



# Beacon Research Project

## Second Homes Study



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# 1 EXECUTIVE SUMMARY

## 1.1 Introduction and Methodology

- 1.1.1 It has been identified that a major influence on the housing market in Devon is the growing number of second homes in the sub-region. It is an issue which particularly affects rural areas that are coastal. Second homes are often held responsible for pricing out local people from housing markets and contributing to the demise of sustainable communities. The housing market assessment aims to evaluate second home ownership and understand how it affects the market.
- 1.1.2 DCA were commissioned in 2007 to undertake a study of second homes in South Hams. The second homes study was undertaken to build on the Plymouth sub-regions HMA. South Hams has the highest percentage of second homes in England after the Scilly Isles. The findings of the survey, one of the first of it's kind, has importance not only regionally but nationally.
- 1.1.3 The aims of the study, as set out in the project brief were to:-
- Map the level of second homes / holiday lets across the sub-region and set this into the regional and national context;
  - Develop a more detailed understanding of the characteristics of the market, how it operates and who owns second homes (their characteristics, motivations and needs);
  - Understand the real impact of second homes / holiday lets and identify advantages and disadvantages at a community level;
  - Build on the Plymouth sub-region Strategic Housing Market Assessment;
  - Inform the development of appropriate policies;
  - Understand how the coastal fringe differs from inland villages and how.
- 1.1.4 The methodology for this study fell into three phases:-
- The first phase was a review of existing secondary data;
  - the second phase included primary data collection including a postal questionnaire sent to all second home owners in South Hams, telephone interviews with key local stakeholders, and a focus group with Parish Clerks; and
  - the third phase of the study involved data analysis and report writing.

## 1.2 Secondary Data Review

- 1.2.1 A review of the available secondary data revealed that there has been a national rise in the level of second home ownership in recent years, although this is concentrated in key coastal areas nationally.
- 1.2.2 At a local level 9.5% of the Council tax stock in South Hams is registered as a second home, although the exact number is not known, this is around 4,492 homes.
- 1.2.3 Hot spots for second home ownership in South Hams are focused on the coastal areas, in particular Salcombe and Malborough where over 30% of properties are second homes, and Saltstone, and Thurlestone where the proportion is over 20%.
- 1.2.4 Second homes in South Hams are spread across property values, with some concentration in the middle Council Tax bands: C/D/E.

- 1.2.5 South Hams has both a strong affordable housing policy, along with a Council Tax policy that restricts the discount to second home owners to just 10%. In line with best practice nationally the additional revenue raised from second home owners has been targeted to new affordable housing.

### **1.3 Population Change**

- 1.3.1 Population growth, changing household formation and in-migration all add pressure to the local housing market.
- 1.3.2 South Hams is a popular location both for holidays and retirement. The research found that the population of South Hams is projected to increase up to 2026 with growth focused in the 20 to 29 and over 65 year old age groups.
- 1.3.3 Growth in the older population poses the most significant challenge in housing terms. Evidence from the focus group with Parish Clerks suggests a need for local housing to meet the needs of older people, enabling older people to access accommodation or adaptations to meet their needs.
- 1.3.4 Growth in the younger age group (20 to 29) will also have an impact on demand for smaller units of accommodation. As these households are likely to be new forming households demand will be focused on affordable housing. A failure to meet this need will potentially lead to a higher level of concealed households locally or out migration of younger households seeking their own housing.

### **1.4 The Local Housing Market**

- 1.4.1 South Hams has a buoyant local housing market. The area remains very popular with holiday and second homes investors and this demand appears to be sustaining the market in South Hams. However, even with increases in both prices and price to income ratios still show clear evidence of need for more affordable housing to meet local community needs.
- 1.4.2 A range of dynamics within the market appear to be pushing prices up locally: general market trends, developer activity, second home purchases, the buy to let holiday market, and increasingly this activity is moving out of the traditional coastal zones into areas that have in the past been seen as local housing areas.
- 1.4.3 The private rented sector is also very limited, supply for long term letting is negligible while the majority of homes are let in the holiday market.
- 1.4.4 The ability of the existing social housing stock to meet demand is very limited. Low levels of new build and very low stock turnover are coupled with high demand and long waiting lists.
- 1.4.5 Local people seeking affordable housing have limited options. Evidence suggests they may have to look outside South Hams, for example to Plymouth where there is a greater supply of more affordable property.
- 1.4.6 The inter relationship between the local housing market and second homes market is complex. Over the last 5 to 10 years the second homes and holiday lets markets have grown in absolute terms. At the same time there is evidence that this market is increasingly encroaching on the general local housing market in South Hams rather than constituting a separate and distinct second homes market.
- 1.4.7 South Hams is expected to remain a popular second homes market, creating further pressure on the local housing market in the future.

## 1.5 Survey of Second Home Owners

- 1.5.1 The postal survey of second home owners was based on a sample of 3,907 households. DCA achieved a response rate of 25.5% (998 returns) from the survey with fieldwork undertaken during August 2007.
- 1.5.2 The profile of second home owners showed that:-
- over half of second home owners travel between 3 to 4 hours to get to their second home;
  - typically they have larger detached houses as their first home; and
  - are mainly professional and high income households.
- 1.5.3 There is a significant gulf between the economic profile of second home owners and permanent residents in South Hams in terms of occupation and income.
- 1.5.4 The profile of second homes showed a high proportion of flats (22.5%) and terraced houses (28.8%) compared to the profile of all properties in the District at the 2001 census at 12.9% and 22.1% respectively. 73.8% of second homes have 2 or 3 bedrooms, showing a slightly smaller average property size among second homes compared to all properties in the district. Council Tax band data shows that second homes were predominately in bands C, D and E.
- 1.5.5 45.4% of second home owners have had their property for more than 10 years, suggesting a high level of commitment to the area.
- 1.5.6 52.5% of second home owners had existing links to the area and 29.1% chose South Hams as a location for their second home because they were planning for retirement.
- 1.5.7 64.5% had acquired their second home as a weekend / holiday home, typically second home owners come to South Hams for a weekend about once a month, with the property occupied for up to 16 weeks a year.
- 1.5.8 When they are resident however second home owners appear to use a wide range of local services and facilities, in particular local shops and restaurants.
- 1.5.9 Those responding to the survey also appeared to be well integrated with the local community. 34.2% chose a particular location because they wanted to be part of the community; 98.7% said they take an interest in what is going on locally and 82.4% are actively involved in the community.
- 1.5.10 66.3% had spent money refurbishing their home, with 41% spending over £20,000 and 95.2% having used local trades' people to carry out the work.
- 1.5.11 Only 7.8% of second home owners had plans to move and of those who were planning to buy another property, all except one wanted to buy again in South Hams.

## 1.6 The Impact of Second Home Ownership

- 1.6.1 Local stakeholders agreed that the high level of second home ownership impacted on the local community in a number of ways.
- 1.6.2 The housing market is affected by high and rising house prices, pushed up in part by the high level of second home ownership, and the severe lack of affordable housing for local people.
- 1.6.3 The balance of the housing stock is affected by developer activity which in responding to the demand for second homes and holiday lets, is increasing the supply of smaller units of accommodation although these may not be suitable for permanent occupation.

- 1.6.4 Second homes are spreading geographically out of traditional holiday areas and spreading into traditional family property in terms of both property type and location.
- 1.6.5 Stakeholders agreed that second home owners made a vital contribution to the local economy. Some businesses would not be viable without this market.
- 1.6.6 There is a more negative impact on the local infrastructure. This is partly the result of second homes but also the wider holiday market, with pressure on water, sewerage, electricity and roads during the summer season.
- 1.6.7 The impact on local services was more difficult to assess. Tor Homes advised that tenants can find it very difficult to access local services, the cost of living has risen and some places, particularly Salcombe, can feel like a “ghost town” out of season.
- 1.6.8 The Police reported no impact from second home ownership. Education providers had concerns about falling numbers but were not sure to what extent this was an impact of second home ownership. The locally retained fire and sea rescue service was seen to be under pressure, and the local refuse collection service was also under considerable pressure during the summer months.
- 1.6.9 There are clearly both positive and negative impacts from second home ownership. Parish Clarks agreed with business people that second home owners make a valuable contribution to the local economy; however the impact on services, facilities and the local infrastructure will need to be monitored carefully.

## 1.7 Recommendations

### **Local Community Consultation and Feedback:**

- More research and feedback to council tax payers on how the additional Council tax is being spent locally.
- Develop a bottom-up approach through the parish structure to the challenges faced by increasing levels of second home ownership. For example carry out local parish surveys to identify emerging problems and solutions and feed these up into District and County wide strategic housing and planning documents.

### **Council Tax**

- We strongly recommend that County continue to set aside Council Tax from second home owners in South Hams to meet affordable housing locally, in line with the needs identified through the local Housing Needs and Market Assessment (DCA 2006).
- We recommend that County review the level of resources set aside to meet needs in South Hams based on the evidence presented in this report and the Housing Needs and Market Assessment (2006).

### **Housing**

- Build on existing partnerships with local RSLs to increase the supply of affordable housing locally.
- Continue to develop an understanding of the size and impact of the second homes market locally. Develop systems for measuring the growth in the market over time.

### **Planning System**

- 1.7.1 Use the planning system to create sustainable development, dampen development activity and to increase sustainability. “The market is un-defeatable locally in terms of house prices” and left to itself the market will increasingly be dominated by second homes and holiday homes. There is a need for checks on the free market in South Hams.
- Covenants should be used to help keep affordable housing for resale to local residents. Shared ownership and social housing development must be retained for local people.
  - Planning restrictions could be used to control second home development e.g. the division of traditional family homes into holiday / second homes flats.
  - Where property is sub-divided into flats these should be capable of long term occupation and should have reasonable space standards, parking and storage facilities.
  - Pooling of planning gain from larger sites or commuted sums to provide affordable housing within smaller communities.

### **Develop the Local Service Infrastructure**

- Upgrade the local service infrastructure, focusing on water and sewerage services.
- Developers need to take responsibility for upgrading local services e.g. water and sewerage as part of all new developments.
- Developers could be given incentives to use renewable energy and recycle, making better use of local resources.

### **National Policy**

- 1.7.2 Local initiatives can go some way to meeting the challenge of high and growing levels of second home ownership. National change in policy may also be needed and without this local authorities may simply feel they are tinkering at the margins of the market.
- In line with the Rural Housing Commission report we recommend greater use of planning regulations, such as a Local Development Order (under Planning and Compulsory Purchase Act from August 2006) to differentiate between general use housing and second homes if the CLG were to introduce a new planning class of ‘Second home’.
  - In line with recommendations made by the Countryside agency we recommend improved guidance on occupancy conditions.
  - The development of a system of Capital Gains tax relief on land sold entirely for affordable housing;
  - Review the simplification of the Capital Gains Tax Policy changes which make it more attractive to individuals to invest in second homes in future.
  - Total Cost Indicator rates should be adjusted to adequately reflect the added costs of building in areas where there is a strong market pushing up land prices – a key reason why RSLs cannot afford to develop in some areas.
  - That the restriction of right to buy be considered in some areas and that resale covenants be used more effectively.

## **2 INTRODUCTION AND METHODOLOGY**

### **2.1 Introduction**

- 2.1.1 It has been identified that a major influence on the housing market in Devon is the growing number of second homes in the sub-region. It is an issue which particularly affects rural areas that are coastal. Second homes are often held responsible for pricing out local people from housing markets and contributing to the demise of sustainable communities. The housing market assessment aims to evaluate second home ownership and understand how it affects the market.
- 2.1.2 DCA were commissioned in July 2007 to undertake a study of second homes in South Hams. The Plymouth sub-regional HMA revealed that South Hams have the highest percentage of second homes in the sub-region. The findings of the survey, one of the first of it's kind, has importance not only regionally but nationally.

### **2.2 Aims and Objectives**

- 2.2.1 The aims of the study, as set out in the project brief were:
- To map the level of second homes / holiday lets across the sub-region and set this into the regional and national context;
  - To develop a more detailed understanding of the characteristics of the market, how it operates and who owns the second homes (their characteristics, motivations and needs);
  - To understand the real impact of second homes / holiday lets and identify advantages / disadvantages at a community level;
  - To build on the Plymouth sub-regional Housing Market Assessment;
  - To inform the development of appropriate policies;
  - To understand how the coastal fringe differs from inland villages and how.

### **2.3 Methodology**

- 2.3.1 The methodology for this study fell into 3 phases. The first phase was a review of existing secondary data; the second phase included primary data collection including a postal questionnaire sent to 3,907 households, all second home owners in South Hams, telephone interviews with key local stakeholders, and a focus group with Parish Clerks. The third phase of the study involved data analysis and report writing.
- 2.3.2 The review of secondary data included a review of both local and national data.
- 2.3.3 An internet search enabled the research team to access existing national and regional reports on second home ownership. The 2001 Census was used to compare the survey data with national statistics. The 2006 Housing Market and Needs Assessment survey was used to provide data on the housing market and needs in South Hams and on population trends. National, regional and local polices and approaches to second home ownership could also be compared, including approaches to Council Tax discounts, planning occupation restrictions.
- 2.3.4 The postal survey of second home owners was carried out in August 2007. The survey database was structured to achieve 9 sub-areas, the main towns and coastal and rural areas in the District with separate coastal and rural groupings.
- 2.3.5 The questions covered included the profile of second homes in the District, the profile of second home owners, the level of engagement with the local community, and plans to move or settle locally.

- 2.3.6 A total of 998 completed questionnaires were returned, a response rate of 25.5%. The questionnaire is included as **Appendix I** of this report.
- 2.3.7 A focus group attended by Parish Clerks was carried out in September 2007. Copies of the topic guide are included at **Appendix II** of this report.
- 2.3.8 The stakeholder telephone survey included five local estate agents, one holiday letting agent, education providers, the Police, housing providers and the Association of Second Home Owners. Ten local business people were also interviewed. The telephone survey gathered the views of key local stakeholders on the impact of second homes on the housing market in South Hams. Copies of the topic guide are included as **Appendix III** and **Appendix VI** to this report.

## 2.4 Outcomes

- 2.4.1 This report brings together the findings of the second homes study in South Hams in line with the research brief issued by South Hams District Council in February 2007.
- 2.4.2 A summary of the report is provided in the Executive Summary at Section 1 of this report.
- 2.4.3 Section 2 outlines the study methodology.
- 2.4.4 Section 3 covers the secondary data review, setting the context of second home ownership in South Hams in a regional and national context. This section includes mapping of second home ownership across the sub-region and within South Hams, identifying “hot-spots” for second home ownership.
- 2.4.5 Section 4 pulls together data from the 2006 Housing Market and Needs Assessment on population trends, including migration and the reasons for in and out migration. This enables us to understand the pressures on the local housing market in terms of population change.
- 2.4.6 Section 5 examines the South Hams housing market, and sets this in the regional context. This section updates the 2006 Housing Market and Needs Assessment and provides additional qualitative data and perceptions gathered from interviews with local Estate Agents and Letting Agents, a further secondary data review was completed in relation to the private rented sector and social housing supply and demand.
- 2.4.7 Section 6 includes an analysis of the South Hams second homes survey.
- 2.4.8 Section 7 brings together the study findings in a summary of the impact of second homes locally. This includes the impact on property prices, local facilities and services and the perceptions of the local community, business people and other local stakeholders towards second home ownership.
- 2.4.9 Section 8 provides key findings and recommendations for the study.
- 2.4.10 South Hams District Council will be provided with an anonymous survey data file in SNAP / Excel, an electronic version of the report in pdf format, along with 3 hard copies of the final report.

### 3 SECONDARY DATA REVIEW

#### 3.1 Key Findings

- 3.1.1 There has been a national rise in the level of second home ownership in recent years, although this is concentrated in key coastal areas nationally.
- 3.1.2 At a local level 9.5% of the Council Tax stock in South Hams is registered as a second home, although the exact number is not known, this is around 4,492 homes.
- 3.1.3 Hot spots for second home ownership in South Hams are focused on the coastal areas, in particular Salcombe / Malborough, Saltstone and Thurlestone.
- 3.1.4 Second homes in South Hams are spread across property values, with some concentration in the middle Council Tax bands: C/D/E.
- 3.1.5 South Hams has both a strong affordable housing policy, along with a Council Tax policy that restricts the discount to second home owners to just 10%. In line with best practice nationally the additional revenue raised from second home owners has been targeted to new affordable housing.

#### 3.2 National Context

- 3.2.1 Data on second homes are available from a number of sources including the Survey of English Housing (2005/6), the Omnibus Survey, Council Tax data, and the Census.
- 3.2.2 Our research has shown that the determination of an exact number of second homes either nationally or locally is difficult. Living and working arrangements in the UK are increasingly complex, for example with one member of a family perhaps working away and requiring a second home, and people living or working abroad and retaining a property in the UK.
- 3.2.3 Data from Office of National Statistics shows that there approximately 166,237 second homes registered in England, around 1% of the stock, although other counts go as high as 350,000 properties (Savills).
- 3.2.4 The Survey of English Housing 2005 / 06 reports that around 260,000 households in England have a second home, representing a rise of 30% compared to 9 years ago. The Centre for Future Studies with Direct Line has estimated this could rise by a further 24% by 2014.
- 3.2.5 There are clear concentrations of second homes in the coastal regions of the South West, North Norfolk, the Cumbria, the North Yorkshire coast and London. South Hams having the highest number of second homes outside London and the Isles of Scilly.
- 3.2.6 **The Direct Line study**, carried out by The Centre for Future Studies in 2005 found that;
- Second homes make up about 27% of properties in the South West compared to 10% of all UK properties. 8% of British adults currently own a second home.
  - The average price for a second home rose from £327,000 in 2000 to £415,000 in 2004 – this is significantly more than the average cost of a primary residence.
  - The report outlined Salcombe, a parish within South Hams as a ‘hotspot’ for second homes.

- The typical second home owner is over 45 years old, and is generally an “empty nester” (i.e. where children have left home, or retired; have an income of more than £75,000 and has a main home worth £400,000 to £500,000, although few have a mortgage outstanding. Most work in managerial or professional occupations or own their own business.
- Half have bought the property mainly as a holiday retreat, but 19% use it as a base for work or commuting and 14% as an investment. Most bought a property in the UK rather than abroad because it was not only used as a holiday home (32%), the UK was more convenient (31%) or the UK market offered better investment potential (21%).
- A third of owners took out a mortgage to finance the purchase, whilst a quarter used savings and a further 17% used an inheritance.
- The report considered the proposed tax relief laws, that SIPP’s due to be launched in 2006, would encourage individuals to invest in second home properties as part of their personal pension. However, the Government did not launch the SIPP and the new change in Capital Gains Tax (reducing tax from up to 40% to 18% (could enhance the second homes market, only for short-term investors).

- 3.2.7 The Direct Line study expected the rise in second home ownership to continue – forecasting a further 77,000 second homes nationwide by 2015. One reason for this, they suggest is the increasing awareness of climate change and a trend toward UK based holidays. Based on this forecast the value of the market nationally would rise from £38.7 billion in 2005 to £53.4 billion in 2015.
- 3.2.8 Second home ownership has been identified as a concern in many of the most attractive areas of Britain for several decades, with second home ownership taking off in the early 1960s. Concern resulted in a spate of studies looking at the impacts of second homes throughout the 1970s. However, it has only been in recent years that the issue has once again been highlighted and has been a dominant debate both in politics, the financial markets and the media (see bibliography for examples).
- 3.2.9 Much of the body of research on the subject is over 20 years old (see ‘The impact of empty, second and holiday homes on the sustainability of rural communities – a systematic literature review’ by *Wallace et al*, Centre for Housing Policy, University of York).
- 3.2.10 These older studies showed that second home owners were generally older and wealthier households; who looked for picturesque cottages in rural areas for their second homes perhaps at or near retirement. Many of these first wave second homes were old or isolated properties in need of renovation or modernisation.
- 3.2.11 The numbers of second homes grew most during the 1960s and 1970s and since then has grown at a steadier rate. Studies have also found that there is a lower level of second home ownership further away from the coast.
- 3.2.12 Less is known about more contemporary second homes and their owners, although there have been a number of other local studies suggesting a trend towards second homes being properties that could be seen as part of the general housing market and in also demand from local residents.
- 3.2.13 **Gallent et al (2002)** found most second homes in the South West of England were built after 1945, only 5% being built before 1919. Although most homes are houses, research found that bungalows, flats and chalets are also popular. In Cornwall 19% of second homes were purchased new with more than a quarter of new build properties in some villages becoming second homes.

