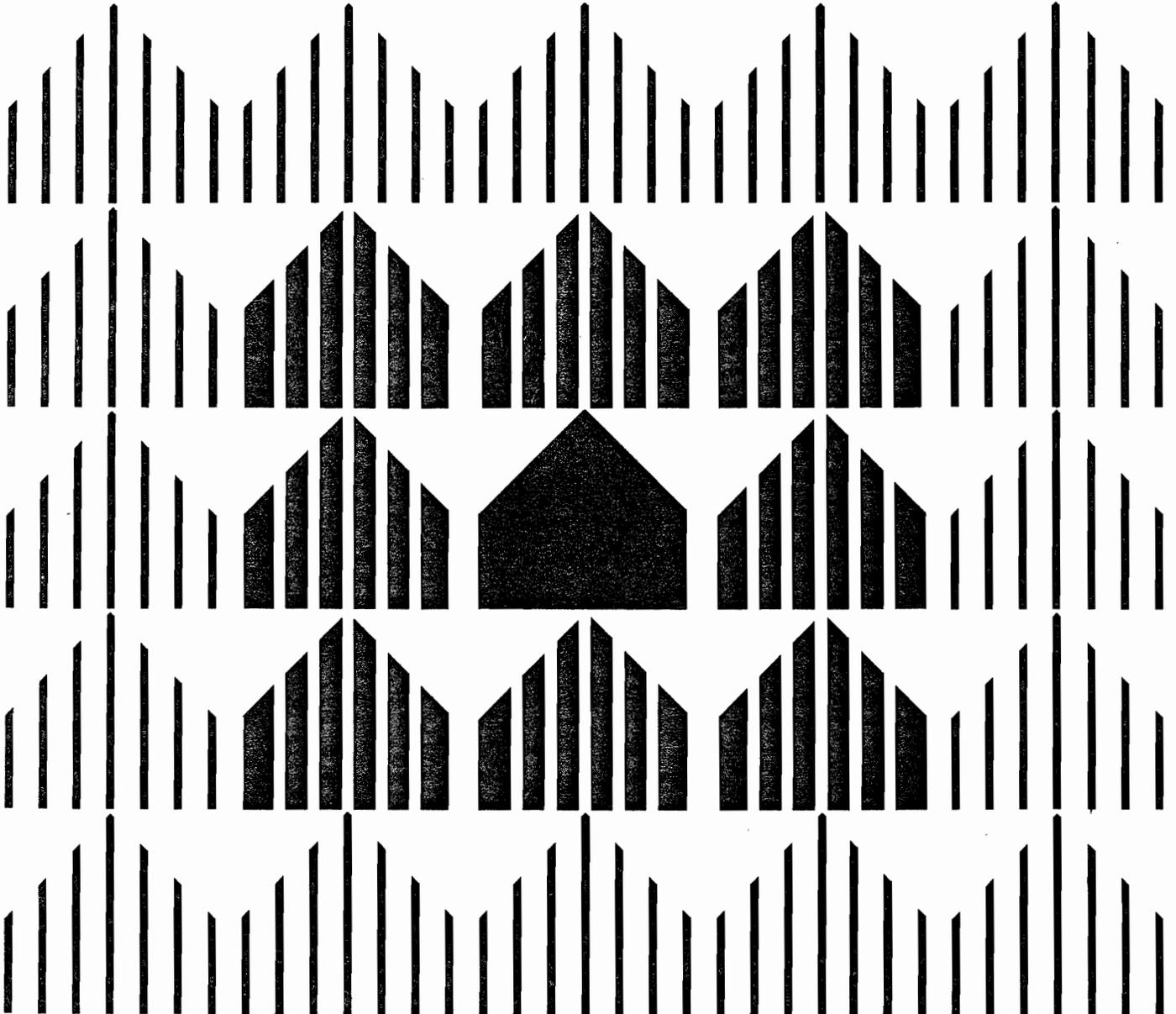




Profile of Urban Homesteaders



Contract #H-2401

PROFILES OF URBAN
HOMESTEADERS

July 1979

Prepared for:

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

Prepared by:

Urban Systems Research & Engineering, Inc.
36 Boylston Street
Cambridge, Massachusetts 02138

The statements and conclusions contained herein are those of the contractor. Neither the United States Government nor HUD makes any warranty, expressed or implied, or assumes responsibility for the accuracy of completeness of the information reported.

PREFACE

This interim technical report on the Urban Homesteading Demonstration is part of a continuing evaluation which has been under way in HUD's Office of Policy Development and Research since June 1976. One purpose of the evaluation is to provide an impact assessment of the program's effectiveness based on an extensive data collection and analysis effort.

This report presents a detailed description of the characteristics and early experiences of urban homesteaders in 23 cities in which the HUD demonstration is being conducted. The data were obtained from baseline interviews with 646 homesteaders within six months after they first occupied their homestead properties.

Each of these families will be interviewed two additional times during the course of the evaluation at one-year intervals. This information will be used in subsequent reports to evaluate the program from the perspective of the homesteader families. From that analysis, we will be in a better position to evaluate the impact of homesteading on the participant families, in terms of changes in their housing circumstances and perceptions of the neighborhood. The baseline information reported here represents the first phase of the more detailed and comprehensive analysis which will be forthcoming. The purpose of the report is to provide early information on the kinds of families that have elected to participate in the program and their early impressions of the homesteading experience.

TABLE OF CONTENTS

	<u>Page</u>
Chapter I. INTRODUCTION	1
Chapter II. THE CHARACTERISTICS OF URBAN HOMESTEADERS	4
Characteristics of the Heads of Urban Homestead	
Households	5
Household Size and Prior Housing Experience	5
Household Income, Employment and Assets	9
Summary	14
Chapter III. THE URBAN HOMESTEADING PROCESS	15
Initial Participation: Motivation and Awareness	16
The Rehabilitation Experience	18
Status of Rehabilitation	28
Summary	31
Chapter IV. IMPACT OF THE HOMESTEADING PROGRAM ON HOMESTEADERS	32
Housing Quality Impacts	33
Neighborhood Impacts	36
Housing Cost Impacts	40
Housing Benefits to Homesteaders	42
Appendix A	50

LIST OF TABLES

<u>Table No.</u>	<u>Title</u>	<u>Page</u>
1-1	Sample Sizes and Target Population Definitions .	2
2-1	Characteristics of Household Heads	6
2-2	Household Size and Housing Experience	8
2-3	Household Income and Employment Status	10
2-4	Savings and Insurance of Homesteaders	13
3-1	Sources of Information About Homesteading Program	17
3-2	Main Reasons for Participation in Homesteading Program	19
3-3	Average Rehabilitation Costs By Wave	20
3-4	Average Rehabilitation Cost Per Property by City	25
3-5	Rehabilitation Status of Homestead Properties . .	30
4-1	Impact on Monthly Housing Cost	41
4-2	Market Value and Indices of Price and Quality of Current Housing	44
4-3	Monthly Consumption Benefit of Homesteading Program	48
A-1	Characteristics of Previous House	50
A-2	Supplementary Sources of Income	51
A-3	Type of Difficulties Encountered by Homesteaders	52
A-4	Rehabilitation Experience of Homesteaders: Unanticipated Difficulties	53
A-5	Rehabilitation Experience of Homesteaders: Unanticipated Absence of Difficulties	54
A-6	Average Rehabilitation Cost Per Property Incurred by Homesteaders	55
A-7	City-Assisted Loans and Other Loans	56
A-8	Homesteader Attitude and Expectation	57
A-9	Impact on Housing Characteristics: Percent of Homesteaders With Housing Characteristics Improved	58
A-10	Impact on Housing Characteristics: Percent of Homesteaders With Housing Characteristics Worsened	59
A-11	Impact on Neighborhood Conditions: Percent of Homesteaders Reporting Improved Conditions . .	60
A-12	Percent of Neighborhood Reporting Worsened Conditions	61

LIST OF FIGURES

<u>Figure No.</u>	<u>Title</u>	<u>Page</u>
2-1	Distribution of the Age of Head of Homestead Household	7
2-2	Distribution of Household Income of Homesteaders	11
3-1	Distribution of Rehabilitation Cost: Contractor Cost	22
3-2	Distribution of Rehabilitation Cost: Material Cost	23
3-3	Distribution of Rehabilitation Cost: Total Cost	24
3-4	Unexpected Problems Encountered in Rehabilitation Experience	27
4-1	Impact on Individual House Characteristics: Homestead Properties Vs. Previous Houses	34
4-2	Impact of House Quality in General: Homestead Properties Vs. Previous Houses	35
4-3	Impact on Major Neighborhood Conditions: Homesteading Neighborhood Vs. Previous Neighborhood	36
4-4	Impact on Neighborhood Conditions as Indicated by Run-Down Houses: Homesteading Neighborhood Vs. Previous Neighborhood	38
4-5	Impact on Major Neighborhood Services: Homestead Neighborhood Vs. Previous Neighborhood	39
4-6	Monthly Consumption Benefit of Homesteading Program	49

Chapter I
INTRODUCTION

Chapter I
INTRODUCTION

This report is based on information collected during the course of interviews with urban homesteaders who had received properties under authorization provided by Section 810 of the Housing and Community Development Act of 1974. The homesteaders were located in the 23 jurisdictions selected in October 1975 to participate in an Urban Homesteading Demonstration. Three waves of interviews were conducted at six-month intervals with homesteaders who had recently occupied their properties. The information collected during those initial interviews with homesteaders includes the socio-economic and demographic characteristics of homesteader households, their experiences and attitudes towards homesteading, the costs of rehabilitation, the sources of financing employed and their prior housing circumstances.

By April 1, 1978, it is estimated that 1,328 properties had been conveyed to homesteaders in the 23 original Urban Homesteading Demonstration Cities, and 1,019 of these properties were already occupied. The information presented in this report was drawn from interviews with 646 homesteaders who had occupied their properties by November 1, 1977, five months earlier. The sample sizes and target population definitions for each of these waves are presented in Table 1-1.

Table 1-1

SAMPLE SIZES AND TARGET POPULATION DEFINITIONS

Survey Wave	Survey Period	Target Population First Occupied Property Between:	Sample Size
1	January - February 1977	Prior to November 1, 1976	264
2	July - August 1977	November 1976 - April 30, 1977	225
3	January - February 1978	May 1, 1977 - October 30, 1977	157
TOTAL			646

This report is organized into three main sections:

- Characteristics of Urban Homesteaders. Age and sex of household head, size of household, educational experience, racial distribution, previous housing experience, household income and employment status of homesteaders.
- The Urban Homesteading Experience. Outreach experience, motivation for applying, problems in rehabilitation, agency assistance to homesteaders, rehabilitation costs, and the status of work in progress.
- The Impacts of Urban Homesteading. Attitudes and expectations of urban homesteaders, housing quality changes, neighborhood conditions and services, housing cost impacts, and housing benefits.

The final section of this report provides a summary of the major findings on the characteristics and experiences of the 646 urban homesteaders and on the preliminary estimates of the benefits which accrue to urban homesteaders as a result of their participation in the program.

In a literal sense this is an interim report of the project. Two more initial survey waves of homesteaders remain to be performed and the homesteaders included in this report will be reinterviewed annually throughout the life of the evaluation study. The full set of both initial and follow-up interviews will provide the basis for a definitive report on the urban homesteaders to be prepared in 1979. In the meantime, the findings reported here are based on the most complete information available on the urban homesteaders participating in the Federal Urban Homesteading Demonstration Program.

Chapter II

THE CHARACTERISTICS OF URBAN HOMESTEADERS

Chapter II
THE CHARACTERISTICS OF URBAN HOMESTEADERS

The characteristics of the 646 urban homesteaders which are reported in this section are based on the information provided at the time of the initial interview. Because the three waves of interviews were conducted at six-monthly intervals, this involves the aggregation of information collected at different points in time. This is appropriate insofar as the intent is to report on the characteristics of homesteaders who are all at approximately the same stage in the urban homesteading process; that is to say, to report on the characteristics of homesteaders between two and eight months after they had occupied their properties. Some potential bias exists, however, in the aggregation of dollar values at separate points in time. Because the maximum interval is only 12 months, no attempt has been made to deflate reported dollar values. In subsequent reports, the interval of time will be greater and it will be necessary to deflate or inflate those monetary variables which characterize the economic circumstances of urban homesteaders.

The 646 urban homesteaders were distributed unevenly across the 23 Demonstration Cities. This unevenness reflects differences in the scale of local urban homesteading programs and in the speed with which they have been implemented. The number of homesteaders interviewed ranges from 3 in Boston, where the program has started slowly to exactly 100 in Dallas, which has had a very active program from the start.

Characteristics of the Heads of Urban Homestead Households

Demographic characteristics of the heads of urban homestead households by city, together with sample sizes, are presented in Table 2-1. The major findings, for the sample as a whole, are:

Racial Composition of Heads of Homestead Households. Almost 70% of the homestead households are headed by a member of a minority group. Within programs, there is evidence that homesteading is quite racially integrated. Of the 17 programs where there were 10 or more homesteaders interviewed, only 3 had more than 75% white households, 5 had more than 25% non-white households and 9 programs had a mixture of white and nonwhite households in the range of 25%-75%.

Sex of Head of Homestead Households. Sixty-four percent of the homestead households had a male head. Only two neighborhoods, Philadelphia and Oakland, had less than 50% male-headed households.

Age of Head of Homestead Households. The mean age of the head of the homestead households for the sample as a whole was 35.7 years. The Demonstration Cities were remarkably similar in this respect, ranging from exactly 30 years in Tacoma to exactly 40 years in Gary. The frequency distribution of the age of head for the sample as a whole is presented in Figure 2-1.

Household Size and Prior Housing Experience

Statistics on the size of homestead households, the percentage of newly-formed households, prior tenure and type of previous dwelling are provided in Table 2-2.

Size of Homestead Household. The mean size of the homestead households was 3.2 persons. The variation between Demonstration Cities in mean household size ranged from 2.1 in Columbus, which had 11 homesteaders to 5.3 in Boston, which had only 3 homesteaders. These extremes probably reflect the small samples in these cities.

