

Urban–rural flows from seasonal tourism and second homes

Planning challenges and strategies in the Nordics

Elin Slätmo, Louise Ormstrup Vestergård,
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is a leading Nordic and European research centre for regional development and planning, established by the Nordic Council of Ministers in 1997. We conduct solution-oriented and applied research, addressing current issues from both a research perspective and the viewpoint of policymakers and practitioners. Operating at the international, national, regional and local levels, Nordregio's research covers a wide geographic scope, with an emphasis on the Nordic and Baltic Sea Regions, Europe and the Arctic.

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Stockholm, Sweden, 2019

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Preface

As part of the Nordic Co-operation Programme for Regional Development and Planning 2017–2020, three Nordic thematic groups have been established in the following areas:

1. Sustainable rural development
2. Innovative and resilient regions
3. Sustainable cities and urban development


The groups were set up by the Nordic Committee of Senior Officials for Regional Policy (EK-R), under the Nordic Council of Ministers for Sustainable Growth, and the members are representatives of relevant ministries, national authorities, regional authorities and cross-border co-operation committees. One purpose of the thematic groups is to implement the co-operation programme by contributing to the exchange of knowledge and experience between regional policy stakeholders, by promoting Nordic perspectives and by highlighting the importance of regional policy issues for sustainable development and growth.

This report is the result of work conducted for the thematic group Sustainable Cities and Urban Development. The group focuses on 1) social sustainability and gender equality; 2) spatial planning;

3) urban qualities in small and medium-sized cities and the urban–rural relationship; and 4) the growth and development of Arctic cities. Within these broad themes, the group decides what activities to conduct, and the researchers involved are responsible for the results.

In this report, the urban–rural relationship was examined through the lens of second homes and seasonal tourism. The planning challenges and strategies identified in this report have a major potential for Nordic learning as well as potential for contributing to the discussions of the complexity of urban–rural relationships in the Nordics.

The authors would like to thank all the interviewees for sharing their knowledge and experiences and all the readers of the draft versions who helped in the final stages of the work. A special thanks to Hjördís Rut Sigurjónsdóttir for translations during the fieldwork in Iceland.



Kristian Elleby Sundquist
*Chair of the Nordic Thematic Group
Sustainable Cities and Urban Development*

Summary

In this study, the impact of second homes and seasonal tourism on spatial planning is investigated. Seasonal tourism and the use of second homes are significant aspects within spatial planning. The provision of public services such as infrastructure, waste management and social services is often based on estimations and projections of census data on permanent inhabitants. Currently, the seasonal variability of populations because of second home usage or tourism is still largely ignored in policy and planning in the Nordic countries.

Half of the population in the Nordic Region have access to a second home. People use second homes during the summer or winter season and increasingly at weekends; therefore, our analyses find that a continuous counter-urbanization process exists in the Nordic region. Based on qualitative fieldwork in the Nordic municipalities of Odsherred, Pargas, Grímsnes og Grafningshreppur, Nore og Uvdal and Härjedalen, we describe how second homes and seasonal tourism are included in Nordic spatial planning. These five municipalities are among the most experienced municipalities in the Nordics when it comes to including second homes and seasonal tourism in planning. Therefore, others can learn from how they solve challenges that arise from a population that varies throughout the year.

We conclude that second homes are primarily considered a positive asset for the five case study municipalities, as the second home owners and seasonal tourists, termed 'voluntary temporary populations' are another opportunity for positive

rural development in addition to the permanent residents. This positive development is connected to job creation, planning of cultural activities and provision of services. At the same time, the central challenges are adapting the welfare system and services to these large flows of voluntary temporary inhabitants. Identifying the challenges will help the municipalities cope with them. Indeed, the challenges can be turned into opportunities by examining the challenges in a multi-actor format with the aim of developing context-adapted strategies and actions.

As the Nordic people increasingly divide their time between their urban permanent home and their rural second home, we conclude that second home mobility and the flows of seasonal tourists are neither urban nor rural phenomena. Instead, these phenomena are simultaneously urban and rural. To uphold the strict division between urban and rural municipalities undermines the understanding of where people spend their time and does not allow for a more complex understanding of the relation between these municipalities. This motivates us to recommend that policymakers and decision makers discuss whether municipal income taxes should be shared between municipalities, based on the locations of the permanent home and the second home. The main rationale behind this recommendation is that the infrastructure and welfare system could then be better adapted to the actual number of people who spend time in each municipality and make use of the local welfare system.

SAMMANFATTNING

I den här studien undersöks vilka effekter som fritidsboende och säsongsturism har på samhällsplaneringen. Säsongsturism och användningen av fritidshus är viktiga aspekter i planering. Tillgång och tillgänglighet till offentlig service, såsom infrastruktur, sophantering och socialtjänst baseras alltså på uppskattningar och framskrivningar av den permanenta befolkningen. Säsongsvariationer av befolkning på grund av fritidshusanvändning eller turism saknas fortfarande till stor del i planeringsdokument och politiska beslut i Norden.

Hälften av Nordens befolkning har tillgång till ett fritidshus. Människor använder fritidshus under sommar- och vintersäsong, och i ökande grad under helger. Det är en förklaring till att våra statistiska analyser visar att en ständigt pågående motsats till urbanisering pågår i Norden. Det kontinuerliga flödet av människor som använder fritidshusen skapar länkar mellan stad och landsbygd som ofta inte uppmärksammas annars. Baserat på kvalitativt fältarbete i de nordiska kommunerna Odsherred, Pargas, Grímsnes og Grafning-shreppur, Nore og Uvdal och Härjedalen, beskriver vi hur fritidshus och säsongsturism hanteras i den nordiska samhällsplaneringen. De här fem kommunerna är bland de mest erfarna kommunerna i Norden när det gäller att inkludera säsongsturism och fritidshus i planering. Därför kan andra lära sig av hur de löser utmaningar som uppstår på grund av att befolkningen har stor variation under året.

Vår slutsats är att fritidshus primärt uppfattas som en positiv tillgång för de fem fallstudiekommunerna. Fritidshusägarna och säsongsturisterna, i forskningen kallad 'frivillig

temporär befolkning', innebär en annan möjlighet för positiv landsbygdsutveckling än den permanenta befolkningen. Det särskilt gällande arbetstillfällen, kulturella evenemang, och service. Samtidigt finns stora utmaningar i att anpassa välfärdsystemet och offentlig service till stora variationer i befolkning under året. Att identifiera vilka utmaningar som kommunerna står inför kan hjälpa att möta dem. Utmaningarna kan också vändas till möjligheter genom att bryta ned dem i multiaktörsforum på regional och kommunal nivå. På så vis kan anpassade strategier och aktiviteter tas fram.

Då den nordiska befolkningen i ökad utsträckning delar sin tid i urbana permanenta bostäder och i rurala fritidshus, är en slutsats att fritidshusmobilitet och flöden av säsongsturister varken är ett urbant eller ruralt fenomen. Det är både urbant och ruralt samtidigt. Att upprätthålla en strikt uppdelning mellan urbana och rurala kommuner underminerar därför vår förståelse av var människor spenderar tid och försvårar dessutom en mer komplex uppfattning av relationen mellan dessa kommuner. Det motiverar oss att rekommendera beslutsfattare att diskutera om den kommunala inkomstskatten bör delas mellan kommuner baserat på lokalisering av den permanenta bostaden och fritidshuset. Den primära grunden till denna rekommendation är att infrastrukturen och välfärdsystemet med en sådan uppdelning skulle kunna bli bättre anpassat till den faktiska befolkningen som spenderar tid och använder det lokala välfärdssystemet i olika kommuner.

Spatial planning for second homes

The phenomenon of spending time in a second home—a sommerhus, sumarhús, mökki, hytta or fritidshus—is an expression of the high quality of life in the Nordic countries. Today, estimates for the Nordic countries suggest that around half of the population have access to a second home via family or friends, and these are increasingly used all year round (Adamiak et al., 2017; Back and Marjavaara, 2017; Icelandic Tourist Board, 2018).

The need to consider second homes and seasonal population dynamics in planning and policy was first noted by researchers during the 1950s (Hägerstrand, 1955). By that time, industrialization had encouraged more people to move to cities and towns to work in industries and factories with stricter working hours than before. This type of work often meant more free time and eventually even time for vacations from work. Since then, the additional time for leisure has, with a combination of individual car ownership and flexible work life

trends, increasingly been spent in different types of second homes and in tourism accommodation (Hall and Müller, 2018).

Spatial planners in municipalities and regions often fear even a marginal decline in population because of a corresponding reduction in the demand for services (Ellingsen, 2016; Kietäväinen et al., 2016). To analyse such a situation correctly, it is important to include second home users (i.e. voluntary temporary populations) and tourists in planning. In general, for areas with low numbers of permanent inhabitants and a high number of second homes, the temporary population to some degree replaces people moving out and helps to maintain the social fabric and demand for services, cultural and economic activities (Hall and Müller, 2018).

Flows of people and the second home phenomenon with regard to regional development are still not fully considered in policy and planning (Back and Marjavaara, 2017). One reason is that

Summerhouse at Råbylille Strand, Møn, Denmark. Photo: Markus Spiske





Second homes in the Nordics are used during winter and summer months, and increasingly all year round.
Photo: Johannes Lidmo

second homes and seasonal tourism imply linkages between urban and rural areas that are incompatible with the strict categories used in statistics. Therefore, population projections and public policy tend to ignore voluntary temporary populations (Hall and Müller, 2018; Hidle et al., 2010).

In this study, we focus on second homes and seasonal tourism as a spatial planning challenge. We consider the problems confronting spatial planners relating to voluntary temporary inhabitants and strategic and land use decisions. In the Nordic countries, municipalities are the most local form of official public authority with elected politicians, and in many instances, municipalities control land and water resources. Therefore, the focus is on planning at the municipal level.

The following research questions are investigated:

1. In what sense are seasonal tourism and second homes urban, and in what sense are seasonal tourism and second homes rural?

2. How can the urban–rural flows of people related to seasonal tourism and second homes be characterized?

3. What type of planning challenges do Nordic municipalities experience in relation to seasonal tourism and second homes?

4. What strategies have Nordic municipalities implemented to handle these challenges?

The five Nordic municipalities examined in this paper are subject to flows of tourists and second home owners. The case study municipalities were contextualized using Nordic tourism and planning research. Interviews with municipal and/or regional officials within public administration, politicians and tourist organisations within the five municipalities were conducted in January and February 2019. Strategies and plans addressing seasonal tourism and second homes were also collected. To enable generalizations for the whole Nordic Region, statistics and spatial analysis were utilized. See appendix for more information on methods and validation of results.

Nordic overview

What is a second home?

Although exceptions exist, second homes in the Nordic countries are traditionally a detached house on a plot of often rural land (Åkerlund et al., 2015), where no one is registered as a permanent resident. The fieldwork conducted for this study confirmed that it is impossible to identify a second home from a permanent home by visual inspection. Pitkänen et al., (2014) even found that there are no specific activities or groups of activities typical for permanent residents or second home owners. Information and communication technologies such as wi-fi also complicate the discussion further, as different digital solutions enable people to work in their rural (second) home although their workplace might be located in an urban area (Ellingsen, 2016). These results imply that using strict divisions between urban and rural areas and between permanent residents and voluntary temporary residents does not reflect the situation in these municipalities.

Estimates for the Nordic countries show that around half of the population have access to a second home either through ownership or a family member or friend, and these are increasingly used year round (Adamiak et al., 2017; Back and Marjavaara, 2017; Icelandic Tourist Board, 2018; Kietäväinen et al., 2016).

What motivates people to have or use second homes?

No large-scale urban to rural permanent migration has taken place in the Nordic Region. One of the explanations is that the motive of improving the quality of life is satisfied by extensive access to second homes (Adamiak et al., 2017). Second home use implies a desire for change of residence from an urban to a rural lifestyle, albeit periodically (Adamiak et al., 2017; Ellingsen, 2016). This is inferred by the term 'voluntary temporary population'.

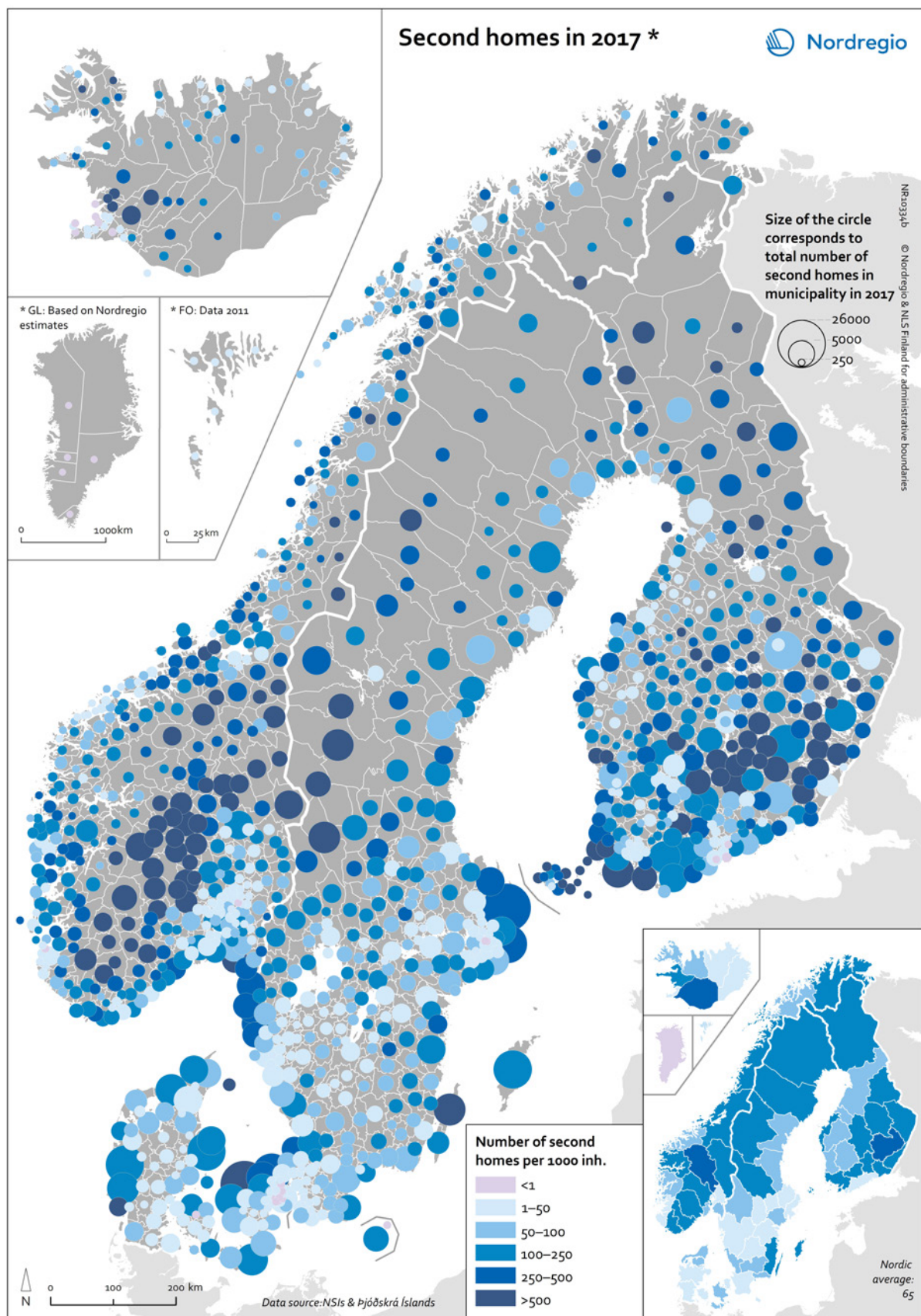
The primary use of a second home is leisure and recreation oriented, and it occurs on a non-permanent basis (Müller and Hoogendoorn, 2013; Åkerlund et al., 2015). Previous Nordic research indicates four main non-exclusive motivations for owning or renting a rural second home:

- social bonding with family and friends
 - 'escape' from the busy urban life
 - access to nature and associated recreational activities
 - investment
- (Ellingsen, 2016; Hoogendoorn and Marjavaara, 2018; Hall and Müller, 2018)

In some cases, a second home is associated with long-term intentions regarding leisure, retirement or lifestyle migration of other forms, while in other cases it is a connection to a family property or a region of origin (Åkerlund et al., 2015). In a study of second home users in various parts of Sweden during 2006–2015, Strandin Pers et al., (2018, p. 276) conclude that second homes are important locations for family time and can create feelings of belonging; this despite the houses being used only during weekends and holidays: *'The fact that they have had their second home for decades and that it has been used by several generations are significant in why these places have become so important and connected to responsibilities in regard to the family. Here we start to see similarities with the emotional bonds to family farms (...). As these second homes are shared within families and over generations, they may become places with strong positive emotional bonds to their users and be a material, social and emotional resource and mooring for families.'*

Why is the use of second homes increasing?

