

# Survey Definitions and Explanations

## **PROPERTIES INCLUDED IN THESE TABLES**

These tables present improvement and repair expenditures by property owners for residential properties in the 50 states and the District of Columbia, with the exceptions noted below. These data cover single and multiunit structures, publicly and privately owned structures, nonfarm and farm properties, and residential properties that are occupied by owners or renters or are vacant.

Information on properties classified as primarily nonresidential is excluded, even though such properties may contain some residential space. Residential properties are defined as those having half or more of the enclosed space devoted to nontransient residential use. Also excluded are residential structures on the grounds of institutions, schools, convents, Armed Forces installations, etc.; hotels, motels, tourist cabins, manufactured homes, and boarding houses; and unusual living quarters, such as tents, boats, etc.

Expenditures made by renters are not included in these tables. A study of renters' expenditures in 1989 showed that they accounted for less than 1 percent of all expenditures for improvements and repairs.

## **EXPENDITURES INCLUDED IN THESE TABLES**

The expenditures covered in these tables are those connected with construction activity intended to maintain or improve the property. The expenditures involve expenses for maintenance and repairs, additions, alterations, and major replacements that are made on the property by the owners. Included are all costs, for both the inside and outside of the house, whether on the main dwelling, on other structures on the property incidental to the residential use of the main dwellings, or for the grounds on which the structures are erected.

As a general principle, expenses connected with items not permanently attached or firmly affixed to some part of the house or property are not included in the report. Thus, expenses connected with the repair or replacement of household appliances, such as stoves, refrigerators, television sets, room air-conditioners, etc., are excluded, as are costs connected with house furnishings such as furniture, rugs, and draperies. While the cost of appliances is excluded, the construction cost of building-in such appliances (e.g., the cost of building-in a wall oven) is included in the scope of these tables.

Everyday household and housekeeping expenses, such as waxing floors and furniture, cleaning walls and windows, etc., are not within the scope of these tables. Expenditures for grading, draining, fencing, and paving are included, but costs of landscaping (i.e., planting of flowers, trees, shrubs, etc.) are not included in these tables.

### **Kinds of Expenditures**

Expenditures included in these tables cover work done under contract or by hired labor, materials purchased by owners, and the cost of purchasing or renting tools and equipment for purposes of carrying on jobs that fall within the scope of the report. However, no attempt is made to estimate or include the value of labor in do-it-yourself jobs.

### **Timing of Expenditures**

For one-to-four-housing-unit properties with one unit owner-occupied and owner-occupied condominiums, expenditures are reported in the month of payment for labor and materials regardless of when the work was done.

For one-to-four-housing-unit properties with no unit owner occupied and all properties with five housing units or more, expenditures appear in the quarter in which they are found in the owners' or managers' records.

# PROPERTY CHARACTERISTICS

## Residential Property

A property consists of the land in one ownership unit, all residential structures on this land, and any facilities attached to the land. It includes the house and additional residential structures on the land, and auxiliary nonresidential structures, such as a garage or a workshop. For the nonresident owners and owners of properties with five housing units or more, property identification is generally determined by bookkeeping practices. Groups of buildings owned by one person or organization can be classified as one or more properties, depending on whether separate expenditure data are kept by the owner.

## Housing Unit

In general, a housing unit is a group of rooms or a single room occupied as separate living quarters by a family, a group of unrelated persons living together, or by a person living alone. Vacant living quarters that are intended for occupancy as separate quarters are also housing units. Separate living quarters are defined as having either (1) direct access from the outside or through a common hall, or (2) a kitchen or cooking equipment for the exclusive use of the occupants.

## REGIONS

The standard census geographic regions are used in the tables of these tables. States contained in each region are as follows:

**Northeast**—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, and New Jersey;

**Midwest**—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Kansas, Nebraska, North Dakota, and South Dakota;

**South**—Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Arkansas, Louisiana, Oklahoma, and Texas;

**West**—Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Alaska, Washington, Oregon, Nevada, California, and Hawaii.

## TYPES OF EXPENDITURES

Expenditures are classified broadly as either maintenance and repairs or construction improvements. Improvements are further classified as additions to housing structures, alterations to housing structures and other property improvements. In general, when a maintenance or repair job is undertaken as part of a more extensive alteration or construction improvement, the cost of it is reported with the alteration or improvement of which it is a part. For example, repair of a floor as part of remodeling a room is reported with the alteration.

## Maintenance and Repairs

Expenditures represent current costs for incidental maintenance and repairs that keep a property in ordinary working condition, rather than additional investment in the property. Maintenance includes expenses for painting, papering, floor sanding, furnace cleaning or adjustment, etc. Repairs include many kinds of expenditures for plumbing, heating, electrical work, and other kinds of activity involved in the upkeep of residential properties. Repairs also include replacements of parts while replacement of entire units are classified as alterations to housing structures. For example, roof repairs (including replacement of shingles, gutters, etc.) are classified under maintenance and repairs, but a complete reroofing is classified as an alteration to housing structures. Plumbing

repairs may include extensive replacement of water pipes, but if the entire piping system is removed and a new one put in, the expenditures for the work are classified as an alteration to housing structures. Maintenance and repairs do not include expenses for trash and snow removal, lawn maintenance and landscaping, or cleaning and janitorial services.

### **Construction Improvements**

Expenditures for construction improvements are capital expenditures, which add to the value or useful life of a property. Since the classification is based on the concept of additions and alterations rather than dollar value, some very small expenditures, which may not be considered capital investments are included among the improvements, such as installing a new electrical socket or garbage disposal. Construction improvements, as noted above, cover additions to housing structures, alterations to housing structures and other property improvements.

#### **Additions to housing structures.**

These refer to the actual enlargement of the structure, either by adding a wing, room, porch, attached garage, shed, or a carport, or by raising the roof, or digging a basement.

#### **Alterations to housing structures.**

These include changes or improvements made within or on the structure including replacements. The changes or improvements range from a complete restructuring, which involves removal of the entire interior of the structure and remodeling it, to the installation of a new electric service outlet, wall switch, or new shelves.

#### **Other property improvements**

These include laying, replacing or improving walks or driveways; building walls or fences; replacing septic tanks, wells and cesspools; creating or improving recreational facilities such as swimming pools, tennis courts, barbecue fireplaces; constructing detached garages, sheds, patios, green houses, or the improvement of these by the installation of electricity, drains, or new storage facilities. Grading and filling are included, but not landscaping.