New Household Formation. Nearly 15% of the homesteaders reported that they were not the head of their previous household. The percentage of newly-formed households is quite striking, especially in some cities, where the

Table 2-1

HOUSEHOLD SIZE AND CHARACTERISTICS OF HOUSEHOLD HEADS

	Sample Size	Household Size	Race (% White)	Sex (% Male)	Age (yrs.)
Atlanta	36	3.0	15.6	52.9	32.9
Baltimore	5	3.4	0	60.0	39.2
Boston	3	5.3	0	66.7	30.3
Chicago	45	4.1	2.4	56.8	37.6
Cincinnati	8	2.6	50.0	87.5	30.9
Columbus	11	2.6	50.0	60.0	36.5
Dallas	100	2.8	24.0	74.7	38.3
Decatur	20	2.7	77.8	60.0	36.0
Freeport	6	3.8	50.0	66.7	36.2
Gary	40	3.4	0	72.2	40.0
Indianapolis	52	3.2	53.2	71.7	36.8
Islip	18	3.8	66.7	83.3	31.3
Jersey City	4	5.3	0	50.0	37.0
Kansas City	21	2.5	26.3	78.9	35.0
Milwaukee	26	4.4	19.2	73.1	37.3
Minneapolis	37	2.5	78.4	83.8	33.2
New York	5	3.2	20.0	80.0	38.0
Oakland	26	3.3	4.3	7.7	36.3
Philadelphia	57	3.3	0	41.8	35.9
Rockford	55	3.5	25.0	62.3	34.8
South Bend	29	2.5	65.4	78.6	32.5
Tacoma	17	4.1	82.4	70.6	30.0
Wilmington	25	3.0	36.0	52.0	32.7
TOTAL	646	3.2	30.6	64.3	35.7

Figure 2-1

DISTRIBUTION OF THE AGE
OF HEAD OF HOMESTEAD HOUSEHOLD
(622 Homesteaders)

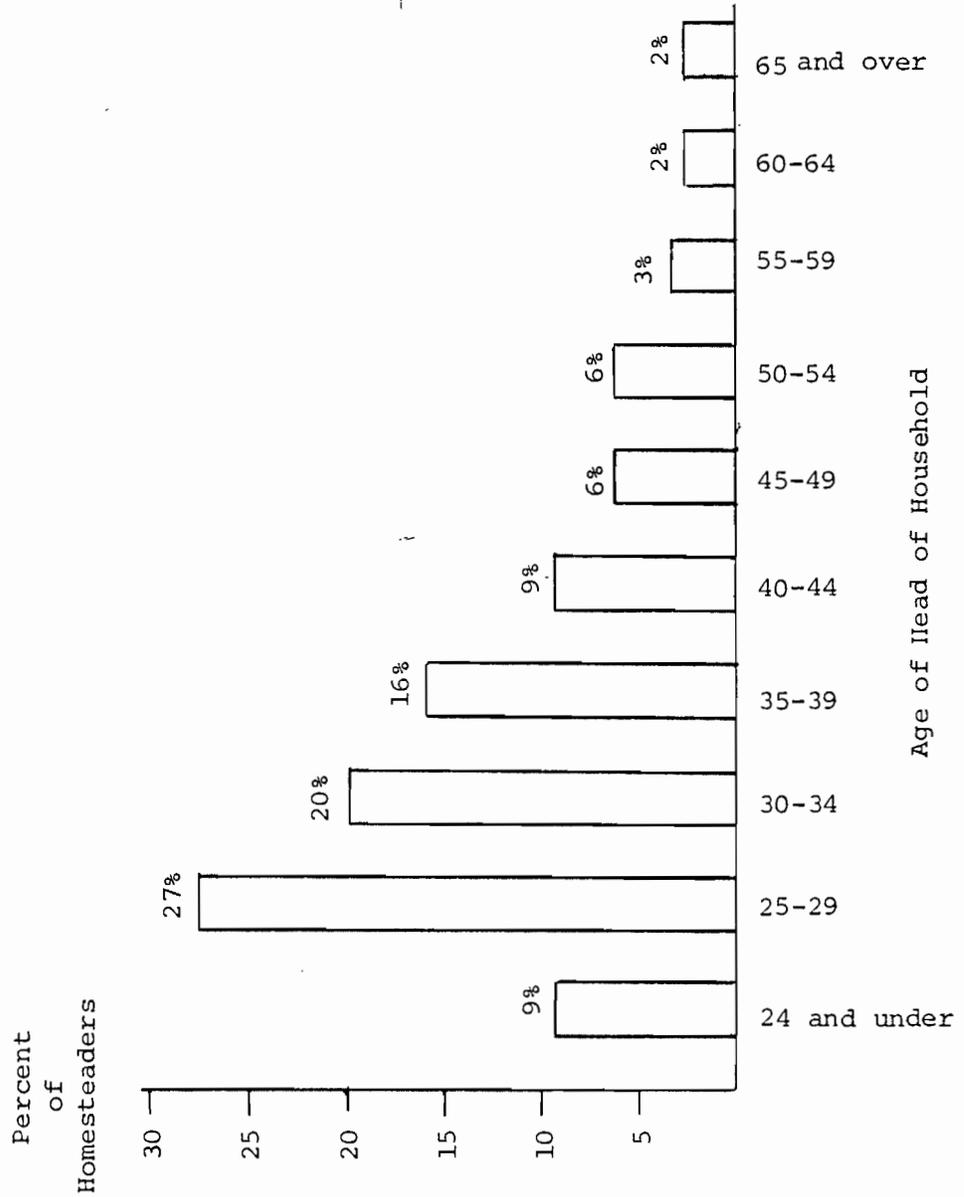


Table 2-2

PERCENTAGE OF NEW HOUSEHOLDS AND HOUSING
EXPERIENCE PRIOR TO HOMESTEADING

City	% New Household	% Renters	% Single-family Unit
Atlanta	26.5%	100.0%	61.8%
Baltimore	(0)	(80.0)	(60.0)
Boston	(0)	(100.0)	(66.7)
Chicago	4.7	95.1	88.3
Cincinnati	0	100.0	87.5
Columbus	10.0	88.9	30.0
Dallas	25.3	79.7	52.5
Decatur	15.0	76.5	65.0
Freeport	0	100.0	66.7
Gary	2.8	97.1	66.7
Indianapolis	15.2	84.6	56.5
Islip	44.4	100.0	16.7
Jersey City	(0)	(100.0)	(50.0)
Kansas City	10.5	100.0	42.1
Milwaukee	0	73.1	7.7
Minneapolis	10.8	87.5	24.3
New York City	(20.0)	(100.0)	(20.0)
Oakland	7.7	100.0	3.8
Philadelphia	14.5	89.4	100.0
Rockford	7.5	83.7	43.4
South Bend	25.0	85.7	10.7
Tacoma	11.8	100.0	5.9
Wilmington	20.0	95.0	100.0
ALL	14.6%	89.1%	41.8%

Note: Percentages in parentheses are based on sample sizes of 5 or less.

sample sizes are quite large. For example, in Dallas, which had 100 homesteaders, 25 were newly-formed households. Over 25% of the homesteader households were also newly-formed in Atlanta, Islip and South Bend.

Previous Tenure Type. In some Demonstration Cities, homeowners are not eligible to become urban homesteaders and where they are eligible, they are generally not in sufficient need of housing assistance to be considered. This is reflected in the statistics for the prior tenure of the homesteaders. Almost 90% of the homesteaders previously lived in rental units and in 10 of the Demonstration Cities, there were no previous owners.

Type of Previous Dwelling Unit. The urban homestead program has had a significant impact on the type of dwelling unit occupied by the homestead households. As participants, almost all the homesteaders are now occupying single-family dwellings, whereas over 58% of the previously occupied units were in multi-family dwellings. Notice however, that all of Philadelphia's 57 homesteaders and all of Wilmington's 25 homesteaders lived previously in single-family houses. In general, the pattern of prior dwelling unit type is quite varied across cities.

Household Income, Employment and Assets

Of the 646 homesteaders interviewed during the first three survey waves, 600 provided information on their household income. This information, together with statistics on income stability and employment, are presented in Table 2-3.

Household Income. The overall average of household income was \$12,793.* The distribution of household income across the sample is presented in Figure 2-2 and the distribution of mean household income by city is presented in Figure 2-3. The variation between cities is very significant, ranging from a low of \$8,294 in Tacoma to \$20,800 in New York City. There is evidence that the mean income of homesteaders was increased in successive survey waves. The first and

*Households indicated their income in terms of 10 income brackets, of which the first (\$4,999 or less) and last (\$21,000 or more) were open-ended. Average income was computed by using the central value of each of the eight closed brackets and by using \$2,500 and \$22,000 for the lowest and highest brackets. These brackets accounted for 4% and 9% of the sample respectively.

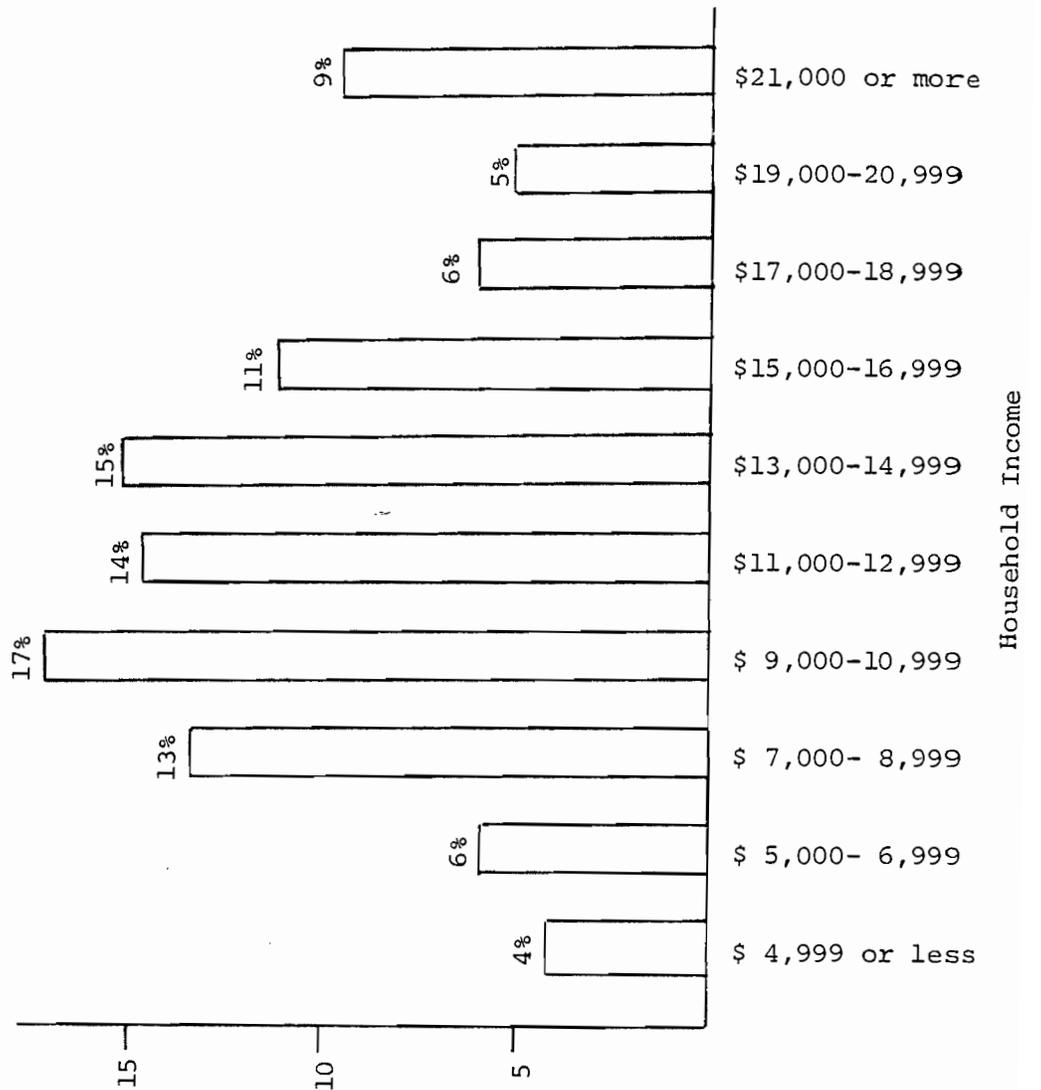
Table 2-3

HOUSEHOLD INCOME AND EMPLOYMENT STATUS

City	Household Income (\$/year)	% Employed
Atlanta	11,891	85.3
Baltimore	14,000	(80.0)
Boston	16,667	(100.0)
Chicago	13,475	95.3
Cincinnati	14,286	87.5
Columbus	12,400	90.0
Dallas	9,857	88.9
Decatur	14,333	80.0
Freeport	18,667	100.0
Gary	14,803	83.3
Indianapolis	13,614	91.3
Islip	13,667	88.9
Jersey City	19,000	(100.0)
Kansas City	12,632	73.7
Milwaukee	12,846	80.8
Minneapolis	12,800	86.5
New York City	20,800	(100.0)
Oakland	10,000	96.2
Philadelphia	15,451	90.9
Rockford	13,481	96.2
South Bend	11,148	92.6
Tacoma	8,294	64.7
Wilmington	14,609	100.0
ALL	12,793	89.0

Note: Percentages in parentheses are based on sample sizes of 5 or less.

Figure 2-2
DISTRIBUTION OF HOUSEHOLD INCOME OF HOMESTEADERS
 (600 Homesteaders)



second round survey waves collected information on 1976 household income, and the third survey wave recorded 1977 household income. The average household incomes by survey wave were \$11,907, \$12,671 and \$14,236 respectively.

Employment Status. The homesteader heads of household showed rather high rates of employment in view of the income levels, percentage of female-headed households and presence of at least a few heads past retirement age. Over 90% of the homesteader heads of household were working for pay either full-time or part-time at the time of the interview. About 8% of homesteaders reported that they received Social Security, Railroad Retirement or Government Employee Pensions during the four-week period preceding the interview; an additional 11.1% reported supplementary income from Unemployment Compensation, Workmen's Compensation, Welfare or Veterans payments (Appendix Table A-2).

Information on the assets and insurance arrangements of the urban homesteaders is presented in Table 2-4. These data are of interest in assessing the ability of the homestead households to achieve homeownership through conventional means and to service the debt which they have incurred through the rehabilitation of their new homes.

Savings Deposits and Securities. The average amount of savings deposits of the homesteaders was modestly in excess of \$900; in addition, the homesteaders reported average holdings of securities of \$226, for a total of liquid assets of \$1,137. Less than 2% reported savings deposits in excess of \$9,000.

Insurance Coverage. The use of life insurance and home insurance among the homestead households is widespread. Approximately 85% own life insurance policies and over 90% have insured the homestead property (most Demonstration Cities require that the homestead properties be insured in any event).

