

**Second homes within Irish Housing Booms and Busts: North-South
Comparisons, Contrasts and Debates**

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Second homes within Irish Housing Booms and Busts: North-South Comparisons, Contrasts and Debates.

This paper examines the expansion of second home ownership in the two jurisdictions on the island of Ireland - the Republic of Ireland and Northern Ireland. The phenomenon has emerged more recently here than in many other countries. While the growth of second homes in Ireland can be explained by many of the factors which have contributed to rising second home ownership internationally, local factors distinguish the two jurisdictions both from each other and from other cases. The paper compares and contrasts the situation in the two jurisdictions, while also locating them in an international context. It assesses the impact of second homes on local communities, housing markets and the environment in Ireland and highlights the key public policy issues arising in each jurisdiction.

Introduction

This paper examines the growth in second home (SH) ownership in the two jurisdictions on the island of Ireland and the impacts on local communities, housing markets and the environment. It builds on research in Northern Ireland (NI) and the Republic of Ireland (ROI) during the last two years (Paris, 2007, 2008a, 2008b; Norris and Winston, 2008). The growth of second home ownership occurred later in Ireland than Western Europe. In both jurisdictions, this development coincided with a ten year period of booming housing production and prices from the mid-1990s. This has been followed more recently by falling prices and output with evidence of substantial unsold stocks of new dwellings in both locations, but especially in the ROI.

Remarkably little attention has been paid to SHs within the field of housing studies, apart from identifying unequal competition between SH owners and ‘locals’ in high amenity rural and coastal areas (Paris, 2008b). However, there is a substantial relevant scholarly literature, mainly in planning, leisure and tourism studies, rural studies, and cultural studies. This literature contains many contrasting views on the nature and significance of second homes, including views of SH ownership as a form of rural gentrification and a vital element within life course investment and consumption strategies (Coppock, 1977; Gallent, *et al*, 2005; Hall, 2005; Hall and Muller, 2004; McIntyre, *et al*, 2006; Paris, 2008b). It also reveals highly diverse cultural practices regarding SHs as well as the crucial significance of different regulatory planning regimes.

Both the Republic of Ireland and Northern Ireland are underrepresented in this literature on second homes however, and this article aims to address this omission. Comparing these jurisdictions is also particularly useful for interrogating the drivers and implications of SH development because they share many relevant cultural and social characteristics, as well as certain policies and administrative structures. At the same time, they are distinguished by different approaches to policy areas which the international literature indicates shape the extent, character and impact of dwellings of this type (Gallent *et al*, 2005). In the ROI, one distinctive dimension of housing policies relating to second homes has been the advocacy of housing construction as an element within rural development strategies (for instance: Department of the Environment, Heritage and Local Government, 2005). This policy regime, combined with other public policies aimed at boosting housing investment and consumption in the ROI, has resulted in a substantial

over-supply of dwellings in many parts of that jurisdiction, especially in rural areas. By contrast, the growth of SHs during the NI housing boom was not influenced by similar ‘boosterist’ policies. Although there are many similarities between NI and ROI in terms of cultural support for rural housing development, recent housing booms and current busts, there is no equivalent evidence of over-supply of rural housing in NI.

The examination of the cases presented here is organised as follows. The next section details the relevant contextual differences and similarities between the NI and ROI. This is followed by a description of the data on which this analysis is based, the methods used to collect it, an analysis of the extent and pattern of SH development in Ireland and the drivers of rising SH ownership there. The main body of the article is concerned with assessing the economic, social, environmental and housing market impacts of SH ownership in three case study areas in each jurisdiction. The conclusions to the article suggest that comparing NI and the ROI highlights the problems inherent in any attempt to drive rural development via housing production strategies.

Contextual Differences and Similarities

Governance arrangements are a key contextual difference between the ROI and NI. The former is a sovereign state with two tiers of government while the latter is a region within the UK with distinctive administrative arrangements, including a devolved administration which (on and off) has had responsibility for policy implementation and many aspects of policy formulation since 1998 (Carmichael *et al*, 2007). In ROI, local government plays

significant roles in public administration, particularly in housing and land use planning, but has played a much less significant role in NI since the introduction of direct rule from the Westminster parliament in the early 1970s.

