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African Dream

Franchisee Finds Homes Abroad

Steve and Sarah Snider moved to Mozambique in 2005 after visiting the country during a missionary trip through their Minnesota church. Undaunted by an 85 percent unemployment rate and general chaos, Steve Snider bought a Re/Max franchise for Maputo, Mozambique's largest city, this year.

Before moving to the developing African country, Snider spent eight years in the U.S. real estate industry. In Mozambique, however, he noticed the real estate system operated quite differently, with agents chasing a dollar rather than providing a service. "Everything here is more circumstance and happenstance," he says. "In America, people still work for the commission. Here, the client is not even thought about. They're just a way for the seller to make money."

Snider spent six years with Re/Max Results in Eden Prairie, Minn., and used those relationships to explore bringing a Re/Max franchise to Maputo.

While researching the market, he met Rui Samo Gudo, a 10-year real estate agent that Snider felt was more service-oriented than most. They then approached Re/Max of Southern Africa about starting a franchise in Maputo. This September, the duo will open Re/Max Chaves De Casa, with an aim toward selling, renting and maintaining residential and small commercial real estate.

Snider says real estate in Mozambique is generally less expensive than in the U.S., but where his franchise is in Maputo, prices are quite high. "A one-bedroom condo is \$55,000 and a three- to four-bed house could be \$250,000 to \$300,000," he explains. "We are going to rely heavily on the rental market here, which is very strong." But also not cheap. A three- to four-bedroom house rents for \$1,200 to \$1,500, he says, adding that the franchise will primarily focus on serving embassy clients and businesses.

On a mission

The Sniders visited Mozambique in June 2004 and left with a strong desire to help the country continue to make forward progress. In 2005 they sold their house and took their children, Kaleb, Lucy and Mia, back to the African country. They'll spend at least two years there as part of a World Relief International mission aimed at helping Mozambicans create sustainable businesses in such areas as chicken growing and rural farming.

Steve Snider thinks the franchise melds well with his original mission for moving to Mozambique—to make a difference. “My job in coming here was to help people establish a viable business to provide for their families,” he says. Through the franchise, Snider will provide careers for about a dozen agents.

Ronan McCool, the regional manager with Re/Max of Southern Africa through whom Snider gained franchise rights, was impressed with his passion, his knowledge of the market and “his understanding that his success will be due to his working with a local partner.”

Snider, Gudo and McCool corresponded by phone and mail for months before meeting in Johannesburg, South Africa. In a short time, McCool says, it became clear that Gudo and Snider shared the goal of raising the service level real estate dealers provide consumers in Mozambique. “Steve sought to find out who the best operators were in the property market in Maputo and see if he could introduce a sense of professionalism to the property transaction process,” McCool says.

Partnering with a local real estate official was smart and if the duo can add value, they have a chance to succeed, says Joseph Hanlon, an author of several books on Mozambique and senior lecturer in the department of development policy and practice at the Open University in Milton Keynes, England.

A foreign player might bring better marketing, but in practice, the industry is not a lot different in Mozambique than anywhere else, Hanlon adds. “It’s like being a real estate agent anywhere,” he says. “People are moving all the time.”

So, with people moving all the time, how long does Snider plan to stay in Maputo to operate the franchise? He’s uncertain of the answer. “The more we are here, the more we realize we will probably be here long-term,” he says. “As long as God asks us to stay.”