

Report on Cognitive Interviewing
for the Property Owners and Managers Survey

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Background

The Department of Housing and Urban Development (HUD) conducted a survey in Winter 1995 among the owners and managers of residential rental property in the United States, on whom HUD depends to provide sufficient, affordable rental housing stock. A major focus of the survey is property owners' and managers' motivation for owning and maintaining rental property and their rental and maintenance policies. The survey will consist of a mailed questionnaire with telephone and possibly personal visit followup to nonrespondents.

The questionnaire development process for this survey included an expert panel review of the questionnaire, focus groups, and cognitive interviews. (A tentative pilot test of the mail questionnaire was canceled due to the lack of time.) The focus groups were conducted by WESTAT, INC. with owners and managers of both single unit and multi unit properties. There were eight group discussions throughout the United States from December 1994 through February 1995. See the Matulef, Potter, Dietz report for details on the findings from those discussions.

During March 1995, staff of the Census Bureau's Center for Survey Methods Research (CSMR) then conducted cognitive interviews in the Washington, D.C. metropolitan area. The cognitive interviews were designed to provide qualitative assessments of specific questionnaire items, as well as to suggest solutions for those questions with possible problems.

This report summarizes the results of the cognitive interviewing. It first describes the questionnaires we used and the methodology. It then presents our recommendations based on the interviews, and the final questionnaire wording after meeting with staff from the Housing and Household Economic Statistic Division (HHES) and HUD.

Questionnaires

The Property Owners and Managers Survey (POMS) will use two questionnaires - one for owners/managers of single unit properties and another for those who own/manage multi unit properties. According to the focus group participants (who were mailed a questionnaire to be filled out in advance of the session), it took anywhere from 20 minutes to 2 hours to complete the draft version of the POMS questionnaire; the mode was about 45 minutes to one hour. Based on

this information and the need to keep the cognitive interview to about an hour, it was clear that we could only cognitively test a portion of the questionnaire.

HUD and HHES felt that the cognitive interviews did not need to focus on owner characteristics, mortgage, or acquisition questions because these questions had been asked in previous surveys. Their main interest concerned on the questions which addressed new topics, such as management "philosophy," tenant relations, and questions which include difficult concepts such as capital improvements and percent of income spent on maintenance. The final cognitive questionnaire contained almost 2/3 of the questions from the full survey questionnaire.

The cognitive interviews followed the focus groups so closely that the formal recommendations from the focus groups arrived too late to be incorporated into the cognitive interviewing questionnaire. However, some of the problems that surfaced in the initial focus groups, those that were observed by HUD and HHES, could be incorporated before cognitive interviewing began.

Methodology

By prior agreement, HHES staff handled recruiting and scheduling of cognitive interview respondents. They recruited 30 candidates, of whom 23 respondents were actually interviewed - 12 single unit owners/managers and 11 multi unit managers. Respondents were paid \$30 for their participation in the approximate one hour cognitive interview.

Two researchers from the CSMR conducted the interviews in either the respondent's home or place of business. All except one respondent gave permission to tape record the interview.

Since the POMS will initially use a self-administered questionnaire, we chose to use the same mode for our cognitive interviews. That is, we gave the questionnaire to respondents and asked them to read aloud and tell us what they were thinking as they completed the questionnaire. We asked to see any records they used and probed for details when it was unclear what they meant. We also asked for their definition of certain terms.

All of the cognitive interviews were transcribed, either by a CSMR staff member or an outside transcription service. Each researcher use the transcriptions to summarize the interviews she conducted, in preparation for a series of discussions of the results among CSMR and HHES staff.

Results

CSMR staff met with staff from HHES to discuss the major problems we found with the questionnaire and our proposed solutions, and to discuss recommendations for the flow and formatting of the questionnaire. Some of the major points are presented below. Details are contained in Attachment A.

- The draft instrument consisted of three distinct levels of questions: those that could be answered by a hands-on manager (site/resident manager), those that were better directed to higher management (e.g., mortgage information), and ones that probably only the owner could answer. We recommend that the questions be organized by these levels, with a statement between the hands-on manager section and the higher management section to inform the respondent of the content of the remaining sections and ask them to complete the questions if possible. If they are not familiar with these aspects of the business, they should return the form with the name of an appropriate person to contact who could provide the remaining information.
- For multi unit properties, some of the questions referred to the specific sampled unit while other questions referred to all units on the property. A number of multi unit respondents seemed to have problems perceiving this distinction. We recommend grouping all of the questions about the unit together, followed by questions about the property as a whole.
- Throughout the questionnaire, the sampled unit was referred to as the "reference unit." Since this is not a term that respondents are familiar with, we recommend changing the term to "rental unit."
- The cover of the questionnaire was very dense and difficult for the respondent to complete. We recommend redesigning the cover so that it only contained 1) the respondent's name/address, 2) the address of the sampled unit, 3) one basic question (whether the respondent was the owner/manager/other), and 4) the "return by" information. The other questions currently cluttering the cover should be moved to the first page.

Next, CSMR staff met with IHES to discuss the individual questions examined in the cognitive interviews. Some of the general problems encountered are presented below. A detailed summary of problems and recommended wording are presented for each question in Attachment A.

- Some questions ask about reference periods as long as 5 years ago. Respondents have not always owned/managed the property for that long.
- The questionnaire used many different reference periods and some reference periods were unspecified.
- Respondents had difficulties understanding many concept such as capital improvements/upgrades, low income housing tax credits, and local housing code inspector.

- For several questions (why applicants were rejected, the use of advertising to market the property, how management deals with delinquent rent payments) respondents often gave their general philosophy rather than their recent actual behaviors and experiences with the specific property of interest.
- The intent of some questions (characterization of the eviction process, their assessment of the seriousness of delinquent rent payments, and various other problems at the property) was not apparent to respondents.

Other Research

Largely as a result of our recommendations, HHES made extensive changes to the POMS instrument. We, therefore, strongly recommended another round of cognitive testing. Also, since the questions were tested only among respondents from the Washington, D.C. area, we were concerned that they may be understood very differently in other areas of the country. However, another round of cognitive testing was not possible because of timing constraints.

The wording for this questionnaire was designed primarily for self-administration. There will, however, be interviewer followup for nonresponse. We also recommend that interviewers not be required to adapt this form for interview-administered "on the fly" interviewing. Instead, we proposed designing a separate form expressly for this purpose. This proposal was not adopted.

This document summarizes the cognitive interview results, our resulting recommendations, and the final wording selected by HHES/HUD, for each of the questions included in the cognitively tested POMS questionnaire. It begins with formatting recommendations for the entire questionnaire and then presents an item-by-item discussion.

FORMATTING RECOMMENDATIONS

The following formatting recommendations apply to the overall design layout/wording of the entire questionnaire. They should, if possible, be applied to all items throughout the questionnaire.

- The instrument needs a consistent format for how the respondent is presented with the response options. That is, the response categories should always be laid out either horizontally (on the same line) or vertically (stacked). We recommend a vertical layout because it differentiates the answer categories more clearly than if they are on the same horizontal line.
- The answer space should also consistently be before (to the left of) or after (to the right of) the response category. We recommend that the answer space be after the response category because left to right is the natural reading flow.
- When the list of response options constitutes the end of the question, we recommend including dotted lines (...) as part of both the question and the response to visually tie these together. For example:
Is the reference unit described in item A above a ...
... single family house?
... condominium unit?
... cooperative unit?
- We recommend not including words like "Specify" under the answer lines that respondents are to write on. Respondents are very likely to miss reading the word(s) because they are outside the normal reading flow of the question.
- Parenthetical phrasing adds to the complexity of questions and can cause confusion. If possible, questions should be rewritten in ways that do not require parenthetical material.
- Instructions without item or question numbers are likely to be missed. Respondents use the numbers to direct them to what they should do next. They are likely to bypass segments of the form that are not numbered.

- We recommend that all questions have item numbers. This includes follow-up questions such as "how many."
- When there is a long list of answer choices, we recommend designating a letter or numeral identifier to each.
- Use the term "rental unit" instead of "reference unit"; it is a more comfortable term for respondents.
- We recommend having skip instructions under, not to the right, of the answer category. When they are over to the right, they can be missed, probably because once the answer is marked, respondents do not think they have to read any further. Also, a right-handed respondent's hand is likely to slide down the page over the skip instruction.
- We recommend that the answer codes be as inconspicuous as possible at the right bottom corner of the answer boxes. This may reduce confusion, especially when the answer choices are numerals, as with dates.
- Although the survey will have two questionnaires, one for single rental units and one for multi unit properties, the sponsors want to make the numbering system and the spacing consistent between the forms. However, we do not recommend large "Census Use Only" blank areas, because they can confuse respondents, especially when they disrupt answer lists. And large blank areas in the middle of a questionnaire just look odd.
- For the cover page, we recommend keeping the survey title at the top of the page and shaded. The survey title should not be the most important item on the cover. The address of the rental unit, the owner's identification, and the "return by" date should be most prominent on the cover. We also recommend that the cover be restricted to these items; put all questions inside the form.
- We recommend that all the questions pertaining to the rental unit be clustered at the beginning of the questionnaire followed by those pertaining to the property. A short introduction between these sections should alert respondents that the remainder of the questionnaire will refer to the property, and "property" should be defined at this point.

- The knowledge needed to answer the questions ranged from the resident manager to the owner. We recommend grouping the questions into three levels: those that can be answered by the resident manager, those that can be answered by higher management and those that perhaps only the owner can answer. The beginning of each section of questions should alert the respondent that a more knowledgeable respondent may be necessary for the upcoming questions.

INDIVIDUAL ITEMS

First, the question version tested by CSMR is presented in **boldface** type. We then present a summary of the problems encountered during cognitive interviewing and CSMR's recommended wording of the question. The final wording is presented in *italics*. The item numbers refer to the cognitive interview instrument.

The wording presented is from the multi unit questionnaire. The wording on the single unit questionnaire is very similar (with the exception that the single unit questionnaire refers to the "rental unit" whereas the multi unit form refers to the "property"). Other differences in wording or response categories are stated explicitly for each question.

TESTED WORDING:

4a. Is the day-to-day management of this property provided by the owner, a property manager, or a combination of owner and property manager?

By the owner only

By a property manager only

By both the owner and a property manager

4b. Does the owner make the major management decisions?

Yes

No

SUMMARY OF ISSUES/PROBLEMS:

While the term "day-to-day management" seems ambiguous, our respondents seemed to grasp the concept as indicated by their definitions such as "someone who would know something about the property on a daily basis."

The term "property manager" is not defined for the respondent. Over the course of interviewing, we found that in large multi unit complexes the daily management is often handled by a "site manager" while a "property manager" handles management of several complexes but not on a daily basis. The cognitive interview respondents (site managers in the multi unit complexes) interpreted this item as distinguishing between owners and managers and not between owners and a particular type of manager.

Given what the respondents answered for item 4b, we are unclear about the purpose of the item. Respondents said that decisions for all expenditures over a certain value must be made by the owner. What differed between managers was the value level. Many managers said that since they presented the owners with options and associated costs, they felt that they were actually making the "major management decisions." The purpose of the question should be more clearly defined. Also, consideration should be given to asking the question only when the daily management is provided by a manager only. Logically it would seem that if the owner was involved with the daily management, he or she would also be involved in the major decisions.

It became apparent during the course of cognitive interviewing that it would be helpful when analyzing the data to know how long the current owner/manager has owned/managed the property. The reference period for some of the questions spanned as many as five years. Cognitive interview respondents answered such questions based on the length of their ownership-management and not the entire reference period.

RECOMMENDED WORDING:

4a. Who provides the day-to-day management of this property?

- Owner(s) only
- Manager(s) only
- Both owner(s) and Manager(s)

4b. No recommendations were made until further information about the purpose of the question was obtained.

FINAL WORDING:

Does the owner employ anyone to manage this property?

MARK all that apply

Yes, a resident manager or superintendent

Yes, a non-resident manager

Yes, a management company

No, owner manages this property

Does the manager or management company--

Yes No

(1) Collect rent?

(2) Take applications and select new tenants?

(3) Initiate evictions?

(4) Make decisions on small maintenance or repair jobs?

(5) Make decisions on large maintenance or repair jobs?

(6) Make mortgage payments?

(7) Make tax payments or prepare tax estimates?

(8) Initiate legal actions other than evictions?

How long has this property been under the current management?

Less than one year

1 up to 3 years

3 up to 5 years

5 years or more

The final wording asks about management of the property in general terms and not about the daily management. Respondents are given the option to choose more than one category since the "manager" category is divided into three types of managers.

The general concept of "major management decisions" was changed to a list of specific tasks for which the manager/management company might be responsible.

A question about length of ownership/management was associated with this series of questions.

TESTED WORDING:

5. When was the building containing the reference unit originally built?

1919 or earlier

1920-1929

1930-1939

1940-1949

1950-1959

1960-1969

1970-1979

1980-1984

1985-1988

1989 or later

SPECIFY _____/_____
MONTH/YEAR

The single unit questionnaire was worded:

When was the house (building containing the reference unit) originally built? IF THIS IS A MOBILE HOME, ANSWER FOR THE MODEL YEAR.

(Answer categories were the same as for the multi unit questionnaire.)

SUMMARY OF ISSUES/PROBLEMS:

In most instances, the multi unit version of this question was fine. In two instances the building containing the rental unit had burned down and had been rebuilt. In each instance, the respondent reported the date the complex was originally built and not when the building containing the rental unit was rebuilt. If this is not correct, the question wording should be revised to accommodate this situation.

On the questionnaire originally received from HHES, the response categories were in reverse chronological order (i.e., 1989 or later was the first category). Since this format is difficult to read, we reversed the order of the categories for our cognitive testing so that they were in chronological order (i.e., 1919 or earlier was the first category). The only problem respondents had with this new ordering was that they interpreted the "month and year" spaces as applying to all date categories.

RECOMMENDED WORDING:

Same as tested except for the following considerations.

On the single unit questionnaire the parentheses should be replaced with "or."

We recommend retaining the forward chronological order of the year categories. Forms Design Branch should be able to arrange the "month and year" follow-up question so that respondents are led to provide month and year for answers of "1989 or later" only.

