

REAL ESTATE WEEKLY

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Germans plan major expansion into American housing market

By MAGGIE HAWRYLUK

It's not just foreign consumers that are taking advantage of the American housing market. The latest international residential brokerage to jump into the mix is German-based Engel & Völkers Group.

"We have shops in 25 different countries. We're opening two new shops every 100 hours," Rauer Peters, chief executive officer of American operations at The Engel & Völkers Group, said. "If you expand on that scale, it's nearly impossible not to hit the U.S. We're the only company making the jump from Europe to the U.S."

Peters has a large task at hand as the face of Engel & Völkers' American expansion. The German-born executive hopped onto the Engel & Völkers bandwagon nearly five years ago, running two branches in Northern Germany for the company that concentrates on the high-end residential market, along with commercial and yachting divisions.

Engel & Völkers, founded 30 years ago, went from a privately-held entity to a franchise nearly nine years ago when the idea of moving to the United States was conceptualized.

"We always viewed the real estate market in the U.S. as highly developed

and the largest," he said. "The desire was always there."

And with 380 agencies and 2,500 agents worldwide, the company was poised for its next big step: opening 800 residential sales offices in the next five years.

Peters was an obvious pick for the task of an American expansion, not only was he experienced, a true success story for franchise partners near and far, but he also had a green card — he is married to an American.

Peters has taken the job on eagerly, acting as a father to each and every franchise office that opens here in the states, essentially raising it.

"Everything after signing a franchise agreement goes to me," he said. "We're looking at it as a three year concept. The first three years

is what I'm responsible for."

Currently, the firm has 14 partners in Florida and three in the Northeast: one in Greenwich, Conn., Southampton, N.Y. and one location yet to be determined. Though the firm has added a Manhattan headquarters, they have yet to find the ideal franchise partner to oversee an office in the city.

"We've always wanted to open a shop in Manhattan, but it really requires a per-

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— RAUER PETERS

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son with a certain level of dedication and skill," he said.

Besides ensuring that daily operations are running smoothly, Peters is working very closely with franchise partners, choosing appropriate boutique office locations and making sure regular, up-to-date training is provided.

Peters said the differentiating factor of the Engel & Völkers training is their ability to accurately price proper-

ties. The United States is one of the few markets in the world with public listing services and open information like sales price and price per square foot, therefore international brokers must really do their homework on a property without comparables.

As a result, Engel & Völkers agents are "experts in pricing," according to Peters.

Another advantage the firm has is its international network. While Peters

emphasizes that no buyers are ever guaranteed, Engel & Völkers has the capacity to make listings available to clients all around the globe.

"We have access to an international market. No real estate broker in the world can create a guaranteed buyer. All we can do is list the property," Peters said.

"International buyers can find our properties through the network. We are a true network."