

Real estate law, always key on Long Island, is thriving

Even as interest rates begin to climb, lawyers find comfort in the region's complexity

By CLAUDE SOLNIK

EAST MEADOW – With historically low interest rates fueling residential and commercial real estate sales, it's never been a better time to be a real estate attorney. Especially on Long Island, where complicated property matters demand the attention of the counselors schooled in the vagaries of the law.

"The real estate industry on Long Island is booming," said Bernard Hyman, managing partner of Certilman Balin Adler & Hyman in East Meadow.

And though interest rates are all but certain to steadily rise in the coming months, a limited supply of land, the steady expansion of industry eastward and matters involving the state's year-old brownfields legislation should keep real estate lawyers busy for some time to come.

Michael Sahn, a partner at Sahn Ward & Baker in Garden City, said low interest rates and refinancings triggered a plethora of new development proposals, in turn creating new work for local firms.

"It wasn't 'Let's buy and hold.' It was 'buy and build or redevelop.' There are lots of properties people buy and feel they're under-utilized. They want to develop them, renovate."

And even as regional and national firms make bigger plays for business on Long Island, local attorneys, with deeper knowledge of local issues, often have the edge.

A dizzying diversity of land-use issues also keeps law firms busy.

Certilman Balin, for instance, represents developers of commercial and residential properties, handling everything from zoning work and land-use planning to shopping centers and office leasing. It even represents the developers of the Greens, a homeowners association with 1,200 homes in Melville.

How big is real estate for Long Island law firms?

Sixty-three percent of the 170 Long Island firms surveyed by the New York State Bar Association in 2004 said that real property law was among their top three practice areas in terms of billings, the second-highest percentage of any region in New York State. And one in five Long Island firms said they earn more revenue from real property work than any other area of practice, according to "The 2004 Desktop Reference on the Economics of Law Practice in New York State," an independently researched report by the bar.

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While certain forces driving real estate law are Island-wide, different factors are at work in Nassau and Suffolk counties.

In Nassau, a shortage of open space is proving a boon to real estate lawyers as landlords seek to obtain the right for new and more ambitious uses for land.

"With the lack of open space in Nassau County, you find that there's a tremendous pressure to redevelop existing properties," said Jeffrey Forchelli, managing partner at Forchelli, Curto, Schwartz, Mineo, Carlino & Cohn based in Mineola.

In Suffolk, new development projects for

the region's remaining tracts of land spark contentious battles between civic groups and developers, who are meeting stricter zoning regulations from local municipalities. Sahn said that as more land is developed, fights are likely to get tougher, making lawyers point people on both sides.

"I think generally they [municipal governments] are becoming more restrictive," said Sahn. "They're looking to protect the environment. There were concerns about traffic. Every time there are new regulations, our clients have to re-assess their investment in the property."

The big question for the future, Sahn said, is how restrictive zoning will become and how effective challenges will be.

"I think this is going to be one of the biggest topics," said Sahn. "How far can government go rezoning property uses?"

Changes in zoning codes in Riverhead and Brookhaven have also sent landlords to lawyers to interpret the new law of the land.

In addition, some changes in codes could make it tougher to develop land and even hurt real estate law in the long run.

On the other hand, new legislation passed this year is expected to ease the development of brownfields sites such as former dry cleaners and gas stations.

"Environmental is a major part of redevelopment of property," Forchelli said. "A lot of the properties being redeveloped come with environmental concerns. Existing uses have left something that needs to be cleaned up."

Hyman also said that his environmental law practice got a big boost from brownfields law changes that prompted renewed efforts to develop otherwise fallow land.

"My environmental department is very, very strong," Hyman said. "It's very positive legislation increasing the ability of developers to develop on what was once land that couldn't be developed."