Previous studies on the Nordic countries report that second homes are used more and more frequently during weekends and holidays (Adamiak et al., 2017; Back and Marjavaara, 2017; Kietäväinen et al., 2016). Moreover, studies show that urban dwellers in Finland use second homes significantly more than rural dwellers (Strandell and Hall, 2015). This indicates that people compensate for living in dense urban areas by using a second home in sparse rural areas. The increased flows of people from 'urban' permanent homes to 'rural' second homes are currently explained by the theory of compensation (Strandell and Hall, 2015; Qviström et al., 2016). The theory of compensation explains



Map 1: Second homes in 2017. The map depicts the total number of second homes per municipality (size of the circles). Dark blue indicates higher shares of second homes in relation to municipal population and light blue indicates lower shares (purple is the lowest).

how urban dwellers use second homes to increase their quality of life via recreational tourism and spending time in more sparsely populated and built-up areas with greater access to private gardens and nature (Strandell and Hall, 2015; Qviström et al., 2016). The theory implies that Nordic planning ideals of compact cities spur the urge for further use of second homes.

Where are the second homes in the Nordic countries located?

There are 67 second homes per 1000 inhabitants in the Nordic countries (Map 1). The main areas for second homes, both in number and in relation to permanent inhabitants, are as follows. In Finland, the mid-eastern lake areas (Etelä-Savo/Södra Savolax) and the south-west archipelago including Åland; in Sweden, the southern mountain area (Dalarna and Jämtland Härjedalen), Stockholm archipelago and Öland; in Norway, the southern mountain area (Oppland and Buskerud); in Denmark, northern Sjælland and the west coast of Jylland; and in Iceland, the municipalities in the close vicinity of Reykjavík in the south.

During 2010–2017, the number of second homes increased by 4.2 per cent within the Nordic countries (Map 2). Vestfold in Norway was the region with the strongest growth, with approximately 3000 more second homes in 2017 compared with 2010. In some areas, the number of second homes decreased (indicated on Map 2 by the red circles). Reasons for this could be that: 1) the houses have been demolished or abandoned, 2) the houses have been turned into permanent houses, and 3) the statistics from the housing registers include errors because of different definitions of a 'house'.

Second homes have both positive and negative impacts

Seasonal tourism and the use second homes are significant within spatial planning, for estimates and projections of the demand for local services. The provision of public services such as infrastructure, waste treatment and social services are often based on census data that record people as living in one place only. Seasonal variability of populations, because of second home use or tourism, is still today largely ignored in policy and planning in

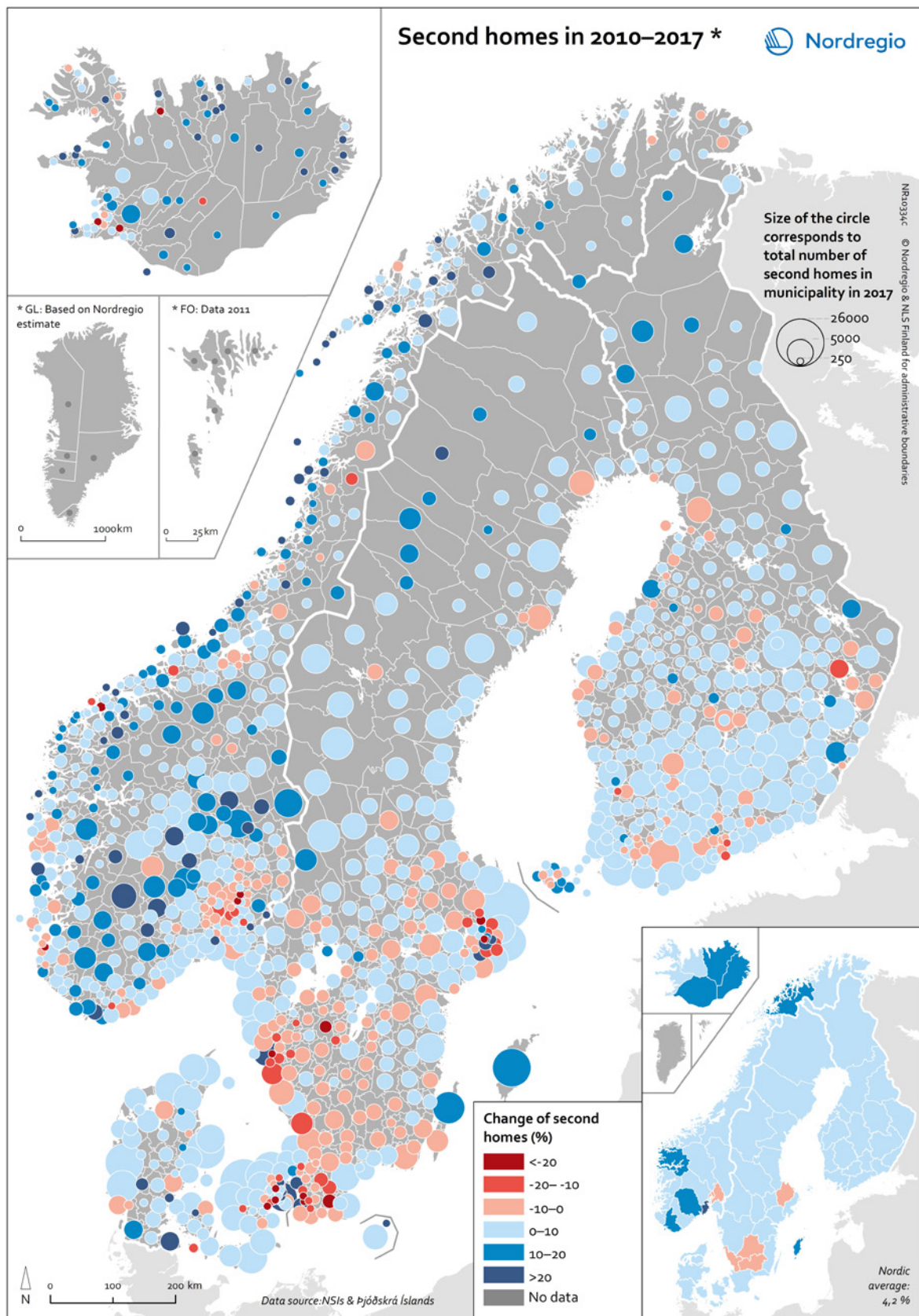
the Nordic countries. (Adamiak et al., 2017; Back and Marjavaara, 2017; Ellingsen, 2016)

Nordregio has developed a community impact (CI) indicator to obtain more accurate estimates of the total number of people who make use of local services throughout a year (Steineke, 2007). The CI indicator illustrates the impact that second homes have on the local community, and it can be both positive and negative (Map 3). To understand this, it is important to nuance two myths established in the 1970s about second homes (Müller and Hoogendoorn, 2013).

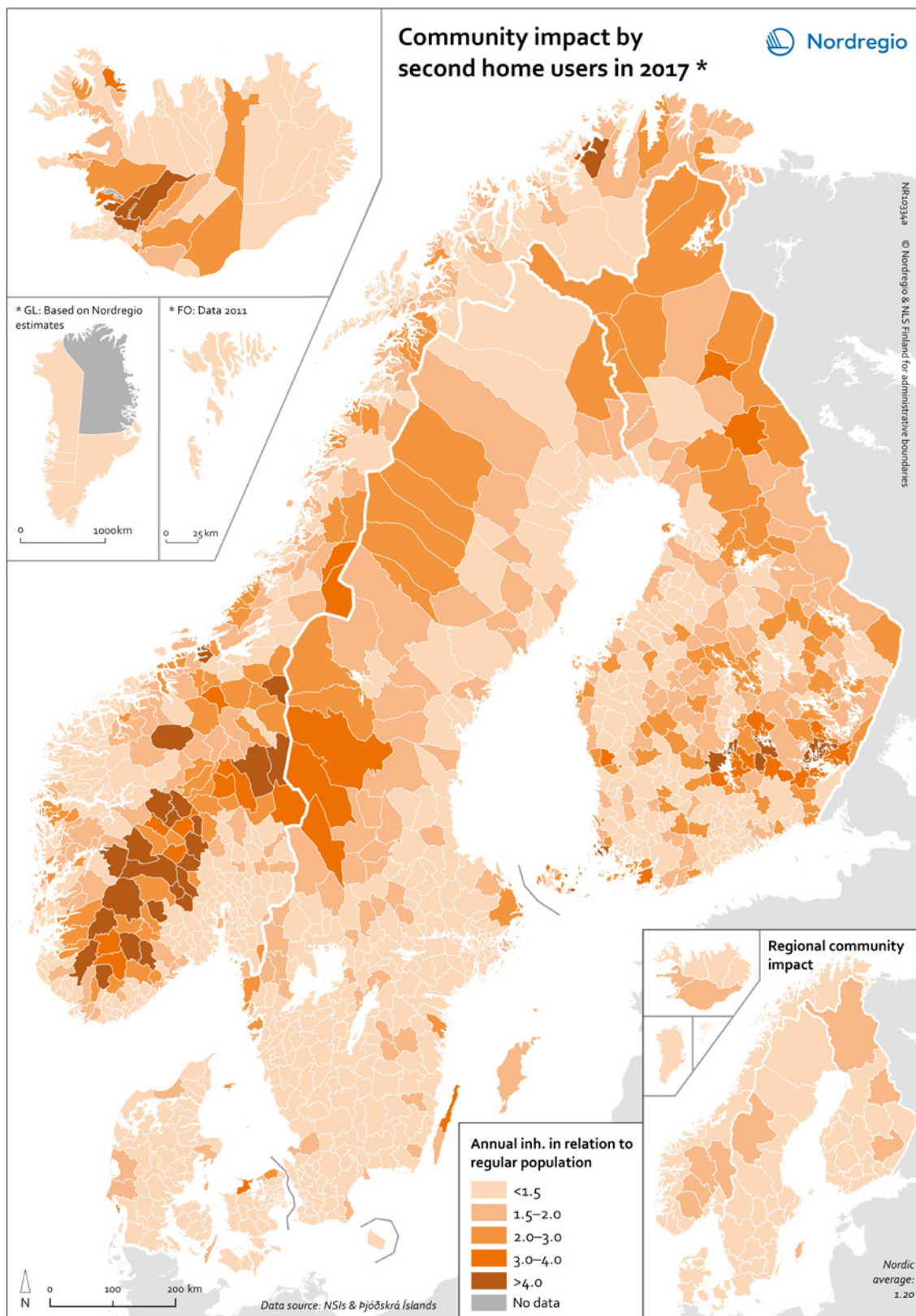
First, in the 1970s, a myth of spatial injustice and second home enclaves as being only for the affluent part of the population emerged in the United Kingdom. However, in 2017, second homes were available to a large part of the population in the Nordics. There are, however, tendencies of increased polarization between different second homes in the housing stock as there are large variances in the size and the quality of the interiors (e.g. insulation, ventilation and sanitation) of the second homes.

Second, another myth that arose in the 1970s was the fear of negative economic impacts in rural areas caused by second home developments. The common understanding was that the second home developments implied degradation of rural societies. The current research regarding impacts of second homes suggests that it is primarily positive. A major reason for the positive framing of the impacts is that voluntary temporary populations increase the viability of rural areas.

Community impact (CI) is defined as the ratio between annual inhabitants (AI) and permanent population ($CI = AI / \text{Permanent population}$). AI is an estimate of the overall population of the municipalities, both the permanent inhabitants and the second home users that also utilize the local infrastructure and planning resources. AI is defined as three times the number of second homes plus the permanent population. ($AI = \text{Permanent population} + 3 \times \text{number of second homes}$). The number 3 is an estimate of the average household size that uses second homes.



Map 2: Second homes in 2010–2017. The map illustrates the changes in the number of second homes in the Nordic countries between 2010–2017. The colours of the circles on the map indicate the change in number of second homes between 2010 and 2017. Red tones indicate a reduction in the number of second homes, while the blue tones indicate growth in the number of second homes.



Map 3: Community impact by second home users in 2017. The map illustrates the impact of second home users (voluntary temporary population) on the municipality. Dark orange tones indicate high impact of temporary inhabitants and light orange indicates lower impact of the temporary inhabitants. In populous municipalities with few second homes, the two population measures (annual population and permanent population) will be almost identical, yielding a ratio approaching 1. The ratio between the permanent population and the calculated annual population is large in municipalities with relatively few permanent inhabitants and a high number of second homes.

Map 3 depicts the CI of second home users in 2017. A high CI indicates that the voluntary temporary population's use of second homes is high compared with the number of people who live permanently in the municipality. The Nordic average for CI by second home users is 1.2. On a municipal level, the highest CI is found in Skorradalshreppur (28.9) in Iceland. Moreover, Grímsnes- og Grafn-ingshreppur (19.2) in Iceland and Kustavi (11.3) in Finland are municipalities where the CI also exceeds 10. Southern Savonia in Finland is the region with highest regional CI. In other Nordic countries, the regions of Suðurland in Iceland, Oppland in Norway and Jämtland Härjedalen in Sweden also stand out with high ratios. Without the temporary population, these regions would have a weaker demand for services, and they would have fewer people to maintain the social fabric and encourage economic activities.

A formidable seasonal counter-urbanization

Recent studies on second homes in Norway (Ellingsen, 2016) and Finland (Adamiak et al., 2017) acknowledge that the use of second homes questions the dominant narrative of uniform urbanization processes.

The continuous stream of people moving from their urban permanent homes to their rural second homes during holidays and weekends is called a 'formidable seasonal counter-urbanization' (Ellingsen, 2016, pp 5,9; Adamiak et al., 2017).

Based on the classification of 'urban' and 'rural' in the statistics of Norway, Sweden and Finland, many purpose-built second home areas and the urbanized characteristics of major seasonal tourist resorts would, because of their dense structure, be classified as urban in the statistics if the residents were registered there (Ellingsen, 2016; Adamiak et al., 2017; Overvåg, 2009; 2010).

