

Population Trends in Housing Needs, Satisfaction with Housing, and Housing Environment

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Abstract

본 연구내용은 크게 세 부분으로 구분되며 인구구조 변화가 주거욕구에 미치는 영향, 주거 만족도와 관련요인과의 관계, 그리고 주거환경이 인간의 생활에 미치는 영향과 중요성 등에 대해 기존 문헌을 중심으로 논의하였다. 논의방향은 관련영역의 추세 및 경향에 초점을 맞추어 시간의 흐름에 따라 어떻게 변화하고 있는지에 중점을 두었다. 본 연구에서 언급된 세 영역의 연구논점은 추세적 변화를 고려한 주거관련정책 프로그램을 개발하는 데 있어 정책적 시사점을 제시할 수 있는 시의성 있는 자료로 이용될 수 있을 것이다.

I. Introduction

The effect of population trends on housing is one of the important research issues because it leads to raise questions about the reason for and value of specific housing aspects, and generally gives us a better understanding of housing nature (Magrabi, Chung, Cha, & Yang, 1990).

The wider range of data on the effect of socioeconomic trends on housing can help us to get a better understanding of the fundamental relationships that shape

the economics of housing. Also, data on the aspects of housing is part of the literature that up around some issues. Housing data are used to document the existence and seriousness of problems and as evidence supporting or opposing the adoption of a given policy option. Neutral in itself, the information becomes evaluative in its interpretation.

This research is undertaken due to the fact that no single study exists in which socioeconomic trends in housing have been examined. Therefore, the purpose of this study is to review the population trends in housing needs, the factors affecting housing satisfaction, and the importance of housing

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environment based on previous studies. The statistical data quoted in this study were taken from the Social Statistical Survey of the Korean National Statistical Office.

II. Population Aging and Housing Needs

The type of housing needed depends in part on population characteristics. Housing needs and consumption are affected by the formation and dissolution of households and by the distribution of households with respect to size and type. In the 1980s and 1990s, several trends were apparent, and these population trends certainly affect and will change the nature of housing attributes and the housing consumption pattern: (1) the population is aging, (2) more single persons in the population, (3) mean age of marriage increased, and (4) a decline in the average size of household. Among these trends, population aging is regarded as the most important urgent research issue.

The effect of population aging on housing needs and consumption should be of concern to housing specialists, economists, public policy makers, and others. The elderly population is increasing, not only in absolute numbers but as a share of the total population. Housing costs have represented the largest single expenditure for an average household's budget, indicating that housing expenditure is very important from both social and economic points of view.

Elderly households differ from other

households in several ways that have significance for their housing needs and consumption. The differences between the elderly and the young may be noted: Few of the elderly are employed. Many of the elderly are widowed and living alone. Aging is generally accompanied by a deterioration in health and the ability to maintain an active life. At some point, many elderly become unable to live independently.

Income distribution between the elderly and the young is changing. Some of the changes have favored the elderly, who have, as a result, experienced a higher rate of increase in real household income than other age groups. Thus, the elderly today are, on average, at least as well off as other age groups and will continue to be so during the next several decades. The shift in the age distribution of the population is likely to result in a significant change in housing needs and expenditure patterns of the population as a whole.

Although the elderly have on average experienced economic gains, a high fraction of elderly is still in poverty. The elderly could be identified two groups that should be objects of concern: the many near poor whose incomes are just high enough to disqualify them for social programs but not high enough to cover housing needs, and elderly widows who have an especially high rate of poverty.

The quality of housing services is a good indicator of the well-being of a family, and the cost of family's housing reflects the total quantity and quality of that family's housing. Housing

tenure is one of the important factors in family's housing needs and expenditures. Elderly households are more likely to be homeowners than young households. Although, owned housing requires maintenance and financial management, home ownership may be a significant economic benefit for older persons in the form of lower housing costs, particularly because a high percentage of the homes owned by the older persons are owned were purchased when house prices and interest rates were low.

Elderly renters are of concern. Even if the number of elderly renters is small, housing programs may be needed because many elderly renters are poor. Also, little attention is being given to the problems of elderly households with high utility costs. Elderly people who live in less energy efficient home may want to improve their homes more energy efficient by taking conservation measures, but they do not take such measures because they cannot afford them. Many elderly people may not want to move to more appropriate housing because of large transaction costs associated with moving. Thus, studying the utility consumption and perceptions of the elderly is important in order to provide them with the most effective assistance. According to Magrabi and Chung (1990), some elderly people are being forced to reduce the amounts previously spent on other necessities in order to pay home utility costs. Identifying the factors affecting home utility costs may help public policy makers. Therefore, government programs

should favor the production of subsidized for the poor elderly to safeguard their well-being.

