

## Appendix B – Summary of research into empty homes and period homes

<b>Study</b>
<p><b>The Impact of Empty, Second and Holiday Homes on the Sustainability of Rural Communities by York University June 2005</b> <a href="https://www.york.ac.uk/media/chp/documents/2005/SecondHomes.pdf">https://www.york.ac.uk/media/chp/documents/2005/SecondHomes.pdf</a></p>
<p><b>Impact of empty or irregularly occupied property on rural housing markets –</b> From an economy perspective (pg37) many projects concluded the main issue was not the homes, but loss of young people allied to the lack of appropriate employment suited to their educational attainment or it was a lack of social facilities, such as education and leisure opportunities. Also, that tourism economy had positive and negative impacts.</p> <p>External demand in local housing markets (pg39). Whilst these homes are a factor demand from retirement and commuting is thought to be of more significant concern</p> <p>From an alternative supply of housing (pg. 42) perspective, there is complexity in rural housing markets and other factors that are important in how housing market imbalances manifest themselves in many rural areas. There is little evidence on the impacts of empty or holiday homes on rural housing markets.</p> <p><b>Impact of empty or irregularly occupied property on community cohesion –</b> There is much less evidence relating to the impact of empty and irregularly occupied properties on community cohesion and the social mix of rural communities (pg. 54).</p> <p>Early studies suggest second home ownership was seen by communities as part of wider process of social change.</p> <p>Attitudes towards second home ownership vary from location to location; areas where tourism and recreation have been more dominant appear to be more tolerant of second home ownership with opposition more related to cultural and community sensitivities.</p> <p>There is evidence of community interaction between second homeowners and residents.</p> <p>More recent studies report concerns that the age profile of rural communities is unbalanced as younger people migrate away and are replaced by older incomers.</p> <p>Demands for housing from commuters, the retired and second homeowners has changed the profile of rural communities.</p> <p><b>Impact of empty or irregularly occupied property on community viability (pg. 60 onwards)</b></p>

Second home ownership was seen to make a useful contribute to local economies as part of the tourist industry, but there were differences in the levels of contribution between different localities.

It was difficult to ascertain based on the available evidence whether income from the sale of properties as second home supports local economies.

Spending on renovation and modernisation of second homes has brought new income into local economies; however, these must be seen as one-off spends. Renovations carried out by second homeowners have upgraded the housing stock, although it is debatable whether local resident's benefit.

Through payment of local taxes second homeowners support services for their host communities without creating much additional demand for services.

Second homeowners have been criticised because they do not use local services and therefore reduce their viability. This assumes that properties would be occupied by permanent residents if they were not occupied by second homeowners, and clearly this was not always the case in each study.

For expenditure on local services, very little about current patterns of expenditure by second homeowners on local services.

Early studies suggest that employment related to renovation and building was created by second home ownership, however a more recent study suggests that any additional jobs are limited, low skilled and seasonal.

### **Impact of empty or irregularly occupied property on the quality of the built environment.**

Early studies suggest that second home ownership had a positive impact on the built environment, particularly about conservation, as many properties were renovated. No studies address broader environmental concerns.

### **Ceredigion Council second homes and holiday lets data Report.**

**March 2021**

<https://council.ceredigion.gov.uk/documents/s1340/Second%20homes%20s.pdf?LLL=0>

Unfortunately, there is no definitive evidence to say at what threshold second homes become a particular problem. This was due to the fact most second homes are located in.

traditional tourism economic dependant areas, which have naturally higher house values given their coastal/rural and desirable locations. The report suggests that it is *known* that these home type cause problems such as.

A lack of housing supply to meet local demand.

Impact on local services, the amenities of residents and the community

A lack of permanent population to maintain and support local community facilities.

Seasonal employment opportunities only

Impact on the local housing market (increasing prices)

Local impact upon Welsh Language rates

However, there was no evidence in the report to confirm this that the holiday lets were the only and actual cause of those issues.

## **Managing the use of dwellings as holiday homes**

**Research conducted on behalf of Gwynedd Council and Cardiff Council by the Anglesey and Gwynedd Joint Planning Policy Service**

**December 2020**

<https://democracy.gwynedd.llyw.cymru/documents/s27926/Appendix%202.pdf>

The aim of this research paper was to explore the possible options for controlling / managing the use of a dwelling as a holiday home. The report in relation to Gwynedd only was reviewed.

