

# The Douglas Elliman Difference

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

**EDITORS' NOTE** Dottie Herman has more than 30 years' experience in the real estate business, starting as a broker with Merrill Lynch's Long Island real estate division. In 1989, she bought Prudential Real Estate's Long Island division and expanded the company into the Hamptons. Eight years later, Herman and her business partner, Howard Lorber, purchased one of the oldest and most esteemed real estate brokerages in Manhattan, Douglas Elliman, for nearly \$72 million. Herman has been



Dottie Herman

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 WNYM's popular Saturday morning radio show Eye On Real Estate. In addition to her successful business ventures, Herman is involved with the New York Restoration Project and is on the board of Gold Coast Bank, the Katz Women's Hospital of the North Shore-LIJ Health System, Southampton Hospital, the American Heart Association, and Lauder Foundation for Breast Cancer Research.

**COMPANY BRIEF** Douglas Elliman (elliman.com) is New York's largest residential brokerage, with more than 80 offices in New York City, Long Island, the Hamptons, Westchester/Putnam, Southern Connecticut, South Florida, Beverly Hills, and Aspen having more than 5,700 real estate agents. The firm has formed a global alliance with London-based Knight Frank Residential LLP in 55 countries in Europe and Asia, allowing Elliman to reach international buyers from all over the world. Douglas Elliman ranked in the top four of all real estate companies in the nation in each of the seven years from 2007 to 2014. In addition, the company controls a portfolio of real estate services, including Manhattan's largest residential property manager, Douglas Elliman Property Management, Douglas Elliman Development Marketing, and DE Title Services.

## Looking at the market today, how strong is the real estate business?

With the U.S. economy growing at a sure pace, the dollar gaining strength, and interest rates at historic lows, we are in the midst of what economists refer to as the "Goldilocks zone" for real estate; not too hot, not too cold, but just-right for

sustainable growth. Home values are moving in a positive direction in all markets across the country.

The two demographics that are going to move the market going forward are the Baby Boomers, which was the largest demographic, and the Millennials, who are now becoming an even larger demographic. Rather than downsizing, Baby Boomers are trading up and investing in a second home. The Millennials, ages 18-34, graduated from college when we were in a recession and jobs were scarce. They are a larger

group than the Boomers and are shaking off their shackles to get into the home buying market.

## In terms of new development, is most of it in the luxury high end of the market?

The luxury market is defined as the top 10 percent of each respective market in terms of price. It is much more subjective than that and luxury housing standards have been raised everywhere. Manhattan's surging new development market spans nearly all price segments, although the rising number of luxury properties on the market tend to be larger and pricier (most notably the Midtown corridor district) and are much heralded, thus creating an exaggerated sense that new development is concentrated in the luxury high end. Clearly luxury development is changing our landscape and our lifestyles by creating architectural icons and celebrated neighborhoods, bringing ever-increasing levels of high-end design and quality to our doorstep.

## From a development perspective, is New York City the prime view for Douglas Elliman?

Our U.S. portfolio has now reached over \$30 billion. September 9th marks the first anniversary of our Knight Frank global partnership. We believe this relationship is invaluable as we continue to market our developments abroad and cultivate relationships in each of the regions that define our clients. Interest in U.S. property markets remains strong, as key cities across the country, including New York, Los Angeles, Aspen, San Francisco, and Miami, continue to attract global wealth. Cities beyond New York, particularly Los Angeles, have begun to embrace vertical living, making our business that much more exciting.

## Have the buyers primarily been foreign?

No, although foreign buyers have always played an important role and that has only

increased with the problems overseas. People see New York City, Miami, Los Angeles, and Aspen as very stable and safe places for their money.

## When you're competing against the top firms, how hard is it to show differentiation?

At Douglas Elliman we built a strong brand for all the markets we cover.

Franchises are only as good as their operator. Their brand is inconsistent and is run by different people, which makes it difficult to be consistent.

Douglas Elliman and our international partner, Knight Frank, own our own branches, which is why our brand is consistent wherever we are.

## How competitive are the new firms?

We never want to underestimate our competition but, at the same time, there are always new firms coming in and trying different things. We never take our eye off the ball. We are always looking at the cutting edge and the new trends. For our clients, we know that it's not just about the home; it's about where they live and how they live. We continue to offer them the absolute best properties from around the country and have the most accurate and up-to-date market research anywhere. The relationship and trust is most important.

## Are offices still important when so much is online?

We have always committed ourselves to meeting our customers' needs. We still need offices. Every individual unit is different, so very few people will buy real estate online. They will look and eliminate online, and become savvier because of their research.

## Is the primary role of a real estate firm to educate and is this what has made Ask Elliman so effective?

Ask Elliman is the only site that people can come to without obligation, to ask questions regarding real estate. People can now find information online, some of which is not accurate. Our job is to help people navigate through that information. Much of it isn't up to date or accurate. It's also important for us to understand someone's lifestyle, and issues like how far they want to be from work and where the schools are so we can help them choose the right home.

## Is the market more sustainable post-recession this time?

Yes, financing is still tough today and requires more money down; they also require credit checks and proof the buyer can afford the property. ●