



Northumberland
County Council

Northumberland Local Plan
Draft Plan for Regulation 18 Consultation

Second and Holiday Homes Technical Paper

July 2018

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1. Introduction

- 1.1 The purpose of this paper is to provide an evidence base for Policy HOU8 (4) in the Northumberland Local Plan, which requires all new dwellings in areas with a high level of second homes to be restricted so that they are the primary residence of occupiers. This paper examines the level of second and holiday homes across Northumberland using a range of data sources, and considers how these levels compare with other parts of the country with a large proportion of second homes, and the affordability of housing in areas with a high level of second homes.

2 Planning & Housing Context

- 2.1 Policy HOU8 (4) of the Northumberland Local Plan – Draft Plan for Regulation 18 Consultation requires that:

‘New dwellings within parishes identified in the latest Census with 20% or more household spaces with no usual residents will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a ‘principal residence’. This restriction will be secured through a section 106 agreement’.

- 2.2 The policy is proposed in response to the number, and increase in the number of second and holiday homes in parts of Northumberland. While second and holiday homes can bring financial benefits to areas by the way of local spending by holiday makers, the lack of year round, and or permanent occupancy means that some settlements are beginning to lose a sense of community, and risk the loss of critical services. Where services remain, they are sometimes scaled back to reflect the size of the local population but then come under increasing pressure during the summer months as the population increases significantly.
- 2.3 One of the areas with a particular prevalence of second and holiday homes is the north Northumberland coast. In response to the situation there, the North Northumberland Coastal Area Neighbourhood Plan¹, covering the parishes of North Sunderland, Bamburgh and Beadnell introduced a policy to restrict new dwellings to be only occupied as a principal residence. While the Neighbourhood Plan will form part of the statutory development for these parishes, there are other parishes along the coast, and in other parts of the county which have a significant number of second and holiday homes. The policy is proposed to provide a similar level of protection to these communities.

¹ The Neighbourhood Plan passed referendum in May 2018 and is expected to be ‘made’ by the Council in July 2018.

3 Identifying the scale of second and holiday homes

3.1 In this section, an attempt is made to identify the scale of second and holiday home ownership across the county. Data is drawn from a range of sources, principally the Census, Council Tax and Business Rates. As will be identified, each data set on its own has its limitations.

Census Data

3.2 Both the 2001 and 2011 Census' identify the number of household spaces (dwellings) with and without residents. The 2001 Census distinguished which household spaces without residents were 'vacant household spaces' and which were 'second residence/holiday accommodation'. Unfortunately the 2011 Census did not make this distinction. However, through analysis across both data sets, some conclusions can be drawn.

3.3 The 2001 Census identified that in a number of parishes, the proportion of second and holiday homes was significant, with nearly half of dwellings in Beadnell identified as such. While the 'ranking' of parishes differs a little between those with the highest proportion of second and holiday homes, and those with household spaces without residents, there is a general correlation between the two data sets.

Table 1: Second homes and household spaces without residents (Census 2001)

	% dwellings as 2nd/holiday accom	% household spaces with no residents
Beadnell	48.3%	52.7%
Bamburgh	35.9%	41.5%
Newton-by-the-Sea	34.6%	38.9%
Holy Island	34.2%	39.7%
Adderstone with Lucker	26.0%	31.7%
Akeld	24.1%	25.9%
Easington	23.8%	29.8%
Craster	23.4%	26.2%
Kirknewton	19.7%	26.3%
Ingram	18.3%	22.0%
Alnmouth	18.2%	20.1%
Hauxley	18.2%	21.5%
Embleton	17.6%	19.1%
North Sunderland	16.8%	21.3%

Middleton	16.3%	27.9%
Cartington	16.1%	21.4%
Harbottle	14.8%	21.5%
Ellingham	14.4%	22.2%
Alwinton	14.3%	28.6%
Roddam	14.0%	16.3%
Glanton	13.5%	20.3%
Edlingham	13.2%	17.6%

- 3.4 When the proportion of household spaces without residents in the two Censuses is compared, most parishes show an increase (shown in red in Table 2). Increases are observed in those parishes which exhibited the higher proportions in 2001. Increases of more than 10% are observed in some areas.

