

Example B-1.

Interpolative Testing
2018 Annual Absorption Report
(2017 Absorptions for 2016 Completions)

105,000 units in the South renting at 6-month absorption rate: 77 percent

75 percent

If 98,700 has a value of 2.5
And 159,700 has a value of 21.9
Then 105,000 has a value of 2.44

80 percent

If 98,700 has a value of 2.3
And 159,700 has a value of 1.8
Then 105,000 has a value of 2.25

77 percent

If 75 has a value of 2.44
And 80 has a value of 2.25
Then 77 has a value of 2.36

Confidence interval: 2.02×1.645
Computed margin of error = 3.89

Lower limit: 73.11
Upper limit: 80.89

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Annual Absorption Report (2017 Absorptions for 2016 Completions).