FINAL WORDING:

When was the building containing the rental unit originally built?

1990 or later -- Enter the year

1991
year

- 1985-1989*
- 1980-1984*
- 1970-1979*
- 1960-1969*
- 1950-1959*
- 1940-1949*
- 1930-1939*
- 1920-1929*
- 1919 or earlier*

COMMENTS:

The final wording uses a backward chronological order for the response categories which may be difficult for the respondents.

Also, the response categories were changed slightly. The revised categories do not ask the respondent to specify the month when the most recent period is chosen -- only the year. Also, the year 1989 was combined with the 1985-1988 category.

TESTED WORDING:

6. Does this property have the following amenities available to tenants?
IF YES, MARK WHETHER IT IS FREE OR INCLUDED IN RENT, OR IF THERE IS AN ADDITIONAL FEE.

	Yes - free or included in rent	Yes - for additional fee	No
a. Air conditioning			
b. Covered off-street parking			
c. Open off-street parking			

- d. Swimming pool
- e. Shuttle bus service
- f. Secretarial or message service
- g. Common room(s) for parties, etc.
- h. Organized social events
- i. Security system for individual units
- j. Athletic facilities such as tennis courts, exercise room, etc.
- k. Elevator NA
- l. Security system for building NA
- m. Fire protection or suppression system NA
- n. Play area for children NA
- o. Cable television hookup or wiring NA
- p. Laundry appliances in unit NA
- q. Common laundry room NA

The single unit questionnaire was worded:

Are the following amenities available to the tenant?

	Yes - free or included in rent	Yes - for additional fee	No
a. Air conditioning			
b. Off-street parking - open			
c. Off-street parking - covered			
d. Swimming pool			
e. Security system		NA	
f. Cable television hookup or wiring		NA	
g. Laundry facilities		NA	

SUMMARY OF ISSUES/PROBLEMS:

"Offering the amenity" caused respondents confusion in cases where their property does not offer the amenity, but allows the tenant to install it for him/herself. A window air-conditioning unit, a security system for individual units, and laundry appliances in the unit are amenities that tenants often have the option of installing. In such cases, the word "available" becomes problematic.

Cognitive respondents could not find an appropriate choice in the two "yes" categories if the tenants paid a fee directly to a company other than the management. In particular, cable was a problem. Because the cable television item was interpreted as cable service instead of cable hookup or wiring, respondents did not know what to mark because they knew their tenants had the service but contracted for it themselves. To alleviate this uncertainty, we altered the second column heading to read: "Yes - for additional fee or paid by tenant" and tested the revised wording during the remaining interviews. This revision seemed to eliminate the problem.

The following response categories also caused some problems for some respondents:

- Air conditioning: Respondents were uncertain whether "air conditioning" was meant to include window units.

- Open off-street parking: One respondent interpreted "open" off-street parking as spaces that weren't assigned to a specific unit.

- Covered off-street parking: This was misunderstood as parking that was "covered" by the rent.

- Swimming pool: We wondered whether this category was supposed to include jacuzzis and hot tubs.

- Security system: The word "system" was ambiguous. (It was used in both the security and the fire suppression categories.). One respondent thought that, for individual units, the item was referring to an electronic system, yet he felt a dog was also security for a unit. With regard to security for the property, one respondent who had a security patrol for his building decided that such a patrol was not a "system" since it wasn't some form of electronic hardware and it was only in operation during the daytime.

- Fire protection or suppression system: Respondents questioned whether the fire protection/suppression system was for the building, the unit, or both. They had smoke alarms and fire extinguishers in all of the units. This raises the question of the purpose of the fire protection/suppression system question. If smoke alarms do constitute an "amenity" yet are required in all rental units, then we probably shouldn't ask this question as it is. It would mean asking the respondent to report breaking the law.

- Play area for children: "Play area" is subject to varying definitions. Some interpret any space on the outside of the building as a play area. Others consider grassy areas as play areas. It may also be important for the meaning to specify whether play equipment is necessary. A game room could also be considered a play area.

RECOMMENDED WORDING:

Does this property offer the following amenities to the tenants?

MARK (X) ONE box on each line.

*YES-free or
included in rent*

*Yes-for NO
additional fee
or paid by
tenant*

- a. Air conditioning*
- b. Covered off-street parking, such as a
garage or carport*
- c. Uncovered off-street parking, such as
a parking lot*
- d. Swimming pool*
- e. Shuttle bus service*
- f. Secretarial or message service*
- g. Common room(s) for parties, etc.*
- h. Organized social events*
- i. Electronic security systems for
individual units*
- j. Wiring for cable TV*
- k. Athletic facilities such as tennis
courts, exercise room, etc.*
- l. Laundry appliances in unit*
- m. Common laundry room*
- n. Elevator*
- o. Security system or protective service for
property*
- p. Automatic sprinkler system for
fire suppression*
- q. Play area with equipment for children*

Single unit questionnaire:

A large number of response categories don't pertain to the single unit questionnaire. The single unit questionnaire should group these letters together on one line as "Census Use Only" (i.e., "c-i. Census Use Only") and not use one line for each letter.

TESTED WORDING:

7. In the last 5 years, have any of the following capital improvements or upgrades been made or started at this property? IF YES, INDICATE THE YEAR.

YES - In what year? No

- a. Replacement of kitchen facilities
- b. Replacement of bathroom facilities
- c. Upgrading of heating system
- d. Addition or upgrading of air conditioning system
- e. Addition of a security system
- f. Addition of a swimming pool
- g. Addition of off-street parking
- h. Addition of a playground or play area
- i. Addition of handicapped/universal access improvements
- j. Other capital improvements or upgrades to the property - SPECIFY

SPECIFY

8. In the last 5 years, was any of the following work done to the reference unit? IF YES, INDICATE THE YEAR.

YES - In what year? No

- a. Interior painted
- b. Some or all kitchen appliances replaced
- c. Some or all bathroom fixtures replaced
- d. Carpets replaced
- e. Unit rewired
- f. Lead-based paint abated
- g. Radon mitigated
- h. Asbestos removed or covered
- i. Inspection or spraying for pests
- j. Heating or air conditioning unit replaced
- k. Building roof repaired or replaced
- l. Other major repairs to the unit - SPECIFY

SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

Although question 7 refers to the property and question 8 refers to the unit, there was much overlap in the problems respondents experienced with these questions.

The reference period for the items is the last 5 years. We found that new multi unit managers, who had only had the property for a year or so, simply did not know about past upgrades or replacements.

and often based their answers on what had happened since they had been there. It was not so much of a problem for single unit properties, apparently because they asked about these kinds of things before they took over the property.

There is also the problem of what is in scope for units that have been converted to rental property within the past 5 years. Do we only want to know about the improvements/upgrades since it was a rental unit? We recommend asking the year the company (if managed) or the owner (if not managed by a company) acquired the property, and then providing the "new" owner/manager respondents with clear instructions about the reference period.

Many respondents struggled with what to include as "capital improvements." In one interview with an owner/manager couple, when asked about replacement of bathroom facilities in question 7, the wife immediately said yes and the husband simultaneously said no. She said they replaced fixtures to the tune of \$500. She was focusing on the cost. He said they were only fixtures - a minor part of the bathroom - not a capital improvement. They ended up marking "yes" for both question 7 and question 8, resulting in double reporting. Replacing heat pumps caused a similar problem. Since they replaced several at a time in a multi unit complex, the cost was significant, so they considered it a capital improvement. But since question 8 clearly asks about heating/air conditioning unit replacement, they also reported it there.

Several respondents questioned how to answer the items referring to lead paint, radon, and asbestos in question 8 when they knew these items were not a problem. They were uncomfortable with the ambiguity of a "no" response. It could mean they did not have the problem or that they had it but hadn't done anything about it.

A respondent who took up the old carpeting in the foyer and replaced it with a tile floor did not report the installation because the carpeting wasn't "replaced." It was unclear whether or not this was the correct interpretation.

RECOMMENDED WORDING:

Because the questions as tested were confusing to the respondents, and because of the profusion of definitions that would be necessary to make them less so -- renovation, upgrade, replacement, addition, etc. -- we recommend a completely different approach. Let the respondent simply report on the questionnaire what work was done. Let the analysts interpret and categorize, using whatever criteria they have established. This is the strategy which is part of the Annual Housing Survey (AHS) redesign.

FINAL WORDING:

In the last 5 years, have any of the following capital improvements or upgrades been made or started at this property? Capital improvements are additions to the property that increase the value or upgrade the facilities.

YES In what NO Don't
year? know
19__

- a. Upgrading of heating system*
 - b. Upgrading of property's plumbing systems*
 - c. Addition or upgrading of air conditioning system*
 - d. Replacement of kitchen facilities*
 - e. Renovation of bathroom facilities*
 - f. Addition of security system*
 - g. Addition of a swimming pool*
 - h. Addition of off-street parking*
 - i. Addition of a playground or play area*
 - j. Addition of handicapped/universal access improvements*
 - k. Other capital improvements or upgrades to the property - Specify*
-

In the last 5 years, was any of the following work done to the rental unit?

YES In what NO Don't
year? know
19__

- a. Interior painting*
 - b. Exterior painted*
 - c. Some or all kitchen fixtures replaced*
 - d. Some or all bathroom fixtures replaced*
 - e. Carpets replaced*
 - f. Unit rewired*
 - g. Lead-based paint removed or covered*
 - h. Radon vented to the outside*
 - i. Asbestos removed or covered*
 - j. Inspection or spraying for pests*
 - k. Heating/air conditioning repaired*
 - l. Building roof repaired or replaced*
 - m. Other major repairs to the unit -Specify*
-

NOTE: Response category "B" only appears on the single unit questionnaire.

COMMENTS:

While the response categories in question 8 have removed some of the difficult words, the final wording of these two questions does not address other major problems discussed above.

TESTED WORDING:

9. Is the monthly rent for the tenant occupying the reference unit partially paid by the following programs?

	Yes	No	Don't know
The Federal Section 8 certificate or voucher program			
AFDC, ADC, General Assistance, or any other welfare program			
Another Federal housing subsidy program			
Another state or local housing subsidy program			

SUMMARY OF ISSUES/PROBLEMS:

None.

RECOMMENDED WORDING:

No change.

FINAL WORDING:

Is the monthly rent for the tenant occupying the reference unit partially or completely paid by --

Mark (X) ALL that apply.

- The Federal Section 8 certificate or voucher program?*
- AFDC, ADC, General Assistance, or any other welfare program?*
- Another Federal housing subsidy program?*
- Another state or local housing subsidy program?*
- None of the above*
- Unit is vacant*
- Don't know*

COMMENT:

Before cognitively testing the instrument, we changed the format of the question so that the respondent would have to provide a yes/no answer for each type of program. We felt that this was a better strategy to follow throughout the questionnaire because it provides more information than "mark all that apply." With the latter strategy, if a program isn't marked, one doesn't know if that means the program doesn't apply or the respondent didn't read far enough down the list to consider the program.

Also, by including "the following programs" as part of the question, the intent of the question is completed; respondents don't have to refer to the response categories to complete the question. Since this strategy seemed to work well with our cognitive respondents, we think it should have been adopted.

The word "completely" was added in response to a problem in item 26a. In that item, the respondent was uncertain whether "partially" would also include someone whose rent was "completely" paid with Section 8 certificates. Although we didn't experience the uncertainty with this item, we made the same correction because the problem was possible with this item.

TESTED WORDING:

10. Which of the following factors are considered to be major or controlling when setting rents for the units at this property? **MARK ALL THAT APPLY.**

- Last year's rent plus inflation adjustment**
- Last year's operating costs, including debt service on mortgages**
- Expected operating cost increases for the coming year**
- Effect on tenant turnover**
- Demand for rental units in the area**
- Vacancies at this property**
- Vacancies in the area**
- Rents for similar units at other properties in this area**
- Governmental rent restrictions or guidelines**
- Other factor(s) - SPECIFY**
- Don't know**

On the single unit questionnaire the response category "vacancies at this property" did not appear.

SUMMARY OF ISSUES/PROBLEMS:

This question was very difficult for respondents. Many read the question several times. When that did not make it any clearer for them, respondents went to the response categories to see if they provided anything which would make the question more understandable.

The absence of any reference period contributed to respondents' confusion. One respondent said that all of the responses probably applied at some point or another.

One (single unit) respondent questioned whether we were asking about initial rents or renewals. After reading through the responses and giving the question considerable thought, he decided that it included both situations.

Single unit respondents who managed more than one property did not focus on the unit, but applied the question to their rental philosophy in general. They talked about factors that arise that would influence their decision in setting the rent, but these seemed to be in the abstract.

A problem with the multi unit respondents' answers was that the answers reflected only those factors they knew about. Some of the managers were not involved in rent-setting. For example, site managers knew they did a "market survey" of other properties in the area. It is unclear how much these marketing surveys weighed in decisions about setting the rent.

RECOMMENDED WORDING:

We recommend placing this item in the section of questions for the property manager or owner.

The single unit questionnaire seems to be asking about specific techniques to rent the rental unit. The question on the multi unit questionnaire, however, takes on a more philosophical tone. If this distinction was intentional, then the question should be revised to focus the single unit respondents on strategies for the specific rental unit and to avoid the ambiguity about initial rentals or renewals. A suggested wording for the single unit questionnaire is, "What factors were considered when setting the current rent for the rental unit?" A suggested wording for the multi unit questionnaire is "What factors were considered when setting rents at this property?"

FINAL WORDING:

What are the MAJOR factors considered when setting rents at this property? Mark (X) all that apply.

Last year's rent plus inflation adjustment

Last year's operating costs, including debt service on mortgages

Expected operating cost increases for the coming year

Effect on tenant turnover

Demand for rental units in the area

Vacancies at this property

Vacancies in the area

Rents for similar units at other properties in this area

Governmental rent restrictions or guidelines

Other factort(s) -- SPECIFY

Don't know

On the single unit questionnaire the response category "vacancies at this property" did not appear.

TESTED WORDING:

11. What percentage of units at this property have different tenants today than they did one year ago?

Less than 5 percent

5 to 9 percent

10 to 19 percent

20 to 49 percent

50 percent or more

Don't know

The single unit questionnaire was worded:
How long has the current tenant rented this unit?

