

SUPPORTING STATEMENT B FOR PAPERWORK REDUCTION ACT SUBMISSION

Private Rental Survey OMB No. 1084-0033

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. 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. The resulting data collected from all communities in the region is therefore sufficiently randomized.

If a respondent declines to participate, or a 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.

4-Year Average	Avg. No. of Individual Respondents	Avg. No. of Annual Responses	Est. No. of Business (For-Profit) Responses	Est. No. of Individuals / Household Responses
OS-2000	1,617	2,950	2,154	796
OS-2001	250	364	266	98
Total	1,867	3,314	2,420	894

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

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 will not collect any apartment, mobile home or trailer pad comparables.

For example, if there are 4 government houses in a given community, at a minimum, the sample size is typically 3 4-bedroom, 3 3-bedroom, 3 2-bedroom and 3 1-bedroom houses. If there are 100 government houses in a given community, the sample may be 12 4-bedroom houses, 12 3-bedroom houses, 12 2-bedroom houses, and 12 1-bedroom houses. The Regional Sample Plan typically contains over 1,000 house comparables from 60 communities, with 12 to 48 comparables sampled from each community.

The methodology for data collection is specified in the contract. The contractor selects the units to be sampled in each community using sources they determine are valid and in compliance with the contract specifications. The contractor may use rental market sources from previous surveys, including public and private rental data sources, realtors, property managers, and tenants. They may also source from newspaper advertisements, the Internet, posted signs, insurance adjusters, chambers of commerce, banks, and government records. When rental properties are scarce or additional source diversity is needed, the contractor may contact beauty shops, grocery stores, post offices, feed stores, local public bulletin boards, tax offices, and newspaper archives.

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. For example, 1-bedroom houses can be difficult to find in some communities.

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 methodology for the analyses and statistical regression performed by the IBC is described in each Regional Rental Survey. The outcome of the regression is a rent formula for houses, a formula for apartments, a formula for mobile homes, and as formula for trailer pads. Each regression formula includes variables for square feet, bedrooms, bathrooms, age, and local community factors. There are also regression variables for general condition, garages, carports, air conditioning, and fireplace. The "Adjusted R Square" for the statistical significance of any house regression formula is typically .85 to .95, but is lower for apartments and mobile homes, due to smaller sample sizes for these rent classes. (This indicates that there are some market factors/features/variables that are not being collect in OS-2000 that contribute to market value.)

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 changes (local rent inflation) 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.

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, although respondents may decline to provide personal phone or address information. This desire for confidentiality does not invalidate the data. Even if no rental units can be located 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 "survey method" 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.

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 (<https://www.whitehouse.gov/wp-content/uploads/2019/11/Circular-A-45R.pdf>) 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.

The statistical design for these surveys has been in place at the Department since 1984, and experts were involved in its development. The data submitted by the contractor is analyzed by IBC staff and statistical regressions are performed using IBM's SPSS Statistics® software.

Currently, 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. Laura Walters is the DOI IBC Quarters Program Manager, the Contracting Officer's Representative for the data collection contract, and statistician for this data collection activity. She may be reached at 303-969-5696.