



From the Editor's Desk

Hanley's Highlights

by Jeff Hanley

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

Reviewing an Unforgettable and Significant Event for the Building and Realty Institute (BRI) and Westchester County

By Jeff Hanley

ARMONK

An occasion to remember.

That phrase is most definitely appropriate for a Jun. 24 event of The Building and Realty Institute (BRI) that launched the organization's "Welcome Home Westchester Campaign."

The campaign, described by BRI officials as a multi-stakeholder effort that will address the lack of affordable housing in Westchester County, was launched at a major Press Conference at the 37 South Regent Street Senior Housing Complex in Port Chester. More than 40 participants attended the event, including members of the local media.

The Press Conference featured many representatives of the campaign's "Welcome Home Westchester Coalition." BRI representatives in attendance were:

- ❖ BRI President Lisa DeRosa;
- ❖ Tim Foley, chief executive officer, BRI;
- ❖ Joseph Pizzimenti, chair of the BRI's Remodelers Advisory Council (RAC);
- ❖ Victoria Bruno, vice chair of the BRI's Commercial Builders Advisory Council (CBAC);
- ❖ Eric Abraham, a past president of the BRI;
- ❖ Angelo Ponzi and Pat Kinsey, vice chairs of the BRI's Suppliers and Service Providers Advisory Council (SSPAC); and
- ❖ Michael Murphy, business development manager for BRI Member Murphy Brothers Contracting.

Foley served as the moderator of the event.

Alex Roithmayr, the BRI's strategic research associate; Anika Nahar, campaign communications coordinator for the BRI; and myself were also in attendance. "Outstanding, informative and highly positive" were some of the words used by participants to describe the Press Conference and the efforts of the BRI's staff on the campaign.

Members of the "Welcome Home Westchester Coalition" are stressing that they believe the campaign can shine a spotlight on the everyday barriers to providing the affordable housing that is needed in Westchester. Coalition officials added that the lack of affordable housing in Westchester has reached a crisis point in recent years.

The "Welcome Home Westchester Campaign" combines several companies involved in the home building and development of housing with economic leaders like the Westchester County Association (WCA) and Nonprofit Westchester. Academics and think tanks that have extensively examined the housing question; organizations dedicated to fighting against homelessness and supporting families in need; faith leaders; and community advocates are also members of the coalition, campaign officials said. Officials added that the campaign will attempt to drive forward "a new conversation around housing in Westchester."

The campaign, officials said, intends to focus on several key areas:

- ❖ Reforming the ways that volunteer land use boards work;

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Insurance Insights

by Ken Furst and Jason Schiciano

Levitt-Furst Insurance



Lessons from the Building Collapse in Surfside, Florida

By Ken Furst and Jason Schiciano, Levitt-Furst Insurance

TARRYTOWN

The partial building collapse of a 12-story condominium building in Surfside, Fla. on Jun. 24 has resulted in massive property loss, and an unthinkable number of deaths.

In the days and weeks ahead, the cause of this horrific event will be confirmed. Eventually, the time will come to pursue the rebuilding of the building, and the filing of lawsuits by families who lost loved ones. Insurance (or lack thereof) will play a critical role in the proceedings.

This tragedy is a fitting time to consider three lessons concerning properly written property and liability insurance. While the Surfside building collapse involves a building owned by a condominium, these insurance lessons apply to all types of multi-unit residential buildings, as well as commercial buildings.

Does Insurance Cover Rebuilding After a Collapse?

A properly-written Property insurance policy will pay (per policy terms) for the full cost to replace the portion of a building, damaged from perils such as fire, tornados, storms, etc., to its pre-damaged condition. Most building Property insurance policies also include coverage to re-build the building after a collapse, including collapse from "decay."