Table 2-4

SAVINGS AND INSURANCE OF HOMESTEADERS

City	Average Savings Deposits	Average Value of Securities Held	Percentage With Life Insurance Coverage	Percentage With Home Insurance Coverage
Atlanta	\$440	\$32	90.0%	94.1%
Baltimore	50	10	(80.0)	(100.0)
Boston	250	0	(66.7)	(33.3)
Chicago	1,256	182	61.9	76.7
Cincinnati	406	0	75.0	100.0
Columbus	725	30	90.0	100.0
Dallas	908	317	73.7	98.0
Decatur	1,306	109	94.7	90.0
Freeport	2,167	167	100.0	100.0
Gary	336	222	94.4	72.2
Indianapolis	517	887	82.6	95.7
Islip	1,222	72	83.3	94.4
Jersey City	2,187	625	(100.0)	(100.0)
Kansas City	1,653	133	89.5	84.2
Milwaukee	875	156	96.2	96.2
Minneapolis	1,515	217	82.9	63.9
New York City	2,300	140	(40.0)	(100.0)
Oakland	950	17	76.9	100.0
Philadelphia	870	0	94.4	96.3
Rockford	606	22	96.2	92.5
South Bend	759	693	92.9	100.0
Tacoma	250	0	82.4	94.1
Wilmington	1,580	265	95.7	92.0
ALL	\$911	\$226	84.9%	90.8%

Note: Percentages in parentheses are based on sample sizes of 5 or less.

Summary

The urban homestead families appear to fulfill the two basic requirements of the urban homesteading authorizing legislation. Judged in terms of their "need" for housing services, it is to be noted that almost all those families were previously living in rental accommodation, and, in many cases, were living in a household headed by someone else, presumably parents or other relatives. The homestead households have an average size of over three persons and almost three-quarters of them are members of minority groups. The overall picture which these statistics support is one of fairly young minority families with children, who are living in rental housing, in many cases shared with another household. By and large, such families have genuine need for the housing opportunities which homesteading provides.

The urban homesteaders also appear to fulfill the requirement that they have the "capacity" to make the needed repairs to the property and to assume the financial responsibilities of homeownership. Despite fairly meager assets, the homestead households have incomes which are close to the national average and there is a high employment rate among the household heads. This combination of "need" and "capacity" among the homesteaders suggests that local urban homesteading programs have responded quite successfully to the requirements of the legislation which were incorporated in their urban homesteading agreements.

Chapter III

THE URBAN HOMESTEADING PROCESS

Chapter III

THE URBAN HOMESTEADING PROCESS

The interviews conducted with urban homesteaders within a few months of their first occupancy of their new homes provide an important source of information on their experience with the urban homesteading process. In almost all of the Demonstration Cities, urban homesteading was a new program which had only recently begun operations, and the homesteaders who provided the information on their experiences with the program were the first to become clients of these new programs. Furthermore, because the Demonstration Cities were provided with considerable flexibility in the way in which their local programs could be designed, a fairly wide range of approaches to the planning and management of urban homesteading emerged during the first year of the Demonstration Program. As a result, the perceptions and experiences of the urban homesteaders can provide some preliminary evidence on the relative sources of different approaches to the design of local urban homesteading efforts.

In reviewing the experience of households involved in the process of urban homesteading, it is useful to distinguish among a number of discrete stages in the process. In the first place, we are concerned with the circumstances of their participation -- how they heard about the program and why they decided to apply. Secondly, we will examine the experience of rehabilitation in terms of the costs incurred, the problems

they encountered and the kinds of assistance they sought and received. Thirdly, we look at status of rehabilitation in terms of completion as a function of elapsed time since occupancy of the homestead property.

Initial Participation: Motivation and Awareness

Local urban homesteading programs used a variety of methods to disseminate information about the program. Almost all of the Demonstration Cities used paid newspaper advertisements and in many cases, newspapers and local TV and radio stations provided free announcements and/or feature stories.

The distribution of the initial source of information about the program (Table 3-1) shows that 40% of all homesteaders were first made aware of the program by reading the newspapers. Television and radio coverage accounted for a further 15.3% of all homesteaders and information passed on by family and friends accounted for a further 33.6%. This last category appears to be the least variable of the sources of initial information with 15 of the 23 cities showing word-of-mouth information accounting for between 20% and 40% of homesteaders' initial sources of knowledge of the program. Television and radio coverage was important in Atlanta (33%), Indianapolis (40%) and Milwaukee (54%); in eight cities, however, television and radio coverage did not account for any homesteaders' initial information. Newspapers were consistently the most frequently acknowledged source of initial information about the program.

Homesteaders were asked to indicate their main reason for participating in the program on a multiple choice basis. The alternatives among which they could choose were: (1) obtain better housing, (2) obtain more space, (3) make an investment, and (4) any other reason. Homesteaders' responses to this

Table 3-1

SOURCES OF INFORMATION ABOUT HOMESTEADING PROGRAM

City	News- papers	TV	Radio	Friends or Family	Others
Atlanta	11.1%	19.4%	13.9%	38.9%	16.7%
Baltimore	(20.0)	(0)	(0)	(20.0)	(60.0)
Boston	(0)	(0)	(0)	(66.7)	(33.3)
Chicago	28.9	2.2	2.2	48.9	17.7
Cincinnati	12.5	0	12.5	37.5	37.5
Columbus	18.2	27.3	0	45.5	9.1
Dallas	41.0	9.0	16.0	30.0	4.0
Decatur	40.0	15.0	0	35.0	10.0
Freeport	66.7	0	0	16.7	16.7
Gary	40.0	0	0	42.5	17.5
Indianapolis	26.9	23.1	17.3	19.2	13.5
Islip	55.6	0	0	27.8	16.7
Jersey City	(25.0)	(0)	(0)	(50.0)	(25.0)
Kansas City	33.3	14.3	0	33.3	19.1
Milwaukee	3.8	42.3	11.5	23.1	19.3
Minneapolis	56.8	5.4	0	29.7	8.1
New York City	(60.0)	(20.0)	(0)	(20.0)	(0)
Oakland	57.7	11.5	0	26.9	3.9
Philadelphia	50.9	0	0	38.6	10.5
Rockford	47.3	1.8	0	45.5	5.4
South Bend	58.6	3.4	3.4	24.1	10.5
Tacoma	47.1	11.8	0	23.5	17.6
Wilmington	64.0	0	0	28.0	8.0
ALL	40.0	9.3	6.0	33.6	11.1

Notes: (1) Percentages in parentheses are based on sample sizes of 5 or less.

(2) Includes realtor, church, club or activity, and non-responses.

question (Table 3-2) are of some interest in the light of the rationale for the program and as a potential indicator of homesteader mobility once the residency requirement has been fulfilled.

The desire for better housing (34.9%) and the desire for more space (11.3%) together accounted for approximately 45% of homesteaders' reasons for wishing to participate in the program. These homesteaders were clearly benefiting in terms of needed housing improvement which is an explicit goal of the program. A significant number of homesteaders (37.7%) applied primarily to improve their economic circumstances, and for these families consequential gains in housing quality were of secondary importance in their decision to become urban homesteaders. The relative importance of these two kinds of motivation (better housing quality vs. desirability of investment) varies somewhat among the Demonstration Cities, but for the sample as a whole, both are significant and of roughly comparable magnitude. Of those who cited "other reasons," a desire to live in a better neighborhood was referenced frequently.

The Rehabilitation Experience

At the time of the initial interviews, homesteaders had been occupying their homes for an average of six and a half months. By this time over 25% of the homesteaders had completed the rehabilitation, and over 70% estimated that the rehabilitation work was more than half finished. Information on the costs of rehabilitation is based on actual experience for those who had finished. For those who had not finished, cost estimates are based on costs incurred to the date of the interview plus the homesteaders' estimates of the costs still to be incurred to complete the work.

Table 3-2

MAIN REASONS FOR PARTICIPATION IN
HOMESTEADING PROGRAM

City	Better Housing	More Space	Make Investment	Others
Atlanta	33.3%	2.8%	41.7%	22.3%
Baltimore	(60.0)	(0)	(20.0)	(20.0)
Boston	(0)	(33.3)	(66.7)	(0)
Chicago	44.4	26.7	20.0	8.8
Cincinnati	50.0	0	37.5	12.5
Columbus	18.2	0	54.5	27.3
Dallas	27.0	11.0	46.0	16.0
Decatur	40.0	15.0	45.0	10.0
Freeport	50.0	16.7	33.3	0
Gary	32.5	10.0	35.0	22.5
Indianapolis	21.2	1.9	44.2	33.7
Islip	77.8	11.1	5.6	5.6
Jersey City	(25.0)	(25.0)	(25.0)	(25.0)
Kansas City	28.6	9.5	38.1	23.8
Milwaukee	30.8	23.1	30.8	15.3
Minneapolis	29.7	2.7	51.4	16.2
New York City	(60.0)	(0)	(20.0)	(20.0)
Oakland	38.5	7.7	26.9	26.9
Philadelphia	61.4	14.0	15.8	8.9
Rockford	29.1	12.7	41.8	16.4
South Bend	44.8	6.9	37.9	10.3
Tacoma	17.6	0	76.5	5.9
Wilmington	12.0	28.0	48.0	12.0
ALL	34.9	11.3	37.7	16.1

Notes: (1) Figures in parentheses are based on sample sizes of 5 or less.

(2) Include "to live in this neighborhood," "to move out of your old neighborhood" and non-responses.

The rehabilitation costs reported here consist of payments made to contractors and the cost of materials purchased by the homesteader. They do not include any imputed costs for labor time provided the homesteader, his family and friends.*

The average total rehabilitation cost for all homesteaders was \$9,143, including \$7,073 of contractor cost and \$2,070 of material cost. The information on rehabilitation cost was collected during three different survey waves and the construction cost has increased significantly in successive waves (Table 3-3).

Table 3-3
AVERAGE REHABILITATION COSTS BY WAVE

Rehabilitation Cost	Survey Wave			All
	First	Second	Third	
Contractor Cost	\$4,561	\$6,962	\$11,214	\$7,073
Material Cost	2,385	1,703	2,119	2,070
Total Cost	6,964	8,665	13,333	9,143

The rapid increase in the cost of homestead rehabilitation over the 12-month period covered by the three survey waves requires further analysis before an explanation can be provided. Because the increase is much larger than could be accounted for by construction cost inflation, it must reflect a situation in which the extent of repairs increases with successive survey waves of homesteaders. This in turn may result from delayed occupancy in properties which need extensive work before an occupancy permit can be issued, or it may result from initial "creaming" of the FHA inventory by local programs, which

*A more detailed analysis of the self-help component of homestead rehabilitation will be provided in a subsequent report using data collected during home inspections.

are forced to take more deteriorated properties as the inventory is reduced.

The distributions of contractor cost, direct material purchase by the homesteader, and total cost are shown in Figures 3-1 through 3-3. Approximately 20% of homesteaders incurred less than \$2,000 in contractor cost, and nearly three-quarters of contractor costs were below \$12,000 (Figure 3-1). More than half of the homesteaders incurred less than \$10,000 in total rehabilitation cost, and approximately 10% of homesteaders incurred more than \$20,000 in total rehabilitation cost.

The distribution of total rehabilitation cost by city is depicted in Figure 3-4. The cities where average total rehabilitation cost was relatively high include Boston, Cincinnati, Decatur, and Philadelphia. On the other hand, the cities where average total rehabilitation cost was relatively low include Dallas, Tacoma, Milwaukee, Islip, and South Bend.

The exclusion of any estimate of the opportunity cost of self-help labor in these rehabilitation cost figures necessarily results in an understatement of the extent of the rehabilitation work undertaken, and it precludes the development of estimates of the contribution of self-help as a percentage of the total work. One surrogate for the contribution of self-help is provided by the relative shares of contractor and materials costs incurred. These statistics, together with the average amounts of rehabilitation cost are provided for each city in Table 3-4.

Using percentage of material cost as a measure of relative importance of self-help component, it is seen that the degree of self-help varies considerably among cities. In Jersey City, all rehabilitation work was done by contractors whereas more than 60% of total rehabilitation cost was for materials in Islip.

Figure 3-1

DISTRIBUTION OF REHABILITATION COST: CONTRACTOR COST
(646 Homesteaders)

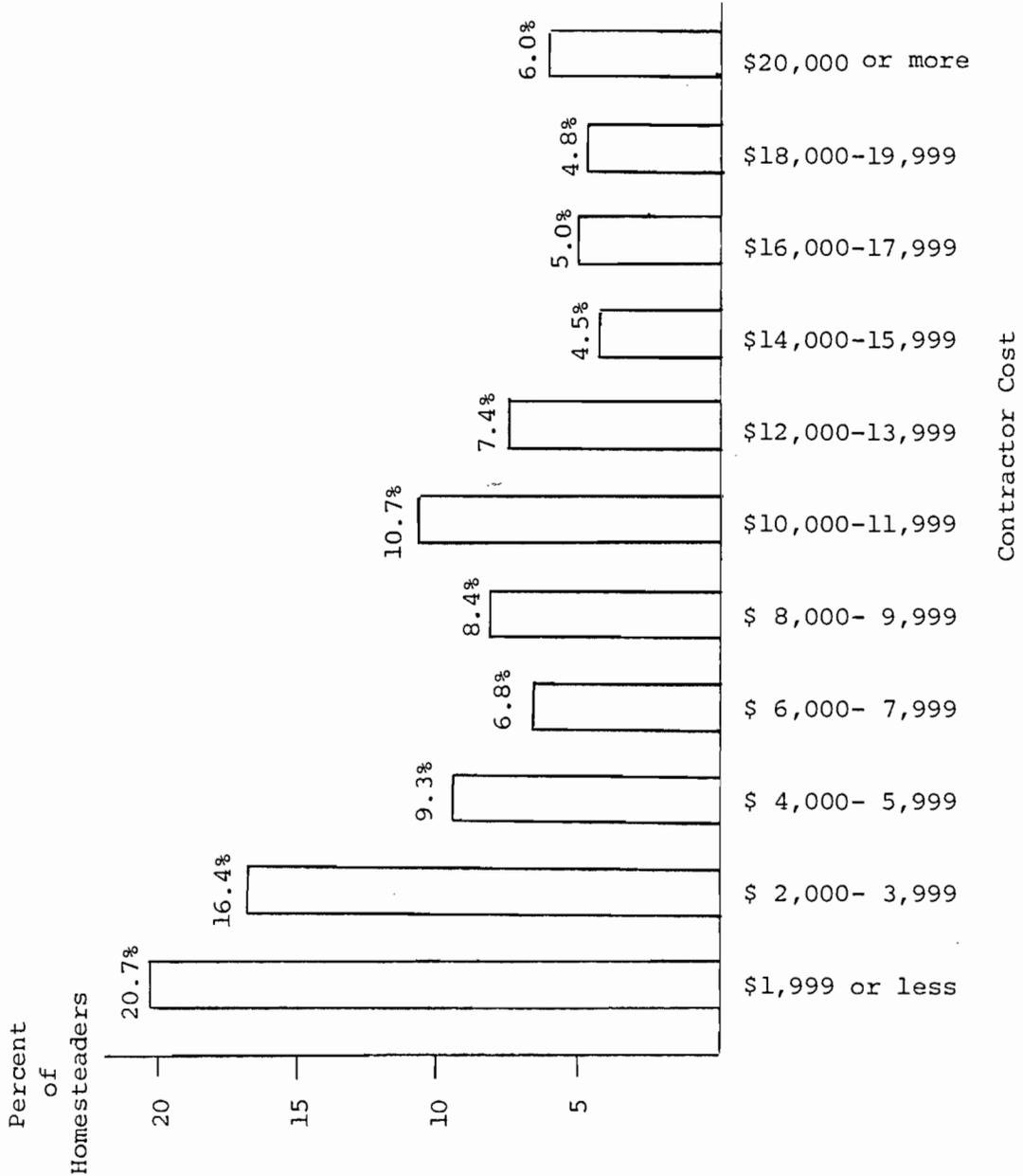


Figure 3-2
DISTRIBUTION OF REHABILITATION COST: DIRECT MATERIAL PURCHASES BY HOMESTEADER
 (646 Homesteaders)

