

# Review of Second Home Data and Assessment of the Effects Second Homes are Having on Rural Communities



Cumbria Rural Housing Trust



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## 1.0 Introduction

For many people country life is challenging. Around 19 per cent of the English population lives in rural areas. House prices are significantly higher than the national average while rural wages are significantly lower. In the Central Lakes area house price to income ratios are 12.1 to 1 (2008). Affordable homes are few and far between and business growth is too often restricted. It is argued that second home ownership is causing further strain on rural communities.

The aim of this report is to act as a review on second home data and as an assessment of the effects that second homes are having on rural communities. It includes details on the ways in which second home data is collected and the wide variety of definitions used to establish what determines a second home. The impacts of second home ownership on rural communities have been thoroughly examined by looking at literature on the topic and through case study information that has been gathered as part of the research. The report also includes figures on the levels of second homes sourced from a variety of admin levels such as National figures and Local figures at ward level. Figures on the numbers of second and holiday homes have been gathered from sources including the 2001 Census, National Survey of English Housing, Council Tax information, academic literature, Strategic Housing Market Assessments and Local Strategic Partnerships. Ideas on possible solutions to manage the numbers and effects of second homes have also been given. These have been formulated through research of the academic literature and government publications and reviews such as the Taylor Review and the Affordable Rural Housing Commission Report.

Gallent et al. (2002) highlighted the politicised nature of this subject of this topic. The impact of second homes on rural areas continues to attract media attention such as Al Yafai (2003), Kelbie (2003) alongside many other newspaper articles used throughout this report and its political significance was illustrated when it was a key issue in parts of Wales in the local council elections on May 1st 2003 and the recent Taylor Review. (Bevan, B. and Rhodes, D. 2005)

As a starting point this report found that it is very difficult to work out the problems associated with second homes because information on actual numbers is difficult to obtain. There are many different methods used to collect second home data. Each used different definitions of second homes and in some cases second home and holiday home figures are merged together. This can be problematic as their impacts on communities are seen to be different. Throughout this report it has been seen that many publications use the Census figures on second homes from 2001 which is very much out of date since it is now over 8 years ago since they were collected. The most up to date way that figures can be obtained is through council tax figures where people claim for a discount on their second home. However this can also underestimate the levels of second homes as people may choose not to

apply for a second home discount or register their property as a business and subsequently pay business rates rather than council tax for the property.

There are many different ideas on the impacts of second homes and this report has tried to use facts and case studies to support anecdotal claims. The most recent widespread solution to try and limit the number of second homes was the reduction in the level of second home discount in 2003. However much of the research conducted after this was introduced has found little evidence that this is having much of an effect alongside claims that more people are opting to claim businesses rates for their second homes. Numerous factors have lead to increasing levels of second homes in the UK with one of the main reasons being the increased communications within the UK. The increasing use of the car and now the rise in cheap domestic air travel makes the house in the country that much easier to get to. The proposals to open up Carlisle Airport for domestic air travel could have an impact on the housing market in northern Cumbria.

Recommendations in the report Housing: An Effective Way to Sustain our Rural Communities state that 'the percentage of second homes should not be more than 20 per cent as this appears to affect the sustainability of any village.' The Cumbria Housing Strategy 2006/2011 goes a step further through its 'Balanced Indicators', suggesting the percentage should not be more than 10 per cent. It is this information that should be used as a guide when examining the effects that second homes are having on the sustainability of a community.

In this report the definition that has been used to define what constitutes a rural area is the 2005 Local Authority Classification introduced by DEFRA to define rurality and delivered by the Rural Evidence Research Group. These are defined as follows:

- Significant Rural: districts with more than 37,000 people or more than 26 per cent of their population in rural settlements and larger market towns.
- Rural-50: districts with at least 50 per cent but less than 80 per cent of their population in rural settlements and larger market towns.
- Rural-80: districts with at least 80 per cent of their population in rural settlements and larger market towns.

Both South Lakeland and Eden fall under the Rural-80 category as well as the Lake District and Yorkshire Dales National Parks.

## **2.0 Definitions of Second Homes and Sources of Data Available**

There are a variety of definitions used to describe what constitutes a second home which in turn contributes to a variety of figures for second homes. It is important when considering research, discussion or claims about second homes to be certain of the definition that has been applied. Some definitions are so wide that they encompass all properties other than the principal residence of a household. This means that privately rented dwellings, including buy to let properties owned by a member of a household, can be included. The three key 'official' sources of data are the Census, the Survey of English Housing and Council Tax records. Each of these has different definitions of second homes.

### **2.1 Census Data**

According to the Census second residences are dwellings in permanent buildings which were known to be residences of people who had a more permanent address elsewhere and which were unoccupied on Census night. Second home data gathered through the Census is likely to underestimate the number of second homes due to it providing data only every 10 years.

### **2.2 Survey of English Housing**

According to the Survey of English Housing, Second Homes are defined as privately-owned accommodation that is not occupied by anyone as their main residence but may get occupied from time to time e.g. as a holiday home. Accommodation that is let out as someone else's main residence (e.g. a buy to let property) is not a second home. A property which the owner will soon be moving into as his/her main accommodation is not a second home. Similarly, property that has been inherited but which will soon be sold is not a second home (unless of course the owner is currently occupying it as his main accommodation). Accommodation that the household rents from someone else in order to have somewhere to stay for a few days each week (e.g. a flat in town) is a second home. This assumes that the home in the country is their main accommodation. The Survey of English Housing is based on a sample of only 20,000 households and does not permit geographical breakdowns below regional level. English-based households are not the only people who can own second homes in England and the local authority returns will include second homes owned by people whose main residence is outside England and who therefore wouldn't be included in the Survey of English Housing figures. The number of households that, according to the Survey of English Housing, have at least one second home may, in fact, have more than one second home which again can contribute to an underestimate of the numbers of second homes.

### **2.3 Council Tax**

The most comprehensive source of data is Council Tax records. This data does potentially embrace all residential property and can be analysed at local, regional and national levels. It is also, based on a fairly straightforward definition of what is classified as a second home. According to Council Tax

records second homes are furnished dwellings which are not the sole or main residence of an individual. A possible weakness of Council Tax data is that households have the option of deciding which of two residences their second home is. It is possible that households might choose which property to declare as their second home on the basis of minimising their aggregate Council Tax bill rather than the actual usage of the two dwellings. There are also suggestions that there are circumstances in which it is advantageous to register second homes as small businesses (such as a Holiday let) and pay business rates instead of Council Tax. For Council Tax purposes, the point at which a property ceases to be classified as a second home and instead is registered for non-domestic rates is anything that is let over 140 days in a single year. All of these factors might mean that Council Tax records can underestimate the number of second homes. However there are claims, that there is no substantial empirical evidence that has been identified, to suggest that such activity is prevalent. Some second-home owners may not have applied for a discount on their council tax, so the local authority returns may understate the total number of second homes.

#### **2.4 Other Sources of Data**

Other ways of sourcing data on the levels of second homes can be from local communities through their own research. An example is Coniston where the Coniston Affordable Housing Group conducted a survey of housing within the parish. However there is generally limited and patchy research evidence on the concentration of second homes at sub-local authority level.

