

# Second homes and small-town (re)development: the case of Clarens

G Hoogendoorn and G Visser

## OPSOMMING

Weinig navorsing is tot dusver gedoen op die dinamiese impakte van tweede-woning-ontwikkeling in Suid-Afrika. Die doel van die studie is om die gebrek aan hierdie akademiese nadenke aan te spreek by wyse van 'n gevallestudie wat handel oor die empiriese werklikhede van Clarens. Die studie toon dat tweede-woning-ontwikkeling in hierdie dorp 'n reeks positiewe impakte het soos werkskepping en diversifisering van die plaaslike ekonomie. Daarteenoor word knelpunte rondom dramatiese eiendomsprysverhogings, wat lei tot volgehoue woonbuurtsegregasie en die beperking van die tipes werkskepping wat plaasvind, uitgelig. In die algemeen is die strekking van hierdie artikel dat tweede-woning-ontwikkeling in Clarens 'n positiewe ontwikkeling vir die gasheergemeenskap is.

— **Mr G Hoogendoorn**  
Department of Geography  
University of the Free State

— **Dr GE Visser**  
Department of Geography  
University of the Free State

## Acknowledgements

Thanks are due to the Research Committee of the University of the Free State for funding the larger research project on which this paper draws; Robert Crowther and Bruce Weyers for crucial insights into the development of Clarens; all the participants who kindly took part in the interviews; and the helpful comments of two referees. The usual disclaimers apply.

## INTRODUCTION

Second home development has been a research area of major interest to those investigating the intersection between tourism and migration over the past three decades (Coppock, 1977: 1-16; Williams & Hall, 2000; Williams & Hall, 2002, 1-53). Although a number of studies into the dynamic impacts of second homes on host communities have since appeared in the academic press, the research field has tended to be localised in its concerns and less prominent in international tourism debates (Muller *et al*, 2004; Williams & Hall, 2000). Recently, however, it has been argued that as a result of the increasing mobility of ever-larger sections of the industrialised world, in addition to elevated levels of regional and international leisure migration associated with second homes, the topic of second home development needs to receive a fresh examination as to its advantages for communities, the factors that contribute to second home location and the role that second homes play in contemporary society (Hall *et al*, 2003; O'Reilly, 1995).

Whereas the analysis of these complex and varied relationships has been the focus of a burgeoning international academic literature (Hoggart & Buller, 1995; Williams *et al*, 1997), these concerns have not been explored within the South African context. Although large numbers of towns and villages along the South African coastline, and increasingly in its interior, have grown significantly as a result of second home development, the South African Geographical, Tourism, as well as Town and Regional Planning research discourses, have remained mute concerning this phenomenon (Visser, 2004a; 2004b:196-214). In part, this silence can be attributed to the research context in which second homes are located. It is a context in which such investigation fits uneasily into South Africa's day-to-day socio-economic realities. Moreover, research areas focused on tourism have only very recently emerged as a serious field of investigation in this country (Rogerson, 2003). Nevertheless, whatever the reasons for this oversight in respect of second homes, the fact remains that no systematic academic reflection on this phenomenon has been forthcoming in the South African context.

Recognition of the impact that second homes, and the various cohorts of people involved in this complex system of production and consumption-led migration, hold for host communities has recently started to draw attention at the highest levels of South African governance. The emergence of such investigation is partly explained in the context of the recent Zimbabwean land-grab fiasco, and South Africa's languishing land-reform system; but it can mainly be attributed to

mounting discontent among aspirant home-owners, in reaction to the fact that housing in many parts of the Western Cape, for example, is becoming unaffordable owing to second-home, non-resident investor activity. In the light thereof, many questions are currently being asked about who owns what type of property, where, and for what purposes. Indeed, the Deputy President, Jacob Zuma, was recently compelled to make a public statement that the Land Affairs Department "is conducting research into the matter of ... ownership of land ... with comparative study of countries facing similar challenges" (Visser, 2003a: 182, Isa, 2004).

Sadly, there is little in the line of South African-based academic or consultancy research that might guide public opinion regarding the benefits and challenges that second home development holds for this society. On the contrary, there is currently only a trickle of exploratory research that has investigated the significance of the second home phenomenon in the local context (Visser, 2003b; 2004a; 2004b:196-214). In a set of papers Visser (2003c; 2004a; 2004b:196-214), in particular has started to relay the significance of the international second home debates to the South African situation (Visser, 2003c). Moreover, Visser has presented some general outlines of the dynamics and range of second home development (Visser, 2004a), and in addition, has conducted case studies in the context of some established second home locations in the Western Cape province (Visser, 2004b:196-214). A key conclusion drawn from these investigations was that a great deal of empirical investigation was required to elucidate the nature and impact of second homes on host communities, not only in the predictable second home hot-spots of the coastal provinces but also in the country's interior, where growing numbers of second homes are to be found (Visser, 2003a, 2003b).

Against this backdrop, the over-arching aim of this investigation is to make a contribution towards addressing the paucity of academic reflection on second home development in South Africa. More specifically, the paper aims to provide some insights into the types of impacts that second home development holds for a small town in the Eastern Free State, a regional setting seldom regarded as a location of second home properties. However, as the field of second home research is very broad, the specific focus here only falls on one of many different facets surrounding such development. For the purposes of this paper the intersection between tourism, second homes and local development, against the backdrop of the empirical realities of Clarens, is investigated. It is argued that this particular case study presents some insight into the types of local development issues that second home expansion holds for host communities, such as property price appreciation and employment creation, but also the limitation of residential property mobility and the inadvertent maintenance of residential segregation and racial divisions of labour.

This argument is developed through five sections. First, an outline of what the concept "second homes"

might be understood to mean, is provided and attention is focused on some of the underlying reasons for the development of second homes. In addition, consideration is given to some of the most commonly encountered issues that arise because of second home development. In the second section issues concerning the methodology employed in this investigation briefly come into view. Thereafter, in the third and fourth sections, the focus falls on the empirical realities of the case study area, providing a detailed analysis of the nature and dynamics of second home owners and their use of such properties in Clarens. The final section draws the investigation to a close, arguing that the type of second home development taking place in Clarens holds a number of positive, but also certain negative, local development implications for the town and the surrounding region.

