



FOCUS ON TOURISM

Hudson Valley's Small Inns Holding Steady During Challenging Times

By Mary T. Prenon

When it comes to small inns and bed and breakfast lodging in the lower Hudson Valley, Orange County leads the pack with 27 of them. Some range from just two cozy rooms to a 16-bed inn with suites, dotting the region from Newburgh to Port Jervis. The Village of Warwick boasts six bed and breakfasts, while Montgomery and Fort Montgomery have two each.

"I think the further you get from New York City, the more popular bed and breakfast lodging becomes," said Amanda Dana, director of Orange County Tourism & Film. "There are so many quaint little towns here, and we have a lot of tourist destinations like wineries, breweries, West Point, the Storm King Arts Center, and of course, Woodbury Common Premium Outlets."

While many hotels and conference centers in the New York metro area saw a significant drop in hotel and event bookings due to COVID, Dana noted that bed and breakfasts in Orange County did not experience that same decline. "Our bed and breakfasts have always been extremely popular with guests coming up from New York City who want to spend a weekend in the 'country,' and they were quite busy even during the height of the pandemic," explained Dana.

The area also offers a plethora of walking and hiking trails, including the newly updated Orange County Heritage Trail, beginning in the Village of Harriman and extending 18 miles to Middletown.

"Plus, there's a lot of history up here," added Dana. "One of our oldest inns, the Stagecoach Inn, was literally a stagecoach stop." Set on Main Street in Goshen, the Stagecoach Inn dates back to 1747. The property was originally used to raise sheep. However, when owner Anthony Dobbin realized that stagecoaches were cutting through his land on the way to Albany Post Road, he opened the property as an inn. Former New York Governor George Clinton was a guest, as were justices from the local courthouse. By 1801, Dobbin was the host of a thriving business.

Fast-forward to more than 200 years in the future, and after several owners, the inn was purchased by Faith Ferguson and Ron Boire in 2014. It has since been fully restored to its former glory and reopened in 2016. It now has five guest rooms, two dining rooms, a living room, bar, outdoor porch and event space.

Like many other hospitality venues, the Inn was forced to close last year from mid-March to July. "But in August, things started to pick up a bit—first with the restaurant and then with the rooms," he said. "Overall, weekends have done very well with a lot of last-minute bookings from people in New York City."

Their event spaces, consisting of outdoor lawns, the solarium, back porch and atrium, are perfect for smaller events. "People are doing short-term bookings for weddings, showers, birthday parties and anniversaries, so we are seeing an uptick there," added Boire.

What they're still missing are international travelers coming to shop at Woodbury Common or visit historic Hudson Valley sites. "We used to get people from all over the world, and did get some from Europe last year, but I think it will be a while before we start seeing lots of international guests again," said Ferguson. "We may still be a couple of years away from 'normal' again."

Another local historic property, the Caldwell House Bed & Breakfast, was built while Thomas Jefferson was President. John Caldwell, a successful businessman, purchased the property in 1802 and today it has been restored with many of the original details. Located in Salisbury Mills, the Caldwell House offers 14 guest rooms and is just one of 300 inns in North America to be listed on the Select Registry of inns.

Owner John Finneran said last year was a bit slower, but things have started to pick up more recently. "We're still getting a lot of guests from New York City who just want to get out of closed quarters," he said. "We do miss the international tourists who come to see West Point, the Storm King Arts Center, Brotherhood Winery and other nearby attractions." Last year's and this year's virtual West Point graduation has also had an impact on bookings.

Due to the pandemic, Finneran said they have implemented stricter sanitation measures that involve deep cleaning after each guest leaves, then keeping that room vacant for the following 24-hours. "So, we've had an artificial higher vacancy rate due to these policies, but we want to make sure everything is safe for our guests," he said.

Typically, their busiest season is the fall and the summer, when the venue can be full every day of the week. During the winter, it tends to be more weekend travelers. "We are also seeing more young people in the spring and summer who like to hike and visit the wineries," he added.

Other notable historic Orange County smaller accommodations include Buck's

Homestead Bed & Breakfast, built in 1830 in Montgomery, Meadow Lark Farm, dating back to 1865 in Warwick and Violet Hill in Middletown, constructed in 1809.

Putnam County's Hudson House Inn is also a product of the 19th Century. Built in 1827, the property has operated as a lodging establishment since 1832. The inn, offering 13 rooms and a restaurant, overlooks the Hudson River in the quaint Village of Cold Spring. Originally called the Pacific Hotel, and later the Hudson View Inn, the Hudson House Inn is currently listed on the National Registry of Historic Places.

Owners Regina and Sam Bei actually closed the inn temporarily last March and reopened it in May 2020. "When the summer hit, though, we were full—mostly with guests from Manhattan and New Jersey," said Regina Bei. The couple also own the Hudson Ribs and Fish Restaurant in Fishkill, which sustained them over those closed months with take-out orders.

This winter, when business was slower, they took the opportunity to renovate the inn's main floor and are currently working on refurbishing guest rooms and bathrooms. "We wanted to have a more updated look, so we're taking out carpeting and putting in hardwood floors," she added.

Bei said they're also fortunate that they can offer up to 25 socially-distanced outdoor dining tables at the Hudson House Inn. "I think going forward, people will continue to want outdoor dining," she said.

Just up the street is the Pig Hill Inn, built in 1825. The three-story building offers nine guest rooms, indoor and outdoor dining options, and a gift shop. Many of their rooms also offer fireplaces or wood burning stoves, and two have jacuzzi tubs.

Westchester County has only two small inns, and actor

Richard Gere is an owner of one of them. It was in 2007 that Gere and Russell Hernandez joined forces to rescue and restore this historic property dating back to the 1860s. The Bedford Post Inn today offers eight luxury rooms, two restaurants, and a yoga studio.

Crabtree's Kittle House Restaurant and Inn in Chappaqua may be best known for its fine dining and elegant outdoor and indoor settings for weddings, but its small inn offers three historic rooms for overnight guests. Built in 1790, the Kittle Barn and Carriage House was once a working farm, while the Kittle family home also served as a roadhouse during Prohibition and a private girls' school.

"Westchester County's luxurious B and B's, Crabtree's Kittle House and Bedford Post Inn, both offer an intimate retreat with world-class

culinary experiences in a rich historical setting," said Natasha Caputo, director, Westchester County Tourism & Film.

