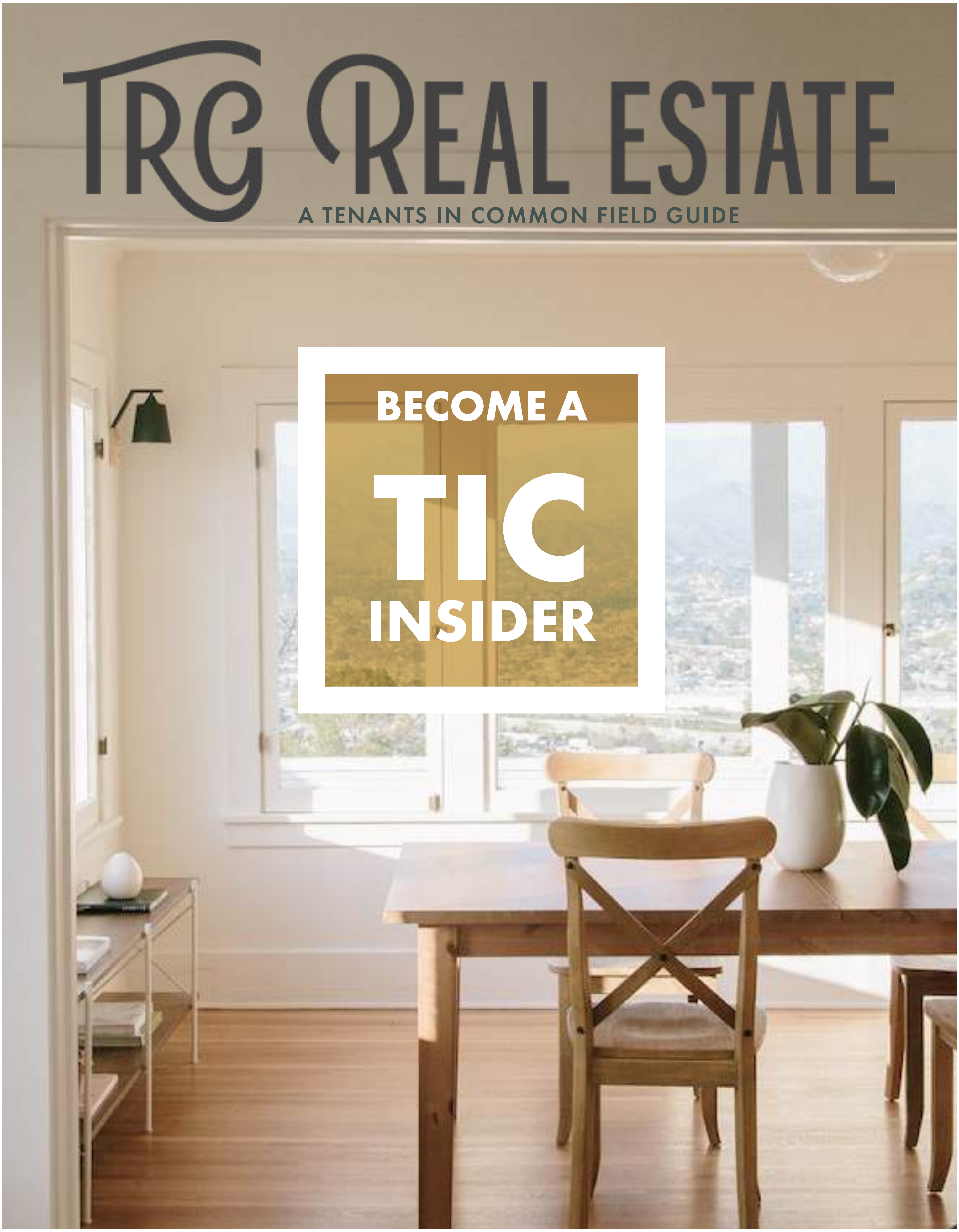
TRG REAL ESTATE

A TENANTS IN COMMON FIELD GUIDE



BECOME A TIC INSIDER

WELCOME TO

Brita Kleingartner
Broker & Owner - TRG Real Estate

"Over the past decade we've had the privilege of working closely with more than 400 TIC buyers, helping them realize their dream of home-ownership in neighborhoods they love. Every day, I see how TIC has created new possibilities for buyers who were previously limited by budget constraints. These buyers, once renters, now have the chance to invest, build equity, and create a more secure future in the communities they want to stay in. It's been incredibly rewarding to guide them through this process and see them succeed, not just as homeowners, but as investros in their own future."