## SECOND HOMES: SOME ISSUES OF DEFINITION AND IMPACTS

Since the emergence of second homes as a topic of investigation in the 1970s (e.g Coppock, 1977: 1-16; Crofts, 1977:23-59), there has been a great deal of ambiguity concerning the definition of second homes (Nijkamp *et al*, 1993; Muller *et al* 2004: 15-32). This definitional conundrum can be traced back to basic issues concerning these properties' relationship to other fixed property assets, the types of physical structures concerned, and the location of these properties in relation to other land uses. In the main, second homes are seen as part of leisure consumption (Marsden, 1977:57-73). Marsden (1977:57-73) provided a four-part categorisation of second homes, in which such homes were defined as immobile and non serviced supplementary accommodation which: 1) comprised private homes often visited at the weekend and on holidays by the family and non-paying guests; 2) intermittently served as commercial holiday homes, which were used as private holiday homes but were let at high season to defray costs; 3) intermittently comprised private holiday homes, often purchased for retirement but meanwhile let out as commercial holiday homes, apart from occasional family use; and 4) served as commercial holiday homes, owned as an investment and usually let and managed by an agent.

Coppock (1977: 1-16) took these concerns further and suggested that although ownership is implied as a criterion, and often as the norm, not all functional second homes are owned by those who use them. This is seen in the fact that second homes have a range of potential functions, as they may be rented on a long lease, and/or used for weekend, vacation and recreational purposes. Moreover, the discourse on second homes has developed a distinctive (but also inaccurate) conception of the spatial setting of such homes. Indeed, it is often suggested that second homes are chiefly found in rural areas, or at least not in the main urban areas. However, these characteristics do not necessarily apply, as second homes might very well be located in metropolitan areas (Muller *et al*, 2004: 15-32). Additional issues that entered this definitional labyrinth were related to the temporality of second home use.

The problems of definition arise primarily from the fact that second homes do not constitute a discrete type, nor are they sharply distinguishable from other kinds of accommodation, but form a somewhat arbitrarily identified segment within a housing continuum (Downing and Dower, 1977: 155-164); Mellett, 2003: 14-17). The dynamic character of the second home, with particular reference to the changing relationship between the first and second homes, also makes identification and measurement difficult. Clearly the definition adopted will affect the number of second homes identified and, by the inclusion or exclusion of particular classes of accommodation with distinctive spatial distributions; the geography of second homes will also be affected. Indeed, as Coppock (1977: 1-16) noted decades ago, the distribution might include many properties on the urban fringe, where such properties also include the first homes of commuters; it might include holiday resorts and accommodation used predominantly for holiday purposes; or it might be confined largely to areas of poor land and scattered population. While acknowledging these many definitional issues, this discussion draws on the central tenet of Goodall's (1987) view, namely that a second home is a property owned or rented on a long lease, as the occasional residence of a household that usually lives elsewhere. Whilst certainly open to debate, this broad definition provides a useful starting point (whilst including many of the above definitional issues) to the systematic consideration of second homes in the Clarens context.

Whilst the definition of second homes is complex, the reasons for their development present even greater challenges (Wolfe, 1951; 1952; 1970; Muller *et al*, 2004: 15-32; Paniagua, 2002). The earlier literature on second homes demonstrates that this phenomenon was symptomatic of more fundamental changes affecting European and North American societal systems as a whole (Coppock, 1977: 1-16). The arrival of greater economic prosperity in most industrial economies led to higher disposable incomes, fewer working hours and longer periods of leisure time (Sharpley & Telfer, 2002:1-10). These processes, in turn, have been seen to have led to explosive growth not only in the tourism system generally, but also in second home development in particular (Williams & Hall, 2000). As has been demonstrated at length over more than two decades of detailed research, these processes have not developed evenly, nor do they always have the same impacts (Sharpley & Telfer, 2002:1-10). However, the past decade has seen the impacts of second homes to host regions in overwhelmingly negative terms (for recent reviews see, Gallant & Tewdwr-Jones, 2001; Mihalic 2002:81-111, Sharpley & Telfer, 2002:1-10).

Important here is that these negative impacts are seen as near-generic in terms of second home development. Most of the work on second homes has established that their occurrence at elevated levels holds significant implications for the destination communities, not only in terms of employment creation, the infusion of new ideas and capital, but also the distortion of land, house and other prices in local markets,

to name a few aspects (Williams & Hall, 2002: 1-52). Indeed, the frequently cited work of Gartner (1987) and Riebsame *et al* (1996) demonstrates that the price of agricultural land, and that of rural towns and hamlets, may be inflated by high demand from "lifestylers" migrating from urban centres (with higher urban incomes and wealth), while rural gentrification may lead to fragmented land ownership and increased human presence and disturbance of local ecosystems. It has furthermore been noted that many of these migrants have idealised perceptions of rural life, and that these perceptions may conflict with everyday practices in, and the values of, local communities. This conflict may be limited to personal disputes between neighbours or may spill over into community-wide political conflicts over such issues as development permissions and landscape management (Phillips, 1993; 1998).

In the South African context, neither the underlying reasons for the development of second homes, nor the different kinds of impacts it holds, have come under extensive academic scrutiny. The exploratory work by Visser (2003b; 2004a; 2004b:196-214), tentatively identifies similar trends to those found in most developed countries relevant to understanding second home development in South Africa. Thus, he argues that the increased prosperity of the middle and higher income groups, combined with increases in leisure time explains second homes development locally. Moreover, property as an investment vehicle has received much attention, particularly where retirement-housing is concerned, or investments that out-pace or at least track inflation whilst providing an income have been sought. However, these trends have not been confirmed in rigorous research, and needs to be tested in empirical reality. Moreover, whilst Visser's exploratory work hinted at impacts associated with second home development such as employment creation, rising property prices and environmental degradation, no rigorous investigation into the impacts of second homes expansion has been forthcoming.

Given the lack of academic discussion concerning second home development in South Africa, the aim of the discussion that follows is to demonstrate how second home development in Clarens has impacted upon the host community, with specific reference to broader local development issues. Given this narrow focus, the case study only aims to examine one aspect of a whole range of issues that have arisen in this area, all of which form part of the discourse in respect of second home development impacts on host communities. The elucidation of other impacts is therefore left to future investigations. First, however, some issues concerning the methodology employed in this study require attention.

