation, school impacts or other projects to support new housing.

Since the summer, a few dozen cities, towns, and villages jumped to apply, including White Plains, New Rochelle, and Croton-on-Hudson, with more applications in process. The state budget intends to expand the adoption of the program by fully funding that \$650 million in infrastructure projects, but also making certification as a Pro-Housing Community a pre-requisite for applying for those popular discretionary state funds, like the Downtown Revitalization Initiative.

- Other policies passed in the state budget:
  - ◆ Insurers will not be allowed to ask on an application, deny a new customer, or fail to renew a customer based on the building having income-restricted affordable units, Section 8 tenants, limited equity co-op units, or other items related to affordability.
  - ◆ "Squatters" is now defined in state law, which also makes clear they are not eligible for tenant protections.
  - ◆ The state has authorized cities, towns, and villages to pass a new property tax credit to encourage the production of affordable housing outside New York City. It will be up to each municipality as to whether they wish to adapt it into local law or not.
  - ◆ The state has also authorized cities, towns, and villages to pass a property tax credit for homeowners who are building new Accessory Dwelling Units (ADU's) on their properties, where already allowed under local ordinance. The tax credit would smooth out the increase in assessment value and therefore the property tax bill over a number of years, alleviating a major concern for homeowners that was preventing some from creating ADU's. It will be up to each municipality as to whether they wish to adapt it into local law or not.
  - ◆ "New York Housing for the Future" creates new funding for limited equity co-ops and affordable rentals to be built on state land, municipal land, or community land trusts, with a number of restrictions.

An IMPACT Staff Report

Continued on p. 11



## NAHB Summary:

# U.S. Supreme Court Rules That Legislation Does Not Protect Improper Impact Fees

WASHINGTON

Following a unanimous decision handed down by the U.S. Supreme Court on Apr. 12, California homeowners, builders and developers may now challenge improper local impact fees for housing development even if the fees are authorized by legislation, according to a recent summary from the National Association of Home Builders (NAHB).

The decision is a major victory for the homeowner involved in the case, as well as home builders and developers, especially in California. NAHB and the California Building Industry Association (CBIA) submitted two amicus briefs in the case supporting the homeowner, NAHB recently said.

The case, *Sheetz v. El Dorado County*, involved George Sheetz, a California resident who in 2016 applied for a permit to build an 1,800-square-foot manufactured home on a residential-zoned lot he owned. The county imposed a \$23,420 "traffic mitigation fee" on the permit. Sheetz protested the fee but ultimately paid it, and then immediately sued the county, arguing the fee was improper, NAHB said.

At state court, NAHB said, Sheetz argued that the

fee was not closely connected to or proportional to the actual impact his new residence would have on the roads, key tests laid out by precedent in two prior Supreme Court cases (commonly called the Nollan/Dolan test). The county countered that the test does not apply because the impact fee was authorized by legislation - from the county council in this case - rather than by bureaucracy.

A small number of state courts, including California's, have carved out legal exceptions to the proportionality test if the fees in question are authorized by a legislative body, as opposed to simply a permitting board or another administrative office. El Dorado County argued that this arrangement protected the fees from challenges under the Takings Clause of the Fifth Amendment. The California state court sided with the county and Sheetz appealed to the Supreme Court, NAHB said.

NAHB and CBIA wrote in their amicus briefs that the Supreme Court has an opportunity to "make clear that there is no such 'loophole' in the prohibition against governmental demands for unconstitutional conditions." An improper taking is improper

even if approved by legislation, NAHB said.

All nine Supreme Court Justices agreed, with Justice Amy Coney Barrett writing the unanimous opinion. Justice Barrett wrote: "there is no basis for affording property rights less protection in the hands of legislators than administrators. The Takings Clause applies equally to both - which means that it prohibits legislatures and agencies alike from imposing unconstitutional conditions on land-use permits."

The narrow ruling kicked the case back down to lower courts to decide if Sheetz's \$23,420 fee was a taking, and thus, improper. It did not resolve larger questions about the way permitting and impact fees are calculated and structured. It did, however, provide an avenue for home owners, builders and developers to invoke the Takings Clause in challenges to impact fees in states where the fees are authorized by legislation, NAHB said.

The case may have a significant long-term impact on permitting fees for home development. NAHB will closely monitor fallout from the case and communicate directly with its members, association officials said.

## Higher Interest Rates Keep Single-Family Housing Starts Across the U.S. Flat in April, Building Industry Report Says

WASHINGTON

Single-family starts across the U.S. remained flat in April as interest rates moved above seven percent during the month and builders were dealing with tighter lending conditions.

Overall housing starts increased 5.7 percent in April to a seasonally adjusted annual rate of 1.36 million units, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The report was the basis of an analysis from the National Association of Home Builders (NAHB) that was released on May 16, NAHB officials said.

The analysis said that the April reading of 1.36 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months (starting from mid-May). Within this overall number, single-family starts decreased 0.4 percent to a 1.03 million seasonally adjusted annual rate.

However, this pace is 17.7 percent higher than a year ago. On a year-to-date basis, single-family starts are up 25.7 percent, totaling 335,600. The multifamily sector, which includes apartment buildings and condos, increased 30.6 percent to an annualized 329,000 pace, the analysis added.

"While the start of the year has seen an expansion for single-family home building because of a lack of existing home inventory, home building activity leveled off in April as higher interest rates, tighter lending conditions and lower home building sentiment acted as headwinds on new home construction," said Carl Harris, chairman of NAHB and a custom home builder from Wichita, Kan. "Lower interest rates, particularly for builder and developer loans, will help builders to increase the pace of home construction in the months ahead."

"Moving forward, the multifamily market will see additional declines for construction volume, while the pace of completions remains elevated," said NAHB Chief Economist Robert Dietz. "April marked the fifth consecutive month for which the seasonally adjusted rate of multifamily completions was above 500,000. This additional rental supply will help lower shelter inflation, which is the last leg of the inflation policy challenge."

On a regional and year-to-date basis, combined single-family and multifamily starts are 24.5 percent lower in the Northeast, 11.0 percent higher in the Midwest, 1.8 percent higher in the South and 8.4 percent higher in the West, the analysis said.

Overall permits, the analysis added, decreased 3.0 percent to a 1.44 million unit annualized rate in April. Single-family permits decreased 0.8 percent to a 976,000 unit rate; this is the lowest pace since August of 2023. Multifamily permits decreased 7.4 percent to an annualized 464,000 pace.

Looking at regional data on a year-to-date basis, permits are 9.3 percent higher in the Northeast, 8.5 percent higher in the Midwest, 2.8 percent higher in the South and 0.2 percent higher in the West, the analysis said.

After peaking in July of 2023 at 1.02 million apartments under construction, the analysis added, the active multifamily units under construction component is declining quickly, down to 934,000 in April.

**Editor's Note:** *Census and HUD officials recently noted that there have been revisions to the data. Notice of Revision: With this release, unadjusted estimates of housing units authorized by building permits for January 2022 through December 2023 have been revised. Also, seasonally adjusted estimates of housing units authorized by building permits have been revised back to January of 2017, and seasonally adjusted estimates of housing units authorized but not started, started, under construction, and completed have been revised back to January of 2019. All revised estimates are available on [nabh.org](http://nabh.org), NAHB officials said.*

## NAHB Officials: A New Warranty Book Helps Builders & Remodelers Avoid Costly Mistakes

WASHINGTON

The subject of builder and remodeler warranties is one of the most important issues affecting the building industry today, according to officials from The National Association of Home Builders (NAHB).

Customers have come to expect warranties, and builders and remodelers provide them to demonstrate their confidence in their work. BuilderBooks, the publishing arm of NAHB, recently released the third edition

**"With the guidance of an attorney and the book, builders and remodelers can avoid expensive mistakes."**

of Warranties for Builders and Remodelers. The edition will help industry professionals navigate the complex landscape of warranties, NAHB officials said.

Written by a team of legal experts within NAHB, the book helps inform and protect builders and remodelers by explaining the rights, responsibilities and the recommended practices and procedures for developing a warranty program, association officials added.

Warranties for Builders and Remodelers contains:

- ◆ Clear explanations of implied warranties, statutory warranties, warranties imposed by courts, and more
- ◆ Sample language and formats for warranty documents
- ◆ Effective tips for drafting warranties
- ◆ State-by-state lists of case and statutes applicable to construction claims

NAHB officials said that while the book does not replace the expertise of legal counsel, it serves as a guide to help building professionals better understand the warranty process.

With the guidance of an attorney and the book, builders and remodelers can avoid expensive mistakes, NAHB officials added.

NAHB officials said that Authors David Jaffe, Felicia Watson and Zachary Packard have researched hundreds of warranty issues for NAHB members and have included helpful insights on their findings in the book.

Warranties for Builders and Remodelers, Third Edition is available for purchase at [www.BuilderBooks.com](http://www.BuilderBooks.com). Soft-Cover/170 pages, \$29.95 retail, \$26.95 NAHB member, ISBN 978-0-86718-8158, NAHB officials added.

## Building and Realty Industry Study: Builder Sentiment Across the U.S. Rises Above "the Breakeven Point"

WASHINGTON

Lack of existing inventory that continues to drive buyers to new home construction, coupled with strong demand and mortgage rates below last fall's cycle peak, helped push builder sentiment across the U.S. above a key marker in March.

