Survey of Construction (SOC) Sample Redesign & Discontinuation of Estimates in Non-Permit-Issuing Areas FAQ

Sample Redesign:

1. What is a sample redesign and when was the last one conducted?

The Survey of Construction periodically redesigns its sample to maintain a representative measure of residential construction activity in the United States. Over time, patterns of construction activity change as some areas experience growth and others become less active. A sample redesign updates the set of building permit offices from which newly authorized housing units are selected for survey data collection so that the sample reflects current construction activity and continues to produce reliable and precise estimates. Although the sample will be reselected to reflect current construction activity, the overall sample design and size will remain comparable to those used under the previous design.

The most recent sample redesign was implemented with the January 2005 estimates and replaced a sample selected in 1985. The next sample redesign will be implemented beginning with the January 2027 estimates.

2. Will historical estimates be revised as part of the sample redesign?

No. Estimates published prior to January 2027 will not be revised as part of the sample redesign. Previously published estimates will continue to be revised in accordance with the Survey of Construction's standard revision practices, but no revisions will be made specifically to reflect the new sample design.

3. Will the 2027 sample redesign create a break in the time series?

No. The sample redesign updates the set of building permit offices included in the Survey of Construction sample, but it does not change the underlying estimation methodology. Survey of Construction estimates will continue to be linked to Building Permits Survey permit authorization totals through established ratio-adjustment procedures. As a result, the redesign will not create a break in the published time series.

4. Does the sample redesign affect Building Permits Survey estimates?

No. The 2027 sample redesign affects estimates derived from the Survey of Construction (SOC), including housing units started, under construction, completed, sold, and Characteristics of New Housing. Estimates of housing units authorized by building permits are produced from the Building Permits Survey (BPS) and are not affected by this redesign.

Since January 2022, BPS has collected data from the full universe of known permit-issuing jurisdictions rather than from a sample of jurisdictions. In addition, beginning in January 2023,

the BPS universe has been updated annually to add newly identified permit-issuing jurisdictions and remove jurisdictions that no longer issue permits. As a result, updates to the BPS universe are conducted through the annual universe update process and are not related to the SOC sample redesign.

Estimates of housing units authorized by building permits will continue to be based on the full BPS permit-issuing universe. In addition, key SOC estimates, including housing units started, under construction, completed, and sold, are linked to BPS permit authorization totals through ratio-adjustment procedures. Consequently, these estimates will continue to be linked to the underlying BPS measures of permit activity following the sample redesign.

5. How will the transition from the previous sample to the redesigned sample occur?

Beginning with the January 2027 estimates, newly authorized housing units selected for the Survey of Construction will be drawn from the redesigned sample of building permit offices. However, housing units selected under the previous sample design will remain in the survey until they reach the end of their data collection lifecycle.

For example, multifamily units selected under the previous sample design will continue to be followed until construction is completed, and single-family homes built for sale will continue to be followed until completion and sale.

As a result, there will be a transition period during which published estimates reflect data collected from both the previous and redesigned samples. Over time, cases selected under the previous sample design will leave the survey, and estimates will increasingly reflect housing units selected from the redesigned sample.

6. Where can I find additional information about the sample selection and estimation process?

Detailed information about the Survey of Construction sample design, sample selection procedures, estimation methods, and measures of data quality is available on the Survey of Construction Methodology page: www.census.gov/construction/soc/methodology.html.

The methodology documentation will be updated to reflect the January 2027 sample redesign and the changes associated with the redesigned sample.

Discontinuation of estimates for non-permit-issuing areas:

7. Why are estimates for non-permit-issuing areas being discontinued?

Beginning with the January 2027 estimates, the Survey of Construction (SOC) will no longer collect or publish data from a sample of non-permit-issuing areas. Under the previous methodology, field representatives periodically canvassed approximately 70 selected non-permit-issuing areas to visually identify new residential construction projects, which were then included in the SOC sample and followed throughout construction.

The decision to discontinue collection in non-permit-issuing areas reflects the declining contribution of non-permit construction to published estimates. When non-permit-issuing areas were first added to the SOC sample as part of the 2005 sample redesign, they represented

approximately 1.4 percent of total housing starts. By 2026, non-permit-issuing areas accounted for approximately 0.5 percent of total starts and 0.4 percent of total completions nationally.

In addition, the Building Permits Survey (BPS) now updates its permit-issuing universe annually, allowing jurisdictions that begin issuing permits to be incorporated into the survey on a regular basis. As a result, areas experiencing increased residential construction activity are more likely to be captured through the permit system and included in the BPS universe.

