SECOND HOMES IN THE SPANISH REGIONS: EVOLUTION IN 2001-2007 AND IMPACT ON TOURISM, GDP AND EMPLOYMENT

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Abstract We present a provisional estimation of the evolution of second homes in the Spanish regions over the period 2001-2007, using this variable as one of the most important indicators of non hotel tourism, and compare with trends in the previous decade. We cite several studies and information related with the impact of second homes in Europe and North America. One conclusion regarding the number of second homes built in Spain during the last years is that, despite the housing boom, the annual percentage increase in 2001-2007 was very alike to the previous period 1991-2001. Spain is a country with very high demand for second homes, both for Spaniards and foreigners. We present a comparison of the number of overnight stays in second homes and hotels which show the great economic importance of both types of tourism. Finally we estimate several econometric models that take into account the impact of second homes on regional production and employment.

Keywords: Tourism other accommodation, Spanish regions, regional economic development, second homes, employment, services sector, building sector, econometric models of tourism.
JEL codes: L83, R1, R11, R15, R21, R31, O52

1. Introduction

The aim of this study is to analyze the evolution of second homes building in the Spanish regions over the period 2001-2007 and the positive effect of second home stays on tourism, real Gross Domestic Product (GDP) and employment.

Section 2 present a summary of economic literature on second homes in Spain, Europe and North America, which is more detailed in Annex 1. A common feature of these studies is to point to the convenience of increase statistical data related with this tourist sector which reaches great importance in several countries, being Spain one of the most outstanding ones in this regard. Section 3 present our estimation of second homes built by region in Spain for the period 2002-2007 and we compare the evolution with the past values from Census statistics of INE for years 1991 and 2001. We analyze the importance of second homes on regional tourism comparing a provisional estimate of annual overnight states in those dwellings with annual overnight stays in hotels. We find that, even with a moderate estimation of average overnight stays per second home, the comparison shows that the economic impact of this type of tourism may so important, or even more, than hotel tourism in many regions. The most outstanding regions by the total number of estimated overnight stays (non hotel and hotel) are Andalucia, Cataluña and Comunidad Valenciana, followed by Baleares and Canarias. Section 4 present some econometric models to analyse the impact of second home tourism of Spain on real GDP and employment in building and services sectors. Section 5 present some comments on the housing boom in Spain and its relation with the economic crisis of years 2008-2010,

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and some problems related with urban planning. Finally section 6 presents the main conclusions.

2. Economic literature on second homes in Spain, Europe and North America

Second homes have been analyzed in several countries and regions, due to their positive impact con economic development and tourism. Building and using second homes in areas with mild climate, or with other attractive features, increase not only temporary residents from other areas or countries, but also permanent residents (tourist immigration), particularly among elder people who migrate from cold northern areas where they have lived while working years to warmer south areas where they choose to live when they retire, in Europe, USA and Canada, among other tourist migrations in other countries.

Second homes is very often the main kind of non hotel tourism, and even sometimes, particularly in spots highly attractive for temporary tourists or tourist immigration, they are the first kind of tourism, regarding their demographic and economic impact, even higher than hotel tourism.

Miller(2010) reports about the market of second homes in the World, with Spain showing the highest percentage of those homes in total market housing. Interesting references about evolution of new dwellings and second homes in Spain, and their economic and urban planning features, are the studies by Serrano(2003), Carpintero,O et al (2005), Lopez-Colas and Modenes(2005), and Concheiro(2010).

Interesting references about second homes in Europe and Northamerica are included in the Annex, as those by Tress(2002) for Denmark, Muller(2002) about German second homeowners in Sweden, Aspeden(2005) for the United Kingdom, Dummond(2006) with an English translation about France, Credit Suisse(2005) for Switzerland, , Breuer(2005) for German retired citizens in the Spanish region of Canary Islands, Patel(2008) about the USA, Passino(2009) for Italy.

3. Second homes in the Spanish regions and impact on tourism, 1991-2007

Second homes is an interesting indicator of building and touristic activity in the Spanish regions but unfortunately data are updated every ten year, in the Census of Population and Dwellings published by INE. For this reason we have estimated provisional data at regional level for year 2007, presented in table 1, and we compare those figures with the previous Census of year 2001.

Palacios (2008) emphasizes the importance of the availability of statistics on this sector to develop an adequate housing policy, analyzes the limitations and indicates that although there has been an improvement in data availability in recent years, published by the Ministry of Housing, we have still little information of secondary housing data at the regional level. The Ministry of Housing data includes total and main residences but not second homes. The difference between total and main residences includes not only second homes but also other types of dwellings.

Table 1 shows the total housing stock for the years 2001 and 2007, according to statistics from the INE and the Ministry of Housing. Second homes data for 2007 is our preliminary estimate of the number of second homes in that year, under the assumption that the percentage of these dwellings on the group of non main residences (Total homes less Main Homes of 2001) remained unchanged in year 2007.

Table 1. Total Homes and Second Homes in 17 Spanish regions, years 2001 and 2007

Nº	Regions	Total Homes 2001	Second Homes2001	Total Homes 2007	Second Homes2007
1	Andalucía	3554198	514178	4288016	620476
2	Aragón	657555	117980	740896	132917
3	Asturias	524336	47514	595413	53944
4	Baleares	504041	86253	575292	98432
5	Canarias	855022	101367	1014885	120365
6	Cantabria	286901	38236	337047	44928
7	Castilla y León	1455050	333214	1657603	379591
8	Castilla-La Mancha	988555	229424	1163713	270098
9	Cataluña	3328120	514943	3829026	592350
10	C. Valenciana	2558691	514943	3037589	611467
11	Extremadura	575284	96785	638997	107479
12	Galicia	1312496	166711	1507380	191437
13	Madrid	2482885	275705	2841352	315390
14	Murcia	595319	111431	745298	139520
15	Navarra	261147	31080	301381	35864
16	País Vasco	892009	47863	983211	52798
17	La Rioja	156769	30202	186804	35997
	Total	20988378	3360631	24443903	3803055

