
Summary:

Norwegian second homes survey 2008

TØI Report 1155/2011

Author(s): Eivind Farstad and Petter Dybedal
Oslo 2011, 66 pages Norwegian language

This report is focusing on expenditures related to second homes, and results are based on a national survey comprising 3 000 households, covering the period from October 2007 to October 2008. On average, 19 trips (including day visits), 40 overnight stays and 114 guest nights per year are reported.

For the surveyed households, total expenditures on the latest visit were about NOK 3,100, which equals NOK 950 per person and NOK 178 per guest night. There are considerable geographical variations in expenditures and in their distribution on types of goods and services by type of location and type of second home. There are also variations by purpose of visit and length of stay, type of site visited, and by socio-economic characteristics of the second home users.

To generalize these data to the total population of second homes in Norway, it has been taken into consideration that frequent users may have been over-represented in the survey. Hence, an average estimated number of 86 guest nights per second home per year has been applied in the further calculations. On average, a total of NOK 15 280 was spent on visits per year per second home. The owner households also had expenditures of about NOK 18 800 per year connected to ownership (fixed costs, general maintenance costs and other costs not dependent on visits), and another NOK 25 000 on modernization or expansion per second home per year.

For Norway, total combined expenditures are calculated to NOK 21.3 billion, and close to 30 million guest nights were spent at private Norwegian second homes in 2008. These calculations presuppose that an estimated proportion of 10 per cent of private second homes are not subject to any use.

This survey is a part of the TOURIMPACT research project, which is funded by the Research Council of Norway. One of the key objectives has been to provide new expenditure figures for development of regional tourism satellite accounts (RTSA). This is the fourth interim report from the project.

This study focuses on the use of private second homes located in Norway, and the expenditures related to use and ownership of second homes. The study includes consumer expenditure aspects related to visits at private second homes, and expenditures related to ownership and maintenance of these properties. In addition, visit frequency aspects are discussed in relation to specific traits of the second homes, and traits of the owner households. Finally, there are calculations of the regional economic impacts related to second homes in Norway.

The sample was drawn from the population of owners of private second homes in Norway in 2008, covering second homes in all 19 counties in Norway. The sample includes Norwegian residents 25 years or older, who were in possession of

a second home. Owners of second homes permanently lent or rented out or built for commercial purposes, were excluded. The survey covered the period from October 2007 through October 2008, and the data collection was carried out in October 2008 (week 40-45) as an Internet based survey provided by the Norstat bureau of market analysis. The nationwide survey included 3,000 households, representing about 10,000 persons.

The survey reveals that an average visit to a Norwegian second home lasts about five days (4.9 nights). Overall travel party expenditures amounted to NOK 3,100, which corresponded to NOK 950 per person per trip, or NOK 178 per guest night (per person per night).

These expenditures are influenced by a number of factors related to the trip to the second home and the visitors, for instance the purpose of the visit (skiing activity, hunting/fishing, relaxation etc.), length of stay, or the type of second home visited; but also travel-related aspects such as travel distance and time, and how the travel party is composed (family type, age, gender, etc.). There are also geographical differences, in terms of expenditures, related to where the second home is situated in Norway and what type of location it is.

Table A shows that 75 percent of second homes in Norway are situated either by the coast or in the mountains. The rest are mostly located in forest terrain in lower lying areas. The expenditures per guest night are highest for visits at second homes in mountain areas. However, longer duration of stay at second homes in coastal areas results in higher expenditures per person per visit there.

Table A: Expenditures of Norwegian visitors to second homes in Norway, by type of location. NOK per guest night and per person. (N= Number of respondents).

Type of location	Exp. per guest night	Exp. per person	N	Percentage of N
Mountain area	199	825	1 007	37
Lowland/forest	188	785	558	21
Coastal area	165	1 122	1 025	38
Other location	156	1 295	96	4
Total	178	949	2 686	100

The report also presents figures for visit-related expenditures per person and per guest night for all of the 19 counties of Norway. The results show that there are considerable geographical differences in expenditures, as well as in the distribution on main commodity categories. This is mainly due to two factors: One is that the level of expenses and the composition of commodities purchased reflect the tourism characteristics of each county as regards to type of location, degree of urbanisation, purpose of trip, and the supply of commercial offerings. The other is that transport expenses increase the costs of visiting counties like those in the northern part of Norway or elsewhere away from more densely populated areas.

