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# Property's winners and losers

By NIC PATON

**W**ITH house prices falling and the mortgage market showing only the faintest glimmer of a revival, times are hard for many property-related franchises.

Figures released last month by Nationwide Building Society showed that prices were nearly 15 per cent down on the same time last year. Mortgage approvals rose in September, but for the first time in a year and from a record low in August.

Claire Barton, 34, has run a movingWorks estate agency in Tarleton, Lancashire, since May 2004. 'In the past ten days we've seen activity increasing, but overall business has gone down dramatically,' she says.

The 15-strong network, based in Preston, Lancashire, has lost three of its franchises to the tougher market.

## Franchising

EDITED BY HELEN LOVELESS

'It has been the attitude of the banks rather than consumer confidence. Mortgage offers are being pulled or are impossible to get,' says Claire, of Hesketh Bank, Lancashire.

Claire believes that franchised businesses need to look for new opportunities. She set up a separate interior design company in May. 'It is doing well because even if people are not moving, they are often looking to revamp their houses,' she says.

At X-Press Legal Services, a 40-strong franchisor based in Warrington, Cheshire, which specialises in conveyancing and property search, business is up 40 per cent year on year.

Franchise development manager Dan Archer says: 'We don't just deal with people who are trying to buy or



**NEW LOOK:** Estate agent Claire Barton has moved into interior design

sell. Searches are also required for home information packs and remortgage applications and for repossessions or properties that are being sold through auction. In a sluggish market, searches can also go out of date before a house is sold and have to be redone.'

While fewer properties are being bought and sold, the rental and lettings market is holding up well. Sarah Walker of property investment franchisor Platinum Property

Partners, based in Bournemouth, Dorset, says: 'There is a lot of demand for rental properties and no shortage of tenants.'

What has changed significantly is the ease with which the network's 30 franchisees can raise finance for their properties, with the cost of mortgaging or remortgaging properties having risen sharply.

'Rather than perhaps investing £30,000 to £50,000 in each property it is now often more like £100,000 plus, so the return on capital is more tricky. But the demand for properties is still there,' says Walker.

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