### **On the Impact on House Prices and Affordability in Gwynedd (p35)**

Low wage rural economies, restrictions on the supply of new housing and external demand for houses are all factors which when combined raise house prices and disadvantage many local people in rural housing markets. There was evidence to suggest homes in expected holiday homes areas were at much higher prices than the rest of the County. However, those homes are in places that would command a higher price anyway due to being in a desirable position anyway regardless of who owned the property.

### **On the impact on Rural services (pg. 40)**

The report stated the following – “One of the main impacts that purchasing a property has as a second home or as a holiday let is simply that these properties are no longer available to be used by permanent residents. Where there are large numbers of holiday homes it may mean fewer families in the village year-round to use services like schools, buses and post offices and their viability may be threatened by low usage. Businesses providing a service for local people may be replaced by businesses aimed at the non-resident/tourist population and, along with homes that stand empty much of the year, can undermine the sustainability of the community.”

No evidence was presented to substantiate this though reference was made to the National Parks intention to limit holiday let numbers to 20% to prevent impact on the local community. Following this link through referred to evidence found in the Impact of Empty, Second and Holiday

Homes on the Sustainability of Rural Communities by

York University, which has already been analysed for the purpose of this report and that one concluded that this is one cause amongst many other wider drivers or issues.

Also, the National Parks link evidenced a Joseph Rowntree Foundation report in May 2006 on Homes for Rural Communities. Quoting this it said “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.” This is suggestive again that there are a broader set of drivers of which this is one.

**On ageing population (pg. 44)**

The report picture showed a generally increasing affluence in the older population with more people wanting to move to the countryside. Therefore, as a result this helps to increase the demand on property so that it is then greater than the supply, so it pushes house prices beyond the reach of many. Also, it stated that older people from more affluent areas will have more disposable income to spend on a property, either as a full-time home or a second home with plans to move into permanently after retiring. This has resulted in outward migration of young people and a net inward of migration of older people.

**On the visitor economy (pg. 48)**

It stated that the tourism industry provides jobs, services and facilities that are essential to the sustainability of local communities and residents of Gwynedd. It noted the important of Holiday Lets that are used throughout the year and how that can help the rural economy by providing important local income, especially where holiday lets are owned locally.

**Second homes: Developing new policies in Wales.****Swansea University for Welsh Government 2021**

<https://gov.wales/sites/default/files/publications/2021-03/second-homes-developing-new-policies-in-wales.pdf>

This report was initiated to scrutinise policy on second homes in Wales and Cornwall. The original aim was to prepare a brief report focussing on the comparison between public policy solutions based on taxation policy (Wales) and planning policy (Cornwall). The research was expanded to scrutinise some wider issues regarding second homes and to make policy recommendations.

The report considers that the issue of second homes is very uneven (pg. 7) and is regional or local and therefore supported best by encouraging the development of regional and local policy solutions.

It reviews the impact of second homes on the sustainability of communities (pg. 15). It states that much current discourse surrounding second homes and their impact is anecdotal and not based on detailed research.

It reviews the assumption that the homes cause higher house prices and observes that second homes are very often located in attractive and beautiful communities where house prices are high. So, in those areas it is bound to be the case to some extent, as second homes limit housing stock availability, but it is impossible to say that second homes are primarily responsible for house price inflation.

Also, it reviews the assumption that is often made that restricting the number of second homes in particular communities would allow more local people to reside there. If there were fewer second homes, it is claimed that house prices would fall and, as a result, more local people would be able to afford to buy houses in these communities. It is fair to assume that there is an element of truth in this, as any reduction in prices makes houses more affordable. However, migration in for other reasons will be a major factor as well.

The report goes onto argue for policy control of the number of second homes (pg. 22), and it recommends that all Council's in Wales use the premium to 100% for second homes (pg. 32). However, there is no reasoning given other than it is available to the Council's to use and therefore they should use it. This also does not take account of its own previous comments on the actual full causes being known.

Later the report argues that taxation should be done with policy change in Business Rates legislation (pg. 34) and a local levy on Land Tax (pg. 39)