One way to investigate if this process of counter-urbanization is happening at a Nordic level is to examine the data. For the purpose of this investigation, the typology of urban and rural areas developed by Eurostat was combined with data on population in permanent houses, location of second homes, changes of second homes over time and community impact for all five Nordic countries. The results from this analysis are presented in Figure 1.

The analysis presented in Figure 1 indicates that a continuous counter-urbanization process exists in the Nordic Region. As can be seen from

Second homes and community impact in Nordic countries based on urban-rural typology

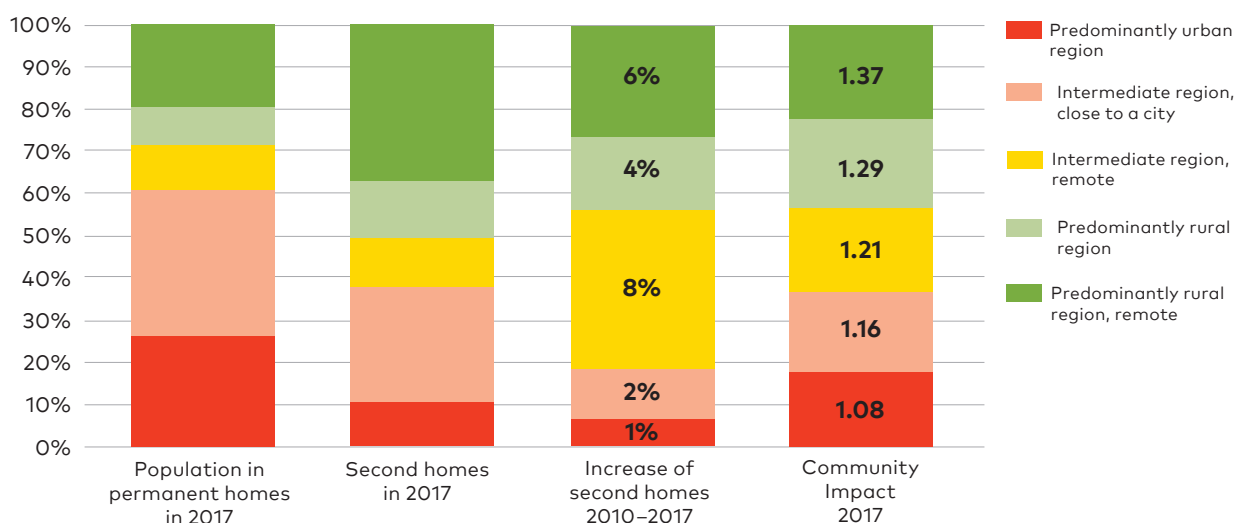


Figure 1: Eurostat urban-rural typology is divided into five different categories that are depicted by five different colours. Red tones indicate urban areas, orange and yellow indicate intermediate regions and green indicate rural regions. The graph illustrates the difference between the five urban-rural typologies with the selected indicators: location of population in permanent homes in 2017, location of second homes in 2017, increase in number of second homes from 2010 to 2017 and community impact in 2017. For a geographical representation of the urban-rural typology of Nordic Regions please see the Nordregio map <https://www.nordregio.org/maps/urban-rural-typology-of-nordic-regions/>

the first column from the left in Figure 1, the Nordic population is primarily concentrated in the urban areas. The second column shows that second homes are concentrated mainly in rural areas. Combined, these two columns illustrate that the biggest temporary movement (seasonal and during weekends) between the permanent and second homes takes place from urban to rural areas.

The third column in Figure 1 shows that the most intensive increase in the number of second

homes during 2010–2017 occurred in the intermediate regions (8 per cent), as well as in the predominantly rural regions (10 per cent). This indicates that most of the newly built second homes are located in areas categorized as rural. The community impact of second home users is depicted in the fourth column. A comparison indicates higher community impact in rural areas.

Five Nordic municipal examples

Second homes and seasonal tourism in Denmark

In Denmark, there are approximately 237,000 second homes and they are to a large extent located along the coastal areas, in particular, along the entire west coast of Jylland, on Djursland, and in North Zealand (see Map 1). While the highest concentration of second home owners live in the large cities, second home owners live all over the country. On average, the distance from a person's primary residence to their second home is 79 km (Holmgaard et al., 2018).

The 10 municipalities with the largest number of second homes are listed in the table below. A large number of second homes implies that there is a significant flow of people who are not permanently registered in these areas.

According to the law on summer houses, owners are permitted to rent out their second homes in Denmark. If they are rented out privately the first DKK 11,200 is tax free; however, if the home is rented out through an agency, the first DKK 40,900 is tax free. All earnings above these limits

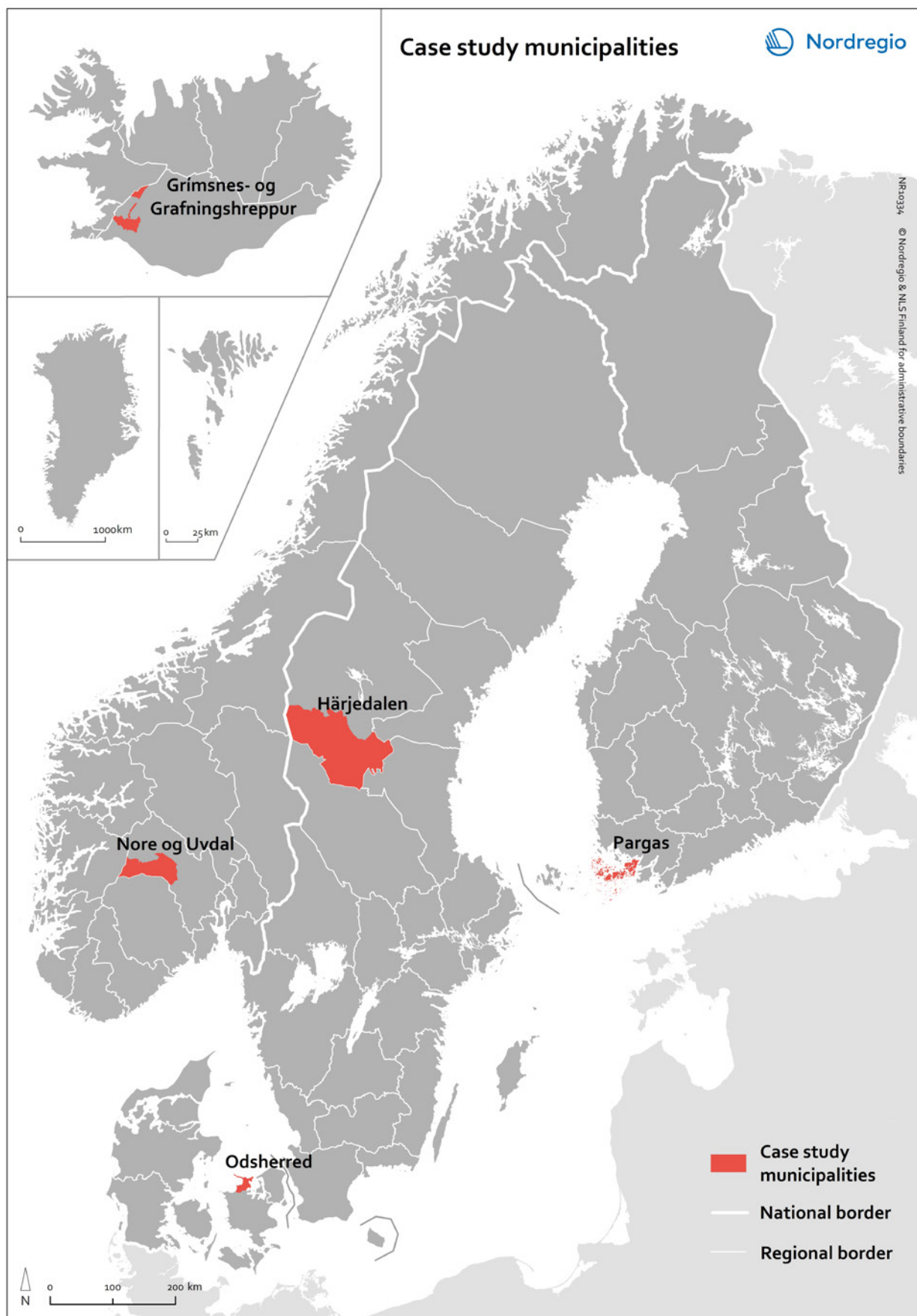
are taxed (Skatteforvaltningen, 2019). Summer houses cannot be rented out throughout the entire year, because certain limits exist regarding rentals during the winter season.

There is a strong tradition of renting second homes in Denmark, and it is the largest category of overnight stays in the tourism sector (Skak and Bloze, 2016). A record was reached in 2017 with 19.3 million overnight stays in rented summer houses (Holmgaard et al., 2018). International tourists are primarily from Germany, Norway, Sweden and the Netherlands (Holmgaard et al., 2018). However, a large number of second homes are not rented out, but rather only used by the owners themselves for getaways during weekends and holidays.

In 2016, a total of DKK 108.1 billion was spent on tourism in Denmark, with foreign tourists accounting for DKK 40.7 billion (VisitDenmark, 2018). It is estimated that the tourism sector is responsible for 136,000 full-time positions, which represent 4.7 per cent of total employment in Denmark (VisitDenmark, 2018).

Table 1: The 10 municipalities with the largest number of second homes in Denmark

Country	Municipality	Total number of second homes	Population in 2017	Approx. distance to capital	Community Impact (CI)
Denmark		237,322	5,748,769		1.12
Denmark	Odsherred	23,332	33,023	1 h	3.12
	Gribskov	14,558	41,213	0.75 h	2.06
	Syddjurs	10,053	42,021	3.2 h	1.72
	Ringkøping-Skjerm	10,050	57,022	3.5 h	1.53
	Jammerbugt	8,736	38,581	4.75 h	1.68
	Halsnæs	8,703	31,162	0.75 h	1.84
	Varde	8,574	50,452	3 h	1.51
	Kalundborg	7,691	48,736	1.25 h	1.47
	Guldborgsund	7,555	61,257	1.5 h	1.37
	Hjørring	6,600	65,307	4.75 h	1.30



Map 4: Location of the five case study municipalities within the Nordic Region.

Property tax and regulated use and ownership

In Denmark, property taxes are imposed on second homes, which include both the land and the structure on the property. The tax rates are based on the property value. The property value of the house is assessed by the Danish Tax Agency every second year and this tax is collected by the state¹. The property tax for the land² is assessed and collected directly by each municipality twice a year and the tax rate differs from one municipality to another.

With the introduction of the urban and rural zone law³ in 1970, Denmark was divided into three types of zones: urban, rural and recreational (Gammelgaard, 1993). The construction of second homes is only allowed in recreational zones. According to the Planning Act, second homes are primarily to be used during the summer months, which is why second homes are both officially and colloquially termed 'summer houses' in Denmark. Consequently, second homes are not to be used for overnight stays in the winter months apart from short-term vacations (during the period from 1 November to the end of February). The purpose of this rule is firstly to ensure that the recreational zones are used for leisure and recreation, secondly to protect the environment and landscape in these zones, and thirdly to ensure there is no development of housing for permanent use. As such, the law prevents inexpedient pressure to create new recreational zones (Erhvervsstyrelsen, 2019). Pensioners are the only group that is permitted to use second homes as permanent residences. However, the municipalities can grant a derogation in special cases. Today, approximately 10 per cent of second homes are used as permanent residences (Holmgaard et al., 2018).

In 2017, the rules for the use of second homes were liberalized to encourage positive development in the rural areas (Erhvervs- og Vækstministeriet, 2016). Within the new rules, pensioners were granted the right to use a second home as a permanent residence after one year of ownership (compared with the previous eight years), and second homes can be used, with no restrictions, for 34 weeks of the year instead of the previous 26 weeks. The new rules also allow municipalities to create new recreational zones in coastal areas with a maximum of 6,000 second homes on the

condition that 5,000 vacant land plots classified as recreational zones in the coastal area are re-transferred to rural area zones. This makes it possible for municipalities to relocate second home areas and thereby create more attractive locations for second homes (Erhvervsstyrelsen, 2017).

Foreigners are not allowed to buy second homes in Denmark. When Denmark entered the European Community (today the European Union) in 1973, this restriction was continued, which is a special rule for Denmark (Holmgaard et al., 2018). If foreigners wish to buy a second home, they must apply to do so, and the application is processed by the public administration. Since 2018, the acquisition of real estate property by foreign citizens has been handled by the Department of Civil Affairs (Justistministeriet Civilstyrelsen, 2019; Oresunddirekt, 2019).

Odsherred – an economy dependent on second homes and tourism

With approximately 25,000 second homes, Odsherred municipality is by far the municipality with the largest number of second homes in Denmark (VisitOdsherred, 2018). Odsherred is located on the north-western tip of Zealand (see Map 4, previous page), less than two hours away by any means of transportation from the large urban centres of Copenhagen, Aarhus and Odense. The municipality's long coastline with many popular sand beaches and natural surroundings are, according to the municipal officials interviewed for this report, what makes the municipality attractive to tourists and second home owners.

Tourism is of great importance for Odsherred, with an annual turnover of DKK 1.6 billion of which 1.1 billion is connected to the second homes. Odsherred is one of the three municipalities in Denmark where tourism is the most important industry from an economic perspective (VisitDenmark, 2018). An official of VisitOdsherred describes the importance of the second homes as follows:

'The 25,000 second homes in our municipality are the core of the entire service sector and trade. You can almost only underestimate how important they are. In total, one second home has the same meaning for the local economy as one permanent citizen has on average for an entire year. It says something about how dependent the economy is on the second homes.' Official at VisitOdsherred/the tourist organisation, January 2019

1 da: ejendomsværdiskat

2 da: grundskyld

3 da: By- og landzoneloven



The second homes in Odsherred are often owned by people who have had a relation to the area for many generations. Photo: Louise Ormstrup Vestergård

Municipal officials reported that Odsherred municipality differs from the large second home municipalities on the west coast of Jylland in the sense that Odsherred does not have as many international tourists and second homes are not rented out to the same extent. The second homes in Odsherred are often owned by people who have had a relation to the area over many generations and the houses are used intensively by the owners, their friends and family. A significant share of the people who own a second home in Odsherred live in the Copenhagen area (Holmgaard et al., 2018). The municipal officials revealed that these second homes are being used more often and for longer periods during the year. They also provided examples of people who move to their second home for 5–6 months during summer, and then commute back and forth to Copenhagen for work when needed. Approximately 10 per cent of the second homes are used as permanent residencies.

Although the second homes are being used more often, there is still a significant peak season during the summer period:

'Winter and summer are like night and day here in Odsherred. There are 4–5 times as many people during the summer months. It is a significant change.' Official in Odsherred Municipality, January 2019

A deserted town during winter

'We have been a second home municipality for so many years that it is a part of our DNA. This is life in Odsherred, so for me it is normal, I do not think of it as a challenge per se.' Official in Odsherred Municipality, January 2019

Handling the large seasonal variation in population is a situation the officials have become accustomed to through a long local history as a second home municipality. The second home owners constitute a large group whose presence needs to be included in all spatial planning work.

A primary planning challenge is the enhanced pressure on municipality services in the peak season, and especially in areas such as construction management, home care, and waste management. The situation demands that the municipality

has a special awareness of the peak periods and organises the work schedule accordingly. In comparison to other municipalities that almost shut down during official holidays, Odsherred needs to be more alert in these periods as they often receive more inquiries during this time.

