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The ownership of many homes in Northern Ireland & Australia: Issues for states and localities.

Abstract

This paper examines new evidence relating to comparative aspects of the ownership and use of multiple residences in affluent societies, especially in Australia and Northern Ireland (NI). The paper assesses the extent of the ownership of second homes ('holiday homes' in Australia) based on data from two recent surveys: an omnibus survey by the NI Statistics and Research Agency and the 2007 Australian Survey of Social Attitudes Survey (AuSSA). The paper suggests that 3-4% of households in *both* countries own holiday homes and/or dwellings used for other non-commercial purposes related to individual and household mobilities. We consider evidence indicating likely further growth of the ownership of many homes by affluent households, albeit in the changed context of a major downturn in many housing markets, including the UK and Ireland. We also review the relevance of these findings to issues and debates in both societies, especially relating to concerns of local government in regional Australia.

Introduction

The relationships between residential location, property ownership and population mobility have become increasingly complicated due to growing affluence and associated movements of people on daily, weekly, seasonal and other time-specific bases. Affluence and mobility – or even multiple *forms* of mobility (Urry, 2007) – have become the norm for a substantial minority of citizens of affluent countries. The ownership of additional dwellings primarily for leisure use – typically referred to as 'holiday homes' in Australia but more usually as 'second homes'¹ – is also increasingly widespread throughout affluent countries and is taking on an ever more transnational dimension (Paris, 2008b). An increasing number of households in affluent countries own more than one 'additional' residence for their own non-commercial use, so the term 'multiple residences' may be preferred as an alternative to referring to multiple 'second' homes (McIntyre et al, 2006; Paris 2008b).

There has been extensive commentary on the ownership of one or more additional residences, though much has tended to be anecdotal rather than evidence-based, partly due to widely varying and often unreliable data sources. Many governments have never collected data on the ownership of such dwellings (Gallent et al, 2005) and definitions and data collection methods vary enormously. The issue is of interest politically for three reasons:

¹ The terms 'second home' and 'holiday home' are used interchangeably in this paper; the terms 'multiple residence' or 'multiple homes' are also used interchangeably to refer to those households owning more than one dwelling, in addition to the primary home, purely for household use.

1. The growth of second home ownership is often highly concentrated in high amenity areas and arouses a range of contrasting views relating to the economic, social and environmental impacts of the use of such areas by affluent 'outsiders'. Such issues range from a perceived housing crisis for low income locals to issues relating to the environmental impacts of jet-based transnational second home ownership in ecologically sensitive areas (Paris, 2008b).
2. Periodic mobility between 'primary' and other residences has implications for the fiscal relations between central (in Australia read 'State') governments and local governments. The latter typically receive central funding support on a per capita basis although many holiday home owners regularly use local services they are not included in the count of 'permanent' residents and so no fiscal support is allocated to them (McKenzie et al, 2008).
3. The use of dwellings for leisure and other non-commercial purposes is routinely ignored within most analyses of national or local housing systems, including strategic regional or local planning of housing and/or land requirements. It is almost as if they simply do not exist and that all 'households' use just the one 'dwelling'. It is extremely unlikely that any planners would deny the widespread existence of second homes, but they rarely know how many there are or what impact second home ownership has within housing markets.

This paper takes further our interest in this phenomenon, through analysing recent survey data on the extent of ownership of such dwellings, comparing the situation in Ireland, especially Northern Ireland (NI), and Australia. Overall, the evidence suggests that around three percent of households in NI and Australia owned holiday homes during 2007 and that a minority of them owned two or more such dwellings.

