



From the Editor's Desk

Hanley's Highlights

by Jeff Hanley

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

The Flow of News for Members of the Building, Realty & Construction Industries Continues at a Consistent Pace

ARMONK

Those involved in the building, realty and construction sectors know that there is usually a consistent flow of news regarding their respective industry. This latest issue of *IMPACT* provides clear examples.

A series of informative and timely reports are featured in this edition, including:

*A Page One Report on the Welcome Home Westchester Campaign's (WHW) press conference of Sep. 28. The event announced the release of the campaign's first White Paper. The paper is entitled "The Economic Benefits of Building the Housing We Need." The WHW 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 in Westchester, organizations dedicated to fighting against homelessness and supporting families in need, and faith leaders and community advocates. The goal of the campaign is "to drive forward a new conversation around housing in Westchester County," campaign officials are stressing.

- ◆ **A Page One Analysis** reviewing how the BRI and Local 32-BJ Service Employees International Union (SEIU) reached an agreement in early October regarding unvaccinated building services workers in Westchester County. The agreement affects building services workers in more than 420 multi-family buildings in Westchester.
- ◆ **A Page One Article** reviewing how builder confidence across the U.S. inched up in September on lower lumber prices and strong housing demand, even as the housing sector continues to grapple with building material supply chain issues and labor challenges. The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) released on Sep. 20 said that, ending a three-month decline, builder sentiment in the market for newly built single-family homes edged up one point to 76 in September.
- ◆ **A Page One Study** stressing that residential construction across the U.S. is continuing to shift toward the suburbs and lower-cost markets, with the trend especially pronounced within the multifamily sector. That assessment is contained in the latest Home Building Geography Index (HBGI) released on Sep. 7 by NAHB.
- ◆ **A Page One Report** on how strong multifamily production helped push overall housing starts across the U.S. up in August as single-family starts edged lower due to ongoing supply chain issues and labor challenges. The study reports that total starts increased 3.9 percent to a seasonally adjusted annual rate of 1.62 million units, according to an analysis released on Sep. 21 by NAHB. The analysis is based on a recent report from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau.
- ◆ **The release** of the NAHB/Royal Building Products Remodeling Market Index (RMI) for the second quarter showing that residential remodelers' confidence in their markets across the U.S. is growing, for projects of all sizes.
- ◆ **A Page Two Study** in Insurance Insights reviewing the importance of insurance regarding flood situations. The report was written by representatives of Levitt-Fuirst Insurance, the insurance manager for the BRI and its seven component associations.
- ◆ **A Page Three Analysis** in Counsels' Corner on the recent revisions to Westchester County's Co-op Admissions Law. The report was written by representatives of Finger and Finger, A Professional Corporation. The firm serves as Chief Counsel to the BRI and its seven component organizations.

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Insurance Insights

by Ken Fuirst and Jason Schiciano

Levitt-Fuirst Insurance



Lessons from Ida - Understanding Insurance Water Coverages

TARRYTOWN

Where were you on the evening of Wednesday, Sep. 1, 2021?

Many of you will not recall your whereabouts that evening, but if you were like me (Jason Schiciano), surrounded by water from the remnants of Hurricane Ida, it's a night you will not soon forget.

I was in a car, with my family, returning from New York City. Driving/floating up the Whitestone Expressway at 11:45 p.m., I told my wife and kids to gather their valuables and prepare to "abandon ship."

We managed to drift onto higher ground before that was necessary, but it took a treacherous drive of almost five hours to get to our home in northern Westchester. The next day, our office fielded dozens of calls with insurance claims for flooded basements, flooded co-op lobbies, flooded offices, and flooded vehicles in flooded garages.

But, as advertised so many times via public service announcements on radio and television: "Flood" coverage is typically excluded from home and commercial property policies. The coverage must be added by endorsement (if available), or purchased separately through the National Flood Insurance Program (NFIP) and/or through commercial carrier flood programs.

Limitations

The NFIP flood insurance policy coverage is limited in scope. Coverage is only triggered if a "flood" as defined by the policy, occurs. The definition is, in part: "...partial or complete inundation of two or more acres of normally dry land area or of two or more properties."

