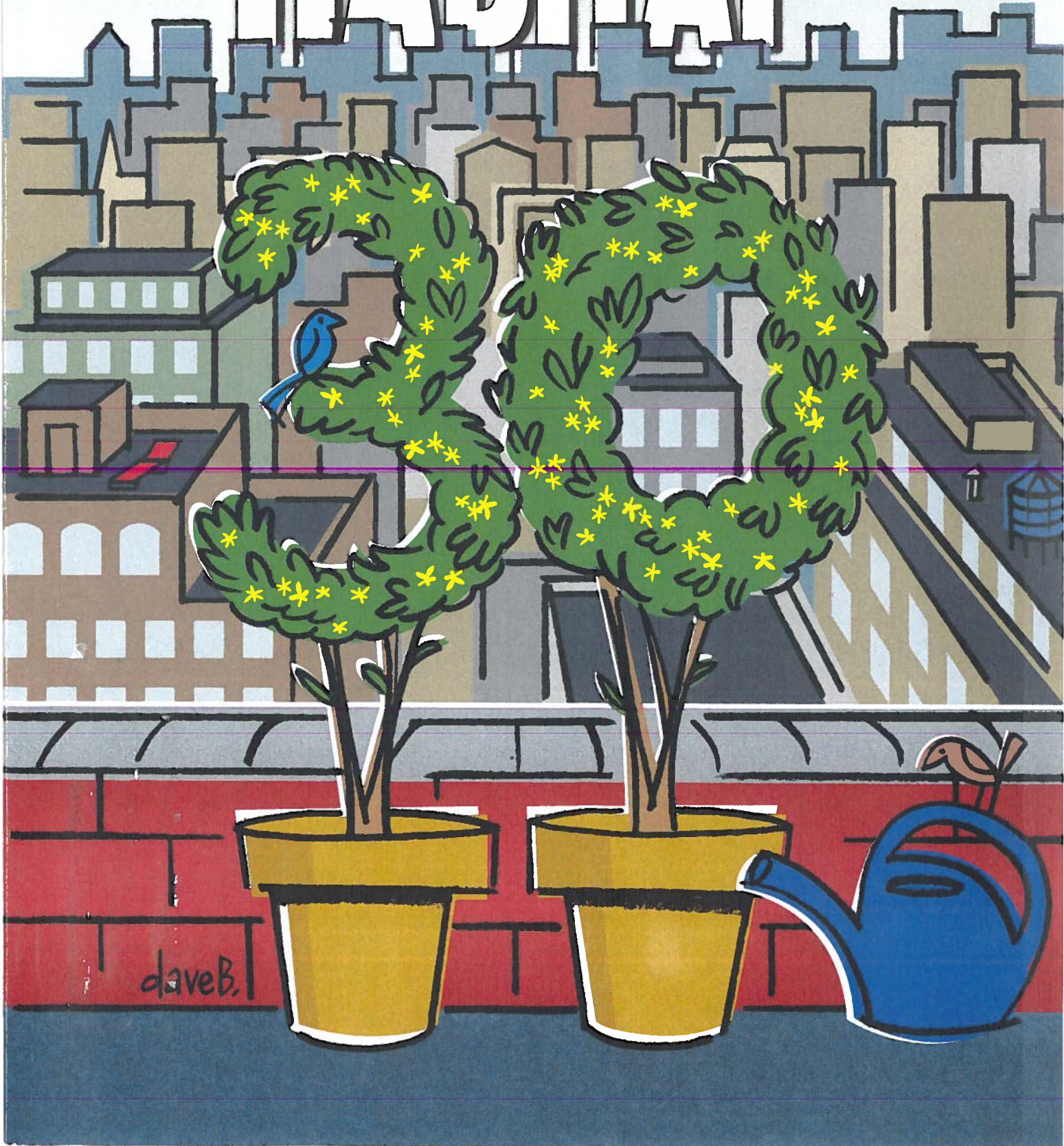


ECONOMIC ENGINES REV UP THE ELECTEDS GET REAL HABITAT TURNS 30 OSGOOD'S DILEMMA
WILL NYC BE UNDERWATER IN 2042? ALL'S FAIR IN LOVE AND PROPERTY TAXES

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Novitt, Sahr & Snow

22 YEARS IN BUSINESS

Seth M. Sahr, Partner

In light of the current economic downturn, in combination with ever more stringent foreclosure requirements, condominiums (particularly smaller condominiums) are increasingly facing cash-flow problems as a result of owner defaults. As common-charge liens are junior to the liens of first mortgages and property values are falling (often below the mortgage balance), condos are finding that they may have to go years without cash flow from these units only to end up writing off those charges as losses. I believe condominium boards will increasingly be proactive in creating strategies via alternate collection opportunities and amendments to their bylaws (i.e., limitations on first mortgage financing) to leave themselves less exposed to market fluctuations.

Smith, Buss & Jacobs

21 YEARS IN BUSINESS

Kenneth Jacobs, Partner

New York State has gaping holes in the laws governing community association operations. The state will pass some form of statute setting standards for co-op/condo/HOA governance. First, though, the state will create the Office of the Ombudsman as a forum for shareholders and unit-owners to address complaints about association operations. These new laws will increase confidence in community associations for individual owners. New-construction condos are also passing from the conversion phase to the mature operating phase. Condo boards will have to deal with ongoing operating issues, such as insurance coverage, reserves, and financing, that mature co-ops have already considered. Co-op/condo attorneys will need more professional expertise in operational issues to deal with problems in all these areas.

Schneider Mitola

18 YEARS IN PRACTICE

Marc H. Schneider, Managing Partner

Technology will have the biggest impact on the market. The ability to obtain and disseminate information will level the playing field, from determining the purchase price of a unit to gathering information about a lawsuit involving a community association or an individual and getting information about vendors. Additionally, boards will communicate with their residents faster and more efficiently through means such as e-mail and telephone contact via "call-me-all" type technology. I even see a time when voting for board elections or amendments will be regularly done over secure sites on the internet. Speed, ease, and efficiency of obtaining and disseminating information will only continue to improve over the next decade.

Hueston McNulty

16 YEARS IN BUSINESS

Samuel J. McNulty, Partner

Wider use of social media will increase the ability of board members and owners to interact and to be tuned in to issues. Governing documents and enabling statutes will be amended to allow for electronic voting in elections and for participation in board and member meetings. Video conferencing will allow more efficiency and cost savings. I look forward to this future.



Tarter Krinsky & Drogin

10 YEARS IN BUSINESS

Steven Troup, Partner

We believe New York City real estate will be the subject of more and more regulation, especially in the environmental area.



Romer Debbas

2 YEARS IN BUSINESS

Pierre E. Debbas, Founding Partner

The concept of co-op board approval will change drastically over the next decade. Co-op boards have the ability to reject a buyer without providing a reason, and boards frequently rely on the Business Judgment Rule and lack of disclosure requirements. The only recourse buyers have is if they can prove the board discriminated against them based on religion, sexual orientation, race, or age. The state will pass a law that provides a framework on which boards must base their decisions and require that the reasons for rejection are provided, to hedge against the risk of arbitrary and inconsistent decisions being made for future purchasers.

Miller & Miller

7 YEARS IN BUSINESS

Joel E. Miller, Partner

In view of the December 20, 2007, changes made in Section 216 of the Internal Revenue Code, so that corporations with unlimited outside income can qualify as "cooperative housing corporations," it seems likely that the IRS will again seek to apply Code Section 277 to them, rather than accepting that they "operate on a cooperative basis," so as to make the more liberal rules under Subchapter T applicable.