

Private Rental Housing in the United States

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## Introduction

In the US, renters are described relative to owners. The official Census-HUD definition is copied here, from the American Housing Survey glossary:

“Tenure. A housing unit is owner occupied (including a cooperative or condominium unit) if someone whose name is on the deed, mortgage, or contract to purchase lives in the unit. Units where the elderly buy a unit to live in for the remainder of their lives, after which it reverts to the seller, are considered owner occupied. All other occupied housing units are classified as renter occupied units, including units rented for cash, if occupants or others pay some rent, and/or occupied without payment of cash rent, such as a life tenancy or a unit that comes free with a job. Households who do not pay cash rent may still pay utilities”

In the US, private renters are also defined as a complementary set: public renters are those who live in units owned by Public Housing Authorities (PHAs) or other government entities. In particular, households who live in subsidized units owned by private entities (e.g. Section 42 units, which can be for-profit, or non-profit) are classified as private; and households who live in private units but who receive housing vouchers are also classified as private renters.

First, some basics. Figure 1 shows the “rentership” rate – the obverse of the much more widely published homeownership rate – from 1890 to date. Pre-WWII, a little over half of U.S. households rented; but post-war, this ratio fell until it hit about 35 percent circa 1970; then it took another dip from the mid-90s until it hit a minimum of about 31 percent in 2004. As the homeownership rate dipped after the subprime crisis-Great Recession of recent years, the rentership rate has been climbing again, so that as of this writing a third of U.S. households are renting. It should also be noted that the slowdown of the U.S. economy has been accompanied by a notable slowdown in household formation. From 2000 through 2007, an average of 1.5 million households were formed annually (a 1.4 percent annual growth rate); from 2008

through 2010, only half a million households were formed per year, a 0.4 percent growth rate, as households doubled up, failed to form, and as immigration slowed.

Renter-ship rates vary substantially with location. For example, according to the 2009 American Housing Survey, a number of California metropolitan areas have rentership rates near or over 40 percent; New York is over 60 percent renters, and Jersey City is over 70 percent rental. At the other extreme, Daytona Beach and Fort Myers (Florida), Nassau (Long Island NY) and Davenport Iowa are examples of metro areas where less than 20 percent of households rent. Malpezzi (1996) demonstrates that much of the intra-metropolitan variation in homeownership rates can be explained by relative prices of renting and owning; and that these relative prices, in turn, are driven largely by local supply conditions (natural and regulatory constraint).

Most rental housing in the U.S. is private and unsubsidized (Table 1). Overall, there are about 39 million renter households in the U.S., with about 79 million home-owning households. About 2.2 million rental units housing about 2 percent of households are privately owned but with landlords or their tenants receive explicit government subsidies (vouchers or certificates), as shown in Table 1. Table 1 also highlights the fact that although only about 1 percent of U.S. households live in public housing, though another 3 percent live in rental units which have received some on-budget subsidy.<sup>1</sup>

Thus in the United States the private sector provides the great bulk of housing, owner occupied and rental, for high and low income households.<sup>2</sup> Furthermore, only a minority of

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<sup>1</sup> These include the Section 42 Low Income Housing Tax Credit program, Section 8 New Construction and Substantial Rehabilitation, and other programs described in Green and Malpezzi (2003) and Schwartz (2010).

<sup>2</sup> Local governments regulate rents for part or all of the market in about 200 cities in the U.S. These cities contain about 10 percent of the U.S. renter population, and about 4-5 percent of the total rental stock is controlled.

eligible low-income households live in subsidized units and/or receive rental assistance vouchers. Of about 39 million renters in the U.S., about 15 million (41 percent) are in theory eligible for some kind of housing assistance because of their low incomes. Even if “layering” is ignored,<sup>3</sup> only about 7 million, or 19 percent of renters, are actually assisted. Unlike Social Security, Medicare, or homeownership subsidies through the tax code (about which more below), rental housing subsidies are not an “entitlement.”

Table 2 presents basic data on the kinds of structures occupied by renters and owners. Over 70 percent of the entire U.S. housing stock is single family owner occupied; very little (about 5 percent) of owner occupied housing is multifamily. But while most rental housing is multifamily, it surprises many that almost a third of rental housing is single family, and another 9 percent are duplexes. Nationwide, surprisingly little rental housing is in large buildings; only 10 percent of rental units are in buildings with 50 units or more. Of course in large cities the proportion is substantially higher.

## **Ownership**

Who owns U.S. rental housing? Using data from the 2001 Residential Finance Survey (the latest available), I have estimated the ownership of private landlords for rental units as:

54% Individuals

24% Partnerships

13% Corporations (including REITs)

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Details of the effects of these controls can be found in Turner and Malpezzi (2003).

<sup>3</sup> In some cases it is possible to combine subsidies from more than one program. Probably the most common combination is for a poor household in a Section 42 LIHTC unit to also receive a housing voucher.

5% Cooperatives, non-profit organizations

4% Other

Thus, more than  $\frac{3}{4}$  of the nation's stock of private rental housing is owned by non-corporate individuals or partnerships; the latter tend to be somewhat larger scale than the former. Only a small share of the U.S. private rental stock is owned by larger institutions, whether for-profit or non-profit. Little is known about the characteristics of this large population of rental housing suppliers. I know of no study that provides a direct empirical test of the comparative income distributions of landlords and tenants.