Builder confidence in the market for newly built single-family homes climbed three points to 51 in March, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Mar. 18. The mark is the highest level since July of 2023 and marks the fourth consecutive monthly gain for the index. It is also the first time that the sentiment level has surpassed the breakeven point of 50 since last July, the report said.

"Buyer demand remains brisk and we expect more consumers to jump off the sidelines and into the marketplace if mortgage rates continue to fall later this year," said NAHB Chairman Carl Harris, a custom home builder from Wichita, Kan. "But even though there is strong pent-up demand, builders continue to face several supply-side challenges, including a scarcity of buildable lots and skilled labor, and new restrictive codes that continue to increase the cost of building homes."

"With the Federal Reserve expected to announce future rate cuts in the second half of 2024, lower financing costs will draw many prospective buyers into the market," said NAHB Chief Economist Robert Dietz. "However, as home building activity picks up, builders will likely grapple with rising material prices, particularly for lumber."

With mortgage rates below seven percent since mid-December per Freddie Mac, more builders are cutting back on reducing home prices to boost sales. In March, 24 percent of builders reported cutting home prices, down from 36 percent in December of 2023 and the lowest share since July of 2023. However, the average price reduction in March held steady at six percent for the ninth straight month. Meanwhile, the use of sales incentives is holding firm. The share of builders offering some form of incentive in March was 60 percent, and this has remained between 58 percent and 62 percent since last September, the report said.

Derived from a monthly survey that NAHB has been conducting for more than 35 years, the NAHB/Wells Fargo HMI, NAHB officials said, gauges builder perceptions of current single-family home sales and sales expectations for the next six months (from Mar. 18) 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 of the major HMI indices posted gains in March. The HMI index charting current sales conditions increased four points to 56, the component measuring sales expectations in the next six months rose two points to 62 and the component gauging the traffic of prospective buyers increased two points to 34, the report said.

Looking at the three-month moving averages for regional HMI scores, the Northeast increased two points to 59, the Midwest gained five points to 41, the South rose four points to 50 and the West registered a five-point gain to 43, the report added.

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

## Remodeling Market Sentiment Across the U.S. Remains in Positive Territory in the First Quarter, Analysis Says

WASHINGTON

The National Association of Home Builders (NAHB) on Apr. 11 released its NAHB/Westlake Royal Remodeling Market Index (RMI) for the first quarter of 2024, posting a reading of 66, down one point compared to the previous quarter, NAHB officials said.

The NAHB/Westlake Royal RMI survey asks remodelers across the U.S. to rate five components of the remodeling market as "good," "fair" or "poor." Each question is measured on a scale from zero to 100, where an index number above 50 indicates that a higher share view conditions as good than poor, NAHB officials added.

The Current Conditions Index, NAHB officials said, 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.

"Demand for remodeling remains solid, especially among customers who don't need to finance their projects at current interest rates," said NAHB Remodelers Chair Mike Pressgrove, a remodeler from Topeka, Kan. "Construction costs are still an issue in some places, just as they were toward the end of last year."

"An RMI at 66 is consistent with NAHB's forecast for stable remodeling spending in 2024," said NAHB Chief Economist Robert Dietz. "Rising costs for construction labor and building materials continue to be the major headwinds to faster growth."

The Current Conditions Index averaged 74, remaining unchanged from the previous quarter. All three

*Continued on p. 7*



# Officials: The BRI's Podcast Series Is Receiving Praise

ARMONK

The new Podcast Series of The Building and Realty Institute (BRI) is continuing to receive praise from its listeners and its guests, association officials recently announced.

"Building Knowledge With The Building and Realty Institute (BRI)," which can be heard on Apple, Spotify and buildersinstitute.org, has received a series of positive comments about its content, BRI officials said. The show covers issues of importance to the building, realty and construction industries, as well as to the general business community. Jeff Hanley, associate executive director of the BRI, is the host of the program.

"We are happy with the feedback that the program continues to receive," said Tim Foley, chief executive officer of the BRI. "And we are pleased to address important subjects to the building, realty and construction sectors on the show."

"Building Knowledge with The Building and Realty Institute (BRI)" was originally heard on WVOX 1460 AM and wvox.com from Jun. 2, 2017 to Sep. 1, 2023. After the closure of WVOX, the show was converted into a Podcast Series. It made its debut on Jan. 2, 2024.

PodPopuli, a company that produces podcasts throughout the U.S., is the producer of "Building Knowledge With The Building and Realty Institute (BRI)." Below are some of the comments that the show has received:

"A really good show (Episode One). Really solid all the way around." - Tim Foley, Chief Executive Officer, BRI, on January 4, 2024, after hearing Episode One of the BRI's Podcast Series ("The Current State of the Remodeling Markets In Our Region"). Guests: Michael Murphy and Michael Kowgios, the Remodelers Advisory Council (RAC) of the BRI.

"Jeff, two good first podcasts! Very impressive. And the podcast potentially has a wider reach than the radio station in New Rochelle (1460 AM WVOX) had." - Elio Giuliani, a member of the Cooperative and Condominium Advisory Council (CCAC) of the BRI, January 12th, 2024

"Good Morning, Jeff (to Jeff Hanley, the BRI's Associate Executive Director and the host of its Podcast Series). I started listening to the Podcasts yesterday. Number Five ("Responses to Commonly Asked Co-op and Condo Questions") was excellent, it answered several relevant questions concerning our co-op. It was very informative. Mr. Finger (Daniel) was excellent in his answers, as well as you moderating. It was very easy to listen to." - Stephen Smith, Board Member, The Cooperative and Condominium Advisory Council (CCAC) of the BRI, February 12, 2024.

"Jeff, I am listening to you and your wonderful Podcast on my Alexa...I just say Alexa, play the Building and Realty Institute (BRI) Podcast and it there it is. A great job by you and the BRI on the Podcasts." - Tonny Guido, a host of "Good Morning Westchester" on the former 1460 AM WVOX.

"Thank you for having me on the show, Jeff! It was a lot of fun." - Steven Wrabel, Esq., McCullough Goldberger and Staudt, after his appearance on Episode 13 of the BRI's Podcast Series ("A Look at the Re-Development of Underutilized Properties").

"Jeff, it was great speaking with you today on the show. I really appreciate the opportunity and I enjoyed being on the program." - Wilson Kimball, President and Chief Executive Officer of The Municipal Housing Authority for the City of Yonkers (MHACY), after Episode 11 of the BRI's Podcast Series ("A Look at New York State Affordable Housing Scenarios").

"Jeff is a real pro at hosting. He definitely knows how to put together a show." - Christina Forward, Chief Executive Officer, PodPopuli

"Thanks, Jeff - you're a radio pro!" - Garry Klein, Managing Director, Houlihan Lawrence Commercial, after his appearance on Episode 10 of the BRI's Podcast Series ("An Analysis of Westchester County's Commercial Real Estate Markets").

"Jeff is super at hosting the BRI's Podcast. He is something else." - Peter Stanners, Producer, PodPopuli

"It was an honor being a guest of Jeff Hanley and the Building Knowledge Podcast. Jeff makes it so easy to be on the show." - Lisa Marie Scherrer, Chief Executive Director of The New Crystal Restoration, after Episode 12 of the BRI's Podcast Series ("Restoration Processes That Should Be Followed by Building Owners and Managers After a Disaster").

"Jeff, you and Leilani did a great job on today's show. It was outstanding." - Peter Stanners, Producer, PodPopuli, after Episode 14 of the BRI's Podcast Series

("Examining the Issue of Problem Gambling: What Employers Need to Know"). Leilani Yizar-Reid, a Team Leader at The Mid-Hudson Problem Gambling Resource Center, was the guest.

"Thank you so much Jeff. It was a pleasure being on the Podcast." - Leilani Yizar-Reid, a Team Leader at The Mid-Hudson Problem Gambling Resource Center, after Episode 14 of the BRI's Podcast Series ("Examining the Issue of Problem Gambling: What Employers Need to Know")

"Jeff, I want to thank you. Your outline makes the show flow with ease and puts your guests at great comfort. You are a true gentleman and scholar on all things Podcasts!" - Alana Ciuffetelli, Chair, the Apartment Owners Advisory Council (AOAC) of the BRI, after Episode 16 of the BRI's Podcast Series ("Examining the Many Challenges Facing Owners and Managers of Multifamily Buildings in the New York Metropolitan Area.")

"Thank you, Jeff, for having us on. What a wonderful experience it was!" - Michael Murphy, chair of the Remodelers Advisory Council (RAC) of the BRI, after Episode 17 of the BRI's Podcast Series. The episode reviewed the current Remodeling Markets in the New York metropolitan area. Daniel Dawkins and Michael Kowgios, board members of RAC, were also guests for the segment.

"Jeff, thank you. It was our pleasure to participate in the show!" - Daniel Dawkins, a member of the Board of Directors of the Remodelers Advisory Council (RAC) of the BRI, after Episode 17 of the BRI's Podcast Series. The episode reviewed the current Remodeling Markets in the New York metropolitan area. Michael Murphy, RAC Chair, and Michael Kowgios, a RAC board member, were also guests on the episode.

