

Resorts' second home tourism and regional development: a viewpoint of a Northern periphery

Pekka Kauppila

Department of Geography, University of Oulu

Abstract: During the last decades, tourism has been utilised as a vehicle to stimulate regional development particularly in peripheral areas. In the tourism phenomenon, resorts are centres for tourism functions, and second home tourism is part of those functions. The aim of this study is to scrutinise the nexus of second home tourism and regional development in the context of Northern periphery. Statistical analysis is addressed to four large resorts in Northern Finland. The results show that purpose-built second homes are typical for attractive, peripheral resorts. Therefore, they are 'hot spots' with respect to regional development representing dynamic regions. In terms of the absolute distance, a substantial proportion of private second home owners lives further than the weekend zone having an influence on the occupation rates and the economic impacts of the regions of destination. From the perspective of positive regional development, the ideal location for a resort would be in the hinterland of large population centres in a touristic, attractive landscape.

Introduction

For decades rural areas have suffered from socio-economic decline characterized by economic restructuring, unemployment, out-migration and ageing population. Due to the social and economic significance of the tourism industry, its role as a tool for regional development in peripheral areas has aroused great interest in the literature (see Butler et al. 1998; Müller & Jansson 2007; Hall et al. 2009). In those areas, tourism is usually regarded as the only industry having some growth prospects in the future. However, it is not automatically the saviour for all peripheral municipalities and communities (see Lundmark 2005).

The tourism phenomenon has a tendency to accumulate in resorts. They are considered

centres for tourism functions, more precisely nodes where tourism demand and supply meet. Geographically and functionally the definitions of resorts refer to a local level regional unit in which tourism is the dominant industry and the principal economic activity (see Goodall 1987; Medlik 1994). As Prideaux (2004: 28–29) notes, there exists an agreement on the functions of resorts on a general level: they provide different kind of attractions, facilities and services for both day-trippers and overnight stayers. In a declining periphery, the development of tourism – and tourism functions – in resorts can reflect positively to the regional development of those centres. This has been noticed, for example, in the case of large resorts in Northern Finland with respect to enterprises, jobs and population

(see Kauppila 2004). It has to be borne in mind that second home tourism is part of resorts' (tourism) functions (see Gill 1998; Kauppila 2008a).

The aim of this article is to study winter-oriented resorts located in the Northern periphery from the viewpoint of second home tourism and regional development. The paper is based mainly on research literature, but summer cottage statistics produced by Statistics Finland is also utilised. It is noteworthy that the data includes only privately owned second homes. In the distance analysis, four large resorts in Northern Finland – Levi, Ruka, Saariselkä and Ylläs – are applied as case studies. These resorts are excellent cases, because their strategies manifest the increase in the number of second homes as a one focal objective (see Kauppila 2008a). The definitions, opportunities and limitations of the summer cottage statistics in the context of resorts are presented elsewhere (see Kauppila 2007).

Second home types as markers for regional development

In principle, the number of second homes can increase in two ways: by converting the original purpose of use or by purpose-building (Coppock 1977: 7–8; Müller et al. 2004: 16; Müller 2006: 337–338). The former often means that the previous use of the property has been a permanent home, but due to out-migration the property has no longer permanent residents and is forced to transform the permanent home into

a second home. In the latter, the original purpose of the property is a second home. In other words, it is built for this purpose only.

Converted and purpose-built second homes appear in different geographical landscape areas (figure 1). The space-time dimension (weekend-vacation homes) is comprehended in relation to urban demand markets and second home types (converted-purpose-built homes) in relation to 'amenity-rich' areas (Hall et al. 2009: 181). Thus, converted second homes are typical for 'ordinary' rural landscapes near the cities and for extensively used peripheral landscapes, whereas purpose-built second homes seems to be common for 'amenity-rich' hinterlands on the outskirts around the cities and for major vacation areas with a high level of touristic elements. Naturally, peripheral resorts are included in the last group. When the distance from a permanent home to a second home increases, the attractiveness of the second home area should also be at a higher level, otherwise the destination closer to the primary home will be chosen. Interpreting Ullman's (1956) intervening opportunities concept, a second home destination situated far away must have stronger pull factors to overcome the distance friction compared with places located closer to the place of residence of second home owners. As Müller (2002a, 2004) states, in principle converted dwellings can be found all over the country, because they represent links to childhood landscapes and family roots.