There is some evidence that units owned by larger scale U.S. landlords charge higher rents (Cherry and Ford 1975 and Cronin 1983). These are interpreted by some authors as evidence of market power and the non-competitiveness of the rental market (*Ibid.* and Gilderbloom and Appelbaum 1988). An alternative explanation is discussed by Downs (1983). He develops the point that small landlords, for whom a single unit is much of their portfolio, can't easily carry even one or two vacant units, so they act as "turnover minimizers" rather than "rent maximizers." Thus small landlords would rationally charge lower rents, implying an observed premium for units controlled by large landlords. In any event, more work on the "industrial organization" of the sector would be fruitful.

Generally, dwellings can and do move from the private rented sector to owner-occupation (and sometimes back again). The Joint Center for Housing Studies (2008) analyzed tenure switchers during the period 2003-2005 (a period of generally rising homeownership rates. Nevertheless, of 72 million homeowner households in 2003, by 2005 1.9 million -- 2.6 percent -- had switched to renting. Naturally, during this period there were more tenure

switches in the other direction: of 72 million owner-occupied households in 2003, by 2005 about 7 million, or 9.9 percent, had switched to owning.

There are few restrictions on converting the tenure status of units at state or national level, though there are rules adopted from some municipalities to govern conversion from a rental apartment building to a condo. Generally these kinds of rules seem most common in a few states, e.g. California, Oregon, New York, and New Jersey. Most states have few rules, or they are not terribly restrictive.<sup>4</sup>

Landlords are generally responsible for maintenance. Tenants might be responsible for some maintenance in single family properties (e.g. lawn care). Some maintenance will be contracted out but larger scale landlords often do all but the largest tasks in-house. Maintenance quality varies, along with quality of stock and rents, but since tenants often have choices units are usually reasonably maintained. Generally the quality of the U.S. housing stock as improved markedly over the past decades, though of course there are always exceptions that prove the rule. HUD's "Worst Case Housing Needs" reviews document that the most common problems faced by low income renters are related to expenditures that are high relative to their incomes; physical problems are much less common.<sup>5</sup>

Figure 2 shows a century of data on housing starts for multifamily units.<sup>6</sup> The bars are multifamily starts (2 or more units in a structure), and the line presents the number of such starts per 1000 households. Note the following points. Multifamily starts ran at a modest 100-

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<sup>4</sup> For an example of one of the more restrictive sets of rules, see <http://www.andysirkin.com/HTMLArticle.cfm?Article=182&Hit=1>.

<sup>5</sup> See: [http://www.huduser.org/portal/publications/affhsg/wc\\_HsgNeeds09.html](http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds09.html).

<sup>6</sup> In a typical year fewer than 2 percent of single family units are built for the rental market; most single family rentals have changed tenure since construction.



200 thousand units for the first half of the century, except for a brief burst of close to 400 thousand units per year during the 1920s. Up until the early 1990s recession, most of the postwar years saw private multifamily starts at around 400 to 600 thousand starts per year except for some astoundingly high years just before the 1973 recession. From the mid 90s till the subprime crisis, starts ran about 350 thousand. Currently private multifamily starts are at their lowest level since the 1950s.

Most housing, in the U.S. as elsewhere, is from the existing stock. Most rental housing which is not multifamily is single family which was built for owner occupation but which has been converted to rental. Hence in addition to studying multifamily starts it is important to examine these processes. There is a literature on the effects of tenure on housing maintenance, e.g. Chinloy (1980), Dildine and Massey (1974), and Porrell (1985). There is some evidence that owner occupied housing is better maintained than rental, and that there is some evidence that rental units with resident owners are better maintained than other rental units. Mayer (1981) investigated the determinants of rehabilitation of existing rental units, and found that in Berkeley, California public policy was an important determinant of rehab behavior, particularly infrastructure and zoning policies.

Presumably the largest determinant of investment in new construction and the existing stock is the expected profitability of rental housing. A number of studies have analyzed landlord profits using a case study or city specific approach (e.g. Neels 1982, Turner 1990) but the generalizability of these studies is uncertain. Everybody talks about profit, but no one measures it systematically. Anecdotal conversations with developers suggest that ex ante, developers require a 10-15 percent return on equity before tax, but good systematic data on

either ex ante or ex post returns are hard to find. Fifteen percent doesn't seem like much of a hurdle rate, given the effort and risks involved. For an alternative view, see Pyhrr et al. (1989), pp. 68-69 and p. 869, who believes the hurdle internal rate of return is more like 25 percent, after tax.

## **Financing**

There has long been an active market for mortgages for rental housing units in the private sector. At year's end 2010, the Federal Reserve reports \$840 billion in outstanding mortgages for multifamily housing (down from a peak of \$857 billion in 2009, in constant 2010 dollars). According to tabulations by Harvard's Joint Center for Housing Studies, in 2001 only 45 percent of small rental properties (1 to 4 units) had mortgages; 58 percent of 5-9 unit structures, 67 percent of 10-49 unit structures, and 86 percent of structures comprising 50 or more units.

Unlike mortgages for single family owner-occupants, it is difficult to find a consistent time series on mortgage rates for rental housing. Terms will vary by scale, type of units, type of landlord/owner, etc.; recent interviews with a local banker in Madison suggests that a small scale landlord with good credit a loan might require a 20 percent loan-to-value ratio (gearing ratio), paying 1 point (1 percent of loan balance paid up front) plus other administrative fees; the loan would be an adjustable rate with a term of 3-7 years, and an initial rate of perhaps 5.5 to 5.8 percent.

