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**IMPACTS OF THE SECOND - HOME TOURISM ON THE ALGARVE  
REGION**

**Dissertation for obtaining the Master Degree in  
Management**

**Dissertation Report made under the supervision of:**

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REGION**

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I declare to be the author of this work, which is unique and unprecedented. Authors and works consulted are properly cited in the text and are included in the listing of references.

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## **Abstract**

The main objective of this work is to study the impacts of second - home tourism on the Algarve region, Portugal. This study aims to analyze the social and economic impacts of second-homes, and characterize the main motivational factors that lead to the decision of choosing Algarve, Portugal, as the main destination for second-home tourism. This work employs a quantitative method to examine the impacts of the second - home tourism on the socioeconomical life of the Algarve region in Portugal. A survey was run to deductively explore tourists' perceptions and experience owning a second-home in Algarve. The research instrument was developed based on the questionnaire by Wong et al. (2014) and Marjavaara (2007) and the literature review of the works on similar topics in different countries around the world. The study involved an online-survey. A total of 300 responses were collected and analyzed in the IBM SPSS Statistics program. The study showed that the second-home owners had a significant social impact on the Algarve, because the second-home tourists make friends with the local population, learn Portuguese and cause the local population to adapt to their needs, while adapting to Portuguese customs. The main economic impacts included the high activity in the recreational, hotel and the real estate sector caused by the second-home tourists. Main motivations for choosing Algarve as the second-home destination were the geographical proximity to the country of origin of second-home owners, mild climate, adapted infrastructure and wide usage of English. This study has been limited to only second-home owners and did not include local residents, local and regional authorities, non-governmental organizations, tourism companies, or local officials. In the next studies, it is important to identify perception of the local population regarding foreign ownership and to study the impact of second-home tourism from the perspective of residents.

**Keywords:** Second - home tourism, Economic impacts, Social impacts, Tourism in the Algarve, Motivational factors.

## **Resumo**

O principal objetivo deste trabalho é estudar os impactos do turismo residencial no Algarve, Portugal. Em particular, este estudo tem como objetivo analisar os impactos sociais e económicos das residências secundárias, e caracterizar os principais fatores motivacionais que levaram à decisão de escolher o Algarve, Portugal, como principal destino do turismo residencial. Este trabalho utiliza um método quantitativo para examinar os impactos do turismo residencial na vida socioeconómica da região do Algarve em Portugal. Foi realizado um inquérito para explorar dedutivamente as perceções dos turistas e a experiência de possuir uma segunda casa no Algarve. O instrumento de pesquisa foi desenvolvido com base no questionário de Wong et al. (2014) e Marjavaara (2007) e na revisão da literatura de trabalhos sobre temas semelhantes em diferentes países de todo o mundo. O estudo envolveu uma pesquisa online. Um total de 300 respostas foram recolhidas e analisadas no programa IBM SPSS Statistics. O estudo mostrou que os proprietários de residências secundárias têm um impacto social significativo no Algarve, porque os turistas residenciais fazem amizade com a população local, aprendem o português e fazem com que a população local se adapte às suas necessidades, ao mesmo tempo que eles se adaptam aos costumes portugueses. Os principais impactos económicos incluem a alta atividade no setor recreativo e hoteleiro e imobiliário causada pelos turistas residenciais. As principais motivações para a escolha do Algarve como destino de segunda habitação residem na proximidade geográfica com o país de origem dos proprietários de segunda habitação, clima ameno, infraestruturas adaptadas e uso generalizado do inglês. Este estudo foi limitado apenas a proprietários de residências secundárias e não incluiu residentes locais, autoridades locais e regionais, organizações não governamentais, empresas de turismo ou funcionários locais. Nos próximos estudos, é importante identificar a perceção da população local em relação à propriedade estrangeira e estudar os impactos do turismo residencial sob a perspetiva dos residentes.

**Palavras chave:** Turismo Residencial, Impactos económicos, Impactos sociais, Turismo no Algarve, Fatores motivacionais.

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# CHAPTER I. INTRODUCTION

## 1.1 The general concept of second-home tourism

It is necessary to first define the term “second-home”. Hall (2014) examines the generalized concept of the term “second - home”, giving various examples and definitions of his colleagues around the world. There is no an internationally accepted and unified definition of the second-home term. This word acts as an expression for a variety of cognate terms including crib, holiday home, hut, leisure home, recreational home, summer home, summerhouse, vacation home, and weekend home (Hall, 2014). Hall (2014) provides a wide literature overview of the evolution of this term, concluding that the main aspect, that bonds all these definitions together is the recreational and the leisure part of it. The author developed a mode that visualizes all the important aspects of this term, dividing the “primary” and the “permanent” types of residences. In the second part of this work, Hall (2014) examines the possible socioeconomical outcomes for the place that was chosen as a second-home destination. As Hall (2014, p. 9) noted: “For many rural communities that have suffered significant losses of population as a result of economic restructuring and emigration, second - homes may serve as a significant economic contributor, especially where the development alternatives are lacking ... the purchase of existing housing for second - homes may add significant pressures on the housing market and potentially contribute to community displacement...”. The author analyzes the transformation that the chosen area goes through after the influx of new foreign residents as well, as the transformation.

The second-home tourism is one of the recent trends widely considered by a number of authors (e.g., Gallent et al., 2005, Gomes at al., 2017; Müller et al., 2004; Roca et al., 2012). It is important to draw the line between the term “second-home” and the “second-home tourism, numerous researchers have attempted to define second-home tourism, the notion remains ambiguous. One of the first definitions comes from Barbier in 1969, and it was used by Godbey and Bevins in 1987 as the accommodation of a person who already has a primary property and generally dwells in a city or at least away from this villa, visiting it on weekends or holidays (Almeida, 2009). On the example of Iranian researchers the phenomenon of second – home tourism is viewed in numerous connotations such as "rest and peace", "slowing down and relaxing", "getting away from

routine", "spiritual home", "cottage garden", "romance", and "simple life close to nature" (Alipour et al., 2017). According to Mazón and Aledo (2005), second-home tourism is an economic activity whose primary goal is to promote urbanization, particularly in coastal locations where accommodations are typically purchased by retirees. Second – home tourism also has spatial connotations, as they are referred to as "seasonal suburbanization" and "additional spaces", where citizens occupy spaces that would otherwise remain undeveloped and natural (Jeong et al., 2014 as cited in Alipour et al., 2017). However, second –home tourism is now an integral part of modern leisure activities (Hall & Müller, 2004).

## **1.2 The importance of second-homes for a tourism destination economy**

The presence of foreign owners has a variety of economic consequences on the countries where they live. These effects might have an influence on inhabitants both favorably and adversely (Larsson & Müller, 2019). Second - home owners purchased properties in order to have a location to spend their vacations and to make investments in other countries. Some owners rent out their properties while they are not in use, while others buy them for investment purposes, renting them out and generating money through real estate firms (Koç, 1996). The positive side included new business opportunities created by the increase in second - home ownership (Farstad & Rye, 2013), economic growth, particularly in second - home destinations in mountain regions and rural areas (Dadvar-Khani, 2019), an increase in demand for local products and, as a result, an increase in local residents' revenues (Brida et al., 2011; Roca et al, 2012), and the construction of new shopping centers in the result of the increased demand for goods (Gallent et al., 2005). Finally, it helped the real estate sector grow with the new housing opportunities being built and renovated due to the economic demand from the potential second-home owners (Cho et al., 2003). Nevertheless, there were several negative impacts of second - home owners on the economic life of the community. They included rising house prices in areas densely populated by second - home owners (Gallent et al., 2005), and, as a consequence, the difficulties that residents face when buying homes (Cho et al., 2003). This resulted in another negative effect for local residents who are being forced to move to less touristic and areas with lower pricing costs, because they could not afford to keep up with the inflated real estate market (Marjavaara & Müller, 2007).

### 1.3 Research objectives

The research of the second-homes is very important for modern tourism and housing studies. Second-homes can directly or indirectly contribute to a significant number of domestic and international visitors to destinations, but, important for the long-term development of the destination, they can be part of a longer-term retirement, lifestyle and migration in terms of amenities, which can have significant economic and social consequences. Second - houses are so profoundly ingrained in concepts and knowledge and understanding of circulation, home, mobility, and multiple residence, as well as its broader implications, planning, and governance (Hall & Muller, 2004; Hui, 2008; Abram, 2012).

There is little research done regarding the second-home tourists in the Algarve region, even though in 2021 the Algarve region has the largest number of residents from the UK, Germany and France in Portugal (INE, 2021). There is only one major work available that primarily focuses on the Algarve region as a second - home destination currently (Gomes et al., 2017). The rising importance of second - home tourism in Portugal has resulted in a language shift to reflect new market realities. According to Santos and Costa (2009), this idea initially arose in Portugal in the early 1970s, when Statistics Portugal (INE, 1975) established it. “Unidade de alojamento de uso ocasional ou sazonal” was the definition used for living quarters for one-time or seasonal use.

Due to the insufficient number of studies about second-homes in the Algarve region, there are still topics for academics and stakeholders that need further investigation. It is very important to rely on the inductive results of this study (e.g., push motivations, pull motivations) and cross-reference to other areas. For this work, we have identified the following specific research objectives:

- to analyze the social impacts of second-homes;
- to analyze the economic impacts of second-homes;
- to characterize the main motivational factors that lead to the decision of choosing Algarve, Portugal as a main destination for second-home tourism.

Now, there are not many publications available about second-homes in the Algarve, thus this work will expand the materials and shed light on the topic. The study will be useful for public sector managers, marketers, and anyone who is interested in developing more personalized approach to potential second-home owners in Portugal, understand actual wants, needs and motivational factors of second-home tourists. The practical significance and contribution of the study lies in the possibility of using the data obtained and conclusions made based on the analysis of these data, for predicting the development of second - home tourism and conclusions can be used to study the processes of interethnic interaction in the region. It will also help to study the structure and trends in the second - home communities in general and in Portugal in particular, and the impacts of it for the infrastructure and the economy of the Algarve region. These studies can be applied to develop programs that will stimulate the measure that can be taken in the post-pandemic world to help the economy recover.