Holiday homes, second homes and multiple residences

There is an extensive literature growth of second home ownership, largely in planning, leisure and tourism studies, rural studies, and cultural studies (Coppock, 1977; Gallent, Mace, and Tewdwr-Jones, 2005; Hall, 2005; Hall and Muller, 2004; Hettinger, 2005; McIntyre, Williams, and McHugh, 2006.) Paris (2008b) argues that the ownership of second homes can be conceptualised as an element of life course investment and consumption strategies as well as a form of gentrification in countries within which restrictive planning limits the scope for new dwelling development in high amenity areas (Paris, 2008b). For example, large coastal areas of Devon and Cornwall in SW England have been colonized by affluent second home owners, resulting in extremely high house prices compared to low 'local' incomes. By way of contrast, second home ownership is widespread and less controversial in many other countries (Gallent, Mace and Tewdr-Jones, 2005) due to different cultural norms. For example, there is widespread ownership of second homes by urban dwellers with rural connections in many EU countries including Spain, France and the Nordic countries.

There are many variations between countries and over time, but one of the most recent developments has been rapid growth of transnational second home ownership as well as the ownership of more than one 'second' homes. Thus the supposedly sacrosanct identity

of 'the home' has in many cases been replaced by the ownership of many 'homes' which constitute sites of luxury consumption and investments rather than a single setting combining domestic bliss and sanctuary from the wider world.

The paucity of reliable data on the extent of second home ownership is a recurring theme in the literature. So, too, is a tendency for many dwellings that are used as second homes to be recorded as 'vacant' in periodic surveys or censuses. Governments use censuses primarily to count populations and gather other data as required but typically within resource-constrained environments. Minority topics affecting a small proportion of the population, therefore, do not receive priority and there is a strong likelihood that second homes are defined as 'vacant dwellings'. A research team from the University of York (England) reviewed published work on empty dwellings in Scotland and suggested that 'many properties identified as being vacant were in fact being used as holiday homes' (Wallace, Bevan, Croucher, Jackson, O'Malley and Orton, 2005: 29). More recently, Fitz Gerald (2005) has argued that official data on holiday homes in the Republic of Ireland radically underestimated their true extent because many were defined as vacant. The 2006 Irish census attempted to count the number of second homes but its findings are questioned by researchers who doubt the veracity of the extremely high vacancy rate especially in areas of known recent development of thousands of holiday homes (Norris and Winston, forthcoming).

The difficulty in counting the number of second homes is also affected by other factors:

- Governments use housing and housing-related surveys for many public policy purposes but such surveys rarely have sufficiently large samples to provide useful data on minority features of the housing system. Thus questions tend to be about the ownership of other dwellings in addition to the primary residence, but not differentiating between (a) dwellings owned as investments and let to tenants and (b) dwellings owned but used in a range of non-commercial ways. The Survey of English Housing (SEH) is a rare exception as it specifically asks questions about the ownership of second homes for non-commercial purposes.
- Many second home owners *want* their dwellings to be defined as vacant in order to avoid local property taxes and in some cases to avoid capital gains tax on sale to another owner: hence there are incentives avoid detection wherever possible.
- The use of second homes, as well as primary homes, may and often does change during the year. The terms 'holiday home' or 'second home' refer to how a dwelling is *used* at any one time rather than being a fixed and enduring characteristic of the dwelling.
 - Dwellings that are vacant do not at that time actually *have* a 'tenure' or 'use': those attributes may be allocated to them for official purposes on the basis of an understanding of what the tenure and/or use *were* or may be, but both tenure and use can change with a change of ownership.
 - In the case of new dwellings that have never been occupied, it is impossible to know in advance whether they will be purchased for use as a primary residence by owner-occupiers, purchased by investors to let to

- tenants or simply to ‘buy to leave’ in anticipation of future capital gains², or purchased for use as second homes.
- This particular issue raises problems for official classifications of dwelling tenure and/or use and is typically imputed or ignored.