Rockland County's one and only bed and breakfast, Casa Hudson, is located in Haverstraw. Built in the 1850s, the Italian Renaissance house was restored in 2010 by Andrea Caccuro, a New York City fashion executive and her business partner, Nelson Diaz, a Miami/New York artist. Offering three guest rooms, Casa Hudson also hosts various Hudson Valley events including "Chef's Table" and "Italian Style Tomato Canning Classes." The entire villa, overlooking the Hudson River, can also be rented for retreats, getaways or special events.

Prior to its restoration, the villa had served as a pre-school, with no private bathrooms or a kitchen. "It was a total gut job renovation," recalled Caccuro. "We had to bring everything back to the original beams, install floor-to-ceiling windows, restore all of the original wood, put in new floors, and add the kitchen and bathrooms." After five years, Caccuro and Diaz enhanced the space with their own artistic contemporary flair, while still preserving most of the original property. In 2015, they were honored with the Rockland Historical Society Preservation Merit award for their adaptive use and restoration work.

Like many other Hudson Valley bed and breakfasts, they were able to sustain their business during the pandemic. "We were very fortunate because we had guests who ended up staying long term, and we've also made some updates like keyless entry, enhanced sanitizing practices and even subtle changes like removing a lot of decorative pillows," said Caccuro.

Most of their guests hail from New York City, and the owners are looking forward to a more stable business for this summer. "The best part about owning a B and B is being able to hear people's stories and experiences—especially over the past year," Caccuro added. "I think people are excited about being able to connect again."



Casa Hudson in Haverstraw



The Stagecoach Inn in Goshen



Hudson House Inn in Cold Spring

A Stigmatized Sector—Our Outlook for U.S. Hotel Investments

By William Pattison, Reginald Ross, Michael Steinberg and Austin Iglehart

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2020 was the most challenging year on record for hotel owners, far surpassing the lows reached following the 2008

Figure 4: Forecast of Hotel Demand by Source

	2H2021-2022	2023-2024	2025+
Leisure	Above pre-covid demand	Modestly above pre-covid demand	Pre-covid demand
Business Transient	Modestly above pre-covid demand	Modestly below pre-covid demand	Below pre-covid demand
Group	Below pre-covid demand	Modestly below pre-covid demand	Below pre-covid demand
International	Modestly above pre-covid demand	Pre-covid demand	Modestly above pre-covid demand

and 1981 recessions. In order to project how and when hotels will recover, we believe it is worth separating the recession's purely economic impacts from the "stay home" COVID impact.

Historically, estimating hotel performance has been easier than one might think. Using only hotel construction completions and employment changes, for instance, we were able to model 74% of annual RevPAR growth within a given year, from 1992-2019. The relationship obviously disconnected in 2020 as the pandemic began.

Specifically, RevPAR declined by 47.5% in 2020, but the model suggests only 3.5 percentage points of the decline can be attributed to typical demand factors (i.e. employment declines) and supply coming online. We attribute the remaining 44.0 percentage points to the COVID-related demand impact, driven by social distancing and stay home orders, and we believe this gives us a reasonable starting point from which we can forecast the post-COVID recovery in hotel demand and thus RevPAR.

Hotel Demand in a Post-COVID World

As we noted in a 2019 report, "A New Dawn in Retail," experiences (versus goods) are capturing an increasing share of personal expenditures, and hotels have benefited from this trend over the past several decades. Even following the introduction and rapid expansion of a major competitor (Airbnb) in the last decade, hotels' share of personal consumption has steadily increased. We do not believe the pandemic has altered the secular shift toward experienced-based spending.

In addition to consumer preferences favoring experiences over goods, the nature of this downturn suggests that those who are most likely to spend on travel will have the means to do so once vaccines are widely distributed and travel is considered safe. Our base case assumption is that vaccine distribution will allow for herd-immunity to be achieved in the U.S. by mid-summer.

Individuals earning over \$70,000 per year have historically been responsible for 75% of hotel spending. For this demographic, the recession effectively ended shortly after it began in April of 2020. Job losses have recovered, and employment has now even surpassed pre-COVID levels. Personal savings has also increased sharply. This is very much different than in prior recessions, such as the Global Financial Crisis, when higher income groups contended with elevated unemployment for several years, and leisure travel was slow to recover. We believe the economic picture alone suggests a surge in leisure travel later in 2021, even before accounting for pent-up demand that surveys suggest has been growing over the last six months. Data from online vacation services support this view, showing a correlation between vaccine distribution and

summer 2021 travel bookings. Beyond 2022, we believe the secular trend of experienced-based spending growth will continue to boost leisure travel, and leisure hotel demand will remain in excess of pre-COVID levels.

Our outlook for leisure travel is positive, but post-pandemic business travel

may be more challenging to forecast. Although we believe the historical relationship between job growth and RevPAR (cited earlier) is a reasonable starting point in the forecast, there are some additional considerations. Hotels that cater to large group/conference travel may experience a delayed recovery given that social distancing advisories may be in-place through 2022. Group hotels face the additional burden of deriving a larger portion of revenues from food & beverage components, unlike limited-service hotels more commonly associated with transient travel. As such, these assets may not fully recover until 2025.

Hotels that support transient business travel may also face challenges in coming years. We estimate that corporate travel budgets will be 25% below pre-COVID levels in 2021, and 15% below in 2022. That said, the slowdown in 2021 may have been front loaded, and we expect a temporary rebound in transient travel as offices reopen during the second half of 2021. Additionally, a mix of industries from entertainment to biomedical engineering have experienced rapid growth during the pandemic, and certain roles in those sectors could benefit from travel, in our view.

Over the medium and longer term, we expect business transient demand to face headwinds from the increased adoption of virtual meetings. Based on a variety of industry surveys conducted pre and post COVID, we expect a 15% structural decline in transient business demand.

Lastly, international travel is likely to be slower to recover as many countries have less vaccine access than the U.S., making extended flights less safe. Although this could suggest a slower recovery in markets like New York, Miami, Los Angeles, and San Francisco, increases in domestic leisure travel are already helping to offset it. For example, hotels in Miami experienced occupancy rates nearing 80% during the Martin Luther King holiday weekend in January, similar to pre-COVID levels.

A Softer Landing

The COVID pandemic has introduced some long-term structural headwinds for hotels, but we believe it has also offered two self-correcting mechanisms that help offset the risk; namely, a reduced supply pipeline and the rise of digital nomads as a new source of hotel demand.

