

REPORT:

Remodeling Industry Sees Optimism Despite COVID-19

WASHINGTON, D.C.

The National Association of Home Builders (NAHB) on Jul.16 released its Remodeling Market Index (RMI) for the second quarter, posting a reading of 73.

NAHB officials said that it is the second quarter with a new RMI, redesigned to ease respondent burden and improve its ability to interpret and track industry trends. The new series is not seasonally-adjusted, therefore index readings cannot be compared quarter-to-quarter, officials added.

"Many remodelers are busy, even busier than prior to COVID-19. Home owners are calling for decks, patios, porches, and kitchen and bathroom jobs," said NAHB Remodelers Chair Tom Ashley, Jr., a remodeler from Denham Springs, La. "Their optimism for a stronger market is evident through their RMI responses."

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

The Current Conditions Index is an average of three of these components: The Current Market for Large Remodeling Projects, Moderately-Sized Projects and Small Projects. The Future Indicators Index is an average of the other 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 Indicator Index. Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor, NAHB officials said.

The index said that, in the second quarter, all components and subcomponents of the RMI were well above 50. The Current Conditions Index averaged 77, with Large Remodeling Projects (\$50,000 or more) yielding a reading of 70, Moderately-Sized Remodeling Projects (at least \$20,000, but less than \$50,000) at 78 and Small Remodeling Projects (under \$20,000) with a reading of 83.

The Future Indicators Index averaged 70, with the Rate at Which Leads and Inquiries Are Coming In at 72 and the Backlog of Remodeling Jobs at 67, the index added.

In an effort to track quarterly trends, the redesigned RMI survey asks remodelers to compare market conditions to three months earlier, using a "better," "about the same," "worse" scale. NAHB officials said that this index posted a reading of 66, indicating that market conditions have improved substantially since the first quarter.

"An RMI of 73 indicates positive remodeler sentiment, and a change index of 66 indicates that business has picked up since the previous quarter as home owners focus on the importance of home for work and life amidst the pandemic," said NAHB Chief Economist Robert Dietz. "However, rising material prices and ongoing skilled labor access represent ongoing supply-side challenges."

The full RMI tables can be obtained by visiting www.nahb.org/rmi.

Westchester County Announces the Community Build Back Program to Aid County Residents Facing Homelessness Due to the Pandemic, Continued from p. 1

employment benefits have been greatly diminished. The Community Build Back Program will enable families to stay in their homes as we head into the fall/winter season."

The RED STOP Eviction Project utilizes HUD funds and will provide up to four months of rental or utility arrears for tenants facing eviction, or shut off, as long as they can demonstrate that their financial hardship is due to COVID-19. Tenants must be within 21 days of eviction, must demonstrate the ability to pay their rent going forward, and must live in a Westchester Urban County Consortium municipality, Westchester County officials said. Assistance is available through select non-profits. They include Westchester Residential Opportunities (WRO), Community Housing Innovations (CHI), the Washingtonville Housing Alliance and Choice of New Rochelle, Westchester County officials added.

The RED Rent HELP Project also utilizes HUD funds and will provide up to 12 months of rental assistance for families impacted by COVID-19, but focus on households where the tenants worked in industries closed until Phase Four, or who worked for a business that no longer exists. The RED Rent HELP Project will be run by Westchester County's Planning Department, Westchester County officials said.

The Blue Priority Homeowners Initiative uses \$2.5 million dollars and focuses on homeowners facing foreclosure. That part of the program is estimated to help 325 households in Westchester County and assist those households with up to four months of mortgage/cooperative arrears. Homeowners must show that COVID-19 has negatively impacted their ability to pay their mortgage. The homeowner will also have to show that they were up to date on payments as of March of 2020, Westchester County officials said. The program also runs until the end of the year and will be administered through select non-profits, including Westchester Residential Opportunities (WRO), Community Housing Innovations (CHI), the Washingtonville Housing Alliance, HDSW (Human Development Services of Westchester) and the Bridge Fund.

"This eviction prevention program will be a lifesaver for so many county residents at risk of becoming homeless," Westchester Residential Opportunities (WRO) Executive Director Marlene Zarfes said. "Westchester Residential Opportunities is proud to partner with the county to help keep people safely in their homes and keep families together."

For the Blue Small Business Landlord Initiative, \$7.5 million has been earmarked to assist approximately 2,400 households in the county by working directly with their landlords and bringing their rent up to date. The program runs until the end of 2020, and can cover up to 75 percent of back rent for up to four months of rent for landlords who can show

that their tenants were up to date in March, but have since not been able to pay their rent due to COVID 19. The program, to be done by lottery, will assist landlords who own between four and 20 units. The Blue Small Business Landlord Initiative will be run by Westchester County's Planning Department, Westchester County officials said.

