

Property Tax Cap, Rent Regulations Next on Agenda

Continued from page 1

industry groups both in New York City and the suburbs.

State laws that limit the rent that landlords can charge on more than one million apartments in New York City and the suburbs are set to expire on Jun. 15. Democratic legislators from the city and the governor had sought to extend and expand the laws during budget negotiations last month, until the Senate Republican leader, Dean Skelos, rejected the idea, threatening to delay the budget.

Tenants are heavily favored in the Assembly bill:

- It would extend rent regulations until 2016.
- It abolishes Vacancy Decontrol, which lets landlords deregulate apartments when they become vacant and rents exceed \$2,000.
- It would alter Luxury Decontrol, which currently lets owners deregulate apartments when the tenants' income exceeds \$175,000 and the rent is at least \$2,000.
- Those limits would rise to \$300,000 and \$3,000. The bill would also limit rent increases for new tenants to 10 percent, down from 20 percent.

Although a similar bill in the Republican-controlled Senate is unlikely to pass, some Democratic legislators, tenant advocates and members of the Working Families Party are pressing this aggressive pro-tenant, anti-landlord agenda, sources added.

Other Components

Other proposals in play include a property tax cap, an extension of tax breaks for new developments and relief for landlords from a 2009 court decision that said they could not deregulate apartments while also taking advantage of a certain tax incentive.

Joseph Strasburg, president of the Rent Stabilization Association (RSA)—which represents landlords in New York City—called the Assembly bill the “opening salvo.”

“Rent regulation is an addiction, just like oil, that’s hard to wean off, especially in New York City,” he said.

While he opposes many of the provisions, Strasburg conceded that rent regulations would be extended.

A spokesman for the governor, Josh Vlasto, said that Cuomo supports an expansion of rent regulations, which expire Jun. 15, but stopped short of endorsing the Assembly’s proposal. The GOP-controlled state Senate opposes anything other than an extension of the existing rules.

Landlords Brace for Rent Control Debate

The battle over rent regulation will continue this legislative session until Jun. 15, the day the current laws expire, sources said.

While Democrats accuse the political and industry opposition of wanting to take the battle down to the wire in hopes of

simply extending what they see as woefully incomplete legislation, landlord groups in the city and the suburban counties of Westchester and Nassau also see the current law as faulty and also seek changes.

“Building owners in New York City have had extreme run-ups in property taxes, water and sewer rates, and fuel costs, and they haven’t gotten a reciprocal increase in rent because all the rents are created by the rent guidelines board,” said Frank Ricci, director of government affairs for the RSA, which represents landlords and property owners in the five boroughs.

Kenneth O. Nilsen, chairman of the Westchester-based Building & Realty Institute (BRI) and an owner himself, denounced what he termed as the Assembly bill’s flagrant hostility against landlords in general, and Westchester owners in particular.

“Raising the rent threshold for luxury decontrol to \$3,000 per month would set the bar at the stratospheric levels of Manhattan rents and would do a great injustice to Westchester and the other suburban owners,” Nilsen said.

Nilsen added that the median rent for apartments in Westchester regulated under the Emergency Tenant Protection Act (ETPA) is \$1,075 per month, according to data compiled by the state’s own division of housing. “That’s a long, long way from the \$3,000 level proposed by the Assembly,” he said.

Nilsen also had harsh words for the proposed complete elimination of vacancy decontrol. “What’s the incentive for the average landlord to keep and maintain their buildings and provide a needed source of reasonably-affordable housing?” he asked.

The anguish of Westchester owners was also echoed by a spokesman for building owners in Nassau County.

“Increasing the threshold for luxury and vacancy decontrol would render both types of decontrol practically meaningless for us,” said Richard Rush of Rush Properties, Inc. of Great Neck.

Tenants Subsidized by the Public

“The main problem is the subsidy provided by rent regulation. It is not targeted to the people who need it. Any way you can target it to the people who need it and then have everyone share in the subsidy, we’re all for that. Right now it’s very haphazard,” said Ricci.