### 3.0 Information on the Numbers of Second Homes

#### 3.1 National Figures on the Levels of Second Home Ownership

In the 2006/2007 Survey of English Housing it is estimated that there are 241,000 households with second homes in England, a rise of about 20 per cent over the past decade. The survey also showed that the most popular region for second homes in England is the South West. Whilst the region accounts for only 11 per cent of all households, it accounts for 21 per cent of all second homes. Table 1 below shows the percentage of second homes within the Local Authorities with the 20 highest levels of second homes according to the data gathered from Council Tax data in 2006. All, apart from three areas in Inner London, are rural locations with South Lakeland and Eden in 10<sup>th</sup> (7.4 per cent) and 15<sup>th</sup> (5.4 per cent) respectively.

**Table 1: Percentage of second homes in the top 20 local authorities based on council tax in 2006**

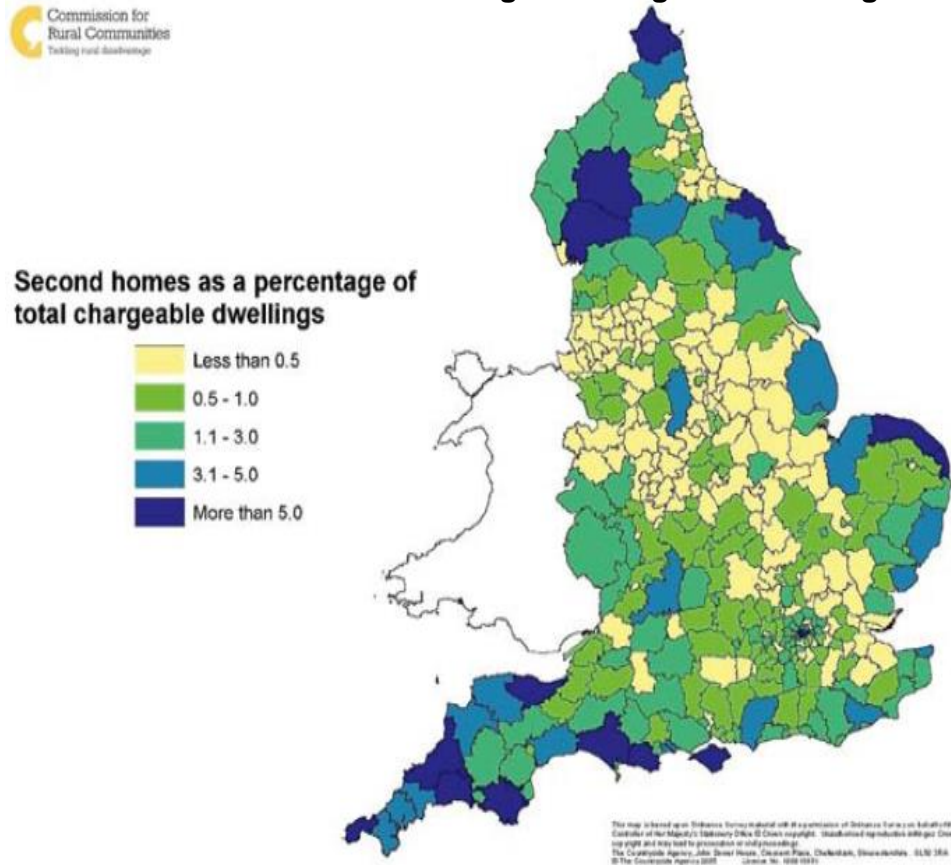
2006 Rank (2005 in brackets)	Local authority	County	Number of Second Homes
1 (1)	City of London	Inner London	26.1%
2 (2)	Isles of Scilly	Cornwall and the Isle of Scilly	19.5%
3 (3)	South Hams	Devon	10.1%
4 (5)	North Cornwall	Cornwall and the Isle of Scilly	9.7%
5 (4)	North Norfolk	Norfolk	9.5%
6 (6)	Berwick-upon-Tweed	Northumberland	9.2%
7 (9)	Penwith	Cornwall and the Isle of Scilly	8.0%
8 (8)	Kensington & Chelsea	Inner London	7.8%
9 (7)	Westminster	Inner London	7.8%
<b>10 (10)</b>	<b>South Lakeland</b>	<b>Cumbria</b>	<b>7.4%</b>
11 (12)	Scarborough	North Yorkshire	6.9%
12 (11)	Purbeck	Dorset	6.9%
13 (13)	Great Yarmouth	Norfolk	6.2%
14 (14)	West Somerset	Somerset	5.7%
<b>15 (15)</b>	<b>Eden</b>	<b>Cumbria</b>	<b>5.4%</b>
16 (17)	Chichester	West Sussex	5.3%
17 (16)	West Dorset	Dorset	5.3%
18 (18)	Isle of Wight UA	Isle of Wight UA	5.1%
19 (20)	Caradon	Cornwall and the Isle of Scilly	4.8%
20 (19)	Alnwick	Northumberland	4.6%
354	All England		1.1%

Source: NHPAU (2008)

Figure 1 below shows the levels of second homes as a percentage of total chargeable dwellings from council tax data collected in 2004/2005. From this it can be seen which Local Authorities in England have the largest per cent of second homes. The areas with the highest level are those in coastal areas or with a high landscape value in or near there boundary. To some extent, even

this disguises the true nature of the problem. Research for the Countryside Agency (2003) identified that even within these districts the incidence of second home ownership is concentrated in particular settlements. 'During our regional visits we came across more than one village where we were told that levels of second home ownership exceeded 50 per cent.'

**Figure 1: Second Homes as a Percentage of Chargeable dwellings**



Source: CRC (2006) *Evaluation of the use of reduced Council Tax discount from second homes by rural authorities 2004/5* (using ODFM Council Tax data)

Source: Commission for Rural Communities (2006)

From the Taylor Review (July 2008) data on second homes broken down by ward shows that there are 64 wards (one per cent) with more than 20 per cent of the housing stock recorded as second homes. These wards with high levels of second home ownership are predominantly in rural areas such as, St. Minver in North Cornwall (43 per cent) and Beadnell in Berwick-upon-Tweed (42 per cent). This data should however be treated with some caution as it is based on those seeking a discount on Council Tax for their second home. Not all second home owners will register their property as such, particularly as local authorities now have discretion to reduce the discount for Council Tax from 50 to 10 per cent. After this change took place the number of registered second homes in Cornwall for example ceased to rise but the number of registered holiday lets (which pay less business rates than would be paid as council tax for a second home) rose instead. In many cases it can be argued that holiday lets and second homes are the same thing.



Frontier Economics Ltd report in 2006 analysis of the second homes data shows that second homes make up a small proportion of the housing stock. In only 40 local authorities did second homes make up more than 2 per cent of the total stock in 2004. The number of second homes is growing. Between 2000 and 2004, the number of dwellings in England recorded as being second homes by ODPM increased by 70 per cent (101 per cent increase in Rural-50 areas and 57 per cent increase in Rural-80 areas). However, second homes still represent a relatively small proportion of housing transactions, approximately 6 per cent. They also found that second homes do not appear to be concentrated exclusively in the most expensive rural areas.

In the Lake District, 18 per cent of all houses are either second or holiday homes. But figures for the National Parks as a whole can hide wide variations within them. Data can be patchy and often underestimates the total number of household dwellings. In other National Parks the level of second and holiday home ownership is estimated to be 15 per cent in the Yorkshire Dales and Exmoor, 14 per cent in Northumberland, 12 per cent in the North York Moors, 4 per cent in the Peak District, 3 per cent in Dartmoor and 2 per cent in the New Forest. The ENPAA argue that the current planning system cannot control the purchase of homes as second homes and therefore solutions lie elsewhere which is a different view than is offered by the Taylor Review and the Affordable Rural Housing Commission (ARHC).