Leading into the COVID crisis, the hotel sector was contending with an elevated supply pipeline, with U.S. hotel stock projected to increase 13.5% between 2020 and 2025. Today, forecasts show the supply pipeline has moderated, and now stands at 9.2% of current stock. This figure also does not reflect the likelihood of a portion of hotel stock that may go offline or be converted to an alternative use such as multifamily, further constraining supply. New York,

for example, has proposed zoning changes for hotels in order to support housing affordability in the metro.

In addition to a moderating supply pipeline, COVID-19 has also created a new source of hotel demand in the form of the digital nomad. An acceleration in flexible working arrangements means individuals can work from anywhere and are not consigned to working in their homes. The extended duration of hotel stays during lockdown provides some early evidence of this, and we believe the trend will persist in a post-pandemic world.

Prior to COVID, U.S. employees took on average 17 days off per year and used eight days for travel. The top three reasons for individuals not traveling more during the year all reflected a lack of workplace flexibility. We believe newly formalized remote or flex working policies among tens of millions of office workers could increase the average number of travel days per year, adding to hotel demand.

Capital Market Conditions

Unlike other real estate sectors, and unlike the broader non-real estate investment universe, we believe the hotel sector is experiencing a capital markets and liquidity crunch. In hotel equity markets, we estimate that prices declined between 10% and 60% depending on the asset characteristics.

Part of the reason our price estimate is so wide relates to varying characteristics of hotel assets, with limited-service hotels generally faring better than full-service hotels. Limited-service hotels have historically had lower volatility NOI changes, and we believe this is largely due to the lower average fixed costs limited-service hotels have compared to full-service hotels. Full-service hotels are also more exposed to group travel, which as we outlined has seen the most severe COVID-related demand impact.

A second reason our price decline estimate is so wide relates to the bid-ask spread that persists, and depressed levels of transactions that are occurring. Just \$12 billion in hotel properties changed hands in 2020, and nearly half of that occurred in the first quarter (before the COVID recession began). This total is down from an average of \$37 billion per year in 2017-2019. Transaction volume has grown during the early months of 2021, but is unlikely to recover to pre-COVID levels in the near-term, in our view. Current owners of hotels are largely unwilling to accept what they view as discounted offers for their properties in hopes of a significant rebound in business once a greater portion of the population is vaccinated and/or herd immunity is achieved.

Lending activity has also slowed materially. Hotel originations across lender types declined by 79% year-over-year in 2020, a more significant decline than retail (-72%) and office (-56%). Although activity has been modestly picking up in 2021, we believe it will also remain well below pre-COVID levels in the near term, similar to equity markets.

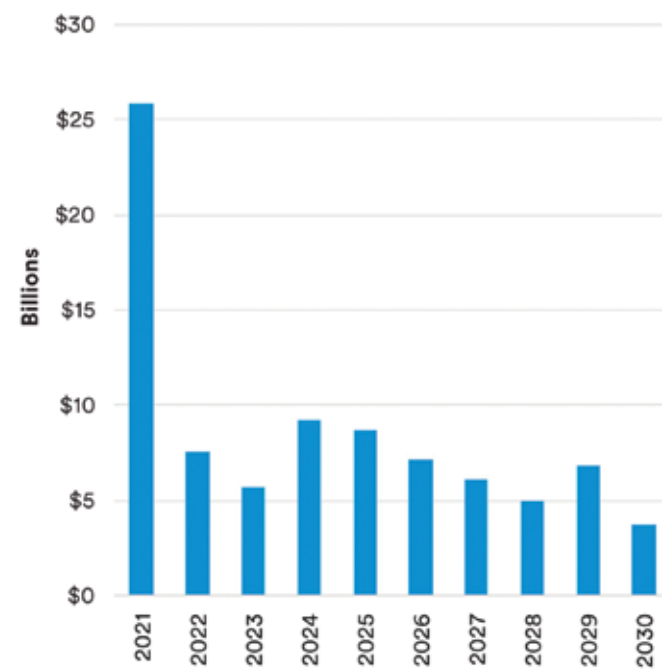
In the mortgage investing space, many non-CMBS lenders have been willing to grant payment deferments (but not forgiveness). We believe patience to keep deferring is coming to an end, and we expect subordinate debt and preferred equity opportunities to become more prevalent.

In the CMBS space, we estimate 15% of conduit hotel loans are 90+ days delinquent, or \$7.5 billion of principal balance, as of this writing. We believe these borrowers may also contribute to a growing universe of subordinate debt and preferred equity offerings.

Aside from level of distress in the hotel sector, the CMBS universe also reveals that there is simply a lot of debt that will need to be refinanced over the next several years.

About 30% of outstanding hotel loans in CMBS matures in 2021, though some of that \$25 billion set to mature could be pushed into 2022, and to a lesser degree 2023, via extension options. This likely mirrors maturities schedules across other lender types. In addition, we have observed that many hotels that are not facing refinance risks have nonetheless been seeking "rescue" operating capital. Traditional financing sources have been requiring higher coupons, and these sources alone may not be sufficient to support

Figure 5: CMBS Hotel Maturity Schedule



Source: Bloomberg

the demand for hotel liquidity during the remainder of 2021 and into 2022. As such, we believe the number of attractive opportunities for investors in the hotel debt space could remain strong in coming quarters.

Conclusion

This past year became the most difficult on record for investors in the hotel sector. Market turbulence, though, often presents opportunities to investors who remain in the market. Today, the hotel sector continues to face challenges, but we believe the most difficult period for hotel demand is behind us. In the very short-term, we believe investors who can provide liquidity to the hotel market could be rewarded with outsized returns.

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Hudson Valley Tourism Joins HVEDC Board of Directors

POUGHKEEPSIE—The Hudson Valley Economic Development Corp. recently announced the addition of Hudson Valley Tourism, Inc. to its Board of Directors, represented by HVT President Amanda Dana.

In 2018, Dana assumed the role of Orange County Tourism Director. In 2019 she and her tourism team acquired the Orange County Film office. In 2021, Dana was named the President of Hudson Valley Tourism, Inc., a 10-county hospitality and tourism marketing organization focusing on promotion of the assets of the Hudson River Valley region.

Dana has more than 30 years of contribution in a variety of marketing and sales leadership roles in the Hudson Valley region with 18 years in executive recruiting/talent management, 10 years focused on commercial and residential real estate and five years in economic development.