The exact nature of the housing needs of the elderly in coming decades will depend on trends in income level and distribution and on trends in other demographic variables related to housing needs and consumption, as well as prices and market availability of housing needed by the elderly. For housing needs of the elderly, government can help poor elderly group by housing subsidy and low-income assistance programs which will have the most immediate benefit for elderly individuals. More efficient and convenient structural features of housing for the elderly should be provided.

III. Housing Satisfaction and Quality of Life

Housing as shelter is only one of many important aspects to individuals, that is, the primary base of a family from which all human activities start, including social, cultural, and recreational activities. The home is not only a dwelling, it is the place in which the most intimate and close human experiences occur, and a decent home with a suitable living environment is one of the most important social and economic goals (Hafstrom & Chung, 1989; Chung, 1995). All these factors are closely related to life satisfaction and thereby quality of life.

Housing offers privacy for psychological stimulation, self-realization, meditation,

and creative thought. Privacy is a basic human right in the moral sense. Also, it is important for families to spend time together and to communicate with each other. Privacy is importance for biological and psychological survival. Psychological stimulation is a basic human need. Just as a body needs food and exercise for healthy life, a brain needs an adequate sensory intake and stimulation for its rigorous, robust development. Housing is the primary base of a family from which all human activities start, including social, cultural, and recreational activities.

Both housing quality and the right kind of shelter influence the way people evaluate their dwelling units and how satisfied they are with them. In addition to housing quality, housing norms may consist of housing tenure as well as community and environmental attributes, and these norms undoubtedly influence the sense of well-being of whole community (Metzen, Williams, Shull, & Keefe 1980; Campbell, 1981; Shin, Ahn, Kim, & Lee 1983; Lee & Weber 1984; Magrabi, et al, 1991). In other words, housing is evaluated not simply as a physical dwelling unit but as a totality of the dwelling unit and its community and other environmental characteristics.

Main elements of living environment include attributes of dwelling unit, community, and natural environment. These elements may be related to the aspects of family functioning. Satisfaction provided by a dwelling unit is subjective reaction to the aesthetic quality of interior, space, convenience, and ownership,

and these factors are influenced by conditions of the physical surroundings and the way those factors satisfy one's basic needs (Stoekeler & Larntz, 1986). It also is related to living environmental characteristics, such as social, cultural, and political aspects of the community because housing characteristics interact with every aspect of the living environment, and the these living environment is different from one region to another.

The convenience of housing location in urban area is one of the prime determinants of housing satisfaction. Location and area may affect family activities and satisfaction by the degree to which they provide convenient access to shopping centers, transportation facilities, health care and police services, water and electric facilities, and schools. Thus, the convenience of housing, which is nonmaterial aspect of housing, affects the desirability of dwelling unit and one's feeling about the dwelling.

Housing tenure is another variable that is significant for satisfaction with housing and community. Higher housing and community satisfaction of home owners than renters appears to reflect achievement of the societal norm of home ownership, speculated to be the most important of the housing norms. Homeowners also may invest more resources than renters in the care and space of the housing in order to increase the utility of their dwelling.

<Table 1> provides the trends of housing satisfaction by tenure status, based on the data from the Korean National

Statistical Office. Among the tenure status, home owners were somewhat more satisfied than renters in 1987. This figure of the satisfaction with housing unit between home owners and renters did not change in 1992. But, between 1987 and 1992, the percentage distribution for dissatisfaction with their housing unit had increased, from 37.2 percent to 40.2 percent for home owners, and 37.7 percent to 45.4 percent for renters.

<Table 1> Housing Satisfaction by Housing Tenure

(단위: %)

Satisfaction w. Housing	Owner		Deposit Renter		Monthly Renter		Others	
	1987	1992	1987	1992	1987	1992	1987	1992
Satisfied	30.5	27.7	23.5	16.7	18.4	12.2	20.9	20.8
Mixed	38.8	37.9	38.8	37.9	37.5	37.6	34.8	39.2
Unsatisfied	37.2	40.2	37.7	45.4	44.0	50.1	44.3	40.0

Source: National Statistical Office, 「Social Statistical Survey」, 1988, 1993.