TIC OWNERSHIP

"IN 2001, I was living in a studio above a garage in Burbank and the landlord increased my rent by $300 a month. I was so upset but I knew I had to move. I decided I would buy a house, rent it out, and live in my own converted garage. This idea got me started on a search to buy. I started to realize that if I had a little more down-payment, I could buy multiple units. So, I spoke to my two brothers and we ended up pooling our resources together and buying a multi-unit apartment building. We got on one loan together, we each moved into one apartment unit, and we held title as Tenants in Common. We still live there today in our family compound. Buying a property fractionally, as Tenants in Common, was my way of entering the real estate market and obtaining the ability to own."

Liz McDonald
Founder - The Rental Girl

WHAT IS TIC?

TENANTS IN COMMON

TENANTS IN COMMON ownership is an alternative to the condominium market. The Rental Girl is the TIC market pioneer and leader in Los Angeles, but TIC sales have been hugely popular in San Francisco for quite awhile. The TIC market in San Francisco is similar in popularity to the co-op market in New York City.

FINANCING

National Cooperative Bank

5th Street Bank

Rates and loan costs are comparable. Just like a condo, each owner will apply for and be responsible for their own individual fractional loan. If a TIC co-owner does not pay their loan, the lender will foreclose on that co-owner's loan only.

TICA

Tenants In Common Agreement outlines exclusive unit rights, shared property ownership and HOA rules.

The TICA is a legally binding agreement that dictates how the owners will share ownership responsibilities, similar to condo CC&Rs. It outlines who has exclusive rights to each unit and outdoor space.

25% OWNERSHIP

25% OWNERSHIP

TITLE

One deed per property, multiple deeds on title listing all co-owners names.

Multiple owners buy one property together. There are multiple deeds on title. Each deed is for a fraction of the whole property. The TICA outlines the exclusive rights areas, and the homeowner rules.

25% OWNERSHIP

25% OWNERSHIP

TAXES

One APN per property, one property tax bill.

A TIC property is not subdivided, there is one APN for the whole property and one property tax bill. The property tax bill is split between the co-owners. Each co-owner's portion is based on their purchase price.