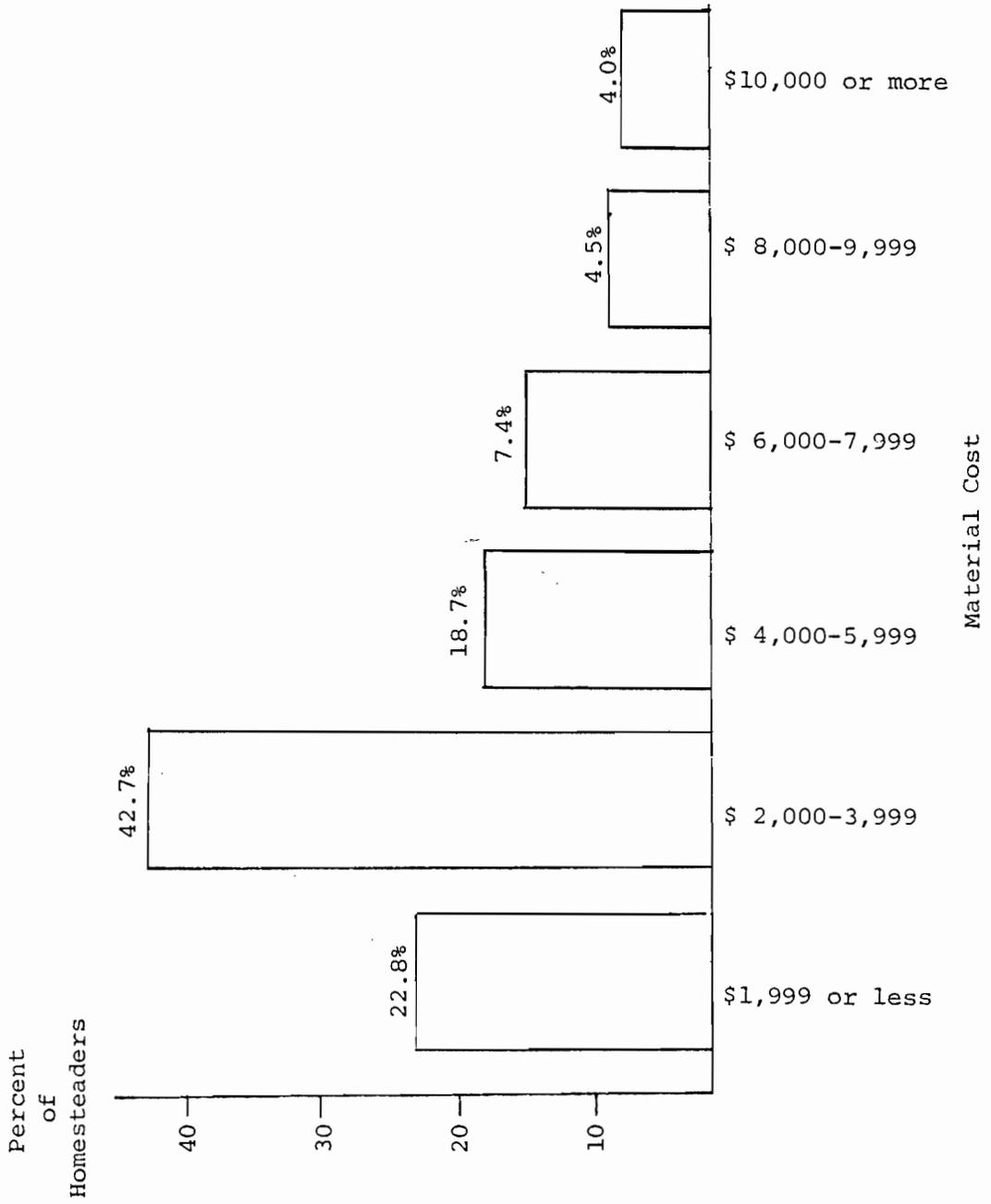


Figure 3-3

DISTRIBUTION OF REHABILITATION COST: TOTAL COST
(646 Homesteaders)

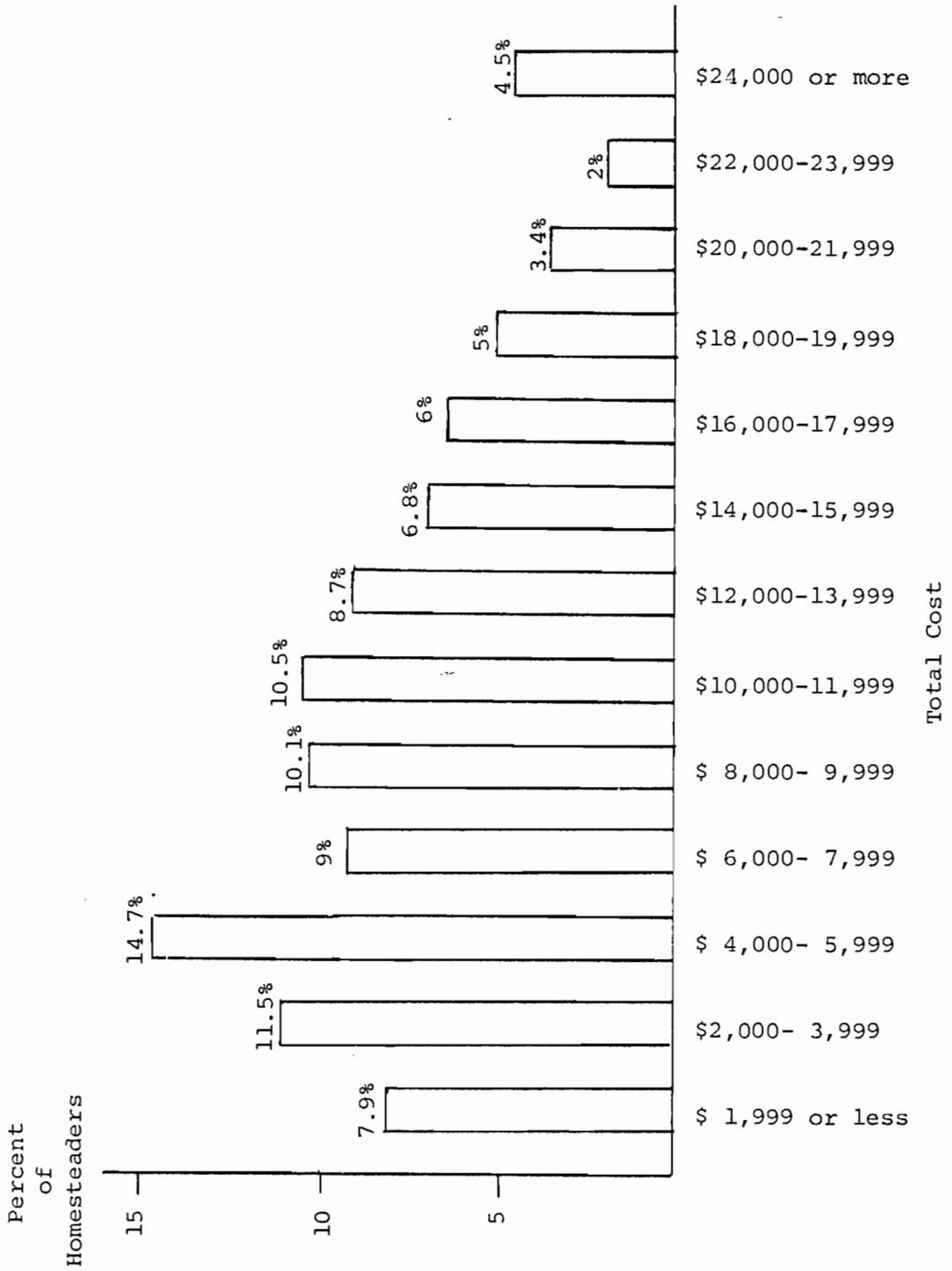


Table 3-4

AVERAGE REHABILITATION COST PER PROPERTY BY CITY*

City	Contractor Cost	Direct Material Purchases by Homesteaders	Total Cost
Atlanta	\$10,069 (95.8%)	\$ 444 (4.2%)	\$10,514
Baltimore	12,960 (86.5)	1,988 (13.5)	14,748
Boston	15,322 (91.1)	1,500 (8.9)	16,822
Chicago	9,941 (79.8)	2,516 (20.2)	12,458
Cincinnati	12,513 (74.6)	4,266 (25.4)	16,779
Columbus	5,360 (67.8)	2,551 (32.2)	7,911
Dallas	1,534 (51.3)	1,454 (48.7)	2,988
Decatur	15,626 (94.9)	838 (5.1)	16,463
Freeport	9,333 (77.4)	2,733 (22.6)	12,067
Gary	5,035 (67.7)	2,405 (32.3)	7,440
Indianapolis	4,952 (67.2)	2,412 (32.8)	7,364
Islip	2,229 (38.3)	3,588 (61.7)	5,817
Jersey City	38,667 (100.0)	0 (0)	38,667
Kansas City	10,010 (88.5)	1,310 (11.5)	11,311
Milwaukee	2,615 (51.6)	2,451 (48.4)	5,066
Minneapolis	8,903 (62.4)	5,372 (37.6)	14,275
New York City	12,000 (94.8)	660 (5.2)	12,660
Oakland	11,146 (85.7)	506 (4.3)	11,652
Philadelphia	13,259 (82.6)	2,785 (17.4)	16,044
Rockford	7,885 (91.6)	725 (8.4)	8,610
South Bend	2,569 (44.6)	3,185 (55.4)	5,754
Tacoma	2,678 (69.2)	1,191 (30.8)	3,868
Wilmington	7,584 (79.0)	2,011 (21.0)	9,595
ALL	\$ 7,073 (77.4%)	\$2,070 (22.6%)	\$ 9,143

Note: Figures in parentheses show percentages of contractor cost or direct material purchases of total cost.

*Properties range in size from 1 to 3 units with 2- and 3-family properties accounting for approximately 3% of the sample. Per dwelling unit costs would therefore require modest adjustments to the above figures.

Overall, approximately three-quarters of total rehabilitation cost was for contractor cost. The decision to employ contractor or self-help for rehabilitation work may have some effect on the speed of rehabilitation work. As Appendix Table A-6 shows, contractor costs for the homesteaders who had finished rehabilitation is considerably higher than that for homesteaders who had not finished rehabilitation (\$9,504 vs. \$6,101). On the other hand, direct material purchases by homesteaders who had finished rehabilitation were considerably less than those of the homesteaders who had not finished rehabilitation (\$1,048 vs. \$2,479). This suggests that the speed of rehabilitation is slower when homesteaders rely more heavily on self-help labor.

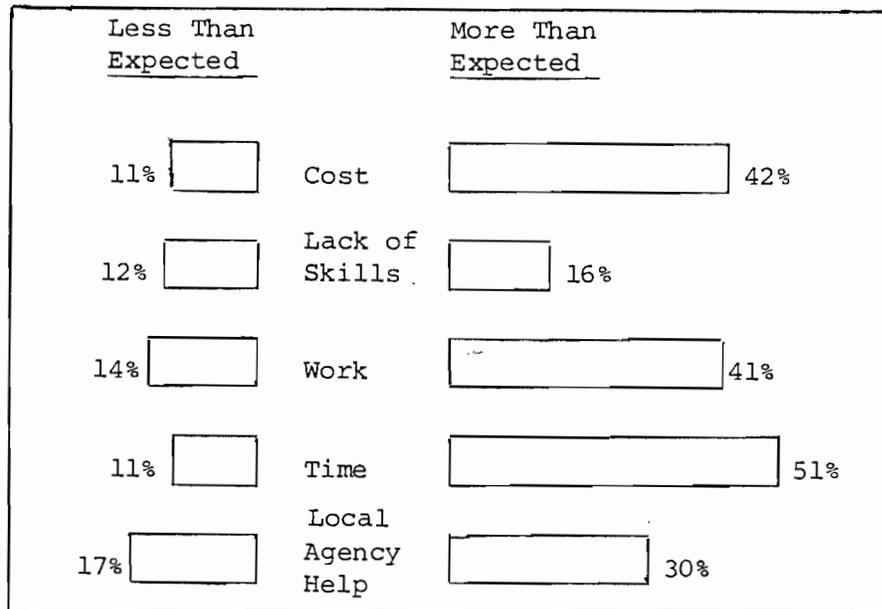
Homesteaders were also asked to provide information of a more qualitative kind on their rehabilitation experience. In attempting to assess the extent to which the homesteaders know in advance what they were getting into when they accepted homestead properties, the interviews included questions on the extent to which they had been surprised by various aspects of the process.

Overall, 34% of the homesteaders reported encountering some unexpected problems in the rehabilitation. Among this group, the breakdown is of some interest (Figure 3-5). Forty-two percent of those who reported unexpected problems said that the cost was more than expected, but only 11% of them said the cost was less than expected. Apparently, the homesteaders were more aware of what kinds of skills might be required, since only 16% of them reported that they were surprised because they did not have enough skills and 11% of them found that they had more skills than they thought would be needed. When the homesteaders were asked if they experienced more work or less work than expected, 41% of them said the work was more than expected and 14% said it was less than expected. More than

half of the homesteaders who reported unexpected problems said the time required was longer than expected. Only 11% of them had expected to spend longer time than they spent. Finally, 30% of the homesteaders found local agencies did not provide enough help, but 17% of them found local agencies to be more helpful than they expected.

Figure 3-4

UNEXPECTED PROBLEMS ENCOUNTERED IN
REHABILITATION EXPERIENCE
(Percent of Those Homesteaders
Encountering Unexpected Problems)



Naturally, the percentages of homesteaders reported to have experienced unanticipated difficulties differ among cities. Homesteaders in Chicago and Oakland appear to have frequently discovered that rehabilitation required more work or more time than they expected. On the other hand, many homesteaders in

Wilmington were pleasantly surprised by their experience in finding the rehabilitation work to be less costly or to require less work or time. The rehabilitation experience of homesteaders for individual cities is presented in detail in Appendix Tables A-4 and A-5.

