Warren Buffett buys EWM Realtors

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The Warren Buffett investment empire extended to South Florida on Tuesday when one of his compa-nies bought Esslinger-Wooten-Max-well Realtors, the third top local brokerage scooped up by a national

Buffett's HomeServices of America paid an undisclosed price for the Coral Gables brokerage, a leading seller of luxury real estate in Miami-Dade County

The tycoon's HomeServices of America paid an undisclosed price for the brokerage.

Last year Coldwell Banker, a sub-sidiary of New Jersey's Cendant Corp., bought EWM's top local competitors: Arvida Realty and Wimbish-Riteway.

The EWM acquisition sets up a clash of the titans over South Florida's housing market. Cendant, owner of Century 21 and ERA, is the

country's biggest real estate com-pany, followed by HomeServices in second place. This is HomeServices' first Florida purchase, but the com-pany said it expects to spread across the state.

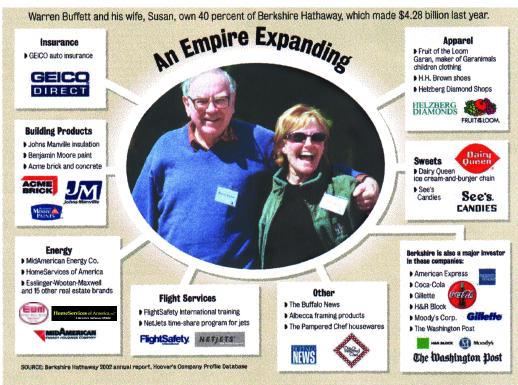
HomeServices President Ronald J. Peltier said the EWM deal was too small to require the approval of Buf-

fett, the world's second-wealthiest fett, the world's second-wealthiest man. As chairman of the Berkshire Hathaway investment company, Buffett presides over a grab-bag roster of companies he has deemed good buys, from Blizzard-maker Dairy Queen to GEICO insurance.

The 72-year-old's success on Wall Street — Berlshire Hathaway

shunned the dot-com craze of the 1990s and posted \$4.2 billion in profits last year — and his just-folks persona have made Buffett one of

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Buffett's empire acquires EWM Realtors in Coral Gables

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the financial world's top celebrities. A lunch with the Oracle

rities. A lunch with the Oracle of Omaha recently garmered 2550,000 in a charly auction. Berkshire owns 80 percent of the Middmerican Energy Holdings utility, which owns minnesota-based Homeservices. The global utility had a small real estate division when Berkshire acquired Middmerican in 2000, but it has grown rapidly since, reporting \$11 billion in revenue last year. The EWM purchase gives Home-Services its 16th state and 16th brand name, for a total of 16,200 sales agents and \$45 billion in sales.

Unlike Coldwell, which

Unlike Coldwell, which retired the Arvida and Wim-bish brands, HomeServices plans on keeping the EWM

plans on keeping the EWM name.
"We believe in the local brands. We believe in the local treputations," Peltier sald cal reputations," Peltier sald in an interview at The Herald's Mami office. "We aren't inter-ested in destroying the brand county."

Founded in 1964 by Anna Mae Esslinger, Dodie Wooten and Arlene Maxwell, EWM rode the recent real estate boom to become one of South Florida's biggest brokerages. The company says it ranks second in sales volume behind Coldwell in Miami-Dade County and Gourth in Broward County. It has 11 offices and 750 agents.

County and tourn in stoward County. It has II offices and 750 agents. Peltier said EWM President Ronald Shuffield and Chairman Allen Harper, the two principal partners, will remain with the company and continue running the operations, and that no EWM jobs will be cut in the acquisition. The South Florida deals mirror a larger trend of consolidation sweeping the real estate industry, as national firms absorb regional brokerages across the country. HomeServices started in the Midwest and last year acquired a large Prudential firm in California.

The growth will probably be a combination of expanding EWM, possibly in Pahn Beach or Naples, and acquiring more firms, Peltier said. Shufffield said limited cash has kept EWM's growth somewhat in check, so the HomeServices balance sheet appealed to him. In a recent letter to share-holders, Buffett praised MidAmerican Energy Holdings' real seatae acquisitions and promised the company access to his enject massive amounts of money into MEHC," he wrote. In the wake of Coldwell's acquisition spree last year, Shuffield touted EWM as a locally owned company and dismissed rumors he was also interested in joining the Cendant fold.

Coldwell lost dozens of Riteway and Wimbish agents

nı ıoıd. Coldwell lost dozens of Goldwell lost dozens of Riteway and Wimbish agents to EWM, and Coldwell's Miami-Dade director sug-gested Tuesday that some might return to the flock. "I was really shocked because I thought they were pretty committed to staying a locally owned company," said leastly committed to staying a locally owned company," said Patricia Dahne of Coldwell. "I think it's going to create a lot of questions in the sales associated minds in terms of how it's going to affect their business and what they're going to be expected to do to support that HomeServices network."

Peltier said he expects EWM to increase sales of mortgage and insurance services to home buyers.

Those spin-off transactions are a major profit source for the real estate industry. But EWM says only about 15 percent of its customers buy their mortgages through EWM's lending arm, Embassy Financial Services, and about 25 percent of its customers are

mortgages through EWM's lending arm, Embassy Finan-cial Services, and about 25 per-cent of its customers use EWM's Columbia Title and First Reserve Insurance. HomeServices, however, captures about 25 percent of its customers' mortrages and 60

customers' mortgages and 60 percent of their title business, Peltier said.