



From the Editor's Desk

Hanley's Highlights

by Jeff Hanley

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

Examining A Significant Amount of Valuable Information for Members of The Building, Realty and Construction Industries

ARMONK

Many of us probably remember our trips to the local library during our long-ago days as students. Those trips, of course, were necessary for research then since the Internet did not exist.

I vividly recall looking around the library back then and being amazed by its endless inventory of books and other printed materials. The thought of all that information produced one question - where is the starting point for all that I have to read?

A look at the content of this issue of *IMPACT* by our readers may produce the same question. There is a large series of valuable reports in this edition for members of the building, realty and construction industries. They include:

- ❖ A page one report on the continuing confidence levels of builders across the U.S. in the market for newly-built, single-family homes. The article is based on the latest National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).
- ❖ A page one story examining the continuing trend of demand for housing in lower-density areas across the U.S. The demand is reported in the latest Home Building Geography Index (HBGI) of the NAHB.
- ❖ A page one analysis on how members of the residential remodeling sector across the U.S. are very confident about their industry and its current conditions. The article is based on the Remodeling Market Index (RMI) of the NAHB.
- ❖ A page one article on the weekend radio show of the Building and Realty Institute (BRI) having a new home - "Constructive Conversations with The Building and Realty Institute (BRI)" made its debut on 710 WOR AM, The Voice of New York, on Oct. 10. The half-hour program, which runs from 7:30 p.m. to 8 p.m. every Saturday, covers topics of interest to the building, realty and construction industries, as well as the general business sector.
- ❖ An important update by Levitt-Fuirst Insurance on insurance issues produced by the pandemic. The report was authored by Ken Fuirst and Jason Schiciano, co-presidents of the company. Levitt-Fuirst Insurance is the Insurance Manager for the BRI and its seven component associations.
- ❖ An update in Counsels' Corner on "No Pet Policies" in multi-family buildings and complexes. The update was written by Kenneth Finger, Dorothy Finger, Carl Finger and Daniel Finger, attorneys with Finger and Finger, A Professional Corporation. The firm is Chief Counsel to the BRI and its seven affiliate organizations.
- ❖ An analysis in Tech Talk on web trends to look out for in 2021. The article was written by Andrea Wagner, president of Wagner Web Designs.
- ❖ A report examining how record-low mortgage rates were not enough to offset inventory shortages and rising home prices as housing affordability across the U.S. continued to decline in the third quarter. The assessment was contained in the latest NAHB/Wells Fargo Housing Opportunity Index (HOI).
- ❖ A Development Case Study on The St. Regis Residences, Rye, a collection of what project officials termed as "exquisitely appointed condominium residences." Project officials recently announced that more than 50 percent of the 92 residences have been sold as the construction of the development is nearing completion. Alfred Weissman Real Estate is the developer of The St. Regis Residences, Rye.
- ❖ An article examining Houlihan Lawrence's Third-Quarter Commercial Real Estate Market Report for Westchester County. The report explains that demand remains strong for industrial space and that office leasing activity is improving, while the inventory of multi-family buildings under construction continues at a high level. The study also explains that the retail sector is struggling.

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Insurance Insights

by Ken Fuirst and Jason Schiciano
Levitt-Fuirst Insurance



The Most Important Insurance Policy to Have During the Pandemic? It's Probably Not the One You Would Think!

TARRYTOWN

As you might expect, we've received a lot of inquires during the pandemic regarding insurance coverage and COVID-19:

- ◆ Does my company have coverage if an employee contracts the virus at work? (Workers Compensation Insurance would likely cover, but only if there was clear evidence that the employee contracted the virus at work).
- ◆ Are we covered if we get sued by a visitor to our building, who then got sick? (Maybe, it depends on whether your General Liability policy has a virus exclusion, or another exclusion that may apply).
- ◆ Is there coverage for lost business income? How about coverage for the additional cost of cleaning and sanitizing the office? (Insurance companies have declined most of these claims, due to lack of "physical damage" and/or policy virus exclusions. Most courts have upheld legal challenges; a few have sided with policyholders).