It is in the nature of the homestead rehabilitation process that local urban homesteading program staff provide a considerable amount of assistance to homesteaders during the rehabilitation process. This assistance typically involves assistance with work write-ups, selecting contractors, advice on the performance of self-help tasks and monitoring the work in progress. To assess the perceived adequacy of this assistance, homesteaders were asked to assess the extent to which they needed, and received, assistance from local program staff. When homesteaders were asked if they thought the local agencies helped them as much as they needed, only around 15% of them answered in the negative. In some cities, such as South Bend, all homesteaders thought that they had received all the help they needed from the local agencies. Among those who expressed that more help from local agencies was needed, approximately 59% of them sought help in dealing with contractor and financial counseling. Only about one-third of the homesteaders seeking additional help answered that they needed assistance with self-help work or other unspecified help.

Status of Rehabilitation

The status of rehabilitation as discussed in this report is that reported by the homesteaders at the time of interview. which may be January or February of 1977, July or August of 1977, or January or February of 1978. For the homesteaders interviewed

in the first survey wave, their average length of residence in their homestead properties is 6.2 months and the average percentage of properties on which rehabilitation was completed is 19.1%. Similarly, for the homesteaders interviewed in the second survey wave, their average length of residence is also 6.2 months, but the average percentage of properties completed is 26.2%. Finally, for the homesteaders interviewed in the third wave, their average length of residence is 7.5 months, and the average percentage of properties completed is 46.5%.

Although the average percentage of properties completed and the average length of residence by survey waves are positively associated, the same positive association does not exist in any significant degree if homesteaders are grouped by city.

This can be seen from the data provided in Table 3-5, where the average length of residence by city is contrasted with the average rate of completion and other measures of the status of rehabilitation. The overall average length of residence is 6.5 months, with the average length of residence for individual cities ranging from 4.2 months-in Freeport to 8.6 months in Indianapolis. On the other hand, the overall average percentage of properties completed is 28.6%, with the average completion rate for individual cities ranging from zero to approximately 60%. With the exception of Philadelphia, the cities with relatively longer length of residence, such as Chicago, Dallas, Indianapolis, Milwaukee and South Bend, do not necessarily have a relatively higher completion rate.

Another attempt at explaining the completion rate by the length of residence was made by grouping homesteaders by their length of residence and then computing the average percentage of properties completed in each group. It would be reasonable to expect the percent of properties completed to increase with the length of residence; however, observed data do not exhibit such a pattern. In fact, the average rate of completion by length of residence goes up and down at approximately 30% level

Table 3-5

REHABILITATION STATUS OF HOMESTEAD PROPERTIES

City	Length of Residence (Months)	More Than Just Started	More Than Half Finished	Finished
Atlanta	6.5	82.4%	73.6%	55.9%
Baltimore	6.6	100.0	60.0	20.0
Boston	5.3	66.7	0	0
Chicago	7.0	86.0	60.5	2.3
Cincinnati	4.5	100.0	75.0	12.5
Columbus	5.4	80.0	70.1	20.0
Dallas	7.6	96.0	67.7	15.2
Decatur	5.7	100.0	85.0	60.0
Freeport	4.2	83.3	66.6	33.3
Gary	5.9	83.3	61.1	2.8
Indianapolis	8.6	86.9	67.3	30.4
Islip	4.5	88.9	66.7	11.1
Jersey City	5.3	100.0	100.0	50.0
Kansas City	5.4	89.5	89.5	57.9
Milwaukee	7.1	92.3	65.4	15.4
Minneapolis	5.1	64.8	51.3	2.7
New York City	5.2	100.0	80.0	40.0
Oakland	4.3	84.6	73.1	38.5
Philadelphia	7.9	96.4	91.0	58.1
Rockford	5.3	98.1	85.0	47.2
South Bend	8.0	96.4	89.2	21.4
Tacoma	6.8	84.2	82.4	35.3
Wilmington	5.9	88.0	72.0	36.0
ALL	6.5	86.5%	72.4%	28.6%

until the twelfth month. Thereafter, the number of observations becomes too small to make a reliable estimate of the average rate of completion. Based on the analysis so far, it appears that the speed of rehabilitation varies considerably among cities.

Summary

The families who became urban homesteaders typically learned about the program from newspapers or by word of mouth. Their interest in applying most frequently stemmed from a desire for better housing or more space, although over one third of those who applied successfully saw a homestead property as a good investment. The amount of their original investment, including both payments to contractors and direct purchases of materials, exceeded \$9,000 and the amount of these costs increased with each wave of homesteaders surveyed. Over one-third of the homesteaders were surprised, either favorably or unfavorably, by the experience of becoming an urban homesteader. Over one-third of the homesteaders experienced unanticipated problems or found that the problems were less severe than they expected. Of those who encountered unexpected difficulties, the most frequent problems were that costs and the amount of time and work were greater than they had bargained for. It is evident from comparisons of the length of time that the homesteaders had occupied the property with the percentage of the properties on which rehabilitation was complete, that the rehabilitation work takes time. From the group of 646 homesteaders who had averaged over six months since occupancy, only about a quarter of all the properties had been fully rehabilitated at the time they were surveyed.

Chapter IV

IMPACT OF THE HOMESTEADING PROGRAM
ON HOMESTEADERS

Chapter IV
IMPACT OF THE HOMESTEADING PROGRAM
ON HOMESTEADERS

At the time of the initial interviews, less than half of the homestead properties were fully rehabilitated and the respondents had typically occupied their new homes for an average of a little over half a year. Nevertheless, the information which these early homesteaders provided gives us some basis for assessing the impact of the program on its intended beneficiaries.

The impacts described in the remainder of this section include comparisons between the homestead properties and the dwelling units previously occupied by the homesteaders as well as between conditions in their current and previous neighborhood. Next, the housing costs which the respondents incur as homesteaders are compared with those they incurred in their prior residence. Finally, preliminary estimates of the benefits which accrue to homesteaders are developed. These estimates take into account both the reduction in the cost of housing which results from participation in the program as well as the improvement in the quality of housing services received.

Housing Quality Impacts

Homesteaders were asked to compare the characteristics of their current houses with those of the previous houses. Recall that the interviews were conducted before rehabilitation had been finished for a majority of homesteaders. Nevertheless, a majority of homesteaders indicated clearly that their current houses were better than their previous ones in every dimension of house characteristics that were recorded, including walls, ceilings, floor, heating, plumbing and electrical systems, roof, exterior and the house in general.

As shown in Figure 4-1, for each of the house characteristics listed, approximately 55% to 60% of the homesteaders reported that their current houses were better than their previous ones. In contrast, only 10% to 20% of the homesteaders reported that their current house was worse than their previous one. For the house as a whole, 74% of homesteaders reported that their current house was better than their previous one, with only 11% saying their current house was worse. The impact on the quality of housing services received is clearly beneficial, since most were able to enjoy at least the same level of housing quality shortly after the occupancy of their homestead properties.

The beneficial impact of the homesteading program on housing quality is further demonstrated by Figure 4-2. As shown previously, approximately 74% of the homesteaders considered that their current houses were, overall, better than their previous ones. Figure 4-2 shows that such a favorable impact holds true for all cities, since even in Cincinnati which has the lowest proportion of homesteaders reporting improved housing quality, 50% of homesteaders considered their current houses better than their previous ones.

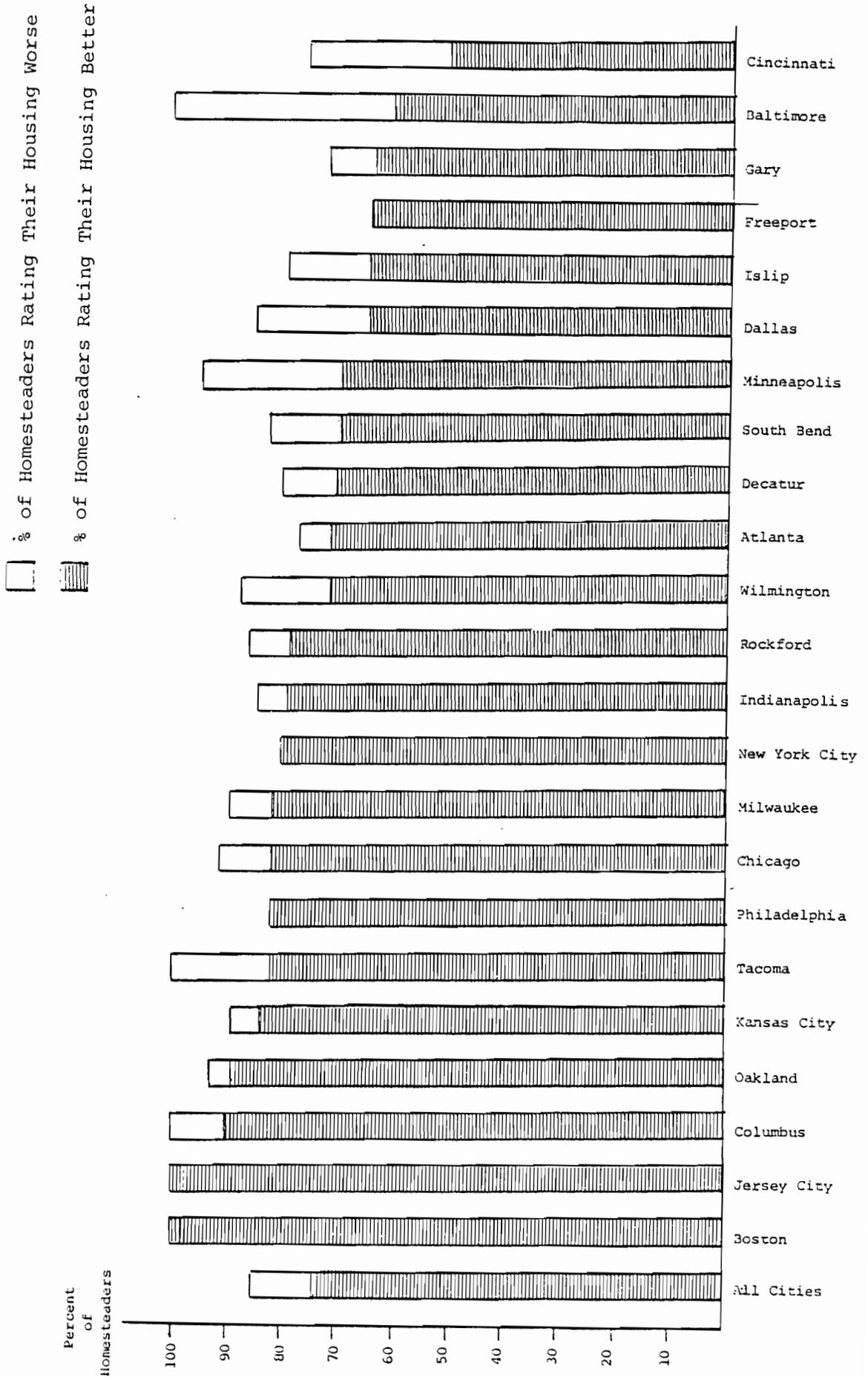
Figure 4-1

IMPACT ON INDIVIDUAL HOUSE CHARACTERISTICS:
HOMESTEAD PROPERTIES VS. PREVIOUS HOUSES
 (% of Homesteaders)

	<u>Worse</u>	<u>Same</u>	<u>Better</u>
Walls, Ceilings, etc.	16%	25%	59%
Heating System	16%	23%	61%
Plumbing System	12%	30%	58%
Electrical System	10%	34%	56%
Roof	11%	35%	54%
Exterior	22%	22%	56%
Overall	11%	15%	74%

Figure 4-2

IMPACT ON HOUSE QUALITY IN GENERAL:
 HOMESTEAD PROPERTIES VS. PREVIOUS HOUSES



Neighborhood Impacts

One way of measuring neighborhood conditions is to examine the presence of undesirable conditions such as street noise, dangerous traffic. When the homesteaders were asked to compare the existence of such nuisances in homesteading neighborhoods with their previous neighborhoods, more homesteaders found their current neighborhood to be better than their previous ones in all aspects (Figure 4-3), though a significant number of homesteaders did not think there was any significant difference.

Figure 4-3

IMPACT ON MAJOR NEIGHBORHOOD CONDITIONS:
HOMESTEADING NEIGHBORHOOD VS. PREVIOUS NEIGHBORHOOD
 (% of Homesteaders)

	<u>Worse (More)</u>	<u>Same</u>	<u>Better (Less)</u>
Presence of Street Noise	25%	22%	53%
Presence of Dangerous Traffic	27%	24%	49%
Roads in Need of Repair	21%	46%	33%
Presence of Litter in the Streets	28%	31%	41%
Presence of Run-Down Houses	31%	30%	39%
Crime Problems	23%	37%	40%
Drug Problems	15%	46%	39%

In view of the fact that the neighborhoods were selected because of the presence of abandoned properties, it is of interest to see how these neighborhoods compare to the homesteaders' previous neighborhoods in terms of the incidence of run-down or abandoned housing. As shown in Figure 4-4, on average homesteaders reported that their current neighborhoods had less run-down houses than their previous neighborhoods in about half of all cities. In Philadelphia, more than 60% of homesteaders found less run-down houses in their homesteading neighborhood than their previous neighborhoods, and very few reported that there were more run-down houses in the homesteading neighborhoods than in their previous neighborhoods. On the other hand, in some cities (Columbus, Wilmington, Freeport and Minneapolis) the proportion of homesteaders who found their homesteading neighborhoods to have more run-down houses than in their previous neighborhoods was considerably higher than the proportion of those who found the contrary to be the case. Comparable statistics on traffic problems, street conditions, litter, crime and drugs are reported in Appendix Tables A-11 and A-12.

