



# SECOND HOMES AND HOLIDAY LETS

TOWN COUNCIL MEETING

REPORT 83/21

11 OCTOBER 2021

The purpose of this Report is to focus on the significant housing shortages in the town resulting in the growth of second homes and holiday lets.

## NO. DETAILS

### 1) BACKGROUND

- a) Members recent development of a response to the consultation on the Draft Island Planning Strategy highlighted concerns about the current levels and continuing growth of the change of properties to second homes and the change of use to holiday lets.
- b) Although it was acknowledged that these are not planning matters, it became clear from Member's knowledge of the town of the threat to the town by the resultant loss of homes for local residents in general and affordable homes in particular.
- c) Although the Draft Planning Strategy commits the Isle of Wight Council to deliver 35% of new builds as affordable homes Members were clear that without restrictions on the growing purchase of homes by Mainland residents as a second home and the larger profits available to landlords from ending normal tenancies to achieve a change of use to holiday homes those targets would not be achieved.

### 2) PREVIOUS STUDIES

- a) The *Isle of Wight Council's Housing Need Assessment* of April 2018 carried out by GL Hearn found: 'In 2011 there were just over 6,500 vacant and second homes (no usual residents, Census 2011, QS417UK) on the Island (equivalent to 9.7% of the dwelling stock). This level was significantly higher than the regional (4.0%) and national (4.3%) averages.' [p. 3.61].
- b) In its section on Ventnor it notes: 'holiday/second homes is the main driver of the housing market. Conversely there is a large supply of flats area however these are again not too popular. There is also a distinct lack of one bedroom properties.' [p. 3.122]
- c) It continues: 'Holiday homes have a specific requirement in the area of a minimum of two bedroom houses. The area's high demand for holiday/second homes comes from mainlanders purchasing property in the area. A local agent estimated that between 60-70% of properties purchased in the area are by those looking for holiday/second homes from the mainland.' [p. 3.123]
- d) Phase 1 of *Housing Delivery on the Isle of Wight*, a study by Portsmouth University delivered on 30 August 2019, stated: For every 1,000 usual residents on the Isle of Wight, 48 people from outside the area have a second home on the Island. This is the largest proportion for any Unitary Authority in the South East, and is the joint 18th highest in England, similar to North Dorset and East Devon.
- e) However, most telling is that 48% of these are for holiday homes, and only 4% for work, compared to the national average of 11% and 12%.
- f) The proportion of non-residents with second homes on the Isle of Wight specifically for holidays was the joint ninth highest in England, similar to the Cotswolds and greater than Cornwall. This is equivalent to 3,177 people from outside the local area with holiday homes on the Island.
- g) The Isle of Wight Council's *Draft Housing Strategy 2020-25* makes only one reference to second homes: 'The Island also has a high level of second home ownership at around one in six homes, which has the effect of inflating prices and adding to the "affordability" issue.' [5 4]

### 3) RESPONSES

- a) Responses to this issue from Members during the Working Group's discussion of the Planning Strategy identified a range of measures the Isle of Wight Council could introduce to mitigate

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developments that carry an existential threat for local communities and businesses.

- b) For example, one Member listed policies that have been deployed in other local authorities including: Minimum rental period (60 days+), a separate council tax band, registration fees, health, fire and safety regime, a business licence, limit to spare rooms with rentals only if hosts are full-time residents, location limits with restriction to only some postcodes and restrictive covenants on all new builds.

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#### 4) **RECOMMENDATION**

The Town Council is recommended to ask the Isle of Wight Council to:

- i) use every legal change possible in relation to the ownership of second homes and change of use to holiday lets to mitigate the current level of growth in both areas; and
  - ii) provide the Island's Town and Parish Councils with statistics for the number of homes in their area that are either second homes or registered as holiday lets on a quarterly basis to enable them to monitor local changes in both.
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