
**Second and Holiday Homes and the
Land Use Planning System Research Report
- prepared for the Welsh Assembly Government**

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Second Homes and Holiday Homes and the Land Use Planning System

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Executive Summary

Second and Holiday Homes and the Land Use Planning System

OVERVIEW

S1 The supply of new homes and the extent of housing choice are critical issues for local communities. The planning system has a direct role to play in ensuring - both through efficient land release and development controls and conditions - that the needs of communities are met.

S2 This research looks at the current and future role of the planning system in responding to one particular form of external housing demand pressure: that generated by second and holiday homes. This pressure is examined relative to other demand pressures - from retirement, other forms of in-migration and commuting - more general supply barriers derived from land constraint, and in the context of difficulties - economic, cultural and linguistic - that may result from stronger housing pressure in weaker rural economies.

S3 The report draws on: an appraisal of existing data sources, a survey of local housing and planning authorities, five local case studies focusing on planning and housing professions, housing associations and estate agents, and a national consultation with key interest groups. The remainder of this summary deals with key findings and recommendations.

KEY FINDINGS

The number of second and holiday homes in Wales

S4 The numbers of second and holiday homes across Wales in 1991 and 2001 are set out in the table below. These estimates draw on Census data for 1991 and recent Council Tax returns. The standard scenario assumes that Census and Council Tax data are true reflections of the combined total of second and holiday homes. The higher scenario assumes a degree of under-assessment in both Census and Council Tax data.

Second and holiday homes - all Wales figures

	1991	1991 (%)	2001	2001 (%)	%Change 1991-2001	Point Change
Standard Scenario	19,000	1.58	16,500	1.31	-10.87	-0.27
Higher Scenario	22,000	1.84	19,500	1.52	-12.72	-0.32

S5 The percentage figures in the table above refer to the proportion of the total housing stock in Wales that are second and holiday homes. Changes in the second and holiday home market in Wales have corresponded with general housing market shifts. A peak was reached in the early 1990s; this was followed by a contraction in the market, then a lower peak towards the latter part of the decade. It is difficult to predict changes in the future, though these are likely to reflect changes in tourism trends, working and leisure patterns, as well as the housing market cycle.

S6 The geography of second and holiday homes in Wales is shown in Maps (a) and (b). These are based on the higher scenario described above.

Map (a): Estimate of Absolute Distribution in 2001 (higher scenario) **Map (b):** Estimate of relative distribution in 2001



Enlarged versions of both of these maps, along with additional commentary, are provided in Chapter 3 of the full report. Maps showing the distribution in 1991 are also provided. A description of how the mapped data were calculated is given in Appendix F.

S7 Analysis suggests a contraction of the second and holiday home market into a number of core areas, on the west coast and in North West Wales. There has also been some growth in the eastern part of Carmarthenshire and in the Vale of Glamorgan. Though the number of second homes appears to have declined in ‘traditional second home areas’, proportions in many communities remain high.

S8 There is no national link between second home concentration and house prices. However, in a more local setting, it is likely that retirement, commuting patterns and second homes, will all impact on the local pattern of prices, pushing some locations out of the price range of buyers with less spending power. The desirability of any location will cause prices to rise.

S9 Many of these more desirable and attractive locations in Wales correspond with areas of acute economic disadvantage and social exclusion. They also correspond with the traditional Welsh speaking heartland. Housing pressure in these areas is likely to mean the pricing out of some local households, with implications for the sustainability of balanced, Welsh-speaking rural communities.

S10 Between 1996 and 2000 the total population of Wales rose by 0.86%. There have been some dramatic absolute losses in the number of people aged between 20 and 34. This is the result of general population ageing and outward migration.

S11 Ageing and retirement emerge as key issues from this analysis and will place significant pressures on the housing stock over the next 25 years. They will also bring new and distinctive social and cultural change to large areas of Wales. Meanwhile, second and

holiday homes remain a more local phenomenon.

Perceptions of second homes, planning and housing

S12 Retirement and commuting are perceived by housing and planning professionals to be the more significant components of the external housing pressure facing rural areas. There is also a perception of estate agents that second and holiday home buying is not as great an issue as it was 10 years ago. Interviewees confirmed that coastal communities and small villages are most affected by second and holiday homes. Commuting is affecting small towns in both South East and North East Wales.

S13 Whilst second home buying may 'remove' homes from the local stock, holiday homes may take the form of chalets: the latter are more commonly seen as beneficial, and as part of the wider tourist economy. However, second homes are often not perceived to be a problem as they are more likely to be 'created' from properties that are less desirable to local people, either for reasons of location or condition. Yet the possibility of some cross-competition and of competitive disadvantages being suffered by lower income households in some instances was also noted.

S14 Strong demand pressures are more likely to disadvantage those attempting to enter the market for the first time. It should be noted, however, that more established local homeowners may also experience problems when attempting to 'trade up' to bigger homes, perhaps when their families grow.

S15 Many respondents expressed concern over the lack of economic diversity in rural areas, together with low wage levels. From the evidence collected relating to second homes, affordable housing provision, and retirement migration, we suggest that the lack of economic diversification is a key barrier to people's ability to enter the housing market. It is the root cause of 'ineffective demand'.

S16 Reduced affordability is, at least in part, the product of ineffective demand, caused by a weak local economy and low wage levels. Housing access problems, however, may be accentuated where there is strong external housing pressure. This may occur in some of the most attractive - often coastal - locations, and frequently in communities where local services are already struggling and the survival of the Welsh language is a key consideration. The effect of second and holiday homes on the Welsh language was, however, seen as less significant than permanent in-migration.

S17 The wider consultation exercise revealed the depth of concern over the loss of young people from many smaller communities. This was seen as a threat to the sustainability and social balance of these communities. But more general analysis reveals that a lack of educational and employment opportunities are the key factors resulting in this exodus. At an early age, a good education and a career are foremost on the minds of many younger people, rather than access to a home in the immediate area. This prioritization may, however, change over time and it is likely that out-migrants may wish to return to their 'home community' later in life.

S18 On the whole, there was no evidence that local authorities do not provide sufficient land for new housebuilding. But it may also be noted that any housing shortage is the result of planning constraint and planning policies aimed at protecting sensitive landscapes or the countryside. We may conclude from this analysis and the Joint Housing Land Availability statistics that local planning authorities do ensure provision of sufficient land for further housing development but the bulk of this land bank appears to be not taken up by developers, and local planning authorities are not using the tools available to them to negotiate for affordable housing. In some communities, therefore, land availability for new housebuilding – and for affordable housing in particular – may be a greater concern.

Perceptions of Housing and Planning Powers

S19 Despite the use of occupancy controls for local purposes, local authorities in Wales are currently making only limited use of the policies suggested in the Assembly Government's Technical Advice Note 2 regarding the provision of affordable housing through the planning system.

S20 The lack of evidence to prove that there is a local need was often cited as a reason for not pursuing the development of affordable housing. On larger sites there was considered to be a lack of proof of need to support the planners in any negotiation with developers. The same problem (lack of evidence) was thought to hinder the delivery of new housing via the 'exceptions approach'. Wider problems with the use of Section 106 Agreements were also noted: guidance from government was thought to be unclear and unsatisfactory and it is hoped that future changes to the way obligations – or tariffs – are used may help both local authorities and housing developers.

S21 In those areas judged to be more culturally and linguistically sensitive to strong housing demand, Technical Advice Note 20 on the Welsh language is viewed by planning officers as offering weak protection for Welsh speaking communities. The reasons given for this include the vagueness of the guidance, but planning professionals are also concerned about the appropriateness of the planning system to address linguistic issues. This may explain why the Technical Advice Note has not been used to any great extent for decision-making purposes in assessing new development proposals.

Second and Holiday Homes Practice Elsewhere

S22 Britain, like many countries in northern Europe, possesses a regulatory planning system that is restricted to land use and development issues and which places a primacy on minimizing the amenity and environmental impacts of new development. The response to second and holiday homes in Wales (and the Lake District and the New Forest in England, for example) is often to use the planning system to restrict new development to exceptional locations. This approach fails either to either curtail second home demand (which is often focused in the second-hand housing market) or to address the more fundamental issue of community development.

S23 There is a strong case for exploring how planning restrictions might be relaxed without seriously compromising culturally sensitive communities. A different balance may also be necessary between environmental protection and the need to accommodate growth in different parts of Wales.

Overall

S24 Second and holiday homes are not a 'stand-alone' problem. Rather, they cause concern when allied to other issues, such as the lack of sufficient housing land to cater for local needs or economic decline in the countryside leading to low wage levels and to an inability among sections of the local population to compete in the general market. They are also of greater concern where communities are judged to be more sensitive to change (perhaps where seasonal residence will reduce the viability of local services) or where incomers are of a different cultural/linguistic background to the local population.

S25 Throughout this research, the issues of land constraint and planning restrictions for amenity protection, and the way these restrictions heighten housing supply pressures and prices, are recurrent themes. Where planning is more regulatory and stricter (a feature of northern rather than southern Europe), second and holiday homes are viewed as being more of a problem. This is certainly the case across the UK and within Wales: it is no accident that the greatest concern over second and holiday home demand is often voiced within the

National Parks or other areas of significant landscape quality. These are the locations where strong demand and constraint policies most frequently coincide.

RECOMMENDATIONS

S26 This final part of the Executive Summary provides a list of recommendations emerging from this research. These are discussed more fully in Chapter 7 of the main report, where further justification and explanation for their inclusion is provided. This study recommends that:

RECOMMENDATION 1 - The Identification and Provision of Policies for Sustainable Communities

We recommend that local planning authorities identify particular communities in their Development Plans where it is proven that the combined impacts caused by such matters as a defined and unmet housing need, a lack of economic diversification, linguistic and cultural sensitivity, and external housing pressure, are undermining the sustainability of these communities.

RECOMMENDATION 2 - Greater Use of Planning Gain, including setting Planning Gain Targets

We recommend that planning gain requirements for affordable housing within specific communities must be transparent and open and known in advance of negotiations with developers. We additionally recommend that planning gain targets be stipulated within development plans.

RECOMMENDATION 3 - Pooling Gains from Planning

Policies should be placed in development plans, aimed at pooling developers' contributions (commuted sums from larger sites within towns) and targeting them at sustainable communities.

RECOMMENDATION 4 – Specific Affordable Housing Sites to be Allocated Within Development Plans

Local authorities should be encouraged to designate affordable housing sites within their development plans for very exceptional circumstances, where a combination of social, economic and cultural factors give rise to a unique set of problems for specific localities.

RECOMMENDATION 5 – Re-Examination of the Rural Exceptions Policy

We recommend that the rural exceptions policy be re-examined by the Welsh Assembly Government to overcome perceived financial and land barriers to development by housing associations. This re-examination might also include in what circumstances registered social landlords can be supported in the event of their inability to let property.

RECOMMENDATION 6 – Meeting and Managing Second and Holiday Home Demand

We recommend that local authorities should encourage the development of new-build second and holiday homes in less sensitive areas. They might also consider allowing the conversion of derelict homes, unsuited to local needs, for this same purpose.

RECOMMENDATION 7 - Planning and the Welsh Language

We recommend the revision of planning policy and TAN20 to provide more robust statements on their potential applicability, and how they might be used in association with other material planning considerations for individual planning applications.

RECOMMENDATION 8 - Language Impact Assessments

In conjunction with Recommendation 7, we recommend further research to assess the feasibility of requiring local planning authorities to undertake 'Language Impact Assessments' as part of assessing planning application submissions by developers.

RECOMMENDATION 9 - Status of Social Considerations in Planning

We recommend that the Royal Town Planning Institute, in association with the Welsh Assembly Government and other professional organisations, provide training and advice to elected members and officers on the handling of wider social, community and cultural matters in their planning duties.

RECOMMENDATION 10 - Community Planning and Community Consultation

We recommend that the Welsh Assembly Government consider how the planning system could be made more responsive to community values and how individual communities can be consulted more effectively on planning related issues.

RECOMMENDATION 11 - Strategy and Policy Compatibility Between Housing and Planning Documents

While Housing Strategies and Operational Plans (and their replacement) are a material consideration in planning, we believe that their weight and status within planning should be enhanced. We recommend that the Welsh Assembly Government produce stronger advice to local planning authorities on the role and use of housing strategies within plan formulation and development control. Local authorities should ensure that planning and housing departments are committed to integrating HSOPs and UDPs (and their replacements).

RECOMMENDATION 12 – Joined-Up Working on Planning and Housing Matters. Integrated Working Between Local Authorities, RSLs and Other Stakeholders

Where they do not exist, we recommend that local authorities establish and coordinate a local housing forum comprising representatives of the planning and housing departments, registered social landlords, housebuilders, community groups, and other relevant actors. The purpose of these would be to ensure that all local parties are represented in discussions on local housing and planning issues and that all are made more aware of each other's priorities.

RECOMMENDATION 13 – Highlighting Rural Housing Needs Within National Park Authorities

The NPAs do not have any statutory responsibility for housing; consequently, we believe that there is a lack of sufficient housing expertise within the National Parks. This could be remedied by a establishing a system of housing officer secondment from local authorities to the National Park Authorities. This would bring clear benefits to the Parks, housing authorities and housing associations.

RECOMMENDATION 14 - Improved Collection of Second Home Data

Local authorities should establish separate procedures for collecting second homes data from households and should undertake regular meetings with estate agents within their areas to ascertain patterns of growth, migration and house prices.

RECOMMENDATION 15 – Publication of Second Home and Holiday Home Statistics by Welsh Assembly Government

Local authorities should submit their annual data sets of second and holiday home numbers to the Welsh Assembly Government who should then publish national statistics annually.

RECOMMENDATION 16 – Data Dissemination

The Welsh Assembly Government should disseminate annual second and holiday home statistics to local authorities, housing agencies and other relevant organizations annually and local authorities should demonstrate how the statistics for their area are influencing development of housing, planning and environmental policies locally.

RECOMMENDATION 17 - Regional Planning Statements

Given that this research has uncovered a range of local and regional problems unique to different parts of Wales, we do not believe that national solutions and policies alone are appropriate to solve problems. We consider that there is scope for issues to be addressed at a planning policy level above that of the local authorities and below all-Wales and recommend that the issues identified in this report could be addressed, as appropriate, in regional planning statements.

RECOMMENDATIONS 18 – Further Research to Investigate the Inter-relationships Between Affordable Housing and Wider Rural Issues

The research to address the range of problems being experienced in rural communities and how an integrated approach by various agencies could provide common solutions on these overlapping issues.

RECOMMENDATION 19 – Training and Diversification

We recommend that the Welsh Assembly Government, local authorities, Welsh Development Agency and other agencies should consider promoting training courses to assist in economic diversification within the countryside.

RECOMMENDATION 20 - Extension of the Homebuy Scheme

The Homebuy scheme is the Assembly Government's latest policy to encourage affordable housing purchasing. We recommend that the Homebuy scheme is extended beyond first time buyers more flexibly than at present to other groups in the community who wish to progress in the housing market.

RECOMMENDATION 21 – No Change to the Use Classes Order is Recommended

To require planning permission for change of use from a first home to a second home would result in fundamental problems in terms of definition and so of enforcement. For these reasons, we do not consider this to be a practical option.

RECOMMENDATION 22 – We Do Not Recommend the Use of ‘Locals-only’ Controls

Occupancy conditions and development plan policies restricting occupancy to local people are not recommended. These are problematic legally and in terms of definition, and are difficult to enforce.

1. Introduction

1.1 The supply of new homes and the extent of housing choice are critical issues for local communities. The planning system has a direct role to play in ensuring - both through efficient land release and development controls and conditions - that the needs of communities are met. Local planning authorities, National Parks and other organisations across Wales are concerned with the way in which affordable housing is delivered and with those factors that may prevent its delivery or, more broadly, affect the social, economic and cultural life of communities. Concerns over the impact of new pressures occur everywhere, in towns, cities and in the countryside. In response, there is inevitable desire for policy to be reshaped continuously to respond to new challenges. The Welsh countryside faces a number of challenges. Some of these are very broad and stem from fundamental social, economic and demographic change. Others are more localised and include the social, economic and cultural (including linguistic) fall-out brought about by second and holiday homes, to communities that may already be economically depressed and are struggling to sustain local housing access, jobs and services.

1.2 The Bartlett School of Planning at University College London (UCL) was commissioned by the Welsh Assembly Government in July 2001 to conduct research into 'second and holiday homes and the land use planning system'. The full Project Team for the research comprised:

Dr Mark Tewdwr-Jones	Reader in Spatial Planning and Governance, Bartlett School of Planning, University College London
Dr Nick Gallent	Senior Lecturer in Town Planning, Bartlett School of Planning, University College London
Alan Mace	Research Assistant, Bartlett School of Planning, University College London
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Professor Gwyndaf Williams	Professor of Urban Planning and Development, School of Planning and Landscape, University of Manchester
Dr Dylan Phillips	Senior Lecturer, School of Welsh, Trinity College Carmarthen

1.3 Dr Phillips was contracted to advise the core team on issues relating to language and culture, and how these are potentially affected by changes in the planning system and housing policy. Professor Williams conducted some of the fieldwork and interviewing for the case studies. Dr Edwards provided advice on the final format and overall content of this report.

1.4 The overall focus of the study was to consider the role of the land use planning system in controlling new housing development, its occupancy and its use, together with the regulation and occupancy of existing dwellings. More specifically, the research study aimed:

- 1) To establish the number and location of second and holiday homes in rural communities, particularly those in National Parks, and to make recommendations about how data collection systems could be improved; and

- 2) Establish the effect of second and holiday homes on the local housing market and availability of affordable housing for sale and for rent to meet local need.

The project brief asked the research team to:

1. Identify the positive role of land use planning in meeting housing needs in rural areas and suggest practical ways of enhancing this (for example, through policy changes, best practice guides, and changes to legislation); and
2. Identify any negative impacts of the planning system in meeting local housing needs in rural areas and suggest practical ways to combat it.

1.5 In addition, the project also aimed to make recommendations on how the Welsh Assembly Government, local authorities, National Park Authorities and other agencies across Wales might respond to second and holiday homes in the future. Issues to be considered included the content of the national policy agenda, local implementation, and monitoring. The full specification is attached as Appendix G.

Data Collection and General Research Methods

1.6 Various issues relating to methodology are dealt with elsewhere in this report and further detail about the methodology is given in Appendix C. The core research involved:

- A scoping survey of all planning and housing departments in Wales' 22 Unitary Authorities and three National Parks followed by,
- Five case studies across Wales.
- A parallel examination of national data (1991 Census, Council Tax returns and related data sets) enabling the research team to place the local issues within a broader national context.
- A national consultation exercise intended to provide expert organisations and agencies with an opportunity to contribute their views to the study.

1.7 For the purposes of this report, the phases of research described above are brought together in a final synthesis contained in the concluding chapter and in the recommendations. These recommendations are made in the light of the national data analysis, the local authority scoping survey, the five local case studies, the national consultation, an analysis of policy and procedure elsewhere in the UK and across Europe, and scrutiny of related documents emerging from policy development within Wales. They are also made within a wider context of social, economic and cultural factors.

1.8 The principal focus of this work is the capacity for land use planning to respond to second and holiday homes. However, such a response only becomes necessary where problems associated with second and holiday homes arise. These problems may, very broadly, be social, economic or environmental. In much of this study, economic and social impacts are conflated with the future well-being of communities and specifically the sustainability of local communities in the face of pressure. Environmental issues are viewed as those resulting from the operation of the planning system, essentially patterns of land release versus land constraint. Cultural and linguistic concerns are treated as components of broader social impact, although in some instances 'cultural' impacts are explicitly referenced. Where language issues are central to local planning and housing debates, this is duly acknowledged.

Defining Second Homes

1.9 The definition of 'second homes' used for this research can be found at paragraph 2.5.

1.10 Finally, throughout this report reference is made to the 'Welsh Assembly Government' or 'Assembly Government' except when the whole Assembly is referred to, in which case NAW (National Assembly for Wales) is used. An exception to this usage is when a quoted source (interviewee) has referred to either the 'National Assembly for Wales' or the 'National Assembly'. We have also used NAW exclusively for cited material published before 2001.

2. Second and Holiday Homes and Land Use Planning

In this chapter, the general context – housing, planning and community – of the research is set out. A working definition of second and holiday homes is arrived at and issues and policies utilised in other areas, across the rest of the UK and Europe, are summarized.

Second Homes and Holiday Homes and the Planning System

2.1 The Welsh Assembly Government aims to assist in the development of thriving and sustainable rural communities within a strong rural economy by ensuring a sufficient supply for affordable housing and providing choice in meeting local needs. The report '*Better Homes for People in Wales*', issued for consultation by the Assembly Government in December 2000, sets out proposals for a National Housing Strategy and identifies the need for further research on the subject of planning and housing for local people. The supply and extent of affordable housing, the number of second and holiday homes, and wider issues relating to the future of rural areas, are all themes that strike a chord within many Welsh communities. The Land Use Planning Forum of the Welsh Assembly identified the need to commission research on second and holiday homes in Wales and, as a consequence, this research project was established.

2.2 Second and holiday homes and more general pressures in the housing market (e.g. retirement or other patterns of migration) are, it appears, potential sources of social exclusion. Given the purpose of the planning system – to balance opportunities with costs – this means that the second and holiday home issue lends itself, in many respects, to a planning solution. The more general aim, of course, should be to create more balanced and sustainable communities.

Rural Housing Markets & Second Homes – A General View

2.3 Wealth and household income are clearly key determinants of individual advantage in the housing market. Yet the nature of the market and critical tenure divisions mean that there are no simple dichotomies between rich and poor or between locals and incomers.

2.4 Simple logic would seem to suggest that there is a potential for second and holiday home purchases to cause an inflation of house prices that may then affect the housing opportunities available to some households. This logic has shaped perceptions of a second and holiday home 'problem', with direct links being drawn between the existence of such properties, a lack of housing for local people, the reduced viability of local services and the general breakdown of 'traditional' communities. This perception has, in turn, prompted considerable debate surrounding the development of a necessary response: what should be done to 'save' communities from the blight of second and holiday homes?

Defining Second and Holiday Homes

2.5 In this brief section we provide some further background on how the debate over definition of second and holiday homes has developed. The Census term 'secondary residences' excludes empty dwellings not *known* to be second residences and potential second homes enumerated as *occupied accommodation* on Census night. These problems introduce an enormous risk of under-enumeration. At the same time, the definition employed by OPCS (which has now been subsumed into the Office for National Statistics) joins together 'company flats', 'holiday houses' and 'weekend cottages'. Yet all of these are very distinct types of vacation dwellings. A two-fold classification of vacation dwelling types can be defined as:

1. *Second home*: a dwelling used by its owner and possibly other visitors for leisure or holiday purposes and which is not the usual or permanent place of residence for the owner;
2. *Holiday investment property (Holiday Home)*: a dwelling owned either locally or outside the local area and not permanently occupied but let to holiday makers solely on a commercial basis.

2.6 Any assessment of 'second homes' (which is often used as a generic term) must acknowledge these different categories of property – not least because the existence of each raises particular issues and may introduce different impacts. We might suggest that private and business owners will purchase different types of property (affecting the housing market in different ways) or use accommodation in different ways (affecting the particular mix of social or economic impacts).

The Provision of Housing for Local People

2.7 There are other processes than second and holiday homes at work, in both the private and social sectors, reducing housing access for local people. In the private sector, the number of new houses built in the UK hit a 77-year low in 2001 according to the House Builders Federation, with only 162,000 units added to the housing stock: the smallest annual addition since 1924 (excluding the War years). In the social housing sector, a large percentage of the country's social housing stock has been lost since 1980 through the introduction of the Right to Buy legislation that permitted tenants to purchase their properties from local authorities. Acknowledging the importance of council housing in many rural communities, the government attempted to stave off the loss of rural housing by 'protecting' homes in designated rural areas. Section 19 of the 1980 Housing Act stipulated that areas could apply for such protection. However, few areas outside National Parks or Areas of Outstanding Natural Beauty were designated and as a consequence the Right to Buy legislation caused a stripping away of council homes in most parts of the countryside. In comparison with the scale of loss, housing associations or Registered Social Landlords (RSLs) have made only limited contributions to new social housing supply in the years since.

2.8 The combination of supply constraint, the loss of social housing, and the desire of people to move into the more attractive rural areas, mean that some local groups face severe access to and affordability problems within housing. These problems are certainly not unique to the countryside: London, for example, has historically been one of the most difficult housing markets to enter and many of its Boroughs are virtually impenetrable for home buyers save for the most affluent households. But rural areas also have their share of problems, with even relatively small price increases halting the access chances of those on low rural wages.

Regulation and Land-Use Planning

2.9 In sensitive rural communities, the case for policy intervention rests on the argument that any increased demand for core village housing may compromise the needs of some local households, unable to compete against more affluent, higher earning, incomers.

2.10 Although the planning system plays a positive role in securing sustainable development, it may also affect housing supply by restricting development opportunities. In this project, the intention was to look at how planning might be used to ease such tensions. Ensuring that land for more housing is released in the right quantity and in the right locations will do much to address the fears of those who believe that the current housing crisis is largely a result of constraint and political interference. Planners assess the possible locations for new housing development and, by implication, more affordable housing and designate sites within development plans; most local planning authorities also possess designated housing land that

developers may wish to develop. The problem here is whether the planners have designated sites at the most appropriate locations for market interest and to address affordable housing need.

2.11 The planning system can intervene in housing supply in other ways. The use of planning obligations (under Section 106 of the Town and Country Planning Act 1990) can affect the type of housing provided, its size, tenure, occupancy and associated services, and permit the designation of affordable housing as part of larger housing development projects. Planning policies can also prevent housing development in certain locations, for example if new developments run the risk of harming existing communities. There is a presumption in favour of sustainable development in Wales; the planning system is not intended to prohibit all development nor does it normally serve the interests of the users or occupiers of land. The planning system does serve a useful purpose, however, in ensuring development occurs in the right locations and channels development away from inappropriate areas, and assists local people to express their views about development proposals.

2.12 From the next section onwards, we use the term 'second homes' to denote both second and holiday home types.

Second Homes and the Welsh Language

2.13 In rural Wales, continuing economic difficulties mean that the continued viability of the Welsh language is uncertain. A recent report prepared by Dr Dylan Phillips, '*Mapping Social Exclusion in Wales*', revealed that greatest economic stress and social exclusion occurs within the traditional Welsh speaking heartlands. Gwynedd, for example, has the third lowest average income in Wales. This means that the lowest income groups in these and other disadvantaged areas are likely to be less well off than their counterparts. The capacity for locals to compete in the housing market happens to be lower in those areas where language issues are likely to be more critical.

2.14 This is not a study of the impact of strong housing demand on the Welsh language, but this is an inevitable part of the wider context. Great importance is attached to cultural (and linguistic) issues in many parts of rural Wales. And where the lowest income groups are unable to compete in the housing market – because of insufficient housing supply or other pressures – there is bound to be some impact on local communities and their 'cultural' configuration. Later parts of this report make reference to these types of impact and the role of planning in ensuring the sustainability of local communities.

Second Home Responses Elsewhere in Britain and in Europe

2.15 Other parts of the UK also have experience of dealing with high levels of second home ownership. As was noted above, these areas often coincide with areas of exceptional natural beauty, such as the National Parks. As a context to this research study, the experience of Exmoor and the Lake District National Parks are outlined in two vignettes (descriptive text boxes) below.

England [1]: Exmoor and New Forest

Historical Experience

Compared to the Lake District (below), far less has been written on second and holiday homes in either the Exmoor National Park or the New Forest. But both of these areas have traditionally attracted second and holiday home buyers from South East England and urban parts of the South West.

Here, we note very recent policy initiatives in these two areas, which have arrived in the wake of the Rural White Paper (2000).

Recent Developments/Responses

Exmoor National Park has led the way with policies incorporated in the first revision to its Park Plan, which went out to consultation in October 2001. The revision states that all new housing must be occupied by local people who have lived in the area for 10 years and that a change of use planning application will be required where a property is to be occupied for less than six months in the year. In parishes where the proportion of second homes is already over 10%, applications for second and holiday home development will normally be refused. The Park Authority will permit the replacement of existing occupancy conditions with local occupancy ties (Para 4.17). Occupancy restrictions are expected to reduce the value of property by between 30% and 40% (Para 4.29). The policies are not retrospective and so would not affect present second homeowners. This is the first development plan to introduce such policies, although it is felt that if it is successfully adopted, all National Parks and most of the South West Authorities will follow suit (within their individual timetables for plan revision).

The New Forest District Authority is more concerned with the additional provision of affordable housing to meet local needs, though only in the context of provision of 'a wide range of housing stocks' (Objective 15). Despite the recognised problem of affordable housing for locals and over 2000 families and single people on the Council Housing Register, the plan states that 'the District will continue to provide for in-migration from other parts of the country' (Para B2.4).

Key Messages

The following key messages can be teased from this example:

- **The current stance in Exmoor is very similar to the historical approach of the Lake District (next) – to protect new housing for local needs and reject the need to accommodate migration-fuelled growth**
- **In Exmoor, this emphasis on local need is being taken further, with restricted placed on the use of existing property as second or holiday homes. But it is far from certain whether such a policy will be allowed. Furthermore the costs of enforcing such a policy are unclear**
- **The New Forest is moving in a different direction, concentrating its efforts on the provision of new homes for local people, whilst also seeking to accommodate further population growth**
- **These examples are typical of the different approaches taken by English planning authorities: some adopt 'positive-supply' approaches whilst others seek to restrict supply to local need and erect barriers to the external sources of growth. The problems of the latter approach are more clear in the Lakes example given next.**

England [2]: The Lakes

Historical Experience

The problem of providing sufficient affordable homes has been of particular concern in the Lake District and across Cumbria for a number of years. This concern has stemmed from the number of non-local retirement migrants, commuters and second-home buyers moving into these areas, attracted by the picturesque settings of the numerous small villages and market towns dotted across this part of North West England.

In the early 1980s, a study of local attempts to increase the amount of housing available to local people (Shucksmith, 1981) focused on the Lake District Special Planning Board's use of Section 52 planning agreements to control the occupancy of new housing in favour of local people. This study concluded that by placing restrictions on the purchase and occupancy of new dwellings, the Board was inadvertently increasing demand pressure within the second-hand market. Because non-local buyers were not able to compete for new housing, but still wished to move into the area, they refocused their attention onto older properties. This caused a further elevation of prices in this sector. The net result was that local people were further disadvantaged in the market for core village housing, and became increasingly ghettoised in council or housing association dwellings at the edges of villages and on new greenfield sites.

The then Secretary of State for the Environment, Patrick Jenkin, also viewed this strategy as problematic, believing that the Planning Board was being too overt in its use of the planning system as a housing market control. For this reason, the use of planning agreements to control occupancy was deleted from the Cumbria and Lake District Joint Structure Plan in 1984.

Recent Developments

This episode reveals some of the practical and political difficulties in using the planning system to control the occupancy and use of homes. Yet despite the political flack caused by the Planning Board's manipulation of the housing market in the early 1980s, since the return of a Labour government to power in 1997, further attempts have been made to address this issue. This time, these moves have been driven by the Lake District National Park Authority (LDNPA) and by South Lakeland District Council. In 1998, the LDNPA introduced policies into its local plan, which again only permit new housing development where units are to be sold to 'local' people who live and work in the National Park. This move is intended, in particular, to address the persistent problem of second-home purchases in the Park. The second-home phenomenon in the Lake District has escalated in recent years. It is suggested that 15% of all dwellings in the Lake District are second homes, and in the villages of Skelwith Bridge and Patterdale, second homes comprise as much as 40% of all housing. This reflects a degree of external housing demand that is seen as the root cause of affordability problems in the Lakes.

