

Xchange Properties: teardown specialist links buyers and sellers

by Jane K. Dove

Steve and Norma are a couple in their sixties looking toward maximizing their retirement income. They want to sell their older colonial home on three acres. But the kitchen and bathrooms are outdated and the roof might need replacing.

Bob and Jennifer are in their thirties with a growing family. They want to sell their three-bedroom 1970s ranch on two acres and trade up to a larger home.

Bill and Sharon inherited a small beachfront cottage on a 50-by-100-foot lot from her parents. They live in New York City but have used it for weekends and vacations. Now Bill is taking a new job in California and they want to sell.

Although these three different families have three different sets of circumstances, they have a common bond. According to Xchange Properties, specialists in the marketing of reconstruction, or teardown, properties, they are all prime candidates for the services the firm offers.

Marketing Strategy

Xchange Properties is the brainchild of former securities trader Brian Hickey. Mr. Hickey saw opportunity in the growing use of teardowns in new home construction, and created a firm that offers prospective home sellers the ability to market their property directly to interested buyers.

He opened Xchange Properties in suburban Chicago four years ago and expanded to Westport in 2004. Mr. Hickey also has offices in Washington, D.C., and San Diego, California, and Massachusetts within the next 12 to 18 months.

"I saw a missing link that I felt was needed to handle reconstruction transactions," he said. "Builders are looking for suitable properties and many homeowners are now very knowledgeable about the positive financial benefits of selling their home for reconstruction. We maintain and constantly grow a large database of clients looking for land and charge sellers a flat 2% fee for exposing their property to our potential buyers. Services are free to buyers. Our listings are exclusive and do not appear in the Multiple Listing Service."

Like Steve and Norma, the first couple mentioned above, Mr. Hickey says, many of his clients are seniors. "The housing boom of the past decade has given many of them tremendous equity in their homes," he says. "They many not want to be bothered with fixing up their property, having showings and open houses, haggling with potential buyers, and then paying a 6% commission to a broker only to have the home demolished anyway. This way they can maximize profitability with a minimum of effort."

Mr. Hickey says that Xchange Properties adds approximately 1.2 prospective buyers a day to its Fairfield County database of about 1,200. About half of these are builders and the rest are individuals and real estate agents.

"The exposure that we can give our sellers is the key. After that, it's all in timing and pricing. Obviously, our large data base gives sellers the best chance to gain access to the most interested buyers, those who are ready to go forward and have money available."

Focus On Fairfield

Xchange Properties agent Cher Wyskiel runs the company's Fairfield County operation, located on Saugatuck Avenue in Westport and serving all of Fairfield County. Ms. Wyskiel says that she finds her selling clients "very savvy."

"Many of them have lived with re-development in their communities and know what it's all about," she says. "In addition to senior sellers, we also have a lot of younger couples who have seen smaller homes torn down and replaced with larger ones. They know the trends and, like the second couple mentioned here, are happy to sell to a builder if they can get the right price."

Ms. Wyskiel said that sellers are often relieved to have the emphasis shift from their home to their valuable property. "It's just less of a hassle for them," she says. "People are very busy these days and it's a painless and often quick approach to selling."

Prices commanded by teardowns in Fairfield County range from a low of about \$300,000 up to \$3 million. "The location of the property is absolutely key to the price," Ms. Wyskiel says. "The better the area and the larger the property, the higher the price. A potential teardown in an area of large or estate-type homes is always a good prospect. The exception is waterfront property, where a home on even a small lot can command quite a high price."

Ms. Wyskiel says that on the buyer side, most of her firm's builder and developer clients are very enthusiastic about the services offered. "They say that they are glad that we have arrived and believe that the connections we offer between buyers and sellers make things much easier on both ends."

Homeowners also like the idea. "We treat them fairly and help them to set the correct price," she says. "There are lots of variables, but a properly priced property will generate interest quickly and not stay listed for long."

Ms. Wyskiel says that, despite the sometimes controversial reaction to the teardown concept, she believes Xchange is an idea whose time has come.

"Realistically speaking, there is no other way to build new homes in many Fairfield County communities," she says. "More and more people now realize this and have become more accepting of the concept. Xchange has chosen to specialize in this area and to serve both buyers and sellers in an equitable manner. I think we fill a very important niche in the local real estate market and will continue to grow."

For information on Xchange Properties, call 203-454-9595 or visit www.teardowns.com. ♦