The Impact of Tourism on Community Life in Dare County

Center for Sustainable Tourism
Division of Research and Graduate Studies
and
Bureau of Business Research
College of Business
East Carolina University

www.sustainabletourism.org
Funding Acknowledgement

Office of Engagement, Innovation and Economic Development

Associate Vice Chancellor
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East Carolina University
Background for Study
The Dare County Economy is . . .

Structured to support a tourist orientation.

- **Construction:** homes and businesses are being built to meet the needs of an ever-growing visitor and retiree population;

- **Retail trade:** ranging from souvenir shops to clothing and grocery stores;

- **Real estate:** renting, leasing, and selling of mountain and beach houses and second homes;

- **Leisure and hospitality:** meeting the recreation, accommodation, and food service needs of visitors.

  *Kleckley, 2008*
Externalities in a housing market

1. Topographical constraints;
2. Growth-management, land-use, and zoning regulations (alter the supply side of the equation);
3. Second-home demand (alters the demand side of the equation).

Can lead to high housing costs and displaced workers.

*Living and Working in Paradise: Why Housing Is Too Expensive and What Communities Can Do About It.*

William S. Hettinger
Tourism Industry Components

- Host Community
- Infrastructure
- Tourism Resources
- Traveler Services

Tourist Markets
Study Objectives
Objectives of Study

1. To provide information for stakeholders in their efforts to maintain their community sense of place;

2. To understand the impacts of tourism development on land use, economy, service provision, cultural opportunities, infrastructure, environment and general quality of life;

3. To estimate local residents’ and second home owners’ perceptions on sustainable actions and the tourism economy;

4. To make implications of policy and business decisions on the environmental future of the community --- issues related to energy, climate, water, waste and land use.
Issues Affecting the Study Area

- Land Use
- Influx of Second Homes
- Tourism Oriented Economic Structure
- Cost of Living
- Real Estate Prices
- Jobs and Job Growth
- Affordable Housing Choices for Work Force and Local Residents
- Transportation
- Environmental Issues
Municipalities
- Duck
- Kill Devil Hills
- Kitty Hawk
- Manteo
- Nags Head
- Southern Shores

Unincorporated areas
- Avon
- Buxton
- Colington
- Frisco
- Hatteras
- Manns harbor
- Rodanthe
- Salvo
- Wanchese
- Waves
Dare County, North Carolina
<table>
<thead>
<tr>
<th>Category</th>
<th>Acres</th>
<th>Percent in Vacant Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Owned</td>
<td>1,742</td>
<td>7.59%</td>
</tr>
<tr>
<td>Federal</td>
<td>20,480</td>
<td>89.23%</td>
</tr>
<tr>
<td>NC State</td>
<td>484</td>
<td>2.11%</td>
</tr>
<tr>
<td>Dare County</td>
<td>56</td>
<td>0.24%</td>
</tr>
<tr>
<td>Municipality</td>
<td>127</td>
<td>0.61%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>32</td>
<td>0.14%</td>
</tr>
<tr>
<td>Public Utility</td>
<td>0.81</td>
<td>0.0035%</td>
</tr>
<tr>
<td>Religious</td>
<td>0.54</td>
<td>0.0024%</td>
</tr>
<tr>
<td>Property Owner Assoc</td>
<td>26</td>
<td>0.11%</td>
</tr>
<tr>
<td>Miscellaneous Exempt</td>
<td>2.32</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22,952</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Methodology and Sampling
Topology of the total number of housing units, size (square footage), type (Single family, condo, multifamily...), year built, value and ownership;

Conducted focus groups: local residents, business owners, public officials, second home owners;

Survey of homeowners starting from November 2008 (4000 local residents; 4000 second home owners). Random Selection from GIS Tax Records of Dare County;

Current response from internet survey: 466 full time residents; 392 second home owners.
Qualitative focus groups

✓ Establish an understanding of the perceptions of the tourism industry.
✓ Determine the primary issues and concerns regarding the impact that tourism has on the community.