The two jurisdictions had similar land use planning systems up to 1996 but since then the differences between them have increased. In principle, the ROI planning system is modeled on the UK system of regular development plans enforced via development controls. However, in practice development planning arrangements in Ireland have been less robust and development controls are more liberally enforced than in Britain, particularly in rural areas (Bannon, 1989). Within the UK, Northern Ireland has had unique planning arrangements since the early 1970s when this function was removed from local government and transferred to a central government agency – the Northern Ireland Planning Service. In practice, the NI planning regime was very similar to the ROI until the late 1990s in that it was permissive rather than restrictive. Indeed, the 1993 *Planning Strategy for Rural Northern Ireland* included an assumption in favour of granting permission for one-off housing development outside specifically protected areas (Department of the Environment for Northern Ireland, 1993). However, the NI planning regime began to change during the late 1990s, as a new Regional Development Strategy sought to concentrate development within existing settlements, particularly on ‘brownfield’ sites. In June 2004 a new policy was flagged in an issues paper, *Planning Policy Statement (PPS) 14: Sustainable Development in the Countryside*, which proposed a major shift towards much tighter control of new development in the countryside

(Murray, 2005). Similar proposals were made in the ROI context but, as is explained below, in practice, they have not been implemented in any significant way.

NI and the ROI share a rural culture and a preference for single family dwellings in the open countryside. About one third of the current ROI housing stock consists of one-off rural dwellings (Watson and Williams, 2003). In NI, it was estimated that about 27 percent of all private houses are in this category (Sterrett, 2003). Approvals for the construction of single rural dwellings in NI increased radically during the 1990s, to the extent that they exceeded all approvals for dwellings of this type granted in Britain.

These patterns of rural housing development and changes in planning policy reflect North/South variations in attitudes and perspectives on rural housing. Many commentators in Britain, in particular, have expressed concerns about the impact of SHs and other pressures on rural communities, especially as lower income 'locals' are priced out of many attractive coastal or countryside areas (e.g. Affordable Rural Housing Commission, 2006). In part, these concerns relate to the restrictive British planning regime which severely limits the possibility for new housing development in the countryside. The recent restriction of rural housing development in NI was driven primarily by central government in the UK and has attracted extensive criticism within the Province, particularly from farming and rural development interests (Murray, 2005). Recent years have seen some similar developments in the ROI. For instance, the Planning and Development Act, 2000, provided for more robust development planning controls; national guidelines on rural housing development issued in 2005 raised

concerns about the ‘unstructured approach’ to SH development and instructed planners to cluster these developments, adjacent to towns and villages and several rural local authorities introduced measures to afford permanent residents preference in decisions regarding planning permission for housing to address problems of housing access for ‘locals’ and protect the rural landscape (Department of the Environment, Heritage and Local Government, 2005; Finnerty *et al*, 2003). However in this jurisdiction, greater concerns have been expressed about depopulation in peripheral rural areas and housing production has been viewed by government as an effective way to arrest this development by encouraging inward migration and construction employment. Thus, the rural housing planning guidelines contend that ‘holiday home development can act as a revitalizing force ... particularly in remoter... areas’ and overall there have not been any significant attempts to limit primary or secondary housing development in remote coastal or rural areas (Department of the Environment, Heritage and Local Government, 2005: 5; Scott, 2005).

There are numerous fiscal policy differences between the two jurisdictions which are of particular significance for the development of second homes. First, the ROI is one of the few EU members which does not levy any form of local taxes. This means that second home owners from outside the state contribute nothing to the local fiscal base and there are no fiscal disincentives to multiple home ownership, whereas local taxes in NI (domestic rates) must be paid in full by SH owners. Second, unlike NI, the ROI introduced a number of tax incentive schemes to encourage housing development in recent years which have contributed to the growth of both second and vacant dwellings.

The Seaside Resorts Scheme (SRS) provided tax incentives to construct holiday homes which must be available for short-term letting during the summer months in designated coastal areas. It resulted in the construction of 5,300 dwellings between 1995 and 1999 (Department of Tourism, Sport and Recreation, 1999). The Rural Renewal Scheme (RRS) provided tax relief for dwellings intended for permanent occupation by owners or renters in designated rural areas. Although SHs are ineligible for support under this scheme, it has resulted in significant housing oversupply as evidenced by large numbers of vacant dwellings in these areas (Goodbody Economic Consultants, 2005). In addition to these tax reliefs, ROI has an extensive range of instruments to encourage home ownership including fiscal supports and a plethora of grants, loans and subsidies intended to enable low income households to purchase a home (Norris and Winston, 2004). By contrast, tax policy is a central government function in the UK, and the fiscal treatment of home ownership is less generous than in Ireland. There have been no schemes to encourage housing development in NI.

Despite the contrasting fiscal regimes, the level of new private housing construction in both parts of Ireland since 1991 was much higher than in Britain or most other western European countries (Norris and Shiels, 2007). The contrast is especially marked in terms of new dwellings completed per 1,000 inhabitants. In 2005-06, completions came to 19.6 per thousand in the ROI and 10.1 in NI, compared to just 3.4 in Britain (Department for Social Development, 2007a, table 1.1). Rather unexpectedly, high housing supply has been accompanied by strong house price inflation in both NI and the ROI. ROI house prices rose by 360 per cent between 1991 and 2006, while prices in NI rose by 270 per

cent during the same period (See Table 1). House prices peaked during 2007 in both jurisdictions but fell significantly during the subsequent year.