## **1.4 Methodology overview**

### **1.4.1 Study field**

Algarve is one of the ultimate “sun and beach” destinations in Europe, and is also popular among tourists for second-home properties and golf resorts (Turismo de Portugal, 2013). The region is spread over 5,000 km<sup>2</sup> and was home to 467,495 inhabitants in 2021, accounting for 4.7% of the Portuguese population (INE, 2021), This region is found within the southern space of Portugal’s territory, bordering Spain on the east, the Alentejo region in the north surrounded by the Atlantic Ocean on the south. Algarve represents around 30% of tourist facilities of the country (INE, 2021). Second-home business is especially necessary, because of it influences not solely the business market, however additionally alternative activity sectors like construction, real estate and banking. The region of Algarve has been always attractive to the tourists due to the connection with many European airports through direct flights from the Faro International Airport. Those tourists who prefer travelling by car also find it easy to get to their destination because the whole region is connected with a highway and many other smaller roads, which can also be the case for many second-home tourists to settle nearby.

In terms of local housing, the Algarve region ranks first (38,6%) in terms of

capacity of beds in Portugal (INE, 2020). In addition to accommodation, second - home tourism also includes real estate transactions such as the sale, rental and management of tourist villages and apartments. Like many countries with a tourism-driven economy, Portugal is a warm, safe and friendly place to live. Therefore, foreigners enjoy an unrivaled quality of life thanks to a mild climate, unique brightness, varied landscapes and unique gastronomy with a Mediterranean twist (Portugalhomes, 2021). In 2018 Portugal ranked 3rd among the safest countries in Europe and 4th place among the safest countries in the world. Healthcare in Portugal is a rapidly developing industry (Portugalhomes, 2021). Portugal's geographic location allows most second-home owners to choose between a low-cost flight or a relatively short car ride.

#### **1.4.2 Sampling, survey structure and data analysis**

The target population of this study are residents from Western Europe, who have chosen the Algarve region as the place for their second-home tourism. The study of second - home tourist communities in the Algarve councils (Albufeira, Alcoutim, Aljezur, Castro Marim, Faro, Lagoa, Lagos, Loulé, Monchique, Olhão, Portimão, São Brás de Alportel, Silves, Tavira, Vila do Bispo, Vila Real de Santo António) was carried out using an online-survey through a combination of the convenience and snowball sampling methods. The questionnaire consisted of 53 close-ended questions, which were divided into four main sections: Motivational Factors, Social Impacts, Economic Impacts, General Information about the respondents. The analysis of the acquired data was done using descriptive quantitative methods. The number of responses acquired were 300. The responses were analyzed using the IBM SPSS Statistics software.

## CHAPTER II. LITERATURE REVIEW

### 2.1 Economic impacts

Questions about the economic impact of second-home tourism in host destinations are a topic that has been around mostly since the phenomenon was first discovered. As early as the 1930s, Marjavaara (2007) addressed the problem of the local economic impact of tourism on second - homes in the area surrounding urban Stockholm, Sweden. Marjavaara (2007) demonstrated an early observation of the effects of rural economic restructuring: the local population became increasingly dependent on income generated from summer tourists, rather than the income from traditional sectors such as agriculture and fishing. The local population of the archipelago found that providing services and renting out homes to accommodate an increasing number of urban residents was one of the few options provided when traditional sectors of the economy could no longer provide the necessary income. However, this occurred mainly on a seasonal basis, which did not prevent migration from these areas (Marjavaara 2007). This was confirmed by Huijbens (2012), who claimed that the income generated from second - home tourism was much higher than what the locals were used to getting from traditional sources of income. Thus, it is recognized that the development of second - home tourism can create additional jobs and increase income in host rural communities, which are more likely to be unable to diversify their economies (Guisan & Aguayo, 2010). These positive views on the impact of second - home expansion on local rural society and the economy are similar to those expressed by local residents interviewed in field studies conducted in depopulated and economically depressed rural areas in both Europe and North America. After interviewing the local rural population during his field research in Norway, Hiltunen (2011) found out that views on second - home expansion are in general positive. Similar are the findings of García-González (2009), who considers second - home tourism a key factor in the recent demographic and economic recovery of some areas of the depopulated rural interior of Spain. The data collected by Velvin et al. (2013) in the rural areas of Buskerud Municipality County in Norway was examined and classified on dependent and independent variables, including parameters like travel distance, owner's age, annual expenditure, etc. The target population was second - homeowners from Norway, who

decided to buy a property in the region. The aim of the paper was to assess the impact of second - home tourism on local economic development in rural municipalities in Norway. The results showed that the host municipalities fell into two different categories, one with a strong trading system and the weak trading system, in the contrary (Velvin et al., 2013). The municipality, as an active participant and organizer of the development of the local trade structure, played an important role in determining the extent to which secondary housing will lead to the formation of local value (Velvin et al., 2013). The number of second-homes spread over a large area, gave the local municipality a better opportunity to coordinate and organize various services and activities for second-home users. This increased attention to social and cultural needs and increases social and cultural sustainability in connection with the use of second - homes. Velvin et al. (2013) concluded that the weakening economy of primary industries, economic sustainability in small municipalities is closely linked to the ability to create new employment opportunities. In other cases, the poor public housing policy, lack of land for construction, or real estate speculation were also the ground for preventing the development of the second-home tourism. The municipality is an active planner and organizer of the development of the local trade structure, plays an important role in determining the extent to which secondary homes will generate local value (Velvin et al., 2013). It appears that the construction of large recreational houses in concentrated areas leads not only to economic sustainability, but also to long-term sustainability in terms of socio-culture and ecology. By creating zoned and compact zones for second - home development, second - homeowners, can easily access social media (Velvin et al., 2013). When all bed nights are considered, second - homes are definitely an important tourist accommodation resource (Velvin et al., 2013). Second - homes dominate the tourism market outside the countryside, including those with a weaker regional economy, while hotels, campgrounds and cultural services, and at the same time, areas with significant natural amenities can be protected. A well-designed tourism policy from the state can help the effective development of secondary tourism in rural areas without confrontation with the local population, their lifestyle and housing prices (Hjalager et al., 2011). This may be especially true for regions that have otherwise suffered from migrant outflows and general economic stagnation (Hjalager et al., 2011). In such regions, new secondary homes can also be a welcome addition to the basic housing stock.

Larsson and Müller (2017) gave a general overview of the impacts of the second - home tourism, but also studied the community response to the new emerging second -

home tourists. The target study field chosen by authors was Sweden. The target population chosen by authors was local communities of Swedish West Coast. The purpose of the paper was to analyze coping strategies among public and private stakeholders regarding second - home tourism. Larsson & Müller (2017, p.6) noted: “A considerable share of the second - home owners come from the Oslo area in nearby Norway, while Swedish owners come not only from the greater Gothenburg area, but also from the entire country... numerous Swedish expatriates have second - homes in the area”. The expanding number of second - homes views as a threat for municipalities due to the specifics of the Swedish tax system that relies only on the citizens registered at the certain town of the country, thus the non-registered citizens in the second-home region cause the loss in the taxes (Larsson & Müller, 2017). Moreover, Larsson and Müller (2017) examined the impact of second-home tourism on the local businesses and infrastructure, such as pharmacies, grocery stores, restaurants and construction companies. The positive social and communal impacts of higher secondary housing rates included an increase in property values, which benefits the owner households in terms of perspective, as well as second - home municipalities, as property taxes are paid according to the value of the property (Larsson & Müller, 2017). Consequently, the better and newer the second housing stock, the more tax revenue is received by the municipalities. In addition, the renovation and construction of new cottages created and maintained employment opportunities in the construction sector. At that time, second - home managers were also increasingly using local services for cottages (Hiltunen, 2016). Folkesdotter (2003) gave another example about Sweden, where the real estate prices in the old fishing villages were extremely inflated due to their proximity to downtown Stockholm and Gothenburg. The demand for secondary housing made it difficult for people to manage the value of their home. The debate in Sweden has resulted in harsh statements that reflect the strong feelings associated with these influences. In response to this development, there has been a call for compulsory statement for residents in Sweden to buy homes in attractive locations for a second - home (Marjavaara, 2007).

There are not many works that studied second – home tourism in Portugal and, particularly, in the Algarve. One of the few works that primarily focused on the Algarve region as a second - home destination (Gomes et al., 2017) included the approach from the legislation perspective, where authors give an evolution of the legal regulations for the Concept of "Private House" to "Local Lodging" in Algarve. Gomes et al. (2017) paid a special attention to the benefits that the taxes obtained from second - home tourist can

have on the economy of Algarve. The study concluded that second - home tourists are not perceived as a potential threat to the municipality yet they can cause small inconveniences to the local population, but at the same time, it stimulates the economy and gives more opportunities and motivation for the development of public sector (Gomes et al., 2017).

