

Fulfilling a Vision

An Interview with Dottie Herman,
President and Chief Executive Officer, Prudential Douglas Elliman Real Estate

EDITORS' NOTE Dottie Herman began her more than 20-year real estate career as a salesperson on Long Island, subsequently buying Prudential Long Island Realty in 1989. Along with her partner, Howard Lorber, she bought Douglas Elliman in 2003. On a charitable basis, Herman is involved with First Women's Hospital in New York and the American Heart Association.



COMPANY BRIEF With a network of national and international affiliates, Prudential Douglas Elliman Real Estate (www.prudentialelliman.com) is New York's largest residential brokerage, with over 60 offices and more than 3,800 real estate agents. The company also controls a portfolio of real estate services, including Manhattan's largest residential property manager, Douglas Elliman Property Management, as well as PDE Title and DE Capital Mortgage.

Following the challenges we've seen in the real estate market in New York City over the past 18 months, do you feel things have stabilized and do you see opportunities to return to growth in the market?

I have seen the market stabilize. In the spring of 2009, people were still out looking but weren't sure if they should buy for fear the market would drop further. By the summer, business picked up, and each month through the fall got busier with people signing contracts and making deals. We went through what was traditionally a slower season for the city – the summer – into the fall and the holidays, which is usually the slowest season in real estate, but in 2009, most of our transactions were toward the end of the year. This showed that people still believe in real estate, that they want to buy and take advantage of low interest rates, and they had the sense that the market was stabilizing.

As demand picks up, will the prices come back, or do you feel we may never return to the levels we were at?

I don't think we're going to see big appreciation in the next few years; we're going to see a traditionally modest appreciation as it always was, perhaps with 3 to 5 percent growth. The appraisers and the banks are ultra-conservative and often are appraising properties at less than

they're worth, so if they're only lending to people who are qualified or have a substantial down payment or pay all cash, then prices will tend to move sideways.

You have a new relationship with Wells Fargo. What made you feel they were the right partner?

I looked around for a year because we were a mortgage broker, and a year ago, I saw that was going to be history. I knew we had to be a bank and Wells Fargo was a great fit, as we shared a similar vision. Whether it was

Wells Fargo or another partner, no bank has every single product, especially in New York City with all of the co-ops. However, they were willing to give us the banking relationship, and allow us to broker out when we need specific

wonderful amenities and most now offer real value, which will appeal to both buyers and renters. New York City has a stable population, so these properties will absorb and the buildings will occupy. So, yes, the new developments will survive and I believe that many will survive well.

You have a large group of brokers who experienced some great years, so when things slowed down, it must have been scary. How critical was it to communicate to them the long-term viability of the real estate market?

As a leader, there wasn't a person I talked to that experienced anything like the real estate frenzy that occurred a few years ago. These days, I believe it is important to move forward and give agents confidence to know that what we sell is what people live in and people are always going to need a place to live. I view the recent downturn in the residential market as an opportunity for those who are really good in the profession to do better and for the not-so experienced agents to grow as they face more challenges.

With so much management responsibility, is it possible for you to find time to deal with clients?

I've never been strong with time management, but I try to make the time to be accessible. I like people, and one of the great things about the real estate business is you meet an array of people, and I enjoy that. I try to communicate through social media with Twitter and Facebook and with my radio show on WOR on Saturday mornings. The most important communication tool, overall, is the personal aspect of a relationship, and I put much of my energy into relationships. People still want to feel there is a company that hears what they're saying and cares about them as individuals.

Do you ever look back and appreciate all you have achieved, or is it always looking ahead?

It has been a great journey and I feel lucky to not only have gotten where I am but to be doing something I love. I didn't choose this career for the money – I chose it because real estate is my passion. When you are doing something you love, it doesn't become a job – it becomes part of what you do. People set limits but with hard work, perseverance, and passion, anything is possible. ●

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boutique loans or products that are not the norm. We are now a mortgage banker, but we still do brokering.

During the boom, developers were getting into crazy numbers, offering buildings with a ton of amenities. Are those buildings going to survive?

Right now, we'll be seeing very few new residential developments, as developers are holding off until at least 2011. With completed new projects, what I think we'll see is that some will remain on the market as condominiums and others will switch to rental properties. The majority of new developments were built with