

**Contrato de Consultoria**  
**PROJETO UNESCO 914 BRZ 4021**  
Projeto de Cooperação Técnica Internacional  
**Instrumentos e estratégias para o desenvolvimento sustentável**  
**do Centro Antigo de Salvador**

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**PRODUTO 2**  
**AGOSTO 2018**

## PRODUTO 2

Conforme previsão contratual, o Produto 2 deve conter subsídios para a agenda de **Capacitação e Difusão** associada às ações e aos objetivos do Projeto, contemplando:

- I. Identificação e descrição de **experiências nacionais e internacionais relevantes para o CAS** no que tange à participação social, gestão compartilhada e à sustentabilidade do patrimônio.
- II. Projeto de **Seminários** para compartilhamento de estudos e experiências, tanto acerca de outros sítios protegidos, quanto sobre os desenvolvidos no âmbito do Projeto.
- III. Projeto de linha editorial com perfil de "**Cadernos Temáticos**" para a difusão de estudos, documentos, metodologias, diagnósticos e planos setoriais desenvolvidos ou identificados, contendo descrição dos conteúdos a serem abordados, dos requisitos técnicos, formato, periodicidade e sugestão de autoria.

## **I - Experiências nacionais e internacionais relevantes para o CAS no que tange à participação social, gestão compartilhada e à sustentabilidade do patrimônio.**

*Participação social, gestão compartilhada e sustentabilidade* são temas relacionados e interdependentes, os quais serão aqui organizados em dois grupos, segundo as principais ênfases das experiências selecionadas, a saber:

- I.1 – Marcos legais e gestão compartilhada da preservação
- I.2 - Mecanismos de financiamento e sustentabilidade

### **I.1 - Marcos legais e gestão compartilhada da preservação**

#### **No Brasil**

São por demais conhecidas as particularidades do marco legal da preservação do patrimônio no Brasil, que tem como pilares o Decreto Lei 25 de 1937 e a Constituição Federal de 1988.

O DL 25/37, que sobrevive a mais de oitenta anos e três Constituições Federais, conceitua o patrimônio nacional, institui a figura do Tombamento e respectivos ritos para nomeação de bens, aponta o ente federal - atual IPHAN - como executor dos atos de tombamento e posterior fiscalizador da coisa tombada e trata dos efeitos do tombamento sobre a propriedade. Menciona, em seu artigo 23, a possibilidade de cooperação com Estados, visando à proteção dos bens e à uniformização da legislação estadual sobre o tema. Passados 50 anos da edição do DL 25, a Constituição de 1988 deu lugar a um conceito mais atual e mais amplo de patrimônio, sem, no entanto, revogar o Decreto. No que se refere ao compartilhamento da gestão, o Patrimônio figura na CF 1988 como “competência concorrente” da União, Estados, Municípios e comunidade.

No caso brasileiro, o tratamento dado ao conceito de competência concorrente raras vezes significou cooperação e efetivo compartilhamento de obrigações entre os entes. Durante as décadas de 1970/80 observa-se a maior parte das iniciativas de criação de órgãos estaduais de preservação e, pós 1988, a maioria das iniciativas de instituição de políticas e estruturas municipais com esse objetivo. Tais órgãos caracterizam-se por conceber e implementar uma agenda própria, que adequadamente amplia a listagem de bens protegidos incluindo aqueles de representatividade regional ou local, mas não raras vezes faz coincidir ou superpor atos de tombamento sobre bens já protegidos pelos demais entes. Planos diretores e leis de uso e ocupação do solo, de atribuição exclusiva dos municípios, que deveriam ser instrumentos de harmonização e reforço à proteção do patrimônio, são, frequentemente, foco de indefinições, ou até mesmo conflitos e tensões.

Ainda que partindo de instrumentos legais considerados de grande pertinência e inteligência jurídica, o fato é que no Brasil nunca se experimentou, a não ser episódica e pontualmente, a gestão compartilhada e o funcionamento de uma estrutura sistêmica de gestão e proteção do patrimônio.

#### **No ambiente internacional**

Como principais fontes de informação, por reunirem a legislação que trata da proteção do patrimônio e dos mecanismos de gestão de um grande número de países, destacam-se

### UNESCO Database of National Cultural Heritage Laws

Foi lançada em 2005 e permite fácil acesso às leis de patrimônio cultural atualmente em vigor, bem como uma rápida consulta a outras regras e regulamentos culturais nacionais relevantes.

2756 leis de 188 Estados-Membros estão publicadas no site da base de dados, que permite pesquisar:

- Legislação nacional para a proteção do patrimônio cultural em geral;
- Certificados para exportação e/ou importação de bens culturais (a pedido);
- Traduções, oficiais ou não, de leis e certificados nacionais;
- Referências de autoridades nacionais competentes no campo do patrimônio cultural;
- Endereços dos sites nacionais oficiais dedicados à proteção do patrimônio cultural.

### Base de dados da legislação de arte e patrimônio da União Europeia

<https://www.eui.eu/Projects/InternationalArtHeritageLaw>

Fornece o levantamento da legislação nacional vigente para a proteção do patrimônio cultural nos 27 estados membros da União Europeia e sua participação em instrumentos internacionais (UNESCO e UNIDROIT) e regionais (UE e Conselho da Europa).

Contém links para os textos completos de tratados, disposições constitucionais e leis que abrangem o patrimônio cultural móvel e imaterial, tangível e intangível e a proteção das línguas.

A legislação de patrimônio dos países europeus, muitos deles referência para o caso brasileiro, vem passando por atualizações, em grande parte motivadas pelos compromissos resultantes da União Europeia. Em todos os casos, a legislação é mais atual que a brasileira, até mesmo no caso da França, cuja Lei de Monumentos Históricos de 1913 passa por permanente atualização, consolidada até 2018. Itália e Portugal são exemplos de novas leis aprovadas recentemente, em 2004 e 2009 respectivamente, e a legislação espanhola, também recente, data de 1985.

As normas mais atuais têm como característica comum sua maior abrangência, incluindo todo o espectro da preservação, inclusive a compatibilização com as convenções internacionais. Na maioria dos casos, os entes análogos aos do nosso sistema federativo - *união, estado e município* - têm atribuições e competências na preservação, mas prevalece clara submissão das regiões e municípios à norma nacional, prevendo-se, inclusive, a incorporação dos preceitos da preservação às diretrizes urbanísticas.

Observa-se maior centralização de decisões e autorizações em países como Portugal e França e maior tendência à descentralização na Espanha, Itália e Holanda. No caso de Portugal, há proibição expressa de superposição da proteção (o equivalente ao tombamento) em nível local sobre bens onde já exista proteção nacional. A França mantém presença da *união* nas localidades por meio do sistema de autorizações de intervenções, a cargo dos Architectes des Bâtiments de France (ABF), dos Architectes Urbanistes de l'État (AUE) e dos Architectes en Chef des Monuments Historiques (ACMH)

No caso da Espanha, a possibilidade de descentralização é lastreada pela obrigatoriedade de elaboração de Planos nacionais, regionais e urbanos pactuados. São os chamados *Planes Nacionales del Patrimonio Cultural*, concebidos como instrumentos de gestão do patrimônio, que definem uma metodologia de ação e programam as intervenções, a fim de coordenar a atuação dos vários órgãos da Administração incidentes sobre bens culturais considerados complexos. Esses planos tiveram origem na segunda metade da



década de 1980, quando os poderes sobre o patrimônio foram transferidos para as Comunidades Autônomas e aprovou-se a nova Lei do Patrimônio Histórico, hoje vigente (Lei 16/1985).

Os Planos Nacionais de Conservação são uma síntese de duas figuras previstas em lei: os Planos Nacionais de Informação previstos na Lei do Patrimônio Histórico, competência do Conselho do Patrimônio, e os Planos de Conservação e Restauração previstos no Decreto de criação do atual Instituto do Patrimônio Cultural da Espanha.

Na América do Sul, a Colômbia dispõe de instrumento análogo – o PEMP – Plan Especial de Manejo y Protección, instrumento de planejamento e gestão para a proteção e conservação dos bens imóveis declarados ou destinados a serem declarados como patrimônio nacional. Os PEMPs determinam:

- As condições para a articulação do bem cultural com seu contexto físico e ambiente sociocultural, partindo do princípio de que é necessário conservar seus valores, mitigar seus riscos e aproveitar suas potencialidades.
- Ações preventivas e/ou corretivas para sua conservação.
- As condições para sua manutenção e conservação.
- Os mecanismos para sua recuperação e sustentabilidade.
- As estratégias para promover o conhecimento e a apropriação social do bem cultural pela comunidade.

## **I.2 - Mecanismos de financiamento e sustentabilidade**

### **No Brasil**

A participação privada no financiamento da preservação do patrimônio no Brasil é excessivamente limitada. O poder público concentra todas as iniciativas e mesmo quando ocorre a participação privada, essa se dá majoritariamente por meio das leis de incentivo à cultura que, no caso da lei federal, beneficia os projetos de preservação do patrimônio com 100% de renúncia fiscal. Vale dizer que, nesse caso, não há qualquer aporte privado, mas a simples transferência de recursos que deveriam ser pagos sob a forma de impostos para aplicação em trabalhos de conservação do patrimônio.

Se não há no país uma cultura de investimento privado na proteção do patrimônio, as leis de incentivo existentes contribuem para postergar ainda mais a criação dessa cultura, ou seja, “o uso do cachimbo faz a boca torta”. Por que uma empresa doadora, que não tem como missão precípua proteger o patrimônio, iria envolver-se na concepção ou zelar pela qualidade dos projetos de preservação se é possível receber de volta todos os recursos aplicados e ainda ter ganhos de imagem, de forma quase independente do projeto cultural ter tido ou não bons resultados?

Se o aporte de recursos novos, não públicos, não é o forte das leis de incentivo, resta como contribuição dessas leis à política cultural o fato de possibilitarem maior descentralização das iniciativas e, quase sempre, maior eficiência na gestão de recursos. No entanto, enquanto política de estímulo ao financiamento privado ao patrimônio, pode-se afirmar que este instrumento é praticamente nulo e que não há outros com que se possa contar no país.

Outro aspecto a considerar, tão ou mais relevante, é que a renúncia fiscal pura e simples inibe a concepção de projetos de preservação associados a ações de desenvolvimento e reabilitação, ou seja, projetos em que a participação privada seja motivada, não pela renúncia fiscal, mas visando à recuperação do capital investido.

### **A Transferência do Direito de Construir**

Algumas cidades brasileiras têm utilizado com bons resultados o mecanismo da **Transferência do Direito de Construir** como estímulo à conservação de imóveis tombados. Destaca-se o caso de Belo Horizonte, onde o adquirente do direito passa a poder extrapolar o coeficiente de uso e ocupação do solo da área onde irá construir em até 20%.

A prefeitura faz a análise da solicitação do interessado na venda do direito e emite a Certidão de Transferência do Direito de Construir – Imóvel Gerador, documento que certifica a área líquida passível de ser transferida. De posse dessa certidão, o proprietário do imóvel gerador providencia a averbação em cartório de registro de imóveis e, a partir daí, pode alienar as UTDCs, total ou parcialmente, inclusive em momentos diferentes.

Dos 700 imóveis tombados pelo município, cerca de 500 têm potencial para gerar a UTDC. Cabe à PBH dizer quantas UTDCs uma empresa vai precisar para extrapolar o potencial construtivo do terreno. O preço do metro quadrado comprado por meio dessa moeda é mais baixo do que o metro quadrado do terreno. A fórmula para o cálculo de UTDCs leva em conta o preço do metro quadrado do terreno, de acordo com o Imposto de Transmissão de Bens Imóveis (ITBI) e a área e o saldo da área líquida transferível. Os valores a serem recebidos pelo proprietário do imóvel gerador costumam ser significativos.

O mecanismo está previsto na legislação urbanística de Salvador e deve ser avaliado para o atingimento dos objetivos do Projeto.

## **Exemplos internacionais**

### **REINO UNIDO**

O sistema britânico de proteção do patrimônio é de grande escala. Com cerca de 500.000 edifícios listados, o Reino Unido excede de longe qualquer outro país europeu em termos de patrimônio histórico protegido individualmente (em comparação, a França tem cerca de 40.000 monumentos). Há, no entanto, flexibilidade para fazer alterações em mais de 90% dos edifícios listados por serem classificados como Grau II, uma categoria menos restritiva.

O financiamento para a conservação vem sobretudo de recursos provenientes do National Heritage Memorial Fund (NHMF), criado pela Lei do Patrimônio Nacional em 1980, com o objetivo de fornecer subsídios para ajudar a adquirir, manter ou preservar qualquer bem móvel ou imóvel de valor histórico, estético, arquitetônico, científico.

O Heritage Lottery Fund, criado em 1994, é o braço da arrecadação do NHMF proveniente da Loteria Nacional.

O HLF é o maior patrocinador dedicado ao patrimônio do Reino Unido e abrange uma ampla variedade de bens, desde edifícios e monumentos; paisagens e patrimônio natural; patrimônio comunitário e cultural; patrimônio industrial, marítimo e de transporte; museus, bibliotecas e arquivos.