## STUDY METHODOLOGY

This investigation draws on empirical data gathered over several months during 2003. The dataset was built from tape-recorded semi-structured interviews that included key informants such as governmental

officials, private developers, district council members, entrepreneurs, property agents, art gallery managers and community representatives from both the black and white constituencies. The main themes of these interviews focused on the recent development history of Clarens, the linkages that exist between second homes and the expansion of the town, and the types of issues that characterise relationships between second home owners and permanent residents, both black and white. These interviews were subjected to basic text analysis in which the over-riding aim was to identify themes concerning the development of Clarens, as well as confirm factual information by triangulation. Detailed interviews conducted with second home owners completed the dataset. The interviews took the form of a structured questionnaire completed during face-to-face interviews. These questionnaires covered 30 individual items, focusing on demographic details, reasons for investing in second homes, as well as the manner in which the owners used their properties. The questionnaires were subsequently coded, and analysed with the SPSS statistical programme.

The second home owners were identified through the rates-base address listings of the Dihlabeng Municipality within which Clarens is located. If a home owner's tax and services accounts were sent out to an area other than the Dihlabeng local authority, the home owner was identified as a second home owner and a questionnaire was sent to that person. In total forty-seven second home owners, accounting for nearly 20 percent of all formal residential housing units, were identified. Of these, twenty-two participated in the interviews, providing a 46,8 per cent response rate. Given this high level of participation we are of the opinion that the conclusions drawn in respect of the Clarens context hold representational merit.

### THE DEVELOPMENT OF CLARENS

Clarens is located 35 kilometres from Bethlehem in the eastern Free State, situated within a valley characterised by vertical cliffs, forming part of the Rooiberg mountain range (Figure 1: Location map of Clarens (available as a separate file)). The town is accessible by road from Gauteng and Bloemfontein, by means of a three-hour car journey. Clarens was established in 1912 and subsequently developed as a retirement town for farmers in the area. It retained much of its original character until the mid-1980s. Throughout this

time the number of permanent residents in the town never exceeded 200 (see Table 1). Besides Clarens' role as a retirement centre, the servicing of the farming sector comprised its main economic purpose. Commercially, only one café and the agricultural cooperative were in operation in Clarens. Higher-order, commercial activities were conducted in nearby Bethlehem.

The retirement culture of the town was shattered in 1985 when Mr Bruce Weyers, a Gauteng businessperson, started to buy properties in Clarens (also see Marais, 2004: 422-438). His vision, from a decidedly business perspective, was that the high natural amenity value of the area would enable tourism development in future. He was soon joined by another entrepreneur, Mr Robert Crowther, who shared this optimism (Interviews 1, 2 and 3). At the time properties were sold for as little as R2 000. These developments did not go uncontested. At the time the acquisition of these properties led to some conflict, particularly between Weyers and the older local residents. In the main these issues were focused on residents' uneasiness as to what would happen to "their" town if it were to be subjected to social, cultural and economic challenges from outside the region and particularly from outside the province. These concerns were, however, apparently unnecessary at the time, for Clarens retained its small-town characteristics typical of the Free State. The newly acquired properties were generally rented out on a short-term basis to enterprising independent tourists.

Real changes to the character of Clarens would come from a different source. In 1990 the Lesotho Highlands Water Scheme required the construction of a tunnel from Katse Dam in Lesotho to the Ash River just outside Clarens. Although other towns also benefited from the construction of the dam, especially Ficksburg, Clarens was chosen as the living quarters for the teams involved in the construction of the tunnel. This resulted in the construction of 63 new housing units, which extended the formal housing stock of the town by 25 per cent. In addition, a more extensive infrastructure, including well-designed tarred roads connecting Clarens to a number of destinations in the region, a better water supply, electricity and telecommunications links, was developed. These improvements were paid for by the Lesotho Highlands Water Scheme, as the small rates-base of Clarens could never have afforded such infrastructure on its own. A further contributing factor was the large number of foreign contractors who took up residence in Clarens,

**TABLE 1: AN OVERVIEW OF THE CHANGING POPULATION SIZE OF CLARENS, 1985-2001**  
(Marais, 2004: 20)

| Jear | Clarens | Kgubetswana | Total |
|------|---------|-------------|-------|
| 1985 | 200     | 5           | 205   |
| 1991 | 276     | 1224        | 1500  |
| 1996 | 587     | 1949        | 2536  |
| 2002 | 620     | 3000        | 3620  |

including international workers and engineers from Germany, Italy, Switzerland, the Netherlands and Portugal. It should also be mentioned that the large population growth of Kgubetswana (the town's black township) between 1985 and 1991 can also directly be attributed to this development. The influx of these new residents had two key implications. Firstly, the presence of these persons changed the character of this Afrikaans-dominated small town. Secondly, it immediately created a larger and more diverse market, for example, in terms of the types of food and eateries required. Consequently, besides the development of accommodation infrastructure to service this larger population, a significant impact was caused by the development of restaurants and taverns (there were none prior to this event) to service the leisure needs of these workers (Marais, 2004: 422-438).

The subsequent completion of the Lesotho Highlands Water Project in 1994 inevitably meant that international workers left Clarens, plunging the town into recession, in the main because its extended economic infrastructure had largely been developed around the needs of the international labour migrants (Interviews 4 and 5). However, this temporary crisis provided an opportunity for resourceful entrepreneurs who proceeded to buy up large numbers of properties and to market the town as a unique leisure hide-away (Interview 2). In the wake of these marketing drives a small number of bed-and-breakfast and self-catering establishments started to develop. In addition, artists were enticed to take the opportunity to work from this picturesque setting, opening galleries and studios at prices unheard of in South Africa's main metropolitan areas (Interview 4). Moreover, the "select" tourist trade provided a ready market for selling art, as well as craft products. In the wake of these successes, the existing restaurant offering broadened, and outdoor recreational services and facilities, such as fly-fishing, hiking, horse-riding and so on, were established. In turn, the expansion of economic activity underpinned the migration of art and leisure entrepreneurs to Clarens, expanding the local tourism product, in turn stimulating greater tourist flows. Presently, Clarens has forty-four bed-and-breakfast establishments, as well as a range of (flexible) self-catering facilities providing 3000 bed spaces, nineteen art galleries and eight restaurants (Interview 3). Other activities include golf, river rafting, abseiling, mountain biking, quad biking, clay pigeon shooting and 4x4 trails. It is currently estimated that Clarens hosts as many as 30 000 tourists a month (Marais, 2004: 422-438).