CONDOS VS TIC

LOWER PRICES
TIC are 10 - 15% cheaper than condos

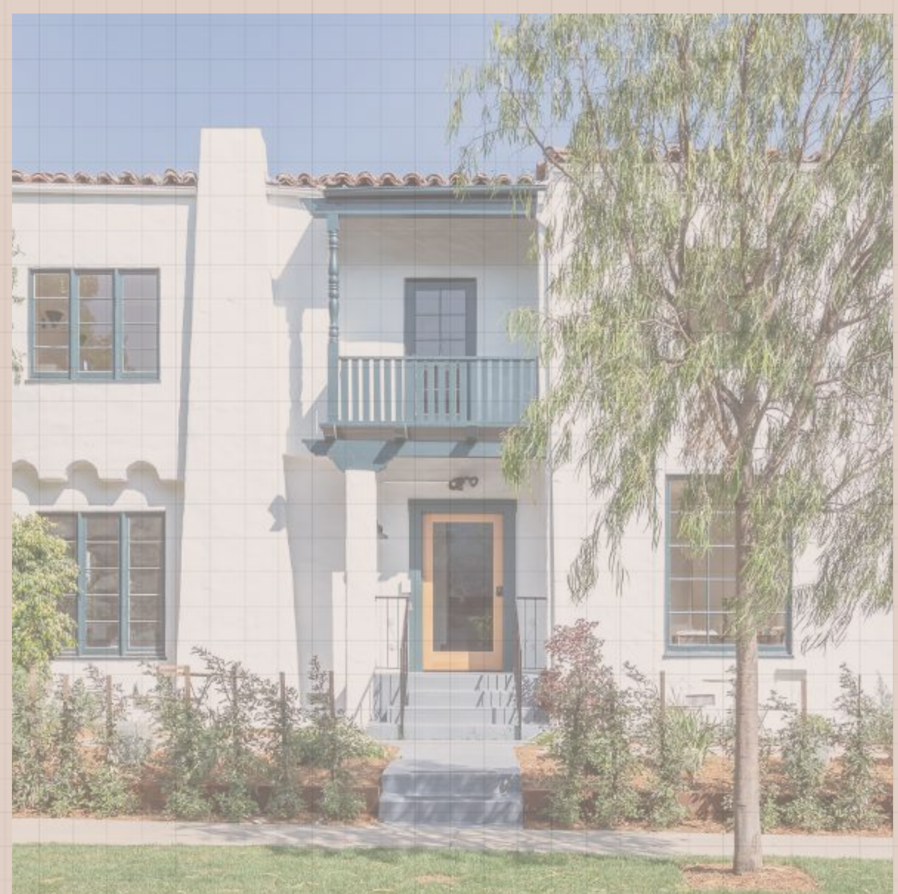
$ $ $

FRACTIONAL LOANS
TIC use specialized lenders, have high performance, and low foreclosure rates

%

EQUITY BUILDING
TIC owners build wealth together

Both condo and TIC owners make decisions with the other owners, collect HOA dues to pay for common area expenses and maintenance, have HOA meetings and have mutual liability if one owner does not pay their HOA dues. With both, if one owner doesn't pay their mortgage, the lender forecloses on that owner only, without risking another owner's interest. With both, you can sell your interest at any time, without needing permission from anyone.



APPLYING FOR A TIC LOAN

With a TIC purchase you are buying a multi-unit property with multiple people. For example, with a 4-unit property there would be four owners. Each owner would be purchasing 25% of the whole property, with exclusive rights to one unit. Each owner would have a fractional loan for their 25% ownership.

#1 SIMILAR TO CONVENTIONAL LOAN APPLICATIONS

Rates and loan costs are comparable

Fewer lending options for TIC loans

#2 BORROWER REQUIREMENTS

Stricter debt-to-income ratio & credit & reserves

Minimum down payment requirements

#3 FIXED or ARM LOANS

TIC loans can be 30 Year Fixed or Adjustable Rate Mortgages

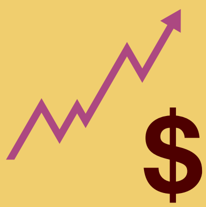
#4 FRACTIONAL LOANS

Each owner applies for a loan

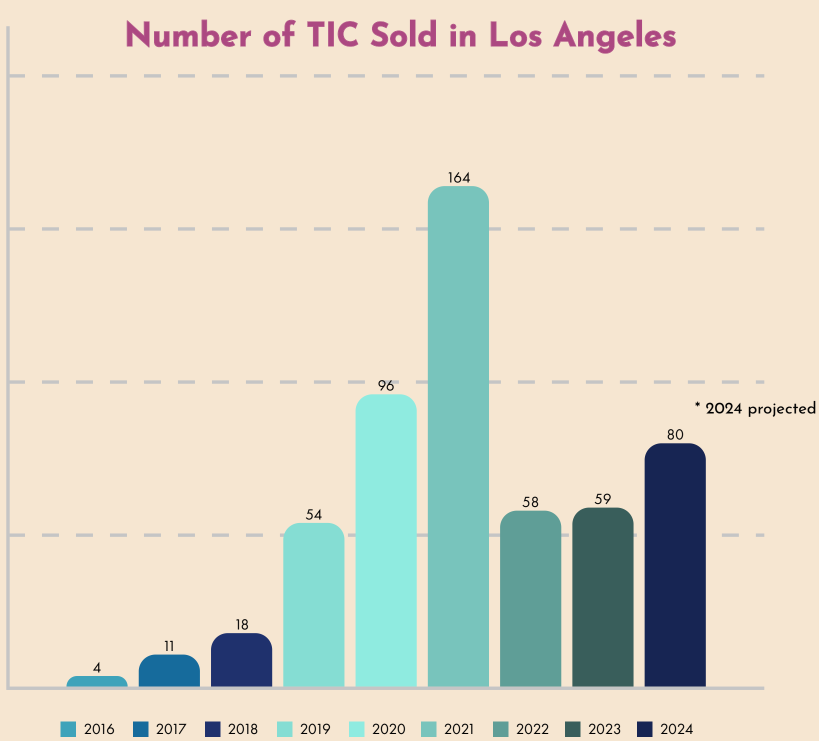
Each owner is responsible for their own loan only