Desde 1994, o HLF financiou mais de 42.000 projetos no valor de £ 7,6 bilhões. O dinheiro é alocado da seguinte maneira:

- ♦ 20% para patrimônio (distribuídos pelo HLF)
- ♦ 20% para as artes
- ♦ 20% para o esporte
- ♦ 40% para causas de sociais, de saúde, educação e meio ambiente.

O HLF é gerido por um Conselho de Administração e administrado por uma equipe de liderança sênior. O Conselho atualmente é composto por 12 Conselheiros, nomeados pelo Primeiro Ministro. A Diretoria toma decisões sobre pedidos de subsídios acima de £ 2 milhões e sobre alguns programas específicos. Para certos tipos e valores de concessão de subvenções, o poder de decisão é delegado Comitês Nacionais e Regionais, em um total de doze desses comitês (nove regiões inglesas e Escócia, País de Gales e Irlanda do Norte). Noventa por cento das decisões de concessão do HLF são feitas localmente.

A maioria dos subsídios é destinada a organizações voluntárias e comunitárias. No caso de demandas específicas, o HLF atende também a solicitações de organizações com expertise reconhecida ou a um parceiro que irá para conceder fundos em seu nome.

Como mencionado, a organização administra duas fontes de financiamento: O Fundo Memorial, criado como um fundo destinado ao patrimônio em risco, e o HLF. A estratégia do Fundo para 2013-2018 estabelece como princípios a sustentabilidade das ações financiadas, a importância do envolvimento, mobilização e participação das comunidades.

Além do HLF, as principais fontes de financiamento para o patrimônio no Reino Unido são:

- ♦ outros órgãos públicos e agências executoras
- ♦ fundos e fundações filantrópicas
- ♦ União Europeia
- ♦ Departamentos governamentais e administrações descentralizadas do Reino Unido
- ♦ organizações privadas e corporativas
- ♦ atividades locais de arrecadação de fundos
- ♦ autoridades locais

Recursos do Heritage Lottery Fund financiam, desde o ano de 1999, projetos denominados **Heritage Economic Regeneration Scheme - HRES**, com a parceria de instituições não governamentais e autoridades locais.

O HERS inclui reparo e reintegração de recursos arquitetônicos para alavancar a regeneração em bairros, regiões industriais, portos, mercados em declínio, cidades litorâneas e assentamentos rurais. Sua abrangência territorial não se limita aos edifícios "listados" como patrimônio, mas ao contexto necessário ao processo de reabilitação.

## **FRANÇA**

Na França, todos os 40.000 monumentos históricos são elegíveis para receber tanto auxílio financeiro quanto isenção fiscal. O subsídio, limitado a obras de conservação aprovadas, é fornecido para quaisquer "monumentos classificados" (entre 30 - 50% de subsídio) e também para propriedades incluídas no "inventário suplementar de monumentos históricos" (de 15 - 20% de subsídio)

Os proprietários de monumentos históricos têm direito a um crédito fiscal especial de 20% por ano durante cinco anos para os montantes pagos em itens não subvencionados do custo das obras

Além disso, uma dedução de 14% de qualquer renda derivada da abertura de um prédio ao público pode ser reivindicada. A política tributária também beneficia empresas privadas que desejam apoiar a utilização de prédios protegidos com deduções sobre o lucro tributável. As autoridades municipais e agências estaduais também podem fornecer assistência para outras propriedades históricas em áreas protegidas ou outras áreas mais antigas.

Além da proteção de um número limitado de "monumentos históricos" excepcionais ou localizados nos secteurs sauvegardés, tem se ampliado a ênfase na reabilitação de bairros antigos, em contraposição ao apoio a trabalhos de restauração mais caros em prédios específicos.

As ZPPAUP (zona de proteção da paisagem arquitetônica urbana) foram criadas em 1979 e resultam de arranjos com as comunidades locais em áreas de interesse como patrimônio, visando à reabilitação urbana.

O departamento de arquitetura da **Direction Régionale des Affaires Culturelles - DRAC** tem um orçamento dedicado ao financiamento de estudos das ZPPAUPs. Os municípios que se comprometem com essa abordagem têm a possibilidade de solicitar auxílio estatal, que pode chegar a 50% do custo do estudo.

Os instrumentos de apoio financeiro (subvenções e incentivos fiscais) nessas zonas é precedido pela designação de um "perímetro para restauração de imóveis", como parte de uma estratégia mais ampla de revitalização de bairros inteiros, por meio de mecanismos legalmente vinculantes.

A iniciativa desses programas geralmente vem de autoridades locais, de um órgão público de desenvolvimento ou de uma empresa de desenvolvimento especialmente encarregada da operação contratada. Também pode vir de uma organização de habitação social, de um grupo de proprietários ou de associados desses a uma empresa imobiliária urbana. As deduções fiscais para intervenções de reabilitação tornam-se mais viáveis quando os edifícios se destinarem a arrendamento para fins de moradia por um período mínimo de seis anos. Essas deduções podem ser incluídas nos impostos sobre a propriedade e podem ser levadas em conta nas receitas gerais da parte interessada.

Além disso, a reabilitação de áreas antigas das cidades é apoiada pelo o Programa de Operações para Melhoria do Habitat (OPAH). Desde 1977, mais de 3.000 OPAHs foram implementadas, resultando na reabilitação de mais de 600.000 habitações (principalmente em bairros antigos e centros históricos).

O órgão principal para concessão de subsídios é a Agência Nacional de Melhoria da Habitação (ANAH), cujo papel é subsidiar o trabalho (melhoria, reabilitação e restauração de detalhes arquitetônicos) realizado por proprietários privados. Da mesma forma, o Estado pode também dar subsídios aos proprietários de habitação social para ajudá-los a acomodar as despesas extras incorridas em obras de restauração ou reabilitação, respeitando as qualidades arquitetônicas dos edifícios.

## HOLANDA

Entre os exemplos internacionais de experimentação de alternativas diversificadas para viabilizar o investimento privado na preservação, destaca-se o caso da **Holanda**. Existem no país formas diversas, todas conduzidas por entes privados com alguma participação do governo, que têm em comum algo pouco praticado no Brasil quando se trata do ramo imobiliário: são organizações com forte compromisso com objetivos sociais, almejando pequenas margens de lucro, e cuja perspectiva de ação, se não de longo prazo, pelo menos não se pauta pelo imediatismo com que são esperados resultados financeiros no Brasil.

São instrumentos inovadores experimentados pela Holanda:

**Fundo Nacional de Restauração:** criado em 1985, com aporte inicial do governo. Atua em todo o país no financiamento a juros baixos de projetos e obras de preservação e reutilização do patrimônio. Apoiar também a modelagem de iniciativas envolvendo preservação e desenvolvimento.

O modelo de financiamento prevê 20% de subsídios, 30% de redução fiscal e os restantes 50% através de um empréstimo com prazo de até 30 anos, normalmente com taxas 5% menores que as taxas bancárias usuais.

### **Organização Nacional de Monumentos (NMO)**

Organização privada, composta por um pool de empresas e organizações não governamentais sem fins lucrativos. Aproxima-se do que é o Monument Trust da Inglaterra.

Em 2015, recebeu como responsabilidade gerir 34 grandes monumentos nacionais públicos (fortificações, castelos, igrejas), para os quais tem por obrigação prover usos adequados e eficientes. Para esta tarefa, o governo transferiu à NMO, como investimento inicial, 61 milhões de euros. Esse investimento, entretanto, não pode ser utilizado para obras. Seus rendimentos deverão ser utilizados para manutenção dos edifícios.

Reúne seis das maiores organizações que possuem monumentos nacionais e tem como meta perspectiva reunir até 30 organizações até 2020.

A NMO é classificada como "instituição filantrópica", portanto não paga impostos por seus bens. É considerada entidade privada de "direito público", uma vez que se submete à legislação da administração pública.

### **Stadherstel Amsterdam**

Empresa pública de responsabilidade limitada, que compra imóveis, recupera e os aluga no centro histórico de Amsterdam.

Foi criada em 1957, com apenas um imóvel a ser destinado a reabilitação e aluguel. Os primeiros locatários pagaram três anos de aluguel adiantado, o que viabilizou capital de giro à empresa. Em 1968, o município de Amsterdam passou a ser acionista (12%). Atualmente, Bancos e Seguradoras são também associados. "Amigos da Stadherstel" ajudam a financiar os projetos. A empresa paga aos acionistas dividendos de, no máximo, 5% ao ano.

Possui hoje 1200 unidades residenciais alugadas, com solvência de 60 a 70%. 50% de suas propriedades são utilizadas para aluguel social, as demais são alugadas a preço de mercado

A empresa é responsável pelos principais custos de manutenção (casco externo, fundações, espaços públicos relacionados ao edifício) e os locatários pela manutenção interna.

### **BOEi**

Organização privada, sem fins lucrativos, com cerca de 20 anos de atuação, que tem por objetivo agregar pessoas e recursos para preservação do patrimônio industrial e rural. Os acionistas são pessoas físicas ou empresas, como uma empresa de transporte ferroviário, esta última buscando solução para gestão dos bens de sua propriedade que são patrimônio cultural.

Os acionistas não recebem dividendos, mas podem vender as ações, desde que autorizados pelos demais acionistas. Como a empresa tem obtido sucesso, as ações têm se valorizado, possibilitando o aumento patrimonial dos acionistas. A BOEI é atualmente proprietária de cerca de 80 imóveis e já recuperou cerca de 100. Tem estrutura muito reduzida, em torno de 20 funcionários que atuam nas áreas administrativa, de comunicação e de eventos.

A BOEI realiza também estudos de viabilidade para os proprietários, visando à construção de soluções sustentáveis, com investimento próprio ou subsidiado, com financiamento coletivo, etc.

A empresa constrói parcerias, entre elas, a captação de inquilinos e para a formulação de soluções para gestão dos edifícios. Sempre trabalha com poucos recursos e contando com a evolução dos projetos ao longo de seu desenvolvimento.

## **O CASO DOS ESTADOS UNIDOS**

### **a lógica da preservação motivada pelo interesse econômico**

A classificação de bens como de interesse histórico nos Estados Unidos é regida pelo National Historic Preservation Act (NHPA), de 1966, editado em um período de intenso desenvolvimento econômico e ampliação da infraestrutura do país como reação em favor da conservação de monumentos, bairros e marcos históricos.

O NHPA criou o Registro Nacional de Bens Históricos (o equivalente do Tombamento, embora com diferenças marcantes); o Conselho Consultivo de Preservação Histórica, composto por cidadãos nomeados pelo Presidente, especialistas na área, e representantes do governo federal, estadual e local, e instituiu a presença de escritório de Preservação Histórica para cada Estado (SHPO) ou território e, posteriormente, um escritório de Preservação Histórica Tribal (THPO) para tribos indígenas registradas. Os SHPOs e os THPOs visam assegurar os interesses das comunidades locais nas ações de preservação.

A seção 106 do NHPA exige que, antes que qualquer agência federal emita uma permissão, forneça financiamento ou conclua diretamente um empreendimento, avalie seu impacto sobre recursos históricos. A grande diferença em relação aos modelos de preservação no resto do mundo é que a legislação federal dos EUA não impõe restrições às ações dos proprietários privados, permitindo a alteração de estruturas históricas ou até mesmo sua demolição com base em determinantes financeiros. Como dito, a proteção no nível federal limita-se à obrigatoriedade de avaliação do impacto de ações de agências federais sobre recursos históricos (seção 106) e à consequente busca de alternativas mitigadoras.

Os estados espelham o sistema federal, mantendo um registro estadual e implementando um processo de registro próprio, com a diferença de que esses entes podem efetivamente proteger seus recursos históricos delegando poderes de regulamentação, aquisição e financiamento (incluindo tributação) a



governos locais (condados, cidades, vilas e aldeias). Apesar de formar uma união federal, os estados dentro dos EUA mantêm sua autonomia legal. Os governos locais atuam a partir de uma concessão de poder do Estado para esse nível, e sendo esse o desejo de seus cidadãos e comunidades, têm maior amplitude de ação na proteção do patrimônio. .

**Como se verá adiante, as poucas restrições sobre as intervenções são compensadas pela oferta de oportunidades de assistência e de vários subsídios federais, estaduais e locais.**

Embora o crescimento da lista de bens protegidos pelo Registro Nacional tenha sido lento, a preservação histórica nos EUA foi **impulsionada pelo potencial de viabilidade e ganho econômico da preservação, ao ponto de os programas federais de crédito tributário para reabilitação histórica serem capazes de incentivar os proprietários de imóveis históricos a solicitar que seus edifícios sejam incluídos no Registro**. Atualmente, mais de 1,6 milhões de imóveis são formalmente registrados em áreas reconhecidas como patrimônio ou como entorno. O National Park Service estima que 20% desses edifícios são passíveis de qualificação como “income-producing”, ou seja, geradores de retorno. Tais edifícios são, portanto, elegíveis para créditos fiscais.

**Em síntese, uma ação local forte, bem organizada e orientada para a relação entre o poder local, setor privado e o voluntariado tem sido a chave dos esforços de preservação nos EUA.** Uma característica marcante, assemelhada com algumas poucas experiências no Brasil, é de que a viabilização das ações de preservação somente torna-se possível por meio de uma **combinação de incentivos**.

