

## HOME REMODELING DECISIONS OF RURAL NORTH CENTRAL HOUSEHOLDS

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Remodeling, recycling, rehabilitation, adaptive reuse—a variety of terms with one meaning: Americans are keenly interested in recycling old buildings into newer housing. According to *Professional Builder* [1], a trade publication for home builders, total expenditures for remodeling should reach \$110 billion in 1988 and continue to increase to \$289 billion by the year 2000.

The remodeling boom is a response to a number of factors. Vast increases in house prices, high interest rates on new home mortgages, and the costs associated with selling, buying and moving have compelled consumers to remain in their present homes and remodel to obtain the space and/or satisfaction they desire. Remodeling is a more affordable way of moving up in the housing market when compared to moving out. According to Morris and Winter [2]:

When a family's housing does not meet the norms, a deficit exists. If the family is aware of the deficit and feels that it is important, it will be dissatisfied. Dissatisfaction, in turn, produces a propensity to remove the deficit. Given such a propensity, the family would choose between alternative adjustment behavior: moving to a new residence, or altering or adding to the current dwelling. Constraints may inhibit perception of deficits, appearance of dissatisfaction, development of an adjustment propensity, or completion of adjustment behaviors. These constraints include predispositions such as apathy; resource constraints such as low income and discrimination (racial, ethnic, sexual, etc.); and market constraints, including the supply of housing and mortgage money and their prices.

In rural areas, and especially for those households living on a farm, moving to a new home is not a realistic option. Remodeling the old farm house is the only alternative.

The purpose of this paper is to analyze the home remodeling decisions and future plans of North Central rural households. The findings that are presented in this paper are part of a larger study that was concerned with the economic, social, psychological and health consequences of the housing decisions of rural households. The study was supported in part by funds from the Agricultural Experiment Station at the University of Illinois. The six states in the North Central region that participated in the study are Illinois, Iowa, Minnesota, Missouri, Nebraska, and Wisconsin.

## METHODOLOGY

The sampling objective of the overall project was to identify potential households in order that the total number of respondents would be approximately 500. The sample was to be allocated proportionately among the six states. The population of interest consisted of all households outside Standard Metropolitan Statistical Areas and outside incorporated cities with 1980 Census population of 20,000 or more.

Within each state, a multi-stage area sample of households was selected with probabilities proportional to the sizes of areas in terms of the number of occupied housing units based on the 1980 Census of Housing. There were 589 eligible households in the sample area. Of this number, 506 interviews were completed for a response rate of 85 percent.

Experienced interviewers were used in all but one of the states. The questionnaire was developed through a complex process of negotiation among the researchers from the six states. The questionnaire included items related to household characteristics, housing characteristics, financial decisions, alterations and additions, energy conservation and general well-being. The results of the survey, with emphasis on home remodeling and energy decisions, are presented in the following section.

## RESULTS

### Household Characteristics

Thirty-eight percent of the respondents lived in open country, 23 percent in small towns, 23 percent in larger towns and nearly 16 percent in small cities. Two-thirds of the respondents were women and nearly two-thirds were married at the time of the interview. Couple-headed households was the predominant (70%) household type. Sampled households were about equally divided between those who had children present and those who did not. Forty percent of the respondents were under the age of 40.

The typical female household listed homemaker, clerical or service worker as her principal occupation. Among the male heads of households, the principal occupation was skilled craftsman or operative. Farming was the second largest occupational group among men. The mean total household income was \$20,801; the median was \$17,350.

### Dwelling Characteristics

Most dwellings in the sample were built between 1970 and 1985. Eighty-one percent of the respondents lived in single-family detached

dwellings with large private yards. The typical dwelling had five rooms, three bedrooms, one full bath, a living room, a kitchen and one utility room. Sixty-nine percent did not have a family room. The typical respondent had no plans to move.

### Financial Characteristics

Over 80% of the respondents owned their dwellings. The median value of houses was \$37,000. About one-third of the home owners had a mortgage payment. Half of those with mortgages had interest rates below 9.94%; half had mortgages rates from 9.94% to 15.0%. Over three-fourths of the mortgages were fixed-rate.

### Remodeling Characteristics

What are the home remodeling decisions made by rural families in the North Central States? What are their future plans?

Over one-half (52%) of the households sampled remodeled their homes during the past five years. The percentage distribution for various remodeling changes is presented in Table 1. Appearance changes, both interior (59%) and exterior (58%), were the most popular dwelling changes by homeowners who remodeled. Interior appearance changes were dominated by kitchen remodeling (43%), followed by bathroom remodeling (38%). Exterior appearance changes included new roofs (29%), siding (23%), windows (25%) and landscaping (29%).