The maximum building coverage limit is capped at \$250,000 for homes and \$500,000 for commercial buildings, including co-ops. Flood coverage for condo buildings is based on (the lesser of) \$250,000 per unit or 80 percent of building Replacement Cost. Contents coverage (which excludes basement contents) is limited to \$100,000 (residential homes/units) or \$500,000 (commercial buildings). Some commercial insurance carriers offer excess flood coverage, beyond NFIP limits, but this coverage is relatively expensive.

Some items excluded from coverage by NFIP flood insurance are: money, landscaping, retaining walls, decks/patios, pools, temporary living expenses, loss of business income and vehicles (flooded vehicles are usually covered by your auto policy). NFIP policies must be paid in-full, up front, and coverage is subject to a 30-day waiting period (unless required by a mortgage lender). So, no, you can't wait until the day before the next hurricane arrives to call your broker for flood coverage.

High-quality personal lines from carriers - like Chubb, AIG, Cincinnati, and PURE - may (subject to underwriting) offer Flood insurance coverage as part of the Homeowner policies. If so, this Flood coverage will be superior to the NFIP policy, and can include coverage for finished basement contents and finishes, and coverage for temporary living expenses.

If Ida taught us one thing it's this - even if your home, residential, or commercial property is not in a FEMA "high-risk" flood zone, and even if your mortgage lender does not require a flood policy, you should consider placing flood coverage, because the storms seem to be getting more massive, and flood water doesn't care if your property is currently mapped outside the boundaries of a high-risk flood zone.

But, obtaining a Flood policy does not protect you from all water-related types of claims. In addition to "Flooding," other causes of

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Builder Confidence Across the U.S. Recently Hit a 13-Month Low Due to Higher Material Costs and Home Prices, Industry Study Stresses

WASHINGTON, D.C.

Higher construction costs and supply shortages, along with rising home prices, has pushed builder confidence across the U.S. to its lowest reading since July of 2020, according to a recent building and realty industry report.

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI), released on Aug. 17, said that builder sentiment in the market for newly built single-family homes fell five points to 75 in August.

"Buyer traffic has fallen to its lowest reading since July 2020 as some prospective buyers are experiencing sticker shock due to higher construction costs," said NAHB Chairman Chuck Fowke, a custom home builder from Tampa. "Policymakers need to find long-term solutions to supply-chain issues."

"While the demographics and interest for home buying remain solid, higher costs and material access issues have resulted in lower levels of home building and even put a hold on some new home sales," said NAHB Chief Economist Robert Dietz. "While these supply-side limitations are holding back the market, our expectation is that production bottlenecks should ease over the coming months and the market should return to more normal conditions."

Derived from a monthly survey that NAHB has been conducting for 35 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders to rate the traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor, the report said.

The study said that the HMI index gauging current sales conditions fell five points to 81 and the component measuring the traffic of prospective buyers also posted a five-point decline to 60. The gauge charting sales expectations in the next six months held steady at 81.

Looking at the three-month moving averages for regional HMI scores, the study added that the Northeast fell one point to 74, the Midwest dropped two points to 68, the South posted a three-point decline to 82 and the West registered a two-point drop to 85.

HMI tables can be found at nabh.org/hmi. More information on housing statistics is also available at Housing Economics PLUS (formerly housingeconomics.com), NAHB officials said.

Housing Starts Across the U.S. Lifted by Multi-family Development, Continued from p. 1

after an increase in building material pricing," said Chuck Fowke, NAHB chairman and a custom home builder from Tampa. "Demand remains strong, but the market is facing increasing housing affordability issues after a run-up in new and existing home prices. Multifamily construction increased in August, with NAHB expecting a solid gain for apartment construction in 2021 after a slight decline last year."

"More inventory is coming for a market that continues to face a housing deficit," said NAHB Chief Economist Robert Dietz. "The number of single-family homes under construction in August - 702,000 - is the highest since the Great Recession (2008-2009) and is 32.7 percent higher than a year ago. While some building materials, like lumber, have seen easing prices, delivery delays and a lack of skilled labor and building lots continue to hold the market back."

