

# COVID-19 and the flight to second homes

**Nick Gallent** looks at how flight from the cities to second homes has been a common response to the COVID-19 crisis, and at how this shines a new light on the problems of concentrated second-home ownership



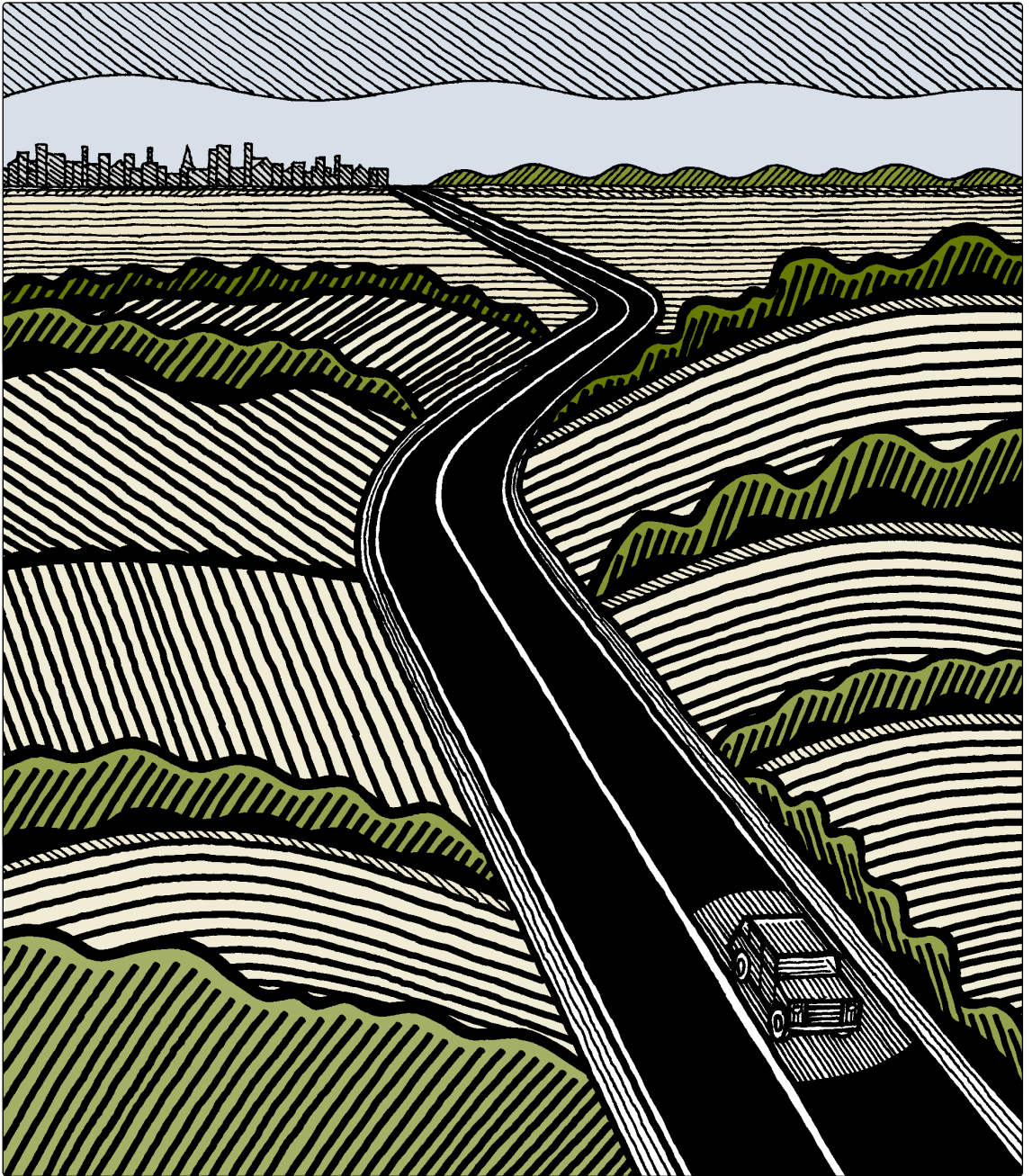
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**Among those that have them, flights to rural second homes have been a common response to the COVID-19 epidemic**

The flight from cities to rural and coastal second homes – and the consequent risk to communities and infrastructure – has become a defining image of the 2020 coronavirus crisis.<sup>1</sup> This urban to rural exodus has numerous drivers. First, while homeownership rates in the UK (and elsewhere) have fallen in recent years, a significant and growing minority of households – roughly a fifth in the UK<sup>2</sup> – now own multiple properties. Second, cities have been densifying, and the prospect of spending months cooped up in a small apartment with no outdoor space will have driven many people into the country: the wealthier ones to their second homes, and

others in hired campervans or to rented houses. And third, people may well have thought that flight to the country offered the best chance of effective ‘social distancing’ – but too many had the same idea.

