

Housing Swaps Gaining Popularity in Slow Market

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By Lisa Bernard-Kuhn, The Cincinnati Enquirer

Linda and Peter Gatchell's dream was simple.

After years of saving, the Deerfield Township, Ohio, couple was ready to move from their suburban cul-de-sac to a 5-acre spread in Morrow, Ohio.

So in June they placed their three-bedroom home on the market for \$175,000. Then they waited. And waited. And waited.

"I thought it would be really easy to sell my house because of the price and the location. Boy was I wrong," Linda Gatchell, 49, said. "I had this big old plan, and now it's crumbling before me."

Caught between a deepening recession and poor housing market, the Gatchells decided on a different approach. They became one of a growing number of home sellers nationwide turning to a new strategy — permanent housing swaps.

A familiar practice in Europe, home swaps have largely remained uncharted territory for most U.S. consumers, said Daniel Westbrook, CEO of OnlineHouseTrading.com, a website that matches up eager sellers.

As the financial meltdown and credit crisis have squeezed housing markets, though, the concept is gaining popularity.

"Think of it as reciprocal selling. I'll buy your house, if you buy mine," said Westbrook. "There are a lot more motivated sellers out there today than there are buyers. This is as simple as two sellers helping each other out."

For the most part, Westbrook said, swapping a home should work like a typical real estate transaction — just with double the paperwork.

"It's really two real estate transactions happening simultaneously," he said. "The biggest concern should be that both contracts are signed when you leave the table. You don't want anyone walking away, holding on to two mortgages."

He recommends anyone considering the approach to consult a real estate attorney or Realtor.

'Trying to get creative'

Interest in the emerging trend is playing out daily at websites such as Westbrook's and social networking sites such as Craigslist.org, where homeowners are posting pleas such as the Gatchells: "We want to live in the country, do you want do to live in the city?"

In the past year, home-swap postings to Craigslist have grown by 50%, with more than 12,300 postings in November, according to Craigslist.

Most posts are from homeowners in New York, Los Angeles and San Francisco — markets hit hardest by the burst in the housing bubble.

Like the Gatchells' posting, the majority of listings tell the stories of homeowners looking for creative options in a tough market.

Some shed light on the desperation delivered by the troubling times: "2br — looking for someone to take over our loan," reads a posting from a Loveland, Ohio, mobile home owner looking to shed a \$32,000 mortgage.



Plans to sell house crumbled: Pete and Linda Gatchell are hoping to swap their house in Deerfield Township, Ohio, by posting it on Craigslist. Their home has been on the market since June.

"The reality is folks who own a home are having trouble selling, and everyone is trying to get creative," said R.J. Seiffert, a Realtor with RE/MAX in Highland Heights, Ohio. "This time of year is always the valley in the slope, but of course the valley now is a little deeper and getting out will take a little more time."

A Realtor since 1990, Seiffert said he knows of very few local home-swap transactions that have come to fruition.

"Like any deal, everyone has to come away feeling like they won a little bit of something, or no one is going to shake hands," he said.

Website listings increase

So far, Linda Gatchell has had one response from her Craigslist posting.

"Unfortunately, our house wasn't what the person was looking for," she said.

Others have had more luck.

Burlington, Ohio, homeowner Debra Settimio-Fiorelli has two postings on Craigslist: One for her daughter who wants to move from Salt Lake City back to Cincinnati, and another for her condo.

Recently, she said, a poster contacted her about swapping a \$279,000 home in Greendale, Ind., for her \$119,000 condo.

"He said he's recently divorced, looking to downsize and is willing to sell the house to me for \$229,000," she said. "We're still working out the details, but it's a very interesting concept."

At OnlineHouseTrading.com, Westbrook said he has roughly 60,000 active listings.

"It might be a niche now, given the market, but as the concept gets out there I think more people will understand that this is a viable option for selling their home," he said.

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