Table 2 below shows the level of second homes as recorded in the Survey of English Housing. It can be seen in recent years according to the Survey of English housing that there has been a fluctuation in the number of second homes. Table 3 shows the numbers of second homes according to the Council Tax figures for the same period. It shows a steady rise in the numbers of second homes which is not the case when compared with the Survey of English Housing.

**Table 2: Number of second homes in England based on the Survey of English Housing**

<b>Year of the Survey</b>	<b>Number of Second Homes</b>
2003/2004	253,000
2004/2005	255,000
2005/2006	242,000
2006/2007	241,000
2007/2008	272,000

**Table 3: Number of second homes based on Council Tax information (figures obtain from the Survey of English Housing)**

<b>Year Council Tax was collected</b>	<b>Number of Second Homes</b>
2004	229,000
2005	236,000
2006	<i>No data given in the Survey of English Housing</i>
2007	239,000
2008	245,000

In the last four publications of the Survey of English Housing, South Lakeland has been ranked in 8<sup>th</sup> place amongst the local authorities with the highest numbers of second homes. Eden however does not appear within the top 20 although appearing to have a large problem with second homes. This is because the figures given in the survey are not a percentage of the total housing stock. It is for this reason that when looking at the issues of second homes it is best to deal in percentages rather than raw numbers. Table 4 below shows the top 20 Local Authorities based on the amount of second homes as both a percentage of housing stock and as a total number of houses in 2006 with the rural authorities highlighted. It can be seen that when the figures are given as numbers rather than a percentage there are more urban areas within the top 20. This could be due to the total amount of housing stock in the Local Authority so there are more properties available to become second homes. In the right column we can see that when second homes are given as a percentage there are more rural Local Authorities in the top 20.

**Table 4: Top 20 Local Authorities with the largest numbers of second homes**

2006 Rank	Local Authority based on the number of second homes	Local Authority based on the percentage of second homes
1	Westminster (10,100)	City of London (26.1%)
2	Kensington and Chelsea (7,100)	Isles of Scilly (19.5%)
3	Birmingham (6,800)	South Hams (10.1%)
4	North Norfolk (4,900)	North Cornwall (9.7%)
5	South Hams (4,400)	North Norfolk (9.5%)
6	Tower Hamlets (3,900)	Berwick-upon-Tweed (9.2%)
7	North Cornwall (3,800)	Penwith (8.0%)
8	South Lakeland (3,800)	Kensington & Chelsea (7.8%)
9	Scarborough (3,700)	Westminster (7.8%)
10	Camden (3,500)	South Lakeland (7.4%)
11	Isle of Wight (3,400)	Scarborough (6.9%)
12	Great Yarmouth (2,900)	Purbeck (6.9%)
13	Barnet (2,800)	Great Yarmouth (6.2%)
14	Kings Lynn & West Norfolk (2,700)	West Somerset (5.7%)
15	Chichester (2,700)	Eden (5.4%)
16	Penwith (2,700)	Chichester (5.3%)
17	Brighton and Hove (2,600)	West Dorset (5.3%)
18	West Dorset (2,500)	Isle of Wight (5.1%)
19	Bournemouth (2,500)	Caradon (4.8%)
20	Suffolk Coastal (2,400)	Alnwick (4.6%)

### 3.2 Figures for Cumbria

In the Cumbria Housing Strategy 2006-2011 figures show that there are 7,374 second homes in Cumbria, the majority 4,136 concentrated in and around the Lake District and Yorkshire Dales National Parks. Most of the others can be found in the Eden Valley, South East Cumbria and the Solway Coast Area of Outstanding National Beauty. The report goes on to say that all of Cumbria's local authorities have used the opportunity given by the government's new rules to end the full discount on second homes to raise additional money for investment in all services in these areas.

### 3.3 Lake District National Park

Issues that affect the Lake District National Park include:

- low wage levels leading to a large gap between local incomes and house prices,
- high proportion of second home ownership,
- increase in commuter homes and retirement homes,
- shortage of land available for development resulting in the high price of building land,
- need for quality design and use of materials sympathetic to the National Park to fit in with the surrounding environment.

According to the 2001 Census 17.68 per cent of properties inside the Lake District National Park are either second homes or holiday homes. In some areas this is even greater, for example in Coniston 51 per cent of housing is second homes or holiday homes (Coniston Parish Plan). In Troutbeck a resident counted that out of the 104 houses in the village, she found that 42 were second homes, a total of 40.4 per cent (Hetherington, 2006). In Chapel Stile it is suggested that 60 per cent of houses are either second or holiday homes (Al Yafai, 2003).

Inside the Lake District National Park there are 80 parishes. Using 2001 census data for 67 of the parishes identified in Technical Report 2: Housing, which is part of the evidence base for the LDF and applying the 20 per cent rule for sustainability from Housing: An Effective Way to Sustain our Rural Communities it can be seen that 22 (32.8 per cent) of these 67 Parishes are above this threshold. Applying the 10 per cent rule identifies the sustainability of 43 (64 per cent) of the 67 Parishes being threatened by second home/holiday home ownership. These figures are almost certainly much higher now as some local Parish surveys have identified much higher numbers of second home ownership than those expressed in the 2001 census. Table 5 below shows the Parishes used from the Technical Report 2: Housing and identifies those Parishes with either 10 per cent or 20 per cent of housing stock as second or holiday homes.

**Table 5: Second Homes/Holiday Homes within the Lake District National Park from 2001 Census data.**

Parish	Dwellings	Second/holiday homes	% of second homes which affect the sustainability of any settlement	
			10%	20%
Above Derwent	717	180 (25.10 %)	X	X
Bassenthwaite	218	43 (19.72%)	X	
Blindbothel	73	6 (8.22%)		
Blindcrake	135	8 (5.92%)		
Borrowdale	191	50 (26.17%)	X	X
Buttermere	59	10 (16.95%)	X	
Caldbeck	333	16 (4.80%)		
Embleton	139	11 (7.91%)		
Ireby & Uldale	231	32 (13.85%)	X	
Keswick	2727	406 (14.88%)	X	
Lorton	149	26 (17.45%)	X	
Loweswater	123	21 (17.07%)	X	
Setmurphy	55	4 (7.27%)		
St Johns, Castlerigg & Wythburn	211	56 (26.54%)	X	X
Underskiddaw	166	38 (22.89%)	X	X
Bootle	353	5 (1.41%)		
Drigg and Carleton	207	4 (1.90%)		
Ennerdale and Kinniside	115	10 (8.69%)		
Eskdale	163	45 (27.60%)	X	X
Gosforth	603	28 (4.64%)		
Irton with Santon	164	12 (7.31%)		
Lamplugh	343	16 (4.66%)		
Millom Without	497	30 (6.03%)		
Muncaster	189	22 (11.64%)	X	
Ulpha	79	16 (20.25%)	X	X
Waberthwaite	112	8 (7.14%)		
Whicham	170	15 (8.82%)		
Askham	188	17 (9.04%)		
Bampton	165	23 (13.98%)	X	
Barton	151	47 (31.12%)	X	X
Dacre	638	45 (7.05%)		
Hutton	209	70 (33.49%)	X	X
Lowther	174	3 (1.70%)		
Matterdale	298	70 (20.48%)	X	X
Mungrisdale	139	22 (15.82%)	X	
Patterdale	356	141 (39.60%)	X	X