- Less than 1 year**
- 1 to 2 years**
- 3 to 5 years**
- More than 5 years**

SUMMARY OF ISSUES/PROBLEMS:

The multi unit questionnaire asks what percentage of the units have different tenants today than they did one year ago. One respondent counted up in her head the "turnovers" and then divided that number by the number of units. This may or may not be correct depending on whether she used all units or only those occupied to divide by. The word "turnover" was one that our multi unit respondents used consistently when discussing this item.

This item may be sensitive to when the questionnaire is administered. One respondent discussed high and low turnover seasons. She marked one category because they were in low turnover season but said if we had done the interview a few weeks later, she would have reported a larger percent of turnover since it would be in the high turnover season.

The single unit questionnaire asks how long the current tenant has rented the unit. None of our cognitive respondents had any difficulty with this question. The only revision that may be necessary is to include a category "not currently rented."

RECOMMENDED WORDING:

What was the turnover rate at this property in the past 12 months?

- None (0 percent)*
- Less than 5 percent*
- 5 to 9 percent*
- 10 to 19 percent*
- 20 to 49 percent*
- 50 percent or more*
- Don't know*

For the single unit questionnaire:
Add "not currently rented" to the response options.

TESTED WORDING:

12a. Which of the following statements most accurately describes management's approach to tenant turnover?

- Minimize turnover GO TO 12B
- Seek normal turnover SKIP TO 13
- Increase turnover SKIP TO 12D
- No specific approach SKIP TO 13
- Don't know SKIP TO 13

The single unit questionnaire was worded:
Which of the following statements most accurately describes the approach to tenant turnover?

[Answer categories are the same as for the multi unit questionnaire.]

12b. What techniques are used to minimize tenant turnover? MARK ALL THAT APPLY.

- Rent concessions or reductions
- Increase the level of maintenance
- Redecorate or upgrading the units
- Make improvements to the property
- Improve services to the tenants
- Other technique(s) - SPECIFY

12c. Why is the management trying to minimize tenant turnover? MARK ALL THAT APPLY.

- To maintain a stable tenant population SKIP TO 13A
- To retain desirable tenants SKIP TO 13A
- To minimize turnover costs SKIP TO 13A
- To lower maintenance costs SKIP TO 13A
- Other reason(s) - SPECIFY SKIP TO 13A

For the single unit questionnaire the first answer category is:
To maintain tenant stability

12d. What techniques are used to maximize tenant turnover? MARK ALL THAT APPLY.

- Rent increases
- Decrease the level of maintenance
- Decrease services to the tenants
- Other technique(s) - SPECIFY

12e. Why is the management trying to increase tenant turnover? MARK ALL THAT APPLY.

- To convert the property to a different residential use
- To convert the property to non-residential use
- To renovate the unit and/or replace obsolete features
- To adjust the rents to keep pace with inflation
- To change the tenant population
- Other reason(s) - SPECIFY

For the single unit questionnaire the fifth answer category is:

To attract a different type of tenant

SUMMARY OF ISSUES/PROBLEMS:

This series of questions was also difficult for respondents. After reading item 12a a couple of times, some respondents went to item 12b to see if that question would give them any clues to what we were asking. It seemed to help because they were then able to identify techniques to minimize turnover.

All except two of our respondents answered "minimize turnover." Those two respondents answered "seek normal turnover." However, we did not have too much confidence in these two responses. It seemed like they chose that answer without really understanding what they were marking. For example, one respondent read the question three times and asked what it meant. When the interviewer asked the respondent what he thought it meant, he just marked "normal turnover" and went to the next item.

One respondent missed the skip instruction in item 12c and answered item 12d (techniques to maximize turnover). She remarked that this was "all of that ugly stuff that was intended to get people to move out." However, when she came to the next question which asked why they are trying to maximize turnover, she said "here we aren't trying to do that." We suspect that both minimizing and maximizing techniques are being used. However, maximizing probably is not routinely done in the name of "maximizing turnover," but more to encourage selected tenants to leave, for whatever reasons. One respondent did question why anyone would want to maximize turnover since that costs money. Another respondent questioned whether the government should be asking about "maximizing turnover" given the EEO regulations regarding renting property in this country. The question seemed to make the respondents' task difficult by asking them to label a minimize/maximize philosophy that they may not even recognize as such.

When answering the reasons why they wanted to minimize turnover (item 12c), virtually all of our respondents marked all of the categories listed. One respondent said the bottom line was to "increase cash flow" - after that, all of the other categories listed "fell into line."

RECOMMENDED WORDING:

We recommend combining items 12a, 12b, and 12d. Since respondents may use both minimizing and maximizing techniques but just don't label them as such, we recommend combining the techniques for minimizing and maximizing and then asking if they use any of the techniques. From the responses from the list as a whole, data users could label categories as "maximize" or "minimize" after tallies are done.

The responses to item 12c indicate that respondents didn't differentiate between the categories --they marked them all. This raises questions about the usefulness of this item. We recommend dropping this item. If it must be asked, then it needs to be preceded with a question that asks the respondent to categorize their approach to turnover in general terms. Even though this question would then come after the respondent focused on the methods they used, we still think this would be a difficult question to answer.

FINAL WORDING:

a. *Are any of the following currently taking place or planned for this property? Mark (X) ALL that apply.*

Converting the residential rental units to condominium or cooperative ownership

Converting some or all residential rental units to nonresidential use

Renovating the residential rental units and/or replacing obsolete features while remaining a rental property

Combining units to create larger units

Working to change the tenant population

None of the above -- Skip to d

Don't know -- Skip to d

The single unit questionnaire was worded:

Are any of the following changes currently taking place or planned for the rental unit?

Converting the rental unit to owner-occupancy

Converting the rental unit to nonresidential use

Renovating the rental unit and/or replacing obsolete features while remaining a rental unit

Working to change the type of tenant

None of the above -- Skip to d

Don't know -- Skip to d

- b. *To achieve the above changes for this property, is management actively trying to increase tenant turnover?*

Yes

No -- Skip to d

The single unit questionnaire was worded:

To achieve the above changes for the rental unit, are you actively encouraging the current tenant to vacate the unit?

- c. *What techniques are used to increase tenant turnover at this property?*
MARK (X) ALL that apply.

Rent increases -- Skip to next item

Decreasing the level of maintenance -- Skip to next item

Decreasing services to the tenants -- Skip to next item

Charging a fee for previously free services -- Skip to next item

Other technique(s) - Specify -- Skip to next item

The single unit questionnaire was worded:

What techniques are used to encourage the tenant to move out?

- d. *Is the management actively trying to minimize tenant turnover at this property?*

Yes

No

The single unit questionnaire was worded:

Are you actively trying to minimize tenant turnover at the rental unit?

- e. *Why is the management trying to minimize tenant turnover at this property?*
MARK (X) ALL that apply.

To maintain a stable tenant population

To retain desirable tenants

To minimize turnover costs

To lower maintenance costs

Other reason(s) - Specify

The single unit questionnaire was worded:

Why are you trying to discourage tenant turnover at the rental unit?

The first response category did not appear on the single unit questionnaire.

- f. *What techniques are used to minimize tenant turnover at this property?*

Rent concessions or reductions

Increasing the level of maintenance

Redecorating or upgrading the units

Making other improvements to the property

Improving services to the tenants

Other technique(s) -- Specify

The single unit questionnaire was worded:

What techniques are used to discourage tenant turnover at the rental unit?

COMMENTS:

The sponsors indicated that a property owner would maximize turnover if he/she had other plans for the property. Item 19 asks such a question. Therefore, we decided to tie these two items together -- first we would ask about any changes to the property and if changes were planned, we would ask about maximizing turnover. If no changes were planned or if the management was not trying to maximize turnover, then the questions about minimizing turnover would be asked. This revision may relieve the problem of forcing the respondent to identify a philosophy up front.

No changes, however, were made to the item which asks why management is trying to minimize turnover. The lack of distinctiveness between response categories still remains problematic.

TESTED WORDING:

13a. Is this property **ELIGIBLE** for low-income housing tax credits?

- Yes
- No
- Don't know

13b. Does this property **RECEIVE** low-income housing tax credits?

- Yes
- No

SUMMARY OF ISSUES/PROBLEMS:

Virtually none of our respondents knew what low income housing tax credits are. A couple of respondents saw "low income" and immediately assumed that it had to do with Section 8. They stated that they don't accept any Section 8 tenants and immediately answered "no." Others tried to guess what it meant. One respondent said the owner could get tax credit if he made the property available to lower income persons. Another thought it was only the builder of new properties and not owners who could get the credit. Another respondent said his property was in the \$200,000 range so he didn't think it was "low income," but said you never know whom the government is willing to give money to. These respondents all answered "don't know" to this question. The problem with item 13b was that those who answered "don't know" to item 13a also wanted to answer "don't know" to 13b, but there wasn't a box for the answer. Perhaps the "don't know" answer in item 13a should have instructions to skip over 13b.

RECOMMENDED WORDING:

We recommend that a simplified definition be incorporated into the question - something along the lines of asking "Does the owner of this property qualify for housing tax credits because" This would give respondents enough information to make a decision and would remove the step sign presented by the words "low income."

FINAL WORDING:

Is this property ELIGIBLE for LIHTC (Low-Income Housing Tax Credit)?

- Yes*
- No*
- Don't know*

COMMENTS:

Sponsors decided that by using the abbreviation for the program, respondents would recognize the program if they participated in it. We did not think this solution addressed the problem.

TESTED WORDING:

14a. What were the operating costs for this property for the last year for which you have complete records? **DO NOT INCLUDE EXPENDITURES FOR CAPITAL IMPROVEMENTS REPORTED IN ITEM 7.**

	COST PER YEAR	NONE
a. Advertising	____.00	0
b. Auto and travel	____.00	0
c. Cleaning	____.00	0
d. Commissions	____.00	0
e. Property insurance	____.00	0
f. Legal and other professional fees	____.00	0
g. Management fees	____.00	0
h. Mortgage interest paid to banks, etc.	____.00	0
i. Other interest	____.00	0
j. Repairs and maintenance	____.00	0
k. Supplies	____.00	0
l. Real estate taxes	____.00	0
m. Utilities (Electricity, gas, water and sewer, and fuel oil)	____.00	0
n. Tenant referrals	____.00	0
o. Grounds or lawn care	____.00	0
p. Personnel or labor costs	____.00	0
q. Ground rent or special assessment	____.00	0
r. Other not listed above	____.00	0

14b. For what year are the expenses in 14a reported?

19 __

SUMMARY OF ISSUES/PROBLEMS:

We identified many problems with this item. The phrase "for the last year for which you have complete records" was not clear to all of our respondents and not applied consistently over the question. Respondents thought that because the categories looked like those on the tax form they ought to use the tax year. Another suggestion was that it would be easier to estimate "today back a year." In another case when a respondent reported his management fees, he used the period from November to the present because that was how long he had had the property. Yet when he reported the real estate taxes item, he guessed for the last calendar year.

Fees/costs that were known only for the time the manager or management company had had the place were a problem when the time was less than a year. This was one of the items that led us to recommend adding the question regarding the length of time the person or company had managed the property (item 4c).

Another problem: Although the managers of properties provided us with operating costs data, it was from their point of view and not the owners'. In one case, the manager said there were no legal or professional fees. It is possible, however, that the owner had an accountant do the taxes (which presumably would be a cost). In another situation, the site manager identified legal fees as the amount spent for filing suit to obtain back rent. The site manager did not consider other legal fees that would be known specifically by the management company or the owner. One legal expense was filing for bankruptcy, but some could consider those fees as operating costs. Another manager included monies paid to him by the owner for commissions and management fees. However, he also included money for advertising because that was what it cost the management company to rent the property. As far as the owner is concerned this was part of the management fee, so it seems that this cost was reported twice.

By the time respondents got part way through the list, they were no longer concentrating on "operating costs." It was more just money paid out. One respondent included the interest on the security deposit that he returned to his tenant as "other interest." He included replacing a washing machine. When asked about this, he said he did not depreciate it (meaning that he did not consider it a capital improvement?) so he had to put it somewhere.

The categories themselves also present problems. They are not mutually exclusive and mean different things to different respondents. For example, one respondent included staff time and supplies under "cleaning" because it is done "in house." She also reported the amount in supplies but said that she doesn't keep the payroll, so she couldn't put an amount for labor costs. Presumably this is more clear-cut if the cleaning is done by a service.

Several respondents said they would have liked to have a category for condominium fees. One respondent said it would be difficult to break those fees down. They thought the money went for utilities (water and sewer), property insurance, and repairs and maintenance. Also, they questioned whether special condo assessments should be categorized with ground rent or special assessments.

RECOMMENDED WORDING:

We recommend asking about a tax year and directing respondents to their tax forms. We are assuming that the response categories won't be changed because they match the tax forms. However, selected categories should be defined.

Also, the questions should ask about the owner's operating costs. For example, "What was the cost to the owner for operating this property for the last tax year?".

Give explicit instructions and examples that costs should only be counted in a single category. The follow up question would then ask for what tax year the respondent is reporting.

FINAL WORDING:

What were the operating costs for this property for the last year for which you have complete records? Do NOT include expenditures for capital improvements reported in item 7 on page x. Include operating costs in one category only. Do not double count costs.

	YEARLY COST	NONE
<i>(1) Advertising</i>	____.00	o
<i>(2) Auto and travel</i>	____.00	o
<i>(3) Cleaning</i>	____.00	o
<i>(4) Commissions</i>	____.00	o
<i>(5) Property insurance</i>	____.00	o
<i>(6) Legal and other professional fees</i>	____.00	o
<i>(7) Management fees</i>	____.00	o
<i>(8) Mortgage interest paid to banks, etc.</i>	____.00	o
<i>(9) Mortgage insurance</i>		
<i>(10) Other interest</i>	____.00	o
<i>(11) Repairs and maintenance</i>	____.00	o
<i>(12) Supplies</i>	____.00	o
<i>(13) Real estate taxes</i>	____.00	o
<i>(14) Utilities (Electricity, gas, water and sewer, and fuel oil)</i>	____.00	o
<i>(15) Tenant referrals</i>	____.00	o
<i>(16) Grounds/lawn care/snow removal</i>	____.00	o
<i>(17) Trash collection</i>		
<i>(18) Personnel or labor costs</i>	____.00	o
<i>(19) Ground rent or special assessment</i>	____.00	o
<i>(20) Other not listed above--Specify--</i>	____.00	o

14b. For what twelve month period are the expenses in 14a reported?