On a regional and year-to-date basis (January through August of 2021 compared to that same time frame a year ago), combined single-family and multifamily starts are 35.9 percent higher in the Northeast, 14.0 percent higher in the Midwest, 20.2 percent higher in the South and 23.9 percent higher in the West, the analysis said.

Overall permits increased 6.0 percent to a 1.73 million unit annualized rate in August. Single-family permits increased 0.6 percent to a 1.05 million unit rate. Multifamily permits increased 15.8 percent to a 674,000 pace, the analysis added.

The analysis noted that, when looking at regional permit data on a year-to-date basis, permits are 25.6 percent higher in the Northeast, 21.7 percent higher in the Midwest, 25.6 percent higher in the South and 28.1 percent higher in the West.

Single-family units permitted, but not started, are up 50 percent from a year ago, a sign of persistent supply-chain issues, the analysis said.

News for the Building and Realty Industries

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Robert Martin Company Honored at BOMA Hall of Honor Dinner

TARRYTOWN

More than 100 members of Westchester County's commercial real estate industry were on hand Sep. 21 for the 29th Annual Hall of Honor Awards Dinner of the Building Owners and Managers Association of Westchester (BOMA) at Sleepy Hollow Hotel and Conference Center in Tarrytown, BOMA officials recently announced.

This year's Hall of Honor Award, which is given to those who support and encourage economic growth in Westchester County, was presented to Robert Martin Company and to the White Plains Hospital.

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, BOMA officials said.

Led by Chief Executive Officer (CEO) Tim Jones and President Greg Berger, the company, BOMA 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, the company and its affiliates have developed and acquired more than 20 million square feet of real estate across virtually every asset class. The company and its partners currently hold a portfolio that includes millions of square feet of office, retail, industrial, and residential properties, as well as developable land. Berger accepted the award for Robert Martin Company.

White Plains Hospital is a member of the Montefiore Health System, serving as its tertiary hub of advanced care in the Hudson Valley. The hospital is a 292-bed not-for-profit health care organization with the primary mission of providing exceptional acute and preventive medical care to all people who live in, work in or visit Westchester County and its surrounding areas, BOMA officials said. Accepting the award for White Plains Hospital was Joe Mannino, vice president, facilities management and construction.

Other Best of BOMA Award winners, association officials said, were:

- ❖ The Back of House Award was presented to The Gateway Building, 1 North Lexington Avenue, White Plains. Accepting the award was Mike Nevins, Cushman and Wakefield, asset services senior managing director, New Jersey/Westchester.
- ❖ The Tenant Fit Out Award was presented to Serendipity Labs, 44 South Broadway, White Plains. Accepting the award was Bill Bassett, Cushman and Wakefield general manager, asset services, Americas, accepting on behalf of Argent Ventures.
- ❖ The Deal of the Year Award was presented to UPS Distribution Center, 555 Tuckahoe Road, Yonkers. Accepting the award was Joseph Genzano, president and legal counsel of Alfred Weissman Real Estate, the owner of the building. Also accepting the award was Al Gutierrez, managing director of JLL Stamford, the broker of the 435,000-square-foot UPS lease.
- ❖ The Engineer of the Year Award was presented to Richard Neale of ABM for 555

South Broadway, Tarrytown. Neale was nominated by Juan Fuentes of Cushman and Wakefield.

Unsung Hero Awards, BOMA officials said, were presented to:

- ❖ Marino De La Cruz – 50 South Buckhout, Irvington. Nominated by Steve Fanelli, Cushman and Wakefield, Bridge St. Properties.
- ❖ Chris Laird – 100 Main Street, White Plains, The Galleria. Laird was nominated by Jenny Brown, Pacific Retail Capital Partners/Galleria.
- ❖ Jairo Patino – 4 West Red Oak Lane, White Plains. Patino was nominated by Rob McNamara, GHP Office Realty, LLC.
- ❖ Raul Martinez – 560/580 White Plains Road, Tarrytown. Martinez was nominated by Judy Carrion, CBRE.

