

Impossible situations solved professionally

Happy New Year from Dottie!

I wanted to take the opportunity at this time to thank all of you who supported PDE Title. The results and positive feedback from our agents, managers, attorneys, customers, and clients alike make me proud that with your help we have built a Title Company that is an Industry leader. In the past year, PDE Title grew its business exponentially and most importantly developed many new business relationships with people who share our philosophy... that the consumer is our number 1 priority. I wish each and every one of you continued success. Together we will continue to grow our business, building relationships, and delivering exceptional service to our customers and clients. Best Wishes for a Happy, Healthy and Prosperous New Year!



PRESIDENT & CEO, PRUDENTIAL DOUGLAS ELLIMAN

IT PAYS TO PLAN: THE BENEFITS OF BUSINESS PLANNING FOR BROKERS

by Jacky Teplitzky, Managing Director, Prudential Douglas Elliman, Leader, the Jacky Teplitzky team

With a New Year upon us, many people take this opportunity to look back at the year that has just passed, often making resolutions for the one to come. Just as in our personal lives, it is important to take professional inventory, particularly for those in industries as ever-changing as real estate. For brokers, one important - and underutilized - way to do this is to create a comprehensive business plan.

First off, a year-long business plan does not need to be "War & Peace" in length. A good document can be as short as three to four, double-spaced pages. It's not the quantity of information but the quality of material that is vital to a plan's success.

A well-thought-out business plan is the best way to be proactive, rather than reactive, about your business. So, what does a business plan entail? For me, the very first step is to extensively analyze my business. I take a long, hard look at the just-concluded year, paying special attention to the number of deals completed, the average selling price, the geographic areas that were the focus of my business, and the percentage of buyers and sellers my team and I have represented. Another extremely important part of creating the plan is to look at the source of business, whether it be mailings, referrals or networking. If you can figure out how you are getting the majority of your business, you can hone in on the best places to expend your energy to increase your customer base. You can also see what area is under-performing and address it accordingly.

It is also important to look at the bigger picture. What are your goals? Is there a new market or audience you have been trying to tap into, or a certain percentage increase in sales that you or your team has been striving for? After you define your objectives, you can decide what changes must be done to achieve them. When doing so, it is prudent to examine your marketing, advertising and public relations programs to make sure they support those objectives.

Another key to savvy business planning is honesty. One must take an unbiased view of what went right and what went wrong in order to go about fixing it or improving what is already in place. I like to call it "performing an x-ray on your business."

I use the year-end and the start of a new year as a perfect time to review my overall budget. Where did I spend most of my dollars and did I get the return on investment that I was after? If your financial performance did not meet your expectations, then that means adjustments need to be made. You also need to program how many dollars you want to spend this year. A profit/loss statement is necessary to ensure you are on the right track financially.

Whatever you are planning, social media is a must. Facebook, LinkedIn and Twitter are becoming critical tools in our industry. One of the major complaints that I hear is that they take too much time. Not true. Use your time wisely - I spend a couple of hours a week on Facebook. In addition to networking and showcasing properties, my goal for my page is to become a go-to source of real estate information for my friends, who include buyers, sellers and investors who are in New York, throughout the U.S. and from overseas. I work with an Internet marketing coach to maximize my efforts. Not having a social media component in your plan may mean you are missing out on a valuable opportunity to further build your business.

Keep in mind that the nature of our business is fluid. A business plan is not etched in stone. Revisit it and make sure that it remains current. If you need to make adjustments, do so. At mid-year, a thorough review should be done to see what is working, what isn't working and what you can do to remedy the situation. So, get going. Starting your business plan now for the New Year means that you'll enjoy an even stronger 2011. ~

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Attorney Tips for Brokers

TIP NUMBER 1 by C. Jaye Berger, Esq.

"What to do About Tenants in Occupancy?" Anyone thinking of closing on a deal with a tenant in occupancy in the apartment should proceed with care, especially before signing the Contract of Sale. From the buyer's perspective, you need to be certain that you will have an adequate opportunity to inspect the apartment before signing the contract and before the closing. If the tenant will still be in the apartment after the closing, the tenant will become the tenant of the buyer, since the lease would be assigned over to the new buyer.