However, the coverage may not apply if the decay was known by the insured prior to collapse. Lesson #1: if a landlord or condo/co-op Board suspects, or is advised of a possible building structural problem, the concern should be assessed by a professional, and any repair recommendations should be addressed in a timely manner. Failure to address building structural problems could result in a coverage exclusion, and a multi-million-dollar uninsured reconstruction project.

For Lesson #2, regarding Property insurance, let's assume that a "known decay exclusion" is not applicable. The Surfside building collapse affected only a portion of the building. Part of the building appears to be undamaged. But, the local building department may require the undamaged portion of the building to be demolished, and then will definitely require that all of the new construction be performed in accordance with current building codes and ordinances. For this likely scenario to be fully insured, three important insurance coverages must be present on the policy with the proper coverage limits:

- ❖ Demolition - Demolition coverage will address the cost to demolish the undamaged portion of the building, if required by the building department.
- ❖ Undamaged Building - Once the undamaged portion of the building is demolished, the cost to rebuild the undamaged portion is covered by Undamaged Building coverage.
- ❖ Increased Construction Cost Due to Building Codes and Ordinances - The building department will require the reconstruction of both the damaged (collapsed) portion and undamaged (demolished) portion of the building to be performed in accordance with current building codes and ordinances. Building codes change frequently, so the cost to upgrade a decades-old building to current codes can be substantial. Increased Cost of Construction coverage pays for these required upgrades.

In addition to the above three Ordinance or Law-related coverages, Business Income coverage (for loss of common charges, maintenance fees, or rents, etc.) is also critical. If the condo or co-op bylaws, or building lease, allow residents or tenants to stop paying common charges, maintenance fees, or rents, Business Income coverage will pay (per policy terms) for the lost income during reconstruction. Lesson #2: review your building's Property insurance coverages with your broker to confirm the proper coverages are in-place in sufficient coverage limit amounts.

One more comment on property insurance: owners of condo units or co-op apartments, and tenants of residential apartments or commercial spaces should have their own policies, covering contents and personal liability, as well as expenses associated with a temporary home or

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REPORT: The Remodeling Industry Is Fully Recovered From The Pandemic

WASHINGTON, D.C.

Confidence in the remodeling market across the U.S. is continuing to increase.

That was the major finding of a recent survey by the National Association of Home Builders (NAHB) Remodelers, NAHB officials announced on May 4.

NAHB released the survey results, which highlights how the pandemic affected remodelers' businesses, to kick off National Home Remodeling Month in May, NAHB officials added.

"The remodeling market took a hit last year at the start of the pandemic, but it's completely turned around now," said NAHB Remodelers Chair Steve Cunningham, a remodeler from Williamsburg, Va. "Remodelers are now facing intense backlog on projects due to supply-chain delays, continued labor shortages and an abundance of project leads."

The survey said that a total of five percent of remodelers reported that more than half of their projects in 2020 were a direct consequence of the pandemic. Seventy-four percent of all projects were bathrooms, followed by kitchens at 67 percent and whole house remodels at 51 percent. A desire for better/newer amenities was cited as the most common motivation for remodeling, followed by a need to repair or replace older components and a desire or need for more space, NAHB officials added.

"As home owners continue to make modifications to their homes, it's important that they do their research and hire a qualified professional," said Cunningham. "Whether it's a small project or a whole house remodel, a qualified professional remodeler can help home owners create a space that works for them."

STUDY: Housing Starts Across the U.S. Move Forward in March

WASHINGTON, D.C.

Housing production across the U.S. rebounded in March as buyer demand remains solid due to low mortgage interest rates, according to a building and realty industry report.

An analysis from The National Association of Home Builders (NAHB) released on Apr. 16 said that overall housing starts increased 19.4 percent to a seasonally adjusted annual rate of 1.74 million units. The analysis is based on a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau. The NAHB study said the scenario produced the fastest pace for combined single-family and multifamily construction since June of 2006.