Homesteaders were also asked to compare neighborhood services in the homesteading neighborhoods with those of their previous neighborhoods. As Figure 4-5 shows, a majority of homesteaders considered the neighborhood services of their current neighborhood to be about the same as those of their previous neighborhoods, though among the remaining homesteaders more felt that the neighborhood services they were currently receiving were better than those provided in their previous neighborhoods. For example, 34% of the homesteaders considered their current transportation service to be better than their previous one, and only 15% considered it to be worse. The percentages of homesteaders who considered they were receiving better police protection, having better shopping facilities or enjoying better parks and recreational facilities are 35%, 35%, and 41% respectively. Lastly, only about 21% of those homesteaders with

Figure 4-4
 IMPACT ON NEIGHBORHOOD CONDITIONS AS
 INDICATED BY RUN-DOWN HOUSES:
 HOMESTEADING NEIGHBORHOOD VS. PREVIOUS NEIGHBORHOOD

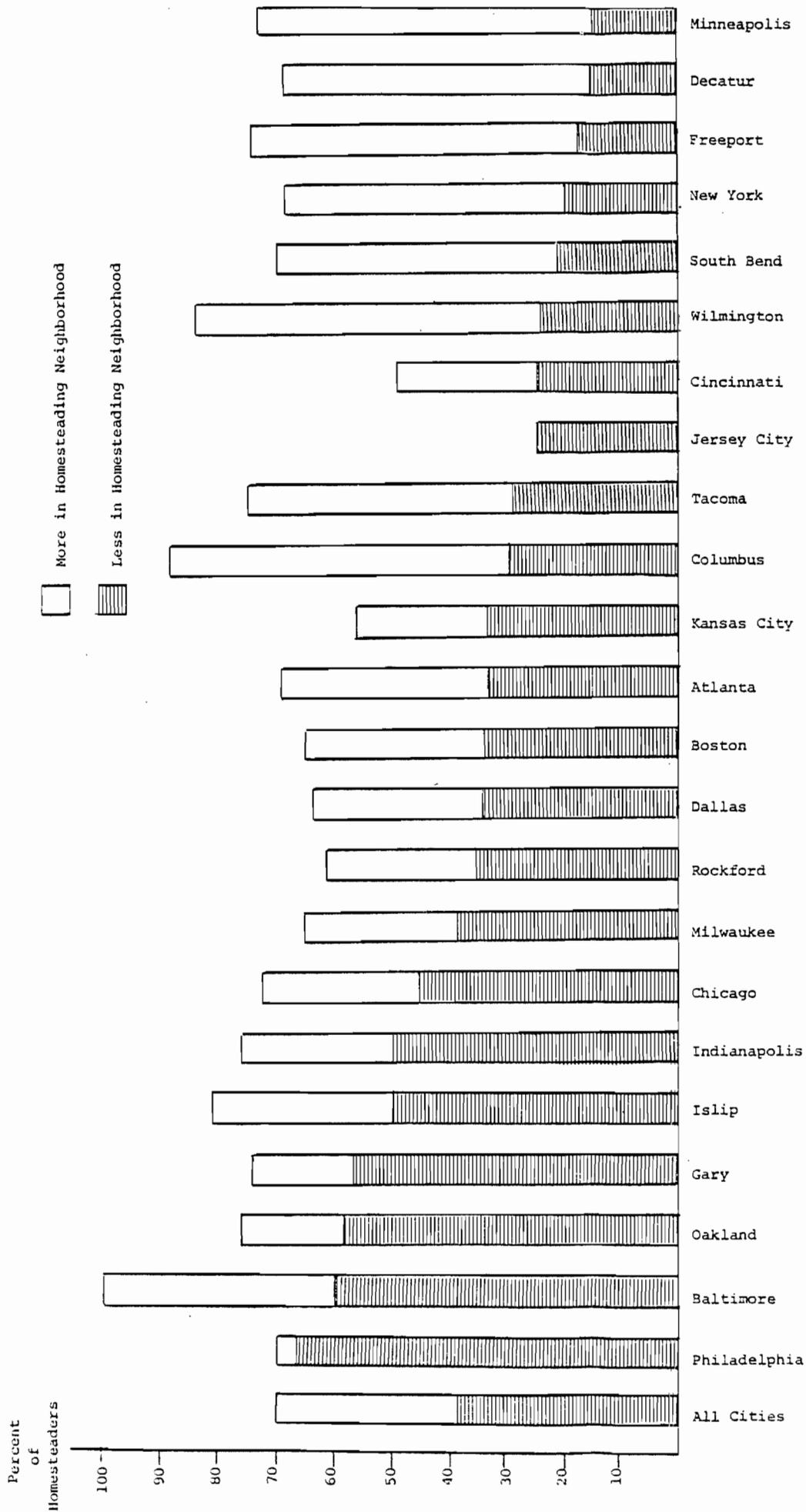


Figure 4-5

IMPACT ON MAJOR NEIGHBORHOOD SERVICES:
HOMESTEAD NEIGHBORHOOD VS. PREVIOUS NEIGHBORHOOD

	<u>Worsened</u>	<u>Same</u>	<u>Improved</u>
Public Transportation	15%	51%	34%
Police Protection	11%	54%	35%
Neighborhood Shopping	20%	45%	35%
Parks & Recreation	17%	42%	41%
Garbage Collection	12%	58%	30%
Schools	13%	67%	21%

school-age children rated the schools in homesteading neighborhoods as better than those in their previous neighborhoods, though only 13% considered them to be worse. In fact, approximately two-thirds of the homesteaders with school-age children considered the schools in the homesteading neighborhoods and their previous neighborhoods to be offering the same quality of education.

When the homesteaders were asked to rate their neighborhood overall, approximately 44% of them considered their neighborhoods as good or extremely good (the top two categories of a five-point scale). The variation of these neighborhood ratings in different cities is considerable, ranging from less than 20% in Tacoma to more than 75% in Philadelphia and nearly 60% in Gary. When the

homesteaders were asked whether they expected their neighborhoods to be a better place to live in 3 years or so, a majority of them agreed (52.2%). In many cities, more than 70% of the homesteaders expected their neighborhoods would improve in the future; examples include Cincinnati, Columbus, Decatur, Minneapolis and Wilmington.

Housing Cost Impacts

The distribution of the previous and current housing costs of homesteaders is presented in Figure 4-6. This figure shows that the impact of the homesteading program is to shift the entire distribution of housing costs toward the left and to flatten it. As Figure 4-7 shows, the average housing cost fell in 16 of the 23 Demonstration Cities.

The evidence of homesteader perceptions about the quality of their housing and of their neighborhoods presented in the previous section suggests strongly that homesteaders are benefiting from improved housing and neighborhood services as a result of their participation in the program. These benefits are further reinforced, as is shown in the material which follows by substantial reductions in the cost of housing services which result from participation in the program.

The overall average of homesteaders' previous housing costs was \$183 per month (Table 4-1), while the overall average of the current housing costs is \$156 per month. Housing costs include rent and utilities for rental units and mortgage interest, principal reduction, taxes and insurance for owner-occupants. This accounts for an average monthly saving of \$27 per month. Based on a comparison of average housing costs, the homesteaders in most cities seem to have experienced a reduction in housing cost. In a few cities, the average housing cost increased

Table 4-1
IMPACT ON MONTHLY HOUSING COST

City	Previous Housing Cost	Current Housing Cost	Housing Cost Reduction
Atlanta	\$166	\$156	\$10
Baltimore	204	186	18
Boston	322	168	153
Chicago	190	169	21
Cincinnati	175	191	-16
Columbus	167	173	- 6
Dallas	151	94	57
Decatur	171	197	-26
Freeport	326	309	17
Gary	170	140	30
Indianapolis	200	117	83
Islip	259	195	64
Jersey City	179	378	-199
Kansas City	153	162	- 9
Milwaukee	201	184	17
Minneapolis	200	159	41
New York City	223	278	-55
Oakland	190	157	33
Philadelphia	181	177	4
Rockford	175	208	-33
South Bend	152	126	26
Tacoma	177	116	61
Wilmington	204	153	51
ALL	\$183	\$156	\$27

rather than decreased, e.g., Jersey City, New York Rockford, Decatur and Cincinnati. This does not necessarily mean that on the average the impact of the homesteading program was not beneficial to the homesteaders in these cities unless the improvement of housing quality has been very insignificant. Thus, housing cost reduction is only one component of the benefit to homesteaders. A more appropriate measure of benefit must also take into account the value of the improved housing quality.

Housing Benefits to Homesteaders

Housing cost reductions represent one source of potential benefits to urban homesteaders, but to those cost reductions must be added the increase in the value of housing services received and estimates of benefits are to be developed. In fact, even if there is no reduction in housing cost, the homesteading program can still be beneficial to homesteaders if housing quality is improved substantially and such improvement is valued highly by homesteaders.

This earlier discussion of housing quality gains was focused on before/after comparisons of housing characteristics, neighborhood conditions and neighborhood services. In order to put a value on this quality improvement, it is first necessary to measure the extent of the improvement in housing quality. One approach to the measurement of the degree of improvement of current housing conditions over the previous housing conditions is to construct a quality index. Once the quality index is constructed and an appropriate value imputed to it, the resulting value can be added on to cost reduction to obtain a more comprehensive measure of homesteader benefits.

The previous housing costs of homesteaders are reflected in the market values of the housing they consume. However, because the homesteading program offers certain incentives to the home-

steads in terms of lower interest rate, tax reduction, etc., the current housing costs are considerably below the market values of the comparable housing. Recognizing this fact, it is possible to estimate a quality index if the full market value of the current housing is known.

The full market value of the current housing can be approximated by using the owner's estimated market value of the homesteading properties and other information on property tax, property insurance and utility bills. Specifically, the market value of current housing can be estimated by summing the costs of debt services after repairs are completed, together with tax, insurance and utilities. The resulting average market values of current housing for all cities are shown in Table 4-2. Notice that while the overall average of current housing cost was only \$156 per month, the overall average monthly market value of current housing services is \$245. The price index shown in Table 4-2 is computed as the ratio of current housing cost to the estimated monthly market value of current housing services. Thus, in effect, the homesteaders were actually paying only about 64% of the market value of the services received. On the other hand, the quality index shown in the same table, which is our primary concern at present, is computed by dividing the estimated monthly market value of current housing services by the previous monthly housing cost. As shown in Table 4-2, the value of housing services for the homesteaders had improved approximately by one-third of their previous level (34%). Among all cities, the index shows that only in Boston did the quality of housing not improve.

One simple approach to valuing the improvement in housing quality is to evaluate its market value by subtracting the previous housing cost from the estimated monthly market value of

Table 4-2

MARKET VALUE AND INDICES OF
PRICE AND QUALITY OF CURRENT HOUSING

City	Current Housing Cost	Previous Housing Cost	Market Value of Current Housing	Price Index	Quality Index
Atlanta	\$156	\$166	\$226	.69	1.36
Baltimore	186	204	265	.70	1.30
Boston	169	322	296	.57	.92
Chicago	169	190	301	.56	1.58
Cincinnati	191	175	288	.66	1.65
Columbus	173	167	233	.74	1.40
Dallas	94	151	176	.53	1.17
Decatur	197	171	204	.97	1.19
Freeport	309	326	415	.74	1.27
Gary	140	170	285	.49	2.04
Indianapolis	117	200	207	.57	1.04
Islip	195	259	332	.61	1.28
Jersey City	378	179	610	.62	3.41
Kansas City	162	153	232	.70	1.52
Milwaukee	184	201	261	.70	1.30
Minneapolis	159	200	259	.62	1.29
New York City	278	223	434	.64	1.95
Oakland	157	190	233	.67	1.23
Philadelphia	177	181	294	.60	1.62
Rockford	208	175	227	.92	1.30
South Bend	126	152	186	.68	1.22
Tacoma	116	177	236	.49	1.33
Wilmington	153	204	250	.61	1.23
ALL	\$156	\$183	\$245	.64	1.34

the current housing. Thus, an estimate of the average market value of the improvement in housing services for all cities is obtained by $\$245 - \$183 = \$62$. If we accept the market value of the improved quality as a good approximation to its consumption value, such an estimated value can be added to cost reduction to provide an estimate of the benefit to homesteaders. According to this approach, the average benefit to the homesteader in all cities can be estimated as the increase in the value of housing services ($\$62$) plus the reduction in the cost of housing services ($\$27$) for a total benefit of $\$89$.

Instead of using the market value of improved quality as an estimate of its consumption value to homesteaders, a more refined estimate of the value of improved quality can be obtained, if the demand function for housing is known or can be estimated reliably. In this case, the concept of consumer's surplus can be used to estimate the benefit to homesteaders by taking into account the fact that the added improved quality of housing may be worth less than the market value to homesteaders, since the demand curve is generally sloping downward.¹

Even without a precise knowledge of the demand function for housing, it has been argued that the concept of consumer's surplus can still be useful by assuming the price elasticity of demand for housing to be minus one. Most of the existing empirical studies do indicated that unitary price elasticity is a reasonable assumption.² Applying an assumed unitary elasticity of demand,

¹For a review of recent economic studies of housing benefit, see, e.g., M.P. Murray, "Methodologies for Estimating Housing Subsidies Benefits," Public Finance Quarterly, 6 (1978), 161-192. An alternative measure of housing benefits based on the concept of Hicksian equivalent variation rather than the Marshallian consumer's surplus, was used by M.P. Murray in "The Distribution of Tenant Benefits in Public Housing," Econometrica, 43 (1975) 771-788.

²For a recent review of the empirical evidence on the demand elasticities for housing, see, for example, A.M. Polinsky, "Demand for Housing," Econometrica, 45 (1977), 447-462.

it is possible to adjust the market value of the housing quality gains to reflect the extent to which these are discounted by the homesteader. The imputed value of the improved quality which results is called the "consumption value" of improved housing quality and is presented in Table 4-3.

In general, the consumption values of improved quality of housing based on the concept of consumer's surplus are slightly lower than the corresponding market values. Since the consumption value is more appropriate than the market value from a theoretical point of view, it shall be used instead of the market value to estimate the benefit to homesteaders. In fact, once the value of improved quality is obtained and the reduction in housing cost is known, the benefit of housing consumption to the homesteader is obtained simply by summing these two components. As the last column of Table 4-3 shows, the average benefit of housing consumption to all homesteaders is \$80 per month, ranging from merely \$3 per month in Decatur to more than \$120 per month in Gary, Islip and Boston. The relative importance of cost reduction and quality improvement in contributing to the overall measure of benefit of housing consumption is depicted in Figure 4-8. In general, the value of quality improvement is more important than cost reduction. The aggregate average monthly benefit of housing consumption for all homesteaders is estimated as \$80 per month, which is equivalent to \$960 per year.

¹This has the same principle as the measure used by Olsen and Prescott, "An Analysis of Alternative Measure of Tenant Benefits to Government Housing Programs With Illustrative Conclusions From Public Housing," Rand Corp., November 1969.