Confusion can arise because the original landlord may have agreed to allow the tenant to do certain work in

the apartment, which is not reflected in the lease. When the tenant moves out of the apartment, the lease may "technically" say the apartment has to be restored to its original condition, when the tenant has a very different understanding of what he was given permission to do, and the buyer may have a different understanding of the condition of what he is purchasing.

This should be carefully described in the Contract of Sale, and money should be placed in escrow to cover any damage caused by the tenant, as well as to ensure that the tenant moves out in accordance with the terms of the lease.-

TIP NUMBER 2 by Derin Edip Walden, Esq

The biggest issue encountered during the contract to closing process usually involves the Certificate of Occupancy or open permits for work done on the property. The seller is required by contract to provide a certificate of occupancy for each building on premises or a pre-date letter from building department stating that structure was built prior to the requirement for certificate of occupancy. Most issues result from "Open Building Permits" where the seller (or a prior owner) had originally obtained approval for the work, but then never got the municipality to do a final inspection and sign off after it was completed.

The seller is obligated to either close out the Open Permit with a Certificate of Occupancy or Certificate of Completion or alternatively, the seller needs to obtain a letter from building department that certificate of completion/occupancy was not necessary. Other times there is work done on the property without getting a permit in the first place. These items are usually discovered during the survey inspection process whereby an inspector compares the structures on the property to an existing survey. The survey shows improvements

on the property including buildings, garages, decks, pools. Inspection reports may indicate that for example, an addition, deck, or pool was added to the property but there is no record of a permit to add that particular item. The seller is now in the position of going back to the municipality to request the permit and obtain the certificate of occupancy for that item. This process could take weeks or months and cause major delays to the closing on the contract.

It is imperative that the real estate broker and seller discuss the current legal status of the property and all structures on the property, to make sure that all work on the property has an appropriate Certificate of Occupancy. If there has been an unauthorized alteration, then there could be substantial delays to closing and possibly a cancellation of contract because the seller cannot comply timely with the requirements to deliver the property as required under the terms of the contract of sale. Furthermore, the seller may have to bear the expense of Tearing down part of the building that does not comply with building code or violates setback requirement.-

TIP NUMBER 3 by Andrew Luftig, Esq.

In current economic times, obtaining financing can be very challenging. If you have an exclusive sales listing or if you are representing a Purchaser, you will have greater success in obtaining an executed contract of sale and not receiving news that the deal is "Dead," if you are PROACTIVE!

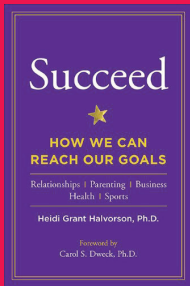
WHAT SHOULD YOU DO?

- Find out if the building is on approved lists with lenders. If the building is not on approved lender lists, speak with a mortgage professional at DE Capital and try to get the building on multiple lender approved lists.

- Review financial statements for any issues that may surface during the Purchaser's due diligence period. Try and obtain information and explanations from the building's board, accountant or managing agent. Information is key!
- Encourage Purchasers to chose a mortgage professional before the contract of sale is executed so the financing period is not delayed.
- International Purchasers: Make sure your international clients understand the benefits and detriments of domestic and international financing.

A PROACTIVE BROKER GETS RESULTS!

BOOK recommendation



Why read another book about success?

"Because even very smart, very accomplished people are very bad at understanding why they succeed or fail." That is the compelling argument for reading this new book called Succeed: How We Can Reach Our Goals by Heidi Grant Halvorson.

by *Laura L. Scott*

Executive Vice President
Prudential Douglas Elliman

PDEtitle Your in-house Title Insurance Company working exclusively with PDE agents. Our goal is to ensure that your deals get to the closing table as smooth as possible because we really understand what's at stake and have your best interest in mind.

Contact us at with any inquiries or questions at: 212.534.5318 or www.pdetitle.com.