

The Economics of Heritage

Donovan Rypkema, Heritage Strategies International

Heritage has multiple values – cultural, educational, aesthetic, environmental, social, symbolic, political, historical, and others. In the long run, all of those values are probably more important than the economic value. But as the great British economist John Maynard Keynes once said, “In the long run, we’re all dead.” The reality is that many of those who are in a position to influence what happens to our built heritage – property owners, government officials, bankers, developers, investors, and others – *do* consider short term consequences and are, legitimately, concerned with economic ramifications. This is true not just in fully market-based economies like Japan and South Korea, but also in emerging market economies like India and quasi-market economies like China and Vietnam. So throughout Asia advocates of heritage conservation in general, and mayors of heritage cities in specific, are going to have to be well versed in the language, the tools, and the measurements of the economics of heritage.

The built heritage is at greatest risk in two situations: 1) when there is no money; and 2) when there is a lot of money. As can be seen in Table 1 below, both situations all too often end with the loss of heritage resources themselves or with the loss of the essential character, quality, and authenticity of the remaining resources.

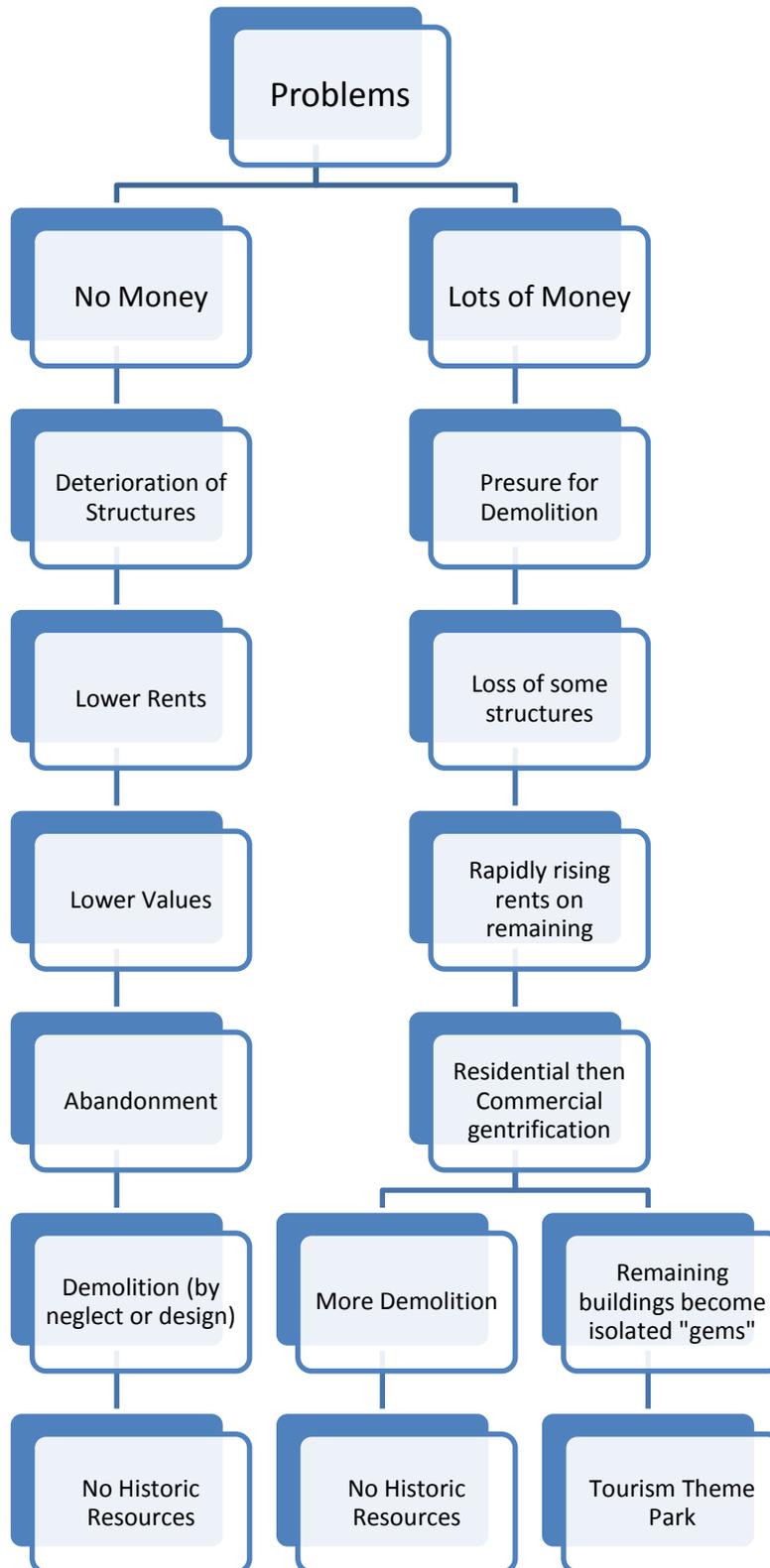
When there is no money the first budget item that is cut (whether the heritage property is in the hands of the public or private sectors) is maintenance. The trouble with deferring maintenance is that it geometrically increases the cost of ultimate rehabilitation. And that high cost often puts the ultimate rehabilitation in the “not feasible” category for either the private or public sectors.

