

Supporting Statement B

“Private Rental Survey”

OMB No. 1084-0033

B. Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When the question “Does this ICR contain surveys, censuses, or employ statistical methods?” is checked “Yes,” the following documentation should be included in Supporting Statement B to the extent that it applies to the methods proposed:

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

In each regional survey, the universe of potential rental properties does not include all rental properties in each region. Not all rental properties in a given community or region are eligible. Therefore, the potential rental market universe cannot be quantified, because for these purposes, eligible respondents includes only those rental properties in specific, primarily rural, communities that are: (1) most similar to that found in middle-income neighborhoods (e.g., housing next to a golf course or country club shall not be acceptable); (2) available on a year-round rental basis; (3) non-vacation/resort in nature and use; (4) where the monthly contract rental rate represents a fair market rental rate (no rent-reduction arrangements between landlord and tenant); and (5) have been rented at fair market rates within the previous 12 months, or have had their rental rates reconfirmed within the past 12 months, or are currently offered for rental. The contractor must make these determinations on a case-by-case basis.

If a particular sampled unit does not meet the contractual requirements, another rental comparable is selected instead. The contractor selects the unit to be sampled, and endeavors to meet the sample size requested in the sample plan since they are compensated by the number of comparables collected. Expected response rates are approximately 98%, since respondents are typically professional property managers and realtors.

The universe of respondents – the affected public – includes property managers, realtors (business or other for-profit institutions), property owners and tenants (individuals or households). Because IBC does not collect the type of respondent on Forms OS-2000 or OS-2001, we cannot accurately quantify which groups of the public are affected by the data collection. However, experience has shown that the large majority are property owners, property managers or realtors (business or other for-profit institutions), perhaps 95% of the respondent universe.

Since OS-2001 (Trailer Spaces) only collects the respondent address, there is no clear way to estimate which respondents were tenants and which were trailer park managers. However, experience has shown that the large majority are trailer park managers (employed by for-profit businesses), perhaps 95% of the respondent universe.

2012	No. of Individual Respondents	No. of Annual Responses	Est. No. of Business (For-Profit) Responses	Est. No. of Individuals / Household Responses
OS-2000	1,845	3,674	3,490	184
OS-2001	178	225	214	11
Total	1,950	3,899	3,704	195

2013	No. of Individual Respondents	No. of Annual Responses	Est. No. of Business (For-Profit) Responses	Est. No. of Individuals / Household Responses
OS-2000	643	1,132	1,075	57
OS-2001	85	201	191	10
Total	728	1,333	1,266	67

2. Describe the procedures for the collection of information including:
 - * Statistical methodology for stratification and sample selection,
 - * Estimation procedure,
 - * Degree of accuracy needed for the purpose described in the justification,
 - * Unusual problems requiring specialized sampling procedures, and

The IBC designs its sampling plan based on the actual inventory of Federal housing. The sample size in each community is based on the number of federally-owned housing units located in or near that community, stratified by the appropriate mix of houses, apartments, mobile homes and trailer pads. Thus, if the actual inventory of Federal units shows only houses using a particular community, then the sample plan won't ask the contractor to collect any apartment, mobile homes or trailer pad comparables. The

contractor selects the units to be sampled in each community according to the contract specifications.

One unusual problem that can occur is, due to the small rental market in many rural communities, the contractor may sample all rental units in the community, or all available units may not meet the sample size requirements in the sample plan.

Even if no rental units are found or surveyed in a particular community, this is unlikely to bias the rental pattern observed in the region as a whole. Overall rental rates are calculated from the regional responses in totality; local economic factors are taken into consideration as independent variables. The specific methodology for data collection is specified in the contract.

The specific methodology for analyses and statistical regression is described in each Regional Rental Survey. The outcome of the regression is a rent formula for houses, a formula for apartments, and a formula for mobile homes. The regression formula includes variables for square feet, bedrooms, bathrooms, age, and local community variables. There are also regression variables for general condition, garages, carports, air conditioning, and fireplaces.

- * Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

There are 15 survey regions and each must be surveyed at least once every five years, per OMB A-45, Section 7(d)(1). Currently, each region is surveyed once every four years. Past experience has shown that less frequent collection of data does not keep up with actual market rents, and causes more frequent employee rents appeals. More frequent collection of data keeps up with actual market rents, but is too costly to the Government.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.

The IBC's experienced contractors identify rental units from leads in newspaper listings and contacts with realtors. This method of sampling and collection has been used for nearly 30 years, so the parties are highly experienced and well-trained in dealing with non-response issues.

Realtors, rental unit managers and owners have generally been cooperative in supplying the information requested by our contractors. Non-response is rarely an issue in Regional Rental Market surveys. Even if no rental units are found or surveyed in a particular community, which has never happened, this is unlikely to bias the rental pattern observed in the region as a whole. Rental units must conform to the general market conditions in their community and region, or they could not be successfully rented.

Gathering data using the OMB Circular A-45 regional survey methodology allows greater efficiency and accuracy over the standard appraisal method, because the survey method has more data points for each individual assessment area than the appraisal method. In addition, the regional survey methodology is more cost effective than the appraisal method. IBC Quarters Program rent setting services averaged \$49 per housing unit in FY2013 and \$63 per housing unit in FY2014.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

The IBC Quarters Program's procedures and methods conform to OMB Circular A-45 (<http://www.whitehouse.gov/omb/circulars/a045/a045.aspx>) and have been used and refined since the early 1980s.

5. Provide the names and telephone numbers of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency. OMB-OIRA has produced a number of documents that may serve as useful reference material for completing Supporting Statement B. These can be found at http://www.whitehouse.gov/omb/inforeg_statpolicy.

Doug Pokorney is the DOI IBC Quarters Program Manager for this data collection activity, and he may be reached at 303-969-5050. Laura Walters (303-969-5696) is an alternate point of contact at the IBC regarding the analysis and statistical aspects of private rental market surveys.

Over the past several years, Delta-21 Resources, Inc., of Knoxville, Tennessee, has performed the IBC contract for collection of rental market data. The principal point of contact is Nick Ingle, who may be reached at 865-482-5000.