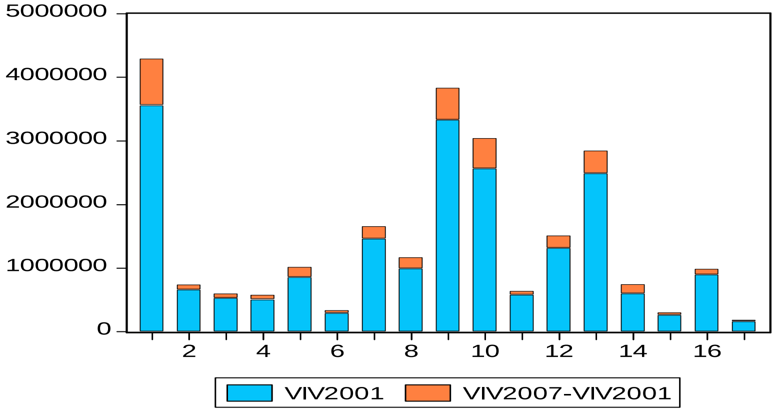
Note: Based on data from INE and the Ministry of Housing. Home2 in year 2007 is provisional estimate by Guisan and Aguayo (2010). There is an stock of 24.4 million total homes in Spain in year 2007, of which a 13.2% is the net increase in the period 2001-2007.

We observe a significant increase in all the regions. The number of secondary homes in Spain as a whole rose from 3.3 million in 2001 to 3.8 in 2007, and the total number of dwellings step from 20.9 million in 2001 to 24.4 million in 2007. The estimates in Table 1 appear realistic, as the results estimated an increase of 13.2% in the period 2001-2007 which is consistent with other estimates: Data from the Ministry of Housing show that the number of non principal dwellings (including secondary empty and other houses) increased by 12.7% in 2001-2007. Data from FUNCAS estimate growth of second homes by 14.95% in 1995-2005.

Figure 1 shows the evolution of the total housing stock.

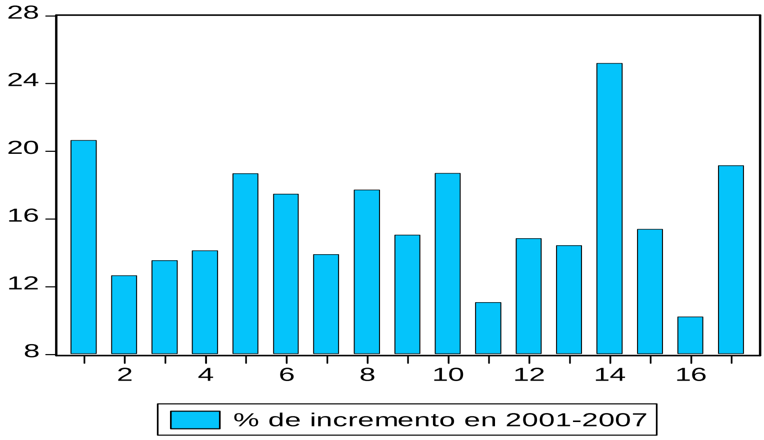
Figure 2 presents the percentage increase in the total number of households in each Spanish region in the period 2001-2007.

Figure 1. Total number of dwellings in 2001 and 2007



Source: Data of Table 1. The bottom part of the bars, in blue, is total housing stock in 2001 and the top one, in orange color, is the increase for the period 2001-2007

Figure 2. Percentage of increase in the total number of dwellings of Spanish regions in 2001-2007.



Source: Calculated from data of table 1.

The most outstanding regions, both by the total housing stock in 2007 and by the total increase of the period 2001-2007, are regions number 1, 9, 10 and 14: Andalucia, Cataluña, Comunidad Valenciana and Madrid.

The highest percentage increase corresponds to Murcia. Also noteworthy: Canary Islands, Cantabria, Castilla-La Mancha, Valencia and Rioja. The increase, while important, is not excessive, taking into account the growth of population and tourism in 2001-2007.

Table 2 shows the increase in the number of second homes of the 17 Spanish regions during the periods 1991-2001 and 2001-2007.

Table. Second homes increase in Spanish regions, 1991-2001 and 2001-2007

	Región	Second Homes 1991 (units)	Increase 1991-2001	Increase 2001-2007	% Δ 1991-2001	% Δ 2001-2007
1	Andalucía	409484	104694	106298	25.57	20.67
2	Aragón	103043	14937	14937	14.50	12.66
3	Asturias	55699	8185	6430	14.70	13.53
4	Baleares	97148	10895	12179	11.21	14.12
5	Canarias	120332	18965	18998	15.76	18.74
6	Cantabria	52536	14300	6692	27.22	17.50
7	Castilla y León	286032	47182	46377	16.50	13.92
8	Castilla-La Mancha	195948	33476	40674	17.08	17.73
9	Cataluña	438429	76514	77407	17.45	15.03
10	C. Valenciana	438429	76514	96524	17.45	18.74
11	Extremadura	84672	12113	10694	14.31	11.05
12	Galicia	133900	32811	24726	24.50	14.83
13	C. Madrid	234224	41481	39685	17.71	14.39
14	Murcia	89794	21637	28089	24.10	25.21
15	Navarra	25406	5674	4784	22.33	15.39
16	País Vasco	42049	5814	4935	13.83	10.31
17	La Rioja	25800	4402	5795	17.06	19.19
	Total	2802998	556319	545224	19.85	13.21

Source: Initial stock in year 1991 from INE Census. For the other columns own elaboration, by Guisan and Aguayo, from figures in table 1. Columns 1 to 3 in unities. The last two columns show the percentage of increase in each of both periods.

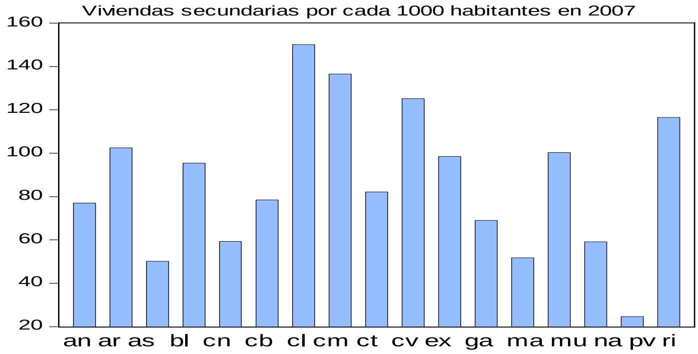
We note the significant increase in the period 2001-2007 of the construction in all the 17 regions. Nearly as many second homes were built in seven years in comparison with the decade 1991-2001 for the set of all the regions.