BOMA Westchester is a professional organization that is dedicated to meeting the needs of building owners, property managers and allied professionals and tradespeople. BOMA Westchester is an affiliate of BOMA International, the oldest and largest association of the office building industry, with over 100 federated associations in the United States and around the world. The 17,000-plus members of BOMA International own or manage more than 9 billion square feet of commercial properties in North America and abroad, association officials said.

RM Friedland Marketing Berkeley College's Westchester Campus in Downtown White Plains

WHITE PLAINS

RM Friedland (RMF), a commercial real estate brokerage, recently announced that it is marketing Berkely College's Westchester campus at 99 Church Street in White Plains.

The property represents a rare opportunity for a user, investor, or developer to lease or own a mixed-use property in the heart of downtown White Plains, officials said.

Officials said that Berkely is closing its operations in Westchester County and consolidating to its New York City location. The property features two detached buildings, a four-story, 110,000-square-foot office building with a full basement at 99 Church Street and a six-story dormitory style residential building at 6 Cottage Place with 55 dormitory units that have 140 beds.

The office building, which is partially leased, is opportunistically versatile in that it could be ideal for an institutional user who may also need the dormitory units in the residential building, equally attractive to a developer as the nearly one-acre site could accommodate an estimated 136,000 square feet of new development assuming the demolition of all existing buildings and could also be attractive to a value-add investor as the office building currently has four tenants leasing a total of 24,103 square feet of space, officials said.

"This outstanding property offers a wide range of benefits for a purchaser, including an excellent location in the Central Business District, easy access to mass transit, great demographics and a rare opportunity to be part of the momentum of a vibrant and booming downtown," said John Barrett of RMF's Investment Division.

"This property could be perfectly suited for repurposing, a trend which has become a prominent one in the Westchester office market," added Chris O'Callaghan of RMF's office division.

Barrett and O'Callaghan will be teaming with RMF team members Charlie Dewey and Reed Waggoner on the new assignment, officials said.

RM Friedland, which celebrated its 50th anniversary last year, is the largest commercial real estate brokerage company in Westchester County, company officials said.

Toll Brothers Proposes a Townhouse Development in Yorktown

YORKTOWN

Toll Brothers is proposing to build a 136-unit, age-restricted townhouse development at the Field Home property in Yorktown, officials recently announced.

Officials from Toll Brothers made a preliminary presentation to the Town Board on Oct. 12 about their vision for the 50-acre property off Catherine Street that is under contract for purchase. Renderings from Toll Brothers depicted three- and four-unit townhomes clustered around a community club house and an outdoor swimming pool. The homes will be sold to active adults 55 and older at market rate, and, after construction, the property will be controlled by a homeowners' association, officials said.

"Toll Brothers has been interested in bringing a high-quality residential product to Yorktown for a number of years," David Cooper of Zarin and Steinmetz told the Town Board.

The Town previously approved a proposal for a 108-unit complex at the site with the option to expand by 30 or 40 units. The builder behind that proposal only completed an adjacent 96-bed nursing home, which was also approved as part of that development, officials said.

Officials added that the property contains the former Catherine Field Home, originally founded by an Episcopal nun in 1887 as a home for older women. The building is significantly dilapidated, but officials from Toll Brothers said that the company is committed to preserving the façade and front third of the structure as agreed under a previously approved development proposal for the property. Currently the building is used by local nonprofit groups.

"The initial plan to save the front part of the building was a smart plan," said Councilwoman Alice Roker.

Councilman Ed Lachterman said that he has been in the Field Home recently and he observed it to be in "a very high state of disrepair."

Toll Brothers representatives said that they will seek a rezoning of the property to accommodate their plan, but no applications have been submitted to the Town.

Supervisor Matt Slater said Toll Brothers' presentation is evidence of Yorktown's increasing attractiveness to developers and home seekers.

