

Dennis A. Herman Chairman and CEO, Beekman International Center, Ltd.



DENNIS A. HERMAN is chairman and CEO of Beekman International Center, Ltd., which consists of two real estate companies, an insurance brokerage operation, and a property management firm. He is the developer of The Beekman Regent, located at 351 East 51st Street, and 60 East 88th Street. 60 East 88th Street achieved the third highest price

per square foot in 1987, at \$750 psf. At the time, *The New York Times* reported “...not since the 1920s or 1930s have apartments been built in Manhattan that match [these] in size and luxury.” The Beekman Regent was awarded the Mercedes Benz Gold Property Award in 2004 as the “Finest International Redevelopment in the World,” and as reported by *Real Estate Weekly*, was the first building in NYC to receive this award in 35 years. Yale Robbins rated the building “one of the top two condominiums in New York” in its March 2003 publication.

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How did your business career begin, and when did you enter the real estate industry?

Developing real estate is my second career. After college and serving in the Army, I began working as a door-to-door salesman, selling life insurance for John Hancock. I loved the challenge. Fast forward 10 years later: I became the CEO of American Federal Group, an insurance underwriting and reinsurance agency. Insurance brokers were our clients. I had always wanted to get into real estate but in the 70s and 80s it was not as available or open as it has been in the last 25 years.

What was your first building?

My first out of a total of two buildings, was in 1984 at 60 East 88th Street. The goal was to build a prewar building with full-floor homes. The bank reluctantly went along with my vision. Until 1986, I had a partner in the project who brought me into the industry, and to whom I remain grateful to this day. When the building looked like it was going to do well, the concept had a thousand fathers. When it was in trouble, it was an orphan—Herman’s folly.

Were you inspired by anyone to enter the real estate industry?

Not inspired, but very grateful to three cherished friends, without whose support, my career would have ended 30 years ago: Bill McCahill, who ran Chase, for not assigning a receiver when they foreclosed on my loan in 1988; Gary Jacob, for always being a sounding board, and providing encouragement at very difficult times; and Axel Stawski, who, among many supportive actions, loaned me \$1M dollars, unsecured, in 1986, so I could remain as the developer of 60 East 88th Street.

Do you still own real estate at that building and, if so, what is today’s value?

We own the same residential real estate today that we did in the late 80s, when we couldn’t give it away. The value today exceeds \$4 thousand psf.

What did you do after 60 East 88th Street?

I was sort of gun-shy, having almost lost everything I had. In the mid 90s, after 88th Street was stabilized, I tiptoed back into the market.

Was that when The Beekman Regent evolved?

No. Initially I attempted to secure some development sites from New York City. Because of those attempts, the city invited me and 111 other developers to submit a RFP for what was then 931 1st Avenue, a former 19th-century mansion, then a public school. We were selected after a long process. It was a joy to develop the project with architect Costas Kondylis and various marketing firms, and to see my vision for it come true. Today, The Beekman Regent is considered by the brokerage community to be one of the finest buildings in New York.

Was this a condominium? Rental? Did you have a partner on the project?

It was built as a condominium but we were able to retain 65% of the building that is maintained as a rental. There are no partners in either building. I learned from the 80s that minimal debt was an important goal.

Is there a reason you have not built any other projects?

After completing The Beekman Regent in 2004, I began exploring other development opportunities. My wife advised me that any new developments I might start better make a fortune, because that is what a divorce was going to cost me.

What are you doing today?

Happily running a midsize conglomerate.

Any other comments?

My dear friends, Axel Stawski and Gary Jacob, always told me try not to sell if you can avoid doing so. I took their advice to heart.

