



EXECUTIVE SUMMARY

Low-use homes in rural and coastal areas of the UK: Geography, impact and responses

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Introduction

- We set out to understand the extent and impacts of low-use homes across ‘blue-green’ areas of England, Wales, Scotland and Northern Ireland. Many rural and coastal areas have high proportions of low-use homes, which interact with pressures such as tourism and seasonal economies.
- We define ‘low-use homes’ as any residential property without a permanent resident. This includes long-term vacant properties as well as second homes, which may be rented out occasionally as short-term lets.
- Low-use properties are on the rise. Census 2021 recorded 1.5 million unoccupied dwellings just in England.

Findings: low-use homes in rural and coastal areas

Mapping

- Local authorities with higher overall proportions of low-use property can be found in parts of Wales, the South West of England and East Anglia, and Argyll & Bute and the Outer Hebrides in Scotland (see figures on following pages).
- Our mapping pinpointed areas (Lower Super Output Areas, areas with 1,000-3,000 people) with particularly high concentrations of low-use homes inside local authority areas; this level of detail can be particularly useful for policy and planning.
- Mapping also revealed ‘Ghost enclaves’ – places where at least 25% of properties are low-use. Local authorities with significant numbers of ghost enclaves are – Cornwall, Dorset, Gwynedd, Argyll and Bute, North Norfolk, Scarborough.
- Maps at the end of this summary show local authorities which contain ‘ghost enclaves’ containing 25% or more low-use properties.
- Many authorities in rural and coastal areas contain areas where 1 in 20 homes (5%) or more are low-use. Full details can be found here: <https://figshare.com/s/52019a9bfb60978ecd70>

Housing affordability and accessibility

- Most interviewees felt there was a clear connection between low-use homes taking properties off the market which was significantly contributing to housing issues and the loss of permanent residents.
- Second homes were often seen to increase housing prices as it was usually wealthier buyers from outside the area able to afford them. At the same time, low-use homes remove properties from the market that might be used as permanent residences:

“You're not competing like for like, you're competing against property developers, investment buyers, cash buyers as well. It's not an easy market to buy into. There really won't be anything in the town for first-time buyers...” (Resident, Northern Ireland)

Local economy and services

- The proliferation of low-use properties is impacting many local economies, as well as the ability to provide services in rural and coastal areas, where tourism is often a key pillar of the local economy.
- The retention of hospitality and NHS staff in some blue/green areas is another notable challenge. Despite a high need for such staff, there is a shortage of long-term affordable housing to house them. This often means reduced hours or closure of businesses and key services — even with sustained tourist demand.
- In some places, school enrolment has fallen severely, and some schools have closed.
- Some interviewees feared a domino effect of services and business closures, meaning that affected areas become even less attractive and sustainable for long-term residents.
- Many interviewees emphasised that there needs to be a better balance between providing housing and services for permanent residents and catering to short-term visitors, who are important for tourism, for example:

“this tension is very evident in some places, and this is not just about people on the frontline, like councillors, I mean this is the ordinary population, who cannot get a GP appointment or can’t get some kind of public service because they’re short staffed and it’s well known, locally, that the reason they’re short staffed is because they can’t attract people and the reason they can’t attract people is because people can’t afford to live there.” (Campaigner, Scotland)

Sense of place and community cohesion

- Some participants felt that communities were being ‘hollowed out’ by the heightened presence of low-use homes and the loss of permanent residents.
- In particularly impacted areas some participants reported heightened cases of loneliness and isolation, especially among elderly residents, due to the lack of long-term neighbours:

“People [of the town] are leaving of their own volition and saying, “Well, it just isn’t a community. There’s not enough people here anymore”. You walk down the street, and you don’t see anybody anymore. You don’t go to pubs because they’re all filled with tourists at the weekends and there’s nobody there during the week. Once people stop going to the pubs, then everyone stops going to the pubs, don’t they? That’s what a lot of these communities are based on.” (Local councillor, England)

Recommendations

1. Fairer taxation regimes for second homes

- Local authorities can increase council tax on empty and second homes and ringfence revenues to go towards bringing homes back into use, or to improve affordable housing provision.
- This must be done in line with a review of nondomestic rates criteria to ensure owners do not avoid tax by qualifying for business rates and then apply for business rates relief (which currently costs the government millions).
- National governments may increase stamp duty on second home purchases to further disincentivise the purchase of second homes.
- We also recommend a major taxation reform to enable local authorities to collect stamp duty, to raise further funding for local housing projects.