- 3.2.14 The issue of second homes has not been prominent in national debate in recent years. At a local level however attitudes vary, and the debate can be heated in areas with very high levels of second home ownership.
- 3.2.15 Many of the studies reviewed in *Gallent et al* conclude that poor employment prospects, educational opportunities and leisure prospects partnered with planning restrictions on the construction of new housing for local people have a greater impact on local communities (particularly young people) than second home ownership itself. However the study also notes that little work has been carried out focusing on the affects of second home ownership on community sustainability, social exclusion and accessibility to services.
- 3.2.16 **The Countryside Agency** commissioned a study ‘Second Homes in Rural Areas in England’ in 2002 outlining the ‘micro – crises’ of second homes found in coastal areas, particularly in the South West region. The report found that in these places second home owners were directly competing with local people for the full range of property types including both newly built homes and ex-social stock.
- 3.2.17 A report by the **Affordable Rural Housing Commission (2006)** looked at a wide range of issues effecting rural communities, including access to affordable housing including second home ownership. The report acknowledged that while in some areas second home owners had a positive impact on the local economy in others the overwhelming number of second homes could “threaten the viability of these communities” (p62), particularly in the provision of essential services such as schools and public transport.

### 3.3 Policy and Practice

- 3.3.1 A range of different approaches have been developed at a local level in an attempt to slow down the growth in second home ownership in key areas. We carried out a review of best practice nationally.
- 3.3.2 Local Authorities now have discretion to reduce the level of Council Tax discount available to second home owners from 50% to just 10%, providing an additional revenue locally.
- 3.3.3 In a report by the **Commission for Rural Communities (2006)** “the Evaluation of the use of reduced Council Tax discounts” it was found that only two out of 58 authorities with more than 1% second home ownership did not apply the full discount reduction.
- 3.3.4 The extra money raised by increasing the level of Council Tax payable nationwide is £45 million. Across the ten local authorities with the highest revenue from this source and presumably with the highest number of second homes, £15 million was raised with £7 million being ring fenced for affordable housing provision. The remainder was used by the County Councils for general fund activities or to reduce Council tax levels across the board.
- 3.3.5 Other regions already use different approaches to the perceived challenge of high levels of second home ownership locally. For instance, a report for the **Council of Mortgage Lenders** (Second Homes: A Market Report 2001) mentions a scheme in Shropshire whereby homes can only be available to local people for the first three months they are on the market – though there is no assessment of its success or otherwise.
- 3.3.6 In the Channel Islands there are several different approaches to protecting local housing market for local residents.
- In Guernsey there are two major housing markets: the local market (for people born on the Island) and open market (for EU passport holding newcomers). Open market properties must be owned for five years or lived in for a year and a day before they can be sold on at profit.

- On Jersey there are three main categories of market: local residents; the essentially employed (e.g. nurses and teachers); and people who ‘can be justified on social or economic grounds’. Residents must live on the island for 13 years before they can buy, but can buy a share in an ‘unqualified property’ to build up their residency status. Newcomers with essential skills are given ‘housing licenses’ of either five or fifteen years, with five being the most common.

3.3.7 The Local Authorities in the Lake District have long acknowledged the challenges of second home ownership in their local area. In the 1980s, The Lake District Special Planning Board restricted the occupancy of new housing to people with local connections. However, they found that this policy was focusing second home ownership on older, village properties (with the allied cost implications) and forcing local people to buy in newer homes on the edge of villages or rely on social provision. Although the policy was abandoned in 1984, new provision was implemented in the Lake District National Park Authority Local Plan from 1998 to again ensure some units of new housing were sold only to people who lived and worked within the park.

3.3.8 Many other local authorities have focused their action on the development of affordable homes or the promotion of ideas such as ‘living over the shop’ to bring residents back into rural centres.

### 3.4 Regional Context: The Plymouth Sub-Region

3.4.1 The 2001 Census revealed that the South West had the highest number and percentage of second homes in England with an estimated 38,000 properties in the region were used as second homes. This represents 1.8% of the stock compared to 0.6% for England as a whole.

3.4.2 The Plymouth sub-region has an estimated 6,589 second homes, or 18.3% of the total estimated for the South West region.

3.4.3 The table below highlights the current number of dwellings (minus vacant units) from each local authorities HSSA return (2006-2007), alongside the 2001 Census second homes totals in each authority area.

**Table 3-1 Plymouth Sub-Region Authorities Stock**

	HSSA 2007 Current Dwellings	Number of Second Homes*
Plymouth City	112,815	336
South Hams	41,615	4,492
West Devon	22,786	376
Caradon	38,632	1,385
<b>Total</b>	<b>215,848</b>	<b>6,589</b>

\* © Crown Copyright (Census)

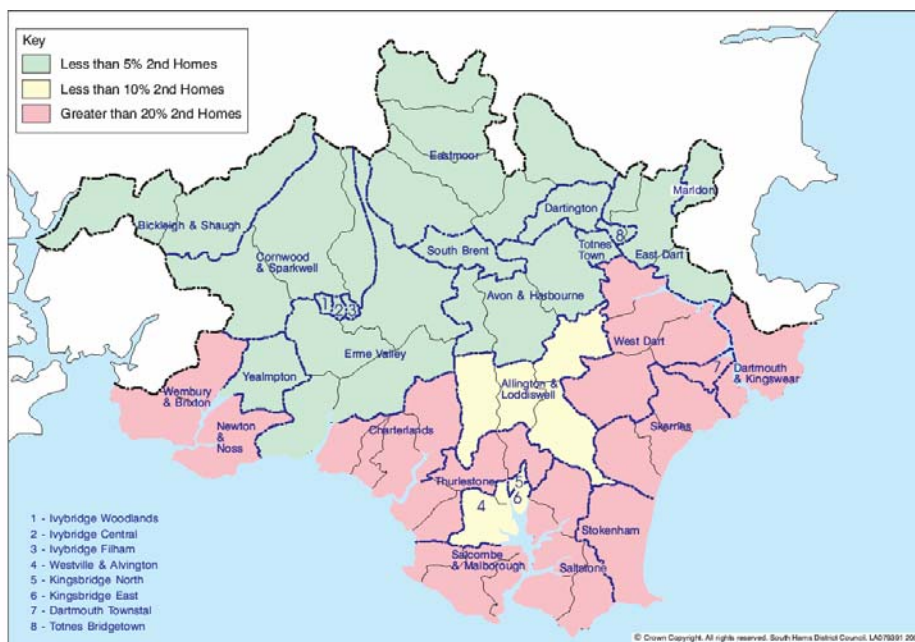
3.4.4 Caradon and South Hams in particular have significant numbers of second homes in their districts, as would be expected from areas where tourism has a key role to play in the local economy.

3.4.5 The demand for second homes, along with an inward migration of older and retired households adds additional pressures to the local housing market.

### 3.5 Local Context: South Hams

- 3.5.1 Based on the Council Tax register South Hams has the highest number of second homes outside London and the Isles of Scilly. Using Council Tax information supplied by South Hams, 4,492 second homes were identified, which is 10.8% of the total number of dwellings, around one in every nine properties in the District.
- 3.5.2 The local Council Tax data provides the best available baseline from which to measure the level of second home ownership locally. Although there are problems with assuming that the Council Tax register provides a definitive number of second homes locally it is none the less the only available local count of second homes.
- 3.5.3 As highlighted in other national studies above it is difficult to reach a definitive level for second home ownership. In the DCA household survey for example there were some discrepancies with the council tax list provided in that some of the properties were identified as ‘annex properties’ to full time residencies or were holiday chalets without planning permission for year round usage and so cannot strictly be identified as second homes.
- 3.5.4 Also, from discussion with Estate Agents and feedback from some property owners it was clear that some ‘second home owners’ consider the South Hams property to be their main residence (or intend it to be in the future) whilst their town property is the ‘second home’.
- 3.5.5 In addition to second homes, South Hams also has a significant holiday lettings market. These may be commercial holiday lets or buy to let homes let on the holiday market. This market is not the subject of this study and these properties are not included in the Council Tax count of second homes on which this study is based.
- 3.5.6 However it should be remembered that these holiday homes also create pressure within the local housing market, particularly impacting on the availability of general private rented market lets. This is discussed further in section 5.10 below.
- 3.5.7 It is also clear that there is often overlap between the second homes and holiday lets market. Our survey of second home owners found 17.1% let their second home out as a holiday let at some point during the year.
- 3.5.8 The map below shows the distribution of second homes across the South Hams district, based on Council Tax records.

**Figure 1 Second Home Ownership in South Hams**



3.5.9 The table below shows the number of second homes in each ward. The data shows that certain wards have a particularly high concentration of second homes, exceeding 30% in Salcombe / Malborough, and over 20% in Saltstone, and Thurlestone. These “hot-spots” of second home ownership may pose particular challenges to the local authority, which are explored further in the report.

**Table 3-2 Distribution of Second Homes by Ward**

No	Ward	Total Households	% of Second Homes	No of 2 <sup>nd</sup> Homes
1	Allington and Loddiswell	977	7.27	71
2	Avon and Harbourne	984	4.88	48
3	Bickleigh and Shaugh	1,911	0.84	16
4	Charterlands	1,105	18.64	206
5	Cornwood and Sparkwell	1,044	2.39	25
6	Dartington	777	1.29	10
7	Dartmouth and Kingswear	4,226	17.87	755
8	East Dart	1,168	4.97	58
9	Eastmoor	2,108	2.23	47
10	Erme Valley	2,148	3.86	83
11	Ivybridge Central	4,787	0.50	24
12	Kingsbridge East	2,887	5.75	166
13	Marldon	970	1.55	15
14	Newton and Noss	972	12.55	122
15	Salcombe and Malborough	2,698	34.84	940
16	Saltstone	979	23.60	231
17	Skerries	1,109	14.07	156
18	Stokenham	1,117	13.70	153
19	Thurlestone	1,141	24.63	281
20	Totnes Town	3,805	2.58	98
21	Wembury and Brixton	2,086	10.40	217
22	West Dart	995	15.08	150
23	Westville and Alvington	276	9.06	25
24	Yealmpton	927	1.08	10
	<b>Totals</b>	<b>41,197</b>	<b>9.5</b>	<b>3,907</b>

3.5.10 The table below shows the breakdown of second homes by Council tax bands. The table shows that across South Hams as a whole, second homes are distributed across all bands, with some concentration in the middle C, D and E bands, typically traditional family homes.

**Table 3-3 Number Of Second Home Properties in Each Band and Price Range for Each Band (South Ham Council Tax Records April 2007)**

Band	A	B	C	D	E	F	G	H
Number of properties	550	438	607	777	701	494	470	69
Price range of band (1991 prices)	Under £40,000	£40,001 - £52,000	£52,001 - £68,000	£68,001 - £88,000	£88,001 - £120,000	£120,001 - £160,000	£160,001 - £320,000	Over £320,000

- 3.5.11 However, Council Taxes paid in each band vary across the district, and there are also Parish Councils which set their own local levies. Therefore the tax paid by each household can vary significantly across the South Hams area. The highest tax rates can be found in Ivybridge and the lowest in Dittisham, as shown in Table 3-4 below.

**Table 3-4 Range of Council Tax Levy per Band With and Without 10% Discount\***

	Top rate £	With 10% Discount £	Bottom Rate £	With 10% Discount £
A	952.73	857.45	900.16	810.14
B	1,111.53	1,000.37	1,050.19	945.17
C	1,2070.31	1,143.27	1,200.21	1,080.18
D	1,429.10	1,286.19	1,350.24	1,215.21
E	1,746.67	1,572.00	1,650.29	1,485.26
F	2,064.26	1,857.83	1,950.35	1,755.31
G	2,381.83	2,143.64	2,250.40	2,025.36
H	2,858.20	2,572.38	2,700.48	2,430.43

\* assuming 10% discount of full payment including parish levy.

### 3.6 Local Policy Approach to Second Homes

- 3.6.1 South Hams Council, in common with many of its neighbouring authorities has acknowledged the challenges posed by high levels of second home ownership.
- 3.6.2 Local data from the 2006 Housing Needs and Market Assessment Survey and supporting data from the 2006 HSSA suggests a high level of need for affordable housing locally, largely due to the imbalance within the housing market. In particular there is a lack of rental properties for local people and the high purchase income thresholds. The 2006 Housing Needs and Market Assessment Survey recommends that there be a greater focus on the need for intermediate market housing for concealed households and key workers, the vast majority of whom cannot afford to access the market.
- 3.6.3 Evidence from the focus group and telephone interviews provided strong supporting evidence that local people struggle to access accommodation in South Hams, both because of the shortage of affordable rented housing and the price of owner occupation. While this is not simply the result of the high level of second home ownership locally it is one factor that appears to have been putting pressure on prices generally within the market and consequently increasing demand for affordable housing.
- 3.6.4 One of the Council's key corporate policies is to "secure a supply of housing for local people at affordable levels".
- 3.6.5 The Housing Needs and Market Assessment 2006 identifies that although the district has a need for at least 606 new affordable homes per year, as the table below shows that the annual outturn of new units is less than a quarter of this level. The Council works closely with regional RSLs, the private sector and developers, and the Homes and Communities Agency (Housing Corporation) to ensure at least 100 affordable homes are delivered each year, the District Council annual target level.
- 3.6.6 Table 3-5 outlines the number of affordable homes completed or planned in the South Hams area from 2005 to 2009. It also indicates how many of these will be provided in small settlements with under 3,000 properties.

**Table 3-5 Number of Affordable Homes Built and Planned 2005 - 2009**

	Completed			
	2004/5	2005/6	2006/7	2007/8
Total no. of affordable homes	59	131	20	57
Of which no. in settlements below 3,000 homes	42	74	6	33

Source: HSSA 2007

	Planned			
	2008/9	2009/10	2010/11	2011/12
Total no. of affordable homes	71	121	150	200
Of which no. in settlements below 3,000 homes	48	82	Not Known	Not Known

- 3.6.7 In common to the majority of Councils with high levels of second home ownership, South Hams Council also uses its discretionary powers to offer only a 10% Council Tax discount to second home owners.
- 3.6.8 South Hams collects £1.8 million in additional Council Tax receipts from second home owners locally. In 2004 /05 when the Council tax rebate on second homes in South Hams was raised from 50% to just 10% the County agreed that the full £1.8 million additional revenue should come to South Hams and be used for affordable housing in the District.
- 3.6.9 The following year, 2005/6 Devon County Council advised that they would be retaining £1 million from the second home owners Council Tax to support County wide supported housing projects. Since 2006/07 all second homes Council Tax revenue due to the County Council has been retained as a mainstream funding source.
- 3.6.10 South Hams retains around 10% of the receipt from second home owners (£200,000 per year), all of this is held in a separate account earmarked for local affordable housing. All of the remaining receipt that County agreed could be spent in South Hams (2004 – 2006) has already been earmarked against pipeline affordable housing locally, with £50,000 set aside for supported housing projects. This money is held by County and is drawn down by South Hams Council and passed across the RSLs as schemes progress on site. Spending 100% of this money each year is one of the key targets in the Housing Strategy for South Hams.

- 3.6.11 The additional Council Tax receipt is very significant for South Hams. £1,980,000 of investment has already been made in 8 local schemes through the Council Tax budget, producing 126 new homes to meet local need in the following locations.

**Table 3-6**

<b>Location</b>	<b>Number of Properties</b>
Ivybridge	5
East Allington	25
Kingsbridge	24
Brixton	6
Dartmouth	11
Salcombe	33
Chillington	22
<b>Total</b>	<b>126</b>

## 4 POPULATION PROFILE

### 4.1 Key Findings

- 4.1.1 Population growth, changing household formation and in-migration all add pressure to the local housing market.
- 4.1.2 South Hams is a popular location both for holidays and retirement, the research found that the population of South Hams is projected to increase up to 2026 with growth focused in the 20 to 29 and over 65 year old age groups.
- 4.1.3 South Hams has a net in-migration of households attracted to the area for retirement or employment.
- 4.1.4 Growth in the older population poses the most significant challenge in housing terms. Evidence from the Parish Clerks focus group suggests a need for local housing to meet the needs of older people to access accommodation or adaptations to meet their needs.
- 4.1.5 Growth in the younger age group (20 to 29) will also have an impact on demand for smaller units of accommodation. As these are likely to be new forming households demand will be focused on affordable housing. A failure to provide this will potentially lead to a higher level of concealed households locally or out-migration from the District of younger households seeking their own housing.

### 4.2 Introduction

- 4.2.1 Second home ownership is one of several dynamics operating within the South Hams housing market. Population change is a critical dynamic locally and is outlined here to help set the context in which the second homes market operates.
- 4.2.2 There are four basic components to changes in the number and composition of households. The 2006 Housing Market and Needs Assessment provided detailed analysis of population change across the sub-region and its impact on the evaluation of housing needs. The Assessment looks in particular at changes in:-
- the age distribution of the population arising from births, deaths and ageing of the indigenous population;
  - family units such as marriage, divorce and child bearing patterns;
  - the number and composition of households arising from migration, particularly due to employment opportunities in the area;
  - the probabilities that family units form a separate household, particularly in response to changes in incomes in the labour market area.

### 4.3 Population Projections

- 4.3.1 Based on data provided by Cornwall County Council, Devon County Council and Plymouth City Council the table below shows an increase in the population of the Plymouth Sub-Region of 75,301 people (16.7%) up to 2026.
- 4.3.2 All areas are predicted to have an increase in population of over 15%, with the population of South Hams projected to increase by 19.9%, the highest in the sub-region.

**Table 4-1 Population Change in HMA, 2001 – 2026**

	2001	2006	2011	2016	2021	2026	Change (N <sup>os</sup> )	% Change
Plymouth City	241,000	246,800	253,500	261,300	269,900	278,400	+ 37,400	+ 15.5
South Hams	81,923	83,498	86,712	90,378	94,341	98,235	+ 16,312	+ 19.9
West Devon	48,855	51,105	52,728	54,465	56,228	57,844	+ 8,989	+ 18.4
Caradon	79,600	82,300	84,700	87,200	89,900	92,200	+ 12,600	+ 15.8
<b>Plymouth Sub-Region Total</b>	<b>451,378</b>	<b>463,703</b>	<b>477,640</b>	<b>493,343</b>	<b>510,369</b>	<b>526,679</b>	<b>+75,301</b>	<b>+16.7</b>

*Plymouth City Council (2001-based)*

*South Hams & West Devon: R.G. Mid Year Estimates (2004-based)*

*Caradon (ONS 2003-based – rounded to the nearest hundred)*

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## 4.4 Age Structure Forecast 2001 – 2026

4.4.1 The next stage in the forecast is to disaggregate the population data into age bands because there may be changes in the population structure with significant housing implications. Table 4-2 below shows the population projections for the Plymouth Sub-Region as a whole, followed by projections for South Hams District. The projections are based on the net migration model and for this purpose best represent the current position.

**Table 4-2 Population Age Band Forecast, Plymouth Sub-Region, 2001 – 2026**

	2001	2006	2011	2016	2021	2026	Change	Change (%)
0 – 19	108,985	108,171	104,184	103,557	107,241	111,479	+ 2,494	+ 2.3
20 – 29	49,334	56,315	66,232	68,121	63,683	61,485	+ 12,151	+ 24.6
30 – 44	95,443	90,771	84,840	85,987	96,912	104,817	+ 9,374	+ 9.8
45 – 64	117,011	125,293	130,917	131,803	130,216	127,052	+ 10,041	+ 8.6
65 +	80,605	83,252	91,768	103,875	112,417	121,847	+ 41,242	+ 51.2
<b>TOTAL</b>	<b>451,378</b>	<b>463,703</b>	<b>477,640</b>	<b>493,343</b>	<b>510,369</b>	<b>526,679</b>	<b>+75,301</b>	<b>+16.7</b>
80+	22,433	23,486	25,025	27,149	30,411	36,151	+ 13,718	+ 61.2

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**Table 4-3 Population Age Band Forecast, South Hams District, 2001 – 2026**

	2001	2006	2011	2016	2021	2026	Change	Change (%)
0 – 19	18,707	18,503	17,854	18,003	19,069	20,222	+ 1,515	+ 8.1
20 – 29	6,303	7,388	9,998	10,611	9,710	9,211	+ 2,908	+ 46.1
30 – 44	16,314	15,094	13,746	14,207	16,765	18,965	+ 2,651	+ 16.2
45 – 64	23,503	25,175	26,269	26,433	26,187	25,435	+ 1,932	+ 8.2
65 +	17,096	17,337	18,846	21,123	22,610	24,403	+ 7,307	+ 42.7
<b>TOTAL</b>	<b>81,923</b>	<b>83,498</b>	<b>86,712</b>	<b>90,378</b>	<b>94,341</b>	<b>98,235</b>	<b>+ 16,312</b>	<b>+ 19.9</b>
80 +	4,907	5,093	5,410	5,663	6,090	7,109	+ 2,202	+ 44.9

*R.G. Mid Year Estimates (2004-based) © Crown Copyright*

- 4.4.2 The overall figures for the Plymouth HMA show a projected rise in all population age groups, in particular the 65+ age group and the 20 – 29 age group. This pattern is also reflected in South Hams the most significant feature here is the growth in the 20 – 29 age group (46% up to 2026).
- 4.4.3 Population growth in South Hams will be particularly influenced by economic growth proposed for this part of the Sub-Region, much of which will involve in-migration of skilled people of working age. The development of the Sherford Community that lies on the border of Plymouth and South Hams and the projected economic growth planned for Plymouth by 2026 are likely to be significant factors.
- 4.4.4 In line with data for the whole Plymouth Sub-Region, another significant feature for all four Councils is the growth of the population in the over 65 age group. In South Hams the 65+ population is expected to increase by 42.7% up to 2026.
- 4.4.5 Additionally numbers in the 80+ age group are projected to increase by 2,202 (44.9%) in South Hams up to 2026, and given the resource demands often associated with the adaptation of property and care service support for very elderly people, these are significant figures.

