

The Quiet Crisis of Heirs' Property:

An Interview with Peter A. Tatian

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The Heirs' Property Issue

A growing yet often overlooked problem is quietly emerging within the U.S. housing market — the issue of “heirs’ property”. The term refers to real estate that has been passed down informally from one generation to the next without proper documentation. As a result, the ownership rights become ambiguous. These properties, inherited over multiple generations, create uncertainty within communities and negatively impact the stability of the broader housing finance system.

This issue is particularly prevalent among low-income households and minority communities, where informal inheritance arrangements can make property management and taxation more difficult, constraining the ability to build generational wealth. The problem has grown to such an extent that it was included as a key discussion topic at a conference hosted by the Federal Reserve Bank (FRB) in Cleveland, Ohio, in June 2025 — signaling its emergence as a pressing socio-economic concern that can no longer be ignored.

Washington CORE spoke with Peter A. Tatian, a senior fellow at the Urban Institute and U.S. housing policy expert, to learn how heirs’ property situations develop, why they persist, and what solutions might help families living on such properties to protect their home ownership rights.

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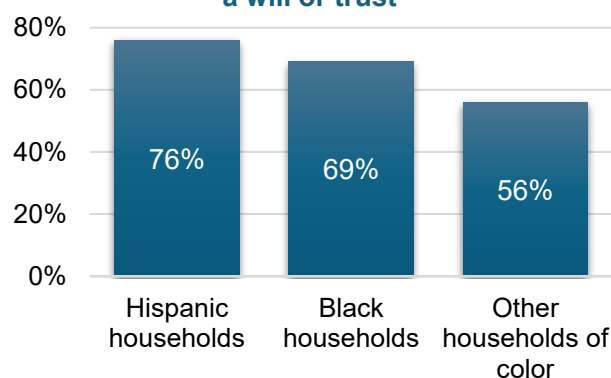
https://www.srs.fs.usda.gov/pubs/gtr/gtr_srs244.pdf

The Impact of Heirs’ Property on Wealth Building

An “heirs’ property” situation occurs when a property owner dies without a will. Instead of one clear successor, several individuals may gain indivisible shares in the land or home. This is sometimes also called a “tangled title.” Families stuck in this situation face unstable and insecure ownership, which exposes them to risks like tax foreclosure, partition sales, and land speculation.

Tatian traces the issue back to the post–Civil War period. In the U.S., where racial discrimination and social prejudice persisted for decades, many Black families feared that their ownership rights might be stripped away. As a result, they often avoided publicly recording property titles or preparing formal wills. That legacy heirs’ property problem persists today, particularly among Black, Hispanic, and low-income households¹.

Percentage of households without a will or trust



Source: Urban Institute²

The proof is in the numbers: Urban Institute analysis² from 2024 found that 76% of

² https://www.urban.org/sites/default/files/2024-10/Final_Propective_Heirs_Property_among_Older_Homeowners.pdf



Hispanic households, 69% of Black households, and 56% of other households of color do not have wills or trusts, and about 3.8% of all real estate owned by older households nationwide may be heirs' property.

Homeownership holds profound economic significance in the U.S. Whereas wealthy families may hold most of their assets outside real estate, for average families – and especially low-income ones – a home is often the only significant asset they can use to build and pass down wealth. However, when land ownership is muddled through heirs' property, that potential is lost. It is estimated that approximately \$243 billion in real estate assets are effectively “frozen” in heirs' property, locked out of credit markets.