This paper explores evidence from two recent surveys of the ownership of dwellings for leisure and other non-commercial purposes and compares the findings to other published data on the topic, especially from the SEH and the AHURI National Research venture 2: 21st Century Housing Careers and Australia’s Housing Futures (Beer et al 2007). The provisional results of the 2005/06 SEH estimated that around 592,000 English households owned second homes, representing about 3% of all English households. It also indicated that ownership of overseas second homes had increased much faster than within Britain: from 91,000 in 1994/5 to 235,000 in 2005/06³, especially in Spain and France. The most relevant previous Australian housing survey estimated that 2.4% of Australian households owned ‘holiday homes’ (Beer, and Faulkner, 2007; Beer, Faulkner and Cutler 2007).

Methodology: using the AuSSA and NISRA omnibus surveys

The primary methodology for this paper is descriptive analysis of findings from two surveys conducted respectively in NI and Australia: with modules inserted by the researchers into (a) an omnibus survey conducted by the NI Statistics and Research Agency (NISRA) and (b) the 2007 Australian Survey of Social Attitudes (AuSSA). The NISRA data were collected as part of a wider research project on second homes in NI which also included surveys of second home owners within three case study areas, semi-structured interviews with key respondents in the case study areas, as well as other historical commentary and secondary data analysis (Paris, 2007a).

Omnibus surveys conducted by NISRA and AuSSA involve large samples of the general public who provide attitude and behavioural data on a range of topics (e.g., leisure, crime, religion, etc.). In general, a basic quality of good omnibus surveys is that they support the generalisability of sample statistics to a population. In this sense, things like random sampling and high response rates are key means to obtaining a representative sample of the general public. Of course, where omnibus surveys are concerned, there is a tendency for single-person households to be over-represented relative to the population. While any member of a household can participate in an omnibus survey, only one individual per household can take part. Therefore, weighting procedures are sometimes necessary when analysing omnibus data because sampling can favour individuals who live in small households over those residing in larger households.

Other strengths of omnibus surveys are that they speak to issues of general concern within the population and are usually replicated to provide insight into the temporal dynamics of particular issues. Although a number of survey questions are repeated each time the questionnaire is administered, other questions might appear on only one of the

² This category of investment purchase may well have disappeared as a result of the credit crunch!

³ Preliminary results from the 2005/06 SEH to 235,000 by 2006.

occasions when the survey is undertaken. This is because both the NISRA and AuSSA surveys enable other researchers to include questions on an issue related to one of the topics covered in the questionnaire. To include additional questions in these surveys researchers must pay a fee, and limit the number of questions in order to keep the administration time of the questionnaire within acceptable limits.

Omnibus surveys offer ‘finger-on-the-pulse’ social statistics that can be monitored over time and readily generalised to a whole population. This is true for even characteristics relating to a small proportion of a population such as those individuals who own one or more additional residences. Such surveys also represent a relatively inexpensive way of gathering basic data about a population. But, while they may be cost-effective, there is usually little capacity within omnibus surveys to generate data to support model development and testing. For researchers who wish to go beyond obtaining data on an issue to support simple distribution and correlation analysis, more expensive ‘single-issue’ survey methods would be preferred. Nonetheless, in new and developing areas of research it might make sense to first explore the distribution of an issue (i.e., does the issue exist and how extensive is it within the population?) prior to seeking funds to address more nuanced questions.

Findings: the survey results and multiple residential ownership

The NI omnibus survey results

The NI omnibus module on second homes had to be inserted into the January and April 2007 surveys in order to obtain a sufficiently large number of respondents to enable generalisations at the NI level. The total response to the January and April omnibus surveys combined was 2,360 within which a total of around 90 households then owned a second home or homes, with another 90 likely to buy a second home during the next two years. The cell sizes were too small to allow statistically reliable disaggregated analysis, though the findings indicate possible interpretations and further lines of enquiry. The findings were sufficiently robust to provide estimates of levels of second home ownership overall by NI households, where the second homes were located, the likely future growth in overall second home ownership and where this might occur (Paris, 2008a).

