

Second homes economic impacts on tourism destinations

Maria Jose Alonsopérez

CURE – Universidad de la República, Uruguay

Abstract

Tourism is a relevant economic activity at the international, national, and regional levels, positively affecting the balance of payments, employment, and economic growth. Moreover, it is a growing activity. According to data published by the World Tourism Organisation (UNWTO, 2024), it is estimated that 285 million tourists traveled internationally during the first quarter of 2024, around 20% more than in the same period of 2023. Total international tourism export earnings reached USD 1.7 trillion in 2023, almost 96% of pre-pandemic levels. In addition, tourism GDP recovered to pre-pandemic levels in 2023, reaching US\$3.3 trillion, equivalent to 3% of global GDP.

The type of tourism that takes place in the territory can be a determining factor in its impact. One of the types of accommodation used by tourists are second homes or residences, understood as privately owned dwellings different from the main dwelling, which are used for other purposes: leisure and recreation, investment for the period of retirement, or to obtain an income through temporary rental. The interest in second homes in tourism, growth, and local development has increased over the last decades. There has been an increase in the number of second homes and academic interest in this topic, which originates mainly from the Nordic countries and Canada (Hall, 2018). Tourism is a cultural, political, and economic force that moves people through time and space, shaping society and the environment locally and globally (Edelheim & Ilola, 2017). Both terms, second homes, and tourism have been analysed for their impacts on the destination, such as the increase in the number of visitors and the generation of new development opportunities due to the migration of retirees and active people seeking a new place and change of life. At the international level, several kinds of research have been developed on second homes and their impacts on planning and public policies, land use, environment, living conditions of the resident population, and the economic impact on the destination (Hoogendoorn, 2010; Brida JG, 2009; Flognfeldt, 2013; de Oliveira, 2015; Volo, 2017); the topic is still new and many questions remain unanswered regarding the impact of second homes on the economic development of tourist areas (Hoogendoorn, 2010; Brida JG, 2009; Flognfeldt, 2013; de Oliveira, 2015; Volo, 2017).

It is for the above reasons that this research focuses on the analysis of the economic impacts of tourism, specifically on the economic impacts of second home tourism.