Tim Foley

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

By Jeff Hanley, IMPACT Editor

ARMONK

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

BI/BRI President Vincent Mutarelli made the announcement on Dec. 4, 2019. Foley started in his new position on Jan. 2.

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

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

Continued on p. 9

Impact

Serving Westchester and the Mid-Hudson Region

News for the Building and Realty Industry

74 Years of Providing Knowledge to the Building Community

BRI

FEBRUARY - MARCH 2020 VOL. 19 NO. 1

FEATURES

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

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

WHITE PLAINS

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

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

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

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

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

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

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

Continued on p. 2

A Building & Realty Industry Analysis:

"Good Cause" Is Bad Law

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

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

WHITE PLAINS

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

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

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

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

Continued on p. 8

Jeff Hanley

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

NEW YORK

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

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

"We've found that here in Westchester County and throughout the Greater New York City region, the interest in construction and development, rental real estate, and affordable housing has never been higher," said Tim Foley, executive director of the BRI. "Since 2017, Jeff Hanley has been a knowledgeable and thought-provoking guide on the airways, helping listeners better understand the tough challenges and exciting new trends that builders, apartment owners, co-op and condo board members, managing agents and service providers are wrestling with. We're thrilled that Jeff has joined the 77WABC family, and we're sure the station's listeners will be thrilled, too."

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

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

Continued on p. 3

From the Editor's Desk

Hanley's Highlights

by Jeff Hanley

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

Summarizing an Edition Filled With A Series of Important Reports

ARMONK

One of the first editors I worked with in my days as a member of the print media consistently used one word when describing the large workload that we faced at extremely busy times - packed.

"We're packed tonight Jeffrey, we are packed," was the phrase consistently said to me by the late Jim O'Toole, a longtime reporter, columnist and editor for the former Gannett Westchester Newspapers. The former chain of publications is now *The Journal News*.

O'Toole, one of the most talented, versatile and gifted members of the print media that I ever worked with, would most definitely issue the "packed phrase" to describe this edition of IMPACT. There are many important reports for members of the building, realty and construction industry in the issue. They include:

- A Page One report on The Builders Institute (BI)/Building and Realty Institute (BRI) starting a lawsuit that challenges The New York Housing Stability and Tenant Protection Act (HSTPA). The story was written by Finger and Finger, A Professional Corporation. Finger and Finger is Chief Counsel to the BRI and its affiliate organizations.
- A Page One analysis of the proposed "Good Cause Eviction" law for New York State. Finger and Finger, the authors of the analysis, provide an excellent overview in the report on the many negatives of the proposal.
- A Page One report on the recent appointment of Tim Foley of Scarsdale as the new Executive Director of the BI/BRI. Foley started in his new position on Jan. 2.
- A Page One story on the move of "Construction Conversations with The Building and Realty Institute (BRI)" to Talk Radio 77WABC. The program made its debut on 77WABC - one of the largest stations in the Tri-State region - on Feb. 8. It airs every Saturday from 8 p.m. to 8:30 p.m.
- A Page Two report in Insurance Insights on New York's "Stop Hacks and Improve Electronic Data Security Act," also known as the "Shield Act." The noteworthy analysis is of importance to all businesses. The summary was written by Ken Fuirst and Jason Schiciano, co-presidents of Levitt-Fuirst Insurance. Levitt-Fuirst Insurance is the Insurance Manager for the BI/BRI and its component associations. The deadline for compliance with the act is Mar. 21, 2020. Again, all businesses need to review this important article.
- An analysis in Counsels' Corner that reviews the many negative results of the enactment of The Housing Stability and Tenant Protection Act (HSTPA) on Jun. 14, 2019 by the N.Y. State Legislature. The excellent summary was written by Finger and Finger.
- A report on the BI/BRI sponsoring more than 52 meetings, seminars and networking events during 2019 for its members. The programs addressed issues of importance to the building, realty and construction industry in the Westchester and Mid-Hudson Region, as well as the New York Tri-State Area. The events also covered topics of interest to the general business community and provided a series of valuable networking opportunities.
- An article reviewing that builder confidence in the market for newly-built, single-family homes across the U.S. is still strong. The assessment was contained in the latest National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) that was released on Feb. 18. The index said that the level of builder confidence decreased by one point to 74 in February. NAHB officials said that the last three monthly readings of the index mark the highest sentiment levels since December of 2017.
- A report in Tech Talk on the importance of testing new Web Sites before they are launched. Andrea Wagner, the principal of Wagner Web Designs, wrote the study.

Continued on p. 8

Insurance Insights

by Ken Fuirst and Jason Schiciano

Levitt-Fuirst Insurance

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

TARRYTOWN

Does Mar. 21, 2020 mean anything to you?

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

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

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

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

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

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

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

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

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

Continued on p. 9

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

WASHINGTON, D.C.