Table 1 shows the levels of second home ownership within NI indicated in the omnibus survey. Overall, around 4% of households owned second homes and a further 4% were considering purchasing second homes. Of those who currently own second homes, around a quarter, representing about one percent of all NI households, was considering buying others. This proportion was consistent with the findings of case study surveys of second home owners in NI, around 30% of who were contemplating additional second home purchases (Paris, 2008a). Around 1% of all households in the omnibus survey did not yet own second homes but were seeking actively to buy and another 3% of households said that they were likely to buy a second home over the next couple of years.

<i>Whether own second home &/or considering purchase in next two years</i>	<i>%</i>
Currently own second home or homes	3
Currently own & considering buying another 1 or more	1
Do not own but actively seeking to buy	1
Do not own but likely to buy next two years	3
Do not own & not currently considering buying one	92

Source: NISRA NI Omnibus Survey January & April 2007

These findings were used as a basis for an indicative estimate of the level of second home ownership by NI households, including dwellings within *and* outside of NI. NISRA 2002-based household projections for 2006 and 2007 provided a basis for estimating that there were around 672,000 households in NI between January and April 2007. On that basis, Table 2 shows the approximate levels of second home ownership and probability of purchasing second homes by NI households. The table suggests that around 27,000 households in NI owned second homes, including 7,000 who were considering further purchases. As some of these are likely to own more than one second home (see below), then a ball-park estimate of the number of second homes owned by NI households would be about 30,000. Including current second home owners considering further purchases, Table 2 also suggests that around 33,000 NI households considered that they were likely to purchase second homes during the next couple of years.

<i>Whether own second home &/or considering purchase in next two years</i>	<u>Number</u>	<u>%</u>
Currently own second home or homes	20,200	3
Currently own & considering buying another 1 or more	6,700	1
Do not own but actively seeking to buy	6,700	1
Do not own but likely to buy next two years	20,200	3
Do not own & not currently considering buying one	618,200	92
Total NI households	672,000	100

Source: NISRA NI Omnibus Survey January & April 2007

These findings suggest that the total number of existing second home owners may be *much* larger than previous estimates. A ‘first estimate’ of 5,000 NI second homes in 2001 had been based on the 2001 census and Northern Ireland House Condition Survey (NIHCS). This was only for second homes located in NI, rather than all second homes owned by NI households, many of which are outside the jurisdiction (Paris, 2007). More recently, the 2008 NIHCS has estimated that there were around 8,000 second homes in NI, though it is recognised that sample size and sampling method may have resulted in an under-estimation and representation of some second homes as ‘vacant dwellings’. Although the cell sizes were too small to generate statistically reliable estimates, responses to the omnibus survey indicated that most second homes owned by NI

households were within NI (about 18-20,000) but that significant minorities were owned within the Republic of Ireland (around 4,000) the UK (about 2000) and the rest in various other countries (around 5,000 houses).

The omnibus survey sought to identify where NI households may be likely to purchase second homes over the next two years. The cell sizes of responses were too small to make too much of these extrapolations, but for indicative purposes suggested a significant shift towards overseas second home ownership, with around 17,000 *within* NI, around 6,000 in other UK countries and the Republic of Ireland, and 10-11,000 in other countries.

The omnibus survey estimate of 3-4% of NI households owning second homes in 2007 was broadly consistent with the estimated level of second home ownership indicated in the SEH of around 3% of English households owning second homes, as was the pattern of ownership within the jurisdiction and elsewhere. The perceived likelihood of a shift more towards overseas second home ownership was also consistent with the English data.

The AuSSA survey results

The AuSSA responses overall indicated that just over 19% of respondents owned at least one additional residence (AR) as well as their primary home. About 3% of those households said that the most or second most important reason for acquiring AR was to have a holiday home or weekend cottage. These proportions are similar to the findings of Beer and Faulkner (2007): 21 percent of their respondents owned ARs either for rental or for their own use as holiday homes, with an estimated 2.4% of all households owning holiday homes.