In some regions, the estimated increase in the period 2001-2007 overpass in more than 1000 units that experienced in 1991-2001, as in the cases of Andalucia, Baleares, Castilla-La Mancha, Valencia, Murcia and Rioja. The final figures may be somewhat higher in some regions.

Figure 3 shows the number of second dwellings per thousand inhabitants in 2007 in the Spanish regions. In some cases the influence of a nearby region with significant potential demand for this type of housing is very influential in the development of such housing, as is the case, among others, the influence of Madrid on Castilla-y-León and Castilla-La Mancha.

Stand out more than 100 second homes per thousand the following regions: Castilla y León, Castilla-La Mancha, Comunidad Valenciana, La Rioja and Aragon. Lower values correspond to the Basque Country, Asturias, Madrid and Canary Islands.

Figure 3. Second homes per one thousand inhabitants in Spanish regions, year 2007

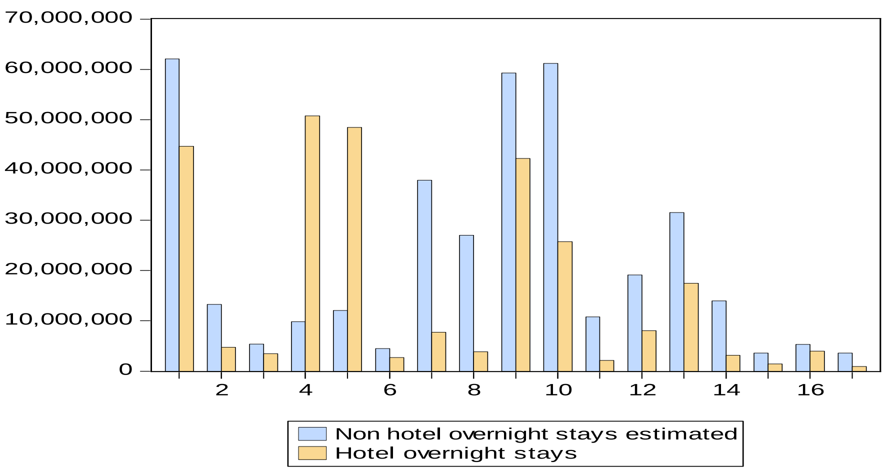


Source: elaborated from data of table 2.

Positive impact of second homes on tourism in Spanish regions

Here we compare the total overnight stays of non hotel tourism and hotel tourism in Spanish regions in year 2007. Non hotel tourism indicator is the number of second homes multiplied by 100, being 100 the estimated average of overnight stay per dwelling and year. This factor of 100 seems moderate, particularly for the most touristic regions, accordingly to the available information, and the real impact of second homes could be even more important in many cases. Figure 4 shows the results.

Figure 4. Hotel and non hotel overnight stays in Spanish regions, year 2007



Source: INE for hotel overnight stays, and provisional own estimations, by Guisan and Aguayo, for non hotel overnight stays, based on data estimated in this study and assuming a provisional average moderate estimation of 100 overnight stays per second home and year.

The share of non hotel overnight stays is higher than hotel overnight stays in 15 regions. Only Baleares Islands and Canary Islands, the regions with highest intensity of tourism in relation with their territory and population, present a higher number of hotel tourism overnight stays in comparison with non hotel tourism overnight stays. The highest positions in total overnight stays (hotel and non hotel tourism) correspond to Andalucia, Cataluña and Comunidad Valenciana, followed by Baleares and Canarias.

4. Econometric models and impact of second homes on GDP and employment

As seen in Guisan, Aguayo and Carballas(2004) and in other studies, regional development is usually highly dependent of industry and/or tourism, although a few regions may experience development depending on other variables (for example transport in the case of important harbours, services in regions of capital cities, or other ones).

Table 3 shows the positive correlation of employment in building (LB) and employment in services (LS) with the number of second homes, the number of overnight stays in hotels and population in the 17 Spanish regions.

Table 3. Coefficient of correlation in 17 Spanish regions, 2002-2007

	Employment in building	Employment in services
Employment in building	1.0000	0.9694
Employment in services	0.9694	1.0000
Second homes	0.8917	0.7892
Overnight stays in hotels	0.5750	0.5137
Population	0.9807	0.9629

Figures 5 and 6 show the positive correlation between second homes and employment, in the 17 Spanish regions for the period 2002-2007. We note a clear positive relationship, although other variables non related with second homes also explain employment.

Employment and second homes in Spanish regions, 2002-2007

Figure 5: Employment in Building

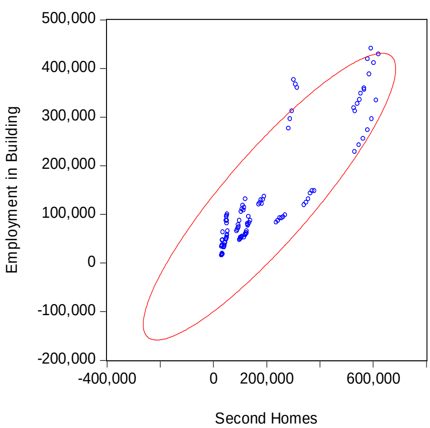
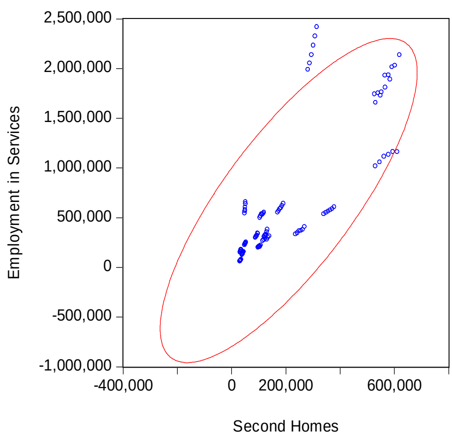


Figure 6: Employment in Services



Figures 7 and 8 show the positive correlation of Gross Domestic Product (GDP) non industrial with industry and tourism, in the 17 Spanish regions for the period 2002-2007. As indicator of tourism we have used the number of Second Homes.