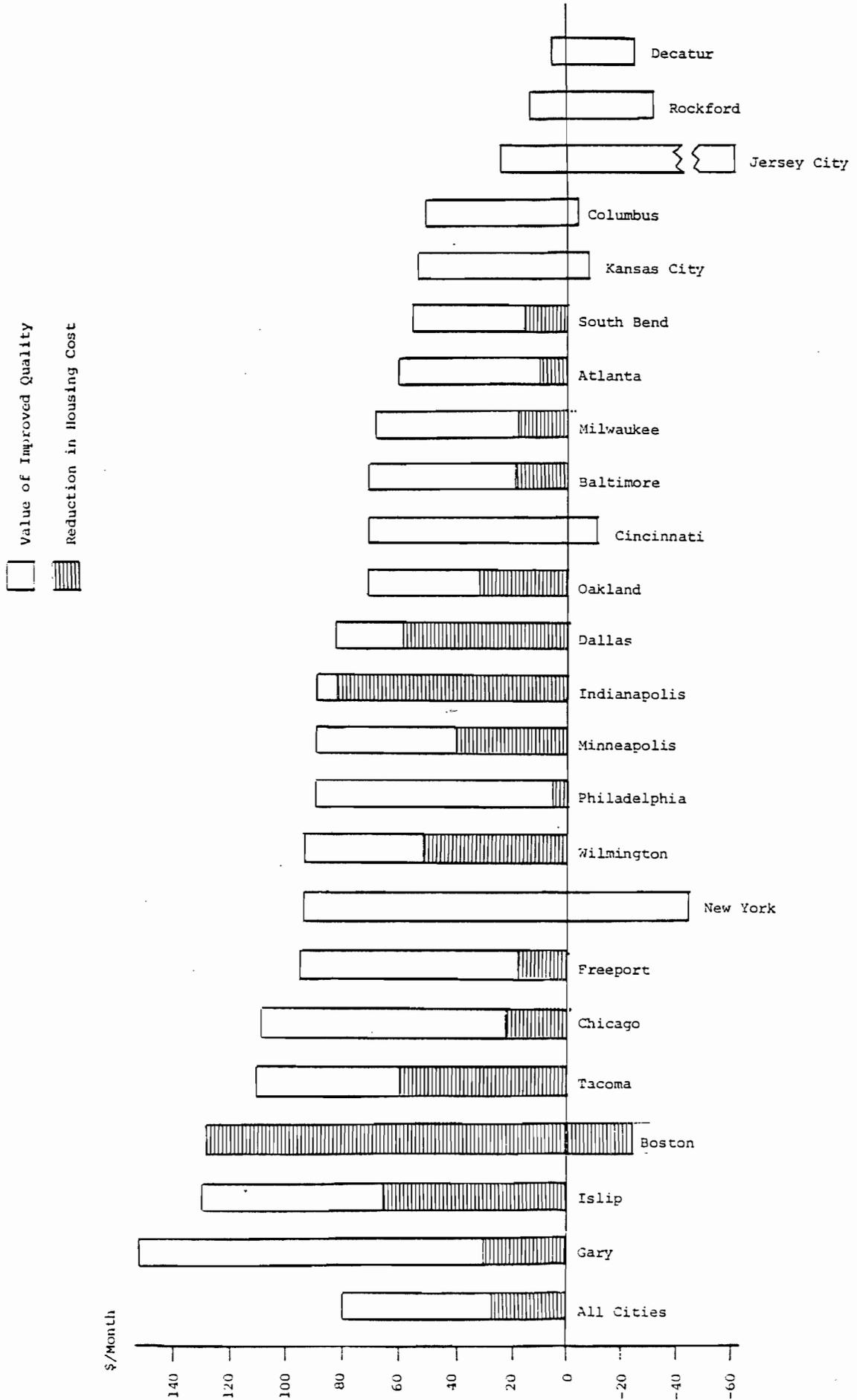
The overall evidence of significant positive benefits to homesteaders resulting from their participation in the program is rather striking. Homesteaders' comparisons of their current circumstances with those in their previous housing and neighborhood indicate a general improvement. Both overall, and with respect to specific components of their houses, an overwhelming majority of the homesteaders judged their new homes to be better than their previous homes. Those findings are modestly reinforced by the fact that when the homesteaders compared their current neighborhoods to their previous neighborhoods and more found them to be typically better along all dimensions than found them to be worse. In view of the favorable financial terms under which they received conditional title to the property, the homesteaders also found that they had typically reduced their monthly housing costs by participation in the program. When these cost reductions are added to dollar estimates of the increased, or consumption, values of their housing, the net benefits to homesteaders appear to approximate \$1,000 per annum.

Table 4-3

MONTHLY CONSUMPTION BENEFIT OF HOMESTEADING PROGRAM

City	Market Value of Improved Quality	Value of Improved Quality Consumption	Cost Reduction	Consumption Benefit
Atlanta	\$60	\$51	\$10	\$61
Baltimore	61	53	18	71
Boston	-26	-26	153	127
Chicago	110	87	21	108
Cincinnati	114	88	-16	72
Columbus	67	57	- 6	51
Dallas	26	24	57	81
Decatur	32	29	-26	3
Freeport	88	78	17	95
Gary	177	121	30	151
Indianapolis	8	8	83	91
Islip	73	65	64	129
Jersey City	431	220	-199	21
Kansas City	80	64	- 9	55
Milwaukee	60	52	17	69
Minneapolis	58	50	41	91
New York City	212	149	-55	94
Oakland	44	40	33	73
Philadelphia	112	87	4	91
Rockford	53	46	-33	13
South Bend	33	30	26	56
Tacoma	58	51	61	112
Wilmington	47	43	51	94
ALL	\$62	\$53	\$27	\$80

Figure 4-6
 MONTHLY CONSUMPTION BENEFIT OF HOMESTEADING PROGRAM



Appendix A

Table A-1
CHARACTERISTICS OF PREVIOUS HOUSE

City	House Age	Number of Rooms	Number of Bedrooms	Number of Bathrooms
Atlanta	18.6	4.9	3.2	1.2
Baltimore	38.0	5.4	2.6	.8
Boston	21.7	5.3	2.7	1.0
Chicago	33.0	4.5	2.1	1.1
Cincinnati	19.7	4.1	1.4	1.0
Columbus	37.0	4.8	1.6	1.0
Dallas	20.0	4.6	2.1	1.1
Decatur	16.9	5.1	2.0	1.2
Freeport	27.5	4.3	1.7	1.0
Gary	27.2	4.4	2.1	1.0
Indianapolis	28.7	5.2	2.4	1.0
Islip	26.0	5.1	2.6	1.0
Jersey City	45.0	5.0	2.8	1.0
Kansas City	27.2	5.2	2.2	1.0
Milwaukee	39.8	6.0	2.6	1.1
Minneapolis	31.2	5.0	1.9	1.1
New York City	36.0	5.4	2.6	1.0
Oakland	23.5	4.5	2.4	1.0
Philadelphia	42.0	5.5	2.5	1.1
Rockford	25.3	4.8	2.1	1.0
South Bend	32.4	5.7	2.5	1.1
Tacoma	34.4	4.9	2.5	1.0
Wilmington	24.8	4.9	2.2	1.2
ALL	28.1	4.9	2.2	1.1

Note: The oldest bracket is assigned on age of 50 years.

Table A-2
SUPPLEMENTARY SOURCES OF INCOME

City	Social Security	Unemployment Compensation	Workmens' Compensation	Welfare Payment	Vets Payment
Atlanta	5.9%	8.8%	0%	0%	2.9%
Baltimore	(0)	(0)	(0)	(0)	(0)
Boston	(0)	(0)	(0)	(0)	(0)
Chicago	7.1	2.4	0	4.8	0
Cincinnati	0	0	0	0	0
Columbus	0	10.0	0	0	0
Dallas	15.1	4.0	5.1	2.0	9.1
Decatur	0	0	0	0	10.5
Freeport	0	0	0	0	0
Gary	13.9	2.8	2.8	2.8	2.8
Indianapolis	8.7	0	2.2	4.3	2.2
Islip	16.7	5.6	5.6	0	0
Jersey City	(0)	(0)	(0)	(0)	(0)
Kansas City	10.5	5.3	0	5.3	0
Milwaukee	15.4	3.8	0	11.5	3.8
Minneapolis	0	2.7	2.7	2.7	2.7
New York City	(20.0)	(0)	(0)	(0)	(0)
Oakland	11.5	0	0	0	0
Philadelphia	1.9	1.9	0	0	0
Rockford	3.8	5.7	0	3.8	1.9
South Bend	7.1	7.1	0	0	3.6
Tacoma	11.8	0	0	23.5	5.9
Wilmington	8.0	4.0	0	4.0	0
ALL	8.1%	3.4%	1.5%	3.1%	3.1%

Note: Percentages in parentheses are based on sample sizes of 5 or less.

Table A-3

TYPE OF DIFFICULTIES ENCOUNTERED BY HOMESTEADERS
(Percent of Homesteaders Encountering Difficulties)

City	Homesteader Application	Loan	Insurance	Rehabilitation Plan	Contractor	Techniques
Atlanta	6.9%	2.9%	44.1%	8.8%	12.1%	38.2%
Baltimore	(0)	(0)	(0)	(0)	(60.0)	(20.0)
Boston	(0)	(0)	(0)	(33.3)	(33.3)	(33.3)
Chicago	11.6	11.6	7.0	9.3	20.9	16.3
Cincinnati	0	25.0	37.5	12.5	50.0	25.0
Columbus	0	20.0	10.0	0	30.0	10.0
Dallas	3.0	23.2	15.2	6.1	9.1	15.2
Decatur	0	5.0	5.0	10.5	20.0	30.0
Freeport	0	16.7	0	16.7	16.7	16.7
Gary	8.3	36.1	44.4	5.6	8.6	13.9
Indianapolis	6.5	28.9	19.6	13.0	23.9	19.6
Islip	0	27.8	16.7	0	0	5.6
Jersey City	(0)	(0)	(0)	(0)	(0)	(25.0)
Kansas City	0	26.3	15.8	21.1	21.1	31.6
Milwaukee	0	0	42.3	0	3.8	7.7
Minneapolis	10.8	10.8	13.5	18.9	24.3	18.9
New York City	(20.0)	(20.0)	(40.0)	(20.0)	(20.0)	(20.0)
Oakland	11.5	3.8	7.7	24.0	11.5	46.2
Philadelphia	3.7	5.6	3.6	0	5.5	5.5
Rockford	3.8	0	0	3.8	9.4	13.2
South Bend	0	11.1	10.7	10.7	3.6	14.3
Tacoma	5.9	0	11.8	5.9	11.8	11.8
Wilmington	0	28.0	48.0	16.0	28.0	20.0
ALL	4.7%	14.5%	17.3%	8.7	14.2%	18.0%

NOTE: Percentages in parentheses are based on sample sizes of 5 or less.

Table A-4

REHABILITATION EXPERIENCE OF HOMESTEADERS:
UNANTICIPATED DIFFICULTIES

City	Surprised	Cost More	Not Enough Skills	More Work	More Time	Agency Not Helpful
Atlanta	35.3%	33.3%	16.7%	16.7%	41.7%	25.0%
Baltimore	(40.0)	(0)	(0)	(0)	(100.0)	(50.0)
Boston	(66.7)	(50.0)	(0)	(100.0)	(50.0)	(50.0)
Chicago	25.6	33.3	44.4	90.0	70.0	60.0
Cincinnati	50.0	(25.0)	(0)	(25.0)	(25.0)	(25.0)
Columbus	20.0	(100.0)	(0)	(100.0)	(100.0)	(0)
Dallas	31.3	29.0	3.2	38.7	51.6	22.6
Decatur	35.0	42.9	9	9	14.3	0
Freeport	16.7	(100.0)	(100.0)	(100.0)	(100.0)	(0)
Gary	33.3	41.7	27.3	58.3	41.7	54.5
Indianapolis	32.6	40.0	26.7	53.3	60.0	33.3
Islip	5.9	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Jersey City	(0)	-	-	-	-	-
Kansas City	47.4	55.6	11.1	22.2	66.7	33.3
Milwaukee	26.9	28.6	0	14.3	0	0
Minneapolis	21.6	62.5	25.0	50.0	62.5	12.5
New York City	(0)	-	-	-	-	-
Oakland	46.2	66.7	33.3	41.7	91.7	41.7
Philadelphia	43.6	50.0	25.0	54.2	50.0	33.3
Rockford	34.0	50.0	5.6	16.7	27.8	27.8
South Bend	39.3	45.5	9.1	45.5	45.5	18.2
Tacoma	41.2	14.3	0	14.3	28.6	0
Wilmington	60.0	33.3	13.3	53.3	60.0	53.3
ALL	33.9%	42.1%	15.9%	41.6%	50.5%	29.7%

- Notes: (1) Percentages in parentheses are based on sample sizes of 5 or less.
(2) Percentages of specific surprises given refer to homesteaders who were surprised, not all homesteaders, as 100%.

Table A-5

REHABILITATION EXPERIENCE OF HOMESTEADERS:
UNANTICIPATED ABSENCE OF DIFFICULTIES

City	Surprised	Cost Less	Need Less Skills	Less Work	Less Time	Agency Helpful
Atlanta	35.3%	16.7%	0%	16.7%	8.3%	0%
Baltimore	(40.0)	(0)	(0)	(0)	(0)	(0)
Boston	(66.7)	(0)	(0)	(0)	(0)	(0)
Chicago	25.6	11.1	22.2	20.0	20.0	30.0
Cincinnati	50.0	(0)	(0)	(25.0)	(0)	(25.0)
Columbus	20.0	(0)	(50.0)	(0)	(0)	(0)
Dallas	31.3	6.5	6.5	9.7	3.2	22.6
Decatur	35.0	0	0	14.3	0	28.6
Freeport	16.7	(0)	(0)	(0)	(0)	(0)
Gary	33.3	25.0	9.1	8.3	25.0	9.1
Indianapolis	32.6	6.7	26.7	6.7	13.3	20.0
Islip	5.9	(0)	(0)	(0)	(0)	(0)
Jersey City	(0)	-	-	-	-	-
Kansas City	47.4	0	0	0	0	11.1
Milwaukee	26.9	0	0	28.6	14.3	0
Minneapolis	21.6	0	12.5	12.5	0	12.5
New York City	(0)	-	-	-	-	-
Oakland	46.2	8.3	8.3	16.7	8.3	8.3
Philadelphia	43.6	4.2	4.2	16.7	12.5	12.5
Rockford	34.0	5.6	0	5.6	5.6	5.6
South Bend	39.3	0	9.1	0	0	18.2
Tacoma	41.2	14.3	0	28.4	28.6	42.9
Wilmington	60.0	66.7	66.7	46.7	40.0	40.0
ALL	33.9%	11.0%	11.5%	14.3%	11%	16.7%

Notes: (1) Percentages in parentheses are based on sample sizes of 5 or less.

(2) Percentages of specific surprises given refer to homesteaders who were surprised, not all homesteaders, as 100%.

