

ADVANTAGE

A PUBLICATION OF COOPER SQUARE REALTY

THIRD QUARTER 2010

Cooper Square Assists Staff, Buildings with Lead Paint Rule

The Lead Renovation, Repair and Painting Rule (RRP Rule) issued by the Environmental Protection Agency (EPA) took effect in April. Contractors, maintenance workers and others performing renovation, repair and painting projects that disturb lead-based paint in



housing built before 1978 must be certified by October 1, 2010. Failure to comply with this new rule can result in fines of up to \$32,000 per day.

“All Cooper Square property managers have been educated on the new rule through a detailed memorandum as well as a series of team seminars,” explains Ben Hawkins, Cooper Square’s Director of Compliance, Insurance and Leasing. “Our managers are taking proactive steps so that all building staff who may perform this type of work are properly certified and following all required practices.”

Coordinating Compliance on Several Fronts

Cooper Square property managers are working on several fronts to support your building’s compliance with this new rule by:

- Modifying contracts with third-party vendors to indicate they must comply with all existing federal, state and local regulations

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MESSAGE

from the Founder & CEO

Great Strides in Quest to Strengthen Market Leadership

These are exciting times at Cooper Square Realty! As we pass the midyear point, I’d like to take this opportunity to thank you, our clients, for entrusting your property with us. All of us at Cooper Square Realty sincerely value your business and work hard every day to continue to earn your confidence.



David Kuperberg, CPM®, Chief Executive Officer

A Ground-Breaking Initiative

Cooper Square Realty has developed a new, sophisticated online transfer application process. This ground-breaking initiative revolutionizes the way applications for purchase or lease of apartments are submitted, tracked and reviewed by boards. We are the first property management company in New York City to introduce this system, which makes buying or leasing in a Cooper Square building faster and more efficient than ever.

Board members will benefit from this system through:

- Secure, password-protected access to applications and all supporting documents
- “Linked” table of contents to quickly click to any section of the application

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Cooper Square Realty Welcomes New Properties to its Growing Portfolio

Cooper Square Realty is delighted these properties have selected us to serve as managing agent. We look forward to delivering outstanding service to ensure each building is operating at optimal efficiency, as well as maximizing the investment of owners, and providing an exceptional quality of life for residents.

Manhattan

14 West 14th Street, a 30-unit new construction luxury condo
Devonshire House, 28 East 10th Street, a 103-unit condo
Southgate Owners Corp., 414 East 52nd Street, a 424-unit co-op
The Metropolitan Condominium, 181 East 90th Street, a 94-unit condo
The Sky Lofts at 145 Hudson Street, a 50-unit condo

Bronx

3050 Fairfield Owners Corp., a 73-unit co-op in Riverdale

Brooklyn

be@schermerhorn, 189 Schermerhorn St., a 185-unit condo
500 Fourth Avenue, a 156-unit condo



The Sky Lofts



Devonshire House

Customer Care Center Speeds Response to Resident Inquiries

In a continuing effort to enhance the client experience for residents, Cooper Square Realty is piloting an in-house Customer Care Center. Since its April launch, 95% of inquiries have been resolved on the first call.

The majority of calls from residents are related to account inquiries or basic building information and do not require the attention of a manager. “By not being consumed with addressing everyday inquiries, our property managers are freed up to focus on more significant building management issues, which benefits all residents,” explains Adam Auerhan, Managing Director and Team Leader of the 35 properties included in the pilot program.

Yes, We’ve got the Answer

“Residents want their questions answered quickly and by a live person,” says Dan Wurtzel, President of Cooper Square Realty. “Our Customer Care Center clearly meets this need.”

Our property managers have spent considerable time populating a database of answers to every conceivable resident inquiry. This includes general questions about Cooper Square policies and procedures to specific issues related to each building. The database works like a Google interface in that when a Customer Care Specialist enters a phrase, the answer pops up immediately and the information is relayed to the resident.



All calls are logged and maintained in the CooperSquare Connect database. Therefore, at any time, Cooper Square property managers can

Cooper Square Realty is the only property management company in New York City to implement a Customer Care Center.

quickly access the history of all calls for a specific property, the response, and any follow-up issues.

We anticipate that all Cooper Square managed properties will be part of the Customer Care Center by 2011. ♦

Enhancing Resale Values

Practical advice from Stribling & Associates

We asked Elizabeth Stribling, President and Founder of Stribling & Associates—one of New York City’s most respected residential brokerage firms—for her view on how board members might enhance the resale value of apartments in their buildings.