"We're thankful for the creative leadership shown by Westchester County's Community Build Back Program, and the focus on supplying urgently-needed aid to struggling tenants, landlords, and property owners alike," said Tim Foley, executive director of The Building and Realty Institute of Westchester and The Mid-Hudson Region (BRI) and its affiliate, The Apartment Owners Advisory Council (AOAC).

Foley added: "The landlords and property owners of the BRI have been checking in on our at-risk tenants, offering flexibility and payment plans on their rent, and trying to be as accommodating as possible to good tenants who lost their jobs or lost income due to the COVID-19 pandemic. But as the public health and economic emergency stretches on with no end-date in sight, we need government to step up to stabilize our housing situation. With this four-prong approach, Westchester County is clearly doing so."

Latimer said that landlords, many times, are small business owners who depend on the rent from their properties to support their own families.

"We realize the chaos that non-payment can put into their lives and their communities," Latimer said. "The last thing we want to see is a landlord lose their property over non-payment. That benefits no one."

Carol Danziger, a member of the Board of Directors of the AOAC, said that she is thankful to Westchester County for setting up the programs aimed at helping tenants and landlords during this COVID-19 crisis.

"I'm a second-generation owner of a family-run small apartment building," Danziger said. "Like so many small business owners, COVID-19 took any financial problems we had and made them that much worse. After the financial hardships and unimaginable personal losses we've experienced, we are still here for our tenants if the needs arise, especially if anyone is struggling."

Danziger added that since her family basically does everything themselves while having no staff, there was previously no relief under the CARES Act.

"We were quickly running out of options and flexibility," she said. "These subsidies and stabilization funds will help us remain steady while the public health emergency continues this fall."

Fact Sheets and Applications (English and Spanish) for the programs are available on www.westchestergov.com/HousingHelp, Westchester County officials said.

Counsels' Corner

Reviewing the Processes Associated with the Annual Meetings of Co-ops and Condos During These Difficult and Unprecedented Times

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

WHITE PLAINS

As most Boards of Directors of cooperatives and Boards of Managers of condominiums know, a common refrain from shareholders and unit owners at the Annual Meetings is the question of "why don't we have a quorum?"

Of course, this is not a question that can be easily answered. Is it the general apathy of society at large? Is it that the shareholders or unit owners are so enthralled with the work that the Board is doing that they have no concerns and no need to attend the Annual Meeting? Is it the time, the day, the location? Is it the weather - too nice out, too cold out?

Or, is it the season - people are away or people do not want to leave their apartments? The analysis and discussion often goes on and on with the Board - quite often on the receiving end of comments - getting indications that Board members should be doing more, no matter how much they have done, to get people to return proxies or show up at the Annual Meeting.

This year nobody is asking why there is no quorum. Instead, the question has become why haven't we had the Annual Meeting and when will we have the Annual Meeting? Of course, the "why not" is only too obvious with the Covid-19 pandemic. The "when will we" question is, needless to say, a complicated issue. The ability, much less the desire, to safely socially distance at an Annual Meeting, often held in crowded basement rooms, is a major limitation. Even those that use other facilities, such as schools and libraries, cannot do so. And, when this will abate is still a mystery.

Boards hesitate, and properly so, to assume any risks in the management of the buildings. Many have not opened pools, gyms, and other facilities since the onset of the pandemic. Thus, the idea of trying to arrange a safe Annual Meeting is almost unthinkable.

Questions

Of course, in the age of Zoom, Google Meet, and Skype, many questioned why the Annual Meetings typically held this spring were not able to be conducted using such an online forum. Until the end of June, the answer was easy - it was not legal. However, on Jun. 17, 2020 New York State adopted (temporarily) changes in the laws applicable to cooperatives and condominiums to permit virtual meetings, subject to compliance with certain guidelines.

At first glance this seems so wonderful and easy. Just send everyone a link and everyone can log on. But what about folks that do not have the technological wherewithal to use an online platform? Do not worry they can call in with their phones. Upon closer inspection, however, even these solutions have shortcomings that render an effective Annual Meeting difficult to manage electronically.