The most immediate consequences of lack of maintenance are falling rents and increasing vacancies (or occupancy by non-rent paying occupants). Lower rents and increasing vacancy translate to lower property values. When values fall to a certain level properties will simply be abandoned. Abandoned properties mean no tax revenues for local government, ineligibility for loans secured by the property, and an adverse effect on the value of nearby buildings. Abandoned properties often add to the complications of title and ownership, further reducing the interest of a potential new owner to acquire, rehabilitate and reuse the structure. Furthermore, abandoned properties often pose a public safety threat through building collapse, fire, crime, and public health issues.

So faced with a problem property seen as a public nuisance without economic value, the property is ultimately demolished, often simply by neglect, losing architectural and structural integrity until nothing is salvageable. In other cases the city, another agency, or the owner has the building demolished, reducing holding costs, potential liability, and risk. In either case the city is left with one less heritage building.

In other Asian cities (as well as cities around the globe) the opposite situation exists. Because of growing wealth domestically and/or foreign direct investment, cities are the magnets for major investment dollars. Frequently this comes from the private sector, but also from growing institutions such as

Table 1



universities and hospitals.

Arguing for greater density, “modern” buildings, getting rid of “eyesores” or to capture rapidly rising land values, there is a push for the demolition of historic structures which are usually relatively low scale buildings. The arguments for demolition are often accepted by public officials who see increased tax revenues from the new buildings and their users and demolition requests are approved.

This cycle often begins with the demolition of less important heritage buildings (“it’s just old, not historic, so it’s disposable”) but that creates pressure for more demolition up the chain of quality and historic significance.

Because it is impossible to build new and rent cheap, this demolish and build new pattern will result in rapidly rising rents. The tenants of the older building are almost never the tenants of the new building; they simply cannot afford the rent there. Residential gentrification will occur first, since most residential tenants won’t immediately receive income growth that would allow them to pay the higher rents. Commercial gentrification follows, as the increase in business activity is unlikely to keep up with the increase in rent. Further, the shifting nature of who the heritage area customer is means that a business’s traditional market base has disappeared.

Demolition begets more demolition and now more significant heritage resources are in jeopardy. It is very difficult to economically justify maintaining a two or three story building when the structure across the street is twelve stories. Those heritage buildings that manage to avoid being razed become isolated “gems” having lost their historic context and the traditional urban touchstones of scale, materials, massing, setback, fenestration patterns, etc., virtually disappear.

So the end of this cycle is the loss of many historic buildings and all too often a Disneyland-like simulacrum of a heritage city.