However, in extensively used peripheral landscapes emotional links, like connections to childhood and family, are one of the most important motives to acquire a second

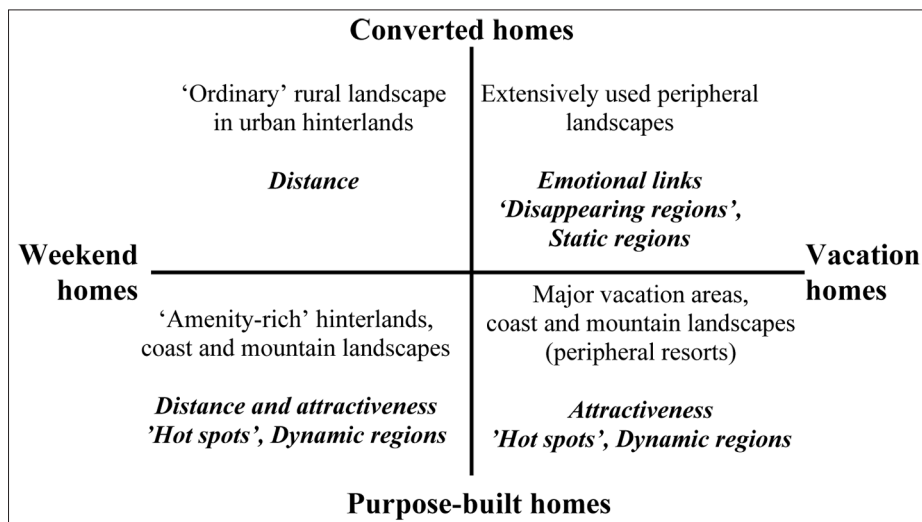


Figure 1. The space-time dimension of second home types and the characteristics of areas (adapted and expanded from Müller et al. 2004: table 2.1).

home. This is supported by Pitkänen and Kokki’s (2005) findings in their study on the second homers living permanently in the Helsinki metropolitan area and having their second home in the Central Lake District. They argue that the further a second home located from the place of residence, the more likely the place of the second home is the birthplace of the second homer (also see Pitkänen 2008). Similar results have also been found by Aho and Ilola (2006) in their second home study concerning 14 rural municipalities all over Finland. The only exceptions were areas with high touristic attractions and values.

Müller (2004) has conducted a study on the geographical distribution of second home types, converted and purpose-built, and applied them as markers for regional development in Sweden. In peripheral, rural areas a negative migration balance implies transformation of the former permanent homes into second homes,

because no demand exists for permanent dwellings any more. Therefore, these areas are named as ‘disappearing regions’ and are situated all over the country due to the scattered structure of the original rural settlement focusing, however, on extensively used peripheral landscapes. From the viewpoint of regional development, these areas are considered static regions (see figure 1). Another second home type conceptualized by Müller is ‘hot spots’. Purpose-built second homes are typical for those areas, and the quantity of second homes generally increases the total number of dwellings. The regions are defined as ‘amenity-rich’ hinterlands and primary vacation destinations including peripheral resorts, too. These are regarded dynamic regions from the standpoint of regional development (see figure 1).

In Sweden, Müller (2002a; also see Müller 2004; Marjavaara & Müller 2007) has shown an interrelationship between

the types of second homes, converted or purpose-built, and assessed property values which are reflected in the market value of dwellings. Popular tourism regions, like mountain ranges, were faced with an increase in assessed property values and the travel distance in the 1990's. Second home owners live ever further from their second homes. Therefore, touristic elements are strengthening in the acquisition of second homes and simultaneously emotional links are weakening. High assessed property values are typical for 'amenity-rich' hinterlands as well as major vacation areas including peripheral resorts. As mentioned earlier, these areas can be interpreted as 'hot spots' and dynamic regions (see figure 1).

