

SPICERHAART VENTURE MAY HERALD MASS ESTATE AGENCY BRANCH CLOSURE PROGRAMME

Submitted by: Soapy Co Limited

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Commenting on reports that high street estate agent Spicerhaart is to buy Tesco's online 'Property Market' estate agency, BrightSale Managing Director Andy Etches said:

"Spicerhaart's purchase of Tesco's online estate agency may well herald the start of a massive high street branch closure programme, not just for Spicerhaart but for other high street estate agents as well.

We believe that by buying Tesco's online platform, Spicerhaart is experimenting with a branchless model that companies like BrightSale have practiced for some time. If successful, we would expect to see a rapid closure programme of expensive and increasingly redundant Spicerhaart high street branches. This could see up to 227 Spicerhaart high street branches closed.

As we predicted in our recent research note *Is there a Future for Traditional Estate Agency?* (BrightSale Research, April 2008), online estate agencies like BrightSale are set to replace traditional high street (high cost) agents in most areas of the market over the next few years. Spicerhaart's move seems to be admission of this possibility.

Even before Spicerhaart's announcement, the high street sector has been struggling in recent months. Yesterday, *MovewithUs* predicted that 4,000 agencies could be shuttered before the end of the year.

But the gloom on the high street is not mirrored in the online sector. At BrightSale we are seeing a big huge increase in demand for our online estate agency product, with listings up by 46% since the beginning of March 2008. Customers are embracing the reduced costs and ease of use of the online product as never before.

Spicer deserves some credit for its early change of tack. Most traditional high street agents are simply sleep-walking into oblivion in the face of the new challenge from online agencies.

We welcome both Tesco and Spicerhaart into the online fold because their presence in our market will further credentialise the online estate agency offering.

And we will not be churlish and remind Spicerhaart CEO Paul Smith that a year ago when Tesco launched the Property Market he wrote a passionate attack on the idea in *Estate Agency News*, concluding: "Tesco might think that 'every little helps' – but it won't be at my expense".

But I guess he is allowed a change of haart."

ENDS.

Note to Editors:

The BrightSale's 'full service' model combines a low percentage fee of 0.5% with human negotiators based in offices in Surrey and Manchester. The company was established in January 2007, and has over 300 property listings. Spicerhaart branch count as of January 2008.

Visit the BrightSale website at www.brightsale.com

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