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FOCUS ON REAL ESTATE FINANCE

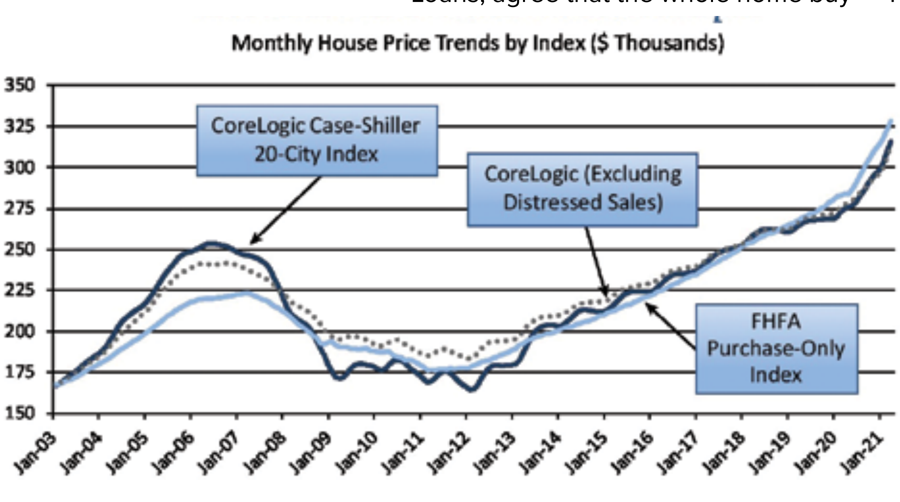
Residential, Commercial Lenders Predict Low Rates, High Demand in 2021

By Mary T. Prenon

WHITE PLAINS—It's no secret that the residential housing buying frenzy is continuing with a vengeance in our region, with properties still receiving multiple offers and many would-be home buyers left in the dust.

Low interest rates, currently hovering around 3%, are helping to ignite the desire for home ownership. Lenders throughout the New York metro area have also indicated that some FHA loans can even dip as low as 2.5%. But, how long will these super low rates last, and when will the market eventually return to "normal?"

Irene Amato, owner of A.S.A.P. Mortgage, believes the low single digit rates will be with us for quite a while. "Even if interest rates manage to jump up a full percentage point, we'll still be at about 4%, which is a fantastic rate," she said. Headquartered in Peekskill, A.S.A.P. now has eight locations in the Hudson Valley, and will soon be opening branches The grand opening of the Keller Williams Realty Partners office in Baldwin Place. in Connecticut and Florida.



Sources: Standard & Poor's, Federal Housing Finance Agency, CoreLogic, and HUD. See Note 1, Sources and Methodology.

Amato's firm handles about 80% purchases and 20% refinances. "We're still seeing about the same influx of people, even though there are not a lot of properties out there," she said. "People new to the market are realizing the value of home ownership and we have a lot of first-time home buyers actually coming in for counseling."

Typically, lenders review a potential buyer's income, credit score, debt-to-income ratio, property type and other factors when considering a loan. "What's starting to happen now is that when buyers bid way over the asking price, there could be a problem if the bank appraisal comes in low," explained Amato. "In some cases, the buyer would need additional cash to cover the amount that is not going to be covered by the lender."

Sometimes, noted Amato, the potential buyers need to take a step back and reconsider what and where they're buying. "That's why it's so important for people to review all of their information with their real estate agent, attorney and lender," she added. "Thankfully, we've been able to save some deals because we have the ability to shop rates with a bigger pool of lenders."

Amato is hopeful that the new leadership at the Federal Housing Finance Agency will help open more doors for first-time buyers. "They're looking into being able to deliver more affordable mortgages, along with expanding the guidelines for affordable housing mortgages," she said. "I think this can be a great thing, but it needs to be dealt with very delicately—we don't want to set someone up to fail."

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> ***—Irene Amato, A.S.A.P. Mortgage***

Both Amato and David Mizrahi, director of sales and vice president of business development for FM Home Loans, agree that the whole home buying process is a very emotional one. Recently, Mizrahi has witnessed a new resurgence in New York City, following last year's exodus to the suburbs. With offices in Manhattan and Brooklyn, Mizrahi has seen a lot more activity lately, particularly in Manhattan.

His offices have been busy with closings on co-ops, condos, multi-family and single- family properties throughout the boroughs and on Long Island. "Things are definitely picking up now that the pandemic is on its way out," he said. "We're seeing that people are not so hesitant to house hunt in the city anymore. Everyone was expecting New York City to die out, but I always laughed at that."

Mizrahi predicts the rates will stay low for the time being, with a possibility of a slight increase. "I don't see them going up dramatically over the next six months," he said. "I think anything under 5% is really good rate."

Recalling 20 years ago, when rates hovered in the double digits, Mizrahi said he can't see those days returning any time soon. "Of course, everything depends on the economy," he added.

While New York City properties are selling for close to asking price—or some slightly above asking price—Mizrahi said that's not the case on Long Island. "There's still a lot of bidding wars and people are offering thousands over the listed prices. That, in turn, can affect their mortgage because if a property doesn't appraise for the full value, the buyers will need a larger cash down payment," he explained.

As some city renters may still have eyes for the Hudson Valley when it comes to purchasing, Mizrahi noted they're not losing any business from people who still want mortgages for New York City properties. "Look what happened after 9/11, people said that no one would be living in lower Manhattan and now buildings are just getting bigger and more people are moving in," he said. "Things are slowly starting to get back to normal. Time heals everything."

On the commercial lending front, Robert Withers, president of M1 Capital, also believes the lower interest rates will be with us for the foreseeable future. "Commercial loan rates have always been a bit higher than residential, due to the fact that they are investment properties and are inherently riskier," explained Withers. "Still, we're seeing very low rates averaging between the high three's and four's."

Because commercial investments are reliant on income from tenants, there was a lot of speculation about the commercial real estate market that the pandemic would cause massive vacancies. "There were gloom and doom forecasts for the commercial market, but so far, I haven't seen a lot of distressed situations," said Withers. "Lenders have been willing to work with borrowers because most lenders don't want to have to foreclose and be stuck with properties."