Q Should a board be concerned about resale values in its building?

A It needn’t be a board’s first concern. Resale values are a reflection of the quality of life within a given building. So a simple focus on quality of life issues would ultimately be reflected in higher resale values. That said, just as the board of a publicly-traded company might pay attention to its share price, a co-op or condo board should keep an eye on resale values as a barometer of their overall success in running the building.

Q What are some of the “quality of life” issues that you refer to?

A Everyone wants to live in a well maintained, well-run building, where the common areas are clean and well-lit, the staff is polite and friendly, and the systems all run properly. Beyond that, it becomes a question of lifestyle, really.

Q What do you mean by “lifestyle” in this context?

A I’ll give you an example. We were recently approached by a board that was redoing its basement to add amenity space. They wanted to know which type of amenity—a



Elizabeth Stribling, President and Founder of Stribling & Associates.

children’s playroom, a gym, or a party room—would contribute most to resale values within the building. We advised them to look to the current owners’ lifestyles; the choice that would be used and appreciated most by them would be sure to resonate with future owners as well.

Q What other amenities might add value?

A Individual basement storage, communal outdoor space, or a new lobby, halls, and elevator cabs all come to mind.

Q Are there other instances where you’ve been consulted by a board?

A Sure. We were asked by the president and treasurer of a very fine building on the Upper East Side—not on Park or Fifth Avenues—to review their financing policy with them. As a result of our input, the building’s policy shifted from “all cash” to allowing up to 50% financing. We’re always happy to consult with boards on these types of issues.

Q Are there other policies that can affect resale values?

A Right now, prospective purchasers are reluctant to invest in buildings with “summer work rules,” which allow construction work only during the summer months. With apartment re-dos often taking six months or even a year to complete, buyers are fearful that their renovation period could stretch out over two years or more. ♦

Through a partnership established last year, Stribling broker specialists are assigned to handle sales and leasing transactions in many properties managed by Cooper Square Realty. Brokers’ first-hand knowledge of the building and board requirements helps to streamline the application process resulting in more professional, expeditious transactions.

With Preparations in Place, 32BJ Strikes Four-Year Contract

To the relief of New York City apartment building workers and residents, Local 32BJ of the Service Employees International Union and the Realty Advisory Board (RAB) have agreed on a four-year agreement that:

- Provides nearly 10% in wage increases,
- Increases employer health care contributions by nearly 20% to maintain 100% employer-paid family health care coverage
- Increases employer pension contributions by more than 20% to continue inclusion of new employees
- Keeps all benefits including sick days, overtime, and vacation.

The \$8.1 billion contract, which is set to expire in 2014, covers 30,000 doormen, superintendents, resident managers, porters, handymen and concierges at over 3,200 New York City buildings.

Contingency Plan Pays Off

“Although we are relieved that the strike was averted, Cooper Square Realty managers worked for months with our boards, residents and superintendents to take necessary emergency measures to ensure the safety, health and welfare of residents,” says Dan Wurtzel, president of Cooper Square Realty. “Our past experience put us in an excellent position to



minimize the disruption to our buildings.”

A Cooper Square strike task force created a contingency plan that outlined how buildings should prepare in the event of a strike. Cooper Square’s “behind-the-scenes” planning included:

- Issuing and distributing 50,000 I.D. cards to residents
- Deploying 175 security guards prior to the midnight strike deadline
- Testing all alarm systems and other security devices to ensure their functionality
- Preparing cross-referenced resident lists for volunteer security officers
- Preparing and distributing more than a dozen different types of



memos for residents over a two-month period

- Sending 7,500 Resident Alert emails to notify residents about the settlement.

“We appreciate the many compliments we received from our board members on our preparedness,” adds Wurtzel. “It’s gratifying for the hard work of our property managers to be acknowledged.” ♦

New York Times cites Kuperberg in Energy Article

Stemming from Cooper Square Realty’s emphasis on energy efficiency in our managed properties, CEO David Kuperberg was quoted in *The New York Times* on August 15 in an article titled “Air-Conditioners That Run When Nobody’s Home.” The focus of the piece was the excessive use of electricity in residential buildings that do not have individual meters tracking electricity consumption. Cooper Square “estimates that these units expend at least 30 percent more electricity year-round than their counterparts. ... Overall, Cooper Square’s

45 or so master-metered buildings have energy costs 14 to 24 percent higher than their submetered counterparts.” To read

the article in its entirety, visit www.nytimes.com.

