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Ownership of the U.S. Rental Housing Stock by Investor Type: In Brief

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On November 29, 2022, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau (Census) released data from the 2021 Rental Housing Finance Survey (RHFS), a triennial survey of the residential rental housing stock in the United States.[1] The 2021 RHFS provides information on the rental housing stock in *2020*, including information on ownership, management, housing configuration and amenities, finances, and government subsidies. Data are available on both rental properties (i.e., one or more buildings commonly financed) and units (i.e., individual residences).

This report uses the 2021 RHFS data to examine the profile of investors that owned rental housing in 2020. It first presents selected statistics that summarize the investor landscape, followed by selected key observations and considerations. More detailed data from which these statistics and observations are derived are presented in **Table 1** through **Table 4**. These nationally aggregated data may not match the ownership landscape in a given local housing market. An online table creator provided by Census allows users to explore the 2021 RHFS data along other dimensions.[2]

Summary of the 2020 Rental Housing Ownership Data

Selected statistics that summarize rental property ownership in 2020 include the following:

- There were 19.3 million rental *properties,* 85.6% of which were single unit properties.
- There were 49.5 million rental *units*, 33.4% of which were located in single unit properties and 33.1% of which were located in properties with 150 units or more. The remaining third of units were located in properties with between 2 and 149 units.
- Individual investors owned 70.2% of rental properties.
- Individual investors owned 37.6% of rental units, but owned 70.2% of rental units located in properties with four or fewer units.
- Limited liability partnerships (LLPs), limited partnerships (LPs), and limited liability corporations (LLCs) owned 15.4% of rental properties.
- LLPs, LPs, and LLCs owned 40.4% of rental units, but owned 67.8% of units located in properties with 100 or more units.
- Real estate investment trusts (REITs) and real estate corporations combined to own 1.2% of rental properties and 4.3% of rental units.
- The remaining forms of ownership combined to own 8.7% of properties. These forms include trustee for estate (2.7%), tenant in common (2.6%), general partnership (0.7%), housing cooperative organization (0.05%), nonprofit organization (1.4%), and other (1.3%).
- The remaining forms of ownership combined to own 9.2% of rental units: trustee for estate (2.1%), tenant in common (1.2%), general partnership (1.7%), housing

[1] U.S. Department of Housing and Urban Development, "HUD and Census Bureau Release Findings of 2021 Rental Housing Finance Survey," press release, November 29, 2022, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_22_242.

[2] See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, RHFS Table Creator, https://www.census.gov/data-tools/demo/rhfs/#/.

cooperative organization (0.1%), nonprofit organization (2.3%), and other (1.7%).

- The nonresponse rate to property ownership was 4.5%; it was 8.5% for unit ownership.

Selected Key Data Observations and Considerations

Selected key observations and considerations about the 2020 rental housing investor landscape include the following:

- Individual investors and LLPs, LPs, and LLCs combined to own the largest shares of the rental housing stock (85.6% of properties and 78.0% of units).
- LLPs, LPs, and LLCs are not typically subject to the federal corporate tax. Instead, income "passes through" these businesses to the individual owners, who pay taxes on the income according to the individual income tax system.[3]
- Individual investors tend to have the largest ownership shares in smaller-sized properties (i.e., properties with fewer units), while LLPs, LPs, and LLCs tend to have the largest ownership shares in larger-sized properties.
- Some investors classified as either an LLP, LP, or LLC may be individual owners who have structured their ownership through one of these business forms rather than "larger" or "institutional" investors operating in one of these forms.
- Some owners more typically thought of as individual or "small" investors may fall under the tenant in common classification. Tenancy in common is one way multiple investors in the same property can choose to collectively own the property, and which determines how an individual investor's ownership shares are dealt with upon death of the investor.
- REITs and real estate corporations have a relatively small ownership share nationally, but could have a significant presence in certain markets.
- A REIT is a company that would otherwise be taxed as a corporation except that it meets certain requirements, mainly that most of its assets and income are invested in and derived from real estate, and that it distributes nearly all of its profits to shareholders.