In many cases, lenders will help clients put together a plan, which sometimes involves repurposing the properties. Restaurants and bars, among the hardest hit by the pandemic, are now slowly starting to come back. "Now that we're seeing a huge volume of people vaccinated, I think you're going to see more restaurants opening back up, as well as retail stores," Withers said.

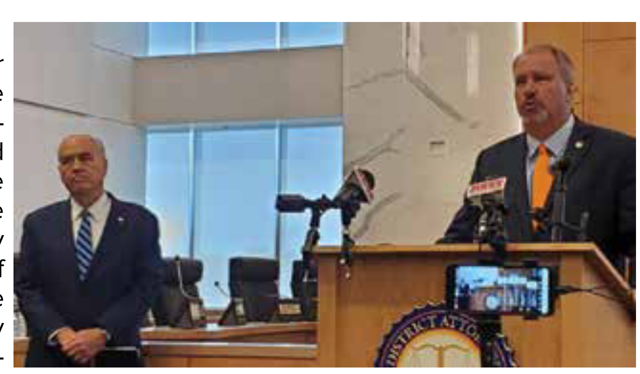
Concerning office space, Withers noted that many employers are offering people more flexible schedules with the ability to work at home a few days a week. "Actually, Realtors have had this business model forever—the most profitable real estate offices are those where most of the people are not in the office all the time," he added.

M1 Capital works with clients throughout the New York metro area, providing financing for all types of commercial venues including apartments, condominiums, hotels, retail outlets, office complexes, restaurants, storage facilities, warehouses and much more. His firm also handles renovation loans and refinancing.

Most recently, Withers has been very busy in the Bronx and Yonkers, with new construction projects starting to resurface. His focus is on loans from $1 million to $25 million. "As far as business is concerned, I honestly think it's going to get even better," he admitted. "I also believe the interest rates will stay low until the end of 2022. The Fed has signaled they'll work to keep the rates low so they can keep the economy rebounding."

Three Former Orange County IDA Officials Plead Guilty to Felony Corruption Charges

By John Jordan



From left, New York State Comptroller Thomas DiNapoli and Orange County District Attorney David M. Hoovler

GOSHEN—Three former officials with the Orange County Industrial Development Agency pled guilty on June 21 before Orange County Judge Robert J. Prisco to felony corruption and conflict of interest charges, Orange County District Attorney David M. Hoovler announced. The IDA officials included its former managing director Vincent Cozzolino, CEO Laurie Villasuso and former Board Director Edward Diana, a former Orange County Executive and Town of Wallkill Supervisor.

The guilty pleas were the culmination of a four-month investigation launched by the Orange County District Attorney, the New York State Comptroller's Office

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Houlihan-Parnes, GHP Office Realty Arrange $12.7 Million Loan for 4 West Red Oak Lane

4 West Red Oak Lane, White Plains

WHITE PLAINS— Bryan Houlihan and Rachel Greenspan, of Houlihan-Parnes Realtors, LLC and GHP Office Realty, LLC announced recently the placement of a first mortgage in the amount of $12.7-million on a Class-A five-story office building on West Red Oak Lane.

The 135,000-square-foot property at 4 West Red Oak Lane is located on the I-287 corridor in Westchester County and has been in the owner's portfolio for almost 20 years.

4 West Red Oak Lane is prominently located on the border of White Plains and West Harrison, NY at the intersection of many major highways. The building boasts 400 parking spaces, half of which are in a covered structure, a café, fitness center, and operable windows. 4 West Red Oak Lane is known for having a long-term stable tenant base. Historically, the well-established tenant base has included companies active in the real estate services, legal services, financial services, insurance and telecommunications sectors. Furthermore, the property has had positive absorption during the COVID 19 pandemic, the firms stated.

The mortgage was placed with a local bank for a term of five years at a rate of 3.625%. The rate is fixed for the term of the loan with an initial two-year interest only period. There is a flexible tiered prepayment schedule placed on the deal. The borrower was represented by John Hogan of Goldberg Weprin Finkel Goldstein, LLP, and the title was ensured by First American Title Insurance Company.

Houlihan-Parnes, Realtors, LLC is a privately owned, vertically integrated commercial real estate investment and management firm, with a presence throughout the United States. Owning more than 6 million square feet of office, retail and industrial space, the firm also owns or manages approximately 15,000 multifamily units. The firm is engaged in acquisition, property and construction management, consulting services, leasing and mortgage brokerage for all commercial real estate asset classes, both for the company's portfolio and for third parties.

GHP Office Realty is a division of Houlihan-Parnes Realtors, LLC which is presently one of the New York area's leading owners, operators and purchasers of suburban New York commercial and industrial space. GHP Office Realty has acquired, financed, redeveloped, leased and managed more than 7 million square feet of space. Regionally, the partners presently own and manage buildings in Westchester and Rockland counties in New York, in Fairfield County, CT and in Bergen County, NJ.

Three Former Orange County IDA Officials Plead Guilty to Felony Corruption Charges

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and the Town of New Windsor Police Department.

"We do not have an embezzlement, we don't have a theft of funds, we don't have missing money," Orange County District Attorney Hoovler said. "What we have in this case is a pattern of non-disclosed conflicts of interest where these individuals were self-dealing. They were making decisions which benefitted themselves..." He added that their actions "cheated the taxpayers" of Orange County.

Former IDA Managing Director Cozzolino, 62 of Gardiner, pled guilty to Corrupting the Government in the third degree, a Class D felony. Villasuso, 41 of Newburgh, the former CEO of the Orange County IDA, pled guilty to Corrupting the Government in the Fourth Degree, a Class E felony. Diana, 72, of Wallkill, a former member of the Orange County IDA Board, pled guilty to Offering a False Instrument for Filing in the first Degree, a Class E Felony, and Committing a Prohibited Conflict of Interest.

Cozzolino and Villasuso each admitted that they acted in concert in a scheme to defraud the IDA through payments the IDA made to Galileo Technology Group, Inc., a company Cozzolino had a 50% ownership interest in. Villasuso and Diana each were employed by Galileo while also either working directly for the IDA or in Diana's case serving on its IDA Board as a volunteer.