Table 1 here.

Data and Methods

This analysis is based on a comprehensive review of the Irish and international research on second homes and of relevant primary data from NI and the ROI. The extent and growth of second homes in NI was assessed using the NI census 2001 and NI House Condition Surveys (HCS), which have been conducted every five years since 1974. The 2006 HCS has an achieved sample of 5,400 dwellings. In order to generate information on second home owners, a question about this issue was inserted into the omnibus surveys conducted by the NI Statistics and Research Agency (NISRA) in January and April 2007. A SH was defined as: ‘a property which is used for leisure purposes by you, your family and friends’ and is not permanently occupied. The module was run in two successive surveys in order to obtain an adequate sample, achieving a combined total response of 2,360 households.

The extent and pattern of second home development in the ROI was assessed using data compiled by census enumerators since 1991 on empty dwellings for which a census form could not be completed. Dwellings are categorized as ‘holiday homes’, ‘permanently or usually vacant’, and ‘temporarily vacant’. It has been argued that ‘holiday homes’ are

underrepresented in these data and that a proportion of vacant dwellings are in fact second homes (Fitz Gerald, 2005). These data were supplemented by data on second home owners (rather than dwellings) generated from the 2006 EU Survey on Income and Living Conditions (EU SILC) which contained information on 5,836 ROI households.

In addition, a total of six case studies were conducted - three each in NI and the ROI (see Figure 1). These areas were selected on the grounds that second home ownership there is high (see Table 2), but they are contrasting in a number of significant respects. Two of the NI case studies are located in high amenity coastal areas (the Causeway Coast and Newcastle-Dundrum), where a combination of growing restraint on settlement expansion and strong demand for SHs stimulated substantial private redevelopment of lower-density housing, especially along the Causeway Coast. In addition, other factors further stimulated housing demand in both the Causeway Coast and Newcastle-Dundrum, including retirement in-migration, the stimulus of a new university on the Causeway Coast, and growing demand from Belfast-oriented commuters. The third NI case study, the Fermanagh Lakelands, was much less affected by other growth pressures and, as a result, had much slower population and household growth than the other case studies.

Figure 1 and Table 2 here.

The ROI case studies encompass a range of coastal (Courtown and Schull) and riverside (Drumshanbo) locations in three different regions of the country, are varying distances from major population centres and have different economic and demographic histories

(see Figure 1). Drumshanbo, and to a lesser extent Schull, suffered from sustained economic and population decline throughout most of the 20th Century. Although this trend was reversed from the mid 1990s, no substantial growth pressures are evident in these areas. In Courtown, steady population growth has not been matched by economic growth but rather driven by commuters working in Dublin (Meredith, 2006). The pace of SH development in these counties has also varied, reflecting variations in the relevant drivers. Schull had relatively high levels of holiday home ownership in 1991, which expanded only marginally by 2006. Both Courtown and Drumshanbo experienced a dramatic increase in holiday homes between 1991 and 2006, which was related to their designation under the aforementioned tax incentive schemes for housing development – the SRS in the case of Courtown and the RRS in Drumshanbo (Norris and Winston, 2008).

Each case study involved analyses of census and other statistical data as well as semi-structured interviews with relevant stakeholders. The ROI case studies entailed 30 semi-structured interviews with: local authority land use planners, environmental engineers and councillors; estate and property letting agents; local business people; teachers; community activists; members of the clergy and the police. In NI, semi-structured interviews were conducted with local government officials, community groups, estate agents, planners, NIHE officials, residents' groups and developers. Furthermore, the NI research explored attitudes to SHs among both SH owners (n=157) and permanent residents (n=153).

The Extent and Pattern of Second Home Development in Ireland

In ROI, data compiled by census enumerators indicates that holiday homes comprised 3 per cent of dwellings in 2006, up from 1 per cent in 1991. The vast majority (91 per cent) are located in the largely rural and peripheral Border, Midwest, Southeast, Southwest and West regions. This is in line with international norms whereby SHs are generally concentrated in rural and coastal regions of high landscape amenity value, where land or property is cheap and available (Gallent *et al*, 2005). This SH rate is modest by western European standards. In 1991 second homes made up 8 per cent of the housing stock in the 15 longstanding EU member states, rising to 17 per cent in the south of this region (Eurostat, 1996). However, the vacancy rate in ROI is comparatively high. 18 per cent of dwellings were permanently vacant in 2006, which is similar to vacancy levels in southern European countries, such as Spain, Portugal and Italy, where the housing stock includes very high numbers of second homes (Norris and Shiels, 2007). 73 per cent of the vacant dwellings in the ROI in 2006 were located in those regions where holiday homes are also concentrated and their spatial distribution indicates that SHs account for a significantly larger proportion of vacant dwellings than the census suggests (Norris and Winston, 2008). Support for this argument is contained in the results of the 2006 EU-SILC which reveals that 6.3 per cent of Irish households owned at least one second home. The very high level of vacant dwellings across all rural regions of ROI, including areas where SHs would be less common, indicates that long-term vacancies constitute a large proportion of the rural housing stock relative to the norm in north Western Europe.