Given the small contribution of non-permit construction to national estimates, the declining prevalence of non-permit-issuing areas, and the cost and operational complexity of maintaining collection in non-permit-issuing areas, the Census Bureau determined that continuing the direct measurement of non-permit construction is no longer justified.

8. How much do non-permit-issuing areas contribute to published estimates?

The contribution of non-permit-issuing areas to Survey of Construction estimates has declined substantially over time. When non-permit-issuing areas were first added to the SOC sample as part of the 2005 sample redesign, they represented approximately 1.4 percent of total housing starts nationally.

By 2026, non-permit-issuing areas accounted for approximately 0.5 percent of total housing starts and 0.4 percent of total housing completions nationally. For single-family homes, non-permit-issuing areas represented approximately 0.8 percent of starts and 0.6 percent of completions.

Non-permit construction activity is concentrated primarily in the South Region. In 2026, non-permit-issuing areas accounted for approximately 1.0 percent of total housing starts and 0.7 percent of total housing completions in the South. In all other Census Regions, the contribution of non-permit-issuing areas was smaller.

As a result, non-permit construction currently represents less than 1 percent of published Survey of Construction estimates at both the national and regional levels.

9. Will discontinuing estimates in non-permit-issuing areas affect the published time series?

No. The Census Bureau does not expect the discontinuation estimates in non-permit-issuing areas to create a break in the published Survey of Construction time series. Beginning with the January 2027 estimates, new construction in non-permit-issuing areas will no longer be sampled for the Survey of Construction. Current non-permit cases already in sample will be allowed to complete the data collection cycle and included in estimates as they are completed/sold. Non-permit-issuing areas currently account for less than 1 percent of national starts and completions.

As a result, the impact on published estimates is expected to be minimal, and historical estimates will continue to be comparable with estimates published after the change. Data users may continue to analyze trends over time without requiring a break in the series or other adjustments for the discontinuation of estimates in non-permit-issuing areas.

10. How will published tables and data products change after estimates in non-permit-issuing areas are discontinued?

Beginning with the January 2027 estimates, several Survey of Construction tables and data products will be updated to reflect the discontinuation of estimates in non-permit-issuing areas.

The primary annual and monthly time series for housing units authorized, authorized but not started, started, under construction, and completed will continue to be published. However, because all Survey of Construction estimates will be based solely on permit-issuing areas, references to "permit-issuing places" in table titles and documentation may be removed where appropriate.

In addition, the supplemental annual and monthly data products for permit-issuing areas only will be discontinued beginning with the January 2027 estimates. These tables will no longer be updated because they will be equivalent to the primary published estimates after non-permit-issuing areas are removed from the Survey of Construction.

Historical data published prior to January 2027 will remain available through the New Residential Construction historical series page: www.census.gov/construction/nrc/data/series.html.

For all other New Residential Construction, New Residential Sales, and Characteristics of New Housing tables and data products, no table names or formats are expected to change as a result of this update because permit-issuing and non-permit-issuing areas were not previously published separately. Beginning with the January 2027 estimates, these tables will simply reflect estimates based on permit-issuing areas only.

11. How will newly identified permit-issuing jurisdictions be represented in Survey of Construction estimates after collection in non-permit-issuing areas is discontinued?

Newly identified permit-issuing jurisdictions will continue to be incorporated into housing construction estimates through the Building Permits Survey (BPS). Beginning in January 2023, BPS adopted an annually updated universe methodology under which jurisdictions that begin issuing permits are added to the BPS universe each year.

As communities grow and residential construction activity increases, jurisdictions that previously did not require permits may transition to permit-issuing status. When this occurs, those jurisdictions become part of the BPS universe and their permit activity is captured through the normal BPS data collection process.

In addition, key Survey of Construction (SOC) estimates, including housing units started, under construction, completed, and sold, are linked to BPS permit authorization totals through ratio-adjustment procedures. As a result, residential construction activity in newly identified permit-issuing jurisdictions will continue to be reflected in published SOC estimates.

Because BPS maintains and updates the universe of permit-issuing jurisdictions annually, the Census Bureau expects areas experiencing growth in residential construction activity to continue to be represented in published estimates even after the discontinuation of direct data collection in non-permit-issuing areas. This is one reason the contribution of non-permit-issuing areas to total housing construction has steadily declined over time and is expected to remain small in the future.