When the issues of housing environment is discussed, the regional differences should be considered. People live in a region of the country, a community, and a dwelling unit, and the physical surroundings differ so profoundly from one region to another, i.e., climate, life style, culture, and value. There has been a trend toward increasing homogeneity between urban and rural over the years, but these regions still maintain much of the economic, social, and cultural differences. If the people who live different regions are asked to evaluate their housing and living environment, the pattern may be quite different due to the fact that people

living in different areas may have different ideas about their housing and living environment.

<Table 2> shows that people living in urban area tended to be more satisfied with their housing unit than those people living in rural area in 1987. However, in 1992, the trends were reversed i.e., rural people were more satisfied than their counterparts. This may be due to the fact that rural community is more sociable than urban cities. In other words, people in urban area do not visit their neighbors, while rural people visit with their neighbors more often. It is also clear that because urban cities are more dangerous than rural area, urban people feel it is not safe to walk around their neighborhood at night, and they lock the doors even at daytime. Rural people felt that they were much freer of fear of crime and had a greater sense of safety, suggesting they seem to appreciate these qualities of their surrounding communities clearly more than urban housewives. It should be noted that urban cities appear to have lost something of the quality of human community while rural villages have retained (Hafstrom & Chung, 1989).

<Table 2> Housing Satisfaction by Region

(단위: %)

Satisfaction w. Housing	Total		Urban		Rural	
	1987	1992	1987	1992	1987	1992
Satisfied	25.5	21.0	26.6	20.1	20.5	23.6
Mixed	35.2	35.3	36.0	35.2	33.6	35.5
Unsatisfied	39.3	43.7	37.4	44.7	42.9	40.9

Source : National Statistical Office, 「Social Statistical Survey」, 1988, 1993.

Considering factors for choosing residential area between urban and rural areas, the highest percentage for choosing criteria was the employment opportunity in both areas in 1987. However, in 1992, the figures between two areas were somewhat changed, i.e., for those people who live in urban area, the economic condition was regarded as the most important factor while for those living in rural area employment opportunity was the most concerned factor in choosing residential area.

〈Table 3〉 Reasons for Selecting Residential Area by Region

(단위: %)

Reasons	Total		Urban		Rural	
	1987	1992	1987	1992	1987	1992
Children's education	8.9	8.9	10.1	9.7	5.0	5.0
Employment opportunity	38.4	30.7	34.1	27.5	53.2	47.9
Transportation	11.5	9.7	13.6	10.7	4.2	4.4
Economic condition	32.5	43.1	34.0	45.1	27.0	31.7
Living environment	3.3	4.4	3.2	4.2	3.9	5.7
Others	5.4	3.2	5.0	2.8	6.7	5.4

Source : National Statistical Office, 「Social Statistical Survey」, 1995.

Housing expenditure, not family income, affected satisfaction with housing. Perhaps it is reasonable that, all things being equal, housing expenditure would be more important than family income because some families may not invest in their housing although they have enough income. 〈Table 4〉 provides the nationwide trends in housing expenditures of households and the budget share for housing by region. Between 1980 to 1994, the level of housing expenditure and the budget share for housing

increased in urban as well as rural areas. Compared with urban area, the budget share for rural area increased more, i.e. in 1980 the budget share for housing stood at 6.7 percent, but in 1994 the figure had increased up to 8.3 percent.

〈Table 4〉 Expenditures and Budget Shares Spent to Housing by Region

Year	Urban		Rural		B/A (%)
	Yearly Expenditure (A) (unit : won)	Budget Share Spent to Housing (%)	Yearly Expenditure (B) (unit : won)	Budget Share Spent to Housing (%)	
1980	191,292	8.9	143,896	6.7	75.2
1985	373,272	9.8	358,612	7.6	96.1
1990	851,968	10.4	644,921	7.8	75.7
1994	1,254,708	9.2	1,104,755	8.3	88.0

Source : National Statistical Office, 「Social Statistical Survey」, 1995.

During the 1980s and 1990s, the costs of renting increased at a consistent rate, but actual costs of home ownership were much higher than the costs of renting. However, almost all of the people want to be home owners instead of renters because of the aspects of housing investment and the economic status of home owners in the society.

Investment aspects of home ownership is important and must be considered in identifying the nature of housing. These include the fees and closing costs associated with the purchase, the opportunity cost of the down payment, since funds tied up in the purchase of the house cannot be drawing interest elsewhere, and the build up of equity in the house as the mortgage is paid off.