The 2001 NI census and HCS both estimated that around 5,000 dwellings in NI were second homes, and identified particular concentrations in the three case study areas. The 2006 House Condition Survey (HCS) estimated that around 8,000 dwellings (1 per cent) were being used as SHs in that year. The urban/rural distribution of these dwellings is detailed in Table 2. The 2007 NISRA omnibus survey provides an alternative estimate of the level of SH ownership and dwelling location. It suggests that around 3 per cent of NI households owned SHs (18,000 dwellings), more than *twice* the NIHCS estimate (Paris, 2008a). The marked differences between the two estimates may reflect different data collection methods and the smaller size of the NISRA sample. However, numerous authors have concluded that official estimates often under-count SHs and record them as ‘vacant’ (Fitz Gerald, 2005; Gallent *et al*, 2005; Wallace, Bevan, Croucher, Jackson, O’Malley and Orton, 2005). The HCS differentiated between SHs and vacant dwellings. It estimated that nearly 6 per cent of the dwelling stock was vacant in 2006. While in absolute terms most dwellings in this category were in urban areas, the vacancy rate was highest in areas defined as ‘rural’ (7.3 per cent) and ‘isolated rural’ (9.5 per cent) and was considered to be associated with the abandonment of farm dwellings. Although these data indicate that the 2006 NI vacancy rate has grown since 1996 and 2001, when it was estimated at just over 5 per cent, they also reveal that the extent of vacant dwellings is significantly lower in NI than in the ROI.

Drivers of Rising Second Home Ownership.

The comparatively recent emergence of large scale second home ownership in both NI and the ROI is unusual in international terms. In most countries, the main expansion occurred in the 1970s (Allen, *et al*, 2004). The ROI census data indicates that the growth in SHs ownership there has occurred mainly since the mid 1990s. The surveys of SH owners in the three NI case studies showed that the great majority had acquired these dwellings within the last 15 years, and in many instances during the previous five years.

Explanations for rising SH ownership rates in the literature include rising affluence, new and more flexible forms of labour, the rising number of retirees with disposable time and income, cultural factors such as an idealised view of the countryside as a place of tradition and retreat, and utilitarian considerations such as investment potential (Coppock, 1977; Hall and Muller, 2004; Gallent *et al*, 2005; Paris, 2008b; Wallace *et al*, 2005). Ward (1993) and Halfacree (1994) locate growing SH development within broader trends such as counter urbanisation and the development of a post-productivist countryside. Gallent *et al* (2005) link the phenomenon to population growth in exporting urban regions and issues facing importing regions such as lower wages and house prices, economic decline and depopulation. In Southern European countries, key drivers include late and weak industrialisation, late and rapid urbanisation as well as liberal planning policies as well as housing policies which emphasise construction as a method of rural/regional development (Allen *et al*, 2004). Many of these explanations are relevant

to the recent rapid growth in second home ownership in Ireland, but they are not uniformly applicable to the two different jurisdictions on the island.

Quinn (2004) argues that the main reason for the historically low rate of SHs in the ROI is a protracted economic recession from the late 1970s until the 1990s. Similarly, the NI economy and housing market had lagged behind the rest of the UK for decades and economic weakness was compounded by civil unrest (the Troubles) from the late 1960s to the mid-1990s. In addition, until recently, both parts of Ireland were largely agrarian societies with low levels of urbanisation and one of the lowest population densities in Europe (Quinn, 2004). This diminished the need to ‘escape’ to rural areas which has driven SH ownership elsewhere