Month Year Month Year
FROM _____ 19__ TO _____ 19__

COMMENT:

Two new response categories were added as was an instruction to only include costs in one category and not to double count costs. These changes do not address most of the problems identified above.

TESTED WORDING:

15a. Does the owner(s) contribute time to the continued upkeep or operation of the property?

Yes
No

15b. In the last 12 months, how many hours per week has the owner spent on the upkeep or operation of this property?

1 to 8 hours
9 to 24 hours
25 to 40 hours
More than 40 hours

15c. Is a salary paid to the owner for work performed in the upkeep or operation of this property?

Yes
No

SUMMARY OF ISSUES/PROBLEMS:

The major problem with item 15a was the ambiguity of the central concept -- what kinds of activities is the question trying to capture? Respondents tended to interpret "owner's contributed time" as off-site management and not any physical labor. For example, one respondent marked "yes" because she said assumed the owner kept an eye on his investment. However, she had only met the owner once and really had no knowledge of how much time he spent watching or taking care of his investment. Our assumption was that the question was referring to "hands on" involvement at the property.

The reference period in item 15a is not specified, so it could be different than the 12 months specified in item 15b. If the owner had contributed to the upkeep but that was several years ago, item 15a could be answered yes, but item 15b would be none.

A problem that we observed with item 15b was that respondents read "in the last 12 months," and took 12 months as the amount of time for which we wanted the total hours of the owner's involvement. Again, the respondent who has only met the owner once said more than 40 hours because he must be in constant contact with the property. Another respondent said 9 to 24 hours in the past 12 months would cover it.

Item 15b was difficult for a couple of respondents because it forced them to compute an average for work that was highly variable.

We think the purpose of item 15c is to find out if the owner receives payment for the work he/she does. However, the word "salary" implies a regular payment. Respondents thought about it as a management payment instead of payment for work performed.

RECOMMENDED WORDING:

The placement of this series of questions on the questionnaire depends on its purpose. If the intent of the question is to find out if the owner does any of the upkeep/maintenance, then the questions should be in the site manager section. If the intent is to focus on time spent on upkeep, maintenance, bookkeeping, legal issues, etc., then we recommend placing the questions in the owner's section.

If the intent focuses on actual upkeep/maintenance, we recommend the following wording:

15a. In the last 12 months, has the property owner(s) done any of the upkeep or maintenance work on this property?"

15b. About how many hours PER WEEK did the owner(s) work on this property's upkeep or maintenance in the last 12 months?

Also, add the response category "Less than one hour per week."

15c. In the last 12 months, did the owner(s) receive pay for the upkeep or maintenance of this property?

FINAL WORDING:

Does the owner(s) contribute time to the maintenance and/or management of this property?

Yes

No

About how many hours per week has the owner spent on the maintenance and/or management of this property in the past 12 months?

Less than 1 hour per week

1 to 8 hours per week

9 to 24 hours per week

25 to 40 hours per week

More than 40 hours per week

Did the owner receive wages or salary for work performed in the maintenance and/or management of this property in the last 12 months?

Yes

No

COMMENTS:

This series of questions was placed in the owner's section of the questionnaire because it includes time spent by the owner and not just physical labor.

TESTED WORDING:

16. **What percentage of gross rental income from this property is spent on regular maintenance? Include income from both residential and commercial units.**

None (0 percent)

Less than 5 percent

5 to 9 percent

10 to 19 percent

20 to 29 percent

30 to 39 percent

40 to 49 percent

50 to 74 percent

75 percent or more

SUMMARY OF ISSUES/PROBLEMS:

This item doesn't give a time period on which to base the answer. Also, "regular maintenance" is a very nebulous term. One respondent said the question was difficult to answer for a condo because a good chunk of the condo fees go to maintenance - either present or future. Another site manager of a property that had filed for bankruptcy said 75% or more because all of the money collected was either paying salary or going into the property because they are not paying a mortgage.

RECOMMENDED WORDING:

We recommend asking for total rental income for the property. The maintenance expense was previously obtained in item 14, so the percentage could be calculated using total rental income and the maintenance expense. Obtaining the total rental income has two advantages. First, it is a question that the lowest level of management can answer. Second, it takes the calculation (and consequently, a likely major source of error) out of the respondent's hands. The percentage of gross rental income spent on maintenance didn't seem to be a figure that owners or managers naturally calculate as part of doing business.

FINAL WORDING:

What percentage of gross rental income from this property is spent on regular maintenance? Include income from both residential and commercial units. Exclude expenditures for capital improvements.

- None (0 percent)*
- Less than 5 percent*
- 5 to 9 percent*
- 10 to 19 percent*
- 20 to 29 percent*
- 30 to 39 percent*
- 40 to 49 percent*
- 50 to 74 percent*
- 75 percent or more*

COMMENTS:

The only change in the final wording of this question from what we tested was that additional instructions were added. This does not address any of the problems the cognitive respondents had with the question.

TESTED WORDING:

17. Which of the following statements most closely describes the current maintenance program on this property? **MARK ONLY ONE ANSWER.**

- Provide minimal maintenance on a as-needed basis**
- Provide moderate maintenance including periodic upgrades**
- Provide aggressive maintenance including major upgrades**
- Don't know**

SUMMARY OF ISSUES/PROBLEMS:

This question focuses on two aspects of maintenance: major upgrades and aggressive maintenance. Being aggressive about maintenance did not necessarily mean that there were major upgrades being made to the property. For example, a couple of respondents considered "aggressive" to be fixing a leaky faucet the day it was reported or as soon as possible after they knew about it. On the other hand, another respondent called their maintenance aggressive, saying they fix some things before they break and replace them before even the tenant notices they are sub-adequate.

RECOMMENDED WORDING:

We recommend breaking this into two questions -- one for each facet. The aggressiveness of maintenance could be determined by the question: "How does management respond to current maintenance problems?"

Suggested response alternatives are: a) Respond to major maintenance problems as quickly as possible. Minor problems may have to wait; b) Respond to all maintenance problems - major or minor - as quickly as possible; and c) Respond to current maintenance problems and ... (not completed).

We don't have a recommendation for the "major upgrades" facet of this question. We need more information on the intent.

FINAL WORDING:

Which category best describes the CURRENT maintenance program for this property?

Minimal (most maintenance postponed, major problems handled as quickly as possible)

Moderate (most minor problems postponed, major problems handled immediately)

Aggressive (all maintenance handled immediately and preventive maintenance practiced)

TESTED WORDING:

18. Which of the following statements most closely describes changes to the maintenance plans for this property over the next three years? MARK ONLY ONE ANSWER.

Plan to provide lower maintenance and repair in the future

Plan to provide a higher level of maintenance and repair or to upgrade the property in the future

No changes are planned

Don't know

SUMMARY OF ISSUES/PROBLEMS:

This was a difficult question for the respondents. If "aggressive" maintenance was being provided, and it was planned to continue, "no changes planned" was the correct answer. However, they wanted to mark "higher level of maintenance and repairs" because they felt that they provided a higher level of maintenance than other rental properties. Also, if they planned to make upgrades to the unit in the future, the second answer was appropriate, yet inconsistent because they planned no change to the high level of maintenance currently provided. Ironically, one respondent reported that they are doing a lot now, so in 3 years they could "provide lower maintenance" because of their foresight.

The purpose of this question was not clear. We were unsure whether the purpose was to find out if the management was going to spend money just to keep the property or unit from deteriorating, or to spend money to upgrade it. The purpose could also have been to determine how the maintenance program would affect the property value in 3 years.

RECOMMENDED WORDING:

We recommend deleting this item.

FINAL WORDING:

Which category best describes maintenance PLANS for this property over the next three years?

Minimal (most maintenance postponed, major problems handled as quickly as possible)

Moderate (most minor problems postponed, major problems handled immediately)

Aggressive (all maintenance handled immediately and preventive maintenance practiced)

COMMENTS:

This item was structured parallel to the previous one and the response categories are identical. The previous item asks about current maintenance plans and this item asks for maintenance plans over the next three years. Removing the concept of "changes to the maintenance plans" may eliminate the ambiguity in the question.

TESTED WORDING:

19. In the next three years are any of the following MAJOR changes to this property planned?

YES NO

- a. Plan to convert the residential rental units in this property to condominium or cooperative ownership.
- b. Plan to convert the residential rental units in this property to nonresidential use.
- c. Plan to make MAJOR renovations or upgrades to the property while keeping it as a rental property.
- d. Plan other MAJOR changes to the property - SPECIFY

SPECIFY

The first response category did not appear on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

This question did not prepare the respondent for the responses that followed. Respondents thought they would be answering about the details of physical upgrades because of the previous two questions regarding maintenance plans.

The first three response categories do not provide the respondents with enough clues to determine what major changes they should be reporting as "Other" changes. Therefore, answers to this question may be infrequent.

RECOMMENDED WORDING:

We recommend that this question be structured as three separate questions; each question asking: "In the next three years, does the management plan to..."

FINAL WORDING:

Are any of the following currently taking place or planned for this property? Mark (X) ALL that apply.

Converting the residential rental units to condominium or cooperative ownership

Converting some or all residential rental units to nonresidential use

Renovating the residential rental units and/or replacing obsolete features while remaining a rental property

Combining units to create larger units

Working to change the tenant population

None of the above -- Skip to d

Don't know -- Skip to d

COMMENTS:

This item was merged with item 12. See comments for item 12 for further discussion.

TESTED WORDING:

20a. Which of the following statements best describes the property's financial situation in the past year? Consider the property to be making a profit if the income from rental receipts exceeds all expenses. **MARK ONLY ONE ANSWER.**

Made a substantial profit

Made a slight profit

Broke even last year

Operated at a slight loss

Operated at a substantial loss

Don't know or not sure

20b. In the past year, do you think this property has been less profitable, more profitable, or about the same as comparable properties in the area?

Less profitable

About the same

More profitable

Don't know or not sure

20c. In the past year, have the property values in the neighborhood containing this property increased, decreased, or remained about the same?

Increased

Decreased

Remained about the same

Don't know or not sure

The single unit questionnaire was worded:

In the past year, have the property values in the neighborhood (or, if this is a condominium or co-operative, in the building) containing the reference unit increased, decreased, or remained about the same?

SUMMARY OF ISSUES/PROBLEMS:

In item 20a, the phrase "making a profit" caused confusion. It was not understood whether the phrase referred to profit before or after depreciation was considered for tax purposes. If only gross income and expenses were considered, the results could be different than if income, depreciation and expenses were considered in the equation.

Another interesting interpretation of item 20a was to take it literally as an order: "consider the property to be making a profit..." What was the respondent, whose property was not making a profit, but who was being told to assume that it was, supposed to do?

The problem with item 20b was that virtually all respondents compared their current "profitability" to the rental potential that the property or unit had and not to other properties. They said things like: "It's been very profitable. He is getting the highest rent he's ever gotten." and, "About the same because the rent hasn't increased and he's been able to keep it rented." and, "The occupancy rate has been pretty much the same over the year that she has been there, so there hasn't been any major loss in income." One property manager of a single unit said that other units in the area are owner managed so they are losing money. This seemed to be a generalization and not real knowledge of other's "profitability." The focus of the question set was not clear.

A reference period of one year in item 20c is too short to evaluate any meaningful change in property values. Also for item 20c, one respondent asked if we wanted the assessed value or the sales price of a similar unit.

RECOMMENDED WORDING:

We suggest that the instrument collect information on expenses and rental income and then let the analyst categorize whether or not a profit was made and the size of the profit/loss. Operating expenses are collected in another item, so only additional expenses needs to be asked about. If the item is not restructured but only reworded, we recommend that the word "profit" not be used.

We need to better understand the purpose of item 20b before we can make recommendations.

On the single unit questionnaire, the parenthesis around the phrase in item 20c should be removed.

FINAL WORDING:

Did this property make a profit last year?

Yes

No, broke even

No, had a loss

Don't know or not sure

Compared to similar properties in this area, do you think this property has been less profitable, more profitable, or about the same in the past year?

Less profitable than similar properties

More profitable than similar properties

About the same as similar properties

Don't know or not sure

In the past year, have the property values in the neighborhood where this property is located increased, decreased, or remained about the same?

Increased

Decreased

Remained about the same

Don't know or not sure

COMMENT:

The final wording does not address any of the problems reported by cognitive respondents.

TESTED WORDING:

21. **In marketing the units at this property, are the following kinds of properties competitors for tenants?**

YES NO DON'T KNOW

- a. **Privately owned, nonsubsidized, rental units in the area**
- b. **Privately owned properties that accept Section 8 rent vouchers/certificates**
- c. **Privately owned properties with other subsidized units that are NOT Section 8**
- d. **Public housing**
- e. **Other kinds of competitors - SPECIFY**

SPECIFY

On the single unit questionnaire, response category "d" did not appear.

SUMMARY OF ISSUES/PROBLEMS:

Respondents had two different interpretations of this question. Some respondents interpreted "competitors" to mean anyone who was trying to entice their current tenants away. Others thought "competitors" was referring to someone before they became a tenant.

One respondent answered "no" to "properties that accept Section 8 rent vouchers", and said they did not rent to Section 8. Her "no" meant that their property did not rent to people who qualify to live in housing covered by Section 8. It did not mean that privately owned properties that accept Section 8 rent vouchers/certificates are not competitors for tenants.

A couple of respondents questioned what kind of subsidy programs there are that are not under Section 8. One respondent wanted an "N/A" box for public housing since there was none in the area. An "other" write-in answer was "rent with option to buy."

RECOMMENDED WORDING:

If the focus of this question is only on attracting new tenants, we recommend asking: "Which of the following kinds of properties compete with this property for tenants?".

FINAL WORDING:

When there is a vacancy at this property, do the following kinds of properties compete with this property for new tenants?