Around two-thirds of those who had at least one AR just owned the one; another fifth owned two, 8% owned three ARs while a small minority (6%) had four or more ARs (Table 3).

Table 3 Ownership of additional residences in Australia	
<i>Expressed as a percentage of all those owning additional residences</i>	
1 additional residence	65
2 additional residences	21
3 additional residences	8
4< additional residences	6
Valid n: 474	
Source: AuSSA 2007	

Table 4 shows that there was a high level of outright ownership of primary ARs (PARs), with almost half being owned outright (46%). About half were mortgaged, almost evenly split between those that were or were not negatively geared; there were a few other

financial arrangements. Table 5 shows that fewer secondary ARs (SARs) were owned outright with a larger proportion being mortgaged and negatively geared: this is consistent with many of these being purchased for investment purposes rather than as holiday homes.

Table 4 Ownership status of primary additional residences in Australia	
<i>Expressed as a percentage of all primary additional residences</i>	
Owned outright	46
Mortgaged & negatively geared	25
Mortgaged but not negatively geared	23
Other financial arrangement	6
Valid n: 512	
Source: AuSSA 2007	

Table 5 Ownership status of secondary additional residences in Australia	
<i>Expressed as a percentage of all secondary additional residences</i>	
Owned outright	35
Mortgaged & negatively geared	45
Mortgaged but not negatively geared	16
Other financial arrangement	4
Valid n: 512	
Source: AuSSA 2007	

Table 6 shows the most important reason (MIR) and second most important reason (SMIR) for acquiring ARs. Although some data are missing due to non-response or poorly recorded responses, the table indicates a pattern that is consistent with Beer and Faulkner (2007): most acquired ARs for investment purposes but a significant minority did so for holiday homes/weekend cottages. Smaller proportions cited acquiring ARs for future retirement or pieds-a-terre (apartment in the city): these proportions are very similar to the distribution of reasons for acquiring ARs for non-commercial purposes in the SHE and the NI case study surveys of second home owners (Paris, 2008a).

One possible hypothesis was that people who were primarily interested in investment would be less likely to be interested in holiday homes or purchase for future retirement. There was some evidence of this in that respondents who stated an investment motive as their MIR said something other than retirement as their SMIR, although this association was reasonably weak ($\rho = 0.12, p < .05$). There was no significant association between investment MIR and leisure SMIR.

	% MIR	% SMIR
Holiday home or weekend cottage	13	8
To have a retirement home	6	13
'Pieds-a-terre'*	3	7
Investment properties**	67	54
Other	11	18

Notes: * combines responses 'for times when I am working away from my primary residence' and 'to have somewhere to live away from my primary residence'; ** combines responses 'to have an investment that returns rent' and 'to have a negatively geared investment'.

Valid n: 433 MIR, 295 SMIR
Source: AuSSA 2007

Table 7 shows the income distribution of respondent households and distinguishes between those that own one or more ARs and all other households. The table shows that there was a high correlation between household income and ownership of ARs. The average household income of those with ARs was between \$1,000 and \$1,999 whereas the average income of all others was between \$700 and \$999. This is consistent with evidence from Beer and Faulkner (2007) as well as the clear evidence of higher income groups were strongly represented among second home owners in both England, based on SEH data, and in NI based on the omnibus survey data and the surveys of second home owners in case studies (Paris, 2008a).

