Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Sub agency Originating Request:
U.S. Department of Housing and Urban Development
Office of Policy Development and Research

2. OMB Control Number:
a. **2528-0013** b. ☐ None

3. Type of information collection: (check one)
- a. ☐ New Collection
- b. ☒ Revision of a currently approved collection
- c. ☐ Extension of a currently approved collection
- d. ☐ Reinstatement, **without change**, of previously approved collection for which approval has expired
- e. ☐ Reinstatement, **with change**, of previously approved collection for which approval has expired
- f. ☐ Existing collection in use without an OMB control number

For b-f, note item A2 of Supporting Statement instructions.

4. Type of review requested: (check one)
- a. ☐ Regular
- b. ☐ Emergency - Approval requested by
- c. ☐ Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?
☐ Yes ☐ No

6. Requested expiration date:
a. ☐ Three years form approval date b. ☐ Other (specify)

7. Title:
Survey of Market Absorption of New Apartment Buildings

8. Agency form number(s): (if applicable)
H-31 (Questionnaire), SOMA-1 (Introductory Letter)

9. Keywords:
Housing, Rental Apartments, Condominiums

10. Abstract:
The Department of Housing and Urban Development conducts this survey in order to determine if the supply of rental housing is keeping pace with current and future needs. Additional information such as asking rent (or price for condominium units) and number of bedrooms is also collected. We also ask the availability of services in "assisted living" buildings.

11. Affected public: (mark primary with "P" and all others that apply with "X")
- a. Individuals or households
- b. **P** Business or other for-profit
- c. Not-for-profit institutions
- e. Farms
- f. Federal Government
- g. State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")
- a. **P** Voluntary
- b. Required to obtain or retain benefits
- c. Mandatory

13. Annual reporting and recordkeeping hour burden:

a. Number of respondents	12,000
b. Total annual responses	36,000
Percentage of these responses collected electronically	0%
c. Total annual hours requested	4,200
d. Current OMB inventory	7,500
e. Difference (+,-)	-3,300
f. Explanation of difference:	
1. Program change:	
2. Adjustment:	-3,300

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)

a. Total annualized capital/startup costs	$0.00
b. Total annual costs (O&M)	$0.00
c. Total annualized cost requested	$0.00
d. Total annual cost requested	$0.00
e. Current OMB inventory	$0.00
f. Explanation of difference:	
1. Program change:	
2. Adjustment:	

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")
- a. Application for benefits
- b. Program evaluation
- c. **P** General purpose statistics
- d. Audit
- e. **X** Program planning or management
- f. Research
- g. Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)
- a. ☐ Recordkeeping
- b. ☐ Third party disclosure
- b. ☐ Reporting:
  - 1. ☐ On occasion
  - 2. ☐ Weekly
  - 3. ☒ Monthly
  - 4. ☐ Quarterly
  - 5. ☐ Semi-annually
  - 6. ☐ Annually
  - 7. ☐ Bi-annually
  - 8. ☐ Other (describe)

17. Statistical methods:
Does this information collection employ statistical methods?
☐ Yes ☐ No

18. Agency contact: (person who can best answer questions regarding the content of this submission)
Name: Ronald J. Sepanik
Phone: 202-402-5887

19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

Note: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3). appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:	Date:
X____________________ Darlene F. Williams, Assistant Secretary, Office of Policy Development and Research	

Signature of Senior Officer or Designee:	Date:
X____________________ Wayne Eddins, Departmental Reports Management Officer, Office of the Chief Information Officer	

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This survey provides the data necessary to measure the rate at which different types of new rental apartments and new condominium apartments are absorbed, that is, taken off the market, usually by being rented or sold, over the course of the first twelve months following completion of a building. The data is collected at quarterly intervals until the twelve months expire or until the units in a building are completely absorbed.

The survey also provides estimates of the characteristics of apartments being absorbed, and provides a basis for analyzing the degree to which apartment-building activity is meeting the present and future needs of the public.

Data are collected under Title 12, U.S.C. Sec. 1701Z-1 and 2.

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Data from this survey enable the Department of Housing and Urban Development to analyze the characteristics, location, and rents or prices of newly completed multi-family rental and condominium units and to assess how quickly they are being absorbed (rented or bought) by the market. Data are useful as a barometer of demand for new rental units (particularly in the local market areas for which data are provided via the internet), since the absorption rates indicate the relative tightness or looseness of rental markets. The data may be used to address the adequacy of the supply of the rental housing stock.

The Federal Reserve Board uses the data to compare asking rents for rental properties with data on monthly mortgage payments. The Board also uses the data as an indicator of strength of demand for different types of new rental units, and as a measure of volume of non-subsidized, privately financed units being completed.

These data have been used by the Fiscal Analysis Division of the Congressional Budget Office, the Council of Economic Advisors, and the Office of Thrift Supervision as well as many other public and private entities for such purposes as analysis of the rental housing market and forecasting future trends.