South Lakeland District Council also announced (in 1998) that they would raise Council Tax levies on second homes to the ordinary first home level. This would, they hoped, raise £1.7 million per year in additional local revenue and discourage the further purchase of second homes in the district. Such a move ran contrary to government policy at the time, though the benefits of equalising Council Tax on second and first homes are currently being examined nationally.

These various moves serve to illustrate the degree of frustration that is felt in this area by those bodies charged with the provision of affordable homes in the face of huge external demand pressures. Much of this demand is concentrated in the market for second or retirement homes. Yet because of the penetration of the M6 into region, it is also within relatively easy commuting distance from Liverpool and Manchester. Similarly, the north of the National Park is also within easy reach of the North East (i.e., the area around Newcastle). So whilst the Lake District and Cumbria looks set to continue to attract second and retirement home seekers, current trends suggest further increases in the number of people moving into the area but working elsewhere.

Responses

The widespread use of agreements to control the occupancy of all new housing is unlikely to win political support from outside the area. Moreover, such a strategy is likely to have a number of undesirable side effects. As well as impacting on the market for second-hand properties (as in the 1980s), it is also likely to have implications for the labour market and repercussions across the North West region. This suggests that more sensitive solutions are required, and ones that sit more comfortably within the context of current government thinking.

Inevitably, the solutions to the area's affordable housing problems must be found within the government's own planning policy guidance and through local provision of additional housing, by both Registered Social Landlords and, where possible, by local authorities. Given the weight of problems in

this part of the North West and the need for development restraint, *ad hoc* solutions – such as those based around planning exceptions – are likely to play only a minor role. That said, in many small communities, the procurement of just a handful of affordable homes (through planning exceptions or the general approach) is likely to be vitally important.

Research into the North West's housing situation in 2000 argued that positive results can be achieved by:

- Continuing to monitor changing patterns of demand and local need at the community level (involving parish councils and other local groups). Improved methodologies should be developed in order to ensure district-wide coherence and give added legitimacy to subsequent planning and development decisions;
- Continuing to be pro-active in the use of planning policy to procure affordable housing units – even very few units can, in the right locations, contribute towards the creation of more sustainable and inclusive communities;
- Ensuring that new development is not concentrated in the larger towns, but is distributed to those communities that require the opportunity to grow. This may mean the release of additional green sites in some villages where the opportunities for brownfield development are limited. Such decisions may not be popular – either with government or with local NIMBY elements – but they may be crucial if local people are to have the opportunity to remain in their home communities

Because external demand for both new and existing property is very much a fact of life in the Lakes and across Cumbria, local authorities will have to put their full support behind the development of new social housing. This will involve both additional support for Registered Social Landlords and, where the opportunities arise, the development of new council housing and programmes based on the government's Capital Receipts Initiative. In some areas, this might involve the buying-back of ex-council properties – though such a strategy is unlikely to feature prominently in this part of the North West.

Finally, and on a less positive note, it is likely that despite the best efforts of local authority housing and planning departments (and their local partners), the amount of affordable housing being developed in this area will remain insufficient. Within the North West, the Lake District and Cumbria occupy a unique position. This is an area of incredible natural beauty, offering unrivalled leisure opportunities and (arguably) a quality of life that cannot be matched anywhere else in England. It is also a highly accessible location and one that can be quickly reached from adjacent employment centres. This means that external housing demand pressures are likely to remain high. There is certainly merit in the suggestion that a unique area requires unique solutions to its particular problems – such was the case put forward by the Lake District Special Planning Board in the 1980s, and more recently by South Lakeland District Council and by the National Park Authority. These various bodies have a long history of lobbying government and therefore bringing the problems facing the Lakes to a wider UK audience. In fact, a recognition of many of these difficulties has prompted government to place greater emphasis on rural housing problems and inspired other agencies to work towards the improvement of the policy environment.

Key Messages

The following key messages can be teased from this example:

- **The 30 year history of planning intervention in the Lakes has met with limited success**
- **Ways should be found to circumvent planning constraint and add to locals-only housing supply**
- **Planning restrictions can have unforeseen effects**
- **Supply-led solutions can be effective in assisting local households to overcome the difficulties resulting from second/holiday home pressure**

The European Experience

2.16 Attitudes towards second homes vary considerably between different EU member states. These attitudes often reflect cultural differences, the way patterns of second home ownership have developed over time, or the position that such properties occupy in the wider housing market. Despite certain countries having a far higher proportion of second homes within the general stock than is the case in Wales, such properties are not automatically seen as a problem.

2.17 The United Kingdom has one of the lowest levels of second home ownership in Europe: the most recent European-wide data suggests that 5% of households have a second home. This compares to more than 20% in Sweden and Finland, and 16% in Spain. Only the more densely populated Netherlands has fewer second homeowners (3%). But these data are approximations and mask very different types of second homes. Although these figures probably do reveal the relative importance of second homes in the domestic markets, they have to be interpreted with some care since the principal concern rests with direct and indirect impacts rather than numbers.

2.18 Given that all the countries are very different in terms of their size, population density and the size/nature of their second/holiday home markets, we must be very careful in trying to tease out general lessons. However, it is clear that:

- The extent of the second home problem is not determined solely by the size of the second home market. The Netherlands seems to experience difficulties that are disproportionate to the market, whereas Italy has many more second homes but no well defined community/housing problem stemming from local housing pressures.
- Second homes only appear to become problematic for local communities where they exist in areas of land constraint and planning restriction. Hence in Italy, illegal housebuilding and the flouting of planning law has compensated for the effects of strong external housing demand. Some communities may be more sensitized to the issue, particularly when cultural issues are at stake: these might be linguistic or relate to the erosion/loss of local traditions.
- In areas of planning restriction second homes may cause social problems: in areas without such restriction, their impacts may be more environmental in nature.
- In the Southern European countries, softer approaches to planning mean that second homes are less of a problem. This is not the case where planning is regulated tightly, such as in the UK, Sweden, Denmark and Finland.

2.19 It is also the case that:

Many rural areas have declined over the last 100 years as a result of a shift in the focus of production (from agriculture to urban-based industry), the locus of production (from the countryside to town) and the mode of production (from manual labour to mechanisation).

- In this context, tourism and recreation are seen as indicators of an economic renaissance. Second homes may be viewed as part of this renaissance, as in Spain and Italy.
- Most countries have responded positively to second homes: providing support for this kind of development and, at the same time, dealing with community impacts through encouraging new forms of economic development.
- Second homes are responded to at a 'structural' (e.g. regional) level: they are seen as part of a 'post-productivist' countryside (i.e., one where primary production is no longer the core activity) and welcomed. At the same level, governments have attempted to channel growth into communities, harnessing the development represented by second/holiday homes to meet the local needs that would have existed irrespective of the arrival of second homes.
- Local restriction has been a feature of England, the Netherlands and Scandinavia. It has met with limited success, is resource intensive and does not address the structural problems that persist.
- The tiers of response tend to be: strategic – managing the consequences of agricultural decline and service-led renaissance; local – support local tourism (and second homes) and local community, where low incomes (and the lack of jobs) is the root cause of distress.

2.20 The different approaches to second and holiday homes in these different parts of Europe have been treated as another factor to bear in mind when setting out possible changes to the policy framework, and policy implementation, in Wales.

2.21 Each of the 'European Vignettes', that are presented in Appendix E, ends with key messages that might be borne in mind when tailoring policy to the Welsh situation. These have been scrutinised and overarching messages teased out.

3. The National Picture

This chapter looks at the national situation with regard to second and holiday homes. It begins with an overview of key findings before presenting a number of maps showing the distribution of second and holiday homes in Wales. Detailed explanatory analysis and description is provided in Appendix F.

Key findings

3.1 This analysis presents the higher of two ‘scenarios’ of the 1991 and 2001 distribution of second and holiday homes in Wales. A ‘standard scenario’ (see appendix F) drew data directly from the 1991 Census and 2000/01 Council Tax Returns. The ‘higher scenario’, presented here, assumes under-assessment in both data sets and established an alternative picture weighted upwards by 16% at both dates. An explanation of this weighting – how it was derived – is also offered in Appendix F.

3.2 The number of second and holiday homes in Wales in 1991 and 2001, using ‘standard’ and ‘higher’ scenarios, are shown in Table 3.1. For clarity the maps then use the ‘higher’ scenario figures. Map 3.1 shows concentrations of absolute numbers across Wales.

Table 3.1: Second and holiday homes – all Wales figures

	1991	1991 (%)	2001	2001 (%)	%Change 1991-2001	Point Change
Standard Scenario	18,800	1.58	16,800	1.31	-10.87	-0.27
Higher Scenario	21,800	1.84	19,500	1.52	-12.72	-0.32

Note: Percentage figures indicate the proportion of the total housing stock that are second and holiday homes. % changes differ with Higher Scenario as the +16% weighting has a proportionally greater effect in 1991 than 2001. Figures are rounded to the nearest 500.

3.3 The implications of these figures, and geographical aspects, are discussed in later sections. In the bullet points below, the figures are rounded, the background is summarised and a brief explanation offered.

- At the peak of the last housing market boom in 1990/91, there were between **19,000** (18,762) and **22,000** (21,764) second and holiday homes spread across Wales. These made up between **1.58** and **1.84** % of the total housing stock
- Ten years later, by 2001, there were between **17,000** (16,721) and **19,500** (19,399) second and holiday homes, or between **1.31** and **1.52** % of total housing stock
- The number of second and holiday homes fell, over this ten year period, by between **10.87** and **12.72** % in absolute terms and depending on the scenario used
- In relative terms (relative to changes in overall housing stock), the percentage point change was between **-0.27** and **-0.32**.
- It is clear that there has been a contraction in second home numbers during this period, although analysis suggests that the fall off has not been linear (see Appendix F).
- 1991 represented a peak in the national housing market and a corresponding peak in the number of second homes in Wales. The number of such properties waned over the seven/eight year period until 1998/99.
- As the market picked up again toward the end of the 1990s, there was a parallel rise in second home numbers. Analysis shows that a new peak was reached in 2000, though this was much smaller than the 1991 peak and there has been further contraction in the market since that date

- The overall conclusion must be that second and holiday homes are a component of the general housing market, with demand for and numbers of second homes determined by changes in the UK market
- Tighter control over the national housing market – and a move away from the boom-slump cycle of the past – should mean, to a certain extent, that the second and holiday home market in Wales will in the future be more stable than it was in the past
- It is possible that the market is now dipping and levelling off in line with national trends and that Wales will have a smaller residual market of second and holiday homes in the future. However, other social and economic trends will also affect the number of such properties. On the one hand, more leisure time may cause a rise in the market. On the other – and as tourism trends suggest – people are choosing to spend their holiday periods further away from the UK and shunning domestic vacations. This may have the opposite effect on the second and holiday home market in Wales. But the consequences of such processes are uncertain and can only be guessed at presently.

3.4 As well as exploring and projecting change in second/holiday home numbers, the intention was that this national analysis would also consider broader social and economic trends affecting the housing market and relating back to second/holiday homes. Key data for consideration included house prices from the Land Registry, population change (overall and within particular cohorts) and migration patterns. The following key findings emerge:

- There is no national relationship between second home concentrations and house prices. Prices would appear to reflect other economic factors affecting local economies. It is much more likely, however, that local variations are linked to high concentrations of second homes, though this is not revealed in a national overview of this nature
- Between 1996 and 2000, the population of Wales rose by 0.86%. Increases were most dramatic in Cardiff (3.95%), Ceredigion (3.76%) and the Vale of Glamorgan (3.13%)
- The biggest population losers were Anglesey (-3.29%) and the urbanised authorities of Blaenau Gwent (-2.40%) and Merthyr Tydfil (-3.94%)
- In absolute terms, many authorities saw a decline in the number of people in the 20-34 age cohort: losses in the case studies (or case study Unitary Authorities) were as follows: Gwynedd (-7.54%), Pembrokeshire (-9.98%), Powys (-8.87%) whilst Ceredigion experienced a gain of +3.05%
- These changes are less spectacular when they are examined relative to overall population shifts (measured in percentage points). Losses in the younger cohorts reflect both general ageing and an absolute loss in numbers as people move away, perhaps to seek employment elsewhere
- Ageing and retirement emerge as key issues from the demographic analysis: the population projections reveal that Ceredigion and Powys (grouped together as mid Wales) will see huge rises (of 26%) in the number of people reaching retirement age. North Wales follows some way behind with an increase of 12%
- Net inward migration will continue to affect North Wales during the projection period to a greater extent than anywhere else in Wales. The arrival of new households will continue to mask the loss of younger groups noted above.

3.5 The main point to take from this overview is that second and holiday homes are a local phenomenon, with their national significance waning over the last decade. However, population ageing is a key social change affecting the entire UK. This process is likely to have profound impacts on housing choices during the next 25 years, with permanent retirement bringing massive social and cultural changes to large tracts of the Welsh countryside.

Geographical Change

3.6 The key issue for many local authorities is not the national picture but rather the way that clusters of second and holiday homes affect their particular area. It has long been established

that Wales has a number of second and holiday home 'hotspots'. The National Parks, the coastal communities of the Lleyn peninsula, Anglesey and parts of the Cardigan Bay coast have all, at one time or another, been viewed as second home areas. In certain communities the presence of second homes is obvious: streets containing groups of houses may be empty for part of year as their owners remain at home elsewhere.

3.7 Map 3.1 shows absolute numbers of second and holiday homes in 2001: these are represented by 'proportional circles'. They show very clearly that such properties are concentrated around coastal communities. Significant clusters are apparent on Anglesey, the Lleyn, around the 'horse-shoe' of the Pembrokeshire Coast National Park and on the Gower Peninsula to the west of Swansea.

3.8 The problem with absolute data, however, is that it fails to show the relative importance of second homes as a proportion of total housing stock. The data may be visually appealing, but it is meaningless to talk of 'significance' if a very large circle actually represents a tiny proportion of absolute stock. For that reason, the subsequent four maps (Maps 3.2 to 3.5) used in this section all show relative data – or second and holiday homes as a proportion of total housing stock. Before commenting on these maps in detail, it is necessary to consider what they show in general terms. The two greyscale maps (3.2 and 3.3) do not show simple percentages, but rather percentage points above the Welsh average. Such maps have greater visual impact and areas of significant second and holiday home numbers can be more readily identified.

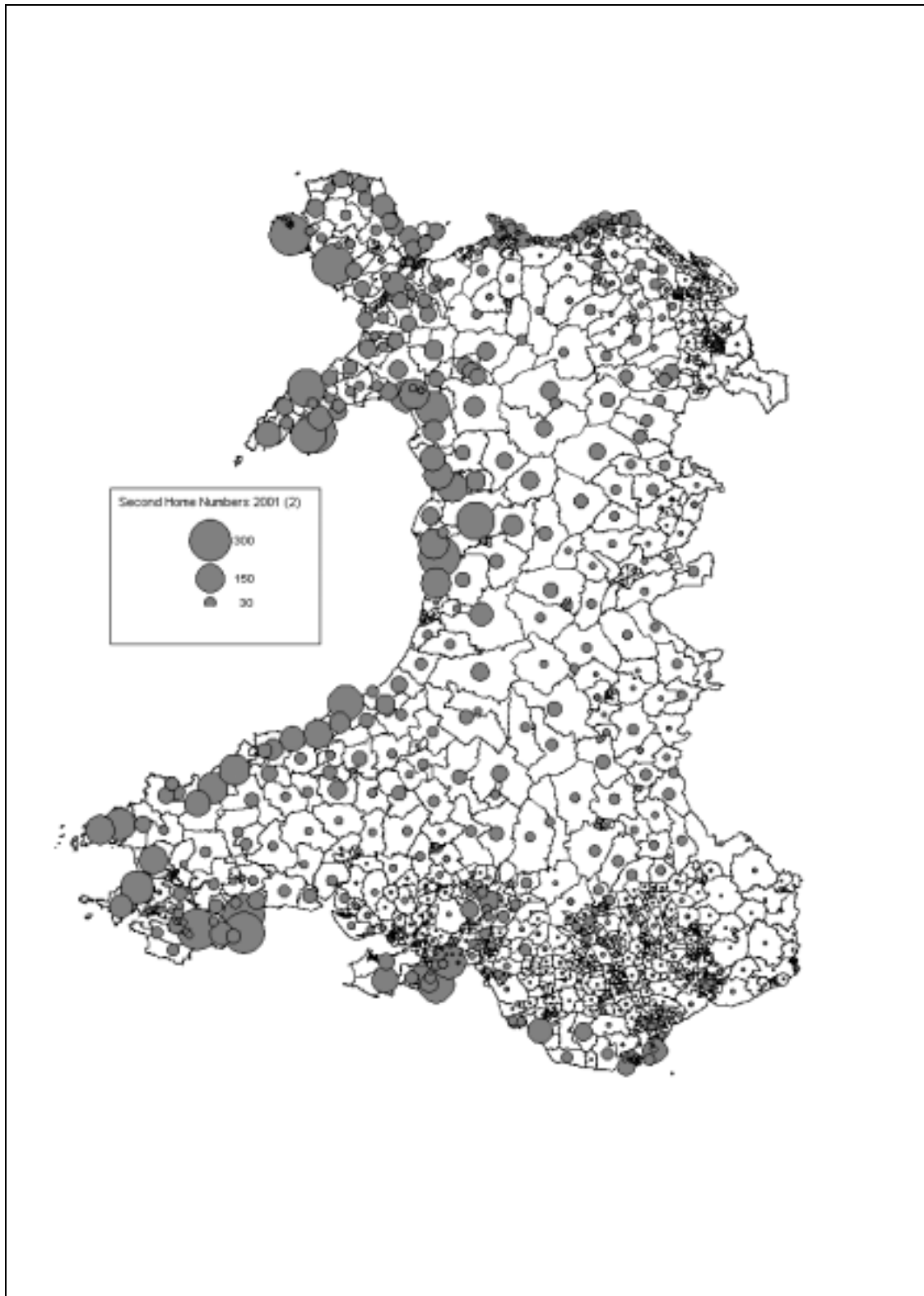
3.9 The colour maps (3.4 and 3.5) bring the less significant (below national average) areas back into the picture. These maps deal with 'hot' (red) and 'cold' (blue) areas and illustrate the same geographical changes between 1991 and 2001. For all the maps that follow, a brief description is given beneath, and then a more complete discussion is offered at the end.

The Overall Geography of Change

3.10 The implication of all these maps is that there has been some degree of contraction in the second home market in 'traditional' second home areas over the last decade. Growth in the Vale of Glamorgan and in parts of Carmarthenshire may relate to these areas' accessibility to an increasingly prosperous South Wales coastal belt. Contraction more broadly reflects patterns in the general housing market and the fact that we have now moved away from the peak achieved in 1991. Today, it seems unlikely that a new rush to acquire second homes in remoter rural areas is imminent given established patterns in the wider UK housing market.

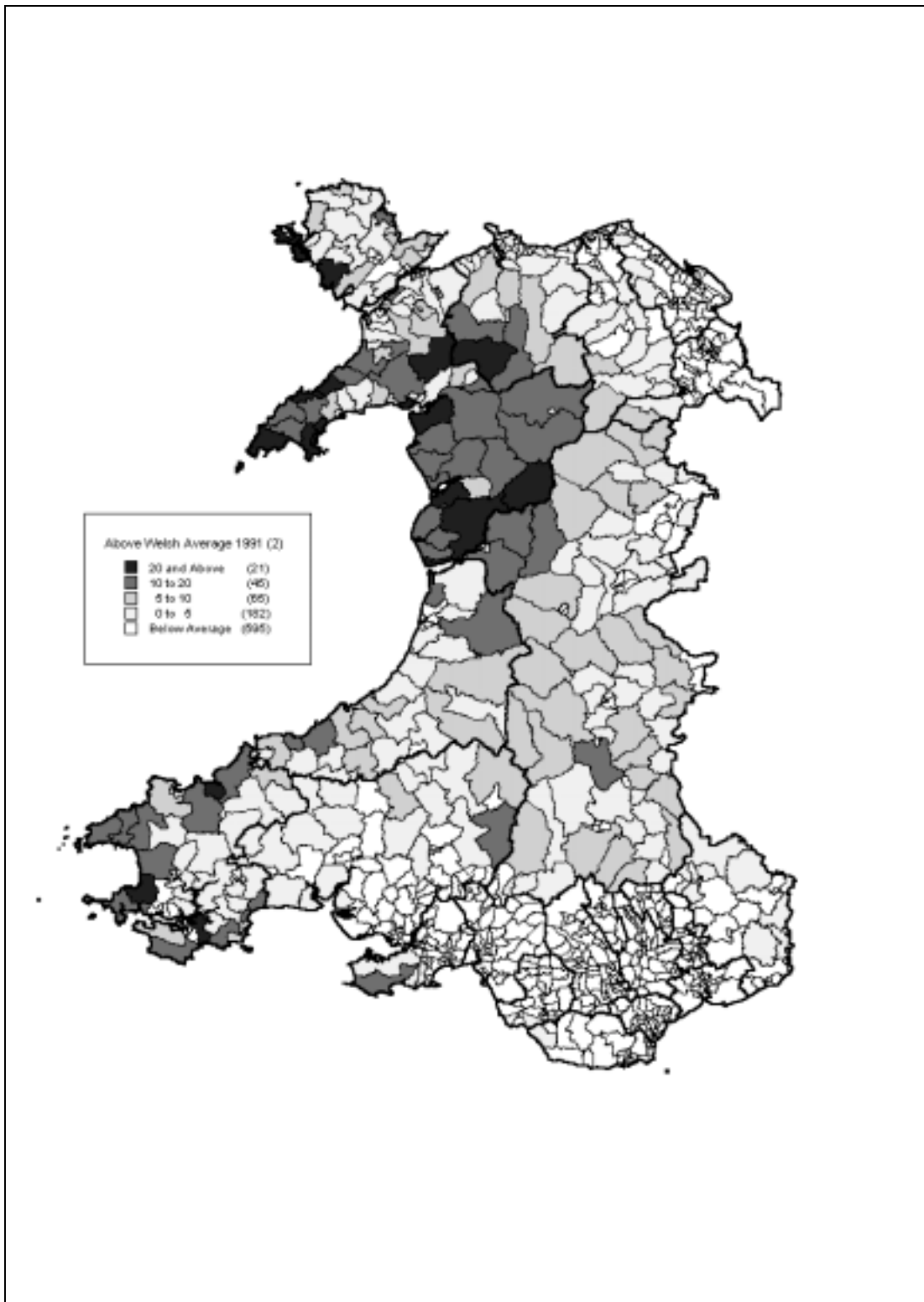
3.11 However, many of the communities with high concentrations of second homes in 1991 retain these high concentrations today. There is evidence to suggest that numbers have shrunk overall and the market has actually contracted to the core areas. Here, second homes may remain a problem and the need to deal with this problem is as great as ever.

Map 3.1: Estimate of Absolute Numbers of Second and Holiday Homes in Wales 2001 (Higher Scenario)



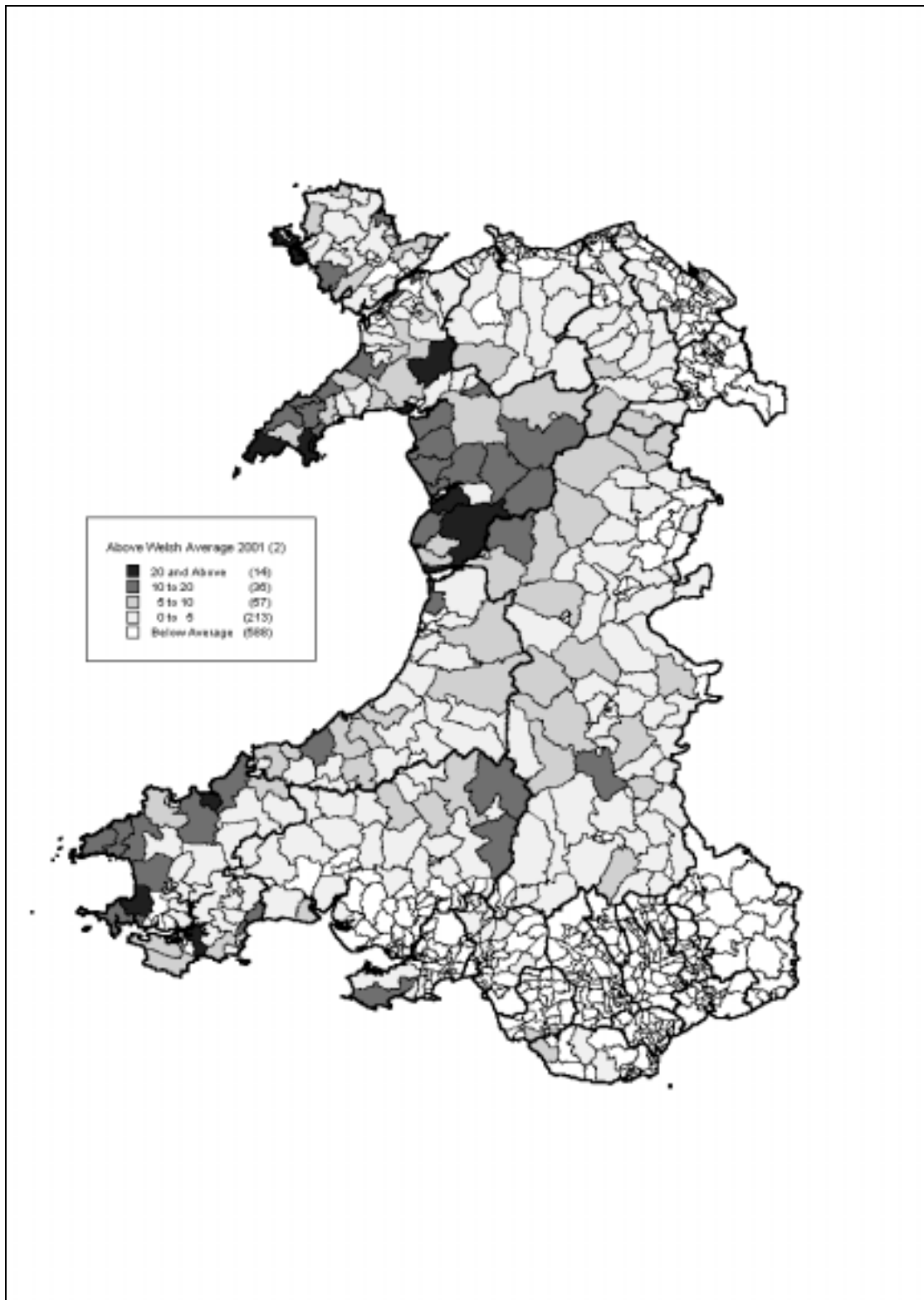
3.12 Map 3.1 shows the absolute distribution of second and holiday homes in 2001. It illustrates the clustering of homes along the coast. Working from south to north, concentrations appear around Penarth, St Brides Major, the Gower, South Pembrokeshire Coast, western and northern Pembrokeshire, along Cardigan Bay (missing out the area south of Aberystwyth), the Llyn Peninsula and Anglesey – especially the west coast. The data on which this map is based were weighted upwards to take into account potential under-assessment of second home numbers. A summary of how and why this weighting was performed is contained in Appendix F.

Map 3.2: Estimate of Second and Holiday Homes in Wales 1991 (higher scenario) – Percentage points above the Welsh average (average=1.84)



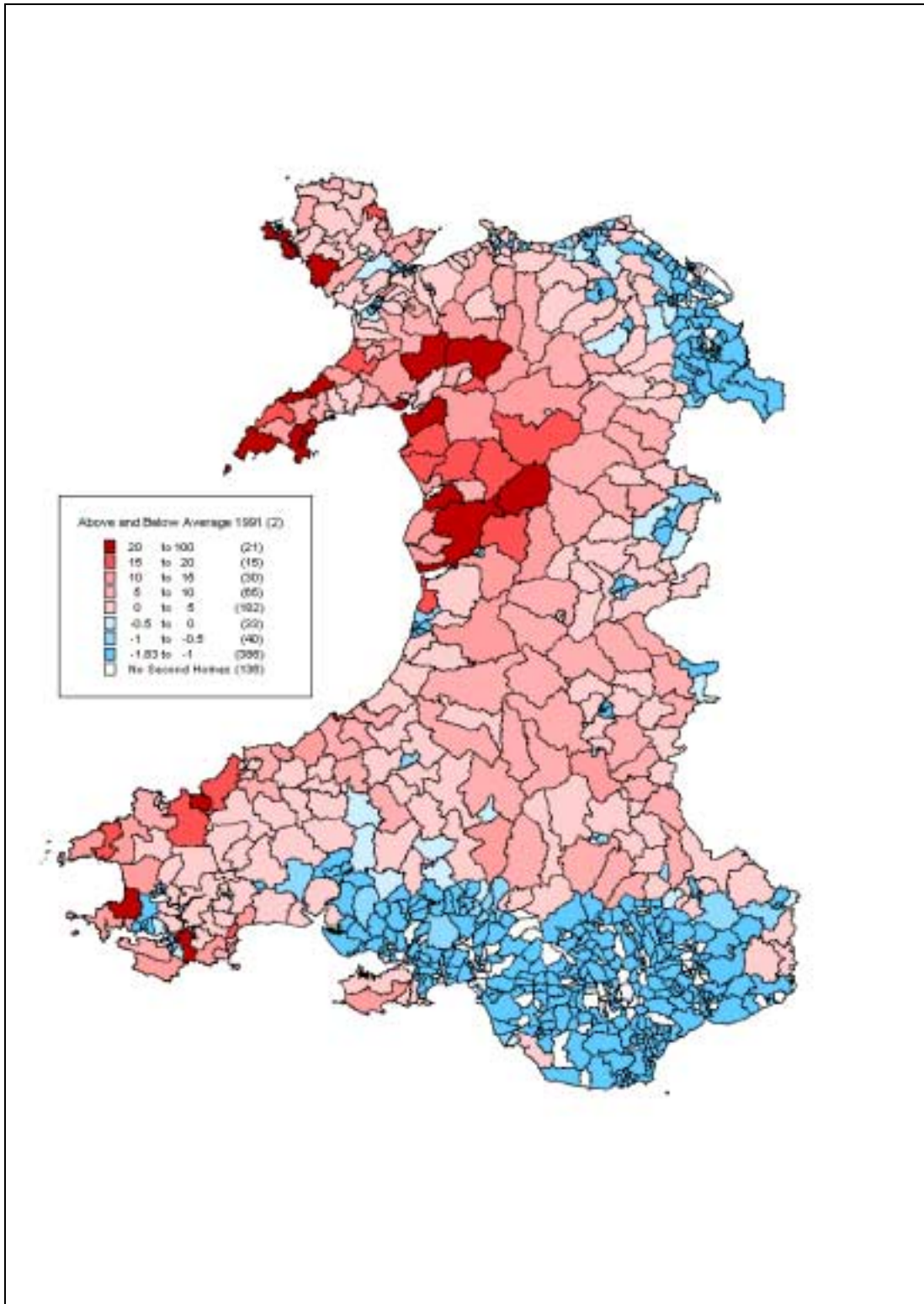
3.13 Map 3.2 above shows the distribution of 1991 wards with 'above average' numbers of second and holiday homes. The boundaries of the 22 unitary authorities are overlain. The principal areas of second/holiday home concentration are shown as darker areas: these include the coastal fringe of Pembrokeshire, much of Snowdonia, the southern tips of the Lleyn Peninsula, parts of Anglesey, Erwood ward in Powys, and Penbryn and Newquay wards in Ceredigion. The concentration on South Gower is also significant, as is Myddfai ward in Carmarthenshire.