"Jeff, thank you for having me. It is always a pleasure to be on the show with you." - David Amster, Chair, Advisory Council of Managing Agents (ACMA) of the BRI, after Episode 18 of the BRI's Podcast Series. The program reviewed how Boards of Directors of Co-ops and Condos - and their Managing Agents - should prepare for their respective Annual Meeting Seasons.

"An awesome Podcast. Very informative. It was excellent. A great listen." - Stephen Smith, Board Member, The Cooperative and Condominium Advisory Council (CCAC) of the BRI, May 2nd, 2024, after listening to Episode 18 of the BRI's Podcast Series. The episode reviewed how Boards of Directors of Co-ops and Condos should prepare - and conduct - their Annual Meetings. David Amster, Chair of the Advisory Council of Managing Agents (ACMA) of the BRI, was the guest.

"Jeff, it is always a pleasure to be on the show with you. I always enjoy speaking with you." - Michael Fazio, Executive Vice President of The New York State Builders Association (NYSBA), after Episode 20 of the BRI's Podcast Series. The May 3rd program reviewed how the recently passed New York State Budget will affect the building, realty and construction sectors. It also reviewed current conditions in the building, realty and construction industries.

"Jeff, thanks again for having me on your show, I really enjoyed our conversation. Your Program Outline looked great. I would not have changed a thing. Thanks. It really was a pleasure." - Marcel Negret, Senior Planner, The Regional Plan Association (RPA), after Episode 21 of the BRI's Podcast Series. The episode featured a discussion on RPA's new Transit Oriented Development report: "Homes on Track: Building Thriving Communities Around Transit."

"Jeff, it is great to have you back through the BRI's Podcast shows. I really missed your radio shows (on the former 1460 WVOX AM and wvox.com). I really enjoy your programs." - Maggie Mobasser-Scott, Vice President, Patriot One Mortgage Bankers, LLC, at the May 16th, 2024 General Membership Meeting of the BRI.

"Your show with Alana Ciuffetelli, Jeff, was really, really good. I enjoyed listening to it. You are the best!" - Frank Kirwin, a member of the Apartment Owners Advisory Council (AOAC) of the BRI, after listening to Episode 16 of the BRI's Podcast Series. The episode examined the challenges facing Owners and Managers of multifamily buildings and complexes in the New York Metropolitan Area. Alana Ciuffetelli, chair of the AOAC, was the guest.

"Jeff, you are a fantastic host. I always enjoy doing the show with you. Thanks for having me on as a guest." - Alana Ciuffetelli, Chair, Apartment Owners Advisory Council (AOAC) of the BRI, after her appearance on Episode 24 of "Building Knowledge." The segment examined the importance of the 2024 decisions of The Westchester County Rent Guidelines Board to the building and realty sectors.

## STUDY:

# Westchester's Commercial Real Estate Market Finished Q1 With Generally Upbeat Results

RYE BROOK

The commercial real estate market in Westchester County finished the first quarter with generally positive results, according to a recently released building and realty industry report.

The Houlihan Lawrence Quarter One (Q1) Commercial Market Report said that the county's multifamily sector remains robust, retail leasing shows signs of improvement, the demand for industrial space outpaces supply and the volume of investment sales transactions is higher for the quarter.

Meanwhile, the study added, the office market continues to struggle with tenants giving back space to landlords and the office-to-residential conversions proving to be too costly.

The highlights of the report said:

## Westchester Multifamily in a Privileged Position

Boasting a vacancy rate in the low four percent and uninterrupted positive trends in rental rates, fundamentals for Westchester multifamily are strong. Deliveries of new units have slowed markedly, compared to the last few quarters, further tightening supply-demand. The Under Construction Pipeline has declined to 8.4 percent of inventory from a high of 12.4 percent a couple of years ago.

Deliveries were 0.2 percent of inventory during the first quarter, a modest amount compared to deliveries of 1.5-2 percent of inventory that took place during 2022. This moderating supply of new units contributed to re-accelerating multifamily rent growth during Q1 2024, the report said.

## Westchester Retail Appears to Improve

Consistent with better demand and occupancy improvements taking place in Manhattan retail, Westchester enjoyed positive retail space absorption and improved leasing activity during the quarter. Both direct leasing and sub-let spaces experienced increased demand. Businesses are feeling more confident that consumer demand will hold up and are actively committing to new leases, the report said.

Westchester has experienced, the report added, increased demand from successful New York City businesses that are following their clients who have moved north to Westchester. The limited inventory of retail in Westchester has translated on firm pricing for retail assets and low availability rates for quality space, the study added.

## Westchester Office Market Remains Depressed

Westchester offices had a difficult quarter with reduced leasing activity and a net supply demand imbalance driven by tenants giving back space to landlords.

Despite poor fundamental demand, lease pricing held stable. As businesses reconfigure their approach to offices, we are likely to continue experiencing office footprint reductions for a prolonged period of time. Unfortunately, office to residential conversions have proven to be much more costly and difficult than originally expected, creating hurdles for an adaptive reuse of obsolete office assets, according to the report.

## Westchester Industrial Supported by Consumer Trends

The report said that Industrial Space in Southern Westchester is scarce. Zoning changes have reduced the amount of available industrial space for rent and development possibilities are hard to find and costly. At the same time, increased consumption of goods and services

*Continued on p. 10*

# RPA Webinar Features Mayors of "Pro-Housing Communities"

By Anika Nahar, Director of Communications, Building and Realty Institute (BRI)

ARMONK

In July of 2023, Gov. Hochul announced the Pro-Housing Community Program, a policy designed to give local governments working to increase their housing supply priority access to key discretionary funding programs.

Earlier this year, Gov. Hochul announced the first 20 municipalities that have been officially designated as "Pro-Housing Communities."

On Apr. 4, the Regional Plan Association (RPA), one of the partner organizations in the Welcome Home Westchester Campaign, hosted a webinar to hear directly from mayors of communities that were among the first 20 municipalities that have been officially designated as "Pro-Housing Communities." That program, established by the governor last year, is designed to give local governments working to increase their housing supply priority access to key discretionary funding programs, particularly for downtown revitalization, planning, and infrastructure.

Guest speakers included: Mayor Ramos-Herbert (New Rochelle); Mayor Noble (Kingston); Mayor Pereira (Mineola); and Deputy Mayor Simon (Croton-on-Hudson) who discussed how this new certification can help to increase their housing supply, what they plan to do with priority access to state funds, and how the "Pro-Housing Community" program may help localities overcome barriers to increasing housing affordability.

The mayors extensively discussed the importance of zoning reform and fostering a pro-housing ethos to create communities that are more inclusive for residents.

Each mayor brought unique insights from their respective municipalities, sharing success stories and challenges they faced along the way. They emphasized the need for collaborative efforts between local governments, developers, and community groups to ensure that new policies are equitable and address the diverse needs of their populations.

The conversation highlighted several innovative approaches and shared experiences from each municipality. Mayor Ramos-Herbert of New Rochelle emphasized New Rochelle's ongoing efforts to revitalize its downtown area, leveraging the priority access to state funds to support transit-oriented developments that will help the city become more walkable and accessible to residents and workers.

Mayor Noble from Kingston shared success stories of how his administration has already begun leveraging state funds to rejuvenate the downtown area, creating vibrant, walkable neighborhoods that attract both residents and businesses and highlighted several initiatives, including the redevelopment of underutilized properties and the introduction of mixed-use developments that cater to a variety of income levels.

Mayor Pereira of Mineola spoke on the critical role of community engagement and transparency in gaining public support for new housing projects. He underscored the importance of listening to residents' concerns and incorporating their feedback into planning processes to ensure that new developments are well-received and beneficial to the community.

Deputy Mayor Simon of Croton-on-Hudson highlighted the challenges smaller communities face in expanding their housing supply. He noted that the Pro-Housing Community certification provides not only financial support but also a framework for overcoming these obstacles through strategic planning and collaboration with state and local partners.

During the webinar, a common theme highlighted was the significance of collaboration between local governments and state agencies. The mayors emphasized together that the "Pro-Housing Community" initiative offers not just financial assistance but also encourages a community of shared expertise and best practices which allows municipalities to benefit from each other's achievements and obstacles.



## Construction Compensation Insurance Group Reports a 30 Percent Dividend for its Members

### Real Estate Group Also Announces a 30 Percent Dividend

TARRYTOWN

New York State Workers Compensation Group 458, the compensation insurance group of The Builders Institute (BI), recently announced a 30 percent dividend for the policy year ending Jun. 29, 2023.

The dividend was announced at the group's Annual Meeting on Apr. 30. Levitt-Fuirst Insurance, the manager of Group 458 and the insurance manager of The Builders Institute (BI), made the announcement. The dividend is in addition to a 32.5 percent advance discount that group members are eligible to receive, spokesmen said.

Group 458 officials said that the group has now had 73 consecutive years of dividends. Group 458 was formed in 1951. A total of 646 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.

### 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 30 percent dividend for the policy year ending June 1, 2023.

Group spokesmen said 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 Mar. 27. A total of 485 cooperatives, condominiums, apartment buildings and office buildings participate in the program, spokesmen said. Group 530 was formed in 1990.

## Building Industry Bulletin: High Mortgage Rates Are Continuing to Hold Back Builder Confidence

WASHINGTON

Mortgage rates that averaged 6.92 percent in June, per Freddie Mac, along with elevated rates for construction and development loans, continue to put a damper on builder sentiment across the U.S.