In their sentencing disposition agreements with the Orange County District Attorney, Cozzolino has agreed to reimburse the IDA $1 million. Villasuso has agreed to reimburse the IDA $175,000, while Diana has agreed to pay the IDA $90,000, which was the funds Diana took home from his employment with Galileo Technology Group., Inc. Cozzolino, Villasuso and Diana have agreed to make restitution by the time they are sentenced on Sept. 10, 2021. The District Attorney is recommending Cozzolino be given probation, Villasuso a conditional discharge and Diana also be granted conditional discharge. Diana has also agreed to cooperate with the District Attorney and State Comptroller's Office in the preparation of a report on the flaws of the IDA operations, which should be issued in a few weeks. If Diana complies with the terms of the agreement, his felony plea would be reduced to a misdemeanor.

The investigation of the IDA centered on conflicts of interest, particularly surrounding the IDA's Accelerator program, which was managed by Cozzolino and Galileo Technology Group.

District Attorney Hoovler and State Comptroller Thomas DiNapoli and others at a press conference held at the Legislative Chambers at the Orange County Government Center in Goshen, also took aim at the lack of oversight of the then Orange County IDA Board of Directors, which was removed by the Orange County Legislature in March 2021 after legislators became aware of possible conflicts of interest at the IDA.

New York State Comptroller DiNapoli said of the three individuals who pled guilty in the case: "Although their scheme was complex, their motives were simple: greed. We must have zero-tolerance for public corruption. Thanks to our partnership with Orange County District Attorney David M. Hoovler and the New Windsor Police, we were able to bring their crimes to light and recover their ill-gotten gains."

Stephen R. Coffey, Esq. and Scott W. Iseman, Esq., attorney for Cozzolino released a prepared statement, which in part read: "Vincent deeply regrets his conduct, has accepted responsibility for what he did wrong and has made the Orange County IDA whole."

They characterized the Orange County IDA's embattled Accelerator program as a "true economic development engine" that attracted diverse industries to Orange County including minority-owned and women-owned businesses.

The statement concluded: "Vincent's mistakes should not overshadow the many great achievements that young companies and entrepreneurs made while working with the IDA's accelerator program, and still can make in the Orange County community."

Villasuso had no comment when contacted by *Real Estate In-Depth*.

Ben Ostrer, an attorney for former County Executive Diana, said in a report in the *Middletown Times Herald Record*. "If this could happen to Ed Diana, this could happen to anyone. If you are in government service be thankful it isn't you."

District Attorney Hoovler said the case was complicated by the lack of oversight by the IDA Board and its Legal Counsel and the approvals granted to in some cases poorly written contracts and expenses with little transparency or backup. He said their incompetence and negligence gave Cozzolino and Villasuso a "built-in defense." However, Hoovler said that the sheer volume of the conflicts of interest and multiple methods they used to "make money and try to hide it," overcome that defense.

New York State 2021-22 Budget Gap Falls From Nearly $39 Billion to $3.4 Billion

State Comptroller Thomas P. DiNapoli

ALBANY—The State Fiscal Year 2021-22 Enacted Budget Financial Plan shows a remarkable improvement in the state's financial condition as cumulative four-year budget gaps estimated at $38.7 billion just four months ago have been reduced to $3.4 billion, according to a report released recently by State Comptroller Thomas P. DiNapoli.

The reduction was fueled by the receipt of substantial new resources, including $15.2 billion in federal assistance and $17.3 billion from tax and other policy actions, he noted.

"The state's economic and fiscal outlook have improved," DiNapoli said. "Local sales tax collections are up significantly, and our May Cash Report shows the state is $4 billion ahead of projections. It is essential that additional resources are used for critical infrastructure projects to reduce debt issued and to bolster reserve funds beyond planned levels to help us to weather the next crisis or recession.

The SFY 2021-22 Enacted Budget Financial Plan released in May by the state Division of Budget (DOB) totals $208.9 billion, a 12 % increase over last year. The current year budget includes $16.4 billion in COVID-related spending (including aid enacted before SFY 2021-22), of which $13.2 billion is federally funded.

State-funded pandemic relief initiatives total $3.1 billion in the current fiscal year with little planned for subsequent years. However, significant new recurring spending commitments are planned in two key areas: education and Medicaid. General Fund spending in these areas is projected to increase by more than $15 billion over the Financial Plan period. Total school aid is projected to reach $31.4 billion in SFY 2024-25, an increase of $6.7 billion from the current year, reflecting average growth of 8.4 % annually. Medicaid spending will increase an average of 9.7 % annually over the Financial Plan to reach $21 billion in SFY 2024-25.

In contrast to these significant new investments, only $825 million in total deposits to the rainy-day fund reserves are planned in SFY 2021-22, bringing total rainy-day fund reserves to $3.3 billion, equal to just 3.7 % of forecasted General Fund SFY 2021-22 disbursements, or less than 14 days of average daily disbursements.

Risks

The report identifies several spending and revenue risks:

• The investments and programs established in the budget to support pandemic recovery for New York's struggling individuals, families and businesses may result in pressure to continue spending at the elevated levels established in SFY 2021-22, without the benefit of the extraordinary federal aid that fueled current spending levels. On a combined basis, these recovery initiatives and temporary federal education resources total $6.5 billion of average annual spending, which could not be supported during the Financial Plan period absent the federal relief funds.

• High growth forecasts for education and Medicaid may not be supported by available revenues outside the Financial Plan period. In addition, there may be pressure to replace federal relief aid provided directly to school districts with state dollars when that aid is depleted. It is also unclear if cost and enrollment pressures will subside in the Medicaid program.

• Increased tax rates on high-income earners will make the state more reliant on personal income tax revenues and may make personal income tax revenues more volatile. The new top rates will be the third highest among states and highest in the nation when combined with the New York City personal income tax. If this spurs additional out-migration of high-income residents, it would result in less revenue.

Recommendations

State Comptroller DiNapoli issued the following recommendations:

• Boost the rainy-day fund reserves. The Financial Plan's anticipated deposits to reserves would bring the new total to $3.3 billion—significantly lower than the $6.4 billion that is statutorily authorized. If collections remain above forecast and are not needed to cover unanticipated expenses, these additional revenues should be used to bolster the rainy-day fund reserves.

• Prudently and transparently use federal aid. federal funding should be spread out over the life of the Financial Plan to limit the risk of a "funding cliff," and use of these temporary resources to support recurring spending should be avoided. In addition, transparent and timely detailed reporting of the use and administration of federal funds is necessary.