Even as the first vaccines are now being distributed, in a best-case scenario, it will be well into next year before enough people are vaccinated, and herd immunity is established. Meanwhile, the nation endures government restrictions on businesses (e.g. indoor restaurant and gym capacity restrictions), costly COVID-19 safety compliance expenses, travel restrictions, school closures, sports event cancellations, downsized celebrations (weddings, etc.), and the elimination of corporate events (conventions, meetings, luncheons, etc.).

Building and Realty Institute (BRI) members are affected by construction project holds, delays in municipality project approvals, higher vacancy rates and delinquent rent payments (commercial and residential), halts on eviction proceedings, lack of in-person business networking opportunities, and many other less obvious, pandemic-related negative effects on business. Even in the best-case scenario, and with the long-anticipated federal government relief package eventually passed, many BRI member businesses will likely suffer financial challenges in the coming year - which leads to the topic (question) of this article: What is the most important insurance policy for a business to have during the pandemic? Many may respond (relative to the questions noted earlier) that the Workers Compensation, General Liability, Umbrella Liability, or perhaps Pollution Liability policy is most important. As discussed, these policies will probably not respond to most pandemic-related claims.

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Possibilities

The reality of pandemic-related business financial challenges is that employment-related claims (lawsuits) may result in the following:

- ◆ An employee is laid-off, due to COVID-related sales declines. The employee claims that she was laid-off, instead of other employees with less tenure, due to her race (or sex, age, religion, etc.).
- ◆ A company requires employees to get vaccinated before returning to the office. Multiple employees file a lawsuit, claiming the requirement is unreasonable and a violation of their personal rights.
- ◆ An office closure necessitates that in-person client sales calls be made at clients' homes. A client files a lawsuit claiming sexual harassment by the salesperson during the in-home sales call.
- ◆ Shortly after a new employee starts, in response to pandemic-related sales declines, a company changes the employee's compensation structure, reducing fixed salary, and adding performance incentive-based compensation. The employee files a lawsuit claiming he was promised a fixed salary as an inducement to being hired, and he would have never left his prior job, had he known the promise would not be upheld.

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INDUSTRY STUDY:

Single-Family Starts Across the U.S. are at their Highest Pace Since the Spring of 2007

WASHINGTON, D.C.

Led by what building and realty industry officials termed as solid gains in single-family production, overall housing starts across the U.S. increased 4.9 percent in October to a seasonally adjusted annual rate of 1.53 million units.

The evaluation was contained in a Nov. 18 analysis of The National Association of Home Builders (NAHB) on its web site, nabh.org. The analysis is based on a report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau, NAHB officials said.

"Current demand is being supported by historically low interest rates and home buyer preferences shifting to the suburbs and exurbs."

— CHUCK FOWKE, NAHB CHAIRMAN

The October reading of 1.53 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 6.4 percent to a 1.18 million seasonally adjusted annual rate, and are up 8.6 percent year-to-date. The pace of single-family starts was the best since the spring of 2007. The multifamily sector, which includes apartment buildings and condos, remained unchanged from the previous month at a 351,000 pace, the analysis said.

"As seen in the NAHB/Wells Fargo builder confidence index, single-family starts continue to grow off a historic rebound that began in April," said Chuck Fowke, chairman of NAHB and a custom home builder from Tampa. "Current demand is being supported by historically low interest rates and home buyer preferences shifting to the suburbs and exurbs."

"Single-family permits were approximately flat in October, which suggests housing starts will level off in the months ahead, although at post-Great Recession highs," said NAHB Chief Economist Robert Dietz. "Builders cite a lack of lots and decreased availability of building materials as headwinds that will limit production."

The Numbers

On a regional and year-to-date basis (January through October of 2020 compared to that same time frame a year ago), combined single-family and multifamily starts are 15.5 percent higher in the Midwest, 7.5 percent higher in the South, 4.7 percent higher in the West and 6.4 percent lower in the Northeast. The gains for the Midwest are notable and being led by the shift to lower cost, lower density areas, the analysis said.