She joined the team of the Orange



Amanda Dana, president
Hudson Valley Tourism, Inc.

County Partnership in 2013, heading up its Business Retention & Expansion division. In this role, she was responsible for fostering the growth of Orange County companies.

Prior to joining the Partnership team, Dana ran a successful real estate practice in Orange County, focusing on both commercial and residential transactions.

"I am thrilled to have the opportunity to work more closely and be a member of this prestigious board at HVEDC. Everything about hospitality and tourism is economic development and as President of Hudson Valley Tourism, Inc., I am confident that I can contribute to the important mission of HVEDC while representing the voice of tourism for this majestic region," said Dana.

"Tourism in the Hudson Valley is a huge economic driver and we are excited to continue to work with Amanda and her team to expand these opportunities.

Having Hudson Valley Tourism, Inc. on the board of HVEDC will be a fantastic resource as we work together to bring economic development and tourism to the region. I look forward to a fruitful and exciting partnership," said Mike Oates, president and CEO of HVEDC.

Hudson Valley Tourism is a regional tourism entity whose mission is to promote and enhance the image of the Hudson River Valley region, located in the historic Hudson Valley a federally designated National Heritage Area, as a leisure and business destination. HVT is a 10-county region designated by I LOVE NEW YORK to promote tourism for the area. Counties include Albany, Columbia, Dutchess, Greene, Orange, Putnam, Rensselaer, Rockland, Ulster and Westchester. Regional information can be obtained from any of the county tourism offices, the Hudson Valley Tourism website, www.travelhudsonvalley.com, or by calling 845-615-3860.

New York City Tourism Industry Hit Hard By Pandemic, Visitor Spending Fell 73%

NEW YORK—The COVID-19 pandemic abruptly halted tourism in New York City, one of the world's top tourist and business traveler destinations, during parts of 2020, resulting in a dramatic falloff in the number of visitors and creating a steep drop in economic activity, according to a report released on April 28 by New York State Comptroller Thomas P. DiNapoli.

DiNapoli said a 10-year period of record growth in tourism came to an end in 2020 as 43.7 million fewer visitors came to the city, a drop of more than two-thirds (66.6 million in 2019 to 22.3 million in 2020), and the industry's overall economic impact fell sharply from \$80.3 billion in 2019 to \$20.2 billion in 2020.

Employment in the industry also saw a significant decline in 2020 as 89,000 (31.4%) jobs were lost from 2019, when employment reached a record 283,200 jobs. DiNapoli said tourists spent only \$13 billion in 2020, a 73% decline from the prior year, which will cost the city \$1.2 billion in lost tax revenues in City Fiscal Year (CFY) 2021.

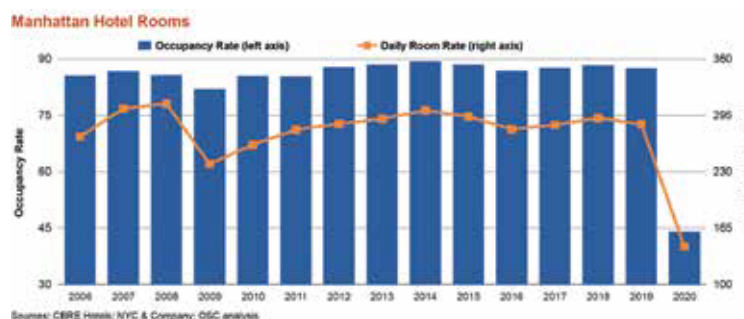
"The tourism industry is a vital component of New York City's economy," DiNapoli said. "Visitors and their spending are essential factors in measuring the health of the economy. The pandemic's damage to this industry has been staggering and it may take years before tourism returns to pre-pandemic levels. The city and state must help with safe reopening, while targeting relief funds to workers and to hotels, venues, restaurants and other businesses that are unlikely to recover until visitors return."

DiNapoli said the state and city's near-term focus remains getting more people vaccinated and reopening attractions and expanding capacity safely. He urged city and state leaders to work with stakeholders to reignite the new normal for New York City's tourism industry.

The report's recommendations include:

- Build the infrastructure and systems that aid flexible adherence to health and safety guidelines, including the expansion of public space for tourism activities.
- Analyze and target relief programs, particularly for the accommodation and transportation industries, ensuring existing and new programs reach workers and alleviate short-term pressure for operators from taxes, loan payments or related fees, so that operations may return.
- Promote tourist activities, including boosting resources for agencies designed to coordinate such activities (i.e., NYC & Company).
- Target domestic leisure travelers in

the short-term, as they are most likely to return first, while developing campaigns to lure international and business travelers in the long-term, as they spend more on average than their counterparts.



- Accelerate airport enhancements and improve local transportation options.
- Integrate new and existing technology to make it easier for visitors to arrange and change their itineraries, to make reservations and to avoid lines and help streamline compliance with public health protocols.

"Comptroller DiNapoli's exhaustive report on the pandemic's impact on New York City tourism is an invaluable marker," said Manhattan Borough President Gale A. Brewer. "It shows how much work we need to do to rebuild the sectors affected by the pandemic's massive drop-off in tourism."

"We are seeing clear signs of recovery for New York City's tourism industry, a pillar of the city's economy," said Donna Keren of NYC & Company. "Prior to the pandemic, the industry saw steady growth. Comptroller DiNapoli's report highlights just how vital tourism is to all five boroughs of New York City, and is also a sobering reminder of how difficult this pandemic has been for our city's tourism industry. It's also a reminder of the opportunity we have to remind people of the incredible experiences that are waiting for them here. We look forward to working with the city and state to bring people back and make New York City the premier tourism destination we know it to be."

Massive Drop in Tourism Spending

Spending by tourists is a critical driver for tourism industry employment, wages and city tax revenues. DiNapoli estimates after reaching a record high of 66.6 million visitors in 2019 and generating \$47.4 billion in spending, the number of visitors to the city dropped by 67% and their spending declined by 73% in 2020. Tourism-related tax revenue accounted for 59% of the city's \$2-billion decline in tax

collections, or about \$1.2 billion, for CFY 2021. Tourism Economics, an economic forecasting firm, is projecting that visitor spending will return to pre-pandemic levels in five years (2025), while it took

three years to rebound after the financial crisis in 2008.