2. Use planning classifications to prevent the loss of primary residential homes

- All national legislatures should designate separate planning use classes for primary residences, second homes and short-term lets, as is already the case in Wales.
- National legislation should reverse the automatic granting of permitted development rights allowing homes to be moved out of primary residential use (in England and Wales). Councils across the UK should have the power to limit planning permissions if deemed necessary, and not have to justify 'opting in' to regulate residential use.
- Local authorities should require planning permission for any change of use that takes a home out of primary residential use.
- Planning permission should be required for whole-home short-term lets.

3. Licensing to regulate short-term lets

- Local authorities should require all short-term lets (whether whole homes, or rooms in a home), to obtain a licence. This would enable local councils to enforce health and safety regulations, impose restrictions on the overall number of holiday lets, and protect the stock of primary residences.
- Licences should be required even for personal properties let under the 90-day limit, to ensure councils have full knowledge of short-term lettings in their area.
- A licensing scheme should be self-funded with revenues from registration costs, which should be set at a level that provides enough to maintain an effective inspection and compliance regime which is particularly important for whole-home lets.

4. Engaging corporate lender responsibility

- Responsible lenders could use live council tax data to identify local areas with high concentrations of low-use properties (e.g. 5% or more) and stop lending where it is applied for

in relation to additional homes or mortgages sought for holiday lets and investment properties. Leeds Building Society has already announced a trial ban on holiday let mortgages for parts of North Yorkshire and North Norfolk.

5. Improving data on home ownership and usage

- A national mandatory comprehensive register of all whole-home short-term lets is needed - the long-term view should be building towards a transparent UK-wide register of property ownership and usage, using Unique Property Reference Numbers which already exist across the UK. Such a register would enable a thorough assessment of the scale and concentration of low-use homes so that local or national actors could take action when necessary.

6. Making more homes available for affordable housing

- Bring long-term empty properties back into use by reinstating and/or building on existing national Empty Homes programmes, which enable councils to bring empty homes back into use.
- Offer capital gains tax relief to encourage owners to sell into social use. While England recently announced the reduction of some capital gains tax, capital gains could be reduced to zero if owners sell to a local authority or housing association.
- National governments could limit local authorities' granting of planning permission for private housebuilding until local targets for reducing housing need and increased access to social housing are met.
- Right to Buy must be abolished in England and Northern Ireland, as it has been in Scotland and Wales, to preserve existing social housing stock and to prevent private stock from flipping to short-term lets and second homes in areas needing affordable housing.

7. Addressing regional inequalities and boosting local economies

- Regional policy must address regional inequalities and grant more planning powers to ensure more economic freedom at a local level.
- The German federal model is an example to look to, where national policy's regional economic impacts are required to be assessed and 'levelled', or compensated in the context of a constitutional commitment to reducing inequalities between regions.

The geography of low-use properties

Figures 1, 2 and 3 provide maps showing the percentage of low-use property for each data-returning local authority in England, Wales and Scotland. We can see that local authorities with higher overall proportions of low-use property can be found in parts of Wales, the South West of England and East Anglia, and Argyll & Bute and the Outer Hebrides in Scotland. The national maps are calibrated to show equal decile splits for the sake of comparison—higher concentrations of low-use properties are thus hidden at the national level.