Dez anos após o NHPA, o Congresso aprovou, em 1976, a criação do **Federal Historic Preservation Tax Incentives Program** e do **HPF - Historic Preservation Fund**.

Ambos são administrados pelo National Parks Service - NPS e pelos State Historic Preservation Offices (SHPO). Os SHPOs são o primeiro ponto de contato para os proprietários que desejam usar o crédito tributário de reabilitação. São também onde se identifica se um edifício histórico é elegível para incentivos fiscais federais ou estaduais, além de obter orientação antes do início do projeto sobre o trabalho de preservação mais adequado

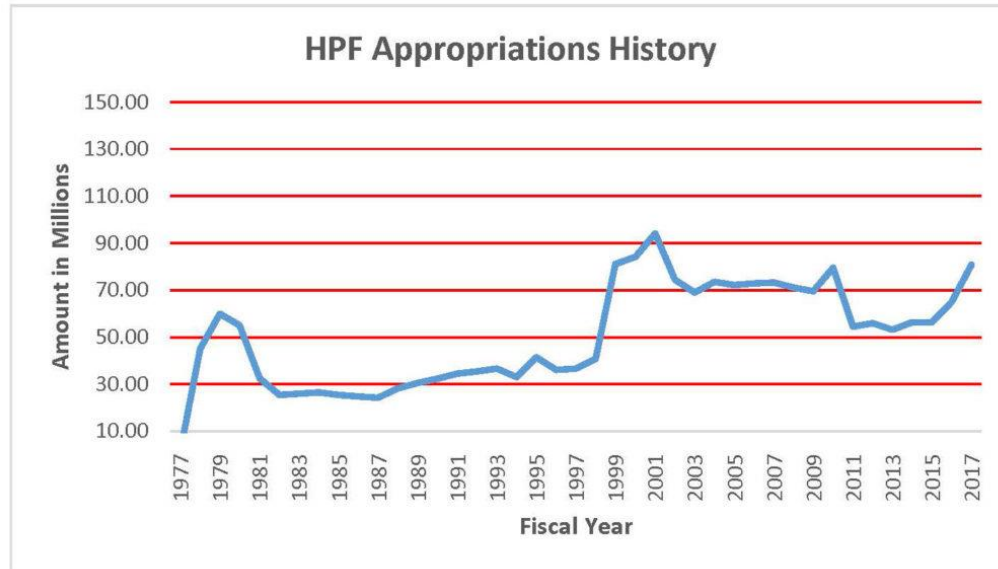
O **Federal Historic Preservation Tax Incentives Program** é o mais efetivo programa para promoção do patrimônio e revitalização de comunidades locais de interesse histórico no país. Seu Relatório de 2017 aponta mais de 42 mil projetos realizados em toda a sua trajetória e a geração de mais de 84 bilhões de dólares de retorno dos investimentos em reabilitação.

O programa compreende a *historic tax credit* que valoriza os imóveis em bairros antigos, contribui para criar habitação a preços acessíveis, empregos e retorno para os governos em todos os níveis, além de preservar o caráter de cidades e comunidades.

O **Historic Preservation Fund** é alimentado por parcela dos royalties que as empresas de energia pagam pelo direito de perfurar petróleo e gás natural no país. Como uma parceria federal-estadual, os estados são obrigados a aportar aos fundos do HPF em montante de no mínimo de 40%. O HPF deve ser periodicamente re-autorizado pelo Congresso e está sujeito ao processo anual de apropriações. Em



dezembro de 2016, o Congresso autorizou novamente o HPF por sete anos. O gráfico a seguir mostra o valor de HPF apropriado pelo Congresso desde sua criação em 1976.



\*Excludes \$128 million in supplemental funding that was appropriated over the years for natural disaster relief and job creation.

Segundo documentos oficiais do National Parks Service, mesmo com recursos considerados aquém do necessário, o HPF facilitou mais de 80.000 inclusões no Registro Nacional de bens históricos, apoiou a pesquisa sobre recursos culturais e facilitou a apropriação de US\$ 109 bilhões em investimento privado através do Crédito Tributário Histórico Federal, reabilitando 40.000 edifícios e criando 2,4 milhões de empregos

O **Crédito Tributário Histórico Federal**, também conhecido como **Crédito de Imposto Histórico**, é uma das mais poderosas ferramentas de preservação do país. Reconhecendo o custo decorrente da reabilitação de edifícios históricos, o Crédito de Imposto Histórico oferece um crédito de imposto de renda de 20% para incorporadores de propriedades geradoras de renda, tais como edifícios de escritórios, estabelecimentos de varejo, apartamentos de aluguel e outros. O crédito fiscal federal não está, no entanto, disponível para imóveis históricos residenciais ocupados pelo proprietário, o que significa que um número considerável de edifícios não possa obter qualquer assistência financeira, evidenciando as lacunas de um sistema tão fortemente baseado nas forças do mercado

Estudos recentes mostraram que, longe de ser um subsídio, o Crédito de Imposto Histórico realmente estimula mais receita do que custa. Os SHPOs revisam os projetos que visam o crédito fiscal para garantir sua consistência com as normas e fornecem a aprovação final necessária.

Além do crédito fiscal federal, muitos estados e governos locais promulgaram leis que proporcionam incentivos fiscais e concedem ajuda a proprietários de estruturas históricas. Além disso, a exigência de que os SHPOs concedam 10% dos recursos do Fundo de Preservação Histórica anual a Governos Locais ajudou a estabelecer parcerias entre os governos federal, estadual e local.

Como a maioria dos projetos depende de empréstimos, as instituições de crédito também avaliam a viabilidade econômica dos projetos de reabilitação. A desvantagem é que há muitas vítimas no processo, ou seja, muitos edifícios que não atingem padrões de viabilidade não são reabilitados e se perdem, independentemente do seu mérito arquitetônico.

Para que as demandas do mercado imobiliário e a carga tributária sobre bens reabilitados não funcione como incentivo à demolição dos edifícios, o governo introduz isenções, abatimentos e congelamentos de impostos imobiliários, mantendo-os no valor da propriedade pré-reabilitação por um período determinado de anos.

As estratégias mais eficazes de financiamento para a reabilitação derivam sobretudo da força das parcerias formadas em alguns estados entre os vários níveis de governo. A capacidade de combinar a ajuda financeira federal, estadual e local é extremamente benéfica para os proprietários de patrimônio histórico e para os distritos.

#### **Do site do National Parks Service**

##### **20% de crédito fiscal**

Um crédito de imposto de renda de 20% está disponível para a reabilitação de prédios históricos, produtores de renda que são determinados pelo Secretário do Interior, através do Serviço Nacional de Parques, para serem “estruturas históricas certificadas”. O National Parks Service revisa o trabalho de reabilitação para garantir que esteja em conformidade com os padrões de reabilitação exigidos. O Internal Revenue Service define as despesas de reabilitação elegíveis para o crédito fiscal. As propriedades residenciais ocupadas pelo proprietário não se qualificam para o crédito fiscal federal de reabilitação. \

Todos os anos, são aprovados aproximadamente 1200 projetos, alavancando quase US \$ 6 bilhões anuais em investimentos privados na reabilitação de edifícios históricos em todo o país.

##### **10% de crédito fiscal**

O crédito fiscal de 10% está disponível para a reabilitação de edifícios não históricos colocados em se antes de 1936. O edifício deve ser reabilitado para uso não residencial. Para se qualificar para o crédito fiscal, a reabilitação deve atender três critérios: pelo menos 50% das paredes externas existentes devem permanecer no local como paredes externas; pelo menos 75% das paredes externas existentes devem permanecer no local como externas ou paredes internas, e pelo menos 75% da estrutura estrutural interna deve permanecer no lugar. Não há processo de revisão formal para reabilitações de edifícios não históricos.

#### **O Easement, ou servidão perpétua**

Os proprietários de um edifício histórico podem conceder uma servidão de preservação histórica, sob a forma de um acordo legal voluntário, que protege permanentemente uma propriedade de interesse histórico. Através dessa servidão, o proprietário do imóvel aceita as restrições às intervenções no edifício, transferindo esse compromisso para uma organização de preservação ou conservação. O proprietário de imóvel histórico que doar um easement pode ser elegível para benefícios fiscais, como dedução do

imposto de renda federal. As regras são complexas, portanto os proprietários interessados nos possíveis benefícios fiscais desse acordo devem estar orientados por contadores ou advogados fiscais.

Como não há lei para impedir que as pessoas façam alterações profundas ou até demolições de edifícios históricos, por meio desse mecanismo o estado pode efetivamente preservar o bem. É o caso do Maryland Historical Trust, agência do Estado de Maryland dedicada à preservação, que serve também como Maryland's State Historic Preservation Office (SHPO). Esta agência governamental detém cerca de 450 servidões, incluindo prédios de apartamentos e até imóveis rurais.

A doação de servidão implica em benefícios fiscais, como a redução do valor de uma propriedade para fins de imposto sobre heranças, doações e ganhos de capital, e uma redução na avaliação de impostos sobre a propriedade. Para o empreendedor, a doação de servidões em edifícios comerciais mais antigos em bairros comerciais pode render benefícios fiscais substanciais quando a servidão é doada antes da reabilitação. pHa também a possibilidade de recuperação do crédito fiscal federal quando a doação de um easement ocorrer após um projeto de reabilitação.

**UM EXEMPLO**  
**OS PROGRAMAS DE FINANCIAMENTO DO ESTADO DE MARYLAND**  
**The Maryland Historical Trust**

(Síntese das informações disponíveis no site visando orientar e atrair demanda por financiamento)

O Maryland Historical Trust dá suporte para uma ampla variedade de atividades relacionadas à preservação, incluindo aquisição e reabilitação de imóveis, documentação e pesquisa, desenvolvimento de turismo cultural e programas educacionais.

A MHT oferece assistência financeira de três maneiras:

- ❖ **Subsídios para projetos de preservação**
- ❖ **Créditos fiscais para projetos privados de reabilitação comercial e residencial**
- ❖ **Empréstimos**

Cada modalidade tem diferentes padrões de elegibilidade e regulamentos operacionais

**SUBSIDIOS DE CAPITAL**

Atende a demandas anuais, visando aquisição restauração e reabilitação de imóveis históricos. Bens elegíveis são aqueles protegidos pelo "Registro" estadual, individualmente ou como parte de um bairro.

**Entidades elegíveis**

- ♦ organizações sem fins lucrativos
- ♦ governos locais
- ♦ entidades de negócios
- ♦ Indivíduos

Para serem competitivos, todos os candidatos devem estar cientes de que o projeto deve ter um benefício público demonstrado,

Entidades dos governos estadual e federal são elegíveis para se candidatarem como organizações sem fins lucrativos; no entanto, os projetos que envolvem propriedades dos estados e federais não podem fornecer servidões de preservação e, portanto, não serão altamente qualificados para financiamento.

#### **Valores**

Para o ano de 2018, o Programa recebeu uma dotação de US \$ 600.000 para oferecer subsídios de até US \$ 100.000 por projeto por ano. Todos os candidatos, exceto organizações sem fins lucrativos, devem fornecer uma **contrapartida dólar por dólar**.

#### **Projetos Elegíveis**

- ♦ Aquisição
- ♦ Reabilitação ou restauração
- ♦ Custos pré-desenvolvimento, como estudos, pesquisas, planos e especificações, e serviços de arquitetura, engenharia ou outros serviços especiais diretamente relacionados ao trabalho de pré-construção para um projeto de investimentos em capital (custos de pré-desenvolvimento são elegíveis apenas para organizações sem fins lucrativos e candidatos de governos locais)
- ♦ Obras ou fases de obra. (ver lista completa dos custos elegíveis)

#### **Bens Elegíveis**

- ♦ Estruturas usadas para propósitos religiosos geralmente são elegíveis para assistência somente para obras do exterior e são avaliadas para elegibilidade caso a caso. Espaços usados principalmente para fins religiosos ou elementos com imagens religiosas não são elegíveis para financiamento.
- ♦ A permissão do proprietário do imóvel para realizar o projeto deve ser garantida por escrito e fornecida como parte do pedido de subsídio.
- ♦ Uma servidão de preservação (Easement) na propriedade assistida deve ser encaminhada para a MHT.

#### **Critério de avaliação**

Os critérios de avaliação são previstos nas Diretrizes.

#### **PROGRAMA DE CRÉDITO FISCAL**

##### **Sobre o Programa**

Nos últimos 17 anos, o programa desempenhou um papel fundamental no desenvolvimento das comunidades, apoiando a reabilitação e a reutilização de propriedades históricas subutilizadas em todo o estado. O programa é responsável por reabilitar cerca de 4.400 edifícios históricos e criar cerca de 25.000 postos de trabalho desde a sua implementação em 1996. O investimento do estado de cerca de 350 milhões de dólares chegou a todos os 23 condados de Maryland e à cidade de Baltimore. A Fundação Abell estimou que cerca de 73 empregos são criados para cada US \$ 1 milhão em créditos fiscais e cada dólar investido gera US \$ 8,53 em atividade econômica.