Table 2: Change in the proportion of household spaces with no residents from 2001 to 2011

	% hhold spaces with no residents 2001 Census ²	% hhold spaces with no residents 2011 Census	Change 2001-11
Beadnell	52.7%	55.3%	2.6%
Bamburgh	41.5%	47.1%	5.6%
Holy Island	39.7%	41.1%	1.4%
Newton-by-the-Sea	38.9%	46.4%	7.5%
Adderstone with Lucker	31.7%	29.1%	-2.6%
Easington	29.8%	44.5%	14.7%
Alwinton	28.6%	26.7%	-1.9%
Middleton	27.9%	37.9%	10.0%
Kirknewton	26.3%	31.6%	5.3%
Craster	26.2%	39.2%	13.0%
Akeld	25.9%	31.6%	5.7%
Ewart	25.0%	19.4%	-5.6%
Kilham	24.7%	25.9%	1.2%
Chillingham	23.5%	23.5%	0.0%
Ellingham	22.2%	21.2%	-1.0%
Ingram	22.0%	30.4%	8.4%
Hauxley	21.5%	16.6%	-4.9%

² Ranked in order of prevalence in 2001 Census

Harbottle	21.5%	18.7%	-2.8%
Cartington	21.4%	18.2%	-3.2%
North Sunderland	21.3%	29.0%	7.7%
Ilderton	20.8%	22.7%	1.9%
Glanton	20.3%	16.6%	-3.7%
Alnmouth	20.1%	35.1%	15.0%
Doddington	19.5%	35.9%	16.4%
Embleton	19.1%	26.7%	7.6%
Kyloe	19.0%	25.1%	6.1%
Chatton	18.5%	18.9%	0.4%