Geographical areas presented in figure 1 can also be identified from the regional structure of Finland. 'Ordinary' rural landscapes are located near the cities, when extensively used peripheral landscapes, called 'disappearing regions' and static regions, can be described as peripheral, declining rural areas in Northern and Eastern Finland. 'Amenity-rich' hinterlands are pleasant coastal, archipelago and lake regions around the cities, whereas major vacation areas mainly cover the attractive tourism regions in Northern and Eastern Finland, including peripheral resorts, situated far away from large population centres. The two last area types are 'hot spots' and dynamic regions from the perspective of regional development.

Space-time dimension and regional development

The space-time dimension of peripheral resorts is challenging with respect to regional development. It has been noticed that second home tourism is generally considered more of an intra-regional form of mobility than inter-regional (see Müller 2004, 2006). Regional refers to a distance of the weekend zone defined by 'the car travel distance' but along with weekenders, second home tourism extends to the national, even to the international level (see Hall et al. 2009: 6). In absolute terms, the upper limits of the weekend zone are regarded 400 kilometres at least in the context of the Nordic countries (see Kauppila 2008b). It has to be borne in mind that the distance can also be measured relatively (see Jansson & Müller 2003, 2004; Kauppila 2008b). In a relative approach, for example, the weekend zones of Levi and Ruka cover a wider geographical area than a few hundred kilometres because of a well functioning air traffic system to the airports of Kittilä and Kuusamo (see Kauppila 2008b).

Müller (2002b) states that usually people lose their interest in second homes, when the distance between the primary residence and the second home exceeds the weekend zone. However, peripheral resorts located in attractive landscapes are exceptional in terms of the distance decay curve. This has been discovered, for example, in the Swedish mountain ranges where resorts are considered accumulations of second homes (see Müller 2002a, 2004, 2005, 2006; Lundmark & Marjavaara 2005; Marjavaara

& Müller 2007; Hall et al. 2009). The main reason for a large number of second homes is the attractiveness of the area associated with a high level of touristic elements. In addition, it has been realized that the second homers of mountain resorts reside in a wider geographical area than just within the weekend zone (see Jansson & Müller 2003, 2004; Müller 2005).

In the case of four large resorts in Northern Finland, the permanent residence of the second home owners is located in the vacation zone to a large extent (figure 2). If the weekend zone is defined to 400 kilometres at the maximum, then at Levi and Ylläs less than 40 per cent of the private second home owners reside within this zone. At Ruka, the proportion is nearly 60 per cent and at Saariselkä around 10 per cent only. In the case of Ruka, the closeness of the Oulu sub-region associated with a large population has an influence on the number of owners living in the weekend zone. The

absolute distance between Ruka and Oulu is around 250 kilometres. The importance of the vacation zone is underpinned by the average distance between second homes and the place of residence of the owners. At Levi, it is 610 kilometres, at Ruka 398, at Saariselkä 778 and at Ylläs 616 (Summer cottage statistics by Statistics Finland 2006). The results follow the Pyhäunturi resort study where the distance is, on average, 630 kilometres (Saarinen & Vaara 2002).