## **2.2 Social impacts**

To better understand the social impacts of second-home tourism, it is important to state that a widely discussed aspect of second-home ownership is a seasonal influence second-home owners have on the local residents in summer and winter holidays when most of people go to their second-homes to spend vacation. The questions of fulfilling the need of becoming closer to the rural areas and owning a perfect smallholding as an addition to the main one in the city is a prominent topic for various articles (Blekesaune et al., 2012; Lundmark & Marjavaara, 2013). This bring both problems of identity (Brida et al. 2007; Armstrong & Stedman, 2013) and impact of the increased number of second-home owners and tourists during holiday on the local community (Hall, 2014; Gallent, 2014, Gomes et al., 2017). There is evidence in Norway that local landowners should be encouraged to sell their vacant land if they do not plan to use it themselves (Blekesaune et al., 2012). Another option for local authorities is to plan a heterogeneous settlement, including the creation of new homesteads. Since a geographical region can influence the supply and demand of small farms, there is no clear answer to the question of how to achieve universal success in rural Norway with regard to small farms and the potential influx of newcomers to rural areas (Blekesaune et al., 2012). In any case, there are clear political implications associated with different types of immigrants, such as aspiring farmers, lovers of rural life, and holiday seekers - all of whom can contribute to the viability of rural communities (Bawedin & Miossec, 2013). The social transformation in rural areas, partly caused by new patterns of living, is not a "loss of community", but a way of coping with new realities presence of second – home tourists (Bawedin & Miossec, 2013). When evaluated in terms of potential social exchange, communities can be rediscovered and potentially strengthened as a result of the social changes that migration brings, both permanent and seasonal. It must be recognized that each community is individual, is a product of the existing socio-economic structure, and is defined by the specific challenges it faces, the resources it possesses, the values it supports, and its

relationships with nearby people (Bawedin & Miossec, 2013). However, the relationship between the primary and the second - home is important here, since both permanent and second - homes can potentially be considered part of the same urban system (Módenes & López-Colás, 2007). Therefore, second - homes are slandered as not an authentic form of permanent residence (Gallent, 2007). The authenticity of a home is not evaluated phenomenologically, but in terms of interactive contribution; and since it can be seen that seasonal residents interact less than permanent residents do, their way of living can be assessed as contributing little or nothing to the "community creation" produced through social interaction (Gallent, 2007). Oddly enough, this also has a phenomenological basis. However, for many rural communities that have suffered significant population losses as a result of economic restructuring and emigration, second - homes can be a significant economic helper, especially where there are no alternatives to development. However, for those communities that have only a limited housing stock and suffer from a lack of public investment in public housing for lower socio-economic groups, buying existing second-home housing can create significant pressure on the housing market and potentially contribute to population displacement. Like all forms of tourism development, second - homes should be part of a broader strategy of economic diversification, rather than creating a situation of dependency and over-reliance (Lee, 2013).

According to Gomes et al. (2017), residents who buy a home and register with the local Council are more connected to the place than those who rent a house and do not follow the bureaucratic rules. These authors suggested that home maintenance in the country of origin, ownership of property, and registration turned out to be operational variables that could be used in further research, instead of variables that are difficult to measure, such as feelings of attachment to a place and reasons for moving. Foreign citizens who buy real estate to use it as a second - home or to move after retirement are attracted to the city for the same reasons as those who come to spend their holidays: a healthy climate, affordable prices and a good combination of natural and social environment (Huete & Mantecón, 2008; Bender & Kanitscheider, 2012). A field study in the Oeste region in Portugal found that the majority of second -homeowners are permanent residents of the Lisbon Metropolitan area, followed by emigrants and foreigners (Roca et al, 2011). These three groups differed predictably in the frequency of use of second - homes. On the other hand, both Lisbon residents and emigrants were mostly economically active couples with children, while most foreigners are pensioners. Therefore, the first two groups were also similar in terms of the lesser propensity to

change second - homes first, while this trend is significantly higher between foreign second- homeowners. The degree of expansion of second - homes owned by Lisbon residents and foreigners is much higher than in the case of emigrants. What was common to the three groups is their preference for the renewal of individual rural or old empty houses in the countryside (Roca et al, 2011). This latter finding partly explained why, in the opinion of local authorities in the Oeste region, the positive impacts of the expansion of second - homes in rural areas clearly outweigh the negative effects, especially given that most homes converted to second - homes are abandoned and on the surplus housing stock. This meant that the owners of second - homes did not compete with local permanent residents for the traditional and newly built housing stock and, therefore, did not contribute to house price inflation.

Aronsson (2004) discussed the case of Smögen, Sweden, where he objects to analyze coping strategies among public and private stakeholders regarding second - home tourism. The data was collected on a study of tourists, vacationers, and permanent residents of Smögen island, located off the Western coast of Sweden. The research was particularly focused on activity spaces and encounters between categories. Aronsson (2004) examined the mutual impacts that the above categories of residents have on each other and the outcomes of those relations. That includes activities, time-space encounters and overall perception of the second-home residents in the community. The results showed that stakeholders communicate and interact with second - home owners and seek to better understand their requirements. The strategic and referenced responses identified here are new and improved services, sometimes in the form of individual service providers and sometimes through the development of business networks. This study was not aimed at comparing strategies for second - home owners and other types of tourists, respectively, but it would certainly be a useful exercise in future research (Aronsson, 2004). It is also worth noting that often an increase in the flow of second-home tourists leads to a tension between permanent residents and temporary ones due to the lack of housing and land available (Gkartzios & Scott 2009). Another reason for the tension might be the increase in prices for houses happened amid increased demand from second-home tourists, which sometimes leads to the lack of affordability of housing for local population (Marjavaara, 2007). Gallent et al. (2003) in the research about rural areas of Wales concluded that the increased second-home attraction areas can cause emigration and expulsion of local people from the countryside. It can take the form of social exchange, where a rich and skilled population "takes over" the countryside from mostly

unskilled and relatively poor local population. These authors made an overview of the second - home debate, followed by an examination of the changing geography of second - homes, showing how the distribution of these properties changed in the 1990s and how the market shrank (Marjavaara, 2007). The target population examined was the citizens of the UK who decided to invest in second - homes in the region of Wales. It was argued that this is important to stabilize the local real estate market and ensure sustainable development of the population. This means that a potential homebuyer in these areas must be required to reside permanently in the area. This has already been implemented in Norway, Denmark and the Åland Islands, and there are also restrictions on international second - home ownership (Skak, 2007 as cited in Marjavaara, 2007).

Baltaci and Cevirgen (2020) stated that social and financial issues start to arise because of the development of the travel industry exercises. In this way, questions emerged among the neighborhood individuals about the drawn-out advantages of the travel industry. At first, the inspirational perspective toward the travel industry began to change contrarily. Baltaci and Cevirgen (2020) argued that it is important to build second - homes as indicated by a definite arrangement and to consider the harmony between second-home owners and local population. The expanding number of second-home owners can create tension lead to the socio-social debasement of the neighborhood local area, which thus might potentially risk the socio-social design of the general public and result in the expansion of uneasiness for people in the future (Baltaci and Cevirgen, 2020). The interaction between second - homeowners and residents has many benefits and disadvantages. The interaction helps to break down prejudices and second - home owners can learn local languages to better communicate with local residents (Adamiak, 2017). Foreigners buying homes in an area can led to an increase in infrastructure investment, such as water, electricity, education, and health. This results in a better quality of life for residents (Roca et. al. 2011). The residents' communication skills improve over time and they gain valuable experience in international human relations. (Kaltenborn, et al., 2008). The second - home owners can also live alongside permanent residents to form neighborly relationships and enhance the social environment (Litvin, et al., 2013).

Another social aspect that has to be mentioned is the interaction of retired owners of second-homes with their friends and relatives. Remarkable is the fact that immigrants had a strong influence on the flow of tourists in their region of residence. Its special type was formed by tourists who come to visit their relatives and friends who have moved to live in Portugal. The rapid growth of this kind of tourism in recent decades has been the

subject of research by several authors who in their works considered its transformation, and revisited the concept of the importance of tourism to the economies of several regions in southern European countries (Paci, 1994). Families in more developed countries tend to gradually move outside of their original habitat. It could be as moving to other regions within one country, and far beyond its borders. This is why friendships and family relationships are gradually shifting to interaction at a distance (Warnes, 1992). International migration contributes to this process, as older people find themselves at a significant distance from their friends and family. This is illustrated in detail by a study conducted at the end of the last century by Cavaco (1995). The scale of international flows of retirement immigrants, their friends and relatives who come to them on vacation is a new feature of European tourism. Stacey and Finch (1991, p.7) offer a theoretical view of this issue, arguing that “there is no specific set of rules governing kinship relationships: a sense of commitment to one's loved ones or friends do not follow a consistent and completely predictable path”. It is difficult to predict how finding relatives away is a friend from a friend affects their relationship. The types of emotional and material support identified by Stacey and Finch (1991) are primarily because people are at a close, in a geographical sense, distance: living together and providing practical help around the house, caring for children. However, the financial support of each other's relatives does not always depend on the distance between them. At the same time, emotional support only partially depends on people living in close proximity (Stacey & Finch, 1991). It is incorrect to speak of a simple relationship between geographic distance and the level of support between relatives. Geographic distance does affect the provision of mutual assistance to relatives, but distance has not only geographical but also social significance, determined, among other things, by how strong the sense of responsibility among family members is. Duval (2002) focused on the cross-national comparison of the elderly immigration to Spain from England, Germany, France and Scandinavia, where the authors conduct a comparative analysis of the characteristics of resettlement, the interaction of second – home communities (Módenes & Colás, 2007). Particular attention was paid to the historical background of the emergence of new communities of Western European emigrant pensioners. Módenes and Colás (2007) analyzed the advantages and disadvantages of living in this region of Spain as a second – home tourist for foreign pensioners, as well as the possible impact on the local population. Researchers note that despite the outward similarity of the second – home owners’ communities, the structure and behavior strategies of their members are very different.

### **2.3 Motivational factors for second-home tourism**

The motives for second - home ownership are complex and related to a number of factors (Módenes & Colás, 2007). It is important to study the motivational factors that lead to choosing a second-home destination in order to better predict the possible future demand in the countries and regions that can be favorable for second-home tourists. A broad study conducted in Malaysia examined the impacts of a special second - home retirement tourism program that attracted the four big nationalities to Malaysia (Wong et al., 2014). The target population of the research were pensioners from overseas who buy second-homes in Malaysia for their retirement attracted by the governmental program. This research explored the motivation, satisfaction, and relationship between the two constructs of participants in the Malaysia my second - home (MM2H) project. According to Wong et al. (2014), an important issue that needed further study is the separation of users and owners in second-home use studies, since they may have significantly different characteristics and behaviors. As stated by these authors, Malaysia gained significant popularity as a second-home retirement destination due to the governmental program advertised overseas in order to attract more potential retirees from the UK and Japan. The authors used two theories - travel motivation theory and tri-reference point theory - to explain the dynamics of motivations that ultimately contribute to retirement decisions Malaysia (Wong et al., 2014). The article also described the motives of pensioners from the point of view of two different nationalities and cultures. The results revealed four “push” and seven “pull” motivation factors respectively. Push motivations showed a stronger influence on the participants' overall satisfaction. Most tourism studies focus on motivational pull factors, this article offers an additional look at the motivational push factors of travelers. Adopting the "push and pull" theory of motivation allows researchers to discover more motivators, particularly for retiring from a second - home. Points measuring the motivation for pushing and pulling were generated inductively and deductively. With strict homological validity, the authors offer four aspects of push motivation: improved health, dream of retiring abroad, escape from reality, and unfavorable politics and security; and seven aspects of pull motivation: convenience and opportunity, leisure lifestyle, activity, costs and economy, favorable environment, people and communication, and socialization (Wong et al., 2014).