To learn more about our energy efficiency initiatives, contact Ron Merhige, Vice President, FS Energy, at 212.634.5449.



Lights! Sensors! Savings!

Great Neck Terrace Project Conserves Energy, Saves Dollars

A substantial capital improvement project is underway at Great Neck Terrace, the largest residential cooperative in Nassau County. The complex, managed by Cooper Square Realty, includes 654 units spread across 28 buildings on 37 acres.

Board will Recoup Investment in Lighting Conversion in under Nine Months

While vacationing in Vermont, Aubrey Phillibert, General Manager at Great Neck Terrace, was impressed with the resort's lighting sensors. "As you walked through the hallways of the parking garage, lights were illuminating our path and turning off behind us," he explains. "Every common area used motion, heat and/or sound detection technology."

Knowing the implementation of a similar system at Great Neck Terrace would result in huge savings of both energy and cost, Phillibert began investigating various energy efficiency options. In the 28 basements alone, there are 56 garbage rooms, 60 storage rooms, 28 laundry rooms, 28 vestibule areas and countless hallways. Most of the lights burn 24/7 even though residents do not utilize these spaces most of the time.

After a new resident suggested that her company perform an efficiency survey, it was determined that by replacing some of the fixtures and bulbs with more energy efficient products, and adding motion/heat sensors to the fixtures, the co-op would dramatically reduce its energy consump-



The board of Great Neck Terrace will reclaim its investment in less than nine months and will continue to reap the benefits of reduced energy use and costs into the future.

tion. This was not a hard sell for an expense-savvy board. In the end, the lights will stay on for significantly shorter periods of time.

"With our 32BJ building staff performing the installation, the co-op's investment of \$16,000 in materials will result in more than \$14,000 in annual savings on electricity," Phillibert reports. The conversion also qualifies the property for \$3,000 in cash credits through a rebate program

offered by the Long Island Power Authority (LIPA). "The board will reclaim its investment in less than nine months," adds Phillibert, "and will continue to reap the benefits of reduced energy use and costs into the future." ♦

To learn how your building can benefit from a lighting retrofit, please contact Tal Eyal, President, Cooper Square Project Management at 212.634.8907.

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Message from the Founder & CEO

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- Better organization and user-friendly access to all supporting documents
- Consistent legibility since applications are “typed” online
- One-click option to approve or reject an application
- Electronic storage of applications (after final action) for easy retrieval if ever required

Applicants and brokers benefit by:

- Easily uploading all pertinent information and supporting documents
- Instant notification if information is missing
- Online tracking of application status
- Paying the Cooper Square processing fees via credit card
- Reduced amount of time from submission to delivery to the board

Cooper Square has made a significant investment in improving the antiquated, arduous application process in order to significantly reduce the frustration often experienced by all parties. In addition, the system virtually eliminates the need for countless photocopies which supports Cooper Square’s mission to promote environmentally sound practices.

Fifteen buildings are part of the initial rollout. We currently are customizing application packages for our remaining 400-plus buildings according to each board’s requirements. You will be notified as soon as your building’s applications move online.

Setting the Industry Standard

Cooper Square Realty continues to take an industry-leading position regarding profes-



To learn more about how your building can benefit from FS Energy, visit www.fsenergyservices.com.

sional development for our employees. We recently rolled out the FirstService Residential School of Professional Development, a learning management system that offers more than 400 courses covering a variety of disciplines—from financials and budgeting to contracts and customer service.

With a standard curriculum now in place, our nearly 100 property managers and assistant property managers are required to take a dozen courses over the next 12 months. Successful completion of this program will make our managers even more valuable assets to the properties they manage.

Energy Improvements in Progress for FS Energy

FS Energy—our affiliate that aims to reduce energy expenses, consumption and environmental impact—continues to make great strides. To date we have benchmarked more than 275 New York City buildings, covering 40,000 units, with hundreds of data points from building typologies to utility data.

The large number of properties that we manage has uniquely positioned us to create a comprehensive building energy performance database that is unrivaled in the energy services industry. By applying this data analysis and comparison of consumption across our extensive portfolio, we can determine which energy services and solutions would be the most cost effective for a building.

