

Webinar

ULI Westchester/Fairfield: Monthly Market Updates: October 2020

Date: October 22, 2020

00:00:00 --> 00:00:04: See to thank everybody for joining us this morning.

00:00:04 --> 00:00:08: Actually now afternoon we have a star studded panel here

00:00:08 --> 00:00:12: with us today to discuss monthly market updates.

00:00:12 --> 00:00:14: As most of you know,

00:00:14 --> 00:00:19: this is a monthly program that the District Council started.

00:00:19 --> 00:00:23: Um, several months ago, and the aim really is to

00:00:23 --> 00:00:29: have candid conversations with experts in various market segments that

00:00:29 --> 00:00:34: will speak about what they're seeing in their business models

00:00:34 --> 00:00:39: and what their thoughts are going forward.

00:00:39 --> 00:00:43: I wanted to also take this opportunity to thank our

00:00:43 --> 00:00:45: fiscal year 21 angle sponsors.

00:00:45 --> 00:00:50: You should see them on the screen without their dedicated

00:00:50 --> 00:00:52: support and professional support.

00:00:52 --> 00:00:57: This District Council would not be in existence probably,

00:00:57 --> 00:01:02: so we're very grateful for the support and expertise of

00:01:02 --> 00:01:03: all our members.

00:01:03 --> 00:01:06: A couple of quick housekeeping items,

00:01:06 --> 00:01:10: so I'm going to turn this over to Gregg Ballew

00:01:10 --> 00:01:14: who is our moderate are and chair of the District

00:01:14 --> 00:01:15: Council.

00:01:15 --> 00:01:18: We hope you'll join us for many or not if

00:01:18 --> 00:01:22: not all of these segments coming up on November 11th.

00:01:22 --> 00:01:26: We have emerging trends in real estate.

00:01:26 --> 00:01:30: Andy Warren from PwC will be doing a national rollout

00:01:30 --> 00:01:34: followed by a local response panel on October.

00:01:34 --> 00:01:39: 29th November 17th and December 15th we have our trifecta

00:01:39 --> 00:01:44: of Connect relate Educat which is a program put on

00:01:44 --> 00:01:47: by our Women's Leadership Initiative.

00:01:47 --> 00:01:51: Dylann in this program is open to women as well
 00:01:52 --> 00:01:54: as men for some of the segments.
 00:01:54 --> 00:01:58: So take a look out for those Flyers coming down
 00:01:58 --> 00:02:01: the pipeline on November 5th.
 00:02:01 --> 00:02:06: We have a young leaders event happening.
 00:02:06 --> 00:02:10: Being shared by two of our young leader chairs will
 00:02:11 --> 00:02:12: cannonville sax,
 00:02:12 --> 00:02:17: and this is our new Spotlight series and there will
 00:02:17 --> 00:02:21: be featuring Adam Ifshin of DLC Corporation,
 00:02:21 --> 00:02:26: so we're excited to have him aboard to hear about
 00:02:26 --> 00:02:28: his expertise.
 00:02:28 --> 00:02:32: And then our next monthly market update will be taking
 00:02:32 --> 00:02:36: place on November 19th and then finally on December 17th.
 00:02:36 --> 00:02:40: We will have a housing market update segment being
 00:02:40 --> 00:02:41: presented
 00:02:41 --> 00:02:43: by Myers Consulting,
 00:02:43 --> 00:02:48: so a lot in the pipeline.
 00:02:48 --> 00:02:49: A lot of exciting content that we're anxious to share
 00:02:49 --> 00:02:52: with you.
 00:02:52 --> 00:02:56: And thank you for your attention this morning.
 00:02:56 --> 00:03:00: Without further ado, I'd like to introduce Greg Ballou,
 00:03:00 --> 00:03:02: who is the chair of Vuelie Westchester Fairfield Zorko Chair.
 00:03:02 --> 00:03:06: I should say in Westchester,
 00:03:06 --> 00:03:09: Fairfield. He is also the regional director of Lenoir,
 00:03:09 --> 00:03:10: or LMC. And I would love to hand this over
 00:03:10 --> 00:03:16: to you,
 00:03:16 --> 00:03:19: Greg. Great thanks Mara. So welcome everybody to episode
 00:03:19 --> 00:03:23: two
 00:03:23 --> 00:03:27: of our monthly market updates.
 00:03:27 --> 00:03:31: Have a great panel for you guys today.
 00:03:31 --> 00:03:35: I guess we just a quick recap again of what
 00:03:35 --> 00:03:39: we're what we're doing here is just a discussion with
 00:03:39 --> 00:03:40: active deal makers and players in our marketplace here,
 00:03:40 --> 00:03:43: and this is this is intended to give everybody an
 00:03:43 --> 00:03:45: opportunity here.
 00:03:45 --> 00:03:50: Kind of first hand what they're seeing.
 00:03:50 --> 00:03:55: Going on out there today.
 00:03:55 --> 00:03:58: We have Jerry Tortorella with Hackerman Tortorella and
 00:03:58 --> 00:04:00: weckstein.
 00:04:00 --> 00:04:05: We have Holly Hasbrouck with Stewart Title insurance
 00:04:05 --> 00:04:10: company.
 00:04:10 --> 00:04:15: And Greg Merchant with investment design properties so
 00:04:15 --> 00:04:20: they will

00:03:58 --> 00:04:01: do a far better job of introducing themselves.
00:04:01 --> 00:04:02: And I could possibly do.
00:04:02 --> 00:04:04: I'm sure I'm going to forget something,
00:04:04 --> 00:04:06: so I'm going to let each one give a quick
00:04:06 --> 00:04:08: introduction of themselves,
00:04:08 --> 00:04:10: and then we'll jump into a little conversation.
00:04:10 --> 00:04:13: So Jerry, maybe you could start us off.
00:04:13 --> 00:04:17: Thank you hello everybody, thanks for joining us today.
00:04:17 --> 00:04:20: I'm a partner in the law firm of Hackerman Tortorella
00:04:20 --> 00:04:23: and Wachstein in White Plains and for decades my partners
00:04:23 --> 00:04:27: and I have been handling entitlement processes for private
clients
00:04:27 --> 00:04:31: in a variety of different locations throughout Westchester
County and
00:04:31 --> 00:04:35: throughout the Hudson Valley and also in Long Island on
00:04:35 --> 00:04:37: both the Nassau and Suffolk County.
00:04:37 --> 00:04:40: And we have worked in all different types of asset
00:04:40 --> 00:04:40: classes.
00:04:40 --> 00:04:44: We've done mixed use industrial retail with the medical.
00:04:44 --> 00:04:47: A recreational office and a number of different types of
00:04:47 --> 00:04:50: retail projects and commercial shopping centers.
00:04:50 --> 00:04:53: We also do litigation when it's necessary.
00:04:53 --> 00:04:55: Although we try to avoid that at all costs for
00:04:55 --> 00:04:56: clients,
00:04:56 --> 00:04:59: but when necessary, we will handle litigation.
00:04:59 --> 00:05:01: And we handle transactional work as well.
00:05:01 --> 00:05:05: Commercially in residential transaction, so we've been able
to see
00:05:05 --> 00:05:09: a number of different dimensions as we've gone through this
00:05:09 --> 00:05:12: pandemic and have had some experience with that.
00:05:12 --> 00:05:14: Our firm is a very proud sponsor of Hualalai and
00:05:15 --> 00:05:16: I serve also on the.
00:05:16 --> 00:05:20: Women's Leadership Initiative committee. As well as the
Business Development
00:05:20 --> 00:05:23: Committee and the Advisory Committee of You,
00:05:23 --> 00:05:24: Ally.
00:05:24 --> 00:05:28: Great thanks Jerry. We appreciate all your involvement.
00:05:28 --> 00:05:31: Hawley. What you could text yes hi,
00:05:31 --> 00:05:34: good afternoon and thank you for joining us.
00:05:34 --> 00:05:38: I'm Holly has broke with Stewart title insurance.
00:05:38 --> 00:05:42: I've been in the title insurance industry for over 18
00:05:42 --> 00:05:42: years,
00:05:42 --> 00:05:46: 13 of which weapon with Stuart and like Jerry we

00:05:46 --> 00:05:46: handle.

00:05:46 --> 00:05:50: We insure while we handle every type of real estate

00:05:50 --> 00:05:54: we ensure every commercial residential mortgages.

00:05:54 --> 00:05:59: Every kind of real estate you could imagine.

00:05:59 --> 00:06:02: Should be on this panel with Jerry Ann Greg.

