

# WE HELP SHAPE THE NYC SKYLINE



**Newsletter**  
February 2017 | Vol 1

## Message from the Managing Member:

"We are pleased to announce the **inaugural issue** of our new firm newsletter. We are proud to bring you a new approach to news in real estate. Our goal is to enhance our relationship with our readers by piquing your interest in real estate trends and showing you how these trends will affect New York City. Rosenberg & Estis is fortunate to have attorneys who are passionate about real estate and want to share their perspective, knowledge and interests with you."

Luise A. Barrack

## Hot Topic: The Recently-Enacted Anti-Airbnb Law



Alexander  
Lycoyannis,  
Member

[Alexander Lycoyannis](#) has been featured in several media sources for his expertise in the legal landscape surrounding short-term apartment rentals and the resulting effect on New York City. Lycoyannis wrote an article for the Commercial Observer entitled "[The New Anti-Airbnb Law: An Overview.](#)" where he explains that a new law signed by Gov. Andrew Cuomo in October, 2016 supplements a 2010 state law that had banned most apartment rentals for fewer than 30 days. The original 2010 law was not enforced effectively, as evidenced by the success of Airbnb in New York City since that law's passage. However, the new ban could be a game-changer, Lycoyannis says: "The new law makes it illegal for anyone to advertise the use of an apartment in a manner that would violate the 2010 law; in other words, most advertising for apartment rentals lasting fewer than 30 days. The law specifies that anybody violating the new law faces civil penalties of up to \$1,000 for the first violation, up to \$5,000 for the second violation, and up to \$7,500 for the third and subsequent violations. The new law took effect immediately." The aggressive new law is beginning to prompt New York City hosts to remove their apartments from the Airbnb website, and even



ABOUT US

## Inside this issue:

### REAL ESTATE NEWS THAT MATTERS TO YOU

#### Hot Topics in Real Estate:

- Airbnb
- What to Watch for in 2017
- Restrictions in China

Events - R&E attorneys share their knowledge with the community.

- Brooklyn State of the Market
- Evolution of Downtown

#### Firm News:

- Save the Date: Upcoming Events
- Inside NYC
- Outside NYC
- Outside of Real Estate

## SAVE THE DATE

**April 20, 2017**

[Alexander Lycoyannis](#) and [Michael A. Pensabene](#) will lead a discussion at the New York City Bar Association, City Bar Center for CLE. The topic: "**Airbnb Under Siege: The Evolving Legal Landscape For Short-Term Rentals in NYC.**"

Please [click here](#) for more information.

**April 26, 2017**

induced Airbnb to file a federal lawsuit (later dropped when it became clear that the new law would be enforced against hosts only, and not Airbnb itself). In an article entitled "[Inside The NYC Airbnb Controversy - Hosts Pressure Mayor For Law Reform.](#)" Alec Berkman of Bisnow relies on Lycoyannis's expertise to conclude that "limiting the stock of relatively cheap accommodations could be a double-edged sword, potentially helping New Yorkers but curbing tourism, one of the city's biggest revenue streams."

**To read more on this issue, follow links**

**below:**

- ["The New Anti-Airbnb Law: An Overview"](#)
- ["Inside The NYC Airbnb Controversy - Hosts Pressure Mayor For Law Reform"](#)

## Looking Ahead: What to Watch for in 2017

[Nicholas](#)

[Kamillatos](#)

and [Frank E.](#)

[Chaney](#) were

featured in a

[Law360 piece](#)

about the new

presidential administration and how decisions

regarding tax and housing programs could affect the

development and maintenance of low-income

housing in Manhattan.

Kamillatos was asked about the renewal of the 421-a

program, which is a tax exemption program designed

to reduce real estate taxes on new residential

developments if they include affordable

units. Kamillatos believes that 421-a is critical for the

real estate industry to continue developing new

housing and a smart way to provide affordable

housing to address a real need in the

marketplace. Without a program like 421-a, there is

no possibility for significant new development. "The



Nicholas Kamillatos, Member & Frank E. Chaney, Of Counsel

[Dani Schwartz](#) will be participating as a panelist at the New York City Bar's program entitled "**Neighboring Property Construction Disputes.**"

Please [click here](#) for more information.

**May 4, 2017**

[Daniel M. Bernstein](#) will lead a discussion at the New York City Bar Association, City Bar Center for CLE. The topic: "Hot Topics in Affordable Housing in New York City."

Please [click here](#) for more information.