## 4.5 Forecast Change in Plymouth Sub-Region Households to 2026

- 4.5.1 Table 4-4 outlines the household formation forecasts for the Plymouth Sub-Region as a whole and for the four separate local authority areas within the Sub-Region.
- 4.5.2 The projections are based on updated projections of household formation taking account of the 2001 Census and on the Office for National Statistics' sub-national population projections and the Government Actuary Department's national population projections (2003 based). The household projections are trend based and indicate what would happen if past demographic changes continue, they are not an assessment of housing need and do not take account of future policies.

**Table 4-4 Forecast Change in Households in Plymouth Sub-Region, 2003 – 2026**

	2003	2006	2011	2016	2021	2026	Change (N <sup>os</sup> )	% Change
Plymouth City	104,000	107,000	111,000	115,000	119,000	122,000	+ 18,000	+ 17.3
South Hams	35,000	36,000	38,000	40,000	41,000	43,000	+ 8,000	+ 22.9
West Devon	21,000	22,000	23,000	25,000	26,000	27,000	+ 6,000	+ 28.6
Caradon	35,000	36,000	38,000	40,000	43,000	44,000	+ 9,000	+ 25.7
<b>Plymouth Sub-Region Total</b>	<b>195,000</b>	<b>201,000</b>	<b>210,000</b>	<b>220,000</b>	<b>229,000</b>	<b>236,000</b>	<b>+ 41,000</b>	<b>+ 21.0</b>

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Figures rounded to the nearest 100

- 4.5.3 There is predicted to be 41,000 (21.0%) more households in the Plymouth Sub-Region in 2026 than in 2003. Household formation in the area is increasing at close to 100% of the rate of the population increase.
- 4.5.4 As can be seen, South Hams will also encounter a substantial growth of 22.9% up to 2026 in the number of households.
- 4.5.5 Growth in the number of households in South Hams is expected to be accompanied by a marginal fall in household size. Average household size was 2.34 in 2003 and is expected to be 2.28 in 2026.

## 4.6 Household Composition

**Table 4-5 Household Composition Across Authorities in the Plymouth Sub-Region at 2001 Census**

Household Type		South Hams	Sub-Region
One Person	Pensioner	16.1	<b>15.0</b>
	Other	12.0	<b>15.0</b>
One Family	Pensioner	12.9	<b>10.3</b>
	Couple, no children	21.3	<b>19.6</b>
	Couple with dependent children	20.6	<b>19.9</b>
	Couple with non-dependent children	5.2	<b>5.6</b>
	Lone parent with dependent children	4.9	<b>6.3</b>
	Lone parent with non-dependent children	2.2	<b>2.6</b>
Other Households	With dependent children	1.4	<b>1.7</b>
	Students	0.1	<b>0.5</b>
	Pensioner	0.6	<b>0.5</b>
	Other	2.7	<b>3.0</b>
<b>Total</b>		<b>100.0</b>	<b>100.0</b>

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- 4.6.1 Household composition data from the 2001 Census shows South Hams to have a higher proportion of single person households and couple households without children compared to the sub-region as a whole.

## 4.7 In-Migration to South Hams District

- 4.7.1 Local population data shows that South Hams has a net in-migration of households.
- 4.7.2 The 2006 Housing Market and Needs Assessment examined migration trends. The survey found that 4,055 households in-migrated to the District over the previous three years, an average of 1,352 per year, the majority of whom had moved from the Plymouth HMA (Plymouth Caradon, West Devon) 20.2%, elsewhere in the South West 23.7%, elsewhere in the UK 51% and abroad 5.1%.
- 4.7.3 When asked about their reasons for moving into South Hams, 35.7% moved to the District due to employment reasons (which is usually the major reason in DCA surveys embracing new job / easier to commute together). 17.1% moved to be near a relative. A further 15.2% moved due to retirement but otherwise the reasons given covered a wide range of options.

## 4.8 Out - Migration from South Hams District

- 4.8.1 The 2006 Housing Market and Needs Assessment found that out-migration would account for 36.5% of all moves for existing moving households (1,838 implied) and 41.6% of concealed households over the next 3 years (840 moves implied).
- 4.8.2 Those moving out of the District were asked where they were thinking of locating. In this case 1,803 implied existing households (98.1%) and 797 implied concealed households (94.9%) responded to this multiple choice question.
- 4.8.3 In the case of existing households moving, the main single interest was in moving elsewhere in the UK at 31% with 14.1% opting for moving elsewhere in the South West and 13.7% for Plymouth City.
- 4.8.4 In the case of concealed households moving the choices were much more restricted. The highest proportions were interested in moving elsewhere in the UK (47.8%), followed by Plymouth City (27.6%).
- 4.8.5 Reasons given for moving out of the District were well spread across the options offered, with the most popular choices for existing households being employment / access to work (37%) and family reasons (30%). In the case of concealed households moving, choices were more focused on employment / access to work (48%) and education (36.2%), as might be expected from a group likely to have a younger profile.
- 4.8.6 However, there are also many households leaving the District due to lack of affordable rented housing due to an inability to buy. There are 592 net households unable to buy or rent, 449 existing and 143 concealed households out-migrating for this negative reason.

## 4.9 Migration Summary

- 4.9.1 This table reflects the net migration patterns for existing South Hams households.

**Table 4-6 Net Migration Patterns**

Migration Areas	Plymouth	West Devon	Caradon	Teignbridge	Torbay	Elsewhere in the South West	Elsewhere in the UK
Moving into South Hams	701	66	51	211	103	316	2,067
Moving out of South Hams	247	81	26	181	66	254	559
Net Migration	+454	-15	+25	+30	+37	+62	+1,508

Reasons	Retirement	Employment	Education
Moving into South Hams	553	1,301	131
Moving out of South Hams	216	625	124
Net Impact	+337	+676	+7

- 4.9.2 There is a positive net level of in-migration relating to employment of 676 existing households, 7 due to education and 337 for retirement reasons.
- 4.9.3 There is net in-migration to South Hams District from Plymouth, Caradon, Teignbridge and Torbay as well as elsewhere in the South West and elsewhere in the UK among existing households. The only small out-migration is to West Devon. The majority of new households are choosing to move due to employment / access to work.

## 5 SOUTH HAMS HOUSING MARKET

### 5.1 Key Findings

- 5.1.1 South Hams has a buoyant local housing market. However, although prices have been rising, income to price ratios are increasing and there is clear evidence of need for more affordable housing to meet local needs. The area remains very popular with holiday and second homes investors, which appears to be sustaining the local market in South Hams.
- 5.1.2 A range of dynamics within the market appear to be pushing prices up locally: general market trends, developer activity, second home purchases, the buy to let market, and increasing activity associated with second homes and holiday lets is moving out of the traditional coastal zones into areas that have in the past been seen as local housing areas.
- 5.1.3 The private rented sector is also very limited. Supply for long term letting is negligible as the majority of homes are let in the holiday letting market.
- 5.1.4 The ability of the existing social housing stock to meet demand is very limited. Low levels of new build and very low stock turnover are coupled with high demand and long waiting lists.
- 5.1.5 Local people seeking affordable housing have limited options. Evidence suggests they may have to look outside South Hams, for example to Plymouth where there is a greater supply of more affordable property.
- 5.1.6 The inter-relationship between the local housing market and second homes market is complex. Over the last 5 to 10 years the second homes and holiday lets markets have grown in absolute terms. At the same time there is evidence that this market is increasingly encroaching on the general local housing market in South Hams, rather than constituting a separate and distinct second homes market.
- 5.1.7 South Hams is expected to remain a popular second homes market, creating further pressure on the local housing market in the future.

### 5.2 Introduction

- 5.2.1 This section looks in detail at the South Hams housing market, focusing on an update of the 2006 Housing Needs and Market Assessment. The first sections set the South Hams market in a national and sub-regional context. The local market was then examined in terms of average and entry level prices for first time buyers.
- 5.2.2 Additional interviews have been carried out with Estate Agents and Letting Agents and an internet search has provided additional information on the private rented sector locally. A further review of secondary data provides a profile of social housing supply and demand.

### 5.3 National Picture

- 5.3.1 House price inflation in the second quarter of 2007 has increased by 14% on the second quarter of 2006 where a 9.4% increase was reported. The overall sound UK economic background and the lowest mortgage rates since the 1950s have boosted housing demand for a sustained period but turnover has reduced substantially. Prices have stabilised and for some property types have reduced over the last three quarters of 2006.

- 5.3.2 England & Wales annual house price inflation for the year ending 30<sup>th</sup> June 2007 was recorded by Halifax Index at 10.7% and the Land Registry at 9.2%.

## 5.4 Regional Picture

### 5.4.1 Regional House Price Inflation

**Table 5-1 House Price Inflation**

Area	Change over year to 30 <sup>th</sup> June 2007 %	Change over quarter to 30 <sup>th</sup> June 2007 %
South West <sup>1</sup>	+ 10.0	- 0.4
Devon <sup>2</sup>	+ 7.0	+ 0.5
Cornwall <sup>2</sup>	+ 9.0	+ 0.3
Plymouth City <sup>2</sup>	+ 11.3	+ 0.5
West Devon <sup>2</sup>	+ 10.9	+ 6.3
South Hams <sup>2</sup>	+ 10.5	+ 5.8
Caradon <sup>2</sup>	+ 11.4	+ 5.9

Source 1 - Halifax House Price Index, © Copyright HBOS plc.

Source 2 - Land Registry Data, © Crown Copyright (Land Registry)

- 5.4.2 The annual rate of house price inflation recorded in the Halifax Index for the South West Region at 30th June 2007 was 10%, slightly below the UK average of 10.7%.
- 5.4.3 House prices in the South West Region show a fall of -0.4% during the second quarter of 2007 compared with the UK average of a 2% increase. House prices in Devon and Cornwall rose over the last year by 7.0% and 9.0% respectively, as calculated by the Land Registry. However Cornwall has seen a 0.27% decrease of house prices in the last quarter, compared to a 1.3% increase in Devon, but both show evidence of stabilising prices.
- 5.4.4 House price change over the year to 30<sup>th</sup> June 2007, across the four local authority areas show between an 11.4% increase in Caradon to a 10.5% increase in South Hams, only a 0.9% difference across the four authorities.
- 5.4.5 The Halifax First Time Buyer (FTB) Annual Review of 2006 indicates that the average price paid by first time buyers in the South West showed an annual increase of 6% in 2006 (£148,831). This is 71% more than in 2001.
- 5.4.6 The affordability difficulties confronting first time buyers have significantly reduced the number entering the UK market. There were an estimated total of 315,000 first-time buyers in 2006, the lowest annual total since 1980. The number of first time buyers last year was 37% lower than at 1997 when there were 503,000 and 7% less than last year.
- 5.4.7 The average deposit required in the South West in 2006 was £28,632, 19% of the purchase price. In 1995 the average deposit was £5,108, 11% of the purchase price. 76% of all first time buyer purchases in the Region were flats (31%) and terraced houses (45%).
- 5.4.8 The average house was unaffordable for First Time Buyers in 2006 in all the towns surveyed in the South West, the most of any region in the UK.

## 5.5 The Regional Housing Market

5.5.1 The regional market is shown in Table 5-2 below, which details the prices paid for the main categories of house types for the whole of the South West with comparisons against a different source of house price index data (Land Registry data against the Halifax House Price Index).

5.5.2 The Halifax data is based on actual sales of mortgaged properties and the information is a real indication of actual prices prevailing in the purchases being made in the South West. The Land Registry data incorporates all transactions at Local Authority level.

**Table 5-2 Average South West Region House Prices - All Buyers 2007**

Property Type	South West Region		Devon	Cornwall
	Land Registry	Halifax	Land Registry	Land Registry
Terraced	150,393	193,546	155,149	156,294
Semi-detached	182,194	225,613	188,769	180,825
Detached	307,001	353,138	307,448	296,920
Bungalows	-nd-	251,205	-nd-	-nd-
Flats & Maisonettes	133,905	159,487	132,447	149,409
<b>All Properties</b>	<b>191,953</b>	<b>236,597</b>	<b>204,060</b>	<b>207,538</b>

Source: Halifax House Price Index, © Copyright HBOS plc  
 Land Registry Residential Property Price Report, 2<sup>nd</sup> Quarter 2007.  
 © Crown Copyright  
 \* Land Registry figures do not identify bungalows separately.

## 5.6 The Plymouth Sub-Region House Prices and Incomes

5.6.1 The table below examines average house prices for the four authority areas, recorded by the Land Registry.

**Table 5-3 Average House Prices (£) and Sales - All Buyers 2007**

Property Type	Plymouth City	South Hams	West Devon	Caradon
Terraced	133,548	233,103	184,770	162,912
Semi-detached	158,388	242,151	212,762	181,703
Detached	308,103	462,073	352,286	298,482
Flats & maisonettes	86,902	258,423	162,610	142,842
<b>All properties</b>	<b>144,954</b>	<b>298,937</b>	<b>228,107</b>	<b>196,485</b>

Source: Land Registry Residential Property Price Report, 2<sup>nd</sup> Quarter 2007,  
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5.6.2 The average price of all properties across all four areas is £217,121. Average prices in South Hams are 37.6% above this figure, and averages prices in Plymouth City area are 33.2% lower than this figure. The average prices range from the highest in South Hams followed by West Devon (£228,107), to the lowest average price of £144,954 in Plymouth City.

5.6.3 The highest average price of terraced houses is found in South Hams (£233,103), which is 26.1% higher than in West Devon (£184,770) where the next highest terraced house prices are found. Terraced properties in Plymouth City area average £133,548, the lowest across the Sub-Region and are 42.7% lower than in South Hams.

- 5.6.4 The average price of flats and maisonettes are the highest in South Hams (£258,423), with the second highest price being in West Devon (£162,610), 58.9% lower than in South Hams. The lowest average price of flats / maisonettes at £86,902 is found in Plymouth, significantly lower than the South Hams average of £258,423.
- 5.6.5 The differences in average prices of properties, particularly in the entry level stock of terraced houses and flats, are assumed to have an affect on migration between the surrounding areas. For example there is likely to be a higher level of out-migration (particularly from new forming households looking for the cheaper housing) from South Hams to the neighbouring area of Plymouth, as the average price of properties is lower in these areas. Indeed the survey data from South Hams highlights that of the 797 concealed households planning to migrate out from South Hams over the next three years, 27.6% (220 implied) are planning to move to Plymouth (2006 Survey).
- 5.6.6 The table below shows the increase of Land Registry average prices across the Plymouth Sub-Region over the year ending 31<sup>st</sup> March 2007.

**Table 5-4 Land Registry Average Price – Annual (2006 to 2007)**

Area	Change over year 2006 – 2007 (%)
Plymouth City	+ 11.3
South Hams	+ 10.5
West Devon	+ 10.9
Caradon	+ 11.4
<b>Devon Average</b>	+ 7.0
<b>Cornwall Average</b>	+ 9.0
<b>South West</b>	+ 9.6

Source: Land Registry Residential Property Price Report, 2<sup>nd</sup> Quarter 2007,  
Land Registry Residential Property Price Report, 2<sup>nd</sup> Quarter 2006  
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- 5.6.7 House prices in South Hams have continued to increase over the last year by 10.5%, somewhat above the 9.6% increase over the South West and the increase of 7.0% across Devon, suggesting that housing in South Hams is still experiencing high demand.

## 5.7 Local Picture: The South Hams Housing Market

- 5.7.1 Understanding the operation of the housing market within the District was a core element of the 2006 Housing Market and Needs Assessment. The data collected for the Assessment has been reviewed and updated for this report.
- 5.7.2 Average house prices in South Hams District are the highest across the Sub-Region. Access to owner occupation is restricted by rising prices especially flats and terraces, with house price increases out stripping local income inflation.
- 5.7.3 The ability of concealed households to access the market is very limited. In 2006 11.8% of concealed households have incomes above £27,500; only 5.1% have incomes above £35,000. The cheapest one bed flats in the District require an income threshold of £24,900. 80% of concealed households are denied access to the owner occupied market, based on the incomes of recently formed households (2006 household survey).

## 5.8 The Local Housing Market

- 5.8.1 The Halifax data refer to mortgage transactions at the time they are approved rather than when they are completed. Whilst this may cover some cases which may never proceed to completion, it has the important advantage that the price information is more up-to-date as an indicator of price movements and is on a more consistent time-base than completions data (such as the ODPM Index) given the variable time lags between approval and completion. The Land Registry data incorporates all sales transactions in the Region and more specifically below in the District.
- 5.8.2 Prices vary between the different data sources and the Land Registry figures are expected to be lower in all cases given that these figures include non-mortgaged sales.
- 5.8.3 The table below examines average house prices for the District recorded by the Land Registry in March 2007, against house prices at the time the previous housing needs survey update in 2002 (1<sup>st</sup> quarter).

**Table 5-5 Average House Prices (£) and Sales - All Buyers 2007 & 2002**

Property Type	Land Registry South Hams 2007	Land Registry % of sales in South Hams	2002 Land Registry South Hams	Change % 2002 - 2007
Terraced	208,211	33.0	110,552	+ 88.3
Semi-detached	252,592	21.5	132,248	+ 90.9
Detached	378,672	28.2	228,981	+ 65.3
Flats & maisonettes	290,015	17.3	123,046	+ 135.6
<b>All properties</b>	<b>282,372</b>	<b>100.0</b>	<b>158,144</b>	<b>+ 78.5</b>

Source: Land Registry Residential Property Price Report, 1<sup>st</sup> Quarter 2007  
 Land Registry Residential Property Price Report, 1<sup>st</sup> Quarter 2002  
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- 5.8.4 The highest volume of sales in the District is for terraced houses (33.0%) selling at an average price of £208,211. This is a shift from the 2006 report where detached houses had the highest volume of sales. In 2007, detached houses average £378,672 and make up 28.2% of sales, and the semi-detached average is £252,592, 21.5% of sales. Flats / maisonettes account for 17.3% of sales with an average price of £295,015, a slight increase on the 2006 report. Terraced properties are assessed to be the main entry level properties for first time buyers in view of their high level of sales and lower price levels.
- 5.8.5 The analysis of migration patterns of existing households however shows a net in-migration from all neighbouring Districts into South Hams District, suggesting that cost is just one of a number of factors influencing decisions to move into the District.
- 5.8.6 Over the last five years the prices of all properties have risen by 78.5%, but entry level stock, flats / maisonettes have increased by 135.6% and terraced properties have increased by 88.3%.

## 5.9 Entry Sales Levels in South Hams District

- 5.9.1 Entry to the market is clearly dependent on availability, a factor which is particularly critical for low income households who can only enter the market in any numbers where there is an adequate supply of affordable dwellings.
- 5.9.2 First-time buyers as new entrants to the housing market do not purchase houses at average prices as they do not have average incomes. Although average prices are useful for comparisons in general, they are not the purchase levels used in assessing the ability of households to enter local markets.
- 5.9.3 In broad terms, new purchasers of either flats or terraced properties buy in the lowest quartile of prices i.e. the bottom 25%. An internet / telephone survey of the local estate agents was undertaken to ascertain the cost of the cheapest units available i.e. the lowest quartile stock costs for sale in each of the 4 sub-areas agreed for the Second Homes Survey (2007). These are detailed below.
- 5.9.4 For analysis of the second homes survey data it was agreed that the survey would look at 4 sub areas, the Council was particularly interested in the difference in findings between rural and coastal areas:
- East Coastal area including Skerries, Stokenham and Saltstone wards;
  - West Coastal area including Westville and Alvington, Salcombe and Marlborough, Charterlands, Newton and Noss, Wembury and Brixton;
  - Towns: Totnes, Kingsbridge, Ivybridge and Dartmouth;
  - Central Rural area, including all other wards.

**Table 5-6 Entry Sales Levels (£) in South Hams District – September 2007**

Property Type	Towns	East Coastal	West Coastal	Central Rural
1-Bed Flat	121,415	78,617	162,475	115,000
2-Bed Flat	156,900	147,125	212,158	152,475
2-Bed Terraced	153,231	162,475	178,463	171,633
3-Bed Terraced	178,063	213,000	188,317	179,950

Source: DCA Housing Market Survey September 2007

- 5.9.5 Although the average price of terraced properties according to the Land Registry survey is £208,211, entry sales levels vary across the District with the lowest entry price at £153,231 in the Towns, rising to £178,463 in the West Coastal area for a 2-bed terraced property, as can be seen in the table above. 3-bed terraced properties start at £178,063 in the Towns, rising to £213,000 in the East Coastal area for a 3-bed terraced property.