GDP non industrial related with GDP industrial and Tourism, Spain 2001-2007

Figure 7. Relation with GDP industrial

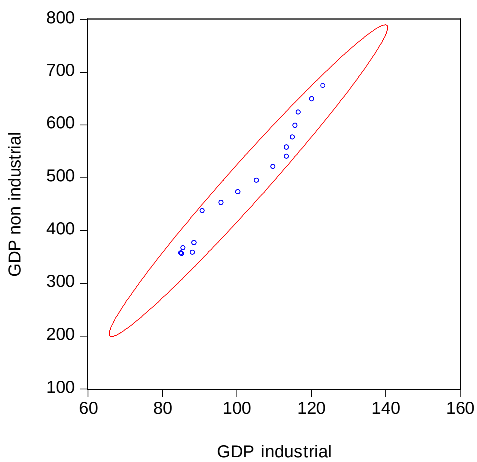
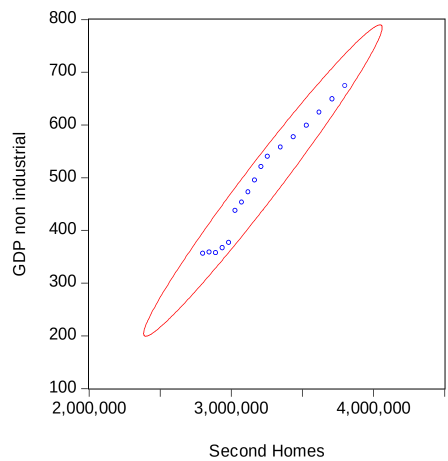


Figure 8. Relation with Tourism



Equations (1) to (4) show the positive impact of tourism on real GDP and employment. We present the estimated equations with t-statistics between parentheses, and indicate with * if the t-statistic is enough large to show that the coefficient is significant at the usual 5% level, with ** if reaches significance at 10% level. In other cases the coefficients do not show significance but it does not mean that we consider them null, particularly if there are evidence of significance in other studies, as the lack of significance may be due to uncertainty caused by multicollinearity or other causes. For the goodness of fit we indicated the adjusted R^2 and the percentage of the Standard Error (%SE) on the mean of the dependent variable.

Model (1) relates real non industrial production of Spain (qni) with industry (qi), tourism, and foreign trade of goods. The sample is a time series for the period 1992-2006. Tourism indicator is the number of second homes.

$$QNI = \underset{(1.33)}{1.15\,QI} + \underset{(2.31)^{*}}{0.05\,Tourism} + \underset{(2.78)^{*}}{0.74\,Imports} + \underset{(2.11)^{**}}{1.06\,Exports} \qquad (1)$$

Adjusted $R^2 = 0.9885$ % SE on the mean of QNI = 2.16

The goodness of fit is very high. All the coefficients are positive and two of then are significantly different from zero. The coefficient of QI is not significant in this case, due to multicollinearity or other reasons, but it does not mean that we should accept the null hypothesis. In fact, with larger time series samples of Spain or with panels of several countries and European regions, the coefficient of QI is usually positive and significant. For example in the cross section model of Guisan, Aguayo and Carballas(2004), with a sample of 135 regions of 25 European Union countries in year 2000, the coefficient of manufacturing industries was positive and significant. The estimated model was:

$$\hat{GDP} = 2.65\ POB1564 + 37.82\ POBHE + 1.44 * GDMP + 0.60 * ONS + 8.50 * EDU \quad (2)$$
$$(1.35) \qquad (5.45)^* \qquad (7.67)^* \qquad (4.54)^* \qquad (6.57)^*$$

Adjusted $R^2 = 0.9635$ %SE on GDP = 23.74%

Where:
GDP = Gross Domestic Product
POB1564 = Population 15 to 64 years age.
POBHE = Population with Higher Education completed.
GDPM = Gross Domestic Product of Manufacturing
ONS = Overnight Stays as an indicator of tourism activity
EDU = Expenditure on Education during the previous 5 years.
The terms between parentheses are t-Student statistics and they show a significant effect for all the explanatory variables but the first one. Although

This model shows a highly positive impact of human capital on GDP as well as positive and significant coefficients of industry and tourism.

Besides it is important to mention that industry has not only a direct and positive effect on non industrial activities but also other indirect positive effects because industry usually favours the increase of Exports and this variable increases the capacity to Import with positive effects on domestic development.

We expect to estimate in the future more detailed models for labor demand in the Spanish regions. For the moment we simply relate employment in services (LS) and employment in building (LB) with variables related with tourism and population, with a panel of 17 regions for the period 2002-2007. SH is non hotel tourism measured by Second Homes, ONS is hotel tourism measured by overnight stays at hotels. POP is population. All the variables are in thousands. D(X) means first difference, or annual increase, of the variable X: $D(X_{it}) = X_{it} - X_{i,t-1}$

$$LS_{it} = LS_{i,t-1} + 2.054\ D(SH)_{it} + 0.005\ D(ONS)_{it} + 0.228\ D(POB)_{ir} \quad (3)$$
$$(3.03)^* \qquad (1.94) \qquad (3.04)$$

Adjusted $R^2 = 0.9985$ %SE on the mean of LS = 3.75%

$$LB_{it} = LB_{i,t-1} + 1.163\ D(SH)_{it} + 0.0009\ D(ONS)_{it} + 0.025\ D(POB)_{it} \quad (4)$$
$$(4.28)^* \qquad (0.36) \qquad (0.41)$$

Adjusted $R^2 = 0.9929$ % SE on the mean of LB = 140223

Accordingly to the results of equation (3) 100 thousand increase in overnight stays in second dwellings imply approximately 2 thousand increases in services employment while 100 thousand increases in overnight stays in hotels implies 0.5 thousand increase in services employment.

Accordingly to equation (4) an increase of 100 thousand overnight stays in second homes imply an increase of 1.1 thousand employments in building sector, while and increase of a similar amount of overnight stays in hotels imply and increase of only 0.09 thousand employments in building activities.

These are only provisional estimations which can be improved in future studies with more data about average overnight stays in second dwellings at regional level, including some missing variables and having into account interdependence between the increase of population and the increase of employment.

Economic crisis has diminished housing building in Spain during the period 2008-2010. We consider convenient to have into account interesting comment of Annex 3, regarding the improvement of economic policies and urban planning which would be of great interest for this economic sector.