Map 3.3: Estimate of Second and Holiday Homes in Wales **2001** (higher scenario) – Percentage points above the Welsh average (average=1.52)



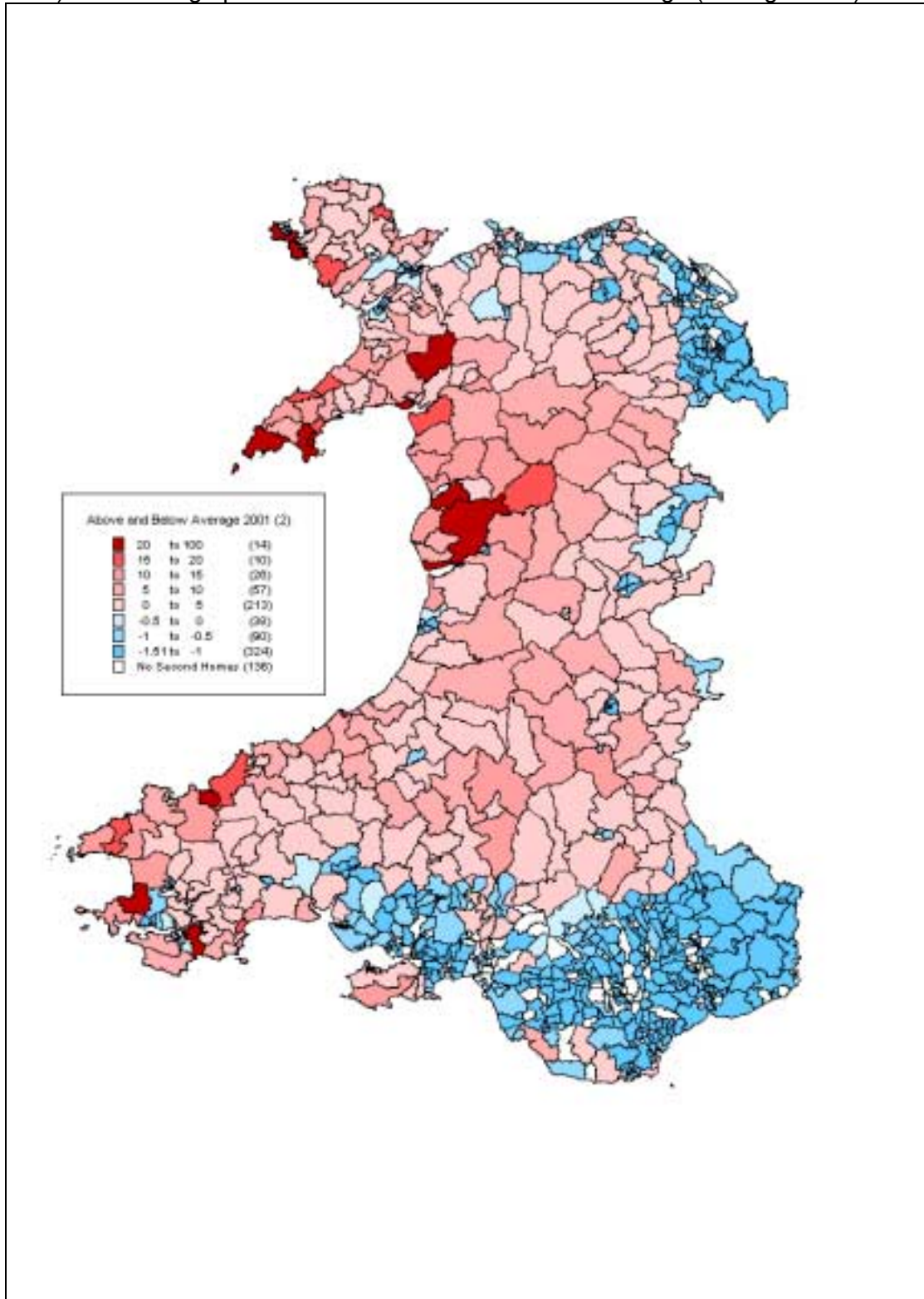
3.14 Map 3.3 shows an approximation of how the 1991 figures might look today given recent (2000/01) Council Tax returns. Whilst Myddfai ward becomes more prominent, there is a contraction of second/holiday home numbers in Gwynedd. The core areas along the Llyn and in southern Snowdonia remain important, though Beddgelert and Bro Machno are now relatively less so. The second home market seems to have contracted into a smaller core, though there is some growth in numbers in eastern Carmarthenshire. There are now only 14 wards that are more than 20 percentage points above the Welsh average compared with ten years earlier.

Map 3.4: Hot and Cold: Estimate of Second and Holiday Homes in Wales 1991 (higher scenario) – Percentage points above and below the Welsh average (average=1.84)



3.15 In Map 3.4 'hot' and 'cold' wards are shown in colour. Red wards have a proportion of second homes above the Welsh average and blue, a proportion below the average. White wards (of which there are 136) have no enumerated second homes. The colour gradation is intentionally more pronounced, and aims to show the 'hottest' wards. In Pembrokeshire in 1991, these were Havens ward and Lamphey to the south, and Solva and Newport to the north – Dinas Cross and St Dogmaels are also emphasised. The hottest wards in Gwynedd and Anglesey were: Aberdaron, Llanengan, Abersoch, Llanbedrog, Beddgelert, Porthmadog West, Arthog, Corris, Aberdovey, Trearddur, Harlech and Mawddwy. Much of urban South Wales is cold, with some exceptions.

Map 3.5: Hot and Cold: Estimate of Second and Holiday Homes in Wales 2001 (higher scenario) – Percentage points above and below the Welsh average (average=1.52)



3.16 Map 3.5 shows the situation ten years later. It points to two fairly dramatic changes. First, both Pembrokeshire and Gwynedd have experienced an apparent contraction of their second/holiday home numbers with only small number of wards as 'hot' as they were ten years earlier. The second change is the emergence of a stronger second/holiday home market in the Vale of Glamorgan affecting Cowbridge, Rhoose and the coastal fringe around Penarth.

4. Perceptions of Second and Holiday Homes in Wales

This chapter presents the results of the all Wales scoping survey. The aim of this survey was to gather information on second/holiday homes at the authority level and then use this data to construct a national overview which is based on first hand experience of dealing with planning and housing market issues. The chapter also considers how planning authorities have been using current tools in response to housing, language and community pressures.

Background

4.1 This part of the report explores data collected via 47 telephone interviews: 22 of these were conducted with Planning Officers within Wales' Unitary Authorities, 22 with Housing Officers and 3 with Officers of the National Park Authorities. These interviews were based on a common scoping questionnaire.

Why a Local Authority Focus?

4.2 The scoping questionnaire had two main parts: the first tailored to the expertise of planning officers and the second to housing officers. Local Planning Authorities, in formulating their Development Plans, have a statutory duty to survey physical and economic characteristics of their areas. Housing authorities – in their role as housing enabler – have a duty to undertake market appraisals, review the suitability of current stock provision to emerging needs, and facilitate, through innovative means, the provision of additional public and private sector housing. An assumption can be made therefore, that experienced officers within these different departments should be well placed to understand the planning and housing market issues being examined in this research. In the National Parks, responsibility for planning lies with the Park Authority; housing matters within these areas rest with the Unitary Authorities.

Planning Authorities

Who Responded?

4.3 All officers interviewed had worked within their current authority area for at least the last 2 years, and many for a much longer period. Almost 80% held the position of Senior Officer or above.

External Housing Demand: Strength and Focus

4.4 Just over two-thirds of planning/park officers (64%) believe that external housing demand pressure has a significant impact within the local areas (the nature of these impacts is examined later). Others (36%) consider their areas to be more or less free from such pressures.

4.5 The focus of external demand pressure appears to be smaller villages and coastal settlements. Officers in 11 authorities claimed that the coast is a focus of demand pressure and all these authorities appear to have an attractive 'rural' coastline: these include authorities such as Anglesey, Gwynedd, Ceredigion and the Vale of Glamorgan. Larger towns were often the subject of demand pressure from commuters: such was the case in Flintshire (commuters to Chester) and Bridgend (commuters to Cardiff).

Table 4.1: Patterns of Demand Concentration

Pattern	Respondents (n)	% Respondents
Small villages	14	58.3
Coastal settlements	11	45.8
Open countryside	6	24.0
Larger towns/settlements	5	20.8
Specific communities	4	16.7
Small towns	3	12.5

The Effects of External Demand Pressure

4.6 Given that 64% of authorities claim to experience strong external demand pressure for homes and that this is felt predominantly in small villages (and especially those on the coast), what effects might this pressure have on the local housing market and upon local communities? Another question was directed to Planning/Park Officers structured around prepared responses. The main suggestions on the basis of this analysis are that:

- House prices have risen in particular 'hot spots' within the Unitary Authorities;
- Fewer, but still almost half of the respondents (48%), suggest that house prices have risen across their authority as a direct result of external housing demand pressure;
- 56% and 48% suggest that *new housing* and *existing housing* respectively is no longer affordable, in some instances, for purchase by local people;
- However, it is apparent that this affordability problem has as much to do with general housing supply as it does external demand. Only 16% of planning officers believe that there is any shortage in the available amount of housing land in Wales; at the same time land supply is constrained; this suggests that housing land has been allocated by planning authorities in inappropriate locations or that affordable housing tools have not been utilized fully by local authorities;
- A fifth of officers believed that local people find it difficult to rent property in the local area (as a result of costs and supply) and the same proportion believe that people are leaving as a result (of this and related difficulties);
- However, only one officer believed that demand pressure prevented people from returning to the area who had previously left (this low figure is a consequence of the fact that few officers saw any evidence of people wishing to return);
- And finally, a quarter of authorities believed that strong external housing pressure has an adverse impact on the Welsh language: these authorities were Pembrokeshire, Gwynedd, Ceredigion, Carmarthenshire, Anglesey and Snowdonia.

The Components of External Pressure

4.7 There is no assumption in this research that all housing pressure is derived from second or holiday home purchasers. For some authorities, commuting and demand from permanent incomers, dominates the housing market. Elsewhere, retirement is the critical issue. In a very general assessment, Planning/Park Officers were asked to rate the significance of these different types of external pressure, on the basis of their professional opinion and information gathered by the authority. Their responses are shown in Table 4.2.

Table 4.2: Perceptions of the Components of External Housing Pressure

	% Very Significant	% Significant	% Minor	% Not at all significant
Retirement	24.0	24.0	36.0	16.0
Commuting	20.8	37.5	25.0	16.7
Immigration for economic reasons	8.3	37.5	33.3	20.8
Purchasing for private holiday use	4.0	20.0	32.0	44.0
Purchasing for rental investment		20.8	54.2	25.0
Purchasing for holiday letting		4.2	58.3	37.5
Teleworking			20.8	79.2

The following findings emerge from this national overview (for ‘significant’ components below, ‘very significant’ and ‘significant’ responses have been amalgamated):

- Retirement (48%) and Commuting (58.3%) were perceived to be the most important components of external housing demand pressure;
- In-migration in order to take up employment (44.8%) was also perceived to be a key source of external housing demand, though in some instances respondents may have been referring to people moving in to commute to jobs elsewhere.

4.8 It is interesting to note, given the focus of this work, that

- 76% of authorities perceived ‘purchase for private holiday use’ to be of either minor significance or of no significance at all.
- Almost 96% believed that purchasing for holiday letting was a minor or not a significant issue; 79.2% had the same view on purchasing for private investment.

4.9 Two points should be made here. Firstly, private renting is a significant component of the Welsh housing market, though this fact is obscured by the responses in Table 4.2. Our perception here is that respondents believed, quite wrongly, that we were concerned with buyers from far afield coming in to Wales and making rental investments. This may have been a misunderstanding in the interview. The same is not true, however, of second homes, and it is our analysis that – in general terms and across Wales – commuting and retirement are seen as bigger issues than second homes and holiday letting.

4.10 In Powys, Pembrokeshire (Unitary Authority and National Park), Gwynedd, Carmarthenshire, and on Anglesey, second homes are viewed at least as ‘significant’ and as an important component of external pressure. So, the aggregate picture is often less important than local issues: for example, Welsh language concerns may be seen by officers as a lower priority locally where there are very few Welsh speakers. Responses relate to a certain context, and officers were not suggesting that Welsh is not important nationally; rather, that it was not a significant planning issue for their authority.

Related Concerns and Necessary Measures

4.11 One of the significant debates occurring in Wales at the moment concerns the relationship between housing and other opportunities, including jobs and education. There are various key questions that could be considered here: will people stay in an area without jobs: or can people be attracted to an area with jobs if there are no homes? The debate is circular, and part of a wider debate surrounding the ‘sustainability’ of communities. Added to

it are other debates regarding the proper function of planning in relation to the housing market.

4.12 Because this part of the analysis was as much about gaining a feel for the issues and for views (which are re-appraised in the case studies), we set up a number of ‘belief statements’ which planning/park officers were asked to respond to. Some are quite controversial and relate to the legitimate role of planning or the status – in planning terms – of the Welsh language. Other questions aim to test officer views with regards to the relative importance of housing and labour issues. The questions and the responses are shown in Table 4.3.

Table 4.3: Prepared Statements: housing, planning and employment (views of planning officers)

	%
Young people leave the area for the types of jobs that are not available locally	92.0
Young people leave the area for the types of educational opportunities not available locally	68.0
Wage levels allow people to compete in the local housing market	54.2
There is a diversity of job opportunities in the authority’s area	40.0
There is evidence that young people wish to return to the area	20.0
Local people should have the option of securing a home locally	72.0
External housing demand pressure should be curtailed through the use of the planning system	48.0
The property market should be controlled in such a way as to ensure that local people can buy homes at a reasonable price	41.7
Local people should have the automatic right to buy a home in the area	17.4

4.13 Notwithstanding the need for some caution, the responses set out in Table 4.3 offer some food for thought. Key ‘findings’ include the following professional opinions:

- Fewer than half (40%) of respondents believe that there is any diversity of job opportunities in their local area and 45.8% believe that local wage levels prevent households from competing in the free market;
- Related to this, a high proportion of respondents believe that young people who leave the area do so because of a lack of educational (68%) and job opportunities (92%). These and not ‘housing’ are the overriding reasons for young people leaving an area;
- Furthermore, only a fifth of authorities claimed any evidence of young people wishing to return to an area after their departure. However, perhaps significantly, there was often no evidence available locally because no studies of this issue had been undertaken;
- 17.4% of officers believed that local people should have the automatic right to *buy* a home in their local area. 72% offered their support for some form of local ‘option’ to *secure* a home;
- Nearly 42% of officers believed that the housing market should be controlled to ensure that local people can purchase homes at reasonable cost. 48% of planning officers considered that planning should be used to curtail external housing demand pressure.

4.14 These beliefs have a particular geographical pattern, corresponding to the weight of different forms of external demand pressure. However, it must be concluded that officers do not believe that new powers should relate to second and holiday homes, but rather to the retirement and commuting markets. This has important implications for the way in which the market or external pressure might be vented or controlled. Much of the current rural planning debate has focused on seasonal housing use, but this may not be the significant issue.

Housing Authorities

Finding the Evidence

4.15 A different set of questions was directed at the Unitary Authority Housing Officers: the focus of these was the actual evidence that exists within the local authority to support particular claims with regards to external housing demand.

4.16 Just under 46% of housing departments claimed that specific studies had been undertaken on the subject of external demand pressure in their local area. Two of the National Parks had certainly undertaken (or were undertaking) such studies and other authorities had focused on such specific issues as 'ethnic housing needs'.

4.17 Only two thirds of authorities (64%) had conducted authority-wide housing need assessments (HNAs). A number had contracted private companies to undertake this work using standard methodologies. A few had no up-to-date assessments and one authority conceded that the last time a need study had been done it was under the auspices of the *Jigso Lleol* programme in 1990. Overall, many studies were dated and some authorities had conducted no past assessments.

Planning Authorities - Use of Existing Planning Powers

4.18 This section focuses on the powers being used by local authorities in order to stave off external demand pressure or enable local people to compete in the housing market.

Use of Planning Agreements and Conditions (Occupancy)

4.19 In the light of the housing pressures identified earlier and the assessments of housing demand discussed above, housing (and planning officers) were asked about their use of Planning Agreements and Conditions as a means of procuring new affordable housing and/or controlling the future occupancy of homes.

Table 4.4: Occupancy Control

	% No	% Yes – agreements	% Yes – conditions	% Yes – both
Has the authority sought to control the occupancy of newly built homes with the use of s106 agreements and/or conditions	32.0	40.0	4.0	24.0

4.20 68% (of the 25 planning authorities) claimed to have used conditions and/or agreements to control the occupancy of newly built homes: all bar one had policies for agricultural workers. But whereas some authorities were fairly cautious in their use of agreements/conditions (applying them in only certain areas, or attaching them to specific types of housing) others were far bolder, using them as a general tool in order to retain homes for local use. It was also the case that whilst some authorities had used conditions extensively, others had applied them in only one or two instances. The use of occupancy controls for certain types of housing is shown in Table 4.5: again, this does not reflect the frequency of use.

Table 4.5: Patterns of Use (Occupancy Control)

	% No	% Yes – agreements	% Yes – conditions	% Yes – both
Applied to all new housing – market and social	76.2	19.0		4.8

Applied only to new social housing (i.e. RSL units)	66.7	23.8	4.8	4.8
Applied only within specific communities	71.4	14.3		14.3

4.21 A third of authorities claimed to apply occupancy conditions/agreements only to new social housing whilst just under 24% said that such controls were universally applied to all new housing built within their local area. This claim is not substantiated by our appraisal of Development Plans. Of the 68% of authorities using agreements/conditions, 6 said that they were applied only in specific communities. Some authorities attached conditions for the benefit of agricultural workers. Gwynedd stated that their use was appropriate where the number of Welsh speakers is high.

4.22 There were also more general views on the groups that should be assisted through the use of planning conditions. These included:

- Key workers (with a local connection)
- Those born locally or with a local connection
- Those working in agriculture
- Those wishing to return to the area (1 case only)

Planning and Affordable Housing

4.23 Authorities were quizzed on the use of planning mechanisms designed to procure affordable housing from sale schemes (the general approach) or from off-plan development within existing rural settlements (the exceptions approach): responses are contained in Table 4.6.

Table 4.6: Planning and Affordable Housing

	% No	% Yes – all	% Yes – general approach only	% Yes – exceptions only
Has the authority used the policies set out in TAN 2 (Wales)?	17.4	34.8	39.1	4.3

4.24 Twenty-two out of the twenty-five planning authorities reported having a policy that seeks to secure affordable housing: survey responses are shown above. An additional telephone check revealed that of these 22, eleven reported either no use, or very limited use, of this policy. Reasons given for this included; a lack of evidence to support the authority in negotiation with developers, developers using tactics to avoid the policy and the lack of sites that are large enough to fall within the criterion set by the policy.

4.25 The unitary authorities return data to the Welsh Assembly Government indicating the number of units supplied by Housing Associations. However there is a need for better data on the number of affordable housing units that are supplied by the private sector each year. Furthermore, there were low levels of awareness as to the levels of use of exception sites and section 106 agreements to secure affordable housing. Better collection of this information would assist the authorities in building up a clearer ongoing picture of what is happening within their authority.

Planning and the Welsh Language

4.26 Whilst TAN2 provides guidance to local planning authorities on achieving affordable housing gains from the planning system, another Technical Advice Note – TAN20 – deals with the status of the Welsh language as a planning consideration. In theory, this offers another potential means for planning authorities to offset the negative impacts of strong external housing demand pressure.

4.27 Twenty-two authorities provided an assessment of the effectiveness of TAN20. Of these, nearly 32% said that it would not be appropriate for them to comment since there are a low percentage of Welsh speakers in their local area. It is unclear how local planning authorities are able to judge significance on the basis of numbers alone. One respondent rated TAN20 as ‘effective’ in giving protection to the Welsh language whilst nearly 64% rated the guidance as ‘not at all effective’.

Table 4.8: The Effectiveness of TAN20

	% Effective	% Not at all effective	% Not applicable
The effectiveness of TAN20 (The Welsh Language)	4.5	63.6	31.8

4.28 The reasons for this generally poor rating are numerous. Some key factors seemed to include:

- The fact that the guidance is unclear and ‘woolly’
- Land use policy is not the right tool for dealing with this issue
- The policy regulates on the basis of development size, which is not always a relevant factor
- The policy displays concern for the characteristics of individuals, which is not the basis/purpose of land-use planning
- The guidance is not grounded in an understanding of the problem or based on proper research.

4.29 The central message, therefore, according to professionals, is not simply that TAN20 is weak and ineffective, but that it is the wrong tool for dealing with language issues. When asked how TAN20 might be improved, responses included:

- The planning system is not the appropriate tool for protecting the Welsh language
- Best practice models would be useful
- The development of a Language Impact Assessment approach may have merit
- Changing the housing market is more important than changing TAN20
- Clarify the wording and make more specific.

4.30 There is a division, therefore, between those who consider that planning policy on the Welsh language could be useful and those who argue that it is an inappropriate use of the planning system.

Other Housing Strategies

4.31 Many authorities mentioned other strategies they possess for dealing with external demand and increasing housing supply. These issues are taken up again in Chapter 6. However, key findings in relation to other ways of tackling housing problems included:

- Encouragement/promotion of RSL provision through partnership (8)
- Living Above the Shop schemes (2)
- Support of self-build schemes (1)
- Strategies to bring forward empty/derelict properties (1)
- Positive engagement with the private sector (1)

Other Economic Strategies

4.32 In recognition of the fact the housing solutions alone will not pave the way for more sustainable communities, authorities were also asked about economic development initiatives in their local area. Responses included:

- Promotion of training/business courses (3)
- Gaining Objective 1 or 5b funding (7)
- Active community/economic development section/unit (8)
- Diversification strategy (2)
- Promotion of inward investment (1)
- Development of community plan (1)

Key Findings from Scoping Survey

4.33 The following is a summary of key findings from the National Scoping Survey:

Planning Authorities

- Two-thirds of officers believe that external demand pressure is significant
- Demand pressure is thought to be concentrated on the coast and/or in small villages
- There is significant commuter pressure in small towns, particularly in South and North East Wales
- There is a belief that house prices have risen and, in some instances, homes are less affordable
- Affordability is linked to both general supply issues and external demand pressures
- There is no general perception that house prices are a barrier to those wishing to return to home areas: there is also no evidence that young people wish to return but, in this instance a lack of evidence does not necessarily point to a lack of desire to return
- It is anticipated that newly forming households are worst hit by strong external housing demand
- Nearly one quarter of respondents considered that strong external housing demand pressure was having an adverse impact on the Welsh language
- **Retirement** and **commuting** are thought to be the most important components of external housing demand across Wales
- **Second and holiday homes** are viewed as important only in specific areas
- Low wages, a lack of diversity in the job market and few educational opportunities lead young people to move away
- There is strong support for assisting local homebuyers, but not giving them an automatic right to acquire property
- There is a fifty-fifty split of opinion as to whether the planning system should be used to alter the housing market

Housing Authorities

- One third of the authorities have not conducted comprehensive housing demand/needs assessments
- Those authorities that have conducted housing needs assessments focus on a range of specific issues from retirement to commuting to second homes

- Most surveys are based on local surveys, census data, letting agents' surveys and Council Tax data (for vacancy)
- Half of the assessments involve housing and planning departments and three-quarters involve RSLs
- Collaborative working on the production of local plans and HSOPs is commonplace and informal collaboration is well developed

Planning Authorities' Use of Existing Powers

- 68% of local authorities claim to have used planning agreements/conditions to control dwelling occupancy in response to external demand pressure. Some apply generally, others to specific communities or types of housing but the use of agreements varies widely.
- Nearly 83% of authorities have procured affordable housing through the use of approaches set out in TAN2 but once again, the frequency of the use is very variable.
- The language/development guidance contained in TAN20 is thought to be generally ineffective.
- Those who support a language policy's aims within planning argue that it is 'woolly' and unclear. Others, however, strongly argue that it steers towards an inappropriate use of the planning system
- Other strategies are being employed to promote housing supply and economic development. The intention is to explore these further through the case studies.

4.34 In the next chapter, the focus switches to a more local level and to five case studies. Many of the market and policy issues raised in Chapter 4 are re-examined in this next chapter.

5. Local Concerns in Five Case Studies

This chapter summarises the findings from the case studies. These are given at two levels: broadly across the case study area – focusing on the market/social context, incomers and policy – and then more specifically using examples of particular communities. The latter are provided in text boxes (vignettes).

The Case Studies

5.1 This part of the report provides an overview of the findings from the five case study areas. These are summarised using common themes that emerged. The study areas were, the Brecon Beacons National Park, Ceredigion, Gwynedd (The Llyn Peninsula), Pembrokeshire Coast National Park, and Powys (Radnorshire). A justification for the selection of these particular areas is given in Appendix D. The material from the five case study areas was gathered between October and December 2001. In total, twenty-eight people were interviewed during twenty-four different sessions. Individuals were selected on the basis of their professional connection with housing and/or planning issues in the five case study areas. The interviewees worked within Planning, Housing and Community Development Departments, in Housing Associations (or Registered Social Landlords) and in Estate Agencies.

The Market and Social Context

5.2 There are very specific – local - patterns of demand for housing. It is true that people are heavily dependent on the car. Even economically disadvantaged families and individuals will seek to own a car due to the limited extent of public transport in the case study areas. However, it does not follow that everybody is happy to drive in order to access cheaper housing, and then travel to visit existing friends and family, should they live in a more expensive area. Several reasons were given for this; first, there is a history in some areas of not being mobile over a large area. Until recent times a tradition has existed of people living within a small geographical area, and rarely leaving it. Second, there is often a strong identification with a particular village or town. Individuals were reported to be uncomfortable with the idea of moving to another village or town, even if it were less than ten miles away. Indeed, in some cases a sense of enmity between neighbouring towns or villages was reported. Third, and on a more positive note, this desire to stay in one location was also based on the wish to be within walking distance of friends and family, often for help with childcare arrangements, but also for other types of support. Different types of location act as a draw to different incomers. In some instances demand will be in direct competition with local demand. In other cases it will tend to focus on properties that are not in demand locally.

5.3 In the case study areas, the view was often expressed that local people wanted to move from rural locations to towns such as Brecon or Aberystwyth. This was especially true for young single people who wanted more social facilities, and of the elderly who were seeking to be close to a range of services. So, there are patterns of migration within quite localised areas that need to be understood if adequate housing provision is to be achieved.

5.4 There is a tradition of home ownership in Wales, with higher levels historically than in England. Many of the respondents believed that there was a strong desire to own a property rather than to rent. This perception was supported by evidence that in some cases, even if more social housing were to be provided, it may well be that it would be difficult to let to a person from the local area. This point may be linked to two other issues. If, as has been suggested in some of the case study areas, there is only a limited demand for more social housing, this must be understood in the context of the local employment situation and also in the context of how social housing is provided. First, people will generally not want *any* type of accommodation in the area if they cannot find work there. Second, people are aware of

the absence of social housing in smaller communities and so do not put their names onto the waiting list in that area. The lack of supply effectively hides any demand.

A development in the village of Bow Street illustrates how the scale and rate of change is important in such a setting.

'In fact there was a [Housing association] development around Bow Street, created quite a furore at the time, with people not getting on and the school having problems and things like this. I suppose that can be the problem with any development. I mean it wasn't a huge development, probably 24 houses I think, but even so it's quite a lot, even for a fairly large village like Bow Street.

More generally,

'I mean certainly anecdotal-wise these are the sort of things, there is a feeling that obviously that if there is development in the villages, although the local schools would try to teach the children Welsh obviously, but the language of the playground would tend to drift into English. Obviously in the growth villages it is more noticeable than the ones who have sort of stayed with no new development around them or just the odd one or two maybe.'

5.5 Lack of demand for social housing, especially in some rural areas may not mean that there is any lack of need. Rather it may point to a need for affordable/social housing in the right location as well as to the need for employment, to give people, especially the young, the option of staying in an area:

"We see it as being a big area of demand [developing exception sites]; we don't have 100's on the waiting list, but it is a demand that is there and not met, as we are a fairly rural based association, there is a responsibility on us to meet that. Perhaps when we get some underway people will see it working – at the moment it is just a lot of hard work." Housing Association Officer

5.6 In many of the interviews reference was made to the low wage economy and/or to the lack of employment opportunities in the area. These two elements often operate together. In Brecon, for example, it was felt that there was employment available, but that the wage levels were so low as to make the work undesirable, especially when the potential loss of benefit was taken into account. Aberystwyth was, in some respects, the exception. In housing terms it was suffering from the effects of a strong

economy with high levels of employment (albeit in certain fields) and the resulting strong demand for property and upward pressure on prices. Still, in general it was the lack of employment and/or appropriate wage levels that was often cited as a cause for concern. Other factors are linked with much wider social and market changes that affect the UK in general. First, changing family structure has led to an increase in smaller households. However, higher expectations mean that many people seeking social housing are no longer willing to accept very small properties. Older people want a spare room for a visitor. Separated couples may need an extra room to accommodate their children at weekends. Second, quality of life including low crime rates and reduced traffic congestion was cited on a number of occasions as being a reason why people are drawn towards Wales. Whilst second and holiday homeowners may be attracted to certain, more obvious, picturesque settings, especially coastal areas, permanent in-migrants often seem drawn more by quality of life considerations. Third, overall changes in the housing market come to affect the Welsh market. A rippling out of house price inflation from the south east of England was described. Of note is the sense, gained from a number of the case studies, that sensitivity to the second home issue is linked to these market cycles. It was said on a number of occasions that had the research been carried out in the early 1990s, the research findings - in terms of the market - would have shown a surplus of private sector housing awaiting buyers, even in the traditionally perceived second home 'hotspots'.

5.7 There was a suggestion in two of the case studies that, to some extent, the second home market is a 'market within a market'. It was suggested that second homes were sold on as second homes. This reflected the long-standing nature of the market. In 'older retirement' some people want to return to be near their families in other parts of the UK. Alternatively, some people sell up their second homes when their children have left home. The location of the property and the way that it had been adapted for second home use appeared to make it attractive to 'follow on' second home users. However, a price factor could not be ruled out either, as it may be that the properties in question are relatively expensive within the local market.

'I suppose in terms of physical features, you've got the pull of the coast. So, if somebody's looking for holiday accommodation, either for their own purposes or to let as an investment, you've got the coast as one factor and towns like Aberaeron and New Quay...those are the places people would look at. Alternatively, if you've got the lifestyle choices of the mountains, the Cambrian Mountains...there's a little ridge of mountains between here and the Cambrian Mountains, places like Penuwch and Trefenter. Property tends to be cheaper, or the older property tends to be cheaper in those areas and we're aware that people do buy property up there...as a second home or if you move to take early retirement or drop out of the system and become a writer or something. That's the sort of place that people would buy.'