With all this development taking place in Clarens, leisure seekers also grew increasingly acquainted with the area and its recreational diversity. Investors seeking such amenities became interested in buying properties to serve as second homes. Currently, Clarens is home to 3 620 residents, living in 650 households, of which 281 are permanent houses and 369 informal structures (Interview 3). Of the 281 permanent houses, 47 are second homes, constituting 16.7 per cent of the permanent housing stock in Clarens. This proportion, however, is not stable and it is important to note that the status of second homes in Clarens, as

indeed elsewhere, is in constant flux. Thus, a property might be the second home of an owner at one stage, only to become the permanent residence at a later stage, thus losing its status as a second home. Consequently, second homes go through phases of serving first one purpose, then another. In this light, the information presented here relates to second homes in Clarens at a specific time, bearing in mind that second homes in Clarens continuously change in respect of their primary function. Indeed, every formal property in this town could have been or may still be, a second home at some stage. What is important to grasp, however, is that the size of the housing stock of Clarens is not constant but is enlarging with the key target market, which is comprised of second home investors and not permanent residents. The latest addition to the housing stock will consist of 123 sectional title properties all targeting second home investors and jointly enlarging the formal housing stock by some 40 per cent (Interview 3). Moreover, this will bring the total number of second home properties to no less than 40 per cent of the total formal housing stock. Whilst Clarens might once have been a small, quiet retirement town, it has increasingly become a site of intensive leisure consumption involving a transient community of second home owners. It is because of their expanding numbers relative to other types of residents, that we need to better understand who these investors are and what impacts their presence holds for Clarens.

#### **A SOCIO-ECONOMIC PROFILE OF SECOND HOME OWNERS IN CLARENS**

This section aims to provide an outline of who the second home owners of Clarens are, why they have invested in the area and how they use the properties they have purchased.

All second home owners in Clarens are white South Africans. Reflecting the unevenness in national earning power and the gendered nature of property ownership, it was found that 73 per cent of respondents were male (Table 2). Ninety-five percent of the respondents were married. In the main the second home owners are English speaking (77 per cent). Given that the white population of the Eastern Free State is predominantly Afrikaans speaking, Clarens has an uncharacteristic English-speaking base. The educational level of the second home owners is high. Twenty-three percent of the respondents have a matriculation certificate, while 49 per cent have completed tertiary education and as many as 23 per cent have postgraduate degrees. With regard to the ages of the household members it is evident that these households are predominantly established family units where adults are in their middle age, or approaching retirement. Concerning the economic profile of the owners, and given their high educational level, it is not surprising that the majority are upper-middle to upper-level income earners (14 per cent earn between R200 001 and R300 000; 18 per cent earn between R300 001 and R400 000; and 36 per cent earn more than R400 000 annually). Only 14 per cent have an annual

income of less than R100 000, while 18 per cent have an income of between R100 001 and R200 000.

It is generally argued that second home owners seek out properties that are located relatively close to their permanent place of residence so as to achieve maximal equilibrium between production and consumption (Chaplin, 1999). In different contexts of modes of transport this might imply different distances between the first and second homes. Being a three-hour drive from Bloemfontein, Johannesburg and Durban, Clarens is an ideal location for second home development. The empirical evidence supports this view. As illustrated in Table 3, investors from Gauteng province – the economic heartland of South Africa – account for 77 per cent of second home owners in Clarens. Similar to experiences internationally, the second homes are located within easy commuting distance, which makes it possible to use these properties over weekends and during holiday periods.

**TABLE 2: SOCIO-ECONOMIC PROFILE OF SECOND HOME OWNER RESPONDENTS (N = 22)**

| Variables                        | Percentage |
|----------------------------------|------------|
| <b>Gender</b>                    |            |
| Male                             | 73         |
| Female                           | 27         |
| <b>Marital status</b>            |            |
| Married                          | 95         |
| Unmarried                        | 0          |
| Living together                  | 0          |
| Widower/widow                    | 5          |
| Divorced                         | 0          |
| Separated                        | 0          |
| <b>Home language</b>             |            |
| English                          | 77         |
| Afrikaans                        | 23         |
| South Sotho                      | 0          |
| Other                            | 0          |
| <b>Academic qualification</b>    |            |
| Grade 12                         | 23         |
| Diploma                          | 26         |
| Bachelor's degree                | 23         |
| Master's degree                  | 18         |
| Doctoral degree                  | 5          |
| Other                            | 5          |
| <b>Personal annual income</b>    |            |
| Under R100 000                   | 14         |
| R100 001-R200 000                | 18         |
| R200 001-R300 000                | 14         |
| R300 001-R400 000                | 18         |
| Over R400 000                    | 36         |
| <b>Ages of household members</b> |            |
| <6                               | 9          |
| 6-12                             | 9          |
| 13-18                            | 11         |
| 19-30                            | 11         |
| 31-40                            | 7          |
| 41-50                            | 17         |
| 51-60                            | 18         |
| >60                              | 18         |

The purchase dates of second homes in Clarens vary. Thirty-two per cent of second home owners bought their properties before 1990. Fifty-four per cent bought their properties between 1990 and 2000, during the time period in which buying a second home in Clarens became popular; and lastly, 14 per cent of second home owners bought their second homes after 2000. The reasons for buying a second home in Clarens vary from respondent to respondent. Some trends can, however, be discerned. Twenty-five per cent of the owners bought their properties for their aesthetic value; two per cent bought properties because doing so was a popular trend. Nineteen per cent bought their second homes because purchasing such properties was seen as a potentially profitable investment. Indeed, one respondent pointed out that "The first home that I bought was in 1986 for R70 000 and the same house was recently assessed for R1 220 000" (Interview 3). As might be imagined, such growth certainly constitutes a good investment return when considering that property values in rural towns in the Free State province have generally declined in real terms over the past decade. Twenty-nine per cent of the respondents bought their second homes with the intention of retiring to Clarens at some time in the future, which corroborates an established trend that investigators such as Coppock (1977:1-16) verified decades ago. Only six per cent bought their second homes on the basis of the presence of family and friends in the town and region. This finding is in sharp contrast to the findings concerning international trends (Muller *et al*, 2004: 15-32), which ascribe significant weight to the impact of family and friends in the choice of second home location. Seventeen per cent of the respondents bought their second home because of its