5. Conclusions

Spain has an important development of second homes. Accordingly to the National Institute of Statistics (INE) in the period 1991 the number of these dwellings evolved from 2.8 million in 1991 to 3.4 in 2001. Our estimation for year 2007 amounts 3.8 million. We note the significant increase in the period 2001-2007 of the construction in all the 17 regions. Nearly as many second homes were built in seven years in comparison with the decade 1991-2001 for the set of all the regions. Although the demand has increased the supply may have been excessive in some regions.

Second homes tourism is very important in several countries being Spain on of the most outstanding ones. In Figure 4 we compare overnight stays in hotel and non hotel tourism, with a moderate hypothesis about the average stay in second homes, which show that these dwellings are of uppermost importance. The regions more outstanding in total overnights (hotel and non hotel) are Andalucia, Cataluña and Comunidad Valenciana. In fifteen of the seventeen regions the estimated number of overnight stays in second homes is higher to that of overnight stays in hotels.

As seen in the econometric models tourism has an important impact on regional development and employment, including the impact of second homes tourism.

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Tress G. (2002). "Development of Second-Home Tourism in Denmark", *Scandinavian Journal of Hospitality and Tourism,* Vol. 2-2, pp. 109-122.

[1] http://www.usc.es/economt/rses.htm
[2] http://www.usc.es/economet/aeid.htm
[3] http://www.usc.es/economet/eedi.htm

Annex 1. Selected readings on second homes and links. Countries by alphabetical order.

Denmark

Tress G. Scandinavian Journal of Hospitality and Tourism, Volume 2, Number 2, April 2002 , pp. 109-122(14)

http://www.ingentaconnect.com/content/routledg/sjht/2002/00000002/00000002/art00003

***"Abstract:** Second-home tourism is the predominant branch of the tourism industry in Denmark today. Second homes are privately owned cottages and houses that are used for recreational purposes. This paper presents an overview of the tradition of second-home use, its origins in Denmark in the nineteenth century and its subsequent development up to the present day. Different stages in Danish second-home development are presented, which have culminated in second-home tourism's dominance of the Danish tourism industry today. Second-home tourism developed in the late nineteenth century when artists and citizens of Copenhagen discovered the recreational value of the countryside, mainly in the small villages at the coast. Small cabins for weekend use supplemented the early homes of the richer people in the early 1920s and 1930s. From 1950 to 1970, second-home development increased enormously. The character of non-commercial tourism changed in the 1960s and 1970s when Danish second homes became vacation homes for domestic and foreign tourists. Since the 1970s, second-home development has been restricted to certain recreational areas at the coast. In the 1980s, primarily German vacationers began to make commercial use of second homes. In the mid-1990s, the peak of commercial second-home overnight stays was reached with about 17 million overnight stays per year. Since then, commercial second-home tourism has slowly decreased. Today, more than 218,000 second homes exist."*

Note: This estimation amounts to 78 overnight stays per home, for example an average of 2.6 people for 30 days.

France

Drummond, Ann (2006). Some facts and figures about the tourist industry in Provence-Alpes-Côte d'Azur (PACA).
http://www.humaniteinenglish.com/article186.html
Original French article: En Quelques Chiffres Published in l'Humanité on 14 May 2005
France: Tourism Statistics - Provence-Alpes-Côte d'Azur
Translated Sunday 7 May 2006, by Ann Drummond
***"Economic Impact:**Income from tourism stands at 10 billion euros, accounting for 11.4% of the regional gross domestic product in Provence-Alpes-Côte d'Azur (PACA). Tourism accounts for 86,000 jobs, or 12% of jobs in the region. These jobs increased by 14.5% between 1999 and 2004. Over 30% are seasonal workers, and 20% do not have a regular work contract.*

Country of origin:*80% of tourists in the PACA region are French (25% come from within PACA itself, 24% from l'Île-de-France, 18% from Rhône-Alpes), and 20% come from other countries (led by Italy and the UK).*
Tourist profiles:*Each tourist stays an average of 6.6 nights. Seven out of ten holidays are family-based. The majority of tourists are executives or employees. 42% of the tourist clientele are well-off. More than half spend their holidays in private accommodation (friends, second homes).*
Expenditure by Tourists:*Tourists spend on average 43 euros per day: French tourists spend 38.5 euros, and foreign tourists, 63 euros. Accommodation and food make up over half of their budget."*

Germany

Breuer, Toni (2005). http://epub.uni-regensburg.de/1114/1/JPG-313-333_neu.pdf
Müller, Dieter K. (2002): http://remi.revues.org/index1684.html
Germany and the Netherlands
Dijst, Martin, Lanzendorg, Martin, Barendregt, Angela and Smit, Leo
http://econpapers.repec.org/article/blatvecsg/v_3a96_3ay_3a2005_3ai_3a2_3ap_3a139-152.htm

Tijdschrift voor Economische en Sociale Geografie, 2005, vol. 96, issue 2, pages 139-152

http://econpapers.repec.org/article/blatvecsg/

"*Abstract: In Western countries, the scale of second home ownership increased enormously in the last decades. Yet, the outcomes of this development on spatial patterns and behaviour are unclear. In this paper we focus on two issues that arise from this trend: first, the impact of the residential environment of the primary dwelling on second home ownership and, second, the impact of second homes on travel. The paper is based on two empirical studies carried out in the Netherlands and in Germany. …"*

Italy
Bartaletti, Fabrizio:

http://alpsknowhow.cipra.org/background_topics/alps_and_tourism/alps_and_tourism_furtherreadings.html#bartaletti_2002
"The first (and till now, the only) report about mountain tourism in Italy at a regional level, from Aosta Valley and South Tyrol to Sicily and Sardinia, both from a quantitative and a qualitative point of view".