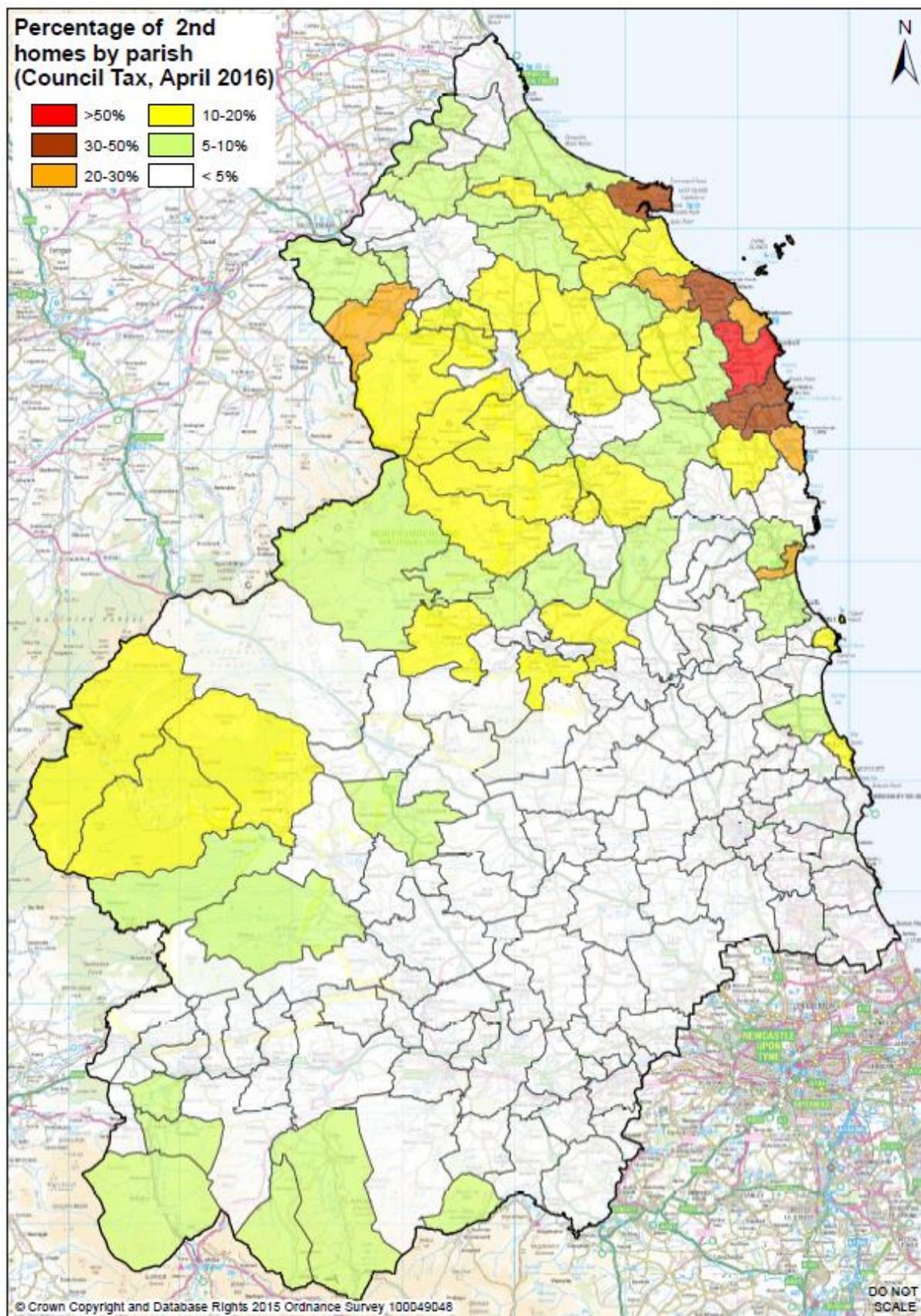
Council Tax and Business Rates Data

- 3.5 In order to specifically identify second homes, data from the Council Tax file has been examined. If a holiday home is available to let to other people for less than 140 days per year, council tax is payable.
- 3.6 Since 1 April 2013, the 10% discount that was previously available for second homes was removed. Therefore in some ways, the incentive for home owners to identify their property as a second home has been reduced which may have the effect of under reporting or underestimating the number of second homes. However, an empty homes premium is now charged on properties which have been unoccupied and substantially unfurnished for more than two years. In these circumstances, there would be an incentive to identify a second home so the under estimation may be reduced.
- 3.7 The proportion of second homes in each parish is presented on Figure 1. This emphasises the particular issue along the north Northumberland coast.

Table 3: Second homes identified in Council Tax record April 2016 by parish

Parish	No of 2nd homes	% of 2nd homes
Beadnell	298	51.3%
Holy Island	54	39.4%
Bamburgh	122	35.7%
Newton by the Sea	47	34.8%
Embleton	145	30.3%
Easington	29	29.9%
Craster	55	28.4%
Alnmouth	72	22.1%
North Sunderland	277	22.0%
Kilham	16	20.8%
Chillingham	8	19.5%
Adderstone with Lucker	26	19.0%
Kielder	22	18.6%
Kirknewton	13	18.1%
Earle	6	17.6%
Hauxley	20	15.7%
Whitton & Tossen	18	14.4%
Doddington	11	14.1%
Middleton	9	14.1%
Glanton	19	13.7%
Tarset	15	13.6%
Ingram	11	13.4%
Falstone	17	12.6%
Ilderton	5	12.5%
Akeld	6	12.2%
Kyloe	21	11.9%
Alnham	6	11.8%
Ewart	6	11.5%
Harbottle	16	11.3%
Cresswell	13	11.2%
Rennington	18	10.7%
Hedgeley	20	10.2%

Figure 1: Percentage of Council Tax registered dwellings identified as second homes. (April 2016)



Holiday Lets

3.8 While Council Tax data identifies second homes, business tax information is used to identify properties which are let as holiday homes for longer periods or more often. Business rates are payable if a property is available to let for 140 days or more per year. Properties cannot be registered for Council Tax and Business rates, so the number of holiday lets is addition to those identified as second homes. However, homes often change from Council Tax to Business Rates and visa-versa.

Table 4: Holiday Homes identified from Business Rates July 2016 by parish

Parish	No of holiday homes
Beadnell	175
North Sunderland	144
Bamburgh	105
Newton by the Sea	73
Embleton	67
Warkworth	65
Alnwick	63
Alnmouth	58
Berwick upon Tweed	45
Craster	42
Adderstone with Lucker	40
Amble by the Sea	39
Akeld	38
Slaley	35
Easington	31
Kyloe	31
Ellingham	30
Belford	28
Lesbury	28
Middleton	27
Rothbury	27
Longhoughton	26
Chatton	25
Holy Island	25

