

# A place in the country: the cost of second homes



The controversy surrounding second homes represents a growing dilemma for planners and policymakers. In many countries the phenomenon remains strictly endemic, but in the UK it verges on epidemic proportions. The issue is highly subjective and sensitive and is further complicated by the nuanced nature of second homes and the extremely complex task of attempting to typify them.

Working with North Devon Council, an authority with particular experience of the problem, the University of Exeter's Centre for Sport, Leisure and Tourism is conducting research that aims to shed new light on the socio-economic impact of second home ownership. The findings of the study are intended to inform the council's future planning strategy and could help shape the approaches of authorities confronted by similar difficulties throughout the country.



## Overview

The issue of second homes is rising up the socio-political and socio-economic agendas of a number of countries. The Swiss government, for instance, recently established a working group to consider how to follow up a nationwide survey in which more than 50% of voters said there should be a limit on second homes in any community where they account for at least a fifth of all residences.

In the UK second home ownership has risen sharply since the 1990s, especially in rural and coastal areas. Critics argue these homes distort the housing market and make it more difficult for local people to get on the property ladder. With second homes currently receiving a discount of up to 50% on council tax bills, it is claimed people who struggle to pay for their sole home are subsidising the bills of those wealthy enough to own two. The government has announced plans to end tax breaks for second homes, which allegedly cost councils tens of millions of pounds every year. By any standard, it is an increasingly emotive issue – one that demands careful consideration.

In 2008 a report into the housing market on the Northern Peninsula – the region that runs from North Cornwall, along the North Devon coast and into West Somerset – highlighted a growing number of second homes and holiday homes. The findings prompted North Devon Council's planning department to work with the University of Exeter to develop a research proposal to explore second home ownership's socio-economic effects on communities.

The first phase of the three-year study, which began in 2011, saw questionnaires delivered to around 2,700 properties in the North Devon district. Georgeham, Instow and Brendon/Contisbury, all of which have relatively high proportions of second homes (between 15% and 25%), provided the main focus, with a sample from Braunton and Fremington also included. As well as second home owners, residents, businesses and service providers were targeted. Respondents were asked questions about how they use their properties and their feelings about where they live – for example, how well they know their neighbours and whether they consider themselves "active" members of the community. Selected in-depth interviews will provide greater detail in the next phase of the study.

## KEY FACTS

- The issue of second homes is becoming increasingly controversial in many countries – not least the UK, where the problem is widespread.
- Research by the University of Exeter is investigating the impacts and attitudes surrounding the phenomenon in North Devon, where second home ownership is notably popular.
- The initial findings highlight the complexity of the problem, with most survey respondents believing second homes make positive and negative contributions to the community.
- Planning departments need to understand how best to build on the positives and mitigate against the negatives if they are to design effective policies.
- The study will inform North Devon Council's future planning strategy and could help influence authorities facing similar difficulties across the UK.

[www.exeter.ac.uk/slt/ourresearch](http://www.exeter.ac.uk/slt/ourresearch)

# A place in the country: the cost of second homes (cont.)



## Comments and implications

*"It's when the ratio of properties is significant on a local scale that the effects of second home ownership are likely to be felt most acutely,"* says PhD researcher and ESRC CASE studentship award holder Jenny Barnett.

*"We need a highly detailed appreciation of the impacts and attitudes surrounding this issue if we're going to build an evidence base that will help planners and policymakers deliver solutions that meet communities' needs."*

The initial findings of Barnett's research demonstrate the complexity of the problem and the views that surround it. The majority of second homes in the survey – 62% – were previously permanent residential properties. Although a causal relationship cannot be inferred, the correlation between the selected parishes' mean average property price and proportion of second homes is sufficient to be statistically significant. Most respondents expressed the opinion that second homes make both positive and negative contributions to the local community, but there were more responses for "only negative" than "only positive". The number of second homes was on the whole deemed either "sustainable" or excessive.

*"The reception to second homes within local communities largely revolves around a number of*

*key factors,"* says Barnett. *"These include whether a property is used as a holiday let, how well the owners are known locally and how often the property is used or left empty.*

*According to our early results, the positive contributions second homes bring include income, potential employment and patronage of local services. The negatives include fewer permanent residents, the perception of impact on increasing house prices and the notion of a gap between those individuals who can afford multiple properties and those who can't afford even one.*

*What planning departments desperately need is a grasp of how best to make use of the positive contributions and how best to mitigate against the negative contributions. These might not be easy policies to implement, but it's becoming more obvious that something has to be done – and more engagement and communication will help us start to strike a balance."*

*"We often hear opinions about the impact of second homes, but there's little documented evidence that looks at the matter in detail,"* says Andrew Austen, Lead Officer for Planning Policy at North Devon Council. *"We hope this research will confirm or counteract perceptions so that we can design strategies that will address these issues."*

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Jenny Barnett  
ESRC researcher

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Lead Officer for Planning Policy,  
North Devon Council

## Further Information:

**Jenny Barnett** Email: [J.E.Barnett@exeter.ac.uk](mailto:J.E.Barnett@exeter.ac.uk)

**Web:** [www.exeter.ac.uk/slt/ourresearch](http://www.exeter.ac.uk/slt/ourresearch)

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