Figure 3 shows Federal Reserve data on the capital sources for multifamily housing (as noted above, a reasonable proxy for much of the rental market, albeit one that omits the third

or so of rental housing incorporating single family units and manufactured housing) in millions of constant 2010 dollars. Note that despite the rise of some mortgage REITs and CMBS in the 1990s and beyond, the bulk of mortgage financing for multifamily, and hence for rental housing, is provided by depository institutions (banks and thrifts) and by the Federal Government and "the Agencies," or Government Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac. The GSEs appear in two places, their holdings of multifamily mortgages, and their issuance of pooled securities carrying their (government) guarantee, which are mainly held in the end by other investors. Note further that after the housing market and economy turned circa 2007, banks retrenched, as did private investors in GSE guaranteed paper. The Federal and GSE direct involvement in the market increased as they became the marginal financier for multifamily (especially 1-4 family properties) as well as housing in general. The Real Estate Investment Trust (REIT) data in the figure are for mortgages held by REITs; REITs more often make equity investments in apartments. The Commercial Mortgage Backed Securities (CMBS) market is by far the bigger player in this mortgage market, going from nowhere in 1990 to the third biggest lender at the peak of the market, with about \$140 billion outstanding at that time.

The rental/multifamily markets have not been spared the foreclosure problems that have bedeviled the U.S. housing market and economy.<sup>7</sup> The Mortgage Bankers Association estimates that 20 percent of foreclosures are small investment properties; analysis of Home Mortgage Disclosure Act (HMDA) data by the Joint Center for Housing Studies finds that a key determinant of whether these small-scale properties go into foreclosure is whether or not the

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<sup>7</sup> See the discussion of the Wisconsin Foreclosure and Unemployment Relief website for a broader introduction to the foreclosure problem in the U.S., <http://www.bus.wisc.edu/realestate/wi-fur/>.

landlord resides on the property.

## **Tenant Characteristics**

During the past thirty years, the number of owner households grew about 1.5 percent per annum, and the growth rate of renter households was about 1.2 percent. Population growth, on the other hand, was a little over one percent per annum. Many new single person households and households comprising unrelated individuals formed, as the average household size dropped from 2.9 in 1980 to 2.6 thirty years later.

As the homeownership rate has increased, the ratio between the median income of renters and total median renters has fallen, from almost 90 percent (near-parity) in 1975, to about 63 percent today, as Figure 4 shows. Tabulations by the Joint Center for Housing Studies and Census data reveal that in 2009, the median household income of all households was \$5,105 per month; that for homeowners was slightly higher at \$5,172; and that for renters was \$2,664. This compares to a median contract rent of \$725 per month, or median gross rent of \$807 (i.e. with utilities included).

## **Legal and Regulatory Framework**

Most rental housing in the U.S. is private and unsubsidized. This housing is governed by private contracts, regulated mainly by state and local governments, with said regulations enforced mainly by state and local courts. In the United States, the legal framework of rental housing is defined partly by statutory law, but mainly by common law as interpreted by courts,

which has evolved considerably over the past 200 years. Generally, this legal framework varies significantly by state and by locality. For example, as we have already noted, most U.S. markets have no controls on rents or the duration of tenure, but significant exceptions such as New York, Washington D.C. and Los Angeles differ not only from most of the country in the existence of controls, but also from each other in the design and enforcement mechanisms for their rent regulations.

Most private landlords own their property fee simple absolute, and tenancies are defined by a lease contract. The most common lease duration is for one year; however a substantial number of apartment leases are month to month, and leases of two or three years are not unheard of. It is very common to require a month's rent in advance as a deposit, though this can be raised, sometimes if linked to the potential to more rapid deterioration of the unit, e.g. if the tenant has large pets.

Rental housing is, like other housing, subject to a wide range of land use and development regulations. The primary objective usually stated for U.S. zoning and other land use controls is to correct for externalities arising from "incompatible" land uses. But in the U.S. zoning is commonly used to exclude low income households; many suspect in particular black low income households.

Some observers have noted that jurisdictions can be quite ambivalent (or at least confused) about their objectives. It is not unknown for a jurisdiction to impose regulations to reduce the supply of low and middle income units, only to also require developers of high income properties to build a certain number of low income units at below market cost ("inclusionary zoning").

Zoning and other land use issues in the U.S. are complex and we can only touch on some of the main points here. Fischel (1990) and Pogodzinski and Sass (1990) provide excellent and readable summaries of the empirical literature. Malpezzi (1996) constructs several measures of the restrictiveness of the land use regulatory environment across a number of metropolitan areas, and uses those measures in models explaining rents, asset prices of housing, tenure choice, and several "externality" outcomes (neighborhood satisfaction, segregation, and congestion). Malpezzi finds that regulations do raise rents; this is, by itself, unsurprising. What is perhaps more interesting in the current context is that asset prices are driven up faster than rents; that home ownership rates decline substantially with more stringent regulatory environments (primarily through indirect on prices); and that there is little offsetting environmental benefit to more stringent regulations, at least as yet measured.

### **Taxes and Subsidies**

For most rental housing, across-the-board tax preferences are now modest. Green and Malpezzi (2003) explain why economists measure tax expenditures against a benchmark of taxing recurrent income and the real portion of capital gains at the same rates as other income, net of the costs of producing this income. They show that against this benchmark, income from rental housing is not too far off the benchmark, as a first approximation; while owner-occupied housing is highly favored, at least for upper income taxpayers (largely due to permitting the deduction of mortgage interest and property taxes, while not taxing any of the income from the asset). Income from a plain vanilla corporation facing stylized tax treatment is overtaxed, as income is taxed at both the corporate level and again when distributed as dividends; though in

practice effective tax rates for corporations vary enormously depending on their particular tax situation.

