

Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
Survey of Housing Starts, Sales, and Completions (SOC-QI)
OMB Control No. 0607-0110

Part A. Justification

1. Necessity of the Information Collection

The U. S. Census Bureau is requesting a revision and extension of the currently approved collection for the Survey of Housing Starts, Sales, and Completions, otherwise known as the Survey of Construction (SOC). The Census Bureau is authorized under Title 13, United States Code, Sections 131 and 182 to collect information on new residential buildings. Government agencies and private companies use statistics from SOC to monitor and evaluate the large and dynamic housing construction industry. Data for two principal economic indicators are produced from the SOC: New Residential Construction (housing starts and housing completions) and New Residential Sales. In addition, a number of other statistical series are produced, including extensive information on the physical characteristics of new residential buildings, and indexes measuring rates of inflation in the price of new buildings. The collection of data on housing units sold and completed and physical characteristics is funded by the Department of Housing and Urban Development (HUD) via a reimbursable agreement with the Census Bureau. HUD uses data on housing market conditions to inform its policies. These statistics are based on a sample of residential buildings in permit-issuing places and a road canvass in a sample of land areas not covered by building permit systems.

The field representatives (FRs) mail forms SOC-QI/SF.1 and SOC-QI/MF.1 to new respondents to complete (see Attachments A and B) along with a letter to new respondents (see Attachment C). A few days later, the FRs either call or visit the respondents to enter their survey responses into a laptop computer using the Computer Assisted Personal Interviewing (CAPI) software formatted for the SOC-QI/SF.1 and SOC-QI/MF.1 forms. The respondents are homebuilders, real estate agents, rental agents, or new homeowners of sampled residential buildings. FRs contact respondents multiple times based on the number of projects in the sample and the number of months required to complete the project.

After discussions with HUD and other key data users, we identified one new data item to be added to the single-family questionnaire. We request approval to add this question to the electronic questionnaire no later than December 2018 to allow

for testing and tabulation of this characteristics for buildings started, completed, or sold in 2019. The new single-family item is on Attachment A with item name CEILING HEIGHT.

2. **Needs and Uses**

The Census Bureau uses the information collected in the SOC to publish estimates of the number of new residential housing units started, under construction, completed, and the number of new houses sold and for sale. The Census Bureau also publishes many financial and physical characteristics of new housing units. Government agencies use these statistics to evaluate economic policy, measure progress towards the national housing goal, make policy decisions, and formulate legislation. For example, the Board of Governors of the Federal Reserve System uses data from this survey to evaluate the effect of interest rates in this interest-rate sensitive area of the economy. The Bureau of Economic Analysis uses the data in developing the Gross Domestic Product (GDP). The private sector uses the information for estimating the demand for building materials and the many products used in new housing and to schedule production, distribution, and sales efforts. The financial community uses the data to estimate the demand for short-term (construction loans) and long-term (mortgages) borrowing.

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. **Use of Information Technology**

FRs collect the data using CAPI either by phone or in person. Phone contacts are encouraged to minimize cost. If a respondent cannot be reached by phone, the FR will make a personal visit to the site or to a sales office. FRs mail a printed version of the questionnaire to new respondents to document the questions asked in the interview and to provide the expiration date of the Office of Management and Budget (OMB) approval of the survey. See Attachments A and B.

4. **Efforts to Identify Duplication**

We have examined the statistics from the current surveys of the Census Bureau, HUD, and the National Association of Home Builders and, to our knowledge, duplication does not exist. Also, Dodge Data and Analytics publishes housing starts, but they are not as reliable or complete.

5. **Minimizing Burden**

To reduce respondent burden, we use variable sampling patterns dependent upon monthly construction activity. With this methodology, introduced in 1984, respondent burden remains relatively stable in times of high and low building activity.

The interview is normally conducted by telephone, the number of questions asked is limited, and the questions asked do not require any additional record keeping burden. FRs typically deal with many of the same respondents month after month and may need to obtain information for more than one building from each respondent. To reduce respondent burden and collect the data most efficiently, the interviewers use their familiarity with the respondent's organization to contact the most knowledgeable person and to gather information for all buildings with one telephone call.

6. **Consequences of Less Frequent Collection**

Many national policies, decisions, and analyses are formulated and updated frequently using information collected in the SOC. If the survey was conducted less frequently, the estimates would be quickly outdated and of much less value to the public and private sector data users.