Quantitative survey

✓ Estimate the extent and degree of perceptions regarding the concerns and issues expressed by the focus groups.
✓ Compare perceptions of the impact of tourism and second homes on community life between local residents and second home owners.
Sampling Procedure

Property Owners—Residential and Second Home
Dare County Tax Records (October 2008)

- 18,912 second home owners;
- 7,715 permanent resident home owners;
- 4,000 randomly selected from each group;
- 11% return rate;
- 858 completed and useable questionnaires;
- 95% confidence level when comparing the two groups.
“There’s no question that tourism affects our economy – absolutely not a question. We would be foolish to argue that.”

“I graduated quite a few years ago and am 30 years old, but I couldn’t really come back because I am not married and don’t have a dual income.”

“I live in a tin can built in 1974 with my mother and my sister and my daughter. That is the only way we can get by.”

“We may have all our eggs in one basket but at least it is a pretty nice basket.”
“Locals would just not show up for work but the international students were required to be there and work their hours--we couldn’t make it without them.”

“There are a lot of shops and neat stuff for tourists to do but there aren’t cheap things for families to do year-round.

“We have really overbuilt on the beach and they are driving to the beach and getting disappointed when they get there.”

“The local business owners who originally lived there are being squeezed out by larger commercial entities coming in.”
“We may not be able to control the weather or make it sunny but we can put a smile on our face.”

“People come here looking for something more than just a beach -- what they want is an experience that is unique.”

“People who try to bring a big city lifestyle to coastal North Carolina – that just doesn’t work.”

“Tourism drives the whole economy of the island. There’s no doubt about it.

“I think we have a real opportunity, a very real opportunity, to build more industry here related to tourism.”
Housing Stock
Dare County GIS Data Base
Condos

Housing units by value

- Housing Units
- No. of Second Homes

% Second Homes

- 100%
- 62%
- 96%
- 97%
- 100%
- 100%
Annual Household Income

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Residents</th>
<th>Non-Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14,999</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>15,000-24,999</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>25,000-34,999</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>35,000-44,999</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>50,000-74,999</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>75,000-99,999</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>100,000-149,999</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>150,000-199,999</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>200,000-399,999</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>400,000+</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Missing</td>
<td>1%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Do You Own or Rent the Property You Live in?

- **Own**: 99.1%
- **Rent**: 0.4%
- **Missing**: 0.4%
Reasons to Own Property in Dare County and Patterns of Behavior
Why Do You Choose to Live in Dare County?
(Full Time Residents)

- I like the scenery: 61%
- I like the climate: 61%
- I like the small town atmosphere: 49%
- This is where I have retired/plan to retire: 46%
- The recreational opportunities: 43%
- This is a very friendly place: 39%
- My job is here: 32%
- To be with my spouse: 22%
- To be with my family: 21%
- To be with my longtime friends: 13%
- Because of the job opportunities: 8%
- I was born here: 8%
- More affordable than other coastal areas: 7%
- Other: 20%
Where Will You be Living in 5 to 8 Years (Full Time Residents)

- Remain in Dare County: 82%
- Relocate due to cost of living: 13%
- Relocate for other reasons: 12%
- Relocate for more amenities: 10%
- Relocate closer to family: 6%
- Relocate due to health reasons: 5%
- Relocate for a different climate: 3%
- Relocate to pursue education: 2%
Types of Amenities You Would Relocate for?
(Full Time Residents)

- Culture: 9%
- Shopping: 9%
- Other: 7%
- Recreation: 6%
- Schools: 3%
- Parks: 3%
How Far Do You Drive to Shop for Household Items? (Full Time Residents)

- Less than 5 miles: 43%
- 6 to 15 miles: 39%
- 16 to 60 miles: 9%
- More than 60 miles: 9%
How Do You Use Your Dare County Second Home? (Non-Residents)

- Only for use by family and friends: 42%
- Part time rental: 43%
- Full time rental: 13%
- Other: 2%
Why did You Buy Your Second Home Property in Dare County (Non-Residents)

