

January – September, 2016

Condominium vs. TIC Analysis

Summary

1. Tenants-in-Common (TICs) is now about 9% of sales in the condo/TIC market.
2. Average selling price is approx. 7-13% less than a comparable condominium.
3. TICs comprise approx. 13% of all condo/TIC listings. Average listing price for 2 bedroom TICs is currently is 9-13% higher than the comparable condo. This is an anomaly since historically TICs sell for below a comparable condo.
4. While some controversy remains whenever TICs are mentioned, the data clearly shows that many buyers continue to decide that the price differential between condos and TICs make any potential risks worth taking in order to own a home and a piece of San Francisco.

Background

A unique segment of the San Francisco market is Tenancy-in-Common. It has developed as a market response to the strict condominium conversion lottery system which, until recently, permitted only 200 units (not buildings -- units) to win the lottery and begin the condo conversion process each year. Recent legislation has put a moratorium on all condo conversions except for 2-unit buildings for the next 10 years or so.

Active (as of 10/11/2016)

	Combined (Condos & TICs)			Condos only			TICs only			Price Difference (condo vs. TIC) (000s)
	# of Units	Avg. Listing Price (000s)	Days on Market	# of Units	Avg. Listing Price (000s)	Days on Market	# of Units	Avg. Listing Price (000s)	Days on Market	
1 bd/1ba	152	\$787	38	132	\$806	36	20	\$661	52	\$145
2bd/1ba	64	\$899	43	46	\$864	45	18	\$988	36	-\$124
2bd/2ba	168	\$1367	42	162	\$1362	41	6	\$1494	66	-\$132
Total / Avg	384	\$1059		340	\$1079		44	\$908		
All Listings	676	\$1379	43	591	\$1406	43	85	\$1195	42	

Pending (as of 10/11/2016)

	Combined (Condos & TICs)			Condos			TICs		
	# of Units	Avg. Listing Price (000s)	Days on Market	# of Units	Avg. Listing Price (000s)	Days on Market	# of Units	Avg. Listing Price (000s)	Days on Market
1 bd/1ba	69	\$762	27	68	\$766	27	1	\$475	13
2bd/1ba	25	\$901	25	22	\$928	22	3	\$708	47
2bd/2ba	62	\$1239	32	61	\$1243	32	1	\$995	7
Total / Avg	156	\$974		151	\$982		5	\$719	
All Listings	230	\$1106	31	219	\$1112	31	11	\$982	36

Sold (1/1/16 through 9/30/16)

	Combined (Condos & TICs)			Condos			TICs			Price Difference (condo vs. TIC) (000s)
	Units Sold	Avg. Sales Price (000s)	Days on Market	Units Sold	Avg. Sales Price (000s)	Days on Market	Units Sold	Avg. Sales Price (000s)	Days on Market	
1 bd/1ba	505	\$788	38	468	\$792	37	37	\$732	43	\$60
2bd/1ba	245	\$990	41	191	\$1028	36	54	\$857	53	\$141
2bd/2ba	533	\$1370	39	501	\$1377	38	32	\$1276	56	\$101
Total / Avg	1363	\$1006		1160	\$1083		123	\$928		
All Listings	2036	\$1238	38	1860	\$1250	37	176	\$1110	52	

(Our survey covers approx. 67% of all condos and TIC sales in San Francisco. The survey does not include most new construction condo sales).

Annual Sales of Condos and TICs

Year	Condos	TICs	Condos & TICs combined	% of TICs
2000	1,833	129	1,962	7%
2001	1,637	79	1,716	5%
2002	2,462	154	2,616	6%
2003	2,887	269	3,156	9%
2004	3,224	394	3,618	11%
2005	2,923	540	3,463	16%
2006	2,540	652	3,192	20%
2007	2,349	724	3,073	24%
2008	1,892	436	2,328	19%
2009	1,737	407	2,144	19%
2010	2,056	272	2,328	12%
2011	2,233	329	2,562	13%
2012	2,805	355	3,160	11%
2013	2,975	353	3,328	11%
2014	2,852	295	3,147	9%
2015	2,590	294	2,884	10%
2016*	1,860	176	2,036	9%

