

Who Owns the Nation's Rental Properties?

Individual investors own most rentals.

In 1991, individual investors owned 92 percent of the Nation's rental properties. These investors may be one person, a married couple, or the estate of a deceased person.

The percentage of rental properties owned by individual investors, however, differed for medium- and large-size properties. Individual investors owned three-fourths of 5- to 49-unit properties and one-fifth of properties with 50 or more units.

Incidentally, most properties with 50 or more units were owned by partnerships (56 percent), either limited or general. The top chart on the back shows who owns different types of rental properties.

Half of all rental properties are financed with a mortgage.

Fixed-rate amortized mortgages were far and away the most popular

way of financing rental property. Seven in ten mortgaged rental properties had such a mortgage. The bottom chart on the back shows how rentals were financed.

Adjustable-rate mortgages (ARM's) also were popular — they were the second most used method of financing for four of the five kinds of rental properties. (The five kinds are shown in the chart below.)

The exception was large rental properties (50 or more units), where balloon mortgages were the second most popular method.

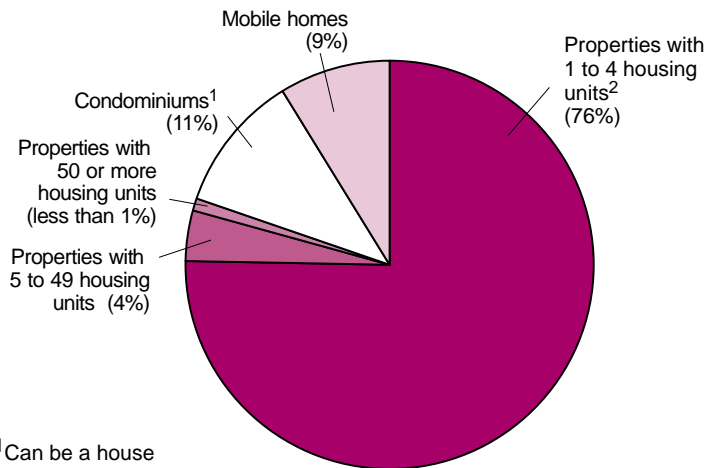
Mobile homes differed from other rentals in one key respect. Only one-fifth carried a mortgage, far below the rates for other types of properties. That's because mobile homes not attached to the ground on a foundation may be purchased using commercial financing, which is similar to an auto loan.

More information:

The data in this Brief come from the 1991 Residential Finance Survey, which collected information about nonfarm, privately owned, residential properties. If mortgaged, a property is defined as all the

One- to Four-Unit Properties Constitute Most of the Nation's Rental Properties

Percent distribution of the Nation's rental properties, by type: 1991



¹Can be a house or apartment.

²Excludes mobile homes and condominiums.

U.S. Census Bureau
Department of Commerce

Total number of rental properties in the United States in 1991 = 14.9 million



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buildings and land covered by a single first mortgage. All other properties are defined by the owner. A report, *Residential Finance*, Series 1990 CH-4-1, is available for \$40 from the Census Bureau. Additionally, microdata files from the Residential Finance Survey are available on both computer tape and CD-ROM. Contact Customer Services (301-457-4100) for information on how to order.

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This Brief is one of a series that presents information of current policy interest. All statistics are subject to

sampling variability, as well as survey design flaws, respondent classification errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with those from other sources. Please note that a small number of vacant properties are included among the 14.9 million properties analyzed in this Brief.

Who Owns Rental Properties

Percent distribution of the Nation's rental properties, by type of owner: 1991

Type of owner	Type of rental property					
	All rental properties	1 to 4 units	5 to 49 units	50 or more units	Condo-miniums	Mobile homes
Individual investor	91.6%	92.5%	74.8%	19.1%	90.5%	97.2%
Limited partnership	1.1	0.6	7.0	40.8	1.4	0.3
Joint venture	0.9	0.9	1.5	2.8	0.8	—
General partnership	1.4	1.1	6.6	15.5	2.1	—
Real Estate Investment Trust	0.2	0.2	1.0	0.9	0.2	0.4
Life insurance company	—	—	—	0.5	—	—
Financial institution*	0.4	0.3	0.5	1.8	0.8	—
Real estate corporation	0.8	0.6	2.7	4.1	1.5	0.5
Corporation (other than real estate corp.)	1.8	1.7	3.5	5.4	1.8	1.4
Housing cooperative organization	—	—	0.5	4.3	—	—
Nonprofit or church-related institution	1.1	1.3	1.3	4.0	0.2	0.3
Fraternal organization	—	—	—	0.2	—	—
Other	0.6	0.6	0.5	0.6	0.7	—

*Other than life insurance. — Represents zero.

Note: These percentages total 100 percent of property owners/managers who responded to the question on who owned the property. Twelve percent of owners/managers who responded to the survey questionnaire did not respond to this question.

U.S. Census Bureau, Department of Commerce

How Rental Properties Are Financed

Type of property	U.S. rental properties: 1991	U.S. rental properties with a mortgage: 1991		Percent distribution of mortgaged rental properties, by type of mortgage			
	Number (thous.)	Number (thous.)	Percent of all rental properties	Fixed rate amortized	Fixed rate short term (balloon)	Adjustable rate	Other
All rental properties	14,850	7,435	50%	71%	6%	22%	1%
1 to 4 units	11,285	5,656	50	72	6	20	1
5 to 49 units	557	387	70	58	10	30	1
50 or more units	65	57	88	63	21	14	2
Condominiums	1,588	1,059	67	63	3	32	1
Mobile homes	1,355	276	20	84	7	9	0

Note: Mortgaged properties exclude properties with home equity lines of credit only.

U.S. Census Bureau, Department of Commerce