From 1991 to 2019 the number of visitors to the city nearly tripled, with nearly half the growth occurring in the last

decade. Domestic tourists have more than tripled in this timeframe, making up just over half of total visitor spending. International tourism has risen steadily over the decades, becoming a more dominant driver in visitor growth since 2009. While the majority of visitors are domestic, international visitors spend four times that of a domestic visitor. International visitors to the city generally spend about twice the amount per visit compared to the average traveler to the U.S., with each Chinese tourist spending an average of \$3,000, almost twice the average of any other international visitors.

Leisure travelers account for 79% of visitors to the city and 71% of the spending. International travelers are more likely to stay in a hotel (76%) and primarily visit the city as a destination. Business travelers make up 21% of all visitors.

Tourism Employment Dropped More Than 30%

By the end of 2019, the industry in New York City had a record 283,200 private sector jobs, accounting for 53.5% of the state's total tourism employment. This was a 35% increase from 2009 levels and faster than growth in total private sector jobs (30%). DiNapoli estimated employment fell to 194,200 in 2020, a 31.4% drop and the lowest level in the city since 2004. Jobs are primarily concentrated in three large sectors: leisure and hospitality (59% of tourism jobs), retail (19.3%) and transportation (16.1%). The top three subsectors (hotels, restaurants and air transportation) account for almost 41% of all industry employment.

The majority of the jobs (57.6%) are located in Manhattan, with Queens having the second highest concentration with 24%. In the last decade, total wages in tourism increased by 81.7%, while city-wide private wages increased by 64.3%. The average annual salary in the industry

was \$60,400, lower than the city's private average salary of \$97,700. Workers are also more likely to be minorities (66%), self-employed (14.4%), younger, at an average age of 40, and are more likely to be immigrants, who make up 44.7% of the total workforce.

Hotels & Accommodations Hit Especially Hard

DiNapoli has published a series of reports highlighting the impact of COVID-19 on different sectors of the city's economy. Prior reports have focused on the retail, restaurants and the arts, entertainment and recreation sectors, which are a part of the tourism ecosystem. The two large remaining sectors, hotels and accommodations and transportation, provided 97,800 jobs and \$4.5 billion in wages in 2019.

As a share of the tourism industry in New York City, accommodations are the largest component by employment and wages, representing 18.4% of employment, 21.1% of wages and 4.8% of firms. Because of the pandemic in 2020, this sector lost nearly half of its employment base (23,813 jobs or 46%).

According to the Department of City Planning, in January 2020, there were 705 hotels with a total of 127,810 rooms. As of October 2020, more than 37,000 hotel rooms in the city remained closed, with 10% permanently shut down. Prior to the pandemic, hotel occupancy was 89.6%, the highest in the nation. By September 2020, occupancy had dropped to 38.9%, lowering daily room rates. Through the third week of March 2021, occupancy in hotels had climbed to slightly over 50%.

Private tourism-related transportation employment in the city totaled 45,700 jobs in 2019 and declined by 20.9% in 2020. Transportation employment represents 16.1% of total tourism jobs and nearly 5% of wages. Air transportation and related services, including airport operations, account for more than 84% of total tourism-related transportation jobs, and have a comparatively higher average salary of \$80,200. Air transportation has been impacted by the sharp drop in passenger numbers and in the number of flights arriving and departing, which were down 69.1% in city-area airports in January 2021.

Yellow taxis saw their average trips per day decline by 96% from January 2020 to its trough in April 2020, according to the city's Taxi and Limousine Commission. The daily farebox totals for yellow and green cabs was down 79.5% in January 2021 compared to the prior year. New York City airports also came to a near standstill, with only gradual improvements. In August 2020, air passenger screenings were down 71% in the nation and 80.6% in New York City. Despite some improvement over

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HGAR Bronx Chapter to Hold Golf & Tennis Outing on June 21 Honoring David Diamond

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creating a positive impact on the local economy.

In 2012, Diamond, along with his wife, Susan, founded Diamond Property Group and the company has since grown to own and operate 28 buildings throughout The Bronx and Westchester. Together, they have expanded the corporate footprint to include single-tenant net-lease shopping centers across the country, in addition to owning and operating a multi-bay warehouse and industrial park complexes totaling close to 500,000 square feet in Miami.

Over the past 40 years, Diamond has been involved in restoring approximately 5,000 apartments, providing homes to nearly 5,000 families. "My roots are in the Bronx, since our family business has been here for so long, going back to my grandfather," he said. "After graduating college, I worked in my father's office for many years and it was always my dream to get involved with rehab and renovation work. I wanted to be able to offer affordable housing for the local communities."

Diamond Properties is also involved in several Bronx civic organizations such as: The Bronx Chamber of Commerce; The Bronx Museum of the Arts, where he is Chairman Emeritus of the Board; The Community Housing Improvement Program; The Bronx Realty Advisory Board and, the Rent Stabilization Association. Diamond also serves as Vice Chairman Emeritus of Mercy College.

In his free time, Diamond is an EMS Captain of the Roslyn Highlands Fire Dept. (NY), where he has volunteered for the past 25 years. "As a kid I always thought about becoming a firefighter—it just took me 40 years to do it," he quipped. Diamond found his niche at

the Roslyn Highlands Fire Department when they were looking for more drivers. Fortunately, he had the experience from years back when he drove a dump truck to plow an airstrip runway in New Hampshire. "At one point, I wanted to be a pilot, so I took flying lessons," he recalled. "And I paid for those lessons by plowing the runways for the instructors."

In addition, Diamond is the Commander of NY-2 Disaster Medical Assistance Team (DMAT), with more than 20 years of experience. Some of the more memorable deployments were the terrorist attack on 9/11, Hurricanes Katrina and Sandy, the earthquake in Haiti and tsunamis in Guam.

It was just after 9/11 that he was introduced to DMAT, and knew he had to get involved. "Besides 9/11, I think the events that impacted me the most were Hurricanes Katrina in New Orleans and Maria in Puerto Rico. We're out there with these people on the worst day of their lives," he explained. "They've lost everything and we have to somehow help them try to put their lives back together again." Diamond and his crew worked long hours, sleeping in tents for days.