Shap Rural	60	6 (10.00%)	X	
Threlkeld	253	52 (20.55%)	X	X
Blawith & Subberthwaite	117	30 (25.64%)	X	X
Broughton East	115	24 (20.86%)	X	X
Broughton West	464	44 (9.48%)		
Cartmel Fell	194	55 (28.35%)	X	X
Claife	248	79 (31.85%)	X	X
Colton	420	68 (16.19%)	X	
Coniston	611	124 (20.29%)	X	X
Crook	184	23 (12.50%)	X	
Crosthwaite & Lyth	304	52 (17.10%)	X	
Dunnerdale with Seathwaite	81	20 (24.69%)	X	X
Haverthwaite	386	29 (7.51%)		
Hawkshead	350	74 (21.14%)	X	X
Hugill	222	25 (11.26%)	X	
Kirby Ireleth	560	21 (3.75%)		
Lakes	3015	901 (29.88%)	X	X
Lowick	120	14 (11.66%)	X	
Meathop	77	14 (18.18%)	X	
Nether Staveley	318	19 (5.97%)		
Over Staveley	282	30 (10.63%)	X	
Satterthwaite	166	47 (28.31%)	X	X
Skelwith	132	47 (35.60%)	X	X
Strickland Ketel	559	50 (8.94%)		
Strickland Roger	218	27 (12.38%)	X	
Trover	75	21 (28.00%)	X	X
Underbarrow & Bradleyfield	200	36 (18.00%)	X	
Upper Allithwaite	452	52 (11.50%)	X	
Whitwell & Selside	71	3 (4.22%)		
Windermere	4530	686 (15.14%)	X	
Witherslack	199	19 (9.54%)		
	<b>25823</b>	<b>4248 (16.45%)</b>		

### 3.4 Figures for South Lakeland

Information obtained from the South Lakeland Sustainable Community Strategy 2008-2028 show that 3,606 properties registered by Council Tax as being Second Homes are distributed across the district but nearly half are located in the Central Lakes area. In South Lakeland resources from

additional Council Tax from second home owners has been directly allocated to affordable housing incentives. Joseph Rowntree Foundation study in autumn 2004 showed that the affordability gap between house prices and incomes is worse in the South Lakeland area than anywhere else in the North of England. South Lakeland (£179,250) has the highest median house price in the North West of England (Ecotec study Q1 2006). In South Lakeland house prices have risen by over 80 per cent since 2002 whilst household incomes have only risen by 14 per cent. Within South Lakeland the current house price to income ratio is 9:1.

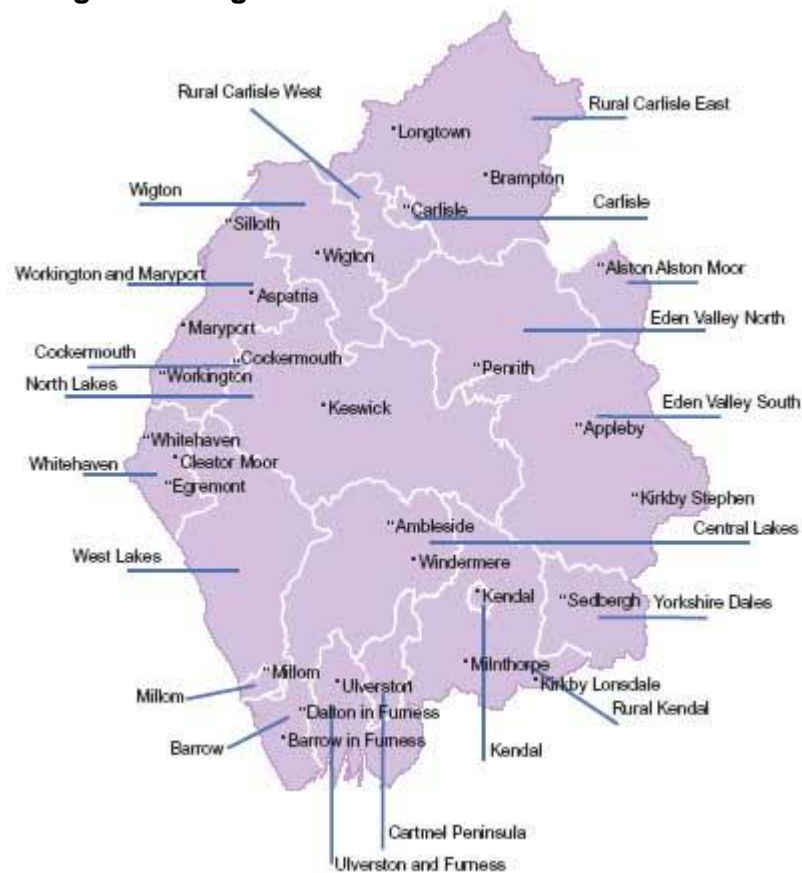
### **3.5 Figures for Eden**

The 2001 Census identified a total of 1,451 (6.2 per cent) second homes in Eden. Eden (£178,750) has the second highest median house prices in the North West of England (Ecotec study Q1 2006) with average house prices of £218,575 in 2008 (Eden Core Strategy).

### **3.6 Strategic Housing Market Assessments (SHMA)**

The preparation of Strategic Housing Market Assessments (SHMAs) for each of the identified Housing Market Areas is a requirement of national government planning advice contained in PPS3 Housing. The purpose of the 20 Cumbria SHMAs is to provide a crucial evidence base to support the future delivery of new housing and economic development in Cumbria for each of the six districts' and the Lake District National Park Authority's emerging Local Development Framework and other strategies. The SHMA provides recent figures on the levels of second homes using Council Tax data from 2008. This report only looks at those SHMAs that fall within South Lakeland and Eden districts. Figure 2 below shows the 20 SHMA areas in Cumbria.

**Figure 2: Strategic Housing Market Assessment Areas**



The most dramatic figures come from the Central Lakes SHMA area, which includes Windermere, Bowness, Ambleside, Grasmere and Coniston and is the only SHMA area to be entirely within the boundaries of the Lake District National Park. The median income to house price ratio is 11.6:1 in 2008, an increase from 10:1 in 2006 with the median house price being £326,000. Council Tax figures show that there are 1653 holiday homes (rented for over 140 days per year) and 1090 second homes which totals 26.5 per cent of all housing stock with the figure given in the 2001 census being 14.2 per cent of housing stock being second or holiday homes. In total 14 per cent of the housing stock are second homes with the figure rising to 20 per cent in Ambleside. In comparison the Kendal SHMA area only has 1.9 per cent of housing listed as a second home. In the Dales SHMA area the impact of being within a National Park can be seen with 10.2 per cent of housing being second homes, with this rising to 13.9 per cent when holiday homes are included. This also affects affordability issues with a house price to income ratio of 12.1 in 2006 rising to 12.8 in 2008. The North Lakes (East) SHMA area also has high levels of second homes and includes Patterdale that according to the Council Tax figures has 45 per cent of properties either as a second home or a holiday home. The average for the area is 12.6 per cent of property being second homes with this rising to 16.6 per cent when holiday homes are also included. In Kendal Rural SHMA 5.8 per cent of properties



are second homes with the percentage rising to 7.1 when second homes and holiday homes are combined.

The Eden Valley North SHMA has a small number of second homes at 2.5 per cent with holiday and second homes being a combined 3.1 per cent. But since the census data from 2001 there has been a rise of over 50 per cent in the number of second and holiday homes. This could further increase again with the opening of Carlisle Airport to schedule passenger flights making it easier to get to the area from more destinations. Eden Valley South SHMA has 6.2 per cent of property as second homes. The combined total of holiday and second homes according to the census data was 7.3 per cent and the current level is 8.3 per cent from the Council Tax data. Alston Moor SHMA shows that 7.3 per cent of housing stock as second home rising to 9.4 per cent when holiday homes are included to the housing stock. This is a small rise from the 2001 Census figure of 9.3 per cent.