These two alternatives stemming from no money or lots of money can actually exist simultaneously in the same city. Interestingly enough, a recent paper on threats to World Heritage Cities¹ identified the top two threats as “new development” and “lack of, flawed or damaging maintenance”.

So are these two choices – loss of heritage buildings or a heritage theme park – unavoidable outcomes? Of course not. But a strategy of freezing everything in place and turning the city into a museum is also not a viable strategy. In fact, central to the concept of the Historic Urban Landscape is the reality that cities are living, evolving entities, and that change is not only inevitable but necessary for a city to survive. So the issue in heritage cities is to manage that change in such a way that the essential quality and character of the city remains.

Regardless of political or economic system, the avoidance of those two undesirable outcomes means there must be intervention on the part of government so that an alternative path can be taken. And who is in the best position to steer the city to this heritage sensitive alternative path? The mayor. One of the longest serving mayors in the United States is Joe Riley, mayor of Charleston, South Carolina, one of the

¹ “Revealing the Level of Tension between Cultural Heritage and Development in World Heritage Cities” in *Measuring Heritage Conservation Performance*, CECI & ICCROM (2012)

most historic cities in America. Charleston fully utilizes its historic fabric as the central component of its economic development strategy. Mayor Riley puts it this way:

Mayors have the opportunity to be the lead designers of their cities. They have significant influence on what will go where, what buildings will be torn down or preserved, when and where parks will be built, how residential and commercial neighborhoods are to be restored, and so much more. Attentive mayors will even involve themselves in the smallest details of these decisions to make sure they are just right. With each engagement, they change the composition of the city—and the experience of the citizen.²

But if a mayor is going to change the composition of the city and the experience of the citizen in the context of a heritage city while simultaneously optimizing the economic opportunity those heritage resources represent, he or she will have to adopt seven strategies:

1. Move beyond the “monument”
2. Move beyond tourism
3. Give priority to heritage buildings as part of everyday life for local citizens
4. Embrace the concept of adaptive reuse
5. Recognize multiple ownership/occupancy combinations
6. Enact regulations and incentives that preserve character but encourage private investment
7. Demonstrate on an ongoing basis the economic impact of heritage

Move beyond the “monument”

Monuments are certainly important and have long been given priority by the world community.

In the 1964 Charter of Venice, the founding document of modern international conservation, the focus is almost exclusively on the monument and its restoration.³

But in the last two decades the worldwide heritage conservation movement has moved past being concerned exclusively with monuments. The Historic Urban Landscape approach recognizes secondary heritage buildings, intangible heritage, and the physical context around the monuments as equally important.

From an economic perspective it may be the monument that draws visitors to a given location. But it is the other historic buildings and the heritage context that extends the visitors’ stay and captures their money. In fact many of the economic measurables discussed below (property values, center city revitalization, jobs, et al) have only a tangential relationship to monuments. If the sole focus is the monument than the sole economic contribution of heritage is tourism.

² *The Art of Being a Mayor*, Joseph P. Riley, 2011, <http://www.archfoundation.org/2011/10/the-art-of-being-a-mayor/>

³ *The Historic Urban Landscape: Managing Heritage in an Urban Century*, (2012), p 72.

Move beyond tourism

For too long when “economic development” and “heritage conservation” were used in the same sentence, the default response has been “Oh, you must mean heritage tourism.” There is no question that heritage tourism is important. It is one of the fastest growing segments of the fast growing international tourism industry. Study after study has demonstrated that heritage tourists: 1) stay longer; 2) visit more places; and 3) spend more money per day. This results in a sizably larger per visit expenditure than most other types of tourism. World Heritage Cities are the recipients (for good or for bad) of much of the world’s heritage tourism. Some studies have shown that simply being listed as a World Heritage City dramatically increases annual visitation.

But tourism is a very volatile industry, and many cities with historic resources are looking at the other ways that their built heritage can contribute to a healthy local economy. In most cases this does not represent an abandonment of a heritage tourism strategy, but rather the recognition of the principle, “If you do it for the locals, the tourist will come; if you do it for the tourist, only the tourists will come.