Rental Housing Ownership Data

Presented below are the full 2021 RHFS data on 2020 property and unit ownership as constructed from the Census's online table creator.[4] Presented first are the data on the number and share of properties by ownership type and size of the property, followed by the data on the number and share of units by ownership type and size of the property.

[3] For more information on the tax treatment of businesses, see CRS Report R43104, *A Brief Overview of Business Types and Their Tax Treatment*, by Mark P. Keightley.

[4] See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, RHFS Table Creator, https://www.census.gov/data-tools/demo/rhfs/#/.

Rental Property Ownership

Table 1. Number of Rental Properties by Ownership and Size, 2020

Current Ownership of Property	Number of Properties by Units in Property (in thousands)							
	All	1 unit	2 to 4 units	5 to 24 units	25 to 49 units	50 to 99 units	100 to 149 units	150 units or more
Total	19,328	16,550	2,215	419	75	15	11	45
Individual investor	13,572	12,003	1,422	130	12	1	1	2
Trustee for estate	517	341	154	19	2	0	0	0
LLP, LP, or LLC	2,982	2,362	354	185	37	8	6	30
Tenant in common	503	483	19	1	0	0	0	0
General partnership	134	95	26	8	3	1	0	1
Real Estate Investment Trust (REIT)	121	110	7	2	0	0	0	2
Real estate corporation	113	61	30	14	4	1	1	2
Housing cooperative organization	9	0	8	0	0	0	0	0
Nonprofit organization	268	224	16	19	5	1	1	1
Other	242	180	51	7	2	0	0	1
Not reported	868	690	128	32	9	2	1	6

Source: U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, 2021.

Note: According to the Glossary of RHFS Terms, "a property includes all housing units and structures commonly financed. A property may consist of one building at one address, or a property may consist of more than one building or more than one street address, if these structures are commonly owned and financed, geographically proximate, and considered part of the same property." See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *2021 Rental Housing Finance Survey Glossary of Terms*, https://www2.census.gov/programs-surveys/rhfs/technical-documentation/glossary/2021/2021-RHFS-Glossary-5-24-21.pdf.

Table 2. Share of Rental Properties by Ownership and Size, 2020

Current Ownership of Property	Share of Properties by Units in Property (percentage)							
	All	1 unit	2 to 4 units	5 to 24 units	25 to 49 units	50 to 99 units	100 to 149 units	150 units or more
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Individual investor	70.2%	72.5%	64.2%	31.0%	16.0%	6.7%	9.1%	4.4%
Trustee for estate	2.7%	2.1%	7.0%	4.5%	2.7%	0.0%	0.0%	0.0%
LLP, LP, or LLC	15.4%	14.3%	16.0%	44.2%	49.3%	53.3%	54.5%	66.7%
Tenant in common	2.6%	2.9%	0.9%	0.2%	0.0%	0.0%	0.0%	0.0%
General partnership	0.7%	0.6%	1.2%	1.9%	4.0%	6.7%	0.0%	2.2%
Real Estate Investment Trust (REIT)	0.6%	0.7%	0.3%	0.5%	0.0%	0.0%	0.0%	4.4%
Real estate corporation	0.6%	0.4%	1.4%	3.3%	5.3%	6.7%	9.1%	4.4%
Housing cooperative organization	0.05%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Nonprofit organization	1.4%	1.4%	0.7%	4.5%	6.7%	6.7%	9.1%	2.2%
Other	1.3%	1.1%	2.3%	1.7%	2.7%	0.0%	0.0%	2.2%
Not reported	4.5%	4.2%	5.8%	7.6%	12.0%	13.3%	9.1%	13.3%

Source: U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, 2021.