Builder confidence in the market for newly built single-family homes was 42 in July, down one point from June, according to the National Association of

Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Jul 16.

"Though inflation is still above the Federal Reserve's target of two percent, it appears to be back on a cooling trend. NAHB is forecasting Fed rate reductions to begin at the end of this year," said NAHB Chief Economist Robert Dietz.

The report is on [nahb.org](http://nahb.org).

## LEGISLATIVE COMMENTARY:

# Tackling Insurance Fraud in New York State

By Jason Hilliard, Government Affairs Director, Building and Realty Institute (BRI)

ARMONK



Jason Hilliard

These days the cost of everything has gone up.

But the one thing that should not is insurance premiums because of staged construction site accidents. Fraudulent staged acts have created a surge in insurance cost for housing projects and the construction industry overall.

In March, Assembly Member David Weprin (D-24) and Senator Neil Breslin (D-46) sponsored a new bill – A.8981/S.8413 – that would address this type of fraud by making staged construction accidents a Class E felony. The bill is modeled after Alice's Law, a Weprin bill that made staging a car crash a Class E felony which became law in 2019.

Construction work is considered one of the most dangerous jobs due to numerous health and safety hazards that laborers faced daily, and the insurance required to support both new construction and the maintenance and upgrade of our infrastructure reflects those risks in the form of high premiums.

Although high insurance costs for construction and repair projects in New York State have many causes, including higher labor costs and a comparatively tiny number of carriers due to local issues like the only remaining Scaffold Law in the nation, one policy that all parties ought to agree with is that insurance fraud that drives up costs for everyone ought to be discouraged and rooted out. Staging a construction site accident to game the system to receive a financial windfall through an insurance claim is fraud and morally wrong.

These fraudulent claims drive up the cost of construction, increase insurance premiums, reduce work productivity, and delay the completion of projects aimed at satisfying public needs. In fact, construction fraud in New York State has reportedly cost \$761.2 million annually, including \$275 million not paid into workers' compensation, \$44 million not paid in state and federal unemployment taxes, \$56 million in unpaid New York State and New York City income taxes, and \$143 million in healthcare costs borne by state and federal taxpayers. These fraudulent acts have also emerged as widespread insurance scams, often through organized crime syndicates.

Unfortunately, A.8981 and S.8413 did not move out of committee in either house during this year's session. This is why the Building and Realty Institute (BRI) will continue to push the legislature and Gov. Hochul to adopt these bills into law.

## REPORT:

# Despite Higher Mortgage Rates, New Home Sales Across the U.S. Posted a Solid Gain in March

WASHINGTON

Despite higher interest rates, new home sales across the U.S. rose in March due to limited inventory of existing homes, according to a building and realty industry analysis.

The analysis, released on Apr. 23 by the National Association of Home Builders (NAHB), added that it expected that the pace of new home sales will be under pressure in April as mortgage rates moved above 7 percent. The move, the analysis said, is expected to moderate sales and increase the use of builder sales incentives this spring.

Sales of newly built, single-family homes in March rose 8.8 percent to a 693,000 seasonally adjusted annual rate from a downwardly revised reading in February, according to data from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The pace of new home sales in March was up 8.3 percent from a year earlier, the analysis said. The analysis is based on the data from HUD and the U.S. Census Bureau.

"Although consumer demand has been somewhat dampened due to higher interest rates, builders continue to supply new homes to the market to lift inventory to make up for the low resale supply," said Carl Harris, chairman of NAHB and a custom home builder from Wichita, Kan. "Rates moving above 7 seven, however, will move some home buyers to the sidelines as the spring progresses."

"Shelter inflation remains the largest, lingering obstacle to lower inflation," said NAHB Chief Economist Robert Dietz. "More

housing supply will ultimately tame shelter inflation growth and lower interest rates. This will improve the cost of financing for land developers and home builders and enable more attainable housing supply."

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 693,000 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 in March, the analysis said, remained elevated at a level of 477,000, up 2.6 percent from February. This represents an 8.3 months' supply at the current building pace, which has been supported by the ongoing shortage of resale homes. Data from the National Association of Realtors (NAR) indicates just a 3.1 months' supply of existing single-family homes in March, with a balanced market holding 5 to 6 months' supply. Inventory of newly-built single-family homes is up 10.2 percent on a year-over-year basis.

The median new home sale price in March was \$430,700, up nearly 6 percent from February, and down 1.9 percent compared to a year ago, the analysis said.

Regionally, on a year-to-date basis, new home sales are up 15.1 percent in the Northeast, 17.8 percent in the Midwest and 28.1 percent in the West. New home sales are down 6.6 percent in the South, the analysis added.



## Building and Realty Institute (BRI) Member Spotlight Series:

# A Look at New Crystal Restoration's Journey to Becoming a Strong Team of Female Leaders

ARMONK

The Building and Realty Institute (BRI) Member Spotlight Series, which highlights BRI members making waves in their industries, continues with Lisa Marie Scherrer and Rosemary Cordasco, who are an integral part of New Crystal Restoration's leadership team. You can watch their full interview on the BRI's YouTube Channel.

Lisa Marie Scherrer has over 16 years in the restoration industry as a previous co-owner of a restoration company in St. Louis. Her concentration has been in sales, marketing, and team leadership. Lisa Marie's mindset is characterized by a commitment to clear communication, ensuring that all parties have a full understanding of expectations. She recognizes the importance of transparency and clarity in fostering strong relationships with clients, team members, and stakeholders alike.

After college, Lisa concentrated on homeschooling her children and continued her love for education to the insurance industry where she became a certified Restoration CE educator in seven states and for the IAIP. Lisa Marie also holds certifications through the IAAI including Certified Fire Investigation (CFI) and Train the Trainer certification through IAIP.

In addition to her professional accomplishments, Lisa Marie is deeply committed to giving back to her community. She volunteers as a Guardian ad Litem for Children in Placement, advocating for the well-being of vulnerable children.

Throughout Rosemary Cordasco's tenure at New Crystal Restoration, she has worked with her team to re-invent the business by establishing the first green restoration company in Westchester County. This initiative has changed the trajectory of the business, leading to increased financial growth as well as expanding the company's customer base. Rosemary spearheaded the process to attain certification with New York State and New York City as a Minority and Women-Owned Business. New Crystal was recently recognized as one of the recipients of the 2020 Family-Owned Business Awards for Westchester and Fairfield (Conn.) Counties. She is proud to be a part of a business that has been in her family for three generations and that has served the Westchester County area holding to the testament of treating customers with care and respect.

Rosemary began her accounting career at KPMG after graduating from Iona University with a BBA in Accounting. After leaving public accounting she moved into the private sector and worked at Verizon Communications and Philip Morris Capital Corporation. Rosemary is a CPA in New York State.

Giving back has always been an important part of her life. In 2005, she co-founded The Children's Hope Chest, a non-profit that supports local children and families in need, which has grown exponentially since then. New Crystal Restoration also supports local charities – Clary Garden (Autism), Fore the Kids, Parkinson Foundation, St. Jude's, and Support Connection.

Share your story! If you would like to submit yourself, or a member, for a spotlight interview, please email the BRI's Communications Director, Anika Nahar, at [anika@buildersinstitute.org](mailto:anika@buildersinstitute.org).

# Advertise in Impact



## Hilliard Makes City & State's "2024 Who's Who in Government Relations List"

ARMONK

Jason Hilliard, the Director of Government Affairs for the Building and Realty Institute (BRI), was recently selected for City & State's "2024 Who's Who in Government Relations List."



Jason Hilliard

The list, officials said, recognizes notable New Yorkers advocating for change in city, state and federal government. Hilliard began his tenure with the BRI in January. BRI officials said he has already made a tremendous impact within the organization.

Hilliard's most recent accomplishment includes helping to advance legislation that requires the elimination of any illegal restrictive covenants prior to the sale of real estate which would specifically perpetuate housing discrimination by forbidding sales on the basis of race, color, religion, sex, sexual orientation, familial status, marital status, disability, national origin, source of income or ancestry, officials said.

Prior to his current role with the BRI, Hilliard held multiple positions in the political sphere. He worked for U.S. Sen. Amy Klobuchar's presidential campaign as both Deputy National Political Director and Director of Strategic Planning for South Carolina, and he served as the Director of Policy and Legislation in the state Senate. In addition, he was the Queens Borough Director for Public Affairs for then-New York City Comptroller Scott Stringer and Executive Director in the office of Rep. Gregory Meeks, BRI officials said.

BRI officials added that Hilliard's military background is also notable, as he is a veteran of both the U.S. Army and U.S. Air Force.

"I am humbled to receive this recognition from City & State," Hilliard said. "As I continue in this profession, I intend to embody the spirit of this recognition by advancing smart policies that increase access to housing at deeper levels of affordability for New Yorkers."

## Sustainable Westchester Launches REACH Program to Decarbonize Buildings in Yonkers and Peekskill

ARMONK

Sustainable Westchester (SW), a non-profit consortium of local governments which promotes clean energy solutions through innovative services, recently launched a new offering, Renewable Energy Alternative Cooling & Heating (REACH), to decarbonize buildings in Yonkers and Peekskill.