More recently, in common with the rest of western Europe, our analysis suggests that rising affluence has driven growing second home ownership in both NI and the ROI. During the ‘celtic tiger’ economic boom, which lasted from the mid 1990s to 2007 in the ROI, unemployment fell from one third above the EU average to one third below, while GDP per capita followed a converse pattern (Nolan *et al*, 2008). In NI, real growth during the 1990s was sustained at levels equal to or above the rest of the UK, albeit from a lower base, unemployment levels fell while real incomes and home ownership rates grew significantly (Northern Ireland Housing Executive, 2008). The surveys of SH owners in the NI case study areas revealed that they were mainly affluent households with high household incomes and high levels of outright ownership of both primary *and* second homes. None of the SH owners in the Causeway Coast and Newcastle-Dundrum

had inherited their dwellings, though a few in Fermanagh had done so. These data, together with the NISRA surveys results which found that most SH owners had high disposable incomes, confirm a strong association between growing affluence and the ownership of SHs in NI. Table 1 reveals that growing affluence in NI is related to growing outright home ownership which rose *much* faster between 1991 and 2006 than overall home ownership and increased the capacity for affluent households to purchase additional dwellings. The EU-SILC data for the ROI supports similar conclusions. It reveals that 61.3 per cent of SH owners were headed by persons employed in ‘management and administrative’, ‘professional’ or ‘associate professional’ jobs, while just four per cent were headed by ‘plant and machine operatives’. However, outright home ownership appears to have been a less significant driver of SH in the ROI where 54.8 per cent of SH owners owned their primary home outright, while 41.4 per cent were mortgage holders. This may be linked to the falling rate of outright ownership since 1991 (see Table 1), which indicates that rising house values, equity and credit availability may have been more influential drivers of SH ownership in ROI.

In both jurisdictions, very high house building rates, output and the large proportion of this output delivered in rural areas drove rising second home ownership, and *vice versa*. Up to the late 1990s, the spatial distribution of output in both regions was also related to rural housing planning regimes which Gallent *et al*'s (2003) comparative study of rural housing in Europe designated as ‘laissez-faire’. In this regard, planning regimes in the two jurisdictions had more in common with southern rather than north-western European countries (Allen *et al*, 2004). However, planning has become significantly less

permissive in NI and there are some indications that this trend may emerge south of the border. The implications of these changing planning regimes for SH development in the case study areas are detailed below.

Unlike NI and most other parts of Western Europe, fiscal incentives have played an important role in driving the development of SHs in ROI as well as contributing to the rising number of *vacant* dwellings. In view of the high output under the Seaside Resorts Scheme, and the fact that the scheme targeted tourist areas which already had high numbers of holiday homes, it is not surprising that most of the designated resorts had very high vacancy rates in 2006, ranging from 14 to 19 per cent (Norris and Winston, 2008). Although holiday homes were explicitly excluded from support under the Rural Renewal Scheme, which provided tax relief only for dwellings intended for permanent occupation by owners or renters, census data indicates that all of the counties designated for support under this scheme had very high vacancy rates of over 22 per cent in 2006 (Norris and Winston, 2008). In some counties where only certain districts were subject to the scheme, vacancy levels were significantly higher in designated areas compared to non-designated areas. One review of the scheme links these vacancy rates to the ‘... very substantial increase in housing output’ effected by the scheme which ‘resulted in excess supply’ (Goodbody Economic Consultants, 2005: iii). The implications of the RRS for the Drumshanbo case study, of the SRS in Courtown are examined below

Impacts of rising second home ownership

The international research on SHs reveals both positive and negative economic impacts. There is evidence that they can contribute to regional economic growth by helping to maintain existing business and employment, and encourage entrepreneurial start-ups, a contribution which is especially valuable in declining regions. However, concerns have been raised about the sustainability of employment associated with SHs, which is concentrated in the construction phase, and that their employment effects may be negligible when the expenditure associated with them is too low to enable specialisation in a SH market (Hall and Müller, 2004). By contrast, the international literature is broadly negative about the social impact of SHs with two problems widely noted: large numbers of second and vacant dwellings undermine community structures; and a high demand for SHs drives up house prices, creating housing accessibility problems and displacing households seeking principal residences (Hall and Muller, 2004; Gallent *et al*, 2005; Paris, 2006).

This research found that that the extent and nature of the impacts of SHs varied significantly between all of the six case study sites. These variations depend on: the numbers of dwellings; usage patterns; the nature of the local planning system and housing market, particularly the availability of dwellings for permanent residents; and the nature of the local economy, particularly the existence of alternative sources of employment outside of the construction and tourism sectors.

Economic impacts

In each ROI case study area, there was a striking consensus among interviewees regarding the important contribution of SHs to the local economy. For instance, an interviewee from Schull noted that they had boosted construction employment and ‘given a lot of money to local people and allowed them to expand their construction business’. However, not all types of SHs were viewed as equally economically valuable and the usefulness of this type of tourism may have declined in recent years. Holiday homes which are rarely occupied were viewed as least economically useful and several interviewees reported that in recent years the numbers in this category in Schull have increased because people take more holidays abroad or cannot use their holiday homes for extended periods because both parents work full-time.