One of the most important motivational factors for the older age group is the interpretation of seasonal use of second - homes as a "successful aging" strategy (Willcox

et al., 2017). The authors suggest that the expression "pension migration" is inaccurate and misleading in many cases in the European context. In addition, the expression "second - home tourism" also does not adequately describe the real situation. If to consider the moving of senior citizens who use their second - homes on a seasonal basis as an expression of an independent lifestyle, one would still face the challenge of scientific measurement of the term "lifestyle", as well as the task of documenting the operationally spatially effective consequences of this particular "itinerant" lifestyle (Willcox et al., 2017). European pension migration lacks almost all the characteristics that have been observed in more recent studies of transnational migration. Documents from Buerkner (as cited in Breuer, 2005) and Willcox et al. (2017) focus on migrant workers. Seasonal use of the pension provision is exclusively consumer-oriented. Thus, for example, the aspect of "social integration" is of secondary importance or - in the individual case – irrelevant (Breuer, 2005).

In a number of countries, especially in the Nordic countries, the second - home tradition is very strong as part of the free-time lifestyle. In many cases, second - homes are inherited and can still be used as holiday homes or to preserve family relationships (Brida et al., 2011; Hall, 2014). In these cases, second - homes can provide particularly important links between rural areas and expats who move between their permanent home and their seasonal second - home (Gjesdal et al., 2002). Second - homes are also an integral part of short - and long-term migration with landscaping and achieving a rural lifestyle, in some cases they may be international second - homes due to cultural and economic attractiveness. Gjesdal et al. (2002) also described the motives of pensioners from the point of view of two different nationalities and cultures. Norris and Winston (2010) also emphasized the importance of taking into account different national contexts when analyzing this issue. This indicates that, as might be expected, the compensation hypothesis is of limited significance for countries with low levels of urbanization, such as Ireland, which was examined in the work. That also leads to the similar issue of retirement and the international differences between second-home owners in Germany and the Netherlands (Norris & Winston, 2010).

Yucelen (2020) examined the motivational factors for buying second – homes in Northern Cyprus. The author determined the key factors of the attractiveness of Northern Cyprus for mainly Russian and Turkish tourists - the attractiveness of investments, the geographical position of Tourism, political, legal and social stability (economic growth), the ecological environment, the favorable attitude of local population. Another main

reason for attracting second-homers from Northern countries was the mild climate conditions comparing to the country of origin, which allowed the all-year-round use of the second - homes (Yucelen, 2020).

There is no sufficient literature available that would fully examine the topic of the decision-making process that leads to choosing Portugal as the main destination for second - home tourism. Nonetheless, some researchers have studied the effects that the cultural background has on the tourists while looking for a place to stay (Correia et al., 2011). The research was carried out in Lisbon among 400 respondents. Correia (2011, p. 443) noticed that: “The national culture influences directly the pattern of vacation decisions in various ways... one of the most influential cultural factors in DMS about tourism destinations, where quality and brand drive the decisions. However, collectivist cultures are more likely to decide based on brand, prices and the number of alternatives, whereas individualist cultures tend to decide based on their own criteria. Furthermore, Western visitors are more likely to decide based on brands and a number of information sources that may lead to confusion”.

In the work that examined a recent COVID-19 pandemic influence on second – home sector in Turkey (Zogal et al., 2020) authors state that it became a common practice to convert second - homes into first residences in order to escape from urban areas where the risk of contagion was higher. The pandemic has made many people who live in crowded cities rethink their lifestyles. Spacious and comfortable homes to spend time, relax and work are now more valued not only as getaways from the risk of contagion but also as places to live in. Zogal et al. (2020) stated that for this reason, many people, with a specific affluent circumstance, would reconsider their home choices.

## **2.4 Second-home tourism development in Algarve**

One of the reasons why Portugal and Algarve, in particular, is attracting more and more second-home owners is in the favorable legislation for potential second-home owners (Gomes et al., 2017). The growing importance of secondary tourism in Portugal has led to a change in terminology to adapt to the new market reality. According to Santos and Costa (2009), the concept first appeared in Portugal, created by the Portuguese Statistical Office (INE), in the early 1970s. The definition used was "unidade de alojamento de uso ocasional or sazonal" (unit of accommodation for casual or seasonal use). In subsequent censuses (1986, 1995, 1997 and 2001) the definition was `alojamento

ocupado com uso sazonal" (occupied housing for seasonal use), in 2001 the INE also used "residência secundária para ents turísticos" (secondary residence for tourism purposes). According to INE, the latter definition refers to residences that are not used as a primary residence, but are used for recreation. These changes were aimed at optimizing and simplifying the regulation of this market in accordance with national conditions (Gomes et al., 2017).

Since 2009, Portugal has been offering special status the non-habitual resident status for persons entering Portugal who do not have their usual place of residence (IRS, 2009). The non-habitual resident status is available to anyone who has not been a resident of Portugal in the past five years, if they meet certain criteria. The granted non-habitual resident status means 10 years tax exemption in Portugal. Wealth tax will not be charged during this period either. In addition, any income earned in Portugal will be taxed at a flat rate of 20 percent instead of progressive rates that can be as high as 48 percent. All residents must pay tax in Portugal on their worldwide income, unless they are considered non-resident taxpayers. An individual is considered a resident if one has lived in Portugal for at least 183 days from the start of the new tax year. All official residents in Portugal must complete an annual income tax return form. Portugal has a progressive income tax rate starting at 14.5 percent for income up to € 7,035 and rising to 48 percent for incomes above € 80,000 (IRS, 2020). Another reason, which attracts other citizens of European countries to buy a property in Portugal is their long-term vision of possible retirement in Portugal (IRS, 2020). According to the Treaty for the avoidance of double taxation, in force between the European Union (EU) and Portugal, second-home owners that are retired in their country of origin can be exempted from paying taxes in their country of origin. Usually, preference is given to the country of actual residence, that is, Portugal. Also, it has a greater advantage over most EU countries in that it does not levy property tax or inheritance tax if inheritance occurs between close relatives.

## CHAPTER III. METHODOLOGY

### 3.1 Introduction

This work employed a quantitative approach to examine the impacts of the second-home tourism on the socioeconomical life of the Algarve region in Portugal. A survey was run to deductively explore participants' perceptions and experience owning a second-home in Algarve. The survey was carried out using the the online survey platform Google Forms. Respondents were asked to fill out a questionnaire, based on which the researcher subsequently received an array of primary data. The questionnaire was translated into English and French. The questionnaire was anonymous and included four following sections (see Appendix 1). The first section consists of the Pull and Push motivational factors for owning a second-home in Portugal.

**Push Factors:** internal factors that induce people to purchase another property outside the country of their primary residence (Wong et. al., 2014).

**Pull Factors:** external attributes that attract and push people to buy a house in the exact country abroad (Wong et. al., 2014).

The second section includes the social impacts of second-home tourists. The third section examines economic impacts of the second-home owners on the Algarve region, specifically, the monthly expenses per household and the distribution of expenses. The last section enquires about demographic profiles and information on the place of residence in the Algarve of the participants (see Table 1).

### 3.2 Survey instrument

The research tool was developed based on the questionnaire by Wong et al. (2014) and the literature review of the works on similar topics in different countries around the world, e.g., second-home owners in Europe, Asia and America, travel and tourism, international retirement migration (Müller, 2021; Hall, 2014; Marjavaara, 2008).

**Table 1 – Questions and literary references included in the questionnaire**

| <b>The Objective of Question</b>   | <b>Questions</b>  | <b>References</b>   |
|--|---|---|
| 1.1 Characterize the main internal, personal motivational factors that lead to choosing Algarve as the second-home destination | <ul style="list-style-type: none"> <li>• I dislike the climate in my country of origin</li> <li>• The climate in my country of origin doesn't suit my health conditions</li> <li>• I felt detached from my country of origin</li> <li>• My social bonds in the country of origin are weak</li> <li>• My previous trips to Portugal made me want my own property here</li> <li>• I had good experience living/owning a property overseas before</li> <li>• My previous experience(s) traveling overseas inspired me to buy my own property there</li> <li>• I had a sudden urge to buy my own house in the country of my vacation during one of my visits</li> <li>• I wanted to have another country to live in, in case political situation in my country of origin worsens</li> </ul>   | Wong et al. (2014); Módenes and Colás (2007); Brida et al. (2011); Hall (2014); Correia et al, (2011); Yucelen (2020) |
| 1.2 Characterize the main external motivational factors that lead to choosing Algarve as the second-home destination           | <ul style="list-style-type: none"> <li>• Socialization with local people is easy</li> <li>• Climate in the Algarve suits me</li> <li>• Natural amenities are beautiful (ocean, landscape, beach, etc.)</li> <li>• The pace of life is calm and easy</li> <li>• Close family bonding is easily maintained</li> <li>• The local people are friendly and welcoming</li> <li>• There are a lot of expatriates in the Algarve</li> <li>• The living cost is affordable in the Algarve</li> <li>• The housing cost is lower than in the alternative second-home destinations</li> <li>• The infrastructure is adapted to needs of international people</li> <li>• English is widely spoken in the Algarve comparing to the alternative second-home destinations</li> <li>• The political situation in Portugal is stable<br/>The availability of recreational facilities (shopping and sports centers, hiking trails, etc.)</li> <li>• The availability of cultural facilities (museums, concert halls, galleries, theatres, etc.)</li> <li>• Portugal is easily accessible by all means of transportation (planes, busses, trains, etc.)</li> <li>• The Portuguese healthcare system is well developed and modern</li> </ul> | Wong et al. (2014); Módenes and Colás (2007); Brida et al. (2011); Hall (2014)  |