**O Estado está aceitando pedidos de créditos fiscais comerciais para a rodada de financiamento de 2019.**

O objetivo dos incentivos fiscais estaduais e federais de preservação é incentivar o investimento do setor privado na reabilitação e reutilização de edifícios históricos e promover o investimento nas economias locais.

São elegíveis imóveis históricos certificados pelo estado de Maryland, para receber crédito de imposto de renda estadual sobre despesas de reabilitação devidamente aprovadas.

Quando se tratar da reabilitação da residência principal ou secundária do proponente. O crédito fiscal não pode ser usado, mas existem incentivos estaduais que podem ajudar.

**PROGRAMA EMPRÉSTIMO PARA PRESERVAÇÃO HISTÓRICA**

O Programa de Empréstimo para Preservação Histórica da Maryland Historical Trust foi estabelecido como um veículo para incentivar a preservação de propriedades históricas em todo o estado. Desde então, mais de 85 projetos foram financiados pelo programa.

**Processo de aplicação**

A MHT aceita pedidos de empréstimo a qualquer momento, desde que o montante do empréstimo não exceda o saldo não comprometido disponível no fundo de empréstimos.

Antes de enviar uma solicitação, verificar se o financiamento está disponível e discutir a elegibilidade do projeto.

Os candidatos interessados devem também analisar o pedido de empréstimo, as instruções e as diretrizes do programa. O período médio gasto entre o momento da aplicação até o momento da liquidação de seis a nove meses.

**Candidatos Elegíveis**

Os seguintes tipos de entidade são elegíveis para este programa:

- ♦ organizações sem fins lucrativos
- ♦ governos locais
- ♦ entidades de negócios
- ♦ Indivíduos (As residências ocupadas pelo proprietário não são competitivas para este programa, a menos que tenham um significado histórico excepcional).

Todos os candidatos devem estar cientes de que, para ser competitivo, o projeto deve ter um benefício público demonstrado

O proponente deve também demonstrar que o financiamento do setor privado para o projeto não pôde ser obtido.

**Projetos Elegíveis**

Os seguintes tipos de projeto são elegíveis para assistência.

- ♦ Aquisição
- ♦ Refinanciamento
- ♦ Reabilitação
- ♦ Custos pré-desenvolvimento, como estudos, pesquisas, planos e especificações, assim como serviços de arquitetura, engenharia ou outros serviços diretamente relacionados ao

trabalho de pré-construção (elegíveis apenas para financiamento de curto prazo e em circunstâncias específicas)

#### **Imóveis Elegíveis**

- ♦ Devem estar listados ou qualificados para listagem no Registro Nacional
- ♦ Uma servidão de preservação (Easement) do bem deve ser encaminhada para o MHT
- ♦ Estruturas usadas para propósitos religiosos geralmente são elegíveis para assistência somente para obras no exterior e elegibilidade é avaliada caso a caso. Espaços usados principalmente para fins religiosos ou elementos com imagens religiosas não são elegíveis para financiamento.

#### **Condições do Empréstimo**

O valor principal do empréstimo é limitado pelo seguinte:

- ♦ Disponibilidade de saldo do Fundo
- ♦ Capacidade do mutuário para pagar o empréstimo.
- ♦ Para projetos de aquisição, o valor do empréstimo normalmente não pode exceder 80% do valor do imóvel, ou 90% do preço de compra, o que for menor.
- ♦ Para projetos de reabilitação, o montante do empréstimo normalmente não pode exceder 80% do valor avaliado após a reabilitação (menos os saldos hipotecários existentes), ou 100% dos custos do projeto, o que for menor.
- ♦ Para projetos de refinanciamento, o empréstimo normalmente não pode exceder 80% do valor avaliado do imóvel.
- ♦ O valor máximo do principal do empréstimo para QUALQUER projeto proposto é o valor pós-reabilitação do imóvel a ser beneficiado, menos o montante em aberto de qualquer dívida preexistente garantida pelo imóvel.

O prazo do empréstimo é definido por tipo de projeto da seguinte forma:

- ♦ Para projetos de pré-desenvolvimento, o prazo máximo do empréstimo é de dois anos.
- ♦ Para todos os outros projetos, o prazo máximo do empréstimo é de vinte anos.
- ♦ A taxa de juros é determinada conforme os seguintes parâmetros:
- ♦ empréstimos a pessoas jurídicas e físicas rendem juros a uma taxa anual fixa 1/8% maior do que os bônus de obrigações gerais do Estado mais recentemente vendidos.
- ♦ empréstimos a organizações sem fins lucrativos e ou a subdivisões políticas podem ter juros, se houver, a uma taxa que não exceda a de entidades empresariais ou indivíduos.

#### **Critério de avaliação**

Os critérios de avaliação são anotados nas Diretrizes

## Síntese das principais disposições de financiamento para preservação histórica nos Estados Unidos

### INICIATIVAS NACIONAIS

- Subsídios diretos e empréstimos subsidiados para projetos de reabilitação;
- Subsídios de imposto de renda federal, imposto sobre herança e impostos sobre doações aplicados no caso de easement de bens de interesse histórico;
- Crédito fiscal para reabilitação (20% para propriedade produtora de ingressos e 10% nos demais casos);
- Crédito fiscal habitacional a preços acessíveis (com subsídios mais altos em setores de maiores riscos sociais);
- Garantia hipotecária a instituições financeiras para emprestar dinheiro para projetos de conservação;
- Assistência a locatários para permitir que paguem ao locador a diferença entre o valor de mercado e a quantia acessível ao inquilino.
- Assistência financeira através do Historic Preservation Fund
- Assistência a organizações comunitárias e sem fins lucrativos em programas de revitalização de centros históricos

### INICIATIVAS DE ESTADOS E LOCALIDADES

- Subsídios diretos para projetos de reabilitação;
- Créditos de imposto de renda estadual para projetos de reabilitação histórica e habitação de baixa renda
- Deduções de imposto de renda e propriedade para doações em comodato de imóveis históricos;
- Isenções, abatimentos e avaliações de impostos sobre imóveis históricos (por exemplo, manutenção de avaliações de propriedades em um valor de pré-reabilitação por 10 anos no estado de Washington);
- Transferência de direitos de construir (limitada a locais que experimentam intensas pressões de desenvolvimento);
- Programas de preservação histórica apoiados por fundos (por ex. benefícios fiscais para fundações privadas que realizam ação social de reabilitação patrimônio)
- Isenções fiscais sobre vendas de edifícios históricos e outros incentivos fiscais empresariais;
- Apoio a zonas de desenvolvimento econômico em áreas urbanas

**b) Projeto de Seminários para compartilhamento de estudos e experiências, tanto acerca de outros sítios protegidos, quanto sobre os desenvolvidos no âmbito do Projeto.**

Entre os grandes desafios do Centro Antigo de Salvador, destaca-se a situação do **Bairro do Comercio**, pelo alto grau de esvaziamento da área, atingindo hoje tanto prédios públicos como privados.

O **reuso** dos edifícios e sítios urbanos de valor patrimonial é um tema central e crescentemente explorado, com boas e inspiradoras experiências internacionais. Organizar um seminário sobre o tema, com formato que possibilite apontar alternativas concretas para o caso do Comércio, pode ser uma contribuição relevante do Projeto.

Entre as experiências de destaque cita-se especialmente a da Holanda - tanto Amsterdam quanto a região portuária de Rotterdam - por se configurarem não como programas de obras, mas como processos em que as intervenções são viabilizadas pelo concurso de vários atores, valendo-se de várias modalidades de financiamento e gestão.

**b.1 - Formato**

Um seminário que se destinar a construir uma proposta, uma ideia ou um consenso será mais eficaz se não seguir o formato tradicional palestrante/audiência. Sugere-se:

- Preparar um dossiê para os palestrantes convidados, consolidando os dados disponíveis e as principais questões a serem abordadas no Bairro do Comercio;
- Prever visita técnica dos convidados - tanto nacionais, quanto internacionais – à área, para tomar contato com seus principais desafios;
- Organizar o seminário propriamente dito com formato de reunião de trabalho envolvendo os convidados que, com base em suas experiências, tratarão de responder a questões previamente formuladas pela organização e realçadas pela visita técnica.
- Organizar o seminário com lay out de “reunião de especialistas” ou de “conselho”, onde todos os membros da mesa estão assentados e presentes todo o tempo. Formato da mesa em U, com tela de apresentação ao fundo.
- A audiência, previamente convidada, ocupa cadeiras nas laterais de cada aba da mesa. Deve ser composta por proprietários e moradores, empreendedores, gestores de projetos e equipamentos culturais, órgãos de patrimônio e academia. Não se prevê debates com a audiência, mas apenas esclarecimentos. Os debates se dariam entre os membros da mesa
- Designar coordenação e relatoria dos trabalhos, encarregada de consolidar os resultados

**b.2 - Condições de participação dos membros da mesa**



Sugere-se demandar dos palestrantes a entrega de um paper produzido especialmente para o caso do Bairro do Comercio. Para tanto, os resultados somente serão seguros se for previsto um pro labore (excetuados aqueles que não puderem ser remunerados por estarem a serviço de instituições públicas).

Os valores de referência podem ser buscados em outras iniciativas da UNESCO ou, por exemplo, nas tabelas da CAPES para bolsas de mestrado e doutorado. isso equivale a pro labore em torno de três mil reais para convidados nacionais e valor equivalente para os internacionais.

Além dos convidados para expor experiências, devem compor a mesa convidar debatedores chave, tais como proprietários e moradores, empreendedores, instituições de preservação, gestores culturais, instituições de ensino e pesquisa.

### **c) Cadernos Técnicos para a difusão de estudos, documentos, metodologias, diagnósticos e planos setoriais**

O Projeto vem desenvolvendo estudos setoriais inovadores, merecedores de um registro sistemático, tanto para a replicação da experiência quanto para a difusão dos resultados.

Entende-se por **Cadernos Técnicos** publicações mais operacionais, com apresentação gráfica de qualidade, mas de baixo custo e fácil manuseio. Para que tais Cadernos sejam viabilizados, é necessário selecionar, desde já, os temas prioritários para que, durante a execução das várias ações, já se cuide dos registros necessários.

Entre os estudos e subprojetos em andamento cuja publicação seria meritória, cita-se

**CT1 - A experiência de construção da norma da APCP** – é inovadora no cenário brasileiro a experiência de desenvolver a regulamentação da APCP de forma compartilhada, incluindo metodologias, bases de dados e conceitos, da qual participam Município, Estado e União, com a cooperação da universidade e de consultores contratados pela UNESCO.

Como esse tema corresponde ao cerne do Projeto, o Caderno correspondente só estaria disponível na sua fase final, mas permanece a necessidade de se definir a estrutura do texto e fazer registros graduais e permanentes das diversas etapas, de forma a possibilitar a publicação a curto prazo quando o Projeto estiver caminhando para conclusão.

#### **CT2 - A trajetória do ETELF**

Reconhecida como uma das raras experiências de gestão compartilhada no Brasil e certamente a mais longa delas, a avaliação da atuação do ETELF – Escritório Técnico de Licenciamento e Fiscalização - é de grande valor, não apenas para Salvador, mas para a política de patrimônio de todo o país.

O levantamento sistemático de todos os pareceres emitidos ao longo de quase 30 anos, que está sendo elaborado sob coordenação do IPAC e com apoio do Projeto, oferecerá insumo excepcional e único, que permitirá uma avaliação baseada em dados empíricos e sólidos, não apenas opinativa ou impressionista.

#### **CT3 - A regulamentação das ZEIS**

Esta será também uma experiência inovadora, se considerada a dimensão e complexidade de sua aplicação a uma área histórica da dimensão e importância do Centro Antigo de Salvador.

Tem ainda o mérito de estar se desenvolvendo por meio de consultoria contratada, com envolvimento e capacitação da equipe local, o que resultará em ganhos metodológicos, de aplicabilidade e de posterior sustentabilidade das soluções encontradas.

#### **CT4 – População e moradia no CAS**

Estudos de perfil socioeconômico da população dos centros históricos são um insumo pouco utilizado nos estudos de preservação do patrimônio no Brasil. No caso do CAS, a situação social da área, resultado de uma evolução histórica cujas contradições levaram ao esvaziamento funcional e à degradação do patrimônio construído, não é conhecida com a profundidade necessária para a formulação de programas e ações promotoras de desenvolvimento local e de incremento à moradia.

Por outro lado, estudos do comportamento do mercado imobiliário nessa vasta região da cidade são praticamente inexistentes, em razão das especificidades da área tombada, da informalidade e do pequeno volume de negócios. Tais estudos podem identificar nichos e contribuir para apontar caminhos que levem ao interesse por empreendimentos que valorizem a moradia e sejam compatíveis com a preservação do patrimônio material e imaterial da área.

Uma publicação que apresente os dois temas, as metodologias de pesquisa e os achados, e, se possível, aponte para a aplicabilidade dos resultados à formulação de um programa de moradia e desenvolvimento, seria uma grande contribuição do Projeto.