Second home owners have certain responsibilities that need to be handled for the municipality's services to function. Therefore, one challenge is to inform the second home owners of their responsibilities, such as cutting trees on their plots so that public services can easily reach the homes. In relation to tourists that rent a second home, a challenge is to inform them about the official rules in the municipality, e.g. garbage sorting. Another information issue occurs when municipalities introduce changes in the areas, e.g. development projects close to the second homes. This can cause large protests from the second home owners if they do not welcome these changes.

As there is a large difference between the summer and winter seasons in Odsherred, it is a challenge to maintain a vibrant atmosphere during the winter season. As one of the officials stated, the cities are almost deserted during winter.

Other challenges the authorities experience include the fact that some people live illegally in the second homes; however, this is a difficult situation for the municipality to handle systematically. Another issue is that some second home owners build on their property without permission from the municipality. As this is currently a political focus, the municipality spends a great deal of time on this issue and uses aerial photography to spot the irregular buildings. The municipality also increasingly experiences conflicts between neighbours in the second home areas. Traditionally, people have used small unauthorized paths that cross other landowners' grounds to reach the beaches. However, a growing number of second home owners have started to oppose this. However, this is not the municipality's responsibility.

The large inflow of people who are not permanent residents in the municipality, and therefore do not pay municipal income taxes, creates financial challenges for the municipality because, as the mayor stresses, it is difficult to fund many of the associated expenses. These include health care⁴, li-

braries and maintenance of roads and beaches. An official of Visit Odsherred also acknowledges these challenges, but argues that overall the municipality benefits from the second homes:

'It [the second homes] is without a doubt a profitable business for the municipality.' Official at Visit-Odsherred/the tourist organisation, January 2019

Instead, he points out that the municipality does not have much money to invest in development initiatives, which the other interviewees also stressed. Developing the tourism sector, such as creating bicycle paths targeting tourists, is in direct competition with other municipal focus areas such as kindergartens, schools and care for the elderly. To make the businesses and the local population comprehend the importance of developing tourism in the municipality and the associated gains in the long run continues to be a challenge.

Planning strategies and actions

The second homes and the owners are important factors within municipal planning and the tourism strategy (Odsherred kommune 2017; VisitOdsherred 2018; Dansk Bygningsarv 2014). In the vision and development plan, second home owners are consistently termed 'leisure citizens', which emphasizes that the second home owners are perceived as a group of citizens by the municipality and not solely as visitors.

All four interviewees in Odsherred emphasized that the second home owners are essential for the municipality. Even though it creates planning challenges as stated above, the second homes have also prevented Odsherred from experiencing the same decline in economic activity as other rural municipalities that are otherwise similar to Odsherred. The fact that there are seven supermarkets in the main city of Nykøbing Sjælland, events such as Saturday jazz, and bakeries, are a result of the second home owners and tourists who spend their vacations and leisure time in the municipality. To secure events for the local citizens outside of the tourist season, the municipality has decided to prioritize a special focus on three main cities.

A main economic strategy for the municipality is to extend the peak season to encourage the second home owners to spend more time in their second homes:

⁴ Home care is reimbursed by the citizen's home municipality, but other health care services such as nursing care and doctors' visits are paid by the municipality they visit.



The coastline of Odsherred is attractive for second home owners and tourists. Photo: Louise Ormstrup Vestergård

'We want to motivate them to use their second home more outside the peak season. This is the main task in the coming years, as this is where we see the greatest potential. Now, the second homes are used 65 days per year on average. If they were used for just one more weekend it would mean DKK 25 million more spent in the local stores.' Official at tourist organisation in Odsherred, January 2019

The strategies being used to achieve this goal are primarily 1) enhanced dialogue and communication with the second home owners, 2) development of events and activities and 3) active involvement of second home owners at the local level.

The enhanced dialogue has been prioritized both politically and by the tourist organisation. As a new initiative, the municipality invites all second home owners to an information meeting 2–3 times per year. Previously, they held meetings with a small number of second home area representatives. However, in 2018 the officials started organising meetings with as many owners as possible to obtain a broader range of feedback. This new initiative has not yet been evaluated. However, the second home owners are showing an interest in being involved and informed, and 6000 second home owners quickly signed up for a digital newsletter from the municipality. The second home

owners have been invited to raise issues they wish to discuss at the meetings or addressed in the newsletter.

In addition, the tourist organisation publishes a newspaper targeting second home owners. This paper addresses issues that are relevant for second home owners, such as when to cut trees and how to remove invasive plants. This also helps inform the owners about their responsibilities, which benefits the municipality's planning work.

Odsherred is currently focusing on including the second home owners and the resources they bring into the municipality to a greater extent. Some of the second home owners want to actively participate in the development of the municipality and propose initiatives. To better support and involve the second home owners at a local level, the landowners' associations can apply for funding of small collaborative initiatives such as building a tennis court or setting up benches along walking paths. The municipality has set aside DKK 250,000 per year for this purpose.

These examples are initiatives that have been established in recent years with the aim of increasing second home owners' involvement and there-

fore time spent in the municipality. It is an active strategy to signal the second homes as an asset for the municipality.

An important structural focus is to improve wi-fi connectivity to encourage the use of second homes, something which the municipality has already put a lot of work into:

'One of the primary challenges we face is good wi-fi connectivity. It has become even more important than proximity to the beach. And it has a big influence on the development of our region. If the second home owners do not have proper coverage they leave on Sunday. But if they have good connectivity they can stay until Monday or even Tuesday, because then they can work from home.' Official in Odsherred Municipality, January 2019

Increased use of second homes is perceived to have multiple positive outcomes: 1) beneficial for local businesses and commercial life, 2) increased participation in the local cultural life, and 3) second home owners bring significant resources that can benefit the development of local communities (Dansk Bygningsarv, 2014).

Table 2: Summary of planning challenges, strategies and actions in use, Odsherred, Denmark

Planning challenges	Strategies and actions in use
Extra pressure on municipality services in peak season.	■ Organise work schedules according to peak seasons
Second home owners fail to fulfil their responsibilities, which hampers the municipality's ability to provide services and requires resources to inform second home owners of their responsibilities.	■ All second home owners are invited to participate in dialogue and information meetings. ■ A digital newsletter every third month. ■ A paper targeting issues specific for second home owners.
Many towns shut down during the low season (i.e. winter months).	■ Centralize focus on three cities to secure opening hours and events all year.
Conflict over right of public access and private land owner rights.	■ Currently no strategies in use.
Illegal buildings.	■ Aerial photography analyses.
Illegal stay in second homes.	■ Currently no strategies in use as it is very difficult to regulate and monitor illegal stays for the municipality.

Second homes and seasonal tourism in Finland

Of the 5.5 million inhabitants in Finland, 2.4 million are regular users of second homes (Island Committee, Finnish Consulting Group FCG, 2017). Areas with high seasonal populations are concentrated on the coast and in the archipelago, in the Lakeland region covering the southern and south-eastern interior of the country and in some tourism centres in northern Finland (see Maps 1 and 3). The people who spend time in these locations are primarily permanently registered as residing in urban areas, on the Baltic coast, and in the Lakeland region (Adamiak et al., 2017).

Statistics from Visit Finland (2017; 2018) show that Finland is more of a winter destination than the other Nordic countries. Despite this, the Finnish statistics show peaks during spring and summer months too, such as March, July and August in 2017. In 2017, accommodation establishments recorded 21.9 million overnight stays, of which domestic travellers accounted for 15.2 million and foreign visitors for 6.7 million.

In 2016, a total of €13.8 billion was spent on tourism in Finland (Visit Finland, 2018). Tourism

also has multiplier effects on other sectors, such as construction, transport and commerce. In 2017, the annual total amount of money spent on cottage use in Finland was approximately €6.2 billion, the resulting employment effect being 60,000 jobs (Island Committee, Finnish Consulting Group FCG, 2017).

65 municipalities in Finland have more second homes than permanent homes. The 10 municipalities with the most second homes are displayed in the table below.

A large number of second homes implies a significant flow of people who are not permanently registered in these areas. In the future, the tradition of spending time in holiday homes is likely to remain intact in Finnish society. A report on young adults and holiday homes concludes that 82 per cent of young adults and 84 per cent of current holiday home owners (of the 2,000 respondents surveyed) believed that leisure residences will remain popular in the future (Island Committee, Finnish Consulting Group FCG, 2017). This implies that the amount of money spent on holiday homes and their employment effect will remain reasonably constant over time.

Table 3: The 10 municipalities with the largest number of second homes in Finland in 2017

Country	Municipality	Total number of second homes	Population in 2017	Approx. distance to capital	Community Impact (CI)
Finland		507,200	5,503,297		1.28
Finland	Kuopio	10,789	117,740	4 h	1.27
	Mikkeli/S:t Michel	10,444	54,517	3 h	1.57
	Parainen/Pargas	8,695	15,398	2.5 h	2.69
	Lohja/Lojo	8,468	47,149	1 h	1.54
	Savonlinna/Nyslott	8,416	35,242	4 h	1.72
	Härmeelinnä/Tavastehus	8,043	67,850	1 h	1.36
	Kouvola	7,749	85,306	1.5 h	1.27
	Salo	7,065	53,546	1.5 h	1.40
	Kuusamo	6,837	15,533	8.75 h	2.32
	Raasepori/Raseborg	6,598	28,077	1.25 h	1.70



Pargas municipality is a popular summer destination, but has a vibrant local life all year thanks to its voluntary temporary inhabitants. Photo: Elin Slätmo

Second home owners are local stakeholders

In Finland, national strategies for regulating second homes are focusing mostly on domestic second home tourism and multiple dwellings. However, Finland has been a seemingly attractive destination for foreign second home owners for the last two decades (Pitkänen, 2011). Since 2000, all foreigners can now purchase properties in Finland without applying for a permit⁵ (Åkerlund et al., 2015).

Second home owners pay property tax and are entitled to certain public services such as health care, libraries and fire services (Kietäväinen et al., 2016). The same goes for tourists, although they do not pay any specific taxes. The tax on second homes is regulated by national authorities, but the tax is paid to the municipalities, which is also in charge of the rates of the property taxes. In general, municipal tax on second homes in Finland has tripled since 2000 (Yle uutiset, 2018). This to cover the costs of the municipal services and infrastructure. In Finland, it is not possible to retain large capital gains on the sales of second homes as these gains are taxed (Hallo Norden, 2018; Vero skatt, 2018).

⁵ The exception is the autonomous region of Åland. One is only allowed to own property on the islands of Åland if one is born in region, has a parent who is a citizen, or receives either Right of Domicile (sv: hembyggsrätt) by being a Finnish citizen, or a permit for land acquisition (sv: jordförvärrstillstånd) by having lived permanently in Åland for five years.

Second home owners do not have the same rights and responsibilities as other inhabitants. As such, second home owners in Finland are not allowed to vote in municipal elections for the municipalities where their second home is located, and cannot be elected as formal representatives in municipal administrations. They do, however, have the right to appeal decisions, and they may be included as stakeholders in land planning and submit statements on plans (Kietäväinen et al., 2016).

One of the strategic projects in Finland's Tourism strategy is to make the Finnish Archipelago internationally known, and guidelines have been provided on how private individuals must act if they rent out their homes to guests or visitors (The Ministry of Economic Affairs and Employment in Finland, 2019a; 2019b).

Pargas – part-time residents are essential

Pargas municipality is located along the south-west Baltic coast in the region of Southwest Finland (Varsinais-Suomi/Egentliga Finland; see Map 4). The popularity of Pargas as a holiday and tourist destination is especially obvious during the spring, summer and autumn seasons when the population in the municipality increases by around 69 per cent. This is partly because of the second homes in the municipality, but also because of an inflow of domestic and international tourists who sail to the archipelagos in their own boats or travel

there via the city of Turku. About 80 per cent of the tourists are Finns, and the rest are primarily from mid-European countries such as Germany, Belgium and Netherlands. The peak tourism season runs from June to August.

The 15,400 permanent inhabitants in Pargas live in a municipality that consists of a large number of islands and islets. People live on 98 of the 100 islands all year round. A network of roads, ferries, buses and bicycle lanes enable the mobility of people and goods among the islands. Finland's largest limestone mine is located within the municipality, and consequently the businesses are predominantly within the building sector. In addition, the municipality has a large number of small-scale family companies in farming, forestry, services and tourism. These are primarily located on the islands outside mainland Pargas and are very important to the local economies.

Commenting on the industry in Pargas, one of the officials in Pargas stated:

'Without the businesses in Pargas the whole building industry in Finland would stand still [...]. However, we are aware of the fact that the limestone will only last another 30 years. This means that we have started to broaden efforts to help other types of businesses too. One of our goals in the new vision and strategy for the municipality is to make Pargas more accessible for tourists. For instance, the municipality facilitates meetings for businesses to enhance tourism collaborations.' Official in Pargas municipality, February 2019.

There is a strong focus in Pargas on promoting tourism, enabling second homes in the archipelago and encouraging the remodelling of second homes into permanent homes. Because, as an official in Pargas municipality puts it:

'The permanent population decreases, but the part-time residents' population increases.' Official in Pargas municipality, February 2019.

Second homes on the island of Korpo, one of the 100 islands in Pargas municipality. Photo: Johanna Pettersson



The part-time inhabitants that the second homes attract to the municipality are essential for the survival of the local services and businesses in the municipality. In the relatively small town of Nagu, located on one of the larger islands, three restaurants open for lunch on Wednesdays in February, as well as two larger supermarkets. An official in Pargas municipality said:

'The stores in the archipelago would not exist without the part-time inhabitants. Business activity is important to the town all year round.' Official in Pargas municipality, February 2019.

Planning challenges calling for changed legislation

Municipality officials in Pargas stated that services and infrastructure operate throughout the year despite the large seasonal variation in population. The main challenge is to balance the need for services and infrastructure during high and low seasons. This is particularly important for water use, sewage and grey water, waste management and adapting roads and ferries to the flows of traffic. It can also be challenging to provide the necessary amount of services as the variations in population are large during the year. One of the officials in the municipality explained the need for further collaboration in the services and business sectors to develop sustainable tourism:

'Currently, if a bus with tourists arrives during the high season, we can face a challenge to house them all in one location within the municipality, and the business owners are a bit reluctant to collaborate with each other, even if the neighbouring bed and breakfasts have beds. This challenge is usually solved by directing the tourists to another municipality in the region, but for our local economy, further work is needed on this. We arrange seminars for businesses in the tourism sector in order to enhance collaboration' Official in Pargas municipality, February 2019.

As the municipality population is ageing, especially on the islands of Nagu and Korpo, the municipality is welcoming second home owners to register as living in the municipality. The municipal perspective is that the current legislation is restricting this to some extent. Finnish inhabitants can only be registered at one location, and there are very detailed rules in the housing standards for a house

to be classified as a permanent home. One of the officials in Pargas commented on this situation:

'If this would change it would enhance the possibility of more people being registered here, and the permanent population would increase. Changing the legislation and the standards would be a gold mine for us.' Official in Pargas municipality, February 2019.

The rights of public access are challenged by the large variation in the number of people living and staying in Pargas during the year. It was observed during field visits in February 2019 that private land owners had put up signs asking people to respect their privacy in their second homes and on their property. The municipality does not own any land on the islands outside of mainland Pargas. Instead, local organisations and private land owners have provided common beaches and walking routes.