Give priority to heritage buildings as part of the everyday life for local citizens

Once there is recognition that there is more to the built heritage than just monuments, and that the priority should be local citizens rather than tourists, an entire range of opportunities emerge. On the public side, every time a need is identified for a building for public use, the question should be, “Can we house that use in a heritage building?” Sometimes, of course, the answer will be “no”. But heritage buildings should be considered first when there is a need for a new school, additional offices for public administrators, a library, public meeting space, social housing, and the whole spectrum of public uses for which buildings are required. As is discussed below, this approach doesn’t need to be limited to public uses in buildings currently publically owned. Structures owned by the private sector, by NGOs or institutions or through a public-private partnership can also be used to house public sector activities.

Further this is a way to make multiple uses of what are always scarce public resources. Let us assume that from a policy perspective city government has decided: 1) we need to educate our children; 2) we want to use and maintain our historic buildings; and 3) we are committed to center city revitalization. By making one decision – rehabilitating a heritage building in the city’s core as a school – all three public goals are met with a single expenditure.

Ultimately the best strategy for maintaining heritage buildings is to keep them in active use. Therefore a priority should be established to use vacant and underutilized heritage buildings for offices, affordable housing, luxury housing, education, shops, hotels, religious functions, and the entire gamut of uses found in a modern city. One of the underappreciated strengths of most heritage buildings is their extraordinary adaptability for new uses. Identify the most cutting edge economic activities in the 21st century and there is an example of that activity being conducted in a heritage building.

Embrace the concept of adaptive reuse

But putting a priority on actively using heritage buildings requires a commitment to adaptive reuse. No heritage advocate believes that the Taj Mahal should become a luxury hotel or that Angkor Wat be converted to condominiums. Those monuments should be protected and to a degree isolated so as to maintain as much as possible their character and authenticity. But when we begin to think “beyond the monument” to the context buildings which make up the historic urban landscape, then to optimize the economic potential adaptive reuse needs to be a priority option.

In real estate economics there is the concept of “functional obsolescence”. Functional obsolescence most often occurs when the use for which a building was built no longer exists, or no longer exists in that form. For example in Europe and North America, manufacturing still takes place, but not in four and five story industrial buildings. Today manufacturing structures are one story horizontal operations that respond to mechanized mass production. The 18th and 19th century industrial warehouses, for example, meet the “functionally obsolete” definition because while the use still exists, it does not exist in that physical form. Therefore many have been adaptively reused as residential units, office complexes, and shopping centers.

Likewise in the Middle East there is still need for hotels, but the model of the caravansary is not what most travelers look for.

So what are our choices for these functionally obsolete buildings? We have six alternatives: 1) do nothing; 2) tear the building down; 3) reinsert the old use; 4) convert the building to a museum; 5) manage as a ruin; or 6) adaptively reuse the building.

There are, of course, some instances where both the museum and the ruins strategy are appropriate. But in many places the supply of museums is already ample, and maintaining as a ruin is an approach that is hardly the ideal for most historic buildings in the center of active cities.

Which leaves adaptive reuse. Functional obsolescence is a result of loss of a building’s utility; adaptive reuse is the insertion of a new utility into an existing building. It is not a strategy appropriate for every historic building, but given the alternatives, it is a strategy appropriate for many of them. Further, adaptive reuse is at the core of a sustainable development approach incorporating economic, environmental and social responsibility.

Recognize multiple ownership/occupancy combinations

Often policy makers have too narrow a perspective on the combinations of ownership and occupancy that are available. It is, “we own this building and will use it for public purposes and the private sector owns that building and they will use it for their own use.” To optimize the use of heritage buildings it is necessary to expand that perspective, recognizing that there are three sectors that might occupy the buildings – public, NGO/institutional, and private – and that there are four potential ownership entities – public, NGO/institutional, private and public-private partnership. Within this framework instead of being only two possibilities (public owns/public uses and private owns/private uses) there are actually twelve alternatives.