Sustainable Westchester is inviting building owners in Peekskill and Yonkers to respond to the REACH offering which aims to decarbonize building(s) and assess the feasibility of connection to a municipality-led Thermal Energy Network (TEN). REACH compliments SW's current project with the cities of Peekskill and Yonkers to develop renewable energy infrastructure for heating and cooling. Once a building is selected, SW will work with the owner to identify the highest resource-efficient energy reduction and electrification methods, employing strategies and technologies that maximize financial incentives and reduce risks, officials said.

REACH, officials added, brings community Thermal Energy Networks (TENS) to Westchester, proven to cut greenhouse gas emissions and enhance public health, slash energy costs by up to 40 percent, shield against fuel price fluctuations, and accelerate the clean energy transition.

The benefits of the program for building owners and operators include:

- ◆ Cutting the cost of building electrification utilizing a community energy network service at a lower cost than fossil fuel utilities
- ◆ Reducing reliance on fossil fuel utilities
- ◆ Providing resilience to rising costs
- ◆ Improving air quality and tenant comfort
- ◆ Securing a trusted partner in building decarbonization to aggregate purchasing power and vet competitive vendors.

Applicants who are eligible for this cost-cutting decarbonization service include Peekskill and Yonkers building owners and operators of commercial buildings such as affordable housing, non-profits, schools, houses of worship, community centers, mixed-use, municipal buildings, and others, officials said.

The due date to apply is Jul. 26, 2024. Full details on the submission process can be found on Sustainable Westchester's website ([www.sustainablewestchester.org/](http://www.sustainablewestchester.org/)). Selected building owners will be notified by Nov. 4, 2024, officials added.

## The Welcome Home Westchester (WHW) Campaign Hires Campaign Organizer to Spearhead Efforts on Addressing the Housing Shortage

ARMONK

The Welcome Home Westchester (WHW) Campaign, a multi-stakeholder advocacy effort consisting of business and nonprofit leaders, homebuilders, academics, think tanks, faith leaders, and community advocates working together to drive a new public conversation around fixing the housing shortage in Westchester County, recently announced the hiring of Khush Kam-Au as its Campaign Organizer.

In his role, Kam-Au will be focused on developing and executing campaign strategy, increasing the number of organizations, the number of volunteers, and the number of engaged advocates working with the campaign, and launching a new effort to educate members of the cities, towns, and villages of Westchester County on how they can advocate for change in their own communities. The campaign utilized grants from the Westchester Community Foundation and the Galvan Foundation to take these efforts to the next level, officials said.

"The partners of the Welcome Home Westchester campaign are thrilled to welcome Khush Kam-Au, a dedicated advocate and organizer with a long track record in communities like Mount Vernon, Yonkers, and lower Westchester," said Tim Foley, chief executive officer of The Building and Realty Institute (BRI) and one of the partners of the Welcome Home Westchester campaign.

Foley added: "We know from polling and from political science research that many of our neighbors are much friendlier to building housing in our communities than the loudest voices who tend to overwhelm local public hearings. Many of them know someone personally who struggled to find housing in their price range or struggled themselves! We believe our local debate is stronger when those voices are at the table, and we are confident in Khush's ability to make sure those voices are heard."

Officials said that Kam-Au comes from an impressive background of managing social justice campaigns in different leadership capacities and has led efforts to expand housing rights for those most vulnerable to the downturns of the housing climate. In his role as the Campaign Liaison for the Clean Slate NY campaign, he played a key part in introducing groundbreaking record clearance legislation in New York State. Throughout his experiences working for various governmental offices, including the Office of Yonkers City Council Majority Leader Michael Sabatino, the Office of N.Y. Sen. Shelley Mayer, and the Mount Vernon City Council, he specialized in addressing and finding solutions to a plethora of community concerns and issues and consistently prioritized constituents when creating and endorsing legislation, officials added.

Additionally, officials said, housing justice issues have played a crucial role in the criminal justice reform and economic justice initiatives that he has spearheaded with organizations such as Citizen Action of NY, Fast Food Justice, and Clean Slate NY in collaboration with Community Service Society of NY.

"I appreciate the opportunity to manage and help grow campaign efforts across Westchester County. Welcome Home Westchester's campaign mission is close to my heart having grown up in Mount Vernon and recognizing the great need for more affordable housing throughout the entire county then and now. I am a housing justice advocate for those most vulnerable to being unhoused in Westchester and those in greatest need of affordable housing," Kam-Au said.

Kam-Au added: "Through my time working for different government offices in Westchester County and statewide advocacy campaigns, I've been able to learn about housing development policies and housing campaign strategies that have worked for communities in Westchester and around New York State. I look forward to connecting with constituents, community groups, advocates, business owners, legislators, and more to make Welcome Home Westchester's vision for Westchester a reality."

The Welcome Home Westchester campaign was launched in 2021, prompted in no small part by the findings of the 2019 Westchester County Housing Needs Assessment, officials said.

The partners of the campaign said that they believe this is truly an "all hands-on deck" moment for everyone with an interest in housing and development in Westchester County. Through their research reports, public testimony, grassroots organizing, social media presence, and in-person and virtual educational events, the partners said they have demonstrated that a multi-stakeholder campaign can shine a spotlight on the everyday barriers to providing the housing Westchester County needs. The partners added that they encourage communities to make different, effective choices to secure a Westchester that is welcoming to all who wish to live and work in the county, to the county's shared prosperity.

The organizing partners of the restructured campaign include the Regional Plan Association (RPA), the Building and Realty Institute (BRI), the Westchester County Association (WCA), Nonprofit Westchester, the Housing Action Council, the Land Use Law Center, Elisabeth Haub School of Law, Pace University, Westhab, and the Construction Industry Council (CIC) of Westchester and the Hudson Valley.

To learn more about what the Welcome Home Westchester campaign has been doing to change the conversation on housing, visit [www.welcometohomewestchester.org](http://www.welcometohomewestchester.org).



Khush Kam-Au

## Houlihan Lawrence Commercial Receives CoStar Power Broker Award

RYE BROOK

Houlihan Lawrence Commercial, a division of Houlihan Lawrence, recently announced its receipt of the 2023 CoStar Power Broker Award.

The prestigious award, company officials said, recognizes professionals and firms who closed the highest transaction volume in commercial real estate deals in their respective markets. The CoStar Power Broker Award program has honored the industry's elite for 24 years.

Company officials said it is the second CoStar award for Houlihan Lawrence Commercial in recent months. In March, Houlihan Lawrence Commercial received the CoStar IMPACT Award Winner - Sale of the Year for the sale of the former Melrose School campus in the Town of Southeast in Putnam County.

"I would like to congratulate everyone on our team for this tremendous honor," said Garry Klein, managing director of Houlihan Lawrence Commercial. "This award is a testament to the dedication and hard work of our highly skilled team of professional brokers. We have received this prestigious award consistently since 2018."

Houlihan Lawrence is the leading real estate brokerage serving New York City's northern suburbs, company officials said. The company has 32 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 the CoStar Group is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1987, CoStar Group conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of real estate information. CoStar is the global leader in commercial real estate information, analytics, and news, enabling clients to analyze, interpret and gain insight on property values, market conditions and availabilities, company officials added.



Pictured, with both CoStar awards, from left to right, are Garry Klein, managing director, associate real estate broker, Houlihan Lawrence Commercial Division; Charlene Awani, CoStar account executive; Steven Salomone, associate real estate broker, Houlihan Lawrence Commercial Division; and Tom LaPerch, associate real estate broker, Houlihan Lawrence Commercial Division.

## Houlihan Lawrence Commercial Announces the Recent Sale of a Property on Commerce Street in Hawthorne for \$1,550,000

RYE BROOK

Houlihan Lawrence Commercial recently announced the sale of a 6,500-square-foot property at 450 Commerce Street in Hawthorne.

Termed by officials as being strategically located in the heart of Hawthorne, 450 Commerce Street offers prime commercial space along with a two-family home. The property, which sold for \$1,550,000, was acquired by Maselli Contracting & HVAC.

The purchaser was represented by Coldwell Banker Signature Properties. The owner was represented by Garry Klein, managing director of Houlihan Lawrence Commercial and Jared Stone, associate broker of Houlihan Lawrence Commercial.

"We're thrilled to have facilitated the successful transaction of 450 Commerce St. This central location is poised to be a hub for Maselli Contracting & HVAC's expansion, providing convenient access for their contracting jobs. We've worked closely with both the seller and the buyer to realize their goals. This sale underscores the growth potential of Hawthorne's commercial real estate market, and we anticipate the area's continued prosperity," Klein said.

Houlihan Lawrence Commercial specializes in Investment Opportunities; Multifamily, Industrial, Office, and Retail Sales and Leasing; Land Acquisition and Development; and Municipal Approval Consultation, officials said.



# Real Estate Market in the First Quarter Remains Strong In Areas North of NY City, Realty Report Says

RYE BROOK

The residential real estate market in areas north of New York City remains strong and is characterized by robust buyer demand, coupled with historically low inventory levels, which continues to drive prices upward in most segments. It remains optimal for sellers to realize their highest prices, according to the Houlihan Lawrence Westchester-Putnam-Dutchess Q1 Market Report released on Apr. 9.