Consequences to Federal programs or to Federal policy if the collection of this information were not conducted would be to limit analysis of the overall housing situation.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

This survey is conducted by the Census Bureau which may initiate development of alternative, hand-held, automated information collection. That initiative is conditional on funding.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

After a review of other surveys taken by the Census Bureau, including the Survey of Construction, the American Housing Survey, the Current Population Survey, and the Housing Vacancy Survey, we have determined that no information collected by the Census Bureau can provide the absorption information for new multi-unit buildings that is produced by SOMA. In addition, no other source outside the Census Bureau, either public or private, has been identified that provides the information available from this survey.

There is no similar information available at the national, regional, or, in most cases, even at the local level that could be used or modified for use for the purposes described.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.

The SOMA collects information for all units in newly completed apartment buildings via a personal initial interview three months following completion. Subsequent interviews for apartments not rented or sold within three months, if any, are conducted by telephone whenever possible.

The survey uses the Census Bureau's Survey of Construction (SOC) as its universe and is, in effect, a follow-on to SOC. As much information as possible is taken from SOC and verified by the interviewer rather than reasked. If more than one building is in sample for a given respondent, information that is consistent across buildings is transcribed by the interviewer rather than asked.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The data are collected quarterly for each building until a building is completely absorbed, with the first interview for each building occurring 3 months after completion. If necessary, additional interviews are conducted at 6, 9, and 12 months. A less frequent collection schedule would alter the basis for analysis, affect data comparability, and might introduce bias into the results.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
   - requiring respondents to report information to the agency more than quarterly;
   - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
   - requiring respondents to submit more than an original and two copies of any document;
   - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
   - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
   - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
   - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
   - requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no special circumstances mentioned above that apply to this information collection.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.
   - Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.
   - Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.

A request for comments was filed by the Department of Housing and Urban Development in the Federal Register (Volume 72, Number 57) on March 26, 2007. The presubmission public comment period expired May 25, 2007. One public comment was received from the notice in the Federal Register from David A. Crowe of the National Association of Home Builders. He expressed support for full continuation of the survey in its present format. This data collection is a continuing survey initiated in 1970. Prior to and during 1970-71, frequent consultations were held among representatives of the Department of Housing Development (HUD), the Census Bureau, and persons from outside the agencies. Currently, consultations occur on a frequent but irregular basis between officials of the two agencies. Discussions are periodically held with members of the Housing Statistics Users Group on the status of SOMA. This group is compromised of private sector organizations that use housing data. Comments are also welcome from survey respondents and are given careful consideration, as are those from other representatives of the user community.

a. Consultations

Consultations occur between and among the following persons on a continuing basis:

Ronald Sepanik
Office of Policy Development and Research
Department of Housing and Urban Development
Phone: 202-402-5887

David S. Johnson/Arthur R. Cresce, Jr.
Housing and Household Economic Statistics Division
Bureau of the Census
Phone: 301-763-6443

Howard Savage/Alan Friedman
Housing and Household Economic Statistics Division
Financial Market and Characteristics Branch
Bureau of the Census
Phone: 301-763-3199

Dennis Schwanz
Longitudinal Surveys Branch
Demographic Statistical Methods Division
Bureau of the Census
Phone: 301-763-1984

b. Problems

There are no unresolved problems.

c. Comments

Comments are received by the Census Bureau from respondents through their field staff. Other comments are received by mail or telephone from data users. Comments are received from members of the Housing Statistics Users Group at their meetings when this topic is part of the agenda.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Respondents are not paid or otherwise rewarded.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

The Census Bureau in collecting these data is in compliance with Title 13 USC, the Privacy Act of 1974 and OMB Circular A-108 and do assure confidentiality. The Census Bureau provides an advance letter which appraises the respondent of the voluntary nature of this survey, indicates the estimated average burden hours per response, provides the addresses of the agency to which any comments on the accuracy of the estimate and suggestions for reducing the burden may be addressed, and states that there are no penalties for failure to answer any question. As part of the introduction, the interviewer will provide a copy of the letter and allow sufficient time for the respondent to read the contents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No questions of a sensitive nature are included in the collection.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;
- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

For buildings completed each month, with 5-or-more housing units in the Census Bureau's Survey of Construction (SOC), an initial collection of information is conducted. The number of respondents is approximately 1,000 per month. A maximum of 3 subsequent quarterly interviews may be conducted for those properties with units still not absorbed into the market to determine the number and type of units remaining on the market.

The time required, for the initial and subsequent interviews combined, averages 7 minutes (0.1167 hours.)