The NAHB analysis said that the March reading of 1.74 million starts is the number of housing units builders would begin if development kept this pace for the next 12 months. Within this overall number, single-family starts increased 15.3 percent to a 1.24 million seasonally adjusted annual rate. When comparing the first quarter of 2021 to the first quarter of 2020, single-family starts are up 19.6 percent. The multifamily sector, which includes apartment buildings and condos, increased 30.8 percent to a 501,000 pace, the NAHB analysis added.

"Builder confidence remains strong, pointing to gains for single-family construction in 2021," said Chuck Fowke, NAHB chairman and a custom home builder from Tampa. "However, rising costs for most kinds of building materials continue to impede positive additional momentum in the market."

Added NAHB Chief Economist Robert Dietz: "Demand remains solid due to low mortgage interest rates and a thin level of inventory in the resale market, which is spurring the need for additional supply. The test for the industry this year will be balancing growth and higher construction costs, given ongoing housing affordability challenges."

The NAHB analysis said that, on a regional basis compared to the previous month, combined single-family and multifamily starts are 64 percent higher in the Northeast, 122.8 percent higher in the Midwest, 13.5 percent higher in the South and 13.6 percent lower in the West. The gain in the Midwest is likely weather-related, the NAHB analysis added.

Overall permits increased 2.7 percent to a 1.77 million unit annualized rate in March, the NAHB analysis said. Single-family permits increased 4.6 percent to a 1.20 million unit rate. Multifamily permits decreased 1.2 percent to a 567,000 pace.

Looking at regional permit data compared to the previous month, permits are 8 percent lower in the Northeast, 2 percent higher in the Midwest and 6.4 percent higher in the South. Permits held steady in the West, the NAHB analysis said.

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The Westchester County Rent Guidelines Board Approves Increases of 0.5 Percent and One Percent, Continued from p. 1

are facing, specifically in terms of repairs and renovations,” Foley added. “This was the category most obviously affected by the COVID-19 pandemic, as many non-emergency repairs were postponed throughout 2020, necessitating that 2021 should be a ‘catch up year’ to prevent a noticeable decline in the quality of these buildings.”

Foley added that representatives also noted the historic level of surging prices for supplies and materials, including lumber, windows, doors, and appliances due to shortages from an equivalent surge in demand in the post-pandemic economy.

AOAC officials stressed that, unique to this year, they noted that any tenant undergoing a financial hardship sufficient to receive funds through the COVID-19 Emergency Rental Assistance Programs (ERAP) would have their rent frozen for one year, no matter what the guidelines board decided. The AOAC also stressed the need for fair Guideline Increases for Owners and Managers due to the enactment of The Housing Stability and Tenant Protection Act (HSTPA) in June of 2019 and its many negative effects on Owners and Managers, as well as the challenges that the building and realty industry face in the future.

But, according to building and realty industry officials, neither anecdote nor evidential data were able to overcome board members’ concerns for tenants during a period of economic difficulty and unemployment.

“Many thanks should be given to the AOAC members and representatives, and members/representatives of the BRI, for their testimony on behalf of the building and realty industry during the board’s Public Hearings,” Foley said. “Your participation is appreciated.”

Foley also stressed that recognition should be given to the Guidelines Board Owner Members, Ken Finger and Eliot Cherson, for their services to the Owners’ interests.

Building and realty industry members with any questions or comments can call the AOAC/BRI offices at (914) 273-0730, Foley added.

The AOAC represents more than 300 Owners and Managers of rental apartment buildings and complexes. Those Owners and Managers are responsible for more than 17,000 rental units, AOAC officials said.

The BRI is a building, realty and construction industry membership organization. The association has more than 1,800 members in 14 counties of New York State. Those members are involved in virtually every aspect of the building, realty and construction sectors.

Lessons from The Building Collapse in Surfside, Florida, Continued from p. 2

office, during reconstruction. Condo/co-op owners also must commonly insure the improvements/betterments made to the unit/apartment (review the bylaws or proprietary lease for specifics).