Despite some pockets experiencing a slight uptick in inventory during Q1 2024, specifically in the higher price ranges, overall conditions remain favorable for sellers and challenging for buyers, according to the report. While home sales were lower for the quarter in most of the markets in areas north of New York City, median sale prices were higher in all of the markets, the report added.

"Multiple offers remain a common occurrence, demonstrating the importance of working with a knowledgeable buyers' agent to secure a home. Their expertise can provide invaluable guidance and market insight ensuring that buyers make informed and effective decisions," said Houlihan Lawrence President and Chief Executive Officer Liz Nunan.

## Q1 2024 MARKETS AT A GLANCE (Q1 2024 vs Q1 2023)

### WESTCHESTER COUNTY

**Homes Sold:** Down 9.8 percent  
**Median Sale Price:** Up 9.4 percent

### New York City Gateway

(Mount Vernon, New Rochelle, Pelham and Yonkers)  
**Homes Sold:** Down 17 percent  
**Median Sale Price:** Up 17 percent

### Lower Westchester

(Bronxville, Eastchester, Edgemont, Scarsdale and Tuckahoe)

**Homes Sold:** Down 15 percent  
**Median Sale Price:** Up 10 percent

### Rivertowns

(Ardsley, Dobbs Ferry, Hastings, Mount Pleasant, Pleasantville, Tarrytown, Briarcliff Manor, Elmsford, Irvington Ossining and Pocantico Hills)

**Homes Sold:** Down 15 percent  
**Median Sale Price:** Up 8 percent

### Greater White Plains

(Greenburgh, Valhalla and White Plains)

**Homes Sold:** Down 31 percent  
**Median Sale Price:** Up 8 percent

### Sound Shore

(Blind Brook, Harrison, Mamaroneck, Port Chester, Rye City and Rye Neck)

**Homes Sold:** Down 13 percent  
**Median Sale Price:** Up 5 percent

### Northern Westchester

(Bedford, Byram Hills, Chappaqua, Katonah-Lewisboro, North Salem and Somers)

**Homes Sold:** Up 6 percent  
**Median Sale Price:** Up 13 percent

### Northwest Westchester

(Croton-on-Hudson, Hendrick Hudson, Lakeland, Peekskill and Yorktown)

**Homes Sold:** Up 10 percent  
**Median Sale Price:** Up 14 percent

### PUTNAM COUNTY

(Brewster, Carmel, Garrison, Haldane, Lakeland, Mahopac and Putnam Valley)

**Homes Sold:** Down 14 percent  
**Median Sale Price:** Up 11 percent

### DUTCHESS COUNTY

**Homes Sold:** Down 17.2 percent  
**Median Sale Price:** Up 10.3 percent

### Southwest Dutchess

(Beacon, East Fishkill, Fishkill, La Grange, Poughkeepsie, City of Poughkeepsie and Wappinger)

**Homes Sold:** Down 9 percent  
**Median Sale Price:** Up 6 percent

### Southeast Dutchess

(Beekman, Dover, Pawling and Union Vale)

**Homes Sold:** Down 33 percent  
**Median Sale Price:** Up 23 percent

### Northwest Dutchess

(Clinton, Hyde Park, Milan, Pleasant Valley, Red Hook and Rhinebeck)

**Homes Sold:** Down 25 percent  
**Median Sale Price:** Up 25 percent

### Northeast Dutchess

(Amenia, North East, Pine Plains, Stanford and Washington)

**Homes Sold:** Down 22 percent  
**Median Sale Price:** Up 27 percent

Houlihan Lawrence is the leading real estate brokerage serving New York City's northern suburbs. Founded in Bronxville in 1888, the company, is deeply committed to technological innovation and the finest client service. The company has 32 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 AND REALTY STUDY: Multifamily Developer Confidence Across the U.S. Declines in the First Quarter

WASHINGTON

Confidence in the market for new multifamily housing declined year-over-year in the first quarter of 2024, according to results from the Multifamily Market Survey (MMS) released on May 9 by the National Association of Home Builders (NAHB).

The MMS produces two separate indices. The Multifamily Production Index (MPI) had a reading of 47, down three points year-over-year, while the Multifamily Occupancy Index (MOI) had a reading of 83, up one point year-over-year, the report said.

The MPI measures builder and developer sentiment about current production conditions in the apartment and condo market on a scale of 0 to 100, the report added. The index and all its components are scaled so that a number below 50 indicates that more respondents report conditions are poor than report conditions are good.

The MPI is a weighted average of four key market segments: three in the built-for-rent market (garden/low-rise, mid/high-rise and subsidized) and one in the built-for-sale (or condominium) market. All four of the components posted year-over-year declines: the component measuring garden/low-rise declined two points to 55, the component measuring mid/high-rise units fell five points to 36, the component measuring sub-

# Yonkers IDA Votes Final Approval of Financial Incentives for Teutonia Hall, a \$458M Mixed-Use Residential Project

YONKERS

The Yonkers Industrial Development Agency (YIDA) voted on Feb. 29 final approval of financial incentives for Teutonia Hall, a \$458 million mixed-use residential complex featuring two luxury 41-story towers, officials recently announced.

It is one of the largest developments to come before the YIDA in recent years, officials added.

Officials said the two-phase project, which is at Four Buena Vista Avenue, will feature a total of 906 apartments of which 91 will be affordable. The complex will include 2,900 square feet of active street-level commercial use space and 907 parking spaces.

The lower six stories of the buildings, officials added, would comprise a podium, which would serve as a parking facility for residents with approximately 907 parking spaces. The anticipated construction start date for Phase One is September of 2024, with completion in December of 2027. Construction of Phase Two is anticipated to start in December of 2028, with completion in December of 2031.

Project developer AMS Acquisitions was approved for \$12,924,830 in sales tax exemptions and \$4,549,646 in mortgage recording tax exemptions. The two phases of the project are estimated to create 1,100 construction jobs. According to a cost-benefit analysis, the project will create \$2.35 for every \$1.00 of incentives. The developer is also requesting a 20-year Payment In Lieu of Taxes (PILOT) Program, officials said.



Above is a Rendering of the Teutonia Hall Mixed-Use Project. Credit: S9 Architecture

## Additional Activity

In other business, the YIDA voted preliminary approval of financial incentives for Champlain Hudson Power Express (CHPE) for the underwater installation of a 1,250MW electric transmission line along 4.3 miles of the Hudson River in Yonkers. The project cost is estimated at \$22.5 million, officials said.

Officials said the CHPE cable is bringing inexpensive hydro power from Quebec to New York City over a 339-mile route of which 60 percent is in waterways. Installation of the cable in the Hudson River in Yonkers is currently planned for during the period of August-September of 2025. CHPE is requesting a sales tax exemption of \$1,996,875.

## Insurance Insights: Insurance Headaches and the Related Question - Why Are We Paying a Premium on the Premium? Continued from p. 2

## Building Replacement Limits Far Exceed the Market Value of the Property

Policyholders frequently compare their dwelling or building replacement limits to the market value of their property and note with frustration that the former often far exceeds the latter. Simply put, there is no correlation between insurance replacement limits and the market value, period. For various reasons -

house/building is in a flood zone; house/building is 100-plus years old; building is a five-story walk-up with no elevator; house/building has an undesirable floorplan; location of house/building has become undesirable - a house or building may have a low market value per square foot of \$150 - \$250 per square foot.

But, an insurance company may pay \$500 - \$1,000 per square foot, or more, to rebuild that property from the ground-up. A 25,000 square foot office building or a 3,000 square foot home could cost the same to rebuild in the most desirable area of town (higher market value) as it would in the least desirable area (lower market value.) An office building or home that hasn't been renovated in 40 years will have a lower market value, but the lack of renovations have a relatively small effect on the total replacement cost (insurance pays to replace an old,

unrenovated building with a brand new building).

So, let's ask Seinfeld's hypothetical question again: "What's the deal with insurance premiums? Why are we paying a premium on the premium?" The answers, as explained herein, are: 1) insurance rates continue to increase; and 2) carriers are requiring major increases to home and building replacement limits.

If you have questions, or need some perspective relating to your insurance premium increases, call your insurance broker, or contact Levitt-Fuirst Insurance at (914) 457-4200.

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

"Multifamily developers are concerned about higher interest rates for construction and development loans and tighter lending conditions that are taking place in the market right now."

- Tom Tomaszewski, Chairman, NAHB's Multifamily Council.

dized units dipped one point to 50 and the component measuring built-for-sale units posted a three-point decline to 39, according to the report.

The study said that the MOI measures the multifamily housing industry's perception of occupancies in existing apartments on a scale of 0 to 100. The index and all its components are scaled so that a number above 50 indicates more respondents report that occupancy is good than report it is poor. The reading of 83 indicates existing apartment owners are very positive about occupancy.

The MOI is a weighted average of three built-for-rent market segments (garden/low-rise, mid/high-rise and subsidized). The components measuring garden/low-rise units and mid/high-rise units both remained unchanged year-over-year, with a reading of 84 and 74, respectively. The component measuring subsidized units increased seven points to 94, the report added.

"Multifamily developers are concerned about higher interest rates for construction and development loans and tighter lending conditions that are taking place in the market right now," said Tom Tomaszewski, president of The Annex Group and chairman of NAHB's Multifamily Council. "There are also many areas across the country where developers are having a difficult time getting their projects approved."