7. **Special Circumstances**

The collection of these data is consistent with the OMB guidelines, with the exception of requiring respondents to report information to the agency more often than quarterly, and to prepare a written response to a collection of information in fewer than 30 days after receipt. This monthly survey provides data used to produce two economic indicators, New Residential Construction and New Residential Sales. Therefore, response is requested within a few days to provide timely statistics for analyzing the economy.

8. **Consultations Outside the Agency**

We consulted with data users outside the agency to obtain comments regarding the current SOC questionnaire. Consultations with outside consultants were for the purpose of receiving individual opinions and not for the purpose of forming a group opinion. The Census Bureau communicates regularly with data users from HUD, Bureau of Economic Analysis (BEA), the National Association of Home Builders (NAHB) and the Harvard University Joint Center for Housing Studies. These discussions identified the need for the proposed new data item.

On September 20, 2017, we published a notice in the Federal Register (Vol. 82, No. 181, Pages 43935 and 43936) inviting public comments on our plans to

submit this request. One comment was received during the 60-day comment period. The comment was from the Bureau of Economic Analysis (BEA), which stated that the BEA strongly supports this data collection because the data collected in this survey are crucial to key components of BEA's economic statistics. Please see Attachment D for the letter of support from BEA.

9. Paying Respondents

The Census Bureau does not pay respondents nor provide gifts in return for complying with the survey.

10. Assurance of Confidentiality

FRs mail new respondents a letter explaining the purpose of the survey. The letter also states that the survey is voluntary and provides information about the response burden. See Attachment C. The following statement of confidentiality is included in the letter:

Title 13 United States Code, Sections 131 and 182, authorizes the Census Bureau to conduct this collection and to request your voluntary assistance. The U.S. Census Bureau is required by Section 9 of the same law to keep your information confidential and can use your responses only to produce statistics. The Census Bureau is not permitted to publicly release your responses in a way that could identify your business, organization, or institution. Per the Federal Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through screening of the systems that transmit your data.

11. Justification for Sensitive Questions

The survey contains no sensitive questions.

12. Estimate of Hour Burden

Annual Respondent Burden

Forms	Number of Buildings	Average Number of Annual Contacts per Building	Total Number of Contacts	Average time to Complete One Contact (hours)	Estimated Total Burden Hours
SOC-QI/SF.1	12,600	8.11	102,186	5 mins.	8,516
SOC-QI/MF.1	6,840	7.00	47,880	5 mins.	3,990
Total	19,440	7.70	150,066	5 mins.	12,506

We add approximately 19,440 new buildings a year. A builder or owner may be contacted several times based on the number of buildings he/she has in the sample and how long the construction project takes. Using data from our files, we estimated the number of times we need to contact the builder or owner to obtain the data. This is shown as the average number of annual contacts per building. We estimated the average length of time it takes for each contact using our knowledge of the amount of information requested and the time required to obtain that information. Using this information and the total number of responses, we calculated the annual respondent burden.

According to the Bureau of Labor Statistics' Occupational Employment Statistics survey, in 2016 construction managers' mean earnings were \$47.84 per hour. Therefore, the total cost to the respondents is \$598,287.

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is the type and scope normally carried in office records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

14. Cost to Federal Government

The estimated total cost for FY 2018 for the Survey of Construction program of which this questionnaire is a part is \$8,000,000 and will remain relatively constant for FY 2019 and FY2020. Of this amount, \$3,600,000 is borne by the

HUD, and \$4,400,000 is borne by the Census Bureau. This estimate includes the cost for such things as data collection, processing, review of tabulated data, publication, equipment, overhead, printing, support staff, etc.

15. Reason for Change in Burden

The sample size and the number of burden hours has been adjusted downward due to a slight decrease in construction activity.

16. Project Schedule

Data from the SOC are collected in the first week of the month following the reference month. On or about the 12th workday of the month, the preliminary estimates of housing starts and housing completions are published for the prior month. Estimates of new residential sales are published on or about the 17th workday. The quarterly price index of new single-family houses sold is published with the new residential sales data. Annual estimates of physical and financial characteristics of new housing are released about six months after the end of the reference year. Data are available on the Internet at www.census.gov/construction/nrc/ and www.census.gov/construction/nrs/.

17. Request to Not Display Expiration Date

The SOC-QI is an electronic questionnaire. A printed version of the questionnaire displaying the expiration date is mailed to new respondents to document the questions that are asked in the interview and to provide the expiration date of the OMB approval of the survey. Printed versions of the questionnaires are shown in Attachments A and B.

18. Exceptions to the Certification

There are no exceptions.