|   |   |   |
|---|---|---|
| <p>2. Characterize social impacts second-home owners have on the local population</p>                             | <ul style="list-style-type: none"> <li>• My second - home makes me feel closer to the nature and helps rest from the metropolitan life in my country of origin</li> <li>• I try to interact with local population</li> <li>• I try to adapt to the customs and the lifestyle of the Algarveans</li> <li>• I always try to shop local food and crafts</li> <li>• I try to learn Portuguese, because I prefer to be a part of the local</li> <li>• I feel more connected to my original country and its people than my second - home community</li> <li>• I prefer the expatriate community over the local people</li> <li>• I feel more comfortable around people from other countries than local people</li> <li>• I sometimes feel unwelcome in the country</li> <li>• I have made friends within local populations</li> <li>• I feel comfortable being friends with local people</li> </ul> | <p>Blekesaune et al., (2012); Lundmark and Marjavaara, (2013); Hall (2014); Gallent (2014); Gomes et al. (2017); Bawedin and Miossec (2013); Módenes and López-Colás, (2007); Gkartzios and Scott (2009); Baltaci and Cevirgen (2020)</p> |
| <p>3.Characterize the possible spending habits and impacts of second-home owners on the economy of the region</p> | <ul style="list-style-type: none"> <li>• What are your monthly expenses in the Algarve Region per household?</li> <li>• What is the distribution of your monthly expenses?</li> <li>• What is the distribution of your monthly expenses by types of shops</li> </ul>  | <p>Marjavaara (2007); Huijbens (2012); González (2009); Velvin et al. (2013); Hjalager et al. (2011); Larsson and Müller (2017); Folkesdotter (2003)</p>  |
| <p>4.Characterize the demographical profile of the respondents and their ties to the Algarve</p>                  | <ul style="list-style-type: none"> <li>• 4.1 Sociodemographic Profile</li> <li>• 4.2 Relationship with the Algarve Region</li> <li>• Current location in Council</li> <li>• In which season of the year do you normally stay in the Algarve?</li> <li>• How much time per year do you usually spend in Portugal?</li> <li>• Do you have another second-home somewhere else outside Portugal? What are the reasons for having an alternative?</li> </ul>   | <p>Gomes (2017); Roca et al. (2011); Wong and Musa, (2017)</p>  |

A pilot test of the questionnaire was performed in November 2020 by the author. Ten respondents were invited to answer the questionnaire in order to get feedback and possible improvements. The questionnaire was sent directly to the participants to identify possible weaknesses, ambiguities, missing questions, and poor reliability. And then they were sent back with the feedback of peers, which helped to create an improved version of the questionnaire. After receiving the final feedback and discussion with the

Supervisor the final version of the questionnaire was published for the access of those who were interested in participation on the Facebook groups for second-home tourists in Portugal.

The need for the questionnaire in French was discovered to broad the peer field, considering that English is not widely spoken within French second-home owners' community which remains one of the biggest in Portugal. In order to ensure that translation was done correctly the written text went through the back – translation procedure.

Push motivations, pull motivations and social impacts were placed in the first part of the questionnaire. Items were measured as subjective scores using a five-point Likert scale (1- strongly disagree and 5 - strongly agree). The economic impacts were measured using the close-ended questions, where each position referred to the percentage by distribution of each item.

### **3.3 Sampling design**

Our target population was defined as all second-home owners in Algarve aged 18 or more years old. The size of the target population is 20,000, according to INE (2020). The use of multiple data collection points not only enhanced the coverage of the data collection method, but also established a good relationship between the researcher and participants.

The researcher adopted a combination of the Convenience Sampling Method and Snowball Method. The strategies to study were identified, and groups were created based on each category. The participants were responding to the questionnaire posted in various groups on social media (Facebook), whenever they had interest or will to help the research. The research topic gained a lot of attention around and more people started to get interested in its result. That led to snowballing effect, when other participants started inviting their second-home owner friends to join the study.

### **3.4 Data collection**

The data collection was performed from November 2020 till January 2021. The call for participants announcements were posted on various Facebook groups for expats and second-home owners in Portugal. Two languages of communication were used –

French and English, since they make the peer field adequate. Everyone interested in participation could access the questionnaire published on Google Forms via the link attached to the announcement. The principles of anonymity, confidentiality and individual privacy were respected during the survey. No incentive (i.e., monetary or non - monetary) was offered to the respondents. The respondents were also inviting their friends, who own a second - home in Algarve to participate. The posts to the groups were made every 10-14 days to draw new participants to the study. Only one participant per household was encouraged to answer the questionnaire.

### **3.5 Data analysis**

Data was analyzed using the IBM SPSS Statistics program. Prior to proceeding with further data analysis, we first examined the data quality. This included evaluation of missing data, outliers and the tests of normality assumptions (Hair et al., 2010). We used descriptive statistic to analyze the data. To better understand the economic impacts, we estimated the annual expenses per household using the formula:

*Estimated Annual Expenses per Household = Monthly average expenses per household x 12 months*

## CHAPTER IV. RESULTS

### 4.1 Respondents profile

The respondents' profile is summarized in Table 2 which shows that 57.3% of the respondents were female. The respondents between the age 55 and 66 made up 31.1% of the sample. The majority of the respondents were citizens of France (41.7%), 27% of respondents were from the UK, 10.4% were from Belgium. Respondents with Bachelor's Degree made up 40.7% and 22.7% residing Loulé. Respondents who own a house for more than 7 years make up 38.6%. There are 38% of self-employed respondents, and 66% have up to 3 people in a household, maintaining close family relations. More than a half of respondents (53%) are married and have children. The data below shows that the vast majority of second-home tourists in the Algarve have been owning their house for more than seven years, which shows their loyalty to the region. One can also notice that the second-homes are the primary choice for families with kids and relatively high level of educational and a monthly income. More than 30% of the respondents show income greater than €5000. The mainly populated by second-home owners councils are Loulé and Albufeira, while Alcoutim being less popular out of all list. It is worth noticing that the households of second-home owners are relatively small, including mostly up to three people.

**Table 2 - Sample profile**

| Categories    | n   | %    | Categories             | n   | %    |
|---------------|-----|------|------------------------|-----|------|
| <i>Gender</i> |     |      | <i>Education Level</i> |     |      |
| Male          | 119 | 39.7 | Primary                | 9   | 3.0  |
| Female        | 172 | 57.3 | Secondary              | 63  | 21.0 |
| Not stated    | 9   | 3.0  | BA                     | 122 | 40.7 |
|               |     |      | Masters                | 82  | 27.3 |
|               |     |      | PhD                    | 24  | 8.0  |

| Categories               | n   | %    | Categories  | n   | %     |
|--------------------------|-----|------|---|-----|-------|
| <b>Age</b>               |     |      | <b>Occupational Status</b>                            |     |       |
| 18-25                    | 7   | 2.3  | Employed  | 72  | 24.0  |
| 26-35                    | 14  | 4.7  | Unemployed  | 11  | 3.7   |
| 36-45                    | 39  | 13.0 | Have their own business                               | 76  | 25.3  |
| 46-55                    | 79  | 26.3 | Retired   | 114 | 38.0  |
| 55-65                    | 102 | 34.0 | Other   | 27  | 9.0   |
| 65+                      | 59  | 19.6 |   |     |       |
| <b>Marital Status</b>    |     |      | <b>Monthly Earnings in the Country p/Household, €</b> |     |       |
| Single                   | 31  | 10.3 | <1500   | 33  | 11.0  |
| Divorced                 | 31  | 10.3 | 1500-3000   | 60  | 20.0  |
| Widowed                  | 15  | 5.0  | 3000-5000   | 106 | 35.3  |
| Married with Children    | 62  | 20.7 | 5000+   | 101 | 33.6  |
| Married w/o Children     |     |      |   |     |       |
| <b>Country of Origin</b> |     |      | <b>Number of People /Household</b>                    |     |       |
| France                   | 125 | 41.7 | 1   | 29  | 9.7   |
| The UK                   | 82  | 27.3 | 2-3   | 198 | 66.0  |
| Belgium                  | 31  | 10.3 | 4-5   | 62  | 20.7  |
| Other countries          | 62  | 20.1 | 5+  | 11  | 3.7.6 |

**Table 3 - Sample relationship with the Algarve**

| Categories                                | n  | %    |
|---|----|------|
| <b>Duration of Home Ownership (years)</b> |    |      |
| 0   | 3  | 1.0  |
| 1-2                                       | 65 | 20.0 |
| 2-4                                       | 71 | 23.7 |
| 5-6                                       | 50 | 16.7 |
| 7+  | 73 | 38.6 |

| Categories                | n  | %    |
|---------------------------|----|------|
| <i>Place of Residence</i> |    |      |
| Loulé                     | 68 | 22.7 |
| Albufeira                 | 57 | 19.0 |
| Lagos                     | 29 | 9.7  |
| Portimão                  | 26 | 8.7  |
| Lagoa                     | 24 | 8.0  |
| Tavira                    | 17 | 5.7  |
| Faro                      | 16 | 5.3  |
| Silves                    | 14 | 4.7  |
| Aljezur                   | 13 | 4.3  |
| Olhão                     | 11 | 3.7  |
| S.Bras de Alportel        | 7  | 2.3  |
| Vila do Bispo             | 6  | 2.0  |
| Monchique                 | 4  | 1.3  |
| Castro Marim              | 3  | 1.0  |
| V.R.St.António            | 3  | 1.0  |
| Alcoutim                  | 2  | 0.7  |