The particularly low economic value of long-term vacant dwellings was confirmed by interviewees from Drumshanbo where locals confirmed that many RRS dwellings are in this category. While there was widespread welcome for the construction jobs generated by the RRS, concerns were expressed about the sustainability of these jobs and on over-reliance on this type of employment. One community activist asked: ‘What happens if the building slows down? We’re very vulnerable in that area because I would have to say that 90 per cent of the economy in [this region] is based on building’.

The economic benefits of the SH development in Courtown were mixed. Here a particularly large area was designated under the SRS and it resulted in overdevelopment on the periphery, and decline of the inner area, concerns which contributed to the

abolition of the Scheme (Department of Tourism, Sport and Recreation, 1999). The SRS also generated perverse outcomes which undermined the local tourist economy. Residents complained that a hotel owner let it become derelict while awaiting the results of a planning application for its demolition and replacement by SRS holiday apartments. In addition, a portion of local woods, popular with walkers, was cleared for holiday homes (Mottiar and Quinn, 2003). However, most interviewees acknowledged that the availability of these new high-quality dwellings has increased tourist numbers with some consequent economic benefits.

The economic implications of SH development in NI were rather different, partly due to the absence of any tax incentives to artificially boost construction, and because there was no evidence of large stocks of vacant dwellings which are common in ROI. SHs in NI certainly helped to create employment and profits in the building industry, though there is no clear evidence of the multiplier due to SHs rather than house building in general. Interviewees in Fermanagh tended to view the economic impact of SHs as positive, especially as many 'traditional' jobs had been lost in primary industries. In addition, the surveys of SH owners in NI indicated that many consciously choose to use local shops and facilities particularly in the Causeway coast case study area (Paris, 2008).

Social impacts

The ROI research suggests that the social effects of SHs are mixed. Schull revealed some positive effects for community structures. Interviewees reported that many SH owners were relatively well integrated into the community, added a cosmopolitan dimension and

were involved in community organisations, local churches and sponsoring local events. This outcome is related to the particular character of the SH owning population in Schull, which includes many long-term owners who have holidayed in the village for many years and families who stay for several weeks each year. A number of informants in Courtown reported high levels of participation in community events among older SH owners, but there was a consensus that the speed and scale of recent housing development in the resort had undermined the community cohesiveness to the extent that: 'The local now is a stranger in his own village... The whole community is gone'. However, excessive development of primary as well as secondary residences were cited as contributors to this problem. In Drumshanbo the dominant view was that the development of second and long-term vacant homes have largely negative implications for community structures. One local resident complained: 'It's hard to build a community when people aren't stable in the community, because they're not there a lot of the time.'

In NI, there was strong opposition to the growth of SHs in the Causeway Coast case study with residents complaining about it becoming a 'ghost town'. Census data reveals population decline in some places on the Causeway Coast between 1991 and 2001, but in other areas *more* dwellings were occupied in 2001 than had been the case in 1991. Thus, falling average household size and a high proportion of single pensioners were also contributing to a sense of these places being 'ghost towns'. Concerns about the social effects of SHs were also voiced by residents in Newcastle-Dundrum. They noted that there was growing developer interest and that there appeared to be very low rates of use of SHs. In Fermanagh, by contrast, it was impossible to identify *any* group that was

actively concerned about SHs and there was no evidence of local resident opposition. Council officials, estate agents and other respondents felt that the social effects of SHs were beneficial. One council official suggested that ‘It’s better to have some people living in rural areas some of the time than to have no people living there all the time’. These attitudes of local residents are very similar to those expressed in the ROI Schull case study.

Housing Market Impacts

The NI case study research reveals that long term residents felt they were being priced out of the housing market by SH buyers (Paris, 2007, 2008). However, contrary to these views, there was no strong evidence that demand for SHs was a major cause of house and land price inflation in these areas (Paris, 2008a). Housing output as well as land and house prices increased dramatically in NI after 2000, markedly so on the Causeway Coast. However, it is impossible to separate out the impact of the growth of SHs from other aspects of local housing markets, except where newly-restrictive planning regulations resulted in a surge of private redevelopment aimed at the SHs market. Many factors affect local land and housing prices, but in the NI case study areas the combined impact of more restrictive planning arrangements for all housing in the countryside, a limited supply of rental accommodation and other housing demand pressures were more influential in this regard than second homes.