"Owners of existing apartments continue to report strong occupancy, but this has the potential to soften when more of the 900,000-plus apartments currently under construction come on line," said NAHB Chief Economist Robert Dietz. "NAHB is currently projecting that multifamily starts will fall 28 percent this year as developer activity slows."

The MMS was re-designed last year to produce results that are easier to interpret and consistent with the proven format of other NAHB industry sentiment surveys. Until there are enough data to seasonally adjust the series, changes in the MMS indices should only be evaluated on a year-over-year basis, NAHB officials said.



# Yonkers IDA Votes for Preliminary Approval of Incentives for Two Multifamily Developments

YONKERS

The Yonkers Industrial Development Agency (YIDA) voted at its Apr. 23 monthly meeting preliminary approval of financial incentives for two multifamily residential developments - The Parker and The Abbey on the Park.

Officials said the two projects represent a total of \$174.5 million in private investment and will create 242 new residential units, including affordable apartments. The two projects will create a total of 410 construction jobs.

"These two innovative and attractive residential developments will create much-needed affordable housing while generating over 400 construction jobs. These projects build upon the continued success of the Yonkers IDA as a driving force in the tremendous revitalization underway in our city's economy," said Mayor Mike Spano, who serves as Chairman of the IDA Board.

Located at 632-636 South Broadway, The Parker will feature 160 new units of all affordable housing in an elevator building, with on-site parking. The apartments will be priced for families with incomes at or below 80 percent of the area median income (AMI). The Parker will be a 100 percent Low Income Housing Tax Credit (LIHTC) project and consist of seven studios, 69 one-bedrooms, 64 two-bedrooms, and 20 three-bedrooms, including a two-bedroom unit reserved for the on-site superintendent, officials said.

The building will be 16 stories high and will accommodate approximately 146 on-site parking spaces. Forty-three percent of the units will be targeted to families earning up to 50 percent of Area Median Income (AMI), 47 percent of the units will be targeted to families earning up to 60 percent AMI, and ten percent will be targeted to families earning up to 80 percent of AMI. The building will offer amenities such as a fitness center on the ground floor and a laundry facility, officials added.

Officials said the \$116.2 million project is expected to create approximately 260 construction jobs over the 30-months construction period, and approximately 7-10 new permanent jobs upon completion of construction. The project is being designed to Passive House certification through the Passive House Institute US (PHIUS) program and will include rooftop solar panels. Project developer MacQuesten Development is requesting a \$2,569,219 sales tax exemption.

## Additional Details

Officials said that The Abbey on the Park is an innovative workforce and artist housing development consisting of two rehabilitated buildings, the historic Ethan Flagg House and the historic Blessed Sacrament Monastery, as well as one new construction building. The historic Ethan Flagg House and Blessed Sacrament Monastery will be rehabilitated to provide 49 residential apartments. The new construction building will contain 33 residential apartments, for a total of 82 apartments comprised of 31 studios, 41 one-bedrooms, and 10 two-bedrooms.

Located at 21-23 Park Avenue, the site's existing buildings are predominately vacant and unused, including 35 vacant affordable residential units. The development would rehabilitate the vacant affordable housing units, while simultaneously more than doubling the number of affordable housing units. Eighty-one of the 82 total units would be rented at 60 percent AMI, with the remaining unit being reserved as a superintendent's unit. In addition, The Abbey on the Park will also provide a preference for those involved in artistic or literary activities for 20 to 50 percent of the units. The redevelopment will also include improvements to the sidewalk fronting the site along Park Avenue, officials added.

The existing buildings to be rehabilitated - the Ethan Flagg House and the Blessed Sacrament Monastery - are both listed on the National Historic Registry and will be preserved. The new construction building is designed to coincide not only with the architectural and historical beauty of the rehab buildings, but also with the surrounding neighborhood. Project developer The Kearney Realty & Development Group Inc. is requesting a sales tax exemption of \$1,653,084 and a mortgage recording tax exemption of \$456,975. The \$58.9 million project is estimated to create 150 construction jobs, according to officials.

## Study: Westchester's Commercial Real Estate Market Finished Q1 With Generally Upbeat Results, Continued from p. 6

has created a collateral demand for industrial assets.

During the quarter, a large lease turnover led to a modest increase in industrial vacancies while pricing continued an upwards ascent. According to Costar, during the first quarter, average industrial space leasing rates increased eight percent year-over-year and 2.4 percent versus the prior quarter, the report said.

## Transaction Volume Increases Modestly

The volume of Investment Sale Transactions in Southern Westchester, the report said, increased 40 percent versus the prior quarter and it doubled versus Q3, 2023. Motivated buyers and sellers are finding ways to strike a deal and these transactions will help the price discovery process.

Interest rates continue to be elevated and deals require hard work and persistence on both sides. Median prices per square foot have remained firm indicating that sellers are not deeply discounting assets because interested buyers have access to liquidity, have a clear plan for the assets acquired and are ready to transact.

"Commercial real estate has entered a challenging period as low interest rate maturities start to come due. Interesting commercial real estate investment opportunities are likely

# RPW Group and Rebecca School Honored at BOMA's Annual Hall of Honor Dinner

TARRYTOWN

More than 200 leaders from Westchester County's commercial real estate community were on hand on May 8 for the Building Owners and Managers Association of Westchester's (BOMA's) 32nd Annual Hall of Honor Awards Dinner.

The dinner, which was at Abigail Kirsch at Tappan Hill in Tarrytown, honored RPW Group and Rebecca School for their contributions to Westchester's economy.

Accepting the award for RPW Group was Andrew Weisz, president of RPW Group. Accepting the award for Rebecca School was Program Director Tina McCourt. BOMA also presented a Lifetime Achievement Award to former BOMA President Anthony S. Lifrieri.

RPW Group, Inc. was founded in 1980 by Robert P. Weisz and has since become a premiere owner of commercial property in the N.Y. tri-state region. Since its inception, RPW Group has developed more than eight million square feet across 65 properties, officials said.

Currently, the company owns 11 commercial assets and 303 new rental apartment units. Recently, the company acquired two office buildings at 100 Manhattanville Road in Purchase and 10 Bank Street in White Plains. In addition, last year, in partnership with the NRP Group, RPW completed construction of a new rental apartment complex at 1133 Westchester Avenue in White Plains. This year, they are breaking ground on a 200-unit rental apartment building in Harrison. As a multi-generational family business, RPW Group has owned and operated property in Westchester County for over 30 years, officials added.

Rebecca School is a special education school in New York City, supporting students ages 3-21 with neurodevelopmental delays in relating and communicating, including students with an autism spectrum diagnosis, officials said.

Using a developmental and interdisciplinary approach, Rebecca School creates educational programs that meet students' unique needs, celebrates their strengths, and embraces their passions to reach their individual potential. Building meaningful, respectful relationships is the foundation for learning, and with collaboration between school, home, and the community, the learning goes beyond the classroom, officials added.

Officials said Rebecca School works to move students up their developmental capacities to become thinking, relating, communicating

members of their community. Rebecca School recently announced its second location in Mount Vernon in a newly renovated school building with capacity for 14 strategically designed classrooms.

The dinner, officials added, also featured the winners of the Best of BOMA Westchester County Signature Awards and the Unsung Hero Award.

## Best Building Comeback:

**Simone Development Companies**

250 East Sandford Blvd, Mount Vernon

## Best Adaptive Use:

**El Centro Hispano**

295 Central Ave., White Plains

## Best Building Over 250,000 Square Feet:

**Reckson**

360 Hamilton Ave., White Plains

## Best Tenant Fit Out:

**Sabra**

One North Lexington, White Plains

## Ungung Hero:

**Charles Sehring**

CBRE, ABM

## Ungung Hero:

**Michele Ardizzone, Enza Mascolo,**

**Jenny Bermejo, Adrienne Conde**

**All Pro Cleaning & Restoration**

BOMA Westchester is the county'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.

# Houlihan Lawrence Commercial Announces the Sale of Three Campus Drive, a 31,000 Sq. Ft. Mixed-Use Property

RYE BROOK

Houlihan Lawrence Commercial has brokered the sale of Three Campus Drive in Pleasantville, a 31,000 square foot, mixed-use property, company officials recently announced.

The seller was represented by John Barrett and Chris O'Callaghan of RM Friedland. The buyer was represented by Jared Stone of Houlihan Lawrence Commercial. The property sold for \$2,750,000, officials said.

The buyer is a local real estate investor with properties throughout Northern Westchester County. The transaction was a sale-leaseback with the seller downsizing to approximately 13,000 square foot of office space. The remaining vacancies available are approximately 8,000 square foot of office and 10,000 square foot of warehouse, officials added.

Houlihan Lawrence Commercial specializes in Investment Opportunities; Multifamily, Industrial, Office, and Retail Sales and Leasing; Land Acquisition and Development; and Municipal Approval Consultation, company officials said.

Houlihan Lawrence Commercial is a division of Houlihan Lawrence, the leading real estate brokerage serving New York City's northern suburbs, company officials added. The company was founded in Bronxville in 1888. Houlihan Lawrence has 32 offices and 1,450-plus agents serving Westchester, Putnam, Dutchess, Columbia, Ulster and Orange counties in New York and Fairfield County in Connecticut.

to become available. Liquidity is only available for strong sponsors and poorly capitalized owners will seek to sell," said Garry Klein, managing director of Houlihan Lawrence Commercial.