FS Energy’s goal is to reduce consumption and cost by 25% across our portfolio. Those savings can then be used to fund more ambitious capital improvements with

huge payoffs for the long term.

FS Energy has completed dozens of capital improvement projects in Cooper Square properties—from installing cogeneration systems to converting No. 6 fuel oil to natural gas and converting steam systems to boilers. Collectively, these projects will save millions of dollars in energy costs while significantly reducing each building’s carbon footprint.

Most of these projects are being paid for from the savings achieved, so there are financial benefits to improving efficiency and lowering environmental impact. FS Energy is able to measure and verify actual savings achieved. We also have negotiated a groundbreaking energy loan product with a leading lending institution through which money is loaned based on anticipated savings.

The power of FS Energy’s holistic approach to energy management is yet another differentiator for Cooper Square Realty, and supports our goal of remaining the market leader in the New York region. Learn more at www.fsenergyservices.com. ♦



Instant Replay: How Resident Alert Keeps You Informed

You're in a meeting and can't pick up your cell phone. Bad reception makes a message indecipherable. You don't have a pen to write down important information. Resident Alert Callback to the rescue!

Cooper Square Realty has added a beneficial new feature to Resident Alert, the company's telephone communications system that enables property managers to send immediate and simultaneous voice messages to alert residents about issues impacting their building.

Residents often are unavailable to take a call, and most answering machines do not record automated messages in their entirety. With the introduction of Resident Alert

Callback, residents can call back the toll-free number [accessible via your Caller ID] and listen to the message.

Routinely used for reminders about community activities and disruptions in service, Resident Alert is particularly valuable in emergency situations. The value of the system was demonstrated recently when a devastating fire broke out in one of our managed properties making it inaccessible to residents.

"As we quickly gathered vital information about temporary hous-



ing options, insurance, security, and a timetable for accessing their apartments," explains Dan Wurtzel, President of Cooper Square Realty, "we were able to immediately notify residents via a voice message that this information was being sent to their email account or could be obtained by contacting their property manager."

Resident Alert Callback helps to ensure that our residents have the information they need, when they need it. ♦

Lead Paint Rule

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- Obtaining proof of certification from contractors performing apartment alterations
- Applying for firm certification for each affected building [this confirms lead safe work practices will be used on the premises]
- Scheduling certification training for all impacted building staff.

To become certified, individuals must successfully complete an 8-hour Lead Certified Renovator Training course conducted by an EPA-accredited provider. Certification is valid for five years from the date of course completion.

32BJ union members may attend free classes to obtain the necessary

certification. Cooper Square is coordinating training by outside groups for non-union employees.

The Dangers of Improperly Removing Lead Paint

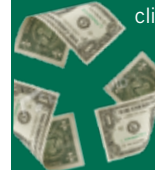
Failure to properly follow safe work practices when disturbing lead paint surfaces can result in airborne particles being inhaled by residents. This rule specifies the actions required to contain and detect any lead dust, along with educating residents and ensuring a total cleanup before the job is considered done.

"Having our building employees trained in safe work practices is not only required, it is critical to the continued safety of our residents," says Dan Wurtzel, President, Cooper Square Realty. ♦

Cooper Square Realty's Green Mission

Environmental responsibility is a corporate value for Cooper Square Realty and its subsidiaries. By striving to set a green standard for the real estate industry, our aim is to find opportunities—

within our operations and for our clients—to develop innovative and cost effective solutions that promote environmentally sound practices.





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Petra Bergstrand is among “Top Ten Women in Real Estate”

Petra Bergstrand, Executive Managing Director at Cooper Square Realty, was named one of New York City’s Top Ten Women in Real Estate 2010 by *NY Residential* magazine. Ms. Bergstrand is the Team Leader assigned to build Cooper Square Realty’s Private Management portfolio, which includes high-end luxury properties in Manhattan.



Petra Bergstrand

The award—created to recognize women in the real estate industry who have demonstrated leadership and success in their careers—was presented at the 5th annual *NY Residential* awards gala.

Ms. Bergstrand’s portfolio of properties has included The Plaza, 20 Pine The Collection, 985 Park Avenue Condominium, The Link and The Grand Madison, among others. ◆

COOPER SQUARE **ADVANTAGE**

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Have a comment about this newsletter? Send an email to: news@coopersquare.com.

Cooper Square Realty supports the highest social and environmental standards in the market. We are contributing to conservation and responsible management by using FSC-certified paper and print products.