The Causeway Coast research revealed a step change in local land and house prices and a new pattern of development, including extensive replacement of houses and bungalows

with apartments and other higher density buildings. Some of these developments, especially the highly concentrated nature of redevelopment for the SHs market, were distinctive to this district. Factors affecting the local housing market included retirement in-migration and the changing nature of the sub-regional economy, with commuters to urban areas purchasing homes along the Causeway Coast. Thus, in this case growing SHs ownership did not change an otherwise-stable market, but added impetus to a local market that was changing already. The Newcastle-Dundrum case study area had many similarities with the Causeway Coast, except that the process of developer-led replacement of single dwellings began more recently and was less focused specifically on the SHs market. Respondents did not consider SH demand to be a major driver of house prices, as factors such as growing demand from commuters and investor activity were also cited. There was no significant evidence of displacement or redevelopment for the SHs market in Fermanagh and there were already signs in the summer of 2007 that the local market was cooling. None of the interviewees considered that SHs had had a significantly inflationary impact on land and house prices. In this case study, interviewees were generally supportive of further growth of SHs in the area, subject to environmentally sensitive regulation.

In each of the ROI case studies, there was practically a universal consensus among the interviewees that SH development has driven up house prices. This is supported by Fitz Gerald (2005) who estimates that second and vacant dwellings added between 15 and 20 per cent to house prices nationally during 2000-2003, and significantly more to prices in those parts of the country where such dwellings are concentrated. He also identifies a

number of significant economic problems generated by this development. It diverted construction resources away from population growth centres where housing needs were most pressing, drove house price inflation, thereby adding to wage inflation pressures and effected an over-reliance on construction employment, particularly in those regions where excess housing output is concentrated.

However, despite the lack of private and social rented housing in the three ROI case study areas, our analysis indicates that this house price inflation did not necessarily result in housing affordability problems for local people, as affordability problems were mitigated by widespread self building, including building on land donated by relatives. An interviewee from Drumshanbo summarised the financial attractions of the latter strategy as follows:

The locals if they have a piece of ground, and even if [they pay] €40,000 to €50,000 for a site, you can still build a fine house for €200,000... whereas if you have to pay the developer and... the taxman his cut out of the action, then you're talking €300,000 or €350,000 to purchase a similar style house.

These monetary benefits (see Clinch *et al*, 2002 for a more detailed explanation), coupled with a cultural preference for living in the open countryside, mean that efforts by planning authorities to control housing development in the open countryside met with fierce opposition in all of the case study areas (Norris and Winston, 2008). The local authority responsible for Schull introduced residency conditions to mitigate against SH development in the open countryside and to give preference to permanent residents in planning decisions. However, this resulted in a number of difficulties including: problems enforcing such arrangements; capacity problems for the council in question, (also related to the significantly increased volume of planning applications) and the

planning system became more bureaucratic and complex for permanent residents to negotiate (Norris and Winston, 2008).

Environmental impacts

To a large extent, the environmental impacts of SHs depend on their location. The worst effects may be associated with dispersed rural housing, and reasons for limiting this approach include: impact on the landscape; proliferation of septic tanks and groundwater pollution; reliance on the car for all journeys; ribbon development and urban sprawl; decline of smaller towns and villages; increased difficulty with the provision of infrastructure; and increased costs of service delivery (Scott, 2005).

The environmental impacts of the recent growth in second and vacant dwellings in the ROI case studies are particularly negative given the prevalence of new construction in that stock. While new estates have been constructed on the edges of villages in ROI, many SHs are single dwellings constructed in scenic, environmentally sensitive areas of the open countryside. Interviewees complained that many are poorly designed, fail to echo vernacular styles and are prominently located. In both Courtown and Schull, SH development created significant problems for water supply and sewage treatment. There were concerns in each area regarding the poor maintenance of SHs, particularly in Drunmshanbo where maintenance of large numbers of long-term vacant dwellings was problematic. However, environmental issues were not that prominent among interviewees' concerns. Pollution from septic tanks attached to SHs in the countryside was identified as a problem by only one person, despite the fact that ineffective and

inadequately maintained septic tanks are one of the main polluters of rural waterways in ROI (Crowley, 2006). This lack of concern may reflect the aforementioned strong support for one-off rural housing among interviewees and in rural Ireland more generally.

Although similar concerns about the environmental impacts of second homes were raised by interviewees in NI, there is less concrete evidence of damaging environmental impacts in that jurisdiction. However, the widespread development of detached houses in the countryside without mains sewage access, whether as primary or SHs, is a source of particular environmental concern (NIHE, 2007). The introduction of a tighter planning regime since the late 1990s has led to more redevelopment at higher densities and greater concentration of new building on the edges of established settlements, but raises the possibility that SH owners may opt to buy existing dwellings thus adding to the process of gentrification and loss of permanent residents in some locations.

Conclusions

This article has highlighted strong similarities between the ROI and NI in terms of the level of second home development, its concentration in the period since the mid 1990s and the drivers of this development. However, there are also north/south differences in the nature of and contributors to the SHs phenomenon as well as in their social, economic and environmental impacts.