Legal Liability Relating to Collapse – The Importance of a High-Limit Umbrella

The loss of multiple lives in the Surfside tragedy will result in lawsuits against the condominium. The possible knowledge of structural defects prior to the building collapse may increase legal liability, and award amounts granted to the plaintiffs, which will need to be paid by the condo, or its insurance.

Buildings commonly are insured for \$1,000,000 of General Liability (GL) insurance. The GL policy responds, among other things, to “bodily injury” claims (e.g. slip-and-fall lawsuits, death claims, etc.), and for covered claims. It’s the first policy to pay for legal (attorney) defense costs, and monetary judgments/settlements.

If the \$1,000,000 GL policy is exhausted, because the costs of a lawsuit, or multiple lawsuits, stemming from one occurrence (e.g. a building collapse) exceeds the \$1,000,000, then the Umbrella (or Excess) Liability policy is triggered. The GL policy must cover the first \$1,000,000 of liability claim costs, before the Umbrella will begin paying (to clarify an often-misunderstood point: the Umbrella policy does not pay on a property claim to rebuild the owner’s building. It only pays for legal liability, including that for bodily injury, and damage to other people’s property).

For extreme liability scenarios - like the multiple deaths at the Surfside condo, or multiple injuries/deaths from a building fire, or crane collapse - legal liabilities often far exceed \$1,000,000. Most Westchester County and New York City condos, co-ops, and apartments maintain a “high-limit” Umbrella, with a policy limit commonly ranging from \$10,000,000 to \$100,000,000. Most commercial properties (office buildings, strip malls, etc.) have Umbrellas with limits commonly ranging from \$5,000,000 to \$25,000,000.

If both the \$1,000,000 GL coverage limit and the Umbrella limit are exhausted in payment of liability claims stemming from one occurrence, then the property owner has to pay “out-of-pocket” for the uninsured amount of the claims.

Umbrella premiums have risen sharply in recent years, increasing by 50 percent to 100 percent, or more. In many cases, insureds have decided to accept lower Umbrella policy limits upon renewal, in order to save in premiums. An office building owner may decide that a \$5,000,000 Umbrella is adequate, given the cost to renew a \$10,000,000 Umbrella. A condo or co-op board may elect to save \$1,000 by selecting a \$25,000,000 Umbrella, instead of a \$50,000,000 Umbrella, rationalizing that it’s difficult to imagine a single claim scenario that could possibly exceed \$25,000,000 in total legal liability.

Difficult to imagine, perhaps - until the Surfside, Florida building collapse. Lesson #3: in order to fully protect your building asset from legal liability exposure, place enough Umbrella liability insurance to address legal liability from an “unimaginable” catastrophe, because sometimes, the unimaginable becomes reality - and that’s what insurance is for.

If you have questions about your organization or company insurance for catastrophic claims, contact your insurance broker, or Levitt-Fuirst Insurance, at (914) 457-4200, or Jason Schiciano at jschiciano@levittfuirst.com.

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

HOUSING CASE STUDY:

Ginsburg Development Companies (GDC) Joins with Local Officials to Celebrate the Grand Opening of 1 Martine at City Square in White Plains

WHITE PLAINS

Officials from White Plains and Westchester County joined with Ginsburg Development Companies (GDC) on Jun. 17 to celebrate the transformation of a former office tower into 1 Martine at City Square, a new luxury rental.

Officials said the facility features loft-style apartments and a wealth of luxurious amenities, including a private park and an art gallery.

The facility has 188 spacious apartments featuring 11-foot concrete ceilings, large windows, track lighting and exposed ductwork that give the apartments what officials termed as an exciting urban vibe. Officials said that it is the first major office building in Westchester to be converted into luxury rental apartments. 1 Martine at City Square represents a private investment of \$43.7 million, officials added.