Bringing the data sets together

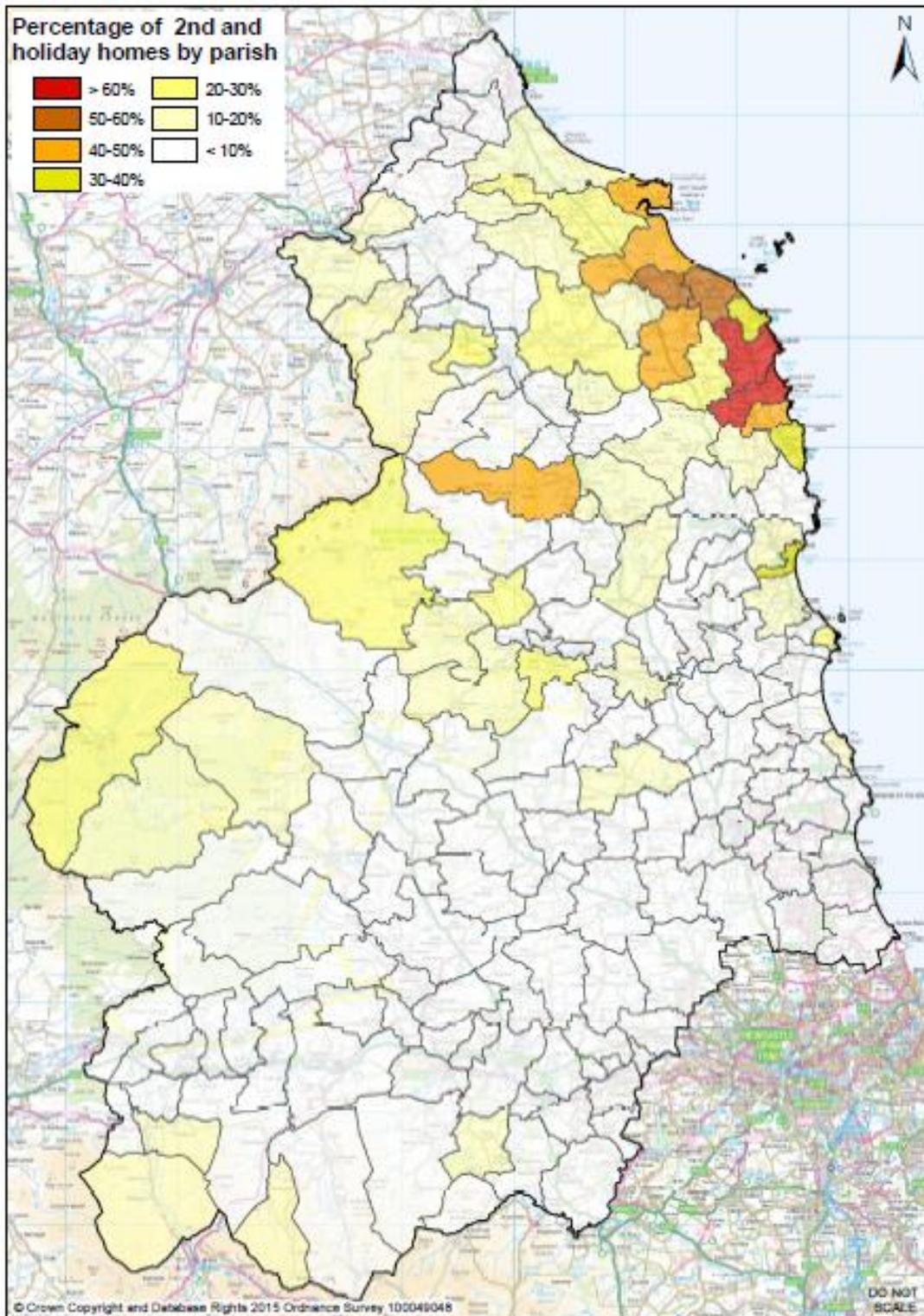
- 3.9 Given the limitations of some of the individual data sets, and the fact that the Census data is somewhat dated, an attempt is made to bring the data sets together to get a better overall picture of the scale of second and holiday homes across Northumberland.
- 3.10 The number of second and holiday homes identified by Council Tax and Business Rates has been calculated as a percentage of the number of household spaces in the 2011 Census. Given that the number of household spaces is likely to have increased since 2011, the below figure may slightly overstate in some areas the proportion of second and holiday homes, but it does provide an indication of the overall scale of the situation.