Weekly household income Aus\$	No AR	Have ARs	All	All with AR
< 999	959	108	1,087	10
1,000-1,999	560	154	714	22
2,000-3,499	382	151	533	28
3,500<	96	80	176	45
Valid no.	1,997	493	2,510	100

Source: AuSSA 2007

Table 8 shows the extent of outright ownership of different types of primary ARs. This suggests that there are significant differences in ownership status between categories of PARs. There was a high level of outright ownership of holiday homes and pieds-a-terre, both around 60% with around 50% of those properties acquired for future retirement also being owned outright. These proportions are similar or slightly higher than the level of outright ownership of second homes in the NI research findings. There was a much lower proportion of outright ownership among investment properties and 'other' categories: both around 38-40%. This was to be expected in investment properties as, by definition, negative gearing is not possible in cases of outright ownership. Thus of all the properties that were mortgaged and negatively geared, the highest concentration was in investment properties. Also, there was an above average concentration in properties

purchased for future retirement. Those dwellings that were mortgaged but not negatively geared were more concentrated in ‘other’ and very low in ‘future retirement’ categories: These findings are all entirely consistent with the literature on housing career planning and lifetime investment and consumption strategies (Paris, 2008b).

PARs	<i>Expressed as % in each category</i>				<i>Total</i>
	<i>Own outright</i>	<i>Mortgaged & neg. gear</i>	<i>Mortgaged not neg. geared</i>	<i>Other</i>	
Holiday homes	61	13	21	5	77
Future retirement	52	30	13	6	64
Pieds-a-terre	60	13	23	3	30
Investment properties	38	34	24	4	442
Other	40	22	30	8	105
<i>Total</i>	45	27	23	55	718

Source: AuSSA 2007

It was decided to test for differences between those households which were primarily owners of holiday homes and those who appeared to be primarily involved as investors. Table 9 shows the social class distribution of those households with PARs, distinguishing between holiday homes and other PARs. The class status was self-selected by survey respondents and the working definition here of holiday homes is those cases where respondents gave ‘holiday home or weekend cottage’ as the most important reason (MIR) for acquiring an AR. This table shows clearly that there were differences between *all* owners of PARs, who were heavily concentrated in ‘upper’ and ‘upper middle’ classes, and all others. However, there was *no* demonstrable difference in terms of social class between those households with holiday homes and other categories of PAR. Furthermore, when MIR and second most important reason (SMIR) were examined separately, there was still no significant difference between holiday home owners and other owners of PARs.

PARs	<i>Expressed as % in each category</i>				<i>Total</i>
	<i>Upper/upper middle</i>	<i>Lower middle</i>	<i>Working</i>	<i>None/Other</i>	
Holiday homes**	57	28	9	6	79
Other PARs***	53	25	18	4	422
No ARs	29	31	31	8	2,125
<i>Total</i>	34	30	28	8	
<i>Valid no.</i>	888	794	747	197	2,626

Note: * respondents’ self definition; ** gave ‘holiday home’ as MIR for PAR; *** all other PARs
Source: AuSSA 2007

Further tests were carried out to assess whether there were any significant differences between holiday home owners and other owners of PARs in terms of educational attainment or household incomes: it was found that there were *no* significant differences between the two groups. In all of these socio-economic dimensions, therefore, there were *no* significant differences between holiday home owners and other owners of PARs. The main differences were between all owners of PARs and the majority of respondents who did not own ARs. This suggests that the ownership of holiday homes is distributed in a very similar fashion to the ownership of any ARs, so there was no evidence of a significant element of lower income or social class holiday home owners. This is consistent with the view that the phase of ‘vernacular’ development of holiday homes in Australia may have ended and that they are increasingly provided on purely market terms to higher income households (Paris, 2008b). However, it was found that on average holiday home owners were 8 years older than other owners of other PARs. As with the distribution of the patterns of ownership, in various combinations of outright, mortgaged and with or without negative gearing, these findings in terms of socio-economic and demographic variables are consistent with the literature on housing career planning and lifetime investment and consumption strategies (Paris, 2008b).

Finally, the distribution of household types by ownership status of PARs was analysed and the results are shown in Table 10. This table shows that holiday home owners were highly concentrated among households without children, whether couples or other household types without children, and that they were significantly under-represented among single person and sole parent households.

