The changing ecology of Australian second homes

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PROJECT PARTNERS:
City of Greater Bendigo • Berri Barmera Council • Gwydir Shire Council • Local Government Association of South Australia
Mount Alexander Shire Council • City of Mount Gambier • City of Moonee Valley • Randwick City Council
The Rural City of Murray Bridge • City of Playford • Sunshine Coast Council • City of Sydney • Waverley Council
South Australian shacks c 1950

Near Goolwa

Lower River Murray

By the Coorong at Nine Mile Point

By the Coorong near Goolwa
1. Overview, background & issues

- Exploring issues relating to LG and second homes in Australia
  - With questions in our survey of housing and LG in C21st Australia
  - Second homes = ‘holiday homes’
  - Relatively recent phenomenon: few HH before 1945, mainly elites

- Core concepts regarding 2nd homes (‘holiday homes’):
  - SH/HH have evolved ecologically through human interactions
  - HH = arena of interaction between housing and leisure, **blurring** distinction between markets = ‘hybrid’ forms of housing-leisure provision
  - Further fuelled by Airbnb and other short-term rental provision

- Background: my interest in changing nature of second homes
  - Paris (2011) *Affluence Mobility and Second Home Ownership* (Australian chapter: “From shacks to mansions”)
  - Research in SA on second homes and LG (Paris et al, 2014)
  - Subsequent research on the history of Australian 2nd homes
SA research project: final report

Second homes during the long boom

- Australian holiday home ownership grew strongly in 1950s and 1960s
  - Typically self-built (‘shacks’) or small houses constructed by local builders
  - Reflecting growing incomes and car ownership; often few/no services (water, power, sewerage)
  - Easy access to unsettled coastal (often ‘Crown’) land with little regulation
  - Variations between states: timing, planning, relative location and climatic variations

- Growth of research on HH in the 1960s and 1970s
  - Showed spatial impacts and coastal dimension of new ‘holiday homes places’
  - Mainly near cities or localities favoured by farming families (Southern coastal WA), some inland rivers (Murray, SA) and lakes

- Marsden (1969) typology
  1. Private: used at weekends and holidays by owners, family and friends; diverse dwelling types usually located within ‘generally acceptable recreational commuting times
  2. Intermittently commercial: mainly private use, sometimes let to others especially in high season
  3. Intermittently private: often possible future retirement, mainly let commercially, some private use
  4. Commercial: investment properties mainly managed by agents

- Most HH in early 1970s were in Marsden’s first category
- Commentators in early 70s expected growth of HH from 3% to 20% of households (Robertson, 1977)
- Some problems in measuring changing numbers of HHs after 1971:
  - Changing census definitions and data collected
  - 1971 census had numbers and locations of ‘holiday homes’, not so for recent censuses
  - Use of unoccupied dwellings as proxy for concentrations of HHs (but definitional issues: ‘private dwellings’, ‘occupied’ etc )
## Occupied & unoccupied dwellings 1971 and 2011

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- Occupied dwellings up 114%, unoccupied by 175% (from 8.7% in 71 to 10.7 in 2011)
- Unoccupied = 13% of total increase in dwellings
- Suggests significant increase in number of holiday homes, but less than expected
Australian holiday homes since the 1970s

• Growth and change in HHs driven by affluence, mobility and difference
  – SHs have gone upmarket, Increasingly ‘investments’ > family retreats
    – Vernacular forms of HHs disappearing and growth of purely commoditized investment forms
    – HH owners affluent, middle aged/older, about 6% of Australian households (in tax regime favouring investment by affluent households)
    – Exemplified by establishment of Holiday Rentals Industry Association (HRIA) and growth of Airbnb
  – Contested planning issues: multiple ‘use’ of dwellings, environmental issues

• Changed social and economic context of HHs
  – Strong population growth driven by in-migration
  – Massive metro expansion and space packing in coastal and peri-urban areas
  – Neoliberal political environment, deregulation, growing inequality
  – Home ownership falling overall, market renting growing (Flood & Baker, 2010)
  – Growth of transnational housing production, consumption and investment (overseas owners of HHs in Australia)