#### **4.0 Impacts of Second Homes on Rural Housing Markets**

The Joseph Rowntree Foundation report in May 2006 on Homes for Rural Communities showed that rural communities face a combination of housing pressures, from those buying second homes, retiring from high priced urban areas, or commuting to well paid jobs nearby, yet local incomes are relatively low. Rural areas have seen higher rates of Right to Buy which has reduced the social stock and lower proportions of new affordable housing in market developments.

According to, 'The Impact of Empty, Second and Holiday Homes on the Sustainability of Rural Communities: A Systematic Literature Review' by the University of York in June 2005 the main impacts include, the multiple definitions of second homes present particular problems when trying to establish quantitative estimates of the distribution and extent of the dwellings used in this way. The number of second homes grew rapidly from the mid 1960s to 1970s. Subsequently numbers have continued to grow but at a much slower rate, although local differences may be hidden in this general trend. Early studies highlight the importance of isolated rural locations for second homes, although later studies show second homes were no longer confined to deep rural areas. Various factors such as accessibility from urban conurbations, family ties to an area, scenery, and availability of outdoor activities and pursuits influence the choice of location. Early studies show that second home owners were overwhelmingly drawn from older and wealthier households; however, little is known about characteristic patterns of contemporary second home ownership. Second homes are not confined to picturesque cottages. All types of property can become second homes, but there are local differences depending on levels of demand and nature of the housing stock. Demand for second homes has increasingly been directed towards properties that otherwise could be used by permanent residents. Retirement and commuting are generally the most significant expressions of external demand in rural housing markets. Although alongside these second homes do exert pressure on local markets. Low wage rural economies, restrictions on the supply of new housing and external demand combine to raise house prices and disadvantage many local people in rural housing markets. People wanting a second home in a rural location to escape the urban hustle and bustle are benefitting from the improved communications across the country in road, rail and technology. It means that the home in the country is now much closer than in the past. Take the Scottish island of Arran for example. Arran's accessibility is part of its problem. It is a one-hour crossing from the mainland but the ferry terminal is only 20 minutes from Prestwick Airport, which offers cheap flights to the London area. In the village of Lochranza, on the northern tip of the island, around 45 per cent of the houses are second homes. Campbell Laing, chairman of the community council, said, 'We used to have second homes owned by people from Edinburgh and Glasgow, but now Arran is attractive to people from all over Britain. You can get on a Ryanair flight at Stansted for £20 and be here in three hours. It is not that we are against second home owners. But many

are occupied for just three weeks a year.’ The proposed opening of Carlisle Airport for passenger flights could further increase the numbers of second homes in North Cumbria just like Arran and also increase the range of areas that people are willing to travel to visit their second home. This could be further increased with the construction of a high speed rail line down the west of the country through Cumbria.

#### **4.1 Impacts of Sustainability**

Recommendations in the report Housing: An Effective Way to Sustain our Rural Communities state that ‘the percentage of second homes should not be more than 20 per cent as this appears to affect the sustainability of any village.’ The Cumbria Housing Strategy 2006/2011 goes a step further through its ‘Balanced Indicators’, suggesting the percentage should not be more than 10 per cent. It is this information that should be used as a guide when examining the effects that second homes are having on communities.

#### **4.2 Second Homes Influence on House Prices**

Glen Bramley’s research on the relationship between house prices and second homes at a national level shows that for every 1 per cent of the housing stock in second home-ownership, prices are 1.4 per cent higher per house. There is concern about the impact of second homes where these make up a significant element of the local housing stock on local first-time buyers. Analysis of local housing markets suggests that in areas where there are high proportions of second homes the effect on prices can be significant. Data from 2005 shows that out of about 380 local authorities in England in 11 prices have risen by more than 10 per cent and in 28 by more than 5 per cent because of the levels of second home ownership. If this was looked at parish level then price increase could be greater as there are yet higher percentages of second homes. (NHPAU, 2008)

#### **4.3 The Social and Cultural Impacts of Second Homes**

The ARHC in 2006 commented that at the turn of the 20<sup>th</sup> century the problem was rural depopulation and decaying villages. Now the picture is generally one of increasing affluence and more people wanting to move to the countryside, thus pushing houses prices beyond the reach of many. This is in part because growth in demand has consistently outstripped that of supply. All expectations are that this will continue. Rural communities face a unique combination of housing pressures such as;

- net inward migration,
- purchase of houses as second homes and holiday lets,
- higher impact of demographic change in terms of an ageing population,
- a diminishing stock of social housing.

Alongside this sit planning controls that attempt to protect the environment and have limited the supply of land for housing, thus hampering the ability to respond to even existing local need. This is further exaggerated within the National Parks. The ARHC feel that across rural England as a whole, the

impact of second homes is modest. But acknowledged that the severity of the problem in some parts of the country requires measures aimed at offsetting those detrimental effects and securing a better supply of affordable housing.

In a position paper in 2008 the English National Parks Authorities Association (ENPAA) suggested that there is an important distinction to be drawn between holiday homes and second homes. The former, if utilised well provide for local employment and increasing numbers of people enjoying the National Park. While the same can be true of second homes, more often they are left empty for long periods of the year. This makes little contribution to local economies, adds to a shortage of available housing (particularly of smaller units on the market) and raises house prices. The experiences of second home ownership differ across the country with some seeing newcomers as innovators and bringing funds to rural communities, while elsewhere they contribute to ghost villages and bring little funds in. The level of occupancy, the spending behaviour and commitment of those who have second homes all seem important factors in a complex area.

The Taylor Review suggests that there are substantial pressures on rural prices, especially in the kind of desirable rural and coastal areas attractive to these purchasers, but the evidence suggests that migration from urban to rural areas on a permanent basis is the primary driver of demand for housing and consequently unaffordable house prices. Even in those rural communities where there are the highest levels of second homes and holiday lets, purchasers may be competing in price terms with those wealthy enough to retire to or relocate to these settlements, rather than people on low rural wages who cannot afford a home at all. In some communities, there is no clear evidence that second homes or holiday lets greatly affects affordability for local people. It is understandable that homes that stand empty most of the year may anger local people unable to afford a home in a smaller rural community with few alternative housing options but these houses are still likely to command high prices and attract in-migrants. Stopping the second home buyer would do little to make more homes available at an affordable price for local people.

In the Commission for Rural Communities Report (December 2005) it was noted that a sense of community was extremely important to people. Many felt that this was becoming progressively eroded in rural areas and there was a genuine fear of rural areas becoming retirement villages for the affluent elderly, or dormitory villages for commuters and second home owners.

If there are a large proportion of second homes within an area there will be a negative effect on village services such as the function of a school. For example in Coniston the local school appears to be getting its supply of children from fewer and fewer properties, mainly those that are affordable or have strong local occupancy clauses on them. If the people currently living in local occupancy housing are unable to move on to other housing once their children have finished school then there is a decreased level of affordable housing for new potential families to move into which would support the

school in the future. Table 6 below shows the decreasing number of pupils at Coniston Church of England Primary School in recent years.

