

Supporting Statement for Paperwork Reduction Act Submission  
for the Survey of Market Absorption  
of New Multifamily Units (SOMA)  
(OMB 2528-0013)

A. Justification

1. Necessity of the Information Collection

This survey provides the data necessary to measure the rate at which different types of new rental apartments and new condominium/cooperative 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 are collected at quarterly intervals until the twelve months expire or until the units in a building are completely absorbed, which may be sooner.

The survey also provides estimates of the characteristics of apartments being absorbed, and provides a basis for analyzing the degree to which multifamily-building activity is meeting the present and future needs of the public. The survey has been conducted since 1970.

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 (HUD) 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), 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 unsubsidized, privately financed multifamily 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 housing market.

3. Use of Information Technology

SOMA data has been collected using Computer-Assisted Personal Interviewing (CAPI) since April 2014.

All data tables and analytical reports are posted to the Census Bureau Internet site.

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, the American Community 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 the 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 SOMA collects information via personal visit for the initial interview, which is three months after completion. Subsequent interviews for units not rented or sold within three months, if any, are conducted by telephone when possible.

Subsequent interviews (as needed) occurring 6, 9 and 12 months after completion only include an update on remaining units, not the entire set of questions. 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.

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

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320 (Controlling Paperwork Burdens on the Public). There are no special circumstances that require deviation from these guidelines. The following below are “**Not Applicable**” to this collection:

- requiring respondents to report information to the agency more than quarterly – “**Not Applicable**”;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it – “**Not Applicable**”;
- requiring respondents to submit more than an original and two copies of any document – “**Not Applicable**”;
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years – “**Not Applicable**”;
- 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 – “**Not Applicable**”;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB – “**Not Applicable**”;
- 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 – “**Not Applicable**”; 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 – “**Not Applicable**”.

8. Consultations Outside the Agency

The notice to continue with the survey was published in the Federal Register on January 24, 2017 (beginning on page 8202). In the notice, we solicited public comments for 60 days, ending on March 27, 2017

a. Consultations

This data collection was initiated in 1970. Prior to and during 1970-71, frequent consultations were held among representatives of the Department of Housing and Urban 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.

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.

9. Paying Respondents

Respondents are not paid or otherwise rewarded.

10. Assurance of Confidentiality

The Census Bureau collects these data in compliance with Title 13 of the United States Code, the Federal Cybersecurity Enforcement Act of 2015, and OMB Circular A-108. The instrument contains a screen that FRs read to all respondents which informs them of (1) the voluntary nature of this survey, (2) the estimated average burden hours per response, (3) the addresses of the agency to which any comments on the accuracy of the estimate and suggestions for reducing the burden may be addressed, (4) states that there are no penalties for failure to answer any questions, (5) states that the U.S. Census Bureau is required by law to protect respondent information (Title 13, United States Code, Section 9), (6) states, per the Federal Cybersecurity Enhancement Act of 2015, that respondent data are protected from cybersecurity risks through screening of the systems that transmit data, and (7) that by law, the Census Bureau can only use responses to produce statistics.

11. Justification for Sensitive Questions

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

12. Estimate of Hour Burden

Every month buildings completed with five or more housing units in the Census Bureau's Survey of Construction are selected. 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 is limited to 1,000.

After the initial interview, subsequent interviews will be conducted only for buildings that 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 30 minutes (.5 hours), for a maximum estimated burden of 6,000 hours (12,000 respondents' x 30 minutes) per year.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
SOMA	12,000	4	48,000	.125 (30 minutes' total divided by 4 interviews)	6000.00	\$35.74	\$214,440

13. Estimate of Cost Burden

The respondents to the SOMA are apartment managers, real estate agents, owners, and builders. HUD assumes a wage rate of \$35.74 per hour reflects the wage rate of the respondents to the survey. This wage rate is equivalent to the Federal GS-13 base pay grade for FY17. Using this wage rate, the annualized cost estimate to respondent for burden hours is \$214,440.

14. Cost to Federal Government

HUD estimates the costs to the Federal Government for the 2017 SOMA for FY2017 rounded up to be \$1,120,000. The total cost for Census professional staff, field data collection, and technology is borne by HUD.

Cost Items	FY2017
Professional Staff	\$565,732
Field Data Collection	\$305,000
Technology	\$249,268
<b>TOTAL</b>	<b>\$1,120,000</b>

The figures above are based on the following factors:

- For professional staff, the estimates are based on budgeted “not-to-exceed” amounts for FY 2017. Professional staff include survey methodologists,

statisticians, computer programmers and other IT support, communications specialists and managers.

- For field data collection, projected costs reflect “not-to-exceed” amounts. The projected costs are provided by the Census Bureau’s field case management cost projection model. The cost projection model uses information on costs from prior surveys (including, but not limited to, the SOMA), specifications for the current SOMA, and current local and regional labor rates.
- Technology costs include purchase and maintenance of laptops. This estimate is provided by the Census Bureau and reflects a cost-sharing portion of the Census Bureau’s annual technology costs CAPI-based surveys. All surveys using CAPI share in the cost of technology

15. Reason for Change in Burden

There is no change in the burden hours from 2014 to 2017. Since the SOMA is a voluntary survey, in 2014, the respondent cost burden was reported as no cost other than that of their time to respond. For 2017, burden hours were converted into annualized respondent cost burden using the GS-13 base wage rate for FY2017. Costs to the Federal Government were more in FY2014, because they included costs associated with the development and implementation of the electronic data collection instrument.

16. Project Schedule

Each month the data will be processed as soon as all the information is transmitted directly by the interviewers. After the last month of each quarter, the data are tabulated, with the results posted on the Internet.

The survey produces four quarterly reports which present data on the time it takes to rent or sell new multifamily units completed in a quarter by showing percent 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.

An annual report is released in April that provides similar data for the calendar year for which 12-month absorption figures are available.

A second annual report is released in July and provides data on characteristics of multifamily units completed in the most recent calendar year.

Summary tables are available on the Internet at: [www.census.gov/housing/soma](http://www.census.gov/housing/soma).

17. Request to Not Display Expiration Date

The expiration date will be displayed on the electronic information collection instrument.

18. Exceptions to the Certification

There are no exceptions.