

# NJPA REAL ESTATE JOURNAL

Friday, June 22, 2007

COVERING THE STATES OF NEW JERSEY, PENNSYLVANIA, DELAWARE AND MARYLAND

## Mid-Year Review

By Gary DeSanto, DeSanto Realty Group

# Tenant-in-Common industry continues to evolve in 2007: Not without its challenges

**A**s we approach the mid year point of 2007, it's interesting to look back on what the tenant-in-common (TIC) industry has seen. It has been a great year thus far for sponsors, investors, property managers, and everyone involved in the TIC industry, but not without its challenges. 2007 has also seen a continued evolution of the TIC industry, as well as the corresponding highs, lows and new twists on this burgeoning industry.



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### Looking for Equity

The year itself started with a slow ride in the equity market. Both registered reps and sponsors were working hard to find available equity for possible deals. As a sponsor this drove home the importance of offering quality properties for TIC investment. Quite simply, in the early months of 2007, only the highest quality offerings were

attracting equity. Many took much longer than expected to fully subside.

### TICA -

#### East Coast Edition

As we approached the end of the first calendar quarter of 2007, the industry attended the Tenant in Common Association (TICA) symposium in Washington D.C. This event hosted a great collection of colleagues in the TIC business, including registered representatives, sponsors, lawyers, accountants, qualified intermediaries, and other professionals across the country all attending and discussing the growth of the TIC industry. The conference peaked with a fantastic networking event that also featured Rock and Roll Hall of Famers The Who. It marked a great night of entertainment, as well as valuable time with competitors and colleagues.

TICA is a tremendous resource for anyone involved in the business, offering education, networking, and lobbying efforts, among other services. It is an especially

active political source and voice for the Tenant in Common industry, as educating the public and elected officials is a key element to our continued success. TICA was kind enough to host a couple of productive political events during the first half of 2007, one in New York, the other in Boston, which helped accomplish this goal. Both events were well attended by many in the TIC arena.

Because the industry has been primarily concentrated on the West Coast, this is the first time that TICA has ever held an annual conference or symposium anywhere on the East Coast. Now with deals being settled around the nation, sponsors and investors continue to expand into new locations, opening many new doors in the TIC industry.

### Finding Equity

As spring arrived, so did an upswing in the available equity for TIC deals. During the second quarter of 2007, registered representatives had clients "going to cash" and began the process of finding an offering that would best

match the client. Sponsors had an accumulation of offerings as they began to match investors with the proper investments. Offerings with conservative underwriting from quality sponsors were filled in a matter of weeks.

While the TIC industry presents both challenge and opportunity, we can only hope that the market continues to evolve in the second half of 2007. Among the trends seen so far in 2007 are a spread of TIC knowledge and opportunity in new parts of the country. West Coast representatives are now becoming more comfortable with offerings on the East Coast and in the Midwest. While there have been a reduced number of new sponsors entering the TIC market place, events been organized to attract new clients across the Eastern U.S. Here's hoping the second half brings more education, the growth of industry and as always - new opportunity.

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