- a. Privately owned, nonsubsidized units in the area*
- b. Privately owned properties that accept Section 8 rent vouchers/certificates*
- c. Privately owned properties with other subsidized units (not Section 8)*
- d. Public housing*
- e. Other kinds of competitors - SPECIFY*

The single unit questionnaire was worded:

If the rental unit were vacant, would the following kinds of units compete with the unit for new tenants?

The response options are the same as for the multi unit questionnaire.

COMMENT:

The uncertainty about whether the question was asking about current tenants or new tenants was eliminated in the final wording. The other issues discussed above were not addressed.

TESTED WORDING:

22a. Are any of the following types of advertising used to market this property?

YES NO

- a. Newspaper ads
- b. TV or radio ads
- c. Apartment property guides
- d. Multiple Listing Service
- e. Sign at the property
- f. Word-of-mouth referrals
- g. Some other means - SPECIFY

SPECIFY

22b. Are any of these types of advertising planned to be used more or less in the next year?

PLAN TO USE LESS OFTEN	PLAN TO USE MORE OFTEN	NO CHANGE PLANNED
---------------------------	---------------------------	-------------------------

- a. Newspaper ads
- b. TV or radio ads
- c. Apartment property guides
- d. Multiple Listing Service
- e. Sign at the property
- f. Word-of-mouth referrals
- g. Some other means - SPECIFY

SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

The cognitive interview questionnaire did not include the screener which asked if the property was being marketed to new tenants. If the screener had been included, the questions above would only have been asked of the respondents who answered yes to the screener. Instead the set was asked of everyone and, because of that, in some cases, the respondents answered with their general philosophy for marketing properties, not with what they were doing at the time of the interview.

A couple of the response categories need clarification. For "apartment property guides," one respondent didn't like the word "apartment" because his unit was not an apartment. Others called it the "apartment shopping guide," but they still seemed to know what we were referring to by "property guide." One respondent saw the apartment property guides as a kind of multiple listing

service. The category "sign at property" caused one respondent to ask if we meant the directional signs on billboards.

Item 22b had too many unknowns for respondents. Property owners (particularly in single units) may not know if they will be advertising at all in the next year. They may or may not get a tenant that stays for more than one year. In multi units, the number of units available for rent is the major factor in determining what and how much advertising will have to be used.

There was also confusion with the responses to item 22b. Respondents marked "no change," "less often," and even "N/A" for the advertising types they did not use. "Word of mouth referrals" was also difficult to predict in the future. A couple of respondents said they didn't know how you could increase this or have any control over it. Another respondent said that the longer he was in the rental management business the more people would know about his properties and the more "word of mouth" advertising he would receive.

RECOMMENDED WORDING:

The response categories should be reworded to reduce ambiguity. A distinction should be made between apartment property guides and multiple listing services. "Sign at the property" should read "For rent sign at the property."

We recommend deleting item 22b.

FINAL WORDING:

Is this property NOW being marketed to new tenants?

Yes

No Skip to...

Are any of the following types of advertising NOW used to market this property?

- a. Newspaper ads*
- b. TV or radio ads*
- c. Apartment property guides*
- d. Multiple Listing Service (Board of Realtors)*
- e. "For rent" sign at the property*
- f. Word-of-mouth referrals through tenants*
- g. Some other means - SPECIFY*

What changes are planned in the following types of advertising in the next year?

PLAN TO USE

<i>Less</i>	<i>More</i>	<i>No change</i>	<i>Have no</i>
<i>Often</i>	<i>Often</i>	<i>planned</i>	<i>Plan</i>

- a. Newspaper ads*

- b. TV /radio ads*
- c. Apartment property guides*
- d. Multiple Listing Service (Board of Realtors)*
- e. "For Rent" sign at the property*
- f. Word-of-mouth referrals through tenants*
- g. Some other means - SPECIFY*

COMMENTS:

HUD was interested in determining if a means of advertising would be used more or less in the next year, even though that was difficult for respondents to know. The category "have no plan" is intended to capture types of advertising that are not currently used and will not be used in the future. A more descriptive phrase such as "Not used" may have better described the category.

TESTED WORDING:

23a. In the past two years, have any applicants been rejected as a tenant at this property?

Yes

No **SKIP TO 24**

23b. Which of the following factors caused an applicant to be rejected?

MARK ALL THAT APPLY.

Performance in personal interview

Responses to the application form

Credit or credit references

References from employer or employment history

Personal references

References from previous rental agent or owner

Insufficient income to meet minimum requirements

A record of disruptive behavior in previous residences

Unit too small for household

Tenants do not "fit in" with other residents

Type of current employment

Other reasons - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

At large multi unit properties, the answer to at item 23a is obvious: they reject tenant applicants. We think, however, that this item may be necessary for smaller multi units and, depending on the definition of applicant, also necessary for properties with waiting lists.

A few of our respondents told us that they screened applicants before they took an application, so they answered "no" to this item because the rejection takes place before a person becomes an "applicant." We were not sure if this was correct. We suspected that it was not.

The problem that we encountered with item 23b was that respondents tended to answer this question with their general philosophy rather than report their recent experiences with this unit/property.

The category "tenants do not 'fit in'" raised a red flag for several respondents. They said they do not judge people or they said they did not even want to touch that category. Also, because the "do not 'fit in'" category follows immediately after "unit too small," one respondent took "fit in" literally. The category "type of current employment" was ambiguous. It was not clear whether it was referring to "type" literally such as someone who is self-employed working or practicing at home, like a musician, physician or prostitute, who may be in violation of noise code, zoning or criminal law, or someone whose job is tenuous and whose likelihood of stable income is questionable. The "other" write-in responses that we received included "pets" and "age."

RECOMMENDED WORDING:

In the past two years, which of the following factors caused the management to reject someone who wanted to become a tenant at this property?

This design removes the screening question so a response option which reads "did not reject anyone" should be added.

The category "tenants do not 'fit in' with other residents" should be deleted or reworded. Reword the category "unit too small for household" to read "too small for number of persons in household." Also, if some form of the current category "tenants do not 'fit in' with other residents" is retained, it should be separated from the "unit is too small" category. The response category "type of current employment" should be better defined.

FINAL WORDING:

Have any of the following methods been used to screen potential tenants for this property?

- (1) Personal interviews*
- (2) Responses on the application form*
- (3) Credit references or credit checks*
- (4) Employment checks or employer references*
- (5) Personal references*
- (6) Bank references*
- (7) References from previous rental agent/owner/property owners association*
- (8) Proof of meeting minimum income requirements*
- (9) Some other means- SPECIFY*

Which number from above is MOST important?

In the past two years, has anyone who wanted to become a tenant at this property been rejected?

Yes

No

What were the reasons for the rejection(s)?

(1) Performance in personal interviews

(2) Responses to the application form

(3) Credit or credit references

(4) References from employer or employment history

(5) Personal references

(6) References from previous rental agent/owner/property owners association

(7) Insufficient income to meet minimum requirements

(8) Unit too small for the number of persons in the household

(9) A record of disruptive behavior in previous residences

(10) Applicants do not "fit in" with other residents

(11) Type of occupation -- Specify

(12) Other reasons -- Specify

COMMENT:

The final wording first asks what screening methods the management uses and then asks why a potential tenant was actually rejected. This may allow the respondent to report a general philosophy and then concentrate on actual experiences. It also addressed the problem of misreporting in this item because potential "applicants" are screened before given an application to complete.

TESTED WORDING:

24. **How familiar are you with the Section 8 rental subsidy certificate or voucher program?**

Very familiar

Somewhat familiar

Not at all familiar

SUMMARY OF ISSUES/PROBLEMS:

None. Our respondents had all heard of the Section 8 program, had a variety of levels of familiarity with it, and had no apparent difficulty categorizing themselves into one of the response options.

RECOMMENDED WORDING:

No change.

TESTED WORDING:

25. In the past 6 months, how many inquiries have been received asking whether this property accepts tenants who hold Section 8 vouchers or certificates?

- None
- Fewer than 5 inquiries
- 5 to 9 inquiries
- 10 to 19 inquiries
- 20 to 49 inquiries
- 50 to 99 inquiries
- 100 or more inquiries
- Don't know

The single unit questionnaire referred to the past year. The response options were None, Fewer than 5 inquiries, **5 or more inquiries**, and Don't know.

SUMMARY OF ISSUES/PROBLEMS:

Analysts must be careful not to interpret these numbers as demand for Section 8 housing. Even if respondents can correctly recall how many inquiries were received, the amount could underestimate demand because potential tenants may screen themselves out before even asking if the property accepts vouchers. We also had one single unit respondent who didn't get any inquiries, but marked "5 or more" because he thought at least that many people got the information from the advertisement that said "Section 8 welcome."

The "don't know" response category is ambiguous. Some respondents used it to indicate uncertainty about the exact number of inquiries; others who responded "don't know" didn't know whether they had any inquiries.

This question caused problems for single unit owners if the property had not been on the market in the past year. That is, the question doesn't apply unless the property was for rent during the reference period.

RECOMMENDED WORDING:

In the past 6 months, about how many inquiries have been received asking whether this property accepts tenants who hold Section 8 vouchers or certificates?

- None*
- Fewer than 5 inquiries*
- 5 to 9 inquiries*
- 10 to 19 inquiries*
- 20 to 49 inquiries*
- 50 to 99 inquiries*
- 100 or more inquiries*
- Don't know how many inquiries*

The reference period for the single unit questionnaire was changed to also be the past 6 months.

The response categories for the single unit questionnaire are the ones which were tested except that the "don't know" category was modified and now reads "don't know how many inquiries."

TESTED WORDING:

26a. **Under the current ownership have there ever been tenants at this property whose rent was partially paid with Section 8 rental subsidy certificates or vouchers?**

Yes

No

The single unit questionnaire was worded:

Under the current ownership of this unit has there ever been a tenant whose rent was partially paid with Section 8 rental subsidy certificates or vouchers?

SUMMARY OF ISSUES/PROBLEMS:

The word "partially" is a potential problem. A respondent whose tenant had the rent entirely paid was unsure whether or not that situation should be included.

Respondents who answered "no" to this item, were skipped to the next series of questions. It is not clear why; there is no basis for automatically assuming that lack of Section 8 tenants in the past means that none would be accepted in the future. We recommend eliminating the skip and asking the item about future plans (26d) of all respondents. By asking about future plans of everyone we may get a better picture of the housing which will be available to Section 8 tenants.

RECOMMENDED WORDING:

Under the current ownership have there EVER been tenants at this property whose rent was subsidized with Section 8 certificates or vouchers?

FINAL WORDING:

Under the current ownership have there EVER been tenants at this property whose rent was partially or completely paid with Section 8 certificates or vouchers?

Yes

No

COMMENTS:

HUD chose to use the words "partially or completely paid" versus "subsidized" in the final wording. The wording on the single unit questionnaire is the same except that it refers to the unit instead of the property.

The revised questionnaire does incorporate the revised skip pattern and asks the question about future plans (26d) of those who have never rented to Section 8 tenants as well as those who have.

TESTED WORDING:

26b. **How many units at this property are occupied by Section 8 rental subsidy certificate or voucher holders?**

None
Number

This question is not asked on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

None. We nevertheless recommend a simplification.

RECOMMENDED WORDING:

How many units at this property are NOW occupied by Section 8 tenants?

Number

TESTED WORDING:

26c. **Is the current tenant of the rental unit under Section 8?**

Yes
No
Vacant

The single unit questionnaire was worded:

Is the current tenant under Section 8?

SUMMARY OF ISSUES/PROBLEMS:

This item focuses on the rental unit. Some respondents commented that they forgot to which unit the question referred.

COMMENTS:

This question was deleted since the information can be deduced from the answer to an earlier question. Item 9 asks whether the rent is paid by a Section 8 certificate or voucher. Knowing the answer to item 9 will determine whether the current tenant is under Section 8.

TESTED WORDING:

26d. **Would you accept new tenants whose rent is partially paid with Section 8 rental subsidy certificates or vouchers?**

Yes
No

The single unit wording asked about "a new tenant" instead of "new tenants."

SUMMARY OF ISSUES/PROBLEMS:

Similar to item 26a above, the word "partially" can be problematic. We again recommend a simplification of the wording.

Respondents who answered item 26c - those who had Section 8 tenants at some point in the past - were skipped to the next series and were not asked whether they would accept future tenants under Section 8. Again, we question the assumption that current Section 8 property owners/managers will continue to rent to Section 8. It doesn't allow these respondents to express dissatisfaction with the program by saying they don't plan to continue to rent to Section 8 tenants.

RECOMMENDED WORDING:

Would you accept new tenants whose rent is subsidized by Section 8?

FINAL WORDING:

Would you accept NEW tenants whose rent is partially or completely paid with Section 8 rental subsidy certificates or vouchers?

Yes

No

COMMENTS:

The final wording asks about rent which is "partially or completely paid" by Section 8 as opposed to "subsidized". It also uses the complete, elaborated "Section 8 rental subsidy certificates or vouchers" as opposed to our abbreviated version. Again, this choice was made by the HUD sponsors. The single unit wording is the same as the multi unit wording.

The skip instructions were changed so that this question is asked of all respondents regardless of whether they have rented to Section 8 tenants in the past.

TESTED WORDING:

26c. In your opinion, which of the following reasons describe why the property owner/manager does not participate in the Section 8 program?
MARK ALL THAT APPLY.

- Concerned about ability to collect on the vouchers or certificates
- Concerned about potential problems with tenants who are part of these programs
- Too many regulations connected with these programs
- Too much paperwork and time involved
- Rent for units in this property are too high to participate in the certificate and voucher programs (above fair market rent)
- Object to government involvement in rental subsidies
- Other reasons - SPECIFY

On the single unit questionnaire, tenants were referred to singularly.

SUMMARY OF ISSUES/PROBLEMS:

No major problems; however, because of concerns that the management could participate at some of their properties but not at this one, we recommend including the phrase "at this property."

RECOMMENDED WORDING:

*Which of the following reasons describe why the owner/manager does not want to accept new Section 8 tenants at this property?
MARK ALL THAT APPLY.*

The response categories are the same as tested.

The single unit questionnaire does not refer to a manager.

TESTED WORDING:

27a. In the past two years have any tenants at this property been delinquent in their rent payments?