00:06:02 --> 00:06:05: Today I've had the pleasure of working with both of

00:06:05 --> 00:06:09: them on real estate transactions over the past 13 years

00:06:09 --> 00:06:13: and before working at Stuart I was in corporate real

00:06:13 --> 00:06:18: estate for three major New York City corporations.

00:06:18 --> 00:06:22: And I am also currently on the Westchester County Planning

00:06:22 --> 00:06:23: Board,

00:06:23 --> 00:06:29: having on serving my third term under 2 County executives.

00:06:29 --> 00:06:31: And we're also. I'm also Stewart is also,

00:06:31 --> 00:06:34: I should say, a proud sponsor of you,

00:06:34 --> 00:06:36: Ally.

00:06:36 --> 00:06:39: For I think probably about 10 years now at least.

00:06:39 --> 00:06:43: Yeah, and we do appreciate that things hollianne then.

00:06:43 --> 00:06:48: Last but not least, Greg merchant.

00:06:48 --> 00:06:51: Hello everyone, thanks for joining us today.

00:06:51 --> 00:06:55: I have a boutique real estate firm calling best design

00:06:55 --> 00:06:59: properties and I'm with I guess people considers a local

00:06:59 --> 00:07:00: sharpshooter.

00:07:00 --> 00:07:02: We have three areas of practice.

00:07:02 --> 00:07:04: The first area is our.

00:07:04 --> 00:07:09: Multifamily second is medical offices and the largest areas

00:07:09 --> 00:07:10: are

00:07:10 --> 00:07:14: development.

00:07:14 --> 00:07:18: I have been in the city of New Rochelle for

00:07:18 --> 00:07:22: 30 seven years in practice and have been responsible for

00:07:22 --> 00:07:25: the new development movement in New Rochelle.

00:07:25 --> 00:07:29: We bought in RXR as the master developer,

00:07:29 --> 00:07:33: now work with many other developers doing that.

00:07:33 --> 00:07:37: I'm I'm also a private real estate investor in.

00:07:37 --> 00:07:41: Both of those areas both are multi family and office

00:07:41 --> 00:07:42: medical office buildings and I'm glad we're all here today

00:07:42 --> 00:07:44: to talk about the updates.

00:07:44 --> 00:07:48: Thank you. Alright thanks Greg.

00:07:48 --> 00:07:51: I'm pretty sure that when Greg rips his shirt open,

00:07:51 --> 00:07:54: he's got a T shirt on that has a big

00:07:54 --> 00:07:55: in our on it like Superman so he is Mr

00:07:55 --> 00:07:57: New Rochelle.

00:07:57 --> 00:07:57: That being the case, um,

00:07:57 --> 00:08:00: why don't we? Why don't we start off there quickly,
00:08:00 --> 00:08:03: Greg, let's let's just talk briefly about New Rochelle.
00:08:03 --> 00:08:07: There's obviously been a lot of activity there.
00:08:07 --> 00:08:11: Went through and did kind of a large rezoning effort,
00:08:11 --> 00:08:15: an kind of revamped their approval processes to be more
00:08:15 --> 00:08:16: streamlined.
00:08:16 --> 00:08:19: A lot of developers obviously have come in and gotten
00:08:19 --> 00:08:20: involved.
00:08:20 --> 00:08:23: Is is newer shell picked over as it done?
00:08:23 --> 00:08:24: Is there? Is there any?
00:08:24 --> 00:08:28: Is there any deals left there or what's what's going
00:08:28 --> 00:08:28: on?
00:08:28 --> 00:08:31: Well, first let me give credit to where credit is.
00:08:31 --> 00:08:35: Still, we were very fortunate to have a great mayor
00:08:35 --> 00:08:38: for known brands in the City Council.
00:08:38 --> 00:08:44: Chuck for City manager Ann Louise for our Development
Commissioner
00:08:44 --> 00:08:48: and together we all started this process in 2014.
00:08:48 --> 00:08:52: We zoning 200 and I guess almost 60 acres of
00:08:52 --> 00:08:55: property in downtown New Rochelle.
00:08:55 --> 00:08:59: Fortunately, we have gone through the 1st 7000 units of
00:08:59 --> 00:09:04: entitlements and we're actually at this particular point out of
00:09:04 --> 00:09:04: units,
00:09:04 --> 00:09:09: so we don't know everyone who has entitlements are going
00:09:09 --> 00:09:12: to do all that they are have planned to do,
00:09:12 --> 00:09:16: but we have what we consider a big four which
00:09:16 --> 00:09:16: is.
00:09:16 --> 00:09:20: Carbs are of course Ellen M and Wild Water Mill
00:09:21 --> 00:09:26: Creek and Louis Cappelli an all those gentlemen are building
00:09:26 --> 00:09:29: close to 1000 units in the next 24 to 30
00:09:29 --> 00:09:34: months. So you know we we see the downtown really
00:09:34 --> 00:09:37: improving 'cause we have right now.
00:09:37 --> 00:09:42: About 2000 units in construction and we see a lot
00:09:42 --> 00:09:47: more happening on the retail side as time goes on.
00:09:47 --> 00:09:51: All the deals throughout the pandemic this year would dunk
00:09:51 --> 00:09:55: and Luckily all the people I mentioned had funds.
00:09:55 --> 00:09:58: You know the issue of getting financing is a little
00:09:58 --> 00:10:02: tougher these days for folks who don't have funds.
00:10:02 --> 00:10:07: Although Louis Cappelli and Shilling National Bank they
funded his
00:10:07 --> 00:10:10: project so that was a good outcome for him.
00:10:10 --> 00:10:14: But most of these other gentlemen have funds so,

00:10:14 --> 00:10:17: but newer shows hot we're still doing a lot.
00:10:17 --> 00:10:21: I think we're gonna get some more units coming through
00:10:21 --> 00:10:22: in the next 6 eight months,
00:10:22 --> 00:10:24: but right now we're out of you.
00:10:24 --> 00:10:26: It's OK.
00:10:26 --> 00:10:28: That's a great sign for New Rochelle.
00:10:28 --> 00:10:31: I'm going to come back to you in a minute
00:10:31 --> 00:10:33: Greg and talk about what is next,
00:10:33 --> 00:10:37: but in terms of other desired municipalities in your prediction.
00:10:37 --> 00:10:38: But before we do that,
00:10:38 --> 00:10:41: I just want to kind of stay on the theme
00:10:41 --> 00:10:42: of what sectors are hot.
00:10:42 --> 00:10:45: You mentioned some there that you're seeing a lot of
00:10:45 --> 00:10:46: activity in Jerry.
00:10:46 --> 00:10:49: Maybe you could. You could take us through some of
00:10:50 --> 00:10:53: the transaction work that you're seeing come across.
00:10:53 --> 00:10:55: I know that in past conversations,
00:10:55 --> 00:10:58: sounds like you've been very busy lately.
00:10:58 --> 00:11:01: Give us give us a sense for what you're seeing.
00:11:01 --> 00:11:04: We have been. We've been busy on the transactional front
00:11:04 --> 00:11:08: and we've also been busy on the entitlements fronted and
00:11:08 --> 00:11:11: kind of the pre pre entitlement front of doing due
00:11:11 --> 00:11:15: diligence to see whether IT projects are viable or not
00:11:15 --> 00:11:16: in various locations.
00:11:16 --> 00:11:19: I mean we are conversing with a number of different
00:11:19 --> 00:11:23: clients in the food service industry and grocery stores.
00:11:23 --> 00:11:27: They're looking at making their facilities more suitable,
00:11:27 --> 00:11:30: an easier to deliver on what you call the click
00:11:30 --> 00:11:31: and collect.
00:11:31 --> 00:11:35: A platform where people are ordering an then coming either
00:11:35 --> 00:11:37: coming in and picking up,
00:11:37 --> 00:11:41: or they're expanding their delivery and they have moved
away
00:11:41 --> 00:11:44: from kind of a regional warehouse facility or type of
00:11:44 --> 00:11:47: setup and are trying to do more in-house,
00:11:47 --> 00:11:48: which too.
00:11:52 --> 00:11:56: Is leading to them converting some existing string and
adapting
00:11:56 --> 00:11:58: to the needs of the.
00:11:58 --> 00:12:01: Community supermarkets in growth.
00:12:01 --> 00:12:06: The stores are really changing in different interested parties
to
00:12:06 --> 00:12:10: add other types of supermarkets and facilities.