Overall permits came in at a 1.55 million unit annualized rate in October, remaining unchanged from the previous month. Single-family permits increased 0.6 percent to a 1.12 million unit rate. Multifamily permits decreased 1.6 percent to a 425,000 pace, the analysis added.

Looking at regional permit data on a year-to-date basis, permits are 5.6 percent higher in the Midwest, 5.5 percent higher in the South, 0.1 percent higher in the West and 3.9 percent lower in the Northeast, according to the analysis.

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- ❖ A report on The Westchester County Industrial Development Agency (IDA) recently voting on the preliminary approval of \$912,062 in financial incentives for the renovation of two affordable housing developments in Mount Vernon and Tarrytown. The two projects comprise a total of 250 units of affordable housing, project officials said.

The staff of the BRI wishes you all a Happy and Healthy Holiday Season. Enjoy the issue!

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Houlihan Lawrence Commercial Continues to Expand with the Addition of Six New Brokers to Its Staff

RYE BROOK

Houlihan Lawrence Commercial is continuing to expand.

Company officials recently announced that six new brokers have joined the firm's staff.

The new brokers, company officials said, are Eugene Pepe, Marc Luchansky, Silvio Cangianni, Douglas MacDonald, Jared Stone and Abbye Suskin.

Pepe has been in real estate sales for 15 years with firms such as Friedland Realty, GVA Williams and Goldschmidt and Associates. He has also managed properties, including his family owned Pepe Motors dealership. His notable transactions include 25,000 square feet to two separate sports facilities, a 15,000 square foot lease to a luxury auto dealership and a 12,000 square foot lease to a motorcycle dealer. Pepe is a resident of Rye.

Luchansky's expertise includes multi-family, industrial, office and retail, company officials said. Prior to joining Houlihan, he was a Director at Besen Partners, a mid-sized commercial real estate advisory firm headquartered in Manhattan. Before entering the real estate business, Luchansky was a Director of Equity Sales at Buckingham Research, a firm that provided in-depth fundamental research on a variety of industries. He also worked at Neuberger Berman and Paine Webber. He is a resident of Tarrytown. He is part of the company's Lanza Team.

Cangianni has been running Regent Heating and Air Inc. for more than 20 years.

Working in the field has helped him develop many contractor relationships, along with learning customer service skills, company officials said. These are skills he believes are easily converted to understanding real estate and the needs of his clients. Cangianni is an active member in the Rye Tri Club, which donates to different charities throughout the year. He is a resident of Mamaroneck. He is part of the Lanza Team.

MacDonald is an executive level, consultative salesperson with deep experience working with major Fortune 500 firms, company officials said. Prior to joining Houlihan Lawrence, he worked in media, developing advertising programs for major pharmaceutical and healthcare companies. He was most recently with Volvo Cars in White Plains. His wife has been with Houlihan Lawrence for the last seven years representing residential clients. He and his family reside in Granite Springs. He is part of the company's Klein Team.

Stone specializes in investment sales and tenant representation. His interest in real estate began while working with high net-worth individuals as a Financial Advisor at Bank of America Merrill Lynch, helping advise his clients on real estate purchases and business dispositions, company officials said. He earned his Bachelor of Business Administration degree in International Finance and Marketing from The University of Miami. Stone currently lives in White Plains. He is part of the Klein Team.

Suskin has vast experience negotiating transactions representing both tenants and landlords. Over the past 20 years, she has completed in excess of 1,000 transactions including office, retail and industrial. Prior to joining Houlihan Lawrence Commercial, Suskin provided strategic transaction services at Jones Lang LaSalle. Additionally, she was the Director of Real Estate for Time Inc. Suskin has a master's degree in Real Estate from The Schack Institute of Real Estate at NYU. She is a resident of Armonk. She is part of the Klein Team, company officials said.

"We are very pleased to have these six professionals joining our staff. They bring a diversity of business backgrounds which is vitally important in today's rapidly changing commercial real estate industry. With the addition of these new brokers, our staff currently numbers 49, and growing," said Tom LaPerch, director of the commercial group.