Planning strategies and actions – local collaboration and flexibility

In 2018, a new vision for the municipality was developed with tourism as a central component. (Learning Miles, 2018; Pargas stad, 2017). Two additional people have been employed to assist in this tourism development. The aim is to make Pargas more accessible and to develop sustainable tourism, through collaboration between actors in the already existing network of businesses. To highlight the importance of the second homes and the tourist sector in the municipality, competitions for 'second home owner of the year' and 'the best service establishment' have been initiated. As the municipality is rather small in terms of the number of employees and inhabitants, collaborations with regional and national tourism actors are important for visibility and marketing.

The business and services sectors in Pargas adapt to the high and low seasons by flexible opening hours during the year. Despite this strategy, the field visit in February 2019 revealed a vibrant local life in Korpo, Nagu and mainland Pargas.

Like many other popular Nordic tourist and holiday locations, the need to consider the development of second homes in the planning of land use started in the 1960s and 1970s (Andersson et al., 1970). Since then, regional planning in Southwest Finland has guided municipal planning regarding second home developments in coastal areas

by setting a percentage per kilometre of coastal areas that can be developed. Based on regional plans, the municipality planned the coastal areas in the 1990s. The municipality tied an exact number of building rights to each plot of land, using the metric of 3–5 or 7–10 building rights per kilometre of coastline. After the 2009 municipality merger, this plan has been updated. Currently, the entire coastline of Pargas is planned; however, the inland areas of the islands and some of the islets are not strictly planned. From the landowners' perspective, the exact number of building rights that are tied to a plot of land is important for the value of the land. The building rights are for instance used for obtaining loans. The local planning regulations also stipulate the maximum size of permanent homes and second homes. The permitted size for second homes is between 150–300 m². The permitted size depends on the location of the plot of land, in particular whether it is outer archipelago or inner archipelago.

To ensure accessibility to the archipelago and the whole municipality, work is ongoing to develop both the physical and digital infrastructure, e.g. by promoting a bridge connection to replace the ferry between mainland Pargas and the island of Nagu, and to develop better internet service in the whole municipality. These developments are dependent on regional and national governance levels. One of the officials in Pargas explains the importance of the infrastructure in the following way:

'Businesses do not really dare to make investments in the archipelago due to the lack of a permanent connection. This bridge plan... we do not know if the state will invest. But we hope so, as that would enable further business development and ensure permanent inhabitants' access to health care. This is viewed as especially important because it has been discussed to stop the ferry traffic at night.' Official in Pargas municipality, February 2019.

Another strategy that the municipality is using is a property tax. Second homes are taxed at a higher rate (1.5 per cent) than houses used as permanent homes (0.47 per cent). The officials in the municipality were not certain that the higher tax rate for second homes fully covers all of the services and infrastructure expenses related to the second home owners. However, the officials stated that the overall outcome was positive for social and economic development. This perception is confirmed in a survey developed by the Leader organisation in Pargas in 2011 (Ekström et al., 2011).

During interviews with officials in Pargas, it was highlighted that an informal committee with part-time inhabitants from the different islands has existed since 2009. One of the municipal officials and the city director meet with the committee 1–2 times per year to share information and discuss relevant issues. The municipality publishes a tourism newspaper eight times per year. This newspaper is sent to second home owners' permanent addresses once per year.

Table 4: Summary of planning challenges, strategies and actions in use, Pargas, Finland

Planning challenges	Strategies and actions in use
Balance the need for services and infrastructure during high and low seasons.	<ul style="list-style-type: none"> ■ Informal committee for discussion. ■ Flexible opening hours. ■ Development of the physical and digital infrastructure. ■ Property taxes.
Finnish legislation is restricting people from moving to second homes as permanent residents.	
Balance private land rights and the right of public access.	<ul style="list-style-type: none"> ■ Local organisations and private land owners have provided common beaches and walking routes.
Need for further collaboration in the services and business sectors to develop sustainable tourism.	<ul style="list-style-type: none"> ■ Strategic tourism analysis.

Second homes and (seasonal) tourism in Iceland

Iceland has about 13,000 second homes (Registers Iceland, 2017) and more than half of them are located in South Iceland (Jóhannsdóttir, 2018). South Iceland is one of the regions in Iceland that attracts the most international tourists, probably because most of the tourist attractions in the 'Golden Circle'⁶ are located in the region. Most tourists do, however, stay in the capital region of Reykjavík. From 2013 to 2017, the number of overnight stays by international tourists in Iceland increased by 106 per cent (compared with a 9 per cent increase among Icelanders). The number of employees in tourism-related sectors during that time period increased by 68 per cent (Icelandic Tourist Board, 2018). Without doubt, tourism in Iceland is important for the Icelandic economy.

With large inflow of tourists, renting out second homes is an income opportunity. Alternative forms of accommodation are numerous, compared with traditional ones such as hotels and guest houses. In 2017, an estimation indicates 522,000 non-registered overnight stays where people stayed for example with family and friends or in vehicles outside of camping sites. About 1.9

million overnight stays were also paid through Airbnb and similar websites in 2017. A large proportion of these are not included as overnight stays in official statistics (Icelandic Tourist Board, 2018). Furthermore, a visitor survey of international visitors in 2016 showed that 9.1 per cent of the respondents stayed in summer cottages (i.e. second homes), of which more than half stayed at least three nights (Icelandic Tourist Board, 2016). This situation implies that the tourist economy is larger than the official statistics show.

In 2017, Icelanders travelled on average six times for domestic tourism, and more than half of the respondents travelled at least once during the summer months (Icelandic Tourist Board, 2018). Slightly more than half of the respondents had planned a trip to a second home in 2018 (Icelandic Tourist Board, 2018). All in all, second home use is large in Iceland by Icelanders, but increasingly by international tourists too.

Second homes in Iceland exist in smaller towns and rural areas. However, the largest second home areas have been developed relatively short distances from the major cities (Nouza et al., 2013). The top 10 municipalities for second homes in Iceland are presented in the table below. Four of them

Table 5: The 10 municipalities with the largest number of second homes in Iceland

Country	Municipality	Total number of second homes in 2017	Population in 2017	Approx. distance to capital	Community Impact (CI)
Iceland		13,160	338,349		1.12
Iceland	Grímsnes- og Grafningshreppur	2,832	467	1 h	19.19
	Bláskógabyggð	1,979	1,026	1.5 h	6.79
	Borgarbyggð	1,321	3,677	1 h	2.08
	Kjósarhreppur	573	220	0.25 h	8.81
	Rangárpíng ytra	553	1,537	1.25 h	2.08
	Skorradalshreppur	540	58	1.25 h	28.93
	Hvalfjarðarsveit	463	636	0.75 h	3.18
	Hrunamannahreppur	348	773	1.25 h	2.35
	Þingeyjarsveit	347	915	5.5 h	2.14
	Rangárpíng eystra	346	1,752	1.25 h	1.59

⁶ A tourist route consisting of spectacular natural landscapes such as waterfalls, lakes and geysers.



*In Grímsnes og Grafningshreppur, second home use is largely influenced by rentals to international tourists.
Photo: Johannes Lidmo*

have more second homes than the permanent population; Grímsnes og Grafningshreppur, Bláskógabyggð, Kjósarhreppur and Skorradalshreppur. A large number of second homes implies that there is a significant flow of people who are not permanently registered in these areas.

Regulated renting

The sizes of second homes have increased in recent years. This is probably because of changes in national regulations in recent decades (e.g. Jóhannsdóttir, 2018). The maximum size of a second home is today calculated based on the size of the land plot, e.g. on a one hectare plot it is possible to build up to a maximum size of 300 m². The sizes and purposes of housing are specified in municipal spatial planning regulations.

Furthermore, interior designs have also improved with the inclusion of washing machines, dishwashers and hot tubs. This is despite the fact that second homes in Iceland are supposed to only be used temporarily—i.e. people cannot register to live in second homes. However, there is no limit of the maximum number of days a second home owner can use the house under the national regulations.

Another legislation regulates rentals. According to the interviewees, in Iceland a permit from a

magistrate⁷ is mandatory in order to rent out one's second or permanent home. The rationale behind this regulation is to control the rental market, especially to steer temporary visitors to use hotels and hostels rather than renting a second home. One can rent out one's home for a maximum of 90 days, but it is up to the individual to decide if that is 90 days for the second home, or for example 45 days for the second home and 45 days for the permanent home. It is possible to obtain an extended permit for more than 90 days, but after 2016 that has been rare.

National regulations also exist regarding differentiated property taxes, and other tourism-related fees such as stay-overnight fees. Some of the taxes and fees are collected by the state and others by the municipalities.

Grímsnes- og Grafningshreppur – dominated by second homes and tourists

Grímsnes- og Grafningshreppur (hereafter GOG) is a small and rural municipality in South Iceland with a population of 467 inhabitants in 2017 (see Map 4). With a relatively open and beautiful landscape, several large second home areas are located across the

⁷ is: sýslumaður

municipality with gates and fences separating them from surrounding areas. Travelling across the municipality, it becomes clear that second home areas dominate the built environment. The largest settlement with permanent homes in GOG is Borg, with slightly more than 100 inhabitants (Statistics Iceland, 2019). Despite being the 'largest', it is a very small locality but with access to most municipal services. Therefore, the interviewees pointed out that development of permanent homes is more than welcome in Borg as it is easy for the municipality to provide the needed services there.

Borg is also about a 20–25-minute drive from Selfoss, which is a larger town in another municipality that serves as a regional centre for most parts of South Iceland. It is also a town where commercial services such as supermarkets and restaurants are concentrated. The capital region is only about one hour away from Borg by car, and the road accessibility has improved in recent decades, which also means that accessibility for second home owners has improved as most of them are living permanently in the capital region. Accessibility by public transportation is, however, more or less non-existent.

The number of second homes outnumbers the houses for the permanent population with 2832 second homes in 2017 (Registers Iceland, 2017). The seasonal population in terms of second home users is estimated to be at least 8500 (i.e. number of second homes multiplied by 3). That explains the high CI measure for this municipality (see Table 5 and Map 3), consequently creating challenges for the local administration. The interviewees also confirmed that the region of South Iceland has thousands of second homes, with at least a few municipalities standing out, such as GOG, Bláskógabyggð and Hrunamannahreppi (see also Jóhannsdóttir, 2018).

In addition, the flows of people consist not only of the second home owners and Icelanders, but increasingly of international tourists. The flows of international tourists are not directed towards nature sites (except for a beautiful nature site called Kerið), but rather to second home areas. One planner describes the number of second home rentals through platforms such as Airbnb, especially targeting international tourists, as following an increasing trend in the past three to five years. This has meant that second homes are inhabited more frequently and not only by their owners.

'I would not say that it is seasonal per se, because we have tourists all year around. We are in South Iceland, which means that most of the people coming to Iceland are coming to South Iceland.' Official at GOG municipality, January 2019.

'At least 70 per cent of all tourists who come to Iceland come to the south.' Official at tourist organisation in South Iceland, January 2019.

The municipal officials note beneficial effects of second home rentals in terms of local job creation such as snow clearance and cleaning services (often done by local farmers). The extent of these benefits is difficult to measure, but even though the municipality wants to regulate and take back control of second home rentals, these rentals have positive effects on the local economy.

A co-existing trend is that the second homes are used more frequently by the owners themselves, not only during longer holidays but also during weekends. However, whether this has contributed to the increased size and standard of second homes is difficult to determine. The interviewees recognized the summer months as the peak period for second home use, but their observations of increased traffic and flows of people who leave second homes in the mornings and come back in the evenings indicate an increased use of second homes also by the owners; and the interviewees in GOG municipality are convinced of an increase of people living there permanently despite current regulations.

Planning challenges – finding a balance between limitations and opportunities

To understand the existing (planning) challenges in GOG, the context of increased international tourism and the development of second home areas must be further elaborated. The latter is related to the increased use of second homes mainly by the owners themselves who are inhabiting their second homes more frequently, and some even permanently. The former is best understood in the context of international tourism in terms of Airbnb rentals.

The first challenge is the existing tensions between second home owners and the municipality because of frequent or permanent residence in second homes. Living frequently or even permanently in second homes demonstrates that the current regulation, which limits permanent resi-

dence in second homes, is disregarded by some second home owners. The challenge exists because some owners demand municipal services that they traditionally do not have the right to, or services the municipality cannot afford to provide to second homes. When they as a group outnumber the permanent population and the municipal administration, the interviewed municipal officials perceive it as particularly challenging to respond to these demands. The reason why it is challenging is that most second home areas in GOG were built as 'summer house areas', and the houses are supposed to be used temporarily and seasonally, mainly during summer. In terms of their geographical and building structure, the areas are relatively dense, but geographically separated from the services that the municipality needs to provide to permanent inhabitants, such as school buses, waste management, frequent snow clearance, and hot and cold water.

Second, and a related challenge, is to communicate the services all residents have the right to. This often revolves around understanding what the collected property taxes are being used for, which are services for both second home owners and the permanent population. The municipality struggles to convey that message to its seasonal and temporary population. The interviewed officials, however, expressed difficulty in finding a suitable approach, because second home owners outnumber the permanent population and the local administration.

Third, GOG municipality often finds itself in a position between divergent attitudes from second home owners. On the one hand, some want to rent out their second homes to earn extra income. On the other hand, the municipality is in contact with second home owners whose understanding is that (international) tourists are a 'disturbing element'. The challenge for the municipality is thus to find a balance between limiting and allowing for second home rentals.

A fourth challenge identified is the competition between second home rentals and hotels/guest houses. In Iceland, there is a higher property tax on business properties than on permanent and second homes (which is set and collected by each municipality). In GOG, the property tax for permanent and second homes is 0.475 per cent, whereas for business properties the tax is 1.65 per cent. In addition, a fee for overnight stays exists, which is collected by the state at a fixed amount of ISK



Signposts and fees are helping the public authorities to inform voluntary temporary inhabitants in Grímsnes og Grafningshreppur. Photo: Johannes Lidmo

300 per night. Second home rentals (those up to 90 days) are only obliged to pay the lower property tax, whereas traditional businesses such as hotels and guest houses need to pay the higher property tax and the fees for overnight stays. This creates, as one interviewee puts it, unfair competition between hotels/guest houses and second home rentals.

Planning strategies and actions to regulate in collaboration

The national law limiting (second) home rentals to 90 days per year is considered a crucial strategy. However, it is difficult for the municipality to ensure that the regulation is followed, and it creates an unfair competition between hotels and second home rentals because of different fees and property taxes. In other words, this regulation needs to be evaluated and perhaps even adapted to a variety of local contexts in Iceland.

A joint planning organisation was established in 2006–2007 as a result of collaboration between six neighbouring municipalities with GOG in South Iceland. The rationale behind the collaboration was that the planning unit at each municipality was too small. The joint planning organisation has meant that planning regulations to some extent have become harmonised and have led to a common understanding for the planning challenges over a larger area. This has had supportive effects when neighbouring municipalities make decisions on how to develop land and regulate land use.

A third strategy is to regulate the size of land plots for the second homes through spatial planning. When the quality and size of second homes have increased, the value of neighbouring properties is also affected according to the interviewees. As the property tax is related to the property value, this results in increased taxes even though the tax rate remains the same. To prevent value increases of existing houses, the municipality regulates the size of new second homes, by limiting the size of land plots for second homes to a maximum two hectares. Most land plots are smaller; about 0.5–1 hectare.