More specifically, for a prototypical, unsubsidized rental housing unit, net operating income is taxed as ordinary income, at the taxpayer's marginal rate. Mortgage interest is deductible from rental income, as are most operating costs, including property taxes. Furthermore, an additional deduction is permitted as a depreciation allowance for the structure (not including the land), as a straight-line deduction assuming a 27.5 year useful life of the structure. This depreciation allowance is subject to recapture on sale if unit has appreciated.

Losses on rental property may be used to offset taxes on other types of income, but there are restrictions, the so-called "passive loss rules," that limit the ability to offset incomes from wage and salary, and "active portfolio" income (stocks and bonds).<sup>8</sup>

At sale, capital gains are taxed at preferential rates, currently 15 percent. (For comparison, the top marginal federal tax rate on recurrent income is 35 percent. In practice capital gains taxes are often avoided by selling one property and buying another within a specified time frame, using a so-called 1031 exchange.<sup>9</sup>

Most states also tax rental income, both recurrent and capital gains. Rates vary but are generally much lower than the Federal rates. Most states piggyback on the Federal calculation of the tax liability, though some states do make modifications to the liability.

At the federal level there are some special tax credits for developers of low income housing. The Low Income Housing Tax Credit was originated in conjunction with the Tax

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<sup>8</sup> These passive loss rules are somewhat complicated. See <http://www.irs.gov/pub/irs-pdf/p925.pdf> for details.

<sup>9</sup> See <http://www.irs.gov/businesses/small/industries/article/0,,id=98491,00.html> .

Reform Act of 1986 (TRA 86) to provide incentives for private sector production of low income housing. The credits provide a mechanism for funding a wide range of projects including new construction, substantial rehabilitation, moderate rehabilitation, acquisition, and repair by existing owners.

The Low Income Housing Tax Credit provides a "present value" tax credit of 70 percent of the cost of new construction or 30% of the cost of acquisition of existing low income housing in return for limits on rents charged. The credits are allocated over a ten year period based on the "Applicable Federal Rate" (AFR). Nominally the value of the credit is 9 percent annually for the 70 percent credit and 4 percent annually for the 30 percent credit. For acquisition of existing rental housing, the applicable credit is also 4 percent.

The developer must decide between two options for the unit. Either 20 percent of available rental units must be rented to households with income less than 50 percent of the county median income (adjusted for family size), or 40 percent of the units must be set aside for households with income less than 60 percent of the county median income. (The rent can be adjusted in future years as median incomes change). The maximum gross rent, including utilities, paid by households in qualifying units may not exceed 30 percent of maximum qualifying income. The federal program mandates a fifteen year period for maintaining the unit as a low income unit. If the rent restrictions are not followed, there are provisions for recapturing the tax credits used. For more on the mechanics of this program, see Guggenheim (1989).

In addition to subsidies through the tax code, most notably the Section 42 LIHTC just discussed, in the introduction we briefly alluded to other housing subsidy programs, notably



public housing, housing vouchers, the aforementioned Section 42, and “other.” To recap the latest data, about 1.2 million households live in public housing, 1.7 million in Section 42 units, and 2.3 million receive vouchers. The “other” category comprises 2.1 million households and includes a grab-bag of programs, mostly legacy programs, like Section 8 New Construction and Section 202, which provided subsidies to private landlords. These programs have not been adding units in quite some time (and the same is true for public housing); in fact these programs are shrinking, but significant numbers of units still exist. In the past two decades most new subsidies have been provided through tax credits (on the supply side) or vouchers (on the demand side). Many – not all – U.S. housing economists have argued that the shift to demand side subsidies is a positive development, from the perspective of both efficiency and equity. Galster (1997) and Yates and Whitehead (1998) provide a good review of these issues; see Mayo (1987) for a brief review of the best U.S. evidence on relative efficiency of supply side and demand side programs.

Table 1, initially discussed above, focused on rental programs and therefore omits the largest U.S. housing subsidy, the favorable tax treatment of owner-occupied housing (deductible interest on up to a \$1 million mortgage, deductible property taxes, and no taxation of homeowner capital gains under \$250,000). HUD’s current budgetary outlays for housing subsidies to low income households stands at \$59 billion, and the LIHTC program currently costs about \$6 billion per year, and these accrue, or at least are initially targeted towards, low income households. The Office of Management and Budget estimates the cost of homeowner tax breaks at \$118 billion, and these mostly accrue to upper-income households, who have the largest mortgages and the highest marginal tax rates (which maximizes the value of the

deduction).

Figure 5, from Carasso, Steuerle and Bell (2005) presents estimates of the average benefit housing benefit from these low income housing programs and from the homeownership tax subsidies. The average household with annual income under \$10,000 receives about \$1100 in housing subsidies; while the average household with income over \$200,000 receives about \$9,000 on average. Of course these averages mask substantial variation with categories; only about a third of eligible low-income households actually receive subsidies. For reference, the median household income in 2005 was about \$46,000, and the poverty threshold for a family of four was \$19,350.

## **Rents**

Much has been written about U.S. house price volatility, especially the boom during the decade prior to 2006, and subsequent bust, and their interactions with the aggregate economy. While rents exhibit some interesting patterns of their own, the first point to note is that they are much less volatile than housing's asset price. Figure 6 shows the most widely used index of real rents, based on the CPI, over the past 4 decades. Over 4 decades there's hardly any discernable overall trend, although real rents fell by about 20 percent during the first decade of the chart; during three decades from the minimum index value (1981) to date real rents rose by about a quarter. More recently, during the period of real house price increases of 5-7 percent per year (1996 to 2006), rents were only growing by 1 percent over background inflation. During the 2006-9 house price bust, when real house prices were falling by 10-15 percent per year, real rents were still increasing slightly.