00:12:12 --> 00:12:15: We are seeing warehousing. I've got a deal now that
00:12:15 --> 00:12:18: we're looking for the sale of a warehouse space and
00:12:18 --> 00:12:18: it's,
00:12:18 --> 00:12:21: you know, was moving along slowly prior to the pandemic
00:12:21 --> 00:12:24: and partly because the price wasn't where it needed to
00:12:24 --> 00:12:26: be for the seller and all of a sudden we're
00:12:26 --> 00:12:30: rushing to complete the deal and make sure that we
00:12:30 --> 00:12:32: closed by the.
00:12:32 --> 00:12:34: End of the year, so that's that's partly what we're
00:12:35 --> 00:12:35: feeling.
00:12:35 --> 00:12:38: We're feeling the pressure of the of the election.
00:12:38 --> 00:12:40: I think in terms of the speed of deals.
00:12:40 --> 00:12:43: Anwar. Also feeling the pressure of people just wanting to
00:12:43 --> 00:12:46: make some decisions and take a forward step.
00:12:46 --> 00:12:48: It just in terms of single family,
00:12:48 --> 00:12:51: residential and he spent somewhat frenetic that we've seen.
00:12:51 --> 00:12:54: I mean, we all know that buyers are buying without
00:12:54 --> 00:12:55: looking at properties,
00:12:55 --> 00:12:58: but we're seeing a lot of very high end single
00:12:58 --> 00:13:02: family residential properties are being traded on the market
and.
00:13:02 --> 00:13:05: You know, really in terms of the purchasers are looking
00:13:05 --> 00:13:06: to make family compounds,
00:13:06 --> 00:13:10: you know they're responding to the quarantining they're
responding to
00:13:10 --> 00:13:13: not being able to be with their families.
00:13:13 --> 00:13:16: They want to quarantine with their extended families.
00:13:16 --> 00:13:18: And now we're doing a lot of analysis and an
00:13:19 --> 00:13:23: acquisition of large properties for single family residential
compounds.
00:13:23 --> 00:13:25: In essence, and you really need to figure out how
00:13:26 --> 00:13:29: you can do that under existing zoning in single family
00:13:29 --> 00:13:30: residential districts.
00:13:30 --> 00:13:33: So those circuits are given your description of.
00:13:33 --> 00:13:37: Single family compounds. I'm assuming that this is not
millennials
00:13:37 --> 00:13:40: moving out of the city that finally are deciding to
00:13:40 --> 00:13:42: get a yard and a dog and all that.
00:13:42 --> 00:13:45: This is, these are more established buyers.
00:13:45 --> 00:13:47: These are more established buyers,
00:13:47 --> 00:13:50: yes, and a lot of these are second and third
00:13:50 --> 00:13:51: homes,
00:13:51 --> 00:13:52: if not more for these buyers.

00:13:52 --> 00:13:56: But we are also seeing a younger people purchasing their
00:13:56 --> 00:13:57: first homes.
00:13:57 --> 00:14:00: Anan again, very eager an anxious to do it quickly
00:14:00 --> 00:14:02: and you know my generation.
00:14:02 --> 00:14:03: At least I am not.
00:14:03 --> 00:14:06: Comfortable not being able to touch and feel where I
00:14:06 --> 00:14:06: might be buying,
00:14:06 --> 00:14:09: but I will tell you that the younger generations are
00:14:09 --> 00:14:11: are very comfortable with that.
00:14:11 --> 00:14:13: And I've done transactions where we've been sitting at the
00:14:13 --> 00:14:16: closing table and we have been going to Closings.
00:14:16 --> 00:14:19: Been sitting at a closing table and the purchaser has
00:14:19 --> 00:14:21: never seen the property before the morning.
00:14:21 --> 00:14:24: They do the walkthrough. So Holly,
00:14:24 --> 00:14:28: I know that you're no stranger to the closing table.
00:14:28 --> 00:14:31: Are you seeing volumes up down?
00:14:31 --> 00:14:34: What is your business look like?
00:14:34 --> 00:14:39: Yes, so without question, the housing market has been like
00:14:39 --> 00:14:44: the Shining Star of this kind of slow economic recovery,
00:14:44 --> 00:14:49: and we have seen a combination of everything starting in
00:14:49 --> 00:14:53: may be may it was a real flurry of millennials,
00:14:53 --> 00:14:57: younger folks moving. The city to the suburbs.
00:14:57 --> 00:15:00: Long Island is extremely busy,
00:15:00 --> 00:15:03: but also Westchester and Putnam.
00:15:03 --> 00:15:06: Dutchess Greene County, Orange County.
00:15:06 --> 00:15:10: So if you know a lot of young folks buying
00:15:10 --> 00:15:12: their first homes,
00:15:12 --> 00:15:16: is Jerry mentioned with very little due diligence,
00:15:16 --> 00:15:21: just, you know, picking a place and deciding that's it
00:15:21 --> 00:15:22: we're moving.
00:15:22 --> 00:15:27: It is interesting you did you think that it's?
00:15:27 --> 00:15:31: And affordability issue where people are just stepping right
00:15:31 --> 00:15:35: over
00:15:31 --> 00:15:35: Westchester and Fairfield and going further on up to
00:15:35 --> 00:15:36: Duchess
00:15:35 --> 00:15:36: another other areas.
00:15:36 --> 00:15:39: Yes, they're stepping right over Westchester,
00:15:39 --> 00:15:41: and it's all about affordability.
00:15:41 --> 00:15:42: They can get, you know,
00:15:42 --> 00:15:45: a lot more. You know taxes are lower also and
00:15:45 --> 00:15:47: they can get a much more of a much more
00:15:47 --> 00:15:48: property,
00:15:48 --> 00:15:51: much more of a house in Dutchess County.

00:15:51 --> 00:15:53: So we've seen a lot of that,
00:15:53 --> 00:15:56: and that was very frantic over the summer.
00:15:56 --> 00:16:00: Getting these deals closed much more than we normally see
00:16:00 --> 00:16:02: a surge in this summer anyway,
00:16:02 --> 00:16:07: but this was definitely more than we've ever I've ever
00:16:07 --> 00:16:08: seen in a long time.
00:16:08 --> 00:16:13: Coupled with that, you know the low interest rates that
00:16:13 --> 00:16:15: just helped fuel this whole.
00:16:15 --> 00:16:18: You know, fleet fleeing from the city.
00:16:18 --> 00:16:20: But in addition to also.
00:16:20 --> 00:16:24: But Jerry was saying, is these larger very very very
00:16:24 --> 00:16:28: high end properties that have been on the market for
00:16:28 --> 00:16:31: a long time finally has started to sell whether it
00:16:31 --> 00:16:36: be family compounds or just people buying second homes
and
00:16:36 --> 00:16:39: the prices have come down now to a level where
00:16:39 --> 00:16:40: they.
00:16:40 --> 00:16:44: You know, people want, you know are making offers and
00:16:44 --> 00:16:46: we're seeing that we're seeing people,
00:16:46 --> 00:16:51: housing houses, appraising for less and then the agreed
upon
00:16:51 --> 00:16:55: contract price and purchasers still going ahead with the with
00:16:55 --> 00:16:56: the purchase not,
00:16:56 --> 00:17:00: you know, not even trying to renegotiate the deal.
00:17:00 --> 00:17:03: So that's that's on the residential side.
00:17:03 --> 00:17:08: But you know, on the commercial side we're seeing.
00:17:08 --> 00:17:10: A lot of refinances right now,
00:17:10 --> 00:17:12: you know, if.
00:17:12 --> 00:17:16: There you know if you have a good relationship with
00:17:16 --> 00:17:17: your lender and you have,
00:17:17 --> 00:17:20: you know, a good loan to value some equity.
00:17:20 --> 00:17:24: And in the project there's a lot of commercial refinancing
00:17:24 --> 00:17:25: going on right now,
00:17:25 --> 00:17:28: and we're seeing those rates while they're low.
00:17:28 --> 00:17:32: Absolutely yeah, we're sticking on the topic of.
00:17:32 --> 00:17:35: Just getting back to the topic of geography Greg,
00:17:35 --> 00:17:37: I brought it up a minute ago,
00:17:37 --> 00:17:40: but New Rochelle, being very busy place right now and
00:17:40 --> 00:17:44: given that the initial allocation of units seems to be
00:17:44 --> 00:17:44: gobbled up,
00:17:44 --> 00:17:47: where do you see as the next top markets and
00:17:47 --> 00:17:50: what's what's the next New Rochelle in your mind?