In Finland, the above-mentioned distances are significantly longer than the average of a summer cottage barometer (Nieminen 2004), of a LVVI-study (Sievänen & Pouta 2002: 183) or of Aho and Ilola's (2006) study. Among Finns the most suitable distance would be 51–100 kilometres (Suomen asuntomessut 2007), and for half of the second homers it is less than 50 kilometres (Nieminen 2004). Compared to Sweden, second homes are on average located 87 kilometres from the

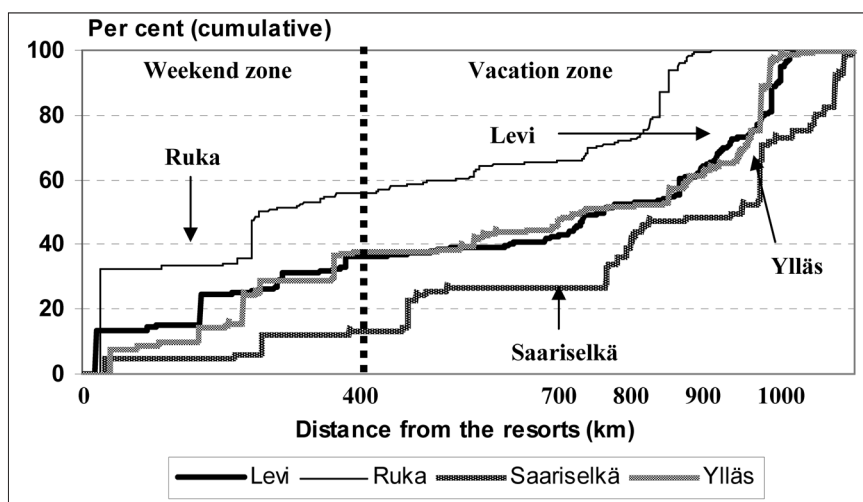


Figure 2. The proportion of the places of residence of second home owners by distance in the cases of Levi, Ruka, Saariselkä and Ylläs in 2004 (Summer cottage statistics by Statistics Finland 2006).

primary residence (Müller 2006: 344), but in the Swedish mountain range the average distance between the place of residence and second homes is significantly longer, about 220 kilometres (Lundmark & Marjavaara 2005: 9).

Müller (2002b) argues that the space-time dimension between permanent residences and second homes has an influence, for example, on the frequency of visitation and the length of stay. Generally speaking, on account of the short distance within the weekend zone, it is possible to make many short visits all-year around. In the vacation zone, on the one hand, a long distance means fewer opportunities to make visits but on the other hand, the length of visitation seems to be substantially longer. Naturally, weekend homes can be destinations for the longer vacations, too. Therefore, second homes located in the weekend zone enable higher occupation rates in terms of second home nights compared to those in the vacation zone. Müller's conclusions are supported empirically by Jansson and Müller (2003, 2004: 267–268) in Swedish and Finnish Kvarken and in Finland, by Pitkänen and Kokki (2005), Aho and Ilola (2006) as well as a national summer cottage barometer (Nieminen 2004).

Distance has an effect on the geographical distribution of money flows among second home residents. In Sweden, Bohlin (1982) has studied the consumption behavior of second home owners who have their primary residence in Stockholm, and weekend and vacation zones can be interpreted from his investigation. As a result of the study, it was found that the longer the distance between primary and secondary dwellings, the fewer commodities are bought at the permanent

place of residence and larger volumes of commodities are purchased in the second home location. Furthermore, a long length of stay results in an increase in consumption in the destination region. In Finland, Aho and Ilola's (2006) investigation supports Bohlin's findings that retail services are used least, when there is a short distance from a permanent home to the second home.

If Bohlin's (1982) study results are interpreted from the viewpoint of resorts in respect of regional development, then the second dwelling should be situated far enough from the place of residence in order for consumption to concentrate in the resort of the secondary home. Generally, an increase in distance usually means a longer length of stay, causing larger economic impacts on the regional economy. As noticed earlier, in Finland, for example, the occupation rates of second homes are most intensive when dwellings are located in the weekend zone at the maximum (see Nieminen 2004; Kokki & Pitkänen 2005; Aho & Ilola 2006). In referring to Bohlin's study results, from the economic viewpoint the ideal location for a resort would be on the border of the weekend and vacation zones, maybe in absolute terms some 200–300 kilometres from the primary residence. In this case, the distance to the region of origin would be far enough in terms of positive economic impacts. On the one hand, purchases would concentrate in the resort and on the other hand, the use of the second home would be very intensive, because added to a weekend home (high frequency, short length of stay) the dwelling could also be utilized as a vacation home (low frequency, long length of stay).

