Homeowners' Helpers

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7 franchises: Riding the housing boom

Many franchises have arisen that cater to the soaring home market.
By Les Christie, CNNMoney.com staff writer
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NEW YORK (CNNMoney.com) - Anyone looking to start a business must pay strict attention to cultural, demographic and technical trends. You don't want to go into a dying business -- you want to stay on top of the wave. One of the strongest and broadest of trends, of course, is home ownership and remodeling. The Joint Center for Housing Studies at Harvard reports that homeowners spent $149 billion in 2005 on renovations. "People are investing in their houses," says Steve Hockett of FranChoice, a business referral consultant. "And higher house prices have enabled them to do it."

To meet the growing demand for all things home-related, numerous enterprises have sprung up. Many are franchised.
(See gallery of 7 such franchises.)

But who has time to do all the work required to maintain America's growing homes? Americans are working longer hours, spending more time commuting and are more likely to have both spouses employed -- not to mention taking the kids to soccer practice, cheerleading rehearsal and play dates. And when they look for help, it's natural that they should turn increasingly to franchise businesses. "Customers are more comfortable with a name they know," says Hockett. The clout of multiple locations and ample advertising and promotional money heightens brand awareness for franchise owners.

Industry sources cite several other factors that have added to the boom in franchise businesses targeting homeowners.

"After 9/11, the home improvement industry soared," says Tom Wood, president of Floor Coverings International, a franchise operation. "People started to focus inward more and as home prices climbed, they poured money from home improvement loans into remodeling." It's also natural that high home prices would prod homeowners into plowing some of their equity back into home repair or improvement as a way of protecting or enhancing their investments.

http://money.cnn.com/2006/03/07/smbusiness/homefranchises/index.htm

Garage Tek

This company is dedicated to the proposition that all garages should be made equal to other parts of the home. No more will garages be content to be repositories of greasy clutter. They will be transformed into clean, safe and functional places, according to Marc Shuman, president and founder of Garage Tek. "We sell a premium brand of garage improvement to an affluent clientele," says Shuman.

This is definitely an idea whose time has come; the garage organization market has grown by 40 percent since 2001, according to Garage Tek. Most new homes have garages of between 400 and 600 square feet, about twice the size of garages a generation ago. The garage is now the number one area of the home that consumers plan to spend home organization dollars on this year, according to recent research from Peachtree Consulting Group.

Not that they are always that bad. "Actually," says spokeswoman Barbara Butensky, "some of our customers's garages are not so bad when we show up, but they want the ultimate in garage technology."

Garage Tek attacks the garage problem from three directions: the floor, the walls and the ceiling, according to Shuman. The first step is installing an easy-to-clean modular floor. Then wall modules are put up that accept shelves, racks, baskets and bins. If there's enough height, the ceiling will also be utilized for storage modules.

The company has expanded aggressively since its founding in 2000 and expects to add about 10 locations a year.

Locations: 48
Start up costs: $50,000
More info: **garagetek.com**

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