00:17:50 --> 00:17:53: OK, so right now as I spoke to you about
00:17:53 --> 00:17:55: units that's just for downtown,
00:17:55 --> 00:17:59: the basically a prefix structure we have for downtown
development.
00:17:59 --> 00:18:03: We were actually moving very aggressively on the waterfront.
00:18:03 --> 00:18:06: Of new show. Your Mill Creek is working on a
00:18:06 --> 00:18:08: couple transactions,
00:18:08 --> 00:18:11: a couple other developers on the grass or brothers are
00:18:11 --> 00:18:15: working on something on the waterfront and the other areas
00:18:15 --> 00:18:19: in downtown New Rochelle that you can get the zoning
00:18:19 --> 00:18:22: done on your own so you have to go through
00:18:22 --> 00:18:25: the toll is only process is not a prefix zoning
00:18:25 --> 00:18:28: process we used for the last six years.
00:18:28 --> 00:18:32: Other than that I'm seeing my clients looking at Mamaroneck
00:18:32 --> 00:18:33: very heavily.
00:18:33 --> 00:18:37: White Plains and Stamford and Norwalk places that my
clients
00:18:37 --> 00:18:41: looking at and Port Chester purchased a little tougher
courses
00:18:41 --> 00:18:45: little larger but and the politics a little tougher there.
00:18:45 --> 00:18:49: But Port Chester we look at a really great opportunity
00:18:49 --> 00:18:50: next to White Plains.
00:18:50 --> 00:18:54: I think right now in Westchester White Plains is probably
00:18:54 --> 00:18:55: the hottest market Ann.
00:18:55 --> 00:18:59: I think Connecticut. It would be probably a split between
00:18:59 --> 00:19:01: Norwalk and Stamford.
00:19:01 --> 00:19:04: Although stamp it's just stronger as overall.
00:19:04 --> 00:19:07: Market I think Norwalk's coming up real closely.
00:19:07 --> 00:19:10: You know a lot of folks in the development business
00:19:10 --> 00:19:14: are very active and we're still moving forward.
00:19:14 --> 00:19:16: But 'cause you know our vision is 24 to 30
00:19:16 --> 00:19:17: months.
00:19:17 --> 00:19:21: So in anytime. When we're trying to look at development
00:19:21 --> 00:19:21: deals,
00:19:21 --> 00:19:23: we're not looking at today.
00:19:23 --> 00:19:25: We're looking at, you know,
00:19:25 --> 00:19:28: 2023-2024, so you know if you have the balance sheet
00:19:28 --> 00:19:30: and you even have a fund,
00:19:30 --> 00:19:33: or you have an established track record,
00:19:33 --> 00:19:36: you can do deals. And deals are being done.
00:19:36 --> 00:19:39: You know, Greg, you know you're doing Dylan White Plains
00:19:39 --> 00:19:41: and Stamford at the same time you know.
00:19:41 --> 00:19:44: So the development is still moving forward.

00:19:44 --> 00:19:47: I think Port Chester will be the next growth area
00:19:47 --> 00:19:50: because it's a lot like a lot of these towns.
00:19:50 --> 00:19:53: It doesn't have a strong downtown like White Plains which
00:19:53 --> 00:19:57: why people like White Plains and why people like Stanford.
00:19:57 --> 00:19:59: But I think you have a very large landmass in
00:19:59 --> 00:20:02: Port Chester that can be looked at the development.
00:20:02 --> 00:20:06: Mamaroneck is interesting because the marinig.
00:20:06 --> 00:20:08: Has an area that's being developed and I think we're
00:20:08 --> 00:20:10: going to see a lot more action there.
00:20:10 --> 00:20:13: Last month stuff. Although people are looking a large Marble
00:20:14 --> 00:20:16: Arch runner is still not ready to do deals like
00:20:16 --> 00:20:17: the smaller towns,
00:20:17 --> 00:20:19: you know, Scarsdale Pelham. I mean,
00:20:19 --> 00:20:20: they're doing 1. One off deals,
00:20:20 --> 00:20:25: but they're not looking for larger development processes.
00:20:25 --> 00:20:29: Pushback on the part of some of those municipalities,
00:20:29 --> 00:20:32: no doubt, so I'll go around the table here very
00:20:32 --> 00:20:33: quickly.
00:20:33 --> 00:20:36: Did you guys anybody here on the panel?
00:20:36 --> 00:20:41: Did you have any deals that completely fell apart?
00:20:41 --> 00:20:44: Obviously March April may timeframe and and if so did
00:20:44 --> 00:20:47: they come back or are they gone forever?
00:20:47 --> 00:20:49: What's your experience been on that.
00:20:49 --> 00:20:51: Greg maybe will stick with you,
00:20:51 --> 00:20:54: yeah, so we've been we've been very fortunate.
00:20:54 --> 00:20:57: You know every deal well all the deals that we
00:20:57 --> 00:21:00: have done doing this year would deal started in 219
00:21:00 --> 00:21:03: or some of them starting to 18th and all our
00:21:03 --> 00:21:07: deals are went through were actually have one very large
00:21:07 --> 00:21:10: deal that were in the elohai stage now that will
00:21:10 --> 00:21:11: be a part of another 300.
00:21:11 --> 00:21:15: Or so units, but this year alone,
00:21:15 --> 00:21:18: you know from did probably 400 feet,
00:21:18 --> 00:21:24: probably 1000 units of new development deals in just newer
00:21:24 --> 00:21:25: shop,
00:21:25 --> 00:21:29: you know. So I think that.
00:21:29 --> 00:21:33: In the future. People are waiting to see what happens
00:21:33 --> 00:21:34: with the election.
00:21:34 --> 00:21:36: An if we get a vaccine.
00:21:36 --> 00:21:39: I think that lot of bankers are still interested in
00:21:39 --> 00:21:40: funding projects,
00:21:40 --> 00:21:42: so they're not saying no,

00:21:42 --> 00:21:44: but they're putting a pause.
00:21:44 --> 00:21:47: Kind of wait and see attitude for the next three
00:21:47 --> 00:21:48: or four months so.
00:21:48 --> 00:21:52: But I think the development business is very interesting.
00:21:52 --> 00:21:54: We're also looking at I'm an investor,
00:21:54 --> 00:21:58: so I buy apartment buildings in medical office buildings and
00:21:58 --> 00:21:59: you know,
00:21:59 --> 00:22:01: a lot of deals that we're looking at.
00:22:01 --> 00:22:03: And a lot of.
00:22:03 --> 00:22:09: Individuals who had properties seem to find refinancing is the
00:22:09 --> 00:22:10: way out of issues,
00:22:10 --> 00:22:14: so a lot of places that we thought were gonna
00:22:14 --> 00:22:18: go belly up will have problems found refinancing,
00:22:18 --> 00:22:22: you know, for for a properties a residential,
00:22:22 --> 00:22:25: multifamily you at 90 to 95%
00:22:25 --> 00:22:27: collections for BU at 80 to 85%
00:22:27 --> 00:22:32: for CUS 7075%, and the bank should really just doing
00:22:32 --> 00:22:34: the BNA properties.
00:22:34 --> 00:22:37: Definitely a properties officers believe it or not,
00:22:37 --> 00:22:41: all full and even though some of the tenants are
00:22:41 --> 00:22:44: not in the office is they are doing fine.
00:22:44 --> 00:22:48: I mean very close friend of mine or Robert Weiss
00:22:48 --> 00:22:48: RPW.
00:22:48 --> 00:22:52: He's 90 plus percentage and he's his collections are fine.
00:22:52 --> 00:22:56: You know people or not going to office but the
00:22:56 --> 00:22:59: office market is still paying rent.
00:22:59 --> 00:23:02: You know Arkansas has a big portfolio in Studio City
00:23:03 --> 00:23:04: and there in 92%.
00:23:04 --> 00:23:05: Um went to so you know,
00:23:05 --> 00:23:08: I, I think the real estate market is still OK
00:23:08 --> 00:23:11: if you have quality assets in quality locations.
00:23:11 --> 00:23:13: If you're not in quality locations,
00:23:13 --> 00:23:15: you have more of an issue now and Jerry,
00:23:15 --> 00:23:18: Jerry, do you do you agree with with Greg as
00:23:18 --> 00:23:21: they are you seeing the same thing out there we
00:23:21 --> 00:23:21: are?
00:23:21 --> 00:23:23: I mean I did not have any deals that died.
00:23:23 --> 00:23:26: You know, in in that early second quarter of this
00:23:26 --> 00:23:27: year,
00:23:27 --> 00:23:29: but we did I had mentioned in her alluded to
00:23:29 --> 00:23:32: earlier than I had a deal that was moving along
00:23:32 --> 00:23:34: slowly and then the pandemic,

00:23:34 --> 00:23:35: I think actually help too.

00:23:35 --> 00:23:38: Motivate the purchaser with the purchase price and it came

00:23:38 --> 00:23:41: up to a level where the seller was ready to

00:23:41 --> 00:23:42: sell so it had and it was warehousing,

00:23:42 --> 00:23:45: so they'll be really going to be surprised by that

00:23:45 --> 00:23:45: event.