- The beach: 90%
- Investment value: 60%
- Recreational opportunities: 51%
- General climate: 45%
- Friendliness of the area: 45%
- Affordability of the area: 31%
- Culture / history of the area: 27%
- Rental value: 26%
- Proximity to permanent residence: 25%
- Air and water quality: 23%
- Closeness to family / friends: 17%
- Other: 15%
How many Days of a Typical Year do You Use This Second Home Property? (Non-Residents)

- More than 168: 4%
- 113-168: 7%
- 92-112: 8%
- 71-91: 7%
- 50-70: 10%
- 22-49 days: 30%
- 10-21 days: 23%
- Less than 10 days: 6%
- No days: 4%
How Many Weeks in Each Season Do You or Your Immediate Family Use this Second Home Property? (Non-Residents)
How Do You Intend to Use Your Second Home Property Within the Next 3 to 5 Years? (Non-Residents)

- Maintain current use: 57%
- Increase personal use: 13%
- Sell it if possible: 9%
- Retire to it fulltime: 6%
- Increase use by family and friends: 5%
- Rent in part time: 3%
- Rent in full time: 3%
- Live in it fulltime and telecommute: 1%
- Other: 2%
Land Use (sig. = 0.05)

The amount of residential development

*The amount of non-tourism commercial development

*The amount of tourism commercial development

1 ........................................ 4
Not Highly Satisfied Satisfied

p = .120

p = .000

p = .000

Second Home  Full Time
Economy and Jobs (sig. = 0.05)

- Programs that support job and business creation: p = 0.000
- Number of tourism businesses: p = 0.015
- Availability of full time resident housing: p = 0.075
- Affordability of full time resident housing: p = 0.000
- Stability of Dare County tourism economy: p = 0.000
- Availability of employment opportunities: p = 0.000
- Property taxes compared to other coastal resort communities: p = 0.194
- Sales tax compared to other coastal resort communities: p = 0.000
- Retail prices compared to other coastal resort communities: p = 0.000

1 = Not Satisfied, 4 = Highly Satisfied

Second Home | Full Time
Government (*sig. = 0.05*)

- *Cleanliness and upkeep of the community*
  - Second Home: 2.8
  - Full Time: 2.3
  - Significance: $p = 0.000$

- *Fire and emergency services*
  - Second Home: 3.0
  - Full Time: 3.2
  - Significance: $p = 0.000$

- *Crime prevention compared to other resort areas*
  - Second Home: 2.7
  - Full Time: 2.4
  - Significance: $p = 0.038$

- Educational offerings for adults
  - Second Home: 2.5
  - Full Time: 2.5
  - Significance: $p = 0.117$

- *Quality of the local public educational system*
  - Second Home: 3.1
  - Full Time: 3.0
  - Significance: $p = 0.005$

1 = Not Satisfied, 4 = Highly Satisfied
Culture

- Full Time
  - Don’t Know
  - Not Satisfied
  - Somewhat Satisfied
  - Satisfied
  - Highly Satisfied

- Second Home

<table>
<thead>
<tr>
<th>Category</th>
<th>Full Time</th>
<th>Second Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational opportunities for young people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relationships b/w international works and international visitors and local residents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of cultural offerings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mix of cultural offerings</td>
<td></td>
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</tr>
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<td>Mix of cultural offerings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Culture ($sig. = 0.05$)

- *Current policies regarding beach driving in your area*
- *Recreational opportunities for young people*
- *Entertainment opportunities compared to other coastal communities*
- *Relationship b/w international workers/visitors and local residents development and cultural opportunity*
- *Number of cultural offerings*
- *Mix of cultural offerings (art shows, museums, etc.)*

1 .................................................. 4
Not Satisfied Highly Satisfied

$\begin{array}{c|c|c}
\text{Second Home} & \text{Full Time} \\
\hline
p & p & p \cr
.000 & .000 & .000 \cr
.005 & .012 & \\
\end{array}$
Infrastructure ($sig. = 0.05$)