What Role Do the Alps Play within World Tourism?
by Fabrizio Bartaletti, University of Genova - Institute of Geography

http://alpsknowhow.cipra.org/background_topics/alps_and_tourism/alps_and_tourism_chapter_introduction.html

"To a question of such importance, we can answer only by induction. In fact, the figures supplied by UNWTO (2006) merely concern the international arrivals of each country; yet, on average, more national than international tourists visit the Alps. In addition, the Alps are not surveyed as a unitary region and the integration of data of the different countries leads to several problems. Anyway, based on the analysis of various national, regional and municipal sources (see data on overnight stays in the Alps), the international arrivals in the Alps may add up to about 30 millions, or a little less than 4% of world's total number (806,8 million in 2005) and almost 7% of the European ones. This share of tourist arrivals is nearly as high as in Italy as a whole: 4,5% and 8,3%, respectively). Yet, if the Alpine tourist destinations in those respective countries are grouped, the Alps rank virtually as the second largest tourist destination in the world after the Mediterranean coast (though this region records about four times as much visitors as the Alpine region).
Within the Alps, there are 4,5 million tourist beds (of which about 1,2 million in hotels), and more than 300 million nights are spent in the Alps every year. If second homes are to be included, the total number of beds would increase to 9,9 million (without Austria and Bavaria) and the overnight-stays to 545 million. About 30 resorts record more than 1 million overnight-stays, for instance Oberstdorf (2,4) and Oberstaufen (1,2) in Upper Allgäu (Bayern), Sölden (2,02) and Saalbach (1,96) in Austria, Davos (2,1 including apartments) and Zermatt (1,86) in Switzerland, Chamonix (5,3, including second homes) and Val d'Isère (>2) in France, Madonna di Campiglio-Pinzolo (1,7), Cortina d'Ampezzo (1,6) and Bardonecchia (1,5) in Italy, all including second homes."

Passino, Carla:
http://www.italymag.co.uk/italy-featured/property/second-home-market-italy-remains-stable
"A new study by Italian estate agents association FIAIP shows that the second home market continues to hold, but the gap between top and bottom values is reducing
The second home market in Italy is weathering the economic storm. This is the chief finding of a new study by Italian estate agent association FIAIP, in association with Risposte Turismo.
The research examines the second home market in the second half of 2008—when the mainstream residential market took its greatest dive—and looks at the first months of 2009. And the pictures that emerges from the data, which covers Italy's top twenty resorts, is reassuring.
Although there are local variations, the second home market has on average remained stable over previous years. Sure, sale volumes are down to the tune of 10% and supply is marginally up (about 4.2%) but property values continue to hold, achieving a national average minimum of €2,810 per square metre and a maximum of €6,210. Buyers, who come both from Italy and abroad, are mostly looking for small properties (up to 60 square metres) or medium ones (up to 120 square metres)."

Mexico and Europe
Miller, R. (2010).
Travel and Tourism Management and Investment Resource
DATE: **martes, 22 de junio de 2010 20:43:50**

http://www.tourismroi.com/InteriorInvest.aspx?id=34524

« It is estimated that the owner of a second home will spend on average 39 nights a year in this second home (United States average).

Softec data indicates that during 2006 approximately 2 million homes were sold worldwide, with intended use as vacation homes. It is estimated that despite the economic slowdown in international markets, no fewer than 600 thousand housing units are due to be sold per year.

According to information contained in the National Association of Realtors (NAR), the largest market is Spain; on average 100 thousand units per year are sold. Following is a list showing the proportion of vacation residences in the overall available residence markets of greatest demand and for Mexico:
Country
Percentage of Second Homes in the overall available home market
Spain 32; Portugal 26.9; Greece 22.7; Italy 17.7; Mexico 3

Spain

Concheiro, Isabel (2010)
http://www.amazon.ca/Architectural-Papers-Post-Fordist-Conditions-Architecture/dp/3037782307

Lopez-Colas, Julián and Modenes, Juan Antonio(2004):
http://www.ub.es/geocrit/sn/sn-178.htm
Serrano, José María. (2003): http://www.um.es/dp-geografia/turismo/n12/Cuaderno-3.pdf

Marcos, Carmen et al (2006): http://habitat.aq.upm.es/boletin/n34/
This study includes very interesting figures and questions about urban panning.
"Más de 2.134.000 hogares residentes en España son usuarios habituales de una vivienda secundaria en 2001. Si pensamos que, en general, cada hogar dispone de una única vivienda secundaria, esto significa que hasta 1.260.000 viviendas secundarias estarían en manos de hogares no residentes en España (un 37,5%). Desconocemos las características de estos usuarios residentes habitualmente en otros países europeos y residentes en España a tiempo parcial: oscilarían entre un mínimo de 1,25 millones hasta un máximo superior a 3,7 millones de personas. No hay que insistir en la importancia de este dato para comprender los nuevos procesos internacionales de uso residencial del territorio español."

Palacios, A.J. (2008): [4] http://www.ub.es/geocrit/-xcol/260.htm

Raya et al(1999): http://www.econlinks.uma.es/Libros/TR/Cap1.pdf
Cuantifican en 93 días el promedio de uso de la vivienda secundaria residencial por parte de los turistas con residencia habitual fuera de Andalucía.

Switzerland

Crédit Suisse (2005). Pascal Roth and Ulrich Braun.

http://www.engadimmo.ch/home/cs_studie_zweitwohnungen_en.pdf

"According to our calculations, of the 419,000 dwellings in Switzerland that are used on a temporary basis, around 181,000 of these are vacation homes. Some 238,000 units are second homes owned by commuters who live there during the week. These calculations are largely consistent with the results of a survey conducted by the University of St. Gallen. According to this survey, the Swiss own around 280,000 vacation homes in Switzerland or abroad, of which two-thirds (185,000) are located in Switzerland. The survey also showed that Italy, France and Spain are the most popular countries among Swiss owners of residential property abroad."
"In urban areas the number of second homes rose by around 130% between 1990 and 2000. Here, however, the second-home boom only established itself after 1990. The conurbations around the major towns and cities are also experiencing high growth rates. Over the past decade, the traditional pattern of owning a vacation home in the mountains has obviously given way to people purchasing a second home near their place of work. Tax considerations and what is perceived as a higher quality of life in the countryside are likely reasons behind this trend".