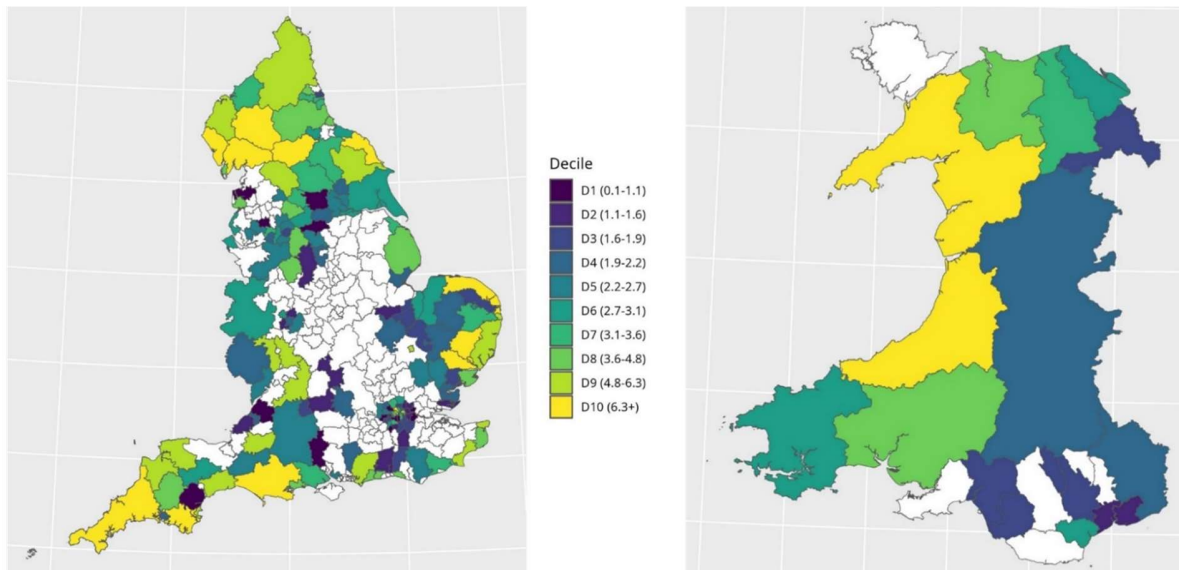


Figure 1: England and Wales, deciles (percentage) of low-use dwellings in each local authority returning data

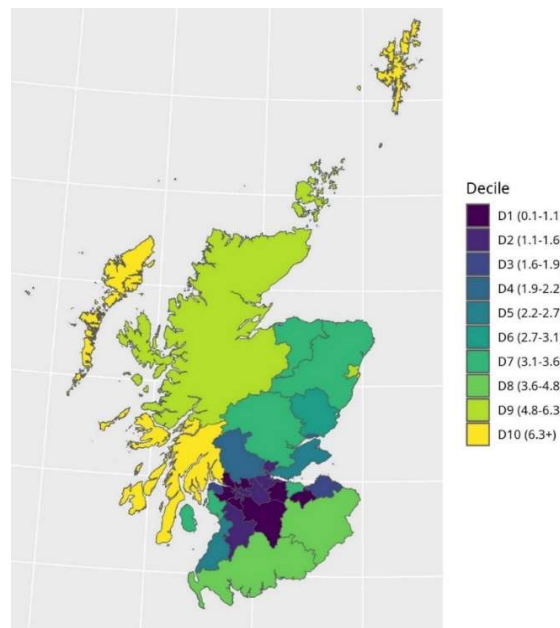


Figure 2: Scotland, deciles (percentage) of low-use dwellings in each local authority

While the national maps can point to local authorities with higher overall proportions of low-use properties, we now turn to the Lower Super Output Area (LSOA) level, which offers a more granular perspective of concentrations of LUPs *within* local authorities. These maps are useful to pinpoint areas with particularly high concentrations of LUPs. These maps are calibrated by the range, or extent, of low-use properties at the LSOA level, demonstrating the scale of low-use property inside local authority areas. Here we see that the highest decile in Gwynedd, Wales represents LSOAs with over 20% low-use homes. In Highland, Scotland the highest decile represents over 12.% low-use homes and in South Hams, England it is over 22%.