Of course these national averages mask variation across markets, and across households. While there is CPI rental data for 27 large metropolitan areas, and occasional place-to-place rent indexes for one or a few years, most locations were uncovered until the recent work of Carrillo, Early and Olsen (2010) who have constructed annual rental price indexes for every metropolitan area, and for the non-metropolitan areas of every state, from 1982.

Figure 7, from Green and Malpezzi (2003), demonstrates that as in many other countries, richer American renters pay lower fractions of their income on rent. That is, rents rise with incomes, but less than proportionately (Whitehead 1999). Extensive multivariate analysis has confirmed this (see for example Mayo 1981). Implications for affordability and its measurement are discussed in Quigley and Raphael (2004).

### **Current and Prospective Policy Environment**

It can be argued that the the relative stability of rents, and the general sense that the U.S. rental market works reasonably well, can mask some important policy channels in both the near and long term. As of this writing, the recovery from the 2007-2009 recession remains disappointingly slow, with GDP growth well below typical performance in the recovery period and unemployment at 9 percent well into the nominal recovery, high levels of debt and continued overhang of mortgages in default and foreclosure.

In this environment, the private rented sector is not an especially hot political topic in the U.S. per se – the owner-occupied market, employment, and fiscal and monetary policies are much more at the forefront. To some extent this misses the fact that the boom and bust in

asset prices and the high level of foreclosures affect the rental market as well as owner-occupied, but most debate is focused on the owner-occupied sector.

As Congress and the administration battle over deficit reduction, there is a real probability that on-budget spending on housing vouchers will be cut back as part of the required fiscal tightening.

In general, despite the pride of place given home ownership as part of “the American Dream,” in the U.S. the private rental market continues to play an important role, housing roughly a third of the population. The U.S. private rental sector has not been seen as a residual sector per se. Most poor people rent, but most renters are not poor.

Overall, the U.S. private rental market performs fairly well. But the U.S. can do better. Exclusionary zoning, restrictions on conversion of houses to apartments, and other impediments to low cost rental are particular areas of concern.

It is worth reminding ourselves of the limits of policy. In market economies like the U.S. government policies have important effects, but the market itself is the major determinant of how well people are housed. With a proper regulatory environment in place, ensuring elastic supply, housing conditions will improve *pari passu* with incomes and the state of the economy generally. Economic development is the most effective way of improving housing conditions in all countries (Malpezzi 1990). To a considerable degree, what is good for the economy is better for housing.

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**Table 1: U.S. Households, by Housing Tenure**

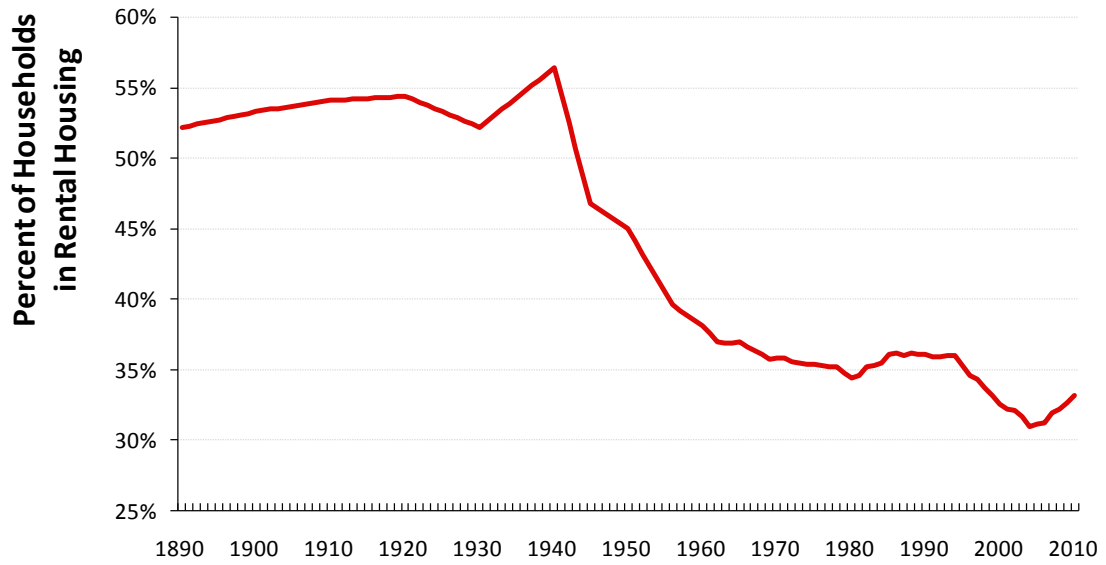
	1950	1960	1970	1980	1990	2000	2009
<b>Homeowners</b>							
N (in thousands)	23,955	32,683	40,595	53,350	59,649	70,571	78,951
Percent	55.0%	61.9%	64.2%	65.6%	63.9%	67.4%	67.4%
<b>Renters</b>							
N (in thousands)	19,599	20,116	22,806	27,416	33,698	34,134	38,230
Percent	45.0%	38.1%	35.8%	34.4%	36.1%	32.6%	32.6%
<i>Of which public housing</i>							
N (in thousands)	170	478	894	1,196	1,391	1,273	1,160
Percent of rental	0.9%	2.4%	3.9%	4.4%	4.1%	3.7%	3.0%
Percent of all households	0.4%	0.9%	1.4%	1.5%	1.5%	1.2%	1.0%
<i>Of which Section 42 LIHTC</i>							
N (in thousands)	Nil	Nil	Nil	Nil	316	1,129	1,724
Percent of rental					0.9%	3.3%	4.5%
Percent of all households					0.3%	1.1%	1.5%
<i>Of which vouchers/certificates</i>							
N (in thousands)	Nil	Nil	Nil	625	1,213	1,510	2,282
Percent of rental				2.3%	3.6%	4.4%	6.0%
Percent of all households				0.8%	1.3%	1.4%	1.9%
<i>Of which other rent subsidized</i>							
N (in thousands)							2,107
Percent of rental							5.5%
Percent of all households							1.8%
Note that some units/households can participate in more than one program (e.g. a voucher in a Section 42 unit).							
Sources: Decennial Censuses, American Housing Surveys, U.S. Department of Housing and Urban Development National Council of State Housing Authorities, Center for Budget and Policy Priorities, Schwartz (2010).							