## 4.2 Social Impacts

From the Table 4 we can see that the second-home owners actively interact with the local population and do not distinguish themselves as the fully expatriate community. More than a half of respondents (52.7%) try at least to interact with locals, and are feeling comfortable with being friends with Portuguese (41%). Another remarkable point is that the second-home owners mostly feel more connected to their original country of residents, rather than their second-home community. Nevertheless, second-home owners feel rather neutral (31.3%) when it comes to choosing the expatriate community over the local people. The evidence of second-home owners being more than just tourists, is that most respondents actually try to learn Portuguese (51.3%) and shop mostly local food and crafts (52.7%). They mostly do not feel unwelcome or left out in the country (59%). The set of answers below makes it clear why people are staying loyal to their second-

home country by owning their homes for so long. It is important to note that the mean of 4.16 and 4.30, 4.29 and 4.23 in the questions about interaction with local community, learning Portuguese, shopping mostly local food and adapting to the local customs shows that most second-home owners indeed try to be a part of the local population and go beyond being just tourists or foreigners. It is also important to mention, that the mean of 2.75 in the question about feeling more comfortable around foreigners, shows that second-home owners do not necessarily need to be in the expat community to feel comfortable. The low standard deviation in the majority of questions shows that all the responses are clustered around the mean. The only question with a higher standard deviation was about making friends with locals, with the mean of 3 and the SD was 1.434, meaning that this might be the only point where the responses might vary from one second-home owner to another. It is important to note, that more than a half of respondents disagreed with the question where they sometimes feel unwelcomed in the country, with a mean of 2.48 and the SD of 1.384. This parameter shows that even while being foreigners in the country, second-home owners still do not feel left out from the local residents and only 12.3% of all respondents stated that they sometimes feel unwelcomed.

**Table 4 - Social Impacts**

| <i>Social Impacts</i>   | <i>Strongly disagree, %</i> | <i>Disagree, %</i> | <i>Neutral, %</i> | <i>Agree, %</i> | <i>Strongly agree, %</i> | <i>Mean</i> | <i>Std. Deviation</i> |
|---|-----------------------------|--------------------|-------------------|-----------------|--------------------------|-------------|-----------------------|
| My second - home makes me feel closer to the nature and helps rest from the metropolitan life in my country of origin | 6.7                         | 15.0               | 29.0              | 22.7            | 26.7                     | 3.48        | 1.220                 |
| I try to interact with local population   | 2.3                         | 4.0                | 8.7               | 32.3            | 52.7                     | 4.16        | 1.011                 |
| I try to adapt to the customs and the lifestyle of the Algarveans   | 1.0                         | 4.3                | 9.0               | 35.3            | 50.3                     | 4.30        | 0.878                 |
| I always try to shop local food and crafts  | 2.3                         | 4.0                | 8.7               | 32.3            | 52.7                     | 4.29        | .950                  |
| I try to learn Portuguese, because I prefer to be a part of the local community                                       | 2.3                         | 4.7                | 12.3              | 29.3            | 51.3                     | 4.23        | .993                  |
| I feel more connected to my original  | 5.0                         | 9.3                | 27.0              | 24.7            | 34.0                     | 3.73        | 1.169                 |

| <i>Social Impacts</i>  | <i>Strongly disagree, %</i> | <i>Disagree, %</i> | <i>Neutral, %</i> | <i>Agree, %</i> | <i>Strongly agree, %</i> | <i>Mean</i> | <i>Std. Deviation</i> |
|--|-----------------------------|--------------------|-------------------|-----------------|--------------------------|-------------|-----------------------|
| country and its people than my second - home community                       |                             |                    |                   |                 |                          |             |                       |
| I prefer the expatriate community over the local people                      | 14.7                        | 18.0               | 31.3              | 17.3            | 18.7                     | 3.07        | 1.299                 |
| I feel more comfortable around people from other countries than local people | 23.7                        | 24.0               | 23.7              | 11.3            | 17.3                     | 2.75        | 1.391                 |
| I sometimes feel unwelcome in the country                                    | 33.0                        | 24.0               | 17.7              | 13.0            | 12.3                     | 2.48        | 1.384                 |
| I have made friends and acquaintances within local population                | 23.7                        | 13.7               | 19.0              | 26.0            | 17.7                     | 3.00        | 1.434                 |
| I feel comfortable being friends with local people                           | 3.3                         | 6.7                | 20.0              | 29.0            | 41.0                     | 3.98        | 1.086                 |

### 4.3 Economic Impacts

The Table 5 illustrates the economic impacts second-home owners have on the Algarve. The majority of the respondents spend up to 5,000€ on the monthly basis per household, where 10% of their spending goes to the housing utilities, local restaurants, hotels and other recreational facilities. 25% of total spending are on food, which makes it the major expense out of all. Nevertheless, second-home owners actively support local owners of small shops, and it shows in their spending habit (55%). They prefer small local shops over malls and hypermarket chains, which helps small business and makes it sustainable. The evidence of second-home owners supporting local economy also can be traced in the previous tables (see Table 4), where one could see that the respondents mostly shop mostly local food and crafts (52.7%). The estimated annual expenses of second-home owners are €23 822 per household while the expenses of Portuguese general population are €20 363 (INE, 2021). In the statistics presented by INE (2021) shows that the main expenses of Portuguese general population on yearly basis are housing, water, electricity, gas and other fuels 6 501 € per household, while hotels and restaurants make

up the least amount of expenses 1 786 € (INE, 2017). This is different to the main expenses of second-home owners, where leisure, recreation make up 10% of all expenses and the spending on hotels and restaurants also equal 10%. This shows that the second-home owners spend more money for their entertainment and not only spend the majority of their money on the necessities. For instance, the household accessories, equipment and current maintenance, transportation only makes up 5% of the total expenditures. The second-home owners also spend least on housing utilities 10% vs 32% (INE, 2017) that spends an average local resident. In addition, second-home owners spend more on food products, tobacco and alcoholic drinks 25% and 5% respectfully.

**Table 5 - Economic Impacts**

| <i>Monthly Expenses in the Algarve per household</i> | <i>%</i> |
|--|----------|
| <1,000€  | 26.2     |
| 1,000-1,500€   | 29.8     |
| 2,000-3,500€   | 29.8     |
| 3,500-5,000€   | 11.3     |
| 5,000-7,000€   | 2.1      |
| >7,000€  | 0.7      |

***Estimated Annual Expenses per household***  
€ 23 823

| <i>Distribution of monthly expenses</i>                  | <i>Second-home owners, %</i> | <i>Portuguese general population, %</i> |
|--|------------------------------|---|
| Food products and non-alcoholic drinks                   | 25                           | 14                                      |
| Alcoholic beverages and tobacco                          | 5                            | 2                                       |
| Communication  | 5                            | 3                                       |
| Leisure, recreation and culture                          | 10                           | 4                                       |
| Housing utilities (gas, water, etc.)                     | 10                           | 32                                      |
| Restaurants and hotels                                   | 10                           | 8                                       |
| Household accessories, equipment and current maintenance | 5                            | 4                                       |
| Transport (public/personal/ rent-a-car)                  | 5                            | 14                                      |
| Health (pharmacy/medical services)                       | 5                            | 5                                       |
| Education  | 0                            | 2                                       |
| Clothing and footwear                                    | 5                            | 4                                       |
| Miscellaneous goods and services                         | 15                           | 7                                       |

| <i>The distribution of monthly expenses by types of shops</i> | <i>%</i> |
|---|----------|
| Small shops owned by locals                                   | 55       |
| Small shops owned by immigrants                               | 10       |
| Malls and hypermarkets  | 25       |
| Online shops  | 10       |

#### **4.4 Motivational Factors**

The Table 6 demonstrates push motivational factors that lead to choosing Algarve as the second - home destination. The factors are also characterized as inner, personal wishes of respondents. The majority of the respondents decided to purchase a property in Portugal after their previous trips to the country (65.7%), while 37% of respondents had a sudden desire to become homeowners during their vacation in Portugal. Some of the respondents already had a good experience travelling overseas for vacation in general, which lead to the decision of buying their own house. The respondents that did not like the climate in their country of origin are 37% of the sample, and 28% respondents have health issues that are not comparable with their first homes. It is important to note, that the quarter of all respondents feel detached from their country of origin in some way. One can also notice that 30% of the respondents have weak social bonds in their country, which can also be a motivational factor for traveling and buying another property. Nevertheless, second-home country for some people (36%) can be a safe place to live in case the political situation in their own country worsens, but this factor is rather additional to the main motivations described above. It is important to note that the majority of the respondents decided to buy their second-home in Portugal during their vacation there, this is demonstrated by both mean (4.42) and the lowest SD out of all the questions (0.994). One can see that in the majority of cases buying a property in Portugal was sudden and not planned in advance, this is shown by the mean of 3.57 and the SD of 1.442. The least motivational factor for choosing Portugal as the second-home was because the respondents were afraid of crisis in political situation in their country of origin, this is demonstrated by the mean of 2.73 and the SD of 1.651. It is important to note that in the question about having weak social bonds in the country of origin the mean was 2.66 with SD of 1.425, which shows that the majority of the respondents still have strong

relationship in their country of primary residence. Only 16% of the respondents confirmed that they do not feel socially attached to their country of primary residence.