A Burden That Spans Generations

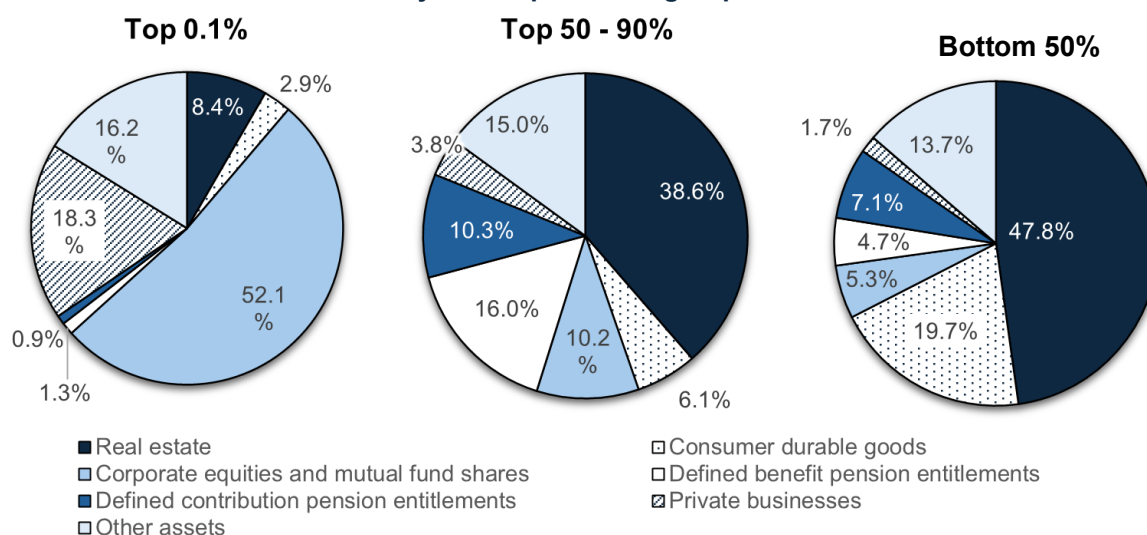
Although long-owned heirs' properties tend

to be free of mortgage debt, they face a substantial burden from property taxes, since ownership is divided and responsibility is unclear. Unpaid taxes can lead to seizure and loss, making this one of the most common pathways by which families lose heirs' property.

Only recently have local initiatives and new research made it widely known that heirs' property is not merely a household concern but a broader challenge affecting communities, particularly those composed of minority and low-income populations. This rising awareness has increased public and policy discussion of the matter.

The existence of large amounts of heirs' property negatively impacts the housing shortage, although Tatian says it is difficult to quantify the effect. Land that is tied up in unclear ownership amongst multiple parties is very difficult to redevelop or sell and is not

Assets by wealth percentile group in 2025 Q2



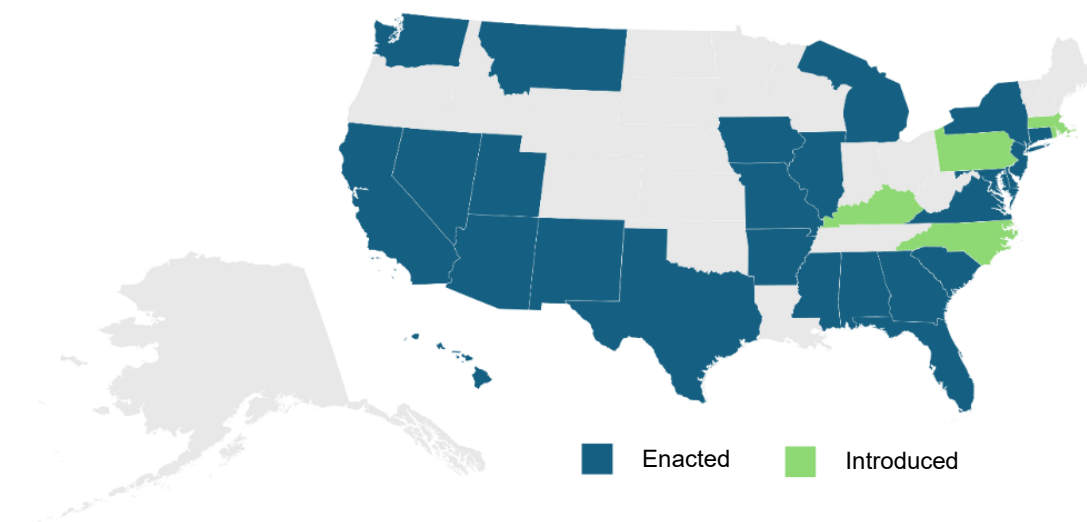
Source: FRB³

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<https://www.federalreserve.gov/releases/z1/dataviz/dfa/compare/chart/>



Enactment map of UHPA



Source: Uniform Law Commission⁴

eligible for government housing assistance programs without a clear title. The typical result is that the land sits idle, and unavailable for new housing construction that might ease the supply shortage.