**Table 6: Number of pupils in Coniston Primary School**

School	Number on roll 2005 FT(PT)	Number on roll 2007 FT(PT)	Number on roll 2009 FT(PT)	School Capacity
Coniston CE	76 (6)	56 (13)	52 (5)	98

Source: Cumbria County Council (2009)

Research in Wales by Tewdwr-Jones et al. (2002) felt that permanent immigration by retirees and commuters affected culture and language more significantly than second or holiday homes, since new residents would be living in the community full time. Instead, it was felt that any specific problems associated with second and holiday homes was more likely to relate to issues arising from the under-occupation of dwellings in communities. A Joseph Rowntree Foundation Commission on rural housing in Wales (2008) suggested that in some areas the Welsh language was suffering as a result on the increased immigration to rural areas. However this was mostly anecdotal and based on no statistical evidence. One local authority commented to the commission that, 'It is inevitable that the housing situation will have an affect on the sustainability of the Welsh language in its strongholds although work is needed to collate the evidence.'

#### **4.4 Economic Impacts of Second Homes**

The Taylor Review also commented on the impact of sustainability in small communities. It is argued that large numbers of second homes may render services less viable. If second homes and holiday lets are only used seasonally businesses, like Post Offices, shops, pubs and restaurants may be less viable year round, if at all. Holiday lets (often also second homes) may provide little more local income in this respect, since rental income may well go to owners elsewhere, and the holiday makers may provide no more seasonal local spend than a second home owner. On the other hand, second homes and especially holiday lets that are well used throughout the year can provide important local income, especially where holiday lets are owned locally. Where there are large numbers of second homes and holiday lets it may mean fewer families in the village year round to use services like schools, buses and post offices that may be threatened by low usage. In this situation homes that stand empty much of the year can undermine the sustainability of the community.

The study by Bielckus (1972) concluded that the growth of second homes at the expense of permanent settlement may reduce the volume of trade which local shops receive throughout the year. But comments from local residents and retailers in the study areas suggested that retail businesses benefited significantly in the summer. However, the Dartington Amenity Research Team (1977) in Scotland noted that the pattern of ownership of businesses and land

in their case studies meant that it was not clear if spending would remain in the local economy.

In the Commission for Rural Communities Report (2005) interviews with residents in Keswick found that some pointed out that the financial incentive for second home owners to redevelop their properties (e.g. adding extensions) to maximise their profit at re-sale or when renting permanently removed the properties from being within reach of local incomes, taking them from, for example, one-bedroom properties to two or three bedroom homes.

#### **4.5 Environmental Impacts of Second Homes**

Studies have suggested that one of the more positive impacts of second and holiday homes in rural areas is their contribution to the conservation of the rural housing stock, bringing empty and redundant properties back into use, and enhancing the visual quality of rural areas (Bielckus, 1972; Jacobs, 1972). Although a number of studies suggested the development of purpose built second and holiday homes to divert demand away from the existing housing stock, authors such as Tuck (1973) drew attention to the detrimental impact of new developments in rural areas, unless in well-wooded areas.

#### **4.6 Second Homes across Europe**

Looking at European approaches towards second homes, France has opted for supply-led solutions, whilst Ireland has controlled new-build and directed it towards local need. In Italy, second homes are viewed as part of a wider rural economic renaissance, as is also the case in Spain, where economic revitalisation rather than restriction is seen as key to reversing the fortunes of rural communities. Sweden, however, is perhaps the most interesting European country to consider, as it has a vast second homes market that causes problems only in a minority of areas. The following paragraphs outline the main developments across the European Union.

In France second/holiday homes are viewed as a positive force in the countryside, but even forces that are generally positive may bring some negative side effects. There is general support for the idea that certain households require assistance and this has been achieved by stepping up the provision of social housing. Recently, it has also been the strategy of government to build small social housing estates (of between 5 and 40 dwellings) aimed specifically at young people who are experiencing difficulty in meeting market housing costs in the more pressured rural areas. Effort is being made to ensure that such estates blend in with existing architecture, are integrated within current settlements, and are not obvious add-ons that may contribute to social exclusion.

In Ireland new-builds are controlled and directed towards local need only, with Social Impact Assessments used to guide the shape of such developments. As well as investigating why people move to the countryside, and putting in place policies to counteract this (town renewals), the government also has powers under the Planning and Development Act 2000 to acquire at

agricultural prices up to 20 per cent of land for social or affordable housing in new housing developments.

In Italy second homes are viewed as part of a wider economic renaissance and as community impacts have so far been limited, there has been less land/planning restraint, though that may bring serious environmental problems. As more restrictive laws take effect across the country, problems stemming from stronger market competition may develop and the government seem likely to increase supply rather than restrict the purchasing of homes to local people.

In Spain economic revitalisation is seen as key to reversing the fortunes of rural communities, and so a positive stance has been taken towards second and holiday homes. There is complementary support for rural communities through general economic policy and targeted housing support.

Sweden has a vast second home market. Pia Enochsson, the head of the Swedish National Rural Agency, claimed that many attractive rural areas risk the total loss of their permanent populations as wealthy incomers buy up homes and turn them into holiday cottages. She sees three possible ways of handling this situation:

- do nothing and simply accept the current changes, though this would mean the end of many archipelago communities
- adopt new legislation that would make it more difficult and complex to turn permanent dwellings into holiday homes
- a more direct approach could be taken, banning the use of new housing for recreation.

Enochsson has announced that the Swedish National Rural Agency favours new research into the use of permits to control the transfer of dwellings into second home use. New legislation might require buyers to declare whether or not they are intending to live in a property on a permanent basis.

However, neither current nor past attempts to control second homes have been very successful across Europe, and enforcement of controls seems to be a major drawback, pulling many staff from the municipalities and therefore requiring extra resources. In addition, explicit controls on foreign (and perhaps non-local) buyers can fall foul of EU law.

## **5.0 Ideas to Help Solve the Problems Associated With Second Homes**

In recent years the reduction in Council Tax discount for second home owners has been a source of potential revenue for local authorities to gain money to use on affordable housing schemes and finance the problems associated with second home ownership. It is expected this extra council tax income should be used to fund affordable housing in the area which it is collected rather than become part of the council's usual income. To protect sustainability of communities, especially in regard to services, there is a case for controls in certain localities aimed at limiting the rise in proportion of homes not in use full time in the most affected communities. The purpose being to control this through a new Use Class for second homes, applied in communities where there is evidence of significant impact. To be effective, the rules would need to be applied to holiday lets as well as second homes, since they have similar impacts. This would mean that planning permission would be needed to turn a full time home over to part-time occupation or holiday letting. Regional Planning Authorities currently do not consider second homes in their housing plans. This is something that needs to be considered if one study that claims the number of second homes will rise by 24 per cent by 2015 is found to be true.

### **5.1 Reduction of the Council Tax Discount for Second Homes**

The Local Government Act 2003 gave local authorities the power to reduce the level of Council Tax discount given to second home owners from 50 per cent to 10 per cent. Research in 2006 showed that only two rural authorities out of 58 with over 1 per cent of their housing stock used as second homes did not apply the full reduced level of discount. Decisions within authorities to apply the reduced discount were driven by a variety of considerations, including;

- to discourage second homes (but, in practice, it is doubtful that the financial penalty is big enough to have this effect)
- to raise funds to compensate for the detrimental impact of second homes
- a political belief that: "those who can afford second homes should pay more council tax" drove some decisions
- to provide funding for specific projects
- the desire to get extra revenue and to keep overall council tax as low as possible was the principal motivation in some authorities.