Table 2

		Occupancy		
		Public	NGO/Institutional	Private
Ownership	Public	X	X	X
	NGO/Institutional	X	X	X
	Private	X	X	X
	Public-Private Partnership	X	X	X

Considered in this light a range of creative approaches can be used. The table below gives some examples.

Table 3

		Occupancy		
		Public	NGO/Institutional	Private
Ownership	Public	City restores and occupies historic City Hall	City owns historic school building now used by university	City leases former palace for boutique hotel
	NGO/Institutional	Mosque leases auxiliary building to city for use as a neighborhood clinic	Hindu congregation continues to use historic structure for religious purposes	Local NGO rents historic house for a small restaurant
	Private	Owner restores historic theater to rent to city for public meeting space	Investor leases historic building to hospital related medical laboratory	Law firm acquires, restores and occupies historic building
	Public-Private Partnership	PPP redevelops historic property owned by city to rent as provincial government offices	PPP restores and rents city owned railway station to Tourism NGO	Local government joins PPP in redeveloping historic building for business incubator space

Enact regulations and incentives that preserve character but encourage private investment

When all heritage buildings are owned by the public sector neither regulations nor incentives are necessary, just a public policy that says heritage is to be appropriately maintained. When there is private ownership of buildings, but not a functioning market-based economic system, regulations alone may be

sufficient. “If you own a heritage building you must do this and cannot do that”. Assuming those regulations are effective no incentives are required.

But when today throughout Asia the vast majority of countries: a) have private ownership of some if not most heritage buildings; 2) have functioning market or quasi-market economies; and 3) where individuals have wide discretion on where their money is spent (consumer sovereignty in economics terms) then some combination of regulations and incentives is necessary.

Why won't incentives alone be sufficient? There are a number of reasons.

1. There is simply a difference in perspective between the public and private sectors. This does not mean one is right and the other is wrong; they simply view the heritage asset from a different viewpoint. The public sector has (or should have) a long-term time perspective and a sense of the responsibilities of stewardship; the private sector has a shorter-term perspective and stresses the rights of ownership.
2. In a heritage district without regulations it is often in the economic interest of the individual property owner to take advantage of the view and the context of the heritage context but avoid the constraints of height, setbacks, pedestrian orientation and other urban quality characteristics. So a tenant within the out-of-scale building gets to look out on a heritage neighborhood while tenants in the rest of the buildings have the skyscraper to gaze upon. These are known as parasite buildings, taking from but not giving to the historic context within which they are located. The most egregious example of this internationally was the proposal by Gazprom to build dramatically out of scale buildings overlooking the wonderful historic city of St. Petersburg, Russia.
3. In a system of only incentives the most free-market, ideological capitalist begins to see incentives as an entitlement and leaves Adam Smith behind in favor of state supported subsidies as long as they are limited to his type of economic activity.
4. There is the old adage that the three most important variables in real estate are location, location, location. But this saying has basis in economic reality. Unlike other forms of investment, real estate gets its economic value, not primarily from what is within a given property owner's lot lines, but from the context within which the individual property exists. The economic purpose of land use regulations in general and controls within heritage districts in particular is the protection of the context within which individual properties are located...protecting the values that come from that particular location, location, location.

So both regulations and incentives are important. But valuable lessons have been learned about when each is most effective. Regulations work best when:

- There are clear, written and illustrated guidelines that can be understood by the property owner, not just the architect or heritage expert.
- There is technical support at city hall or within the heritage agency that works with the property owner on complying with the regulations in how to address specific problems with the building.
- There is staff assistance in preparing the application for changes, alterations, additions, or other building issues that need approval from public officials.