Llangorse, a village to the southeast of the town of Brecon. It is within reasonable distance of the A40 which, in turn, gives good access to southeast Wales and southwest England. Recent housing developments in the town have been of larger four bedroom houses. One response typifies the balance of advantage and disadvantage that flows from such a change.

"So, you probably see wealthier people moving into those villages. And lots of them have children going to the local schools; getting involved in community life. And you know, probably the locals have been there for the last fifty years, go along to the village event and say, 'Corr, there's nobody I know here.'"

5.8 In Brecon, Ceredigion and Gwynedd examples were given of how incomers can use their experience, time and/or expertise to become involved in the community but often to the alienation of existing local people. These included becoming overly dominant on a school governing body or to become vociferous within the local planning system to oppose new developments in the area.

Planning and policy

5.9 The lack of sufficient information to support, or refute, the need for more housing was a recurring theme. In all but one of the case study areas Housing Needs Assessments are being undertaken and so it may be that this situation is about to alter. However, some questions were raised as to whether these surveys would fulfil the expectations that have been placed on them. This lack of information had several outcomes, one of which was to make planners cautious about applying the powers that they have to a situation about which they had only limited information.

5.10 This lack of information also encourages the tendency of housing associations to develop in larger numbers in main settlements; a pattern of development that many associations tend to follow for economic reasons. Many Housing Associations have reported that it is relatively expensive to develop a number of small sites rather than a single larger site. This acts as a disincentive to develop the occasional property in individual villages. The lack of supporting evidence of need, especially in rural communities, means that even when a housing association is prepared to ignore the financial disincentive, they then face the problem of having to establish local need in order to develop rural exception sites:

"Because we still have gaps in intelligence of what the long term needs of communities are (not just the housing needs) it is very difficult presently to make a case that additional resources are required – or not required; that's the dilemma. In addressing this, one thing we are keen on and has happened in Beddgelert area is a 'community survey' [...] involving

community itself [...] lets talk about where the local opportunities are to meet these needs, either from existing stock or through new build. Translating strategy into a local community plan in the challenge.” Housing Association Officer

5.11 The estate agents interviewed for this research appeared to be able to offer a good sense, albeit anecdotal, of what was happening in the private market, both in the rental and purchase sectors. They appeared to have much to offer in terms of understanding the general trends within the market. This is important, as there is a crossover between the private and public sector, especially in the rented sector. The Housing Department representatives were, in general, only able to comment based on an awareness of the Authority’s waiting lists.

5.12 It is hard to draw an overall picture as regards attitudes to existing or potential policy interventions, as there were a diverse range of responses, and strength of view. Perhaps, predictably, estate agents were least in favour of existing/new regulation but this was not a simple divide. Some common themes did emerge, but were not unanimously endorsed. First, most people agreed that action was necessary in response to specific local needs (although not necessarily controls, rather they might be calling for more new build). Second, any policy needs to have flexibility built into it. Criticisms were made when policies (especially controls) did not seem to alter with changing circumstances. Third, there was no enthusiasm for more powers from any of those interviewed. In general people saw problems with existing control mechanisms, the most commonly cited being the use of Section 106 to restrict occupancy to local people. Although it might have the desired effect at the outset it was felt that very few of the individuals concerned were happy to accept the ‘suppressed’ value for their property when they came to sell as it made it hard for them to move up the housing ladder within the area.

5.13 Planners, in particular, seemed to be conscious of limitations in terms of what the planning system alone could achieve. The recent publicity surrounding The Exmoor National Park planners¹ was high in people’s mind and was mentioned by some of those interviewed. Although respondents felt that in those communities most affected by change action was needed, there was a feeling that often, planning responses are quite constrained. Still, this was not a unanimous view as other planners, while acknowledging the difficulties that could be encountered with enforcing new policies, considered that an attempt should still be made to apply new controls.

5.14 Relationships between different Housing Associations, Unitary Authorities and (where applicable) National Parks, were variable. Respondents often acknowledged that the challenges facing communities in the rural areas needed ‘joined up’ working between the different bodies; housing, planning and economic development departments in the Unitary Authorities, Housing Associations and the Parks. However, even where the relationships were considered to be good, there was a sense of there being competing priorities, cultures even, between the different parties. This was very evident in the areas covered by the National Parks. Separate criticism was made of both the Unitary Authorities and the Assembly Government that often different departments and policies did not always offer a consistent approach to the difficulties facing rural communities.

5.15 One respondent believed that there was a need for a ‘village regeneration tsar’ who should ensure that the various policy strands were mutually supportive of village life. An example was given of the need to consider the effects that housing different groups could have on the local school. A failure to locate families with children could undermine the viability of the school, whilst placing a number of children with Emotional and Behavioural Disabilities (EBD) in a school would raise a separate set of challenges that would require a

¹ This was the suggestion that using a second home for less than six months in each year could be constituted as a change of use in terms of the planning system and so be subject to control by the planners in the park.

co-ordinated response from the authorities.

5.16 Other examples were given of how well intended policies may not have the desired outcome. A desire, for example, to allow for the building of bungalows in rural areas, so that older people could remain in their villages would seem to be a highly desirable policy. However, it can result in the younger members of the family selling the original family home and more in-comers moving into the village. A similar example was given in one interview, where it was suggested that the vast majority of planning applications were apparently from local people and so were 'difficult to refuse.' Once again though, it was suggested that the result of granting such permission was that an existing property could be sold on in the open market and could go to an in-migrant. In short, it was the difficulty of predicting the outcome of any given policy on the market conditions that often made respondents cautious about pursuing more regulation through the planning system.

Summary

5.17 In supply terms, there is a need for a greater range of housing in a wider spread of locations. Families in Wales are experiencing the types of changes that are seen elsewhere in the UK, and that are leading to the formation of more, smaller, households. Relationships are ending more frequently, young people aspire to leave home to live independently, and people are living longer, often alone. During their lives people will want to live in towns, but they also wish to return to 'their village', especially when they have a young family. Often the smaller, more affordable properties that they seek are not available.

5.18 The picture is never simple. In some cases there is a surplus of studio and one-bedroom flats. This is because expectations have increased and people now want more space; they want a spare room for visitors or for themselves. Neither is it the case that by simply providing more two-bedroom accommodation one would solve the problems. Local people who already own a home, and so have some equity, may be considered to be in a better position within the housing market. However, it was reported that increased demand (and therefore prices) at the top end of the market appears to be 'stretching out' house prices, making the gap between different sizes of property greater than in the past. It would seem that, in many locations, local people are experiencing problems in moving up the property ladder.

5.19 As well as this failure on the supply side there is also a difficulty with the demand side of the equation. With its tradition of high home ownership, there is an aspiration to own a property in Wales, rather than to rent. Set against this aspiration is the economic climate. Many areas of Wales suffer from having limited job opportunities and/or being low wage economies. Some of the people interviewed acknowledged the strength of the aspiration to own a home but were concerned about people being encouraged to enter the property market when they would be likely to over-stretch themselves. Many, it was considered, could end up in property that they could not afford to maintain sufficiently, or, indeed, could not afford at all.

5.20 In general, it was considered that incomers had an effect on the market. In some instances this was through direct competition for properties. In other cases it was because the increased prices that they paid at the top end of the market was thought to lead to general house price inflation. It is important to distinguish between the different types of incomer with regard to the housing market. Second homes were referred to on several occasions as either not significant or as less significant now than in-migration. The second homeowner market was seen as being, possibly, past its peak, in Wales. In-migration was seen as far more significant both in terms of its effects on the local housing market and on the Welsh language and culture. People who were seeking a change of lifestyle, sometimes referred to as 'down shifters', were one important source of incomers, retirees being the other in terms of people moving in from outside of Wales. Commuters are another significant

group. In some cases this commuter market is internal to Wales, in others it is cross boarder; between Chester and North East Wales, or Bristol and South East Wales, for example.

Different types of location act as a draw to different incomers. In some instances demand will be in direct competition with local demand. In other cases it will tend to focus on properties that are not in demand locally.

'I suppose in terms of physical features, you've got the pull of the coast. So, if somebody's looking for holiday accommodation, either for their own purposes or to let as an investment, you've got the coast as one factor and towns like Aberaeron and New Quay...those are the places people would look at. Alternatively, if you've got the lifestyle choices of the mountains, the Cambrian Mountains...there's a little ridge of mountains between here and the Cambrian Mountains, places like Penuwch and Trefenter. Property tends to be cheaper, or the older property tends to be cheaper in those areas and we're aware that people do buy property up there...as a second home or if you move to take early retirement or drop out of the system and become a writer or something. That's the sort of place that people would buy.'

5.21 Even if the presence of incomers has no effect on the housing market, they themselves do, inevitably, represent an external source of change. From the case studies, this would appear to be as true of a housing association tenant moving in from another part of Wales as it is of the second homeowner arriving from England. The exact nature of the change is hard to generalise. In some cases it has been stated that incomers make a great effort to integrate themselves into Welsh culture; ensuring their children go to Welsh speaking schools, and supporting local services and organisations themselves. Still, there is a sense that 'localness' is a birth trait and not something that can be acquired over time. Indeed, some respondents gave personal examples of how they had moved into an area many years ago, but would still not consider themselves to be 'local'.

5.22 Linked to this, is the strong sense of village identity. Despite the mobility that widespread car ownership confers on people, it was evident that many people do not consider that living within driving distance of 'their' village to be a satisfactory alternative to being located in the village itself. Here, planning policies are a double-edged sword. Whilst they protect the village from high levels of new build, they also act as a barrier to those locals attempting to enter the market, often for the first time.

5.23 Where incomers (including second home owners) were seen as problematic, this was often linked to the rate and scale of the change. It was thought that individuals would often be welcomed but that the cumulative effect of incomers was not welcomed. This highlights the point made in Chapter Four that second homes are not statistically significant when viewed at an all Wales basis but in particular communities they can have considerable local impact.

'... second home ownership is seen as a major problem in certain communities. Places like the Havens, Broadhaven, they would be quite happy to welcome anybody from wherever they want to come to live in their community as long as they live in the community full-time. In Newport you've got a different sort of pressure. You've got a cultural/language pressure as well. So there are these conflicts which are market conflicts, but ultimately they are community conflicts as well...take Newport as an example, because house prices there are by local standards particularly high, local youngsters wanting to marry and set up their own household are going to have to move away, unless they can get onto the local authority list, or unless we can convince the housing associations to come in and do developments, their practical response is going to have to be to move to Fishguard.'

The localised nature of the second home issue is reflected in the recommendations set out in Chapter Seven.

6. Conclusions

In this chapter a number of key findings arising from the research are brought together. The findings are presented in four sets; the first addresses changes in the numbers of second and holiday homes over time; the second is concerned with perceptions of different housing pressures; the third reviews the use of existing housing and planning powers; and the fourth looks to practice elsewhere.

The number of second and holiday homes in Wales

6.1 In 1990/91, there were between **19,000** and **22,000** second and holiday homes in Wales, representing between **1.58%** and **1.84%** respectively of the total housing stock in Wales at this time. These figures are based on 'standard' and 'higher scenarios'. The standard scenario assumes that Census data for second and holiday homes were accurate. The higher scenario assumes that the Census figures were depressed by 16% - i.e., that a proportion of 'empty properties' were wrongly enumerated and were in fact second or holiday homes.

6.2 By 2001, the corresponding standard and higher scenario figures were **16,500** and **19,500** respectively: these figures represent **1.31%** and **1.52%** respectively of the total housing stock. There has been an apparent contraction in second and holiday home numbers in Wales over the last ten years, although the fall off has not been constant. Because the number of second and holiday homes in Wales has not been monitored directly in the past, it has been necessary to construct figures from Census returns for 1991 and Council Tax data for the period 1996 to 2001.

6.3 The peak year for second and holiday home numbers appears to be 1990/91: a date corresponding with a peak in the general housing market. In the latter 1990s, the number of second and holiday homes rose again following a dip in the mid-1990s. Second homes are clearly a component of the general housing market, with demand for such properties dependent on the state of the housing market more broadly. Tighter control of the UK housing market may mean that second and holiday home numbers are less susceptible to the boom-slump cycle of the past: their numbers are likely to become more stable. Nevertheless, changes in the economy and social trends may in the future have further impacts on this market: more leisure time may mean more second homes, though the propensity for the British to holiday further afield may have the opposite effect.

6.4 The geography of second and holiday homes in Wales follows a clear pattern. Generally, such properties are clustered in coastal locations stretching from the Vale of Glamorgan in the south to the Isle of Anglesey in the north. In relative terms, they are most significant around Cardigan Bay, notably in Pembrokeshire, Snowdonia, the Llyn Peninsula, and on Anglesey. Second home numbers have declined in these areas over the last ten years and new growth areas elsewhere in Wales have emerged, such as the Vale of Glamorgan and the eastern part of Carmarthenshire.

6.5 In other types of location across Wales, most noticeably small towns in both South East and North East Wales, commuting is becoming a key external pressure, with people moving into these towns and then commuting to jobs elsewhere. Often this is a response to higher house prices in economic 'hotspots' such as Cardiff or Chester. Alternatively, it may simply reflect a wish to live in the countryside rather than in larger towns or cities.

6.6 The numbers of second and holiday homes within the 'traditional' second home locations on the west coast and in North West Wales appear to be reducing, whereas new growth in

Carmarthenshire and the Vale of Glamorgan may be the result of easier accessibility caused by transport improvements. The traditional areas, however, still retain a higher number and proportion of such properties. The second and holiday home market appears to have contracted to these core areas and within these areas second homes remain a significant problem when allied to other socio-economic and rural problems.

6.7 Nationally, there is no relationship between house prices and second and holiday home concentrations. Second and holiday homes are a local phenomenon, whilst broader house price change will reflect patterns in the general market and wider economic considerations. Hence, Cardiff's house prices have risen much faster than those of other parts of Wales. However, in a more local setting, it is likely that retirement, commuting patterns and second homes, will all impact on the local pattern of prices, pushing some locations out of the price range of buyers with less spending power. This type of macro picture, affected by 'local phenomena', is common in any housing market. It exists in large cities, different parts of the countryside, and across the UK. The desirability of any location will cause prices to rise.

6.8 Many of these more desirable and attractive locations in Wales correspond with areas of persistent economic disadvantage and social exclusion. They also correspond with the traditional Welsh speaking heartland. Housing pressure in these areas is likely to mean the pricing out of some local households, with implications for the sustainability of balanced, Welsh-speaking rural communities.

6.9 Ageing and retirement emerge as key issues from the demographic analysis: the population projections (to 2021) reveal that Ceredigion and Powys (grouped together as Mid Wales) will see huge rises (of 26%) in the number of people reaching retirement age. North Wales follows behind with an increase of 12%. However, net inward migration will continue to affect North Wales during the projection period to a greater extent than anywhere else in Wales. Population ageing is, however, a key factor nationally, and this is bound to affect the housing market over the next 25 years, and bring new and distinctive social and cultural change to large areas of rural Wales.

Perceptions of second homes, planning and housing

A. External housing pressure

6.10 Although this report is concerned primarily with the issue of second and holiday homes in Wales, the research has indicated that both retirement and commuting are perceived to be the more significant components of the external housing pressure facing rural areas. The importance of retirement is confirmed in existing data sets and particularly in the projections of future population change (see paragraph 6.9). People are also moving into Wales to take up new employment opportunities in specific locations, though the number of retired migrants overshadows this pattern and is set to increase noticeably, especially in the mid Wales authorities.

6.11 There is a perception among planning and housing professionals in local government that the purchase of second and holiday homes is not a dominant issue for them at this time. Almost all officers believed that the purchase of property for second home use is not as significant an issue within their local areas as it had been ten years ago (i.e., the peak year identified in paragraph 6.3).

B. Effects of external pressure

6.12 Second and holiday homes were seen as separate in terms of their effects on a local area. Whilst both could be said to be – potentially - removing a property from the local market, holiday homes were generally viewed as beneficial in that they contribute to the local economy as part of the tourism industry. There was also a perception that second homes

are more likely to be 'created' from properties that are less desirable to local people, either for reasons of location or condition. However, this is simply a tendency rather than a general rule, and in many instances, prospective second homeowners are in competition with the local homebuyers and, in some instances, these local buyers may suffer competitive disadvantage.

6.13 The research indicated that newly formed households are most vulnerable to external housing pressure. These might comprise young people attempting to gain access to the housing market for the first time, young couples, and people employed locally with comparatively low incomes. However, whilst local people who already own property may be seen to be at some advantage, they too may experience difficulties when attempting to 'trade up' in the local market, given the strength of competition from outside buyers. Even where local buyers are not in direct competition with the in-comer market, the higher prices that are sometimes paid by incomers at the top end of the market is thought to 'stretch out' prices, thus making it more expensive to move to a larger property.

6.14 It is the urban rather than the rural areas that have experienced the largest house price increases. Reduced affordability and poor housing access across rural Wales is as much a product of 'ineffective demand' (caused by low wages) as external housing pressures. But such pressures can act to deepen the existing crisis faced by some households. Insofar as new and existing housing is unaffordable to local people, this seems to be a consequence of general changes (increases) in the housing market. Nevertheless, in certain communities, this increase may be amplified by the existence of strong external housing pressure.

6.15 In general, the research unearthed no evidence to suggest that the lack of affordable local housing experienced in some areas is a result of land shortage. Many authorities have ample supply of building land and, if development were to proceed on this land, they would be in a position to negotiate for the inclusion of affordable housing. The problem relates to where this land has been designated and possibly a breakdown in communication between those responsible for assessing housing needs, the development of planning policy, and the implementation of planning control systems by local politicians. This may also mean either a lack of interest by developers or its unsuitability to match the affordable housing need in specific communities. There were some instances, however, of specific communities lacking the land on which to accommodate future growth.

6.16 Local government respondents - from many parts of Wales but particularly from those areas where Welsh is more widely spoken - believed that external housing demand has led to heightened concern over the future of the local culture and the Welsh language. Permanent in-migration (by retirees and commuters) was thought to affect culture and language more acutely than second and holiday homes as new residents would be living in the community full time. Second homes may lead to specific problems, such as villages being 'under occupied' during the week and/or winter months, but any detrimental impact of the second home market on Welsh culture and the language was seen to be weaker than that accompanying permanent in-migration.

6.17 Many respondents expressed concern over the lack of economic diversity in rural areas, together with low wage levels. From the evidence collected relating to second homes, affordable housing provision, and retirement migration, we suggest that the lack of economic diversification is a key barrier to people's ability to enter the housing market. It is the root cause of 'ineffective demand'.

C. Wider community concerns

6.18 The research team received written statements from consultees suggesting that the growth of second and holiday home numbers in some rural areas - and the general lack of affordable housing locally - is resulting in younger people leaving rural communities. Having

assessed the evidence and undertaken detailed research in local communities, we suggest that a dearth of educational and employment opportunities are the principal push-factors causing younger people to migrate from the countryside to larger towns and cities, rather than merely an inability to enter the housing market. At an early age, a good education and a career are foremost on the minds of many younger people, rather than access to a home in the immediate area. This prioritization may, however, change over time.

6.19 Statements were also received suggesting that, often, potential incomers are former local people wishing to return to their native areas, either in mid or late career development or else as retired people, and that this is affecting housing demand in specific locations. This contrasts with the responses of planning officers who considered that there was little or no evidence to suggest that young people were looking to return to the area (only in 20% of responses) but were unable to do so because of a lack of housing. It must be noted, however, that priorities change over time (see paragraph 6.20) and that the young may be attracted by the greater diversity of opportunities apparent elsewhere, but then may wish to return to a 'home community' in later life.

Housing and Planning Powers

6.20 There was some support from planning or housing professionals towards giving local people the automatic right to buy homes within their local areas. The majority of respondents would like to see the conditions created in which people were helped to secure a home locally (and indeed it is the responsibility of the authorities to ensure that affordable housing is provided). This might involve using the planning system to affect the market in such a way as to assist locals to purchase homes at reasonable cost.

6.21 Local planning authorities do possess the powers to ameliorate the problems associated with the lack of affordable housing for local people while allowing new development in appropriate locations. Local planning authorities have used occupancy conditions (other than those attached to agricultural workers' dwellings) across Wales to ensure that affordable housing is retained for local need in perpetuity but two key problems emerge. The ability of local planning authorities to negotiate with developers for affordable housing schemes has not been as great as it could have been and views on the success of the planning tools currently available to authorities to secure affordable housing varies markedly across Wales.

6.22 There is support from planning and housing officers for the greater use of planning gain and planning conditions specifically to target certain groups in the local community as recipients of affordable housing. These targeted groups might comprise: key workers; those born locally or with a local connection; those working in agriculture, farming, fisheries, and dairy produce; or those who wish to return to the local area.

6.23 Despite the use of occupancy controls for local purposes, local authorities in Wales are currently making only limited use of the policies suggested in the Assembly Government's Technical Advice Note 2 regarding the provision of affordable housing through the planning system. The factors behind this under-use are uncertain but may include the lack of co-ordination between planning and housing departments, especially in establishing the evidence to support the need for such an approach.

6.24 The lack of evidence to prove that there is a local need was often cited as a reason for not pursuing the development of affordable housing. On larger sites there was considered to be a lack of proof of need to support the planners in any negotiation with developers. The same problem of evidence was thought to hinder the delivery of new housing via the 'exceptions approach'. Some housing departments across Wales are now undertaking Housing Needs Assessments (HNAs) and the information that these provide may remedy this problem. Many local authorities have not, as yet, taken up the initiative and finance available from the Welsh Assembly Government to undertake HNAs.

6.25 The under-use of the TAN2 approach may also result from either an unwillingness to work with these mechanisms or a lack of understanding of the current system on the part of planning officers. The system itself and the guidance provided by government are generally thought to be unclear and unsatisfactory. A number of problems with planning obligations have been identified by the Welsh Assembly Government recently. Changes are being considered to the procedures and purpose of Planning Obligations at the present time. It is also the case that for some reason – perhaps the ‘ineffective demand’ mentioned in paragraph 6.18 – developers are not always willing to take up housing land opportunities.

6.26 In those areas judged to be more culturally and linguistically sensitive to strong housing demand, the Assembly Government’s Technical Advice Note 20 on the Welsh language is viewed by planning officers as offering weak protection for the Welsh speaking communities. The reasons given for this include the vagueness of the guidance, but planning professionals are also concerned about the appropriateness of the planning system to address linguistic issues. They suggest that the Technical Advice Note is the wrong tool for dealing with issues relating to language and community. There exists a clear division in the planning profession within Wales between those who believe there is a role for the planning system generally in language protection and those who do not. This may also explain why the Technical Advice Note has not been used to any great extent for decision-making purposes in assessing new development proposals.

Second and Holiday Homes Practice Elsewhere

6.27 In other parts of Europe, second and holiday homes are often viewed as a positive force in the countryside and a measure of rural economic and community renaissance. Sometimes, growth in second and holiday home numbers does give rise to concern over the potential shortage of housing for local people, but when this happens, measures are taken to permit new housebuilding for locals-only in those more pressurised and environmentally-sensitive locations. In other words, there is frequently a supply-led response to second home pressure, with authorities allowing land to be developed rather than restricting the access to housing enjoyed by incomers. This, however, is not a universal rule.

6.28 Economic rejuvenation policies relating to tourism promotion, leisure and recreation initiatives have aimed to turn around the fortunes of declining rural areas and authorities have sought to provide an even-handed response to both external housing demand and the needs of local people. Local restrictions alone - against second and holiday homes (through occupancy controls, for example) - do not deal adequately with both second and holiday home growth and the need for rural rejuvenation.

6.29 Britain, like many countries in northern Europe, possesses a regulatory planning system that is restricted to land use and development issues and which places a primacy on minimizing the amenity and environmental impacts of new development. The response to second and holiday homes in Wales (and the Lake District and the New Forest) is often to use the planning system to restrict new development to exceptional locations and reduce such development to small-scale exceptional sites. This approach fails to either curtail second home demand (which is often focused in second-hand housing market) or address the more fundamental issue of community development.

6.30 If central government and local authorities did not attach such great weight to landscape protection and instead prioritized the need to accommodate community growth and encourage new forms of economic development, then ‘housing problems’ might be less acute in these areas. Second homes affect local communities noticeably when they are sometimes allied to land constraint policies, or cause a concern within culturally sensitive communities. The former issue has rarely arisen in Italy (and to a lesser extent in Spain) where there has been far weaker regulation of new housing development in the countryside

specifically for local people. Relaxing planning control would however, heighten the risk of seriously compromising more sensitive environments.

Finally

6.31 Second and holiday homes are not a 'stand-alone' problem. Rather, they cause concern when allied to other issues, such as the lack of sufficient housing land to cater for local needs or economic decline in the countryside leading to low wage levels and to an inability amongst sections of the local population to compete in the general market. They are also a bigger issue where communities are judged to be more sensitive to change (perhaps where seasonal residence will reduce the viability of local services) or where incomers are of a different cultural/linguistic background to the local population. Such is the case in parts of Sweden, and also in Wales where cheaper housing, economic disadvantage, second home demand and linguistic concerns often fall within the same communities.

7. Recommendations

Following on from the conclusions presented in Chapter Six, this final chapter makes recommendations on a number of issues related to second and holiday homes in rural communities.

Overview

7.1 The research team has considered the use of the planning system to regulate second and holiday home growth. However, it is not possible to consider the use of the planning system without reference to the wider socio-economic and cultural problems facing some communities. The recommendations that follow have the planning system as their focus but are part of a package of measures that might address issue of second and holiday homes. It is clear that any policy directed at second and/or holiday homes must be seen as complementary – and even secondary – to a more concerted effort to manage wider social (including cultural and linguistic) change and the economic challenge facing rural areas.

7.2 In this chapter, a total of 22 detailed policy recommendations are made. Having examined the housing and broader community challenges apparent in many parts of rural Wales, we are of the view that planning and other policy tools should be used in a more focused way, being targeted at those communities most affected by the housing pressures investigated in this report.

Planning Policy

RECOMMENDATION 1 - The Identification and Provision of Policies for Sustainable Communities

We recommend that local planning authorities identify particular communities in their Development Plans where it is proven that the combined impacts caused by such matters as a defined and unmet housing need, a lack of economic diversification, linguistic and cultural sensitivity, and external housing pressure, are undermining the sustainability of these communities.

7.3 We believe that the planning system can be used to a greater extent to reflect the needs of, and to protect specific communities. Some communities across Wales require an enhanced status within the planning system as a consequence of the combination of issues that impact upon the community's well being; these issues could be assessed as part of the preparation of statutory Community Strategies.

7.4 Sustainable communities should include the entire village area, so additional funds could, as appropriate, be targeted at service support. Further, these communities could benefit from exclusive provision of local needs housing and be the focus of capital receipt investment from council house sales. Further, the pooling of planning gains from larger sites elsewhere in an authority could be considered. This could mean that commuted sums from Section 106 schemes in towns elsewhere, might be allocated to community projects (housing, workshops or other local services) within these targeted areas. Consideration should be given to ring-fencing a proportion of council tax revenue for these sustainable communities. The amount could be based on a formula linked to the number of second and holiday homes in the area.

7.5 Lead: Welsh Assembly Government / Local Planning Authorities.

RECOMMENDATION 2 - Greater Use of Planning Gain, including setting Planning Gain Targets

We recommend that planning gain requirements for affordable housing within specific communities must be transparent and open and known in advance of negotiations with developers. We additionally recommend that planning gain targets be stipulated within development plans.

7.6 The process of local authorities bargaining for affordable housing units as part of planning gain for new development sites needs to be encouraged to a far greater extent. Options are currently available to local planning authorities for ameliorating the effects of second and holiday homes on the ability of local people to access affordable housing. Affordable housing policies can be included within development plans for areas where such a need has been identified by housing needs assessments. They can set targets for specific sites and negotiate with developers for an element of affordable housing. In rural areas, smaller exception sites can be provided within or adjoining existing settlements for defined local needs. The residential reuse of buildings is also available which could contribute towards housing needs. These policies appear to be under-used at the present time. Local authorities do possess the tools to bargain for affordable housing units to be provided by developers.

7.7 Taking into account the Welsh Assembly Government's recent planning obligations consultation paper (Feb 2002), we suggest that consideration should be given to the setting of tariffs during the preparation of development plans. This should be the starting point for a system that needs to show greater commitment to the development of affordable housing for local people. We are aware that some housing need is required in the most sensitive landscapes and within small villages, and that the existing residents of these communities may not be in favour of new housing development. This is a delicate balance to strike, and one that needs to be handled sensitively by local planning authorities in their public consultation processes within planning policy development, and in meeting sustainable development objectives.

7.8 Lead: UK Government / Welsh Assembly Government / Local Planning Authorities.

RECOMMENDATION 3 - Pooling Gains from Planning

Policies should be placed in development plans, aimed at pooling developer's contributions (commuted sums from larger sites within towns) and targeting them at sustainable communities.

7.9 Small villages rarely benefit from the gains extracted from new development. Development in such locations is seldom significant enough to generate a useful contribution from a developer. The 'pooled' gains could be used either for new housing development, community projects such as local training centres or workshops, or for the support of existing community facilities.

7.10 Lead: Welsh Assembly Government

RECOMMENDATION 4 – Specific Affordable Housing Sites to be Allocated Within Development Plans

Local authorities should be encouraged to designate affordable housing sites within their development plans for very exceptional circumstances, where a combination of social, economic and cultural factors give rise to a unique set of problems for specific localities.

7.11 Sustainable communities will be areas of particular proven need. Therefore it would be appropriate to ensure that affordable housing is actively promoted within these communities in response to the need. The designation of specific sites for affordable housing should help to ensure that such accommodation is forthcoming from either RSLs or from the private sector.

7.12 Lead: Welsh Assembly Government / Local Planning Authorities.

RECOMMENDATION 5 – Re-Examination of the Rural Exceptions Policy

We recommend that the rural exceptions policy be re-examined by the Welsh Assembly Government to overcome the perceived financial and land barriers to development by housing associations. This re-examination might also include in what circumstances registered social landlords can be supported in the event of their inability to let property.

7.13 The ‘exceptions’ approach has been used in some instances for the delivery of affordable units in villages where the potential contributions from new development are limited. Again, this is because of the small scale of the market for new build in such locations. Rural exceptions have only provided small amounts of additional affordable housing and this is likely to continue to be the case. There are clear benefits from extending the use of planning exceptions and we believe that measures must be taken to remove the impediments to developing rural exception sites. One way forward is to target support funding for exception schemes within sustainable communities, although this would not preclude the possibility of advancing ordinary exceptions schemes elsewhere. Financial support for sustainable community based exceptions schemes could be drawn from pooled planning gain or ring-fenced Council Tax revenue. We recommend that the Welsh Assembly Government examine the rural exceptions scheme to identify the barriers to development and work up solutions for the successful implementation of schemes while supporting RSL’s in the event of their inability to let property.

7.14 The recommendation made in relation to rural exceptions is a response to the following problems. First, the provision of additional funding, would recognise the fact that housing associations experience higher costs when they develop a few properties on a number of village sites as opposed to a number of properties on one – urban - site. Second, even were there no funding considerations in relation to the building costs, housing associations may be unwilling to develop sites in villages in case they find themselves with a vacant property at some point in the future.

