

Case Study: A \$1.3M Office Building Purchased With a Trade Credit Down Payment

Vertical: Real Estate / Commercial Property

Deal size: \$1.3 million

Structure: Barter mortgage with a 30% trade credit down payment, handled by phone

THE SITUATION

The D'Var Institute needed to acquire a Class A office building: 30,000 square feet in Utica, New York, priced at \$1.3 million. A deal of that size normally means a conventional mortgage, a large cash down payment, and months of bank underwriting.

THE TRADE

Instead, the deal was structured as a barter mortgage. Thirty percent of the purchase price, the down payment, was paid in trade credit rather than cash. The remaining balance carried roughly \$38,000 in monthly payments, with a standard default and foreclosure clause protecting the lender exactly as it would in a conventional mortgage. The entire transaction was negotiated and completed by phone.

THE OUTCOME

A commercial real estate acquisition worth \$1.3 million closed with a fraction of the cash a conventional deal would have required up front. The trade credit portion of the down payment came from value already available through the exchange network rather than cash the buyer would otherwise have needed to raise or borrow.

WHAT TIE MEMBERS CAN TAKE AWAY

Trade credit is not confined to day-to-day operating purchases. It can be structured into real financing instruments, including a down payment on commercial property, when both sides of the deal are willing to work within a trade framework. For real estate and property-holding businesses in a trade network, that opens a financing lever that does not appear on a standard bank term sheet.

This is a real, completed transaction. Barterfy is the AI-native trade exchange and cashless payment rail powering TiE Commerce (tiecommerce.org).

