

REAL ESTATE

The New Kids on the Board

By LISA KEYS The New York Times



Youth Will Serve At 284 Fifth Avenue, the three owner representatives on the co-op board are, from left, Scott Fletcher, 37; Gregory Katz, 26; and Joe Testone, 40.

Credit: Uli Seit for The New York Times

FIRST, there's the search for the perfect apartment. Then comes the bidding, the contract signing, the financing, the closing and — finally — the big move. So actually living in that co-op or condo should be the easy part, right?

Not exactly. As many first-time buyers are learning, sometimes it's the day-to-day reality of apartment ownership that's the hardest to master. To start with, who's going to run the building? For many new owners, the answer comes with a glance in the mirror.

Partly because of the new construction that has gone up in New York, there has been a great increase in novice members of building boards.

Joe Testone, 40, moved into a co-op at 284 Fifth Avenue two years ago. Six months later, he was elected to the board. "This is my first home, my first co-op," said Mr. Testone, a broker at Bellmarc Realty.

At Mr. Testone's 37-unit building — which went co-op in 1985, though the sponsor of the conversion began a concerted effort to sell units only in 2005 — the influx of new owners meant the board was built anew. "There's not much history and continuity," he said. "We're establishing brand-new rules and policies for the building."

The last year has been a flurry of activity for Mr. Testone and his fellow board members Gregory Katz, 26, and Scott Fletcher, 37, all new to the building, which is at 30th Street. The other two seats are held by Lisa Gatsby and Ramin Shalom, representatives of the sponsor, who have "taken a back seat" in deliberations, Mr. Testone said.

The board has developed rules for subletting, approved large-scale renovation plans and hired a new managing agent.

Some new board members are motivated by curiosity, others by the desire to safeguard their investments. But whatever the motivation, more and more buildings are being run by board members with little, if any, experience. "Being a real estate agent didn't prepare me for what I was going to be confronted with, being on the board," Mr. Testone said. "I did not have a true sense of the commitment involved."

Inexperienced boards can also present a challenge for the managing agents they hire. Stephen Elbaz, the president of Esquire Management in [Brooklyn](#), said that about 8 of the 50 buildings his company manages were built in the last few years.

One is a new condominium on East Broadway in [Manhattan](#). At the board's first meeting, Mr. Elbaz said, he spoke about selecting an accountant and a lawyer, but his suggestions fell on deaf ears. "They didn't want to talk about those things," he said. "They wanted to talk about uniforms for the doorman, things that were more mundane and less of a priority at the time. Like most people, they tend to focus on things they understand."

Mary Ann Rothman, the executive director at the Council of New York Cooperatives and Condominiums, a nonprofit education and advocacy organization, said, "Without a doubt, it's a whole new world."

"This is truly reminiscent of what happened in the early 1980s, when noneviction conversions became possible," she said. "I'm seeing an enormous amount of people new to the co-op and condo world."

New board members, Ms. Rothman said, have to learn to work together and build consensus. "They're new to the building, and they're new to one another," she said. "It's a community to learn about, it's the responsibilities of the physical plant, and it's all the people issues."

Organizations like the Council of New York Cooperatives and Condominiums and the Federation of New York Housing Cooperatives and Condominiums can provide boards with educational and training resources through seminars and conferences. (Just recently, for example, the federation held a seminar on how to set up an annual meeting.)

The new-board phenomenon can be seen both in new condos and in established buildings that have had high turnover.

“This is a product of the real estate boom that we’ve had,” said Gregory Carlson, the executive director of the federation, a nonprofit group in Forest Hills, [Queens](#). “All of a sudden we had new owners, new people, fresh faces. It’s only natural that these fresh faces want to take direction of where the building is going and how it’s being run.”

He said ignoring the big picture was among a new board’s most common mistakes. As he put it: “There’s one issue that makes a person want to run for the board, and that’s the issue he concentrates on. I hear all the time, ‘Oh, I don’t care about that.’ But there are many facets to running a cooperative, and their fiduciary job is to concentrate on all aspects of the co-op.”

Newly formed boards often possess a determination to get things done. At 129 West 20th Street, a 14-unit loft condominium converted in 1999, the board is made up mostly of residents who have moved in over the last few years.

“We’re all sort of peers — we’re almost all the same age,” said Lauren Sharfman, 40, who moved to the building two years ago and joined the board last winter. “I think we’re all more aggressive about building improvement than we would be if we were more settled. You get very complacent if you’re there for the long haul.”

Ms. Sharfman, the chief executive of Ippolita, a jewelry company, had owned another Manhattan condo but had had no prior board experience.

Farrington Yates, 45, a lawyer, has lived in the building for three years and has served on the board for two and a half. “There was a bit of a transition period,” he said. “A number of the original owners had a different attitude coming in.” He said that owners who bought in the building when prices were low were often reluctant to spend money to make changes, “as opposed to the new owners, who are very interested in spending money to make money.”

Then again, some neophytes revel in the newness of it all. “We’re starting with a blank slate,” said Christopher Lee, 40, a first-time board member at the Hudson on West 60th Street. “The challenging part is setting up reasonable guidelines that will work in the long term, not just today. But it’s an opportunity to not be tied down to things that don’t work.”