While participation and maintaining order provides some challenges, there are others, most particularly voting on any issue including elections, not to mention conducting nominations. There is little doubt that nominating and voting would be extremely challenging online during a meeting, especially when considering the availability in some instances of cumulative voting and the idea that some people will participate by telephone. Add to that privacy issues and anonymity that people prefer during the voting process, at least publicly at the meeting, and you have an extremely difficult landscape.

An Option

One option, generally available only to cooperatives and not condominiums (whose by-laws can usually only be amended by the unit owners), is to change the process for nominating and voting from at the meeting to prior to the meeting. The idea here is similar to vote by mail. In order to accommodate this manner of voting, the entire process needs to be updated, from nominations, to notices, to proxies and ballots. In order to create a functional process, the cooperative needs to permit, and in fact require, the nomination of individuals for the position of director in advance of the meeting. There needs to be a set time frame for the submission of nominations, including a deadline.

At the expiration of the deadline, the Board would need to utilize a direct proxy, or ballot. This ballot would include the voting options for Director and would be sent out to shareholders. The shareholders would then be required to complete proxy and ballot and mail back to the Board and be received by the Board prior to the scheduled Annual Meeting. Upon receipt of the proxies, in sufficient number, together with attendance "virtually" this could provide a quorum and the ballots would provide the election results. The results could, and should, be tallied and reported on at the Annual Meeting.

The following is a draft By-Laws Amendment to permit virtual meetings in accordance with the previously mentioned change in the law. It should be adopted, if a cooperative wants to permit virtual Annual Meetings, as a By-Laws amendment in place of the present procedure. This proposed procedure also eliminates cumulative voting if presently in place. However, if the Board of Directors wishes to retain cumulative voting, the language can be modified. This Amendment also eliminates nominations "from the floor" so that the voting will be conducted by directed proxy ballot by mail.

In order to amend the By-Laws, the notice of the board meeting should include the proposal of an amendment and at the board meeting a motion should be made by a Board Member and seconded by a Board Member. After the vote by the Board, if adopted, the amendment should be mailed to all shareholders. The motion should be as follows:

"It is hereby resolved that the By-Laws of the Corporation is hereby amended to omit the section entitled Annual Meeting and the section entitled Voting of the existing By-Laws and in the place thereof to adopt the following as the Annual Meeting procedure to replace the existing Annual Meeting section and Voting section."

Sample Amendment

The Annual Meeting of the shareholders of the Corporation for the election of Directors and for such other business as may properly come before such Annual Meeting, shall be held on such date and time and place as may be designated by the Board or may be conducted virtually / on-line using a format that permits each shareholder with a reasonable opportunity to participate in the meeting, such as by an online platform with video and/or telephone options.

The Notice of the Annual Meeting shall be in writing and signed by the President or a Vice President or a Secretary or an Assistant Vice President or Assistant Secretary. Such Notice shall state the date and time when and the place where (which may be virtual/on-line) the meeting is to be held, and the Secretary shall cause a copy thereof to be mailed to each shareholder of record of the Corporation entitled to vote at such meeting not less than 60 days prior to the date of the meeting.

Such Notice shall include a notice soliciting the submission of nominations for Director, which nomination shall not need to be seconded and which shall be required to be returned and received by the Managing Agent not less than 40 days prior to the date of the meeting. Not less than 30 days prior to the date of the meeting a Directed Proxy / Ballot with all nominees for Director and any other proposals to be voted on by the shareholders shall be mailed to all shareholders. Said Directed Proxy /Ballot must be received by the Managing Agent prior to the meeting to be valid.

All notices shall be mailed to the shareholders at his, her or their address as it appears in the share book, unless he, she or they have filed with the Secretary of the Corporation a written request that notices mailed



Ken Finger



Carl Finger



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Continued on p. 4

Building and Realty Industry Report: Builder Confidence Rallies to A Pre-Pandemic Level in July

In what officials said is “a strong signal that the housing market is ready to lead a post-COVID economic recovery,” builder confidence in the market for newly-built, single-family homes jumped 14 points to 72 in July.

That increase highlighted The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) that was released on Jul.16. As of that date, the HMI stood at the solid pre-pandemic reading in March before the outbreak affected much of the nation, NAHB officials said.

“Builders are seeing strong traffic and lots of interest in new construction as existing home inventory remains lean,” said NAHB Chairman Chuck Fowke, a custom home builder from Tampa. “Moreover, builders in the Northeast and the Midwest are benefiting from demand that was sidelined during lockdowns in the spring. Low interest rates are also fueling demand, and we expect housing to lead an overall economic recovery.”