• Emergence of some distinctive local housing markets
  – Very few permanent residents, large expensive dwellings used as SHs and holiday rental
  – Robe as unique SA site of property speculation (history, site)

• An ageing population, mobility and amenity
  – Retirement migration to SHs less than many expected
  – Growing temporary migration and extension of seasonal use of SHs and SH places
  – Growing mobility for work and leisure, high % of domestic tourism is in cities
Aussie holiday homes: from shacks

Vernacular

Caloundra, Queensland

Port Julia, South Australia

Forced upgrading

Hiccup Hall, Tasmania 2003

New Hiccup Hall, Tasmania 2009

Gentrification

The Lawyers’ Shack, Tasmania 2007


Sources: Caloundra, J Farr; Port Julia, C Forster; Hiccup Hall & Lawyers’ Shack, CP; Apple Shed, Pete the Pilot
...to mansions

Gold Coast, Qld
Carrickalinga, SA
Otway Felix

Melbourne Docklands, Vic
Wye River, Vic
Pine Point, SA

Sources: Gold Coast, Melbourne & Carrickalinga all Clive Forster; Wye River, anon; Otway Felix & Pine Point, CP
SA case study images

Bib — one half of Bib and Bub — at Coobowie on the Yorke Peninsula, 1960 and 2008.

Photographs used with permission, the John Radcliffe Collection.
Alexandrina: Coorong and River Murray

Older shacks on the Coorong

Near the Murray Mouth
Lé Shack (sic) at Hindmarsh marina
Yorke Peninsula: coastal second homes places

Stenhouse Bay jetty

Shacks in the Innes National Park

Moonta Bay jetty

Tiddy Widdy Beach, near Ardrossan

Ardrossan: village, hospital, jetty but also industry
Black Point, Yorke Peninsula

- Few permanent residents, originally shacks, increasingly mansions
- Significant environmental planning concerns
- Restricted development possibilities and escalating inflation in land values
- Amenity threats: proposed wind farm and mining – opposed by powerful SHOs
Robe: historic port
Robe 2014: booming, gentrifying

Going upmarket

Marina views

Caravan park: modernized, gone up-market

Long Beach – last seafront extension
Second homes/holiday rentals in Robe
Issues for local governments

• Early results from our survey  (as at late Monday 6 Nov)
  – Q: do holiday homes and other short-term letting pose problems in your council area?
  – Yes: to large extent 2%, to some extent 17%, to a limited extent 17%; not at all 64%
Issues for local governments

• Some typical comments from LGs (edited for anonymity):

  *The provision of inappropriate short term housing does not address the need for secure affordable long term housing*

  *Holiday homes are important part of our tourism industry but there are some problematic houses that Council need to regulate in terms of local amenity*

  *Short term accommodation such as Airbnb causes issues for local neighbourhoods*

  *Uneven playing field with regulated hotels, caravan parks and B&Bs who complain to council about Airbnb and other short term rentals*

  *We have has a high concentration of Airbnb with 10% of dwellings in the short-term rental market over the year; this has a huge impact on the stock of available rental housing*

• Other impacts:

  – Gentrification and price inflation in HH hotspots
  – Seasonality of service use, with peak demands not recognised by Grants Commission
Conclusions and wider implications

• Australian HHs have changed fundamentally since the 1970s
  • ‘From shacks to mansions’
  • From family use to investments
  • Blurred distinction between housing and leisure markets: ‘hybridity’

• But not just in Australia:
  – Commodification of 2nd homes *generally* (Paris 2014; Rye, 2011)
  – Related to ‘financialisation of the social project of home ownership’ (Forrest & Hirayama, 2014)
  – Within globalised housing and leisure markets
  – And rapidly increasing socio-economic inequalities

• What are the issues and questions for roles of LG in housing for Australia in the 21st century?
Key references