7.15 Lead: Welsh Assembly Government

RECOMMENDATION 6 – Meeting and Managing Second and Holiday Home Demand

We recommend that local authorities should encourage the development of new-build second and holiday homes targeted in less sensitive areas. They might also consider allowing the conversion of derelict homes, unsuited to local needs, for this same purpose.

7.16 It is neither possible nor desirable to curb all second and holiday demand since there is a tourism benefit and because they are the result of an individual choice. This may possibly lead to disillusioned individuals seeking legal redress against local planning authorities under the terms of the Human Rights Act 1998. A more realistic and sensible strategy is to ensure that this demand is more effectively managed and steered away from the most sensitive communities. Balancing local needs with outside development pressures is a strategy followed in a number of European countries. It is certainly possible to create high-quality,

well-designed second and holiday home villages that will divert a significant proportion of demand away from sensitive areas. Some development might be possible within marina settings, and given past patterns of second and holiday home demand (in coastal locations), we might expect such schemes to effectively vent demand.

7.17 Lead: Welsh Assembly Government / Local Planning Authorities.

Linguistic and cultural matters

7.18 The findings from the research have led us to conclude that linguistic and cultural issues are closely linked to economic factors. Still, we have decided to place the recommendations that refer to these matters under the planning section since the recommendations are largely concerned with planning responses to these linguistic and cultural matters and because it appears that many planners appear to downplay the role that planning has to play in relation to these matters. Language and cultural concerns are evident in all parts of Wales. In those rural areas that are experiencing high levels of external housing pressure, low economic opportunities, and migration of the young, the problem appears even more acute. There is concern over the future protection of the Welsh language in areas where socio-economic change is occurring at a rapid rate, and a belief that the external housing pressure alone is the principal cause of the threat. We do not believe that retirement migration into or second home purchasing within these areas by themselves are responsible for the decline in the Welsh language, but can understand how and why this is sometimes portrayed.

RECOMMENDATION 7 - Planning and the Welsh Language

We recommend the revision of planning policy and TAN20 to provide more robust statements on their potential applicability, and how they might be used in association with other material planning considerations for individual planning applications.

7.19 The Welsh language has been recognised as a material consideration in the planning system, both in the formulation of development plan policies and in the determination of applications for planning permission. Local planning authorities have rarely drawn on the Welsh Assembly Government's planning advice in practice since there remains a great deal of uncertainty over the language's status as a planning issue. Without thorough testing in the British courts, the national planning policy remains a vague statement within a land use planning process that considers, first and foremost, issues relating to the use and development of land. We understand that the Welsh Assembly Government is about to commission a research project on the use of TAN 20 in planning.

7.20 It is also necessary to address the relationship, within the nuances of the present planning system, between TAN20 and wider role of the planning system. Where external housing pressure, limited economic opportunities, declining numbers of Welsh speakers, and sensitive landscapes, are generating severe problems and where their combined effects are possibly affecting the future of the language, there may be a case for unique and community-specific planning policies and responses. These may take the form of policies within the development plan or of strategies supplementary to the main planning documentation. In either case, local planning authorities would need to demonstrate unequivocally the justification for such exceptional policies and strong guidance would need to be provided by the Welsh Assembly Government to local authorities prior to policy development. The existence of a sustainable community as identified in a development plan, and of the body of evidence that had contributed to its identification, would offer considerable support to an authority in this respect.

7.21 Lead: Welsh Assembly Government

RECOMMENDATION 8 - Language Impact Assessments

In conjunction with Recommendation 7, we recommend further research to assess the feasibility of requiring local planning authorities to undertake 'Language Impact Assessments' as part of assessing planning application submissions by developers.

7.22 We have received suggestions from a number of organisations in Wales concerning the introduction of some form of language impact assessment procedure within the planning system, to chart possible effects developments may have on the social and/or cultural attributes of communities. As part of a revised planning system, we see some merit in this suggestion.

7.23 Lead: Welsh Assembly Government / Local Planning Authorities.

RECOMMENDATION 9 - Status of Social Considerations in Planning

We recommend that the Royal Town Planning Institute, in association with the Welsh Assembly Government and other professional organisations, provide training and advice to elected members and officers on the handling of wider social, community and cultural matters in their planning duties.

7.24 Members of the planning profession in Wales appear reluctant to utilise planning policy relating to the Welsh language because of the uncertain status of this topic within the land use planning process. Planners need to be guided more thoroughly on the possible uses of this policy. The Welsh Assembly Government may assist here in the revision of guidance, but we also consider that a great deal could be achieved within the planning profession itself. Professional barriers towards issues concerning social and community concerns need to be broken down if problems are to be addressed and if the planning system is to be made more effective for local communities.

7.25 Lead: RTPI in collaboration with the Welsh Assembly Government.

Implementation

7.26 Changes in the policy framework will only succeed in bringing about improvements for communities if they are effectively implemented. We believe that achieving effective implementation has much to do with the integration of different areas of policy, the way in which different local agencies and departments work together and their level of engagement with local communities.

RECOMMENDATION 10 - Community Planning and Community Consultation

We recommend that the Welsh Assembly Government consider how the planning system can be made more responsive to community values and how individual communities can be more effectively consulted on planning related issues.

7.27 The present land use planning often fails to recognise or significantly prioritise community concerns. We support the introduction of Community Strategies under the terms of the Local Government Act 2000 and the subsequent referencing between these documents and development plans. It is often the case that planning professionals are reluctant to consider community concerns since they do not feel these possess a direct 'land-use' connection. This is in part due to the narrow legal remit of planning, and also professional entrenchment. Consideration should be given in the context of Community Strategies to social, community and linguistic issues as they exist within Wales and possible

planning measures that could be formulated nationally to address these problems. National guidance should clarify the relationship between Community Strategies and Development Plans to provide the link between social and community issues and planning.

7.28 Lead: Welsh Assembly Government.

7.29 Some local authorities are developing innovative approaches toward community consultation but this is not general practice; all planning and housing departments within local authorities must engage with their rural communities more thoroughly. In some areas, there appears to be a culture of detachment by planning and housing officers from the problems some rural communities are facing. Some local authorities employ community development officers and these have proved useful in identifying problems and tailoring measures to address community concerns. They have also been effective in ensuring that community problems are addressed corporately. Consideration should be given to extending this practice across every local authority.

7.30 Lead: Unitary Authorities and National Park Authorities.

RECOMMENDATION 11 - Strategy and Policy Compatibility Between Housing and Planning Documents

While Housing Strategies and Operational Plans (and their replacement) are a material consideration in planning, we believe that their weight and status within planning should be enhanced. We recommend that the Welsh Assembly Government produce stronger advice to local planning authorities on the role and use of housing strategies within plan formulation and development control. Local authorities should ensure that planning and housing departments are committed to integrating HSOPs and UDPs (and their replacements).

7.31 From discussions with planning and housing officers within local government in Wales, there appears to be a good degree of corporate working with regard to the formulation of housing and planning policies within many local authorities. However, there would appear to be little corporate working in terms of the implementation of these respective plans. We note that the Welsh Assembly Government is currently revising the requirements of HSOP preparation and propose the separation of Local Housing Strategies from Local Authority Housing Operational Plans. We wish to reiterate that the allocation of land for affordable housing requirements needs to be based on a corporate approach. We feel that both the development plan and housing strategy documents could be utilised to a far greater degree in addressing housing and planning issues facing rural areas, including assessment of second and holiday home numbers in pressurised communities and to be an informative source for different professionals within the same authority. If the Welsh Assembly Government gave the housing strategy documents enhanced status within planning, this should help to ensure that the different plans are co-ordinated in practice and that different department personnel are aware of the key housing issues within each local authority area.

7.32 Lead: Welsh Assembly Government and Unitary Authorities.

RECOMMENDATION 12 – Joined Up Working on Planning and Housing Matters. Integrated Working Between Unitary Authorities, Registered Social Landlords and Other Stakeholders

Where they do not exist, we recommend that local authorities establish and coordinate a local housing forum comprising representatives of the planning and housing departments, registered social landlords, housebuilders, community groups, and other relevant actors. The purpose of these would be to ensure that all local parties are represented in discussions on local housing and planning issues and that all are more aware of each other's priorities.

7.33 Many local planning authorities lack sufficient evidence to enable planning officers to negotiate affordable housing on specific sites. Rural housing needs assessments can address this deficit and all local authorities should undertake or commission these studies. Local authorities must also ensure that information and data collected by housing departments or their consultants on housing need issues are passed to relevant planning personnel. At the present time, there appears to be a lack of information exchange between relevant personnel within authorities and planners appear to be unable to identify the planning implications of local need themselves.

7.34 Lead: Unitary Authorities.

RECOMMENDATION 13 – Highlighting Rural Housing Needs Within National Parks

The NPAs do not have any statutory responsibility for housing; consequently, we believe that there is a lack of sufficient housing expertise within the National Parks. This could be remedied by establishing a system of housing officer secondment from local authorities to the National Parks. This would bring clear benefits to the Park, housing authorities and housing associations.

7.35 There is evidence of a 'corporate problem' existing within local planning authorities and this sometimes hampers the provision of affordable homes. This problem appears to be a particularly acute within National Parks, since these do not possess housing departments. There is a danger that the Parks might be able to exercise their planning powers with little or no regard – if they so choose - to the effects that these may have on housing in their area. Formal and regular contact between local authority housing and National Park planning officers could help to ensure a better appreciation of the outcome of planning decisions on the local communities experiencing housing need. We believe that this could be achieved by 'injecting' relevant housing expertise into the National Parks, by seconding housing officers from local housing authorities. Many local authorities already second housing officers to planning departments and vice versa. This recommendation would merely involve an extension of this scheme.

7.36 Lead: National Park and Unitary Authorities

RECOMMENDATION 14 - Improved Collection of Second and Holiday Home Data

Local authorities should establish separate procedures for collecting second homes data from households and should undertake regular meetings with estate agents within their areas to ascertain patterns of growth, migration and house prices.

7.37 The number of second and holiday homes in Wales has not been monitored directly in the past. The lack of specific data has led to the preponderance of anecdote and, on times, misreported positions on the negative effects that second and holiday homes have on rural communities. Second and holiday homes are nevertheless affecting specific communities

across Wales and, when combined with other problems, they can have an adverse impact. Local authorities are required to provide returns to the Welsh Assembly Government on second and holiday home numbers on an annual basis in order to inform national policy development. These numbers are drawn from Council Tax (CT1) returns and there are persistent legal concerns over the way CT1 records may be used. We suggest that authorities gather data on second and holiday homes on a separate return, though this return will be sent out with the ordinary council tax form. Separating the forms in this way may lead to more underreporting, but until there is a clear legal ruling as to the ability of authorities to make secondary use of data collected on Council Tax forms, it is probably the only alternative.

7.38 There is also a need for better data on the number of affordable housing units that are supplied by the private sector each year and better collection of information on the use of rural exception sites and Section 106 agreements to secure affordable housing. This information would assist local authorities in building up a clearer ongoing picture of what is happening within their authority.

RECOMMENDATION 15 – Publication of Second Home Statistics by Welsh Assembly Government

Local authorities should submit their annual data sets of second and holiday home numbers to the Welsh Assembly Government who should then publish national statistics annually.

7.39 We suggest that authorities send ward-level returns from new information collected simultaneously to Council Tax data to the Assembly Government in electronic form. The Assembly would then be in a position to draw together data from the 22 authorities, analyse this using GIS and make annual monitoring reports available to the authorities and other interest groups, and publish the reports for the purpose of strategic spatial planning.

RECOMMENDATION 16 – Data Dissemination

The Welsh Assembly Government should disseminate annual second and holiday home statistics to local authorities, housing agencies and other relevant organisations annually and local authorities should demonstrate how the statistics for their area are influencing development of housing, planning and environmental policies locally.

7.40 Local authorities should also liaise directly with estate agents within their areas to ascertain house prices, migration patterns and housing demand, and second and holiday home sales. We consider that this information could be reported during the process of consultation on housing strategy documents and/or in meetings of any local housing forum.

7.41 Lead: Unitary Authorities with Welsh Assembly Government.

RECOMMENDATION 17 - Regional Planning Statements

Given that this research has uncovered a range of local and regional problems unique to different parts of Wales, we do not believe that national solutions and policies alone are appropriate to solve problems. We consider that there is scope for issues to be addressed at a planning policy level above that of the local authorities and below all-Wales and recommend that the issues identified in this report could be addressed, as appropriate, in regional planning statements.

7.42 In terms of strategic policy, there may be justification for regional and strategic planning policy to be developed that addresses problems that are distinct to certain parts of Wales. We are aware that the issues that give rise to pressurised rural communities may vary between area and between communities; what might comprise a pressurised rural community on the Gower, for example, may be different to one on the Lleyn Peninsula. Regional planning statements are in the course of preparation by amalgamations of strategic planning policy groups but these are, primarily, for the preparation of policies for Part One of Unitary Development Plans. The development of the Plan for Wales, alongside Planning Policy Wales and the Technical Advice Notes, provides a strong national planning policy framework for the development of local development plans. Welsh regional planning statements could address wider social, cultural, economic and environmental issues that are distinctive to certain parts of Wales. It should be noted that certain issues (such as second homes with their coastal focus) do not fall within any current established regional boundaries. Similar issues might include housing need, housing development, accessibility, economic diversification, external housing pressure, and linguistic impact. Therefore, it may be more useful to encourage alliances between particular interested authorities on the basis of a particular issue.

7.43 The recent projections of population in Wales reveal that the country will face a number of regionally specific challenges over the next 25 years: i.e., continued strong in-migration into North Wales and retirement in the mid Wales authorities. There is clearly a scope for developing regional strategies for dealing with these challenges in the context of regional planning.

7.44 Lead: Welsh Assembly Government

RECOMMENDATIONS 18 – Further research to investigate the inter-relationships between affordable housing and wider rural issues

The research to address the range of problems being experienced in rural communities and how an integrated approach by various agencies could provide common solutions on these overlapping issues.

7.45 We are aware of the on going work within the Assembly relating to rural diversification and economic development. A less sectoral approach to the needs and problems of ‘deep’ Welsh rural communities is required to ensure that an integrated comprehensive, targeted strategy is developed across a range of relevant institutions and agencies. Second and holiday homes form only part of the pressure facing these communities. In addition to a range of housing problems, these peripheral communities may be characterised as inaccessible and may also experience a lack of public transport facilities, shops and service facilities, and sustainable economic development opportunities. These facilities and attributes need to be provided and fostered if economic diversification is to be supported. The needs of these communities need to be addressed in a systematic way, in partnership between public, private and community sectors, and at a broader level than planning alone. The research should look mainly at the continuing economic problems facing many parts of the countryside and its communities. The research might investigate further the concept of sustainable communities and also focus on the training needs of communities, strategies for dealing with the low wage economy and how to encourage new business growth. The research would look at economic strategies at different levels and link these to the social, cultural and linguistic challenges highlighted in this report. The research could consider how community interests could best be served and make recommendations on the development of national policy.

7.46 Lead: Welsh Assembly Government

Other Issues Considered

7.47 The following recommendation relates to the wider economic situation: the negative effects that flow from a low wage, low demand economy cannot be separated from the issue of second and holiday homes. This is then followed by a further recommendation that relates to housing matters that have arisen during the course of the research.

RECOMMENDATION 19 – Training and Diversification

We recommend that the Welsh Assembly Government, local authorities, Welsh Development Agency and other agencies should consider promoting training courses to assist in economic diversification within the countryside.

7.48 Wage levels in West and Mid Wales are low (some 65-70% of the UK average GDP per head) and this affects young people's chances of entering the rural housing market; this is a principal cause of out-migration. It is therefore essential that the effective management of housing supply and demand needs to be tackled in association with policies and strategies to assist with the economic rejuvenation of rural areas. Housing regulation and affordable housing provision can only work when allied to a comprehensive programme of rural economic development. The use of EC structural fund finance might assist to some extent in this provision. It is vital that economic diversification strategies target areas that are vulnerable to external housing demand and that inward investment is promoted in areas that have witnessed increasing numbers of retirement migrants. This could also involve continued funding for start-up and new business ventures and a focus on the economic aspects of community development. There is a related need to ensure that local people have the skills to work in new industries and therefore training and re-training is an essential part of this strategy.

7.49 Lead: Welsh Assembly Government / Welsh Development Agency / Unitary Authorities

RECOMMENDATION 20 - Extension of the Homebuy Scheme

The Homebuy scheme is the Assembly Government's latest policy to encourage affordable housing purchasing. We recommend that the Homebuy scheme is extended beyond first time buyers more flexibly than at present to other groups in the community who wish to progress in the housing market.

7.52 The Homebuy scheme is a positive intervention that allows local first time buyers access to the housing market. The full range of people interviewed, housing professionals, planners and estate agents, supported this scheme as it assists local people in buying property; becoming homeowners is the aspiration of the vast majority of local people seeking housing in Wales. It remains early in the assessment process but we believe that the difficulties experienced by local people may, in part, be mitigated by the extension of the Homebuy scheme. Consideration should be given to extending the scheme more widely and for non-exceptional cases beyond first time buyers to allow those local people who already have a property, but cannot move on, to do so. This proposal is offered in response to evidence that suggests that, often, incomers are paying higher prices at the top end of the market, which then 'stretches' out prices across the board, making it difficult for people to trade up even when the needs of their family changes.

7.53 Lead: Welsh Assembly Government.

Other Planning Options – Not Recommended

7.54 Finally, the team considered a number of proposals that have been put forward by other groups, suggesting how the planning system might be used to address second and holiday homes. As these proposals have been in the public domain for some time, we discuss them here.

RECOMMENDATION 21 – No change to the Use Classes Order is recommended

To require planning permission for change of use from a first home to a second home would result in fundamental problems in terms of definition and so of enforcement. For these reasons, we do not consider this to be a practical option.

7.55 Amendment to secondary legislation and specifically the Use Classes Order is also a possibility for the Welsh Assembly Government. The effect of this amendment would be to require planning permission for change of use from a first home to a second home, whereby a range of relevant planning considerations could be taken into account by local planning authorities in determining whether or not planning approval should be given. In order for this to be implemented, local planning authorities would need to categorise all existing dwellings as one use or the other on a specific (legislative) date. This would be the base from which a decision could be made on transfer from primary to secondary and even from secondary to primary use (this would be desirable because the market would require a continued supply of second home properties).

7.56 One problem associated with amendments to the Use Classes Order relates to questions of geography. As a consequence of technological advancements, it is now perfectly possible to use a small cottage in an isolated location as a residence for work purposes (via internet, video conferencing etc.) and so the distinction between what is primary and what is secondary becomes blurred; what constitutes a first and second home, is now more difficult to distinguish than it was 20 years ago. This is the crux of the problem for the planning system: how one can define primary and secondary in statutory planning terms. The Use Classes Order is not normally intended to differentiate between different occupiers, only to allow changes of use were it not for the fact that the Order exists. Exceptions could be made to those people who need two residences for work purposes, those who retire, or those who live in tied accommodation. These might constitute acceptable secondary home uses (even in sensitive landscapes) but all would require strict legal definition and in turn, interpretation. However, the fact remains that there would be fundamental problems in terms of definition and so of enforcement. For these reasons, we do not consider this to be a practicable option.

RECOMMENDATION 22 – We Do Not Recommend the Use of ‘Locals-only’ Controls

Occupancy conditions and development plan policies restricting occupancy to local people are not recommended. These are problematic legally and in terms of definition, and are difficult to enforce.

7.57 Other local planning authorities in Britain have experimented with the use of occupancy conditions attached to planning permission for new-build dwellings and conversions, restricting occupancy to local people. These conditions remain problematic legally and have only been successful in part. A key problem is how to police the conditions imposed on occupancy once planning permission is granted for new development. A further problem stems from the knock-on effect caused to house prices in the area by restriction on the use of some local property. On the basis of the evidence and data collected for this research study, we believe that the introduction of ‘enhanced’ occupancy controls – applied in blanket fashion across an authority area - would be undesirable. Such a policy has the potential to

reduce levels of new build – as the perceived saleability and profitability of new-build is reduced – and heap further general demand pressure on the second hand housing market. Hence, the policy would be regressive, further reducing the housing options available to local people by suppressing general supply. Because of this effect we do not consider this to be a practicable option.

7.58 Another means of controlling occupancy would be to stipulate that homes must be occupied for a continuous period of six months in a year. However, we believe that such a policy would run into the same difficulties outlined in paragraph 7.59 and would be almost impossible to enforce.

7.59 There is also the possibility of applying Locals-Only Housing Development Policies within the Planning system. Authority-wide policies have been applied in the past (for example, under Section 52 of the 1970 Town and Country Planning Act in the Lake District National Park during the 1980s) and overturned by central government. But where there is evidence of pressured rural communities, caused by a combination of factors such as a lack of local affordable housing, a lack of housing development land, sensitive landscapes, high Welsh language use, and external housing pressure, such locals-only policies were considered as a possible, localised, measure.

7.60 It is noted that occupancy conditions on all new build can lead to amplified demand in the second-hand market and a decrease in the amount of new build as developers avoid areas with these restrictions. Also, local planning authorities would need to be aware of the implications of possible legal challenges to a locals-only policy under the provisions of the Human Rights Act 1998. Therefore, although we are aware that some local planning authorities are considering implementing locals-only policies, we do not wish to recommend to the Assembly for such a policy to be encouraged at the national level.

Appendices

A: List of Stakeholders Consulted

Campaign for the Protection of Rural Wales
Cefn
Chartered Institute of Housing Cymru
Council for National Parks
Country Land and Business Association
Countryside Council for Wales
Cymuned
Cymru Annibynnol – Independent Wales Party
Farmers Union of Wales
House Builders Federation
Land Registry Wales
Mentrau Iaith Cymru
Welsh Assembly Government Housing Division
Welsh Assembly Government Planning Division
Welsh Assembly Government Statistical Division
National Farmers Union
Plaid Cymru
Planning Officers' Society for Wales
RICS Wales
RTPI Wales
Shelter Cymru
Wales Association of Community and Town Councils
Wales Tourist Board
Wales Young Farmers Clubs
Welsh Development Agency
Welsh Language Board
Welsh Language Society
Welsh Local Government Association
Welsh Federation of Housing Associations
Welsh Tenants Federation

B. Interviews with Individuals

Interviews were undertaken with the following individuals

Henry Roberts, Gwynedd Council
David Lewis, Gwynedd Council
David Humphries, Gwynedd Council
Emyr Evans, Gwynedd Council
Steven Tudor, Tudor Estate Agency
Wallis George, Tai Eryri
Tim Ball, Ceredigion Council
Ann Rees, Ceredigion Council
Will Saunders, Estate agent
Iestyn Leyshon, Estate agent
Digby Bevan, Tai Cantref
Ian Roberts, Brecon Beacons National Park
Sue Thomas, Powys Council
David Pritchard, Estate agent
David James, Estate agent
Mair Preece, Powys Council
Graham Davy, Powys Council
Alan Whittick, Powys Council
Irvin Parry, Estate agent
Trevor Morgan, Estate agent
Nic Wheeler, Pembrokeshire Coast National Park
Ivor Jones, Pembrokeshire Council
Graham Holmes, Pembrokeshire Council
Ken Smith, Estate agent
Peter Davis, Wales and West Housing Association
Steve Lewis, Pembrokeshire Council
Mark Haynes, Estate agent

C. Methodology-Additional information

C1 In response to this brief, the research team identified a series of project objectives that built into an overall research framework. The detailed objectives established by the research team were:

- 1) To establish a baseline estimate of the number of second and holiday homes in Wales as a proportion of total housing stock in 2001. This was to be achieved using Census data and Council Tax returns, making necessary allowances for the under-assessment that may occur in these data.
- 2) To re-examine the national distribution of second and holiday homes in greater detail at the local level. This was to be achieved through a broad consultation with local authorities and National Parks, which focused on perception of local patterns and impacts, the evidence gathered to monitor the situation locally, and the way in which policy was being used to manage second and holiday home issues.
- 3) To consult widely, across Wales, with expert organisations and individuals whose interests included local community matters, housing, planning, the Welsh language, culture, migration and second and holiday homes. This consultation was to inform the content of eventual conclusions and recommendations. The Assembly Government provided a list of consultees.
- 4) To provide a detailed analysis of second and holiday homes and the wider socio-economic and demographic changes occurring within particular case study areas. This 'case study level' was also to be used to identify local problems and issues that had developed or were emerging within specific communities (if applicable).

C2 Various issues relating to methodology are dealt with elsewhere in this report. The purpose of this appendix is to set out exactly how the research team approached the study and the various steps that were taken. The core research involved a scoping survey of all planning and housing departments in Wales' 22 Unitary Authorities and three National Parks followed by five case studies across Wales. A parallel examination of National data (1991 Census, Council Tax returns and related data sets) was undertaken, enabling the team to place the local issues within a broader national context. A National consultation exercise also provided expert organisations and individuals with the opportunity to contribute their views to the study. In the overview below, a distinction is made between 'primary' data collection (the survey, case studies and consultation) and 'secondary' collection (of national data).

Primary Data Collection

C3 Respondents were sent copies of the questionnaire in advance of the interviews. Interviews were recorded directly onto paper (quick, numerical responses) and onto tape. The tapes were subsequently transcribed. The basic paper responses were coded into a statistical package and formed the basis of the scoping analysis presented to the Assembly in December 2001. Prior to the Case Studies, the transcripts for the five case study areas were summarised to provide brief overviews of key case study issues, and were used as guidance notes for members of the research team attending face-to-face interviews.

C4 Apart from revealing much about professional perceptions of changes in the housing market and second and holiday homes, evidence of ways in which these changes had been monitored and views on current and future responses, the survey also paved the way for the Case Studies. It assisted in the design of the case studies in two ways. First, it enabled the team to acquire first-hand accounts of the main issues and priorities within the study areas. Second, it revealed the core concerns requiring further examination and clarification.

C5 The choice of case studies was set at the beginning of the project. These were to be Gwynedd (Lleyn Peninsula), Pembrokeshire Coast National Park, Ceredigion, Brecon Beacons National Park and Powys (Radnorshire). The idea was that these areas would together reflect the full spectrum of external demand pressures affecting Wales and the different types of second and holiday homes present in the countryside. The rationale for this selection appeared to be confirmed by the scoping study, which revealed a range of second/holiday home, retirement and commuter pressures across these areas. It also revealed differences in the relative importance of second/holiday homes in different areas. If effective policy is to be designed, then the importance/impact of second and holiday homes must be understood in a range of contrasting settings.

C6 The case studies themselves each followed the same format. All interviews were based on the standard pro-forma and in each area, interviews were conducted with: Planning Officers and/or National Park Officers, Housing Department Officers, representatives of at least two registered social landlords (housing associations: in all areas except the Lleyn) and a selection of estate agents. The case study visits also afforded the opportunity to collect Local Plan material and other documentation used to confirm interview findings and add weight to particular conclusions.

C7 Whilst the Scoping Survey provides a national overview, these five case studies reveal much about local challenges and local needs in terms of a policy response – potentially – orchestrated from the Assembly Government.

C8 A National Consultation Exercise ran in parallel with the case studies and was structured around a similar – but far simpler - type of pro-forma. In an ideal world, the consultation exercise may have been undertaken at an earlier stage and its results fed into the local case studies. But given the time scale of the project, this was not possible. Therefore the results of this element of the work simply provides another level of input, from individuals and organisations with a specific angle on the issue, that helps us understand the problem, and also the right way forward, in terms of policy.

C9 Together, these three elements offer a range of different insights into second and holiday homes and related issues and provide a platform on which to make an informed choice over responses where necessary.

Secondary Data Collection

C10 The national data exercise formed a core part of this project. Its purpose is to give the local studies, professional views, and stakeholder consultation an anchor in the reality of the second and holiday home market. Most of the 'data issues' are covered in Chapter 4 and in Appendix H. Suffice to say here that the purpose of this exercise was to generate a national picture of second/holiday home numbers in Wales and to relate this picture to demographic change, house prices and migration. The data used include: the 1991 Census, Council Tax returns from 1996 onward, Mid Year Population Estimates and very recent house price data.

C11 We have attempted to use these to show changes at the ward level by creating factor weightings for each authority based on the general direction/level of change. This is explained more fully in Appendix H. The analysis centres on a 'standard scenario' and a 'high scenario' assuming under-enumeration in the Census and in subsequent Council Tax Returns. The data have been mapped using MapInfo.

D. Case Study Selection

D1 The choice of case studies was made at the beginning of this project, in consultation with the Welsh Assembly Government and its appointed Project Steering Group. A number of assumptions were made regarding the characteristics of the five areas now examined in Chapter 6. These assumptions drew heavily on past studies and literature and led to the belief that this particular choice of areas would adequately reflect the full range of housing pressures affecting rural Wales. This belief has been confirmed through the current research.

D2 Here we briefly outline the original rationale for choosing our five case study areas.

Lleyn Peninsula, Gwynedd

D3 An area with a strong and established second and holiday home base, stretching from the Lleyn Peninsula and into the Snowdonia National Park. Second and holiday homes have become a highly politicised issue in recent years, with the local authority chastised for over-charging council tax (under the former 'discount' regime), and the Welsh Language Society taking up the case of a proposed 800 unit chalet development at Morfa Bychan. Gwynedd is seen to represent the classic Welsh situation, forming part of the Welsh language heartland, and with communities particularly sensitized to migration and housing demand pressures.

Ceredigion

D4 Here, second homes are mixed in with a wider bag of housing concerns, particularly multiple ownership within the indigenous population (multiple ownership as an income supplement, and a diversification strategy). The local planning authority has been pro-active in piloting different solutions, and has run into its fair share of controversy. Here, we are dealing with another stronghold of the Welsh language (as in Gwynedd), but a weaker tourism base. Ceredigion is used here to represent more sporadic second/holiday home concerns away from a National Park honey pot, but where the economy is being diversified and where language issues remain critical.

Pembrokeshire Coast National Park

D5 This is the first of our National Park studies, more remote than the Brecon Beacons, but accessible as a result of the M4 extension. Of particular concern here is the relationship between the coastal fringe (the 'horse-shoe' of the Park itself) and 'inner' Pembrokeshire. The focus will be on the tension between Park and Unitary Authority in the face of external housing demand. The demand for properties in this area is expected to derive from urban South East Wales as well as England. Hence, there may be a more 'domestic' second home market in this part of Wales.

Brecon Beacons

D6 The Brecon Beacons (and also Radnorshire) is believed to have a less developed second home market, but is affected by external demand pressures in the form of retirement and commuting. The aim here is to consider the relative importance of different pressures and to explore these in a context which may well be less culturally and linguistically 'sensitive'.

Radnorshire

D7 This is a borders study: far removed from North Wales, but a more accessible area for midland and south east house purchasers. This is considered a 'compromise' area, containing high areas of landscape amenity but not as pressurised as Snowdonia. The declining use of Welsh is less of an issue in Radnorshire, but does that does not mean second and holiday homes are any less important. This will be the borders study, with

perhaps a more complex market situation, mingling with larger border towns in England, and also attracting in-migrants for economic reasons.

E. Full European Vignettes

G1 This appendix presents the full vignettes referred to in Chapter 2. These draw on a comparative study (or 'International Experiences of Rural Housing Pressure') commissioned and funded by the Scottish Executive in 2000 and on work currently being undertaken by Gallent, Tewdwr-Jones and Shucksmith and due to be published in 2003.