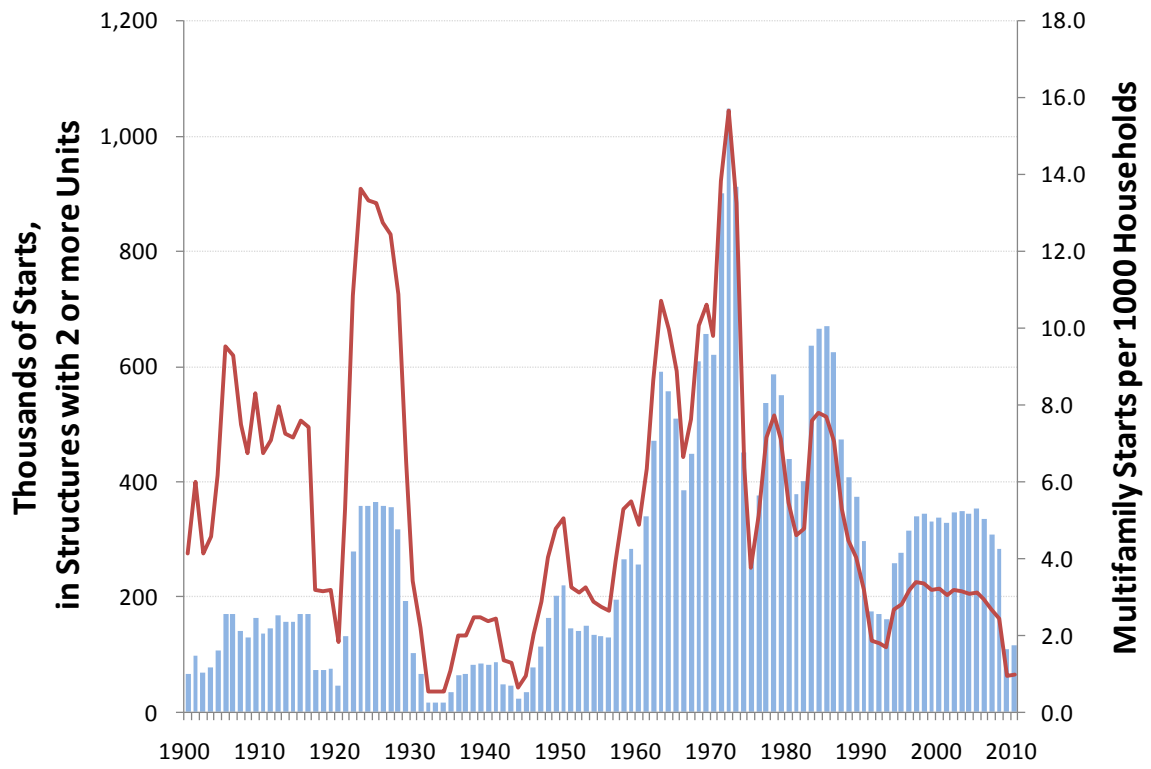
**Table 2: Occupied Housing Units by Structure and Tenure (1000s)**

			<b>Occupied</b>	
	<b>Owners</b>	<b>Renters</b>	<b>Without Rent</b>	<b>Total</b>
Single Family	67,246	10,556	1,179	78,981
Duplex	763	3,035	73	3,871
3 to 4 Units	575	3,733	75	4,383
5 to 9 Units	611	4,525	51	5,187
10 to 19 Units	466	4,095	41	4,602
20 to 49 Units	504	3,089	28	3,621
50 + Units	776	3,255	50	4,081
Mobile Homes	5,386	1,177	244	6,807
Other	138	160	13	311
<b>Total</b>	<b>76,465</b>	<b>33,625</b>	<b>1,754</b>	<b>111,844</b>
Source: 2009 American Housing Survey				