Since February 2020, Diamond has been deployed several times receiving passengers from the Diamond Princess Cruise Line in Hawaii to various COVID quarantine compounds in San Diego and San Antonio, as well as serving at the Javits Field Hospital as a subject matter expert in Manhattan. During the last few months, he led DMAT Assessment Teams throughout the Midwest and Texas, assessing the needs of local hospitals that were overwhelmed with COVID cases. Most recently, he returned from deployment in Oakland, CA where he was the first team serving the nation's

1st Joint Federal-State Mass Vaccination Drive Thru Site, between the State of California and the Federal Emergency Management Agency. Ultimately, the site delivered more than 6,000 vaccinations per day.

Since the Oakland site was the nation's first drive-through vaccination site, it has now become a model for the rest of the country. Diamond and his team also worked with local EMTs to provide training on giving vaccine injections. "We actually had them practice on oranges, using syringes donated from local hospitals," he noted.

His DMAT unit is one of just 60 across the U.S. and Diamond is always ready to jump wherever and whenever he's needed. "I guess you could say it's a calling," he added. "Anyone involved in

emergency services or the medical field are people who just want to help any way they can. Sometimes the things we see are very difficult, but that doesn't stop us from our callings."

Diamond and his wife, Susan, live in the Village of East Hills, NY, where he also serves on the Zoning Board of Appeals and is the village's Commissioner of Roads. Their daughter, Erin, works in the family business.

"David Diamond's story is compelling in so many ways," said Eli Rodriguez, HGAR Liaison for Bronx Chapter. "Everyone has been affected by disasters and by COVID, and he has gone into the eye of the storm, helping to heal the world."

For more information about the Golf & Tennis Outing, please visit HGAR.com/Events.

NYC Tourism

Continued from page 3

the fall and winter, the city still lags the nation. The number of passengers screened in February 2021 remained well below prior-year levels, down 59.5% and 70.1%, respectively, in the nation and the city.

Industry Relief and Outlook

The most substantial federal relief program to aid businesses was the Paycheck Protection Program (PPP). In 2020, PPP granted forgivable loans to 42,800 city businesses in tourism-related industries, for a total value of \$3.4 billion. These businesses accounted for 27% of PPP loans in the city and 18.3% of loan dollars disbursed. Loans were concentrated in restaurants (27.7% granted to tourism-related industries) and hotels (11.7%). Significant standalone federal grants programs have also been created for restaurants

and entertainment venues, which should encourage reopening and expansion of operations, providing attractions for visitors returning to the city.

NYC & Company forecasts that domestic leisure travelers (primarily those making day trips) will be the first to rebound to 2019 levels. International travelers, who have a higher economic impact, are not expected to return to pre-pandemic levels before 2025. Business travelers to the city are not projected to surpass 2019 levels for the foreseeable future. They are expected to reach a maximum of 92% of pre-pandemic levels by 2024. The Global Business Travel Association forecasts that global business spending will return to 2019 levels (\$1.43 trillion) by 2025.



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Top 5 Reasons to Invest in Portugal Real Estate



Pedro Pereira

By Pedro Pereira

3,367 miles is the distance between New York City and Lisbon, Portugal's capital and biggest city with a population of a little over 500,000 inhabitants. A seven-hour direct flight connects both cities on opposite sides of the Atlantic and is an "open door" to a new way of living. Once known as "Europe's Best Kept Secret," Portugal has seen its foreign population increase by double digits in the last few years. In fact, more than 480,000 foreigners that represent less than 15% of Portugal population have chosen Portugal to live. In this article, I will detail the top five reasons that moved many to this calm place in a distant corner of Europe.

1. Nice Weather—Lisbon has more than 2,800 yearly hours of sunshine and an average air temperature of 71°F. The temperate climate features some hot air coming from South (Morocco) and East (Spain) and some cold air coming from the Atlantic Ocean. So the weather during most part of the year is

great and suitable for outdoor activities such as golf, horse riding or the beach. For this reason Portugal has always been a choice for retired British nationals that live in the Algarve region most part of the year. However, in recent years more and more European nationalities have discovered Portugal as their place to live most of the year, among them are French, Dutch, Germans and Swedish just to name a few. On living in Portugal they manage to spend more time outdoors and get all the Vitamin D they can to keep them healthy and happy all year around.

2. Low Cost of Living—Let's say you usually pay \$5 for a coffee in the U.S. In Portugal you pay less than 1 EUR. Portugal is one of Europe's cheapest countries and you can confirm it by using the cost of a typical dinner cost as a reference: what costs you \$57 per person in New York City; in Lisbon you will pay no more than 35 EUR. And don't think you won't get the same level of service, but with an ad-on of tasty and local cuisine part of the Mediterranean diet cuisine based on olive oil and veggies. Your money will definitely provide you more in Portugal, more quality and more quantity. Portugal ranks below the Euro Zone cost of living by 17% and a recent study that considers the cost of rent, groceries, restaurants and shopping shows the U.S. with an index of 71.92% and Portugal with 52.88%. definitely your money has more value here than in the U.S.

3. Healthcare and Education Free of Charge—Portugal has a National Health Service (SNS) free of charge for all citizens and foreigners with a residence permit. This public service works properly, but you should consider some delays on non-urgent procedures. Before you have your SNS ID, you are required to have 90 days of health insurance. Portugal also has several high quality privately-owned hospitals around the country that offer all kinds of health care for those who can afford it or have health insurance that covers most of the expenses. Education, free of charge is also provided by the state to all residents and is mandatory for all below 17 years old. This includes all different education levels ending at a University degree. In areas such as Porto, Lisbon and Algarve, there are options for several private International Schools with English, German and French as their main language.

4. Attractive Tax Regime—Portugal still has a very interesting program that attracts international buyers. The so-called Golden VISA allows free access to Euro-Zone 26 countries and a 20% reduced tax income. In order to obtain it you have several options but the most common one is to buy a 500,000 EUR property in Portugal. In 2020, the U.S. represented 6% of the nationalities that had obtained the Golden VISA. However, if you work in a "valuable occupation" you can also apply for a permit that requires you to stay in Portugal a minimum of 183 days a year and offers you a reduced income tax. I am pretty sure the tax regime was not the reason, but Lisbon has had several A-list celebrities buying properties and living in Portugal. Until recently the one and only Madonna lived with her family in a Lisbon palace, enjoying the quiet life and planning her latest album during more than two years with her kids attending an International School and Soccer Academy. Still living in the country and property owners, apart from those we are not aware of, are designer Phillipe Starck, Chinese artist Ai Wei Wei, shoe maker Christian Louboutin, actress Monica Bellucci and actor Michael Fassbender.

