

Real Estate Exchange Becoming Popular Option in Downturn Market

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Lake Lure (NC) – Across the country, the deteriorating real estate market has led many to realize that trading may be an extremely viable approach to selling one's real estate.

Wikipedia defines real estate trading (also known as permanent real estate swapping or real estate exchange) as a type of "I buy yours - you buy mine" arrangement. It is quick to point out that real estate trading is distinct from vacation home swapping.

"It's got to be advantageous to both sides. We're well pleased with our exchanges," states Gary Johnston, a 25-year real estate broker and developer with experience in Georgia and Florida.

Real estate exchange works only if the seller is also looking to buy another property, such as a move or relocation. However, it is possible to move up in price, size, or even trade to another city or state entirely.

Hiawassee, Georgia resident and commercial developer Ken Mantovani has been quite pleased with both of his real estate exchange projects.

"Gary Johnston, my business partner, and I spoke with Darren Bendor, a representative of Harrison Development, who indicated that his company would be willing to trade their lake front lots. We thought about it and talked about our available commercial property. After reviewing our property, they agreed to the exchange," states Mantovani. "There was motivation on us to sell our commercial property and we exchanged it for a lakefront lot in Western North Carolina. We thought it would be better for us as a long-term investment while Harrison Development thought the commercial investment would be better for them long-term."

In exchange for the lakefront property on Lake Chatuge, Mantovani and Johnston exchanged commercial property that sits across the street from the new Courthouse in Hayesville, North Carolina.

A commercial developer since 1970, Mantovani was so pleased with the real estate exchange process that he also traded another two acres of commercial land for a condo in Sunset Bay, Hiawassee, Georgia. And, says that he has recommended to his children, also in the real estate industry in Palm Beach, FL, that they need to be researching this as an option for clients in Palm Beach.

"Real estate is real estate. It's a great opportunity for someone in Palm Beach to exchange property in the mountains of North Carolina or Georgia," says Mantonvani.

"I'd like to think you have to be creative. There are just as many opportunities in a down market as an up market. You just have to search them out and find one that fits your situation," states Johnston. "Should the situation arise again that we can make a deal – I believe we'll do it. I'm a big believer in both real estate exchange and 1031 exchange."

One business leader in real estate exchanges is Waterfall Mountain Properties, a division of Harrison Development.

"With 25 years experience developing property, Harrison Development has been quite pleased in finding creative solutions to help people acquire that retirement home, vacation home or primary residence," says Windy Greene, Director of Sales, with Waterfall Mountain Properties. "In exchanging property, most of our available inventory is residential lots around water. Trading is the perfect solution for someone needing or wanting to sell property before they can buy another property. Someone could even exchange a luxury houseboat toward the purchase of lakefront property or mountain home site."

How does it work? According to Harrison Development, the exchange process begins with two appraisals and a visual inspection of the property to be traded. If both parties are in agreement, the trade can happen as quickly as two weeks. Listed property trades through agents or brokers can also be fulfilled.

“This can be a win-win-win from every angle – the sellers trading don’t have to wait to sell their property, Harrison Development profits from the sale of a property and the agents who participate earn and keep their listing and sales commissions,” Greene notes. “The key to a successful trade is establishing the value and being willing to trade up.”

In speaking of real estate exchanges, Greene alludes to Harrison Development’s Blue Heron Point on Lake Lure in Western North Carolina. According to Greene, the lakefront property in this luxury gated community, nestled in the foothills of the Blue Ridge Mountains, has already garnered a few prospects interested in trading both commercial and residential property toward the purchase of a lakefront site.

Please note that while related, real estate exchanging is different than 1031 Exchanges. 1031 exchanges are a way to defer capital gains tax on investment properties. 1031 exchanges do need to involve an actual trade of real estate between two parties.

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About Harrison Development and Waterfall Mountain Properties.

Based in Greenwood (SC), Harrison Development specializes in upscale waterfront communities, located in North Carolina, South Carolina and Georgia. For a free DVD on one of their nine premier properties or to initiate a trade, visit or purchase, please call 1-888-525-3686 or visit www.waterfallmountainproperties.com. Waterfall Mountain Properties, a division of Harrison Development, Santee Outlets, Suite 3E3, Box 1568, Santee, South Carolina 29142.

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