- There is both transparency and consistency in the decisions rendered by the body charged with approvals regarding heritage buildings. This builds property owner confidence in the fundamental fairness of the process, but also assists the property owner and experts (architects, planners, conservators) in understanding the expectations of the regulatory body.
- Having a law on the books and regulations in place is insufficient for the long term protection of heritage buildings and areas. There needs to be ongoing educational outreach so that the stakeholders understand both the expectations and the benefits from heritage regulation. This outreach should include property owners, financial institutions, architects and other design professional, real estate agents, developers, and business owners.
- Finally there needs to be vigilant enforcement of the existing regulations. Weak enforcement leads to further disregard for the ordinance. Because of the “location, location, location” principle, if the adjacent property owner is ignoring regulations there is no motivation for the nearby owner to comply with the rules.

Likewise incentives for heritage conservation have now been used in enough different countries where some general principles can be identified on when they are most effective.

- As discussed above, incentives are most effective when they are paired with appropriate regulations.
- Incentives need to be clearly communicated and actively marketed. It is insufficient to simply establish the incentive. Potential users of the incentives and their advisors (architects, contractors, planners, conservators, real estate agents, etc.) must be informed about what the incentive is, how it is used, what the requirements are to receive the incentive, and where to go to apply.
- The best incentives are simple to understand and simple to use. In advanced economies there are certainly effective incentives that do not meet this test. But the primary beneficiaries of these excessively complex incentives are not the end user of the incentive or the general public, but the specialists in law, taxation, accounting and consulting who for large fees undertake learning the esoteric rules and regulations to secure the incentive for their clients.
- Good incentives are not ad hoc project-by-project inventions, but rather a specific, consistent form of intervention to advance a specific public policy objective. If, for example, there is a public policy objective to attract private capital to appropriately invest in heritage buildings, then incentives should be devised that accomplishes that specific objective.
- To maintain ongoing public and political support for heritage incentives (particularly in democratic political systems) then the incentives themselves need to be depoliticized. To have the recipients of the incentives come from one political party or be the relatives of a particular elected official will quickly erode public support for the incentive in particular but potentially for the concept of heritage conservation in general.
- Incentives work best when there is an effective and efficient tax collection system. Since most incentives are tax based (credit against income tax, waiver of sales tax, reduction of property tax, etc.) there needs to be a high expectation on the part of the potential incentive user that without the incentive he/she would otherwise have a greater tax liability. In political and

economic systems where the rate of tax collection is low, the effectiveness of incentives is nominal at best.

Table 4

Regulations and Incentives	
Regulations work best when	Incentives work best when
Clear, written and illustrated guidelines	Paired with appropriate regulations
Technical support	Clearly communicated & actively marketed
Accessible staff for assistance	Simple in implementation
Consistent and transparent decisions	Within an overall public policy objective
Ongoing educational outreach	Depoliticized
Vigilant enforcement	Effective tax collection system

Demonstrate on an ongoing basis the economic impact of heritage

Finally, if a city’s built heritage is going to be a central component of its economic development strategy, then the economic impacts of heritage need to be measured on an ongoing basis and the results of those measurements communicated to elected officials, economic development advocates, heritage professionals, affected business and property owners, and the public at large.

What should be measured, and how is it measured? While a number of impacts have been evaluated, the major economic components of the impact of heritage conservation are:

1. Jobs and household income from the construction process
2. Positive impact of heritage designation on property values
3. Heritage-based center city revitalization efforts
4. Heritage tourism

This paper is not long enough to explain in detail how each of these can be measured or to discuss in depth recent findings of heritage impact studies in each of these areas. A brief explanation, however, of each of the four is included below with a citation of a recent study for further reference.

Jobs and Household Income. The rehabilitation of historic structures is one of the most powerful of all economic activities in terms of the numbers of jobs it creates and the amount of personal income generated per amount of output. In economic analysis these impacts (jobs and income) are measured based on dollars (or yen or euros or rupees) of “output”. Virtually every economic activity can be measured in this way. In the US, for example, one could compare the number of jobs and the amount of household income (payment to workers) among a million dollars’ worth of hamburgers sold, a million dollars of automobiles manufactured, a million dollars of coal mined and a million dollars of new building construction. In all some 530 separate categories of economic activity can be compared on this jobs and income basis. In many advanced economies there will already exist econometric models that can be used for this type of measurement. Where no existing models are available a rough calculation of jobs and income can be assembled by analyzing construction bids on existing heritage restoration projects.