**Table 6 - Push Motivational Factors**

| <i>Push Factors</i>  | <i>Strongly disagree, %</i> | <i>Disagree, %</i> | <i>Neutral, %</i> | <i>Agree, %</i> | <i>Strongly agree, %</i> | <i>Mean</i> | <i>Std. Deviation</i> |
|--|-----------------------------|--------------------|-------------------|-----------------|--------------------------|-------------|-----------------------|
| I dislike the climate in my country of origin  | 12.0                        | 7.0                | 16.3              | 27.7            | 37.0                     | 3.71        | 1.347                 |
| The climate in my country of origin doesn't suit my health conditions                                    | 17.7                        | 12.7               | 21.0              | 20.3            | 28.3                     | 3.22        | 1.575                 |
| I felt detached from my country of origin  | 23.0                        | 11.0               | 21.7              | 22.7            | 21.7                     | 3.09        | 1.457                 |
| My social bonds in the country of origin are weak  | 28.0                        | 23.7               | 18.3              | 14.0            | 16.0                     | 2.66        | 1.425                 |
| My previous trips to Portugal made me want my own property here  | 3.3                         | 3.7                | 6.0               | 21.3            | 65.7                     | 4.42        | 0.994                 |
| I had good experience living/owning a property overseas before   | 30.0                        | 9.7                | 20.7              | 14.0            | 25.7                     | 2.96        | 1.572                 |
| My previous experience(s) traveling overseas inspired me to buy my own property there                    | 11.3                        | 8.0                | 11.3              | 25.3            | 44.0                     | 3.83        | 1.367                 |
| I had a sudden urge to buy my own house in the country of my vacation during one of my visits            | 14.7                        | 10.0               | 16.3              | 22.0            | 37.0                     | 3.57        | 1.442                 |
| I wanted to have another country to live in, in case political situation in my country of origin worsens | 37.3                        | 14.7               | 11.3              | 10.7            | 26.0                     | 2.73        | 1.651                 |

Finally, Table 7 presents the pull motivational factors that lead to choosing Algarve as the second - home destination. According to the Table 7, 59.7% of the

respondents fully agreed that Portuguese people are friendly and welcoming, while 43% of the respondents' made friends with the locals. Another social factor that motivates people to buy properties for second-home is the fact that English is widely spoken in the Algarve in comparison to other second - home destinations (47%), which eliminates the possible language barrier and anxiety the second-home owners can have. It is also illustrated in the mean of 4.22 and the SD of 0.891. It is also important to state that the healthcare system seems to be very well developed, according to the majority of positive responses (47%) and the mean of 4.09. One can also note that the standard deviation in this particular section of the questionnaire is the lowest out of all, meaning that the majority of responses were close to the mean. The majority of respondents agreed that the pace of life in Portugal is calm and easy, this is illustrated by the mean of 4.74 and the SD of 0.510. The majority of the respondents stated that the climate in the Algarve suits them well (73.3%) with the mean of 4.70. The lowest mean close to the neutral responses was in the infrastructure being adapted to needs of international people, mean of 3.80 and the SD of 1.003, meaning that some improvements can be done in that regard. Also, not everyone agrees that the housing costs are more affordable than in other second-home destinations (mean of 3.35 and the SD of 1.009), 32% gave a neutral answer.

**Table 7 - Pull Motivational Factors**

| <i>Pull Factors</i>                           | <i>Strongly disagree, %</i> | <i>Disagree, %</i> | <i>Neutral, %</i> | <i>Agree, %</i> | <i>Strongly agree, %</i> | <i>Mean</i> | <i>Std. Deviation</i> |
|---|-----------------------------|--------------------|-------------------|-----------------|--------------------------|-------------|-----------------------|
| Socialization with local people is easy       | 2.3                         | 4.7                | 22.3              | 27.7            | 43.0                     | 4.04        | 1.025                 |
| Climate in the Algarve suits me               | 0                           | 0.7                | 2.3               | 23.7            | 73.3                     | 4.70        | 0.547                 |
| Natural amenities are beautiful               | 0.3                         | 1.7                | 15.7              | 0               | 82.3                     | 4.80        | 0.486                 |
| The pace of life is calm and easy             | 0                           | 0.7                | 1.3               | 21.3            | 76.7                     | 4.74        | 0.510                 |
| Close family bonding is easily maintained     | 2.3                         | 7.3                | 24.0              | 28.3            | 38.0                     | 3.92        | 1.059                 |
| The local people are friendly and welcoming   | 0.3                         | 1.7                | 10.0              | 28.3            | 59.7                     | 4.45        | 0.768                 |
| There are a lot of expatriates in the Algarve | 0.7                         | 2.7                | 15.7              | 29.7            | 51.3                     | 4.28        | 0.871                 |

|   |     |      |      |      |      |      |       |
|---|-----|------|------|------|------|------|-------|
| The living cost is affordable in the Algarve  | 2.3 | 6.0  | 22.3 | 34.7 | 34.7 | 3.93 | 1.009 |
| The housing cost is lower than in the alternative second-home destinations                    | 9.7 | 13.7 | 32.7 | 20.3 | 23.7 | 3.35 | 1.248 |
| The infrastructure is adapted to needs of international people                                | 1.3 | 8.7  | 28.3 | 32.3 | 29.3 | 3.80 | 1.003 |
| English is widely spoken in the Algarve comparing to the alternative second-home destinations | 1.3 | 2.0  | 17.0 | 32.7 | 47.0 | 4.22 | 0.891 |
| The political situation in Portugal is stable   | 2.3 | 8.3  | 31.0 | 32.7 | 25.7 | 3.71 | 1.015 |
| The availability of recreational facilities   | 0.3 | 1.3  | 9.7  | 40.7 | 48.0 | 4.35 | 0.736 |
| The availability of cultural facilities   | 3.0 | 5.0  | 18.3 | 27.7 | 46.0 | 4.09 | 1.053 |
| Portugal is easily accessible by all means of transportation                                  | 1.0 | 8.0  | 16.7 | 27.0 | 47.3 | 4.12 | 1.020 |
| The Portuguese healthcare system is well developed and modern                                 | 2.7 | 5.3  | 19.0 | 26.0 | 47.0 | 4.09 | 1.053 |

#### 4.5 Discussion and conclusion

According to the data analyzed second - home owners often play a significant role in the regional culture development and actively impact the life of residents. However, from the data analyzed we can get a clear vision that owning a second - home even for more than ten years does not automatically mean that the owners would be eager to learn Portuguese or adapt cultural traditions of the country. The formation of close to Portugal and having local friends and acquaintances were not an exemption rather than a regularity.

The infrastructure of the region, according to the responses of second - home owners is well adapted to the new comers, including English being widely spoken. The current second-home model and the factors leading to decision-making when it comes to immigration in case of Portugal, Algarve are very similar to the case of Northern Cyprus (Yucelen, 2020). Similarly, the three main pull motivational factors for second-home ownership are the reasonable housing costs, the mild climate conditions comparing to the country of origin, like France, the UK or Russia which allowed the all-year-round use of second – homes, and the geographical position of the Algarve, because the majority of the respondents are citizens of France or the UK. The additional pull motivational factors for choosing the Algarve as the second-home destination are stable political situation, the calm and easy pace of life and the favorable attitude of local population together with the wide usage of English. The three main push motivational factors that we could deduct from the data analyzed are a pleasant past experience of travelling to Portugal, the unsuitable climate in the country of origin and the feeling of detachment to the primary residence, which allowed people to freely travel and find an adequate place for their second-home.

It is important to note, that we cannot justify the negative social or economic impacts second-home owners can cause the local population, because no local people took part in the questionnaire to assess the negative aspects of foreign influence like in case of Gkartzios & Scott (2009) or the inflation of housing prices for locals (Marjavaara, 2007). The study proved that second-home owners are play important positive role in the economy of region, and supported the results obtained by the international authors earlier (Guisan & Aguayo, 2010; Huijbend 2012). Huijbens (2012), also agrees, similarly to our results, that the income generated from second - home tourism was much higher than what the locals were used to getting from traditional sources of income. Thus, it is recognized that the development of second - home tourism can create additional jobs and increase income in host rural communities, which are more likely to be unable to diversify their economies (Guisan & Aguayo, 2010).

Volunteer immigration is the key to second - home tourism. This allows people of different cultures to live in harmony with each other within the same socio-cultural and economic structure. Nevertheless, this can lead to communication gaps, incompatibilities and conflicts among cultures. It is essential to further study the second-home tourism as a whole, and in each where this type of tourism prevails country to create social policies that promote a culture of living together and establish communication channels to allow

different societies to integrate. Local authorities, non-governmental organizations (NGOs), policy makers, and other stakeholders should all work together to increase awareness about people who live with foreign cultures. Foreigners' associations should work with local authorities and NGOs to manage activities that increase residents' participation in them. This will help to dispel negative perceptions of residents and bring both sides closer. These actions together with further constant research are crucial for sustainable development of secondary housing tourism.

## CHAPTER V. CONCLUSION

### 5.1 Main conclusions

The main objectives of this work were to analyze social and economic impacts of second-homes, characterize the main motivational factors that lead to the decision of choosing Algarve, Portugal as a main destination for second-home tourism. The results showed that the second-home owners indeed have a social impact on the Algarve, because they actively interact with the local population and do not distinguish themselves as the fully expatriate community. More than a half of respondents (52.7%) try at least to interact with locals, and are feeling comfortable with being friends with Portuguese (41%). Second-home owners also actively learn Portuguese and try to adapt to local customs, while also supporting the local food and crafts. Almost all respondents have made acquaintances or even friends within the local residents. When looking into the economic impacts the second-home owners have on the region, we can distinguish the following patterns: second-home owners prefer small local shops over malls and hypermarket chains, which helps small business in the region and makes it sustainable. The estimated annual expenses of second-home owners are also higher in the comparison to the local population €23 822 vs €20 363 respectfully. This difference allows second-home owners to spend more money on their leisure, hotels and other entertainment and touristy activities that help the economy of the Algarve.

In this work we have also distinguished three main pull motivational factors that lead to choosing an Algarve as the second-home destination: the favorable climate and the geographical proximity of the Algarve to the countries of primary residences, and, lastly, the reasonable cost of real estate in the Algarve. The three main push motivational factors that we could categorize from the data analyzed are an unsuitable climate in the country of primary residence, together with a good past experience of travelling to Portugal and finally the lack of strong attachment to the country of origin that led to the decision of buying a house in the Algarve, Portugal.

## **5.2 Theoretical implications**

This work opens a new chapter in exploring the relationship between the complex and once divided notions of tourists and locals. Tourism, originally considered a separate part of the economy, is now closely intertwined with the everyday life of the country's local population. It becomes more and more difficult to separate the concepts of second-home tourism, immigration and a local population. Since it is at this very moment, against the backdrop of the pandemic in 2020 many second-home tourists turned out to be unwitting hostages of their vacation country - which led to an even greater strengthening of ties with the country of their actual stay.