Table 5: % of household spaces (Census 2011) identified as second homes or holiday lets (Council Tax and Business rates)

Parish	No. of second and holiday homes as % of hhold spaces
Beadnell	67.5%
Newton by the Sea	61.2%
Bamburgh	54.0%
Easington	50.4%
Embleton	49.2%
Holy Island	47.0%
Adderstone with Lucker	44.6%
Ingram	44.3%
Middleton	41.4%
Craster	39.6%
Alnmouth	38.3%
North Sunderland	31.4%
Ellingham	25.9%
Alwinton	25.7%
Akeld	25.7%
Chatton	25.5%
Whitton & Tossen	24.5%
Kyloe	24.2%
Kielder	23.2%
Netherton	21.3%
Hauxley	20.0%
Falstone	18.2%

3.11 Combining these data sets indicates that in four parishes, more than 50% of dwellings are second or holiday homes, while many others have more than 20% of dwellings in this form.

Figure 2: % of household spaces (Census 2011) identified as 2nd homes or holiday lets (Council Tax and Business rates)



4 Affordability in areas of high second and holiday home ownership

- 4.1 One consequence of there being pressure for second and holiday homes in an area, is the effect this has on the housing market. Development pressure can increase the price of homes, including in areas where incomes are relatively low. As a result new homes are not affordable to many local people. In order to establish whether properties are affordable to local people, analysis of house prices to incomes has been undertaken using data from Hometrack. Hometrack data is not collated at the parish level but is presented at postcode area.
- 4.2 Many of the higher ratios are evident in postcode areas where there is a large proportion of second and holiday homes.

Table 6: House Price to incomes affordability ratios (Hometrack July 2016)

Postcode Area	Value
NE69	15.5
NE18	12.9
NE67	11.8
NE44	11.4
NE45	10.8
NE71	10.4
NE13	10.3
NE68	10.1
NE20	9.9
NE70	9.8
NE26	9.2
TD12	8.9
NE25	8.8
NE47	8.8
NE66	8.6
NE46	8.6
TD5	8.5
NE48	8.4
NE65	8.1
NE42	8.0
NE43	7.9
NE19	7.8

Figure 3: NE postcodes of Northumberland

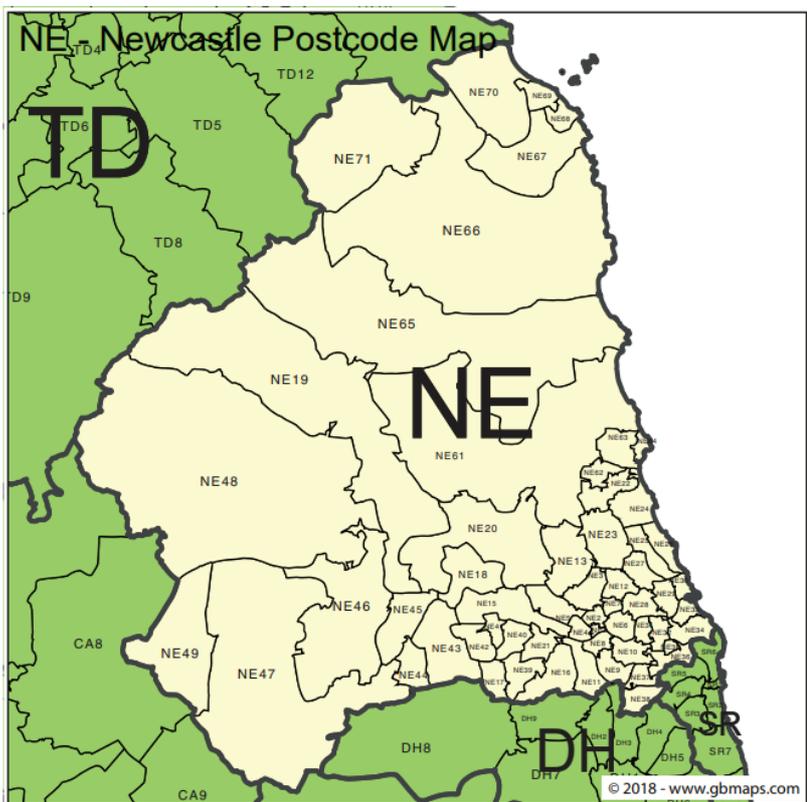
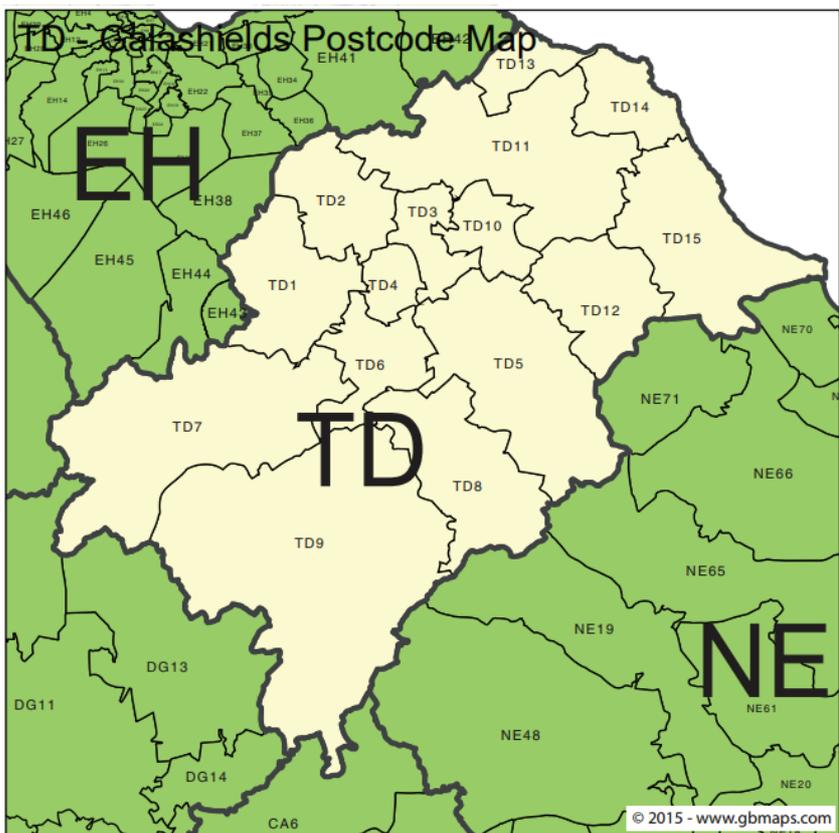