## Success Inside NYC - Litigation Department

**1 Perry Street LLC v. 1 Perry St. Restaurant DBA Yerba Buena:** Rosenberg & Estis, P.C. successfully represented the petitioner, 1 Perry Street LLC, in the post-possession phase of a licensee holdover proceeding against a well-known downtown Manhattan restaurant. The law firm won the right to recover in excess of \$150,000 in legal fees, costs, disbursements and expert witness fees, and \$35,000 in use and occupancy for its client.

(Rosenberg & Estis, P.C. Team: [Norman Flitt](#) and [Adam Lindenbaum](#))

(Civil Court, New York County, Decided December 16, 2016)

## Success Inside NYC - Transactional Department

**Queens, NY-** R&E served as legal counsel to The Durst Organization on the acquisition and financing of the development site of Queens Plaza Park in New York City. The project is a 77-story residential tower in the Long Island City submarket of Queens. Queens Park Plaza will feature approximately 1,000 residential units in the 1 million-square-foot, 77-story tower. Also, this purchase includes the historic Queens Clock Tower Building.

(Rosenberg & Estis, P.C. Team: [Michael E. Lefkowitz](#), [Christopher Nicosia](#), [Dennis I. Hellman](#), [Larry R. Mergentime](#) and [David A. Fries](#))

(Closed: December 8, 2016)

**Manhattan, NY:** R&E represented The Durst Organization in connection with the negotiation of telecommunications agreements with vendors to install and operate, and various cellular carriers to participate in Durst's deployment of, in-building neutral host distributed antenna systems at numerous buildings across its residential and commercial portfolios. The presence of the distributed antenna systems at these buildings enhances and improves the carriers' cellular and data services to provide maximum coverage to Durst's building tenants and visitors.

(Rosenberg & Estis, P.C. Team:

[Robert M. Kessler](#), [Jean S. Tom](#) and [Charles Caldarola](#))

(Closed: December 2016)

## Success Outside of NYC

bottom line is, that because of the cost of land and the cost of construction, without a substantial exemption from real estate tax assessments resulting from the construction, rental housing, especially affordable rental housing, is just not feasible," Kamillatos said. "The numbers are irreconcilable."

Kamillatos's observation was proven correct, as on January 17, 2017 Governor Cuomo released his "Affordable New York Housing Program" bill, which amends and extends the 421-a program. We will be following the bill through the legislative process, and, if and when it becomes law, we will advise clients on important aspects of the new program.

Chaney was asked about zoning regulations and Mandatory Inclusionary Housing (MIH), which is the requirement for affordable housing in newly rezoned areas of the city. Chaney thought that because MIH allows taller, denser buildings, rezonings done by the city as part of a comprehensive neighborhood plan were more likely to be approved than individual rezonings by owner/developers. He agreed with Kamillatos that 421-a is critical to MIH.

Chaney said that "the MIH program was originally designed to work alongside the state's 421-a tax abatements to help balance the need for increased scale with other incentives that make projects financially feasible." A change in one, he said, "could result in changes to the other."

Please [click here](#) to continue reading.

## International Impact: Restrictions in China



Eric Orenstein,  
Member

[Eric Orenstein](#) was featured in a recent article by Forbes entitled "How U.S. Real Estate Sales Could Be Affected by China's Capital Controls." This article examines China's new capital controls put in place for the government to monitor international

### Pompano Beach, Florida:

R&E represented Chris Partridge in connection with the acquisition (as part of a Section 1031 exchange) and financing of Shopper's Haven, a strip shopping center containing approximately 210,000 square feet in Pompano Beach, Florida. The major tenants of the shopping center include Bed Bath & Beyond, Winn-Dixie, Michaels, Walgreens and Bealls Outlet. Financing for the acquisition was provided by First Republic Bank.

(Rosenberg & Estis, P.C. Team: [Dennis Hellman](#), [Patricia Cleary](#) and [Kamilla Bogdanov](#))

(Closed: November 23, 2016)

## Success Outside of Real Estate

**Manhattan, NY:** R&E represented New York Trans Harbor LLC, d/b/a New York Water Taxi, owned by The Durst Organization, in the sale of the New York Water Taxi business to a subsidiary of New York Cruise Lines, Inc. The transaction included substantially all of the assets of the business, including vessels, customer contracts, leases and licenses.

(Rosenberg & Estis, P.C. Team: [Robert M. Kessler](#), [Arielle Frost](#) and [Madeleine C. Karel](#))

(Closed: January 12, 2017)

## Events

Rosenberg & Estis, P.C. has top-tier attorneys who not only work hard for their clients but dedicate time to share their knowledge with fellow attorneys, the real estate industry and the wider community.