Within 24 hours of Boris Johnson closing pubs, restaurants and other places of regular social gathering, Snowdonia reported its busiest day on record. Static and mobile caravan parks were also seeing numbers usually reserved for bank holidays and the height of the summer season, prompting Welsh politicians to call for immediate action.<sup>3</sup> In Scotland, clusters of campervans appeared in many Highland beauty spots, triggering the same reaction.



Clifford Harper

The government's call to self-isolate was interpreted by many as a signal to head to the hills.

The UK's urban exodus has been repeated around the world. Within a day of the Italian lockdown, 11,000 mainland residents arrived by plane or ferry in Sardinia. Many headed to popular second-home hotspots, distributed around the north and south-west coasts. Early pleas by the Sardinian authorities to close the ferry and airports went unheeded, just as they did in Wales and Scotland. It appears that finding refuge in second homes at a time of crisis is

an accepted liberty – owners pay local taxes after all, so have as much right to be there as anyone else; or so the argument goes.

These flights to second homes were reported around the world throughout March 2020. In the US, a number of Jersey Shore towns saw influxes of seasonal residents. The dilemma was the same: these taxpayers had a right to decamp to second homes, but would likely 'overwhelm local medical facilities' should there be a COVID-19 outbreak. In Long Beach, a letter to residents and property-

owners asked people with second homes to stay where they primarily live: 'local health care and other emergency services are not equipped to handle a mass influx of demand which will likely overwhelm the system'. Restricting access to those homes did not, at first, seem possible; instead, local officials appealed for 'common sense and compassion'.

The story was repeated on Long Island. In response to a local resident's call to 'blow up the bridges' to halt the influx, a second-home owner posted on Facebook: 'people who own second homes on Long Beach Island have just as much right to use their properties as the 'real' residents of the island [...] As for calling vacation home owners *bennies* [...] I'd say the real *bennies* are the local residents who *benefit* from us paying full property taxes while not getting the benefit of the school system and basically only using local services (like garbage collection) for three months out of the year.'<sup>4</sup>

Other US sources have reported wealthy New Yorkers heading to exclusive locations all over the country: enquiries to private medical providers ('Where can I acquire my own ventilator?', 'Can I set up a private intensive care unit in my home in Aspen?') have also soared. Back in the UK, Snowdonia and the Scottish Highlands have not been the only exodus destinations: the *East Anglian Daily Times* reported an influx of Londoners to the Sussex Coast, stripping the shelves of local shops and increasing the risk of infection to the elderly populations of many villages.<sup>5</sup> A very similar challenge was faced in Cumbria,<sup>6</sup> where authorities issued a plea for these out-of-season holiday-makers to go home.

In Spain, authorities stepped up surveillance and prevented people from travelling to second homes in Majorca – which was possible by 20 March under the lockdown imposed by the Spanish government.<sup>7</sup> Others have been heading to the countryside en masse from cities, including Madrid and Barcelona: 'It's a little bit selfish, isn't it, for city people to flee here?' said one resident. 'We don't have the kind of health services here they have in Barcelona.'<sup>8</sup> In France, Parisians have headed to the provinces.<sup>9</sup>

In Greece, the islands have been a preferred escape destination, not only for Greek nationals but also for other Europeans who own second homes on the islands. Commenting on this, Prime Minister Kyriakos Mitsotakis noted that the 'virus does not have borders. The smaller the island is where it is believed they will be safe, the more difficult if not impossible it will be to treat the people who get sick.'<sup>10</sup> In Belgium, such 'non-essential' journeys to second homes were quickly prevented,<sup>11</sup> but in most countries notice of lockdowns has been given (providing the time needed to pack up and head out of the city) or, as the global threat has spread, second-home owners have been prompted to head to rural or coastal locations before restrictions on travel were implemented.