“While the housing market is clearly rebounding, challenges exist,” said NAHB Chief Economist Robert Dietz. “Lumber prices are at a two-year high, and builders are reporting rising costs for other building materials, while lot and skilled labor availability issues persist. Nonetheless, the important story of the changing geography of housing demand is benefiting new construction. New home demand is improving in lower density markets, including small metro areas, rural markets and large metro exurbs, as people seek out larger homes and anticipate more flexibility for telework in the years ahead. The ‘Flight to the Suburbs’ is real.”

Derived from a monthly survey that NAHB has been conducting for 30 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.

NAHB officials said that all the HMI indices posted gains in July. The HMI index gauging Current Sales Conditions jumped 16 points to 79. The component measuring Sales Expectations in the Next Six Months rose seven points to 75 and the measure charting the Traffic of Prospective Buyers posted a 15-point gain to 58.

Looking at the monthly average regional HMI scores, the Northeast surged 22 points to 70, the Midwest jumped 18 points to 68, the South increased 10 points to 73 and the West increased 14 points to 80, the index said.

The NAHB/Wells Fargo HMI is strictly the product of NAHB Economics. It is not seen or influenced by any outside party prior to being released to the public. HMI tables can be found at nabh.org/hmi. More information on housing statistics is also available at housingeconomics.com, NAHB officials said.

REPORT:

Westchester Businesses Expect a Slow Recovery

RYE BROOK

Westchester businesses from across all sectors of the county’s economy said they are slowly recovering from the pandemic, but expect to struggle for some time.

That was the assessment in a survey released on Aug. 24 by The Business Council of Westchester’s (BCW’s) Economic Recovery Task Force.

The survey, BCW officials said, asked BCW members to answer 20 questions assessing their status and ongoing needs. Some findings of the survey included:

- ◆ Forty-four percent of businesses predicted that they would remain open but would continue to struggle over the next three months, with 17 percent saying they would thrive and 25 percent saying they would break even. Only 1 percent anticipated closing.
- ◆ About 53 percent of those surveyed said that business was down or significantly down compared with last year at this time, with 6 percent saying it was the same and 6 percent saying it was up. Thirty-five percent said it was not applicable or they didn’t respond.
- ◆ Forty-three percent of those surveyed said they were essential businesses and had never closed; 36 percent said they had reopened in Phases 1-4. Only 3 businesses said they had not yet reopened.
- ◆ When asked what type of support would be most important, most businesses said obtaining grants and personal protective equipment, followed by marketing support.
- ◆ When asked if they needed PPE, a majority said they did with the most needed items being sanitizers and masks.

Business sectors responding to the survey included Education, Energy, Health and Wellness (Fitness, Beauty Salons,

etc.), Manufacturing, Not-for-Profit, Professional Services (Public Relations/Media, Accounting, Legal, Finance), Real Estate/Construction, Retail, Technology, Transportation, Hospitality and Restaurants and Bars, BCW officials said.

The survey is the latest communication from the Economic Recovery Task Force, a 47-member group of business leaders from across all sectors of Westchester’s economy. The Task Force recently released its second report to Gov. Andrew Cuomo and Westchester County Executive George Latimer. The group’s findings are designed to provide guidance to state and county officials as they work to reopen New York’s economy from the pandemic, BCW officials added.

“In addition to the two reports that the Task Force has issued since our formation in April, we will be providing officials with the results of this survey to help them better understand the state of Westchester business across many sectors and their continuing needs,” said Marsha Gordon, president and chief executive officer of the BCW. “We hope this information will give our elected officials a glimpse into how our recovery is proceeding and what more they can do to assist the business community.”

The reports and the latest survey results are available online at thebcw.org, BCW officials said.

The BCW is Westchester’s largest and most influential business membership organization, association officials said. The organization, association officials added, is committed to helping businesses market, learn, advocate and grow.

The BCW is actively involved in reviewing federal, state and county legislation and regulations in order to assess the potential impact on the business community and to influence the outcomes through advocacy when the business community’s interests may be affected. It also acts as an information resource for the business community and government leaders at all levels, association officials said.



“A Look at Our Region’s Commercial Real Estate Market - and How it Has Been Affected by the Pandemic” was the topic of the Aug. 14 segment of “Building Knowledge With The Building and Realty Institute (BRI)” on WVOX 1460AM and wvox.com. John Barrett, senior vice president and managing director, Investment Sales Division, RM Friedland Commercial Real Estate Services, was the guest. Pictured during the program are, from left to right, Jeff Hanley, program host and associate executive director of the BRI and Barrett. The show covered current conditions in the commercial real estate market in the Westchester and Mid-Hudson Region, as well as in adjacent areas. “Building Knowledge With The Building and Realty Institute (BRI)” airs every Friday from 11:30 a.m. to 12 noon. - Photo by WVOX 1460AM Staff

NAHB Analysis: New Home Sales Across the U.S. Reach Their Highest Level Since “The Great Recession” of 2008-2009

WASHINGTON, D.C.