Table A-6

AVERAGE REHABILITATION COST PER PROPERTY
INCURRED BY HOMESTEADERS

City	Rehabilitation Finished			Rehabilitation Not Finished		
	Contractor	Material	Total	Contractor	Material	Total
Atlanta	\$11,859	\$ 95	\$11,954	\$7,769	\$ 893	\$8,662
Baltimore	20,000	0	20,000	10,950	2,485	13,435
Boston	-	-	-	15,322	1,500	16,822
Chicago	3,500	2,000	5,500	10,107	2,529	12,636
Cincinnati	9,000	6,000	15,000	13,014	4,019	17,003
Columbus	5,600	2,032	7,632	5,300	2,681	7,981
Dallas	3,074	637	3,711	1,259	1,599	2,858
Decatur	16,397	143	16,540	14,083	2,227	16,310
Freeport	10,500	1,550	12,050	8,750	3,325	12,075
Gary	11,000	0	11,000	4,859	2,476	7,335
Indianapolis	4,127	2,604	6,731	5,337	2,323	7,660
Islip	5,700	270	5,970	1,795	4,000	5,798
Jersey City	43,500	0	43,500	29,000	0	29,000
Kansas City	8,939	788	9,727	11,482	2,006	13,488
Milwaukee	1,542	700	2,243	2,810	2,769	5,579
Minneapolis	30,000	3,000	33,000	8,300	5,440	13,740
New York City	11,700	0	11,700	12,200	1,100	13,300
Oakland	11,300	470	11,700	11,036	532	11,568
Philadelphia	12,958	1,965	14,923	13,721	4,038	17,759
Rockford	8,623	128	8,752	7,253	1,237	8,490
South Bend	842	3,667	4,508	3,040	3,053	6,093
Tacoma	1,983	1,493	3,477	3,056	1,025	4,082
Wilmington	10,639	964	11,602	5,752	2,640	8,392
ALL	\$ 9,504	\$1,048	\$10,552	\$6,101	\$2,479	\$8,580

Table A-7

CITY-ASSISTED LOANS AND OTHER LOANS

City	City-Helped Loan				Other Loan			
	% of Home- steaders	Amount	Interest	Length (yrs.)	% of Home- steaders	Amount	Interest	Length (yrs.)
Atlanta	79.4%	\$11,946	3.0%	19.6	8.8%	\$1,000	6.0%	1.0
Baltimore	(80.0)	14,825	5.4	17.5	(0)	-	-	-
Boston	(100.0)	23,017	8.5	30.0	(33.3)	975	-	1.0
Chicago	76.2	9,288	4.6	15.7	2.3	12,000	3.0	20.0
Cincinnati	37.5	14,667	8.8	18.3	25.0	11,750	8.4	22.0
Columbus	80.0	9,887	8.5	18.1	10.0	1,200	12.5	1.0
Dallas	14.3	4,849	8.2	8.5	26.3	1,774	6.4	2.0
Decatur	100.0	15,353	4.1	19.8	20.0	833	7.9	1.3
Freeport	83.3	9,500	9.7	10.0	16.7	17,000	8.0	10.0
Gary	5.6	-	3.0	20.0	30.6	2,970	7.3	2.7
Indianapolis	21.7	9,120	3.1	15.4	28.2	3,028	10.0	3.1
Islip	55.6	1,990	7.4	3.3	27.8	2,780	9.3	3.4
Jersey City	(100.0)	29,250	3.0	20.0	(0)	-	-	-
Kansas City	52.6	10,768	4.6	15.0	21.1	5,325	6.5	7.8
Milwaukee	42.3	2,455	5.1	4.0	42.3	2,655	6.8	3.9
Minneapolis	89.2	14,367	5.7	18.8	10.8	3,233	12.0	3.0
New York	(80.0)	11,325	3.1	12.5	(0)	-	-	-
Oakland	84.6	13,859	3.5	20.0	15.4	850	16.0	2.3
Philadelphia	60.0	14,023	9.1	18.6	5.6	9,500	5.3	14.0
Rockford	88.7	8,212	8.3	6.7	3.8	6,267	10.0	1.5
South Bend	39.3	6,514	5.7	11.4	35.7	3,106	8.9	2.9
Tacoma	81.2	3,465	2.8	6.2	5.9	350	7.5	2.0
Wilmington	64.0	9,941	4.5	18.9	4.0	6,000	-	7.0
ALL	55.2%	\$10,499	5.7%	14.8	16.7%	\$3,169	8.1%	3.7

Table A-8

HOMESTEADER ATTITUDE AND EXPECTATION
(Percent of Homesteaders)

City	Good School Rating	Good Neighborhood Rating	Expected Neighborhood Change	Expected House Value
Atlanta	0%	32.4%	53.0%	\$22,439
Baltimore	(0)	(60.0)	(80.0)	24,600
Boston	(50.0)	(33.3)	(33.3)	26,000
Chicago	27.0	42.9	33.3	26,093
Cincinnati	(100.0)	37.5	75.0	25,250
Columbus	(8.3)	30.0	80.0	21,840
Dallas	(80.0)	42.4	56.1	16,461
Decatur	(50.0)	40.0	75.0	22,040
Freeport	(100.0)	33.3	66.7	35,500
Gary	19.0	58.3	58.3	26,694
Indianapolis	20.0	45.6	42.2	19,268
Islip	43.0	33.3	55.6	28,833
Jersey City	(100.0)	(50.0)	(75.0)	58,750
Kansas City	20.2	26.3	47.4	20,868
Milwaukee	41.1	38.5	26.9	20,036
Minneapolis	66.7	48.6	78.4	30,183
New York City	(100.0)	(40.0)	(40.0)	35,400
Oakland	9.8	38.5	42.3	27,152
Philadelphia	4.7	75.1	54.5	24,396
Rockford	15.4	33.9	36.5	20,276
South Bend	0	42.8	46.4	16,839
Tacoma	33.3	17.7	41.2	24,337
Wilmington	22.2	22.0	72.0	21,900
ALL	22.5%	44.1%	52.2%	\$22,754

Note: Percentages in parentheses are based on small sample size of 5 or less.

Table A-9

IMPACT ON HOUSING CHARACTERISTICS:
PERCENT OF HOMESTEADERS WITH HOUSING
CHARACTERISTICS IMPROVED

City	Walls, etc.	Heating System	Plumbing System	Electrical System	Roof	Exterior	General
Atlanta	58.9%	61.8%	55.9%	53.0%	53.0%	53.0%	70.7%
Baltimore	(60.0)	(20.0)	(60.0)	(60.0)	(40.0)	(40.0)	(60.0)
Boston	(33.3)	(66.7)	(66.7)	(66.7)	(66.7)	(66.7)	(100.0)
Chicago	69.8	83.7	76.7	79.1	65.2	62.8	81.4
Cincinnati	50.0	50.0	37.5	37.5	37.5	50.0	50.0
Columbus	60.0	80.0	90.0	90.0	70.0	40.0	90.0
Dallas	44.4	46.4	47.5	36.4	36.7	43.4	66.7
Decatur	60.0	60.0	40.0	50.0	45.0	60.0	70.0
Freeport	66.7	16.7	33.3	33.3	33.3	50.0	66.7
Gary	44.4	51.4	38.9	38.9	36.1	34.3	63.9
Indianapolis	58.6	63.1	63.1	56.5	58.6	65.2	78.2
Islip	61.1	38.9	50.0	38.9	38.9	44.4	66.7
Jersey City	(75.0)	(75.0)	(75.0)	(75.0)	(75.0)	(100.0)	(100.0)
Kansas City	68.4	52.6	47.4	52.6	52.6	68.4	84.2
Milwaukee	73.1	69.2	57.7	57.7	61.5	57.7	80.8
Minneapolis	40.5	64.9	62.2	56.8	43.2	40.5	67.6
New York City	(60.0)	(80.0)	(80.0)	(80.0)	(80.0)	(60.0)	(60.0)
Oakland	65.4	61.5	57.7	50.0	50.0	55.9	88.5
Philadelphia	74.5	74.5	80.0	83.6	81.2	83.6	81.8
Rockford	64.1	60.4	56.5	56.5	59.7	54.7	77.3
South Bend	60.7	60.7	53.5	60.7	59.3	53.5	67.8
Tacoma	64.7	70.6	52.9	52.9	52.9	76.5	82.4
Wilmington	64.0	60.0	60.0	56.0	68.0	56.0	72.0
ALL	58.9%	60.6%	57.8%	55.5%	53.9%	55.7%	74.3%

Note: Percentages in parentheses are based on sample sizes of 5 or less.

Table A-10

IMPACT ON HOUSING CHARACTERISTICS:
PERCENT OF HOMESTEADERS WITH HOUSING CHARACTERISTICS WORSENERD

City	Walls, etc.	Heating System	Plumbing System	Electrical System	Roof	Exterior	General
Atlanta	11.8%	17.7%	14.7%	8.8%	14.7%	17.7%	5.9%
Baltimore	(40.0)	(60.0)	(40.0)	(40.0)	(40.0)	(40.0)	(40.0)
Boston	(66.7)	(0)	(0)	(0)	(0)	(33.3)	(0)
Chicago	16.3	9.3	7.0	4.6	7.0	23.2	9.3
Cincinnati	37.5	25.0	12.5	12.5	12.5	25.0	25.0
Columbus	19.8	0	0	0	10.0	40.0	10.0
Dallas	18.2	28.9	19.2	16.2	17.3	27.3	17.2
Decatur	10.0	20.0	25.0	10.0	10.0	15.0	10.0
Freeport	16.7	33.3	16.7	0	0	0	0
Gary	19.4	11.4	13.9	11.1	19.4	34.3	16.7
Indianapolis	21.7	13.0	10.8	13.0	10.8	24.0	5.6
Islip	16.7	22.2	5.6	5.6	11.1	27.8	11.1
Jersey City	(0)	(25.0)	(0)	(0)	(0)	(0)	(0)
Kansas City	5.3	15.8	10.5	10.5	5.3	10.5	5.3
Milwaukee	11.5	11.5	3.8	3.8	3.8	30.8	7.7
Minneapolis	35.1	13.5	21.6	13.5	18.9	35.1	27.0
New York	(20.0)	(0)	(0)	(0)	(0)	(20.0)	(0)
Oakland	3.8	23.1	19.2	15.4	7.7	16.0	3.8
Philadelphia	5.5	3.6	1.9	0	0	0	0
Rockford	15.0	5.7	5.7	7.6	0	16.9	9.4
South Bend	10.7	14.3	14.3	14.3	18.5	24.9	14.3
Tacoma	5.9	11.8	11.8	0	0	11.8	17.6
Wilmington	24.0	20.0	16.0	20.0	16.0	24.0	16.0
ALL	16.2%	15.6%	12.4%	10.0%	10.5%	21.7%	11.4%

Note: Percentages in parentheses are based on sample sizes of 5 or less.

Table A-11
IMPACT ON NEIGHBORHOOD CONDITIONS:
PERCENT OF HOMESTEADERS REPORTING IMPROVED CONDITIONS

City	Street Noise	Dangerous Traffic	Bad Roads	Litter	Run-Down Houses	Crime	Drugs
Atlanta	47.0%	41.2%	38.2%	32.4%	32.3%	26.5%	25.8%
Baltimore	(40.0)	(60.0)	(20.0)	(60.0)	(60.0)	(40.0)	(40.0)
Boston	(66.7)	(66.7)	(33.3)	(100.0)	(33.3)	(66.7)	(66.7)
Chicago	60.6	71.1	27.9	48.8	46.4	42.9	49.9
Cincinnati	37.5	37.5	25.0	37.5	25.0	27.0	50.0
Columbus	60.0	50.1	30.0	30.0	30.0	40.0	40.0
Dallas	55.6	44.4	31.3	33.3	34.3	42.4	38.8
Decatur	30.0	45.0	15.0	25.0	15.0	27.8	35.3
Freeport	50.0	50.0	16.7	33.3	16.7	50.0	33.3
Gary	61.1	58.3	33.3	47.2	55.6	45.7	56.3
Indianapolis	65.2	60.8	32.5	47.8	49.9	53.4	42.8
Islip	66.7	61.1	66.7	38.9	50.0	38.9	33.3
Jersey City	(50.0)	(50.0)	(0)	(0)	(25.0)	(0)	(0)
Kansas City	31.6	21.0	26.4	31.6	31.6	26.3	16.7
Milwaukee	46.2	50.0	26.9	38.5	38.5	48.0	45.5
Minneapolis	56.8	43.2	18.9	32.4	13.5	22.2	21.8
New York City	(60.0)	(60.0)	(40.0)	(20.0)	(20.0)	(40.0)	(40.0)
Oakland	73.1	50.0	30.8	50.0	57.7	42.3	38.5
Philadelphia	60.0	61.8	61.8	76.4	67.3	67.3	69.1
Rockford	50.9	50.9	37.8	45.2	35.8	38.0	31.5
South Bend	32.1	35.7	17.8	17.8	21.5	14.3	11.5
Tacoma	41.2	29.4	29.4	23.5	29.4	25.0	15.4
Wilmington	32.0	36.0	24.0	32.0	24.0	36.0	32.0
ALL	53.0%	49.0%	32.9%	41.0%	38.7%	40.2%	38.8%

Note: Percentages in parentheses are based on small sample sizes of 5 or less.

Table A-12

PERCENT OF NEIGHBORHOOD REPORTING WORSENEED CONDITIONS

City	Street Noise	Dangerous Traffic	Bad Roads	Litter	Run-Down Houses	Crime	Drugs
Atlanta	29.4%	35.3%	14.7%	38.2%	38.2%	29.4%	22.5%
Baltimore	(0)	(0)	(0)	(40.0)	(40.0)	(40.0)	(20.0)
Boston	(0)	(0)	(33.3)	(0)	(33.3)	(0)	(0)
Chicago	16.3	13.9	20.9	27.9	25.5	16.7	10.0
Cincinnati	12.5	25.0	37.5	25.0	25.0	0	0
Columbus	20.0	30.0	20.0	60.0	60.0	20.0	20.0
Dallas	23.2	30.3	26.3	28.3	30.3	30.4	10.6
Decatur	60.0	50.0	30.0	55.0	45.0	22.2	23.5
Freeport	16.7	16.7	16.7	16.7	50.0	16.7	16.7
Gary	11.1	19.4	8.3	19.4	16.7	8.6	6.3
Indianapolis	24.0	26.1	28.2	26.1	26.1	22.2	16.7
Islip	11.1	5.6	16.7	44.4	33.3	16.7	5.6
Jersey City	(0)	(0)	(0)	(0)	(0)	(0)	(25.0)
Kansas City	47.4	52.6	15.8	15.8	26.3	26.3	11.1
Milwaukee	19.2	23.1	23.1	26.9	26.9	25.5	13.6
Minneapolis	29.7	29.7	18.9	37.8	51.4	36.1	34.3
New York City	(0)	(20.0)	(40.0)	(20.0)	(40.0)	(20.0)	(20.0)
Oakland	11.5	15.4	19.2	7.7	19.2	7.7	7.7
Philadelphia	14.5	14.5	12.7	7.3	7.3	3.6	3.6
Rockford	30.2	28.3	20.7	22.6	26.5	28.1	15.8
South Bend	35.7	35.7	10.7	42.9	39.2	35.7	27.0
Tacoma	29.4	47.1	41.2	41.2	47.1	31.2	38.4
Wilmington	56.0	56.0	32.0	40.0	60.0	36.0	24.0
ALL	24.7%	27.4%	21.1%	27.9%	30.9%	22.8%	15.1%

Note: Percentages in parentheses are based on small sample sizes of 5 or less.