Conclusions

This article dealt with winter-oriented resorts located in the Northern periphery in the nexus of second home tourism and regional development. To sum up, resorts in Northern Finland belong to the category of major vacation areas situated in an attractive landscape (see figure 1). They represent areas of purpose-built second homes and therefore, the resorts are regarded as 'hot spots' and dynamic regions with respect to regional development. Actually, positive regional development has been found in the case of large resorts in Northern Finland (see Kauppila 2004; Kauppila & Rusanen 2009). Referring to purpose-built, new and very well facilitated second homes have high assessed property values reflecting the high market values of those dwellings. In terms of the absolute distance, a substantial proportion of private second home owners lives outside the weekend zone, that is in the vacation zone (see figure 2). Owing to this, a touristic element is emphasised in the context of resort-oriented second home tourism. For example, this is supported by the fact that in the case of Ruka, private second home owners have their permanent home in the urban areas of Oulu and Helsinki (see Kauppila 2008b) which are the main regions of origin for winter tourists, too (see Rämetsä & Kauppila 2001). One touristic characteristic of second homes situated in resorts is their location in the regional structure: they constitute a compact cluster in a small geographical area in the vicinity of tourism facilities and services. Since the second home owners of the resorts under study reside in the vacation zone to a large extent, these resorts

are accumulations of capital outside the regional economy.

In the resort environment second home renting is more general than in the case of the rural environment that has been discovered in studies regarding the resorts of Lapland (MKTk 1995), the Tärnaby resort in Sweden (Jansson & Müller 2003, 2004) and the resort of Wanaka in New Zealand (Keen & Hall 2004). Consequently, a second home can be acquired in respect of investment emphasising an increase in real estate values and renting. From the viewpoint of renting, the distance between the places of residence of second homers and a resort is not such an important factor because, at least partly, the occupation rates of dwellings are derived from renters. If a second home is located in a peripheral resort having no population centres within the weekend zone, then the use of second home could follow the characteristics of the vacation zone, that is seasonal migration: low frequency but long length of stay (see Müller 2002b).

To conclude, from the perspective of positive regional development, the ideal location for a resort would be in the hinterland of large population centres within the weekend zone in a touristic, attractive landscape (table 1). In this respect, a short distance from the cities would make it possible to have a large number of potential second home residents, including renters, and weekend use of dwellings would be easy, too. 'An amenity-rich' landscape would attract users both far and near during the vacations. Hence, the occupation rates of dwellings would be high and on the other hand, seasonal fluctuations low. Second homes owned by companies would also

equalise seasonal fluctuations, because they are partly used during the working time for meetings and workshops, for example. Actually, company owned second homes are very common in the resorts under study compared to Finland on an average (see Kauppila 2007). In terms of distance, it has to be taken into consideration that when a second home is situated far enough from the permanent home, that is on the border of the weekend and vacation zones, purchases would be directed towards

resorts. Vacations imply a long length of stay and as a consequence of this, purchases would concentrate in resorts. Among the resorts under study, Ruka seems to best fulfil the above-mentioned conditions because of its location in the hinterland of a one large population centre – the Oulu urban area – in the Finnish context.

Table 1. The effect of the location of resorts on the characteristic of second home tourism.