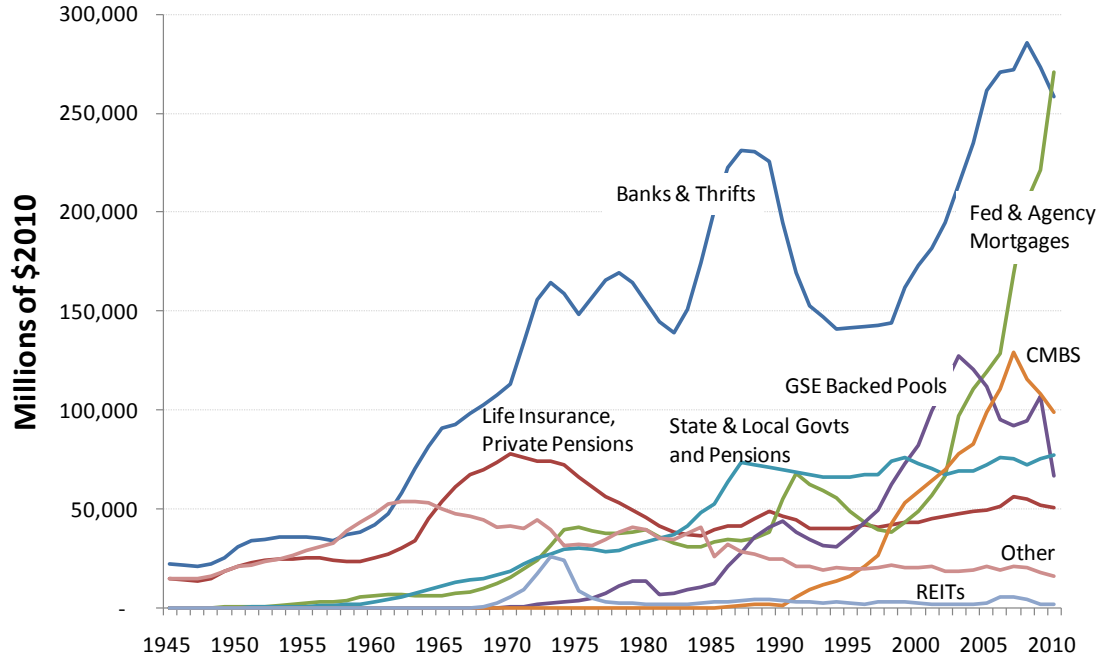
## Percent of U.S. Households Renting 1890-2010



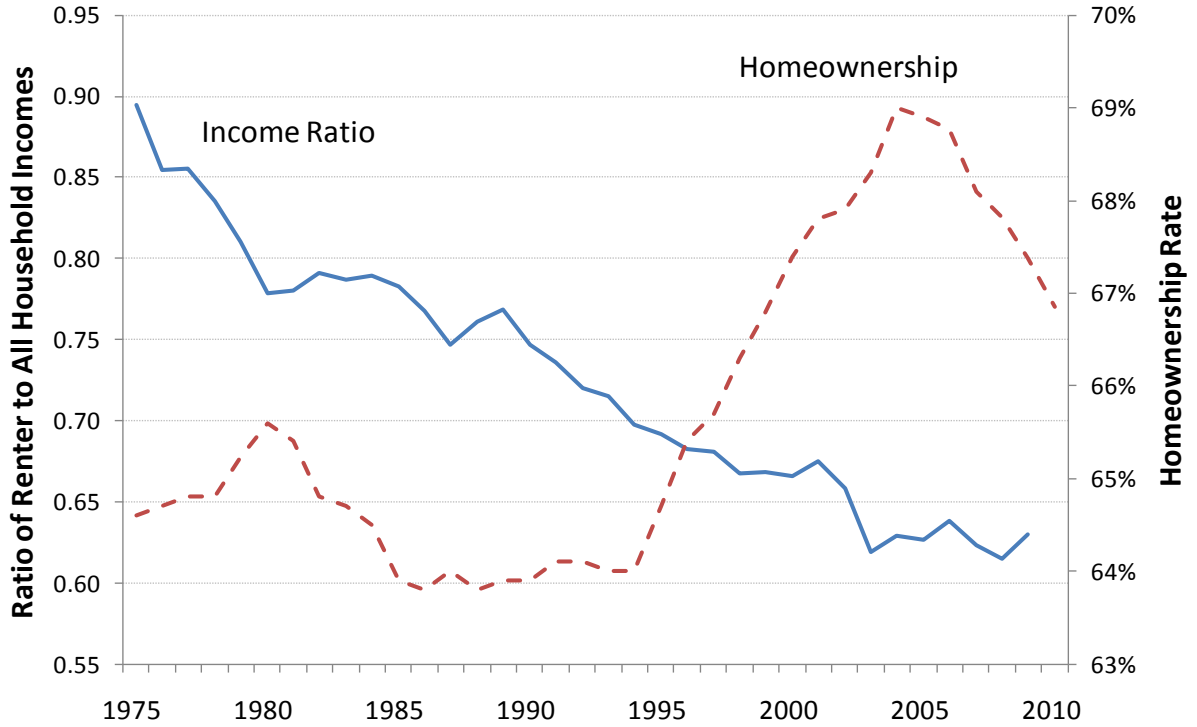
## Multifamily Housing Starts, 1900 to 2010



