

Supporting Agents

An Interview with Steven James,
President and Chief Executive Officer, New York City, Douglas Elliman Real Estate

EDITORS' NOTE Steven James has more than three and half decades of residential sales experience and joined Douglas Elliman in 1990. As President and CEO of Douglas Elliman's New York City Brokerage and director of sales for its East Side office, he advises brokers and oversees all aspects of their deals. He also works closely with the executive sales management team throughout all of Douglas Elliman's New York City offices. For more than 15 years, James has served on the Board of Directors of the Real Estate Board of New York (REBNY), as well as serving terms on REBNY's Ethics Committee and Deal of the Year Dinner-Dance Committee. In 1998, he was recognized with the Henry Forrester Memorial Award, the highest honor awarded to a residential broker. James attended North Texas University and the University of Hawaii before moving to New York to pursue acting at the American Academy of Dramatic Arts.



Steven James

COMPANY BRIEF Established in 1911, Douglas Elliman Real Estate (elliman.com) is the largest brokerage in the New York Metropolitan area and the third largest residential real estate company nationwide. With more than 7,000 agents, the company operates approximately 118 offices in New York City, Long Island, the Hamptons, Westchester, Connecticut, New Jersey, Florida, California, Colorado and Massachusetts. Additionally, Douglas Elliman has a strategic global alliance with London-based Knight Frank Residential for business in the worldwide luxury markets spanning 60 countries and six continents. The company also controls a portfolio of real estate services including Douglas Elliman Development Marketing, Douglas Elliman Property Management and Douglas Elliman Commercial.

What is the state of the New York City residential market and is there growth in the market?

There is a potential for growth and we are starting to see a tiny movement in that direction. This whole market has absolutely been predicated on the seller getting the new message that they cannot expect the prices that they could have in the past. One of the reasons why the median price went up is because some of the sellers at the upper end of the market got that message and did some compelling deals. While they could have

gotten substantially more in the past, they were willing to sell and those sales actually pushed the median price up.

That's actually a good sign. We need more of that and we need it more consistently across the market. Entry level is doing fine because of the interest rates, the pool of buyers and the pool of listings at that level. That equation still works.

As you get up to the upper end of the market, there is a much bigger inventory and a much, much smaller pool of buyers, but those buyers are making deals. As long as that continues, I think there's growth potential. I think it will probably be well out beyond the next year before we will see a real substantial difference, but I think we're ticking in that direction.

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All firms promote that they have great brokers, great technology and great marketing. What is the key to differentiating in the industry?

Everybody does say that they have the best agents, technology and marketing. The way we look at it, it just depends on what you're looking for. It's about a matchup with a buyer or a seller. Are we on the same page? Are we going to work in your best interests? Do you trust us? Do you feel that we're going to do the best job for you? We work really hard at that equation and it's not an easy one, but we work really hard at it.

How critical is the investment Douglas Elliman makes in research and being a thought leader?

I think our relationship with Jonathan Miller is so powerful. He's a great guy and he has been with us since the early 1990s. He is like Harvard, Princeton and Yale all rolled into one when it comes to research and sold-and-closed data. He is the reason our market report is so good and the reason we are bombarded at every corner by reporters. They respect our data. He's not a part of Douglas Elliman. He's an outside independent entity, but he uses our entire system and our entire system has a lot of data. Together, we put out great reports.

There is almost no part of New York City that is not considered hot and new development continues to push farther and farther into the boroughs. Did you see this coming?

I think I always saw it coming. The one thing that has surprised me is the Upper East Side and how we went through a period when a lot of people didn't want to be there; they wanted to be in a downtown loft. However, if you have three kids in private schools uptown and you move downtown, it's not so easy.

Over the past five years, the consumer in Manhattan has been priced out of the market. They reached a point where they simply couldn't afford it. They all got pushed out into areas where there was still opportunity such as Brooklyn, Queens, Riverdale and Westchester. It's changing a little bit because the market is changing in all those areas – even in Manhattan – and some consumers are coming back to revisit Manhattan hoping to get a good deal here if the seller is willing to negotiate.

Is it hard for you to find the balance between your management responsibilities and still spending time with agents?

When Dottie (Herman, CEO) and Howard (Lorber, Executive Chairman) asked me to stay when they bought the company, I told them I would be happy to stay and to do whatever they wanted me to do, but that the one thing I would never give up was the relationship with our agents. I want to be hands on and I want to be a part of the management team at 575 Madison.

That's a very difficult balance, but I work really hard at it, because it is important. If I lose that touch with the agents then I've lost touch with the market. I am not out every day looking at properties. I really miss that, but there is no way I can do it. The only way I stay in touch with that is by being a participant with our agents in their deals with board situations or buyer issues. I love to help put deals together. ●