00:23:45 --> 00:23:47: And then we've had real estate.

00:23:47 --> 00:23:49: You know, single family real estate transactions,

00:23:49 --> 00:23:52: which as I said, it's kind of a frenetic market,

00:23:52 --> 00:23:54: so they you know they they people are rushing to

00:23:54 --> 00:23:57: do deals and deals have been lost in that context,

00:23:57 --> 00:23:59: especially in the early part of it.

00:23:59 --> 00:24:01: I wanted to comment on one thing else that we

00:24:01 --> 00:24:04: were talking about before and it has Westchester County

00:24:04 --> 00:24:05: been

00:24:04 --> 00:24:05: skipped over.

00:24:05 --> 00:24:07: I don't know if it's been skipped over.

00:24:07 --> 00:24:10: But I think that the ability of workers to work

00:24:10 --> 00:24:13: remotely now has really opened up the opportunity to be

00:24:13 --> 00:24:16: able to move to the more northern or more farther

00:24:16 --> 00:24:19: away suburbs I've got. I've got developer clients,

00:24:19 --> 00:24:23: residential developer clients who are building now in Orange

00:24:23 --> 00:24:24: County

00:24:23 --> 00:24:24: and Dutchess County.

00:24:24 --> 00:24:27: I've got shopping center on her clients who have said

00:24:27 --> 00:24:30: that they are active and busy and in their shopping

00:24:30 --> 00:24:34: centers in Putnam and doing their expansions and in Sullivan

00:24:34 --> 00:24:37: County. I mean, who would think Sullivan County would be?

00:24:37 --> 00:24:39: Would be growing, but they're active.

00:24:39 --> 00:24:42: They're busy, you know they have to work with tenants

00:24:42 --> 00:24:45: on rent and they are working with tenants on rent.

00:24:45 --> 00:24:47: If tenants are willing to work with them,

00:24:47 --> 00:24:48: fans aren't willing to work.

00:24:48 --> 00:24:51: It's a different scenario, but I think landlords are trying

00:24:52 --> 00:24:54: to make it work and they really are keeping busy

00:24:54 --> 00:24:56: and they're keeping active.

00:24:56 --> 00:24:58: And so I think the further up you go,

00:24:58 --> 00:25:00: at least in in New York you'll see an instance

00:25:00 --> 00:25:02: where people can can do more and they can.

00:25:02 --> 00:25:05: They can move their houses housing there because they

00:25:05 --> 00:25:07: have

00:25:05 --> 00:25:07: more flexibility in how they work.

00:25:10 --> 00:25:14: And in Holly, I guess all through the same percentage

00:25:14 --> 00:25:15: seen on deals fall apart.
00:25:15 --> 00:25:19: I mean I've seen deals have issues with construction financing,
00:25:19 --> 00:25:22: but then they were able to get one lender did
00:25:22 --> 00:25:23: pull out,
00:25:23 --> 00:25:26: but then they were able to find another lender and
00:25:26 --> 00:25:29: that was right at the beginning of the pandemic.
00:25:29 --> 00:25:33: I had some multifamily closed over the summer that was,
00:25:33 --> 00:25:35: you know, was scheduled, you know,
00:25:35 --> 00:25:38: went probably went into contract over the winter.
00:25:38 --> 00:25:40: An still gonna have it closed in.
00:25:40 --> 00:25:44: In July, but there have been pauses in,
00:25:44 --> 00:25:47: you know, new development deals that have been.
00:25:47 --> 00:25:50: I think they are still moving forward,
00:25:50 --> 00:25:53: but they are a little slower.
00:25:53 --> 00:25:57: Maybe then, you know the principles would like we have
00:25:57 --> 00:26:02: had some major big transactions that when you know that
00:26:02 --> 00:26:05: I guess went to contract in January of this year
00:26:05 --> 00:26:08: and they are still going forward.
00:26:08 --> 00:26:11: They're, you know, moving to close.
00:26:11 --> 00:26:13: Before the end of the year,
00:26:13 --> 00:26:17: so I don't think we've seen deals really that many
00:26:17 --> 00:26:19: deals fall apart.
00:26:19 --> 00:26:21: You know, not really. You know,
00:26:21 --> 00:26:25: just it's it's different, but things are not falling apart
00:26:25 --> 00:26:30: or why I had an interesting conversation with ULI related
00:26:30 --> 00:26:31: group yesterday,
00:26:31 --> 00:26:34: actually. And Dan. The topic came up of where are
00:26:34 --> 00:26:37: we in a cycle where you know?
00:26:37 --> 00:26:39: I think a lot of people would argue the last
00:26:39 --> 00:26:40: cycle is over.
00:26:40 --> 00:26:43: Are we, you know still kind of at the tail
00:26:43 --> 00:26:45: end of the cycle or we get the beginning of
00:26:46 --> 00:26:46: the next cycle.
00:26:46 --> 00:26:49: It's you know, it's a bit unusual,
00:26:49 --> 00:26:51: of course, because things are still happening.
00:26:51 --> 00:26:53: Deals are still getting done,
00:26:53 --> 00:26:57: the market hasn't, cratered financing is still available.
00:26:57 --> 00:26:59: This is not a financial crisis.
00:26:59 --> 00:27:04: Potentially like you know, like the great the great financial
00:27:04 --> 00:27:04: crisis.
00:27:04 --> 00:27:07: You know, late 2000s, so unusual time and it's it's

00:27:07 --> 00:27:11: a little disorienting to really figure out where we are
00:27:11 --> 00:27:13: and where the opportunities are.
00:27:13 --> 00:27:15: And I think in a lot of ways it tends
00:27:15 --> 00:27:16: to be sector specific.
00:27:16 --> 00:27:20: You know, if you're in multifamily or industrial things have
00:27:20 --> 00:27:21: continued to chug along,
00:27:21 --> 00:27:25: and I think everybody's point that the capital does still
00:27:25 --> 00:27:26: seem to be out there.
00:27:26 --> 00:27:30: It may be a little bit more selective.
00:27:30 --> 00:27:32: Yeah, a little bit more cautious.
00:27:32 --> 00:27:34: Maybe things take a little bit longer to get done,
00:27:34 --> 00:27:36: but but things are getting done.
00:27:36 --> 00:27:39: There hasn't been a tremendous amount of dislocation.
00:27:39 --> 00:27:41: I don't think that there are a lot of people
00:27:42 --> 00:27:44: out there scooping up distressed deals.
00:27:44 --> 00:27:47: I think that there's the occasional defaulted loan and whatnot
00:27:47 --> 00:27:49: that seems to pop up on the radar screen,
00:27:49 --> 00:27:53: but. It doesn't seem to be too chaotic.
00:27:53 --> 00:27:56: Would you guys agree? I don't know if you have
00:27:56 --> 00:27:59: any comments on cycle thoughts or anything else,
00:27:59 --> 00:28:01: I'll just open it up to everybody to do.
00:28:01 --> 00:28:03: I think early in the cycle.
00:28:03 --> 00:28:06: I agree with you. The way things are going right
00:28:07 --> 00:28:07: now.
00:28:07 --> 00:28:09: I believe in late first quarter,
00:28:09 --> 00:28:12: early second quarter. We're gonna have real problems.
00:28:12 --> 00:28:16: As I mentioned you before and Holly mentioned to you
00:28:16 --> 00:28:17: also in discussion.
00:28:17 --> 00:28:19: Jerry also spoke about it.
00:28:19 --> 00:28:22: Lot of folks we finance the way out and that
00:28:22 --> 00:28:25: refinancing structure or is only gonna last for so long.
00:28:25 --> 00:28:27: You know, maybe 1218 months.
00:28:27 --> 00:28:30: At that point, I don't think the market is going
00:28:30 --> 00:28:33: to fully recover for 18 to 24 months to be
00:28:33 --> 00:28:35: where we were before covid.
00:28:35 --> 00:28:37: And a lot of us are still looking for what
00:28:37 --> 00:28:39: we call the covert discount.
00:28:39 --> 00:28:42: And you're right, Greg, we haven't seen that yet.
00:28:42 --> 00:28:43: You know what we're looking at,
00:28:43 --> 00:28:46: loans you don't have a cousin who's at JLL?
00:28:46 --> 00:28:48: And he's in DC. And then in California,
00:28:48 --> 00:28:51: and in Virginia and other places that are cratering right