**Table 1. Home Remodeling Changes of Rural North Central Households by Percent**

Remodeling	Percent
Changed Interior Appearance	59
Changed Exterior Appearance	58
Changed Mechanical System	51
Changed Energy Efficiency	40
Added Outdoor Living or Storage Space	34
Ceased Use of Existing Space	28
Converted Unfinished Space	17
Added Indoor Living Space	10
Changed Use of Existing Space	9

Over half (51%) of the households changed the mechanical system, with heating system changes (64%) dominating. Forty percent of the households changed the energy efficiency of their home. In general, changes involving the use of space (either adding, ceasing use or converting) were accomplished by fewer households. Outdoor living space was added three times more often (34%) than indoor living space (10%) with 54% of the sample adding decks. Space changes

most frequently indicated decreased need for sleeping space and increased need for social activity or recreational space.

The percentage distributions for various energy saving changes are shown in Table 2. Caulking or weatherstripping was the principal energy improvement made by over half (56%) of the households that remodeled. Other major energy improvements during the past five years, in decreasing order of importance, included adding insulation, storm windows or doors, trees, interior window coverings, and ceiling or attic fans.

**Table 2. Energy Changes Made by North Central Regional Rural Households by Percent**

Energy Feature	Percent
Caulking or Weatherstripping	56
Ceiling or Attic Insulation	41
Storm Windows or Doors	33
Wall Insulation	31
Trees	31
Interior Window Coverings	22
Ceiling Fans	22
Attic Fans	20
Basement or Foundation Insulation	19
Glass to South Side of Home	9
Cross-Ventilation	8
Awnings	7
Windbreaks	4
Solar Units	1

The households were also asked questions about their future remodeling plans. Table 3 presents these findings.

In general, future plans of the total sample appear to be consistent with the changes that were made by those who remodeled. Improving the interior (28%) and exterior appearance (24%) were the first and second most often mentioned planned remodeling changes followed by adding energy conservation features (14%). Ten percent or less of the total sample planned to make space changes.

**Table 3. Home Remodeling Plans of North Central Regional Rural Households by Percent**

Remodeling	Percent
Improve Interior Appearance	28
Improve Exterior Appearance	24
Add Energy Conservation Features	14
Change Use or Function of Existing Space	10
Add Outdoor Space	9
Change Mechanical Systems	8
Convert Unfinished Space into	
Finished Space	8
Add Interior Space	6

### SUMMARY AND IMPLICATIONS

A discussion of remodeling should be an integral component of a consumer economics unit on housing since remodeling is on the rise and it is increasingly recognized a viable housing alternative. Over half of the households that participated in this study had recently remodeled their houses while additional households reported future remodeling plans. Unfortunately, the housing unit outlined in *Consumer Education in Illinois Schools, 1986* (3:pp. 41-44) does not include a discussion of home remodeling.

In addition, knowing the decisions households have made and their future plans to aid educators in developing curriculums to meet homeowners' needs. Remodeling of kitchens and baths, both expensive projects, appears to be a high priority for households in the future. Many households also plan to improve home exteriors and energy conservation. Consumer educators would want to point out which improvements make the best financial sense. Some will pay for themselves in energy saving and may also more than return their cost by boosting a home's resale value. Other home improvements may have a low financial payback but will yield big returns in simple enjoyment value.

Remodeling is a viable housing alternative and can be an investment as well. Remodeling is recognized by builders as the growth market of the 1990s and should be recognized by educators as an important aspect to include in a housing curriculum.

### REFERENCES

1. Diez, Roy L. "Remodeling: Emphasis on a Growth Market." *Professional Builder*, Vol. 52, Feb., 1988, 15.

2. Morris, Earl W. and M. Winter. *Housing Family, and Society*. New York: John Wiley and Sons, 1978.

3. *Consumer Education in Illinois Schools, 1986*. Illinois State Board of Education: Program Planning and Development Section.

#### REFERENCES FOR CONSUMER EDUCATION TEACHERS

Wysocki, J.L. *Planning for Remodeling* (C8.0) Small Homes Council of the University of Illinois, 1 East St. Mary's Road, Champaign, IL 61820 (\$50)

Publications such as *Home*, *Practical Homeowner*, *Fine Homebuilding*, and *Old-House Journal*, good sources of information on home remodeling, are available at newsstands or local libraries.

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