The Commission for Rural Communities (2006) shows that the policy which allows councils to charge up to 90 per cent of the full council tax rate is not having the desired effect. "Overall, it is largely failing to address in any significant way the impact on rural communities of high numbers of second homes and of high house prices beyond the reach of local people earning local wages.' On the positive side, levying up to 90 per cent council tax on many of the 100,000 second homes in England has raised an extra £87.5m, of which more than £46m was levied by rural authorities. Researchers for the commission found that of the £15m raised in 2004-5 by the 10 highest-profile



rural councils, £7m has been used for affordable housing or related purposes. Geraldine Huddleston, a company director from Blackburn, who has owned a second home in Satterthwaite for eight years said about the reduction in Council Tax discount that, 'We pay quite a lot as it is. The benefits of having the place still outweigh the costs. I think we add to the community. We use the house almost every second weekend and during school holidays. We feel we are the community.'

The JRF Homes for Rural Communities (2006) suggested that it seems appropriate that second home owners should contribute more to the costs of addressing the affordability problems which they help to create. A triple council tax on second homes (i.e. 300 per cent rather than the current 90 per cent) would do little to dampen the demand for second homes but the hypothecated revenue (in a ring-fenced fund) would help in the funding of new affordable homes in these areas.

## **5.2 Ring Fencing Extra Taxation**

In the Commission for Rural Communities Report 2008, evaluation of the use of the extra resources from the reduced council tax discount from second homes by rural authorities (2004/2005), it was argued that, 'Although £46 million was raised by rural authorities from the application of the reduced discount on second homes, we concluded that without legislation being amended to allow the retention of all additional revenues raised by the billing authority, less and less would be returned to local authorities to mitigate the effects of large volumes of second homes on rural communities, such as lack of affordable housing. Revenue raised is distributed on the basis of county and district authorities share of the council tax bill.' Due to these complicated collection arrangements and evidence of revenues not being returned to district authorities, the CRC warned that the impacts on rural communities of high numbers of second homes are not being addressed through the reduced level of council tax discount.

## **5.3 Creation of a New Use Class**

One of the recommendations by the ARHC would be making a distinction between general housing and second homes through a new Use Class. There is a case for controls in certain localities aimed at limiting the rise in proportion of homes not in use full time in the most affected communities. The purpose being to control this through a new Use Class for second homes, applied in communities where there is evidence of significant impact. To be effective, the rules would need to be applied to holiday lets as well as second homes, since they have similar impacts. This would mean that planning permission would be needed to turn a full time home over to part time occupation or holiday letting. However, Government has previously argued that Use Class orders are not designed for this purpose. However, the Government has now agreed to review using planning controls to regulate student accommodation (homes in multiple occupation), responding to concerns regarding the impact on some communities in urban areas becoming dominated by housing used by students which appears to be a similar use of Use Class orders. Moreover, conversion of domestic property to

most business uses is already regulated by the planning system, and holiday lets are a business use.

#### **5.4 Recommendation 21 (Taylor Review)**

Recommendation 21 in the Taylor Review suggested that, 'The Government should examine the options for trialling planning rules limiting change of use of full time homes to part time occupation (as second homes or holiday lets), in one or more of the National Parks.'

The Review says that concern about the impact of second homes in some rural areas was raised repeatedly in relation to the impact on local house prices and the sustainability of communities which were left with less demand for local services than would be the case if all their houses were occupied all year round. The Review also acknowledges that this is a particularly emotive issue. The Review concluded that there was no clear evidence that second homes or holiday lets greatly affected affordability for local people, given other market pressures and socio-economic drivers (such as permanent migration from the town to the country), but it also concluded that, on balance, there was, 'a case for controls in certain localities aimed at limiting the rise in the proportion of homes not in use full time in the most affected communities'.

The Review thought the Government should examine the options, possibly with a trial in one or more of the communities most affected, for changes in secondary planning legislation to limit changes of use for full time homes to be used instead for holiday lets, or as second homes. The Review was particularly thinking of the National Parks, and acknowledges the 'real issues of practicality' (exemptions, for example, 'when someone has a time limited contract to work elsewhere, and so is away from their home for an extended period.')

The Government's response was that they understand that the issue arouses strong feelings, for and against, but are not persuaded that the 'problem', such as it is, could be tackled effectively through the planning system. Government does not think it would be appropriate to have even for a trial period as the Review suggests, different Use Classes in operation in different parts of the country. The Government explains the difficult nature of effective enforcement proceedings, to prove the use of a dwelling as a second home or holiday let, given the wide range of contemporary lifestyles and family circumstances. Whether or not a person purchasing a property already owns other property elsewhere is not a material consideration in land-use planning and it is likely that the implied requirement for the individuals concerned to submit details about their living arrangements would engage Article 8 of the European Convention on Human Rights, with its right of respect for private and family life. In short, the Government thinks that there are more innovative ways of providing the affordable homes rural communities need without interfering with the rights of second home owners.

### **5.5 Tightening of Capital Gains Tax**

ENPAA believes that, while in some circumstances second homes can benefit rural communities, but in others they cause considerable problems in some areas. They want to see Tax breaks for second home ownership ended including any perverse incentives created by changes to Capital Gains Tax. Council Tax receipts from second homers should be used to support the provision of affordable housing in the local area, including potentially the Rural Housing Enabler Programme. Where funds have been used in this way, the Government should spread this good practice. Capital Gains Tax rules already require an owner of more than one property to identify their main residence and although there are substantial tax implications in this it appears to be effective. And in some areas planning authorities are already using planning obligations to require any new housing to be limited to full time occupation. It is not obvious why a similar requirement to confirm a property is in full time occupation (or empty on a legitimate short term basis, such as work away) would not be effective, especially since other residents in smaller rural communities are likely to be very aware of how properties are actually being used.

### **5.6 Purchase of Property by Councils**

A way of reducing the number of second homes would be through the purchase of property by the council or housing associations to bring the existing housing stock back under local control. However, prices in areas with large numbers of second homes already tend to be very high, and would be a difficult financial step for local authorities or housing associations to afford, without additional resources being made available to them. The additional taxation from the reduction in second home council tax discount could be used by councils to purchase property in communities with large numbers of second homes. There has also been an argument to end the Right to Buy policy within rural communities. It is believed that this would reduce the number of homes going onto the open market and as a result mean that property is available for local people rather than the possibility of being used as either a second home or a holiday let.

### **5.7 Local Employer Renting Local Properties for Employees**

Charlie Bowman, owner of the Whitewell Inn at Whitewell, Lancashire is the biggest local employer in the area with 53 full time and 35 part time staff. However, as the number of young families in the village declines, he is finding it increasingly difficult to employ people from the surrounding rural area forcing him to employ people from further afield in towns such as Clitheroe. This is being further compounded by a lack of affordable housing in the nearby area for young people to move into, meaning staff that who would prefer to live locally have to commute daily for quite a distance. Mr Bowman has been forced to address this issue by renting local cottages and making them available for staff, but this is limited to only a few employees and also takes an increasing percentage of Mr Bowman's time away from running his business.

## **5.8 Purpose Built Second and Holiday Homes**

Another option to consider would be the development of purpose built second and holiday homes, since it might be expected that this approach might enable the economic benefits that second and holiday homes would bring to an area, whilst limiting the impact on local housing markets. However, in areas where there are severe constraints on the capacity of infrastructure to cope with new development, then such construction might be at the expense of residential new build for permanent occupation with local occupancy clauses.