Fourth, a relatively new planning strategy is that the municipality charges the business property tax if it is evident that the second home is being rented out for more than 90 days. However, at the moment (in 2019) there is a court case at the second court level to decide whether GOG municipality is allowed to do so or not.

The fifth strategy identified is a destination management plan (DMP) that has been developed by the tourist organisation Visit South Iceland together with all municipalities in the region, based on a decision by the national government in 2017. The DMP shed light on the challenges that tourist

organisations alone cannot solve, for example because they do not have the mandate to regulate land use. In the process of developing the DMP, only a few municipalities within South Iceland wanted to emphasise second homes as a challenge. As such, this challenge was not included in the DMP. However, related Airbnb issues were raised as a challenge. The DMP was finalised by the end of 2018. Interviewed GOG representatives were not sure how the DMP will be considered in the upcoming municipal plan. The DMP illustrates the importance to collaborate over sectorial policies and municipal borders, but it is still too new for the local administrators to determine to what degree.

Finally, GOG municipality is working on improving the dialogue with second home owners. As outlined above, this ongoing work is not functioning without friction. The current strategy can be divided into two subtasks. The first is to maintain a list of second home representatives from each area and the second is to improve the municipal website with a specific section for second home owners. The idea is to upload relevant information regularly. Still, a two-way dialogue is lacking and challenging in GOG.

Table 6: Summary of planning challenges, strategies and actions in use, Grímsnes og Grafningshreppur, Iceland

Planning challenges	Strategies and actions in use
Tensions between the municipality and second home owners.	<ul style="list-style-type: none"> ■ Establishment of a joint planning organisation to harmonise planning rules/regulations and to examine planning challenges over a larger area. ■ Regulating the size of land plots for second homes in order to regulate the size of second homes. ■ More strategies are required to tackle the complexity of the challenge.
Communication/dialogue with second home owners.	<ul style="list-style-type: none"> ■ Working on improving the dialogue. <ul style="list-style-type: none"> - Maintaining a list of second home representatives. - New section on municipal website on second homes. ■ Searching for a new approach to better tackle this challenge.
High number of second home rentals.	<ul style="list-style-type: none"> ■ National regulation of a maximum of 90 days for (second) home rentals.
Competition between second home rentals and traditional ones such as hotels and guest houses.	<ul style="list-style-type: none"> ■ The mandate for GOG to change the property tax itself.
Massive international tourism (permeates all the challenges above).	<ul style="list-style-type: none"> ■ Development of the regional plan (DMB) and collaboration over sectorial policies and municipal borders.

Second homes and seasonal tourism in Norway

At the beginning of 2018, approximately 430,000 second homes existed in Norway (Solbakken and Lier, 2018). The number of second homes has increased in recent decades with average annual growth of 4,000–6,000 second homes (Skjeggedal et al., 2009; Ellingsen and Arnesen, 2018). Between 2013–2017, 22,000 second homes were built throughout the country (Flognfeldt and Tjørve, 2013; Solbakken and Lier, 2018). The areas that can be reached in 2–3 hours by car from urban areas have experienced the largest growth (Ellingsen and Arnesen, 2018). For example, in the mountain areas in South Norway (which include Nore og Uvdal municipality; see Maps 1 and 2), the construction of second homes far exceeds the construction of permanent housing; thus, for every new permanent house, three to four new second homes are being built (Ellingsen and Arnesen, 2018). Today, second homes resemble primary residences in quality and increasingly also in size (Ellingsen and Arnesen, 2018). Approximately 80 per cent of the second homes in the mountain areas are owned by people not registered in the municipalities, especially people from the larger urban centres (Ellingsen and Arnesen, 2018; Alnes et al., 2018). If the second home owners are considered, the overall situation in several of the rural

mountain municipalities changes from population decline to population growth.

45 Norwegian municipalities have more second homes than permanent homes (Statistics Norway, 2017). The 10 municipalities with the largest number of second homes in Norway are listed in the table below.

A large number of second homes implies that there is a significant flow of people who are not permanently registered in these areas. The use of second homes has a profound impact on rural areas, especially in places with high concentrations of second homes. It is estimated that each second home has associated expenditures in the municipality of approximately NOK 30,000 to 50,000 per year. However, other studies show expenditures of up to NOK 119,000 per second home per year (Flognfeldt and Tjørve, 2013). As such, second home owners add a significant amount to the local economy.

Second homes are increasingly being used during extended weekends in addition to vacations and holidays (Flognfeldt and Tjørve, 2013; Ellingsen and Arnesen, 2018). There is no official limit on how much a second home can be used during a year. Estimates for 2010 show that about 26 per cent of the Norwegian population own a second home, and approximately half of the population have access to at least one (Ellingsen, 2016).

Table 7: The 10 municipalities with the largest number of second homes in Norway

Country	Municipality	Total number of second homes in 2017	Population in 2017	Approx. distance to capital	Community Impact (CI)
Norway		426,728	5,258,317		1.24
Norway	Ringsaker	6,981	33,842	2 h	1.62
	Trysil	6,530	6,550	2.5 h	3.99
	Hol	5,445	4,535	3.5 h	4.60
	Vinje	4,981	3,726	3.5 h	5.01
	Larvik	4,739	46,557	1.75 h	1.31
	Sigdal	4,736	3,502	1.5 h	5.06
	Nord-Aurdal	4,438	6,490	2.75 h	3.05
	Fredrikstad	4,361	80,121	1.25 h	1.16
	Hvaler	4,310	4,517	1.75 h	3.86
	Nore og Ulvdal	3,822	2,530	2.75	5.53



*Nore og Uvdal municipality has a food store open on Sundays thanks to its voluntary temporary population.
Photo: Louise Ormstrup Vestergård*

On average, second home owners spend 49 days annually in their second home (Farsted et al., 2009 in Ellingsen, 2016). However, a recent study conducted in Ringsaker municipality reports that the homes were used for 67 days on average during the year (Ericsson and Flognfeldt, 2018).

In 2016, NOK 170 billion was spent on tourism in Norway, with international tourists accounting for approximately NOK 50 billion of this total. It is estimated that tourism creates 162,400 jobs in Norway (Innovasjon Norge, 2017).

Regulating second homes and seasonal tourism in Norway

The Ministry of Local Government and Modernisation has announced that the government will revise the official guidelines for second home planning. The current guidelines from 2005 need to be amended to reflect the larger number of second homes and more frequent use (Kommunal- og

Moderniseringsdepartement, 2017). The aim is to elaborate on the basic principles relating to municipal and regional planning of second homes.

Everyone who owns a second home pays a wealth tax⁸ based on the value of the property. In addition to this tax, Norwegian municipalities have since 2007 had the option to charge second home owners a property tax⁹. In 2018, 260 of the 422 Norwegian municipalities imposed a property tax on second homes (Statistics Norway, 2018). The property tax is related to the market value of the property.

Municipalities can apply for funding from a public compensation fund¹⁰. This fund is governed by the county governor to cover the extra costs, e.g. from many second homes in a municipality

8 no: formueskatt

9 no: eiendomsskatt

10 no: skjønnsmidler

(Borge et al., 2015). The Norwegian government writes: *The purpose of the fund is to compensate municipalities and regions for special local circumstances that are not detected by the fixed part of the income system* (authors' translation of the document by the Government of Norway, 2019).

In accordance with health care policies in Norway, Norwegian municipalities are required to provide health-care services to everyone including people who stay temporarily in the municipality (Ellingsen, 2016). According to econometric analysis and case studies on the municipalities of Ringsaker, Tjøme, Kragerø, Røros, Bykle and Trysil, the expenditure on health and technical services is estimated to be slightly higher than the direct income from second homes. However, the overall effects of second homes is estimated to be positive, primarily in the form of employment opportunities, better infrastructure and better services for all residents (Borge et al., 2015).

Nore og Uvdal – Planning for and building more second homes

Nore og Uvdal is an inland, mountain municipality located in the southern part of Norway (see Map 4). The municipality covers a large geographical area including a significant part of Norway's largest national park, Hardangervidda, which is home to large herds of wild reindeer, an animal that Norway has an international responsibility to conserve (Kjørstad et al., 2017). Nore og Uvdal has approximately 2500 permanent inhabitants. The municipality is one of the larger second home municipalities in Norway with around 3800 second homes, and as such the number of second homes exceeds the number of permanent homes (Alnes et al., 2018). The second homes are used during both the summer and winter seasons, and for around 50 days per year (Ellingsen and Lund, 2019). Owners are not allowed to live permanently in their second homes. They can apply to change the status of their

Many of the second homes in Nore og Uvdal are of a high standard and are being used more and more frequently.
Photo: Stig Nyengen



house from a second home to permanent housing, but this is currently not practised in Nore og Uvdal. According to the interviewees, the population increases by more than 20,000 inhabitants during holidays such as Easter and winter breaks.

In the introduction to the local magazine *Ferie&Fritid* from 2019, the mayor writes: *'On weekends and holidays there are many people in Nore og Uvdal. The second home owners are important to us who live here (...). We all benefit from increased activity, increased trade and a varied selection of goods and services'* (Nore og Uvdal kommune, 2019). This highlights the fact that second home owners are a political focus in the municipality. The importance of the second homes is also emphasized in the 2030 destination development plan (Prestegården et al., 2012).

According to the municipal officials interviewed for this study, second home owners and tourists are attracted to the destination because of the pristine and calm natural surroundings including the hiking paths and the skiing areas:

'I think most people come here to find peace and quiet. They do not want to be in a place with a lot of partying and wild activities; they want authenticity, to be close to nature, and proximity to their permanent home. So, most people come here to experience nature. To ski, to hike.' Employee in Nore og Uvdal business centre, January 2019

The municipality is not a typical winter destination like other Norwegian mountain municipalities but is visited all year round. Many of the second homes in the municipality are of a high standard and are being used more and more frequently. The second home owners to do a large extent come from the Oslo region.

Nore og Uvdal is officially categorized as a tourism municipality, which allows shops to open on Sundays. One of the municipal officials highlights how this is of special importance for the large supermarket store in the main city of Rødberg, as many second home owners stop to do their grocery shopping there before they drive back home (where the shops will be closed). The store has a large and varied selection of items for a city of 500 inhabitants, which is only possible because of the large number of second home owners.

The construction of second homes has occurred continuously in recent decades; in 2017, 52 new second homes were built. A large share of the

local industry is related to the construction of second homes. After agriculture, construction is the largest industry in the municipality. Another important source of income for Nore og Uvdal comes from the hydropower plant in the municipality. As one of the interviewed municipal officials stated:

'Nore og Uvdal is in a different economic position as we are a power municipality. We have a lot of money to put into business development. There is substantial revenue from power production; therefore, we are in an advantageous economic situation compared with other municipalities.' Official in Nore og Uvdal municipality, January 2019

For example, NOK 12 million is allocated to a business development fund each year based on the revenues from the plant. Thus, as an effect of the hydropower plant, Nore og Uvdal municipality was one of the most prosperous municipalities in Norway measured by income per citizen in 2016 (Nore og Uvdal kommune, 2016).

Nore og Uvdal has decided not to charge property taxes for second homes:

'We do not want to have property taxes because we see it as a competitive advantage not to have them. In the surrounding municipalities they have introduced this tax; it is just our municipality that has not.' Local politician in Nore og Uvdal municipality, January 2019

In 2015, a survey on second homes was conducted in Nore og Uvdal (Lier et al., 2015). The survey was completed by 481 second home owners. The data shows that the average travel time for second home owners is three hours, and the average second home is used 54 days per year. Including the days when the second homes are officially rented out, this number increases to 58 days. The survey data show, however, that only 4 per cent of the respondents rent out their second home. 40 per cent responded that they often or occasionally work from their second home.

Financial estimates based on the survey indicate that on average, daily expenditure in Nore og Uvdal municipality per second home is approximately NOK 1,000. The yearly expenditure per second home is estimated to be NOK 60,000. In total, it is estimated that all the second homes contribute around NOK 225 million per year to the municipality and with the potential to increase this

number by 150 million. This is not including taxes and other indirect economic effects. (Lier et al., 2015)

Currently, Nore og Uvdal municipality participates in the European competition for young architects called Europan. The aim is to produce a development plan for the main city of Rødberg, where one essential objective is how to make the city more attractive to the second home owners.

Planning challenges – pressure on the planning department

One of the primary challenges with second homes and seasonal tourism in Nore og Uvdal is the impact on the landscape. When more second homes are built, it changes how the area can be used and it also affects public access rights. These impacts are addressed in the municipal spatial planning. These aspects are also closely related to a focus on the protection of nature and wildlife, especially the wild reindeer that live in the national park Hardangervidda. This perspective is highlighted by all interviewees. For example:

'The wild reindeer are probably the most disadvantaged when it comes to the development of second home areas, because if there are more second homes there will be more traffic in the area where the reindeer live. There will be too many people, and this will scare the reindeer.' Local politician in Nore og Uvdal municipality, January 2019

In addition to protecting the wild reindeer, planners must determine how many second homes the municipality can contain and still uphold the attractiveness of the destination as a quiet and peaceful getaway.

The municipality receives many construction applications, which places substantial pressure on the planning department. As the number of people allocated to work in the planning area of the municipality is based on estimates of the building needs of the registered inhabitants, the construction, renovation and expansion of the second homes are not included. This places substantial pressure on the planning department because it is difficult to find time to check the quality of second home construction.

Throughout the year there are large variations in the consumption of water and the pressure this causes for the drainage system. This results in

technical difficulties, as the municipality needs to have installations that function during both peak seasons and low seasons. This large variation also affects public services such as access to health care and policing; an issue that the municipal officials are aware of although the national politicians neglect it given the current tendency of centralizing public services:

'The reality in Norway is that people move from the cities to the rural areas on weekends and for vacations. But they are moving public services away from the rural areas, and this is a challenge.' Employee in Nore og Uvdal business centre, January 2019

Another potential challenge with the increasing number of second homes is the pressure on health care and the related expenditure. Currently, an extra doctor works during the peak seasons; Christmas and Easter.

Planning strategies and actions – municipal networks and second home owners association

To develop a sustainable approach to the construction of second homes, the municipality focuses on densification. This is true especially in the politically prioritized tourism area, Upper Uvdal, where the two skiing resorts and popular second home areas such as Imingfjell and Dagalifjell are located. In this area there has been a specific focus on developing a detailed area plan in close collaboration with locals and industry (Nore og Uvdal kommune, 2016). The purpose of the plan is to secure agreement between different actors on land use and to provide a holistic development of the destination that is legally binding. Currently, the municipality is working on the societal part of the municipal plan. Some of the issues that have been discussed in this process are the maximum number of second homes in the municipality and which areas second homes should be directed to (Nore og Uvdal kommune, 2018).

In accordance with the general national rural development discourse, where second homes are a key strategy of rural restructuring (Farstad and Rye, 2013), it has been a core strategy in Nore og Uvdal to develop new second homes and attract more second home owners. Nore og Uvdal collaborates with neighbouring municipalities under the heading 'Numehytta' with the purpose of at-

tracting people to buy and build second homes in the Numedal area. Twice a year, the municipalities participate together at a second home conference.

As a new initiative, a second home association owners was formed in the autumn of 2018 with the purpose of establishing a forum for a closer and more formalized co-operation between the municipality and the second home owners. The steering committee for the association consists of second home area representatives. The aim is to have meetings twice a year. Other communication channels in use are a Facebook group and a monthly newsletter about coming events. Twice a year, the magazine 'Ferie&Fritid' with the subtitle 'Information from Nore and Uvdal municipality' is published and distributed to permanent inhabitants and second home owners.