Houlihan Lawrence is the leading real estate brokerage serving New York City's northern suburbs. Founded in Bronxville in 1888, the family-run company, officials said, is deeply committed to technological innovation and the finest client service. 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. The company ranks in the top 20 of all brokerages nationally and achieved a total sales volume of over \$6.5 billion in 2017, officials added.

Tech Talk

Web Trends to Look Out For in 2021!

By Andrea Wagner, President, Wagner Web Designs, Inc.



Andrea Wagner

Predictions are always fun and no one could have foreseen the year we just had.

Websites have become more important than ever, as users are at home searching and buying products and or services from their phones and computers.

E-Commerce Soars

This year brought the end of Black Friday as we knew it as stores cannot accommodate or encourage crowds.

Since most sales are online this year (Cyber Monday had surpassed Black Friday last year by \$2 billion), online holiday sales started early in November. Expect an increase in online shopping well past the holiday season.

As E-commerce has exploded online due to the pandemic, there's certainly no going back. Even in countries where things have returned to some kind of normality, shoppers who first learned how to order online in 2020 now have a habit that's likely to stick. With that in the case, expect more and better e-commerce.

"Expect to see an abundance of bold, eye-catching web design using animation and mixed media to intensify the user experience. Page speed and user experience will still be at the forefront."

Better Image Display

Not being able to see, touch and feel some products online, as in real life, makes it very difficult to decide whether you're

buying the right thing or not. For this reason, we've been seeing a move in 2020 away from small thumbnail images toward large and detailed pictures of products on websites. Many also let you view in 3D, and rotate them through 360 degrees.

Animation and Video

Expect to see an abundance of bold, eye-catching web design using animation and mixed media to intensify the user experience. Page speed and user experience will still be at the forefront.

Videoconferencing

It's difficult to imagine what lockdowns would have been like 10 years ago, before the widespread availability of fast internet and apps such as Zoom.

Thankfully, most of us stuck at home during the pandemic have been able to keep up with colleagues and friends in this way. Expect to see many other competitive products on the market to compete for videoconferencing. This also allows us to devote less time and effort to commuting and travelling, so even if society returns to normal, that's another habit that's likely to stick.

Editor's Note: Andrea Wagner is President of Wagner Web Designs, Inc. The company specializes in optimized small business websites and digital marketing. Questions to Wagner can be directed to (914) 245-2626.

Robert Martin Company's Life Sciences/Health Tech Division Reports A 7,000 Square Foot Lease with Clarapath, a Medical Robotics Company

ELMSFORD

Robert Martin Company's expansion into serving the needs of the life sciences/health tech industry with the formation of RMC Bio1 is beginning to pay off with the announcement of a lease by a medical technology company from New York City, company officials recently said.

Clarapath has signed a lease for 7,000 square feet at 12 Skyline Drive in Robert Martin's Mid-Westchester Executive Park in Hawthorne. Clarapath is the developer of an integrated robotics platform designed to standardize and digitally transform anatomic pathology. The company's fully automated device will act as the eye, hand and brain of a traditional lab technician and provide better quality biopsy slides, faster turnaround times and lower costs for laboratories. The company will utilize the new space for the development and light manufacturing of its technology, officials said.

"Covid-19 is accelerating a trend we predicted last year, which is the movement of life sciences and health technologies companies 'graduating' out of New York City by expanding into the surrounding suburbs in search of more affordable and flexible spaces," said RMC Bio1 Managing Director Laurence Gottlieb. "Robert Martin Company launched RMC Bio1 last year to take advantage of this emerging trend for the benefit of all Westchester County residents, and I am thrilled the first tenant signed after the launch of this new initiative is a shining example of leading-edge medical technology born and raised in New York State with more to come."

Clarapath was founded in 2014 as a spin-out from Cold Spring Harbor Laboratory and currently operates at the New York Genome Center in SoHo. The technology being developed, named SectionStar, takes paraffin tissue blocks as inputs and provides glass slides with sliced tissue as outputs. The device is being developed in close concert with Northwell Health, who is also an investor in the company. SectionStar will be transformative toward improving patient care, decreasing costs, and enhancing the quality and consistency of tissue preparation, officials said.

