

Professional Builder

Leading the business of home building

March 2003

Land Value

Broker Creates Wholesale Market in Tear-Down Land

Eighteen months ago, former stock trader turned real estate broker Brian Hickey opened an Internet-based service from which builders can get targeted listings of old homes that sellers are willing to upload as tear-downs in affluent, infill neighbor-

hoods in Chicago's west suburbs.

The firm, Exchange Properties LLC, based in Hinsdale, Ill., charges a 2% commission to sellers versus the typical 5-6% on homes listed with MLS, the multiple listing service. The list of registered builders and interested individuals is more than 600, says Hickey, and in 2002 that interest resulted in 42 closings.

Based on the current rate of new listings as well as the firm's recent expansion into downtown and north suburban locations, Hickey estimates the firm will sell 100 homes as lots this year. The company is also in discussions to open branches in Boston, Florida, Washington, D.C., and Connecticut suburbs of New York.

Custom builder Bill Passero of Clarendon Hills, Ill., purchased three properties through Exchange.

"In my market, it's all timing, says Passero. "So if I get e-mail from Exchange where they are updating their inventory, and it is a good property and the price is reasonable, I will move on it very quickly."

Hickey says the service is especially valuable for small builders who are perhaps new to a submarket area. They might not otherwise get a look at certain properties.

"The established guys get calls directly from sellers," he says. "To a degree, we leveled the playing field."

For more information, go to www.xchangeproperties.com.



Brian Hickey stands in front of a new house built on tear-down land in Hinsdale, Ill.