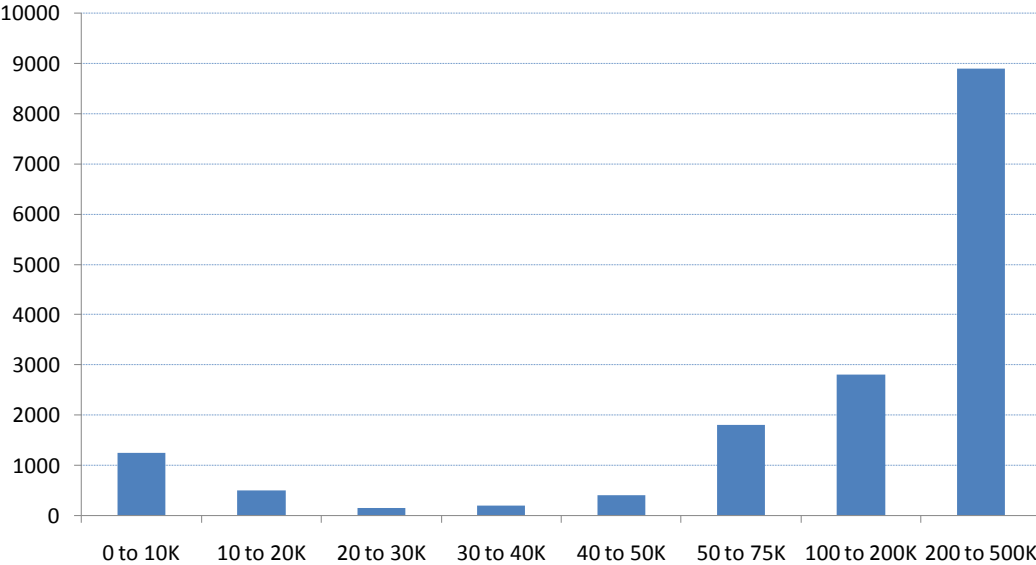
## Real Value of Multifamily Mortgages Outstanding by Lender



## Ratio of Joint Center Median Renter Incomes to Census Median Household Incomes

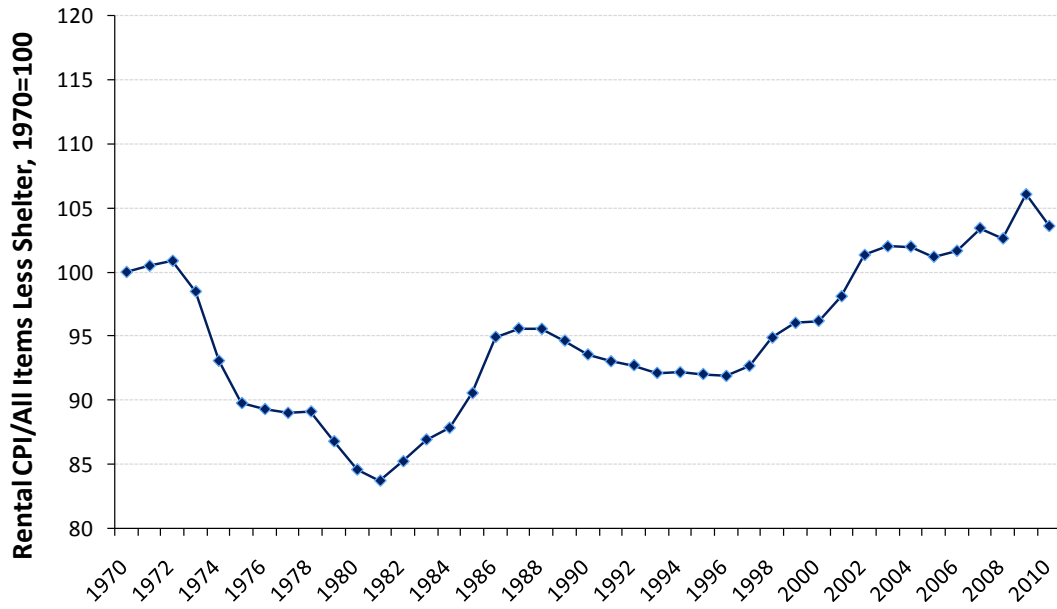


# Average annual Federal housing benefits (subsidy and tax expenditure) by total household income

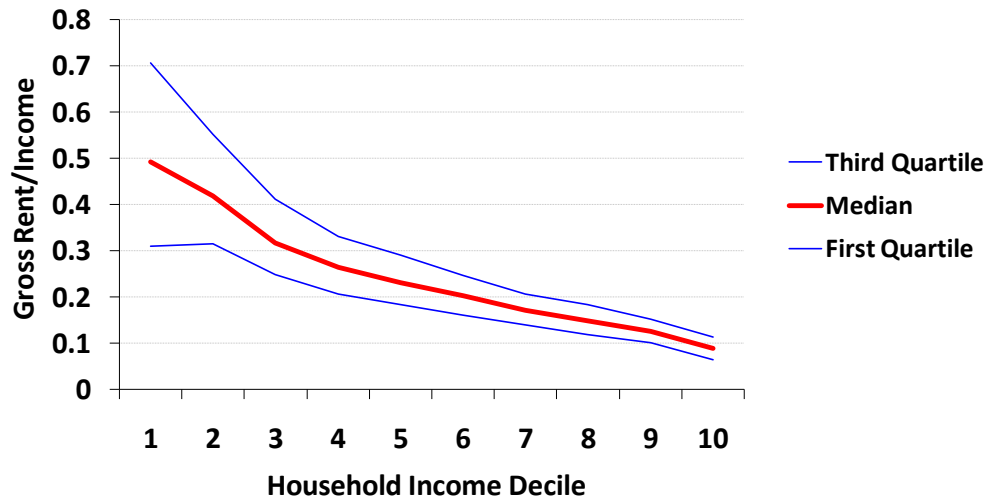


Source: Carasso, Steuerle and Bell, 2005  
Excludes elderly households. Unconditional means (households not receiving subsidies assigned 0).

## Real Rental Index, 1970-2010



# Housing Expenditure: Rent-to-Income Ratios, by Income Decile (Renters)



Source: 1993 American Housing Survey