Lenders foreclose only on defaulted owner's loan

GROWTH AND DEMAND

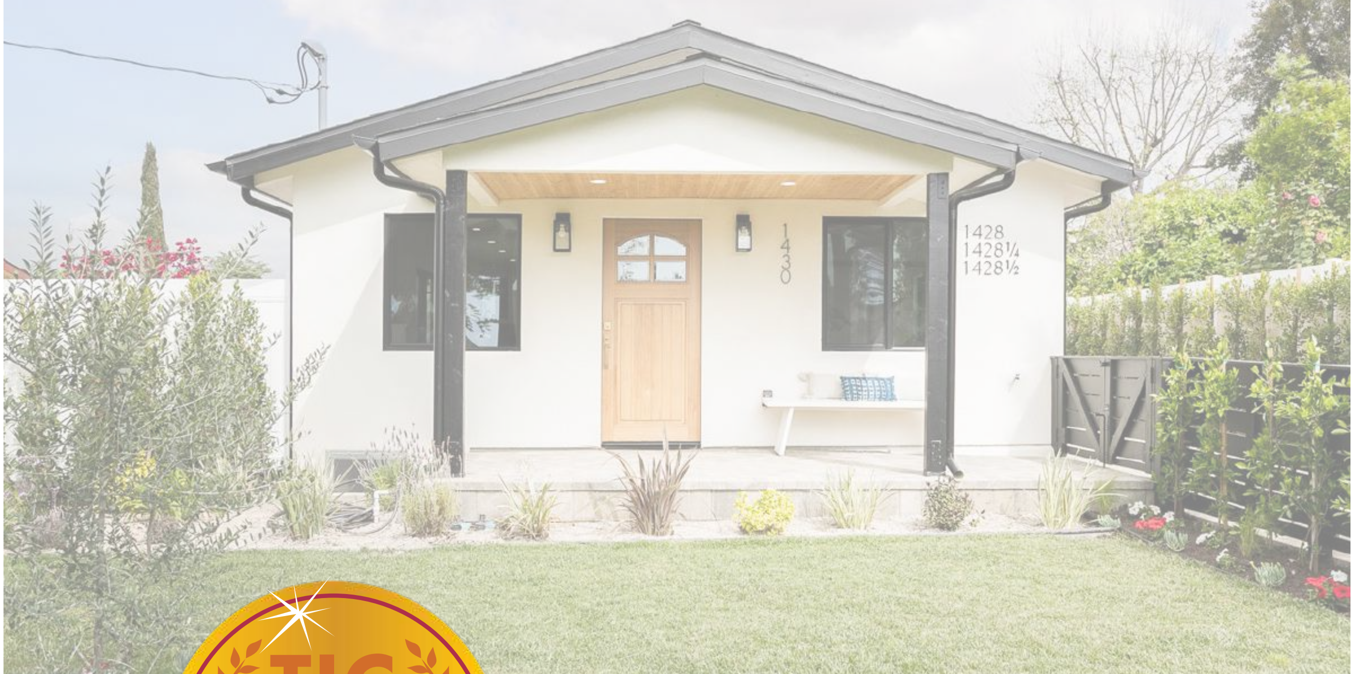


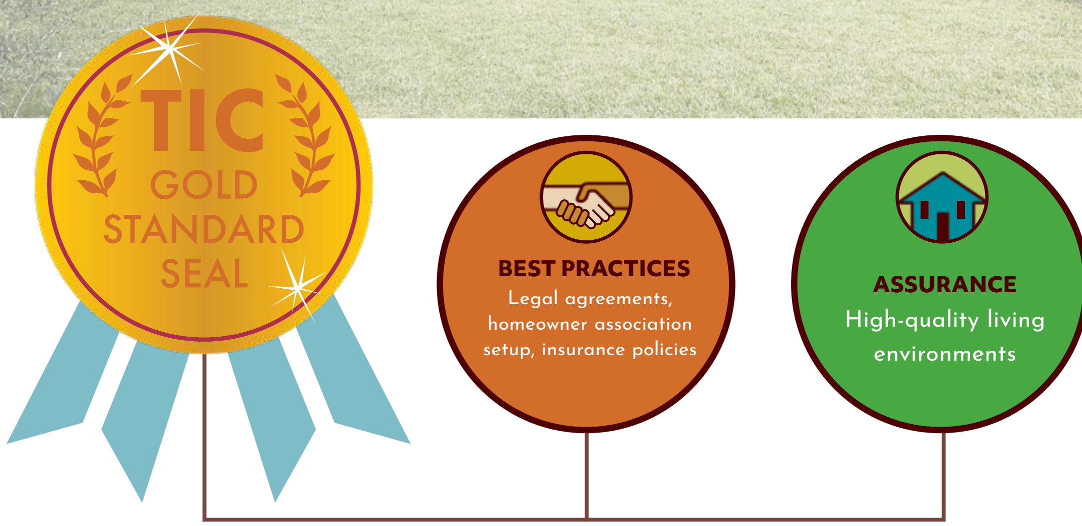
The TIC market in Los Angeles has experienced substantial growth over the past decade, reflecting a surge in both unit sales and total sales prices. TIC arrangements have become increasingly popular as a more affordable pathway to home ownership, typically priced 10 to 20 percent lower than comparable condos. With established legal frameworks and access to fractional financing, TIC properties offer buyers both stability and a stepping stone toward greater financial security in an often challenging housing market. This affordability allows first-time buyers to enter the LA real estate market, build equity, and gain a foothold in neighborhoods they may have previously been priced out of.



OUR COMMITMENT TO TIC EXCELLENCE

Every TRG-approved TIC community carries our stamp of approval, a mark of the thoughtful planning, expertise and dedication that goes into each one. When you see a TRG TIC property, you can be confident it's a community built on the highest standards, experience and care.





TIC SELLERS

Market Leaders

The Rental Girl has sold over 325+ TIC units and created, over 50 TIC communities throughout LA

Committed

We are always working to bring on new lenders, connect with legal advisors, local government officials and the industry

WHY SELL WITH TRG?

We offer services like acquisition, renovation support, marketing, and closing.

TRG has a long-term vision for TIC market growth, positioning us as leaders in creating sustainable TIC communities

Trailblazers

We are setting standards and educating the Real Estate community in LA

Comprehensive

We are experts in every phase of the TIC transaction, from legal agreements through HOA budgets and beyond. We will guide you through ever step

TIC BUYERS

WHY BUY WITH TRG?

We guide you every step of the way and access homes that fit your lifestyle and budget.

We offer dedicated workshops and one-on-one consultations

Experienced

Our Buyer's Agents team has successfully completed more TIC transactions in LA than any other Brokerage

Innovators

The Rental Girl pioneered the TIC market in LA and we have been leaders since 2017

Experts

We have a deep knowledge of TIC agreements & loans and will guide you through every step of the process

Early Birds

We work with developers and know when new homes will come on the market

Invested

We are committed to guiding you through a successful transaction and the ongoing expansion of TICs in LA

THERENTALGIRL.COM

TRG

REAL ESTATE

LOS ANGELES, CA

CONTACT US

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