### **CT 5 - Os recursos de reconhecimento e planejamento do território: da maquete de Salvador à Infraestrutura de Dados Espaciais.**

A maquete de Salvador, concebida em 1973 pelo arquiteto Assis Reis e sob a guarda da FMLF, segue em permanente atualização dos seus 62 módulos de 1 m<sup>2</sup> cada. A fontes de atualização são o Sistema Cartográfico da Região Metropolitana de Salvador (SICAR) e o Sistema Cadastral de Salvador (SICAD), que registra projetos e intervenções viárias. Por outro lado, prosseguem avanços do município no que se refere à consolidação da INDE – Infraestrutura de Dados Espaciais, sem, no entanto, abandonar o projeto de atualização permanente da maquete.

Uma publicação que apresente a trajetória de representação do território de Salvador a partir do século XX e detalhe as tecnologias envolvidas, com especial ênfase para as tecnologias de atualização da maquete e os usos possíveis desse artefato, seria de grande interesse.

Maquetes físicas são atualmente uma forma de representação quase extinta, o que faz do seu processo de execução um registro histórico importante. Além desse aspecto, são inúmeras as possibilidades de exploração da maquete para fins didáticos e educativos, o que poderia também ser objeto da publicação.

#### **Como dar início à elaboração dos CTs**

1. Elegar temas, considerando os sugeridos ou outros
2. Definir padrão gráfico da publicação:
3. Definir dimensões aproximadas do texto:
4. Definir estrutura do texto: tomar por base o primeiro produto dos diversos consultores, realizar reuniões de análise com cada consultor e definir tópicos da publicação final. Esses tópicos devem orientar a apresentação do produto final dos consultores
5. Definir a participação de outros autores para introdução de análises comparativas, depoimentos, artigos etc
6. Definir demanda e parametrizar imagens e ilustrações: estabelecer parâmetros técnicos para fotografias que registrem os processos de desenvolvimento (reuniões, visitas de campo) de forma a aproveitar o maior número possível de fotografias feitas pelos próprios consultores e não perder a oportunidade de registro dos processos
7. Contratar revisor
8. Contratar projeto gráfico

## PRINCIPAIS FONTES DE CONSULTA

### Legislação comparada

<https://www.eui.eu/Projects/InternationalArtHeritageLaw>

<https://en.unesco.org/news/unesco-database-national-cultural-heritage-laws-updated>

<http://www.mincultura.gov.co/planes-y-programas>

### Mecanismos de financiamento e sustentabilidade

BENHAMOU, Françoise; THESMAR David. Valoriser le patrimoine culturel de la France

BURNHAM, Bonnie. Heritage Conservation in the United States: Law as an Incentive for Private Initiative

CLAUSSE, Guy. Funding sources for preserving Cultural Heritage Monuments and Sites: The specific case of the "7 Most Endangered" Initiative by EIB-I and Europa 2013

NATIONAL PARK SERVICE. Easements to Protect Historic Properties: A Useful Historic Preservation Tool with Potential Tax Benefits

NATIONAL PARK SERVICE. Federal Tax Incentives for Rehabilitating Historic Buildings Annual Report for Fiscal Year 2016

PICKERALL, T., PICKARD, R. "Real Estate Tax Credits and other Financial Incentives for Investing in Historic Property in the United States". Royal Institution of Chartered Surveyors (RICS) Research Foundation Paper Series - Volume 4, Number 17.

<https://culturalheritageagency.nl/en>

<https://www.stadsherstel.nl/36/diversen/english/>

<http://www.english-heritage.org.uk/>

<https://www.nps.gov/index.htm>

<http://www.culture.gouv.fr/>

### ANEXOS

ENGLISH HERITAGE. AMION Consulting. Impact of Historic Environment Regeneration - Final Report. 2010

DEPARTMENT FOR DIGITAL, CULTURE, MEDIA AND SPORT. Tailored Review of Heritage Lottery Fund/National Heritage Memorial Fund

HERITAGE LED REGENERATION IN CORNWALL.

<https://www.cornwall.gov.uk/media/31282396/heritage-led-regeneration-in-cornwall-september-2014.pdf>

HERITAGE ECONOMIC REGENERATION SCHEME & PARTNERSHIP SCHEME FOR CONSERVATION AREAS/ Northgate Heritage Regeneration 2002-07 Draft Final Report. 2007

MARYLAND HISTORICAL TRUST. Potential Funding Sources for Heritage Preservation Project

MARYLAND HISTORICAL TRUST. HISTORICAL AND CULTURAL PROGRAMS. Chapter 07 Heritage Structure Rehabilitation Tax Credit Certifications

THE ABBEL FOUNDATION. Heritage Tax Credits: Maryland's Own Stimulus to Renovate Buildings for Productive Use and Create Jobs, an \$8,53 Return on every state dollar invested. 2009

NATIONAL RESTORATION FUND. Netherlands. Apresentacao Power point

STADSHERSTEL AMSTERDAM. An Example of Safeguarding Built Heritage. Company for City Restoration (limited liability company) Apresentacao Power point

Easements to Protect  
Historic Properties:  
A Useful Historic Preservation Tool  
with Potential Tax Benefits



## What is a Historic Preservation Easement?

A historic preservation easement is a voluntary legal agreement, typically in the form of a deed, which permanently protects a significant historic property. Since it is a perpetual easement, an owner is assured that the property's historic character will be preserved. In addition, an owner who donates an historic preservation easement may be eligible for one or more forms of tax benefits.

Under the terms of a typical preservation easement, a property owner places restrictions on the development of, or changes to, the property and transfers these restrictions to a qualified organization whose mission includes environmental protection, land conservation, open space preservation, or historic preservation. The organization must have the resources to manage and enforce the restrictions provided for in the easement and have a commitment to do so. Once recorded, the easement restrictions become part of the property's chain of title and "run with the land" in perpetuity, thus binding not only the owner who grants the easement but all future owners as well. Preservation easements in some states may also be called preservation "restrictions," "covenants," or "equitable servitudes."

## Benefits of Donating An Easement

An easement is a particularly useful and flexible historic preservation tool. It allows a property owner to retain private ownership of the property while insuring that the historic character of the property will be preserved. Within certain statutory and regulatory constraints, easements can be tailored to meet the needs of the property owner, the individual resource, and the mission of the protecting organization.

If certain criteria are met, the owner may be eligible for a Federal income tax deduction for the value of the easement, and Federal estate taxes also may be reduced. In addition, many State tax codes provide state tax benefits for conservation easement contributions where a reduction in the value of a property occurs. There may also be local tax benefits where property tax assessment is based on a property's highest and best use. Since the rules are complex, property owners interested in the potential tax benefits of an easement



A comprehensive conservation and preservation easement protects the Cambus-Kenneth Farm in Danville, KY. © National Trust for Historic Preservation.

donation should consult with their accountant or tax attorney.

## Easement Restrictions

A conservation easement gives the organization to which it is conveyed the legal authority and responsibility to enforce its terms. This includes the right to inspect the property to ensure that the owner is complying with the terms of the easement. Historic preservation easements typically prohibit an owner from demolishing the historic building(s) and from making changes that are inconsistent with the historic character of the property. Proposed alterations to the property may require prior approval from the easement holding organization. Restrictions on subdividing and developing the property are common as well. To be tax deductible, a preservation easement generally cannot be amended. If the restrictions apply only to the exterior of a building, future alterations to the interior do not require approval by the easement-holding organization, as long as the alterations do not affect the building's exterior appearance or structural integrity.

## Potential Tax Benefits

When an owner donates an easement in accordance with Federal and State rules to a qualified charitable or governmental organization, the easement may provide tax benefits. The value attributed to the easement may be claimed as a charitable contribution deduction from Federal income tax. The value of the easement is generally the difference between the appraised fair market



value of the property prior to conveying an easement and the appraised fair market value of the property after the easement.

If the easement has value, the amount will depend on a number of factors, such as how the easement affects the property's development potential, which may be determined by the extent to which local government restrictions already restrict changes to the property. Where there is no further development potential for the property or the building is already under local regulations subject to the same conditions as those in the easement (including, for example, binding review by a local historic district commission to insure that the property's historic character is preserved), the easement may be of little or no value. On the other hand, for a property located in an area where there are few regulations governing changes to the exterior of historic buildings, the easement may result in significant protection for the property's historic character, possibly generating tax benefits to the donor.

## Recent Federal Tax Law Changes

A property owner seeking a Federal tax deduction for a qualified conservation contribution (including a donation of an historic preservation easement) needs to be aware that there are several detailed requirements to meet, and that there are a number of recent changes to the tax laws. Several of these changes govern properties located in registered historic districts. For example, to be deductible, the deed of easement on a building in a registered historic district must now preserve the entire exterior of the building (including the front, sides, rear and height of the building), and the easement must prohibit any change to the exterior of the building inconsistent with its historic character.

The requirement that the easement cover the entire building exterior does not apply to an easement on a property that qualifies for the deduction on the basis that it is individually listed in the National Register of Historic Places. As in the past, easements on properties individually listed in the National Register of Historic Places can cover part(s) of a building, such as the front façade, a front façade along with an important interior space, or the entire exterior. Most easement-holding organizations, however, require that the entire exterior of a building be covered by the easement's protections.

While a number of the recent Federal tax law changes are designed to address overvaluations by taxpayers and appraisers, several recent changes to the Federal tax code temporarily expanded the availability of the tax deduction in certain respects. These temporary changes, however, expired on January 1, 2010. Currently, the amount of a charitable income tax deduction for a conservation easement contribution that can be used by an individual in any one year is back to 30 per cent of the donor's contribution base (generally adjusted gross income) from the temporary increase of 50 per cent. In addition, the period over which individuals can carry forward unused deductions for conservation easement contributions returns to five years from the temporary increase of fifteen years. Any changes after January 1, 2010 can be viewed on the National Park Service web site.

## Qualified Properties

According to the Internal Revenue Code, an income tax deduction may be available for a preservation easement protecting a certified historic structure or a historically important land area.

A property is considered a certified historic structure if it is a building, structure, or land area individually listed in the National Register of Historic Places, or if it is a building located in a registered historic district and is certified by the National Park Service as contributing to the



The modern-style residence of noted residential architect Henry B. Hoover in Lincoln, MA remains in the family while being permanently protected by an easement that includes certain interior rooms. Courtesy of Historic New England.







Completed in 1816, Tudor Place in Georgetown, DC, a National Historic Landmark, is protected by an easement covering the building and grounds granted to the U.S. Department of Interior by a direct family descendant of the original owner, the late Armistead Peter 3rd. Photo: Charles Fisher, NPS.

historic significance of that district. A registered historic district includes any district listed in the National Register of Historic Places. A State or local historic district may also qualify as a registered historic district, provided the district and the enabling statute are certified by the National Park Service.

In the case of a building in a registered historic district, to apply for a certification of significance (a determination by the National Park Service as to whether a building is a certified historic structure), a prospective easement donor contacts the State Historic Preservation Office (SHPO) to request a Historic Preservation Certification Application or downloads the application from the National Park Service website [www.nps.gov/history/hps/tps](http://www.nps.gov/history/hps/tps). The property owner then completes Part 1 of the application and returns it to the SHPO. The SHPO then forwards the application, along with a recommendation, to the National Park Service, which makes the certification decision. The property must be certified by the National Park Service either by the time of the transfer of the easement or the due date (including extensions) for filing the Federal income tax return for the taxable year of the easement transfer.

Properties individually listed in the National Register of Historic Places are already recognized as certified historic structures, so a property owner does not need to request a certification from the National Park Service. Unlike the deduction for preservation of properties located in an historic district, charitable contribution deductions for preservation easements on properties individually listed in the National Register are not restricted to protection of buildings but may also be al-

lowed for easements on historic structures or land areas without buildings. Examples of qualifying structures may include bridges, dams, or roller coasters.

A historically important land area must be listed in the National Register of Historic Places. Historically important land areas include either independently significant areas, including any related historic resources, that meet the National Register of Historic Places Criteria for Evaluation, or land areas adjacent to a property individually listed in the National Register of Historic Places, where physical or environmental features of the land contribute to the historic or cultural integrity of the historic property. Common examples of historically important land areas include traditional cultural places, archeological sites, battlefields, and historic cultural and designed landscapes.

## Public Benefit

In order to claim the Federal income tax deduction for a historic preservation easement, at least some visual public access to the property must be available. The degree of access is tailored to the historic resource under protection. For example, the amount of access required for a sensitive archeological site individually listed in the National Register may be as little as a few hours a year. Other means of providing access may include ensuring visual access from a public roadway for a historic building and grounds subject to an easement, or allowing the public to tour the inside of a historic house on a reasonable number of days a year if the easement is imposed on portions or all of the interior. Often the easement-holding organization can assist the owner in finding a balance between protecting the property and the owner's privacy, and providing a public benefit.

## Qualified Organizations

The recipient of an easement donation must be a qualified organization. Qualified organizations may include governmental units, charities that receive a substantial part of their support from governmental units or from public contributions, publicly supported charities, or charities that meet the requirements of §509(a)(3) and are controlled by qualified organizations. For an easement on a historic property in a registered historic district, the donor and donee must enter into a written agreement certifying that the donee is a qualified

organization with a purpose of environmental protection, land conservation, open space preservation, or historic preservation, and that the organization has the resources to manage and enforce the restriction and a commitment to do so.