In the Nore og Uvdal business centre, several ideas have been proposed regarding how to improve the participation of second home owners in the municipality. For example, a flexible-offer in

kindergartens has been established, so that families can travel to the municipalities e.g. on Thursdays and send their children to kindergarten on Fridays. Another idea is to create a mentorship programme, as several of the second home owners hold or have held high positions in industry. The officials at the business centre would like to involve them as mentors and sparring partners for local industry.

Employees at the Nore og Uvdal business centre described a local association initiative called 'Miljøringen' in Upper Uvdal. The land owners established this association with the aim of developing tourism infrastructure in the area. For each land plot that is sold in the area, 10 per cent of the sale goes to the association, which is used to construct and develop infrastructure to support experiences in nature e.g. hiking paths, cross-country skiing slopes and alpine skiing. The association is supported by the municipality in the configuration of the area plan.

Table 8: Summary of planning challenges, strategies and actions in use, Nore og Uvdal, Norway

Planning challenges	Strategies and actions in use
Significant pressure on the planning department as the planning department is adapted to the size of the permanent population and not to the annual population.	■ Currently no strategies in use.
Impact on the landscape when new second homes are constructed ■ Public access rights. ■ Protection of nature. ■ Protection of wild reindeer.	■ Created a detailed area plan. ■ Densification in the area Upper Uvdal. ■ Work with the new societal part of the municipal plan: focus on how many second homes can exist in the municipality and places where no new constructions should be created.
Health care for all dwellers in the municipality.	■ Extra doctor during Christmas and Easter.
Large variation in water and drainage usage.	■ Secure technology that can handle the large variations.
A lack of knowledge of the wishes and perspectives of second home owners.	■ Established a second home owner association in 2018 to increase the involvement of second home owners and improve the communication between the municipality and second homes owners.
Creating awareness of the significance of tourism, especially in relation to businesses.	■ Communicating the significance of second homes to businesses. ■ The business centre is developing ideas on mentors and sparring partners for the local industry.

Second homes and seasonal tourism in Sweden

In Sweden there were 576,711 second homes in 2017. According to the Swedish National Board of Housing, Building and Planning (2019a) a second home is a small house that is not designed to live in all year round. Second homes are located all over Sweden, but foremost in the southern mountain areas (Dalarna and Jämtland Härjedalen), in the Stockholm archipelago, along the coast and the surrounding bigger lakes and on the islands of Gotland and Öland (see Map 1; Statistics Sweden 2019a). The second home phenomenon is prominent in Swedish society, dating from 1800s and 1900s. In the 1950s, it was estimated that 10–20 per cent of the households in five cities¹¹ lived in their summer cottages during the summer months (Hägerstrand, 1955; Statistics Sweden, 2019a). Today, it has been noted that 54 per cent of the population own or have access to a second home through relatives and friends (Back and Marjavaara, 2017, p. 596). In 2010, each second home in Sweden was estimated to be used 71.1 days per year (Tillväxtanalys, 2012). In 2018, 37,322 of the second homes were owned by foreigners. People from Norway, Germany and Netherlands are the most common owners of second homes (Statistics Sweden, 2019b).

The tourism sector is one of the foundations of the Swedish economy. During 2018, around 65 million overnight stays were registered. Most of these were Swedes staying in hotels or camping grounds, but 17.4 million were foreign overnight stays. Compared with the other Nordic countries, Sweden had the strongest growth in the number of overnight stays in 2018. Considering both the number of overnight stays and the value of the consumption, the impacts from foreign tourism have increased more than those from domestic tourism since 2000 (The Swedish Agency for Economic and Regional Growth, 2019). Figures for 2017 show that foreign tourists spent SEK 8 million in tourism-related businesses (Visit Sweden, 2019a). The number of overnight stays has increased steadily over the last 10 years, except for 2011 and 2012 when no change occurred. In 2017, 175,800 people worked in tourist-related businesses; hotels, restaurants, transport and service companies (The Swedish Agency for Economic

and Regional Growth, 2019; Visit Sweden, 2019a).

Rentals of second homes for shorter or longer periods are not included in the above-mentioned statistics on overnight stays. The homes are rented out through global online platforms, but also more local platforms developed by housing associations at the specific destinations, or through personal networks. Some municipalities in Sweden have more second homes than permanent homes, and others have high levels of both second homes and permanent homes. The 10 municipalities with the largest numbers of second homes in Sweden are listed in the table on the next page.

A large number of second homes implies that there is a significant flow of people who are not permanently registered in these areas.

Protection, restrictions and standards

Swedish tourism policy is focusing on sustainable tourism, destination planning, and nature and eco-based tourism. The politics are implemented in regional and local economies via public and private partnerships (Eimermann et al., 2018; The Swedish Agency for Economic and Regional Growth, 2019; Visit Sweden, 2019b). To ensure that land and nature resources are utilized in line with the policies, the public authorities use spatial planning. For instance, in line with the Planning and Building Act (SFS 2010:900), the municipalities in Sweden can regulate the amount of land that can be used for second homes using comprehensive and detailed plans. In this Act, and also in the Environmental Code (SFS 1998:808), shoreline protection is prescribed, which means restrictions on development within 100 metres of the water.

It is permissible to register a second home in Sweden, but it must be reported to the municipality and approval is usually granted by the relevant association. Some associations¹² turn off the water during the winter months, which makes it difficult to live in the area, while others prefer having some permanent residents as this reduces the number of break-ins. Allowing people to turn second homes into permanent homes has been mentioned as a possible solution to the housing shortage in Sweden (Ministry of Enterprise and Innovation, 2018). For a second home to become a permanent home, it may need renovations to bring it in line with official housing standards (The Swedish National

11 The cities of Malmö, Halmstad, Jönköping, Kalmar and Växjö.

12 sv: samfälligheter

Table 9: The 10 municipalities with the largest number of second homes in Sweden

Country	Municipality	Total number of second homes in 2017	Population in 2017	Approx. distance to capital	Community Impact (CI)
Sweden		576,711	9,995,153		1.17
Sweden	Norrtälje	25,868	59,420	1 h	2.31
	Värmdö	13,889	42,000	0.7 h	1.99
	Gotland	11,645	58,003	4.5 h	1.60
	Härjedalen	8,594	10,200	6 h	3.53
	Borgholm	8,267	10,930	5 h	3.27
	Skellefteå	7,327	72,266	8.5 h	1.30
	Malung-Sälen	7,031	10,091	5 h	3.09
	Tanum	6,259	12,606	5.5 h	2.49
	Österåker	6,060	43,293	0.7 h	1.42
	Haninge	5,934	85,693	0.75 h	1.21

Board of Housing, Building and Planning, 2019b). The housing standards address aspects such as suitable house size, sewage, electricity, insulation, heating and rational use of energy. Detailed municipal plans regulate building rights and therefore what type of renovations are allowed on a property.

According to Swedish tax rules, second homes may be rented out in Sweden. If a home is rented out for more than 112 days and the earning are over SEK 50,000 in a year, tax must be paid on any capital gains. If the property is being used more like a hotel, the person renting out the property also needs to pay value-added tax (VAT).

Another measure regulating second homes is property tax. In 2008, property taxes paid to the state were replaced with an annual fee, which is paid to the municipality where the property is located. The size of the fee is 0.75 per cent of the property value but can never be higher than a certain amount, which for the income year 2018 was SEK 7,812 (The Swedish Tax Agency, 2019). The change in the tax system was intended to make the property and housing markets easier to monitor and reduce costs for all. The increase in property values all over Sweden has, however, meant that in some municipalities, people who own a house are paying a higher amount than before 2008 (Ekonomistyrningsverket, 2014).

Härjedalen – rurality and high living standards

Härjedalen is a rural municipality situated in the region Jämtland Härjedalen, in the southern mountainous and central parts of Sweden (see Map 4). The municipality covers a large area with a permanent population in 2017 of 10,200 inhabitants. Härjedalen is sparsely populated, with 0.9 inhabitants per km² (Statistics Sweden 2019c).

The beautiful landscape with vast expanses of water, mountains and nature attracts tourists to the municipality. The mountainous location means that the area receives substantial falls of snow. In the western parts of Härjedalen, snow is available for cross-county skiing and snow scooter riding from October and for downhill skiing from mid-November. Most ski resorts close for the season in May, demonstrating the long winter season. Winter is the most popular season, but tourism has been experiencing growth during the summer months. The winter season peaks during the holidays (Christmas, New Year and Easter) as well as in the early spring breaks¹³. Summer tourism is characterized by longer stays (2–3 weeks) in second homes and more travelling around the municipality. About three million overnight stays were registered in Härjedalen in 2015 (including both registered data and estimates), of which 2.4 mil-

13 sv: sportlov



The ski-resorts attract tourists and second home owners to Härjedalen. Photo: Johannes Lidmo

lion involved cabins specifically (both owned and rented cabins). Of the overnight stays, 1.1 million were in second homes, by their owners and families themselves (Resurs, 2016). The large flows of tourists and second home users are regarded as the main industry in the municipality, resulting in increased commercial and public services in the most touristic areas:

'The fact that we have a lot of tourists leads to more shops in settlements than we normally would have. We have more services in those settlements. If we did not have the tourism industry, there would not be even 3000 inhabitants in the municipality.' Official at Härjedalen/Berg municipalities, January 2019.

From 2010 to 2017, the number of second homes increased by 9.3 per cent to a total of 8594. The design, quality and standard of the homes vary. Over 600 building permits have been issued in recent years (Härjedalen municipality 2016), most of them being for second homes, and many of these are in close proximity to ski resorts. The number of building permits issued decreased in 2018. One of the planners explained that although fewer permits were issued, they were for larger second homes, primarily in apartment buildings. Most new second homes are of high quality:

'I have a feeling that many times, second homes are much fancier than the owner's ordinary house, regardless of where (s)he lives.' Official at Härjedalen municipality, January 2019

The changes in the Swedish property fee system in 2008, described above, have made the officials in Härjedalen aware of the value of the second home properties. Before the changes, the property tax was collected by the state and transferred to the municipalities in Sweden. After 2008, it is now clearer how much of this fee revenue comes from second home properties. According to the interviewees, the property fee revenue from second homes generates annual municipal income of SEK 40–44 million¹⁴.

The seasonal flows of tourists and second home owners to Härjedalen are mainly from cities outside the municipality. They often go to Härjedalen in search of rurality according to the interviewees. Most travel by car because of the large distances within the municipality. The Growth and Development Administration has the Mälardalen region as the main target group, and indicates that flows to

¹⁴ It is worth noting that newly established housing in Härjedalen is exempted from property tax for the first 15 years. This can attract newcomers, but also delays the collection of property tax, which creates income for the municipality.

Härjedalen come from the capital region and nearby medium-sized towns. 95 per cent of all tourists are Swedish, but more than half of international tourists are Norwegians (Resurs, 2016).

Planning challenges related to seasonal workers

Seasonal tourism is a crucial base industry in Härjedalen. Its importance for the rural and sparsely populated municipality is fundamental. However, the tourism industry and second homes also pose challenges. One of the officials in Härjedalen stated:

'Seasonal tourism creates challenges and opportunities for us as a rural municipality.' Official at Härjedalen Municipality, January 2019

The first identified planning challenge concerns seasonal workers. For example, ski resorts in Härjedalen municipality require a seasonal inflow of approximately 3000 workers – most of which do not pay income taxes to Härjedalen municipality even if they are registered there. Swedish tax regulations state that a persons' address on 1 November determines which municipality his/her income taxes are paid, and since most seasonal workers move to Härjedalen after 1 November their municipal taxes are paid elsewhere.

Planning for the public service needs of the children of seasonal inhabitants also poses a challenge. Public services are not a direct cost for the municipality and can be transferred between municipalities/regions. However, planning for the provision of various services, such as schools, kindergartens and health care is more challenging. Schools must have adequate resources to accommodate the children of seasonal workers. In Funäsdalen, containers are used as temporary premises for the kindergartens. The municipality has faced difficulties in buying land in central locations (because of high land prices) that could have been reserved for schools or other public services. In addition, the municipality has too many tasks in relation to its budget, e.g. the number of ongoing planning cases is huge compared with municipalities with a similar population size. This reflects the detailed planning required related to second homes.

The competition in the housing market between second and permanent homes poses a challenge. Housing prices are low in some parts of Härjedalen, and it might even be difficult to obtain

a bank loan according to one interviewed municipal official. The opposite situation exists in the ski resorts where even permanent homes are sold to tourists to be used as second homes, which causes increases in housing prices. As a result, young people in particular have difficulty financing an affordable home.

The focus of development and municipal services in recent years has been on tourist settlements. It is difficult for the municipality to decide what to prioritize, especially when most land is privately owned. Spatial planning has ended up in a situation where land-use plans are being elaborated for expanding areas (mainly second homes in tourist destinations) at the expense of other areas. The municipal planners state that it is challenging to keep up with the development of permanent homes. Good dialogue with developers is important when regulating land use for second homes, because land for emergency and waste services is often forgotten.

When it comes to traffic and infrastructure, themes such as ownership of roads, responsibility for organising snow clearance, plan for sustainable transportation and handling high flows of traffic can be challenging. All interviewees were not satisfied with the maintenance of the national roads, particularly since the Swedish Transport Administration often measures the number of cars on these roads in May and October, i.e. the off season. This affects the level of maintenance.

Water and sewage are challenging planning tasks in Härjedalen. When the European Union changed its legislation regarding exceptions for sewage systems, the cold climate criteria disappeared, which meant that the municipality now needs to build several wastewater treatment plants to fulfil the new requirements. This is important for ensuring clean outdoor environments.

The shoreline protection regulations prohibit or make it more difficult to develop, for example, tourist attractions and (second) homes in close proximity to water. This is stated as a huge challenge for the municipality.

Finally, nature-based tourism is identified as a challenge. Nature attracts tourists and second home users to the municipality, but the large flow of people also put stress on the environment. The officials in the municipality try to achieve sustainable tourism, for instance by steering tourists to certain paths.



Cabins are used as second homes in Härjedalen. Photo: Johannes Lidmo

Planning strategies for the diversity of challenges

In the first draft of the new municipal plan (Härjedalen Municipality, 2019), Härjedalen is described as a place with several beautiful locations suitable for second homes. New second home developments are viewed as positive but should be avoided in central parts of urban settlements because of the risk of them being empty for most of the year. The plan suggests a new strategic land policy to create a better balance between permanent and second homes. An ongoing process is to buy state-owned land in Bruksvallarna and Ljusnedal to better direct the development of permanent homes (Härjedalen Municipality, 2019). These strategic locations and land policies aim to balance the development of second and permanent homes, which is the first strategy.

Second, two municipal organisational changes have taken place recently. One has made the Growth and Development Administration, which until recently was a unit (i.e. Business unit) within the Municipal Executive Office, into a separate entity. In short, the new change has led to greater clarity when it comes to issues of business and tourism development. Furthermore, from 1 January 2019, the Environment and Building Administration authorities in Berg municipality and Härjedalen municipality were merged. The merger has enabled the spatial planning to be performed within the municipalities to a larger extent than before. This

is important to ensure that plans and strategies include public perspectives, and that the broad consequences are understood.