Heirs' Property Challenges Left to States and Local Governments

Tatian emphasizes that heirs' property is fundamentally a state and local issue. Land title, inheritance laws, and property taxation all fall under local jurisdiction. While there have been some national initiatives, systemic reform has yet to happen at the state, county, or city level. That makes solutions fragmented and uneven.

One of the most important legal reforms for addressing this issue is the Uniform Partition of Heirs Property Act (UPHPA). Drafted by the National Conference of Commissioners on Uniform State Laws, this model legislation

aims to prevent speculative land acquisitions and ensure fair valuation. It introduces protections such as notice requirements, appraisals, right of first refusal, and court-supervised sales. These measures help protect families by preventing situations where a single co-owner could unilaterally force a sale, allowing speculators to acquire property cheaply.

As of now, 23 states plus DC have adopted the UHPA. The fact that passage has not yet occurred in the other states is due more to inertia and lack of awareness than outright opposition. Still, Tatian notes that legal protections are not a panacea. Families without resources to hire lawyers remain vulnerable even under the UHPA. Additionally, more education on the issue is needed for judges, lawyers, and communities to ensure the law is properly understood and enforced.

⁴ <https://www.uniformlaws.org/committees/community-home?CommunityKey=50724584-e808-4255-bc5d-8ea4e588371d>



The Roles of Technology, Community, and Family

Tatian is cautiously optimistic that the use of tools such as mapping technology, satellite imagery, and potentially AI could improve property record-keeping and help better track family connections. However, progress will not be easy as local land systems are outdated and incapable of recording dozens of owners, which exist for many properties.

Ultimately, while technology can assist, this is still a human-driven issue requiring genealogical research, community organizing, and advocacy on the ground. Developers sometimes do genealogical research on heirs' property because they want to acquire land cheaply. At the same time, community organizers and advocacy groups are working to help families retain rights and prevent

families retain rights and prevent wealth from being stripped away. In eastern Appalachia for example, grassroots groups have established the Appalachian Heirs' Property Center program to provide free legal and land utilization/forest management technical assistance for heirs' property owners in Eastern Kentucky and southern West Virginia⁶. Heirs' property can be very stressful for families. Divided ownership often pits siblings and cousins against one another, especially across generations. Without wills or trusts, property can become a flashpoint for disputes. Tatian argues that the solution lies in legacy planning. Families need legal and community support to manage property effectively. But very few professionals specialize in heirs' property, making good guidance hard to find⁷.

A seminar on heirs' property hosted by an eastern Appalachia community group



Source: Center for Heirs' Property⁵

A Pathway to Addressing Housing Challenges

Tatian warns that heirs' property can be especially vulnerable to speculative buyers, including overseas investors. Properties are sometimes marketed internationally, with little clarity about ownership. Families risk losing land to outside speculation.

While local governments and community organizers will continue to lead on heirs' property issues, national action would be helpful in the form of more model laws, federal grants, and estate-planning

⁵ <https://www.heirsproperty.org/events/>

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<https://www.likenknowledge.org/projects/appalachian-heirs-property-center>

⁷ <https://www.likenknowledge.org/projects/appalachian-heirs-property-center>



programs. In these uncertain political times however, it is difficult to predict what can be achieved on the national policy level and when.

Heirs' property is both a historical injustice and a present-day economic challenge. It undermines wealth building, worsens the housing shortage, and fuels inequality. Yet it could be solved with clearer laws, better data, stronger community support, and political will.

Addressing the heirs' property issue may also provide a pathway to greater engagement in a healthy housing finance

market and could serve as a breakthrough in tackling challenges within the affordable housing sector.



Peter A. Tatian is a senior fellow at the Urban Institute and research director for Urban–Greater DC. He is an expert on U.S. housing policy, particularly in the areas of housing assistance and affordable housing preservation. He advises nonprofits on performance management and evaluation and heads Urban's work providing technical assistance on data collection and use to grantees of the U.S. Department of Education's Promise Neighborhoods initiative.

Tatian directed the evaluation of the National Foreclosure Mitigation Counseling program, which has provided counseling services to more than 1 million troubled homeowners. He has also studied the impacts of public and supportive housing on neighborhoods and has worked on housing policy reform in eastern Europe and the former Soviet Union.

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