An easement-holding organization may require the easement donor to make an additional donation of funds to help the organization administer the easement. Those funds are often held in an endowment that generates an annual income to pay for easement administration costs such as staff time for annual inspections or needed legal services.

## Inconsistent Use

To qualify for a deduction, the donor may not retain uses of the property that would permit destruction of significant conservation interests. Retained uses must be specifically circumscribed in the deed of easement.

## Valuation/Qualified Appraisal

Easement valuations have come under closer scrutiny by Congress and the IRS in recent years, and the Federal tax code imposes new qualification standards for both appraisals and appraisers. For example, the appraisal must be prepared in accordance with generally accepted appraisal standards.



The 1787 Phelps Inn located in North Colebrook, CT is one of several buildings on a 33-acre property protected by a preservation and conservation agreement granted to Historic New England by the late John A. and Nancy Phelps Blum. Courtesy of Historic New England.

The amount of a contribution deduction for a perpetual preservation or conservation easement generally is the fair market value of the easement at the time of the contribution. The most commonly-used method of determining this value is usually referred to as the “before” and “after” method: Generally the fair market value of an easement is equal to the difference between the fair market value of the property before the granting of the easement and the fair market value of the property after the granting of the easement. The appraisal therefore must value the property both before and after the easement is granted.

Treasury Regulations governing valuation of conservation easements (§ 1.170A-14(h)(3)(ii)) provide that, if the before and after valuation method is used, the market value of the property before the contribution must take into account not only the property’s current use but also an objective assessment of the likelihood that the property would be developed absent the restrictions, as well as any effect from local zoning, local historic preservation regulations, and similar restrictions that affect the property’s highest and best use. In other words, the valuation of an easement must be determined through a qualified appraisal that considers the specific terms of the easement and the specific nature of restrictions imposed by existing local land use or similar laws. Note that there are no generally recognized percentages by which an easement reduces the value of a property. In fact, there are instances in which the grant of an easement may have no material effect on the value of the property, particularly if the easement is no more restrictive than local ordinances already in effect.

In the case of a preservation easement donation for which a deduction of more than \$5,000 is claimed, a donor generally must obtain a qualified appraisal prepared by a qualified appraiser. The appraisal must be attached to the donor’s tax return for any claimed deduction over \$500,000. To deduct the value of an easement on a building in a registered historic district, an appraisal must be attached to the tax return regardless of the amount of the claimed deduction. The Internal Revenue Service (IRS) may accept the value determination in the appraisal or make its own determination. Donors and appraisers should be aware that there are strict penalties for overvaluations of property that lead to substantial or gross valuation misstatements.

In the case of a claimed deduction of \$250 or more, the donor must obtain a contemporaneous written acknowledgement as required by section 170(f)(8) of the

Internal Revenue Code. This means that the donor needs to obtain from the easement holding organization a document stating the amount of any cash it received and a description of any property it received (such as the preservation easement). The organization must also state whether it provided any goods or services in return for the property and, if so, a description of the goods or services. The donor must obtain this contemporaneous written acknowledgement on or before the earlier of the date the donor files the tax return claiming the charitable contribution or the due date (including extensions) for the tax return.

For easement donations that involve buildings within historic districts where a deduction in excess of \$10,000 is being claimed, the donor must submit a \$500 filing fee with IRS Form 8283-V. In addition, in all cases in which a deduction of more than \$500 is claimed, a properly completed IRS Form 8283 (Noncash Charitable Contributions) must accompany the donor's tax return. For contributions for which a deduction of more than \$5,000 is claimed, the Form 8283 generally must be signed by the appraiser who prepared the qualified appraisal and by the qualified organization that accepted the easement donation.

In addition to the above requirements, the donor of a preservation easement on a building in a registered historic district must include with his or her tax return photographs of the entire exterior of the building and a description of all restrictions on the development of the building.



One of a number of historic commercial properties in a historic district renovated by the Ron Kaufman Co., the 1855 Gibb-Sanborn Warehouse, a rare city survivor of the Gold Rush era, is protected by an easement held by San Francisco Architectural Heritage. Photo: ©SF Architectural Heritage.

## Qualified Appraisers

To be a qualified appraiser, the appraiser has to have verifiable education and experience in valuing historic properties, must not be prohibited from practicing before the IRS, and must meet several other requirements established by the IRS. In addition, certain appraiser declarations are required.

## Combining an Easement with Federal Historic Rehabilitation Tax Credits

A property owner conveying an easement on an historic building that has or will be rehabilitated may also be eligible for a 20% tax credit under the Federal Historic Rehabilitation Tax Incentives Program. This credit is available for properties rehabilitated for income-producing properties, but it is not available for properties used exclusively as the owner's private residence. The rehabilitation must be substantial as defined by IRS and applies only to a project that the National Park Service designates as a certified rehabilitation.

In cases where the donor may qualify for both a Federal income tax deduction and a rehabilitation tax credit, there are two important considerations: First, an easement placed on a building that is the source of a rehabilitation tax credit may be considered a partial disposition of the building, which could affect the available tax credits. Second, where rehabilitation tax credits have been claimed within 5 years preceding the easement donation, the Internal Revenue Code requires some reduction in the amount of the easement contribution deduction. An accountant or tax attorney should be consulted in such cases.

## Further Information

For further information about historic preservation easements and how to obtain certified historic structure status for a building in a historic district, visit the National Park Service website at <http://www.nps.gov/history/hps/tps/tax/easement.htm> or contact our office at [NPS\\_HPS-info@nps.gov](mailto:NPS_HPS-info@nps.gov).

This leaflet incorporates changes to Federal tax law as a result of the Pension Protection Act of 2006 and the Food, Conservation, and Energy Act of 2008 (Public

The preservation easement given to the Preservation Alliance for Greater Philadelphia on the Manufacturer's Club protects a National Register listed property not subject to local historic commission review. Courtesy of the Preservation Alliance.



Law 110-234). For updates on any subsequent Federal tax law changes, please refer to the website cited on the previous page.

## Acknowledgments

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This publication was prepared pursuant to the National Historic Preservation Act, which directs the Secretary of the Interior to develop and make available to government agencies and individuals information concerning professional methods and techniques for the preservation of historic properties.

Comments or questions regarding this publication are welcomed and should be addressed to Technical Preservation Services, Heritage Preservation Services, 1201 Eye Street NW, Washington, DC 20005 or email at [NPS\\_HPS-info@nps.gov](mailto:NPS_HPS-info@nps.gov).



# Heritage Led Regeneration in Cornwall



Between 1998 and 2013 staff from Cornwall Council's Historic Environment Service have secured funding for and implemented 12 heritage led regeneration schemes in Cornwall:

Bodmin, Camborne, Roskear & Tuckingmill, Camelford, Falmouth, Hayle, Helston, Launceston, Liskeard, Looe, Penryn, Penzance and Redruth

These schemes provided significant improvements to historic towns, conservation areas, and the Cornwall and West Devon Mining Landscape World Heritage Site.

Benefits:

- Total investment of £41 million (£16 million of partnership funding, £25 million of private funding).
- 283 buildings were renovated including 128 Listed buildings and 86 buildings were removed from the Buildings at Risk Register.

These schemes were mostly Heritage Lottery funded Townscape Heritage Initiatives (THIs) or English Heritage funded Heritage Economic Regeneration Schemes (HERS). They fund quality traditional repairs to targeted historic buildings in Conservation Areas using local materials and local traditional building techniques. The schemes also reinstate missing architectural details through reference to historical photographs and bring vacant and underused buildings back in to use.

The last four schemes (two schemes in Camborne, Roskear and Tuckingmill, Redruth and Helston) have been implemented by the same Project Team. More details of these schemes are included overleaf.

## **Camborne, Roskear, Tuckingmill Townscape Heritage Initiatives (THIs)**

Camborne, Roskear and Tuckingmill are three adjoining former mining settlements in West Cornwall each with their own Conservation Area. They have a combined population of around 30,000 and are situated within the Cornwall and West Devon Mining Landscape World Heritage Site. Quality architectural detailing still exists on many historic buildings although their condition has suffered since the decline in mining from the late nineteenth century.

The THIs operated in two successive phases. Phase One ran from January 2008 to December 2012. Phase Two commenced in Jan 2012 and will finish in June 2016. The schemes had a combined common fund of £1,715,417 and funded works to 54 historic buildings. Details of funding partnerships and outputs for the two schemes are shown below:

	<b>Phase 1 (actual) Jan 2008 – Dec 2012</b>	<b>Phase 2 (estimated) Jan 2012 – June 2016</b>	<b>Phase 1 and 2 combined</b>
<b>Buildings improved</b>	<b>28</b>	<b>26</b>	<b>54</b>
<b>Listed buildings improved</b>	<b>8</b>	<b>3</b>	<b>11</b>
<b>Buildings with architectural features restored</b>	<b>28</b>	<b>24</b>	<b>52</b>
<b>THI common fund</b>	<b>£1,048,750</b>	<b>£666,667</b>	<b>£1,715,417</b>
<b>Heritage Lottery Fund</b>	<b>£629,250</b>	<b>£500,000</b>	<b>£1,129,250</b>
<b>Cornwall Council contributions</b>	<b>£200,000</b>	<b>£151,667</b>	<b>£351,667</b>
<b>Homes and Communities Agency</b>	<b>£200,000</b>		<b>£200,000</b>
<b>Camborne Town Council</b>	<b>£19,500</b>	<b>£15,000</b>	<b>£34,500</b>
<b>Private sector contributions</b>	<b>£9,533,017</b>	<b>£2,427,358</b>	<b>£11,960,375</b>
<b>Buildings removed from the Buildings at Risk register</b>	<b>13</b>	<b>7</b>	<b>20</b>
<b>Sq m of vacant or underused floor space returned to residential use</b>	<b>3,508</b>	<b>1500</b>	<b>5,008</b>
<b>Sq m of vacant or underused floor space returned to commercial use</b>	<b>500</b>	<b>250</b>	<b>750</b>

Three of the buildings funded by the THI have won Cornish Buildings Group Design Awards:

- Renovation of Cross Street News (2011)
- Conversion of Camborne Forge (2012)
- Conversion of Holman's Engineering Works, Trevu Road, Camborne (2013)

The Holman's Engineering Works conversion won a Cornwall Sustainability Award in 2012, the 2013 South West & Wales RICS Award for Residential Development of the Year and was voted one of the UK's top 50 affordable housing developments by sector magazine Inside Housing in 2013.



# Camborne THI Projects





## Former Holman's No. 3 Works, Trevu Road, Camborne

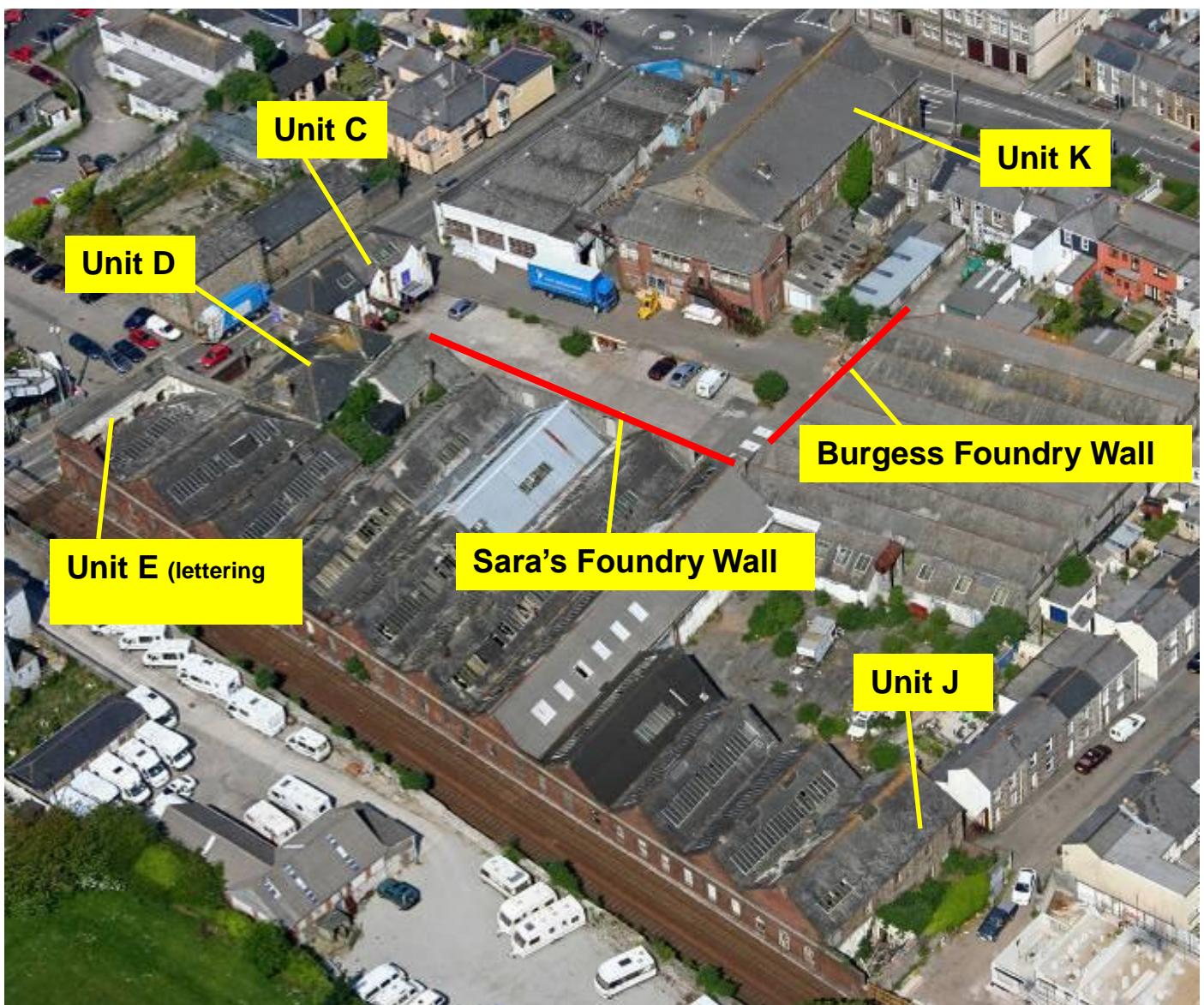
Holman's No.3 Works produced rock drills and mining equipment and is an important feature of the Cornwall and West Devon Mining Landscape World Heritage Site. The No.3 Works is situated on a prominent site in Camborne next to the railway station and prior to redevelopment in 2012 it had been vacant for around 10 years following closure of the works.

