

Ask Elliman

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

EDITORS' NOTE *Dottie Herman began her real estate career more than 20 years ago as a salesperson on Long Island, subsequently buying Prudential Long Island Realty in 1989. She bought Douglas Elliman in 2003 along with her partner Howard Lorber. Under her leadership, Douglas Elliman grew to become the number four ranked real estate brokerage in the United States. Herman has been named among the 50 Most Powerful Women in New York by Crain's New York Business, as well as one of The New York Observer's Power 100 and by Inman News as one of the Top 100 Most Influential Real Estate Leaders. She is also host of WOR's popular Saturday morning radio show Eye On Real Estate. In addition to her successful business ventures, Herman is also involved with the Katz Institute for Women's Health and the Katz Women's Hospital of the North Shore-LIJ Health System, Southampton Hospital, the American Heart Association, and Every Woman Matters Walk: A Walk for Women and their Families.*



Dottie Herman

COMPANY BRIEF *Prudential Douglas Elliman Real Estate (www.elliman.com) is New York's largest residential brokerage, with over 60 offices in New York City, Long Island, the Hamptons, and Westchester/Putnam; more than 3,800 real estate agents; and a network of national and international affiliates. The firm is a strategic partner with London-based Knight Frank LLP for residential business in all of their New York markets. Prudential Douglas Elliman ranked in the top four of all real estate companies in the nation in each of the five years from 2007 through 2011. 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.*

How is the real estate market faring today? Is this a time of opportunity?

The business has come back strong over the past two years, which has to do with the strength of New York City itself. It's one of the safest cities in the country; it competes in a global market and with all the uncertainty overseas, foreigners are seeing New York City real estate as a safe place to put their money. It's attracting more foreign money than during the boom.

With interest rates as low as they are, if you have money, there is no place to put it unless you want to gamble in the stock market. People see it as a great time to purchase, whether it be entry level, trading up or buying that trophy property.

The prices are back to about 2007 and 2008 levels in Manhattan, but the interest rates are low and even though people don't look at the appreciation rate as being 20 percent – which was abnormal – they feel it's a safe investment. We were blessed to have two

Mayors who looked to the future of New York City and invested in it. It's solid.

As far as entry-level markets, with rents escalating – which I see as a continuing trend – if you have enough for a down payment, then those low interest rates are pushing people to buy at the entry-level market.

Are you surprised that there is almost no part of the city today that isn't considered hot?

I attribute that to the leadership here, and to people who have vision and a commitment to New York City. Mayor Bloomberg has always talked about investing in the city's future, even when things are tough. You can see the payoff when you look at what has been done with the High Line, the parks, new bicycle paths, shopping centers and downtown development. When all is said and done, the World Trade Center will attract just as many tourists as Midtown and Central Park.

What makes for a successful broker today? Is it the personality and drive or the intellect?

You need passion, commitment to work hard, and you can't give up. You have to pick yourself back up when you fall and get back into it. You have to have intellect because when you're dealing with prices and numbers in New York City, you're dealing with educated, successful people. The skill set that you need to be a broker working in New York City is greater than in any other place, because you not only have to know real estate but also financing, technology, economic trends, and marketing.

You also have to know how to build businesses. People seek out good brokers because that can make a difference in you getting the property you want and having a successful experience. There are so many creative ways

to finance a property, which is especially important when the economy is as tough as it is today.

This is why my company has an intern program and a real estate scholarship at NYU with their Masters in Real Estate program, because I am recruiting bright and eager people in order to always have the best new talent.

There is talk about the banks becoming less strict with lending. Have you seen a loosening up?

No, it's still a problem. That's one of the reasons that I did a joint venture with Wells Fargo, which I have the right to broker out when necessary.

The regulations for banks went from very loose to the opposite extreme. Tough credit creates big problems. If you have a blip on your credit report, you could get declined for a mortgage. Sometimes it's a little mistake and you don't know it. But your credit standing is really important. This is why I have a credit coach on hand, because credit companies are going to be regulated, which has not been done before. The other problem is appraisals. I don't ever want to see a return to the way it was, where anybody regardless of their financial condition could get a mortgage, but regulations now are too restrictive.

If credit was the way it was before, we'd be in a boom again. The only reason we were booming was because people could borrow more money than what they could realistically afford to purchase.

Is getting engaged in the deal still a passion for you?

Part of what made my company successful is that I know everybody in it. Everyone is important no matter what their job is.

I also never want the company to get so big that it becomes impersonal. To encourage this intimacy, I launched a campaign, AskElliman.com, where consumers from all over can ask questions about real estate, and I've put a team together – a real estate attorney, an expert appraiser, and me – and we personally answer everything.

My e-mail is accessible too and I read everything myself because I personally never like to go to a company where you can't get anyone on the phone. I want people to know that there is a person behind the company that is always available. We want our consumers to know that we are here for them. ●