

# Mid-Atlantic real estate broker plans growth here

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Even as the Massachusetts housing market limps along, a national real estate firm is making a big push into Greater Boston.

New Jersey-based **Weichert Realtors** has franchised 19 existing agencies, most recently in South Easton, Cambridge and the Back Bay, expanding from the two offices it first established in Lexington and Medfield in 2004. Over the next year, the company hopes to hang its shingle over 20 more offices — a plan that would likely lead to a profusion of its trademark yellow signs on front lawns.

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Rueter:  
Gobbling up  
brokerages

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## WEICHERT: Broker on acquisition spree to grow in Greater Boston

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Weichert's campaign underscores the increasing competitiveness of the brokerage business, and how it's increasingly dominated by national brand names with large marketing budgets. Close to 75 percent of the area's residential real estate business is controlled by firms affiliated with a national brand, said **Marty Rueter**, president of Weichert's franchising group.

"The independent, unaffiliated companies are really starting to get behind the eight ball because they don't have the tools necessary to compete with the big boys," said **Bill Scavone**, the senior vice president for Weichert's franchising operation. "That's why we're having such a strong surge of growth.

These folks are looking to have more weapons to compete in the marketplace."

Weichert, however, will face competitive pressure of its own. It's going into a market dominated by another national brand, **Coldwell Banker Residential Brokerage**, which has 80 offices in the state. That corporate-owned firm, a subsidiary of **NRT Inc.**, handles about 19 percent of the transactions in Massachusetts, almost four times the portion of its next closest competitor, according to data that the company obtained from the **MLS Property Information Network**.

Other brands Weichert is going up against in Massachusetts include **RE/MAX International Inc.**, **GMAC Real Estate**, **Prudential Real Estate**, **Century 21 Real Estate**, **RE/MAX International Inc.** and **ERA Real Estate**.

Coldwell Banker, which re-entered the region by acquiring **Hunneman & Co.** and the **DeWolfe Cos.** in 2002, has added just a couple of offices since then, choosing instead to focus on its operations and recruiting of individual agents, said **Mark Lippolt**, senior vice president of the company's New England division.

"We are still in expansion mode, but clearly market conditions have slowed that down," he said.

Weichert, a big player in the New Jersey, Philadelphia and Washington, D.C., markets, recently made inroads in the Chicago area, Florida and California. It now has 570 offices across the country, 350 of them independently owned franchise operations and the others owned by company founder **Jim Weichert**.

Weichert's push into the Greater Boston market comes because of — not despite — the slumping sales of the past two years.

"My experience in franchising tells me that we have a lot more people willing to listen to us when things aren't so busy," Rueter said.

The lure of a bigger marketing budget, however, isn't enough for some independent owners.

**Bob Imperato**, owner of **Boston Realty Associates**, said he met with Weichert officials three years ago but didn't take the bait. Not only did he want to maintain his autonomy and keep profits to himself, but he thinks his local identity trumps the power of a national brand.

"A large part of the business ... is referrals," he said. "And having the Weichert name isn't going to get me that referral business. Bob Imperato is going to get me that referral business."

Weichert charges a franchise fee of \$25,000, and requires royalty payments that start at 6 percent and go lower as an agency grows, Scavone said.

Agencies also must contribute to a marketing fund, with half of the collected money earmarked for the contributors' local market. The company requires available capital of \$250,000 to make upgrades, or \$150,000 if the agency's office is already adequately equipped.

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