Home owners pay taxes and incur

several other home maintenance expenses, such as repairs, insurance, and other shelter expenses. The most frequently incurred expenses for repairs, improvements, and alterations of single-detached house is for roof repair. Other expenses frequently incurred are for remodeling the bathroom or kitchen, replacing major pieces of equipment, adding insulation, replacing or adding siding, and building an addition to the structure.

Considering utility expenditures, electricity accounted for the largest share of utility expenditures, followed by natural gas, fuel oil and other fuels, water, and maintenance. After shelter, utilities was the largest component of housing expenditures. When other factors are held constant, utility expenditures increase with income and family size. Generally, the relationship with age of householder is nonlinear.

IV. Housing and the Environment

Housing characteristics are usually included in quality-of-life measures. Housing plays a facilitating role in the life-style of the household, making it easy or difficult, pleasant or unpleasant, safe or unsafe, for household members to carry in their chosen productive, leisure, and personal care activities. It does this through the location of the dwelling as it affects access to employment, retail stores, schools, and other sites: the character of neighborhood, in terms of both safety

and access to congenial associates and in terms of the safety and quality of the physical environment; and the design and physical character of the structure and its furnishings, which affect the health and safety of household members, the amount of labor needed to maintain the home and carry on household activities, their aesthetic enjoyment, and their social status. Housing also affects well-being indirectly through its impact on the economic resources of the household.

The housing owned or rented by a household entails more than the structure of the dwelling and its furnishings. It is inextricably associated with a total social and physical environment, including access to income-earning opportunities and services, association with neighbors, air and water quality, and the possibility of environmental hazards. Since housing and families are potentially and infinitely variable, it is necessary to find the factors of housing environment which are related to aspects of family functioning. Most housing studies are like St. John and Clark (1984), Whorton and Moore (1984), and Galster (1985) studies, they identified the aspect of housing environment that are regarded as important.

Galster (1985), for example, examined 10 aspects of environment: dwelling quality, dwelling quantity, neighborhood, public services, modernity, interior condition, exterior condition, privacy, rooms, and yard. Whorton and Moore (1984) proposed sex scales for assessing satisfaction with community: satisfaction

with personal safety i.e., frequency of crime, job availability, educational and health care facilities, housing (condition, availability, and affordability), and the community in general. St. John and Clark (1984) considered several additional aspects: location with respect to relatives, close friends, church, social services, shopping, jobs, schools, and recreational facilities; social services, shopping, jobs, schools, and recreational facilities; availability of public transportation; how well buildings are kept up; how crowded it is; and how noisy. Cho and Kang (1997) examined following four types of environmental factors taking housing satisfaction into account: community facilities, condition of housing management, neighborhood connection, and complex facilities. They found that most people were unsatisfied with their environment, describing their homes in largely negative terms.

These housing-environment research revealed that evaluation of housing and environment, i.e., community and neighborhood characters are closely related. People often choose a house due to the fact that it is located in an attractive neighborhood and is part of safe community, representing housing, neighborhood and community are nested environments which mutually influence on another. Such aspects of nested environments greatly influence the family functioning and thereby the overall sense of well-being, especially for older people. According to Melson (1980), Campbell (1981) and Magrabi et al (1990), older people are more likely sensitive and satisfied in their

residential environment than their counterpart. Then, why were older people are more sensitive than young? Melson, Campbell, and Magrabi explained in terms of differences in standards of comparisons. Put it differently, satisfaction and the sense of well-being is based on what one has done in the past and on sights set for the future. Also, it is based on comparison with those of one's friends and neighbors, indicating as one ages, one may become reconciled to one's fate, ceasing to strive for things which not seem unattainable. The effect of population aging on housing environment is important research issues because it leads to raise questions about the value and the standard of comparison in identifying environmental characters.

V. Conclusions and Implications

The objectives of this study were fulfilled. The trend of population aging in housing needs was reviewed, the importance and the factors affecting housing satisfaction and thereby quality of life were discussed, and the relationship between housing and its environment was covered.

Public policymakers seek to recognize the effect of population trends in housing and people's perceptions or feelings toward their living environments in order to identify ways of improving well-being of the people through making changes in housing and living conditions. To accomplish this, government agencies

need information about housing trends and people's evaluations, taking satisfactions into consideration, in order to develop appropriate policies to improve quality of life. This study tried to provide such information. Future research is needed using panel or longitudinal data to explore the components and the direction of population trends in housing needs and to identify the nature and characteristics of factors affecting satisfaction with housing and thereby affecting quality of life.

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