

THE ORSID

— DIGEST —

Greetings and welcome to the inaugural issue of *The Orsid Digest*, an innovative quarterly newsletter for our clients.

Dear Clients,

I am very excited to introduce *The Orsid Digest*. The purpose of this newsletter is to inform, update, question, and invite reader feedback. It has been a beyond challenging year, but we are beginning to see some light at the end of the tunnel. I am proud of what we have accomplished together, and we look forward to serving you, your residents and staff, going forward.

The Orsid New York portfolio of 180 buildings encompasses all five New York boroughs, with the largest concentration being in Manhattan. And while each of our buildings has its own unique personality and culture, they are all connected by the overriding goals of improving the quality of life for all residents, and increasing apartment value.

This year marks an incredible milestone of 65 years of business. With a focus on the Orsid tradition of delivering exemplary services, I am confident the next 65 years will bring continued success and growth. We are proud to be the industry's largest privately held Management Company and we fully intend to stay that way. Remaining an independent family business allows us to quickly adapt to changing market conditions and ever-evolving resident needs.

This newsletter celebrates our staff and you, our clients, by offering yet another means of dialogue and communication.

I hope you enjoy the first edition and we look forward to sharing more in the months ahead.

Neil Davidowitz

President, Orsid New York



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Edition One 2021

COVID-19 Update



As the COVID-19 Pandemic began to take hold of New York City and the world in March of 2020, Orsid New York assembled a Task Force to help navigate the challenges ahead.

Since inception, this Task Force has been responsible for developing “The Way Forward: Orsid New York’s Best Practices Guide for COVID-19”. The guide is a compilation that has been updated throughout the pandemic, providing the best advice and guidance to our Boards and their residents. When protective equipment and cleaning supplies became scarce, the Task Force took action, helped acquire supplies and made sure they were distributed to buildings that were in need.

Our focus has now shifted to vaccinating building staff members. On March 9th, Governor Cuomo announced that essential front-facing in-person building workers would be eligible for vaccinations starting March 17th. Prior to becoming eligible, we created and distributed a flyer to all of our buildings to educate and encourage building staff to receive the vaccine as soon as they can. Orsid has partnered with Leah Silver and volunteers from B’nai Jeshrun, an Upper West Side Synagogue, to assist our building staff members in making appointments when they are unable to do so themselves.

Our building staff have continued to show dedication and care throughout this pandemic. We will monitor any additional progress as it relates to the vaccine to further help you navigate the road ahead.

Orsid has partnered with volunteers from B’nai Jeshrun, an Upper West Side Synagogue, who are assisting our building staff members in making appointments when they are unable to do so themselves.





Legislative Updates

Pied-a-Terre (PAT) & New Capital Base Tax

The New York State Legislature is currently considering an additional annual tax on one-, two- and three-family properties that are not the principal residence of the owner (PAT) and which are valued at more than \$5 million. A rate between 0.5% and 4% would be applied on the market value above \$5 million. Additionally, Condos or Co-ops with an assessed value of \$300,000 or higher would be taxed at a rate between 10% and 13.5% on the assessed value above \$300,000. There would be no tax on the amount under \$300,000. If passed, the legislation will force homeowners to reappraise their homes every 3 years and provide evidence to the city to prove their home value and residency to get out of the tax. Additionally, the Senate and Assembly included a new tax increase in their state budget proposals that would increase maintenance charges for ALL NYC Cooperative Owners. This Capital Base Tax which is currently 0.4% and due to expire completely this year, is proposed to renew at either .125% or .15%! Thankfully, at this time this new tax appears to be "a mistake" by legislators and we have been advised it is being corrected. A Coalition has been formed to advocate against these taxes, & we encourage all of our readers to learn more about them at <https://nyhomeowners.org>.