Many countries were at first loath to curb such basic liberties, relying rather on a hope that common sense prevails.

There are many other reports of this rural exodus from around the world. When cities – massive concentrations of population and gateways to global flows of people – become afflicted, the response of many wealthier residents is to take refuge away from their urban neighbours.

## **'Once the present danger has passed, and other priorities addressed, we will need to look at the second-home issue again'**

One of the problems of concentrated second-home ownership has always been the seasonal pressure put on local services: roads clog, water supplies can be overwhelmed, and it can be impossible to find a convenient parking space or a table at a decent restaurant. But relatively mild inconveniences have now given way to far more serious pressures: rural doctors and hospitals are not equipped to deal with the unfolding crisis and people – second-home owners and local residents – could die. Early research in the US has suggested that rural counties with higher concentrations of 'seasonal homes' have already seen higher COVID-19 infection rates.<sup>12</sup> Communities are being placed under huge pressure, with second-home owners bringing heightened stress and anxiety.

More draconian restrictions on movement in the UK and elsewhere may well have moderated or stemmed the flow. But this crisis for rural communities, which regularly lack the services and facilities available in cities, has brought the second-home issue into sharp relief. Once the present danger has passed, and other priorities addressed, we will need to look at the second-home issue again. Do second-home owners have the same rights as full-time residents? What is their claim on local services, and do the benefits they bring outweigh impacts on schools, housing availability, and key facilities? These are old questions but they might need new answers.

A few years ago, many local authorities in the UK scrapped the council tax discount on second homes, levying the full charge as a way of costing the 'impact' of these often-empty homes on rural communities. But owners (at least those not listing their properties as holiday lets and avoiding council tax altogether) were still being charged formally, through the local tax system, for *services* rather than impact. No wonder then that second-home owners exercise their right to those services and feel justified in doing so. But even those *Telegraph* readers who pay no

council tax, choosing instead to list their properties as holiday lets (available for rent for a minimum of 140 days each year, even if they are never let out),<sup>13</sup> seem happy to exercise that same right.

Second homes do deliver local benefit, especially where communities had been losing population before their arrival. They introduce a support to local housing markets and also spending in local shops, cafés, and restaurants. Tourism spending is undeniably important for rural communities. But second homes also bring negative impact, never as acute as during the coronavirus crisis, but that impact is nevertheless always there, pushing up housing costs and displacing full-time residents who could otherwise provide footfall for local services all year round.

Council tax is an area that needs to be looked at again. It might be fair to concede that second-home owners should only pay for local services when they are resident. But they should *also* be levied a regular 'impact' or consumption charge that is unrelated to the use of those services. Council tax in the UK is a composite service charge and land tax, hypothecated from property values and reflected in the A-H bands. For second-home owners the two should be uncoupled – a service charge calibrated to actual use of services, plus a land tax linked to assessed property value, which can be presented as an impact charge (this happens in Italy, for example: a service charge for collecting rubbish, etc., and IMU – *imposta municipale unica* – on land/property owned, which is higher for homes not permanently lived in).

A possible starting point for the latter would be 2% of value (a bit higher than the Italian IMU for second homes), levied annually, with all revenues collected by, and for the direct use of, the local authority. This might represent a big cost increase for many owners, but one which could easily be recouped from Airbnb lettings or avoided completely in those years where homes are let out full-time to local residents, on assured shorthold tenancies (either way, the local area benefits – from extra revenue or an extra home available for rent). The aim of this approach? The efficient use of rural housing (or any housing, anywhere), direct payment for services used, and recompense for those communities impacted by concentrations of second homes that are unused for much of the year, but heap pressure on local services during the high season.

There is perhaps little prospect of such a policy gaining much support. Second-home owners now have an 80-seat majority in the UK parliament. And once normality resumes, government will surely look to support the 'operation of the housing market' (code for the upward trajectory of house prices) through interventions that support rather than curb demand. But there is at least a chance that the current crisis, and insane images of urban flight,

may shift public opinion against the inefficient use of the nation's housing resource and in favour of a fair deal for rural communities.

● **Nick Gallent** is Professor of Housing and Planning at the Bartlett School of Planning, University College London. The views expressed are personal.