**TABLE 3: SPATIAL AND ECONOMIC DISTRIBUTION OF SECOND HOME OWNER RESPONDENTS (N = 22)**

| Variables  | Percentage |
|--|------------|
| <b>City of permanent residence</b>                               |            |
| Johannesburg   | 55         |
| Pretoria   | 22         |
| Bloemfontein   | 9          |
| Port Elizabeth   | 5          |
| <b>Distance between permanent and second homes in kilometres</b> |            |
| <300   | 27         |
| 300-400  | 68         |
| >400   | 5          |
| <b>Purchase date</b>   |            |
| <1990  | 32         |
| 1990-2000  | 54         |
| >2000  | 14         |
| <b>Reason for buying second home in Clarens</b>                  |            |
| Aesthetic value  | 25         |
| Popular trend  | 2          |
| Good investment  | 19         |
| To retire one day  | 29         |
| Through family and friends                                       | 6          |
| Location perfect in relation to permanent residence              | 17         |
| Holiday home   | 2          |

proximity to their permanent place of residence and lastly, only two per cent of the respondents bought their second homes purely for extended holiday use. This suggests that most second home owners use their properties as weekend getaways rather than as holiday homes.

As seen in Table 4, 86 per cent of the respondents are sole owners of their second homes, while 14 per cent are not. Of the latter, 25 per cent share their properties with business associates and 75 per cent with relatives. Sixty-eight per cent of the respondents bought their properties for under R100 000, 14 per cent for between R100 001 and R200 000 and 18 per cent for over R200 000. This might suggest that during the initial influx of purchases of second homes, original inhabitants started to sell their properties for higher prices. This might explain why 14 per cent and 18 per cent of respondents paid more than R100 000 and R200 000, respectively. Current property prices typically range from R500 000 to R1 million. Thus, all these second home owners have gained significantly from their investments in Clarens.

**TABLE 4: RESIDENTIAL CHARACTERISTICS OF SECOND HOME OWNER RESPONDENTS (N = 22)**

| Variables  | Percentage |
|--|------------|
| <b>Sole owner</b>                                  |            |
| Yes  | 86         |
| No   | 14         |
| <b>Shared ownership</b>                            |            |
| Business associates                                | 25         |
| Friends  | 0          |
| Relatives  | 75         |
| <b>Market value of property when bought</b>        |            |
| <R100 000  | 68         |
| R100 000-R200 000                                  | 14         |
| >R200 000  | 18         |
| <b>Percentage of consumables bought in Clarens</b> |            |
| 0%   | 10         |
| 20%  | 47         |
| 40%  | 5          |
| 60%  | 14         |
| 80%  | 24         |
| 100%   | 0          |
| <b>Renovated home when bought</b>                  |            |
| Yes  | 32         |
| No   | 68         |
| <b>Used a local builder</b>                        |            |
| Yes  | 100        |
| No   | 0          |
| <b>Used material from the eastern Free State</b>   |            |
| Yes  | 86         |
| No   | 14         |
| <b>Amount spent on renovations</b>                 |            |
| <R100 000  | 26         |
| R100 001-R200 000                                  | 32         |
| R200 001-R300 000                                  | 16         |
| <R300 000  | 26         |

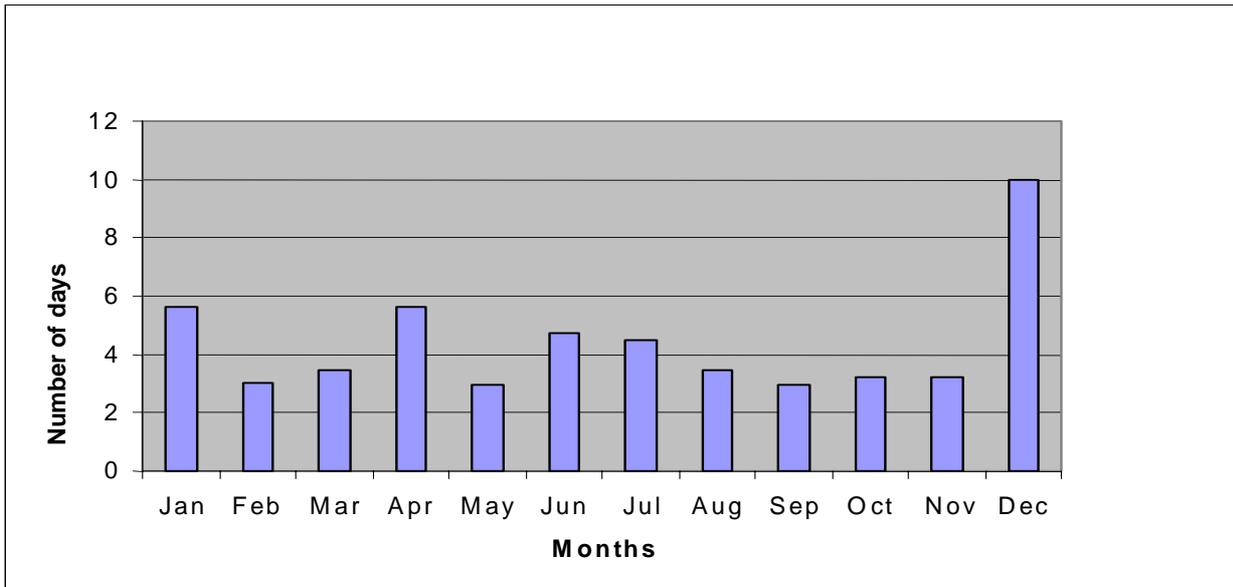
In terms of the temporality of second home use, it was found that owners mostly reside in Clarens during the Christmas season and Easter (April), and to a lesser extent during the June and July winter school recess. For the remainder of the year, visits are structured by work and school commitments, with long weekends at least once a month. As seen in Figure 2, the December holiday sees owners staying for 10 days on average, usually from the week running up to Christmas through to the first week after New Year. Eighty two per cent of the second home owner respondents do not rent out their property for the periods during which they are not in Clarens. Only 18 per cent rent out their properties, which is usually between school holidays, for example during February and March, May and from September or October to November.