• Closely monitor personal income tax collections and taxpayer behavior. The high reliance on high-income earners, combined with volatility of capital gains and the possibility of taxpayer migration creates a risk that should be carefully monitored to ensure appropriate and timely responses to any shortfalls in PIT receipts.

• Restore prudent debt policies. For the second year in a row, new debt issuances were excluded from the provisions of the Debt Reform Act of 2000. With the state's financial condition stabilized, policymakers should restore prudent debt policies, including the establishment of updated and binding limits on state debt. In addition, policymakers should replace some planned debt issuances with more "pay-as-you-go" funding to reduce long-term debt service obligations, including limiting debt uses to capital projects related to state assets. In the near term, if state tax receipts continue to surpass forecasts, a portion of the additional revenue could be used for that purpose.

Jonathan Rose, L+M Development, Acacia Secure $223 Million for East Harlem Mixed-Use Project

NEW YORK—Jonathan Rose Companies, L+M Development Partners and Acacia Network announced on June 29 the closing of $223 million in financing for the second and final phase of Sendero Verde, a 100% affordable mixed-use Passive House and Enterprise Green Communities certified development in East Harlem. The development will feature 709 units of affordable housing, community and social services space, a school, publicly accessible open space, community gardens and neighborhood retail.

Phase two of Sendero Verde will include 347 units of affordable housing serving a variety of income tiers, from formerly homeless to 90% of Area Median Income, as well as one superintendent's unit. Once both phases are completed, Sendero Verde will include a senior and youth community center, school, community art room, and other community amenities, as well as numerous green and open spaces for the East Harlem neighborhood. Phase two is expected to begin construction in the coming weeks, to be completed in 2024. The project will have a 60-year regulatory agreement and will benefit from a 40-year tax abatement through the Article XI.

The $223-million phase two of Sendero Verde was financed with construction loans from the New York City Housing Development Corporation and the New York City Department of Housing Preservation and Development, with additional Resolution A funding from the New York City Council and grant funding from NYSERDA. The project is also funded through a letter of credit from Citi Bank and a syndication of federal low-income housing tax credits and solar investment tax credits as well as New York State Brownfield Tax Credits to Goldman Sachs.

“Sendero Verde's mix of incomes, passive house design, plaza, gardens and more than 85,000 square feet of community space serving education, youth and senior activities and health needs provides a model for the next generation of communities of opportunity,” said Jonathan Rose Companies President Jonathan F.P. Rose. “We are so grateful for the support of our community neighbors and the local Community Board, our partners and the city agencies that made this project possible.”

The residential portions of the project will be certified to Passive House standards. Passive House is a strict energy efficiency standard that serves to reduce the overall energy consumption of a building by 30%-70% over typical construction. To meet this standard, the project utilizes air-tight construction to reduce draft and energy loss, increased insulation, triple-glazed windows, energy recovery from mechanical ventilation, and individually heated and cooled units. Upon completion of its second phase, Sendero Verde is expected to be the largest multi-family development in the nation to meet Passive House standards.

“Sendero Verde provides a model for exactly the type of projects the city needs as we work to recover from the pandemic: affordable housing for a range of incomes including the formerly homeless, a strong local hiring program in partnership with Local 79, high-quality open space, and social services rooted in the community," said L+M Development Partners CEO & Founding Partner Ron Moelis. "Thanks to all the essential partners on this project for helping us reach this important milestone: the de Blasio administration—especially HPD and HDC—Council Member Ayala, Borough President Brewer, Citibank, Goldman Sachs and of course our development partners, the Jonathan Rose Companies and Acacia Network.”

A rendering of Sendero Verde in East Harlem. Photo Credit: Volley Studio

Phase one of Sendero Verde, which topped off in November of 2020, includes 360 units of affordable housing and one superintendent's unit spread across buildings two buildings, a school for Harlem Children's Zone developed in partnership with the nonprofit Civic Builders Inc. , an area for the venerable community pillar Union Settlement Association, and an 18,000-square foot publicly accessible courtyard featuring a children's play area, adult outdoor exercise equipment, seating areas and a stage for community events. Additionally, community garden groups that previously inhabited the vacant lot on which Sendero Verde is being constructed are being incorporated within the development in coordination with NYC Parks' GreenThumb program and local community garden groups.

Building off the project's commitment to serving the East Harlem community, the developers have partnered with PROMESA Inc., an affiliate of the Acacia Network, to provide social services for the project's formerly homeless families and individuals through a robust on-site social services program, including offering access to a resident social services director, occupational therapists, housing specialists, case managers, art and dance classes, and 24-hour security. To accommodate the social services program, Sendero Verde Phase 1 will include 2,700 square feet of dedicated space for PROMESA Inc., including eight private offices, a medical exam room and a conference room.

Sendero Verde was the winning entry in the SustaiNYC RFP that was administered by HPD during the summer of 2016. The project was conceived of by Jonathan Rose Companies and L+M Development Partners as a Community of Opportunity that would offer East Harlem not only affordable housing, but also a wide array of community services and opportunities for community engagement. During the ULURP process, Acacia Network joined the development team as a non-profit partner, and they have been invaluable to the development team's efforts to create a project that works for the East Harlem community. The design team includes Handel Architects, AECOM, DeSimone, Steven Winter Associates, and Cosentini Associates, among many others.

“With its cutting-edge sustainable features, deep affordability and array of offerings for the community, Sendero Verde will be a Passive House at the forefront of affordable housing development and is exactly the type of project we strive to develop under the city's YOUR Home NYC housing plan,” said HPD Commissioner Louise Carroll. “We're transforming one of our largest remaining sites in Manhattan into hundreds of new affordable homes for low-income families, along with open space, community space, a new school, and critical supportive services for vulnerable New Yorkers. I thank all of our partners in the community, our sister agencies, and the local elected officials who have each taken a hand in crafting this project.”

Sendero Verde is part of a landmark agreement announced last fall between L+M and Laborers' Local 79, a prominent construction laborers' union. That partnership launched with construction of Building B and continues with this latest phase. In addition to stringent local hiring requirements, the agreement specifically requires hiring New York City Housing Authority residents living in complexes near projects built through this partnership. L+M traditionally focuses heavily on local hiring in the areas in which it builds, and the company will continue that approach alongside Local 79. The overall agreement will initially cover work on 3,182 apartments in Harlem, the South Bronx, and East New York, Brooklyn.