## 5.10 Purchase Income Thresholds

- 5.10.1 The cheapest entry levels of the smallest units were assessed to enable threshold income levels to be calculated. These are based on 95% mortgage availability and a 3x gross income lending ratio, the levels recommended in the DETR 2000 and the SEERA 2004 Good Practice Guidance. 95% mortgages are no longer available to the majority of households and the average first time buyer level in the South West is 81%. The table below outlines the income ranges needed to enter the market in the 4 sub-areas in the District.

**Table 5-7 Purchase Income Thresholds – September 2007**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Towns	38,400	49,700	48,500
East Coastal	24,900	46,600	51,500
West Coastal	51,500	67,200	56,500
Central Rural	36,400	48,300	54,400

Please note: figures are rounded to nearest hundred.

- 5.10.2 The household survey (2006) showed found that only 11.8% of concealed households have incomes above £27,500 and only 5.1% above £35,000. The ability of concealed households to purchase in the market within South Hams is clearly very limited.

## 5.11 Private Rental Market

- 5.11.1 An internet search and review of secondary data was completed to build an understanding of the private rented sector in South Hams. This study found a clear cross over between the private rented sector and holiday letting market locally.
- 5.11.2 Although the 2001 Census data shows that 10.78% of homes are in the Private Rented Sector (PRS) (3,753 households), this figure is above the national average of 8.8%, and we suggest this figure includes holiday-let rental properties which are acquired through local letting agents and are often the same property types which local people may otherwise rent on a permanent basis.
- 5.11.3 The 2006 South Hams District Housing Needs and Market Assessment report noted;  
 “A number of estate agencies in certain areas, such as Kingsbridge Town, Salcombe Town and Totnes Town, stated that the demand for rental properties was so high there were not enough properties to meet this demand and as soon as a property comes on the market it is rented out.” It went on to say; “A number of estate agents contacted stated that of their rental stock, almost 100% of it was holiday lets,...even in the low seasons the majority of rental properties would still not be let out privately.” (DCA, 2006, P97 Para 10.9.2).
- 5.11.4 Evidence from the focus group discussions with Parish Clerks suggests that service and trade sector workers may take a long let on a holiday apartment during the winter when there is plenty of work (on holiday homes and second homes) and in the summer they and their families move out to other areas because the landlords lease the property at a higher price for holiday lettings.
- 5.11.5 An internet search of the rental market revealed that that there were comparatively few properties available in the private rental market in South Hams compared to sales and holiday lets. We observed especially little rental supply in the small villages in the centre of the South Hams District (Moreleigh, Sherford, Blackawton etc).
- 5.11.6 This is due to both a lack of smaller rental properties in such villages, which are mainly made up of larger houses and cottages, and the fact that these villages are popular with holiday lettings which take much of any supply of 2+ bed stock over the summer. Many of the cottages and large houses in these villages were found to be let specifically as holiday lets with temporary tenancies.

- 5.11.7 The table below sets out the rental income thresholds for key property types locally. Data was very limited for all property types except two bed terraced houses in the towns, reflecting the limited supply of private rented property locally.

**Table 5-8 Rental Income Thresholds – September 2007**

Area	Income Thresholds (£)		
	1 bed Flat	2 bed Flat	2 bed Terraced
Towns	15,000*	25,600*	24,000
East Coastal	25,200*	25,200*	25,200*
West Coastal	18,000*	23,800*	26,400*
Central Rural	18,700*	24,800*	20,900*

Source: DCA Housing Market Survey September 2007

(\* - Low data sample)

## 5.12 Estate Agent and Letting Agent Interviews

- 5.12.1 Phone interviews were carried out with five local estate agents and one holiday letting agent. The aim of the interviews was to gather views on the local housing market, how that has changed in recent years and how it may change in the future.
- 5.12.2 The specific experience of the second homes market was also explored including the type, size and location of second homes and the impact of second homes in the market.

### The Local Housing Market

- 5.12.3 Agents generally felt the market was reasonably buoyant although there was also evidence of a slow down in the market with less property coming onto the market, sellers being nervous about prices falling and buyers having concerns about interest rate rises.
- 5.12.4 Agents reported that prices had doubled in South Hams in the last 5 years.

### The Second Homes Housing Market

- 5.12.5 Agents were also asked about the second homes market specifically. Agents were very much aware of a specific second homes market although they noted some overlap between holiday lets and second homes. It was also noted that that some households buy locally as a first home and have a flat elsewhere (for example London or Bristol) as a second home although they may not be resident in South Hams on a full time basis.
- 5.12.6 The key locations for second homes are along, and within 10 miles of the coast.
- 5.12.7 Agents reported a significant growth in second home purchases over the last 5 years. Much of this has been motivated by growth in the buy to let holiday market and investment potential locally. Agents interviewed said that the second homes market has spread from the traditional larger properties in the coastal areas to the smaller and cheaper homes in the towns. The second homes market is now evident across the area, in all locations and all property types and prices.
- 5.12.8 A typical second home would be a 2 or 3 bed property, while holiday lets tend to focus on smaller properties. As prices have increased in response to demand agents had noticed the impact on the ability of first time buyers to access the market.
- 5.12.9 Thinking about the profile of second home owners, again agents reported a wide variety of households looking for a second home in South Hams. Some are investors and many are professional families in their 40s and 50s.

- 5.12.10 Agents thought that most second home owners from out of the area were making a commitment to the area, often looking ahead to retirement. There is little evidence of “churning” in the market as those who buy second homes seem to keep them long term. Locals buying a property as a holiday let were also buying for the long term, gaining from rising property prices and the buoyant holiday lets market.

#### **The Impact of Second Homes on the Local Housing Market**

- 5.12.11 Agents were aware that activity within the second homes market was having an impact on the general housing market, suggesting a clear relationship between second homes and local housing market.
- 5.12.12 In terms of supply agents felt that local people on lower incomes and young families were facing difficulties accessing the market: “*we are running out of affordable homes*”. There was also evidence of property being converted to flats and bought as second homes; agents were also aware that there was little new build property locally.
- 5.12.13 On issues for local working people agents commented that they were being pushed out of the area, because local wages can not support mortgages locally: “*they can’t afford local villages*”. At the same time property is empty for long periods in the winter: “*it kills the community*”.
- 5.12.14 In key holiday locations with good views and those on the waterfront in particular, agents were seeing premium prices paid for property with large increases over the last 5 years, reflecting high demand. There were mixed views from agents on the extent to which activity in the second homes market, as distinct from the holiday lets market or general housing market, was responsible for this high price growth.
- 5.12.15 Agents could identify more negative than positive impacts from second home ownership. On the positive side second home ownership may lead to an upgrading of the housing stock and uplift in the housing market generally, with shops and local businesses thriving and a good atmosphere in the holiday season.
- 5.12.16 There was also a downside to the second home market however. While shops and business may thrive in the summer it is quiet in the winter. Local services and businesses struggle and are less sustainable.

#### **The Future of the Second Homes Housing Market**

- 5.12.17 Agents agreed that the second homes market was here to stay.
- 5.12.18 In terms of price agents felt they would be steady or perhaps fall slightly. Certainly there was an expectation of a slow down in the market compared to the last 5 years. Agents talked about a “levelling off” and of a need for “realistic pricing”. They were aware that there was less property coming onto the market and some nervousness amongst both buyers (interest rates) and sellers (prices) about the future.
- 5.12.19 Key drivers in the second homes market are expected to remain; demand, investment opportunity, interest rates and wider economic conditions. These drivers represent an internal dynamic within the market all of which appear to be dampening at the present time.
- 5.12.20 Overall the market is expected to continue in the same direction, although perhaps at a slower rate. In particular the market is expected to be increasingly dominated by older people with a high disposable income. Younger families however are expected to continue to leave the area, pushed out by high prices and lack of local services and facilities.

5.12.21 There is a lack of affordable housing locally and unchecked the market is expected to continue to bulge towards older affluent owners at the expense of lower income local families. Agents did not feel there was anything that Government or the local authority could do to influence the market, and commented: “*the market looks after its self*”. They did however see a need for more affordable housing to address the imbalance in the market and meet the needs of local families.

## 5.13 The Supply and Demand for Social Housing

5.13.1 Evidence from the study has suggested that many local households, especially new forming households will struggle to access the local housing market, either to buy (price), or to rent (supply). This section looks at the supply and demand for social housing in South Hams.

5.13.2 Although South Hams transferred all its social housing stock to TOR homes in 1999, the Council still retain strategic responsibility for meeting housing needs locally. The Council holds the Housing Register for social rented properties and has a nomination agreement with local RSLs. Members of this consortium are :-

- TOR Homes;
- Dartington H.A.;
- Devon and Cornwall H.A.;
- Sanctuary H.A.;
- Sovereign H.A.;
- The Guinness Trust;
- Signpost H.A.;
- Tamar Housing Society;
- Anchor Housing Trust;
- South Western Co-operative Housing Association;
- Hastoe H.A. and
- English Churches H.A.

5.13.3 The allocations policy is based on a points scheme to identify the highest housing need following certain criteria including: homelessness; unsatisfactory accommodation; medical and welfare (including threats and harassment); hardship (including isolated property, low income or key worker status); temporary or insecure accommodation; length of time on housing register; local connection; and exceptional circumstances.

5.13.4 Turnover within the existing social housing stock is limited however, at just 3% a year (HSSA). New build social housing is also limited by capital resources available and the availability of suitable land for development.

5.13.5 While supply both from stock turnover and new delivery is low, demand for social housing is high in South Hams.

5.13.6 The HSSA returns, at 1<sup>st</sup> April 2007 show that there were 4,274 RSL properties in the South Hams District and there were 1,646 applicants on the waiting list. Of these 892 needed one bed properties, 484 needed two bed properties, 189 required 3 bed properties and 45 needed three or more bedrooms. 577 of these households were in the reasonable preference category of the waiting list i.e. those in priority need.

5.13.7 As expected most applicants requested properties in the larger settlements. The four towns, Kingsbridge, Ivybridge, Totnes and Dartmouth attracted the greatest level of requests. Table 5-9 below outlines the area choices expressed by applicants during August 2007.

**Table 5-9 Number of Requests for Social Housing by Sub-Area August 2007**

	1 bedroom	2 bedroom	3 + bedrooms
East Coastal (of Kingsbridge estuary)	24	17	9
West Coastal (of Kingsbridge estuary)	76	35	24
Rural	157	104	51
Towns	483	281	112

5.13.8 During 2006 – 7 there were 130 new lettings by RSLs in the South Hams district. These included 60 nominated lettings arising from the Councils Housing Register. This number has fallen annually from a total of 205 nominations in 2003/4. During 2006-7 there were 50 homelessness nominations to RSLs, a drop from 89 in 2003/4.

5.13.9 Of the 155 lettings recorded in the District (including transfers) during 2006 – 07, the average waiting time was 885 days, just short of 2½ years. In many areas there were only one or two allocations over this period, underlining the small number of social lets and low turnover in some areas.

5.13.10 The longest waiting period was for a property in the East Coastal area of South Hams at 2,095 days, followed by one in the rural areas at 1,024 days. In towns the wait was an average of 848 days and in the West Coastal areas the wait averaged 540 days. The average letting times in some of the more regularly let areas is shown in Table 5-10 below.

**Table 5-10 Average Waiting Times in Days for Social Lettings 2006 - 07**

	1 bedroom		2 bedrooms		3 + bedrooms	
	No. props. let	Average wait	No. props. let	Average wait	No. props. let	Average wait
Dartmouth	19	569	10	547	3	1,548
Ivybridge	10	1,447	5	710	4	976
Kingsbridge	13	475	6	453	~	~
Modbury	5	619	~	~	~	~
Salcombe	3	528	1	146	~	~
South Brent	1	20	1	2132	2	1,336
Thurlestone	3	1309	2	312	~	~
Totnes	10	869	5	1,260	4	1,002
Yealmpton	7	266	~	~	~	~
<b>South Hams</b>	<b>89</b>	<b>737</b>	<b>44</b>	<b>942</b>	<b>22</b>	<b>1,370</b>

- 5.13.11 P1E homeless statistics show that over the past year there have been relatively few homeless household acceptances in South Hams – however for a small district this can still have an impact.
- 5.13.12 During the quarters from July 2006 – June 2007 the number of homeless acceptances ranged from 7 in the 3<sup>rd</sup> quarter 2006 to 16 in the 2<sup>nd</sup> quarter 2007 with an average of 11 acceptances across this period. In most cases the reason for acceptance was ‘dependant children’ to either lone parents or couples. The second most common reason was fleeing violence, particularly domestic violence. The predominant age group accepted as homeless were in the 25 – 44 age group (23 acceptances). However there were also 11 from the 16 – 24 age group.
- 5.13.13 A significant number of households accepted as homeless were living in temporary accommodation 9 out of 12 households in June 2007 and roughly half throughout the other 3 quarters. However at the end of quarter 2 (April, May and June 2006) 18 of the 19 households accepted were in temporary accommodation.

## 6 SOUTH HAMS SECOND HOMES SURVEY

### 6.1 Key Findings

- 6.1.1 The survey of second homes in South Hams was a postal survey based on a sample of 3,907 second home owners, achieving a response rate of 25.5% (998 returns). The fieldwork took place during August 2007.
- 6.1.2 The profile of second home owners showed that over half travel between 3 to 4 hours to get to their second home. Typically they have larger detached houses as their first home, are professional and are high income households. There is a real gulf between the economic profile of second home owners and local residents in South Hams in terms of occupation type and income.
- 6.1.3 The profile of second homes showed a high proportion of flats and terraced houses compared to the profile of all properties in the district at the 2001 Census. 73.8% of second homes have 2 or 3 bedrooms, showing a slightly smaller average property size among second homes compared to all properties in the District. Second homes in South Hams are predominantly within Council Tax bands C, D and E.
- 6.1.4 45.4% of second home owners have had their property for more than 10 years, suggesting a high level of commitment to the area.
- 6.1.5 52.5% of second home owners had existing links to the area and 29.1% chose South Hams as a location for their second home because they were planning for retirement.
- 6.1.6 64.5% had acquired their second home as a weekend / holiday home. Typically second home owners come to South Hams for a weekend about once a month, with the property occupied for up to 16 weeks a year.
- 6.1.7 When they are resident however, second home owners appear to use a wide range of local services and facilities, in particular local pubs, shops and restaurants.
- 6.1.8 Those responding to the survey also appeared to be well integrated with the local community. 34.2% chose a particular location because they wanted to be part of the community; 98.7% said they take an interest in what is going on locally and 82.4% are more actively involved in the community.
- 6.1.9 66.3% had spent money refurbishing their home, with 41% spending over £20,000 and 95.2% having used local trades' people to carry out the work.
- 6.1.10 Only 7.8% of second home owners had plans to move; of those who were planning to buy another property, all except one wanted to buy again in South Hams.

### 6.2 Introduction

- 6.2.1 The survey of second home owners in South Hams provides key primary data to support this research study.
- 6.2.2 Based on a local data base provided by the Council and based on Council Tax records 3,907 questionnaires were mailed out to households registered as second homes in South Hams. A total of 998 completed questionnaires were returned a response rate of 25.5%.
- 6.2.3 The response rate gives statistical confidence of 2.68% in the results, meaning we can be 95% confident within +/- 2.68% that the survey results are applicable to all second home owners in South Hams.
- 6.2.4 As with any survey sample it is likely that there will be a higher proportion of respondents from households who are more engaged with the local community, the results should be considered with this in mind.

- 6.2.5 In addition to the completed questionnaires 54 questionnaires were returned blank saying that this was not a second home. The reasons given are shown in Table 6-1 below.

**Table 6-1 Questionnaires Returned Blank: Reasons for Non Completion**

Reasons	No of Questionnaires returned	%
Main residence	14	25.9
Extension of main residence	4	7.4
Not a second home	7	13.0
Chalet: not eligible for 12 months residency	12	22.2
Full time tenanted	4	7.4
National Trust property	2	3.7
Other	11	20.4
<b>Total</b>	<b>54</b>	<b>100.0</b>

- 6.2.6 The research team also took a number of other calls during the fieldwork period from members of the public who had received a questionnaire but stated that this was not a second home. Others refused to complete a questionnaire, some questioning the reasons for such a survey.
- 6.2.7 The Council Tax register is the best available base line for estimating the number of second homes locally. DCA accept that, as reflected in the Parish Clerks focus group, this is an imperfect record as some second home owners may not register their South Hams property as a second home for a number of reasons. For example for tax reasons they may register another property as a second home, or they may register two homes as a primary residence registering one partner as living at each address.
- 6.2.8 The survey of second homes in South Hams found that 17% of second home owners also let within the holiday market. This study did not however include pure holiday lets which are local businesses and registered as such for Council Tax purposes.
- 6.2.9 The holiday letting market is a different and distinct market within South Hams. At other points in this report we have mentioned the holiday lets market and it is clear from our research that there overlap between second homes and holiday lets. However the impact of holiday lets is different to that for second homes, mainly impacting on the availability of private rented accommodation. It would require a separate detailed study to fully understand the impact of the holiday lets market locally.
- 6.2.10 It was agreed that the analysis of the survey would examine 4 sub areas, the Council was particularly interested in the difference in findings between rural and coastal areas:
- East Coastal area including Skerries, Stokenham and Saltstone wards;
  - West Coastal area including Westville and Alvington, Salcombe and Marlborough, Charterlands, Newton and Noss, Wembury and Brixton;
  - Towns: Totnes, Kingsbridge, Ivybridge and Dartmouth;
  - Central Rural area, including all other wards.

6.2.11 The response rate by sub area is shown in the table below.

**Table 6-2 Response Rate by Area**

Question 1

	No Questionnaires Issued	No Questionnaires Returned	% Response Rate
East Coastal	540	163	30.2
West Coastal	1,510	366	24.2
Towns	1,043	257	24.6
Central rural areas	814	212	26.0
<b>Total</b>	<b>3,907</b>	<b>998</b>	<b>25.5</b>

### 6.3 Profile of Second Homes in South Hams

6.3.1 This section looks at the profile of second homes in South Hams. Based on responses from 970 households 75.6% were the outright owners of the property, a further 19% had a mortgage and 5.5% were buying the property with another family. The 2001 Census showed that 39.3% of all homes in South Hams were owned outright, with no mortgage.

6.3.2 The profile of property type showed 29% of second homes were detached houses or bungalows (compared to 39.2% in the 2001 census), 19.2% were semi-detached (compared to 25.2% in the 2001 census) and 28.8% were terraced (compared to 22.1% in the 2001 census).

6.3.3 22.6% of second homes were flats, a far higher proportion than in the 2001 census (12.9%). 45% of all flats in the sample were in the towns, a further 33.9% were in the West Coastal area.

6.3.4 The property type profile by area shows a higher proportion of detached and semi-detached properties in the second homes market in the East Coastal area while terraced houses and flats are more common in the West Coastal area and the towns.

**Table 6-3 Property Type by Area (%)**

Question 2

	All Areas	East Coastal	West Coastal	Towns	Central Rural
Detached house / bungalow	29.0	35.4	32.9	17.1	31.6
Semi-detached house / bungalow	19.2	27.9	17.0	12.3	24.8
Terraced house / bungalow	28.8	27.3	28.7	30.6	27.6
Flat / maisonette	22.5	9.4	20.8	39.6	15.0
Bed-sit / Studio / Room Only	0.2	0	0.3	0	0.5
Houseboat / caravan / mobile home	0.3	0	0.3	0.4	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

6.3.5 The distribution of property type by tenure did not show any significant variation between outright owners and those with a mortgage. However, joint owners had a higher proportion of terraced property (43.1%) and lower proportion of flats (9.9%).

**Table 6-4**      **Number of Bedrooms**

Question 3

<b>Bedrooms</b>	<b>%</b>	<b>N<sup>os</sup>.</b>
Bed-sit	0.2	2
One	5.7	56
Two	34.1	335
Three	39.7	389
Four	15.5	152
Five or more	4.8	47
<b>Total</b>	<b>100.0</b>	<b>981</b>

- 6.3.6 73.8% of second homes have 2 or 3 bedrooms. The South Hams Housing Market and Needs Assessment found that 66.3% of all households in South Hams are living in property with 2 or 3 bedrooms. The average number of bedrooms was 2.7 in second homes compared to 2.9 in the District as a whole.
- 6.3.7 The proportion of properties of different sizes across the study area is fairly consistent although smaller properties, with one or two bedrooms are more common in the West Coastal area and the Towns.