Figure 4: TD postcodes of Northumberland



5 Wider comparison of second home ownership

- 5.1 The previous tables indicate that a significant proportion of dwellings in parts of the county are second or holiday homes. In order to gain a wider picture, the level of second home ownership across other areas of the country is considered.
- 5.2 A review of second home data³ identified the local authorities with the largest percentage of second homes based on Council Tax records in 2006. This indicated that the City of London had the highest proportion of second homes at 26.1%. The former borough of Berwick-upon-Tweed in the north of Northumberland, was ranked 6th, with 9.2% of dwellings being second homes. It is noticeable that while the Borough of Berwick-upon-Tweed was ranked sixth nationally, the proportion of second homes at the district level is much less than that identified at the more local level above.

Table 7: Top ranking local authorities in terms of the percentage of second homes from Council Tax data (2006)

Ranking	Local Authority	County/Region	Proportion of Second Homes
1	City of London	London	26.1%
2	Isles of Scilly	Cornwall and the Isles of Scilly	19.5%
3	South Hams	Devon	10.1%
4	North Cornwall	Cornwall and the Isles of Scilly	9.7%
5	North Norfolk	Norfolk	9.5%
6	Berwick-upon-Tweed	Northumberland	9.2%
7	Penwith	Cornwall and the Isles of Scilly	8.0%
8	Kensington & Chelsea	London	7.8%
9	Westminster	London	7.8%
10	South Lakeland	Cumbria	7.4%

Source: Review of Second Home Data and Assessment of Effects Second Homes are Having on Rural Communities (Lake District National Park et al)

³ Review of Second Home Data and Assessment of Effects Second Homes are Having on Rural Communities (Lake District National Park et al, available at: http://www.lakedistrict.gov.uk/_data/assets/pdf_file/0005/410873/Review-of-second-home-data-and-assessment-of-effects-on-rural-communities.pdf)

- 5.3 The same study identified the level of second and holiday homes across National Parks in England. Again, using any of the datasets shown above, it is apparent that parts of Northumberland have much higher levels of second and holiday homes than these protected areas, some of which have policies in place to restrict the occupancy of new dwellings. For example, Policy 10 of the Northumberland National Park Core Strategy (March 2009) restricts, in perpetuity, all new residential development to those meeting a local need criteria, and specifically states that they will not be available as second or holiday homes.