Building A, or Phase two, will be a 34-story concrete tower that includes 348 units of affordable housing offered to a wide range of incomes. The building currently assumes approximately 23,000 square feet of community facility space in the podium and 4,700 square feet of retail space on Madison Avenue. In addition to the tower, Phase two also includes about 10% of the publicly accessible courtyard, which is the centerpiece of the Sendero development and a key component of the overall site plan. The development of Building A will complete the courtyard and allow accessible access from Madison Avenue.

The second floor of the podium will include an expansion of the Harlem Children's Zone charter school and will connect to the Phase 1 charter school space on the second floor. The expansion space will include additional classrooms, a specialty classroom, and administrative space.

A community art space operated by an affiliate of Acacia Network will be located adjacent to the courtyard in Building A on the second floor of the podium and will provide arts and cultural programming for residents and the greater community alike.

All buildings at Sendero Verde offer a robust amenity package for its residents, including a community room, fitness room, computer lounge, free-Wi-Fi, package lockers and exterior terrace.

Valley National Bancorp to Acquire Westchester Bank In $220 Million Deal

John Tolomer, president & CEO of Westchester Bank, will join Valley National as Market President leading Valley's Westchester County efforts when the transaction closes in the fourth quarter of this year.

WHITE PLAINS—New York City-based Valley National Bancorp and The Westchester Bank Holding Corporation announced on June 28 they had entered into a definitive merger agreement whereby Valley will acquire Westchester, parent company of The Westchester Bank.

The acquisition of this high-performing commercial bank will provide Valley a physical footprint and additional commercial lending expertise in the demographically attractive Westchester County market, Valley Bank officials stated.

Under the terms of the merger agreement, the stockholders of Westchester will receive 229.645 shares of Valley common stock for each share of Westchester common stock they own. Based on Valley's closing stock price on June 28, 2021, Westchester's stockholders will receive approximately $210 million in Valley common stock. Existing Westchester options will be cashed out for approximately $10 million in cash.

Westchester is the largest independent commercially focused bank headquartered in Westchester County with total assets of $1.3 billion, total loans of more than $0.9 billion, and total deposits above $1.1 billion across its seven branch network as of March 31, 2021. Westchester has consistently produced returns on average assets above 1.25% supported by a robust net interest margin, and an efficiency ratio below 50%. This acquisition will supplement Valley's existing Westchester County lending operations, and add a strong low-cost core funding base in the market.

This strategically compelling acquisition fills in a geographic gap within Valley's metro New York franchise, and will meaningfully enhance Valley's presence and growth opportunities within the densely populated, affluent, and commercially active Westchester County market. The acquisition is also expected to be approximately 1% accretive to Valley's earnings, and neutral to Valley's pro forma tangible book value and capital ratios at close.

Ira Robbins, Valley's chairman, president & CEO of Valley National said, "Under John Tolomer's leadership, Westchester has evolved into a high-performing and growth-oriented commercial bank in a desirable market. Westchester's conservative credit culture and high-touch approach to commercial banking align extremely well with Valley's own value proposition."

He also stated, "We look forward to having John and his team join Valley where they will continue to drive growth in the Westchester County market that they know so well. The ability to offer Valley's comprehensive suite of financial solutions to Westchester's commercial customers, along with the support of our larger balance sheet and significant capital resources, should drive meaningful growth for Valley in the Westchester County market. We are excited to support John and his team in the next evolution of their company as a part of the Valley family."

John Tolomer, president & CEO of Westchester Bank said, "We are thrilled about our new partnership with Valley and the opportunities for growth that it will provide for our employees and customers. The infrastructure and culture that has been built at Valley over the past few years will enable our customers to access a robust product offering while still receiving access to the local decision making and exceptional service they have become accustomed to at The Westchester Bank." Following the closing, Tolomer will join Valley as Market President leading Valley's Westchester County efforts.

On a pro-forma basis as of March 31, 2021, the combined company's balance sheet would have $43 billion of assets, and $34 billion of each loans and deposits. The addition of Westchester's seven branches will bring Valley's branch count to 233 comprised of 131 in New Jersey, 45 in New York, 41 in Florida, and 16 in Alabama.

The acquisition is expected to close in the fourth quarter of 2021, subject to standard regulatory approvals, approval of Westchester stockholders, as well as other customary conditions.

Covington & Burling LLP acted as legal counsel to Valley. Raymond James & Associates, Inc. served as financial advisor to Westchester, and Goodwin Procter LLP served as its legal counsel.

Ginsburg Development Celebrates Grand Openings At its New White Plains, Peekskill Properties

WHITE PLAINS—Ginsburg Development Companies recently staged ceremonies marking key milestones on the development firm's projects in Downtown White Plains and in Peekskill.

The real estate community has been anxiously awaiting the grand opening of its $43.7-million White Plains project, which marked the first major office building in Westchester County to be converted into luxury rental apartments. The event at the company's The Abbey Inn & Spa on the other hand was delayed about a year due to the COVID-19 pandemic.

On June 17, Westchester County officials, including Westchester County Executive George Latimer and key city officials that included White Plains Mayor Tom Roach celebrated the grand opening of 1 Martine Square. The adaptive reuse project converted a former office tower into a 188-unit luxury apartment project across the street from the White Plains Metro North train station.

"1 Martine at City Square is not only Westchester's most exciting luxury rental, it's also a transformational development that is setting a trend for rental housing in this region. With more and more people working from home, empty office buildings may become new residential apartments," said Martin Ginsburg, founder of Ginsburg Development Companies. "Nothing about 1 Martine is cookie cutter or ordinary. Our apartment layouts are truly unique, and our art-inspired amenities create a Soho vibe that is quite unexpected in Westchester County," he added.

Ginsburg stressed that the conversion was a complex, but rewarding endeavor.

"We are thrilled to welcome 1 Martine at City Square to its premiere location in the heart of downtown White Plains," said Westchester County Executive George Latimer. "This luxury living community offers dozens of desirable amenities and a vibe that is unique to Westchester County, along with the convenience of a 38-minute commute to New York City. Congratulations to Ginsburg Development Companies on the successful conversion of empty office space into an exciting new rental opportunity."