However in some areas purpose built second homes can cause conflict within the village. Worth Matravers in Dorset, with a second and holiday home level of 60 per cent, has seen villagers vandalising a new development. Slogans including "No More 2<sup>nd</sup> Homes" and "Go Away" appeared overnight on the walls and driveways of the development of four new houses near the centre of the village, which occupying hills overlooking the English Channel. At around £450,000 each, the smart new homes, built from grey-brown Purbeck stone, are aimed at second home purchasers or comfortable retirees from elsewhere, rather than locals in an area where most jobs come from farming, quarrying or tourism. This development attracted extra local opposition as it occupies an area previously used for local employment, the site of a former craft centre and cafe. One resident, a 71 year old church going local said that, 'I don't really make a habit of encouraging criminality, but if I'd known it was happening I'd have given them the paint.'

## **5.9 Holy Island Case Study (Impact of second homes on the local school, and the importance of new affordable housing)**

The Holy Island of Lindisfarne lies two miles off the north Northumberland coast with around 150 residents. However, the popularity of the island as a holiday destination has had a marked effect on home ownership with more than 55 per cent of the 160 houses on the island now second or holiday homes. Since 1995, no house put on the open market has been purchased by a local resident. In 1994, the need for affordable rented accommodation acted as the catalyst for community action. Based on the analysis of a housing needs survey, organised by the Northumberland Rural Housing Enabler, and aware that access to Housing Corporation support and Government funds would be unlikely, the new volunteer trustees worked in partnership with the Tudor Trust (a London based provider of charitable funds) to secure a mix of charitable grants and loans from a social investment bank. They then oversaw the house design and managed the construction company and building professionals. By 1999, they had developed five new energy-efficient houses, let to local residents at affordable rents, and owned and managed by the Trust. In 1996, due to the lack of young families on the island the school had no children and had been mothballed for three years. In 2006, the school has seven children, three of whom live in these houses. Perhaps more importantly, there are three more pre-school age children in the houses.

**5.10 Holsworthy, Devon Case Study (Delivering affordable housing in an areas where the issues of second homes is the local resident's major concern)**

Holsworthy Community Property Trust (HCPT) was formed in 2004 as a direct result of surveys carried out on behalf of the Market and Coastal Town Initiative when affordable housing was the number one priority of local people. Using a £30,000 fund made available by Devon County Council & Torridge District Council through the Second Homes Council Tax, HCPT has worked with West Devon Homes, a housing association, and local house builders Reef Developments, on a scheme to convert a former high street supermarket into seven affordable dwellings. On completion, five of the homes will be purchased by HCPT for onward sale to local people at an affordable price. The purchase price will depend on the purchasers' household income, which will be reflected in the share retained by HCPT. The Trust, by retaining equity in the property, will control the resale price and thus keep the property affordable for future purchasers. For a local person to be considered for the scheme they will need to meet criteria agreed between HCPT and Torridge District Council which identifies them as a local person who cannot buy on the open market. The remaining two homes will be rented by West Devon Homes.

## 6.0 Conclusion

The biggest problems associated with second homes is finding out how many there are. Currently figures that are available are either not up to date or are inaccurate due to the methods used in collecting them. When looking at figures on the levels of second home ownership it is best to look at a small scale, i.e. in a parish or ward rather than locally or nationally because it can then be established which communities have the largest problems associated with second home ownership. The best example of this is that in England only 1.1 per cent of the house stock is a second home, which when looking at this figure would indicate that second homes are not a problem. However when a small area is looked at, for example Coniston the level of second home is 51 per cent which clearly indicates that there is an issue regarding second home ownership in this community. Also a unified definition of what constitutes a second home needs to be established to allow data to be collected more accurately rather than the present situation with different definitions used such as in the Census, Survey of English Housing and Council Tax discount qualification definition. By using the levels suggested that affect the sustainability of a community from 'Housing: An Effective Way to Sustain our Rural Communities' and 'The Cumbria Housing Strategy 2006/2011' finding out which communities fall within an area with either over 10 per cent or 20 per cent of second homes could be a good way of deciding which areas need additional support in resolving the problems of second home ownership.

A better system to collect and publish information on the numbers of second homes needs to be produced. Generally there is limited and patchy research evidence on the concentration of second homes at sub-local authority level yet this is where the best evidence on the levels of second homes can be obtained. If local authorities could publish second home data based on council tax for parishes in the authority annually, information would be easier to analyse and trends could be seen. It could also be useful if parishes collected second home data as part of their parish plans to form part of an evidence base. Involving the local community from an area with high second home ownership to help collect data on the extent of the problem as these are the people who are more likely to know how the housing supply is used.

The Lake District National Park Authority is in favour of applying 'Recommendation 21' of the Taylor Review. Recommendation 21 says that, 'The Government should examine the options for trialling planning rules limiting change of use of full time homes to part time occupation (as second homes or holiday lets), in one or more of the National Parks'. However, it has been argued that restrictions on second homes would be impossible to enforce. It is already the case that numbers of second homes and holiday lets are not accurately recorded. If they are prevented by planning rules in some areas, owners may be tempted to claim their 'main home' is the cottage on the coast, not the London house or occupied by a student son or daughter or friend. It may be possible to police this with evidence of location of employment, use of services like electricity or gas, insurance documentation,

car ownership documentation (as with the London Congestion charge residential discounts). However, this may be intrusive and costly for councils to undertake. The Government currently believe that details about peoples living arrangements would engage Article 8 of the European Convention on Human Rights, with its right of respect for private and family life and as a result the use of evidence such as the use of utilities seems unlikely to happen.

It should be made compulsory that all money collected by the reduction of council tax discount is ring fenced so that it is spent in the community solely in which it is raised. As a result a community with large amounts of second homes would receive more money than one with less of a problem. It would also mean that the council cannot see the additional income as part of the annual income in the future.

Regional Planning Authorities currently do not consider second homes and holiday homes in their housing plans. This is something that should be considered to be included in future plans if one study that claims the number of second homes will rise by 24 per cent by 2015 is found to be true. This level of increase in second homes would have a dramatic effect on the sustainability of rural communities.

Looking at the ever improving forms of communication in terms of travel and telecommunications could be a useful basis in which to form a study upon the impacts which they have on the levels of second homes in areas situated close to good transport connections or with a good broadband connection. In the case of Cumbria it could be useful to look at the impacts that the opening up of Carlisle Airport for scheduled passenger travel will have on the levels of second homes in the area compared to currently levels. The same could be applied if the High Speed Rail line from London is constructed through the county as both would possibly allow people to get to there second home quicker than previously and allowing people to come from further afield as well.

In some cases it can be argued that holiday homes and second homes have different problems. People see holiday homes as having less of an effect on a community as it can be argued that people are living in them for a substantial period of the year so can support some village facilities. However, a holiday let still reduces the supply of houses to local people and cannot support facilities such as a school or doctors as there are no permanent residents at the property. When looking at the issue of how sustainable a village is it could be necessary to see the problems of second homes and holiday homes as one problem rather than two individual issues.

When looking at the Holy Island case study the importance of supplying housing to the local community can be seen. By providing these houses it has enabled the school to reopen and also a younger population becoming established on the island is more sustainable than an ageing one.

Nationally when looking at the number of second homes and seeing that it is only 1.1 per cent of the housing supply in England it can be easy to say that there isn't a problem. However it is when you look at some communities and see villages with 40, 50 or even 60 per cent of all housing stock as second or holiday homes that it is clear that second home ownership is an issue that is seriously undermining the sustainability of rural communities across England. It is for this reason that action needs to be taken in helping support the communities dealing with the associated consequences of high levels of second home and holiday home ownership.



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