1,000 initial interviews per month X 12 = 12,000 Subsequent interviews (maximum of 3 per property)

Respondents	Average Frequency of Interviews	Average Total Responses	Average Hours per Response	Annual Burden Hours
12,000	3.00	36,000	0.1167	4,200

Average Hourly Wage of Respondents *	Annual Burden Hours	Annual Burden Cost	Average Cost per Response **
$22.76	4,200	$95,592	$2.66

***** Source**:** Bureau of Labor Statistics National Compensation Survey; item, wage data for Managers of Properties and Real Estate.
****** "Average Hours per Response" times "Average Hourly Wage of Respondents" equals "Average Cost per Response".

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).
    - The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
    - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
    - generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

    Since the data used to respond to the survey questionnaire are derived from the property managers' normal business records, there are no costs to respondents other than that of their time to respond.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

    The total cost to the Federal Government of the continuation of the survey, estimated at $800,000 for FY 2008, is borne by HUD. The cost estimate is wholly for operation and maintenance; there is no "start-up" cost as the survey has been conducted continuously for over 30 years. As noted in item 3, if we feel that going to a hand-held survey instrument will improve data quality, we will have a large start-up cost if HUD agrees to fund it. However, that is not an issue at this point.

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

    The change in the burden estimate is a result of a recalculation of the average number of total responses and the average time to complete the average number of questionnaires.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

    Each month the data are keyed as soon as the questionnaires are returned by the interviewers. After the last month of each quarter, the data are tabulated, the results are posted on the internet, and the report is prepared for printing.

    Publications are issued through a joint Census-HUD publication of the specific tabulations or condensation of tabulations with explanatory text. The survey produces four quarterly reports which present data on the time it takes to rent or sell new apartments completed in a quarter by showing percents absorbed at 3-, 6-, 9-, and 12-month intervals following completion of the units. The quarterly reports are issued no later than the 4th week of March, June, September, and December.

Also produced is an annual report which provides similar data for the calendar year for which 12-month absorption figures are available. Publication of this report is scheduled for April.

A second annual report provides data on characteristics of apartments completed in the most recent calendar year. Publication of this report is scheduled for July.

Summary tables are available on the internet at http://www.Census.gov on or about the 15th of March, June, September, and December. The annual data are also posted to the internet as well as estimates of absorption rates for selected metropolitan areas.

Publications are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Special reports based on data from the survey may be prepared as required.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in item 19.

None

B. Collections of Information Employing Statistical Methods

1. Universe and Respondent Selection

Each month from the universe of all newly constructed buildings with five or more housing units the Census Bureau selects a sample for its Survey of Construction (SOC) data collection process. For the SOC, the United States is first divided into primary sampling units (PSUs), which are stratified based on population and building permits. The PSUs to be used for the survey are then randomly selected from each stratum. Next, a sample of geographic locations that issue permits is chosen within each of the selected PSUs. Finally, all newly constructed buildings with five or more units within sampled places as well as a sub sample of buildings with one to four units are selected for the SOC sample.

Each quarter, a random sample of newly completed buildings with five or more housing units in the SOC sample, that were reported as completed during that quarter, are selected as the Survey of Market Absorption of Apartments (SOMA) sample. If there are more than 1,000 buildings completed in a month, a sub sample of no more than 1,000 newly constructed buildings with five or more housing units is randomly selected for the SOMA survey.

2. Procedures for Collecting Information,

Information on the proportion of units rented or sold (absorbed) 3, 6, 9, and 12 months after completion is obtained for units in each of the buildings selected in a given quarter for each of the next four quarters. For example, each building in the sample which is completed in any given month is surveyed at the end of each of the next four quarters or until all the units in the building have been absorbed, which ever comes first. Questionnaires for the selected properties are prepared and provided to regular Census Bureau interviewers for information collection.

Unbiased quarterly estimates are formed by multiplying the counts for each building by its base weight (the inverse of its probability of selection) and then summing over all buildings. The final estimate is then obtained by multiplying the unbiased estimate by a ratio estimate factor. The desired degree of accuracy is that the estimated apartment absorption rate should have a 90% confidence interval of 5 percentage-points or less.

3. Methods to Maximize Response

The response rate over the past several years in which the SOMA survey has been conducted has been above 95 percent and is expected to remain at that level. Due to the high response rate, only normal data collection procedures are followed for non response cases, i.e., supervisory personnel contact reluctant respondents to obtain the data.

4. Testing of Procedures

Discussions have been held about changing the method of data collection from paper questionnaires to computer-assisted survey information collection (CASIC). If such a change occurs, testing of the new data collection method will take place.

5. Contacts for Statistical Aspects and Data Collection

The individuals to contact are:

Henry Tow
Housing and Health Surveys Branch
Field Division
Bureau of the Census
Phone: 301-763-4879

Howard A. Savage
Financial & Market Characteristics Branch
Housing and Household Economic Statistics Division
Bureau of the Census
Phone: 301-763-3199

Dennis J. Schwanz
Longitudinal Surveys Branch
Demographic Statistical Methods Division
Bureau of the Census
Phone: 301-763-1984