Each apartment features wide plank luxury LVT flooring in living room and bedrooms; Soho-inspired kitchens featuring custom cabinetry, quartz countertops and stainless-steel appliances; designer bathrooms with porcelain tiles, custom vanities and large mirrors; bedroom ceiling fans; washer and dryer and extra-large walk-in closets. Many of the apartments include unique bedroom cabinetry, gallery track lighting and modern chandeliers. The one-bedroom/one bath apartments and the two-bedroom/two bath apartments range in size from 425 to 1,170 square feet. Monthly rents range from $2,250 to $5,450.

Luxury amenities at 1 Martine at City Square include elegant art-inspired lobby with 24/7 concierge service and package acceptance; Club Lounge with roof deck for hosting building events and available for private parties; state-of-the-art Fitness Center; ground floor art gallery with resident discounts; Cinema Screening Room; Conference Room; pet wash and indoor garage parking with available electric charging stations.

From left, Westchester County Executive George Latimer, White Plains Mayor Tom Roach; GDC Founder Martin Ginsburg and ArtsWestchester CEO Janet Langsam

1 Martine at City Square also boasts a 20,000-square-foot art gallery on the ground floor open to the public offering original paintings and reproductions, sculptures and home decor for residents to personalize their apartments with exclusive resident discounts.

The lobby at 1 Martine at City Square features murals by Raymond Saá whose works have been exhibited nationally and internationally. Saá, who is a graduate of Parsons School of Design, works with collage, drawing and painting mediums. "I am delighted to have my work exhibited in this exciting new residence in the heart of downtown White Plains," Saá said adding, "I commend Martin Ginsburg and ArtsWestchester for their commitment to public art."

Last year, GDC in partnership with ArtsWestchester unveiled the work of nine artists from the greater Westchester area as part of GDC's investment in its art collection for 50 Main St. The unveiling was part of a Grand Opening of the first phase of GDC's reinvention of the 50 Main St. office building which includes a new mezzanine amenity level. A key feature of the new common space is a contemporary art collection curated by ArtsWestchester that features numerous Hudson Valley artists. A newly designed and expanded lobby at 50 Main St. is nearing completion.

Plans are underway to install a monumental sculpture by an international artist under the arches of the 15-story 50 Main St. office tower. The modern sculpture will measure nearly 18 feet in height and be made of polished stainless steel.

On June 30, GDC held a ceremony for its The Abbey Inn & Spa development in Peekskill. The 42-room boutique hotel opened at the beginning of the pandemic in early 2020 and was unable to hold a public ribbon cutting reception. A host of dignitaries, including Peekskill Mayor Andre Rainey attended the event.

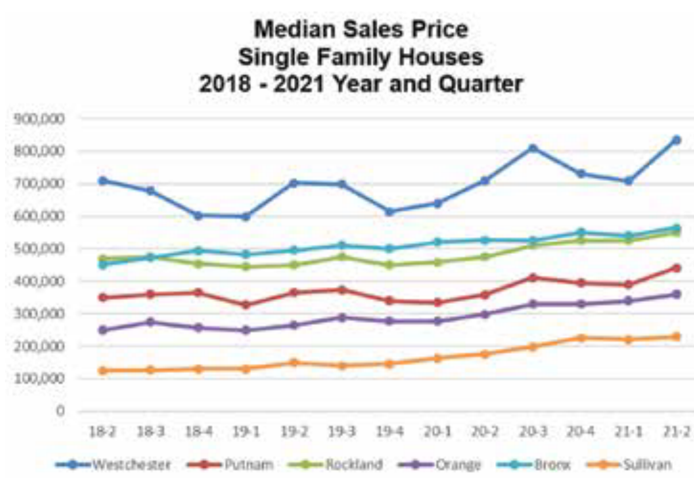
HUDSON VALLEY REAL ESTATE REPORT

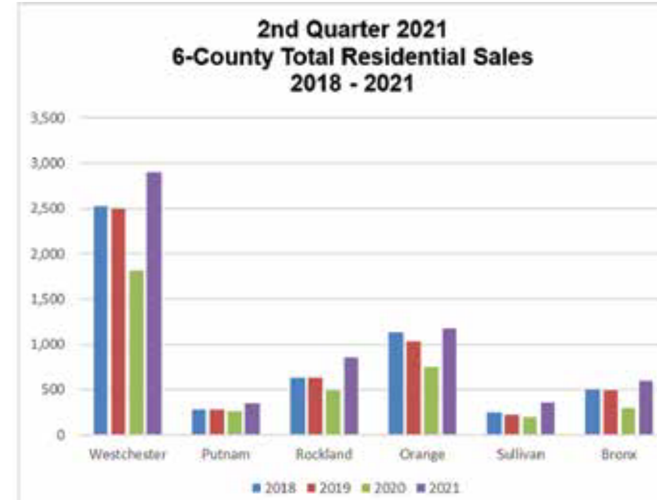
Home Sales in NYC-Hudson Valley Region Continue Hot Streak in the 2nd Qtr.

WHITE PLAINS—Residential home sales in the lower Hudson Valley for the second quarter of 2021 continued a remarkable recovery from the depths of the COVID-19 crisis a year ago, with every county in the market serviced by OneKey MLS, demonstrating strong gains both in the number of sales as well as increased median sales prices.

While these sales numbers provide evidence of strong resiliency in the housing market, it is important to view them in the context that the housing market in the second quarter of 2020 was in large part frozen by COVID-19 restrictions and an inability to conduct in-person property showings, OneKey MLS officials stated. However, even when comparing the second quarter 2021 sales to the pre-pandemic second quarter of 2019, the increases are still significant.

In terms of units sold, sales in Westchester were up 59.9% or 2,898 units as compared to 1,812 units in 2020. Orange County experienced a 57.3% increase in sales going from 744 units in 2020 to 1,170 units in the 2021 second quarter. Putnam and Sullivan counties were each up significantly, Putnam with 350 sales compared to 260 in 2020 and Sullivan County with 356 units sold from 197 units in 2020. In Rockland County, sales increased 74.5% to 850 units from 487 in 2020. While not considered a suburb, sales in Bronx County increased 101.7% at 599 units sold compared to 297 units in the second quarter of 2020. To provide greater context, when comparing unit sales between the second quarter of 2021 to the second quarter of 2019, Westchester sales increased 16.25%, Orange increased 13.7%, Putnam increased 27.27%, Sullivan increased 56.83%, Rockland increased 33.86% and the Bronx increased 21.75%.





