



BEFORE
The old house at 444 South Adams Street in Hinsdale, Ill., a village 20 miles west of Chicago.



AFTER
After the house had been torn down, a much larger home was put up in its place.



Photographs by Peter Thompson for The New York Times

A NEW TYPE OF MARKET

Brian Hickey, owner of Xchange Properties, has built a business that lets sellers market properties directly to builders.

profoundly from a villagelike quality to these mansion rows," said Royce Yeater, director of the Midwest office of the National Trust for Historic Preservation. "And it drives out affordable housing options, so teachers and police officers can no longer afford to live in their own communities."

Xchange Properties is well known to the organization. A few years ago, Mr. Yeater was surprised to discover that the company's Web site identified the company as a professional member of the National Trust for Historic Preservation. Xchange promptly removed the designation after receiving a letter from the group's legal counsel.

"We felt they were representing themselves as an affiliate of the trust," Mr. Yeater said. "I think they were trying to neutralize the negative impact of their work."

Mr. Hickey acknowledged the incident, but said Xchange had paid to join and did not intend to mislead anyone. Company representatives began approaching preservation groups in 2002, he said, to "share numbers and ideas, as well as to understand the preservationists' views" on what is known in the building industry as infill development.

"We're not sitting on the bulldozers; we're not the bad guys here," Mr. Hickey said. "Many of our sellers are senior citizens, and they needed a service like this."

In Westport, Conn., the site of Xchange's Fairfield County office, teardowns are a source of fascination and fury. A popular feature on the community's online news site, www.westportnow.com, is the "tear-down of the day," a photo of the latest town property scheduled for demolition. An interactive map of the town allows readers to navigate from one teardown location to another, viewing photos, addresses and details of each property.

"So many people are interested in real estate and property values, and teardowns are such a controversial issue in town," said Gordon F. Joseloff, the editor of the online news site and a candidate for first selectman. "I'm not about to tell people what to do with their property, but nobody likes to see the loss of character and culture in town."

Mr. Joseloff will have plenty of material for his Web site if the teardown trend continues apace. According to figures collected by Xchange, Westport issued 112 demolition permits last year. The only Fairfield County town that demolished more properties was Greenwich, which issued 153 permits.

Xchange is still establishing a presence in Connecticut; it has just 10 property listings, and has made two sales to date.

For now, its main competition is traditional real estate companies. The National Association of Realtors could provide no information about other companies specializing in teardowns, and Mr. Hickey said he has yet to encounter any "real" competition. Just in case, he recently bought the company a little additional leverage: the Internet domain name "teardowns.com."

NATIONAL PERSPECTIVES

Teardowns Reshape Suburbs, And Selling Strategies

By LISA PREVOST

THE Hinsdale suburb of Chicago is often referred to as the epicenter of the teardown trend. Builders have been demolishing the affluent village's early post-World War II housing since 1985. For some time, Hinsdale has averaged close to 100 property demolitions a year, according to Bohdan J. Proczko, the village manager.

For Brian Hickey, the proliferation of orange fencing cordoning off properties under demolition heralded a new type of real estate market. A former securities trader, Mr. Hickey envisioned a separate property exchange where sellers could market their properties directly to builders without having to pay a full sales commission or go through the charade of house showings.

Hence the creation of Xchange Properties, a real estate company specializing solely in teardowns. Xchange maintains a database of about 3,000 potential buyers who have registered for exclusive access to listings. About half of those buyers are builders, Mr. Hickey said, while the rest are primarily real estate agents and individuals.

Opened in Clarendon Hills, Ill., about four years ago, Xchange has expanded beyond the Hinsdale area to cover all of Chicago's western and northern suburbs, as well as certain neighborhoods within the city. Mr. Hickey's plan is to bring his business model to teardown hotspots throughout the country. Last November, Xchange opened an office in Fairfield County, Conn.; an office in Arlington, Va., is scheduled to open this



BEFORE
The old one-story house at 619 South Bruner Street in Hinsdale before it was demolished.



AFTER
In its place is a new two-story house with a front porch and a two-car garage.

summer. Next on Mr. Hickey's list are Florida, California and New Jersey.

"The sellers in these communities know what they have," he said, "and we're viewed as a facilitator of this process."

Company employees catalog properties on every street in their territory communities, making note of which are the best candidates for redevelopment. In Hinsdale, for example, Xchange has identified more than 2,600 of the village's roughly 6,000 dwelling units as possible teardowns.

Should a seller contact the company, Xchange investigates the property's re-

development value relative to the value of the existing home. In some communities where Xchange operates, the redevelopment value of teardown properties is triple the sale price of the land and existing house, according to an analysis conducted by Mr. Hickey's partner, Andrei Vorobiev.

Xchange operates outside traditional real estate channels. The company does not cooperate with multiple listing services and sets its sales commission at 2 percent, far below the typical 6 percent charged by most agents and brokers. All Xchange listings are sold "as is." Information is sent electronical-

ly to registered buyers according to their specifications. Since opening, Xchange has listed about a third of Hinsdale's teardowns every year, for a total of 223 sales. Xchange now has 48 active listings in Illinois and 24 pending sales.

Mr. Hickey says he is counting on the burgeoning market niche in the Chicago area and other metropolitan suburbs to keep him in business indefinitely.

But the trend is troubling to preservationists concerned about the rapid pace of redevelopment. "From our perspective, it changes the character of the neighborhood