**Table 6-5**      **Access to Amenities**

Question 4

	<b>All Areas %</b>	<b>East Coastal</b>	<b>West Coastal</b>	<b>Towns</b>	<b>Central Rural</b>
Central heating	74.2	66.7	77.6	76.7	71.2
Double glazing	69.5	67.3	73.4	70.0	63.9
Loft insulation	64.5	71.6	61.6	57.9	71.7
Garden	78.9	87.7	82.9	62.1	84.9
Garage	43.8	44.4	44.5	34.2	53.2
Off-street Parking	66.5	79.6	68.1	46.3	77.1
Caretaker / concierge	6.8	8.6	7.8	3.8	7.3
Housekeeper	2.6	3.1	4.2	1.3	1.0

\* Low volume of data

- 6.3.8 There is a lower level of access to basic amenities in the second homes market compared to all households in South Hams. Just 74.2% of households have central heating compared to 90.2% of all households in the South Hams Housing Market and Needs Assessment. 69.5% have double glazing compared to 85.8% of all households and just 64.5% have loft insulation compared to 77.7% of all households.
- 6.3.9 No figures are available to compare access to other facilities which appear to be available in similar proportions across the study area.

**Table 6-6**      **How Long Have You / Your Family Had This Second Home?**

Question 5

	<b>%</b>	<b>N<sup>os</sup>.</b>
Less than 1 year	4.7	46
Between 1 – 5 years	28.7	282
Between 6 – 10 years	21.2	208
between 10 – 15 years	17.1	168
Between 15 – 20 years	9.3	91
Over 20 years	19.0	187
<b>Total</b>	<b>100.0</b>	<b>982</b>

- 6.3.10 45.4% of households had had their second home for more than 10 years, and 19% of the sample had had their home for more than 20 years. 4.7% have had their second home for less than a year, suggesting growth in the market of 4.7% per year, although some of these may have moved from another second home elsewhere in South Hams.
- 6.3.11 The most established areas for second home ownership were the East Coastal area, where 50% of second homes had been occupied for more than 10 years and the West Coastal area (49.7%). The data showed that 42.8% of households responding in the West Coastal area had had their second home for more than 20 years.

**Table 6-7 How Did You Acquire This Second Home?**

Question 6

	%	N <sup>os</sup> .
Inheritance	10.1	98
Mortgage	25.3	245
Re-mortgage	5.5	53
Buy to let mortgage	1.1	11
Cash purchase	58.0	562
<b>Total</b>	<b>100.0</b>	<b>969</b>

- 6.3.12 Over half the second home owners in the sample had acquired their property through cash purchase (58%), this rose to 62.1% in the Central rural areas. The profile was similar across the study area. Only 1.1% had been acquired through buy to let. This is expected as the sample did not include holiday lets.

**Table 6-8 Why Did You Decide To Buy a Second Home?**

Question 7

	%	N <sup>os</sup> .
Investment opportunity	2.1	20
Furnished holiday letting	3.1	29
Weekend / holiday home	64.5	611
Planning for Retirement	19.7	187
Other	10.6	101
<b>Total</b>	<b>100.0</b>	<b>948</b>

- 6.3.13 64.5% of households responding had brought their second home as a weekend / holiday home, a further 19.7% were planning for retirement. There was little interest in acquiring a second home as an investment opportunity or for holiday lets although this may be a secondary motivation.

**Table 6-9 Did You Have to Refurbish / Improve The Property?**

Question 8a

	%	N <sup>os</sup> .
Yes	66.3	644
No	33.7	328
<b>Total</b>	<b>100.0</b>	<b>972</b>

**Table 6-10**      **What Improvements / Works Did You Carry Out?**  
Question 8b

	% responses	N <sup>os</sup> .
New kitchen	60.1	409
New bathroom	61.3	417
Extended living accommodation	20.0	136
Internal decoration	88.1	599
External painting / rendering	72.1	490
Damp works	32.9	224
Roof works	37.9	258
Other	33.8	230
<b>Total</b>		<b>2,763</b>

- 6.3.14 66.3% of respondents (644) said they had to carry out improvement works to their second home. However, 680 households responded to a follow up question asking what improvements they had carried out, suggesting a marginally higher proportion.
- 6.3.15 Those who had made improvements had carried out an average of four types of work on their property. Given that a high proportion of respondents have owned their home for some time it is likely that this work will have been completed over a number of years. None the less this does represent a potentially significant impact on the local economy in terms of demand for local trade people, and to a lesser extent, on the housing stock, in terms of raising standards locally.
- 6.3.16 Just over 60% of those who had made improvements had replaced kitchens and bathrooms. 88.1% had done internal decorating and 72.1% external decorating and rendering. More substantial structural works including extensions (20%) and roof works (37.9%) are also significant.

**Table 6-11**      **How Much Did You Spend?**  
Question 8c

	%	N <sup>os</sup> .
Up to £5,000	17.0	113
£ 5,000 - £10,000	20.4	136
£10,000 - £20,000	21.5	143
Over £20,000	41.1	274
<b>Total</b>	<b>100.0</b>	<b>666</b>

- 6.3.17 41.1% of respondents had spent over £20,000 improving their second home. A further 21.5% had spent between £10,000 - £20,000. The highest spenders were in the West Coastal area where 48.4% had spent over £20,000. In contrast, the lowest spend was in the Towns where 23.6% spent up to £5,000.
- 6.3.18 47.5% of households in the sample (448) had carried out energy efficiency improvements to their second home. Based on responses from 482 households, making an average of 1.9 choices each the most common improvement was new windows / double glazing (69.3%), although this rose to 78.6% of respondents from the East Coastal area.

**Table 6-12 What Energy Efficiency Improvements Have You Carried Out?**

Question 9b

	%	N <sup>os</sup> .
New windows / double glazing	69.3	334
New central heating / condensing boiler	47.3	228
Cavity wall insulation	13.9	67
Loft insulation	54.1	261
Solar panels	0.8	4
<b>Total</b>		<b>894</b>

**Table 6-13 How Much Did You Spend On Energy Efficiency Measures?**

Question 9c

	%	N <sup>os</sup> .
Up to £5,000	57.4	263
£ 5,000 - £10,000	25.1	115
£10,000 - £20,000	11.6	53
Over £20,000	5.9	27
<b>Total</b>	<b>100.0</b>	<b>458</b>

- 6.3.19 Based on responses from 458 households who had made improvements 57.4% had spent less than £5,000 on energy improvements to their second home.
- 6.3.20 When considering all the works they had carried out on their home 95.2% said they had used local trades people to carry out the work.
- 6.3.21 The following questions look at why respondents choose South West Devon as the location for their second home. 975 respondents made an average of two responses each to this question. Given that the majority had acquired their home as a weekend / holiday home it is not surprising to find that 69.5% said they simply like the area, the proportion rose to 75.8% for those responding from the East Coastal area.
- 6.3.22 Interestingly however, 52.5% had existing links drawing them into the area. 29.1% had chosen the area because they are planning for retirement, this compares to 19.7% who had initially decided to buy this second home because they were planning for retirement. In both questions a higher proportion of respondents with second homes in the Towns were planning for retirement.

**Table 6-14 Why Did You Choose South West Devon As The Location For Your Second Home?**

Question 11a

	%	N <sup>os</sup> .
Existing links with SW Devon	52.5	512
Like the area	69.5	678
Good investment opportunity	9.6	94
Seeking better quality of life	25.2	246
Planning for retirement	29.1	284
New job	1.3	13
Education	0.2	2
Other	7.5	73
<b>Total</b>		<b>1,902</b>

- 6.3.23 Overall, quality of life (25.2%) is a far more significant factor than investment opportunity (9.6%) in choosing South West Devon as a location. The following question asked specifically what had determined the choice of location within South Hams.

**Table 6-15 What Determined Your Choice Of Location?**

Question 11b

	%	N <sup>os</sup> .
Rural location	30.4	285
Seaside location	67.1	629
Village / town location	39.6	371
Transport network (close to A38)	10.8	101
Holiday destination	39.2	367
To be part of the local community	34.2	320
Cost and affordability	22.3	209
Availability of suitable property	37.2	349
Near shopping / leisure facilities	18.4	172
Quality of neighbourhood	42.8	401
<b>Total</b>		<b>3,204</b>

- 6.3.24 Respondents made an average of 3.4 choices each when considering this question. As would be expected a high proportion wanted a seaside location (67.1%), rising to 71.4% amongst those responding from the East Coastal area and 79.7% amongst those from the West Coastal area, emphasising the importance of coastal locations for second home owners.
- 6.3.25 Overall 30.4% were looking for a rural location, rising to 53.9% amongst those responding from the central rural areas. 39.6% were looking for a village / town location, rising to 51% amongst those responding from the Towns.
- 6.3.26 Over a third of all respondents chose their location because they wanted to be a part of the local community (34.2%) suggesting a commitment to the area and a wish to engage with the local community rather than to be a separate part of it. The quality of the neighbourhood was also an important factor (42.8%).
- 6.3.27 Table 6-14 identified 512 households who had acquired their second home in South West Devon because they had existing links to the area. All households were asked what links they have with the area.

**Table 6-16 What Existing Links Do You Have With South West Devon?**

Question 12

	%	N <sup>os</sup> .
Family	33.9	320
Friends	50.4	475
Work	7.4	70
Holiday location	57.9	546
Other	10.6	100
<b>Total</b>		<b>1,511</b>

- 6.3.28 Based on responses from 943 households making an average of 1.6 responses each the survey found that 57.9% of respondents had links to the area as a holiday destination. However, over 50% had friends in the area and 33.9% had family locally.

**Table 6-17** *Apart From Your Immediate Family, Do Any Other Households Use This Second Home?*  
Question 13

	%	N <sup>os</sup> .
Extended family	74.0	547
Friends	66.0	488
Holiday lets	17.1	126
Tenants	1.1	8
Other	2.0	15
<b>Total</b>		<b>1,184</b>

6.3.29 Based on responses from 739 households making an average of 1.6 responses each the survey found that the majority of second home owners made their home available to extended family and friends. Relatively few took advantage of the holiday lets market locally (17.1%) or allowed any other people to use their home. Holiday letting was marginally more common amongst second home owners in the West Coastal area (21.2%).

## 6.4 Profile of Second Home Owners in South Hams

6.4.1 The questions in this section look at the circumstances and profile of second home owners in South Hams. The first question looked at the location of the first home. This showed that just under half of second home owners were living permanently elsewhere within the south of England (49.5%), outside the South West. 19.9% were from the Midlands and 11.2% from elsewhere in the South West, outside Devon and Cornwall.

**Table 6-18** *Where is the Location of Your First Home?*

Question 14

	%	N <sup>os</sup> .
South Hams	9.6	94
Plymouth	1.2	12
West Devon	0.0	0
Caradon	0.0	0
Elsewhere in Devon	2.0	20
Elsewhere in Cornwall	0.3	3
Elsewhere in South West	11.2	109
Midlands	19.9	195
Elsewhere in the South of England	49.5	484
North East of England	0.7	7
North West of England	2.6	24
Scotland	0.0	0
Northern Ireland	0.0	0
Wales	1.7	17
Outside UK	1.3	13
<b>Total</b>	<b>100.0</b>	<b>978</b>

**Table 6-19**      **What is the Estimated Travel Time From Your First Home to Your Second Home?**  
Question 15

	%	N <sup>os</sup> .
Less than 1 hour	7.0	68
1 – 2 hours	13.2	128
3 – 4 hours	53.8	520
More than 4 hours	26.0	251
<b>Total</b>	<b>100.0</b>	<b>967</b>

- 6.4.2 Over half of respondents travel between 3-4 hours to reach their second home, corresponding to the high proportion travelling from elsewhere in the South of England. 26% travel for more than 4 hours. 31.3% of respondents from the East Coastal area travel for more than 4 hours.

**Table 6-20**      **What Is the Tenure of Your First Home**

Question 16

	%	N <sup>os</sup> .
Owner occupied (with mortgage)	27.3	266
Owner occupied (no mortgage)	70.6	689
Council rented	0.1	1
Private rented	1.1	11
HA rented	0.2	2
Shared Ownership (part rent/part buy)	0.1	1
Living rent free	0.3	3
Tied to your employment	0.3	3
<b>Total</b>	<b>100.0</b>	<b>976</b>

- 6.4.3 97.9% of second home owners own their own first home compared to 71% in England as a whole (2001 Census). 81.7% live in a detached or semi-detached house, far higher than the national average, the 2001 Census shows that 53% of households in England are living in detached or semi-detached homes.

**Table 6-21**      **What Type of Property is Your First Home?**

Question 17

	%	N <sup>os</sup> .
Detached house	65.5	638
Semi-detached house	16.2	158
Terraced house	8.2	80
Detached bungalow	4.3	42
Semi-detached bungalow	0.4	4
Terraced bungalow	0.0	0
Flat / maisonette	5.4	52
Bed-sit / Studio / Room Only	0.0	0
Houseboat / caravan / mobile home	0.0	0
<b>Total</b>	<b>100.0</b>	<b>974</b>

**Table 6-22 How Many Bedrooms are in Your First Home?**

Question 18

Bedrooms	%	N <sup>os</sup> .
Bed-sit	0.1	1
One	0.9	9
Two	6.6	64
Three	22.4	218
Four	39.4	385
Five or more	30.6	298
<b>Total</b>	<b>100.0</b>	<b>975</b>

- 6.4.4 70% of second home owners had a first home with four or more bedrooms. The average number of bedrooms was 3.9 in first homes and only 7.6% had two bedrooms or fewer.

**Table 6-23 Ethnic Origin**

Question 19b

Ethnic Origin		%	N <sup>os</sup> . Implied
White	British	98.0	947
	Irish	0.3	3
	Other White	0.8	8
Mixed	White & Black Caribbean	0.1	1
	White & Black African	0.1	1
	White & Asian	0.2	2
	Other Mixed	0.1	1
Asian or Asian British	Indian	0.0	0
	Pakistani	0.0	0
	Bangladeshi	0.0	0
	Other Asian Background	0.1	1
Black or Black British	Caribbean	0.0	0
	African	0.0	0
	Other Black Background	0.0	0
Other Ethnic	Chinese	0.0	0
	Gypsy / Traveller	0.0	0
	Any other	0.3	3
<b>Total</b>		<b>100.0</b>	<b>967</b>

- 6.4.5 98% of second home owners described their ethnicity as British, compared to 97.3% of all households in South Hams at the 2001 Census.

**Table 6-24 Employment Status of Head of Household**

Question 19e

Status	%	N <sup>os</sup> .
Full time employee (> 30 hours)	28.5	270
Part time employee(< 30 hours)	8.9	84
Self-employed	17.0	161
On Government Training Scheme	0.1	1
Full time education (age 16+)	0.1	1
Unemployed & available for work	0.3	3
Permanently sick / disabled	0.5	5
Wholly retired from work	37.9	359
Looking after the home	6.7	64
<b>Total</b>	<b>100.0</b>	<b>948</b>

- 6.4.6 37.9% of second home owners are retired, 54.4% (515) are in employment. This compares to 31.6% retired and 57.4% in employment amongst all heads of households in South Hams (Housing Market and Needs Assessment). The rate of self employment amongst second home owners is high at 17% compared to 12.8% amongst all heads of household in South Hams.
- 6.4.7 Those who were working were asked about their occupation. Responses were received from 617 heads of households, of whom 66.8% were in professional occupations, compared to 46.1% amongst all households in South Hams (Housing Market and Needs Assessment), showing the relative affluence of second home owners locally.

**Table 6-25 Occupation Type of Head of Household**

Question 19f

Occupation	%	N <sup>os</sup> . implied
Professional	66.8	412
Managerial & Technical	17.3	107
Skilled, non-manual	3.4	21
Skilled, manual	2.4	15
Partially skilled	0.5	3
Unskilled	0.7	4
Other	8.9	55
<b>Total</b>	<b>100.0</b>	<b>617</b>

- 6.4.8 The following questions explore the income and savings of second home owners in South Hams.

**Table 6-26 Household Savings**

Question 20a

Savings	%	N <sup>os.</sup> implied
Under £ 5,000	5.5	42
£ 5,000 - £10,000	4.2	32
£10,001 - £15,000	4.4	33
£15,001 - £20,000	3.3	25
£20,001 - £30,000	3.6	27
Above £30,000	79.0	599

- 6.4.9 79% of second home owners have savings above £30,000. This compares to just 28.3% of all existing households in South Hams (Housing Market and Needs Assessment).

**Table 6-27 Level of Equity in Second Home?**

Question 20b

Level of Equity	%	N <sup>os.</sup> implied
Under £ 10,000	0.4	3
£10,000 - £ 30,000	1.3	10
£30,001 - £ 50,000	2.4	19
£50,001 - £ 75,000	2.0	16
£75,001 - £100,000	3.3	26
£100,001 - £200,000	20.1	158
£200,001 - £250,000	15.1	119
Above £250,000	55.3	435

- 6.4.10 Over half second home owners (55.3%) have more than £250,000 equity in their second home. This reflects the high proportion of second home owners who own their property outright and the rise in property prices locally over recent years.

**Table 6-28 Gross Annual Income of Self and Partner**

Question 20c

Annual income	%	N <sup>os.</sup> implied
Under £10,000	1.2	9
£10,000 - £15,000	2.7	20
£15,001 - £20,000	2.4	18
£20,001 - £30,500	8.0	60
£30,001 - £40,000	7.3	55
£40,001 - £50,000	8.1	61
£50,001 - £60,000	8.4	63
£60,001 - £75,000	7.7	58
Above £75,000	54.4	410

- 6.4.11 Over half of second home owners (54.4%) have household incomes above £75,000, compares to just 5.3% of all existing households in South Hams (Housing Market and Needs Assessment). The relative affluence of second home owners is a key factor in the contribution they make to the local economy. This was further explored in the Parish Clerks focus group and the interviews with local business people in Section 7 below.

## 6.5 Integration with the Local Community

- 6.5.1 In commissioning this study of second home ownership locally, the Council were interested to know to what extent second home owners were integrated into the local community. This was explored both through the survey, to get the views of second home owners, and through the focus group to get the views of local residents.
- 6.5.2 Social and economic data suggesting a significant gap in incomes and economic status between second home owners and local residents could lead to an assumption that second home owners may form a separate and distinct community within South Hams.
- 6.5.3 There are a number of different ways in which second home owners may integrate into the local community however. The survey looked at how long their property was occupied for, how often they visit, what local services and facilities they use, how much they spend locally and how they interact with the local community on a more social / community level.
- 6.5.4 Clearly the length of time and frequency of the visits may increase the level of integration. The dominant pattern however seemed to be to visit for short periods (typically a weekend) about once a month.

**Table 6-29**      **On Average How Many Weeks Is This Property Occupied Over a 12 Month Period?**  
Question 21

	%	N <sup>os</sup> .
Less than 4 weeks	1.6	16
4 – 8 weeks	15.1	147
8 – 16 weeks	41.3	402
16 – 26 weeks	28.4	276
26 – 36 weeks	10.5	102
36 – 52 weeks	3.1	30
<b>Total</b>	<b>100.0</b>	<b>973</b>

- 6.5.5 Based on responses from 973 households 58% indicated that their second home was not occupied for more than 16 weeks of the year suggesting a low level of integration. Long periods of vacancy may increase the risk of crime on the property, although this was not the view of the local police, and given the concentration of second homes in certain locations in South Hams may also have a significant negative impact on the economy in parts of the District, this was confirmed through interviews with local business people.

- 6.5.6 132 properties in the survey were occupied for 26 weeks or more (13.6%). Properties in the West Coastal area was more likely than any other area to be occupied for 26 weeks or more. 16% of homes fell into this band.

**Table 6-30 How Often Do You Visit This Property?**

Question 22

	%	N <sup>os.</sup>
Weekly	11.7	113
Monthly	63.7	616
Quarterly	22.4	217
Annually	2.2	21
<b>Total</b>	<b>100.0</b>	<b>967</b>

- 6.5.7 63.7% of second home owners in South Hams visit their property monthly, a further 22.4% visit quarterly, as their reasons for owning the property is for holiday or weekend visits.

**Table 6-31 When You Visit, How Long Do You Stay For?**

Question 23

	%	N <sup>os.</sup>
A few days	59.7	562
A couple of weeks	35.5	334
More than a month	4.8	46
<b>Total</b>	<b>100.0</b>	<b>942</b>

- 6.5.8 59.7% of households will stay at their second home for just a few days at a time. 35.5% will stay for a couple of weeks, suggesting a family holiday. Just 4.8% will stay for longer, over a month. The data would suggest a limited capacity to engage with the local community when stays are for such a short time.

- 6.5.9 All households were asked what services and facilities they use locally.