Median sales prices (the point that indicates the exact middle of the market) also increased in every area and continues to exceed the "bubble" prices of the 2008-2009 market. The median sale price for a single-family residential unit in Orange County rose 20.8% to $360,000 (from $298,000 one year ago), exceeded by an increase of 31.4% in Sullivan County to $229,900 from $175,000 one year ago.

The median price for single-family houses in Westchester County, which has the highest price points, rose 17.6% to $835,000 from $710,000 last year. The median sale price for a single-family residence rose in Putnam County by 23.3% to $442,000 (from $358,400), in Rockland County by 15.8% to $550,000 (from $475,000) and Bronx County saw a 7.2% increase to $565,000 (from $527,000) as compared to the second quarter of 2020.

Sales of condominium units increased in in all counties (except Sullivan) and co-op sales in Westchester and Bronx counties continued to surge. Co-op sales have been lagging in both counties for the past year but rebounded in Q1, 2021. It is likely that this rebound can be attributed to the dearth of choices in other housing types as well as the fact that co-ops remain an affordable alternative, at a median sale price of $190,000 (identical to the median co-op price in the second quarter of 2020) in Westchester County and $230,000 in Bronx County, for first time buyers and other potential purchasers unable to afford rising single-family home prices.

While the housing market continues to be plagued by a lack of inventory, it is still supported by low interest rates and an economy and job market which is surging as a result of federal stimulus monies which were pumped into the economy over the last year. While the lower Hudson Valley markets may have initially benefited by Manhattan residents departing the city for the suburbs, (a trend which may well have been overstated) the New York City residential market is also showing signs of a strong recovery.

It could be argued that the increased sales numbers throughout the New York City and greater suburban area are the result of the pandemic accelerating the natural migration of home-owners who might otherwise have delayed home purchasing and selling decisions. The same questions about the sustainability of the current market continue to exist, especially with rising prices. However, with the economic recovery in full swing, it appears that the housing market should remain strong for the balance of 2021.

Data is provided by OneKey MLS, one of the largest Realtor subscriber-based MLS's in the country, dedicated to servicing more than 41,000 real estate professionals that serve Manhattan, Westchester, Putnam, Rockland, Orange, Sullivan, Nassau, Suffolk, Queens, Brooklyn, and the Bronx. OneKey MLS was formed in 2018, following the merger of the Hudson Gateway Multiple Listing Service and the Multiple Listing Service of Long Island.

WESTCHESTER COUNTY

WESTCHESTER - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	1,561	1,500	1,184	1,835	55.0%
Condominiums	334	347	205	404	97.1%
Cooperatives	472	494	346	511	47.7%
2-4 Family	158	152	77	148	92.2%
Total	2,525	2,493	1,812	2,898	59.9%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	2,602	2,484	2,244	3,342	48.9%
Condominiums	596	605	438	713	62.8%
Cooperatives	925	942	726	1,008	38.8%
2-4 Family	307	303	223	298	33.6%
Total	4,430	4,334	3,631	5,361	47.6%
MEDIAN SALE PRICE					
Single Family Houses	710,000	702,500	710,000	835,000	17.6%
Condominiums	369,500	400,000	390,000	405,000	3.8%
Cooperatives	170,000	180,000	190,000	190,000	0.0%
2-4 Family	482,250	550,000	590,000	666,500	13.0%
MEAN SALE PRICE					
Single Family Houses	919,563	883,812	920,468	1,121,614	21.9%
Condominiums	417,142	480,438	449,955	494,230	9.8%
Cooperatives	204,823	217,095	231,392	219,816	-5.0%
2-4 Family	504,608	563,003	598,008	676,878	13.2%
END OF QUARTER INVENTORY					
Single Family Houses	3,117	3,357	2,294	1,565	-31.8%
Condominiums	420	449	455	415	-8.8%
Cooperatives	580	477	634	807	27.3%
2-4 Family	222	208	180	165	-8.3%
Total	4,339	4,491	3,563	2,952	-17.1%

PUTNAM COUNTY

PUTNAM - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	231	243	229	303	32.3%
Condominiums	35	25	31	42	35.5%
Cooperatives	1	3	0	0	0.0%
2-4 Family	5	4	-	5	0.0%
Total	272	275	260	350	34.6%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	459	449	453	672	48.3%
Condominiums	66	49	64	94	46.9%
Cooperatives	2	3	2	-	-100.0%
2-4 Family	15	10	4	11	175.0%
Total	542	511	523	777	48.6%
MEDIAN SALE PRICE					
Single Family Houses	350,000	365,000	358,400	442,000	23.3%
Condominiums	250,000	235,000	220,000	283,000	28.6%
Cooperatives	122,500	120,000			
2-4 Family	330,000	367,500		525,000	
MEAN SALE PRICE					
Single Family Houses	394,163	391,093	388,400	506,092	30.3%
Condominiums	283,608	245,364	233,600	271,654	16.3%
Cooperatives	122,500	162,500			
2-4 Family	298,600	363,750		542,000	
END OF QUARTER (6/30) INVENTORY					
Single Family Houses	551	560	480	295	-46.5%
Condominiums	32	49	62	35	9.4%
Cooperatives	2			2	
2-4 Family	15	20	10	8	-46.7%
Total	600	629	552	340	-43.3%

ORANGE COUNTY

ORANGE - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	955	850	627	962	53.4%
Condominiums	112	114	81	121	49.4%
Cooperatives	-	6	2	6	200.0%
2-4 Family	65	59	34	81	138.2%
Total	1,132	1,029	744	1,170	57.3%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	1,728	1,614	1,367	2,118	54.9%
Condominiums	206	231	167	268	60.5%
Cooperatives	3	10	5	6	20.0%
2-4 Family	118	123	101	161	59.4%
Total	2,055	1,978	1,640	2,553	55.7%
MEDIAN SALE PRICE					
Single Family Houses	250,000	265,000	298,000	360,000	20.8%
Condominiums	166,750	195,000	190,000	220,000	15.8%
Cooperatives		75,750	74,000	80,500	8.8%
2-4 Family	148,000	215,000	250,000	285,000	14.0%
MEAN SALE PRICE					
Single Family Houses	274,361	282,189	307,354	387,925	26.2%
Condominiums	178,417	214,606	202,235	229,067	13.3%
Cooperatives		75,583	74,000	89,167	20.5%
2-4 Family	170,367	203,551	274,441	312,813	14.0%
END OF QUARTER INVENTORY					
Single Family Houses	1,867	1,739	1,501	911	-39.3%
Condominiums	136	128	121	86	-28.9%
Cooperatives	7	6	1	2	100.0%
2-4 Family	136	139	109	116	6.4%
Total	2,146	2,012	1,732	1,115	-35.6%