France

Historical Experience

The countryside has played a key political role in France for many years. Public policy has been strongly conditioned by the needs and demands of farming, though the countryside itself has become less dependent on the agricultural economy in recent times. New economic strengths have emerged including tourism, marked by the increase in the number of second/holiday homes.

In the past, it was rural areas that were feeding urban growth: today, this situation has been reversed and the tide has apparently turned in favour of the countryside. Hence policy has focused on managing growth around the key urban centres and on dealing with decline in the three areas that continue to lose population: Limousin, Midi-Pyrennées and Auvergne.

Recent Developments

Growth brings with it demand pressure but this pressure has not been judged as significantly high outside the Paris region: the supply of housing in the countryside usually matches demand and average housing costs are typically low. However even 'typically low' costs can be too high for certain categories of household: and there is evidence that younger people do experience difficulty in securing homes of the right type and cost.

The issue of second/holiday homes – that features so prominently elsewhere in Europe – have been viewed as less important in France. However, such properties do play an important role in the countryside and this comes as little surprise given that France claims to have more holiday homes than any other country in the European Union – rising from 600 000 in 1962 to 2.9 million in 1999. In some regions, the numbers of holiday homes are so great that they have a significant impact on the local and regional economy. In Lozere Departement, for instance, one dwelling in every three is a holiday home and these bring a huge and guaranteed influx of visitors to the area in year. In recent years, growth in the number of such properties has been levelling off and many former holiday homes are being permanently occupied. This is to some extent a result of major infrastructure and transport improvements, which have encouraged some owners to turn their backs on city homes and live full time in the countryside and commute over greater distances. Other former city-based professionals now choose to work from home, though growth in this phenomenon has not been quite as pronounced as was originally predicted. Additional factors leading to the conversion of holiday to permanent homes includes the tendency for some households to abandon expensive urban living and others to settle permanently in their holiday home on reaching retirement age. This transformation of seasonal homes is yet another process resulting in the apparent re-population of the French countryside. The abundance of relatively inexpensive rural property means that this added demand on the rural housing stock is rarely viewed as problematic.

Responses

The movement of people into the countryside – whether seasonally or permanently – is generally viewed positively. It is seen as a part of the re-vitalisation of economically laggard areas and a welcome relief from agricultural design. Planning has not sought to influence either this general movement or switches between temporary and permanent dwelling occupancy. However, there is general support for the idea that certain households require assistance and this has been achieved by stepping up the provision of social housing. Such housing is provided via the 'Agence Nationale pour l'Amélioration de l'Habitat' (ANAH). Recently, it has also been the strategy of government to build small social housing estates (of between 5 and 40 dwellings) aimed specifically at young people who are experiencing difficulty in meeting market housing costs in the more pressured rural areas. Effort is being made to ensure that such estates blend in with existing architecture, are integrated within current settlements, and are not obvious add-ons that end up as concentrations of social exclusion.

Key Messages

The following key messages can be teased from this example:

- **Second/holiday homes may be viewed as a positive force in the countryside**
- **But even forces that are generally positive may bring some negative side-effects**
- **In France, these negative side-effects are dealt with when and where they arise through supply-led solutions**

Ireland

Historical Experience

Ireland's current high levels of economic growth are putting considerable pressure on housing affordability and access for recently formed and aspiring households. One consequence of this economic growth has been unprecedented demand for and levels of total residential new build, with almost 50,000 new housing units built in 2000. Since the start of the current economic upturn in Ireland, the average price of private new build nationally has more than doubled, rising from approximately £61,000 in 1995 to £133,000 in 2000. While increases have been much more pronounced in the main urban centres of Dublin, Cork, Limerick, Waterford and Galway house prices have also increased substantially in rural areas.

Recent Developments

In many peripheral rural areas of high amenity value, house prices are boosted by the changing structure of the local housing market. Second and holiday homes substitute for the effects of urban over-spill felt closer to Dublin. Reflecting the overall buoyancy of the economy and sustained house price inflation, there is a clear pattern of activity by investors and by those buying second homes, which is making it more difficult for first time buyers and for local authorities to compete for homes and sites. Encouraging the emergence of a pool of residential investors in peripheral rural areas have been certain tax breaks catering to this market, principally the Seaside Resort Renewal Scheme (SRRS). The Seaside Resort Scheme ran from July 1995 to December 1999 and cost an estimated £200m in tax expenditures. It provided tax relief for the construction of, *inter alia*, holiday homes in 12 designated seaside resorts.

The greater purchasing power of residential investors or urban households seeking a second dwelling (for recreational or investment purposes) often puts prices of even modest dwellings out of the reach of locals. Given that there are no statutory restrictions on the purchase of second homes (or sites for second homes) *per se*, the problem is particularly acute in scenic and coastal areas e.g. the western seaboard. The result is that an increasing number of homeowners do not reside in these areas for most of the year. In one remote area of County Donegal, for example, it is estimated that approximately 65% of all out-of-town houses are owned by holiday home investors from outside the area. The weight of this external demand also bids up the cost of building services and of sites, and thus makes it more difficult for local authorities to meet unsatisfied housing need. This has implications in terms of depopulation, inability to sustain services on a year-round basis and over-stretching of infrastructure at the peak season, and the development of dual communities and social disparities, or social displacement.

This displacement in turn has implications for the sustainability of existing communities and how their needs are met in light of virtually uncontrolled development. Many resort towns and villages become boomtowns during the summer months, but virtually shut down during the low season. Coupled with depopulation of the existing community they can become deserted, alienating, ghost towns surrounded but untouched by the trappings of affluence, and incapable of supporting basic community facilities such as schools, public transport and so on.

Responses

The main institutional responses to problems in rural housing continue to lie with the local authorities. As part of the implementation of the current National Plan each local authority is in the process of producing an integrated 10-year strategy across the areas of health, education, housing and social welfare. The development of this strategy provides an opportunity for rural local authorities to address the issues of urban encroachment and housing affordability.

A potentially important element in the housing strategies of local authorities is Section V of the Planning and Development Act 2000, which gives local authorities the power to acquire at agricultural prices up to 20% of land for social or affordable housing in new housing developments.

Additionally a Town Renewal Scheme, which will run from the years 2000 to 2002 will aim to counter the trend for people to move out of towns into the surrounding rural areas. The tax-relief scheme, which applies to both commercial and residential developments, is confined to approximately 100 towns with a population of between 500 and 6,000 in its first phase.

More immediately, many county councils in areas experiencing housing pressure have introduced various kinds of zoning and residency conditions for the granting of planning permission for residential developments as part of their rural settlement policy in their most recent County Development Plans (CDPs). The main grounds on which these requirements have been introduced are issues of housing affordability and access for local residents. The County Development Plan for Donegal, for example, states that priority for new permanent housing in rural areas should be given to members of the 'indigenous rural community' with higher density multiple housing developments being permitted only on serviced areas within defined control points.

County Kerry has also tried to respond to external demand. The County has experienced considerable pressure for holiday/second homes in recent years, particularly in visually sensitive landscapes. The overall result of such development is unsustainable and rapid deterioration of the visual qualities of the natural and scenic landscape, and increasing affordability issues with local people becoming unable to compete for sites and houses against holiday home speculations in certain parts of the County. The Planning Authority is looking to ensure that such properties:

- are located in or close to established settlements, villages or towns
- are set in well-defined parks or 'satellite units' adjacent to an established settlement, village or town, where the infrastructure is adequate
- may be subject to an Environmental Impact Statement/Study including a study of social impacts
- will not be permitted in the rural landscape (unless renovating or restoring an existing vacant or disused property - conditions apply)
- will be subject to integration into existing urban structures
- must not, by their size or location, dominate the existing fabric of development, nor create 'ghost towns' outside the main tourist season
- must be designed and sited so as not to have an adverse impact on the character of the entire settlement, village, town or natural environment
- must ensure the retention of existing site features to form part of a comprehensive landscaping scheme; and
- the Planning Authority will require that adequate facilities, services and infrastructure be provided to cater for the needs of the holiday home development, and may require the developer to provide or contribute to the provision of services and infrastructure additional to those of the immediate needs of the complex. In addition, management and maintenance of such facilities may fall on the management company.

Much controversy has accompanied attempts to tackle 'uncontrolled' rural new build, whether for holiday or permanent use. In County Clare a draft proposal allowing anyone to build homes in the open countryside was modified with the addition: 'that the purpose of this policy is to facilitate local rural people who have a genuine requirement for housing'. Councillors also agreed that 'non-locals' would not now be allowed build homes in areas under high development pressure on the county's west coast and vulnerable landscapes, including much of the Burren.

Key Messages

The following key messages can be teased from this example:

- **The emphasis has been on controlling new-build, with attempts made to direct it towards local need only**
- **Social Impact Assessments may be used to guide the shape of such developments**
- **A concern for understanding why people continue to move away from towns is apparent within policy: there is a need to look at the underlying social/urban trends that drive second home demand**
- **Saying who can and cannot build new cottages in the countryside has proven very controversial**

Italy

Historical Experience

The 1970s and early 1980s brought with them a wave of counterurbanisation. The whole structure of the Italian national economy changed and the most striking feature of this change was the growth of small businesses and firms in Central and North East Italy: the more 'rural' regions. These new peripheral growth areas not only drew in businesses and permanent settlers, but also second/holiday homes. Roughly half of all new housebuilding in these areas during the 1970s comprised homes that were not permanently occupied. This phenomenon had much to do with peoples' desire to maintain

links with their places of birth and with the greater value now being placed on environmental assets for tourism development. Having a home in the countryside was for many an important statement of self-identity. This period was characterised by far more building in low-density rural areas.

Recent Developments

Second home growth has continued throughout the last three decades. But in those rural areas with high quality environments and/or significant historical/cultural resources, there has also been a differentiation of tourist activity with a 'soft' or 'intelligent' tourism focused around place-identity, traditional produces and crafts, and which respects local heritage and landscape. Second homes are peripheral to this more 'intelligent' tourism and have been subject to two trends: first a general slowdown in acquisitions and second, a substantial change in the social profiles of those buying properties for this purpose.

But second homes still bring problems to some tourist areas. In the established tourist areas, with hotels and second homes serving mainly high-income groups, housing pressure is generated by affluent visitors who drive up not only the cost of houses, but all consumption goods. In areas of more recent (seasonal) tourism development, primarily in the low-density coastal areas of the south where illegal building has been rife, there are few comparable pressures. Here, planning regulations have little impact on housing supply (because of weak enforcement and illegal building) and hence the cost of homes. Rather, the effect is to erode environmental quality and degrade those very things that second homebuyers and tourist more generally, value so highly.

Responses

Second homes in Italy, as elsewhere, are more often viewed as a welcome relief from economic decline than a problem to be tackled through housing or planning policy. However, the reason for their hitherto low impact on local communities stems from the Italian tradition of weak planning enforcement and illegal housebuilding, particularly in the south of the country. Rural communities tend not to be affected by such outside property acquisitions when there are so few constraints on new housebuilding. The Italian experience shows that second homes are only a problem where they combine with a restrictive planning system and low levels of new housebuilding. As enforcement is standardised across the country, problems stemming from stronger market competition may arise. It looks likely that the response of government will be to increase supply rather than restrict the purchase of homes to locals. Italians would probably find the latter move unpalatable given their suspicion of overt state interference and their liking for private enterprise.

Key Messages

The following key messages can be teased from this example:

- **Second homes viewed as part of a wider economic renaissance: the two go hand-in-hand**
- **Community impacts are limited where there has been less land/planning restraint (do 'high impacts' in Wales occur in areas where insufficient land is released for housebuilding?)**
- **But a lack of restraint may, of course, bring serious environmental problems**

The Netherlands

Historical Experience

With a total surface area of about 4.15 million hectares, the Netherlands ranks amongst the smaller countries of Western Europe. With a population that now stands at 15.5 million, the Netherlands is also one of the most densely populated countries on the planet: and density is especially high in the 'Ranstad', the western Dutch conurbation combining the cities of Amsterdam, Den Haag, Rotterdam and Utrecht.

Government plays a central role in controlling the rural housing market through the use of planning policy that imposes significant restrictions on the building of new dwellings. The resultant supply shortfall means that house prices, particularly in the peri-urban rural areas are universally high and constantly climbing. Planning restriction also means that when new houses are built, these are almost invariably aimed at the high end of the market. Hence rural living is becoming an increasingly elitist activity; a viable option only for wealthier households. It also means that the housing needs of existing rural communities frequently remain unmet, and those on lower incomes have little chance of securing a rural home.

Recent Developments

It is within this context that conflicts have arisen. These relate, in particular, to property rights (the rights, for instance, of local people to secure homes in their local areas) and more general access to housing and land. These conflicts are both tangible – initiated when migrants or second home buyers force up house prices – and subjective, arising from contrasting perceptions as to the legitimate use of the countryside – as playground for an ex-urban elite or as a place where people can live and work.

But because there are relatively few second homes in the Netherlands, policy for dealing with such conflicts has focused more broadly on the core problems affecting rural housing. The principal problem is seen to stem from a general supply shortfall.

Responses

There are clear signs that limited and tightly controlled rural encroachment will be insufficient to satisfy demand over the longer term. Therefore, policy planners and commentators alike are looking ahead to the Fifth National Policy Document on Spatial Planning and its likely contents. In general, it seems unlikely that there will be substantive changes to planning policy: urban compaction, for example, will remain the prime objective. But given the shortfall in rural housing supply relative to demand, there are indications that the next Spatial Planning Document will seek to increase rural supply in a number of more innovative ways. It has been suggested that the conversion of agricultural buildings and disused military installations might be permitted. This would represent an extension of the Ministry of Agriculture, Nature Management and Fisheries' recent Ruimte voor Ruimte (Space for Space) strategy which has provided generous subsidies, especially in the south of the country, for farmers withdrawing from agriculture and converting old buildings into new homes. This is one means of increasing housing supply and reducing agricultural over-production, but questions must be raised as to where young people will find jobs if the majority of farms close and the old productivist landscape is wholly replaced by one of middle-class consumption.

The experience in the Netherlands points to the need to create new economic opportunities for younger households whilst satisfying need through the release of new housing sites.

Key Messages

The following key messages can be teased from this example:

- **The Netherlands has very few second homes, but these are a problem when combined with planning constraints**
- **Innovative approaches to new housing supply seen as the solution**
- **Huge contrast with Italy where there are far more second homes, but far less in the way of planning restriction and, as a result, far fewer community impacts as a 'result' of second homes**

Table E1: The growth of chalet-type, commercial second homes in Spain

	Date				
	1950	1960	1970	1981	1991
Dwellings	177,910	255,082	794,373	1,899,782	2,628,817

Source: Montero, 1998: from National Institute of Statistics, Census in Spain, 1950, 1960, 1970, 1981 and 1991.

Spain

Historical Experience

It is generally accepted that Spain has two second-home markets: a coastal (and island) market dominated by foreign chalet buyers and an inland rural market dominated by Spanish nationals. Spanish Census data has, for the past fifty years, differentiated between the privately-used housing stock and dwellings 'rented out for tourist reasons'. However, Census data do not reveal the number of second homes used by their owners for 'tourist reasons' so whilst the explosion in 'chalet type' development can be charted using the Census (See Table x), it is impossible to obtain a detailed national picture of rural, privately owned, second homes.

Coastal chalet development is viewed as a key part of the tourist industry and a driver of the national

economy. Other second homes, particularly those found in the interior and more rural areas, are seen to have both a different role and a different impact.

Recent Developments

The Spanish interior has been subject to very different economic and social processes compared with the coastal regions. Whilst the coast may welcome second/holiday homes, such acquisitions may be more problematic in the interior. The purchase of second/holiday homes, either domestic or foreign buyers, is viewed as a key market pressure – and source of conflict - in certain locations. This combines with other forms of external demand – perhaps in the form of commuters seeking the perceived benefits of a rural lifestyle – to reduce housing accessibility for the less well-off. And though some areas are facing a deepening rural crisis, others are experiencing both expansion and prosperity. In the latter, the balance between housing supply and demand may become unsettled where there are large numbers of outside buyers. And those workers locked into the agrarian sector may not be able to compete against higher earning incomers in the newer more prosperous sectors.

It is commonplace, particular in places such as Galicia, for people to leave the countryside but then in later life to return and purchase second homes either as an investment or for later retirement. Often, this behaviour is replicated by those with no family connection to a particular village but who simply wish to enjoy the relaxation afforded by a weekend retreat.

Responses

During the 1990s, the Ministry of Agriculture, Fishing and Food started to exercise new powers, which have brought indirect benefits to the rural housing stock. Mechanisms, for example, were established to support the agrarian labour force and these included grants for young farmers and farm workers for the purchase and improvement of housing.

Structural Funds provided by the European Union offer another important source of money for dealing with housing problems. A number of different funds have been tapped into. For instance, the European Regional Development Fund (ERDF) has been used to support programmes focusing on difficulties relating to poor infrastructure provision; the funds assist with economic development strategies which will hopefully bring about a better quality of life for many rural areas. Also, the LEADER (Liaisons Entre Actions de Développement de l'Economie Rurale, or 'Links Between Actions for the Development of the Rural Economy') programme - conceived as an integrated programme for rural development - assists smaller communities through a range of initiatives and strategies. Recently in Spain, there has been an emphasis on the provision of subsidies for the refurbishment of traditional housing which can then serve as tourist accommodation. The LEADER (and more recent LEADER II) programme has been directed at economic diversification rather than the support of agrarian activities and therefore has the potential to help those communities suffering the consequences of agricultural decline.

There have also been a number of private and self-help initiatives aimed at improving rural housing conditions. Some private companies, for instance, have been pro-active in the rehabilitation of rural dwellings, which are then turned into second homes. In response to local needs, regional government has been more active and successful in intervening in the rural housing market. It has, for instance offered special grants to allow young people, couples or new residents to enter the housing market and subsequently remain in their homes. The programmes set by regional government have also supported dwelling improvement and repairs, ensuring that the condition of rural property reaches an acceptable standard.

Of the three tiers of Spanish government – national, regional and local – it is the regional tier that has greatest influence in relation to housing policy. And the policy that has been developed has taken two broad directions. Firstly it has been concerned with permanently occupied dwellings and the industries that sustain the local population. Secondly, it has also been concerned - in equal measure - with that rural housing which supports an 'urban use'; i.e., dwellings used as second homes or those seen as supporting the local tourist industry in some other way. Though these directions may seem to address different sets of needs and issues, they are perceived as complementary, both addressing the problems of depopulation and decline through the following strategies:

1. The modernisation of rural enterprises (including the promotion of new economic forms)
2. Direct housing amelioration, including dealing with issues of supply (of permanent and second homes); and
3. Infrastructure and services available to rural communities.

Key Messages

The following key messages can be teased from this example:

- **Economic revitalization and not restriction seen as the key to reversing the fortunes of rural**

communities

- **Positive stance towards second/holiday homes**
- **Complementary support for rural communities through general economic policy and targeted housing support**

Sweden

Historical Experience

Holiday homes are frequently portrayed as a key issue in the Swedish countryside. Regarding such properties, the last decade has seen an increasing interest from other European nationals; Danes and Germans have been buying holiday homes in the south of Sweden and Norwegians on the west coast. There is a large number of second homes in Sweden, about half a million, which is fairly significant compared to a population of 8.8 million and a housing stock comprising a little over 4 million permanent dwellings. Second homes were often built and used as first homes before conversion into second home use. Newly built second homes are often of a high standard and may be used as first homes without upgrading. The stock of second homes is indeed a key feature of the rural housing market and one that is central to understanding the pressure that the Swedish countryside and small communities face.

Recent Developments

Whilst domestic second home ownership has been a feature of Swedish society for decades, it is the influx of foreign buyers that is often portrayed as more problematic. For example, the dramatic increase of German property acquisition in Sweden started in 1992. The overall size of Sweden's second home stock is subject to much debate though it is generally accepted that the 'true' figure is somewhere between 500 000 and 700 000 units. Between 1991 and 1996, 4 000 Germans bought cottages in Sweden. By 2001, there were a total of 5 500 German-owned second homes in Sweden: a figure big enough to cause adverse publicity, but tiny in comparison to levels of German second home ownership elsewhere. Germans own about 300 000 second homes in Spain, 100 000 in France, 80 000 in Italy and 65 000 in Portugal.

It is not unreasonable to suggest that Sweden's once largely agricultural countryside has undergone a slow transition and emerged as a 'recreational landscape'. This transition has been marked by second home purchasing, particularly amongst foreign nationals: though any erosion of traditional values is only indirectly linked to this urban encroachment. Its more direct cause is the decline and waning influence of agriculture. The countryside has certainly changed. On the up side, there appears today to be more room for different lifestyles and values. But what of the downside and the potential problems stemming from the higher housing costs mentioned earlier and the new sources of housing demand described above?

An acute problem in many rural municipalities stems from the closure and deterioration of commercial and public services and infrastructure. The number of rural schools and food stores has fallen dramatically over the past few years and many post offices have shut down. This loss of services is partially due to the seasonality of rural living and also due to past over supply. Yet whilst some services are simply no longer required, there are huge and growing pressures on others. Some areas with swollen summer (or winter) populations – especially on the west coast archipelagos – have difficulties in handling the seasonal surge in sewage waste water and on many islands, supplying large enough quantities of fresh water is a real problem.

Another problem facing local people in the old fishing villages located on these same archipelagos close to the built-up centres of Stockholm and Gothenburg is the recent and significant increase in property tax, which makes it difficult for people to manage their housing costs. This problem results from the general increase in property prices experienced in these areas and therefore the re-allocation of properties into higher tax bands. House price rises have been significant: a consequence of new market pressures. In response, government is moving to reduce the financial burden on some local households.

Responses

In the more pressured areas, the critical issue is that of external housing demand. In a recent article for one of Sweden's biggest newspapers, the head of the Swedish National Rural Agency claimed that many attractive rural areas risk the total loss of their permanent populations as homes are bought up by wealthy incomers and turned into holiday cottages. She sees three possible ways of handling this situation. The first is to do nothing and simply accept the current changes, though this would mean the end of many archipelago communities. The second option is to adopt new legislation that would make it more difficult and complex to turn permanent dwellings into holiday homes. Thirdly, a more direct approach could be taken, banning the use of new housing for recreation. Enochsson has announced that the Swedish National Rural Agency favours new research into the use of permits to control the transfer of dwellings into second home use. New legislation might require buyers to declare whether or not they are intending to live in a property on a permanent basis. Further amendments to the Real Estate Purchasing and Planning and Building Acts are also proposed and would lead to an effective ban on the conversion of permanent to holiday homes.

Another view is that such conversion would be very difficult to regulate or control. Neither current nor past attempts to control holiday homes have been particularly successful. Responsibility for implementing planning policy lies with the municipalities (with the exception of those areas designated as specially protected areas of natural and/or cultural interest) which tend to have quite modest financial and staff resources. The policing of such new policies would require massive resourcing, removing the majority of municipal staff from other tasks. Foreign buyers must make applications to purchase property in Sweden at the current time, though very few of these applications are ever rejected. Over the border in Denmark, a far stricter system of control is in place and restrictive legislation was the product of Danish EC-negotiations in 1972. Yet as a result of a more recent EU Directive, it seems unlikely that Denmark will be able to retain its tougher stance towards foreign property purchasing. Given this precedent, it also seems unlikely that Danish-style controls will be introduced in Sweden.

Key Messages

The following key messages can be teased from this example:

- **Sweden has a vast second home market that causes problems in only a minority of areas**
- **Fiscal measures can be used to reduce the cost of housing for local groups: this is the opposite approach to the UK, where fiscal measures – in relation to second homes – are seen as a negative tool**
- **In the most pressured areas, it might be possible to make second home acquisition more difficult through tighter planning or permit control**
- **But enforcement of controls seems to be the key issue and drawback. Can local authorities dedicate the required extra resources to such a measure?**
- **Explicit controls on ‘foreign’ (and perhaps ‘non local’) buyers can fall prey to EU law**

F. Detailed Data Analysis

F1 This Appendix contained the detailed background analysis used primarily in Chapter 4. A number of sections, tables and diagrams explain how national figures were derived and how the maps (4.1 to 4.10) were constructed.

Constructing 2001 Data Sets and Maps

F2 There are no comprehensive ward-level data for 2001. Some local authorities (notably Gwynedd Council) have split Council Tax data down to the ward level, which allows for a local geographical assessment. The task in this research was to find a way of looking at the current geography and creating a national data set without having to resort to examining individual council tax assessments. Such an exercise would have been both beyond the time-scale of the project and disbarred as a result of the Data Protection Act 1998.

F3 With these objectives and difficulties in mind, it was necessary to find a way of relating the detailed 1991 Census geography to broader authority-wide Council Tax returns for the years 1996 to 2001. In this Appendix, the resultant data and individual calculations are explained. In these initial sections, we focus on the broad assumptions made by the research team, and the general approach used to establish global figures and a detailed geography for 2001.

Arriving at the National Figures

F4 The data tables and diagrams contained in this Appendix form the basis of the secondary analysis for this project. Estimates of second and holiday home numbers in Wales are made using Census and Council Tax (CT1) data, and based on assumptions regarding the accuracy of Census enumeration and similarities in potential errors within both Census and CT1 data.

F5 The 1991 Census distinguishes between 'second' and 'holiday' homes. This distinction approximately equates with the CT1 separation of 'Type a' and 'Type b' second homes. In 1991, 18,762 second and holiday homes were enumerated across the whole of Wales. In 2000/01, the Council Tax returns put the figure at 16,721, an apparent fall of just under 2000 units. In all analysis, 2000/01 rather than 2001/02 figures are used as total housing stock figures were not available for 2002, making it impossible to convert absolute figures to proportions for 2002.

F6 These figures – of 18,762 and 16,721 – are treated as the 'standard scenario' figures for all-Wales. However, there is reason to believe that some properties in 1991 may have been wrongly classified and not listed as second or holiday homes when they were in fact used for this purpose. For this reason, the research team also created a 'higher scenario' picture. This alternative estimate is based on the following assumptions and derived from the calculations given below:

- Firstly, classified second and holiday homes formed almost exactly three-quarters of the 'not main residence total' in the Census. There is a *possibility* that a proportion of this remaining quarter were wrongly classified
- The figure for 'persons enumerated, no residents' in the Census was 5891 in the 1991 Census. Some of these dwellings were 'non-permanent', some were used as student accommodation and others may simply have been empty awaiting sale or a new tenant. The team assumed that, at most, 50% of these extra dwellings could potentially have been second or holiday homes
- This adds 2945 to the stock (5891x50%) giving a revised 1991 figure of 21,707

- This revised ('higher scenario') is approximately 16.0% (actually 15.7%, though this is rounded to 16%: which then gives a 1991 figure of 21,764) above the standard scenario figure of 18,762

F7 Census data and Council Tax returns are obviously very different animals. Under-enumeration in the Census has been a feature of the Census for decades and researchers often talk about a national 'missing million' at the UK level (with respect of the total population). Mistakes are fairly easy to make, with assumptions made about the use of a property based on enumerator guesswork. Therefore, it is reasonable to suggest that some additional properties in 1991 were second or holiday homes but not recorded as such. On the other hand, the level of error with Council Tax returns is less apparent. However, given lower tax rates in some rural areas, it is not unreasonable to assume that some owners may register first homes as second homes and vice versa. There is likely to be some under-assessment. The leap of faith in these calculations is to assume both a 16% under-enumeration in 1991 and a 16% under-assessment since 1996. The product of this analysis is not a definitive figure but what might be considered standard and higher scenarios – or a range within which the actual number of second and holiday homes in Wales might be expected to sit. Therefore,

- Using this assumption that under-enumeration in the Census roughly equates with errors in Council Tax assessment, all data for subsequent years can be factored by 16.0%
- This leads to a 2001/02 figure of 19,399
- But this is a maximum based on quite loose assumptions. The true figure is expected to lie between 16,721 and 19,399, and possibly closer to the former.

F8 Again, the figures – both standard and using a '+16% weighting' – are only 'best guesses' and the changes over time reflect the fact that 1991 and 2001 occupy different positions on a market cycle (see Chart F1) rather than high and low points on a simple line.

Mapping the Data

F9 The method for deriving maps and ward level figures (for mapping purposes) for 2001 (and higher scenario 1991) can be summarised as follows. The 908 ward figures for 1991 (Census) are components of both the authority and national totals. New authority and national totals are calculated for 1991 (higher) and 2001 (standard and higher). The aim was then to recalculate ward totals so that the sum of all wards equals these revised totals (Figure F1). To this end, wards are treated as components of the authority totals and indexed upwards or downwards depending on the direction of change at the authority level between 1991 and 2001. Some of the detail of this method is set out below.

F10 The 'standard' and 'higher' scenarios are shown Chapter 4 in the form of ten all-Wales maps. But how were these detailed maps generated? First, because there are no look-up tables for Wales (allowing the transfer of 1991 boundary data to post-re-organisation wards), it was necessary to use the 1991 electoral ward boundaries as the mapping framework. The only 'real' ward-level data existed for 1991. Therefore this data would have to be used as a 'start point' and added to or subtracted from at the ward level to give more up-to-date maps.

F11 This was achieved by working at the Unitary Authority level. The 908 Census wards were reallocated into the new 22 unitary authorities in order to generate 22 base figures (see Map F2). These base figures could then be compared with Council Tax figures for 1996 onwards at the authority level.

Figure F1: Calculating new ward totals: an illustration

1991 Authority Total (Known):		1000		(1991 Census)
2001 Authority Total (Known):		1242		(2000/01 CT1 Returns)
Ward Components 1991				Ward Components 2001
		Index		
Ward a	42	1.24200		52.1640
Ward b	6	1.24200		7.4520
Ward c	189	1.24200		234.7380
Ward d	34	1.24200		42.2280
Ward e	106	1.24200		131.6520
Ward f	389	1.24200		483.1380
Ward g	22	1.24200		27.3240
Ward h	89	1.24200		110.5380
Ward I	60	1.24200		74.5200
Ward j	63	1.24200		78.2460
Authority	1000	1.24200		1242
Index (1991 Standard to 2001 Standard) =			Total Date 2 / Total Date 1 =	1.24200
With high authority-wide growth, 'hot' wards in 1991 get proportionally hotter by 2001				

F12 It is then possible to discern authority trends. For example, Ceredigion's figure for 1998 is a proportion of its total for 1991. Using a method akin to the Halifax House Price Index, the authority's total for 1991 is given an index of 1.0 (this is the standard scenario and the index remains unweighted). By 2001, the total for Ceredigion has fallen from 1540 to 1505 second/holiday homes, equating with a revised index figure of 0.97727. This means that using the standard (simple comparison) scenario, the number of second/holiday homes in Ceredigion was 98% of what it had been ten years previously.

F13 Alternatively, using the higher scenario, Ceredigion's 1991 index figure was revised upwards to 1.15974 (up by 16% but slightly skewed because of rounding error). By 2001, the index had fallen to 1.13377. This does not mean that there was a 13% increase on the 1991 higher index figure, but rather that the 2001 higher figure is 1.13377 times greater than the standard figure for the Census year (because of the applied weighting). Understanding why this is the case is not important – and further explanation is offered beneath the tables given in this Appendix.

F14 The important point is that these index figures – which have been generated for different years for the 22 authorities – can be used to factor up or down the basic 1991 Census data at the ward level. This means that for mapping purposes, it is possible to reflect general authority-wide change at individual wards. Consequently, if a certain ward in Ceredigion had 100 second/holiday homes in 1991 (Census – standard scenario), the standard scenario estimate for 2001 would be 98, or for the higher scenario 113.