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

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

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

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

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

Continued on p. 6

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

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

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

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

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

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

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

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

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

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

PUBLISHER: Tim Foley
EXECUTIVE EDITOR: Jeffrey R. Hanley
EDITORIAL ASSISTANT: Margie Telesco
DESIGN AND PRODUCTION: Roher/Sprague Partners
PHOTOGRAPHIC CONSULTANT: Barbara Hansen
CONTRIBUTORS: Carl Finger, Dan Finger, Ken Finger, Ken Fuirst, Alec Roberts, Jason Schiciano, Andrea Wagner

BRI
The Builders Institute/Building and Realty Institute
80 Business Park Drive, Suite 309
Armonk, NY 10504
914.273.0730 www.BuildersInstitute.org

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

IMPACT (USPS 259-900) is published bi-monthly by The Builders Institute/Building and Realty Institute. Periodicals Postage Pending at Armonk, NY.

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

Industry Report:

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

RYE BROOK

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

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

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

The Westchester Multifamily Apartment Financial Strength Continues Unabated.

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

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

Market Trends Forcing Retail Adaptation.

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

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

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

Suburban Office Market Facing Headwinds.

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

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

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

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

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

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

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

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

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

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

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

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

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

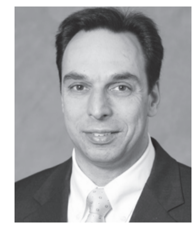
The BRI also sponsors "Building Knowledge with The Building and Realty Institute (BRI)" on WVOX 1460 AM and wvox.com. The radio program airs Friday mornings from 11:30 a.m. to 12 noon. The show, which is also hosted by Hanley, began on Jun. 2, 2017.

- An IMPACT Staff Report

Counsels' Corner

Eight Months Later – The Negative Results of the Enactment of the Housing Stability and Tenant Protection Act (HSTPA)

Ken Finger



Carl Finger

Dan Finger

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

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

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

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

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

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

- A decrease in investments in multi-family housing resulting in less tax revenues and greater burden on taxpayers, as well as less business for those associated with sales of multi-family buildings such as real estate brokers, title companies, surveyors, etc.
- The likelihood of a landlord not taking on marginal tenants due to the inability to get complete and accurate prior financial information as well as illegality of taking additional security over one month. Alternatives are necessary to encourage landlords to risk renting to a seemingly responsible tenant who may not be able to show the ability to meet the rental criteria, such as additional security;
- Cooperatives being unable to fully "vet" new shareholders resulting in more rejections;
- Cooperatives having to reject borderline new shareholders due to the prohibition of collecting escrow to secure the payment of maintenance;
- The virtual elimination of cooperative conversions;
- The extended look back period for rent calculation to six years from four and further look back for calculation of rents, requiring virtually perpetual record keeping by landlords;
- Lengthened time for court proceedings and required additional notices;
- Extension of discretionary court stays to one year after eviction granted;
- Restrictive time limits as to apartment inspection and return of security;
- Notification of up to three months in the event that a tenancy is not renewed or rent increases over five percent;
- The possible elimination of the ability of landlords to terminate month-to-month tenancies outside of New York City;
- The inability to investigate prior landlord-tenant court actions and prohibition of refusal to rent thereupon;
- The prohibition of adding "additional rent" to non-payment court proceedings;
- Prohibition of charging over $50 or five percent of rent for late charges;
- No increase of Preferential Rent during the continuation of tenancy other than Rent Guideline Increases;
- Greater exposure to treble damage overcharge and elimination of "safe harbor" payment of overcharge.

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

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

Continued on p. 6

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

RYE BROOK

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

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

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

Below are some highlights from Westchester CEO's:

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

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

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

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

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

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

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

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

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

NAHB Testimony: The House Energy Bill Would Harm Housing Affordability

WASHINGTON, D.C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For context, 61 percent of all recent buyers were married couples, 17 percent were single women, 9 percent were single men and another 9 percent were unmarried couples, according to the study.

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

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

Other Noteworthy Findings

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

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

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

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

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

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

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

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

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

Methodology

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

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

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

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

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

The Reality

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

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

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

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

"We see this in the New York City Housing Authority's (NYCHA's) recent struggles - proof that when a landlord can't match rents to the costs of running the building, the building stops running. The HSTPA has many unintended consequences, including the limitations on cooperatives securing adequate background information of prospective shareholders; the warehousing of apartments due to the lack of funds and the lack of reimbursement for the renovations; the deterioration of buildings due to lack of reimbursement for Major Capital Improvements (MCI's); the lack of tenant mobility; the decrease in real estate investment and construction and the elimination of family and 'ma and pa' owners from the multi-family real estate market with their consequent attention and personal concern for their buildings and tenants and substitution therefor by large holding companies."

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

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

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

By Jeff Hanley, IMPACT Editor

ARMONK

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

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

> *"We will be assessing the desires of our membership and continuing initiatives to make business conditions better for the building, realty and construction industry." — Tim Foley, Executive Director, BRI*

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

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

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

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

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

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

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

WASHINGTON, D.C.

