

The 'Second' Home Saga: Assets and Eyesores

PETER HUDSON

"It is just not practicable to preserve every blade of grass,
derelict cottage or cliff-top view."



AT A TIME when land prices, interest rates and construction costs have been at their highest in recorded history and when many would-be home owners are facing the simple fact that they just cannot afford to buy under existing conditions, it may seem a paradox that in some parts of England and Wales earnest councillors, public land planners, preservation pressure groups and rural residents are concerned about the increasing numbers of people who are planning to buy "second" homes in the future. Surprisingly odd though it may seem in an age in which public housing seems to be the only glimmer of hope on the horizon for the homeless and the slum resident, the forecast for the increase in the number of private "second" homes likely to be built before the end of the century is remarkably high. What are the facts behind the second home market?

According to fairly recent research* it seems that in 1955 there were about 50,000 second homes in England and Wales. By 1970 the figure had risen to somewhere between 180,000 and 200,000 representing an average increase of 12,000 a year with considerably more in the latter sixties. Prof. P. A. Stone has estimated that the total could increase to something between 600,000 and 750,000 by the year 2004. Although in 1961 not more than $\frac{1}{2}$ per cent of the population had reached the dizzy heights of affluence represented by second home ownership, the percentage could increase to 10 per cent by the end of the century. And if this were to happen, England would still be far behind Sweden and France in the second home stakes where more than 20 per cent of the families *now* have access to a second home. There is no doubt that there must be restrictive factors at work so far as the British second home market is concerned, foremost among which is a simple lack of cash in relation to costs. This is easily seen from an examination of the profile of the average second-home owner. The typical second-home owner, in fact, is under fifty, married and has two or three children. He is most likely to be a director, manager or member of the professions and to have received some form of higher education. Second-home ownership is therefore the province of the relatively wealthy and signifi-

cantly, 71 per cent of second homes are used only by their owners and mainly at week-ends or for holidays.

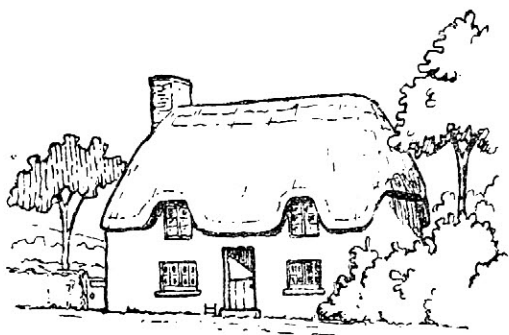
As might be expected, 70 per cent of all second homes are in coastal areas with noticeable concentrations in Wales, East and South East England. The recent completion of the M6 and M4 motorways can be expected to have a significant impact on second-home development, improving access to Wales and the West from the North, Midlands and the South East.

We therefore have the picture of a growing middle class elite investing money in an "away-from-it-all" retreat not too far from a fast road connecting with their main place of residence. Doubtlessly the ambition to join the ranks of the second-home owners fits well into the idealised lifestyle of many a hopeful young man in the last quarter of the twentieth century. Regrettably however, there will be many runners in this particular race and all except the most fortunate minority will be handicapped out from the start. The ever-rising cost of land combined with other increasing costs in the densely populated British Isles is likely to keep second-home ownership well beyond the reach of the majority. What is more, the competitive and sustained efforts of the minority, the second-home seekers, are influencing the market for first-time home purchasers in the resort locations. Purchasing power, it seems, is very exportable whether from one town to the next, one county to the next or even between countries. In a totally free economic society the consequences of mobility of purchasing power would no doubt be very beneficial. But in the British Isles today with near monopoly conditions of land ownership, heavy taxation of the middle and lower income groups and many thousands of jobs dependent on government for direct subsidy, to say nothing of restrictive land use planning, the consequences need to be seriously considered.