F15 Overall, the aim was to use these indexes as factors to re-weight ward level data and therefore demonstrate the potential growth of second homes in certain parts of Wales. In practical terms, the indexes were applied to all 908 wards, relating Council Tax to Census data, and generating new local totals and proportions for 2001. This 'growth model' shows how particular 'hot-spots' became hotter, or colder, between 1991 and 2001 and is illustrated most clearly in Maps 4.3 to 4.10. Of course, the analysis is based on the assumption of *uniform change*: i.e., that the ups and downs in second and holiday home numbers followed the same pattern across an authority area (and the same happened with housing stock). These assumptions require a certain leap of faith, but given the data inaccuracies and the inherent uncertainty of any assumption, they at the very least show where demand pressure is rising, given that growth from a high 1991 base will be proportionally great.

F16 The mapped overviews at the ward level are of course very general, with the weight of shading more important than actual figures. But the critical word here is 'general'. At the all-Wales level, and also at the authority level, the local significance of second/holiday homes is masked. We see weak correlations between house prices and second-home numbers nationally, but that is not to say that their position in the local market does not adversely impact on communities where there are few local job opportunities.

Local Base Statistics – Data Suppression

F17 One of the greatest obstacles to mapping Census data is the suppression of data at the ward level, and the way in which some ward data need to be 'reconstructed'. The suppression of Local Base Statistics (LBS) takes place where there are 1000 or fewer residents (and 320 or fewer resident households). Suppression at the Small Area Statistics (SAS) level occurs where there are fewer than 50 residents and 16 resident households. The reasoning behind this suppression is that in wards with very few people, it might be possible to identify the attributes of individual households from these records. For data and mapping purposes, the research team was obliged to use LBS data as certain data elements (e.g. second homes, holiday homes and student accommodation) are conflated at the SAS level and are impossible to separate.

F18 For Wales, there were below threshold populations in 64 wards in 1991 and therefore data for these wards are suppressed. But these data are not simply deleted; rather they are reallocated to another ward within the same district making it possible to calculate true authority-wide and all-Wales totals. Therefore, suppression is not a problem in the broader analysis. It is critical however, if the intention is to map data at ward level. 'Raw' Census data, for instance, showed no second or holiday homes in the Gwynedd communities of Abersoch or Aberdaron - critical omissions.

F19 The task for the research team - before mapping either standard or higher scenario data at the ward level - was to reallocate suppressed data back to these low population wards. This task was performed in the following way:

- A list of 'exporting' and 'importing' wards was obtained (this list shows where data were taken from and where they were reallocated)
- Data from tables L610127 (LBS) and S610057 (SAS) were compared. These have the same data, though the LBS are available with second homes, holiday homes and student accommodation 'de-coupled'. The SAS only has these data conflated.
- Both the LBS and SAS totals include student accommodation
- The team assumed that the amount of student accommodation in small, low density rural wards would be negligible and therefore all or almost all of these dwellings would be second or holiday homes
- The LBS totals were subtracted from the SAS totals for all 908 wards. This calculation produced 0 (no difference and therefore no suppression) in all but 64 wards. Some extra 'shipping' wards produced differentials (9 listed) as those enumerated on boats had been suppressed and reallocated. This type of reallocation was ignored.
- It was now possible to see how many second/holiday homes had been moved and to reallocate from the 64 importing wards to the 64 exporting wards.
- This reallocation was performed manually at the ward level to establish a true base-geography (1991) of second homes and holiday homes for the Census year. This could then be used as a true, standard, base for subsequent calculations and mapping exercises.

Data Tables

F20 In the final part of this Appendix, 16 detailed tables are presented. The first series of these contain basic data for different years (Census and Council Tax), re-calibrated percentages and the indexes applied to the wards to generate the detailed local geography. The second series contain related demographic and house price data.

Second and Holiday Homes – Core Data

F21 Table F1 contains the 'raw' data for this analysis. Data for the 908 Census wards have been aggregated to provide figures for the 22 unitary authorities in 1991. Council tax data for 1996/97 and 1998/99 are an aggregation of type a and type b second homes.

F22 This first main data table points to the market contraction highlighted earlier, though differences across the ten year period might be explained in a number of ways:

- Data inaccuracies and particularly census under-enumeration, CT1 inaccuracies and the problems of comparing Census 'second' and 'holiday' homes with type (a) and (b) second homes as defined in CT1 returns. However, this comparison is seen as the best one to make given the data available.
- General market factors. 1991 can be viewed as a high water mark given the housing boom of the late 1980s and then after this period, the market contracts – i.e., fewer additional acquisitions and then the selling off of second homes for permanent residency.

The market picks up again (apparently) after 1998/99 though this may have more to do with data collection changes than a real increase in acquisitions.

- As the market became quiet during the 1990s, some second home buyers may have moved to their second homes permanently, either commuting from them or retiring to them. This explanation could fit the views of many case study respondents and would support the findings of the recent CAWCS study into *'The Effects of Tourism on the Welsh Language in North-West Wales'*.
- A slow decline after 1998 (the last 3 years can be compared with greater confidence as data are now collected with a standard split) could also be explained by changes to CT1 discount rules. Because Welsh authorities could charge the full rate, some people living permanently in England may have chosen to register their permanent residence as a second home and thus continue to gain discount advantage. If the discount is stopped in England, we could see a sudden apparent surge in second home numbers in two or three years' time. Or, the market may have mini-peaked in 2000 and is now falling back.
- Given this combination of data problems and market changes, the safest conclusion may be that the market has remained reasonably stable – with out-goings balanced by in-comings – though the evidence does point to some market contraction across Wales as a whole and at the Unitary Authority level. However, these general patterns will certainly mask any growth around particular communities.

F23 Table F2 translates these raw data into percentages of total housing stock in each authority and for each of the dates in which data are available. The %Change figures in the column marked '*' are based on absolute changes in numbers (not relative to stock). The very large increases/decreases are often from a very low base. These are calculated as $\frac{((\text{total 2001} - \text{total 1991}) / \text{Total 1991}) \times 100}{}$. The 'point differences' refer to relative change (i.e. relative to stock proportion).

Holiday Homes as a percentage of total housing stock (standard

	1991	1997	1998	1999	2000	2001	% Point Difference 1991- 2001	**%Change 1991-2001
Anglesey	5.40	4.95	4.90	4.47	4.85	4.61	-0.79	-11.36
Blaenau Gwent	0.17	0.00	0.04	0.04	0.04	0.04	-0.13	-72.55
Bridgend	0.28	2.01	2.01	2.31	0.11	0.14	-0.14	-44.68
Caerphilly	0.10	0.05	0.09	0.08	0.09	0.10	0.00	+15.63
Cardiff	0.11	0.12	0.12	0.12	0.12	0.12	+0.01	+17.19
Carmarthenshire	0.98	1.29	0.85	0.85	1.18	1.15	+0.17	+26.05
Ceredigion	5.38	5.32	4.73	4.58	5.05	4.88	-0.50	-2.27
Conwy	3.46	1.99	1.27	1.17	1.19	1.13	-2.33	-64.89
Denbighshire	1.42	1.46	1.29	1.42	1.35	1.49	+0.07	+7.12
Flintshire	0.35	0.43	0.42	0.41	0.41	0.41	+0.06	+27.55
Gwynedd	10.45	10.07	6.50	5.96	8.17	7.79	-2.66	-22.60
Merthyr Tydfil	0.11	0.14	0.17	0.19	0.27	0.35	+0.24	+210.71
Monmouthshire	0.84	1.02	0.36	0.14	0.14	0.14	-0.70	-82.05
Neath and Port Talbot	0.15	0.34	0.34	0.34	0.39	0.71	+0.56	+462.65
Newport	0.15	0.00	0.00	0.18	0.17	0.18	+0.03	+24.10
Pembrokeshire	6.23	4.32	4.28	4.08	5.38	5.51	-0.72	-3.58
Powys	3.18	2.47	2.49	2.36	1.89	2.46	-0.72	-14.77
Rhondda Cynon Taff	0.11	0.20	0.29	0.31	0.24	0.20	+0.09	+100.00
Swansea	0.84	0.58	0.64	0.56	1.62	0.87	+0.03	+5.48
Torfaen	0.10	0.09	0.09	0.06	0.06	0.05	-0.05	-41.67
Vale of Glamorgan	0.28	0.89	0.72	0.61	0.81	0.96	+0.68	+261.19
Wrexham	0.39	0.13	0.13	0.13	0.25	0.31	-0.08	-11.34
ALL WALES	1.58	1.48	1.23	1.18	1.34	1.31	-0.27	-10.87

F24 It is clear from these data that the numbers of second homes have not reduced in a linear fashion, but rather have followed an apparent market cycle. This cycle, for the whole of Wales and particular local authorities, is depicted in Chart F1.

The Survey of English Housing

F25 The Survey of English Housing (SEH) is an annual survey carried out for the DTLR. One of the questions asks about whether or not anyone in the household owns a second home. This survey also asks about the location of this second home and asks about the reasons why the respondent owns the second home. The Survey is confined to households with their main residence in England. The results give, however, an estimate of the number of second homes in Wales that are owned by households from England. This estimate is subject to some uncertainty because of the small number of respondents in this category.

F26 The standard SEH definition of second homes:

- Excludes those whose second home is the main residence of someone else;
- Excludes those whose only reason for owning a second home is that they are in the process of moving house; and
- Excludes those whose only reason for owning a second property is that they have inherited a property and mean to sell.
- Includes those who rent as well as those who own a second home.

F27 Using this definition, the average figure from the SEH for three years 1997-98 to 1999-2000 show that there were approximately 20 thousand second homes in Wales owned by households normally resident in England. The table below compares this with the numbers of second homes held by these households in other parts of Great Britain and beyond.

There is no clear trend in the figures for second homes in Wales, either upward or downward.

Households ⁽¹⁾ in England with a second home ⁽²⁾

Average of 1997-98 to 1999-2000 ⁽³⁾

Second home located in:

	Thousands of dwellings	Per cent
Wales	20	5.1
England	233	59.9
Scotland	14	3.5
Outside GB	123	31.6
Total	390	100.0

(1) Households whose main residence is in England

(2) For definition of second home see the associated text

(3) Approximate figures due to small number of households with second homes

F28 Related information for households in Wales owning second homes in England comes from the ONS Omnibus survey; the 1997-98 Omnibus suggested that there were only about 5-10 thousand Scottish and Welsh householders with second homes in England. This result suggests that only minimal numbers of households with their main residence in Scotland have dwellings in Wales.

F29 The SEH suggests that around 1.1 per cent of households in England own a second home in England. It is possible to apply this proportion to the 1.2 million households in Wales to give an estimate of the number of households in Wales that own a second home in Wales. This calculation gives a figure of around 13 thousand dwellings.

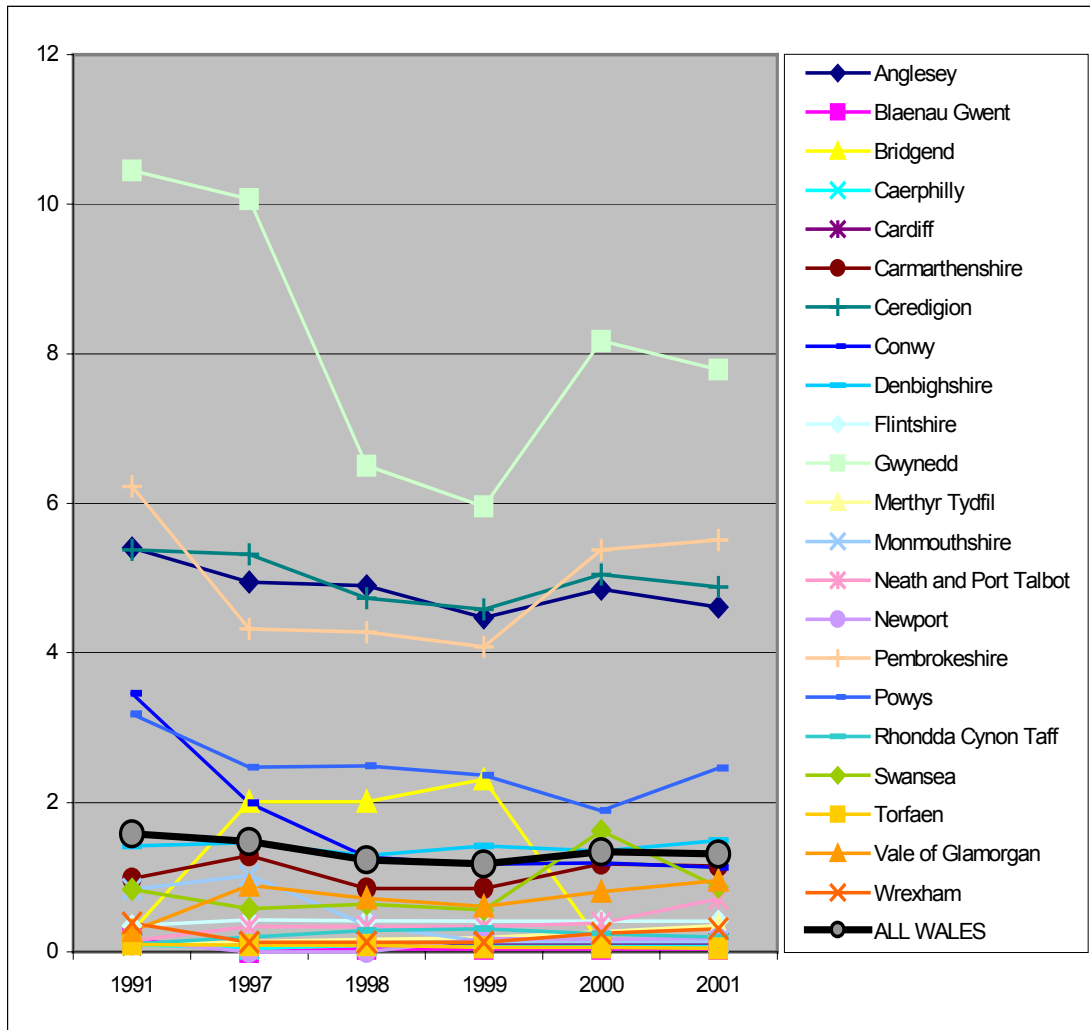
F30 There is insufficient evidence to decide whether this figure is likely to be an over- or under- estimate of the number of Welsh second homes owned or rented by households with their main residence in Wales. For example:

- Average household incomes are lower in Wales than in England so it is likely that a smaller proportion of households in Wales can afford a second home as a weekend cottage. There is also less incentive to do this as Welsh cities are much smaller than English conurbations of London and Birmingham.
- On the other hand, in holiday areas of Pembrokeshire and North Wales, it is likely that many households will own second homes mainly to let out as holiday cottages.

Table F1: Basic data – 1991 Census and Council Tax Returns (CT1)

	Total not main residence	Total non-permanent	No persons present	Second resid	Holiday accomm	Second+ Holiday Homes	No residents	CT Data 1996/97	CT Data 1997/98	CT Data 1998/99	CT Data 1999/00		CT Data 2000/01				
UA	L610113	L610126	L610127	L610141	L610155		L610183				Type a	Type b	All	Type a	Type b	All	
Anglesey	1828	95	1649	1129	517		1646	202	1545	1534	1407	30	1503	1533	33	1426	1459
Blaenau Gwent	94	0	51	38	13		51	43	0	14	14	0	14	14	0	14	14
Bridgend	218	19	142	110	31		141	78	1126	1129	1303	0	60	60	0	78	78
Caerphilly	148	39	64	54	10		64	97	35	65	55	0	66	66	0	74	74
Cardiff	1316	1	157	119	9		128	1155	150	150	150	150	0	150	150	0	150
Carmarthenshire	943	61	694	433	258		691	259	952	634	640	260	630	890	267	604	871
Ceredigion	1974	188	1617	1013	527		1540	345	1610	1432	1392	125	1420	1545	135	1370	1505
Conwy	1971	173	1676	777	895		1672	312	1018	657	606	620	0	620	587	0	587
Denbighshire	675	113	550	370	178		548	114	565	499	555	528	0	528	587	0	587
Flintshire	308	46	197	151	45		196	121	252	252	250	200	50	250	200	50	250
Gwynedd	6430	302	5727	4130	1574		5704	709	5672	3668	3368	3727	900	4627	3516	899	4415
Merthyr Tydfil	59	10	34	20	8		28	23	35	42	49	0	69	69	0	87	87
Monmouthshire	431	21	273	156	117		273	151	348	124	49	0	49	49	0	49	49
Neath and Port Talbot	168	4	83	64	19		83	82	209	210	224	0	253	253	0	467	467
Newport	237	5	83	76	7		83	157	0	0	104	0	100	100	0	103	103
Pembrokeshire	3435	266	3043	1051	1992		3043	397	2234	2241	2150	312	2536	2848	312	2622	2934
Powys	1889	120	1620	1016	602		1618	271	1347	1368	1304	37	1014	1051	84	1295	1379
Rhondda Cynon Taff	507	14	120	95	10		105	393	198	296	316	0	250	250	0	210	210
Swansea	1483	28	815	577	207		784	683	556	622	524	467	1063	1530	395	432	827
Torfaen	87	1	36	28	8		36	51	34	33	25	0	23	23	0	21	21
Vale of Glamorgan	262	23	135	108	26		134	127	430	352	302	0	401	401	0	484	484
Wrexham	314	19	199	143	51		194	121	68	68	68	138	0	138	0	172	172
ALL WALES	24777	1548	18965	11658	7104		18762	5891	18384	15390	14855	6594	10401	16995	6266	10457	16723

Chart F1: Second and Holiday Homes - %Change over time (standard scenario)



F31 Chart F1 illustrates the need for caution when presenting simple percentage changes between 1991 and 2001. The two points are not joined by straight lines, but sit on different parts of a curve. In Gwynedd, for example, the 1991 figure is at the top of a high peak. Numbers then declined until 1999 (the trough) and then picked up to a mini peak in 2000, before flattening off and then –possibly – beginning the downward cycle once more. These figures, may, however, be amplified by data collection.

F32 If the two extreme dates are compared, then it is apparent that a great many authorities had fewer second and holiday homes in 2001 than in 1991. A notable exception is the Vale of Glamorgan, which also appears as an apparent growth area in Maps 3.1 to 3.5.

F33 These percentage figures are of course calculated as a proportion of total stock for each authority: these changes in stock are shown in Table F3. It is also necessary to calculate stock changes at the ward level in order to be able to calculate ward percentages of second/holiday homes. The only ward level stock data available were for the Census year. Therefore it was necessary to calculate changes in *ward* stock (relative to authority-wide changes) using the same indexing method applied to the number of second and holiday homes. Absolute stock figures are given in Table F3. Index changes on a 1991 base are given in Table F4. Using the methodology described in earlier and the raw data (Table F1), the next step was to create authority-wide ‘higher’ scenario figures. This first involved generating a +16% factored general table: Table F5.

Table F3: Housing stock – absolute numbers of dwellings

	1991	1997	1998	1999	2000	2001	2002
Anglesey	30497	31225	31337	31477	31595	31664	na
Blaenau Gwent	30017	31746	31844	31918	31952	32022	na
Bridgend	50824	55994	56222	56413	56701	57261	na
Caerphilly	66943	69273	70191	70728	71273	71819	na
Cardiff	117240	124112	124757	125905	127082	127867	na
Carmarthenshire	70374	73992	74895	75274	75452	75614	na
Ceredigion	28644	30267	30271	30424	30605	30867	na
Conwy	48357	51045	51579	51701	51908	52158	na
Denbighshire	38711	38663	38829	38995	39177	39321	na
Flintshire	55762	58767	60107	60657	61188	61469	na
Gwynedd	54561	56324	56420	56517	56604	56709	na
Merthyr Tydfil	24449	25232	25304	25308	25310	25193	na
Monmouthshire	32671	33999	34631	34871	35436	35954	na
Neath and Port Talbot	56889	61166	61667	65154	65582	66062	na
Newport	54861	57085	57167	57584	57978	58672	na
Pembrokeshire	48813	51659	52304	52661	52964	53296	na
Powys	50907	54609	54865	55209	55676	56076	na
Rhondda Cynon Taff	96527	101229	101425	101979	102455	103017	na
Swansea	93037	95097	96786	94130	94732	95370	na
Torfaen	36849	38252	38710	38985	38940	38780	na
Vale of Glamorgan	47761	48388	48801	49261	49727	50239	na
Wrexham	49459	53409	53518	53764	54356	54734	na
ALL WALES	1184153	1241533	1251630	1258914	1266693	1274164	na

Table F4: Mapping Factors: Total Stock

	1991	1997	1998	1999	2000	2001	2002
Anglesey	1.0	1.02387	1.02754	1.03213	1.03600	1.03827	na
Blaenau Gwent	1.0	1.05760	1.06087	1.06333	1.06446	1.06680	na
Bridgend	1.0	1.10172	1.10621	1.10997	1.11563	1.12665	na
Caerphilly	1.0	1.03481	1.04852	1.05654	1.06468	1.07284	na
Cardiff	1.0	1.05861	1.06412	1.07391	1.08395	1.09064	na
Carmarthenshire	1.0	1.05141	1.06424	1.06963	1.07216	1.07446	na
Ceredigion	1.0	1.05666	1.05680	1.06214	1.06846	1.07761	na
Conwy	1.0	1.05559	1.06663	1.06915	1.07343	1.07860	na
Denbighshire	1.0	0.99876	1.00305	1.00734	1.01204	1.01576	na
Flintshire	1.0	1.05389	1.07792	1.08778	1.09731	1.10235	na
Gwynedd	1.0	1.03231	1.03407	1.03585	1.03744	1.03937	na
Merthyr Tydfil	1.0	1.03203	1.03497	1.03513	1.03522	1.03043	na
Monmouthshire	1.0	1.04065	1.05999	1.06734	1.08463	1.10049	na
Neath and Port Talbot	1.0	1.07518	1.08399	1.14528	1.15281	1.16124	na
Newport	1.0	1.04054	1.04203	1.04963	1.05682	1.06947	na
Pembrokeshire	1.0	1.05830	1.07152	1.07883	1.08504	1.09184	na
Powys	1.0	1.07272	1.07775	1.08451	1.09368	1.10154	na
Rhondda Cynon Taff	1.0	1.04871	1.05074	1.05648	1.06141	1.06724	na
Swansea	1.0	1.02214	1.04030	1.01175	1.01822	1.02508	na
Torfaen	1.0	1.03807	1.05050	1.05797	1.05675	1.05240	na
Vale of Glamorgan	1.0	1.01313	1.02178	1.03141	1.04116	1.05188	na
Wrexham	1.0	1.07986	1.08207	1.08704	1.09901	1.10665	na
ALL WALES	1.0	1.04846	1.05698	1.06313	1.06970	1.07601	na

Table F5: Factored Second/Holiday Homes Totals (+16.0%) for 'Higher Scenario'

	1991	1997	1998	1999	2000	2001	2002
Anglesey	1909	1792	1779	1632	1778	1692	1805
Blaenau Gwent	59	0	16	16	16	16	16
Bridgend	164	1306	1310	1511	70	90	0
Caerphilly	74	41	75	64	77	86	123
Cardiff	148	174	174	174	174	174	174
Carmarthenshire	802	1104	735	742	1032	1010	1022
Ceredigion	1786	1868	1661	1615	1792	1746	1761
Conwy	1940	1181	762	703	719	681	639
Denbighshire	636	655	579	644	612	681	612
Flintshire	227	292	292	290	290	290	290
Gwynedd	6617	6580	4255	3907	5367	5121	4828
Merthyr Tydfil	32	41	49	57	80	101	95
Monmouthshire	317	404	144	57	57	57	57
Neath and Port Talbot	96	242	244	260	293	542	534
Newport	96	0	0	121	116	119	150
Pembrokeshire	3530	2591	2600	2494	3304	3403	3111
Powys	1877	1563	1587	1513	1219	1600	1542
Rhondda Cynon Taff	122	230	343	367	290	244	176
Swansea	909	645	722	608	1775	959	1239
Torfaen	42	39	38	29	27	24	21
Vale of Glamorgan	155	499	408	350	465	561	593
Wrexham	225	79	79	79	160	200	208
ALL WALES	21764	21325	17852	17232	19714	19399	18995

Table F6: Second/Holiday Homes as a percentage of total housing stock (+16%) – 'Higher Scenario'

	1991	1997	1998	1999	2000	2001	2002
Anglesey	6.26	5.74	5.68	5.18	5.63	5.34	na
Blaenau Gwent	0.20	0.00	0.05	0.05	0.05	0.05	na
Bridgend	0.32	2.33	2.33	2.68	0.12	0.16	na
Caerphilly	0.11	0.06	0.11	0.09	0.11	0.12	na
Cardiff	0.13	0.14	0.14	0.14	0.14	0.14	na
Carmarthenshire	1.14	1.49	0.98	0.99	1.37	1.34	na
Ceredigion	6.24	6.17	5.49	5.31	5.86	5.66	na
Conwy	4.01	2.31	1.48	1.36	1.39	1.31	na
Denbighshire	1.64	1.69	1.49	1.65	1.56	1.73	na
Flintshire	0.41	0.50	0.49	0.48	0.47	0.47	na
Gwynedd	12.13	11.68	7.54	6.91	9.48	9.03	na
Merthyr Tydfil	0.13	0.16	0.19	0.23	0.32	0.40	na
Monmouthshire	0.97	1.19	0.42	0.16	0.16	0.16	na
Neath and Port Talbot	0.17	0.40	0.40	0.40	0.45	0.82	na
Newport	0.17	0.00	0.00	0.21	0.20	0.20	na
Pembrokeshire	7.23	5.02	4.97	4.74	6.24	6.39	na
Powys	3.69	2.86	2.89	2.74	2.19	2.85	na
Rhondda Cynon Taff	0.13	0.23	0.34	0.36	0.28	0.24	na
Swansea	0.98	0.68	0.75	0.65	1.87	1.01	na
Torfaen	0.11	0.10	0.10	0.07	0.07	0.06	na
Vale of Glamorgan	0.32	1.03	0.84	0.71	0.94	1.12	na
Wrexham	0.45	0.15	0.15	0.15	0.29	0.37	na
ALL WALES	1.84	1.72	1.43	1.37	1.56	1.52	na

F34 Table F6 now shows the 'higher scenario' percentages of second/holiday homes for specified authorities and dates. These are calculated using data from Tables F3 and F5.

Table F7: Mapping Factors (standard scenario): Second/Holiday Home Weightings

	1991	1997	1998	1999	2000	2001	2002
Anglesey	1.0	0.93864	0.93196	0.85480	0.93135	0.88639	0.94532
Blaenau Gwent	1.0	0.00000	0.27451	0.27451	0.27451	0.27451	0.27451
Bridgend	1.0	7.98582	8.00709	9.24113	0.42553	0.55319	0.00000
Caerphilly	1.0	0.54688	1.01563	0.85938	1.03125	1.15625	1.65625
Cardiff	1.0	1.17188	1.17188	1.17188	1.17188	1.17188	1.17188
Carmarthenshire	1.0	1.37771	0.91751	0.92619	1.28799	1.26049	1.27496
Ceredigion	1.0	1.04545	0.92987	0.90390	1.00325	0.97727	0.98571
Conwy	1.0	0.60885	0.39294	0.36244	0.37081	0.35108	0.32955
Denbighshire	1.0	1.03102	0.91058	1.01277	0.96350	1.07117	0.96350
Flintshire	1.0	1.28571	1.28571	1.27551	1.27551	1.27551	1.27551
Gwynedd	1.0	0.99439	0.64306	0.59046	0.81119	0.77402	0.72966
Merthyr Tydfil	1.0	1.25000	1.50000	1.75000	2.46429	3.10714	2.92857
Monmouthshire	1.0	1.27473	0.45421	0.17949	0.17949	0.17949	0.17949
Neath and Port Talbot	1.0	2.51807	2.53012	2.69880	3.04819	5.62651	5.54217
Newport	1.0	0.00000	0.00000	1.25301	1.20482	1.24096	1.55422
Pembrokeshire	1.0	0.73414	0.73644	0.70654	0.93592	0.96418	0.88137
Powys	1.0	0.83251	0.84549	0.80593	0.64957	0.85229	0.82138
Rhondda Cynon Taff	1.0	1.88571	2.81905	3.00952	2.38095	2.00000	1.44762
Swansea	1.0	0.70918	0.79337	0.66837	1.95153	1.05485	1.36224
Torfaen	1.0	0.94444	0.91667	0.69444	0.63889	0.58333	0.50000
Vale of Glamorgan	1.0	3.20896	2.62687	2.25373	2.99254	3.61194	3.81343
Wrexham	1.0	0.35052	0.35052	0.35052	0.71134	0.88660	0.92268
ALL WALES	1.0	0.97985	0.82028	0.79176	0.90582	0.89132	0.87277

Table F8: Mapping Factors (higher scenario): Second/Holiday Home Weightings

	1991	1997	1998	1999	2000	2001	2002
Anglesey	1.15978	1.08870	1.08080	0.99149	1.08019	1.02795	1.09660
Blaenau Gwent	1.15686	0.00000	0.31373	0.31373	0.31373	0.31373	0.31373
Bridgend	1.16312	9.26241	9.29078	10.71631	0.49645	0.63830	0.00000
Caerphilly	1.15625	0.64063	1.17188	1.00000	1.20313	1.34375	1.92188
Cardiff	1.15625	1.35938	1.35938	1.35938	1.35938	1.35938	1.35938
Carmarthenshire	1.16064	1.59768	1.06368	1.07381	1.49349	1.46165	1.47902
Ceredigion	1.15974	1.21299	1.07857	1.04870	1.16364	1.13377	1.14351
Conwy	1.16029	0.70634	0.45574	0.42045	0.43002	0.40730	0.38218
Denbighshire	1.16058	1.19526	1.05657	1.17518	1.11679	1.24270	1.11679
Flintshire	1.15816	1.48980	1.48980	1.47959	1.47959	1.47959	1.47959
Gwynedd	1.16006	1.15358	0.74597	0.68496	0.94092	0.89779	0.84642
Merthyr Tydfil	1.14286	1.46429	1.75000	2.03571	2.85714	3.60714	3.39286
Monmouthshire	1.16117	1.47985	0.52747	0.20879	0.20879	0.20879	0.20879
Neath and Port Talbot	1.15663	2.91566	2.93976	3.13253	3.53012	6.53012	6.43373
Newport	1.15663	0.00000	0.00000	1.45783	1.39759	1.43373	1.80723
Pembrokeshire	1.16004	0.85146	0.85442	0.81959	1.08577	1.11830	1.02235
Powys	1.16007	0.96601	0.98084	0.93511	0.75340	0.98888	0.95303
Rhondda Cynon Taff	1.16190	2.19048	3.26667	3.49524	2.76190	2.32381	1.67619
Swansea	1.15944	0.82270	0.92092	0.77551	2.26403	1.22321	1.58036
Torfaen	1.16667	1.08333	1.05556	0.80556	0.75000	0.66667	0.58333
Vale of Glamorgan	1.15672	3.72388	3.04478	2.61194	3.47015	4.18657	4.42537
Wrexham	1.15979	0.40722	0.40722	0.40722	0.82474	1.03093	1.07216
ALL WALES	1.16000	1.13661	0.95150	0.91845	1.05074	1.03395	1.01242

F35 Now it is possible to generate the mapping factors from the absolute figures at standard and higher scenarios. These are presented in Tables F7 and F8. It is perhaps worth noting that the variations away from 1.16000 (the starting factor for the higher scenario) are due to calculation rounding errors, pronounced where figures are small: these are the factor differences between the base Census data and the upwardly weighted (+16%) 1991 Census data.

