

House Swapping

Why pay for hotels when you can get something better for free?

By Brigid McMnamin

EVERY TIME YOU GO ON VACATION, your house sits idle, like cash in the mattress, while you shell out for hotel rooms. Wouldn't it be better if it could make a contribution?

It can, if you trade homes with folks who live where you want to vacation. The deal is tax-free if you stay two weeks or less. You may even find new friends and business.

Last July Beth Kellman and Peter Lisker traded their six-bedroom Mediterranean-style place in Berkeley, Calif. for a Paris penthouse and a cottage in Provence owned by Bernadette Lairre and her husband, Bernard, a business professor. "It changed our lives," says Beth, not to mention provided a luxurious French holiday for the price of airfare and car rental.

The couple met the Lairres through Intervac, a San Francisco outfit that helps swappers find one another. You pay \$111 and send a photo and a description of your home. Intervac posts them on a Web site and in a printed directory. Members work out swaps, often by e-mail.



C'est si bon!
The Kellmans
enjoyed two
free weeks in
Provence.

Some 40 would-be swappers responded to Beth Kellman's posting. For three months, Beth and Bernadette e-mailed almost daily. By the time the couple landed in Paris, they felt they were visiting old friends.

A few days later the Lairres left for California, while Beth and Peter drove a rented car south to Arles. There they found the stucco cottage in a field of Van Gogh sunflowers, complete with stone fireplace, four bedrooms, new baths and dining room for 25.

What made it better than a resort was experiencing Arles as residents. Bernadette's father introduced Beth to the local markets. The family enjoyed many home-cooked dinners.

Back in Berkeley, the Lairres were ensconced in Beth and Peter's 69-year-old villa with four guests. So pleased

were the two clans that the Lairres invited the couple for Christmas in Provence. Bernard also asked Peter, a technology consultant, to speak at a conference in Morocco in June with writer Umberto Eco.

For Beth and Peter, house-swapping was but the latest in a series of productive moves using their house. It also contains an office for Peter and a studio for Beth, a graphic designer. As it's now worth five times the \$200,000 they paid for it in 1985, they have tapped the equity to educate daughter Aviva at Mount Holyoke College. Next it will help finance the purchase of a second home in Italy.

Seasoned house swappers warn that every trade brings surprises: "There's always something unexpected," laughs a veteran, recalling



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“messy rooms,” “appliances that malfunction” and “French repairmen.”

But some surprises are good ones. This swapper couldn't have anticipated that the children from the house next door, who spoke not a word of English, would come daily to play with her 10-year-old daughter and take the child bike-riding all over town.

There is a tax complication. Swaps are tax-free only for 14 days or less. Any more and you owe tax on your net income. Your revenue (on Schedule E) is the rental value of the place you use in France or wherever. Your costs are the same ones you could claim for renting your Berkeley pad: depreciation, prorated utilities and insurance, the cleaning crew and so on. Note: You can't claim a loss in this situation.

We would never, of course, recommend that you fill out your 1040 incorrectly. But if you don't include a one-month swap it is hard to believe the IRS will come after you.

More tips:

- Before joining a swap group, ask to talk to at least one satisfied customer, to understand how it works.
- Don't wait for an offer. Comb listings for other members who seem like a good fit and write to them.
- Check to be sure your home and auto-insurance policies cover house swapping. Most do.
- Exchange motor vehicle data so if there's an accident you'll have the proper information. Or have everybody rent cars.
- Put away treasures you can't bear to see broken.
- Expect surprises. Don't despair if you find you're staying near a smelly horse farm or must sleep on a waterbed. Ride the horses. Have fun in bed.

Resources: Intervac International, 11,000 members in 30 nations, (415) 435-3497 or (800) 756-4663, info@intervacUS.com, www.intervacUS.com; HomeLink, 10,000 members in 32 countries, (800) 638-3841, usa@homelink.org, www.homelink.org; Trading Homes International, (800) 877-8723, www.trading-homes.com. ■