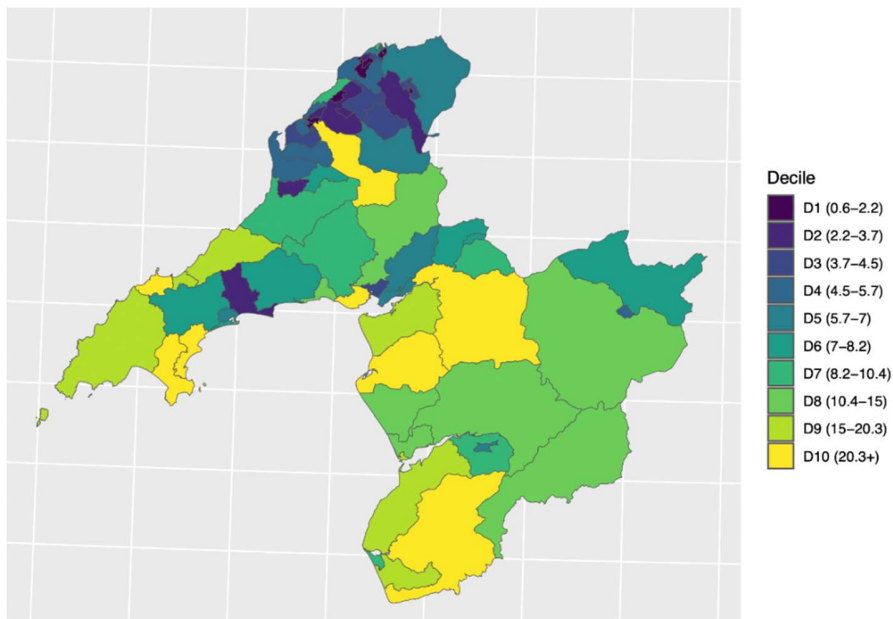


Figure 3: Low-use dwellings as a percentage of all dwellings for each LSOA in Gwynedd, Wales

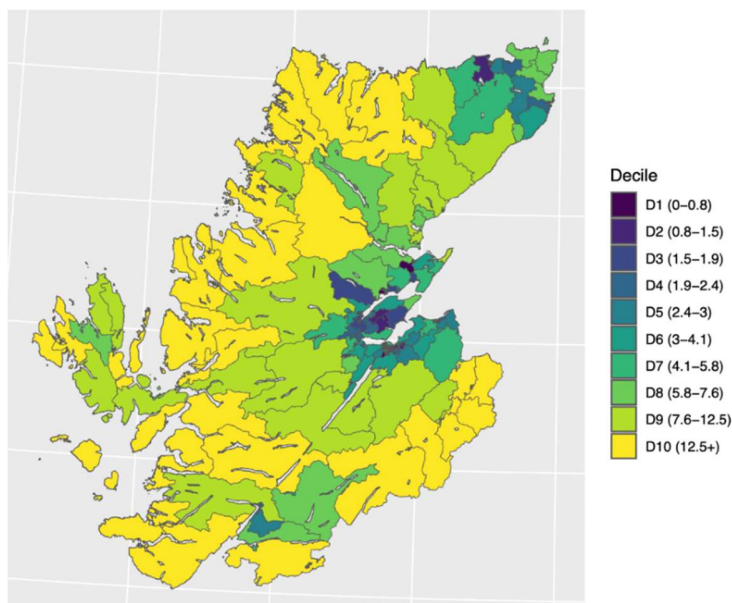


Figure 4: Low-use dwellings as a percentage of all dwellings for each LSOA in Highland, Scotland