"The Town should be very proud that Toll Brothers is looking to do something in the Town of Yorktown, but obviously we're going to take the correct steps in the process and make sure that everything is done in accordance with all the requirements," Slater said. "We look forward to hearing from you on those next steps," Slater said at the end of Toll Brothers' presentation.

The BRI and Local 32-BJ SEIU Reach an Agreement Regarding Unvaccinated Building Services Workers in Westchester County, Continued from p. 1

Per the terms of a Memorandum of Understanding, beginning in early October bargaining unit members who are not fully vaccinated shall be required to be tested for COVID-19 two times per week, on dates to be specified by their supervisor. Employees must make their own arrangements to have the testing done on their own time, at no cost to the employer. It also allows for employers to mandate vaccination as a condition of employment, and lays out the provisions requiring notice, testing in the interim, paid leave time to get the vaccination, and what happens if the employer mandates the shot and the employee refuses.

The agreement also states that in the circumstance that employees test positive for COVID-19, they are mandated to quarantine and follow health protocols. They will be paid for the time they are quarantining. Employers are required to inform any exposed bargaining unit members and continue with their COVID-19 prevention measures.

With the continued high level of COVID-19 cases due to the recent spread of the Delta variant, both the employers and the union agreed that this move would be consistent with their overall response to the pandemic and will help keep residents safe. While both parties encourage employees to become vaccinated, the decision to mandate testing for unvaccinated employees was in the hopes of curbing the spread of COVID-19 in the workplace.

Resources to find a testing location in New York City and Westchester County are available at: <https://health.westchestergov.com/>.

Lessons from Ida - Understanding Insurance Water Coverages, Continued from p. 2

water-related insurance claims in homes and buildings include: "Seepage" (e.g. water pressing through foundations walls or floors) and "Sewer/Drain/Sump Back-up/Overflow" (Back-Up/Overflow, for short) and "Hydrant/Underground Water Supply Mains" (Water Supply Mains, for short).

Insurance carriers' policy language varies for these water-related coverages. Seepage is often only covered if there is Flood coverage and a flood (as defined by the policy) occurs. Back-up/Overflow and/or Water Supply Mains may be excluded, or covered to a capped limit (e.g. \$5,000 for a home, or \$25,000 for a building), or covered for \$100,000-plus, or even up to the full building limit.

Finally, basement sump pumps sometimes suffer a mechanical failure, which, depending on carrier and policy terms, may trigger Homeowner's insurance coverage for interior water damage (subject to carrier's inspection), but a claim will usually not be covered if a sump pump is simply overwhelmed by the volume of water.

Insurance claims for water damage, regardless of the water source, are often complicated, and to a certain extent, subjective (e.g. "what came first, the flood or the sewer back-up?"). Obviously, more water-related insurance coverages on your home or building increases the likelihood of a covered insurance claim, rather than a disappointing - and costly - claim denial.

For more information about water-related insurance coverages, contact your broker, or contact Levitt-Fuirst Insurance at (914) 457-4200 (ask for your Levitt-Fuirst account representative, or Co-Presidents Jason Schiciano jschiciano@levittfuirst.com and Ken Fuirst kfuirst@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 the company. The firm is based in Tarrytown.

Houlihan-Parnes Properties Announces an Irvington Transaction

IRVINGTON

Jeremiah A. Houlihan and James K. Coleman of Houlihan-Parnes Properties have arranged first-mortgage financing in the amount of \$2,362,500 for a three-story brick apartment building containing 17 apartments in Irvington, company officials recently announced.

The facility contains a gross floor area of 11,000 square feet with on-site parking for 24 vehicles, company officials added. The property is along the western side of North Broadway (US Route 9), one mile south of the Cross Westchester Expressway (I-287).

The loan was placed with a Westchester savings bank for a five-year term, plus five-year option at a competitive interest rate with a six-month interest-only component on a 30-year amortization schedule, company officials said.

Houlihan-Parnes Properties is a full-service real estate company providing property/asset management, construction management, sales and mortgage brokerage, back-office operations and real estate consulting. The company specializes in the management of co-ops/condos, residential, retail, and mixed-use properties, spokesmen said.

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