Note: According to the Glossary of RHFS Terms, "a property includes all housing units and structures commonly financed. A property may consist of one building at one address, or a property may consist of more than one building or more than one street address, if these structures are commonly owned and financed, geographically proximate, and considered part of the same property." See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *2021 Rental Housing Finance Survey Glossary of Terms*, https://www2.census.gov/programs-surveys/rhfs/technical-documentation/glossary/2021/2021-RHFS-Glossary-5-24-21.pdf.

Rental Unit Ownership

Table 3. Number of Rental Units by Ownership and Size, 2020

	Number of Units by Units in Property (in thousands)							
Current Ownership of Property	**All**	**1 unit**	**2 to 4 units**	**5 to 24 units**	**25 to 49 units**	**50 to 99 units**	**100 to 149 units**	**150 units or more**
Total	49,547	16,550	6,065	5,470	2,725	1,055	1,296	16,387
Individual investor	18,635	12,003	3,878	1,364	415	99	81	796
Trustee for estate	1,043	341	377	197	68	1	6	53
LLP, LP, or LLC	20,022	2,362	1,043	2,683	1,335	614	758	11,225

Tenant in common	598	483	61	16	4	0	0	34
General partnership	820	95	87	132	101	37	59	310
Real Estate Investment Trust (REIT)	794	110	19	19	12	8	16	610
Real estate corporation	1,351	61	84	192	157	55	65	737
Housing cooperative organization	63	0	23	11	11	0	2	15
Nonprofit organization	1,159	224	32	275	196	75	101	256
Other	861	180	115	104	93	39	19	312
Not reported	4,200	690	346	477	332	127	189	2,039

Source: U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, 2021.

Note: According to the Glossary of RHFS Terms, a unit is "A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters." See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *2021 Rental Housing Finance Survey Glossary of Terms*, https://www2.census.gov/programs-surveys/rhfs/technical-documentation/glossary/2021/2021-RHFS-Glossary-5-24-21.pdf.

Table 4. Share of Rental Units by Ownership and Size, 2020

	Share of Units by Units in Property (percentage)							
Current Ownership of Property	**All**	**1 unit**	**2 to 4 units**	**5 to 24 units**	**25 to 49 units**	**50 to 99 units**	**100 to 149 units**	**150 units or more**
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Individual investor	37.6%	72.5%	63.9%	24.9%	15.2%	9.4%	6.3%	4.9%
Trustee for estate	2.1%	2.1%	6.2%	3.6%	2.5%	0.1%	0.5%	0.3%
LLP, LP, or LLC	40.4%	14.3%	17.2%	49.0%	49.0%	58.2%	58.5%	68.5%
Tenant in common	1.2%	2.9%	1.0%	0.3%	0.1%	0.0%	0.0%	0.2%
General partnership	1.7%	0.6%	1.4%	2.4%	3.7%	3.5%	4.6%	1.9%
Real Estate Investment Trust (REIT)	1.6%	0.7%	0.3%	0.3%	0.4%	0.8%	1.2%	3.7%
Real estate corporation	2.7%	0.4%	1.4%	3.5%	5.8%	5.2%	5.0%	4.5%
Housing cooperative organization	0.1%	0.0%	0.4%	0.2%	0.4%	0.0%	0.2%	0.1%

Nonprofit organization	2.3%	1.4%	0.5%	5.0%	7.2%	7.1%	7.8%	1.6%
Other	1.7%	1.1%	1.9%	1.9%	3.4%	3.7%	1.5%	1.9%
Not reported	8.5%	4.2%	5.7%	8.7%	12.2%	12.0%	14.6%	12.4%

Source: U.S. Department of Housing and Urban Development and U.S. Census Bureau, *Rental Housing Finance Survey*, 2021.

Note: According to the Glossary of RHFS Terms, a unit is "A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters." See U.S. Department of Housing and Urban Development and U.S. Census Bureau, *2021 Rental Housing Finance Survey Glossary of Terms*, https://www2.census.gov/programs-surveys/rhfs/technical-documentation/glossary/2021/2021-RHFS-Glossary-5-24-21.pdf.

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