An Exciting Move

"We are extremely excited to make 12 Skyline Drive our new corporate headquarters," said Eric Feinstein, chief executive officer of Clarapath. "Making this move to Hawthorne will improve efficiency and collaboration, while providing a first-class work environment for our employees. The team at RMC has been wonderful to work with and we look forward to the continued expansion of RMC Bio1 in our facility."

RMC Bio1, officials said, focuses on start-up science and technology companies transitioning from regional incubator and accelerator programs into "graduation" spaces, which are flexible light manufacturing laboratories and/or offices designed especially for high-growth potential companies utilizing the latest in research and development workflow techniques.

Clarapath is part of RMC Bio1's redevelopment of the 12 Skyline Drive property, which sits within a highly active "innovation district" encompassing New York Medical College and its successful incubator space Biolnc@NYMC, Westchester Medical Center and Regeneron Pharmaceuticals' world headquarters, officials added.

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 distinguished history, company officials said.

Led by Chief Executive Officer Tim Jones and President Greg Berger, the company, officials said, 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.

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

The Most Important Insurance Policy to Have During the Pandemic? It's Probably Not the One You Would Think!, Continued from p. 2

- ◆ As a result of work-from-home structure, a company's policy for submitting Family and Medical Leave requests via hardcopy to one's manager is changed to email submission. The manager forwards the email request to the Human Resources Director, but accidentally cc's the company email distribution list, revealing to the entire staff that the employee has a serious and embarrassing health condition. The employee sues for invasion of privacy.
- ◆ An employee, who is expected to work from home, misses virtual meetings and performs poorly. The employee states the missteps are unavoidable, due to poor internet connectivity at his home residence, and that moving is not reasonable. After being fired, he sues for wrongful termination.
- ◆ A recent hire is subsequently fired for poor performance. The terminated employee sues, stating that she was supposed to be provided with training, and that online/virtual training was ineffective, compared to the in-person training that her co-workers had received. She sues for wrongful termination.
- ◆ A former employee sues, claiming he was fired in retaliation for having expressed concerns to management, and other employees, about the ineffectiveness of COVID safety measures.
- ◆ An employee sues her employer after being subjected to sexually harassing emails, including lewd photos that another employee sent to her, while they were both working from home.

Because of standard exclusions, none of the previously-mentioned pandemic-related claim scenarios are likely to be covered by a Workers Compensation/Employers Liability or General Liability policy. Many incorrectly assume - based on the implications of the policy name - that an "Umbrella" policy will cover "all other" claims that are not covered by another insurance policy. Not true. An Umbrella

policy typically covers after any claim that is covered by an Employers Liability, General Liability (or Commercial Auto.) An Umbrella is not a "catch-all" policy.

So, what insurance policy may be the most important to have during the pandemic? An Employment Practices Liability Insurance (EPLI) policy. The EPLI policy is designed to deal specifically with monetary and non-monetary legal liability related to employment claims, such as the previously-outlined scenarios. EPLI policy language differs from one policy/carrier to the next, and it's difficult to predict how EPLI policies will respond to pandemic-related claims, since they are entirely new scenarios, but an EPLI policy is the most likely policy to respond to the claim scenarios herein, and similar employment-related claims.

It's amazing - and scary - to think of how many employment practices claim scenarios could be directly related to the pandemic. These claims can be levied against companies of any size, in any industry.

And, it's amazing and scary to think about how many companies do not currently have an EPLI policy. For smaller companies, EPLI policy premiums could be \$2,500 or less (premiums are based on the number of employees, the type of business, and other underwriting factors). Directors and Officers Policies for condos and co-ops usually include EPLI.

For information on the insurance matters reviewed in this article, contact your insurance broker, or Levitt-Fuirst Insurance, at (914) 457-4200.

We hope that you, your families, and your organization's employees remain safe and healthy during these unprecedented times.

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.

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