

**From: Realty Advisory Board on Labor Relations**  
292 Madison Avenue, New York, NY 10017

**Rubenstein Communications**

Jim Grossman, [jgrossman@rubenstein.com](mailto:jgrossman@rubenstein.com) / 212-843- 8085  
Virginia Lam, [vlam@rubenstein.com](mailto:vlam@rubenstein.com) / 212-843- 8342

---

***FOR IMMEDIATE RELEASE***

## **Contract Negotiations Begin for NYC Commercial Building Service Workers**

*New York City's Commercial Building Service Workers are Highest Paid in the Nation;  
Current Contract Expires on December 31*

**New York, NY (November 15, 2011)** – The [Realty Advisory Board on Labor Relations](#) (RAB) and Local 32BJ today met for the first time to discuss a new collective bargaining agreement for building service employees in New York City office and other commercial buildings. The current labor agreement will expire at midnight on December 31.

The current contract, which was negotiated in December 2007, covers more than 20,000 commercial building service workers, including office cleaners and maintenance workers in more than 1,000 commercial buildings throughout Manhattan, Brooklyn, Queens and Staten Island. The RAB represents the owners and operators of those buildings as well as the majority of the cleaning contractors in the City, while Local 32BJ of the Service Employees International Union represents employees. The real estate industry is one of the most unionized job sectors in New York City and Local 32BJ members are the highest paid building service workers in the country.

The agreement, negotiated four years ago, provided a generous increase in wage and benefit packages for workers including average annual wage and benefit increases of 4.18% each year – totaling more than 16.5% over the contract period. These increases to workers in Local 32BJ continued even amidst the deepening economic crisis.

“The RAB, and its owner members, are proud of the fact that New York City has the highest paid building service workers in the country. Four years ago, when the economy was strong, New York City’s building owners stepped up and provided the union with a generous contract for its workers,” said [Howard Rothschild](#), president of the RAB. “In 2007, the real estate industry was growing. Today, our country and our city are faced with a deep and lingering economic recession that is negatively impacting the real estate industry. It’s now time for Local 32BJ to step up.”

Rothschild continued, “We want to reach a labor agreement that will lay the groundwork to spur more private sector activity, creating even more jobs for unions like Local 32BJ. We need to encourage growth in the real estate industry, so that we put people back to work and get our economy moving again. We look forward to working with the union to negotiate a labor agreement that’s fair to workers, but one that also recognizes today’s economic realities.”

Under the current contract, an average office cleaner’s wage and benefit cost to owners is \$76,721 each year. All employees receive generous benefits packages including full family health insurance covering medical, dental, optical and prescription drug coverage, with no premium contribution from the employee; a defined benefit pension fund and 401K annuity with an employer contribution; training and legal benefits; and as many as 49 paid holiday, vacation, sick and medical days off. (Individual vacation entitlement varies: most employees receive at least 15 days, but many receive up to 25 days based on seniority.) Additionally, the RAB provides workers with educational opportunities through the Training Fund and the real estate industry provides additional educational scholarship awards through the Realty Foundation.

*(continued)*

The wage and benefits package provided to workers in Local 32BJ are the most generous in the nation. While commercial building rents are similar in New York City and Washington, DC, New York owners provide wages and benefits at more than twice the cost of comparable employees. In New York City, the average individual wage and benefit cost for commercial building service workers is \$36.80 per hour. According to the Union's own statistics, the average wage and benefit cost for Local 32BJ members, as of October 1, 2011, in other cities pales in comparison: Philadelphia - \$26.06; Washington, DC - \$15.18; Baltimore - \$13.67; and Pittsburgh - \$22.08.

While building service worker wages and benefits have increased over the past four years, so have the costs of operating a commercial building in New York City. In Manhattan, property taxes on commercial office buildings have risen 26% from FY 2008 to FY 2012.

Over the past four years, office vacancies have also risen dramatically, while rents have declined. In January 2008, the start of the last contract, the commercial vacancy rate in Manhattan was 5.6%. In March 2010, at the peak of the recession, the commercial vacancy rate skyrocketed to 12.8%. Today, the vacancy rate remains at 9.7% - still 4.1% above 2008 figures. Commercial office building asking rents have also steeply declined from a peak of \$88.37 per square foot in May 2008. According to Local 32BJ statistics, asking rents today are \$56.15 per square foot. In Manhattan, actual commercial rent rates in 2011 were \$47.51 per square foot, when lease incentives are included such as step ups, free rent and tenant improvement contributions.

The RAB was formed in 1933 as an organization through which employers in the building service industry could bargain with the union. There are currently more than 4,000 members of the RAB. The RAB works with owners in one of the most unionized industries in the country and its owner members have demonstrated a longstanding commitment to employing a unionized workforce. Since 1933, there have been only strikes of commercial building service workers, in 1934, 1936, 1945 and 1996.

###

For Updates:

- Visit us online at: <http://rabolr.com>
- Follow us on Twitter [@RABOLR](https://twitter.com/RABOLR)
- Watch us on YouTube: <http://www.youtube.com/user/RABOLR>