



# Census Building Permit Survey Under Counts MA Housing Units

A recent analysis of the US Census Building Permit Survey for Massachusetts shows there was at least a 14% under count of new housing units over the last 5 years

## What is the Building Permit Survey (BPS) and Why does it Matter?

The US Census expects monthly reporting by Local Building Officials in metropolitan areas of Massachusetts, and at least annual reporting from less populated areas. BPS data are an important component for annual population estimates completed by the US Census with input and refinement by the State Data Center, UMass Donahue Institute (UMDI). Under counting in the BPS may lead to lower annual population estimates, which may affect federal funding formulas. BPS data are used extensively to analyze housing production; there are few other data sets except for the decennial census that accurately report the number of new housing units.

## Housing Choice Initiative Brought Forth New Information

Many communities that applied for the Housing Choice designation found BPS data were not accurate, therefore the Housing Choice program received actual building permit data as part of the designation process. When comparing this actual net new unit building permit data to the BPS for 69 Housing Choice communities, the BPS under counted actual net new units by 14% (over 11,000 units) between 2013 through 2017, with an annual average undercount of approximately 2,300 units. **Even though the BPS appears to be under counting new housing units, the Commonwealth’s production of new housing units continues to lag behind past production levels.**

## How Can We Improve BPS Accuracy?

The Housing Choice Program Director is leading an effort to improve accuracy on the BPS in concert with State Data Center staff. Our suggestions for local governments are:

- 1) Educate local building officials to accurately provide information in the BPS. Towards this goal, we will reach out to these officials directly and provide training about the BPS in concert with established professional educational activities.
- 2) Make sure the Housing Unit Review (HUR) sent annually by UMDI is carefully reviewed and filled out so that the State Data Center can consider your actual number of housing units as they work on annual population estimates.



The Housing Unit Review (HUR) is sent by UMDI to every city and town every year, this process provides local governments a chance to review and correct data, and add units not captured by the BPS. This year's HUR has been sent out – deadline for responses is **December 20, 2018**! Make sure you review this for accuracy.

Some of the reasons for inaccurate BPS data are: 1) Lack of reporting. Some local governments do not report the data. As a result, many new housing units go unreported. 2) Inaccurate reporting. Local building officials and their staff have a lot to do! It appears that errors seem to occur when entering multi-family projects. Since multi-family projects are issued “commercial” permits, some jurisdictions may not think those should be reported on this form, or sometimes they may enter one 1 unit because each multi-family building gets only one permit. Another example is that “conversions” such as when an old mill building is converted into apartments, are not part of the BPS reporting, but can be added in the HUR process, but not all municipalities catch such missing units in the HUR process. There are many details about the BPS process, which will be addressed directly by outreach efforts with local officials.