**Table 6-32 What Services / Facilities Do You Use Locally?**

Question 24

	Facilities Used		Most Important Facilities
	%	N <sup>os.</sup>	%
Shops	99.4	974	91.2
Post Office	89.4	876	38.8
Public Transport	27.6	270	11.8
Housekeeper	7.7	75	2.6
Gardener	1.2	404	17.8
Cleaner	30.5	299	12.5
Key holder	30.3	297	11.9
Trades people	83.1	814	43.1
Garage	52.6	515	10.3
Pub	88.9	871	42.3
Restaurant	90.0	882	47.4
Church	31.3	307	12.1
Doctor	31.9	313	15.0
Recycling facilities	90.0	882	25.3
Other	24.5	240	5.8
<b>Total</b>		<b>8,019</b>	

- 6.5.10 Based on responses from 980 households making an average of 8.2 choices each, the data showed that second home owners are using a very wide range of local services and facilities when they are in South Hams. 99.4% of households use a local shop, 90% use local restaurants and 88.9% visit the local pub.
- 6.5.11 Second home owners are contributing to the local economy through their use of local shops, post offices, pubs and restaurants. 83.1% say they use local trade people and a smaller number use local people for gardening, cleaning and key holding services.
- 6.5.12 Interviews with local trades people and discussions in the Parish Clerks focus group confirmed the importance of second home owners to the local economy and to the sustainability of small local businesses. The contribution of second home owners is felt to be both bigger (per head) and more sustained than the contribution made by local holiday makers. In particular because second home owners have a bricks and mortar stake in the local area and need ongoing support from local services such as cleaning and gardening as well as trades people for the maintenance of their property.
- 6.5.13 Some public and voluntary services are also well used by second home owners, including recycling facilities (90%), while some households use local doctors (31.9%), churches (31.3%) and public transport (27.6%).
- 6.5.14 When considering what services and facilities were most important to them locally, 976 households responded, making an average of 3.9 choices each. The most important facilities were local shops (91.2%).
- 6.5.15 A following question asked how much the household would spend in the area per week while they were in South Hams.

**Table 6-33 How Much Do You Spend in the Local Area Per Week?**

Question 26

	%	N <sup>os</sup> .
Under £100	8.5	78
£100 - £250	50.1	461
£251 - £500	29.1	268
£501 - £750	8.4	77
£751 - £1,000	2.4	22
Above £1,000	1.5	14
<b>Total</b>	<b>100.0</b>	<b>920</b>

- 6.5.16 79.2% of second home owners spend between £100 and £500 per week, when they are staying in South Hams at their second home.
- 6.5.17 The next questions aimed to explore to what extent second home owners are engaged with the local community on a more social / community level. Table 6-14 found 34.2% of second home owners chose a particular location for their second home because they wanted to be part of the local community.

**Table 6-34 Do You Know Your Neighbours?**

Question 27

	%	N <sup>os</sup> . implied
Yes socially	72.7	704
Just to say hello	26.3	254
No	0.6	6
No neighbours	0.4	4
<b>Total</b>	<b>100.0</b>	<b>968</b>

6.5.18 Based on responses from 968 second home owners 72.7% said they knew their neighbours socially. A further 26.3% said they knew them well enough to say hello.

**Table 6-35 Do You Take An Interest In What Is Going On In The Local Area?**  
Question 28a

	%	N <sup>os.</sup> implied
Yes	98.7	966
No	1.3	13
<b>Total</b>	<b>100.0</b>	<b>979</b>

**Table 6-36 Do You Get Involved In the Local Community?**  
Question 28b

	%	N <sup>os.</sup> implied
Yes	82.4	801
No	17.6	171
<b>Total</b>	<b>100.0</b>	<b>972</b>

6.5.19 98.7% of respondents said they take an interest in what is going on locally. 82.4% have a higher level of involvement, saying they get actively involved in the community such as attending local events and supporting local community projects. The highest level of involvement was amongst households from the East Coastal area, 90.7% of whom said they get involved with the local community.

**Table 6-37 When You Come To Spend Time In Your Second Home Do You Feel You Are Part Of The Local Community?**  
Question 29

	%	N <sup>os.</sup> Implied
Yes	85.3	820
No	14.7	141
<b>Total</b>	<b>100.0</b>	<b>961</b>

6.5.20 85.3% of second home owners in the survey said they felt part of the community when spending time in South Hams. The proportion rose to 90.6% amongst respondents from the East Coastal area. 14.7% said they did not feel part of the community, rising to 16.2% in the West Coastal area and 16.1% in the Towns.

**Table 6-38 What Do You Expect From Your Visit?**  
Question 30

	%	N <sup>os.</sup> Implied
Peace and quiet	39.6	380
Holiday	31.6	303
To be part of the community	28.8	276
<b>Total</b>	<b>100.0</b>	<b>959</b>

6.5.21 Based on responses from 959 households 39.6% were just looking for peace and quiet, but 28.8% say they expect to feel part of the community when they come to stay in South Hams.

**Table 6-39 Do You Have Concerns About Crime Or Vandalism?**

Question 31

	%	N <sup>os</sup> . Implied
Yes when occupied	2.8	27
Yes when vacant	17.4	169
No concerns	79.8	774
<b>Total</b>	<b>100.0</b>	<b>970</b>

6.5.22 The majority of second home owners had no concerns about crime or vandalism to their second home (79.8%). 17.4% had concerns when the property was left vacant, and this rose to 18.2% amongst respondents from the West Coastal area.

## 6.6 Plans to Sell and Plans to Settle in South Hams

6.6.1 This section explores the future housing intentions of second home owners in South Hams. Whether they plan to stay in the area and settle in South Hams at some point in the future, or whether they have plans to sell up and move on.

**Table 6-40 Do You Have Plans To Sell Your Second Home In The**Question 32 **Next 3 Years?**

	%	N <sup>os</sup> . Implied
Yes	7.8	76
No	92.2	896
<b>Total</b>	<b>100.0</b>	<b>972</b>

6.6.2 Only 7.8% of respondents (76) had plans to sell their home in the next 3 years, suggesting turnover of 2.6% per year. This group were then asked a series of questions about their plans.

6.6.3 77 households responded to the first question asking when they planned to move, of which 45.5% (35) will move in the next 12 months, suggesting a marginally higher rate of turnover of 3.5% per year.

**Table 6-41 When Do You Plan To Sell Your Second Home?**

Question 33

	%	N <sup>os</sup> . implied
Within the next 6 months	29.9	23
6 – 12 months	15.6	12
1 – 2 years	22.1	17
2 - 3 years	32.4	25
<b>Total</b>	<b>100.0</b>	<b>77</b>

- 6.6.4 79 people responded (providing 81 responses, 1.2 choices each) to the next multiple choice question asking why they planned to sell their home. Over half (51.9%) intended to buy another property.

**Table 6-42 Why Are You Planning To Sell Your Second Home?**

Question 34

	%	N <sup>os.</sup> implied
To buy another property	51.9	41
Mortgage or running costs too high	3.8	3
Not getting enough use from this property	17.7	14
Other	29.1	23
<b>Total</b>		<b>81</b>

- 6.6.5 90% of those who were planning to buy another property would buy in South West Devon. Of this group all except one would buy in South Hams.
- 6.6.6 All respondents were then asked if they had any plans to settle full time in SW Devon. Based on responses from 952 households 36.9% had plans to settle, rising to 41.5% of households in the central rural area and 41.1% of those in the towns.

**Table 6-43 Do You Have Any Plans To Settle Full Time in SW Devon?**

Question 37

	%	N <sup>os.</sup> implied
Yes	36.9	351
No	29.2	278
Don't know	33.9	323
<b>Total</b>	<b>100.0</b>	<b>952</b>

- 6.6.7 Those planning to settle were asked their timescale for doing so, the majority of whom were thinking of the longer term (more than 3 years).

**Table 6-44 What Are Your Time Scale For Settlement?**

Question 38

	%	N <sup>os.</sup> implied
12 months	9.2	36
1 – 3 years	21.9	86
3 – 5 years	26.2	103
5 – 10 years	28.0	110
More than 10 years	14.7	58
<b>Total</b>	<b>100.0</b>	<b>393</b>

- 6.6.8 Based on responses from 456 households 97.3% of those with plans to settle will do so in South Hams.

**Table 6-45 Where Will You Settle?**

Question 39

	%	N <sup>os.</sup> implied
South Hams	97.3	444
Plymouth	1.8	8
West Devon	0.9	4
<b>Total</b>	<b>100.0</b>	<b>456</b>

- 6.6.9 Finally those with plans to settle in South West Devon were asked why they were going to settle in the area. Based on responses from 472 households over 50% will settle on retirement and a further 30.8% simply prefer South West Devon to their main residential location.

**Table 6-46**      **What Are Your Reasons For Settlement?**

Question 40

	<b>%</b>	<b>N<sup>os.</sup> implied</b>
Retirement	50.2	237
Change of working patterns	9.5	45
Change of family commitments	9.5	45
Prefer this area to the location of my first home	30.8	145
<b>Total</b>	<b>100.0</b>	<b>472</b>

## **7 THE IMPACT OF SECOND HOME OWNERSHIP IN SOUTH HAMS: STAKEHOLDER CONSULTATION**

### **7.1 Key Findings**

- |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.1.1 | Local stakeholders agreed that the high level of second home ownership impacted on the local community in a number of ways.                                                                                                                                                                                                                                                                                                                                                 |
| 7.1.2 | The housing market is affected by high and rising house prices, fuelled in part by the high level of second home ownership. There is a lack of affordable housing for local people.                                                                                                                                                                                                                                                                                         |
| 7.1.3 | The balance of the housing stock is affected by developer activity responding to the demand for second homes and holiday lets, increasing the supply of smaller units of accommodation through conversion of existing units into smaller units, although these may not be suitable for long term occupation.                                                                                                                                                                |
| 7.1.4 | Second homes are spreading geographically out of traditional holiday areas and into traditional family property in terms of both property type and location.                                                                                                                                                                                                                                                                                                                |
| 7.1.5 | Stakeholders agreed that second home owners made a vital contribution to the local economy. Some businesses would not be viable without them.                                                                                                                                                                                                                                                                                                                               |
| 7.1.6 | There is a more negative impact on the local infrastructure, this is partly the result of second homes but also the wider holiday market, with pressure on water, sewerage, electricity and roads during the summer season.                                                                                                                                                                                                                                                 |
| 7.1.7 | The impact on local services was more difficult to assess. No one was available from health or supporting people or from TOR Homes. The Police reported no impact from second home ownership. Education providers had concerns about falling numbers were not sure to what extent this was an impact of second home ownership. Local retained fire and sea rescue services were felt to be under pressure and the refuse service was seen to struggle in the summer months. |
| 7.1.8 | There are clearly both positive and negative impacts from second home ownership. Parish Clerks agreed with business people that second home owners make a valuable contribution to the local economy; however the impact on services, facilities and the local infrastructure will need to be monitored carefully.                                                                                                                                                          |

### **7.2 Introduction**

- 7.2.1 To test the findings of the secondary data analysis and household survey and to gather more qualitative views from local people to inform the study, DCA carried out a series of focus groups and telephone interviews with key stakeholders in South Hams.
- 7.2.2 This included Parish Clerks, local business people, the police, education and housing providers. These interviews focused on the impact of second home ownership locally.

### **7.3 Focus Group with Parish Clerks**

- 7.3.1 DCA carried out a focus group attended by local Parish Clerks in September 2007. There was representation from Salcombe, Kingsweare, Marlborough, Bigbury and Newton and Noss. Geographically therefore interest was focused on the West Coastal area, apart from Kingsweare.
- 7.3.2 DCA made a presentation of the interim findings of the study followed by a focus group discussion looking at a number of key questions and exploring the impact of second home ownership in South Hams.

7.3.3 A summary of the findings from the focus group discussion is given below.

## 7.4 Establishing the Baseline

7.4.1 Members of the focus group agreed that it is difficult to determine exactly how many second homes there are in South Hams. “It is difficult to get to the truth”. People buy property in the area for a wide range of reasons: tax avoidance, pension investment, buy to let, second home, holiday let, in order to have a local address from which to qualify for a mooring.

7.4.2 Once they have a property the owner may or may not register it as a second home for Council Tax purposes. Again owners deploy a range of strategies when dealing with their property. It may be more tax efficient for example to register a home in another area as a second home and their South Hams home as a first home. Others may register their partner as living at one property as their main residence and themselves at another property. Some people may let their property out as a holiday let, others may keep it for the use of family or friends, and some may register as a business but others may not.

7.4.3 Local people suggest that a second home would need to be let for 70% of the year just to break even. Property bought as an investment, not as a second home may be used as buy to let but declared as a second home for tax reasons.

7.4.4 The focus group agreed that the picture is therefore very complex and difficult to establish with any certainty.

## 7.5 Understanding the Local Housing Market

7.5.1 The focus group identified some key issues in the housing market including:

- developer activity changing the property type profile;
- changing geographic spread of the second homes and holiday lets market;
- demographic change, in particular the ageing population;
- lack of affordable housing for local people.

### 7.5.2 Developer Activity

7.5.3 Increasing developer activity in the housing market was seen as a trend over the last five years.

7.5.4 This is fuelled by a number of factors. Clearly local demand for holiday lets and second homes is a major factor as South Hams is an important holiday destination. The group had evidence of local people selling larger property to developers who are then applying to either demolish and redevelop or convert the property into flats for holiday lets or second homes.

7.5.5 The group felt that those who then buy the property may or may not intend to live there in the future. The group thought it was most likely that they would sell on retirement and buy a family home either locally or elsewhere. Properties developed for the holiday market are not generally considered suitable for long term occupation as they have low space standards, and little or no parking or storage.

7.5.6 Comments from the group included:

*“Development is changing the property profile”*

*“The last 5 properties sold for development went from a single family home to 5 flats”.*

In Salcombe, developer activity is seen as *“to the detriment of the town as they are not intended to be lived in permanently”.*

*“It is economics, and the availability of larger properties in Salcombe, developers are tapping into the holiday homes and holiday lets market, they are redeveloping specifically for the holiday market”.*

- 7.5.7 Developer activity was seen by the group as a real cause of resentment locally. More so than the individual buying a second home locally: *“major national developers pinpoint desirable property and knock on doors, there is a focus on sea-scape views”* – they have the financial muscle to take on rejected planning applications. It is developer activity rather than second home ownership per-se that is seen as leading to destruction of communities and of traditional family homes and causing resentment locally.
- 7.5.8 An example was given of developer in Salcombe buying in a consortium that included local people. This gave the group an air of respectability and allowed them to say that local people were in favour of their plans.

### **Geographic Spread of the Second Homes / Holiday Lets Market**

- 7.5.9 The holiday and second home market is also spreading geographically out of traditional holiday areas into the residential market. The holiday home market and investors for their pension fund tend to be looking for smaller properties; while second homes are often larger property types. Investment is therefore now across the board in terms of property types, and hitting all levels of the market. The group believed that this was having a major impact on the local housing market at all levels. Members of the group commented:

*“In Salcombe development is creeping up into the town, into the affordable housing market”.*

- 7.5.10 The group were also aware that the second home and holiday market is also moving north towards Plymouth and Exeter, away from traditional coastal areas.
- 7.5.11 Local people living at the bottom of the town in Salcombe say they can’t stand the noise in the summer, they have moved out so:

*“Some areas of Salcombe are now ghettos of holiday lets. Coronation Road has just 8 permanent residents”*

### **Demographic Change**

- 7.5.12 Population analysis has shown that South Hams has an ageing population. The focus group were also aware of demographic drivers in the market locally.
- 7.5.13 In Newton and Noss for example the population is an average of 11 years older than average, with a high proportion of professional retired people. The social balance is very top heavy with fewer manual or non-manual workers.
- 7.5.14 Im-balance in the community is exacerbated by developer activity, buying up the larger homes and converting them to holiday lets so *“in the summer we are over run by younger people”*. The group noted a similar trend in Salcombe.

### **Lack of Local Affordable Housing for Local People**

- 7.5.15 The group noted a lack of affordable housing for local people:

*“There is a need for more rental property for local people but investors can make more money on holiday lets”*

- 7.5.16 Property is becoming less affordable for local people and investors as the holiday and second homes market is encroaching on traditional local residential areas:

*“Affordability is moving out of the central areas into the normal residential stock”.*

- 7.5.17 The group noted that property is not affordable for local people on lower or average incomes.

*“Money is pouring in for trade people but they can’t afford to live here”.*

- 7.5.18 Young people with qualifications are leaving the district for employment in London and Bristol; trades people and those with few qualifications are able to get seasonal work locally but wages are not high enough to enable them to access the market. Many of these households are living with family, occupying holiday lets in the winter or moving out of the district and travelling in to work from Plymouth or Exeter, and Ivybridge where there is still some cheaper housing.

*“It is the same in Salcombe. Everyone has 2 jobs, it is very seasonal: Easter to October half term in the tourist industry, service based; and in the winter trades servicing apartments. But few trades people live in Salcombe”.*

## **7.6 Integration of Second Home Owners with the Resident Community**

- 7.6.1 There were mixed views within the group on the extent to which second home owners were integrated into the local community.

- 7.6.2 There is evidence of increasing use of second homes locally. Although holiday lets are quiet in the winter:

*“In Salcombe second home owners are using their homes more in the winter and at weekends”*

*“Restaurants are remaining open in the winter and the Yacht Club is busy all year round. A community is developing around second homes. They support social events, the Regatta, New Year celebrations etc”.*

- 7.6.3 The question of whether second home owners are establishing a separate community within South Hams, or whether they are integrating into the residential community was difficult to establish.

- 7.6.4 The focus group agreed that second home owners did have their own “ex-pat” community.

- 7.6.5 However, there was also evidence of wider integration. The Yacht Club for example is a focus for the whole community and draws in a lot of second home owners:

*“They are part of the community, but part of the yacht club community, they are very supportive of the Regatta and local festivals”.*

- 7.6.6 And a view that *“long established second home owners are part of the local community”.*

- 7.6.7 There was also agreement that relationships were changes between the local and second homes community:

*“Animosity is less than it was 10 years ago, we are getting to know them better and seeing them on a more regular basis, there is less resentment than 10 years ago”*

*“The ‘them and us’ syndrome is disappearing. Second home owners are mixing and there is less animosity. Second home owners are regarded as responsible, they want to be part of the community.”*

- 7.6.8 In contrast there is a real dislike of developers coming into the area. Developers are often not local, and those who buy the property after development whether as a second home or a holiday let are being blamed for the development: *“there is animosity due to the history of development”*.

## **7.7 The Impact of Second Home Ownership on Local Services**

- 7.7.1 The second home market is having an impact on local services and the local infrastructure. This is a cause for concern locally.

### **Local Services**

- 7.7.2 A wide range of local services have been affected. Particular problems were identified where the local resident community is ageing and needs access to local services and facilities.
- 7.7.3 Salcombe for example is struggling to retain a local fire service. The retained Life Boat service does better and South Hams Council offers extra points on their housing waiting list for those who volunteer for the fire or life boat service.
- 7.7.4 The refuse service is put under significant strain during the summer months from increased demand. Even out of season, when second home owners leave wheelie bins out when they leave they have to stand there until bin day. In other cases people put the wrong things in the bins and they won't be taken away.
- 7.7.5 Local schools are also seeing falling numbers. The lack of young families locally affects pupil numbers and threatens the sustainability of local schools.
- 7.7.6 There is a lack of local shops, again Salcombe was given as an example where local shops, such as butchers, had been lost over the years because of lack of demand outside the holiday season. Shop rents are also high and local shop keepers may struggle to afford the rent all year.
- 7.7.7 Another resident commented on the threat to the local mobile library. If use falls, it may not be sustainable.

### **The Infrastructure**

- 7.7.8 The group identified major problems with the sewerage system and water supply.
- “The infrastructure is over loaded”*
- 7.7.9 In Salcombe in the summer for example, water might not be available and sewage sometimes overflows. Problems were also identified with electricity cuts, especially at Sunday lunchtime. The group believed this was simply because of demand on services during the holiday season, although it should be stressed this is not just second homes but also holiday lets, use by static caravans, and where 6 apartments have been provided on a site that was previously a single family home:
- “Old services cannot keep up with this and the high seasonality places additional demands on services at peak times”*.
- 7.7.10 Local roads struggle to cope with the volume of seasonal traffic, and roads are often closed when services have to be repaired.
- 7.7.11 The group felt that the local public transport system is poor, with no local bus services to some villages. Parking was also identified as a problem in the villages and towns, for example there is no public parking in Newton and Noss while many second homes and holiday lets have poor parking facilities, but home owners often have more than one vehicle.

- 7.7.12 Additional pressure on parking and local roads is expected to come from the Sherford development as new families spend leisure time in South Hams. Local people are keen to discourage advertising of local parking and for example they have persuaded the National Trust to remove their “P” signs from local maps.

## **7.8 The Impact of Second Home Ownership on Crime in South Hams**

- 7.8.1 The group agreed that South Hams is a very low crime area. The general consensus was that:

*“Crime is not a problem in South Hams”.*

- 7.8.2 The problems people were aware of focused on low key anti social behaviour, for example binge drinking associated with the influx of younger people during the summer.

- 7.8.3 The group was also aware of generally inconsiderate behaviour among second home owners. For example parents sending their teenage children down for the whole summer but only visit occasionally themselves. This was associated with young people having friends round and loud parties causing noise nuisance for residents

- 7.8.4 Burglary was not considered a problem. When it does occur they tend to target occupied property rather than second homes or holiday lets.