Sales of newly-built, single-family homes rose to their highest level since the Great Recession of 2008-2009, up 13.8 percent to a seasonally-adjusted, annual rate of 776,000 units in June.

That data is part of a Jul. 24 analysis from The National Association of Home Builders (NAHB) on nabh.org. The analysis is based on data released in July by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The June rate is 6.9 percent higher than the June 2019 pace. NAHB officials said that the data “is a sign that the housing market is leading the economy during the coronavirus outbreak.”

“While Wall Street may have been expecting a smaller gain, anyone following the NAHB/Wells Fargo Housing Market Index (HMI) would know these numbers are in line with what we are hearing from builders,” said Chuck Fowke, chairman of NAHB and a custom home builder from Tampa. “Builders are moving to ramp up production to meet growing demand.”

Added Robert Dietz, NAHB’s chief economist: “Along with rising builder sentiment, we are seeing increasing consumer demand in the suburbs, exurbs and rural areas. At the same time, builders are dealing with supply-side concerns such as rising material costs, particularly lumber, which surpassed its 2018 price peak this week. Nonetheless, low inventory levels point to construction gains ahead.”

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 June reading of 776,000 units is the number of homes that would sell if this pace continued for the next 12 months, according to the NAHB analysis.

Inventory fell to a 4.7 months’ supply, with 307,000 new single-family homes for sale, 7 percent lower than June of 2019. The current months’ supply is the lowest since 2016. Of the inventory total, just 69,000 are completed and ready to occupy. The median sales price was \$329,200. The median price of a new home sale a year earlier was \$311,800, the NAHB analysis added.

The NAHB analysis said that, regionally, on a year-to-date basis, new home sales were up in all four regions: 22 percent in the Northeast, 12.6 percent in the Midwest, 0.2 percent in the South, and 3.1 percent in the West.

Study: Single-Family Housing Continues Its Growth in August

WASHINGTON, D.C.

Single-family starts showed continued growth in August but overall housing production fell 5.1 percent to a seasonally adjusted annual rate of 1.42 million units due to a double-digit percentage decline in multifamily production, according to a recent building and realty industry report.

The study, released on Sep. 17 by The National Association of Home Builders (NAHB), is based on a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Commerce Department. The pace of single-family starts in August was the highest production rate since February, the study said.

The August reading of 1.42 million starts is the number of housing units builders would begin if they kept this pace for the next 12 months. Within this overall number, single-family starts increased 4.1 percent to a 1.02 million seasonally adjusted annual rate. The multifamily sector, which includes apartment buildings and condos, decreased 22.7 percent to a 395,000 pace, according to the NAHB analysis.

“Consistent with surging builder confidence, single-family starts rose in August to meet rising buyer traffic,” said Chuck Fowke, NAHB chairman and a custom home builder from Tampa. “Builders continue to face concerns in terms of rising lumber prices and supply chain shortages of

Continued on p. 5

Reviewing the Processes Associated with the Annual Meetings of Co-ops and Condos During These Difficult and Unprecedented Times, Continued from p. 3

to such shareholder(s) be mailed to some other address, in which case it shall be mailed to such address designated in such request.

Voting: At each meeting of shareholders, each shareholder present in person or by proxy shall be entitled to one vote for each share of stock registered in his/ her or their name as of 60 days prior to the meeting date [note that in FHA 213 co-ops there may be one vote per unit]. The proxies shall be in writing, duly signed by the shareholder(s) but need not be acknowledged or witnessed, and the person named a proxy by any shareholder need not himself or herself be a shareholder of the Corporation.

Voting by shareholders shall be as set forth in the Directed Proxy / Ballot, which Proxy/Ballot shall state the name and unit number of the shareholder and the number of shares owned by the shareholder(s) and in addition must set forth the name of the person who is acting as proxy if there is a proxy. In the event the Annual Meeting shall be noticed as a virtual / on-line meeting, voting shall only be by Directed Proxy / Ballot as mailed to the shareholders.

As always, any action by a Board of Directors should only be taken after consultation with the cooperative’s attorney familiar with the By-Laws of the Cooperative.

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