### GENERAL ECONOMIC IMPACTS OF SECOND HOMES ON CLARENS

Given these general demographic features, along with the use of second home properties, the question arises as to how these properties impact upon Clarens. Second homes in this town evidently fall within the ambit of Marsden's (1977:57-73) four-part categorisation of this phenomenon. Clearly these are supplementary accommodation units which are privately owned, for the purposes of leisure during weekends and holidays for family and non-paying guests. Many of them also hold investment value for the owners and might be used as places of retirement in future. This function holds a range of positive and negative implications for Clarens.

In the first instance property prices have increased significantly over the past decade. Indeed, average house prices are currently between R500 000 and R1 million. In larger urban centres the purchase of properties implies economic impacts through estate agent fees, legal fees and the fact that the former owners often reinvest their money in local housing stock. In Clarens the extent of such income is somewhat limited. Whereas there are local estate agents, the legal dealings in respect of these transactions take place in nearby Bethlehem. Moreover, the financing of such transactions is generally handled by large banks in the region, or in the areas from which the investors come. Indeed, many transfers are initiated and concluded by agents operating outside of the town, whether in Bethlehem, Johannesburg or Pretoria (Interviews 2,3,5).

Secondly, an important way in which the purchase of second homes impacts upon the local economy relates to the renovation and redevelopment of properties. In this respect it was found that 32 per cent of owners made significant changes to the properties immediately after acquiring them (Table 4). The act of renovation generally implies economic activity through the hiring of skilled labour and the purchase of building materials. All respondents used local contractors when building or renovating their second homes, while 86 per cent used material sourced from the eastern Free State. Only 14 per cent used material



**FIGURE 2: AVERAGE NUMBER OF DAYS PER MONTH SPENT IN CLARENS**

sourced from outside the region. In terms of the extent of these renovations, considerable variation was recorded. Twenty-six per cent spent less than R100 000, while as many as 42 per cent invested more than R200 000.

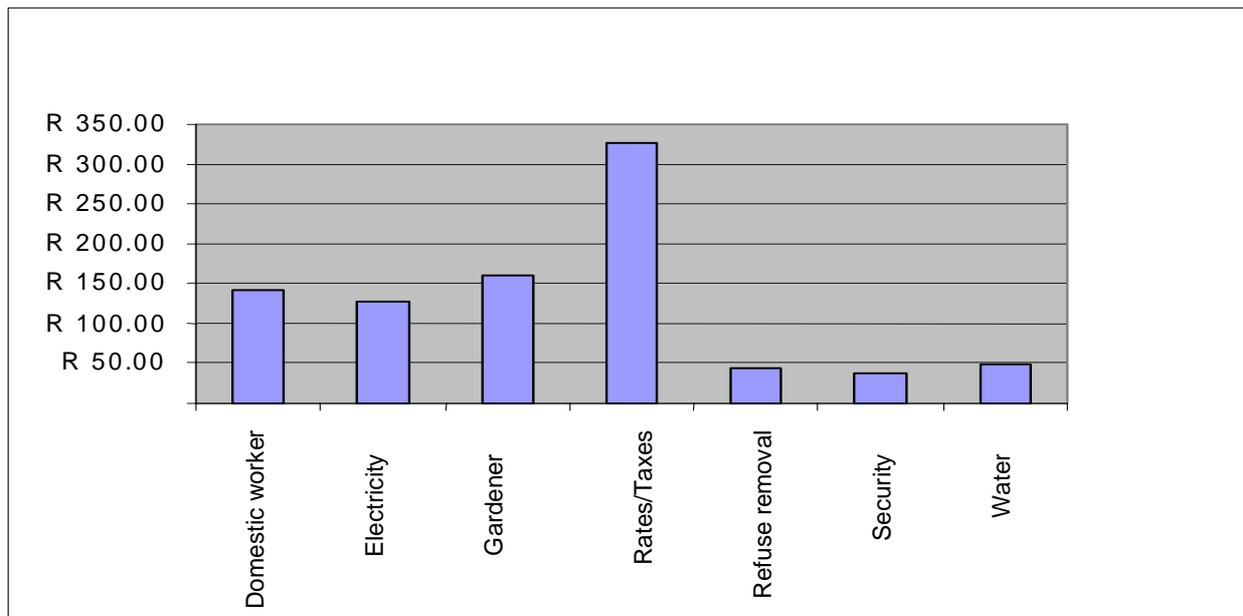
The majority of these investments are made on an once-off basis. A recurrent expense relates to the maintenance of the second home properties and holds, in our view, a significant local economic impact for the town and its local authority. Owing to their location elsewhere, as well as the leisure-related function of these properties, second home owners are dependent upon hired assistance. All the participants employed a gardener and domestic worker, in addition to the obligation of paying the monthly rates, electricity, refuse removal, water and security bills. As most of these properties are not occupied by the owners for lengthy periods, hired assistants mostly work on the days that the owners are there. Consequently, the wages earned by the gardeners and domestic workers are low. In fact, average monthly remuneration for these categories was only R150 (Figure 3). Whilst this points to underemployment, it nevertheless represents an income to people who, in the absence of second home owners would in all likelihood not have found employment in the area. Private security firms – mainly providers of armed response services – are paid an average of R50 a month. However, these opportunities are of low quality. Those who find employment in this sector have little hope of finding other employment that might lead to greater skills development and higher earnings potential (Interviews 1, 2, 3).

In terms of recurrent monthly expenses, the largest contribution to the local economy is made through various payments to the local authority for water, electricity, rates and refuse removal which on average amount to R520 a month. Of this total, R320 goes towards rates and taxes, whilst the remainder is ac-

counted for by user charges. Considering that minimal infrastructure developments such as tarred roads, curb-side installations, and street lights have purposefully been sought by the residents of the town, these funds mostly constitute a profit to the local authority, in the main because they represent flat rates that are not linked to variations in service consumption. This income can thus be utilised elsewhere in the municipal area.

A further impact of second homes on the local economy of Clarens relates to the owners' support of leisure activities in the area, as well as local eateries and taverns. This impact is, however, seasonal, and moreover, it varies according to the owners' length of stay during any given visit to the second home. The monetary value of such consumption is consequently difficult to gauge. However, these owners provide stability in the demand for a range of tourism-related functions which in turn service the tourist market. In this sense the relationship between the second home owners, local residents, many of whom own tourist facilities, and the local black population, many of whom work for these tourism service providers, in fact reflects a positive experience of Clarens' new role. Indeed, the linkages between these various sectors have, in the experience of the local authority, been conducive to the development of planning frameworks and strategies that are supported by all in this community (Marais, 2004: 422-438).