He added: "However, there are numerous market and economic risks that will add to the complexities of acquiring commercial real estate. Understanding the market forces that are shaping the fundamentals for each property requires a deep knowledge of the property, local and regional insights, and close contacts with the right financial partners."

Houlihan Lawrence Commercial, company officials said, recently received two prestigious awards: the CoStar Power Broker Award for having closed the highest transaction volume in commercial real estate deals in their markets and the CoStar IMPACT Award Winner - Sale of the Year for the sale of the former Melrose School campus in the Town of Southeast in Putnam County.

Houlihan Lawrence, company officials added, is the leading real estate brokerage serving New York City's northern suburbs. Founded in Bronxville in 1888, the company has 32 offices and 1,450-plus agents serving Westchester, Putnam, Dutchess, Columbia, Ulster and Orange counties in New York and Fairfield County in Connecticut.

## Report:

# Higher Rates Continue to Sideline Home Buyers

WASHINGTON

Mortgage rates that averaged 7.06 percent in May per Freddie Mac, the highest monthly average since last November, put a damper on new home sales across the U.S. in May.

Sales of newly built, single-family homes in May fell 11.3 percent to a 619,000 seasonally adjusted annual rate from a sharp upwardly revised reading in April, according to newly released data from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The pace of new home sales in May was down 16.5 percent from a year earlier and is the lowest pace since November of 2023. The data was contained in a Jun. 26 report from the National Association of Home Builders (NAHB).

"Persistently high mortgage rates in May kept many prospective buyers on the sidelines," said Carl Harris, chairman of NAHB and a custom home builder from Wichita, Kan. "However, significant unmet demand exists, and we expect mortgage rates to moderate in the coming months, which will bring more buyers into the market."

"While new home inventory increased to a 9.3 months' supply, due to a lack of resale homes for sale, the combined inventory for new and existing single-family homes remains lean at a 4.4 months' supply according to NAHB estimates," said NAHB Chief Economist Robert Dietz.

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 May reading of 619,000 units is the number of homes that would sell if this pace continued for the next 12 months (from Jun. 26 on), NAHB officials said.

New single-family home inventory in May remained elevated at a level of 481,000, up 12.9 percent compared to a year earlier. This represents a 9.3 months' supply at the current building pace, which has been supported by the ongoing shortage of resale homes. Due to declines in new home size and some builder use of incentives, the median new home price fell to \$417,400, down almost one percent from a year ago, NAHB officials added.

Regionally, on a year-to-date basis, NAHB officials said that new home sales are up six percent in the Northeast, 25.2 percent in the Midwest and 6.3 percent in the West. New home sales are down 7.6 percent in the South.

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## Healy Electric Contracting Signs A New Lease for 16,750 Square Feet at 1 Zeiss Drive in Thornwood

THORNWOOD

Simone Development Companies recently announced that Healy Electric Contracting has signed a new lease for 16,750 square feet of space at 1 Zeiss Drive in Thornwood.

Ownership was represented by Michael Rao and Frank Rao from New York Commercial Realty Group (NYCRG). The tenant was represented by William Cuddy from CBRE, officials said.

"We are very pleased to welcome Healy Electric Contracting to our growing roster of tenants at 1 Zeiss Drive who are attracted to the many benefits this outstanding building has to offer in terms of practical facility needs, as well as amenities," said Josh Gopan, vice president of leasing for Simone Development Companies.

Located on over 12 landscaped acres, 1 Zeiss Drive is a 120,000-square-foot, two-story industrial/flex/office building. The elevated building features six loading docks, three drive-in doors, 14'-18' ceiling heights, direct loading from the second floor with two overhead doors, and 190 parking spaces in a campus-like setting with an atrium lobby, conference rooms, cafeteria, and office space. Current tenants include Home Depot, DiBari Engineering and Piedmont Plastics, officials said.

The building currently has, officials added, approximately 55,000 square feet of warehouse and office space on the second floor available with flexible divisions remaining. The second-floor space features reinforced floor loads and two drive-in doors.

Simone Development Companies is a full-service real estate investment company specializing in the acquisition and development of healthcare, mixed-use, office, industrial, retail and residential properties, company officials said.

## Yonkers, County, State and Federal Officials Join with Mulford Corporation for the Grand Opening of La Mora Senior Housing, Continued from p. 4

contribution in the financing of this project and congratulate our partners for helping to make this needed and important housing come to fruition," said HUD Regional Administrator Alicka Ampry-Samuel.

"We are proud to support Mulford Corporation in bringing 60 new affordable housing units to senior residents in Yonkers. This project will transform the lives of tenants who now have access to sustainable housing, along with the essential amenities and resources needed to prosper and thrive," said Sharmi Sobhan, managing director, Chase Community Development Banking.

### Facts

Financing for La Mora Senior Housing includes \$17 million in permanent tax-exempt bonds, Federal Low-Income Housing Tax Credits that will generate \$17.7 million in equity, and \$9.1 million in subsidy from New York State Homes and Community Renewal (HCR). NYSERDA provided \$240,000, Westchester County provided \$3.4 million from the Housing Implementation Fund and the City of Yonkers provided \$1,615,000 in HOME funds. Mulford Corporation provided a \$2.6 million loan, officials said.

Designed by the architectural firm of Perkins Eastman, the apartments include low-flow plumbing fixtures, Energy Star appliances, individual high-efficiency electric heat and cooling, and LED lighting. The building has a high-efficiency envelope, dual-pane insulated windows, and a central hot water heating and distribution system. An emergency generator will ensure that the building systems remain operable in the event of a blackout, officials added.

In addition to the energy saving features, officials said, other amenities include a community room with kitchen, two business rooms, a fitness center, central laundry, building-wide WIFI, storage units, a landscaped courtyard and a rooftop deck.

Officials said that La Mora Senior Housing was featured in a national panel discussion in Washington D.C. on Jun. 7 to raise awareness of innovative and affordable housing designs and technologies. More than 4,000 people, including policymakers, housing industry representatives, media, and the public, attended the program.

## Houlihan Lawrence Announces the Appointment of Rackenberg as the Head of Its Commercial Division

RYE BROOK

Houlihan Lawrence recently announced the appointment of Michael Rackenberg as the new head of its Commercial Division.

Rackenberg has been a consistent top producer since joining Houlihan Lawrence's Commercial team in 2013, with a proven track record of selling investment properties throughout Westchester and Fairfield (Conn.) counties, Manhattan, and the Bronx. His notable transactions include two development sites in Port Chester, totaling over \$12 million; a \$10.4 million multi-family building portfolio in Rye; and a \$10.5 million mixed-use building on West 19th Street in New York, officials said.

In his new role, Rackenberg will oversee the day-to-day operations of Houlihan Lawrence's Commercial Division and its 45 agents that offer boutique services for a broad range of clients locally and globally, specializing in investment opportunities, office condominiums and leasing, industrial and retail sales and leasing, land acquisition and development, and municipal approval consultation, officials added.

"We are thrilled to welcome Mike as our new Director of Commercial," said Liz Nunan, president and chief executive officer of Houlihan Lawrence. "I am confident that he will continue to build upon the team's strong foundation, foster innovation, and deliver value to our agents and clients."

"I am honored to step into this new role and look forward to working closely with my commercial colleagues to capitalize on opportunities and continue delivering outstanding results," Rackenberg said.

Officials said Rackenberg is a member of both the Port Chester and Rye Chambers of Commerce, a member of the Advisory Board of the First Bank of Greenwich, and a member of the National Association of Realtors (NAR), the New York State Association of Realtors (NYSAR), the Hudson Gateway Association of Realtors (HGAR), and OneKey Multiple Listing Service. He is a graduate of the University of Delaware.

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, officials added, is deeply committed to technological innovation and the finest client service. The company has 32 offices and 1,450-plus agents serving Westchester, Putnam, Dutchess, Columbia, Ulster and Orange counties in New York and Fairfield County in Connecticut.



Michael Rackenberg

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Finger & Finger continuing to deliver a legacy and excellence for another 50 Years!





# The BRI Continues Its Busy Schedule of Meetings and Seminars

ARMONK

**T**he Building and Realty Institute of Westchester and the Mid-Hudson Region (BRI) recently continued its series of Membership Meetings, Seminars and Networking Events for members of the local building, realty and construction sectors.

The BRI 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 industries, association officials said.

Based in Armonk, the BRI recently sponsored Membership Meetings and Seminars which covered key topics of interest to the building, realty and construction sectors. Photo coverage of some of those events is below.

Formed in 1946, the BRI is one of the largest business membership organizations in New York State. Full details on the organization can be found at [buildersinstitute.org](http://buildersinstitute.org), association officials said.

**An IMPACT Staff Report**

*Photos by Anika Nahar*



The May 28th Westchester Women In Construction Lunch Program

The May 16th General Membership Meeting of The Building and Realty Institute (BRI)



The May 16th General Membership Meeting of The Building and Realty Institute (BRI)



The May 29th Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC)



The May 29th Membership Meeting of The Cooperative and Condominium Advisory Council (CCAC)