- Yes
- No

SUMMARY OF ISSUES/PROBLEMS:

Most managers of multi unit properties laughed at this question -- they definitely had tenants who were delinquent with rent payments. Their reactions indicated that they thought the question was out of touch with reality. To address this, we examined respondents' answer to the next question -- the seriousness of late rent payments. Managers of multi unit properties knew their delinquency rate. Asking for this rate would supply more information and be better received by the multi unit respondents.

RECOMMENDED WORDING:

In a typical month, what percentage of tenants are delinquent in their rent payments?

None

Percent

The single unit questionnaire should ask:

"In the past two years, have tenants been delinquent in their rent?"

Yes

No

TESTED WORDING:

27b. **Is delinquency of rent payments at this property a minor, moderate, or serious problem?**

Minor

Moderate

Serious

SUMMARY OF ISSUES/PROBLEMS:

Respondents used many different scales to measure "seriousness." One respondent called it a serious problem because "every dollar they give us, we send out the door again." This seems to say that delinquent rent puts them in a tight financial situation. Another said it was a serious problem because it was indicative of a larger problem - that the tenant doesn't know how to manage money. This answer addresses the rent delinquency problem from the tenant's point of view. Others measured seriousness by the percentage of tenants who were delinquent. This seems to be the more common and the more objective interpretation. In our discussion with HHES about this item, they reported that the question was intended to measure whether or not late rent payments put the owner in a position that he/she would consider selling the property.

RECOMMENDED WORDING:

Which of the following statements comes closest to describing the owner's reaction to rent delinquency at this property?

Rent delinquency at this property is a minor nuisance for the owner.

Rent delinquency at this property is an important problem for the owner, but not serious enough to cause the owner to consider selling.

Rent delinquency at this property is so serious a problem that the owner would consider selling.

FINAL WORDING:

Does delinquency of rent payments for this property cause a minor, moderate or serious cash flow problem?

Minor

Moderate

Serious

COMMENTS:

HUD later revealed that what they wanted to concentrate on was how late rent payments affected the owners' cash flow.

TESTED WORDING:

27c. **Does the management deal with delinquent rent payments by using the following methods?**

YES NO

- a. **Doing nothing and waiting for the tenant to pay**
- b. **Notifying the tenants of the delinquency before taking further action**
- c. **Notifying the tenants of the delinquency and beginning collection procedures**
- d. **Beginning eviction procedures**
- e. **Other - SPECIFY**

The single unit questionnaire was worded:

Does the management deal with tenants who are delinquent in their rent payments by using the following methods?

The same response options are used.

SUMMARY OF ISSUES/PROBLEMS:

The wording of this item seems to focus the respondent on general philosophy instead of particular instances.

The respondents shuddered to think that anyone would "do nothing and wait for the tenant to pay." Although this was the first option on the list because it was the least severe, we didn't think it should lead the list of responses if respondents thought it was absurd.

RECOMMENDED WORDING:

In the past two years, how has the management dealt with tenants who were delinquent in their rent?

The response options should be the same as those tested but in a different order. The first option (do nothing) should be moved to be between "beginning eviction procedures" and "some other way."

FINAL WORDING:

In the past two years, how have you dealt with tenants who are delinquent in their rent payments? By --

The final response options are in the order we recommended.

COMMENTS:

The final wording asks about "you" instead of "the management." This change does not seem desirable since we don't know exactly who will be filling out the form.

Also, the final wording asks about tenants who "are" delinquent instead of who "were" delinquent which contradicts the past tense of the "past two years" reference period. We recommended putting the statement in the past tense in order to try to get respondents to report their actual practice rather than general philosophy.

The wording on the single unit questionnaire is the same as the multi unit wording.

TESTED WORDING:

27d. **Are there characteristics that distinguish your delinquent tenants at this property from those who are not delinquent?**

Yes

No

This question is not on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

This is a screening question which is on the multi unit questionnaire but not on the single unit questionnaire. This implies that the tenants of the multi units have distinguishing characteristics whereas those of the single unit do not. This may not be correct.

RECOMMENDED WORDING:

We recommend deleting this screening question and asking the next question of all respondents.

FINAL WORDING:

Are the characteristics of delinquent tenants at this property different from those who are not delinquent?

Yes

No

COMMENTS:

The final wording of this question is actually the wording as it was given to CSMR before cognitive testing. We changed the wording before testing because we felt the way the question was asked made it sensitive. Asking about "characteristics that distinguish delinquent tenants" seemed to be

less personal than "characteristics of delinquent tenants." Since the wording that we tested did not show problems with sensitivity, we don't think a change to a possibly sensitive wording is advisable.

TESTED WORDING:

27e. What are the characteristics of delinquent tenants? **MARK ALL THAT APPLY**

- Low income households**
- Section 8 certificate or voucher holders**
- Single parent households**
- Over-crowded units**
- Households with teenage children**
- Households with one or more unemployed adults**
- Households with unwelcome visitors**
- Something else - SPECIFY**

SUMMARY OF ISSUES/PROBLEMS:

Respondents answered this item in general terms rather than referring to specific tenants they had who were delinquent. This item also does not invoke the contrast that is specified in the screener.

The ambiguous response option "households with unwelcome visitors" was problematic. Unwelcome on whose part? One respondent said as far as the management was concerned they are unwelcome but the tenant must not consider them unwelcome or they wouldn't be there. The intent needs to be clarified. Perhaps "visitors who are disruptive" would be more objective.

RECOMMENDED WORDING:

Which of the following characteristic distinguish your delinquent tenants at this property from those who are not delinquent?

- Lower income households
- More likely to be Section 8 certificate or voucher holders
- More likely to be a single parent
- More likely to live in over-crowded units
- More likely to be households with teenage children
- More likely to be households with one or more unemployed adults
- More likely to be households with unwelcome visitors
- Something else - SPECIFY

FINAL WORDING:

How are they different? Are they -

From low income households?

Section 8 certificate or voucher holders?

From single parent households?

From over-crowded units?

From households with teenage children?

Young adult or student households?

From households with one or more unemployed adults?

From households with visitors unwelcome to the management?

From households with visitors unwelcome to the tenant?

Something else?

The single unit questionnaire was worded:

Are the delinquent tenants --

The response categories are the same.

COMMENTS:

The recommended wording for the multi unit questionnaire explicitly asks for a comparison between two different kinds of tenants - those who are delinquent and those who are not delinquent. This is not so with the final wording. The recommended response options serve to redefine this task. The final wording also focuses the respondent on the property, which was something cognitive interview respondents had trouble with.

Since there is no one to compare the single unit tenants to, the question can only ask for the tenant's characteristics.

TESTED WORDING:

28a. In the past two years have the following been problems at this property?

YES NO

- a. Vandalism to the **INSIDE** of units
- b. Vandalism to the **OUTSIDE** of buildings or to common areas
- c. Violence in the units or on the grounds of this property
- d. Drug usage in the units or on the grounds of this property
- e. Other types of anti-social or disruptive behavior - **SPECIFY**

The second response category refers to "grounds" instead of "common areas" on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

The problem word in this item is "problem" -- what constitutes a problem? Respondents often said that these things occurred, but they weren't sure what to call a problem, or they weren't considered "a major problem." Thus, there is under reporting bias because respondents were only marking

"yes" if the problem is "major." One of our respondents didn't want to mark "violence in the units or on the grounds" for a shooting that occurred on the property because it was "caused by outsiders."

This question places too much emphasis on ambiguous, ill-defined concepts to yield valid data. We think a more objective focus would greatly aid the measurement.

For the response options, one respondent wasn't sure if car theft should be counted as "violence in the unit or on the grounds." She wanted to report this event but was left without an appropriate category.

Another noteworthy comment about the "violence in the units or on the grounds" category: a respondent reported domestic violence in the units, but wasn't sure if we were interested in capturing that.

"Other" write-in responses included "gambling," "prostitution," and "juvenile non-residents who bothered tenants." When one respondent came to the "other" category, he said we didn't allow enough room to specify.

RECOMMENDED WORDING:

We think the question could be merged with the next item.

If it remains as a screening question, we think the question should ask:

In the past two years which of the following (are known to) have occurred at this property?

The response categories should include "property theft" and "loud disruptive behavior." The category "violence in the units" should include the instruction to include domestic violence.

FINAL WORDING:

This question was merged with the next item.

TESTED WORDING:

28b. **Are the above problems minor, moderate or serious?**

Minor
Moderate
Serious

SUMMARY OF ISSUES/PROBLEMS:

It was difficult for respondents to answer this question because there is more than one dimension to the rating. Frequency and severity are just two of them. Respondents are also being asked to rate with one answer, several problems they could have enumerated in the question above. For example, they could consider drug usage to be a major problem but vandalism to be only a minor problem.

RECOMMENDED WORDING:

In the past two years, how often have the following behaviors (been known to occur/occurred) at this property?

The response options can be "never," "rarely (once or twice)," "occasionally," and "frequently."

FINAL WORDING:

*In the past 2 years, how often did any of the following happen at this property?
Never Rarely Occasionally Frequently*

*Vandalism to the INSIDE of units
Vandalism to the OUTSIDE of buildings or common areas
Theft at the property
Loud or disruptive behavior
Violence in the units or on the grounds of this property
Drug usage in the units or on the grounds of this property
Other undesirable behavior*

COMMENTS:

The recommended wording asks how often "have the following behaviors occurred" or alternatively how often "have the following behaviors been known to occur" whereas the final wording asks how often "did any of the following happen." With the question in this format, the respondent must read the response options before he/she knows what the question is asking.

TESTED WORDING:

28c. **How do you deal with tenants who display anti-social or disruptive behavior to this property or to other tenants? MARK ALL THAT APPLY**

**Talking to the disruptive individuals in person
Issuing a warning in writing to the disruptive individuals
Referring problem to tenants' committee for resolution
Calling private security to deal with the problem
Calling police and asking them to take action
Beginning eviction procedures
Some other means - SPECIFY**

None of the above

SUMMARY OF ISSUES/PROBLEMS:

The write-in responses that we received for this item were "30 day management notice" and "legal actions."

Respondents again seemed to focus on general philosophy rather than specific incidents.

RECOMMENDED WORDING:

In the past two years, how has management dealt with tenants who have displayed anti-social or disruptive behavior at this property?

Include the response category "tenants weren't causing the disruption."

FINAL WORDING:

In the past 2 years, how have you dealt with undesirable or disruptive behavior at this property?

Since the format of the question changed from MARK ALL THAT APPLY to YES/NO, the response category "None of the above" no longer applies. Other than that deletion, the response categories are the same as those tested.

COMMENTS:

The final wording refers to "you" instead of "management." As mentioned earlier, this does not seem desirable since we will not know who is filling out the form.

TESTED WORDING:

28d. **Are there characteristics of problem tenants at this property that distinguish them from those who are not problematic?**

Yes

No

SUMMARY OF ISSUES/PROBLEMS:

This is a screening question which is on the multi unit questionnaire but not on the single unit questionnaire. This implies that the tenants of the multi units have distinguishing characteristics whereas those of the single unit do not. This may not be correct.

RECOMMENDED WORDING:

We recommend deleting this screening question and asking the next question of all respondents.

FINAL WORDING:

Are the characteristics of tenants who cause problems at this property different from those who do not cause problems?

Yes

No

TESTED WORDING:

28c. **What are the characteristics of problem tenants? MARK ALL THAT APPLY.**

- Low income households**
- Section 8 certificate or voucher holders**
- Single-parent households**
- Over-crowded units**
- Households with teenage children**
- Households with one or more unemployed adults**
- Households with unwelcome visitors**
- Something else - SPECIFY**

SUMMARY OF ISSUES/PROBLEMS:

The response options have the same problem with "unwelcome visitors" as discussed in item 27e.

The write-in responses for the "other" category seemed to indicate the need for personal characteristics versus household characteristics. For example, there were entries such as "drugs," "insufficient supervision of youth," and "domestic problems."

RECOMMENDED WORDING:

Which of the following characteristics distinguish your disruptive tenants at this property from those who are not disruptive?

- Lower income households
- More likely to be Section 8 certificate or voucher holders
- More likely to be from a single parent household
- More likely to live in over-crowded units
- More likely to be from households with teenage children
- More likely to be from households with one or more unemployed adults
- More likely to be from households with unwelcome visitors
- (Additional categories with personal characteristics)
- Something else - SPECIFY

FINAL WORDING:

Which of the following characteristics distinguish disruptive tenants at this property from those who are not disruptive? Are they -

- From low income households?*
- Section 8 certificate or voucher holders?*
- From single parent households?*
- From over-crowded units?*
- From households with teenage children?*
- Young adult or student households?*
- From households with one or more unemployed adults?*
- From households with visitors who are unwelcome to the management?*
- From households with visitors who are unwelcome to the tenants?*
- Something else?*

COMMENTS:

The minor difference between the recommended and the final wording is that the prior one asks about "your disruptive tenants" whereas the latter one refers to them only as "disruptive tenants."

The response categories don't address the respondent's tendency to specify personal characteristics.

TESTED WORDING:

29a. **In the past two years, has the management gone to housing court (or to court on housing issues) regarding this property or its tenants? MARK ALL THAT APPLY.**

- Yes, as plaintiff**
- Yes, as defendant**
- No**

The single unit questionnaire asks "have you gone" as opposed to "has the management gone."

SUMMARY OF ISSUES/PROBLEMS:

Respondents questioned whether housing court referred to landlord-tenant court, court for non-payment of rent, and court when tenants had a complaint against the management. These all seemed to be within the scope of this question. The respondent then had to go to the response options to get this answer. We also aren't sure whether respondents will understand "plaintiff" and "defendant."

RECOMMENDED WORDING:

In the past two years, has the management gone to court on housing issues either as a plaintiff or defendant regarding this property or its tenants?

- Yes, as plaintiff (management complained against tenant)
- Yes, as defendant (tenant complained against management)
- No

FINAL WORDING:

This screening item was merged with the next item.

TESTED WORDING:

29b. **How many times?**

- Once**
- Twice**
- 3 to 5 times**
- More than 5 times**

SUMMARY OF ISSUES/PROBLEMS:

The response categories are quite restrictive for some multi unit owners/managers. Some respondents reported going to court every month, so "more than 5 times" doesn't begin to capture their experience.