UK
Aspden, Dorothy (2005).
http://www.statistics.gov.uk/articles/economic_trends/ET619_Aspden.pdf

Table 1 shows that total second homes of British outside Great Britain evolved from 104 thousand to 231 thousand for 1995-2004, of which the number of second homes of British in Spain evolved from 27913 in 1995 to 62000 in 2004, being the maximum of all foreign countries with British second homes, followed by France with 21160 British owners in 1995 and 47000 in 2004.
"There are a total of 22,539,000 households in England and Wales. 21,660,000 of these are occupied (20,451,000 in England and 1,209,000 in Wales), 727,000 are vacant (676,000 in England and 51,000 in Wales) and 151,000 are second homes or holiday accommodation (135,000 in England and 16,000 in Wales)".
"The average household size is similar in England and Wales and is 2.36 people. This ranges from 2.31 people per household in the South West to 2.41 in the West Midlands".
"The average number of rooms per household is 5.33 in England and 5.59 in Wales. Rooms include living rooms, bedroom, kitchens, utility rooms and studies but not bathrooms or storage rooms".

USA
Patel, Nina (2008)
http://www.remodeling.hw.net/remodeling-market-data/second-home-statistics.aspx

“According to the National Association of Realtors (NAR), although the combined total of vacation- and investment-home sales declined with the overall market in 2007, it still accounted for 33% of all home sales, which is close to historical norms.
NAR’s annual Investment and Vacation Home Buyers Survey shows that vacation-home sales dropped 30.6% to 740,000 in 2007 from a record 1.07 million in 2006, while investment-home sales fell 18.1% to 1.35 million last year from 1.65 million in 2006. At the same time, primary-residence sales dropped 10% to 4.34 million in 2007 from 4.82 million in 2006”.
“The median price of a vacation home was $195,000 in 2007, down 2.5% from $200,000 in 2006. Fifty-nine percent of vacation homes purchased in 2007 were detached single-family houses, 29% were condos, 7% were townhouses or row houses, and 5% were other dwelling types. In 2006, single-family homes accounted for 67% of vacation home sales, while condos accounted for 21%.”
“Last year, 41% of vacation homes were purchased in the South, 24% in the West, 19% in the Northeast, and 16% in the Midwest. In terms of location, 30% of vacation homes were purchased in rural areas, 20% in resorts, 20% in a suburb, and 14% in an urban area or central city.”

Anexo 2: Total dwellings in Spanish regions and provinces, 2001 and 2007.

La tabla A1 muestra la evolución del parque de viviendas totales en el período 2001-2007. El incremento fue de un 16.5% en el conjunto de España, y los mayores porcentajes de crecimiento, superiores al 25% corresponden a Almería, Málaga, Toledo, Castellón y Murcia.

Tabla A1. Parque de viviendas totales en 2001-2007 (unidades)

	2001	2007	Incremento	%
Andalucía	**3554198**	**4288016**	**733818**	**20.65**
Almería	273649	357315	83666	30.57
Cádiz	502797	597521	94724	18.84
Córdoba	337587	371006	33419	9.90
Granada	442424	498965	56541	12.78
Huelva	235307	282995	47688	20.27
Jaén	299317	331699	32382	10.82
Málaga	728274	999432	271158	37.23
Sevilla	734843	849083	114240	15.55
Aragón	**657555**	**740896**	**83341**	**12.67**
Huesca	128373	155648	27275	21.25
Teruel	96570	104204	7634	7.91
Zaragoza	432612	481044	48432	11.20
Asturias (Principado de)	**524336**	**595413**	**71077**	**13.56**
Balears (Illes)	**504041**	**575292**	**71251**	**14.14**
Canarias	**855022**	**1014885**	**159863**	**18.70**
Palmas (Las)	435004	513989	78985	18.16

Santa Cruz de Tenerife	420018	500896	80878	19.26
Cantabria	**286901**	**337047**	**50146**	**17.48**
Castilla y León	**1455050**	**1657603**	**202553**	**13.92**
Avila	142362	159831	17469	12.27
Burgos	215048	245678	30630	14.24
León	276574	312430	35856	12.96
Palencia	99300	111416	12116	12.20
Salamanca	202479	227036	24557	12.13
Segovia	99748	116321	16573	16.61
Soria	65758	73204	7446	11.32
Valladolid	237739	279048	41309	17.38
Zamora	116042	132639	16597	14.30
Castilla-La Mancha	**988555**	**1163713**	**175158**	**17.72**
Albacete	185560	207464	21904	11.80
Ciudad Real	235305	268164	32859	13.96
Cuenca	136690	149811	13121	9.60
Guadalajara	126114	156894	30780	24.41
Toledo	304886	381380	76494	25.09
Cataluña	**3328120**	**3829026**	**500906**	**15.05**
Barcelona	2280334	2547546	267212	11.72
Girona	414900	499772	84872	20.46
Lleida	194549	236587	42038	21.61
Tarragona	438337	545121	106784	24.36
Comunidad Valenciana	**2558691**	**3037589**	**478898**	**18.72**
Alicante/Alacant	1009930	1243421	233491	23.12
Castellón/Castelló	327687	410167	82480	25.17
Valencia/València	1221074	1384001	162927	13.34
Extremadura	**575284**	**638997**	**63713**	**11.08**
Badajoz	318145	356741	38596	12.13
Cáceres	257139	282256	25117	9.77
Galicia	**1312496**	**1507380**	**194884**	**14.85**
Coruña (A)	527877	619464	91587	17.35
Lugo	186437	211530	25093	13.46
Ourense	197027	211467	14440	7.33
Pontevedra	401155	464919	63764	15.90
Madrid (Com. de)	**2482885**	**2841352**	**358467**	**14.44**
Murcia (Región de)	**595319**	**745298**	**149979**	**25.19**
Navarra (Com.Foral)	**261147**	**301381**	**40234**	**15.41**
País Vasco	**892009**	**983211**	**91202**	**10.22**
Álava	125019	147236	22217	17.77
Guipúzcoa	296395	324532	28137	9.49
Vizcaya	470595	511443	40848	8.68
Rioja (La)	**156769**	**186804**	**30035**	**19.16**
Ceuta y Melilla	**45381**	**51941**	**6560**	**14.46**

Total	**21033759**	**24495844**	**3462085**	**16.46**

Fuente: Elaboración a partir de los datos de Ministerio de vivienda, on line:
http://www.mviv.es/es/index.php?option=com_content&task=view&id=687&Itemid=430
For the period 1995-2004 data at provincial level in Marcos, C. et al (2006)