Each apartment features wide plank luxury LVT flooring in the living room and bedrooms; Soho-inspired kitchens featuring custom cabinetry, quartz countertops and stainless-steel appliances; designer bathrooms with porcelain tiles, custom vanities and large mirrors; bedroom ceiling fans; a washer and a dryer; and extra-large walk-in closets. Many of the apartments include unique bedroom cabinetry, gallery track lighting and modern chandeliers. The 1-bedroom/1 bath apartments and the 2-bedroom/2 bath apartments range in size from 425 to 1,170 square feet. Monthly rents range from \$2,250 to \$5,450, officials said.

One of the most unique features of 1 Martine at City Square, officials said, is the City Square Central Park, a private one-acre space on the roof deck of the parking garage that connects all buildings and features fountains, waterfalls, walking paths, putting greens and outdoor dining at City Square Café, all on a beautifully landscaped space.

Details

Luxury amenities at 1 Martine at City Square include an elegant art-inspired lobby with 24/7 concierge service and package acceptance; a Club Lounge with a roof deck for hosting building events and available for private parties; a state-of-the-art Fitness Center; a ground floor art gallery with resident discounts; a Cinema Screening Room; a Conference Room; a pet wash; and indoor garage parking with available electric charging stations, officials said.

1 Martine at City Square also boasts a 20,000-square-foot art gallery on the ground floor open to the public offering original paintings and reproductions, sculptures and home decor for residents to personalize their apartments with exclusive resident discounts, officials added.

Located in the heart of downtown White Plains, 1 Martine at City Square, officials said, is just steps from the Metro-North Station, which is a 38-minute commute to Grand Central Station. It is also a short walk to more than a dozen fine restaurants and shopping.

Setting A Trend

City Square is an art-inspired reinvention by GDC’s Martin Ginsburg of a full square city block surrounding the private City Square Central Park. It is the new live-work-play destination at the gateway to downtown White Plains, officials said.

“1 Martine at City Square is not only Westchester’s most exciting

luxury rental, it’s also a transformational development that is setting a trend for rental housing in this region. With more and more people working from home, empty office buildings may become new residential apartments,” said Ginsburg, the founder of GDC. “Nothing about 1 Martine is cookie cutter or ordinary. Our apartment layouts are truly unique, and our art-inspired amenities create a Soho vibe that is quite unexpected in Westchester County.”

“We are thrilled to welcome 1 Martine at City Square to its premiere location in the heart of downtown White Plains,” said Westchester County Executive George Latimer. “This luxury living community offers dozens of desirable amenities and a vibe that is unique to Westchester County, along with the convenience of a 38-minute commute to New York City. Congratulations to Ginsburg Development Companies on the successful conversion of empty office space into an exciting new rental opportunity.”

“Congratulations to Ginsburg Development Companies on the creation of this exceptional and forward-thinking living space. 1 Martine at City Square aligns with our vision for the White Plains Transit District and its unique vibe and proximity to transit is sure to make it very desirable,” said White Plains Mayor Tom Roach.

The lobby at 1 Martine at City Square features murals by Raymond Saá, whose works have been exhibited nationally and internationally. Saá, who is a graduate of Parsons School of Design, works with collage, drawing and painting mediums, officials said.

“I am delighted to have my work exhibited in this exciting new residence in the heart of downtown White Plains,” Saá said, adding, “I commend Martin Ginsburg and ArtsWestchester for their commitment to public art.”

Last year, GDC - in partnership with ArtsWestchester - unveiled the work of nine artists from the greater Westchester area as part of GDC’s investment in its art collection for 50 Main Street. The unveiling was part of a Grand Opening of the first phase of GDC’s reinvention of the 50 Main Street office building which includes a new mezzanine amenity level. A key feature of the new common space is a contemporary art collection curated by ArtsWestchester that features numerous Hudson Valley artists. A newly designed and expanded lobby at 50 Main Street is nearing completion, officials said.