*The management of traffic generated by tourists

$\text{p} = .000$

*The proposal for a new bridge over the Currituck Sound

$\text{p} = .000$

*The proposal for the replacement of the Bonner Bridge

$\text{p} = .015$

*Adequacy and cost-effectiveness of internet technology to attract and support a technologically dependent workforce

$\text{p} = .011$

*The presence of parks, greenways, and bike lanes throughout Dare County

$\text{p} = .016$

*Public transportation within Dare County for seasonal workers, visitors, and residents

$\text{p} = .000$

Access to and from Dare County during tourist season

$\text{p} = .061$

1 .......................... 4
Not Satisfied          Highly Satisfied
1 1.5 2 2.5 3 3.5 4

Second Home          Full Time
Quality of Life (*sig. = 0.05*)

- *Water quality*: $p = .013$
- *Air quality*: $p = .000$
- *Availability of child care*: $p = .030$
- *Quality of healthcare services*: $p = .000$
- *Availability of healthcare facilities*: $p = .000$
- *The amount of affordable housing options*: $p = .000$
- *The range of housing styles, designs, and affordability*: $p = .000$

1 ................. 4
Not Satisfied Highly Satisfied

Second Home Full Time
Sustainability and Future Economic Success Through Tourism
12 Categories of Sustainable Action

- Freshwater consumption reduction
- Wastewater management
- Energy conservation and management
- Ecosystem and biodiversity conservation
- GHG emissions management and reduction
- Social norms and culture preservation
- Solid waste management and reduction
- Land Use planning & management
- Responsible purchasing
- Economic benefits for local and indigenous community
- Air quality protection and noise reduction
- Training and education for employees and clients
To What Extent is it Important to Take Action in the following Areas to Ensure that Dare County Tourism Stays Strong?

- Use of public land for tourism
- Conserving the natural environment
- Being energy efficient
- Managing wastewater
- Reducing consumption of fresh water
- Managing, reducing, and recycling solid waste
- Reducing and managing greenhouse gas emissions

SI+NI Non-Residents
SI+NI Residents
VI+I Non-Residents
VI+I Residents
To What Extent is it Important to Take Action in the following Areas to Ensure that Dare County Tourism Stays Strong?

- Training and educating employees and clients on sustainability practices
- Purchasing from companies with certified green practices
- Providing economic benefits to local communities
- Preserving the culture of local communities
- Reducing noise
- Protecting air quality

SI+NI Non-Residents
SI+NI Residents
VI+I Non-Residents
VI+I Residents
Sustainable Actions – Differences (sig. = 0.05)

*Providing economic benefits to local communities
*Preserving the culture of local communities
*Protecting air quality
*Conserving the natural environment
*Being energy efficient
*Reducing consumption of freshwater
*Managing, reducing, and recycling solid waste
*Use of public land for tourism
*Managing wastewater

1 .......................... 4
Not Very
Important Important

1 1.5 2 2.5 3 3.5 4
Second Home Full Time
Sustainable Actions – Similarities (sig. = 0.05)

Training and educating employees and clients on sustainability practices
-  
Purchasing from companies with certified green practices
-  
Reducing noise
-  
Reducing and managing greenhouse gas emissions
-  

1 ................................. 4
Not Important    Very Important

1  1.5  2  2.5  3  3.5  4
Second Home    Full Time

\( p = 0.331 \)
\( p = 0.653 \)
\( p = 0.411 \)
\( p = 0.364 \)
Highlights of Findings
Findings—Background Information

• Tourism is a significant economic engine for Dare County in direct, indirect and induced spending.

• The presence of second homes in Dare County is significant in both numbers and value.

• A substantial number of current residents intend to remain in Dare County.
Findings—Background Information

- Six percent of second home owner respondents suggest they will move full time to Dare County over the next 3-5 years.

- 82% of residents shop within 15 miles; 9% drive in excess of 60 miles to shop.