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

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

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

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

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

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

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

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

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

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

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

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

A landlord no longer has control over his/her own property. For example, the statute does not provide that "good cause" is the desire to sell his/her property. It gives a tenant essentially what is a life estate in his / her tenancy. Moreover, if a tenant does not pay the rent and is taken to court, the landlord has to prove that the rent charged has not been increased, "in any calendar" year [query: even 5 or 10 years ago] by more than 1 ½ times the Consumer Price Index (CPI) in the prior August.

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

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

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

This "Good Cause" legislation would deter new construction because of the inhibiting effect on the ability of a landlord to operate and maintain his / her property in accordance with the community standards, as well as because of the limitation on rents that can be charged. When this "Good Cause" legislation is considered in conjunction with the HSTPA, the negative effects are immense. A lack of maintenance, upkeep, renovation and repair of existing housing, coupled with the likelihood of a decline in construction in new housing, will lead to a deterioration of multi-family housing with less available affordable housing.

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

There is no good reason for "Good Cause" eviction legislation. In order to evict a tenant, a landlord already has to show good cause to a court, without the extreme limitations put on the eviction process by this proposed good cause act (on top of the restrictions already enacted with the HSTPA). This proposed "good cause" act will not achieve the purported purpose of stabilizing the housing market, but will disincentive real estate investment. It will add burdens to all property owners, including those who invest in one or two units for rental income, and want to keep tenants of their choice in the property. It will make it harder to remove bad tenants at the expense of those good tenants who ask for relief from troublesome neighbors. This legislation will cause more expense and the deterioration of property. It will result in still lower income, thereby lowering property values and ultimately local tax revenues which will ultimately have to be subsidized by single family homeowners.

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

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

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

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

- A thorough analysis illustrating how the local market for multifamily apartments and industrial space continues to be strong, while there are weaknesses in leasing retail and office space, with the volume of commercial real estate transactions at a weak level. Those were the assessments of the Houlihan Lawrence Fourth Quarter Commercial Market Report for Westchester County. The study offers a comprehensive look at our area's commercial real estate market through the fourth quarter of 2019.
- A story on NAHB's Remodeling Market Index (RMI) posting a reading of 58 in the fourth quarter of 2019, up three points from the previous quarter. The RMI has been consistently above 50 - indicating that more remodelers report market activity is higher compared to the prior quarter than report it is lower - since the second quarter of 2013. The overall RMI averages current remodeling activity and future indicators, the index said.
- An analysis from NAHB stating that Total Housing Starts increased 16.9 percent in December of 2019 to a seasonally-adjusted annual rate of 1.61 million units, according to a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Commerce Department. The figure is a 13-year high for housing starts, NAHB officials said.
- An article reporting that The Westchester County Industrial Development Agency (IDA) was a driving force in spurring economic development in the county in 2019, providing financial incentives for a wide range of new commercial developments, officials say in the study. The projects represent a total private investment in the county of approximately $1.6 billion and more than 2,800 in new residential units. Some of the projects involved repurposing vacant office properties along the I-287 corridor. Others were transit-oriented developments to be built close to Metro-North train stations, officials added. "Westchester County is attracting private investment not only from local and regional developers, but national development companies as well. The message is clear – Westchester County is open for business," Westchester County Executive George Latimer said in the study.
- A report showing that stronger sales in the fourth quarter of 2019 brought Westchester's Housing Market "into balance." The analysis explains that sellers came to terms with the need for overall price corrections and, after a sluggish and challenging start, buyers found the improved value landscape that they have been waiting for, according to the Houlihan Lawrence Westchester, Putnam and Dutchess Market Report.
- A story illustrating that spending on residential improvements will continue to grow over the next two years at a gradual pace. That was the opinion of experts at a recent press conference hosted by NAHB's Remodelers at the NAHB International Builders Show (IBS) in Las Vegas. Professional remodelers from across the country agreed with the forecast, citing increased consumer confidence and demand. The summary of the press conference was released by NAHB on Jan. 21. NAHB predicts that remodeling spending for owner-occupied, single-family homes will decrease 0.6 percent in 2020 and increase 1.2 percent in 2021, association officials said.
- A recent study stating that Chief Executive Officers (CEO's) from Westchester County are decidedly more optimistic about the economy than upstate CEO's. That was the evaluation of The Annual New York State Business Leaders Survey released by The Business Council of Westchester with The Siena College Research Institute and The Business Council of New York State. The new survey reveals how CEO's are feeling about the business climate, regulatory environment, the economy, growth and capital investment plans for the next few years. Nearly 670 CEO's participated statewide, with nearly 100 from Westchester County, officials said.
- A photo report on how the BRI began its 2020 series of Membership Meetings and Seminars in an impressive fashion during January and February. Attendance at the events was strong, as were the reactions to the programs, BI/BRI officials said.

So, as you can see, this edition is most definitely packed with important content. Even Jim O'Toole would agree! Enjoy the issue.