



# NEWS

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SERVICE EMPLOYEES  
INTERNATIONAL UNION

## **FOR IMMEDIATE RELEASE**

**March 14, 2006**

### **LOCAL 32BJ LAUNCHES TALKS TO SECURE HEALTH CARE AND FAIR WAGES FOR NEARLY 100,000 UNION MEMBERS AND THEIR FAMILIES**

**– Union Proposals Focus on Protecting Workers' Health Care –**

**– \$200 Billion Real Estate Industry Enjoying Favorable Upswing –**

New York, NY – Negotiations began today between the City's largest private sector union and the real estate industry when Local 32BJ presented its contract proposals to leaders of the Realty Advisory Board (RAB), an industry association that represents most building owners in New York City.

"To ensure hard-working 32BJ members and their families receive the health care coverage, wages and pension they need to make ends meet, we put forth realistic proposals that a thriving multi-billion dollar real estate industry can easily afford," said Mike Fishman, President of Local 32BJ.

Failure to reach a new contract by April 20th, when the current contract expires, could lead to a strike of 28,000 building workers at over 3,500 apartment buildings. A strike, which would be the largest work stoppage since the transit workers struck in December, would disrupt the daily routine of millions of New Yorkers.

#### **Taking Steps to Maintain Worker Health Care**

"To maintain health care for modestly paid building service workers, we have already implemented cost-containing measures that saved more than \$88 million in 2005 alone," said Fishman.

Nevertheless, health care costs are rising more than three times faster than worker wages. "The \$200 billion real estate industry, which has grown by more than 20 percent since 2001, must step up and provide the funds needed to protect workers' health care," said Fishman.

Talks will resume on March 22nd when the RAB is expected to respond to the proposals made today by Local 32BJ. In addition to health care, major issues include wage increases and securing pensions.

#### **Low Cap Rates, Rising Sales and High Incomes Bode Well for Real Estate Industry**

Low capitalization rates, one of the industry's key signs of prosperity, dipped below 6% this year – its lowest mark in thirty years. Furthermore, according to the Halstead Property Portfolio (Winter 2006), a strong sales market, more building conversions and a healthy economy bode well for industry forecasts by predicting a rising demand and a shrinking supply in the Manhattan rental marketplace in 2006.

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The New York real estate industry, along with Chicago, is expected to benefit from the highest projected growth in income among major cities, according to Cushman & Wakefield's *Real Estate Outlook* (Fall 2005). Income in New York and Chicago is expected to rise by over 3% this year, significantly more than Los Angeles, Atlanta and Houston.

At the same time, New York has been experiencing a high and accelerating rate of new apartment construction. An expected issuance of 28,000 building permits in 2006 for private residential buildings would be 10% more than last year and five times the amount issued a decade ago.

"The rosy forecast for New York's real estate industry, coupled with an historic construction boom, is just the latest evidence of a large and growing gap between the city's wealthiest people and most everybody else in New York City," said Fishman. "Left unchecked, this alarming trend threatens to make New York City unaffordable to most New Yorkers."

### **City Becoming Less Affordable to Many New Yorkers**

According to the Economic Policy Institute, a budget for a family with two adults and two children living in Manhattan comes to \$58,656 a year. Under the current contract, the average salary for a Manhattan apartment building worker is roughly \$17.94 an hour or \$37,315 a year.

"If you ask the guys I work with, they would say we work check by check," said Israel Sanchez, a 46 year old porter that works on the Upper East Side at 1000 Park Avenue. "We're struggling to get by."

With more than 85,000 members, including over 60,000 property service workers in New York, Local 32BJ is the largest private sector union in New York and the largest property service union in the country.

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