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NYC Agents To Dottie Herman: We're Not Afraid To Walk In The City

Douglas Elliman's CEO told Fox Business that the rising crime rate is threatening NYC's real estate rebound, but agents who spoke with Inman on Thursday largely disagreed



New York City is roaring back to life, a stark contrast to the silence that haunted its streets last year.

And while there's no doubt that the real estate market is on the up, there are differing views on whether or not the rise in crime is impacting its rebound.

On Monday, Dottie Herman, CEO of Douglas Elliman, told Fox Business that the biggest problem facing New York City real estate right now is crime.

"I'm optimistic, but there's certain underlying factors, and from everything I hear — and I'm out there all the time — the biggest problem is crime," Herman told Fox Business' Neil Cavuto on "Cavuto: Coast to Coast." "People are afraid to actually walk in the city anymore. And pre-pandemic, New York was the safest city in the United States of America.

In June, the NYPD reported that the overall crime rate was up 3.1 percent compared to the same time last year.

But New York-based real estate professionals told Inman that the crime rate hasn't been deterring their business. In fact, business has been flourishing.

In the second quarter of this year, a Douglas Elliman and Miller Samuel report found that the median resale price for Manhattan apartments hit \$999,000, a record high. And, there were 3,417 sales in the borough, up 15.6 percent compared to the second quarter of 2019.

A Douglas Elliman spokesperson told Inman that business for the company has been booming as well. Since February, the firm has been writing a billion dollars in new business a month.

“While there has been an uptick in crime, and that is never a good thing, the NYPD just released new stats showing that deadly shootings and shootings in general were down some 20 percent in June. The MTA also reported a drop in crime,” Bess Freedman, CEO of Brown Harris Stevens, wrote to Inman, adding that rising crime had not deterred her from walking down city streets.

“Meanwhile, the market in NYC is booming, we saw a 21 percent increase in average resale price and there was a record number of contracts signed in Q2,” Freedman added. “People are coming back — there is proof everywhere you look — and it’s reflected in our sales and rental activity.”

For Christopher Totaro, an agent with Warburg Realty, this has been one of his busiest years yet. While he agrees that the rise in crime is a pressing issue that needs to be resolved, it hasn’t directly impacted his business.

“Not one conversation in all of my transactions this year has it come up,” he said.

Barbara Fox, founder and president of Manhattan-based Fox Residential, is on a similar page.

“All New Yorkers are concerned about the increase in crime, but it hasn’t changed the buoyance of city life and the streets are busier than ever,” she wrote to Inman. “I’m never afraid to walk around the city (and I do a lot of that!) and don’t find the streets daunting at all at any time of day.”

Pamela D’Arc, a broker with Compass, told Inman she has four closings this week, located all over Manhattan.

“I’m finding that a lot of people were actually disillusioned with places that they went to outside of the city, places that they temporarily moved to and considered moving to full time,” she said. “Many of my clients have come back because they’ve missed the schools here, they’ve missed the culture, they’ve missed everything that makes New York what it is.”

A temporary roadblock

Totaro believes the fears surrounding the rising crime rate will be temporary.

There is a lot of hope that the new administration coming to New York City will step up to the challenge and find a solution, he explained.

“We are trusting that our new mayor will be getting the criminals off the streets soon and hopefully with increased vaccinations, our city life will totally return to normal,” Fox added.

The general election for New York City’s new mayor will take place in November. Earlier this summer, Eric Adams won the Democratic primary. He will soon go head-to-head with Republican nominee Curtis Sliwa.

A lot of what the city is seeing right now, D’Arc added, is pandemic related. Issues like homelessness and drug use have been exacerbated due to shutdowns and job loss.

“I think there are huge amounts of New Yorkers who are willing to roll up their sleeves to help sort out how to make sure everybody has a home to live in and strengthen our social services,” she said.

With that being said, the rise in crime is having an inevitable impact on consumer preference in the city. While it may not be shooing buyers out of it, it’s influencing where some settle down.

Rowena Dasgupta, another agent with Warburg Realty, told Inman that she's had some buyers avoid certain neighborhoods they had previously considered in favor of safer ones.

"As I am working with buyers, I can speak to this to some degree. They are not deterred; they are avoiding neighborhoods they may have previously considered in favor of the Upper East Side or Midtown East. I also know people who are relocating within the city because of crime to the "boring" Upper East Side. Somehow, crime accompanied by an increasingly dirty city is making some parts of downtown less desirable.

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