## Notes

- 1 About 15 years ago, I set up a 'Google alert' for 'second homes'. For much of that period, the alert has supplied me with updates on real estate prices and community conflicts from around the world. But over the last month, the focus has been the exodus to second homes. Some of these alerts are drawn on here
- 2 Drawing on CML data and Resolution Foundation figures, it can be estimated that one-fifth of households in England are multiple-property owners, with that property comprising a mix of second homes and buy to let investments – see N Gallent: *Whose Housing Crisis?* Policy Press, 2019, p126
- 3 W Humphries, C Wace and C O'Neill: 'Rural communities fear influx from coronavirus-stricken cities'. *The Times*, 20 Mar. 2020. [www.thetimes.co.uk/edition/news/rural-communities-fear-influx-from-coronavirus-stricken-cities-8fft3c05d](http://www.thetimes.co.uk/edition/news/rural-communities-fear-influx-from-coronavirus-stricken-cities-8fft3c05d)
- 4 D Alexander: 'Jersey Shore asks Bennies, Shoobies to stay at home for COVID-19'. *Jersey 101.5*, 21 Mar. 2020. <https://nj1015.com/jersey-shore-asks-bennies-shoobies-to-stay-home-for-covid-19/>
- 5 M Earth: 'Fears visitors from London could speed virus spread'. *East Anglian Daily Times*, 19 Mar. 2020. [www.eadt.co.uk/news/southwold-and-aldeburgh-second-homeowners-coronavirus-1-6570078](http://www.eadt.co.uk/news/southwold-and-aldeburgh-second-homeowners-coronavirus-1-6570078)
- 6 S Smedley: 'Cumbria police plead with people to take coronavirus seriously'. *Times & Star*, 21 Mar. 2020. [www.timesandstar.co.uk/news/18321554.cumbria-police-plead-people-take-coronavirus-seriously/](http://www.timesandstar.co.uk/news/18321554.cumbria-police-plead-people-take-coronavirus-seriously/)
- 7 S Sas: 'Police set up surveillance'. *Majorca Daily Bulletin*, 20 Mar. 2020. [www.majorcadailybulletin.com/news/local/2020/03/20/64393/police-step-surveillance-majorca.html](http://www.majorcadailybulletin.com/news/local/2020/03/20/64393/police-step-surveillance-majorca.html)
- 8 'Spaniards flee cities; countryside fears coronavirus'. *WLRN*, 20 Mar. 2020. [www.wlrn.org/post/spaniards-flee-cities-countryside-fears-coronavirus#stream/0](http://www.wlrn.org/post/spaniards-flee-cities-countryside-fears-coronavirus#stream/0)
- 9 J Irish and M Blamont: 'Paris hospitals brace for coronavirus peak in April: doctors'. *Yahoo! News*, 20 Mar. 2020. <https://uk.news.yahoo.com/paris-hospitals-brace-coronavirus-peak-184643452.html>
- 10 'Coronavirus: Greece to halt fleeing to islands'. *ANSamed*, 20 Mar. 2020. [www.ansamed.info/ansamed/en/news/sections/politics/2020/03/20/coronavirus-greece-to-halt-fleeing-to-islands\\_85279201-6c5e-44b6-8664-306b44b47f2a.html](http://www.ansamed.info/ansamed/en/news/sections/politics/2020/03/20/coronavirus-greece-to-halt-fleeing-to-islands_85279201-6c5e-44b6-8664-306b44b47f2a.html)
- 11 'Belgian borders shut to non-essential travel'. *Medical Xpress*, 20 Mar. 2020. <https://medicalxpress.com/news/2020-03-belgian-borders-non-essential.html>
- 12 'Rural counties with many seasonal homes see more coronavirus, study say'. *Bangor Daily News*, 16 Apr. 2020. <https://bangordailynews.com/2020/04/16/news/state/rural-counties-with-many-seasonal-homes-see-more-coronavirus-study-says/>
- 13 S Barker: 'How to pay no council tax on your second home – saving thousands of pounds a year'. *The Telegraph*, 31 Jul. 2019. [www.telegraph.co.uk/money/consumer-affairs/pay-no-council-tax-second-home-saving-thousands-pounds-year/](http://www.telegraph.co.uk/money/consumer-affairs/pay-no-council-tax-second-home-saving-thousands-pounds-year/)