The THI funded repairs to 7 historic buildings on the site as part of a £10.4 million affordable housing development incorporating retained and converted historic buildings alongside new buildings designed with an industrial feel.

THI funding included various measures to improve the thermal and noise performance of traditional windows. These measures were monitored on 4 historic buildings which were sub-divided into separate units and situated next to a busy road and railway line. This provided a unique opportunity to compare different methods of sympathetically retrofitting older buildings as well as providing a visual reference for the different measures.

Monitoring results are being fed into:

- *Improving Energy Efficiency in Cornish Historic Buildings*





**Former Holman's No.3 Works, Camborne**





# Helston Townscape Heritage Initiative Projects





# Redruth Heritage Economic Regeneration Scheme Projects





# Redruth Heritage Economic Regeneration Scheme Projects



# Summary of Funding and Scheme Achievements

Redruth HERS, Helston THI and Camborne, Roskear, Tuckingmill Townscape Heritage Initiatives

	Redruth HERS 2004-2008	Helston THI 2003-2008	CRT THIs 2008-2013 2012-2016	Total
Common Fund	£1,203,820	£854,534	£1,715,417	£3,773,771
ERDF—Objective 1	£450,000	£180,000		£630,000
English Heritage	£300,000			£300,000
Heritage Lottery Fund		£400,000	£1,129,250	£1,529,250
Neighbourhood Renewal Fund	£100,000			£100,000
Homes and Communities Agency			£200,000	£200,000
Kerrier District Council	£283,020	£235,034		£518,054
Cornwall Council			£351,667	£351,667
Cornwall County Council	£50,800	£24,500		£75,300
Town Council	£20,000	£15,000	£34,500	£69,500
Private Sector contribution	£866,558	£566,776	£15,254,032	£16,687,366
Buildings renovated	35	31	54	120
Listed buildings renovated	12	24	11	47
Buildings with missing architectural features reinstated	32	13	52	97
Buildings removed from the Buildings at Risk Register	13	2	20	35
Square metres of vacant or underused floor space returned to residential use	1,170		5,008	6,178
Sq m of vacant or underused floor space returned to commercial use	1,199	212	750	2,161

## THI conversion, Helston





# Traditional Skills Training and Energy Saving Initiatives

Camborne, Roskear, Tuckingmill THI had an emphasis on traditional skills training and energy saving initiatives. Results to date are shown in the table below

<b>Traditional Skills Training *</b>	<b>Cost (incl. Materials)</b>	<b>Attendees</b>
Traditional Joinery Week (10 Courses)	£3,846	130
Construction of Timber Sash Windows (1 Course)	£0	7
Lime Pointing Training Day (4 Courses)	£713	50
Bag Rubbing (1 Course)	£1,500	10
Traditional Street Signs (1 Course)	£5,508	25
Stone Cleaning Training Day (1 Course)	£425	24
SPAB Training Day (1 Course)	£383	40
Thatching Training (1 Course)	£0	12
Oak Frame Joinery Training (1 Course)	£3,424	10
Scantle Roofing Training (1 Course)	£4,145	10
Cob Training (1 Course)	£410	10
<b>Sub Total</b>	<b>£20,354</b>	<b>328</b>
Number of Courses	23	
<b>Average Course Cost (£)</b>	<b>£969</b>	

<b>Average Cost (Euros)</b>	<b>1,212 €</b>
Total number of attendees	328
Average attendees per Course	14
Cost per attendee (Euros)	85 €

<b>Energy Guidance &amp; Monitoring *</b>	<b>Cost</b>
Energy Guide - Student Input	£518
Energy Guide - Tutor Input	£400
Energy Guide - Acoustic Measurements	£550
Energy Guide - Thermal Camera Hire	£1,016
Energy Guide - QS	£1,305
Energy Audits	£2,300
Energy Audit Report	£1,000
<b>Sub Total</b>	<b>£7,089</b>

<b>Average Cost (Euros)</b>	<b>8,861 €</b>
-----------------------------	----------------

\* External expenditure only

## Traditional Skills Training

A rolling programme of training days for local contractors, architects, Council staff and college students has been funded through the THI. These programmes give College students the opportunity of working on a live local project, giving a sense of ownership. Traditional skills training funded by the THI has included:

- Building local stone walls, scantle slate roofing, thatching, lime pointing, bag rubbing, wall capping, stone repair, stone cleaning
- Construction of new cob bus shelter with local students who were supervised in cob construction, scantle slate roofing, oak framing and building stone plinths.
- Society for the Protection of Ancient Buildings practical repair and study day
- Traditional Joinery Week including demonstrations of traditional window repair techniques and draught proofing, making internal shutters and lectures on the history of traditional windows.
- Design and production of cast iron street signs and door handles - students designed the metalwork and watched production at a local foundry (completed work is now installed on buildings).
- Production of traditional sash windows for installation on a THI funded building as part of a College course (see photograph below-right)



Training in traditional timberwork has proved particularly useful. Many local carpenters prefer to replace historic windows rather than repair them. The THI has funded traditional window repair on historic buildings and provided training for local contractors and college students in traditional timber construction and repair techniques.

The aim is to promote the repair of original building fabric rather than replace it. This provides cost benefits to occupants and still allows additional thermal improvements to be installed. Guidance has also been produced on appropriate timber and detailing for timber repairs as well as appropriate finishes. To reduce maintenance periods finishes such as linseed paint are being encouraged.



# Traditional Skills Training





## Monitored Energy Saving Initiatives

The THI has funded good practice methods of improving energy efficiency in historic buildings. Improvements to original single glazed traditional timber windows have been the main focus but sustainable breathable internal insulation methods have been funded and agreed on future schemes. These include woodfibre board, insulating lime/cork plaster, hemp lime and clay plaster.

Some of these improvements were installed on converted historic buildings which were subdivided in to separate housing units. This allowed subtly different measures to be installed, enabling the monitoring of thermal and noise performance of each measure. Results of the monitoring included feedback from occupants and allowed measures to be compared to one another. Installation in adjoining units also allowed a visual assessment of how they affected the character of the historic buildings (see below).

### Conversion of former engineering works, Camborne

Two adjoining historic buildings were converted to residential accommodation. Both buildings were divided into units and subtly different methods of improving the thermal and noise performance of traditional windows were installed. This provided a visual comparison of the measures and meant that the performance of each measure could be compared to one another.



**Roof**  
Sheepswool insulation



**Windows:**  
Draught proofed single glazing with internal shutters (2 windows)



**Windows:**  
Draught proofed single glazing with thermal shutters (5 windows)



**Windows:**  
Draught proofed single glazing (2 windows)



**Windows:**  
Single glazing with secondary glazing (3 windows)



**Doors:**  
Draught proofing  
Insulated ground floor door

**First Floor:**  
Insulation between timber joists inserted from above floor



Breathable internal wood fibre insulation at conversion of former Clink Camborne

## 27 Basset Road, Camborne



**Interior view of completed window**

**5 first floor windows reinstated to original design using slim double glazing**



**2 bay windows, 2 sash windows and door on ground floor reinstated to original design using alternative slim double glazing.**

## Summary

The traditional skills training and energy saving initiatives funded through Camborne, Roskear, Tuckingmill THI have provided the following results:

- 21 training events have been funded for 470 local builders, architects, Council staff and college students. Many of these events were limited to groups of under 12 as they involved practical work on a 'live' project under supervision.
- 95 Local college students have been given the opportunity to work on 'live' local building schemes giving a sense of ownership (7 Bench Carpentry, 24 BTEC National Diploma in Mechanical Engineering, 18 Masonry Construction, 16 BSc Renewable Energy and Carbon Management, 30 Apprentices and 'A' level students)
- Traditional skills including joinery, metalwork, masonry construction and timber repair have been included as part of Cornwall College building courses. Appropriate ways of upgrading and monitoring historic buildings has been included as a module on renewable energy and carbon management courses.
- A list of local builders and suppliers has been compiled from builders and suppliers involved with successful THI work and attendees at training events. This list is regularly updated and given to property owners seeking costs for work. Finding suitably experienced builders has been difficult.
- Further training sessions in lime plaster, rot eradication, lime/cork insulating plaster and hemp plaster are planned for 2015.
- Good practice energy saving measures have been installed on 21 local housing units, 2 community buildings and 1 commercial unit. This has provided local examples of good practice along with results of thermal and noise performance and feedback from occupants.
- The 'Improving Energy Efficiency in Historic Cornish Buildings' guide has been formally endorsed by Cornwall Council as a material consideration for land use planning purposes.

The guide is being used to discuss insulation methods with builders carrying out comprehensive improvements to local housing as part of Government funding programmes. It is referred to in pre application applications to Cornwall Council's Planning Service and links to wider local policy and guidance through:

Cornwall Design Guide

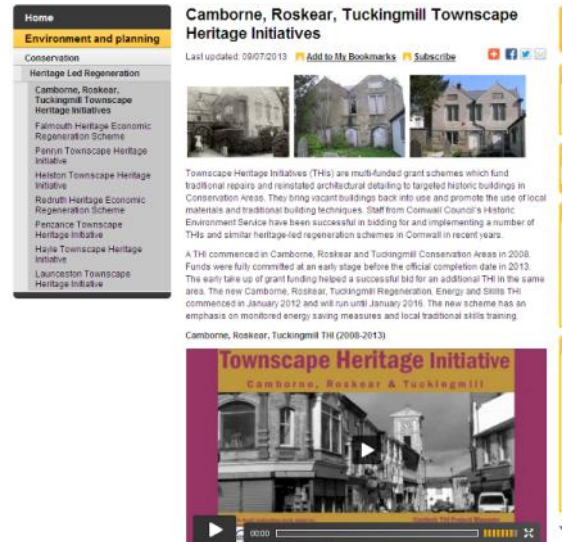
## Proposed St Austell Townscape Heritage Scheme

A bid was submitted to Heritage Lottery Fund in August for a Townscape Heritage (TH) scheme in St Austell, an historic market town in mid Cornwall. If this bid is successful a TH scheme commencing in June 2016 and finishing in June 2020 will further progress the traditional skills training and energy saving initiatives progressing through the Camborne, Roskear, Tuckingmill THI.



## Discovery Map

The THI funded a 'heritage based Discovery Map' for Camborne which highlights sustainable ways of accessing the town and local attractions. It incorporates a heritage town trail around the border. The map has an associated interactive website (with links to the THI). The map and interactive website engages local residents, visitors and local schools to discover the industrial and historically important attractions in and around Camborne.



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The Camborne, Roskear & Tuckingmill, Regeneration, Energy & Skills THI is funded by:





**English Heritage**

# **Impact of Historic Environment Regeneration**

**Final Report**

**1st October 2010**



## English Heritage

# Impact of Historic Environment Regeneration

## Final Report

**1st October 2010**

Reviewed and approved by:	
Signature(s):	_____
Name(s):	Graham Russell
Job Title(s):	Partner Director
Date:	1 <sup>st</sup> October 2010

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Appendix A – Background literature

Appendix B – Case studies

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*The views expressed in this report are those of AMION Consulting and Locum Consulting and do not necessarily reflect the views of English Heritage*

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# 1 Introduction

## 1.1 Background to the research

A growing number of studies have sought to value the benefits of heritage. However, these have often tended to focus on specific buildings (for example, cathedrals, churches and historic houses) or high profile historic sites. Whilst important, these only form part of the historic environment, which is a much broader concept encompassing streets, spaces, landscapes, parks and gardens, people's homes and all physical remains of past human activity.

Research on the economic, social and environmental benefits of the historic environment has been relatively limited and often of a qualitative nature. To help address this, English Heritage commissioned AMION Consulting, in association with Locum Consulting and Spirul, to undertake research on the impact of historic environment regeneration. This report presents the research findings.