To put it bluntly, most of the big money is not earned by the local residents in favoured resort areas although there are a few who could be described as more than just "comfortably off". The fact is, most of the professional and managerial people who are likely to enter the second home market work in or close to the great cities from which they are only

* *Second Homes in England and Wales*, C. L. Biekckus, A. W. Rogers and G. P. Wibberley, Countryside Planning Unit, Wye College, University of London. £1.25

too eager to escape with their affluence. Their second-home bidding power is exported with them driving up the prices of resort area land and older properties. Local residents, many of them employed in what are



little more than subsistence occupations by the latter-half twentieth century industrial society, find themselves in direct competition with the week-end three-to-four-hour motorway journey commuter.

If existing conditions continue we are therefore likely to see a sort of re-gentrification of the resort areas with local residents being very hard pressed financially to buy homes in the areas in which they work, while many modern and not so modern but smartly renovated houses stand empty for more than half of their useful lives. In addition, the middle class values of the more fortunate resort area residents (local doctors, some small business owners etc) will also be challenged in terms of increasing pressure on one-time tranquil and pleasurable amenities such as golf courses, harbours and the countryside itself. Are there any reasonable answers to these challenges of change?

So far, most of the emphasis on the problems likely to arise from second-home ownership and increasing tourism has been placed on the land use aspect — the need to conserve and preserve for future generations the beauties which attract the increasing traffic. The preservationists and the restrictions, sometimes supported by local planning interests, are eager to make their voices heard. In many cases, their shouts may well be justified but (and its a big “but”) it is just not practicable to preserve or conserve every blade of grass, derelict cottage or cliff-top view. The important point is this: if development is to be restricted in one place an outlet must be provided for it somewhere else reasonably adjacent. The two supporting reasons for this argument are first practical and secondly economic.

In practical terms it is just not possible to resist mounting pressure for growth indefinitely. To think that it is, means taking a Canute-like attitude to reality. In other words, like the general’s chalk on a war-map the line cannot be held forever against an

ever-increasing army while the defensive forces are not growing proportionately. Secondly, in economic terms, to hold the line against aggressors will harm domestic economic interests particularly the lowly paid. This is because the threatening advances of the more affluent would-be immigrants will always be financially attractive to existing land-owners who, pursuing their own interests, will always prefer to sell to the “foreigner” rather than take a lower offer from a “countryman”. If this is so, where can we look for a solution? Certainly not to the joint authors of *Second Homes in England and Wales* who propose:

“In all cases due regard should be given to the demands of the local population especially with respect to housing. Where there is definite evidence that the advent of second home ownership is having a deleterious effect on the ability of the indigenous population to find housing, action should be taken in favour of that population. This could take the form of compulsory purchase of existing premises by the local authority which can then be leased. Quite obviously, in such situations there are good grounds for increasing the provision of local authority housing in any case.”

Well, there we are, back again to increasing municipalisation of homes and no doubt undeveloped land. And with this solution we are stuck again with the compensation problem and the “under-writing” of any difference in costs and rents — between outgo and income. But if this is not acceptable (my critics will shout) is there anything better? Of course there is. First, sufficient land likely to be required for use must be allocated to meet projected demands. Secondly, all land should be taxed at a fixed proportion of its current market value. This would have the effect of reducing the price of land to the local resident and the newcomer. Strange as it might seem, this would not make the situation worse by making it even easier for the newcomers to “invade”. The reason for this is that a separate market would develop in the *kind of homes built*. Obviously there are limitations as to what it is economical to build at any particular time for a given price demand but given sufficient land, builders are able to discriminate between prospective purchasers, spending more on some types of construction than on others. This is not to say that there may never be a need to subsidise the really poor but rather to emphasise that what is required is the restoration of the market to function with the least discriminatory bias possible. Until such a policy is adopted, not just for the resort areas, but for the country as a whole, home ownership, whether it be a first time purchase or a luxurious second *pied à terre* will remain a mirage for far more people than is necessary.