PARs	<i>Expressed as % in each category</i>					<i>Total</i>
	<i>Single person</i>	<i>1 adult & 1 < child</i>	<i>Couples</i>	<i>Couples & 1 < child</i>	<i>Others</i>	
Holiday homes*	4	1	47	25	32	811
Other PARs**	7	1	38	31	23	432
No ARs	14	2	39	19	26	2,126
<i>All households</i>	<i>13</i>	<i>2</i>	<i>39</i>	<i>21</i>	<i>26</i>	
<i>Valid no.</i>	<i>388</i>	<i>49</i>	<i>1,034</i>	<i>545</i>	<i>673</i>	<i>2,639</i>

Note: * gave ‘holiday home’ as MIR for PAR; ** all other PARs
Source: AuSSA 2007

The cell sizes within the sample did not permit much meaningful disaggregated analysis by States and Territories or on an urban-rural basis, though combining capital and other metro categories and comparing with non-metro did show that respondents in the former were more likely to cite holiday homes as the MIR for acquiring ARs.

A logistic regression model was developed from the AuSSA data as a means of understanding individuals whose second homes were acquired for leisure reasons (either MIR or SMIR) versus owners with other types of motives. The variables in the regression model included the following: annual household income, use of free time to

relax and recover, nights spent away from home for holidays or social visits during the previous year, social class, and age (see Table 11). Of these variables, the age of respondents and their frequency of using their free time for relaxation were statistically significant.

Variables	<i>B</i>	<i>S.E.</i>	<i>Wald</i>	<i>df</i>	<i>Sig.</i>	<i>Exp(B)</i>
Gender ^b	.450	.332	1.835	1	.176	1.568
Age	.057	.014	16.732	1	.000	1.059
Social Class	-.370	.247	2.252	1	.133	.691
Income	-.129	.067	3.715	1	.054	.879
Uses Free Time to Relax ^c	.392	.182	4.627	1	.031	1.480
Nights Away from Home ^d	.188	.108	3.030	1	.082	1.207
Constant	112.330	27.243	17.001	1	.000	6.088E+048

^a $\chi^2(df) = 3.38(8) p = 0.91$; $-2 \log L = 253.86$; Cox & Snell $R^2 = 0.16$; Nagelkerke $R^2 = 0.23$
^b Males = 1; females = 2.
^c Measured on a 5-point scale: 'never' (1); 'seldom' (2); 'sometimes' (3); 'often' (4); 'very often' (5).
^d Measured on a 5-point scale: 'I was not away' (1); '1-5 nights' (2); '6-10 nights' (3); '11-20 nights' (4); '21-30 nights' (5); 'more than 30 nights' (5).

Specifically, a one-year increase in age increased by 5.9% the chance that the second home was acquired for leisure purposes. Furthermore, a one-scale-point increase in the frequency of relaxing during free time saw an increase of 48% in the likelihood of being in the group of respondents who indicated that their second homes were obtained for leisure. Alternatively, reversing the relationship between these variables, it might also be said that owners of holiday homes were more likely to use their free time for relaxation.

The fit statistics indicated that the variables in the model were a significant improvement on the null model. The pseudo *R*-square statistics indicated that the model accounted for 16% and 23% of the variance in the dependent variable. On the strength of the model, it was possible to accurately classify 76.1% of cases in the analysis. However, the model correctly classified only 21 (30.4%) of the 69 holiday home owners in the analysis. The model was therefore better in predicting respondents who had attained their second home for reasons other than holidaying.

The analysis of the AuSSA data was less straightforward than the NISRA data set as it could not be designed so specifically with regard to holiday homes, as other users were involved in question design. A desirable next step in the better understanding of the drivers of second home ownership would be a more specifically targeted survey or module within a survey. Overall, however, there was clear evidence of consistency with other relevant Australian research, especially Beer and Faulkner (2007) as well as many similarities and parallels with the NI situation analysed above.