00:28:51 --> 00:28:51: now,
00:28:51 --> 00:28:53: New York Mark has been a little stronger.
00:28:53 --> 00:28:57: Westchester and Connecticut, specially, but I don't see that last
00:28:57 --> 00:29:00: thing I see us going down in the problematic mode
00:29:00 --> 00:29:02: in the first lady in the first quarter,
00:29:02 --> 00:29:03: early in the second quarter,
00:29:03 --> 00:29:06: and opportunities being available probably first mortgages.
00:29:06 --> 00:29:09: In Fenton Straight out acquisition.
00:29:09 --> 00:29:13: So development again. It's a long term play so development
00:29:13 --> 00:29:16: will be OK as long as when they get built
00:29:16 --> 00:29:20: there able to be absorbed and that's to be followed.
00:29:20 --> 00:29:24: You know the the property have that's been built,
00:29:24 --> 00:29:26: 360 Huguenots, probably about 30,
00:29:26 --> 00:29:28: is probably about 75% occupied,
00:29:28 --> 00:29:31: which is good and then moving towards 80%.
00:29:31 --> 00:29:34: Everything else is moving quickly.
00:29:34 --> 00:29:37: I think that capelli's properties standard is.
00:29:37 --> 00:29:39: Probably in this is 40%
00:29:39 --> 00:29:43: Alchemist occupied and but Stanford in White Plains.
00:29:43 --> 00:29:46: Those properties seem to be occupied pretty quickly,
00:29:46 --> 00:29:49: so but I just think that a lot of properties
00:29:50 --> 00:29:53: because of last year's tax laws for multifamily,
00:29:53 --> 00:29:56: we're going to see that come back to us and
00:29:56 --> 00:29:57: buyers.
00:29:57 --> 00:30:02: I don't think it's going to get past this completely.
00:30:02 --> 00:30:04: Yeah, I mean, I don't think that there are sorry
00:30:05 --> 00:30:05: Holly,
00:30:05 --> 00:30:07: I don't think that there are.
00:30:07 --> 00:30:08: We have not seen fire sales yet.
00:30:08 --> 00:30:11: OK but but I remember about a 2008.
00:30:11 --> 00:30:14: It took a little while just getting the legal practice
00:30:14 --> 00:30:17: to really start feeling the pinch from from the 2008
00:30:17 --> 00:30:19: downturn and so I would agree with with Greg on
00:30:19 --> 00:30:22: that. I also think that the outcome of this election
00:30:23 --> 00:30:25: we can't measure how much of an effect it will
00:30:25 --> 00:30:26: have,
00:30:26 --> 00:30:28: but I think the outcome of this election will have
00:30:28 --> 00:30:31: an effect on where we are in the cycle and
00:30:31 --> 00:30:32: will be redefining this.
00:30:32 --> 00:30:35: You know, in the first and second quarter,
00:30:35 --> 00:30:37: or maybe the third quarter of of 2021 will have

00:30:37 --> 00:30:38: to see how that plays out.
00:30:38 --> 00:30:40: But I, I think that there are a number of
00:30:40 --> 00:30:42: different factors that go into that,
00:30:42 --> 00:30:44: but I have not seen.
00:30:44 --> 00:30:47: Deals property being unloaded on the market,
00:30:47 --> 00:30:48: yet at all. Not not yet.
00:30:48 --> 00:30:50: I took a poll. You know,
00:30:50 --> 00:30:53: some of my clients a couple of days ago and
00:30:53 --> 00:30:56: they seem to think that it would be next year.
00:30:56 --> 00:31:00: The second quarter. Maybe we might see some distress.
00:31:00 --> 00:31:03: I have a lot of clients that are just doing
00:31:03 --> 00:31:03: leasing.
00:31:03 --> 00:31:08: They're just renegotiating leases now with their with for
tenants.
00:31:08 --> 00:31:12: And you know, they're not doing any transactional real estate
00:31:12 --> 00:31:12: work.
00:31:12 --> 00:31:14: They're just doing leasing. So,
00:31:14 --> 00:31:17: um, you know that that you know.
00:31:17 --> 00:31:19: Are they doing short-term leases now?
00:31:19 --> 00:31:23: I don't know, but that is an indication of what's
00:31:23 --> 00:31:24: going on,
00:31:24 --> 00:31:28: and some of them seem to think next year we're
00:31:28 --> 00:31:30: going to start to see distress.
00:31:30 --> 00:31:35: So, so let's talk about that giant City down to
00:31:35 --> 00:31:36: the South of us.
00:31:36 --> 00:31:40: Seems to be having increasingly crazy politics going on all
00:31:40 --> 00:31:41: the time.
00:31:41 --> 00:31:44: You know I talked a lot of people in the
00:31:44 --> 00:31:44: market,
00:31:44 --> 00:31:48: developers, and otherwise, who who really seemed to be
getting
00:31:49 --> 00:31:52: completely fed up with the political environment.
00:31:52 --> 00:31:55: It seems like every time you open up a news
00:31:55 --> 00:31:56: article,
00:31:56 --> 00:32:00: there's there's a new crazy proposal by mayoral candidate.
00:32:00 --> 00:32:03: Or maybe it's the state legislature or or other people
00:32:03 --> 00:32:07: that are that are really doing things that are very.
00:32:07 --> 00:32:10: Anti real estate and it really does seem to be
00:32:10 --> 00:32:11: driving investors,
00:32:11 --> 00:32:14: developers, other people out of New York City.
00:32:14 --> 00:32:17: I think. Obviously there's there's other reasons why you may
00:32:17 --> 00:32:20: not be focused on New York City right at this
00:32:20 --> 00:32:21: moment,

00:32:21 --> 00:32:24: but are any of you seeing New York City players
00:32:24 --> 00:32:28: coming up and being active and and the Westchester and
00:32:28 --> 00:32:29: Fairfield markets?
00:32:29 --> 00:32:33: Yeah, well, that's where they're coming from what you just
00:32:33 --> 00:32:35: stated is absolutely true.
00:32:35 --> 00:32:39: You know they're feeling that mayoral candidate in or mayor
00:32:39 --> 00:32:42: of the city's not doing his job is he's not
00:32:42 --> 00:32:43: as clean as he used to be,
00:32:43 --> 00:32:46: although I actually like New York City,
00:32:46 --> 00:32:49: you know I will place a bet in New York
00:32:49 --> 00:32:49: City,
00:32:49 --> 00:32:51: but it's a long term bet.
00:32:51 --> 00:32:54: But I think a lot of developers are coming from
00:32:54 --> 00:32:54: New York.
00:32:54 --> 00:32:58: Also because of the flight from New York City to
00:32:58 --> 00:33:01: Westchester and Connecticut and New Jersey.
00:33:01 --> 00:33:03: Developers are looking in this marketplace.
00:33:03 --> 00:33:06: You know, I'm gonna believe in New York City.
00:33:06 --> 00:33:08: You know, even though it's got a lot of problems
00:33:08 --> 00:33:09: that issues now,
00:33:09 --> 00:33:12: you know I've been around a long time in this
00:33:12 --> 00:33:14: business awhile and New York City.
00:33:14 --> 00:33:16: Nebl always recovers. You know,
00:33:16 --> 00:33:19: might take a little while to recover and might go
00:33:19 --> 00:33:20: through a lot of of punishment.
00:33:20 --> 00:33:23: You know, in New York City Transit Center,
00:33:23 --> 00:33:25: Transit System is a key people not only get on
00:33:26 --> 00:33:26: the Metro,
00:33:26 --> 00:33:29: North or the trains, and if you're not going to
00:33:29 --> 00:33:30: travel to the city by trains,
00:33:30 --> 00:33:32: so he's not going to cover people.
00:33:32 --> 00:33:34: And I can go to work,
00:33:34 --> 00:33:36: you know. So we'll see how that goes.
00:33:36 --> 00:33:38: But I think the MTA is having a difficult time
00:33:38 --> 00:33:42: and I think people are just not comfortable getting back
00:33:42 --> 00:33:44: on trains to the city as long as that happens.
00:33:44 --> 00:33:47: The city is gonna hurt the way it is.
00:33:47 --> 00:33:49: West Chester is well out of the CEOs live before
00:33:50 --> 00:33:53: and now because affordability quotient people are now
moving to
00:33:53 --> 00:33:54: West Chester.
00:33:54 --> 00:33:58: Not just because of the cold because it's more affordable

00:33:58 --> 00:34:00: and things in newer and cleaner.

00:34:00 --> 00:34:03: And there's more space is more availability to go outdoors.

00:34:03 --> 00:34:06: You alot of in New Rochelle were doing over I

00:34:06 --> 00:34:07: guess.

00:34:07 --> 00:34:10: So today something about the Hudson Park with totally be

00:34:10 --> 00:34:12: doing the master plan for Hudson Park.

00:34:12 --> 00:34:15: I mean we're trying to use the outdoor spaces.