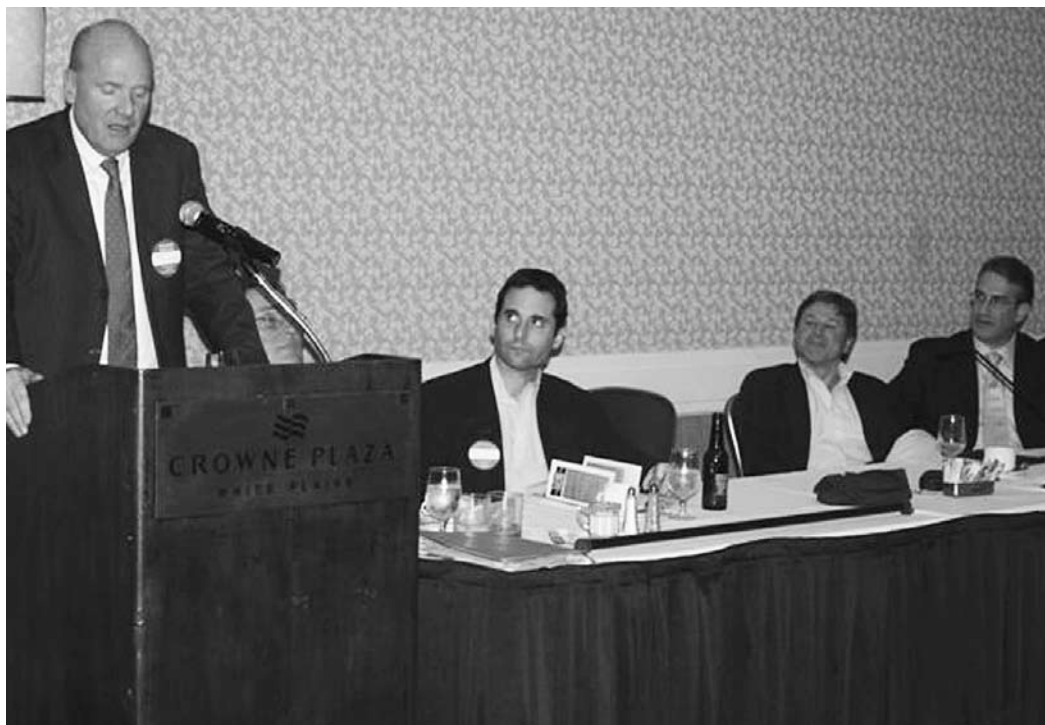
Ricci contends that the ever-escalating cost of owning and maintaining properties in New York City demands attention of other sorts to the current law.

“We’re just going to try and highlight the problems with the current system and what needs to be corrected,” he said.

— An IMPACT Staff Report



The Jan. 13 General Membership Meeting of the Building and Realty Institute (BRI) featured Economist Robert Goodman and his views on the economy for 2011. Pictured at the event at the Crowne Plaza Hotel in White Plains are, from left to right, Gil Mercurio, chief executive officer, Westchester Putnam Association of Realtors (WPAR); Goodman; Eric Lashins, president, BRI; and Albert Annunziata, executive director, BRI.



Photos by Myron Marcus

“The Financial Rewards of Green Building: Construction, Operations and Management” was the topic of the Mar. 10 General Membership Meeting of The Building and Realty Institute (BRI). Pictured during the seminar at the Crowne Plaza Hotel in White Plains are, from left to right, Charles Brown, C.W. Brown, Inc.; Albert Annunziata, executive director, BRI; Eric Lashins, president, BRI; Doug Hertz, Sunrise Solar Solutions; and Gary Weisman, Solis Partners.



The Cooperative and Condominium Advisory Council (CCAC) held a Jan. 31 membership meeting on how co-ops and condos should deal with nuisance neighbors and bedbug issues. Pictured at the conference are, from left to right, Jason Schiciano (speaker), Levitt Furst Associates; Jeff Hanley, associate director, CCAC; Patty Batih, Building and Realty Institute (BRI) member; and Gene DiResta, BRI member.

What You Need to Know About Insurance If You Hire Construction Contractors in New York

INSURANCE INSIGHTS

By Ken Furst and Jason Schiciano, Levitt-Furst Associates Ltd.



YONKERS—You are a building owner, general contractor, or a trade contractor who hires subcontractors.

Like so many other things in life, you get what you pay for. Not only is this true for the quality of the work done by the subcontractor you hire, but equally as important, the quality of the subcontractor's insurance.

Key Points

Why is the quality of the subcontractor's insurance important? Because, typically, you

(the building owner, general contractor, or trade contractor who hires subcontractors) will require that the subcontractor:

- Name you as an "Additional Insured," so that the subcontractor's insurance pays for your legal defense and pays for judgments against you, due to liability you incur, resulting from the subcontractor's work and your contractual relationship with the subcontractor;
- Indemnify you, and hold you "harmless" for claims

against you, caused by the subcontractor's work.