Viviendas totales en las regiones españolas 1991-2007

	1991	**2001**	**2007**	**Incr. 1991-2001**	**Incr. 2001-2007**
Andalucía	2842751	3554198	4288016	711447	733818
Aragón	574156	657555	740896	83399	83341
Asturias (Principado de	462778	524336	595413	61558	71077
Balears (Illes)	415512	504041	575292	88529	71251
Canarias	586840	855022	1014885	268182	159863
Cantabria	225697	286901	337047	61204	50146
Castilla y León	1270626	1455050	1657603	184424	202553
Castilla-La Mancha	819282	988555	1163713	169273	175158
Cataluña	2756130	3328120	3829026	571990	500906
Comunidad Valenciana	2094033	2558691	3037589	464658	478898
Extremadura	474178	575284	638997	101106	63713
Galicia	1137653	1312496	1507380	174843	194884
Madrid (Com. de)	1936961	2482885	2841352	545924	358467
Murcia (Región de)	483131	595319	745298	112188	149979
Navarra (Com.Foral)	202314	261147	301381	58833	40234
País Vasco	775396	892009	983211	116613	91202
Rioja (La)	128051	156769	186804	28718	30035
Ceuta y Melilla	34910	45381	51941	10471	6560
Total	17220399	21033759	24495844	3813360	3462085

Other dwellings (abandonned, for investment, and other ones). The percentage of total other dwellings, excluding main and second homes, on the total stock of dwellings of Spain in 1991 was 15.29% and the provisional estimation for 2007 is 18.69%.

Annex 3. Comments on the economic crisis in Spain, the housing boom and urban planning

Spain has experienced intense construction activity in the period 2001-2007 , resulting from several factors which include the following:
1) a significant growth of foreign tourism and domestic tourism, which is discussed in Guisan and Aguayo (2009) and other studies.
2) The increase in population due to a significant increase in the number of immigrants.
3) The increase in employment with a positive effect on housing demand, both of main homes and second homes.
4) The decrease in mortgage interest rates and increase of credit growth from abroad, following the entry into force of the single currency in the euro area, which has helped to fund many real estate transactions.

As a result of intense construction activity sectoral value added per capita of Building reached in Spain higher levels than in other countries with higher levels of economic development, such as Germany, France, Britain or the United States.

In the period 2001-2007 here was also in Spain an increase of activity in services but unfortunately this development was not accompanied by enough increase of industrial production and exports, and the consequence has been increasing balance of payments deficit financed at a great deal with foreign credit. The international financial crisis starting in year 2008 has had a negative impact in Spanish economy, although the economic crisis due to intersectoral disequilibrium would arise in any case a little later.

The final balance of the period put Spain on a level of dwellings per thousand inhabitants, somewhat higher than other more advanced countries, but not too much considering that Spain is one of the main recipients of foreign tourism. Besides intense construction activity in the period 2001-2007 has served to compensate for low levels of activity of other prior periods.

Our main conclusion is that the housing boom in Spain has not been the main cause of the crisis but the lack of enough economic policy measures that should be addressed to foster industrial development. Economic advisers and policy makers should be aware that it is of great importance the role of industry on inter-sectoral relationships for development as seen in Guisan(2001) and (2008) and other studies.

Besides the construction boom in Spain for the period 2001-2007 has not only been excessive in some regions but has presented many problems, as it has been pointed out in several studies about urban planning as those by Marcos et al.(2006) and Concheiro(2010): Firstly there are many urban planning problems which are very important for the quality of life. Secondly many dwellings where built in territories far away from business and jobs, what will make difficult to sell them. Thirdly there was enough planning on the type of homes supplied and the purchasing power of many young people and other sectors of population with low income.

Concheiro(2010) presents an interesting analysis of dwellings boom in Spain in the early 2000s: *"The second boom, in the early 2000s, in a context of a postindustrial economy, was characterized by an increase in housing construction as investment rather than for real use. In 2006 a maximum of 660,000 private market housing were built, a quantity that dropped dramatically to only 80,000 in 2010. Cities expanded following a peripheral growth model based on large isolated developments with an almost exclusively residential role. They are connected to the major infrastructure axes and bear no relation to the context in which they are located. In most cases the location and housing offer is an exclusive decision of private investors, without forming part of a common environmental and land development strategy. The scale and type of coastal development have also changed. The new products of the tourism industry offer a concept or holiday style associated with a brand rather than a territory."*

All of these are very important questions which deserve to be explained and analyzed in the media, universities, and other institutions in order to have a positive impact on the recovery of the Spanish economy and improvement of urban planning. In Annex 3 we present some comments in this regard.

Comments on disequilibrium in housing markets and Spanish economy (to be updated)

Spain has experienced a very important development during the period 1960-2007, with great advancements in the educational level of population and income per capita, but unfortunately there was not a social climate to favour cooperation between society and politicians in many regards. A great distance very often exists between top bureaucracies of political parties and citizens. A consequence has been disorder in urban planning and in economic development. A great majority of Spanish citizens now demands improvements in the political organization in order to increase democracy, cooperation and even development.

Unfortunately the problems where not by coincidence but are the direct consequence of a rigid party system in Spain which makes very difficult to get that the top bureaucracies of political parties listen adequately people demands and advice of experts. Universities in our view should be a source of knowledge with projection in media and society but the most dynamic members where seriously discouraged in many concerns by several decades of a kind of bureaucratic disorder, changing rules and lack of means to have more impact in society through media. The sociologist Victor Pérez-Díaz, in his book "España puesta a prueba, 1976-1996" page 53, remarks:

Spanish: "*A ello cabe añadir que el proceso de reforzamiento de los elementos patrimoniales del estado fue favorecido por las turbulencias creadas en tres conjuntos institucionales y organizativos muy importantes como instancias de distancia y resistencia razonable a la autoridad discrecional: la justicia, la administración civil y la universidad. Cada uno de ellos se vió sometido a procesos de reestructuración y cambio de diseño, a conflictos redistributivos de poder en su seno y a la movilidad del personal, que consumieron sus energías durante muchos años, redujeron su eficacia y probablemente embotaron su capacidad de control y crítica".*

English translation. "To this must be added that the process of strengthening the power of the state was favored by the turbulence created in three sets of important institutions as instances of distance and reasonable resistance to the discretionary authority: justice, civil administration and university. Each was subjected to restructuring and redesign, a redistribution of power conflicts among its members and staff mobility, which consumed his energies for many years, and probably reduced the effectiveness blunted their ability to control and criticism ".