5. Opportunity for Investment—If I got your attention, it means you are interested in doing business with Portugal Realtors. So, I left the best for the end. Portugal offers a highly interesting potential for real estate business. The country offers a great range of options on investments. In the North of Portugal you have old Manor Houses with vineyards surrounded by a river or mountains. If you prefer beach style you have the best in Europe from the surfing world record waves in Nazaré, to urban and nature beaches in Costa da Caparica, to Algarve beaches or to some secret places that look like the Hamptons, but are affordable for some. Alentejo offers an endless landscape surrounded by nature. And let's not forget Azores and Madeira Island that preserve nature in a very relaxed way. New developments are taking place in urban areas but rehabilitation still is something very interesting to invest in as there is a lack of properties to rent. Logistics also attracts international investors. As for prices, Greater Lisbon Area averages 2.552€ a square meter and in Porto Greater Area the figure is below 2.000€. But, if you narrow down to Lisbon, you should expect prices for prime locations to range from 4.000€ to 25.000€ (this last one was the price soccer player Cristiano Ronaldo paid for one of the most luxurious penthouse in the city with two floors and a pool on the terrace). Super exclusive products are coming to the market. Lisbon and Portugal are still an affordable real estate destination either to buy or to invest.

Portugal has a growing community of more than 80 International Realtor members that adhere to the NAR Code of Ethics and offer you the same standards as the U.S. Certified International Properties Specialists (CIPS) designations are also present in Portugal making business more secure for all sides.

These are the facts about Portugal Real Estate and why so many are attracted to it. But, be advised that after your first trip to Portugal I am pretty sure you will develop a great feeling for the country, its people and food.

Pedro Pereira is CEO / UCI marketing and direct channel manager for PIR (Portuguese International Realty), a Portugal Cooperating Association to NAR and to which HGAR is the Ambassador Association. With more than 80 International

Realtor members, PIR has been promoting NAR membership, its Code of Ethics and several NAR Designations. HGAR has partnered with UCI Portugal through the NAR Ambassador Association Program. The program is loosely based on the international Sister-City programs: NAR appoints a "partner" state or local Realtor association to each of its partner countries. The Ambassador Association works closely with the Global Ambassador assigned to that country and NAR's Global Coordinator for that part of the world. Pereira can be reached at: pedro.pereira@uci.com



Alfama in Lisbon, Portugal



Ribeira in the City of Porto, Portugal

HGAR is Looking for Its Next Leaders!



The Hudson Gateway Association of REALTORS® is seeking new leaders who will play a vital role in shaping the Association's future. For HGAR to remain a dynamic and relevant organization, we need YOU! Interested?

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Application Deadline: May 28, 2021



HG Realtor Foundation Pub Night Celebrating Cinco de Mayo



Bonnie Koff, HG Realtor Foundation Fundraising Chair



From left, Richard Haggerty, HGAR CEO, Ruth Lara Deane and Sean Deane



From left, Susanne Thiessen, Gabriela Kosek, Cynthia Leite, Dave Moore and Gail Fattizzi



From left, Jane Abbate, Suzan Zeolla, Susan Code, Ruzhe Ivezic, Houlihan Lawrence Briarcliff Office



From left, Sander Koudijs, Richard Haggerty, Leah Caro, Beth Hargraves and Marcene Hedayati



From left, Bob McLoughlin, Sarah Hughes, Gladys Disisto and Doreen Zuccaro



From left, Bob McLoughlin, Brenda Misuraca, Phyllis Lerner, Hans Schindhelm and Rob Misuraca



From left, Carol Christiansen and Roseann Paggiotta



From left, Kathy Kane, Ron Sierra, Beth Hargraves, Bonnie Koff and Cathleen Stack (seated)



From left, Gianna D'Ambrosio, Leah Caro and Leo Gjoni



From left, Anthony Domathoti and Eric Stuerken pictured at the May 4th event held at the Los Abuelos Restaurant in Ossining.

Howard Hanna | Rand Realty, announced recently that real estate industry veteran **Maria Tomaselli** has joined the firm's White Plains office team.

As a lifelong resident of Westchester County, licensed in New York and Connecticut, Tomaselli's market expertise and local involvement make her a leader in the real estate world. She is known for being named to the Chairman's Elite Club and ranking among the top 1% of top producers for the past few years.

With more than 20 years of experience in the financial arena, access to technology, and the tools to provide up-to-date information; she incorporates strong financial knowledge into her real estate practice, creating the right custom strategic plan and logistics to serve her clients.

Some of her past designations and awards include: 2020: Chairman's Elite Club Award, Ranked Top 1% in Westchester and Putnam, Over 15 Million In Sales, #1 Agent In Yorktown Heights; 2019: Chairman's Elite Club Award; 2019: Top 1% of all Agents in Westchester & Putnam Counties / NRT Top 1,000 Sales Associates – 1st Quarter / #1 Agent in Coldwell Banker Yorktown Office – 1st Quarter; 2018: Surpassed industry standard by Closing 22 days faster and six times more than the average agent / International Sterling Society Award Winner; 2017: Voted 5 Star Real Estate Agent by *Westchester Magazine* / International Sterling Society Award Winner; 2016: International Diamond Society Award Winner and 2015: International Sterling Society Award Winner.

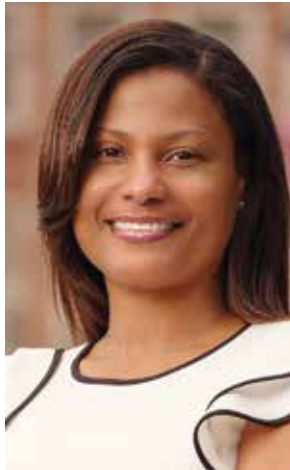


Maria Tomaselli

Corcoran Legends Realty in Briarcliff Manor recently welcomed **Tanya McClean** to its Briarcliff Manor office.

Born in New York and currently residing in Westchester County, McClean graduated from Berkeley College with a Bachelor of Business Administration in Management and has worked for two of the top real estate property management companies as an assistant property manager where she serviced numerous cooperatives and luxury condominiums properties.

As a full-service, licensed real estate agent, she capitalizes on her previous experience and is consistently furthering her knowledge by attending training seminars and workshops, company officials said. McClean specializes in both residential sales and leasing throughout New York.



Tanya McClean

Charlie Goldberger, counsel to the law firm at **McCullough, Goldberger & Staudt**, has been recognized for his work shepherding the YMCA of Central and Northern Westchester through a critical time in the organization's revitalization.

