

REVISED

Supporting Statement for Paperwork Reduction Act Submission for the Survey of Market Absorption of New Apartment Buildings (SOMA)

A. Justification

1. Necessity of Data Collection

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.

The survey asks questions about subsidized housing, age-restricted units, and assistance provided to those individuals. Retirement homes that are group quarters are not included in the survey.

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

2. Needs and Uses

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 nonsubsidized, 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. Use of Information Technology

SOMA is conducted solely through use of a paper questionnaire. Field representatives contact an owner, builder, rental agent, sales agent, or someone associated with the properties, for their initial "in person" interview. Follow-up interviews are conducted at 3, 6, 9 and 12 month intervals at sample properties that were completed (built) in a given quarter. These subsequent interviews should be made by telephone if possible. These responses are then keyed and data files are created at Census' National Processing Center. The files are then transmitted to Census Headquarters staff where sampling weights are derived, weighted tabulations are developed, and reports and analysis are prepared. Quarterly and annual reports are prepared by Headquarters staff, and are released solely on the internet.

4. Efforts to Identify Duplication

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. Minimizing Burden

The Survey of Market Absorption (SOMA) is a survey of recently completed multifamily structures of 5 or more housing units that provides estimates of how many units are occupied (absorbed) within the first year after the structure was completed. SOMA experiences significant cost efficiencies because multifamily properties in the SOMA sample are selected from an already existing sample survey, the Survey of Construction (SOC), which collects data on permits issued for new private residential construction only.

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 re-asked. 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.

The Census Bureau's Manufacturing and Construction Division (MCD) provides SOC files of completed units (5 or more) to HHES on a quarterly basis to create the SOMA sampling frame. There is no overlap in the types of data collected in SOMA.

6. Consequences of Less Frequent Collection

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. Special Circumstances

There are no special circumstances.

8. Consultations Outside the Agency

The notice to continue with the survey was published in the Federal Register on October 26, 2010.

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 as needed between officials of the two agencies. Discussions are held periodically with members of the Housing Statistics Users Group on the status of SOMA. This group is comprised of trade and 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 as the need arises:

Kurt Usowski
Office of Policy Development and Research
Department of Housing and Urban Development
Phone: (202) 402-5899

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

Robert R. Callis/George T. Boyd
Social, Economic and Housing Statistics Division
Financial Market and Characteristics Branch
Bureau of the Census
Phone: (301) 763-3199

Aref N. Dejadi
Longitudinal Surveys Branch
Demographic Statistical Methods Division
Bureau of the Census
Phone: (301)763-1797

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. Paying Respondents

Respondents are not paid or otherwise rewarded.

10. Assurance of Confidentiality

The Census Bureau collects these data in compliance with the Privacy Act of 1974 and OMB Circular A-108. 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.

Title 12 Section 1701-Z-1 of the US Code gives HUD the authority to fund surveys and Title 42 Section 5424 gives HUD the authority to collect data or contract out for data collection. Title 13 Section 8(b) gives Census the authority to collect data and protects the confidentiality of that data.

Title 13 Section 8(b): Subject to the limitations contained in sections 6(c) and 9 of this title, the Secretary may furnish copies of tabulations and other statistical materials which do not disclose the information reported by, or on behalf of, any particular respondent, and may make special statistical compilations and surveys, for departments, agencies, and establishments of the Federal Government, the government of the District of Columbia, the government of any possession or area (including political subdivisions thereof) referred to in section 191(a) of this title, State or local agencies, or other public and private persons and agencies, upon payment of the actual or estimated cost of such work. In the case of nonprofit agencies or organizations, the Secretary may engage in joint statistical projects, the purpose of which are otherwise authorized by law, but only if the cost of such projects are shared equitably, as determined by the Secretary.

The SOMA survey is conducted under Title 13 and the

confidentiality of the data is therefore protected. SOMA data is released in aggregated form and must be reviewed by Census' Disclosure Review Board (DRB) before it is released. A person who wants to have access to Census' internal file of SOMA data must have special sworn status, must conduct their research at a Census Research Data Center (RDC), and must have their data approved by the DRB before it is removed from the RDC. HUD's GTR for SOMA, has special sworn status at Census, takes Title 13 training, and is therefore fully aware of the how the confidentiality of the data is protected.

11. Justification for Sensitive Questions

The questionnaire does not include any questions of a sensitive nature.

12. Estimate of Hour Burden

In each of 12 months, buildings completed with 5 or more housing units in the Census Bureau's Survey of Construction (SOC) are selected and an initial interview conducted. The number of respondents may vary from month to month since a single respondent may be asked to reply for more than one building. The number of new buildings in sample each month averages fewer than 1,000 (in recent years there have been fewer than 500 per month).

After the initial interview, subsequent interviews will be conducted only for buildings which have not been completely absorbed, and will determine only the number and types of units remaining for rent or sale.

The burden for initial and subsequent interviews at a particular building averages 20 minutes (.33 hours), for a maximum estimated burden of 4,000 hours (12,000 interviews x 20 minutes) per year.

13. Estimate of Cost Burden

There are no costs to respondents other than that of their time to respond.

14. Cost to Federal Government

The total cost to the Federal Government of the continuation of the survey, estimated at \$943,000 for FY 2011, is borne by HUD.

15. Reason for Change in Burden

There is no change in the respondent burden estimate since the last submission. The time to conduct any interview has not changed. The number of new buildings is fewer at present, but that can change.

17. Project Schedule

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. There are no longer any printed reports.

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 about 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. Completion of this report is scheduled each April.

A second annual report provides data on characteristics of apartments completed in the most recent calendar year. Completion 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.

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

18. Request to Not Display Expiration Date

No such permission is requested.

19. Exceptions to the Certification

There are no exceptions.