Second home owners also incur considerable expenses related to the ownership of the second homes (e.g. certain annual fees and subscriptions, general maintenance, fuel and electricity, equipment and furniture, etc). On average these expenses amount to NOK 18 800 per year per owner household. Furthermore,

owners often spend money on renovation, upgrading or expansions of their second homes and annexed property. On average these expenses sum up to about NOK 25 000 per year on average for all 3 000 respondents in the sample.

On average 19 trips are made to the second home per year, including six day trips with no overnight stay. According to the survey material, second homes in Norway are used around 40 nights per year on average. About 114 guest nights per year on average are spent in the second homes in the sample, including visits by family, friends, and any renters.

It has been taken into consideration that frequent users may have been over-represented in the survey in the calculations of the total number of guest nights annually in Norway and expenditures related to second homes. An average estimated number of 86 guest nights per second home per year has therefore been applied in the calculations. These calculations are also based on an estimated proportion of 10 per cent of private second homes assumed to not be in use at all.

Calculations based on the results of this study combined with statistics on the number of second homes in each county show that almost 30 million guest nights are spent in Norwegian private second homes per year (table B).

Table B: Number of guest nights, visit-related expenditures, and expenditures related to ownership and expenditures for remodeling and upgrades of second homes in Norway in 2008. By county of location. In 1000s of guest nights, and expenditures in NOK million.

County	Guest nights (1000)	Expenditures during overnight visits (NOK mill.)	Expenditures during day trips (NOK mill.)	Expenditures for ownership and upkeep (NOK mill.)	Expenditures for remodeling and upgrading (NOK mill.)	Total expenditures per year (NOK mill.)
Østfold	1 874	239	49	353	788	1 428
Akershus	1 106	253	68	269	156	746
Oslo*	185	35	8	46	-	-
Hedmark	2 596	516	66	372	658	1 610
Oppland	2 976	589	56	747	548	1 939
Buskerud	3 227	587	69	760	1 436	2 851
Vestfold	1 296	180	37	307	544	1 067
Telemark	2 134	430	36	502	518	1 485
Aust Agder	1 704	441	27	333	400	1 202
Vest Agder	1 761	330	22	251	421	1 023
Rogaland	1 406	285	55	301	415	1 056
Hordaland	2 018	291	72	487	510	1 360
Sogn og Fjordane	689	95	22	163	147	427
Møre og Romsdal	987	181	35	191	324	730
Sør-Trøndelag	2 190	333	59	370	371	1 133
Nord-Trøndelag	903	152	32	175	200	558
Nordland	1 462	295	76	422	506	1 299
Troms	632	118	29	145	204	497
Finnmark	799	158	35	129	101	424
Total	29 943	5 506	840	6 386	8 568	21 299

* Numbers for Oslo for upgrading/remodeling are not listed due to a low number of respondents, but are included in the overall numbers for Norway.

In addition, 2.1 million day trips are made to second homes per year in Norway.

Expenditures in connection with second home visits amount to NOK 6.35 billion, which can be counted as tourism consumption related to domestic second home tourism in Norway.

Besides expenditures related to second home visits, a calculated amount of NOK 6.4 billion in expenses are incurred related to the ownership and general maintenance of the second homes, as well as NOK 8.6 billion related to renovation and upgrades/extensions of second homes and related property. In total, overall expenditures are calculated to be NOK 21.3 billion for all domestic second home owner households in Norway.

Table B also depicts considerable variations in overall expenditures depending on in which county (or region) in Norway the second home is located.

For the second home owners there will also be expenses related to mortgages, insurance, property taxes, and other similar ownership-related expenses. These expenses may not be allocated solely to the specific county where the second home is located, and are not included in this study.

In addition to the direct expenditures, and corresponding turnover generated in the various counties, there are secondary economic effects related to sub-suppliers, wages/salaries or ownership income of businesses supplying products and services to second home owners or businesses who serve them.