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Anywhere gives Compass exposure to international markets and revenue from businesses that include title insurance and escrow. ROBERTO SCHMIDT/ AFP/ GETTY IMAGES

GO NAKAMURA FOR WSJ Robert Reffkin's Compass is buying the owner of real-estate brands including Corcoran, Century 21 and Coldwell Banker. PETER MORGAN/ AP

Real-Estate Broker Compass to Buy Rival Firm Anywhere for $1.6 Billion

BY NICOLE FRIEDMAN

Leading real-estate brokerage **Compass** said it has agreed to acquire rival **Anywhere Real Estate** for $1.6 billion, the clearest sign yet that a long stretch of lackluster home sales is sparking industry consolidation.

The all-stock transaction would create a new industry giant with an enterprise value of about $10 billion, including debt, in one of the largest deals ever in the residential brokerage industry.

Compass and Anywhere were already the first- and second-biggest brokerages by volume in 2024, respectively, according to RealTrends. Compass has about 40,000 agents, while Anywhere has about 51,000 agents at brokerages it owns and another 250,000 agents at its franchises.

Anywhere, based in Madison, N. J., has some of the country's most recognizable real-estate brands, including Century 21, Coldwell Banker, Corcoran and Sotheby's International Realty. New Yorkbased Compass, which has a

market value of about $5 billion, is valuing Anywhere shares at $13.01 apiece in the stock swap, about 84% above where Anywhere's stock closed Friday. Compass will assume $2.6 billion of Anywhere's debt, net of cash.

The residential real-estate industry has struggled in recent years. The number of home sales plunged after mortgage rates rose in 2022 and has stayed low ever since. Existing-home sales are on track for one of their slowest years in decades. Many smaller brokerage firms around the country have sold their companies to larger rivals.

Buying Anywhere gives Compass exposure to international markets and revenue from Anywhere's businesses including title insurance, escrow and relocation services.

Some real-estate brokerages and mortgage lenders are trying to become onestop shops, making it easier for home buyers and sellers to navigate a complicated process and enabling the companies to earn more revenue through affiliated ser -- vices. Mortgage giant **Rocket** purchased real-estate brokerage Redfin earlier this year and announced plans to buy mortgage servicer **Mr. Cooper Group.**

"By bringing together two of the best companies in our industry, while preserving the unique independence of Anywhere's leading brands, we now have the resources to build a place where real estate professionals can thrive," said

Compass Chief Executive Robert Reffkin.

Even with this acquisition, the combined firm will control less than a quarter of the c o u n t r y ' s home-sales volume. The realestate brokerage industry is highly fragmented among many small firms that specialize in individual markets, and more than 100,000 real-estate firms operate in the U.S.

Anywhere, formerly known as Realogy, has been hounded for years by its large debt --load. It has a market value of about $800 million.

Compass, which launched in 2012 and touts its technology for making agents more efficient, has been an active dealmaker. The company last year announced a $444 million deal to buy Christie's International Real Estate and @properties, the eighth-biggest brokerage by volume.

Note

Compass's combination with Anywhere could also help expand its strategy of offering exclusive listings. Compass encourages many home sellers to make their listings available to Compass agents and their clients first, rather than immediately sharing the listing with the broader market. In some markets, the majority of Compass listings start out as exclusive listings, the company has said.

Many other brokers encourage sellers to market their home listings broadly from the start to reach more potential buyers, making the Compass strategy controversial in the industry. Compass has sued a multiple-listing service in the Seattle area and listings company **Zillow Group** over policies that Compass says restrict private listings.

Zillow has said Compass's lawsuit "gets both the facts and the law wrong." The multiple- listing service didn't immediately respond to a request for comment.