You don't want to discover that the subcontractor has paid for "discount" insurance when your name shows up on a summons, and you need an attorney to respond immediately and defend you (at \$500 per hour).

An Important Issue for New York Businesses

The quality of your subcontractor's insurance is even more important if you do busi-

ness in New York State, because New York is the only state in the nation with laws that can result in liability to the building owner and/or the contractor that hired the subcontractor, for an on-the-job injury to the subcontractor's employee. If an on-the-job injury to a subcontractor's employee is severe, resulting in death or permanent disability, the liability costs (legal, judgment award, etc.) for which you are responsible could be in the millions-of-dollars.

Here's the problem: because the aforementioned New York State laws make for huge liability exposure to insurance carriers, many carriers exclude coverage for you, the Additional Insured.

Therefore, you could be left to address the liability costs (legal, judgment award, etc.) associated with an injured subcontractor's employee, through your own insurance, or out-of-pocket (if your insurance is not sufficient). Even if your insurance does respond, your insurance premiums are bound to increase for years to come, as a result of the liability costs paid by your carrier.

As specialists in contractors' liability insurance, Levitt-Furst can help you assess your subcontractors' liability insurance, in order to maximize the likelihood you'll be covered as an Additional Insured, if the need arises.

For more information, please call us at (914) 376-2500.

TECH TALK

Tips on How LinkedIn Can Work For You and Your Business



By Andrea Wagner, Wagner Web Designs, Inc.

YORKTOWN HEIGHTS—LinkedIn is a powerful online social media tool that can help you look for work, strengthen your network and position you as a leader in your field.

It's not enough to have a LinkedIn profile — you need to make it work for you.

Build a Stronger LinkedIn Profile with the help of the below summary. It is re-printed with permission by Marc Halpert, a LinkedIn Coach, at www.linkedin.com/in/marchalpert.

Key Points

1. Don't just cut and paste sections from your résumé. LinkedIn shows your experience, present efforts and future aspirations, not just recounting the past, as resumes do. Describe your rich experience and how it contributes to your current and future abilities in your own words, as you would to someone you just met. Use short blocks of copy with keywords and rich textual images, in easily digestible bites.

2. Draw inspiration from others you respect. Adapt smart wording you see them using to your own personal style and branding. Use present tense, first person ("I" or "me").

3. Write a dynamic personal tagline. That 120-character line of text under your name is the first impression you make in your profile. It defines you all over LinkedIn. It's your brand - make it intriguing. Clearly tell others "who you really are" not what your title/company is.

4. Put your polished elevator pitch to even better use. Your 30-second elevator

speech, practiced and refined, is the essence of who you are and pitches what you do. Now convert it for use in LinkedIn, in the Summary section, to engage potential connections. You have 15 seconds to capture their attention.

5. Point out your skills, certifications, languages, publications, etc. Use Google keywords in The Experience and Specialties Fields to drive personal searches to you. Display your unique abilities in your line of work, personal skills and unique interests.

6. You must have a good photo. A clear picture of what you look like, showing a friendly, approachable professional is one basic, yet underutilized tool to reinforce your brand. Potential business contacts call after reviewing your profile. Let them speak to you while looking at your photo on LinkedIn.

7. Further show your ideas and voice, those that are different from the crowd. Add your website and blog URLs to showcase your voice. Edit the default "My Website" label into an identifiable name in English ("my commercial real estate website"). This encourages clickthroughs (heightens SEO). Use the free LinkedIn applications to provide easy downloads of your multimedia marketing materials, adding even more depth to your profile.

8. Make your profile 100 percent complete. Get a personalized LinkedIn URL. By doing so, you look your very best, fully rounding out who you really are. Show your current position, two past positions, education, profile summary, photo, specialties, and three recommendations. Personalize your LinkedIn URL, instead of using the default. Use that URL on business cards, email signatures, and all

marketing materials so that they can find you on LinkedIn.

9. Answer questions, ask questions. Thoughtful, purposeful answers to questions raised by others add to your street credentials, pointing more eyes at your profile. This establishes your expertise, and builds social capital with

your network. Don't hesitate to ask open-ended questions of your connections, groups, etc.

10. Recommend and get recommended. You can easily give someone a recommendation they were not expecting (a nice surprise!) or ask someone to recommend you for some specific aspect of your

work. The "two percent rule" should apply — 98 percent of your network like you and two percent greatly admire you to recommend you. Beware of recommending someone and then have them recommend you back on the same day. It looks like the mutual admiration society.



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