00:34:15 --> 00:34:18: In Westchester, Connecticut to maximum,

00:34:18 --> 00:34:22: and that's a pleasant thing for people from New York

00:34:22 --> 00:34:24: City and other other places.

00:34:24 --> 00:34:27: So I don't think this flight is just temporary.

00:34:27 --> 00:34:29: I think NYC recover fine,

00:34:29 --> 00:34:32: but I think we're going to be very strong in

00:34:32 --> 00:34:33: the Westchester,

00:34:33 --> 00:34:35: Connecticut market for very long time,

00:34:35 --> 00:34:40: and I think the developments and some existing properties will

00:34:40 --> 00:34:40: be strong.

00:34:40 --> 00:34:44: I mean the legislators legislative process.

00:34:44 --> 00:34:48: It's not good. You know there causing problems in the

00:34:48 --> 00:34:49: city in the boroughs.

00:34:49 --> 00:34:52: Ann, I'm lucky that's not hit all of us yet.

00:34:52 --> 00:34:54: But you know, it's going to be tough if they

00:34:55 --> 00:34:58: keep on legislating out all the advantages for developers and

00:34:58 --> 00:34:59: for owners.

00:34:59 --> 00:35:02: And that's what's happening in this city,

00:35:02 --> 00:35:05: and it happens to some parts of Westchester,

00:35:05 --> 00:35:07: but I think because of the kovit Rex and saved

00:35:08 --> 00:35:08: a little bit,

00:35:08 --> 00:35:11: cause a lot of the tenants in buildings that I

00:35:11 --> 00:35:12: own,

00:35:12 --> 00:35:15: and tenants that you could development are coming from the

00:35:16 --> 00:35:16: city so.

00:35:16 --> 00:35:17: We'll see.

00:35:20 --> 00:35:22: OK.

00:35:22 --> 00:35:25: Um, let's move to a slightly different topic,

00:35:25 --> 00:35:29: and it's a little bit more demographically oriented.

00:35:29 --> 00:35:33: Holly, I think that you brought up staff the other

00:35:33 --> 00:35:37: day when we were having our pre conversation.

00:35:37 --> 00:35:42: Prior to this, you mentioned that the Westchester County

00:35:42 --> 00:35:44: population

00:35:42 --> 00:35:44: is aging and a significantly older.

00:35:44 --> 00:35:48: I think, then a number of you know peers around

00:35:48 --> 00:35:49: the country,
00:35:49 --> 00:35:53: other Metro areas, other counties around the area.
00:35:53 --> 00:35:55: Fact, I think that you said 44%
00:35:55 --> 00:35:58: of the population was was older than I forget what
00:35:58 --> 00:36:00: you're what you're cut off line was 'cause I'm a
00:36:00 --> 00:36:02: terrible note taker,
00:36:02 --> 00:36:06: but you had a pretty interesting statistic.
00:36:06 --> 00:36:08: And talk about what?
00:36:08 --> 00:36:11: Your thoughts are on on what we should be doing
00:36:11 --> 00:36:12: about that.
00:36:12 --> 00:36:15: Well, it the demographics in Westchester,
00:36:15 --> 00:36:18: then we definitely have an older population.
00:36:18 --> 00:36:20: A population of 85 and older,
00:36:20 --> 00:36:24: actually much higher than the demographics of the rest of
00:36:24 --> 00:36:25: the country,
00:36:25 --> 00:36:27: which I thought was interesting.
00:36:27 --> 00:36:29: I didn't realize that was the case,
00:36:29 --> 00:36:33: and I know the planning board is really working hard
00:36:33 --> 00:36:33: to encourage.
00:36:33 --> 00:36:38: You know senior housing and especially senior affordable
housing,
00:36:38 --> 00:36:41: they really. They see that it's going to be.
00:36:41 --> 00:36:44: There's going to be a great need and you know
00:36:45 --> 00:36:46: in the future,
00:36:46 --> 00:36:49: and that's something that really the unit sizes.
00:36:49 --> 00:36:54: Well, single people will. I guess maybe developers should
think
00:36:54 --> 00:36:55: about building.
00:36:55 --> 00:36:59: You know smaller units because there are going to be
00:36:59 --> 00:37:04: more people living alone and that's that's how the
demographics
00:37:04 --> 00:37:07: are trending in Westchester County.
00:37:07 --> 00:37:09: Um and more in the 85 and older and segment
00:37:10 --> 00:37:11: of the population.
00:37:11 --> 00:37:13: But I think that would say yes,
00:37:13 --> 00:37:15: there's there's two ends to that right?
00:37:15 --> 00:37:18: We should. We should think about people being able to
00:37:18 --> 00:37:21: age in place and not being forced out of the
00:37:21 --> 00:37:21: area.
00:37:21 --> 00:37:24: Having other housing options. I guess the flip side of
00:37:25 --> 00:37:25: that is,
00:37:25 --> 00:37:28: you know, figuring out how to get more young people
00:37:28 --> 00:37:29: into the County.

00:37:29 --> 00:37:33: Kind of backfilling people that are leaving going other places.

00:37:33 --> 00:37:38: Etc so you know probably 2 ends to that conversation.

00:37:38 --> 00:37:42: Jerry or you are you working on any?

00:37:42 --> 00:37:45: Age restricted type housing deals.

00:37:45 --> 00:37:47: Yeah, we we have done a number of projects,

00:37:47 --> 00:37:51: nothing currently other than extending approvals that we've already gotten

00:37:51 --> 00:37:54: in some instances for some expansion,

00:37:54 --> 00:37:57: so we don't have anything that's that's currently on the burner,

00:37:57 --> 00:38:00: but took two hollys point into your scragg.

00:38:00 --> 00:38:02: I mean look, we talked about how the high end housing we talk about all different kinds of forms.

00:38:02 --> 00:38:05: I mean, there's never going to be a shortage of the demand for affordable housing,

00:38:05 --> 00:38:08: and that's really on both ends of the spectrum that you were talking about,

00:38:08 --> 00:38:10: Greg. There's a. There's a significant need.

00:38:10 --> 00:38:13: I mean, the Westchester County housing needs assessment that came

00:38:13 --> 00:38:14: out in November of last year demonstrates that an unequivocally

00:38:14 --> 00:38:17: I mean,

00:38:17 --> 00:38:20: there's. And it's not for people outside the County, and it's for people inside the County.

00:38:20 --> 00:38:24: 60 some odd percent of the people who occupy affordable housing in the County come from within the County,

00:38:24 --> 00:38:27: so it's it's a. It's an existing need for existing residents.

00:38:27 --> 00:38:29: And it's there's not going to be any shortage of Nappanee,

00:38:29 --> 00:38:32: so you know, turn in terms of developers an interest

00:38:32 --> 00:38:35: I.

00:38:35 --> 00:38:38: I anticipate that we'll continue to do feel that need and will continue to.

00:38:38 --> 00:38:39: Developers will continue to have opportunities for that affordable housing

00:38:39 --> 00:38:42: if they can make the prices work in Westchester and the class work.

00:38:42 --> 00:38:45: I mean, that's that's just the biggest hurdle that people have have found,

00:38:45 --> 00:38:48: at least in the southern part of the County in

00:38:48 --> 00:38:49: the northern part of the County,

00:38:49 --> 00:38:53:

00:38:53 --> 00:38:54:

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00:38:57 --> 00:39:00:

00:39:00 --> 00:39:01:

00:39:01 --> 00:39:04:

00:39:04 --> 00:39:06:

00:39:06 --> 00:39:09: you have other issues in terms of sewage disposal and
00:39:09 --> 00:39:10: water supply,
00:39:10 --> 00:39:12: and things like that. Thanks,
00:39:12 --> 00:39:14: nothing's easy, that's for sure.
00:39:14 --> 00:39:16: So we're coming up close to the end of our
00:39:16 --> 00:39:17: time,
00:39:17 --> 00:39:20: so I would encourage anybody that has any questions for
00:39:20 --> 00:39:23: the panelists to go ahead and put those in the
00:39:23 --> 00:39:23: chat box.
00:39:23 --> 00:39:26: I'll do myself to get to those before we wrap
00:39:26 --> 00:39:26: up,
00:39:26 --> 00:39:29: since we have somebody from the title industry on the
00:39:29 --> 00:39:32: line I'm going to ask a very important question,
00:39:32 --> 00:39:35: Holly, and that's about all of these horrible laws that
00:39:35 --> 00:39:36: have been passed.
00:39:36 --> 00:39:39: It took away all of the perks that we all
00:39:39 --> 00:39:41: used to enjoy from the tile industry.
00:39:41 --> 00:39:45: I nobody will. Nobody's going to basketball games or closing
00:39:45 --> 00:39:47: dinners or anything else fun anymore anyway.
00:39:47 --> 00:39:50: But even pre covid, that was sadly the case is
00:39:50 --> 00:39:52: is that is that changing what's?
00:39:52 --> 00:39:56: Is there any update on the illegal structure for New
00:39:56 --> 00:39:56: York State?
00:39:56 --> 00:40:00: Yeah, I don't think it's going to change.
00:40:00 --> 00:40:02: Certainly not in the in,
00:40:02 --> 00:40:05: you know. In the next year or so it's it's
00:40:05 --> 00:40:09: Regulation 208 was an old and in 2018 and then
00:40:09 --> 00:40:11: reinstated in 2019.
00:40:11 --> 00:40:16: An it really does prohibit the title insurance industry from.
00:40:16 --> 00:40:18: Giving gifts and quick, you know,
00:40:18 --> 00:40:21: kind of a quid pro quo for business an you
00:40:21 --> 00:40:22: know.
00:40:22 --> 00:40:25: Personally I'm I'm kind of happy about it because you
00:40:25 --> 00:40:26: know,
00:40:26 --> 00:40:29: I want to get business because you know we provide
00:40:29 --> 00:40:33: the service and you know our clients want to work
00:40:33 --> 00:40:33: with us.
00:40:33 --> 00:40:37: Not just because you know quid pro quo situation.
00:40:37 --> 00:40:40: So in a way, it's it's made it a little
00:40:40 --> 00:40:44: easier I think for for the under writers certainly the
00:40:44 --> 00:40:46: major under writers.
00:40:46 --> 00:40:50: I don't see it changing in the in the future.

00:40:50 --> 00:40:53: We're just competing. Andre said we can we continue to
00:40:53 --> 00:40:57: wipe away right now everytime were competing I'm service
not
00:40:57 --> 00:41:00: on you know tickets I know it's actually so I
00:41:00 --> 00:41:02: have to tell you.
00:41:02 --> 00:41:07: It was not disappointing to get invited to to the
00:41:07 --> 00:41:08: World Series game,
00:41:08 --> 00:41:11: right right? So good I have a point.
00:41:11 --> 00:41:16: Back to to Holly and Jerry's point about age in
00:41:16 --> 00:41:17: development.
00:41:17 --> 00:41:21: One thing that I think people are not aware of
00:41:21 --> 00:41:26: is that when we started development process in 2005 and
00:41:26 --> 00:41:27: 2004 and went to,
00:41:27 --> 00:41:32: you know 2015 sixteen, we always thought about focusing on
00:41:32 --> 00:41:33: millennials.
00:41:33 --> 00:41:35: From the city from Westchester,
00:41:35 --> 00:41:39: from Connecticut. From a locations and in 2018,
00:41:39 --> 00:41:43: when from the first apartments in New Rochelle came online,
00:41:43 --> 00:41:45: we found that we didn't have retail,
00:41:45 --> 00:41:48: which is one of my issues in New Rochelle.
00:41:48 --> 00:41:52: Are retailers not being identified as a strong sector yet?
00:41:52 --> 00:41:55: Not just because we tell us bad in general,
00:41:55 --> 00:41:58: but no shelf retail hasn't been developed yet,
00:41:58 --> 00:42:01: but we did find that millennials were running up to
00:42:01 --> 00:42:02: New Rochelle.
00:42:02 --> 00:42:05: They're coming, but. The 55 to 65 group they replaced
00:42:06 --> 00:42:08: a lot of the millennials and ladder projects.
00:42:08 --> 00:42:12: They will sell their homes and they were downsizing and
00:42:12 --> 00:42:15: they were moving into new clean spaces that are being
00:42:15 --> 00:42:16: developed now.
00:42:16 --> 00:42:19: And you will show so that Mark is going to
00:42:19 --> 00:42:21: keep on growing and I think on the top in
00:42:21 --> 00:42:23: the market when you get into,
00:42:23 --> 00:42:26: you know 6500 boat. There is one of the areas
00:42:26 --> 00:42:27: of new set up.
00:42:27 --> 00:42:30: We still have wide open is senior housing,
00:42:30 --> 00:42:32: no one is see more than about was I work
00:42:32 --> 00:42:34: with people who talk too.
00:42:34 --> 00:42:35: We discuss a lot in meetings.
00:42:35 --> 00:42:38: We have a lot of talk talking points about it,
00:42:38 --> 00:42:41: but no one's focus on senior housing and I think
00:42:41 --> 00:42:43: that was going to be the next big movement before

00:42:43 --> 00:42:44: the covid.

00:42:44 --> 00:42:46: But since the covid things have pulled back,

00:42:46 --> 00:42:49: but I think that's an area that I agree with.

00:42:49 --> 00:42:52: The Holly and Jerry should be focused on because it's

00:42:52 --> 00:42:54: going to grow a lot in the next 10 to

00:42:54 --> 00:42:55: 15 years.

00:42:55 --> 00:42:57: So an I think that's an area is going to

00:42:57 --> 00:42:59: grow in New Rochelle because we have a lot of

00:42:59 --> 00:43:01: allocation left for senior housing,

00:43:01 --> 00:43:04: but we have not used in the allocation all used.

00:43:04 --> 00:43:07: Regular residential buildings but no allocation for senior housing.

00:43:07 --> 00:43:09: So I just want to point that out.

00:43:09 --> 00:43:12: Great observation, well said OK,

00:43:12 --> 00:43:16: we had one question roll in here from John Greenspan.

00:43:16 --> 00:43:19: This guessing maybe slightly more directed to Jerry,

00:43:19 --> 00:43:24: but any comments about Connecticut removing the transfer Act?

00:43:24 --> 00:43:28: I guess this is regarding environmental law.

00:43:28 --> 00:43:31: Yeah, no, I don't really have a lot of information

00:43:31 --> 00:43:31: on that,

00:43:31 --> 00:43:33: so I don't know that I can comment on it.

00:43:36 --> 00:43:39: I guess the hope hope is that that leads to

00:43:39 --> 00:43:40: more transaction volume.

00:43:42 --> 00:43:46: OK, any any any closing comments before we wrap up?

00:43:46 --> 00:43:49: I think we're pretty much here to the end of

00:43:49 --> 00:43:50: our time.

00:43:50 --> 00:43:53: I don't see any more questions in the chat box

00:43:53 --> 00:43:57: any any parting thoughts before we all leave and go

00:43:57 --> 00:43:58: get our lunch?

00:44:01 --> 00:44:03: Reg was saying if you when we were congregating before

00:44:03 --> 00:44:03: hand,

00:44:03 --> 00:44:06: and he was saying, everybody should make sure that they

00:44:06 --> 00:44:06: get out and vote,

00:44:06 --> 00:44:07: and I won't tell you.

00:44:07 --> 00:44:09: He was saying you should vote for,

00:44:09 --> 00:44:13: but he definitely wants everyone to get out and vote.

00:44:13 --> 00:44:15: I agree, I like the second point.

00:44:15 --> 00:44:18: I think both is quite important an it's vote like

00:44:18 --> 00:44:20: your life depends on it.

00:44:20 --> 00:44:21: It's a very good phrase.

00:44:21 --> 00:44:24: It's been used recently. I'm glad all of you guys

00:44:25 --> 00:44:26: were able to join us today.

00:44:26 --> 00:44:30: We had a really good panel and very interesting talking
00:44:30 --> 00:44:33: points and came across and I enjoyed this kind of
00:44:33 --> 00:44:33: today.
00:44:33 --> 00:44:36: So thank you guys. Both Holly and Jerry and Greg
00:44:36 --> 00:44:37: much appreciated.
00:44:37 --> 00:44:40: Thank you. I think we could talk about this for
00:44:40 --> 00:44:43: hours and hours so I hope we didn't bore anybody
00:44:44 --> 00:44:44: but.
00:44:44 --> 00:44:47: Agreed, I think it was a great panel and thank
00:44:47 --> 00:44:48: you to to Greg,
00:44:48 --> 00:44:51: Holly and Jerry. I think it's a great discussion and
00:44:51 --> 00:44:55: just very quickly again as Mario mentioned at the at
00:44:55 --> 00:44:57: the beginning of the call.
00:44:57 --> 00:44:59: November 5th is the young leaders event.
00:44:59 --> 00:45:03: The trends event is on November 11th and then finally
00:45:03 --> 00:45:06: the next market update event like this one is on
00:45:06 --> 00:45:08: November the 15th.
00:45:08 --> 00:45:10: So thank you everyone for joining us.
00:45:10 --> 00:45:13: We look forward to seeing everybody next time.
00:45:13 --> 00:45:16: Thank you. Thank you I want.

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