Of all the categories of economic activity, the rehabilitation of heritage buildings will have among the greatest positive impact on the local economy. This is because: 1) rehabilitation is very labor intensive so most of the expenditure goes for paychecks rather than materials; 2) in many parts of the world building craftsmen are reasonably well paid, particularly as compared to other occupations that don't require formal advanced education; and 3) while in a globalized world the goods that are purchased might come from across the continent or across the ocean, the labor is purchased from across the street. When a furnace, for example, is purchased and installed, the furnace doesn't spend any more money. But the tradesman who installed the furnace subsequently spends his paycheck in the local community buying bread, a haircut, and paying his rent. This recirculation of labor dollars is what magnifies the local economic impact.

A recent study in the US state of Connecticut revealed the following:

Table 5

Impact per \$1,000,000 of Output						
	Historic Rehabilitation	New Construction	Steel Manufacturing	Computer Manufacturing	Medical Manufacturing	
Direct Jobs	9.3	6.7	1.4	0.9	1.4	
Indirect Jobs	5.1	5.2	3.1	2.2	3.5	
Total Jobs	14.4	11.9	4.5	3.1	4.9	
Direct Salary & Wages	\$542,929	\$418,441	\$119,924	\$68,128	\$296,006	
Indirect Salary & Wages	\$288,917	\$308,128	\$203,109	\$171,257	\$237,497	
Total Salary & Wages	\$831,896	\$726,659	\$323,033	\$239,385	\$533,503	

The full study can be found at: http://www.ct.gov/cct/lib/cct/Economic_Impact_Study_%28Final_6-2011%29.pdf

Heritage and Property Values. Studies in both Europe and North America have generally found a positive impact on property values when the buildings are within a heritage district. This is true in spite of the fact (or probably because of the fact) that these heritage buildings are subject to rules and regulations with which other buildings in the same city do not have to comply.

Most of the studies have measured either the values of the properties themselves, as compared with similar properties not in designated districts, or the difference in rates of appreciation of properties inside and outside historic districts. Studies in Canada and the US conducted subsequent to the most recent real estate collapse have discovered that properties in historic districts were more stable and suffered less downward price movement than non-designated properties in the same cities. At least two

studies have shown rates of foreclosure of properties within heritage precincts at half the rate of the rest of the city.

The most recent property values study was done for English Heritage by the London School of Economics and looked at nearly a million transactions between 1995 and 2010. The study found:

Houses in conservation areas sell for a premium of 23% on average. A premium of around 9% exists even after adjusting for other factors that affect house prices such as location and type of property. On average, property prices inside conservation areas have grown at a rate that exceeded comparable properties elsewhere by 0.2% a year.

That study can be found at: <http://www.english-heritage.org.uk/content/imported-docs/assessment-ca-value.pdf>

Heritage-based center city revitalization efforts. Since the early 1980s the US National Trust for Historic Preservation has had a program called *Main Street*. *Main Street* is a strategy of center city revitalization within the context of historic buildings. It has become, by far, the most cost effective form of economic development of any kind in the United States. Over the past 30 years, *Main Street* communities have reported:

- \$45 Billion invested in physical Improvements
- 83,000 net new Businesses
- 370,000 net new Jobs
- 199,000 building rehabilitation & construction projects
- Cost per job created – \$2,394
- Leverage of public funds – \$26.67 to \$1.00

In 2010 the Inter-American Development Bank commissioned studies of 10 World Heritage Cities that have had heritage-based center city revitalization programs. While the cities varied widely in terms of their size, location, economic health of the country and economic and political systems, nearly all evidenced:

- Increases in private investment
- New middle class residents
- Increasing property values
- More businesses
- Higher tax generation
- Better property maintenance
- Lower vacancy

Those case studies can be found at:

<http://www.iadb.org/publications/search.cfm?query=&filter=country%3D%3DUnited%20States--US&lang=en>

Heritage Tourism. The most widely measured component of the economic impact of heritage is, of course, tourism. Most national tourism ministries do at least some degree of analysis of who visitors are, where they come from, how long they stay, what they do during their visit and how much they spend.