We also don't know if the item is getting at the number of cases or the number of times. If several cases are heard at the same time, how many "times" is that? We are not sure what the question is designed to measure.

RECOMMENDED WORDING:

How many times in the past two years?

Revise the response categories for the multi unit questionnaire to be more in line with owner/manager experiences.

FINAL WORDING:

In the past 2 years, how many times has the management of this property taken a tenant to court?

Never

Once

Twice

3 to 5 times

More than 5 times

In the past 2 years, how many times has a tenant at this property taken the management to court?

Never

Once

Twice

3 to 5 times

More than 5 times

The single unit questionnaire asks:

In the past 2 years, how many times have you taken the tenant of this rental unit to court?

Never

Once

More than once

In the past 2 years, how many times has the tenant of this rental unit taken you to court?

Never

Once

More than once

COMMENTS:

The final wording combines the screening question with the quantifying question. It separates the times when management was a plaintiff and when they were a defendant. It does not use the terms "plaintiff" and "defendant" but instead defines the terms for the respondents.

HUD opted not to change the responses categories to reflect the fact that this can be a frequent event for multi unit properties.

TESTED WORDING:

30. How would you characterize the eviction process in this jurisdiction?

Very easy

Easy

Neither easy nor difficult

Difficult

Very difficult

Don't know

SUMMARY OF ISSUES/PROBLEMS:

Our respondents thought about many aspects of evictions when answering this question. What they mentioned were the physical dangers of actually moving tenants out of the unit, emotional upheaval, the time it takes to do the paperwork, the success rate of their evictions, and the legal rigor that they had to comply with. The focus of this question needs to be clarified. Our recommended wording makes explicit the focus on legal proceedings.

RECOMMENDED WORDING:

How would you characterize the legal requirements for eviction in this jurisdiction?

The response options are the same as those tested.

TESTED WORDING:

31a. **What best describes the income mix of the tenants at this property? MARK ONLY ONE ANSWER.**

- Mostly low income
- Mostly middle income
- Mostly upper income
- Somewhat diverse, with low and middle income tenants
- Somewhat diverse, with middle and upper income tenants
- Very diverse, with low, middle, and upper income tenants
- Don't know

The single unit questionnaire asks:

What best describes the income of the tenant(s) at this property?

- Low income
- Middle income
- Upper income
- Don't know

SUMMARY OF ISSUES/PROBLEMS:

Several respondents said that a household was (for instance) middle income if there was only one person with an income but low income if two people were earning that same amount of money. They were confused about whether they were supposed to judge the individual's income or the household's income.

RECOMMENDED WORDING:

What best describes the income of the households at this property?

FINAL WORDING:

What best describes the household income of tenants at this property? Is it --

The response options are the same as tested.

COMMENT:

The recommended wording asked for the income of all households at the property, some of which could include persons not listed as tenants. HUD is only interested in tenants' income.

TESTED WORDING:

31b. **Has the income mix at this property changed in the past two years?**

- Yes
- No

This question is not asked on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

It is difficult for some respondents to make comparisons over time. A simpler task is for respondents to answer a question about the property two years ago and then have the analyst make the comparison.

RECOMMENDED WORDING:

What best describes the income of the households at this property two years ago?

Mostly low income

Mostly middle income

Mostly upper income

Somewhat diverse, with low and middle income tenants

Somewhat diverse, with middle and upper income tenants

Very diverse, with low, middle, and upper income tenants

Don't know

FINAL WORDING:

Has the income mix at this property changed in the past two years?

Yes

No

COMMENTS:

The sponsors did not feel that the question posed a problem to respondents.

TESTED WORDING:

31c. **Has it become more low income, more middle income, more upper income, or more diverse with incomes at the low, middle and upper levels? MARK ONLY ONE ANSWER.**

More low income

More middle income

More upper income

More diverse with incomes at the low, middle, and upper levels

Don't know

This question is not asked on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

Cognitive respondents did not have any problems with this question.

RECOMMENDED WORDING:

If the above question was reworded as recommended, this question could be deleted.

FINAL WORDING:

Has it become --

Mark only ONE answer.

More low income?

More middle income?

More upper income?

More diverse with incomes at the low, middle, and upper levels?

Don't know

COMMENT

The final wording does not include the response options as part of the question.

TESTED WORDING:

32a. **In the last two years has the rental unit been inspected by a local housing code inspector?**

Yes

No

Don't know

SUMMARY OF ISSUES/PROBLEMS:

Cognitive interview respondents were unable to distinguish different types of inspectors. One respondent asked if it included people such as the elevator inspector, fire inspector, rental inspector, or if it was the inspectors that came out to make spot visits in response to tenant complaints. Another respondent told us that there are persons with an inspection license that go around to inspect rental units in Maryland that are more typical than a code inspector.

We also don't know if the question is intended for the rental unit or for the property.

RECOMMENDED WORDING:

None.

FINAL WORDING:

In the last two years has the rental unit identified in item A been inspected by a local housing inspector?

Yes

No

The single unit questionnaire refers to "this rental unit" instead of "the rental unit."

COMMENTS:

The final wording refers to the inspector as "a local housing inspector" instead of "a local housing code inspector."

TESTED WORDING:

32b. **What was the result of that inspection?**

Passed initial inspection

Passed subject to repairs being made

Did not pass initial inspection, but passed reinspection

Did not pass

Don't know

SUMMARY OF ISSUES/PROBLEMS:

This item should specify which inspection we want the respondent to answer about if there is more than one inspection.

RECOMMENDED WORDING:

None.

FINAL WORDING:

What was the result of the inspection?

Passed inspection

Passed inspection subject to repairs being made

Did not pass inspection, but passed reinspection

Did not pass

Don't know

COMMENT:

The final wording asks about "the" inspection instead of "that" inspection. The response options delete the word "initial." It remains unclear what a respondent with multiple inspections is supposed to do.

TESTED WORDING:

33a. **In the past year, have you had any contacts with a field office of the United States Department of Housing and Urban Development (HUD)?**

Yes

No

SUMMARY OF ISSUES/PROBLEMS:

One respondent asked if this item was referring to the CDA. We did not know.

We questioned whether the phrase "field office" was important? Would respondents have access to personnel other than from the field office?

What constitutes a "contact" - a letter, visit, phone call?

RECOMMENDED WORDING:

We recommend combining this item with the next one and asking:

In the past year, how often have you had any direct contact with persons from the United States Department of Housing and Urban Development (HUD)?

FINAL WORDING:

In the past year, have you had any contacts with the United States Department of Housing and Urban Development (HUD)?

Yes

No

COMMENTS:

The final wording removes the phrase "a field office" and allows for any kind of contact -- whether it is live, real time or mail.

TESTED WORDING:

33b. **How many?**

NUMBER OF CONTACTS

SUMMARY OF ISSUES/PROBLEMS:

Nothing to report.

RECOMMENDATIONS:

CSMR recommended combining this item with the previous one.

FINAL WORDING:

No change in question or response categories from tested wording.

TESTED WORDING:

33c. **In terms of satisfaction, how would you describe the interactions with the HUD field office?**

Very satisfying

Satisfying

Neither satisfying nor unsatisfying

Unsatisfying

Very unsatisfying

SUMMARY OF ISSUES/PROBLEMS:

Not many of our cognitive respondents answered this question. We think the wording of the question is awkward.

RECOMMENDED WORDING:

In general, how satisfied have you been with your interactions with HUD?

Very satisfied

Satisfied

Neither satisfied nor dissatisfied

Dissatisfied

Very dissatisfied

FINAL WORDING:

In general, how satisfied were you with the interactions with HUD?

Very satisfied

Satisfied

Neither satisfied nor unsatisfied

Unsatisfied

Very unsatisfied

TESTED WORDING:

34. **To what extent do the following Federal, state, or local regulations or restrictions make it more difficult to operate this rental property? Exclude Federal, state, or local income tax codes.**

Not at All Very Little Somewhat A Lot

- a. Lead-based paint requirements
- b. Asbestos requirements
- c. Americans with Disabilities Act
- d. Waste disposal requirements
- e. Radon requirements
- f. Water quality standards
- g. Zoning or property usage
- h. Parking restrictions in and around this property
- i. Local property taxes
- j. Limits on types of utility hook-ups allowed
- k. Eviction process
- l. Rent control, stabilization, etc
- m. Historic preservation restrictions
- n. Other - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

The instruction to exclude tax codes was confusing to some respondents. When they got to the "local property taxes" category, they remarked that they thought they were supposed to exclude that. After reading it again, they recognized the difference. We don't think the statement really adds anything to the understanding of the question. We think it should be deleted.

The main problem with this item is that by the time respondents got part way through the list, they seemed to be answering a different question - one shaped by the response categories. For example, they read "lead-based paint requirement" and said they haven't had a problem with that. Then they read "asbestos requirement" and didn't have any problems with that. By now the question that they were answering was whether or not they had problems with the issue. So when they got to "parking restrictions" they said that the police are always checking people's tags so they marked "a lot." Or for "local property taxes" they said "a lot" because "if you've got to pay, you've got to pay." Another respondent marked "a lot" for radon requirements because if somebody came in and did an inspection, it would cost a lot to correct any problem.

In fact, the question seemed unclear to respondents when they began their task. One respondent may have summed it up when he called the question "heavy."

Response option "e" seems to break the flow of environmental regulations.

Respondents questioned what utility hook-ups were in "j." Some thought that must be for mobile homes only.

Since eviction process has its own series of questions, we think it should be deleted from this list and a question added in the eviction series.

Since we think "local property taxes" are more likely to elicit the respondent's opinion on property taxes than how they influence the property's operation, we recommend deleting this category. In the case of multi units, the site resident manager probably won't be able to make the determination anyhow. Perhaps if the information is necessary, it can be added as a separate question in the owner section.

RECOMMENDED WORDING:

Do the following laws or regulations make it more difficult to operate this property?

- | | No | Yes
A little | Yes
Somewhat | Yes
A lot |
|-----------------------------------------------------|----|-----------------|-----------------|--------------|
| a. Lead-based paint requirements | | | | |
| b. Asbestos requirements | | | | |
| c. Waste disposal requirements | | | | |
| d. Radon requirements | | | | |
| e. Water quality standards | | | | |
| f. Americans with Disabilities Act | | | | |
| g. Zoning or property usage | | | | |
| h. Historic preservation restrictions | | | | |
| i. Parking restrictions in and around this property | | | | |
| j. Limits on types of utility hook-ups allowed | | | | |
| k. Rent control, stabilization, etc | | | | |
| l. Other - SPECIFY | | | | |

FINAL WORDING:

Do the following regulations or restrictions make it more difficult to operate this rental property? Exclude Federal, state, or local income tax codes.

- | | No | Yes
A little | Yes
Somewhat | Yes
A lot |
|------------------------------------------------------------|----|-----------------|-----------------|--------------|
| <i>a. Lead-based paint requirements</i> | | | | |
| <i>b. Asbestos requirements</i> | | | | |
| <i>c. Waste disposal requirements</i> | | | | |
| <i>d. Radon requirements</i> | | | | |
| <i>e. Water quality standards</i> | | | | |
| <i>f. Zoning or property usage</i> | | | | |
| <i>g. Parking restrictions in and around this property</i> | | | | |
| <i>h. Limits on types of utility hook-ups allowed</i> | | | | |
| <i>i. Rent control, stabilization, etc</i> | | | | |
| <i>j. Americans with Disabilities Act</i> | | | | |
| <i>k. Historic preservation restrictions</i> | | | | |
| <i>l. Local property taxes</i> | | | | |
| <i>m. Other regulations or restrictions - SPECIFY</i> | | | | |

COMMENTS:

The recommended wording asks about laws or regulations whereas the final wording asks about regulations or restrictions. Also, the final wording refers to the property as the "rental" property. This is not consistent with the remainder of the questionnaire. The final wording still includes the statement to exclude Federal, state, or local income tax codes.

The first 5 response categories are in the recommended order. The order of the next 6 responses are different. The final wording includes the response category "local property taxes." The category "limits on the types of utility hook-up allowed" was not clarified.

TESTED WORDING:

35a. **Does the local government (other than the local courts) offer assistance in resolving conflicts with tenants or with other problems?**

Yes

No

SUMMARY OF ISSUES/PROBLEMS:

The term "local government" was not clear to respondents in this item. They questioned whether it included the police. This made us think that they took the term "conflict" to mean physical rather than legal disputes, and also that they were including fights among tenants. The focus of the question, government assistance in resolving management/tenant problems such as with the lease and delinquent accounts, needs to be clarified.

RECOMMENDED WORDING:

Is there a local government office, other than local courts, to assist in resolving disputes between tenants and property owners/managers?

Yes

No

Don't know

FINAL WORDING:

Does the local government, other than the courts, offer assistance in resolving disputes between tenants and the property management?

Yes

No

Don't know

TESTED WORDING:

35b. **How does the local government assist in resolving conflicts?**

Providing the opportunity for issues between conflicting parties to be discussed at an early stage

Providing mediators or arbitrators to resolve conflicts between parties

Providing liaisons between the local government and property owner groups

Other means - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

The term "conflict" should be changed to be consistent with the previous item. Our cognitive respondents did not really understand what the third response option meant, so it needs to be clarified or deleted.

RECOMMENDED WORDING:

How does the local government assist in resolving disputes?

Provide the opportunity for issues to be discussed at an early stage Provide mediators or arbitrators to resolve disputes

(Either rephrase or delete.)

Other means - SPECIFY

FINAL WORDING:

Does the local government assist in resolving disputes by -

YES NO

Providing the opportunity for issues to be discussed at an early stage?

Providing mediators or arbitrators to resolve disputes between parties?

Other means? - SPECIFY

COMMENTS:

The format of the recommended wording is different than the final wording. The former allows the respondent to mark all responses that apply whereas the latter is in the YES/NO format used throughout the questionnaire.

The third response was deleted.

TESTED WORDING:

None

FINAL WORDING:

Is there a mechanism other than the courts to arbitrate or mediate disputes between property owners and local government?

Yes

No

Don't know

COMMENTS:

This question was added to the series by HUD. Words such as "mechanism," "arbitrate" and "mediate" make this question seem difficult. It also refers to property owners only and not management, which is inconsistent with other references throughout the questionnaire.