SH numbers have expanded more rapidly in the ROI as a result of very high, indeed the high rate of vacant dwellings indicates, excessive rates of rural housing. This was driven by liberal planning arrangements and tax incentives for housing development. Case study research indicates that this development pattern has had largely negative environmental effects, but its economic and social impacts vary, depending principally on the extent to which SHs are used and whether excess housing development has effected over dependence on construction employment in rural areas. Negative impacts associated with long term vacant dwellings and over reliance on construction jobs were most evident in those areas which were subject to tax incentives for housing development. Thus, the ROI case study highlights the potential for perverse outcomes when housing development is employed as a form of rural development. Notably, because many local people employ self-building as a means of cutting the costs of home purchase, SHs do not appear to have had a negative impact on housing affordability in high amenity rural areas of ROI. Moreover, the Schull case study highlights the problems inherent in attempting to control SH development via the planning system, as efforts to enforce housing residency requirements, coupled with under resourcing of local authority planning departments, have made the planning system more bureaucratic and difficult to negotiate for the permanent residents of these areas.

The NI case studies revealed no significant problems with excessive numbers of vacant dwellings, probably as a result of the lack of policy measures to boost housing development in that jurisdiction. Some of the issues raised about SHs in NI relate to wider UK debates about 'rural' housing as it is increasingly evident that much of the

British coast and countryside has become systematically gentrified so that lower income residents cannot find any accommodation within their means (Affordable Rural Housing Commission, 2006). While the more permissive rural housing planning regime in NI had not resulted in this level of gentrification, recent reforms to policy on this issue mean that NI and Great Britain are now more similar than was previously the case. This raises the potential that housing affordability may also become a significant problem in rural NI in the future, although sharp falls in house sales and house prices since mid 2007 may avert this development in the short term.

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Table 1. Selected Housing characteristics, ROI and NI, 1991, 2002, 2006 (%).

Housing Characteristics	ROI			NI		
	1991	2002	2006	1991	2002	2006
Own outright (%)	39	36	34	27	31	33
Own with a mortgage (%)	35	38	39	35	41	39
Mean house price (€)	66,133	198,000	306,000	53,057	124,400	197,482
Housing Output (N)	18,472	57,695	93,419	6,878	13,847	17,965

Source: ROI - Census of Population and Department of the Environment, heritage and Local Government Housing Statistics Bulletin, NI – Continuous Household survey, NISRA and Northern Ireland Statistics and Research Agency and Central Statistics Office (2008).

Table 2. Dwellings by occupancy status and region in ROI & NI, 2006.

	N	Permanently vacant %	Holiday homes %
ROI			
State	1758564	15	3
Dublin	475088	11	*
Other Cities	124303	13	*
Border	224384	20	6
Mideast	162756	11	1
Midland	102832	16	1
Midwest	127801	16	4
Southeast	173858	17	5
Southwest	215028	19	6
West	152514	22	5
Case studies counties			
Cork	149730	17	4
Leitrim	15196	29	8
Wexford	58735	22	11
NI		Vacant	Second homes
All of NI	705000	6	1
Belfast metropolitan area	275400	5	n.a
District & other towns	218410	5	n.a
Total urban	493810	5	n.a
Small rural settlement	106890	5	n.a
Isolated rural	104300	10	n.a
Total rural	211190	7	n.a
Case studies councils			
Coleraine and Limavady (Causeway)	38390	5	4 ¹
Down (Newcastle)	28290	6	2 ¹
Fermanagh Lakelands	22900	11	7 ¹
*: under 0.5%			
1: based on small cell sizes and included for indicative purposes only			

Sources: ROI: published and unpublished census data provided by the Central Statistics Office and NI: Northern Ireland House Condition Survey 2006

Note: in the ROI data, permanently vacant includes all those unoccupied inhabitable dwellings which are not categorised as temporarily vacant or holiday homes. Dwellings refer to habitable dwellings. Estimates

of holiday homes in NI are not based on large enough cells to be statistically valid but are included for indicative comparative purposes. Most of the Causeway Coast case study is within Coleraine council area but a small part is in Limavady council area; the HCS glossary notes that surveyors determined whether dwellings were vacant and 'clarification of vacancy was sought from neighbours. Surveyors were required to gain access to vacant dwellings and undertake full inspections. The tenure when last occupied was noted for analysis purposes. However, in the private sector in particular, this does not mean it will be in this tenure when next occupied. Vacant dwellings are therefore normally analysed as a separate "tenure"; the glossary also notes that a second home 'is a dwelling that is occupied by a household, but not as their primary residence. In Northern Ireland these are largely holiday homes, used solely for holidays or weekends, both for family use or as a commercial holiday let.'

Figure 1 Map of Case Study Locations