Another impact in terms of income inflows to the town and surrounding area relates to sourcing foodstuffs and basic household groceries. In this regard (see Table 4) ten per cent of the second home owners do not buy any goods from local stores, while 47 per cent buy only 20 per cent of their household requirements from local outlets. Only a quarter of the second home owners buy 80 per cent of their goods from local stores. Indeed, it transpired that most second home



**FIGURE 3: AVERAGE MAINTENANCE COSTS OF SECOND HOMES PER MONTH**

owners bought their main supplies from grocers in nearby Bethlehem, which is 35km away, where goods are cheaper than in Clarens. Closer scrutiny of the local grocers revealed that they largely fulfil the function of convenience stores and tended to place significant mark-ups on their products.

#### **SOME NEGATIVE IMPACTS ASSOCIATED WITH SECOND HOME DEVELOPMENT IN CLARENS**

By the nature of the retirement history of Clarens, it goes without saying that the members of the initial community who retired to this town have long passed on. Those who have subsequently moved to Clarens are decidedly better-off and have in large part been able to cope with increases in living costs and other expenses. However, the popularity of the town has had impacts in terms of the town's supposed tranquility, and many of the older residents have pointed out that particularly over the weekends, the town feels somewhat over-run. In terms of their attitude towards second home owners *per se*, little resistance or discontent was encountered. However, this is not to say that their presence is unproblematic. The following section provides an outline of some of the most commonly cited negative impacts associated with second home development in Clarens.

There has been a very significant increase in property values over the past decade. There is, however, a negative side to these gains. The rise in housing costs would not have been a problem in itself, were Clarens a larger town with a broader economic base. However, owing to the fact that permanent shelter is scarce and the economic base of the town is directly linked to tourism and agriculture, problems arise. Whereas community leaders have indicated that the

town is highly supportive of the tourism-driven economy, and that they have no real issue with second home investors, the investment in second homes places price pressures on the property market and increasingly, on the adjacent farmland too. The main impact is that there is no chance of property mobility for permanent residents working in this economy and entering the housing market. This holds true for both the permanent white and black residents of Clarens. However, this is certainly more pertinent for the owners of property in the township, as the better quality housing is located in the formerly white areas which are also the focus of second home investment. This situation inadvertently reinforces racially-based cleavages in the property market.

An issue arising from second home development, but which is in fact linked to the broader development of the tourism economy of Clarens, relates to the types of labour markets that prevail. The pressure on the value of property is driven from outside the region, in the main by investors usually resident in Gauteng, or who have relocated from there to Clarens. Those working in Clarens do not have incomes comparable to those earned in Gauteng, and hence cannot compete in the local property market. In addition, whilst the white population have migrated to Clarens with investment capital in hand, those living in the townships migrated there either because they worked in the Lesotho Highlands Water Scheme, or owing to displacement from surrounding farms. As they are, in the main, wage labourers, filling the more rudimentary positions at tourism-related enterprises, they do not earn anything near what is necessary to own property outside of the township. Thus, they are spatially confined to the township with no hope, in terms of the current economy of Clarens, of systematically starting to engage the "white" residential area of Clarens. It has

been noted that the cost of living in terms of buying basic foodstuff is higher in Clarens. Thus, those who have the least means cannot buy goods in Bethlehem at lower unit costs. Should they seek to do so, they would have to pay the taxi fare in order to travel to Bethlehem. The fact that second home owners buy their main supplies elsewhere, acts as a disincentive for potential food retail entrepreneurs, since the most lucrative market does not, in the main, buy goods locally. In turn, the market that is less mobile is the very market that does not have adequate buying power to justify retail investment.

These concerns are, however, not only relevant to those who fill relatively menial functions; indeed, they also hold significance for those who are higher up in the employment structure of this economy. There are limits to the ability of tourism entrepreneurs to generate the type of income associated with that of the second home owners. These facility owners also cannot compete with the incomes generated in Gauteng, and hence, are likely to find themselves having to live in Bethlehem and commute to Clarens to work. However, this displacement is not directly connected to second home development, but rather to the fact that these entrepreneurs could not afford the difference in living costs brought about by the new tourism interests in Clarens (Interview 2).

Finally, the fact that many of the second home owners have invested in property in Clarens for retirement purposes holds future implications that have not yet fully manifested themselves in the urban form. It was demonstrated that a number of second home owners plan to retire to Clarens. The larger number of retired residents will inevitably create new demands, not least in terms of retail facilities covering a more comprehensive range of items. Indeed, there are plans afoot to build a small shopping centre complex to cater to these needs. Moreover, a larger retired population will require medical practitioners, dispensaries and employment opportunities. Moreover, it would probably be to the advantage of those in the township, who could also benefit from a larger product range in Clarens, rather than having to commute to Bethlehem. However, once again, the potentially negative side of such growth is that it might hold undesirable environmental impacts – both social and physical – that could undermine the very reason Clarens has become so much in demand.

## CONCLUSION

Clarens has undergone significant transformation over the past decade. In large part these changes can be linked to the dramatic development of the local tourism system. It was argued in this paper that second home development can be linked to the “discovery” of Clarens as a tourist destination, particularly for weekend visitors. In turn, the process introduced this town to a broad base of potential investors, some of whom decided that they would like to invest in the town in order to engage its amenities on a more

permanent basis. In the main these second homes are used as weekend homes, but also constitute properties with a perceived good investment return or future function as a place of retirement. This investigation demonstrated that the development of Clarens as a place for second homes holds a number of benefits. In the main, these benefits are related to employment creation and the development, support and expansion of leisure infrastructure in the town. On the other hand, issues have arisen concerning the type of employment that is created by the presence of the second home owners, and the fact that their involvement in the property market makes it extremely difficult for local entrepreneurs and residents to enter the property market. Seen in this light, the development of Clarens as a site for second home investment has thus far not been a benign process for the host community as a whole.