Characteristic	Resorts in 'amenity-rich' hinterlands	Resorts in major vacation areas in a periphery
Attractiveness	High	High
Distance to population centres	Short	Long
Number of potential users within the weekend zone	Large	Small
Possible time to use second homes	Weekends and vacations	Vacations
Expected occupation rates of second homes	High	Low
Seasonal fluctuations	Low	High
Geographical distribution of users' spending	Both regions of origin and regions of destination (depends on the distance)	Regions of destination
Starting point for regional development	Promising	Challenging

References

- Aho, S. & H. Ilola (2006). Toinen koti maalla? Kakkosasuminen ja maaseudun elinvoimaisuus. *Lapin yliopiston kauppatieteiden ja matkailun tiedekunnan julkaisuja B. Tutkimusraportteja ja selvityksiä* 6.
- Bohlin, M. (1982). Fritidsboendet i den regionala ekonomin – Vart fritidshusägärnas pengar tar vägen. *Kulturgeografiska institutionen vid Uppsala universitet, Geografiska regionstudier nr 14*.
- Butler, R. W., Hall, C. M. & J. Jenkins (edit.) (1998). *Tourism and recreation in rural areas*. John Wiley & Sons, Chichester.
- Coppock, J. T. (1977). Second home in perspective. In Coppock, J. T. (edit.): *Second homes: curse or blessing?*, 1–15. Pergamon, Oxford.
- Gill, A. (1998). Local and resort development. In Butler, R. W., Hall, C. M. & J. Jenkins (edit.): *Tourism and recreation in rural areas*, 97–111. John Wiley & Sons, Chichester.
- Goodall, B. (1987). *The Penguin dictionary of human geography*. Penguin Books, London.
- Hall, C. M., Müller, D. K. & J. Saarinen (2009). *Nordic Tourism. Issues and Cases*. Channel View Publications, Bristol.
- Jansson, B. & D. K. Müller (2003). *Fritidsboende i Kvarken*. Kvarkenrådet, Umeå.
- Jansson, B. & D. K. Müller (2004). Second home plans among second home owners in Northern Europe's periphery. In Hall, C. M. & D. K. Müller (edit.): *Tourism, mobility and second homes. Between elite landscape and common ground*, 261–272. Channel View Publications, Clevedon.
- Kauppila, P. (2004). Matkailukeskusten kehitysprosessi ja rooli aluekehityksessä paikallistasolla: esimerkkeinä Levi, Ruka, Saariselkä ja Ylläs. *Nordica Geographical Publications*, vol. 33, 1–260.
- Kauppila, P. (2007). Tilastokeskuksen kesämökkitilasto: matkailukeskuskäytökulma. *Matkailututkimus*, vol. 3, 57–71.
- Kauppila, P. (2008a). Pohjois-Suomen suurten matkailukeskusten monet toiminnot: asukkaiden ja työllisten näkökulma. *Terra*, vol. 120, 22–29.
- Kauppila, P. (2008b). Missä asuvat Levin ja Rukan mökkirakennusten omistajat? Maantieteellisestä jakautumisesta etäisyysmalleihin. *Matkailututkimus*, vol. 4, 25–48.
- Kauppila, P. & J. Rusanen (2009). A Grid Cell Viewpoint to Resorts: Case Studies in Northern Finland. *Scandinavian Journal of Hospitality and Tourism*, vol. 9, 1–21.
- Keen, D. & C. M. Hall (2004). Second homes in New Zealand. In Hall, C. M. & D. K. Müller (edit.): *Tourism, mobility and second homes. Between elite landscape and common ground*, 174–195. Channel View Publications, Clevedon.
- Lundmark, L. (2005). Economic Restructuring into Tourism in the Swedish Mountain Range. *Scandinavian Journal of Hospitality and Tourism*, vol. 5, 23–45.
- Lundmark, L. & R. Marjavaara (2005). Second home localizations in the Swedish mountain range. *Tourism*, vol. 53, 3–16.
- Marjavaara, R. & D. K. Müller (2007). The development of second homes' assessed property values in Sweden 1991–2001. *Scandinavian Journal of Hospitality and Tourism*, vol. 7, 202–222.
- Matkailun koulutus- ja tutkimuskeskus (MKTK) (1995). Rekisteröimätön majoituskapasiteetti ja sen käyttö Lapin läänissä 1994. *MKTK:n julkaisu A*: 68.
- Medlik, S. (1994). *Dictionary of travel, tourism and hospitality*. Butterworth-Heinemann, Oxford.
- Müller, D. K. (2002a). Second home ownership and sustainable development in Northern Sweden. *Tourism and Hospitality Research*, vol. 3, 343–355.
- Müller, D. K. (2002b). German second home development in Sweden. In Hall, C. M. & A. M. Williams (edit.): *Tourism and migration. New relationships between production and consumption*, 169–185. Kluwer Academic Publishers, Dordrecht.