The research done by the author of this research is one of the first to consider not just the regulatory and formal impacts of second-home tourism on the country, but offers a broader view of the socioeconomic impacts of the active presence of a large number of second-home owners in a small and relatively mono-ethnic region. This research examines the deeper and more universal emotions, difficulties and joys that second-home tourists in Portugal face on a daily basis. Show the effects that the second-home ownership has on the ties within the families and friend circles, mindsets and habits of those who decided to find their new vacation home across the Europe.

## **5.3 Implications to the management and marketing of the tourism destinations**

Marketing of tourism destinations in the modern world is no longer just numbers, templates and versatility. People are becoming even more demanding and distrustful of once perfectly working flyers, slogans and sales funnels. Today, people want to see a personalized offer that will solve, first of all, the problems of customers - and only then managers and marketers. It is impossible to correctly launch a lead-generating landing-page, build productive communication with a potential client without understanding the deep cognitive processes and correlations behind his behavior. This work shed light on the main pains, experiences, needs of second-home tourists in the Algarve, Portugal. This experience can be used by colleagues, marketers in Portugal or countries with a similar culture of second-home tourists. The information collected by the author of this work can be an assistant during the recovery of long-term tourism in Portugal and stimulate the buying activity in the vacation real estate sphere.

#### **5.4 Limitations and directions for future research**

This study has been limited to only second-home owners and did not include local residents, local and regional authorities, non-governmental organizations, tourism companies, or local officials. The study did not consider the environmental impact. Instead, it focused on the socio-cultural and limited economic effects of second - home owners. Second - home tourism, which is large-scale and unplanned, can lead to environmental pollution and damage to the local ecosystem (Radulescu 2014). In the next studies, it is important to identify perception of the local population regarding foreign ownership and to study the impact of second-home tourism from the perspective of residents, identify the possible environmental impact of second-home tourism.

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## APPENDIX A: QUESTIONNAIRE

The following questionnaire is a part of the Master's work that studies the impacts of second - home tourists on the Algarve region. Please answer as sincerely and objectively as possible.  
**All the collected information is anonymous and the data will be used for research purposes at the University of the Algarve only.**  
 Thank you for helping scientific knowledge grow!

### 1. Motivational Factors

#### 1.1 Motivational Factors (Push)

| <i>To what extent do you agree with each of the following statements about the Motivational Factors (Push) for buying a second - home in the Algarve?</i> | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| I dislike the climate in my country of origin   |                   |          |         |       |                |
| The climate in my country of origin doesn't suit my health conditions   |                   |          |         |       |                |
| I felt detached from my country of origin   |                   |          |         |       |                |
| My social bonds in the country of origin are weak   |                   |          |         |       |                |
| My previous trips to Portugal made me want my own property here   |                   |          |         |       |                |
| I had good experience living/owning a property overseas before  |                   |          |         |       |                |
| My previous experience(s) traveling overseas inspired me to buy my own property there   |                   |          |         |       |                |
| I had a sudden urge to buy my own house in the country of my vacation during one of my visits   |                   |          |         |       |                |
| I wanted to have another country to live in, in case political situation in my country of origin worsens  |                   |          |         |       |                |

#### 1.2 Motivational Factors (Pull)

| <i>To what extent do you agree with each of the following statements about the Motivational Factors (Pull) for buying a second - home in the Algarve?</i> |  |  |  |  |  |
|---|--|--|--|--|--|
| Socialization with local people is easy   |  |  |  |  |  |
| Climate in the Algarve suits me   |  |  |  |  |  |
| Natural amenities are beautiful (ocean, landscape, beach, etc.)   |  |  |  |  |  |
| The pace of life is calm and easy   |  |  |  |  |  |
| Close family bonding is easily maintained   |  |  |  |  |  |
| The local people are friendly and welcoming   |  |  |  |  |  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| There are a lot of expatriates in the Algarve  |  |  |  |  |  |
| The living cost is affordable in the Algarve   |  |  |  |  |  |
| The housing cost is lower than in the alternative second-home destinations                     |  |  |  |  |  |
| The infrastructure is adapted to needs of international people                                 |  |  |  |  |  |
| English is widely spoken in the Algarve comparing to the alternative second-home destinations  |  |  |  |  |  |
| The political situation in Portugal is stable  |  |  |  |  |  |
| The availability of recreational facilities (shopping and sports centers, hiking trails, etc.) |  |  |  |  |  |
| The availability of cultural facilities (museums, concert halls, galleries, theatres, etc.)    |  |  |  |  |  |
| Portugal is easily accessible by all means of transportation (planes, busses, trains, etc.)    |  |  |  |  |  |
| The Portuguese healthcare system is well developed and modern                                  |  |  |  |  |  |

## 2. Social Impacts

| <i>To what extent do you agree with each of the following statements about your experience in the Algarve?</i>        | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| My second - home makes me feel closer to the nature and helps rest from the metropolitan life in my country of origin |                   |          |         |       |                |
| I try to interact with local population   |                   |          |         |       |                |
| I try to adapt to the customs and the lifestyle of the Algarveans   |                   |          |         |       |                |
| I always try to shop local food and crafts  |                   |          |         |       |                |
| I try to learn Portuguese, because I prefer to be a part of the local community                                       |                   |          |         |       |                |
| I feel more connected to my original country and its people than my second - home community                           |                   |          |         |       |                |
| I prefer the expatriate community over the local people   |                   |          |         |       |                |
| I feel more comfortable around people from other countries than local people  |                   |          |         |       |                |
| I sometimes feel unwelcome in the country   |                   |          |         |       |                |
| I have made friends and acquaintances within local population   |                   |          |         |       |                |
| I feel comfortable being friends with local people  |                   |          |         |       |                |

## 3. Economic Impacts

| What are your monthly expenses in the Algarve Region per household? | <1,000€                         | 1,000-1,500€                        | 2,000-3,500€      | 3,500-5,000€                        | 5,000-7,000€                             | >7,000€         |
|---|---------------------------------|-------------------------------------|-------------------|-------------------------------------|--|-----------------|
| What is the distribution of your monthly expenses                   | Food products and non-alcoholic | Alcoholic beverages and tobacco (%) | Communication (%) | Leisure, recreation and culture (%) | Housing utilities (gas, water, etc.) (%) | Restaurants and |

|  |                                 |  |  |  |               |                           |            |                                      |
|--|---------------------------------|--|--|--|---------------|---------------------------|------------|--------------------------------------|
| (in %)   | drinks (%)                      | Household accessories, equipment and current maintenance (%) | Transport (public/personal/rent-a-car) (%) | Health (pharmacy/medical services) (%) | Education (%) | Clothing and footwear (%) | hotels (%) | Miscellaneous goods and services (%) |
| What is the distribution of your monthly expenses by types of shops (in %) | Small shops owned by locals (%) | Small shops owned by immigrants (%)                          | Malls and hypermarkets (%)                 | Online shops (%)                       |               |                           |            |                                      |

#### 4. General Information

##### 4.1 Sociodemographic Profile

|  |  |              |                      |                       |                          |  |
|--|--|--------------|----------------------|-----------------------|--------------------------|--|
| Gender   | Male   | Female       | Other                |                       |                          |  |
| Marital Status   | Single                                       | Divorced     | Widowed              | Married with children | Married without children |  |
| Your Age   | <b>OPEN QUESTION</b>                         |              |                      |                       |                          |  |
| Your Level of Education                                | Primary                                      | Secondary    | Bachelor's Degree    | Masters               | PhD                      |  |
| Occupational Status                                    | Employed                                     | Unemployed   | Have my own business | Retired               | Other                    |  |
| Number of people in your household/family              | <b>OPEN QUESTION</b>                         |              |                      |                       |                          |  |
| Country of Origin                                      | <b>CHOOSE ONE FROM THE LIST OF COUNTRIES</b> |              |                      |                       |                          |  |
| Monthly earning in the country of origin for household | <1,500€                                      | 1,500-3,000€ | 3,000-5000€          | 5000-8000€            | >8000€                   |  |

##### 4.2. Relationship with the Algarve Region

|   |  |                                    |   |                                       |   |                                |
|---|--|------------------------------------|---|---------------------------------------|---|--------------------------------|
| Current location in the Algarve (Council)<br><i>Choose one from the list</i>                        | <input type="checkbox"/> Vila do Bispo | <input type="checkbox"/> Aljezur   | <input type="checkbox"/> Lagos          | <input type="checkbox"/> Monchique    | <input type="checkbox"/> Portimão           | <input type="checkbox"/> Lagoa |
|   | <input type="checkbox"/> Silves        | <input type="checkbox"/> Albufeira | <input type="checkbox"/> Loulé          | <input type="checkbox"/> Faro         | <input type="checkbox"/> S.Brás de Alportel | <input type="checkbox"/> Olhão |
|   | <input type="checkbox"/> Tavira        | <input type="checkbox"/> Alcoutim  | <input type="checkbox"/> V.R.St.António | <input type="checkbox"/> Castro Marim |   |                                |
| How many years do you own a property in the Algarve?  | <b>OPEN QUESTION</b>                   |                                    |   |                                       |   |                                |
| In which season of the year do you normally stay in the Algarve?<br><i>(tick as many as needed)</i> | <input type="checkbox"/> Spring        | <input type="checkbox"/> Summer    | <input type="checkbox"/> Autumn         | <input type="checkbox"/> Winter       |   |                                |
| How much time per year do you usually spend in Portugal?  | < 1 month                              | 2-3 months                         | 4-5 months                              | 6-7 months                            | 8-9 months                                  | 9+ months                      |

|   |                |        |  |  |          |        |       |
|---|----------------|--------|--|--|----------|--------|-------|
| Do you have another second-home somewhere else outside Portugal?  | Yes            | No     | No, but I'm thinking about buying it in the future | Yes, but I'm thinking about selling it                       |          |        |       |
| What are the reasons for having an alternative?<br><i>(only for those who chose YES in the previous question)</i> | Cost of Living | People | Weather conditions                                 | Geographical location/<br>Proximity to the country of origin | Language | Status | Other |