Third, all interviewees considered internal dialogue and proactive internal work to be crucial. Dialogue is important both between different units in the public administration and between the public administration and the local politicians. By having, for example, one person from the Environment and Building Administration and one from the Growth and Development Administration in the municipal management team, the cross-sectorial work has become more formal and led to greater sector integration.

The municipality can pinpoint areas for rural development, while ensuring shoreline protection (see Härjedalen 2016). In Härjedalen, those areas satisfy certain criteria (e.g. proximity to services) and the planners seek exceptions to the shoreline protection regulations. This strategy has been used frequently since it was approved, and mainly for second home developments. Furthermore, a water and sewage project (called VA 2025) is under development in order to meet the new requirements for capacity (see Vatten and Miljöresurs, 2019).

To avoid a sole focus on second home developments with a huge commercial market, a few municipally-owned land plots are sold only to persons who apply for building permits and register as permanent residents. These sales involve a civil

contract that is valid for two years. Furthermore, if the residents are registered in Härjedalen and live in an area with private road ownership, the municipality covers the costs of, for example, snow clearance. This is a benefit for permanent residents only.

Attempts have taken place to achieve sustainable tourism; for example by steering tourists to certain snow-scooter, hiking, cycling and hiking

paths. However, the interviewees stressed the difficulties in steering the movement of people and at the same time ensuring the right to public access.

Finally, the municipality finds it important to continuously measure traffic flows all year round to be better prepared in the discussions with the Swedish Transport Administration about the maintenance of the national roads.

Table 10: Summary of planning challenges, strategies and actions in use, Härjedalen, Sweden

Planning challenges	Strategies and actions in use
Seasonal workers and lack of income taxes from seasonal workers.	<ul style="list-style-type: none"> ■ Ideas such as training courses in services and/or tourism that starts prior to 1 November so that seasonal workers move before 1 November.
Seasonal child and public services.	<ul style="list-style-type: none"> ■ Strategic local land policy (to balance development of second and permanent homes). ■ Proactively working on internal dialogue across administrations. ■ Proactively working with politicians (to create better awareness of certain decisions).
Competition in housing market between second and permanent homes.	<ul style="list-style-type: none"> ■ The municipal property/plot line prioritises permanent residents and homes. ■ More strategies are needed.
Finding a balance to satisfy both the permanent and seasonal population.	<ul style="list-style-type: none"> ■ Strategic local land policy (to balance development of second and permanent homes). ■ Avoiding second home development in urban settlements. ■ Joint planning organisation across municipal borders. ■ Proactively working on internal dialogues across administrations. ■ Proactively working with politicians (to create better awareness of certain decisions). ■ The municipality tries to prioritise permanent residents and homes when their property is sold.
Traffic and infrastructure challenges.	<ul style="list-style-type: none"> ■ Municipality pays the road association fees for permanent residents. ■ Continuously measure traffic streams and discussions with the Swedish Traffic Administration.
Legislative changes regarding sewage systems.	<ul style="list-style-type: none"> ■ Water and sewage project (VA 2025).
Shoreline protection.	<ul style="list-style-type: none"> ■ Areas for rural development; exemptions to shoreline protection.
Sustainable tourism.	<ul style="list-style-type: none"> ■ Joint planning organisation across municipal borders. ■ A separate administration for business development. ■ Proactively working on internal dialogue across administrations. ■ Proactively working with politicians (to create better awareness of certain decisions).

Combined analyses of challenges and strategies in use in the Nordics

According to the above country- and case-based analyses, it is evident that the effects of second homes and seasonal tourism vary in the different national and local contexts. However, the results of this Nordic study also show similarities regarding the challenges that municipalities and regions with large numbers of second homes and high flows of (seasonal) tourists encounter. Although the challenges are expressed and handled in slightly different ways, an analysis of all challenges and strategies shows common themes.

Five challenges that are shared between two or more of the Nordic countries have been identified:

1. Infrastructure and welfare system not adapted to a mobile population

The provision of physical and digital infrastructure as well as the welfare system (schools, child care, care for the elderly, health sector, planning department, waste, sewage etc.) is based primarily on permanent population data, although the infrastructure services a much larger population during the year. To satisfy the requirements of both the permanent and temporary population in all the Nordic countries is challenging. Respondents in the Norwegian and Icelandic municipalities also state that it is somewhat challenging to establish the right type of dialogue with the temporary population. This result confirms previous studies on second homes and (seasonal) tourism in the Nordic countries (Adamiak et al., 2017; Back and Marjavaara, 2017; Ellingsen, 2016; Kietäväinen et al., 2016; Lépy et al., 2016; Topsø Larsen et al., 2018). As presented in the above case-based analyses, a range of hard government tools, targeted governance tools and soft governance tools are however in use to handle this challenge. The Nordic analyses in this study also suggest that the community impact (CI) can be used to further include the annual population in spatial planning.

2. Rules and regulations not adapted to a mobile population

The public administrative system is adapted to a fixed permanent population and not to a population that flows between different places during the year. In our study, this was indicated as a challenge by respondents in Denmark, Finland, Norway and Sweden. For instance, respondents in Finland and Sweden note that the system directs income tax (which is the largest tax) to the municipalities where the person is permanently registered as a resident. This affects the resources available for infrastructure and the welfare system. Moreover, in areas with high seasonal flows of people, private land owners restrict public access. How much this should be controlled by public administration is somewhat challenging to the Danish and Finnish respondents in this study.

3. Rules and regulations are not followed by the voluntary temporary population

Second homes and (seasonal) tourism are subject to a range of different rules and regulations. Respondents in Denmark, Finland, Iceland and Sweden note that not all second home owners, seasonal inhabitants and tourists follow the rules prescribed. This is challenging for the local and regional respondents as it hinders the municipality's ability to provide services and it takes resources to inform second home owners and seasonal inhabitants of their responsibilities. For instance, people live in their second homes without being registered in them, people build new property without applying for the right permits, people rent out their second homes more than the prescribed maximum number of days and seasonal workers do not register in the municipalities they work in during peak seasons.

4. Competition in housing market and market for guest nights

The respondents in Iceland and Sweden highlight the competition in the housing market as challenging to deal with, but in slightly different ways. In Iceland, the competition between second home rentals and hotels and guest houses needs further monitoring from the public administration. In Sweden, it is the competition between new second homes and new permanent homes that needs further monitoring.

5. Developing and implementing sustainable tourism

One of the challenges addressed by respondents in Finland, Iceland, Norway and Sweden is how to implement goals of sustainable tourism. The respondents are worried that the natural resources that attract tourists are degraded by too many tourists. Furthermore, respondents in Norway and Sweden find it challenging to make the best use of the environmental legislation in place. New construction is degrading the right of public access and the ecosystems in the landscapes. This calls for proactive and long-term collaborative planning to find a sustainable balance in tourism development.

Policy recommendations: turn challenges into opportunities for local and regional development

Hard government tools to balance the seasonal flows of inhabitants

Spatial planning

For the municipalities in this study, the most prominent government tool available is to implement measures related to spatial planning. Tourism is acknowledged in the strategic and visionary work of the municipalities, and all municipalities acknowledge the importance of strict rules in land-use planning to steer the development and provide a basis for discussion. These strict rules include prioritizing certain areas for development over others, limits on how many second homes can be built over a certain period, as well as regulating the size of land plots and the size of the houses.

Collaboration

The municipalities studied have large flows of visitors and a much larger annual population than the population statistics suggest. In several of these places, tourism is the core business sector or one of

the core sectors, enabling employment, infrastructure and services all year round. The public administration is adapted to the permanent population, which means that the public administrators must work smartly and effectively to cope with the requirements of the annual population. In Grímsnes og Grafsvinghreppur in Iceland and Härjedalen in Sweden, the public administration for planning is combined with other municipalities in the regions. This is designed to harmonise planning rules and tackle planning challenges over a larger area with more personnel.

Taxes and environmental legislation

Second homes in the Nordic countries are regulated by a range of different policy regimes. The (seasonal) tourism is not regulated to the same extent at the national level, but strategic efforts to steer the development in a sustainable direction are in place. At the national level in all Nordic countries, property taxes (a fee in Sweden) are in place for second homes, and environmental legislation is available to secure the sustainability of the development.

It has been reported that second homes are used only as investments (Hall and Müller, 2018; Hoogendoorn and Marjavaara, 2018). In Iceland and Finland, this risk is regulated. It is not possible to profit fully from capital gains on the sale of holiday homes, cabins or stables as this gain is taxed. This is not the case for property that is used as permanent residences, which is tax exempt for non-commercial inhabitants who have been registered and lived in the property for two years or longer (Association of Chartered Accountants, 2016; Hallo Norden, 2018; Vero skatt, 2018). Within the framework of this study it has not been indicated whether such rules apply in Denmark, Norway or Sweden. In Sweden and Denmark, certain tax rules do however apply when second homes are rented.

We can conclude that second home mobility and the flows of seasonal tourists are not either urban or rural. Instead, the phenomenon involves both urban and rural elements at the same time. To uphold the dichotomy between urban and rural undermines the understanding of the current relation between city and countryside and does not allow a more complex understanding of the relation between municipalities. This motivates us to recommend that policymakers and decision makers should discuss whether municipal income taxes

should be shared between municipalities, based on the locations of the permanent and the second homes. The main rationale behind this recommendation is that the infrastructure and welfare system could then be better adapted to the annual population. Further reading on this topic is available for Finland (Valtiovaraministeriö, 2018), Norway (Farstad, 2018) and Sweden (Müller, 2010).

Targeted governance tools to balance seasonal flows of inhabitants

In the municipalities, 'targeted governance tools' have been developed. These include, for example, flexible opening hours during the year in the service and health sectors. Ongoing work is also required to maintain and develop the physical and digital infrastructure so the large variations in population during the year can be handled.

Soft governance tools for seasonal flows of inhabitants

Discussions

In the municipalities studied, informal committees that hold discussions with second home owners have been established in Odsherred, Pargas and Nore og Uvdal. Improvements in the outcomes of the discussions have been mentioned as crucial for easing potential conflicts and to harvest the opportunities of second home owners and 'non-permanent' dwellers in previous studies (Back and Marjavaara, 2017; Farstad, 2018; Ellingsen, 2016; Hall and Müller, 2018; Kietäväinen et al., 2016). This study also indicates that dialogue and communication are important—also for informing the temporary inhabitants about the local rules.

Increasing awareness of the positive impacts

Creating awareness of the significance of tourism, especially in relation to place attractiveness and to businesses is crucial for regional and local development. Previous studies report on disputes over resource use because of seasonal tourism (Adamiak et al., 2017; Müller and Hoogendoorn, 2013; Solstrand, 2015; Tyrväinen et al., 2017; Åkerlund et al., 2015), and note that communication around the values of the seasonal or mobile part of the population have been useful for solving the disputes (Müller and Hoogendoorn, 2013).

The potential benefits (opportunities) of large numbers of second homes and seasonal tourists

are that the people who temporarily come to the municipalities and regions:

- help to maintain social fabric and cultural life
- maintain demand for local services (both private and public)
- encourage economic activities
- support local employment
- provide valuable input into planning and strategy work

Further communication between businesses and politicians and between administrative units is also mentioned as ongoing action in the cases studied. In Pargas in Finland and Nore og Uvdal in Norway, the business administration authorities in the municipalities are targeting the local industry for this purpose and to develop further collaborations between local businesses. In Härjedalen in Sweden, the business administration authority has not yet implemented such ideas. Instead, the focus is on proactive work with politicians (to create better awareness of certain decisions) and internal discussion across administration borders. In Odsherred in Denmark, the second home owners are perceived as a group of citizens by the municipality. By addressing the second home owners as 'leisure citizens', Odsherred municipality is not subject to the administrative 'failure' of categorizing them as non-locals (Hall and Müller 2018). According to Farstad (2018), whether the second home owners are considered as 'others' or not depends on whether they are perceived as a burden or as a resource to the local community.

Based on our study, we can conclude that second homes are primarily considered assets for the municipalities, as the voluntary temporary population presents another opportunity for positive rural development. In all five case studies, the interviewees stressed that the second homes are an asset for the municipalities overall in terms of job creation, cultural activities and services. At the same time, it is proving challenging to adapt the welfare system and services to large flows of voluntary temporary inhabitants. Identifying these challenges can help municipalities cope with them. In turn, examining the challenges in a multi-actor context with the aim of finding context-adapted strategies and actions can turn them into opportunities.

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Appendix: Methods and validation of results

To choose municipalities with relevance to the objectives of this project, we used the following three criteria. Criteria 1: Highest number of second homes and cabins in the respective country. Criteria 2: Not within commuting distance to the capital (e.g. max 1 h by car, one-way drive). Criteria 3: Highest community impact (CI) from second homes. A high CI suggests that the number of annual inhabitants (AI) is higher than the permanent population because of seasonal tourism. This indicates a high demand on public services during parts of the year. Although all the Nordic countries, and/or municipalities within them, have taxes targeting second home owners, this is not necessarily enough to cover the costs associated with the second homes. The community impact (CI) was calculated for the 10 municipalities with the highest number of second homes in their respective countries, using the method developed by Steineke (2007). The main motivation for setting these criteria is that the case study municipalities represent areas with high urban–rural flows of people and form a suitable basis to investigate the research questions. Note that based on the criteria, the case for Iceland was Skorradalshreppur municipality. This case study was not used in this project because national stakeholders in Iceland advised us not to, primarily because of the small size of the public administration of Skorradalshreppur.

In the five municipalities, a total of 22 respondents were interviewed about their work. The face-to-face interviews followed a semi-structured format, based on an interview guide. The interviews were recorded, and the respondents gave their verbal or written consent to participate in the study. The interviews were performed in Scandinavian, with the help of translators in Iceland. To use Scandinavian and a translator enabled the respondents to not be limited by the language restrictions that English can impose on a non-native speaker. The respondents interviewed were:

Denmark: Three officials in the public authority of Odsherred municipality, January 16, 2019, and

one official at a tourist organisation in Odsherred, January 18, 2019.

Iceland: One official at a tourist organisation in South Iceland, January 16, 2019. Two officials at the public authority of Grímsnes- og Grafning-shreppur municipality and a planner in the planning organisation Umhverfis- og tæknisvið Uppsveita, January 17, 2019.

Finland: Four officials in the public authority of Pargas municipality, February 14, 2019.

Norway: One official in the public authority and one politician in Nore og Uvdal municipality, January 23, 2019. Two employees at Nore og Uvdal business centre, January 24, 2019.

Sweden: Three officials at Härjedalen/Berg municipality, January 30, 2019. Three officials at Härjedalen municipality, January 31, 2019.

There is a risk that the CI (Map 3) might be slightly exaggerated as some people have their second home in the same municipality as they have their permanent home. This risk has been accounted for by not increasing the estimated number of people using second homes. Instead, the calculations are based on three people per second home per year. We assume this despite strong indications of increased use of second homes since the indicator was developed in 2007.

To validate the results presented in this report, each country and municipal case description has been read by contacts in the municipalities during February to June 2019. In turn, the combined analysis has been discussed with researchers within the field of 'Second home geographies' at the Nordic Geographers Meeting in Trondheim in June 2019. On 12 September 2019, a webinar was arranged by Nordregio to present the results and provide another round of feedback before publication. Participating in the webinar were actors from national, regional and local public authorities, universities, museums and the private sector. The comments and questions from around 25 participants did not indicate any need for any changes to satisfy the aims of this report.



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