TESTED WORDING:

36a. About how much do you think this property would sell for on today's market? If you do not know, give your best estimate.

\$____.00

SUMMARY OF ISSUES/PROBLEMS:

Our multi unit respondents who were office managers had a hard time estimating the value of the property. We think, however, that if this question were directed to a more knowledgeable respondent, it shouldn't be problematic.

RECOMMENDED WORDING:

No change in question or response categories from tested wording. We think, however, that the placement of the item should be with other owner/central office management items.

FINAL WORDING:

The final wording on the multi unit questionnaire is as tested.

TESTED WORDING:

36b. On what did you base your estimate of current market value? **MARK ALL THAT APPLY.**

- Assessed value of property
- Recent real estate appraisal
- Original purchase price plus inflation
- Original purchase price plus improvements and inflation
- Selling price of similar properties in area
- Capitalization of current rental revenues
- Something else - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

This question was somewhat embarrassing to respondents when they admitted that what they gave was purely a guess and not really based on anything. Again, this was not an appropriate topic for the types of managers included in our cognitive interview sample.

RECOMMENDED WORDING:

We don't recommend any change in question or response categories from the tested wording. We think, however, the question should be placed with those questions for the owner or the main office of the management company.

FINAL WORDING:

There are no changes to the wording of the question. However, the 5th response category was changed to read "Selling or asking price of similar properties in area."

TESTED WORDING:

37a. What were the reasons for acquiring this property? MARK ALL THAT APPLY.

- To live in
- For current income from residential rents
- For long-term capital gains
- To convert from residential to nonresidential use
- To convert from nonresidential to residential use
- As a tax shelter for other income
- As retirement security
- As future security for family member(s)
- Some other reason - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

This item should specifically ask about the owner.

RECOMMENDED WORDING:

What were the owner's reasons for acquiring this property?

No change to the response categories.

FINAL WORDING:

The question is worded as recommended.

The response options were slightly modified: the first response option was changed to read "*As a residence for self or family members;*" an additional option was added which read "*To provide affordable housing in the community.*"

The other responses were unchanged.

TESTED WORDING:

37b. What are the reasons for continuing to own this property today? MARK ALL THAT APPLY.

- To live in
- For current income from residential rents
- For long-term capital gains
- To convert from residential to nonresidential use
- As a tax shelter for other income
- As retirement security
- As future security for family member(s)
- Currently for sale, but not yet sold
- Can't sell because mortgage is higher than current value
- Want to sell but no buyers interested at current asking price
- Other reasons - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

This item should also specifically ask about the owner.

RECOMMENDED WORDING:

What are the owner's reasons for continuing to own this property today?

No change to response categories.

FINAL WORDING:

What are the reasons for continuing to own this property today? MARK ALL THAT APPLY.

As a future residence for self or residence for family member(s)

To provide affordable housing in the community

For current income from residential rents

For long-term capital gains

To convert from residential to nonresidential use

As a tax shelter for other income

As retirement security

As future security for family member(s)

Currently for sale, but not yet sold

Can't sell because mortgage is higher than current value

Want to sell but no buyers interested at current asking price

Other reasons - SPECIFY

COMMENTS:

The final wording does not refer to the owner. The first response option was reworded and the second option was added.

TESTED WORDING:

37c. **How much longer do you (the owner) expect to own this property?**

Less than 1 year

1 to 2 years

3 to 5 years

More than 5 years

Don't know

SUMMARY OF ISSUES/PROBLEMS:

This question should be asked of the owners. The property managers that answered the question gave their belief of how much longer the owner should keep the property. These were based on such things as the manager's own job security and financial advice from the manager.

RECOMMENDED WORDING:

How much longer does the owner expect to own this property?

The response options are the same as those tested.

FINAL WORDING:

How much longer do you (the owner) expect to own this property?

Less than 1 year

1 to 2 years

3 to 5 years

More than 5 years

Don't know

COMMENTS:

This question will be included in the section of the questionnaire which is directed at the owner or a manager who has intimate knowledge of the business operation. Since someone other than the owner may answer this question the word "you" is not appropriate when referring to the owner.

TESTED WORDING:

38. **How many TOTAL rental apartment units and/or rental houses does the (principal) owner own in this and other properties in the United States?**

NUMBER OF RENTAL UNITS

SUMMARY OF ISSUES/PROBLEMS:

Cognitive interview respondents who managed large multi units simply marked the number of units in their property. They didn't know if the owner had any other properties and, if the owner did, respondents didn't know how many units there were. If taken out of the hands of the site/resident managers, this question may not pose a problem.

The larger problem was identifying a (principal) owner if, for instance, the property was owned by a corporation or an investment group.

One owner of a single unit answered 2 ½ because he has a partner in one of his properties.

RECOMMENDED WORDING:

Does the principal owner of this property own any OTHER residential rental properties in the United States?

(If yes, ask) How many other U.S. rental units (apartments and/or houses) are owned by the principal owner - either alone or with others?

FINAL WORDING:

Does the owner own any OTHER rental properties in the United States?

If yes, ask: How many TOTAL rental apartment units and/or rental houses does the owner own in this and other properties in the United States?

NUMBER OF RENTAL UNITS

COMMENTS:

The word "principal" was removed, perhaps because the questionnaire has instructions at the beginning of this series of questions which define "principal owner." The final wording for the first question also removes the term "residential," and, in consequence, refers to just rental property. We think this is an important omission that could easily affect how respondents answer this question.

The final wording of the second question does not seem to address any of the problems we encountered in cognitive testing. The recommended wording for the second question focuses on the other units the owner owns. A total can be computed by adding the number of units in this property (collected earlier) to the answer. The final wording, however, asks for a total number including the ones in the respondent's property. We believe since respondents are not being asked to focus on other properties, the data may still only reflect the number of units in the respondent's property.

The recommended wording for the second question also specifically reminds the respondent to include properties owned both "alone and with others." This reminder is not in the final wording.

TESTED WORDING:

39a. **What was the (principal) owner's total income in 1994 from all sources?**

Less than \$10,000

\$10,000 to \$29,999

\$30,000 to \$49,999

\$50,000 to \$99,999

\$100,000 or more

SUMMARY OF ISSUES/PROBLEMS:

One respondent asked if we wanted gross income in this item. He wasn't sure whether or not to include income from rent before he showed that it was really a loss. The response option "None, this property is losing money" in the next item made us think that this question is looking for a net income. If gross income is what is wanted, then this response option should be deleted from the next item.

Another respondent from a multi unit building said the owner made less than \$10,000 because what he gets, he puts back into it. This person was probably interpreting the question as asking how much income the owner made from the property. We think that one way to counteract this thinking

is to change the response options. Would someone who owns rental property be likely to earn less than \$10,000?

RECOMMENDED WORDING:

Counting all income sources, what was the principal owner's total (net/gross) income in 1994?

The response categories should be also revised. In addition to eliminating the lower end category, perhaps more refinement is needed at the upper end.

FINAL WORDING:

What was the owner's total gross income (before income taxes) in 1994 from ALL sources?

Less than \$10,000

\$10,000 to \$29,999

\$30,000 to \$49,999

\$50,000 to \$74,999

\$75,000 to \$99,999

\$100,000 or more

COMMENTS:

The final wording seems to capture the same elements as the recommended wording. The final format of the response categories does not delete the lowest category, but does expand the category \$50,000 to \$99,999 into two categories.

TESTED WORDING:

39b. **What percentage came from THIS property?**

0 to 9 percent

10 to 24 percent

25 to 49 percent

50 to 74 percent

75 to 99 percent

100 percent

None, this property is losing money

SUMMARY OF ISSUES/PROBLEMS:

Respondents may be thinking about net income in this question. One respondent expressed it as "if they are getting any income from rental property, it sure isn't coming from this one." We think this may be because of the last response category. This category implies that something is subtracted from the income to produce a loss. Gross income implies before taxes and expenses. It doesn't seem possible to incur a loss when one only considers the money taken in.

RECOMMENDED WORDING:

If this question is interested in gross income, the question should be reworded and the last response category should be deleted.

FINAL WORDING:

What percentage of gross income came from ownership of THIS property?

100 percent

75 to 99 percent

50 to 74 percent

25 to 49 percent

10 to 24 percent

0 to 9 percent

None, this property is losing money

COMMENTS:

Reading the response categories in the tested wording produced a continuous increase in the numbers. The response categories in the final wording are not as smooth -- while the numbers in successive categories decrease, the numbers within the categories increase. The change to this ordering doesn't seem to be desirable.

The final wording still contains the response category "none, this property is losing money" which seems contradictory to gross income.

TESTED WORDING:

39c. **What percentage came from ownership of ALL residential property?**

0 to 9 percent

10 to 24 percent

25 to 49 percent

50 to 74 percent

75 to 99 percent

100 percent

None, all properties are losing money

SUMMARY OF ISSUES/PROBLEMS:

Respondents may try to find alternative meanings for this question when they only own one property because they have, in essence, already answered it.

RECOMMENDED WORDING:

As with the previous item, we think the item should be reworded if gross income is the focus and the last response category (None ...) should be deleted. We also recommend that this item be asked before the previous item (income from this property).

FINAL WORDING:

What percentage of gross income came from ownership of ALL residential property?

100 percent

75 to 99 percent

50 to 74 percent

25 to 49 percent

10 to 24 percent

0 to 9 percent

None, all properties are losing money

COMMENT:

This question will be asked before the previous item.

As with the previous item, the response categories were changed to a less desirable format.

The final wording still contains the response category "none, all properties are losing money."

TESTED WORDING:

40. **What percentage of the (principal) owner's working time is devoted to all aspects of owning and managing residential rental properties?**

Less than 25 percent

25 to 49 percent

50 to 74 percent

75 to 99 percent

100 percent

SUMMARY OF ISSUES/PROBLEMS:

One respondent said that the amount of time was much less than 25%; the low end of the scale may not offer sufficient detail in such cases.

RECOMMENDED WORDING:

CSMR does not recommend any change to the question wording but thinks the response category "less than 25 percent" should be split into at least two categories.

FINAL WORDING:

What percentage of the owner's working time is devoted to all aspects of owning and managing residential rental properties?

100 percent

75 to 99 percent

50 to 74 percent

25 to 49 percent

Less than 25 percent

COMMENTS:

The final wording deletes the reference to the "principal" owner and instead only refers to the owner.

Like the previous two questions, the response categories were changed to a less desirable format.

TESTED WORDING:

41a. **Does the (principal) owner live at this property most of the time?**

Yes

No

This question was asked on the single unit questionnaire.

SUMMARY OF ISSUES/PROBLEMS:

It is logically possible for the owner of a single unit to live at the property only if the tenant and owner live together as one household. If they have separate living units within the same house, then the house is considered a multi unit building. Since the probability of the owner of a single unit living at the unit is so very small, we think the question should not be asked.

One single unit respondent thought that "this property" meant the location where he was filling out the questionnaire.

RECOMMENDED WORDING:

Does the principal owner live at the property containing the rental unit most of the time?

FINAL WORDING:

Does the owner of this property live AT THIS PROPERTY most of the time?

Yes

No

COMMENTS:

The final wording puts the phrase "at this property" in capital letters to make it stand out. We're not sure what problem this is intended to solve.

The final wording also deletes the reference to the "principal" owner and refers to the owner.

This question is not asked on the single unit questionnaire.

TESTED WORDING:

41b. **Where does the (principal) owner of this property live most of the time? MARK ONLY ONE ANSWER.**

United States (including Puerto Rico)
Canada
Mexico
Central America, South America, the Caribbean
Europe
Asia
Other - SPECIFY

SUMMARY OF ISSUES/PROBLEMS:

The respondents expected to have to answer with the state where the owner lived. A couple respondents said "don't know" without even looking at the responses. We think, however, that this problem should be alleviated if this question is asked of the owner or property manager only.

One respondent said his owner lived in Saudi Arabia. He was looking for "Middle East" but settled for "Other."

RECOMMENDED WORDING:

No change.

FINAL WORDING:

Where does the owner live most of the time?
MARK ONLY ONE ANSWER.

United States (including Puerto Rico)
Canada
Mexico
Central America, South America, the Caribbean
Europe
Asia - excluding Middle East
Middle East or North Africa
Other Africa
Australia, New Zealand, Pacific Islands
Other - SPECIFY

COMMENTS:

The final question refers to the owner whereas the tested question referred to the principal owner of this property.

The response categories were expanded to include Middle East or North Africa; Other Africa; and Australia, New Zealand, Pacific Islands. The category "Asia" was revised to "Asia - excluding Middle East."

TESTED WORDING:

42. **About how often does the (principal) owner of this property visit this property?**

- More than once a week
- About once a week
- About twice a month
- About once a month
- Less than once a month
- Never or almost never

SUMMARY OF ISSUES/PROBLEMS:

This question needs a reference period as an anchor.

RECOMMENDED WORDING:

In the past _____ how often did the principal owner visit this property?

FINAL WORDING:

In the past 12 months, about how often did the owner visit this property?

The response categories are the same as tested.

COMMENTS:

The final wording added a reference period and referred to the owner instead of the "principal" owner.

TESTED WORDING:

43. **Where was the (principal) owner of this property born?**

- United States (including Puerto Rico)**
- Canada**
- Mexico**
- Central America, South America, the Caribbean**
- Europe**
- Asia**
- Other - SPECIFY**

SUMMARY OF ISSUES/PROBLEMS:

None.

RECOMMENDED WORDING:

No change.

FINAL WORDING:

Where was the owner of this property born?

United States (including Puerto Rico)

Canada

Mexico

Central America, South America, the Caribbean

Europe

Asia

Africa

Other - SPECIFY

COMMENTS:

As with the previous items, the final wording deleted the word "principal."

The response category "Africa" was added.

TESTED WORDING:

44. **How long has the (principal) owner of this property owned residential rental property?
Include properties other than this property.**

Less than 1 year

1 to 2 years

3 to 4 years

5 to 9 years

10 years or more

SUMMARY OF ISSUES/PROBLEMS:

None.

RECOMMENDED WORDING:

No change.

FINAL WORDING:

How long has the owner of this property owned residential rental property? Include properties other than this one.

Less than 1 year

1 to 2 years

3 to 4 years

5 to 9 years

10 years or more