## REFERENCES

- CHAPLIN, D. 1999 Consuming work/productive leisure: the consumption patterns of second home environments. *Leisure Studies* 18: 41-5.
- COPPOCK, JT. 1977. Second homes in perspective. In Coppock, JT (ed). *Second homes: curse or blessing?* London. Pergamon.
- CROFTS, RS. 1977. Caravans and second homes: rural planning problems in Argyll. In Coppock, JT. (ed). *Second homes: curse or blessing?* London. Pergamon..
- GALLANT, N & TEWDWR-JONES, M. 2001. Second homes and the UK Planning System. *Planning Practice and Research* 16(1): 59-69.
- GARTNER, W. 1987. Environmental impacts of recreational home developments. *Annals of Tourism Research* 14(1): 38-57.
- GOODALL, B. 1987. *Dictionary of human geography*. Harmondsworth. Penguin.
- Hall, CM & Muller, DK. (eds) 2004. *Tourism, mobility and second homes: between elite landscapes and common ground*. Clevedon. Channelview Publications.
- HALL, CM, KEEN, D & MULLER, D. 2003. *Second homes – curse or blessing? Twenty-Five years on*. Paper presented at IGU 2002 Regional Conference of the International Geographical Union, Durban 4-7 August 2002.
- HOGGART, K & BULLER, A. 1995. Retired British home owners in rural France. *Aging and society* 15: 325-353.
- ISA, M. 2004. SA studies how much in foreign hands. *Business Report*, 11 March 2004:10.
- MIHALIC, T. 2002. Tourism and economic development issues. In Sharpley R & Telfer DJ. (eds). *Tourism and development: Concepts and issues*. Clevedon. Channelview Publications.
- MARAIS, L. 2004. From Small Town to Tourism Mecca: The Clarens Fairy Tale. In Rogeron, CM & Visser, G. (eds). *Tourism and development issues in contemporary South Africa*. Pretoria. Africa Institute of South Africa. .
- MARSDEN, B. 1977. Holiday homescapes of Queensland, in Coppock, J. (ed) *Second homes:*

- curse or blessing?* London. Pergamon Press
- MELLETT, R. 2003. *Second homes in perspective*. Unpublished Report, Department of Geography, University of the Free State.
- MULLER, D, HALL, CM & KEEN, D.. 2004. Second home tourism impact, planning and management. In Hall, CM & Muller, DK (eds) *Tourism, mobility and second homes: between elite landscapes and common ground*. Clevedon. Channelview Publications.
- NIJKAMP, P, VANWISSEN, L & RIMA, A. 1993. A household life-cycle model for residential relocation behaviour. *Socio-economic Planning Science* 27(1): 35-53.
- O'REILLEY, K. 1995. A new trend in European migration: contemporary British migration to Fuengirola. Costa del Sol. *Geographical Viewpoint* 23: 25-36.
- PANIAGUA, A. 2002. Urban-rural migration, tourism entrepreneurs and rural restructuring in Spain. *Tourism Geographies* 4(4): 349-371.
- PHILLIPS, M. 1993. Rural gentrification and the processes of class colonization. *Journal of Rural Studies* 9 (2): 123-140.
- PHILLIPS, M. 1998. Investigations of the British rural middle class: part 2, fragmentation, identity, morality and contestation. *Journal of Rural Studies* 14(4): 427-443.
- RIEBSAME, W, GOSNELL, H & THEOBOLD, D. 1996. Land use and landscape change in the Colorado Mountains 1: theory, scale and pattern. *Mountain research and development* 16(4): 395-405.
- ROGERSON, CM. 2003. Tourism and development in Africa. *Africa Insight* 33(1/2): 2.
- SHARPLEY, R & TELFER, DJ. 2002: Introduction. In Sharpley R. & Telfer, DJ. (eds). *Tourism and development: concepts and issues*. Clevedon. Channelview Publishing.
- VISSER, G. 2003a. Gay men, tourism and urban space: reflections on Africa's 'gay capital' *Tourism Geographies* 5(2): 168-189.
- VISSER, G. 2003b. Gentrification: prospects for South African urban society? *Acta Academica Supplementum* (1): 79-104.
- VISSER, G. 2003c. Gay men, leisure space and South African cities: the case of Cape Town. *Geoforum* 34(1): 123-137.
- VISSER, G. 2003d. Visible, yet unknown: reflections on second-home development in South Africa. *Urban Forum* 14(4): 379-407.
- VISSER, G. 2004a. Second homes and local development: issues arising from Cape Town's De Waterkant. *GeoJournal* 60(2): 259-271.
- VISSER, G. 2004b. Second homes: reflections on an unexplored phenomenon in South Africa. In Hall, CM & Muller, D. (eds), *Tourism, mobility and second homes: between elite landscape and common ground*. Clevedon. Channelview Publication.
- WILLIAMS, AM, KING, R & WARNES, A. 1997. A place in the sun: international retirement migration from northern to southern Europe. *European Urban and Regional Studies* 4(1): 15-34.
- WILLIAMS, AM & HALL, CM. 2000. Tourism and migration: new relationships between production and consumption. *Tourism Geographies* 2(1): 5-27.
- WILLIAMS, AM & HALL, CM. 2002. Tourism, migration, circulation and mobility: the contingencies of time and place. In Hall, CM & Williams, AM. (eds). *Tourism and migration: new relationships between production and consumption*. Dordrecht. Kluwer.
- WILLIAMS, AM & HALL, CM. 2003. *Tourism, mobility and second homes: between elite landscape and common ground*. Clevedon. Channel View Publications.
- WOLFE, R. 1951. Summer cottages in Ontario. *Economic Geography* 27(1): 10-32.
- WOLFE, R. 1952. Wasaga Beach: the divorce from the geographic environment. *Canadian Geographer* 1 (2): 57-65.
- WOLFE, R. 1970. Discussion of vacation homes, environmental preferences and spatial behaviour. *Journal of Leisure Research* 2(1): 85-87.

## INTERVIEWS

- Interview 1: Mrs E Meijer, Municipal Worker, interviewed on 29 July 2003.
- Interview 2: Mr R. Crowther, Former Mayor and Private Developer, interviewed on 30 July 2003.
- Interview 3: Mr B. Wyers, Property Developer and Estate Agent, interviewed on 29 July 2003.
- Interview 4: Anonymous, Art Gallery Manager, interviewed on 29 July 2003.
- Interview 5: Anonymous, Former Clarens Resident, interviewed on 30 July 2003.
- Interview 6: Anonymous, Black worker at the Lesotho Highlands Water Project, interviewed on 29 July 2003.
- Interview 7: Anonymous, Black worker at restaurant, interviewed on 29 July 2003.