Tourism research is conducted or sponsored by industry groups such as the UN World Tourism Organization (<http://www2.unwto.org/>) but is also a frequent subject of Masters' Degree theses and Doctoral dissertations. Both categories of research can be helpful in developing methodologies for local analysis.

A 2010 study commissioned by the UK Heritage Lottery Fund, for example, found the following:

- The contribution of heritage tourism to the UK GDP is £4.3 billion, which is larger than the value added of the textile industry and wood products manufacturing and only slightly less than the motor vehicle manufacturing industry.
- There are 102.6 million heritage visitors whose expenditure of £7.2 billion results in 113,000 jobs.
- When indirect jobs are included the total heritage tourism based employment is 270,000.

The complete study can be accessed at <http://www.oef.com/SAMPLES/HERITAGEREPORT010210.PDF>

A complication of numbers of visitors and total expenditures for several locations worldwide can be found at:

<http://globalheritagefund.org/images/uploads/docs/GHFVanishingValueofHeritageDatabase102010.pdf>

Conclusions

For too long too many places have taken the position, "Either we have heritage conservation or we have economic development". That is absolutely a false choice. World heritage cities and other places with strong heritage resources have learned that instead local economic development can come *through* the effective use of the historic built environment.

Heritage tourism is certainly a major contributor to the economic benefits stemming from heritage conservation, but it is hardly the only one. Jobs, household income, center city revitalization, and property values are also demonstrably positive economic contributors of heritage.

Mayors are in the best position to situate their city's heritage at the center of the local economic development strategy. But to do so they need to adopt basic principles, including:

- Move beyond the monument
- Move beyond tourism
- Give priority to heritage buildings as part of everyday life for local citizens
- Embrace the concept of adaptive reuse
- Recognize multiple ownership/occupancy combinations
- Enact regulations and incentives that preserve character but encourage private investment
- Demonstrate on an ongoing basis the economic impact of heritage

Using those principles mayors can see their cities prosper while at the same time saving for future generations the built heritage of which the mayor is the ultimate steward.

Recommended Additional Reading

Economics and Built Heritage: Towards New European Initiatives

<http://lib.tkk.fi/Reports/2008/isbn9789512293971.pdf>

Measuring Heritage Conservation Performance

http://www.iccrom.org/pdf/ICCROM_19_Measuring-Heritage-Performance00_en.pdf

“Heritage conservation as a driving force for development” and “Economics and the built cultural heritage” in *Heritage and Beyond*, Council of Europe

http://www.coe.int/t/dg4/cultureheritage/heritage/identities/PatrimoineBD_en.pdf

Integrating Aims: Built Heritage in Social and Economic Development

<http://lib.tkk.fi/Reports/2010/isbn9789526032849.pdf>

Measuring Economic Impacts of Historic Preservation

<http://www.achp.gov/docs/economic-impacts-of-historic-preservation-study.pdf>

Proceedings, World Congress of the Organization of World Heritage Cities 2007, Heritage and Economics

http://www.getty.edu/conservation/publications_resources/pdf_publications/kazan_eng.pdf

Revitalization of Historic Inner-Cities in Asia, Asian Development Bank

<http://www.adb.org/sites/default/files/pub/2008/Revitalization-Inner-City.pdf>

The Sustainability of the Rehabilitation of Urban Heritage: Literature Review

<http://www.hs-intl.com/pdf/IADBlitreviewHSIntl.pdf>