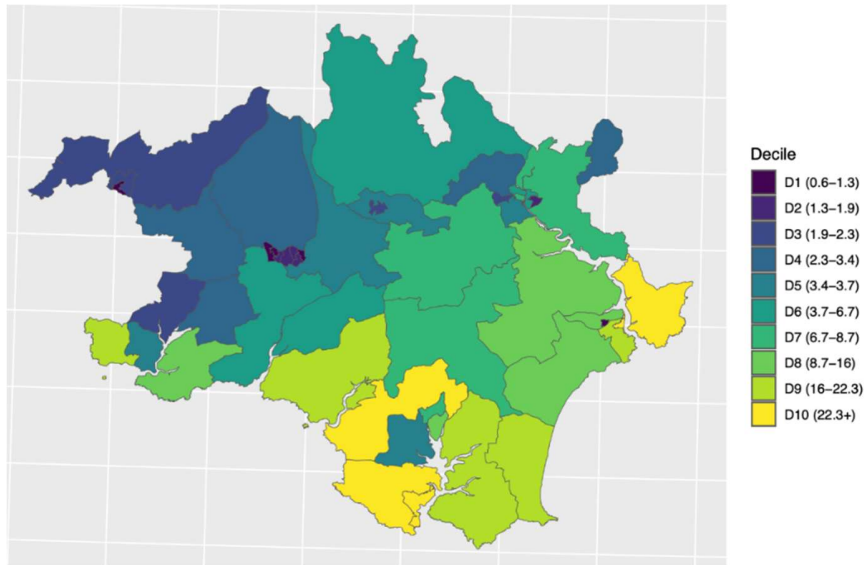


Figure 5: Low-use dwellings as a percentage of all dwellings for each LSOA in South Hams, England

We also identified LSOAs that constitute ‘ghost enclaves’, where at least 25% of properties are low-use. The below map of the UK highlights in blue local authorities which contain ‘ghost enclave’ LSOAs.

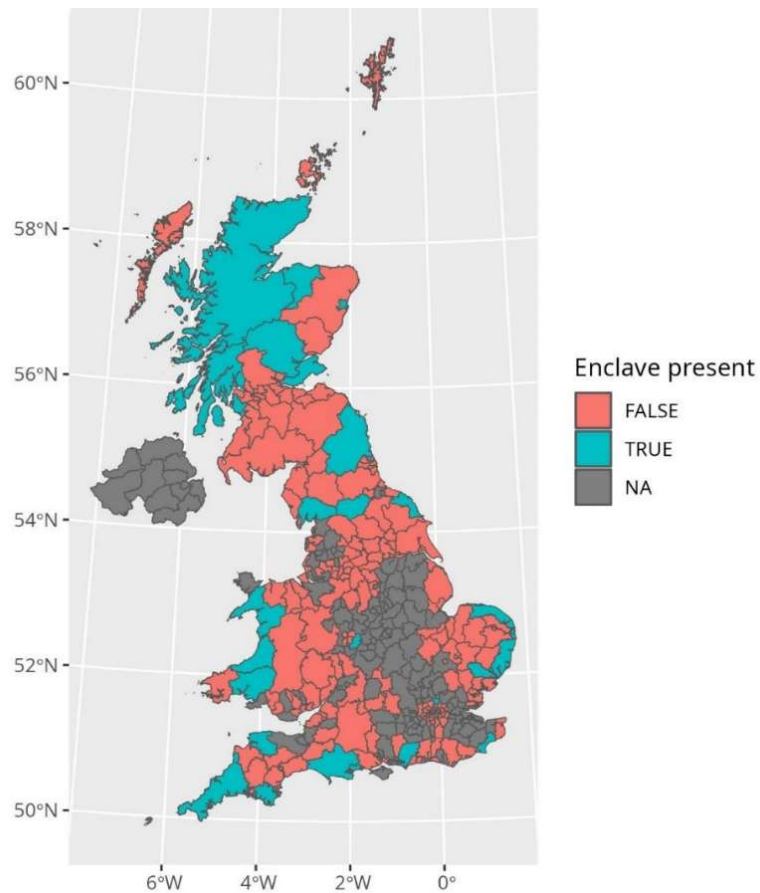


Figure 6: UK local authorities containing ‘ghost enclaves’ (LSOAs with 25%+ low-use property)

Our approach

- We used council tax records of long-term empty and second homes to map the extent of these low-use properties at the level of Lower Super Output Area (LSOA) to show granular concentrations of low-use properties within local authority areas. Records were obtained through freedom of information requests in England and Wales and are publicly available in Scotland. See our data depository with all maps here: <https://figshare.com/s/52019a9bfb60978ecd70>
- We conducted interviews with 66 participants across the four countries, including with planners, councillors, policy specialists, campaigners and the representatives of local communities, and also conducted four field visits. These aimed to understand the drivers and impacts of low-use properties as well as what can be done in the policy sphere to address the issue in rural and coastal areas.

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abrdrn Financial Fairness Trust funds research, policy work and campaigning activities to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable trust registered in Scotland (SC040877).