- 7.8.5 Harbour crime is a concern and a “boat-watch” scheme is now in place over the summer months. There is a market in outboard motors and other items that can be taken from boats.

## **7.9 The Benefits of Second Home Ownership in South Hams**

- 7.9.1 The group were also asked about the benefits of second home ownership locally.

- 7.9.2 There is a huge industry around the second homes and holiday lets market which is seen giving a significant boost to the local economy. There has been a shift in the economy away from traditional farming and boat building to tourism, although most local people have to have 2 jobs: summer jobs in the tourist trade and winter jobs in the trades. Economically and in terms of family stability it can be difficult.

*“There are 27 building sites in Newton and Noss this week!”*

- 7.9.3 Leisure and social events are well supported by second home owners giving South Hams a thriving local social scene, and the harbour and Yacht Club were given as good examples. This had spin-offs in terms of developing friendships: some people commented that they had got to know second home owners over the years, and they were now good friends, and in creating a good atmosphere:

*“Having a high proportion of second home owners and holiday makers locally creates a ‘buzz’, the town would be dead without them”.*

## **7.10 Future Anticipated Trends in Second Home Ownership in South Hams**

- 7.10.1 Finally the group were asked about the future of the second homes market in South Hams. The consensus of the group was that South Hams would continue to be a popular location for second home ownership.

- 7.10.2 Although there may be some change in the pattern of second home ownership, with an expectation for example that Kingsbridge, which has traditionally had a lower level of second home ownership, might increase in popularity as more traditional areas become too expensive or not available.

## 7.11 Phone Interviews with Business Representatives

- 7.11.1 DCA aimed to hold a focus group with local business representatives to discuss the impact of second home ownership on the business community. 10 business representatives were identified including the Rotary Club, South Hams Federation of Small Businesses, South Hams Food and Drink Association, South Devon Marine, and the Chamber of Trade. Unfortunately none of the representatives identified were available for the focus group.
- 7.11.2 As an alternative to the focus group the Research Team then drew up a list of local business people for telephone interviews. This included all the representatives who had been identified for the focus group, along with other local businesses. In total 10 local business people took part in a short telephone survey.
- 7.11.3 The local business people interviewed included a local grocer, pub, pharmacy, restaurant, newsagent, off licence, bakery, garden contractor, building company, and painter and decorator. The interviewer asked if the second homes market impacted on their business, and if so how.
- 7.11.4 The general view was that the second homes market has a considerable impact on most types of business activity locally. Quotes included:  
*“We would not have a business without second home owners” (local grocer)*  
*“We would be stuffed without them” (local builder)*
- 7.11.5 However, trades people suffer from season fluctuations in trade. Locals may provide a customer base but this is not generally sufficient to sustain the business. A local painter / decorator commented that second home owners provide good business at Easter time, while local work is available at other times of year. Quotes from other business people included:  
*“It does affect the business as not enough local people visit the pub. More second home owners use it but it can be quiet in the winter months” (local pub)*  
*“Business is good in summer but slow through the winter – locals do provide a customer base but there are not enough of them” (local restaurant)*
- 7.11.6 The nature of second home owners was seen as a benefit to business, for example, most are seen as wealthy. Quotes included:  
*“I have a fairly good business in season, most customers are second home owners who are often wealthy” (local pharmacy)*  
*“The increasing number of second home owners is good for business, they spend more money than the locals” (local off licence)*
- 7.11.7 The local contract gardener we spoke to said that 38 of the 40 gardens they look after are for second home owners, again he said *“without them we would not have a business”*.
- 7.11.8 There was concern amongst second home owners considering the future of their businesses and trends in the second homes market. While a common comment was *“I would not have a business without them”*, others felt that if the trend in increasing second home ownership continued then villages like Salcombe would become *“ghost towns”* out of season and local business would not be viable.

## 7.12 Phone Interviews with Other Stakeholders

7.12.1 A number of other stakeholders were contacted as part of the research. This included:

- The Association of Second Home Owners;
- The Police;
- Adult Community Services;
- TOR Homes;
- Devon County Council: Education.

7.12.2 Attempts were also made to contact the PCT and Supporting People team, but no one was available to discuss the impact of second homes on health care and support services.

7.12.3 The aim of these interviews was to explore the impact of second home ownership on local services.

### **Crime and Policing**

7.12.4 The interview with the Police confirmed the views of Parish Clerks that crime was not a big issue in South Hams and the second homes market was not felt to make the community any more vulnerable to crime locally. The Police believed that although second homes could be more vulnerable in the winter most owners had a neighbour to keep an eye on things while they were away.

7.12.5 The main concern for the Police is anti-social behaviour among young people. Crime has fallen in recent years and the main problem is fear of crime rather than crime its self.

### **Education**

7.12.6 An interview was carried out with the Head of Strategic Planning at Devon County Council (Children and Young People's Directorate).

7.12.7 It is unsure to what extent the education service is affected by the level of second home ownership locally as there has been no study of the specific trends or impact of second home ownership on education locally.

7.12.8 Local experience did show however that pupil numbers have been falling in some smaller local communities, it is increasingly difficult to predict student numbers, and difficult to plan for new schools, and difficult to provide a varied curriculum locally. The impact is felt especially at secondary school level but also at primary where there are tensions locally where communities value local schools but numbers are falling.

7.12.9 In the next five years education officials are concerned that increasing levels of second home ownership and holiday lettings may impact on the ability of the Education Authority to provide a varied curriculum. In the worst case scenario there may be a need to close local schools, although we were not made aware of any plans for school closures.

### **Social Housing - Tor Homes**

7.12.10 A phone interview was undertaken with a representative from Tor Homes, the RSL that took over the ownership and management of council homes after the LSVT in 1999.

- 7.12.11 Tor Homes manage council nominations to their rented and shared ownership properties and also develop new properties in their own right for social rent, shared equity, discounted sales and shared ownership.
- 7.12.12 The representative from Tor Homes considered that there are some localised issues raised by second homes, mostly in Salcombe and villages on the South Devon coast where many properties are used, either as second homes or rented out to the holiday market. This has tightened the availability of properties for owner occupation or long term private rental in these localities.
- 7.12.13 The major issue for the area is the huge gap between local people's incomes and the properties available on the market, exacerbated by the wealth of some of the people living and moving to the area. Lower-paid workers tend to live in the towns where they have greater access to employment, education and other services or facilities and where properties are more suitable for their needs. This has led to a depopulation and downsizing of infrastructure in these rural areas.
- 7.12.14 Therefore, in general the demand for affordable housing in smaller villages and rural areas is not as acute as the demand for housing in the main towns in the district such as Totnes, Ivybridge and Kingsbridge. In these towns there is high demand from families and single person households. However there are only limited numbers of social rents in these towns and it has been problematic providing for the demand in owner occupied affordable housing. These concerns are exacerbated by the limited number of private rental properties available.
- 7.12.15 At the moment there is a local connection criteria for access to affordable housing whereby applicants need to live or work within the parish of the development, or if there is lower demand, from a neighbouring parish. The Tor Homes representative would like to see these criteria strengthened further and new developments to be linked to affordability in perpetuity. When developing shared ownership schemes the key sticking point for many potential buyers was the ongoing rental charges which brought the costs over their budget.
- 7.12.16 A major problem delaying new housing sites in the district is implementing the 66% affordable housing requirement with the developers. Tor Homes would like to see more council land made available for affordable housing schemes and for suitable unused land or property to be Compulsory Purchased to free up more development sites, as procurement at market cost is limiting the size and number of schemes.
- 7.12.17 At a County Council level the representative would also like to see greater use of 'ring fenced' council tax monies from second homes to deliver more affordable homes in the towns with greatest need. However, current Council Tax levies had little effect on the growth of second home market in South Hams and issues of affordability would inevitably get worse as there were not enough development sites to fulfil local need whilst average local incomes were unlikely to rise significantly.
- 7.12.18 To really tackle these issues they believe there would be a need for national policy to restrict second homes where there were local hotspots and also restrictions on buy to let. Tor Homes accepted that this would take "some national bravery in Government" to force through legislation that would have a real impact on the affordability issues.
- 7.12.19 Tor Homes are still seeing "significant numbers" of properties being bought under Right to Buy legislation and would like to see more of these receipts spent on affordable provision. Where property has been bought under RTB there had been very little exchange of these properties into the second homes market. Where this had happened these were more likely to be dispersed rural properties.

- 7.12.20 Tor Homes do not feel that the second home market directly influences homelessness in the region as owner occupied market housing is outside the affordability of so many households. The council do not use temporary accommodation to house homeless households but re-housed within their own permanent stock. The main factor affecting homeless households would be the shortage of privately rented properties in the area, although many of these rents are beyond the reach of households who do not receive housing benefits.
- 7.12.21 Therefore, in the opinion of the Tor Homes representative a solution would be the provision of submarket rents, perhaps delivered in partnership between RSLs and the private sector. He would also like to see more management orders enforced by the local authority where properties were left empty for extended periods.
- 7.12.22 Overall it was not thought that second home ownership had led to any management problems specific to Tor Homes estates as these are usually quite small and do not unduly suffer from Anti-Social Behaviour. However the effect of second homes is experienced by Tor Homes tenants as it can be very difficult to access local services, the cost of living has risen and some places, particularly Salcombe, can feel like a “ghost town” out of season.

#### **The Association of Second Home Owners**

- 7.12.23 An interview was also completed with the Head of the Association of Second Home Owners. Although he had no personal knowledge of the situation in South Hams he was able to give a more general over view on the impact of second home ownership.
- 7.12.24 The view of the Association of Second Home Owners was that nationally people are attracted to beautiful parts of the country as second home owners, and that many second home owners have a link to the area as holiday makers, having spent holiday time in these locations for years.
- 7.12.25 As Council Tax and local occupation policy can now be used to deter second home ownership the Association believes that nationally policy is geared against second home owners without considering the benefits that second home owners bring to the local community, including their expenditure maintaining their home, and supporting local business and local facilities while they and their friends and family are staying locally.
- 7.12.26 The Association believes that in some areas second home owners have sustained the local economy. After the Foot and Mouth Disease in the Lake District for example the local economy depended on tourism and holiday homes in the worst hit areas to recover economically; the benefits that second home owners bring to the local community should not be neglected.
- 7.12.27 When considering the impact on the local community the Association felt this was positive and strongly disagreed with the ideas that second home ownership has a negative effect on the local housing market. The Association argues that second homes are not being taken from the first time buyer or from the affordable market. The example was given of holiday cabins that cannot be occupied all year round, and this type of property is reflected in the figures for second home ownership even though they can not be occupied as a permanent home.

## 8 KEY FINDINGS AND RECOMMENDATIONS

### 8.1 Key Findings

- 8.1.1 Second homes are just one element in the complex dynamic that drives the South Hams housing market. Demographic and local economic factors in particular also influence market trends and add pressure to the housing market locally. The extent to which second homes rather than other factors are driving the local housing market is difficult to establish.
- 8.1.2 The flow of supply and demand within the market as a whole includes the activity of around 3.5% of second home owners who plan to move each year, plus new second home owners entering the market. The study found 4.7% of second home owners had lived at their current address for less than a year although some of these may have been moving within South Hams. The impact of this group in housing market terms is relatively small when seen as distinct from the holiday letting market.
- 8.1.3 However, the weight of data collected in this study from both primary and secondary sources suggests that the high level of second homes in South Hams is having an impact locally.
- 8.1.4 The data shows that certain areas in South Hams do have a particularly high concentration of second homes, exceeding 30% in Salcombe and Malborough, and over 20% in Saltstone, and Thurlestone. These “hot-spots” of second home ownership may pose particular challenges to the Local Authority,
- 8.1.5 The evidence would suggest that the second homes market has grown in recent years and that as it has grown it has encroached on the general residential areas and property types. This suggests that the second homes market is no longer a separate and distinct market but is impacting on the cost and availability of traditional family homes.
- 8.1.6 Evidence of developer activity also suggests that larger family homes are being taken out of the general housing market and developed for both the holiday lets and second homes market. This is changing the stock balance locally and anecdotal evidence suggests that these converted properties are often not suitable for permanent occupation.
- 8.1.7 There is considerable evidence that the second homes market brings significant economic benefits to South Hams. Although this market brings with it seasonal variations, local business people claim that many businesses would be unsustainable if it was not for the second homes market. The survey data showed a high proportion of second home owners use and value local services and facilities.
- 8.1.8 However, local services, such as education and social housing experience a more negative impact from second home ownership. Second home owners place lower demands on these services, making them less sustainable locally. The study found evidence that the local bus service has been reduced and mention was made of the threat to the local mobile library service.
- 8.1.9 Other services such as fire, sea rescue and refuse collection experience seasonal variations in demand because of the holiday market and are under significant pressure in the summer months.
- 8.1.10 There is considerable concern about the sustainability of the local service infrastructure. Again the impact is not purely from second homes, rather a reflection of the fact that South Hams is a popular holiday destination where the population increases dramatically during the summer months putting pressure on the rural road network, sewerage, electricity and water supplies.

## 8.2 Recommendations

### **Local Community Consultation and Feedback:**

- More research and feedback to council tax payers on how the additional Council tax is being spent locally.
- Develop a bottom-up approach through the parish structure to the challenges faced by increasing levels of second home ownership. For example carry out local parish surveys to identify emerging problems and solutions and feed these up into District and County wide strategic housing and planning documents.

### **Council Tax**

- We strongly recommend that the County Council re-introduce full Council Tax from second home owners in South Hams to meet affordable housing locally, in line with the needs identified through the local Housing Needs and Market Assessment (DCA 2006).
- We recommend that County review the level of resources set aside to meet needs in South Hams based on the evidence presented in this report and the Housing Needs and Market Assessment (2006).

### **Housing**

- Continue to develop an understanding of the size and impact of the second homes market locally. Develop systems for measuring the growth in the market over time.

### **Local Planning System**

8.2.1 Use the planning system to create sustainable development and to increase sustainability. The market, left to itself, will increasingly be dominated by second homes and holiday homes.

- Planning restrictions could be used to control second home development e.g. the division of traditional family homes into holiday / second homes flats.
- Where property is sub-divided into flats these should be capable of long term occupation and should have reasonable space standards, parking and storage facilities.
- Pooling of planning gain from larger sites or commuted sums to provide affordable housing within smaller communities.

**Develop the Local Service Infrastructure**

- Upgrade the local service infrastructure, focusing on water and sewerage services.
- Developers need to take responsibility for upgrading local services e.g. water and sewerage as part of all new developments.
- Developers could be given incentives to use renewable energy and recycle, making better use of local resources.

**National Policy**

8.2.2 Local initiatives can go some way to meeting the challenge of high and growing levels of second home ownership. National change in policy may also be needed and without this local authorities may simply feel they are tinkering at the margins of the market.

- Covenants should be used to help keep affordable housing for resale to local residents. Shared ownership and social housing development must be retained for local people.
- In line with the Rural Housing Commission report we recommend greater use of planning regulations, such as a Local Development Order (under Planning and Compulsory Purchase Act from August 2006) to differentiate between general use housing and second homes if the CLG were to introduce a new planning class of 'Second home'.
- In line with recommendations made by the Countryside Agency we recommend improved guidance on occupancy conditions.
- The development of a system of Capital Gains tax relief on land sold entirely for affordable housing;
- Review the simplification of the Capital Gains Tax Policy changes which make it more attractive to individuals to invest in second homes in future.
- Total Cost Indicator rates should be adjusted to adequately reflect the added costs of building in areas where there is a strong market pushing up land prices – a key reason why RSLs cannot afford to develop in some areas.
- That the restriction of right to buy is considered in some areas and that resale covenants are used more effectively.

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## **Appendix I**

### **Postal Questionnaire**

# SOUTH HAMS SECOND HOMES SURVEY



South Hams  
District Council

Dear Householder

I am writing to ask for your help with an important survey which is being carried out in South Hams. Households who have a second home are being asked to take part in this survey which will help South Hams District Council develop its housing and planning policies to meet the needs of people in the coming years. It will also help provide evidence to back the Council's bids for government funding.

The Council have appointed **DCA**, independent consultants, to carry out the study. 4,107 second homes have been sent the attached questionnaire and we would be grateful if you could spare a few moments to fill it in. Whether you own or rent your home, live in a large or a small property, **we need your views**. Even if you are not planning to move or change your personal circumstances, **please reply**.

I would like to assure you that the survey is **confidential** and no name or address is required, although the form is coded to identify your area of residency. None of the completed questionnaires will be seen by South Hams District Council. The data will be seen by the Council only in generalised statistical form and will be used for research and planning purposes on an area basis.

If you have any queries or need help or advice in completing the form, please contact Debbie Holloway or Liam Reading on 01803 861234 at **South Hams District Council**. Alternatively contact the **DCA Research Team free on 0800 169 7865**.

We would be most grateful for your assistance and a pre-paid envelope is provided for your reply. **PLEASE RETURN THE COMPLETED FORM BY TUESDAY 31<sup>st</sup> AUGUST 2007.**

Yours sincerely

Alan Robinson  
Strategic Director (Community)



# TO BE COMPLETED BY THE HOUSEHOLDER

4260578259

Please answer the questionnaire on behalf of everyone in the household.  
Cross one box only for each question unless instructed otherwise, using a **black** pen.

e.g. 

## A: ABOUT YOUR SECOND HOME

### 1 Tenure of second home:-

Owner occupied (paying mortgage)  <sub>1</sub>      Owner occupied (no mortgage)  <sub>2</sub>      Joint / Shared Ownership with another household  <sub>3</sub>

### 2 What type of property is your second home?

Detached house  <sub>1</sub>      Semi - Detached house  <sub>2</sub>      Terraced house  <sub>3</sub>  
Detached bungalow  <sub>4</sub>      Semi - Detached bungalow  <sub>5</sub>      Terraced bungalow  <sub>6</sub>  
Flat / Maisonette  <sub>7</sub>      Bed-sit / Studio / Room Only  <sub>8</sub>      Houseboat / Caravan / Mobile home  <sub>9</sub>

### 3 How many bedrooms are in your second home?

Bed-sit  <sub>1</sub>      One  <sub>2</sub>      Two  <sub>3</sub>      Three  <sub>4</sub>      Four  <sub>5</sub>      Five or more  <sub>6</sub>

### 4 Amenities in second home? (Cross all that apply)

Central Heating  <sub>1</sub>      Double Glazing  <sub>2</sub>      Loft Insulation  <sub>3</sub>      Garden  <sub>4</sub>  
Garage  <sub>5</sub>      Off-street parking  <sub>6</sub>      Caretaker / Concierge  <sub>7</sub>      Housekeeper  <sub>8</sub>

### 5 How long have you / your family had this second home?

Less than 1 year  <sub>1</sub>      Between 1 - 5 years  <sub>2</sub>      Between 6 -10 years  <sub>3</sub>  
Between 10 - 15 years  <sub>4</sub>      Between 15 - 20 years  <sub>5</sub>      Over 20 years  <sub>6</sub>

### 6 How did you acquire this second home? (Cross one option only)

Inheritance  <sub>1</sub>      Mortgage  <sub>2</sub>      Remortgage  <sub>3</sub>      Buy to let mortgage  <sub>4</sub>      Cash purchase  <sub>5</sub>

### 7 Why did you decide to buy a second home? (Cross one option only)

Investment opportunity  <sub>1</sub>      Furnished holiday letting  <sub>2</sub>      Weekend / holiday home  <sub>3</sub>      Planning for retirement  <sub>4</sub>      Other  <sub>5</sub>

### 8a Did you have to refurbish / improve the property?

Yes  <sub>1</sub>      No  <sub>2</sub>  
**Go to 9a**

### 8b What improvements / works did you carry out? (Choose all that apply)

New kitchen  <sub>1</sub>      New bathroom  <sub>2</sub>      Extended living accommodation  <sub>3</sub>      Internal decorating  <sub>4</sub>  
External painting / rendering  <sub>5</sub>      Damp works  <sub>6</sub>      Roof works  <sub>7</sub>      Other  <sub>8</sub>

**8c How much did you spend?**

Up to £5,000  1    £5,000 to £10,000  2    £10,000 to £20,000  3    Over £20,000  4

**9a Did you carry out any energy efficiency improvements?** Yes  1    No  2  
**Go to 11a**

**9b What did you carry out? (Cross all that apply)**

New windows / double glazing  1    New central heating / condensing boiler  2    Cavity wall insulation  3    Loft insulation  4    Solar Panels  5

**9c If yes, how much did you spend on energy efficiency measures?**

Up to £5,000  1    £5,000 to £10,000  2    £10,000 to £20,000  3    Over £20,000  4

**10 Did local tradesmen carry out the work for you?**

Yes  1    No  2

**11a Why did you choose SW Devon as the location for your second home? (Cross all that apply)**

Existing Links with SW Devon  1    Like the area  2    Good investment opportunity  3    Seeking better quality of life  4  
Planning for retirement  5    New job  6    Education  7    Other  8