Goldberger was among those honored in a virtual ceremony on April 22 held by the City of White Plains and the White Plains Youth Bureau honoring volunteers who have made the city a better place through their contributions as part of National Volunteer Month.

As chairman of the YMCA's Board of Directors for the past five years, Goldberger advised the organization on the sale of its building at 250 Mamaroneck Ave. in White Plains and the relocation of residents there. His law firm also helped to find a new home for the organization's popular after-school program, which is now thriving at its new location at 148 Hamilton Ave.

"We can't thank Charlie Goldberger enough for all he has done for the YMCA and his assistance in helping us to put this organization on firm footing and for his assistance with the relocation of our early learning center. As chairman of our Board of Directors, Charlie has helped lead this organization, and we are very grateful," said Cynthia Rubino, president and CEO of the YMCA of Central and Northern Westchester.



Charlie Goldberger

City of Yonkers Mayor Mike Spano announced on April 28 a series of senior-level personnel changes in his Administration, including the appointment of **Deputy Mayor Jim Cavanaugh** as the Yonkers Industrial Development Agency's new President & CEO, which is a part-time position. Cavanaugh will be replaced by current Yonkers Parks, Recreation & Conservation Commissioner Anthony Landi, to serve as Deputy Mayor.

"Jim has served our residents and city well over the last three years as Deputy Mayor, spearheading many of our most transformative initiatives," said Mayor Spano. "His transition to the Yonkers IDA will be seamless and I look forward to work with him in his new part-time role, and together, continue to move Yonkers forward."

With Cavanaugh's departure, Landi will transition to his new role in the Spano Administration, joining Steve Levy as the city's other Deputy Mayor. Landi has served as the City's Parks, Recreation & Conservation Commissioner since 2016. Steve Sansone will move up as Commissioner of the Yonkers Parks Department, with Recreation Supervisor Lisa McKay-Harris now to serve as the Department's Deputy Commissioner. Sansone and McKay-Harris collectively bring more than 40 years of parks and recreation experience to the department.



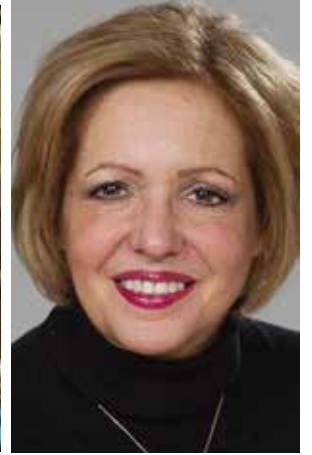
Jim Cavanaugh



Jillian Addonizi



Nina Collins



Donna Materasso

J. Philip Real Estate recently announced its first quarter 2021 Agents of Honor. Awardees, who have been selected by the brokerage's Agent Leadership Council, include salespersons and associate brokers who have made a notable contribution to the brokerage and its employees and have displayed outstanding service within their communities, or have achieved a high level of personal success.

Agents of Honor for the first quarter of 2021 included: **Jillian Addonizio** of the firm's Putnam office; **Nina Collins** of the Briarcliff office; and **Donna Materasso** of the Pelham office.

"This quarter's Agents of Honor show that whether you have been in the business a few years or for decades, you have the power to soar in the real estate industry," said J. Philip Faranda, founder of J. Philip Real Estate. "Jillian and Nina are newer agents, who exhibit all the skills that are needed to succeed in what can often be an exciting, yet challenging career. Donna, who is skilled in every aspect of residential real estate, has been a superstar for years."

HG Realtor Foundation Donates More Than \$8,000 to Five Local Charities

By **Mary T. Prenon**

WHITE PLAINS—The Hudson Gateway Realtor Foundation recently donated \$8,300 to five local charities in the Hudson Valley. They include: United Hospice of Rockland in New City; Friends of Karen in North Salem, the Community Center of Northern Westchester, Green Chimneys in Brewster and Volunteer New York in Tarrytown.

Founded in 1978, Friends of Karen provides financial and emotional support to the families of children with serious illnesses. "The support of the Hudson Gateway Realtor Foundation provides a lifeline for families whose lives have been deeply affected by their child's life-threatening illness, made even more difficult by the COVID-19 pandemic. We are tremendously grateful to the foundation for their help and concern for the well-being of ill children in our community during this very challenging time," explained Judith Factor, Friends of Karen's Executive Director.

The Community Center of Northern Westchester provides food, clothing, education and job training for needy families and individuals throughout Northern Westchester County. Founded in 1992, it now serves nearly 3,000 families in 38



From left, Mary Prenon and Gail Fattizzi, HG Realtor Foundation; Clare Murray, Executive Director, Community Center of Northern Westchester, Carol Christiansen and Ralph Gabay, HG Realtor Foundation.

Northern Westchester communities. "We are so grateful for this generous gift from the Hudson Gateway Realtor Foundation. Their partnership in our work will help us to reduce food insecurity in our community and offer hope and stability to those who need it most," said Clare Murray, executive director of the Center.

Green Chimneys is recognized as a worldwide leader in animal-assisted therapy and educational activities for children with special needs, while Volunteer New York coordinates volunteer efforts throughout Westchester for various non-profits.

Both HGAR Realtor and Affiliate members also recently volunteered to help sort furnishings and household goods at Furniture Sharehouse in White Plains. The organization serves individuals and families in transition from homelessness to permanent housing.

Additional volunteer efforts this year have brought HGAR members to the Food Bank of the Hudson Valley in Cornwall to help stock shelves and pack groceries, as well as a cleanup at Croton Gorge Park for the Westchester Parks Foundation. Another volunteer event is planned for next month at Visions in Spring Valley.

To be considered for a grant, please visit www.HGRealtorFoundation.com and complete the application.



HGAR Realtor and Affiliate members volunteer at Furniture Sharehouse in White Plains.

As concerned members of the communities it works in, the Hudson Gateway Realtor Foundation participates in qualified community-based charities that serve the housing, hunger, health, happiness, and humane needs of citizens everywhere. The focus of the foundation's efforts will be in Manhattan, Bronx, Westchester, Putnam, Rockland and Orange counties.

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If you own rental property in Yonkers and are looking for good tenants, guaranteed income and a way to keep your occupancy rates up, [find out how the Yonkers Landlord Housing Voucher Program \(Section 8\) can work for you.](#)

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