



For more Deal Estate, turn to page 188 >>>

On a Tear(down)

Developers don't pay as much as expected for older properties

If you live in a neighborhood where newly constructed homes are going for \$1 million while your older home is worth considerably less, then your house might be a teardown candidate. That's the conclusion of Andrei Vorobiev, the chief information officer for Xchange Properties, a Clarendon Hills agency that connects home sellers with developers interested in teardowns. After running the numbers on 274 new homes built to replace teardowns in ten Chicago suburbs during 2002 and 2003, Vorobiev found that the average sale price of the new houses ran 3.12 times the average price of the old houses. "I thought it would be much lower, like 2.7 times," he said.