ROCKLAND COUNTY

ROCKLAND - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	470	461	363	614	69.1%
Condominiums	135	123	104	181	74.0%
Cooperatives	12	25	13	31	138.5%
2-4 Family	18	26	7	24	242.9%
Total	635	635	487	850	74.5%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	831	854	815	1,222	49.9%
Condominiums	260	240	210	351	67.1%
Cooperatives	27	57	36	46	27.8%
2-4 Family	41	46	29	57	96.6%
Total	1,159	1,197	1,090	1,676	53.8%
MEDIAN SALE PRICE					
Single Family Houses	468,750	450,000	475,000	550,000	15.8%
Condominiums	219,900	252,000	250,000	310,000	24.0%
Cooperatives	78,750	80,000	77,500	85,000	9.7%
2-4 Family	370,950	436,000	410,000	462,450	12.8%
MEAN SALE PRICE					
Single Family Houses	509,587	491,572	514,630	602,374	17.0%
Condominiums	260,017	297,233	285,712	396,599	38.8%
Cooperatives	77,333	90,300	123,038	122,258	-0.6%
2-4 Family	403,883	480,173	442,214	506,033	14.4%
END OF QUARTER INVENTORY					
Single Family Houses	1,015	1,043	830	473	-43.0%
Condominiums	187	217	187	86	-54.0%
Cooperatives	47	53	28	19	-32.1%
2-4 Family	55	48	33	44	33.3%
Total	1,304	1,361	1,078	622	-42.3%

BRONX COUNTY

BRONX - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	129	134	85	155	82.4%
Condominiums	51	54	32	70	118.8%
Cooperatives	171	136	76	174	128.9%
2-4 Family	151	168	104	200	92.3%
Total	502	492	297	599	101.7%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	256	250	208	343	64.9%
Condominiums	91	88	76	134	76.3%
Cooperatives	299	272	189	316	67.2%
2-4 Family	342	324	255	382	49.8%
Total	988	934	728	1,175	61.4%
MEDIAN SALE PRICE					
Single Family Houses	452,000	495,250	527,000	565,000	7.2%
Condominiums	230,000	245,250	320,000	300,000	-6.3%
Cooperatives	200,000	180,000	207,500	230,000	10.8%
2-4 Family	625,000	669,100	699,313	773,750	10.6%
MEAN SALE PRICE					
Single Family Houses	482,905	564,713	564,992	595,506	5.4%
Condominiums	276,618	304,635	364,329	379,628	4.2%
Cooperatives	236,322	215,038	219,439	253,296	15.4%
2-4 Family	631,170	674,327	716,833	777,009	8.4%
END OF QUARTER INVENTORY					
Single Family Houses				214	
Condominiums				164	
Cooperatives				487	
2-4 Family				372	
Total				1,237	

SULLIVAN COUNTY

SULLIVAN - Second Quarters 2018-2021					% Change
Property Type	2018 Q2	2019 Q2	2020 Q2	2021 Q2	2020-2021
NUMBER OF SALES, 2ND QUARTER					
Single Family Houses	234	218	196	337	71.9%
Condominiums	3	3	-	3	0.0%
Cooperatives	-	0	-	-	0.0%
2-4 Family	9	6	1	16	1500.0%
Total	246	227	197	356	80.7%
NUMBER OF SALES - YEAR TO DATE (6/30)					
Single Family Houses	462	415	406	681	67.7%
Condominiums	4	5	2	4	100.0%
Cooperatives	-	-	-	-	0.0%
2-4 Family	22	14	12	34	183.3%
Total	488	434	420	719	71.2%
MEDIAN SALE PRICE					
Single Family Houses	125,000	148,700	175,000	229,900	31.4%
Condominiums	40,000	55,000		150,000	
Cooperatives					
2-4 Family	55,000	125,000	125,000	194,500	55.6%
MEAN SALE PRICE					
Single Family Houses	177,430	188,348	208,452	280,496	34.6%
Condominiums	36,333	53,667		128,333	
Cooperatives					
2-4 Family	55,600	121,667	125,000	210,219	68.2%
END OF QUARTER INVENTORY					
Single Family Houses	1,199	946	670	492	-26.6%
Condominiums	8	8	3	6	100.0%
Cooperatives	4	3	2	1	-50.0%
2-4 Family	75	47	37	44	18.9%
Total	1,286	1,004	712	543	-23.7%

HGAR COO Ann Garti Retirement Event, Valley Rock Inn & Mountain Club, Sloatsburg

Ann Garti, HGAR COO

From left, Ann Garti and Richard Haggerty, HGAR CEO

From left, Katheryn DeClerck and Ann Garti

From left, Jack Fanning, Maryann Tercasio, President, HG Realtor Foundation; Ann Garti; and Chris Scibelli

From left, Crystal Hawkins-Syska, HGAR President and Ann Garti

From left, The Garti family: Jennifer and Andrew Garti, Ann Garti, Mark and Teresa Garti, and Betsy and Chris Garti.

From left, Jeff Marzo, Jessica Mandakas, Ann Garti, Michelle Gilliard, and Freddy Garcia, all members of the HGAR Goshen staff.

From left, Leah Caro, Ann Garti, Roberta Bangs, HG Regional Director and Nancy Kennedy

From left, Catheryn DeClerck, Renee Zurlo, Maryann Tercasio, Ann Garti, Shirley Van Dam, Roberta Bangs and Matt Rand

From left, Gail Fattizzi, Carmen Bauman, HGAR Treasurer, and Ann Garti

From left, Ann Garti, Gail Fattizzi, HGAR Immediate Past President, and Richard Haggerty, HGAR CEO

Ann Garti and Rey Hollingsworth Falu