**11b What determined your choice of location? (Cross all that apply)**

Rural location  1    Seaside location  2    Village / Town location  3    Transport network (close to A38)  4  
Holiday destination  5    To be part of the local community  6    Cost and affordability  7    Availability of suitable property  8  
Near shopping / leisure facilities  9    Quality of neighbourhood  10

**12 What existing links do you have with SW Devon? (Cross all that apply)**

Family  1    Friends  2    Work  3    Holiday location  4    Other  5

**13 Apart from your immediate family, do any other households use this second home? (Cross all that apply)**

Extended Family  1    Friends  2    Holiday lets  3    Tenants  4    Other  5

**B: ABOUT YOUR MAIN RESIDENCE (FIRST HOME)**

**14 Where is the location of your first home:**

South Hams  1    Plymouth  2    West Devon  3    Caradon  4  
Elsewhere in Devon  5    Elsewhere in Cornwall  6    Elsewhere in South West  7    Midlands  8  
Elsewhere in the South of England  9    North East of England  10    North West of England  11    Scotland  12  
Northern Ireland  13    Wales  14    Outside UK  15

**15 What is the estimated travel time from your first home to your second home:**

Less than 1 hour  1    Between 1 - 2 hours  2    Between 3 - 4 hours  3    More than 4 hours  4

**16 What is the tenure of your first home:-**

Owner occupied (paying mortgage)  1    Owner occupied (no mortgage)  2    Council rented  3  
Private rented  4    HA rented  5    Shared Ownership (part rent / part buy)  6  
Living rent free  7    Tied to your employment  8

**17 What type of property is your first home?**

Detached house <input type="checkbox"/> <sup>1</sup>	Semi - Detached house <input type="checkbox"/> <sup>2</sup>	Terraced house <input type="checkbox"/> <sup>3</sup>
Detached bungalow <input type="checkbox"/> <sup>4</sup>	Semi - Detached bungalow <input type="checkbox"/> <sup>5</sup>	Terraced bungalow <input type="checkbox"/> <sup>6</sup>
Flat / Maisonette <input type="checkbox"/> <sup>7</sup>	Bed-sit / Studio / Room Only <input type="checkbox"/> <sup>8</sup>	Houseboat / Caravan / Mobile home <input type="checkbox"/> <sup>9</sup>

**18 How many bedrooms are in your first home?**

Bed-sit  <sup>1</sup>      One  <sup>2</sup>      Two  <sup>3</sup>      Three  <sup>4</sup>      Four  <sup>5</sup>      Five or more  <sup>6</sup>

**19a How many people live in your first home (including yourself)? Please put number.**

e.g.   **03**

**19b Which of these categories best describes the ethnic origin of your household? Please cross the appropriate box**

<b>White</b>	<b>Mixed</b>	<b>Asian or Asian British</b>	<b>Black or Black British</b>	<b>Other Ethnic</b>
British <input type="checkbox"/> <sup>1</sup>	White & Black Caribbean <input type="checkbox"/> <sup>4</sup>	Indian <input type="checkbox"/> <sup>8</sup>	Caribbean <input type="checkbox"/> <sup>12</sup>	Chinese <input type="checkbox"/> <sup>15</sup>
Irish <input type="checkbox"/> <sup>2</sup>	White & Black African <input type="checkbox"/> <sup>5</sup>	Pakistani <input type="checkbox"/> <sup>9</sup>	African <input type="checkbox"/> <sup>13</sup>	Gypsy / Traveller <input type="checkbox"/> <sup>16</sup>
Other White <input type="checkbox"/> <sup>3</sup>	White & Asian <input type="checkbox"/> <sup>6</sup>	Bangladeshi <input type="checkbox"/> <sup>10</sup>	Other Black Background <input type="checkbox"/> <sup>14</sup>	Any other <input type="checkbox"/> <sup>17</sup>
	Other Mixed Background <input type="checkbox"/> <sup>7</sup>	Other Asian Background <input type="checkbox"/> <sup>11</sup>		

**PLEASE COMPLETE ONE LINE PER PERSON IN THE TABLE BELOW FOR EACH PERSON CURRENTLY LIVING IN YOUR MAIN RESIDENCE (FIRST HOME), WHETHER MEMBERS OF YOUR FAMILY OR NOT (E.G. INCLUDE FRIENDS). INSTRUCTIONS ARE BELOW.**

**Column C (Gender)** Please cross the appropriate box

**Column D (Age)** Please cross the appropriate box

**Column E (Employment)** Please write the number which best describes each member's employment type from the following list

- |                                         |                                              |                                          |
|-----------------------------------------|----------------------------------------------|------------------------------------------|
| Full time employee (30+ hours) <b>1</b> | Part time employee (up to 30 hours) <b>2</b> | Self - employed <b>3</b>                 |
| On Government Training Scheme <b>4</b>  | Full time education (age 16+) <b>5</b>       | Unemployed & available for work <b>6</b> |
| Permanently sick / disabled <b>7</b>    | Wholly retired from work <b>8</b>            | Looking after the home <b>9</b>          |

**Column F (Occupation)** Please write the number which best describes each member's occupation type from the following list

- |                            |                                 |                              |                          |
|----------------------------|---------------------------------|------------------------------|--------------------------|
| Professional <b>1</b>      | Managerial & Technical <b>2</b> | Skilled, non-manual <b>3</b> | Skilled, manual <b>4</b> |
| Partially skilled <b>5</b> | Unskilled <b>6</b>              | Other <b>7</b>               |                          |

Household Member	C Gender		D Age							E Employ-ment	F Occup-ation	
	M	F	0-10	11-15	16-24	25-44	45-59	60-74	75+			
<b>EXAMPLE</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Self	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spouse/Partner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Partner of Child	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grandchild 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grandchild 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parent 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parent 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Friend 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Friend 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**20 Please advise what savings, equity and income your household has by completing columns A, B and C**

**a) How much does your household have in savings? (please estimate)**

- Under £5,000  <sup>1</sup>
- £5,000 - £10,000  <sup>2</sup>
- £10,001 - £15,000  <sup>3</sup>
- £15,001 - £20,000  <sup>4</sup>
- £20,001 - £30,000  <sup>5</sup>
- Above £30,000  <sup>6</sup>

**b) Roughly how much equity value do you own? in your second home. (i.e. estimated current value minus mortgage owed)**

- Under £10,000  <sup>1</sup>
- £10,000 - £30,000  <sup>2</sup>
- £30,001 - £50,000  <sup>3</sup>
- £50,001 - £75,000  <sup>4</sup>
- £75,001 - £100,000  <sup>5</sup>
- £100,001 - £200,000  <sup>6</sup>
- £200,001 - £250,000  <sup>7</sup>
- Above £250,000  <sup>8</sup>

**c) Please give total annual income of combined self & partner only (before tax and deductions, but not including benefits / allowances).**

- Under £10,000  <sup>1</sup>
- £10,000 - £15,000  <sup>2</sup>
- £15,001 - £20,000  <sup>3</sup>
- £20,001 - £30,000  <sup>4</sup>
- £30,001 - £40,000  <sup>5</sup>
- £40,001 - £50,000  <sup>6</sup>
- £50,001 - £60,000  <sup>7</sup>
- £60,001 - £75,000  <sup>8</sup>
- Above £75,000  <sup>9</sup>

## C: ENGAGEMENT WITH THE LOCAL COMMUNITY IN YOUR SECOND HOME

**21 On average how many weeks is this property occupied over a 12-month period?**

- Less than 4 weeks  <sup>1</sup>
- 4 - 8 weeks  <sup>2</sup>
- 8 - 16 weeks  <sup>3</sup>
- 16 - 26 weeks  <sup>4</sup>
- 26 - 36 weeks  <sup>5</sup>
- 36 - 52 weeks  <sup>6</sup>

**22 How often do you visit this property? (Cross one option)**

- Weekly  <sup>1</sup>
- Monthly  <sup>2</sup>
- Quarterly  <sup>3</sup>
- Annually  <sup>4</sup>

**23 When you visit, how long do you stay for, on average? (Cross one option)**

- A few days  <sup>1</sup>
- A couple of weeks  <sup>2</sup>
- More than a month  <sup>3</sup>

**24 What services / facilities do you use locally? (Cross all that apply)**

- Shops  <sup>1</sup>
- Post Office  <sup>2</sup>
- Public transport  <sup>3</sup>
- Housekeeper  <sup>4</sup>
- Gardener  <sup>5</sup>
- Cleaner  <sup>6</sup>
- Keyholder  <sup>7</sup>
- Trades people  <sup>8</sup>
- Garage  <sup>9</sup>
- Pub  <sup>10</sup>
- Restaurant  <sup>11</sup>
- Church  <sup>12</sup>
- Doctor  <sup>13</sup>
- Recycling facilities  <sup>14</sup>
- Other  <sup>15</sup>

**25 What services are most important to you locally? (Cross up to three options)**

Shops  <sup>1</sup>      Post Office  <sup>2</sup>      Public transport  <sup>3</sup>      Housekeeper  <sup>4</sup>      Gardener  <sup>5</sup>

Cleaner  <sup>6</sup>      Keyholder  <sup>7</sup>      Trades people  <sup>8</sup>      Garage  <sup>9</sup>      Pub  <sup>10</sup>

Restaurant  <sup>11</sup>      Church  <sup>12</sup>      Doctor  <sup>13</sup>      Recycling facilities  <sup>14</sup>      Other  <sup>15</sup>

**26 When you stay at your second home, approximately how much do you spend in the local area per week?**

Under £100  <sup>1</sup>    £100 to £250  <sup>2</sup>    £251 - £500  <sup>3</sup>    £501 to £750  <sup>4</sup>    £751 to £1,000  <sup>5</sup>    Above £1,000  <sup>6</sup>

**27 Do you know your neighbours?**

Yes socially  <sup>1</sup>      Just to say hello  <sup>2</sup>      No  <sup>3</sup>      No neighbours  <sup>4</sup>

**28a Do you take an interest in what is going on in the local area eg take a local paper, chatting to neighbours, etc?**

Yes  <sup>1</sup>      No  <sup>2</sup>

**28b Do you get involved in the local community eg attending local events, supporting community projects ?**

Yes  <sup>1</sup>      No  <sup>2</sup>

**29 When you come to spend time in your second home do you feel you are part of the local community?**

Yes  <sup>1</sup>      No  <sup>2</sup>

**30 What do you expect from your visit?**

Peace and quiet  <sup>1</sup>      Holiday  <sup>2</sup>      To be part of the community  <sup>3</sup>

**31 Do you have concerns about crime or vandalism in your second home when occupied or when vacant?**

Yes when occupied  <sup>1</sup>      Yes when vacant  <sup>2</sup>      No Concerns  <sup>3</sup>

**D: PLANS TO SELL (SECOND HOME)**

**32 Do you have any plans to sell your second home in the next 3 years?**

Yes  <sup>1</sup>      No  <sup>2</sup>  
Go to Q37

**33 If yes, when do you plan to sell your second home?**

Within the next 6 months  <sup>1</sup>      6 - 12 months  <sup>2</sup>      1 - 2 years  <sup>3</sup>      2 - 3 years  <sup>4</sup>

**34 Why are you planning to sell your second home?**

To buy another property  <sup>1</sup>    Mortgage or running costs too high  <sup>2</sup>    Not getting enough use from this property  <sup>3</sup>    Other  <sup>4</sup>

**35 Do you have any plans to buy another home in SW Devon?**

Yes  <sup>1</sup>      No  <sup>2</sup>  
Go to Q37      Don't know  <sup>3</sup>  
Go to Q37

**36 Where do you hope to buy your next property?**

South Hams  <sup>1</sup>

Plymouth  <sup>2</sup>

West Devon  <sup>3</sup>

**E: PLANS TO SETTLE**

**37 Do you have any plans to settle full time in SW Devon in the future?**

Yes  <sup>1</sup>

No  <sup>2</sup>

Don't know  <sup>3</sup>

**38 If yes, what are your time scales for settlement:**

12 months  <sup>1</sup>

1 - 3 years  <sup>2</sup>

3 - 5 years  <sup>3</sup>

5 - 10 years  <sup>4</sup>

More than 10 years  <sup>5</sup>

**39 Where will you settle?**

South Hams  <sup>1</sup>

Plymouth  <sup>2</sup>

West Devon  <sup>3</sup>

**40 What are your reasons for settlement:**

Retirement  <sup>1</sup>

Change of working patterns  <sup>2</sup>

Change in family commitments  <sup>3</sup>

Prefer this area to the location of my first home  <sup>4</sup>

**THANK YOU FOR COMPLETING THE QUESTIONNAIRE.  
PLEASE RETURN IT IN THE PRE-PAID ENVELOPE PROVIDED.**

**FREEPOST INFO:  
DAVID COUTTIE ASSOCIATES  
FREEPOST HF2416  
HUDDERSFIELD  
HD1 2XY**



## **Appendix II**

### **Focus Groups Topic Guide**

## **South Hams Parish Clerks Topic Guide**

**Focus Group 19/9/07**

**Introductions and Background to the Research findings...**

**Introductions**

**Presentation**



**B: The local housing market:**

- How has the housing market changed over the last 5 years?

- What has been the influence of second home ownership?

**C: The Impact of Second Homes in South Hams:**

- **What is your experience of second home ownership locally**
- **Where are the key concentrations of second homes locally**
- **How do local people generally view second home owners**
- **Impact on local communities (are second home owners viewed as part of the local community – dead villages)**
- **Impact on property values (or is it just market trends)**

- **Impact on supply of affordable homes for local people**
- **Impact on in and out migration (or are there other factors)**
- **Impact on local facilities, schools, shops and services: negative or positive**
- **Impact on crime issues**

- **Do you see any benefits / positive impacts of second home ownership locally**

**D: Your approach to second home ownership locally:**

- **What is the Council doing to tackle the problems of second home ownership (Co Tax / planning, low cost home ownership etc)**

- **How effective have these measures been**

- **What does the Council spend extra revenue on?**

- **Do you have any other plans for the future**

**THANKS!!!!**

## **Appendix III**

### **Phone Interviews Topic Guide: Estate Agents**

**Hello my name is Nuala Reilly and I'm calling from DCA housing consultants. We've been commissioned by South Hams Council to carry out a comprehensive study of the second home market in the District.**

**Would you be able to spare me a few minutes to answer some questions about the housing market in your local area? Your knowledge and experience would be very helpful to the study. All your answers will be confidential and you and your company will not be identified.**

**(DCA are registered data controllers with the Information Commissioners Office no. z4683342).**

<b>Name of estate agent</b>	
<b>Phone number</b>	
<b>Email (if would like email copy of results)</b>	
<b>Interview by</b>	
<b>Date</b>	
<b>About the market</b>	
<b>1. What does the local housing market mean to you? E.g. geographical, client specialisms, sale/rent etc</b>	
<b>2. What is the housing market like at the moment? E.g. Buoyant/ flat/ up and down?</b>	

<p><b>3. How has the market changed in the last 5 years? E.g. demand, prices, location pressures</b></p>	
<p><b>Second homes</b></p>	
<p><b>1. Are you aware of a specific market for second homes?</b></p>	
<p><b>2. Has this market changed or grown over the last 5 years?</b></p>	
<p><b>3. In which areas has it changed/ grown?</b></p>	
<p><b>4. And which property types?</b> E.g. flats, detached homes, new, refurbished, derelict</p>	
<p><b>5. What are people looking for in terms of price?</b></p>	

<p>6. <b>Location?</b> E.g. certain towns, villages or rural?</p>	
<p>7. <b>Size?</b></p>	
<p>8. <b>What types of people are in the second homes market in your experience?</b></p>	
<p>9. <b>Do you usually find you can tell who is looking for a second home?</b></p>	
<p>10. <b>Do you think they here long term?</b></p>	
<p>11. <b>Is there much movement within the second homes market?</b> E.g. Do you see the same clients over again? Do second homes sell again as second homes?</p>	
<p><b>Impact of second homes on local market</b></p>	
<p>12. <b>What sort of impacts do second homes have on the local housing market in terms of supply?</b></p>	

<p>13. <b>What sort of impact have they had on price? – e.g. How for instance have prices changed?</b></p> <p><b>Leads into...</b></p>	
<p>14. <b>Do you think second homes have had much influence on this?</b> For instance, second home owners often blamed for rising prices, do you agree with this?</p>	
<p>15. <b>Do you find there are some sets of local people who now cannot afford to buy or find suitable property to buy?</b></p>	
<p>16. <b>Are there any particular towns or villages where second homes really dominate the market?</b></p>	
<p>17. <b>What sort of impacts does this have on those communities</b> e.g. positive or negative? Are there any local winners or losers (if so get contact details)</p>	
<p><b>Future housing market in South Hams</b></p>	
<p>18. <b>How do you see the market changing in the future?</b> e.g. growing, shrinking, steady</p>	

<p><b>19. If growing – do you expect continued growth in the next 5 years?</b></p>	
<p><b>20. What factors are driving the market locally?</b></p>	
<p><b>21. Do you think these factors will continue to drive the market in the future?</b></p>	
<p><b>22. What impact do you think the second homes market will have on the general housing market in South Hams in the next 5 years?</b></p>	
<p><b>23. Do you have any concerns about the market locally?</b> E.g. are you concerned about 2<sup>nd</sup> home ownership?</p>	
<p><b>24. If yes, what are the pressures? Where are there hot spots?</b></p>	

<p><b>25. Is there anything specific the government or local authorities can do to help the local market?</b> e.g. controls on 2<sup>nd</sup> home ownership, cutting council tax rebate, planning restrictions?</p>	
<p><b>26. Are there any other comment you would like to make about second home ownership in your area?</b></p>	
<p><b>Thank you for your time</b></p>	

## **Appendix IV**

### **Phone Interviews Topic Guide Business Representatives**

## **South Hams local Business Reps and Other Stakeholders Topic Guide**

### **Phone Interviews**

Introductions and Background to the Research findings...

#### **The South Hams Area:**

- What is it like now
- How has it changed over the last 5 years
- What are factors driving change, influence of second homes / holiday lets

#### **The Impact of Second Homes in South Hams:**

- What is your experience of second home ownership locally
- Where are the key concentrations of second homes locally
- How has second home ownership and the holiday lets market changed in recent years, what impact has that had on business
- How do local business people view second home owners / holiday lets
- Impact on local communities: is there a difference between the holiday lets market and second homes market
- Impact on local businesses: plusses and minuses
- Impact on local facilities and services, schools, shops and services: negative or positive
  
- Do you see any benefits / positive impacts of second home ownership locally
  
- Is there a need for the Council to intervene in the second homes market, eg have stricter controls on development

## **Appendix V**

### **Phone Interviews Topic Guide Letting Agents**

### **Letting Agents Topic Guide:**

We are looking at the second home market in South Hams. However, there appears to be a considerable overlap between second homes and holiday lets. These questions aim to get letting agent views on the holiday lets market and how this interacts with the second homes market.

**Aim to talk to 2 or 3 agents for example: Marsh and Pettitt (Newton and Noss); Coast and Country Cottages; Toadhall.**

Name of Agent:

Phone Number:

#### **The market now:**

Number of properties on your books in S Hams:

Type of property on your books:

Who uses letting agents, type of client: second home owners / developers / investors / local people or national

Do you get second home owners letting with you? What proportion of your clients will be second home owners?

How do second home owners who let in the holiday market differ from other clients? (length of lets, type of prop, etc)

What are clients looking for in terms of number of weeks let, services from the agent etc. (Specifically what are second home owners looking for and how is this different)

Typically how many weeks let do you get per year on a property (is this different for second home owners):

How many weeks will be reserved for owners use:

#### **How has the market changed in recent years:**

What changes have you noticed in the holiday lets market:

Increased demand?

Increased supply of holiday lets?

What areas? What property types? What times of year?

What are the factors driving change in the market?

#### **How will the market change in the future:**

What change do you anticipate:

Increased demand?

Increased supply of holiday lets? What areas? What property types? What times of year?

What are the factors driving change in the market?

Do you think S Hams will remain a popular holiday let destination:

Do you anticipate any problems with the market in future years: over supply / falling demand / too much of one type of prop ...?

## **Appendix VI**

### **Association of Second Home Owners**

## **South Hams Association of Second Home Owners Topic Guide**

### **Phone Interviews**

Introductions and Background to the Research findings...

#### **Trends in second home ownership nationally:**

What areas have the main concentrations?

How has that changed over time

What are key factors influencing second home ownership nationally

How has national policy influenced second home ownership nationally?

What local policies are you aware of in different places that are used to either support or discourage second home ownership?

#### **The Impact of Second Homes (in South Hams) – he may not have a local viewpoint:**

- What is your experience of second home ownership locally
- In your view what benefits does second home ownership bring to a local community?
- In your view what problems does a higher level of second home ownership bring to a local community
- What could local councils do to tackle these problems locally?
- What could government do to help?