- 53% of second home owners use their property 49 days or less.
Findings—Background Information

- 70% of second home owners are 55 years of age or older.
- 40% of second home owners compared to 24% of full-time residents have post-graduate education.
- Second home owners have substantially higher annual household income at all income levels starting at $100,000 than do full-time residents.
- Second home owners were substantially more inclined than full-time residents to be a couple with children no longer in the household.
Findings--Tourism and Community Life

• Second home owners expressed more satisfaction with the amount of non-tourism and tourism commercial development.

• Full time resident property owners expressed less satisfaction regarding tourism and “cleanliness and upkeep of the community” and “crime prevention compared to other resort areas”.

• Second home owners expressed greater satisfaction with the relationship of tourism to the local economy and jobs.

• On the questions “fire and emergency services” and “quality of the local educational system”, full time resident property owners expressed greater satisfaction.
Findings--Tourism and Community Life

• Second home property owners expressed greater satisfaction with:
  – the management of tourist traffic
  – proposals for new bridges
  – adequacy of internet infrastructure to attract and support new businesses
  – presence of parks, greenways, and bike lanes, and
  – public transportation.

• Full time resident property owners expressed less satisfaction with:
  – water quality
  – availability of child care and quality of healthcare services
  – availability of healthcare facilities
  – amount of affordable housing options, and
  – on the range of housing styles, designs and affordability.
Findings--Tourism and Community Life

• Full time resident property owners expressed less satisfaction with:
  – current policies regarding driving on the beach
  – recreational opportunities for young people
  – entertainment opportunities
  – experiences with both foreign workers and visitors, and
  – on the number and mix of cultural offerings.

• Full time resident and second home property owners hold similar views regarding the relationship of tourism to:
  – the amount of residential development
  – property taxes compared to other coastal resort communities
  – availability of full time resident housing
  – educational offerings for adults, and
  – access to and from Dare County during tourist season.
Findings--Sustainable Actions and Future Tourism

• Full time resident and second home property owner’s not only hold similar views but also rank the following items high in importance:
  - training and educating clients and employees
  - purchasing from companies with green certified practices
  - reducing noise, and
  - reducing and managing greenhouse gas emissions.
Findings--Sustainable Actions and Future Tourism

• Of greater importance to full time resident property owners to future economic success are:
  – economic benefits to local communities
  – preserving local culture
  – being energy efficient
  – reducing consumption of freshwater,
  – managing, reducing and recycling waste, and
  – management of waste water.

• Of greater importance to second home owners are:
  – protecting air quality
  – conserving the environment, and
  – how public land is used for tourism.
Community Sense of Place
Factors Affecting Gateway & Resort Communities

- Encouraging Business and Entrepreneurship
- Community Sense of Place
  Balancing Local Economy & Quality of Community Experience for Residents and Visitors
- Adjusting to Changing Community Demographics
- Housing Stock and Related Housing Issues
- Understanding Wealth, Economic Drivers, and Base Industries
- Ability to Seek Clarity & Agreement on Issues Leading to Effective Planning
- Workforce Issues – Recruitment, Retention, Compensation & Housing
- Environmental Stewardship – Water, Climate, Energy & Land
- Access and Transportation

East Carolina University
Center for Sustainable Tourism
“We need to develop what I call an ethic of place. It is premised on a sense of place, the recognition that our species thrives on the subtle, intangible, but soul-deep mix of landscape, smells, sounds, history, neighbors, and friends that constitute a place, a homeland. An ethic of place respects equally the people of a region and the land, animals, vegetation, water, and air. It recognizes that residents* revere their physical surroundings and that they need and deserve a stable, productive economy that is accessible to those with modest incomes. An ethic of place ought to be a shared community value and ought to manifest itself in a dogged determination to treat the environment and its people as equals, to recognize both as sacred, and to insure that all members of the community not only search for, but insist upon, solutions that fulfill that ethic.”

Charles Wilkinson, PhD

* original word was “westerners”.

Beyond The Mythic West (p. 75)