- Müller, D. K. (2004). Second homes in Sweden: patterns and issues. In Hall, C. M. & D. K. Müller (edit.): *Tourism, mobility and second homes. Between elite landscape and common ground*, 244–258. Channel View Publications, Clevedon.
- Müller, D. K. (2005). Second home tourism in the Swedish mountain range. In Hall, C. M. & S. Boyd (edit.): *Nature-based tourism in peripheral areas. Development or disaster?*, 133–148. Channel View Publications, Clevedon.
- Müller, D. K. (2006). The attractiveness of second home areas in Sweden: a quantitative analysis. *Current Issues in Tourism*, vol. 9, 335–350.
- Müller, D. K., Hall, C. M. & D. Keen (2004). Second home tourism impact, planning and management. In Hall, C. M. & D. K. Müller (edit.): *Tourism, mobility and second homes. Between elite landscape and common ground*, 15–32. Channel View Publications, Clevedon.
- Müller, D. K. & B. Jansson (edit.) (2007). *Tourism in peripheries: perspectives from the Far North and South*. CAB International, Wallingford.
- Nieminen, M. (2004). Kesämökkibarometri 2003: keskeisiä tuloksia postikyselyaineistosta. 10.1.2007. <http://www.intermin.fi/intermin/home.nsf/Pages/6275E6D917F36241C2256FB1003F60CBintermin.fi>
- Pitkänen, K. (2008). Second-home landscape: the meaning(s) of landscape for second-home tourism in Finnish Lakeland. *Tourism Geographies*, vol. 10, 169–192.
- Pitkänen, K. & R. Kokki (2005). Mennäänkö mökille? Näkökulmia pääkaupunkiseutulaisten vapaa-ajan asumiseen Järvi-Suomessa. *Joensuun yliopisto, Savonlinnan koulutus- ja kehittämiskeskuksen julkaisu* 11.
- Prideaux, B. (2004). The resort development spectrum: the case of the Gold Coast, Australia. *Tourism Geographies*, vol. 6, 26–58.
- Rämet, J. & P. Kauppila (2001). Kuusamon kevättalvi- ja kesämatkailijat ja heidän rahankäyttönsä vuonna 2000. *Naturpolis Kuusamo, koulutus- ja kehittämispalvelut, tutkimuksia* 1/2001.
- Saarinen, J. & M. Vaara (2002). Mökki kansallispuiston laidalla. Loma-asukkaiden näkemyksiä Pyhäntunturin kansallispuiston käytöstä ja kehittämisestä. *Metsäntutkimuslaitoksen tiedonantoja* 845.
- Sievänen, T. & E. Pouta (2002). Kesämökki – portti luontoon. In Saarinen, J. & J. Järviluoma (edit.): *Luonto matkailukohteena: virkistystä ja elämyksiä luonnosta*, 177–190. Metsäntutkimuslaitoksen tiedonantoja 866.
- Suomen asuntomessut (2006). Mökkikansan toiveet selvitetty: oma ranta ja rauha ja maastoon on sopeuduttava. 18.7.2007. http://www.asuntomessut.fi/Uutiset/lehdistotiedotteet/fi_FI/kolin_tutkimus/
- Ullman, E. L. (1956). The role of transportation and the bases for interaction. In Thomas, W. L. (edit.): *Man's role in changing the face of the earth*, 862–880. The University of Chicago Press, Chicago.

Other sources:

Summer cottage statistics by Statistics Finland 2006