Table 8: National parks second and holiday homes

National Park	Proportion of 2nd or holiday homes
Lake District	18%
Yorkshire Dales	15%
Exmoor	15%
Northumberland	14%
North Yorkshire Moors	12%
Peak District	4%
Dartmoor	3%
New Forest	2%

- 5.4 Given that marked variations in the level of second and holiday homes is observed between local areas within Northumberland, comparisons are presented below with parishes in the Lake District and Cornwall, two areas identified above in Tables 7 and 8 as having a large proportion of dwellings which are not in permanent occupation.
- 5.5 Data from the 2001 Census identifies that the proportion of second homes in Beadnell is far greater than that in Patterdale, the highest ranking parish in the Lake District. A number of other parishes in Northumberland shaded in yellow in Table 9 also rank highly on this list.

Table 9: Comparison with Lake District (Census 2nd homes 2001)

Parish	% Second and Holiday homes
Beadnell	48.3%
Patterdale	39.6%
Bamburgh	35.9%
Skelwith	35.6%
Newton-by-the-Sea	34.6%
Holy Island	34.2%
Hutton	33.5%
Claife	31.9%
Barton	31.1%
Lakes	29.9%
Cartmel fell	28.4%
Satterthwaite	28.3%
Trover	28.0%
Eskdale	27.6%
St Johns, castlerigg & Wythburn	26.5%
Borrowdale	26.2%
Adderstone with Lucker	26.0%
Blawith & Subberthwaite	25.6%
Above Derwent	25.1%
Dunnerdale with Seathwaite	24.7%
Akeld	24.1%
Easington	23.8%
Craster	23.4%
Underskiddaw	22.9%

- 5.6 When compared to parishes in Cornwall (Table 10 below), the first four parishes and seven of the top eight parishes are located in Northumberland and shaded in yellow. In the parish of St Ives which has included a policy to apply principal occupancy restrictions to new residential development in a neighbourhood plan, the level of second homes is similar to a number of parishes in Northumberland.

Table 10: Comparison with Cornwall (Council Tax 2009, 2016)

Parish	% Second Homes
Beadnell	51%
Holy Island	39%
Bamburgh	36%
Newton by the Sea	35%
Padstow	32%
Embleton	30%
Easington	30%
Craster	28%
St Ives	23%
Alnmouth	22%
North Sunderland	22%
Kilham	21%
Chillingham	20%
Adderstone with Lucker	19%
Fowey	19%
Kielder	19%
Kirknewton	18%
Carbis Bay	18%
Earle	18%
Hauxley	16%
Mevagissey	14%
Tintagel	13%
Looe	12%
Marazion	11%