Plans are underway, officials added, to install a monumental sculpture by an international artist under the arches of the 15-story 50 Main Street office tower. The modern sculpture will measure nearly 18 feet in height and be made of polished stainless steel.

Founded in 1964 by Ginsburg, GDC is a premier residential developer in the northern suburbs of New York City, officials said.

With 50 years of experience and market leadership, officials added, GDC has built many of the region’s most successful and prestigious luxury developments, many with a Hudson River and/or transit-friendly focus, including Harbors at Haverstraw, Livingston Ridge in Dobbs Ferry, Ichabod’s Landing in Sleepy Hollow, Mystic Pointe in Ossining, Marbury Corners in Pelham and Christie Place in Scarsdale.

GDC’s developments have won numerous design and community planning awards. GDC also owns and manages a portfolio of commercial properties, located primarily in Westchester, officials said.

Robert Martin Company Announces the Sale of Two Buildings Totaling 130,000 Square Feet of Office Space at South Westchester Executive Park

ELMSFORD

Robert Martin Company on Apr. 29 announced the sale of 3 Executive Boulevard (59,542-plus square feet) and 3 Odell Plaza (71,065-plus square feet) in Yonkers, totaling more than 130,000 square feet of office space.

The selling price was \$36.6 million, which represents a record price for suburban Westchester County office sales at \$280 per square foot, officials said.

Officials said that both properties are leased through 2032 to Montefiore Medical Center, a wholly owned subsidiary of Montefiore Health System, one of the largest healthcare systems in the New York City region with 10 hospitals and a primary and specialty care network of more than 200 locations. The two buildings are part of Robert Martin’s South Westchester Executive Park, where the company continues to own and operate nine buildings totaling 650,000 square feet of primarily flex/industrial space.

CBRE’s Capital Markets and Institutional Properties Group of Stamford (Conn.) – represented by Vice Chairman Jeffrey Dunne, Senior Vice President Steven Bardsley, Senior Vice President David Gavin and Vice President Stuart Mackenzie – marketed the property, officials said.

“Today’s announcement reflects Robert Martin’s continued formula for success, which is seizing upon emerging business opportunities - developing, managing, or selling - that enhance the value of the company’s overall portfolio,” said Robert Martin Company Chief Executive Officer Tim Jones. “These are two, strong assets leased by one of the region’s leading healthcare providers, but by selling the buildings at a premium, we are providing a greater financial return for the firm as we look toward strengthening our investments in high-growth sectors in the Westchester market, such as flex/industrial space and multifamily residential rentals.”

Robert Martin Company President Greg Berger added:

“We are not the company we were nearly 65 years ago. Real estate development and management today is far more demanding and complex. The tenants’ needs are changing with the times, and we remain uniquely positioned with our portfolio and strong personnel to accommodate their requirements and additional demand. We value our core competencies that successfully got us this far and will continue pursuing those strategic opportunities that will propel us into the future.”

Founded by the late Robert Weinberg and Martin Berger, Robert Martin Company is a fully integrated real estate company with a proven track record of successfully acquiring, developing, and managing investment properties throughout its history, officials said.

Led by Jones and Berger, the company has been a leader in real estate investment, development, and management for more than 60 years. Emerging from its start as a local home builder and becoming, for several decades, Westchester County’s largest diversified developer and builder, Robert Martin Company and its affiliates have developed and acquired more than 20 million square feet of real estate across virtually every asset class, officials added.

Officials said that the company and its partners hold a portfolio that includes millions of square feet of office, retail, industrial, and residential properties, as well as developable land. The company has been at the forefront of change and innovation in real estate investment, development and management across Westchester and Fairfield (Conn.) counties for more than six decades and is widely regarded as a pioneer in the development of executive office parks across the counties.

Robert Martin Company also played a significant role in the urban renewal development of Greenburgh, Tarrytown, Port Chester and downtown White Plains, officials added.