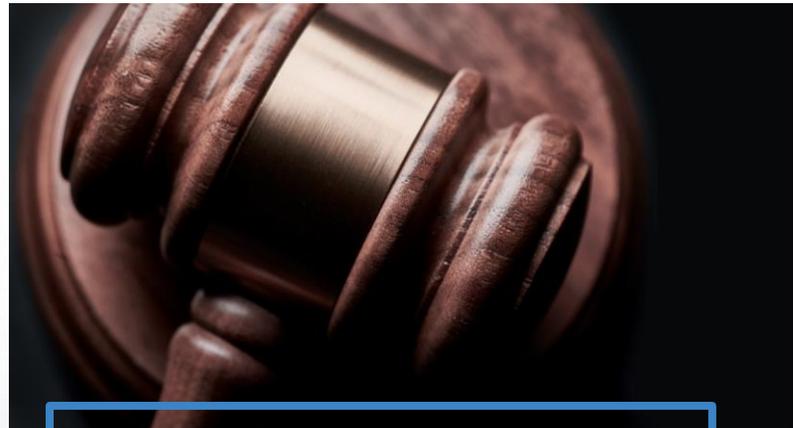
Cooperative Reasons & Timings Bill

Senate Bill S1449 would require a written statement of reasons for the withholding of consent by a Cooperative Board for the sale or transfer of stock allocated to a Cooperative apartment no later than five business days after the decision. It is already illegal in New York to reject applications because of the race, creed, national origin or sex of the purchaser. However, the new law would create a new challenge to the business judgment rule which protects Boards when they make rejections in good faith on a non-discriminatory basis. If passed, there will likely lead to an increase in litigation challenging rejections of Cooperative apartment sales on a valid basis.

NYC Cooperative & Condominium Tax Abatement Expiration

The Co-op and Condo Abatement originated in 1997 as a temporary measure to make taxation of owner-occupied housing more consistent across various property types and is due to expire on June 30, 2021. Rather than implementing meaningful property tax reform as was promised by the current mayoral administration there is discussion in Albany to again temporarily renew the Abatement program. However, due to the current budget crisis faced by the State, there are discussions of more carve outs from the pool of residents eligible for abatements. In 2019, the State Legislature passed a "prevailing wage" requirement for Cooperatives to qualify for Abatements but the Governor did not sign the law to make it effective. Should the current Legislature pass similar legislation to override the Governor's "pocket veto," this restriction would effectively eliminate any buildings that use non-union labor from eligibility potentially costing 17% or more of their Real Estate Taxes in lost abatements.

Dennis P. DePaola, Esq.
EVP & Director of Compliance



A Coalition has been formed to advocate against the PAT & New Capital Base Tax, and we encourage all of our readers to learn more about them at nyhomeowners.org



Advances in Technology



Above all else, we pride ourselves on being a professional, service-oriented business, and technology is vital to achieving that.

As we continue to evolve, we've strategically invested in a variety of tools that support our clients' needs and our business.

Presently, our clients are using technology that streamlines processes that have been traditionally paper-intensive and our team is able to provide information in real time whether we are in the office, working

remotely or in the middle of a Board Meeting. This information, coupled with our industry expertise, allows us to educate our clients to make the soundest decisions possible.

This is just the beginning! We continually strive to provide the team and tools that represent a convergence of unparalleled experience and technology, sharing insights regarding trends, industry best practices, financials, payroll, operations and compliance.



Uncommon Solutions

Our first “Uncommon Solutions” story comes from Mary Mariano, who has been an Account Executive at Orsid for more than 10 years.

Not too long ago, Con Edison performed a surprise inspection at The Whitby, a building managed by Orsid since 2010. Located at 325 West 45th Street, The Whitby was constructed in 1923 and consists of 217 apartments. It’s a typical pre-war building with all the old-world charm and appeal one would expect of a building of that era. Upon arriving on a random Fall day, Con Edison discovered several gas leaks and promptly shut down and locked off gas service to the entire building, effectively eliminating the ability of residents to use their stove for cooking.

The building’s plumber and engineer were immediately called in to perform gas line pressure tests, which failed throughout the building. The initial estimate to complete a full gas line replacement was in excess of \$2,000,000 and would have taken more than two years to complete. In lieu of swapping out the new gas lines, Mary recommended replacing the gas stoves with electric stoves and increasing the amount of electricity into the building to support the additional demand.

After considering all the details, the Board approved this idea and the shareholders unanimously agreed to the installation of electric stoves in their apartments. Additional power was brought to the building and stove installations were completed approximately one year after the gas shut down, as opposed to two years as originally predicted had the building stayed with gas. The cost for the entire project was roughly half of the cost to perform a gas line replacement. The project was funded using building reserves and without having to pass an assessment onto shareholders. This uncommon solution resulted in a “win-win” for everyone.



Welcome to the first in a series of stories we call “Uncommon Solutions”, where we explore how a difficult task was brought to a successful conclusion through creative and out-of-the box thinking.





Welcome to Orsid

From January 2020 to March 31, 2021, we have welcomed the following buildings to the Orsid family:

1991 Broadway
The Bel Canto

200 Riverside Blvd

100 West 93 Street

30-34 West 13th Street

300 East 54th Street
Connaught Tower

37 West 12th Street
The Butterfield House

45 Tudor City Place

241-20 Northern Blvd
Manor House

239 East 79th Street

2 Columbus Avenue

127 West 82nd Street
Greystone Condo

We hope you found this newsletter informative. If you have any questions or a story to share for a future edition, please email info@orsidny.com



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