

January – September 2017

Condominium vs. TIC Analysis

Summary

1. Tenants-in-Common (TICs) is now about 8% of sales in the condo/TIC market.
2. Average selling price is approx. 2-14% less than a comparable condominium.
3. TICs comprise approx. 12% of all condo/TIC listings.
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 10/8/2017)

	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	126	\$785	42	116	\$790	43	10	\$717	35	\$73
2bd/1ba	45	\$967	42	28	\$972	43	17	\$958	39	\$14
2bd/2ba	180	\$1517	49	171	\$1530	48	9	\$1284	66	\$246
Total / Avg	351	\$1184		315	\$1208		36	\$972		
All Listings	607	\$1515	48	534	\$1538	49	73	\$1343	42	

Pending (as of 10/8/2017)

	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	67	\$822	30	64	\$829	29	3	\$661	59
2bd/1ba	24	\$938	19	19	\$965	20	5	\$833	18
2bd/2ba	57	\$1342	33	55	\$1355	33	2	\$997	23
Total / Avg	148	\$1041		138	\$1057		10	\$814	
All Listings	238	\$1133	30	221	\$1160	29	17	\$1778	46

Sold (1/1/2017 through 9/30/2017)

	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	492	\$799	38	457	\$805	38	35	\$716	35	\$89
2bd/1ba	227	\$1084	31	189	\$1109	30	38	\$959	38	\$150
2bd/2ba	543	\$1349	38	519	\$1350	38	24	\$1333	38	\$17
Total / Avg	1262	\$1086		1165	\$1097		97	\$964		
All Listings	2037	\$1290	37	1870	\$1298	37	167	\$1201	43	

(Our survey covers approx. 62% 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	2,562	228	2,790	8%
2017*	1,870	167	2,037	8%