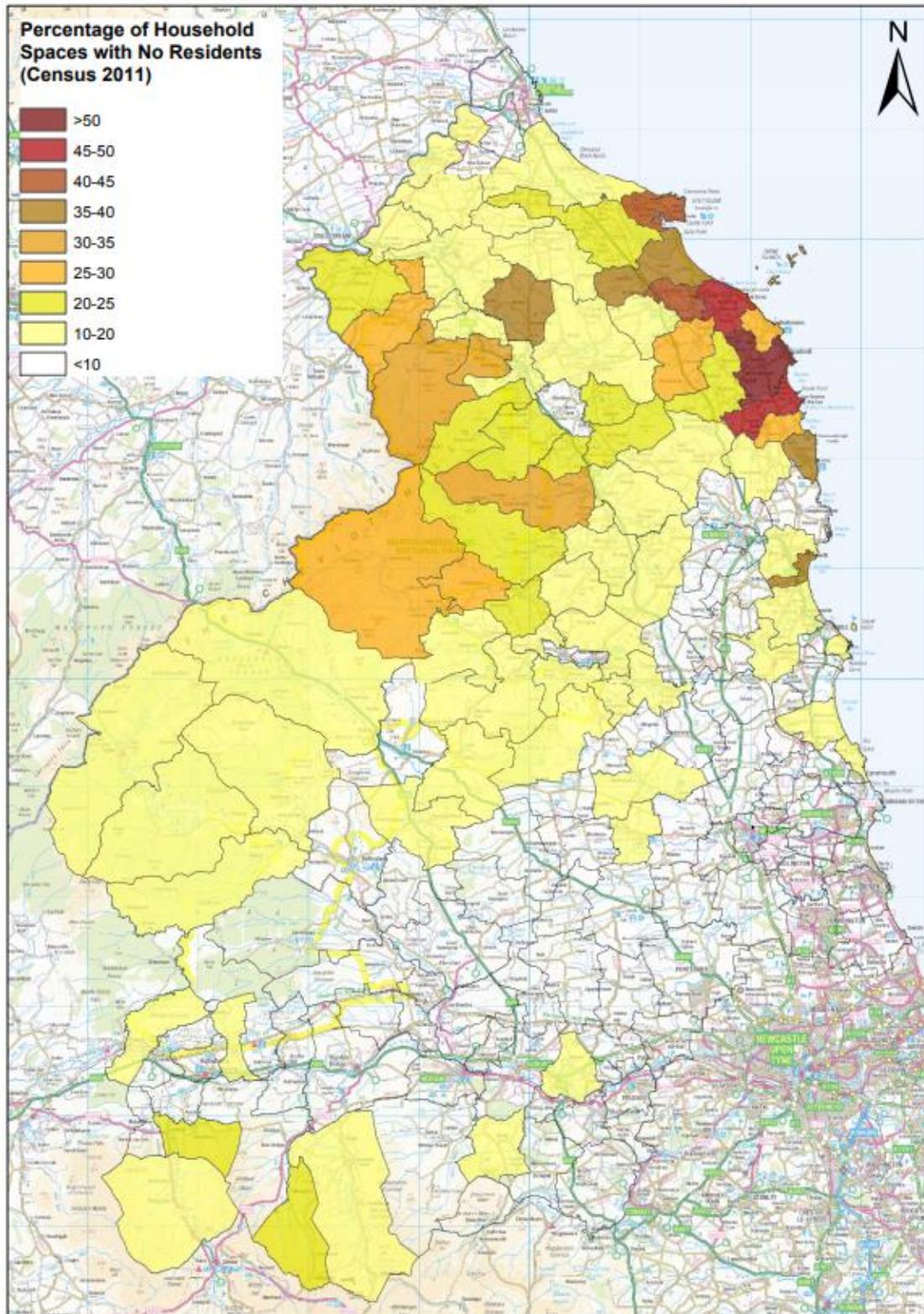
Conclusions

- 5.7 The evidence in this paper indicates that there are parts of Northumberland that have a high proportion of second and holiday homes, and that the level in some areas is comparable or greater than that in other areas of the country where policies to address the issue have been introduced. While there is no single dataset which comprehensively identifies the quantum of second and holiday homes in an area, there is a general correlation between the different data sets so second and holiday home 'hotspots' can be identified.
- 5.8 While the 2011 Census data is a little dated, its findings in terms of the percentage of household spaces is considered robust and transparent, albeit it does not distinguish between vacant and second/holiday homes. Its findings are supported by Council Tax and Business Tax data and data from the 2001 Census. While Council Tax and Business Tax data is more up to date, this is not publically available, subject to constant change, and properties move between the different taxing regimes. It is therefore concluded that the latest Census data is the most appropriate data set to support a policy approach, as this is publically available and provides a degree of certainty subject to change.
- 5.9 It is proposed that all new dwellings in parishes with 20% or more household spaces with no usual residents, will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a 'principal residence', secured by a section 106 agreement. This level is comparable with the proportion of second and holiday homes in the St Ives and the parish of North Sunderland, where neighbourhood plan policies are in place to address the issue.
- 5.10 Parishes affected by this restriction on the basis of the 2011 Census are set out in Table 11. Figure 5 shows the proportion of household spaces with no residents across the county.

Table 11: Household spaces with no residents (Census 2011)

Parish	% household spaces with no residents
Beadnell	55.3%
Bamburgh	47.1%
Newton by the Sea	46.4%
Easington	44.5%
Holy Island	41.1%
Craster	39.2%
Middleton	37.9%
Doddington	35.9%
Alnmouth	35.1%
Akeld	31.6%
Kirknewton	31.6%
Ingram	30.4%
Adderstone with Lucker	29.1%
North Sunderland	29.0%
Alwinton	26.7%
Biddlestone	26.7%
Embleton	26.7%
Kilham	25.9%
Branxton	25.9%
Kyloe	25.1%
Alnham	24.3%
Chillingham	23.5%
Bewick	23.5%
Ilderton	22.7%
Earle	22.7%
Roddam	22.7%
Carham	21.4%
Netherton	21.3%
Ellingham	21.2%
Coanwood	20.7%
West Allen	20.5%

Figure 5: Household spaces with no residents by parish (Census 2011)





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