F36 With three mapping factors (or indices) covering total stock change, standard scenario change and higher scenario change generated, the next step was to apply these indices to ward level data (on second + holiday homes and total housing stock), and then create new stock proportions at the ward level for 2001. This was performed for the 908 wards, transferred into MapInfo format and then used to generate the maps shown in Chapter 4.

Related Data Sets

F37 The key findings listed at the beginning of Chapter 4 draw not only on the core data analysis and mapping exercise, but also on a range of other data sources. These are presented here for reference purposes, along with additional commentary.

Table F9: Average price of residential property sales completed

	April-June 2000	April-June 2001	%Change 2000-2001
Anglesey	59471	66842	+12.39
Blaenau Gwent	39572	34865	-11.89
Bridgend			
Caerphilly	52172	55253	+5.91
Cardiff	83154	88907	+6.92
Carmarthenshire	54273	59215	+9.11
Ceredigion	68778	76480	+11.20
Conwy	64405	72217	+12.13
Denbighshire	58530	64639	+10.44
Flintshire			
Gwynedd	59942	63929	+6.65
Merthyr Tydfil	37676	41052	+8.96
Monmouthshire	92157	106875	+15.97
Neath and Port Talbot	49029	54986	+12.15
Newport	67248	71304	+6.03
Pembrokeshire	63367	69394	+9.51
Powys	72998	77128	+5.66
Rhondda Cynon Taff	47706	47165	-1.13
Swansea	63987	69250	+8.23
Torfaen	58456	56458	-3.42
Vale of Glamorgan	85788	86823	+1.21
Wrexham	60433	70165	+16.10
(England and Wales)	105924	117398	+10.83
ALL WALES	64767	68963	+6.48

Source: Land Registry

F38 These data cover transactions in a segment of 2000 and 2001. Further data are not presented because of the inherent problems of trying to equate national price trends with localised second and holiday home patterns. However, on the more general issue of affordability, the Council of Mortgage Lenders (CML) Cymru – who supplied these data as part of their consultation input – offered the following comments:

“NAW and others have tended to see the affordability problem as one of supply. This has led to proposals to restrict the sale of former Right to Buy (RTB) properties in rural areas and to the proposals by Plaid Cymru and others to limit the number of second homes. In the view of CML Cymru, this analysis needs further examination. A glance at the land registry figures above, shows that the three out of the four areas (Gwynedd, Anglesey, Ceredigion and Carmarthenshire) most usually identified with problems of rural affordability, actually have average house prices below the Welsh average. It should not be forgotten that the Welsh average is only around 66% of the average for England. These figures raise the question as to whether the problem of affordability stems not primarily from problems of supply, but from problems of ineffective demand caused by the poor performance of local economies and low or unstable personal incomes. If this analysis were to prove to be correct, this would suggest that what is needed in those areas are not restrictions in the supply of certain types of housing for certain purposes, but stimulus to and investment in local economies to help bring incomes up to an acceptable level. Such an analysis would suggest that far from being negative phenomena, the provision of second homes and holiday homes and indeed in-migration, could be important factors in rejuvenating local economies and in addressing problems of affordability”.

F39 Interestingly, there is a –0.21 correlation between house price change (2000-2001) and point differences in second/holiday home (1991-2001) suggesting that, on an all Wales level, house price rises are slower today in those areas that have experienced second home growth over the last 10 years. This is difficult to interpret. Firstly, the correlation is very weak. But it could simply suggest that second/holiday homes are of minor importance in the national market: house prices, in general, remain lower in rural counties which may, or may not, have more second/holiday homes (relative to urban price hot-spots). This suggests that affordability issues, where they arise, are the product of ineffective local demand. Overall, we are dealing with local rather than national phenomena.

Table F10: 5-year trend in population change (1996 to 2000)

	1996	1997	1998	1999	2000	%Change 1996-2000
Anglesey	67055	66212	65397	65353	64847	-3.29
Blaenau Gwent	72984	72768	72009	71738	71236	-2.40
Bridgend	130224	130572	131430	131599	131501	+0.98
Caerphilly	169125	169311	169571	170120	170463	+0.79
Cardiff	315040	318282	320940	324374	327493	+3.95
Carmarthenshire	169108	169001	168976	168932	169116	0.00
Ceredigion	69545	70399	70703	71727	72162	+3.76
Conwy	110596	111279	111948	112087	112725	+1.93
Denbighshire	92207	90322	90545	91006	91843	-0.39
Flintshire	144918	145444	146956	147417	148349	+2.37
Gwynedd	117775	117787	117450	116404	116752	-0.87
Merthyr Tydfil	58102	57266	56955	56197	55813	-3.94
Monmouthshire	86816	87162	86251	86628	87433	+0.71
Neath and Port Talbot	139459	139125	138768	138245	137954	-1.08
Newport	136789	137259	139208	138333	138468	+1.23
Pembrokeshire	113597	113327	113693	113720	114712	+0.98
Powys	124418	125145	125996	126284	126837	+1.94
Rhondda Cynon Taff	240117	241313	240360	240528	239770	-0.14
Swansea	230180	230066	229531	229787	230259	+0.03
Torfaen	90498	90416	90188	89803	89768	-0.81
Vale of Glamorgan	119214	119525	121295	121274	122947	+3.13
Wrexham	123308	124952	125154	125471	125747	+1.98
ALL WALES	2921075	2926933	2933324	2937027	2946195	+0.86

F40 Population shifts are another phenomena often related to changes in the rural housing market. Table F10 shows absolute population levels in the 22 authorities for the last 5 years.

F41 The last column in Table F10 gives the overall percentage change in each authority from 1996 to 2000. These can be compared with the all-Wales overall rate of change given in the last row. In the next two Tables (F11 and F12), change within the younger cohorts is examined separately.

Table F11: 5-year trend: persons in 20-34 cohort (1996 to 2000)
Absolute Numbers

	1996	1997	1998	1999	2000	%Change 1996-2000
Anglesey	12225	11457	10743	10326	10142	-17.04
Blaenau Gwent	15757	15297	14384	13953	13551	-14.00
Bridgend	27699	26934	26401	25384	24861	-10.25
Caerphilly	35001	34081	33130	32473	32197	-8.01
Cardiff	74727	73898	73500	76124	77888	+4.23
Carmarthenshire	30412	29826	29442	28309	27806	-8.57
Ceredigion	12977	13177	13583	13413	13373	+3.05
Conwy	20497	20389	20190	19181	18734	-8.60
Denbighshire	17576	16943	16674	15993	15758	-10.34
Flintshire	31410	30698	30186	29116	28723	-8.55
Gwynedd	23675	23196	22705	21814	21891	-7.54
Merthyr Tydfil	11921	11225	10833	10206	9895	-17.00
Monmouthshire	16535	16166	15162	15007	14850	-10.19
Neath and Port Talbot	27346	26750	25886	24693	24395	-10.79
Newport	29046	28320	28075	26552	25825	-11.09
Pembrokeshire	20509	19912	19415	18661	18463	-9.98
Powys	23617	23404	23170	22220	21522	-8.87
Rhondda Cynon Taff	52554	51890	50683	50204	49446	-5.91
Swansea	47665	46648	46146	46558	46611	-2.21
Torfaen	19141	18692	18008	17190	16937	-11.51
Vale of Glamorgan	22637	22119	22115	21511	21875	-3.37
Wrexham	26147	25943	25191	24620	24651	-5.72
ALL WALES	599074	586965	575622	563508	559394	-6.62

F42 The only authorities gaining population in absolute terms within these younger cohorts were Cardiff and Ceredigion. The five biggest losing areas were Anglesey, Merthyr Tydfil, Blaenau Gwent, Torfaen and Newport. It might be suggested that these losses/gains are linked to wider economic factors and to educational opportunities (e.g. the draw of the University of Wales in Ceredigion).

F43 In relative terms, these data suggest no significant variations in the balance of 'younger persons' in the overall population structures of the 22 unitary authorities, or significant contrasts in the rate of change. Though these authority-wide figures may conceal local variations and the exchange of those leaving communities with those moving in. The absolute losses shown in Table F11 are mainly the result of population ageing.

F44 This ageing is illustrated perhaps vividly if the figures contained in Tables F11 and F12 are compared with those in Tables F13 and F14, which present 5-year trend data for older population cohorts.

Table F12: 5-year trend: persons in 20-34 cohort (1996 to 2000) % Total Persons

	1996	1997	1998	1999	2000	% Point Difference 1996-2000
Anglesey	0.18	0.17	0.16	0.16	0.16	-0.02
Blaenau Gwent	0.22	0.21	0.20	0.19	0.19	-0.03
Bridgend	0.21	0.21	0.20	0.19	0.19	-0.02
Caerphilly	0.21	0.20	0.20	0.19	0.19	-0.02
Cardiff	0.24	0.23	0.23	0.23	0.24	0.00
Carmarthenshire	0.18	0.18	0.17	0.17	0.16	-0.02
Ceredigion	0.19	0.19	0.19	0.19	0.19	0.00
Conwy	0.19	0.18	0.18	0.17	0.17	-0.02
Denbighshire	0.19	0.19	0.18	0.18	0.17	-0.02
Flintshire	0.22	0.21	0.21	0.20	0.19	-0.03
Gwynedd	0.20	0.20	0.19	0.19	0.19	-0.01
Merthyr Tydfil	0.21	0.20	0.19	0.18	0.18	-0.03
Monmouthshire	0.19	0.19	0.18	0.17	0.17	-0.02
Neath and Port Talbot	0.20	0.19	0.19	0.18	0.18	-0.02
Newport	0.21	0.21	0.20	0.19	0.19	-0.02
Pembrokeshire	0.18	0.18	0.17	0.16	0.16	-0.02
Powys	0.19	0.19	0.18	0.18	0.17	-0.02
Rhondda Cynon Taff	0.22	0.22	0.21	0.21	0.21	-0.01
Swansea	0.21	0.20	0.20	0.20	0.20	-0.01
Torfaen	0.21	0.21	0.20	0.19	0.19	-0.02
Vale of Glamorgan	0.19	0.19	0.18	0.18	0.18	-0.01
Wrexham	0.21	0.21	0.20	0.20	0.20	-0.01
ALL WALES	0.21	0.20	0.20	0.19	0.19	-0.02

Table F13: 5-year trend: persons in 55 and above cohort (1996 to 2000)

	1996	1997	1998	1999	2000	%Change 1996-2000
Anglesey	19891	19979	20096	21916	20647	+3.80
Blaenau Gwent	19813	19811	19789	21170	19759	-0.27
Bridgend	35389	35726	36118	38932	36757	+3.87
Caerphilly	42841	43182	43579	46232	44300	+3.41
Cardiff	74874	74973	75556	80926	75112	+0.32
Carmarthenshire	53376	53492	53855	58147	54794	+2.66
Ceredigion	20890	21069	21405	23553	22016	+5.39
Conwy	38245	38293	38490	42821	39178	+2.44
Denbighshire	29399	28784	28838	31950	29393	-0.02
Flintshire	36694	37158	37926	40920	39184	+6.79
Gwynedd	35240	35428	35562	38748	36004	+2.17
Merthyr Tydfil	15421	15253	15167	15943	15030	-2.54
Monmouthshire	24776	25171	25558	27725	26354	+6.37
Neath and Port Talbot	40476	40393	40572	43463	40618	+0.35
Newport	36207	36427	36944	39443	37299	+3.02
Pembrokeshire	33433	33497	33831	36653	35175	+5.21
Powys	37526	37878	38350	42092	39906	+6.34
Rhondda Cynon Taff	62047	62256	62425	66605	62827	+1.26
Swansea	65122	65185	65513	70447	65695	+0.88
Torfaen	23515	23513	23607	25155	23942	+1.82
Vale of Glamorgan	32326	32619	33231	35827	34378	+6.35
Wrexham	32483	33238	33617	36161	34120	+5.04
ALL WALES	809984	813325	820029	884829	832488	+2.78

F45 Wales' population is ageing in line with the rest of the United Kingdom. The absolute number of people aged 55 years and over rose by 2.78% between 1996 and 2000. The biggest absolute increases were in Flintshire, Monmouthshire, the Vale of Glamorgan, Powys, and Ceredigion. Official data for 1999 appear inflated and have been shown in lighter text.

F46 Percentage point differences between 1996 and 2000 are given in the last column of Table F14. These give an indication of the greater relative importance of older people within the population over a very short time period. The figures show that the percentage of 'older persons' rose in line with overall population growth. However, these cohorts rose at a faster rate in some authorities: notably in Pembrokeshire and on Anglesey.

Table F14: 5-year trend: persons in 55 and above cohort (1996 to 2000) % Total Persons

	1996	1997	1998	1999	2000	% Point Difference 1996-2000
Anglesey	0.30	0.30	0.31	*	0.32	+0.02
Blaenau Gwent	0.27	0.27	0.27	*	0.28	+0.01
Bridgend	0.27	0.27	0.27	*	0.28	+0.01
Caerphilly	0.25	0.26	0.26	*	0.26	+0.01
Cardiff	0.24	0.24	0.24	*	0.23	-0.01
Carmarthenshire	0.32	0.32	0.32	*	0.32	0.00
Ceredigion	0.30	0.30	0.30	*	0.31	+0.01
Conwy	0.35	0.34	0.34	*	0.35	0.00
Denbighshire	0.32	0.32	0.32	*	0.32	0.00
Flintshire	0.25	0.26	0.26	*	0.26	+0.01
Gwynedd	0.30	0.30	0.30	*	0.31	+0.01
Merthyr Tydfil	0.27	0.27	0.27	*	0.27	0.00
Monmouthshire	0.29	0.29	0.30	*	0.30	+0.01
Neath and Port Talbot	0.29	0.29	0.29	*	0.29	0.00
Newport	0.26	0.27	0.27	*	0.27	+0.01
Pembrokeshire	0.29	0.30	0.30	*	0.31	+0.02
Powys	0.30	0.30	0.30	*	0.31	+0.01
Rhondda Cynon Taff	0.26	0.26	0.26	*	0.26	0.00
Swansea	0.28	0.28	0.29	*	0.29	+0.01
Torfaen	0.26	0.26	0.26	*	0.27	+0.01
Vale of Glamorgan	0.27	0.27	0.27	*	0.28	+0.01
Wrexham	0.26	0.27	0.27	*	0.27	+0.01
ALL WALES	0.28	0.28	0.28	*	0.28	0.00

F47 Ageing is a key feature of Wales' population structure and one product of ageing, namely retirement, will have profound implications for the housing stock, future social needs and local communities. Retirement is one consideration in Table F15, which focuses more generally on the components of future population change. Table F15 is taken from the 1998-based Population and Household Projections for Wales (Table 4, p.6). The results for 2021 take into account the change to a common state retirement age of 65. The key message is that retirement, though significant across all of Wales, will be nothing short of dramatic in the Mid Wales authorities.

Table F15: Migration and Population Change (2001-2006)
(Thousands)

		1998	2001	2021	2021	%Change 1998- 2021	
Anglesey	North Wales Authorities	Under 16	129.9	128.9	118.5	115.5	-11.1
<i>Gwynedd</i>		Working Age	387.2	391.0	392.1	403.7	4.2
<i>Conwy</i>		Retirement Age	140.3	140.8	157.8	157.1	12.0
<i>Denbighshire</i>		All Ages	657.9	660.7	668.4	676.3	2.9
<i>Flintshire</i>							
<i>Wrexham</i>							
<i>Powys</i>	Mid Wales Authorities	Under 16	36.3	36.5	34.0	33.6	-7.6
<i>Ceredigion</i>		Working Age	117.1	119.2	121.7	126.2	7.8
		Retirement Age	43.2	44.2	51.9	54.5	26.0
		All Ages	196.7	199.9	207.6	214.3	8.9
<i>Pembrokeshire</i>	South West Wales	Under 16	127.1	124.4	114.9	114.7	-9.8
<i>Carmarthenshire</i>		Working Age	384.2	388.3	387.9	396.7	3.2
<i>Swansea</i>		Retirement Age	139.0	139.6	151.9	148.9	6.7
<i>Neath Port Talbot</i>		All Ages	651.0	652.3	654.7	660.3	1.4
<i>Bridgend</i>	South East Wales	Under 16	305.7	298.8	269.7	276.8	-9.5
<i>Vale of Glamorgan</i>		Working Age	860.4	875.7	903.6	936.0	8.8
<i>Cardiff</i>		Retirement Age	262.1	262.6	288.8	283.6	8.2
<i>Rhondda Cynon Taff</i>		All Ages	1428.1	1437.1	1462.1	1496.4	4.8
<i>Merthyr Tydfil</i>							
<i>Caerphilly</i>							
<i>Blaenau Gwent</i>							
<i>Torfaen</i>							
<i>Monmouthshire</i>							
<i>Newport</i>							

F48 Finally, Table F16 presents data on all the components of projected population change in Wales over the next 5 years (2001 to 2006). These are also taken from the 1998-based population projections.

Table F16: Components of Population Change 2001-2006

	Population at start	Total Change	Births	Deaths	Natural Change	Net Migration	Population at end	%Change 2001-2006
North Wales authorities	660.7	3.9	34.6	39.7	-5.1	9.0	664.5	0.6
Mid Wales authorities	199.9	4.0	9.8	11.6	-1.8	5.7	203.9	2.0
South West Wales	652.3	0.3	33.4	40.3	-6.9	7.2	652.3	0.0
South East Wales	1437.1	11.1	82.9	77.3	5.5	5.6	1448.3	0.8
ALL WALES	2950.0	19.3	160.6	168.9	-8.2	27.5	2969.3	0.7

F49 For the entire projection period (up until 2021), the following key messages emerge:

- The main component of population change will continue to be migration, with net inflow of over 5000 per annum between 1998 and 2021
- Net inward migration will be highest in North Wales
- Natural change is projected to be negative until after 2011, with 17 000 more deaths than births in the period 1998-2011, and roughly in balance thereafter
- Natural change in South East Wales to increase to a peak of 12,700 in 2011-2016 whilst remaining negative elsewhere.

F50 The key points raised by these supplementary tables are that demographic ageing, retirement and permanent in-migration (either for retirement or other reasons) will have a significant impact on Wales in the foreseeable future.

F51 These impacts are likely to be more profound and widespread than the more localised issue of second and holiday homes, re-patterning the cultural landscape, introducing new social needs and housing pressures, and providing a source of further political concern and debate. These changes cannot be avoided.

Appendix G Full Project Specification

SPECIFICATION

National Assembly for Wales

Research Project: Second and Holiday Homes and the Land Use Planning System (Contract No. 090/2001)

THEMES: RURAL AND SPATIAL

1. Background

1.1 A key element of the National Assembly for Wales' (herein after referred to as the Client), policy is to assist the development of thriving sustainable rural communities in a strong rural economy. This means ensuring a sufficient supply of affordable housing and providing choice in meeting local needs. The Client, some local authorities, National Parks and other organisations are concerned about the social, economic, environmental and cultural impact of second and holiday home ownership and use, on rural communities and the supply of affordable housing available to meet local needs. The view is held that when properties are bought within villages and are occupied only for varying periods throughout a year such villages decline as communities. Low-income levels among young people in rural areas also exacerbate the difficulties in meeting their housing needs.

1.2 "Better Homes for People in Wales" issued for consultation by the Client in December 2000, sets out proposals for a national housing strategy and identifies the need for research into the effectiveness of the land use planning system in providing affordable housing for local people. The Land Use Planning Forum set up by the Client in January 2000, reported in July 2000 that research should be undertaken on the land use implications of second homes in rural areas to inform the future review of planning policy. Draft "Planning Policy Wales" was informed by the work of the Land Use Planning Forum and was issued by the Client for public consultation from 27 February to 27 April 2001.

1.3 This contract is concerned with the role of the land use planning system in controlling new housing development- its occupancy and use; and the occupancy and use of existing dwellings.

1.4 The potential benefits from the research would be to identify:

- the number and location of second and holiday homes and recommendations about how data collection systems could be improved;
- any positive and negative effects of second and holiday homes on communities in rural areas and;
- the effectiveness of the role of the planning system in meeting housing needs in rural areas.

1.5 By identifying these it would be possible to provide a clear overview of the opportunities, problems and challenges and indicate how the Client's planning regulations, planning policies and guidance and local planning authorities' plans and procedures could be further developed to help overcome the difficulties.

2. Aims and Objectives

The aim of the research is:

- to establish the number and location of second and holiday homes in rural communities particularly those in National Parks and to make recommendations about how data collection systems could be improved and;
- to establish their effect on the local housing market and availability of affordable housing for sale and for rent in meeting local needs.

The objectives of the research are to:

- identify the positive role of land use planning in meeting housing needs in rural areas and suggest practical ways of enhancing this (e.g. through policy changes, Best Practice Guidance, changes to legislation); and
- identify any negative impacts of the planning system in meeting local housing needs in rural areas and suggest practical ways to combat it (e.g. through policy changes, Best Practice Guidance, changes to legislation).

3. Methodology and Scope

3.1 It is for tenderers to suggest an appropriate methodology for the contract. The rationale for the methodology should be clearly stated, as should its ability to meet the objectives of the contract and deliver the required outputs.

3.2 It is expected the methodology will cover:

- i. a review of existing literature and data , including any comparable research in other parts of the UK;
- ii. an investigation of the Assembly's current and draft planning policy and guidance for the provision of housing;
- iii. an investigation of all Welsh local planning authorities' development plans and Housing Strategy and Operational Plans and Housing Needs Assessments;
- iv. the conducting of structured interviews with a range of bodies including the National Assembly for Wales- Planning Division, Housing Directorate, Statistical Directorate and Communities and Social Inclusion Division; selected local planning authorities to include all National Parks (their land use planning and housing departments); Welsh Local Government Association; RTPI, RICS; CPRW; Welsh Development Agency Lands Division; Wales Tourist Board; Welsh Federation of Housing Associations; Chartered Institute of Housing; Welsh Tenants Federation; Shelter Cymru; Countryside Council for Wales; Welsh Language Society; Welsh Language Board; holiday letting agents and estate agents; Land Registry; NFU Cymru, FUW, CLA , Young Farmers Clubs Wales;
- v. a number of case studies of local communities in different types of settlement in different areas of Wales;

A report on the findings of i. to v. above. It should make recommendations for changes to policy, guidance and legislation and provide examples of good practice in terms of the role of the land use planning system in providing affordable housing in rural areas. These recommendations must be practical, achievable and compatible with the provisions of the Human Rights Act 1998. Any recommendations which would lead to compensation payments by local authorities should be fully costed.

4. Quality Assurance

4.1 Tenderers will provide a quality assurance plan that demonstrates how the quality of inputs and outputs will be ensured.

5. Skills Required

The appointed researchers will have a thorough knowledge of the land use planning system as it applies to Wales, a detailed understanding of planning and housing legislation, policies, mechanisms, and initiatives, and an awareness of current sources of information on housing and land use planning in Wales. They will need to demonstrate these skills by reference to their research track record and will also need to demonstrate good presentational skills to produce practical advice in a clear, succinct and user friendly way with a minimum of technical jargon. The researchers must take into account the need for clarity and inclusiveness in working.

6. Client's Contact Point

6.1 The Contract Manager for the Client will be Ms Jan Dominguez. The Contract Manager will be the point of contact for the Contractor during the course of the contract. She may elect to meet a named representative of the Contractor as and when necessary to discuss any issues, which may have arisen during the provision of the service.

6.2 A Steering Group will be convened to oversee the project with representatives from within and outside the National Assembly for Wales. The Steering Group will monitor progress and provide guidance on objectives, output and information needs on technical and analytical matters. The researchers will be required to provide the secretarial and administrative support for the Steering Group meetings.

6.3 Contractor's Personnel

Tenderers should provide the names of personnel to be assigned to the contract, their status in the organisation and their previous experience of dealing with contracts of a similar nature. Tenderers should also give details of a nominated contact point.

6.4 In the event of non-compliance with the Specification, the following procedure will be followed:

- notification of complaint and requirement to comply;
- notification of unacceptable practices and/or substantial non compliance to the Specification of the services;
- recourse to the conditions of contract.

7. Outputs

7.1 The researchers will be required to produce the following outputs at specified stages in the agreed programme of work:

- i. an induction meeting as soon as possible after the contract has been let;
- ii. a scoping report prior to the first Steering Group meeting;
- iii. an interim report prior to the second Steering Group meeting – to include a summary of progress with fieldwork and the planned structure of the final report.

This report will be used to monitor progress, identify any weaknesses in the research strategy and help to shape the final phases of the research;

- iv. a draft final report prior to the third Steering Group meeting – to cover the policy background to the work, the methodologies employed, results, conclusions and recommendations. The report should be written in Plain English;
- v. a final report acceptable to the Steering Group prior to the fourth and final meeting;
- vi. the final report should be of 15,000 words maximum, excluding Annexes.

The reports for ii. and vi. above should be e-mailed to Steering Group members at least 3 days before the Steering Group meeting. Electronic Security – electronic media of any type or format supplied to the Planning Division by the researchers must be checked for viruses before shipment.

7.2 The Client will require the number of copies (as specified in the Award letter) of the final report which should be fully proof-read and produced by the completion date of the contract. It will include a free-standing Executive Summary of not more than 4 sides of A4. The Final Report, Annexes and Executive Summary should be produced bilingually (English and Welsh) 'back to back'. All text to be in *Word*, *HTML* and *PDF* formats. (A copy of the Planning Division's Guide for the Production of Documents for the Internet / Intranet is attached as Appendix 1, for information). The researchers shall also provide a bilingual summary of the project and its principal findings suitable for publication on the Internet. It should be of no more than 100 words, summarising the final report. The Welsh versions should be translated by a translator listed in the Welsh Language Board's Directory of Welsh Translators.

7.3 The Client will require the researchers to organise a seminar prior to completion of the project to disseminate the results. The researchers will issue invitations to a list of organisations and individuals to be agreed with the Steering Group. A copy of any presentational materials used in the dissemination seminar and workshops will be required for retention by the Client.

8. National Assembly for Wales' Welsh Language Scheme Requirements

It is the Client's opinion that the National assembly for Wales' Welsh Language Scheme will apply in relation to this contract. The final version of the report will need to be provided in both Welsh and English. The successful contractor will therefore need to ensure that the goods / services to be provided through this contract are compliant with the Scheme. A copy of the Scheme is enclosed for your information.

9. Changes to the Specification

This specification document sets out the Client's current service requirement. It is possible that during the life of the contract, changes, for example, in the nature and volume of work and the timescale or other requirements will arise. Changes to the Specification will be implemented by issuing written amendments to all those affected by the changes.

10. Conditions of Contract

The Client's standard Conditions of Contract for Research Services shall apply in relation to this contract. The researchers must have regard to these Conditions.

11. Contract Award Criteria

The criteria to be used to evaluate tenders will include:

- value for money
- response to, and understanding of, the project brief;
- previous track record;
- time-scale for starting the project and delivery of outputs;
- recent experience in the field.

12. Payment

12.1 Contractors must submit a proposal on a total cost basis to include expenses and printing for completing the work as outlined in this Specification. VAT should be identified as a separate item. With regard to the calculation of expenses, travel and subsistence rates to be used are those set by the Client. **See attached Price Schedule.**

12.2 Eighty per cent of the contract price will be paid upon clearance of the draft final report by the Client's Contract manager, with the remaining 20% payable on clearance by the Client's Contract manager after receipt of an acceptable final report.

13. Security

If the successful research contractor requires for its personnel frequent and uncontrolled access to the premises of the Client, or where such personnel have access to restricted information or proximity to public figures, then all such personnel must satisfy the security requirements of the Client by completing a security questionnaire. No contractor personnel will be issued security passes until they have obtained the required security clearance. Until then, they will be issued with a temporary pass and will have to be escorted by a member of staff each and every time they have access to the premises.

14. Ownership

Ownership of research data and findings will rest with the Client, though the publication of findings in academic journals may be allowed by agreement, such agreement not to be unreasonably withheld.

15. Presentations

Tenderers may be invited to make a presentation in support of their tender. This would take place in the week commencing 16 July 2001

**Planning Division
June 2001**

**Appendix 1 - Background to the Client's Planning Research Programme
Appendix 2 - General Guidance for the Production of Documents for the Internet / Intranet.**

Selected References

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- Department of Transport, Local Government and the Regions (2002) **Planning Green Paper: Delivering a Fundamental Change** (DTLR, London)
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- European Union (1996) **Social Portrait of Europe** (Office for Official Publications of the European Communities, Luxembourg)
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- Evans, A., Stevens, S. and Williams P. (1999) **Making best Use of the Private Sector? A Review of Welsh Local Authority Housing Strategies and Operational Plans** (Council of Mortgage Lenders, London)
- Gallent, N. and Tewdwr-Jones, M. (2000) **Rural Second Homes in Europe: Examining Housing Supply and Planning Control** (Ashgate, Aldershot)
- Gallent, N, Tewdwr-Jones, M. and Shucksmith, M. (forthcoming) **Housing in the European Countryside: Housing Pressure and Policy in Western Europe** (Spon Press, London)
- HM Government (1980) **Housing Act 1980** (HMSO, London)
- HM Government (1990) **Town and Country Planning Act 1990** (HMSO, London)
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- National Assembly for Wales (1997) **Technical Advice Note 2: Planning and Affordable Housing** (NAW, Cardiff)
- National Assembly for Wales (1999) **Mapping Social Exclusion in Wales** (NAW, Statistical Briefings Unit, Cardiff)
- National Assembly for Wales (1999) **Planning Guidance (Wales): Planning Policy – First Revision** (NAW, Cardiff)
- National Assembly for Wales (2000) **Technical Advice Note 20: The Welsh Language – Unitary Development Plans and Planning Control** (NAW, Cardiff)
- National Assembly for Wales (2001) **Better Homes for People in Wales: A National Housing Strategy for Wales** (NAW, Cardiff)
- Phillips, D. and Thomas, C. (2001) **The Effects of Tourism on the Welsh Language in North-West Wales** (Centre for Advanced Welsh and Celtic Studies, Aberystwyth)
- Reader's Digest (1970) **Survey of Europe Today** (Reader's Digest, London)
- Robertson, R.W. (1977) *Second Home Decisions: The Australian Context*, in Coppock, J.T. (Ed.) **Second Homes: Curse or Blessing?** (Pergamon, Oxford)
- Shucksmith, M. (1981) *No Homes for Locals?* (Avebury, Aldershot)
- Shucksmith, M. (1990) *A theoretical perspective on rural housing: housing classes in rural Britain*, in **Sociologica Ruralis**, 30, 2, pp.210-229
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- Welsh Assembly Government (2002), **Planning: Delivering for Wales**, (Welsh Assembly Government, Cardiff)
- Welsh Assembly Government (2002), **Planning Obligations Consultation Paper** (Welsh Assembly Government, Cardiff)
- Welsh Assembly Government (2002), **Planning Policy Wales** (Welsh Assembly Government, Cardiff)