R&E is an active voice in many media platforms, including newspapers and law journals, and also participates in major real estate events. Bisnow, a commercial real estate news source, is one of the major platforms utilized by R&E. Bisnow frequently asks R&E lawyers to participate in live panels to not only showcase their expertise in the real estate field, but to help others understand how specific real estate trends could affect New York City as a whole. Below is a quote from a Bisnow vice president describing how R&E moderators give value to their audience:

"Bisnow produced over 300 events around the US, Canada, and London in 2016. And in the 6 years or so that I've been here, I've overseen well over 1,000. We've learned that bringing top CRE personalities onto events is a great way to fill a room, but have also learned that you need good, compelling content to keep people in a room and (importantly to us) keep them coming back. So curating interesting discussions in an engaging format is a foremost priority for us. But try as we might to provide instruction and ideas for our panelists, the single largest determinant of the quality of a discussion is the quality of moderator. We can have all of the big name CEO's we want

spending. Chinese nationals are among the most active players in U.S. real estate, and these new restrictions could result in negative consequences for the real estate market.

Orenstein was asked to comment on the effects of these capital controls on New York City real estate. "The impact for privately-held companies, smaller companies and wealthy buyers is likely to be a bit more noticeable. Eric Orenstein, an attorney at New York real estate law firm Rosenberg & Estis, said he's seeing currency restrictions creating some issues for clients buying condos in the city as it has become increasingly difficult to get money into the U.S. from China."

## Brooklyn State of the Market



Jason R. Davidson, Member

On December 2, 2016, [Jason R. Davidson](#) moderated a panel discussion at "Brooklyn State of the Market," an event hosted by Bisnow. The panel was entitled "Office Development Climate," and the panelists included Toby

Moskovits, CEO of Heritage Equity Partners; Michael Rudin, VP of Rudin Management Company; Kathe Chase, Director of Leasing, Industry City; Sam Charney, Principal, Charney Construction & Development; and Robert Finger, a Partner at Fogarty Finger.

The panel touched on how Brooklyn office space needs to have a "Brooklyn flair" in order to attract companies from Manhattan, as well as how work spaces have evolved from traditional "just work" environments to places that include other amenities. The panel further discussed the fact that Brooklyn has lost its affordability advantage relative to Manhattan, and that living or working in Brooklyn increasingly reflects a desire for its culture rather than a cheaper alternative to Manhattan.

on stage, but if we don't have someone who knows how to lead a good discussion it can all go to waste. So we're selective about the firms we reach out to about moderating. And as a rule, we've had great luck over the years with having partners from great law firms in the moderating role because (1) they typically work with all sorts of people in the industry and tend to be comfortable with any type of CRE professional, (2) they know how to ask questions, and (3) they tend to be well-prepared."

- Miles Bloom, VP, Growth & Development at Bisnow

### Want to read more?

For more information on R&E deals:

- [Administrative](#)
- [Transactions](#)
- [Litigation](#)

For additional articles covering news and current trends, please click [here](#).

For Industry Updates that may affect you, please [click here](#).

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## Evolution of Downtown



Michael A.  
Pensabene,  
Member

On December 14, 2016, [Michael A. Pensabene](#) moderated a panel discussion at a Bisnow event entitled "Evolution of Downtown." The event was held at Battery Park Plaza, overlooking the Statue of

Liberty, which was the perfect location for a discussion on the transformation of lower Manhattan from a commercial area to a dynamic hub for not only work but residential developments and cultural attractions.

Pensabene moderated the panel entitled "Retail Revolution," and the panelists included Michael Goldban, SVP of Brookfield; Christopher Curry, Senior EVP of The Howard Hughes Corporation; and Michael McNaughton, SVP of Westfield World Trade Center. The panelists discussed how their companies' large-scale developments in the area will help foster a thriving culture that makes downtown more attractive as a residential area. The discussion also touched on the benefits of making the move downtown and how lower Manhattan is not only an attractive place to live but a smart investment due to its relative affordability as compared to other areas in Manhattan and even Brooklyn. Pensabene remarked that downtown "has evolved, since 9/11 reset downtown." Indeed, these developments have accelerated lower Manhattan's transformation away from a quick tourist stop; with plentiful shopping options that can be enjoyed year-round and the booming social scene, lower Manhattan has become a place where people want to live, work and play.