Issues and implications for State and local governments in Australia

As we noted at the outset multiple *forms* of mobility have become the norm for a substantial minority of citizens of affluent countries (Urry, 2007). The data from the NISRA and AuSSA surveys show that in NI and Australia this mobility is significant, for particular groups of people for investment and leisure purposes at different stage of the life course. This has implications for public policy across a wide range of services and goes to the core of provision of services across the United Kingdom and in equity and fairness in the distribution of federal taxation revenues across state and local government in Australia. This also has service level implications across all communities.

While the data from the AuSSA survey tell us that around 3% of Australian households also own second homes we know that the proportion of second home ownership across local government areas is highly variable (see McKenzie et al, 2008). Herein lays an important policy issue that is not readily acknowledged by the system of intergovernmental transfers in the Australian federation. It also impacts service level planning in NI. In Australia the impacts are at both state and local government level services. For example, for older, more affluent individuals with multiple additional residences they are have both a second home out of the metropolitan area for largely holiday use and also have a foothold in the city through apartment ownership. These residences allow them to be located in the city when they, for example, may require health care not available where they have their non-metropolitan retirement home. Such access is not available to the less mobile citizen living with but one residence in a non-metropolitan area. The next phase of this research would be to look at a particular service, and health care would be a good example accessed more by older people living in semi retirement in non-metro areas, for example.

Funds from federal government revenue sharing to local government is significant in rural (often coastal with holiday homes) councils who use these funds for infrastructure development and maintenance. As we have noted elsewhere (McKenzie et al, 2008) the allocation to local governments are based on per capita criteria from census data where the second (holiday) home is counted as vacant. This can also apply in reverse where the city apartment is also counted as vacant, with both measures distorting the actual use and demand for services in each place.

The data from NI and AuSSA also show that there are two primary groups at work in the second homes market; people who invest and own outright places for retirement and leisure opportunities, and those people who acquire second homes for investment purposes. While we can assume that the latter will be occupied with renters who require local services – and have the right to access though the rent and taxes they pay – the second home for largely holiday purposes and the city apartment for ease of access are largely vacant, at least when the primary residence is not occupied, which is when the funding for the provision of local services can be distorted under the current revenue sharing arrangements, as we noted for both state and local governments.

We do not believe increasing population mobility around the ownership and access of second or additional residences is adequately recognized in the fiscal policies of developed nations. This is the case in NI and Australia. Clearly the luxury of multiple residence ownership is for those relatively well off who are able to make the outright investment such that they can choose the location that best suits their life stage needs. Further research around mobility and service access, most likely in health care, will provide a clearer picture of more equitable fiscal policy.

Conclusions

This paper shows that there appear to be many similarities in the incidence of second home ownership in NI and Australia, with around 3% of households in both cases owning holiday homes. Second home owners in both cases are affluent households, many of whom own their holiday homes outright. Holiday home owners in Australia appear to be very similar in socio-economic and demographic terms with other owners of ARs, except that holiday home owners appear to be on average slightly older. These findings help to establish a good bench-mark for future work on this topic.

The Australian data does not provide evidence relating to anticipated future purchase of holiday homes. The NI case showed clearly that there was a strong expectation of additional purchase of second homes and that this would be likely increasingly to be overseas. An addendum to Paris (2008a), written in July 2008 after the main report had been submitted, considered some of the implications of the recent dramatic housing market down-turn for second home ownership. It was suggested that there were no reasons to change most of the conclusions to the main report, but that the actual behaviour of respondents may well differ from that which they had anticipated in early 2007, in the light of the changed circumstances of mid-2008. Much depends on the outworking of the present situation. However, it is clearly the case that many second home owners have few if any debts and a significant minority of other households, at least, retain a very strong position from which to 'snap- up bargains' over the next year or so (Paris, 2008a). Much remains uncertain during a period of economic turbulence which appears to be more dramatic than anything for the last 70-80 years. Bring back Kondratieff, all is forgiven"

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