## 1.2 Scope of the study

The main aim of the study is to provide an assessment of the impacts that can arise from heritage-led regeneration. The study does not seek to assess the economic value of the historic environment in monetary terms by quantifying the value people place on the conservation of heritage assets.<sup>1</sup> Instead, it focuses on the indirect benefits, such as increased economic activity and improved civic pride.

Where possible, the study has sought to quantify the benefits of historic environment regeneration, drawing principally on the use of case studies. The analysis also includes a number of wider, less tangible benefits that do not have an easily measurable value. Although it has not been possible to quantify the value of such impacts within the scope of this study, evidence is presented from primary survey research to highlight the wider social and environmental benefits.

## 1.3 Report structure

This report presents the results of the research and continues in four sections as follows:

- Section 2 – defines what is meant by historic environment regeneration, considers its importance, and summarises the approach adopted in this study to assessing its impact;
- Section 3 – assesses the impact of historic environment regeneration in terms of how it influences the nature and role of an area;
- Section 4 – sets out the economic, social and environmental impacts of investing in historic buildings and places, drawing on the results of surveys and consultations; and

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<sup>1</sup> For an in-depth review of valuation studies relating to the historic environment see eftec (2005), *Valuation of the Historic Environment*.

- 
- Section 5 – presents the conclusions of the research.

## 1.4 Approach to the study

The approach to the research comprised the following six stages:

1. scoping stage – an initial inception meeting was held with representatives from English Heritage and the Historic Environment Forum (HEF) to agree the study's requirements and establish a common understanding of the issues to be addressed. This stage also involved a review of the literature on the economic value of the historic environment;
2. selection of case studies – a number of case studies were selected to assess the impact of heritage-led regeneration. These were chosen to represent a range of projects in terms of their geographical location (including urban and rural) and size and type of investment;
3. analytical framework – to assess the information gathered in the study, an analytical framework was developed to collate the varying forms of data in a systematic manner. This included consideration of how to allow for issues in the evaluation of economic impact, such as displacement and additionality;
4. assessment of the role of historic environment areas – existing information for each of the chosen case studies was collated as part of an assessment of the impact that historic environment regeneration has on the nature and role of an area. This has included the analysis of national and regional visitor surveys and the use of Goad databases and maps where available, which are generated by the research company Experian<sup>2</sup>;
5. consultations and surveys – consultations were undertaken with individuals involved in the case study projects and face-to-face and telephone surveys were carried out with local residents, workers, visitors and businesses; and
6. economic, social and environmental impact analysis of heritage-led regeneration projects<sup>3</sup> – the results of the consultations, surveys and other research were analysed to assess the additional benefits of a number of case studies. The analysis focused principally on the impact of each case study on employment and business performance, along with a range of social and environmental benefits.

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<sup>2</sup> The Goad database is a retail and commercial occupancy database for the UK and Ireland.

<sup>3</sup> Due to the scope of the study, the assessment has not included a quantitative analysis of the environmental benefits, such as carbon savings.

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## 2 The context to the study and its approach

### 2.1 Introduction

This Section defines what is meant by the historic environment and examines its importance.<sup>4</sup> The Section then sets out the approach used within this report to assess the impact of historic heritage-led regeneration.

### 2.2 The historic environment and its importance

Planning Policy Statement 5 (PPS5), Planning for the Historic Environment, defines the historic environment as being *“all aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora”*. Those components of the historic environment that are identified as meriting consideration in planning decisions are referred to within PPS5 as ‘heritage assets’. The term heritage asset can be applied to a wide range of features, including buildings, monuments, landscapes, parks and gardens, sites and areas.<sup>5</sup>

The historic environment is seen as having an essential role to play in helping Government achieve many of its broader goals. It is a potentially powerful driver for economic growth, as well as being identified as an important social and environmental asset. The benefits associated with historic buildings and places are often interrelated, with improvements to an area’s image and sense of place helping to generate new economic activity and investment, which in turn can contribute towards enhancing the quality of life for all.

PPS5 recognised that changes to the historic environment are sometimes necessary in order to realise the optimum value of a heritage asset. As well as helping to maximise the economic, social and environmental benefits that can be generated, heritage-led regeneration can also support long-term conservation.

At the local level, the regeneration of the historic environment has a major part to play in realising the economic and wider priorities of local authorities. For instance, improvements to the historic buildings and places can support the regeneration of underperforming areas.<sup>6</sup> This is evident in the investment undertaken at Gloucester Quays, as discussed in Section 4 of this report. Historic buildings also offer an important asset in relation to the creation of commercial and residential space.

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<sup>4</sup> A list of relevant background literature is included at Appendix A.

<sup>5</sup> A heritage asset is defined by PPS5 as *“a building, monument, site, place, area or landscape positively identified as having a degree of significance meriting consideration in planning decisions”*. The Practical Guide that accompanies PPS5 defines the significance of a heritage asset in terms of the sum of its architectural, historic, artistic or archaeological interest.

<sup>6</sup> The role of the heritage as a catalyst for social and economic regeneration is set out in more detail within English Heritage’s report on *Regeneration and the Historic Environment* (2005).

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Furthermore, local tourism can be enhanced through investment in the historic environment – coastal towns in West Cumbria, for example, whose traditional industries, such as mining, fishing and farming have suffered decline, have developed new visitor economies around their heritage assets.

In the context of the current restraints on the public sector, heritage-led regeneration provides the opportunity to further enhance the role of the voluntary and community sector, along with individual owners and occupiers, thus supporting the Government’s emerging Big Society and localism agendas. Not only are historic buildings and places key to retaining local distinctness, they can provide the focus for local community engagement, helping to bring people together and foster a sense of ownership.

A number of studies have assessed the economic impact or value of heritage.<sup>7</sup> According to a report produced on behalf of the Heritage Lottery Fund (HLF), heritage tourism generates in excess of £12.4 billion of expenditure per year, supporting an estimated 195,000 full time equivalent (FTE) jobs.<sup>8</sup> Moreover, there is evidence that people value heritage as a good in itself – for example, a study undertaken by the Nationwide Building Society suggested that people attach a higher value to historic buildings compared to more modern accommodation of an equivalent nature.<sup>9</sup>

## 2.3 The approach to assessing the impact of historic environment regeneration

### 2.3.1 Overview of the methodology

The methodology of the research has involved two key strands of assessment:

- how investment in the historic environment affects the nature and role of areas; and
- estimating the economic, social and environmental impacts of heritage-led regeneration.

Each strand of the analytical framework is discussed in turn below (see Section 2.3.2 and Section 2.3.3).

The approach adopted to assess the impact of historic environment regeneration is principally based on the analysis of a set of case studies, chosen by English Heritage and sector stakeholders in consultation with AMION and Locum. The role of the case studies and the basis

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<sup>7</sup> A useful summary of quantitative valuation research is the 2005 eftec report, entitled *Valuation of the Historic Environment*.

<sup>8</sup> HLF (2010), *Investing in Success – Heritage and the UK Tourism Economy*

<sup>9</sup> Source: Nationwide Building Society (2003), *‘What adds Value’*. Whilst evidence suggests that the historic nature of a building can add value to a property, older properties can also be an important source of cheaper accommodation, particularly in rundown areas. Although their historic nature may add value, the location of older properties (for example, in areas of market failure) and condition can mean they provide a relatively inexpensive form of accommodation. This in turn can help to stimulate regeneration, attracting people and investment to areas of deprivation.

upon which they have been selected is explained within Section 2.3.4. A full description of each case study is contained within Appendix B.

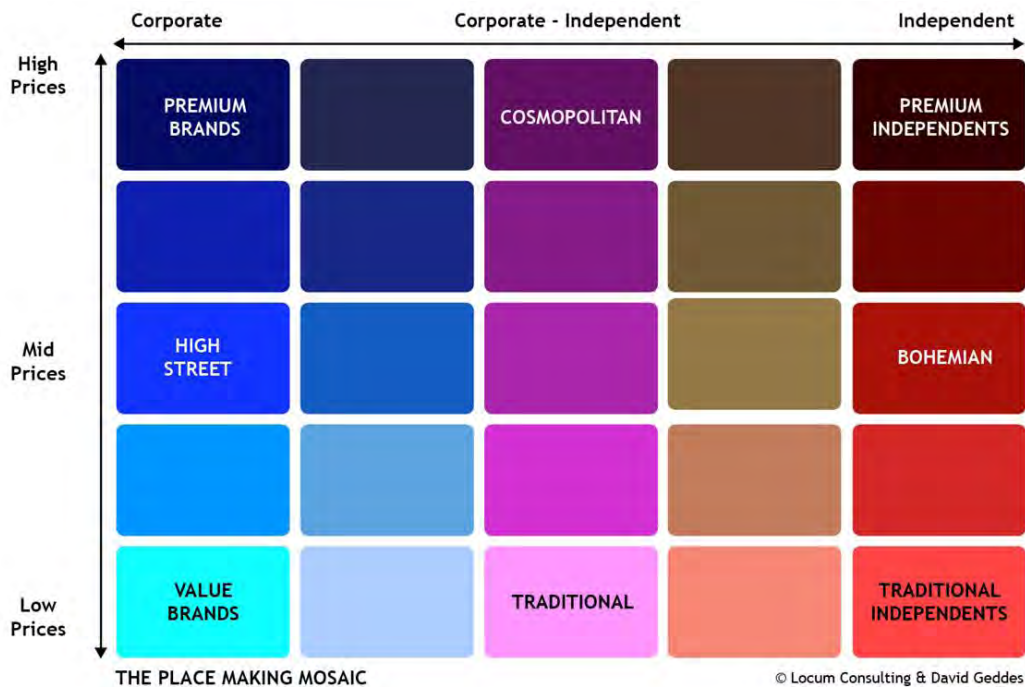
### 2.3.2 *Impact on an area's nature and role*

This component of the analysis was based on a review of existing data sources and research in order to assess the effect of historic buildings and places on the type of commercial and other activity in areas which have had investment in their heritage. The assessment has sought to examine how areas dominated by heritage assets differ from other areas in terms of their nature and role.

As part of the assessment, the popularity of towns and cities with extensive historic environments has been explored. A range of examples have been reviewed to illustrate the characteristics of popular areas known for their heritage, and how the historic environment has contributed to this popularity. This has included an analysis of the type of 'experience' provided by historic places, to see if there is commonality in terms of the type of commercial activity that exists in these areas.

In order to assess whether such a 'clustering' effect exists, a framework, developed by Locum, has been applied to compare some of England's best known historic environments. This 'mosaic' framework enables places to be grouped according to whether the experience within these destinations is dominated by corporations or independents and whether businesses compete in terms of price or quality (see Figure 2.1). Section 3.3 sets out further details on the framework and its application.

**Figure 2.1: The Place Making Mosaic**





The impact of the historic environment on the commercial and other activity that takes place in an area has been explored in more detail for a selection of case studies. This has involved using the mosaic framework to examine the nature of activity within areas that have benefited from investment in their heritage assets and how this differs from elsewhere.

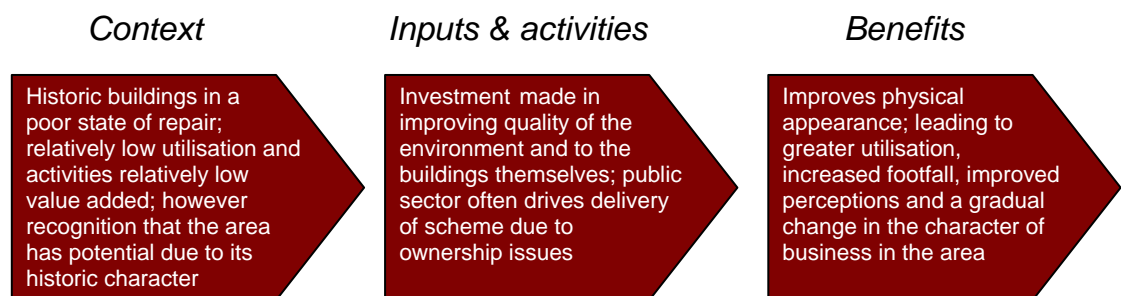
In addition, property data has been obtained using the Goad database and maps. These show the commercial uses of individual properties in towns and cities and have been used to help inform how the nature of businesses within the case study areas has evolved, due to the regeneration of the historic environment. The use of Goad mapping has been supported by further secondary source data on the nature of occupiers, where appropriate (for example, the Focus database).

The impact of heritage-led regeneration as assessed through this component of the analytical framework is set out within Section 3.

### 2.3.3 *Estimating economic, social and environmental impacts*

Figure 2.2 illustrates how investing in the historic environment has an impact on economic activity and community perceptions.

**Figure 2.2: How investing in the historic environment benefits economic activity and perceptions**



Three key considerations in estimating the extent of these impacts are:

- *the area of impact* – with any intervention, different levels of impact will arise at local and wider spatial areas. It is therefore important to be clear on what is considered as the relevant area of impact. This will depend on the objectives of the project and the problems it is seeking to address.

A key part of heritage-led regeneration is improving the appearance and function of a local area that has suffered from deterioration and neglect. Although there can be spill-over effects into adjoining areas, the analytical framework is focused on the impact at the local level;

- *the selection of impacts to be assessed* – given that historic environment regeneration often involves improvements to public spaces as well as commercial buildings and visitor attractions, interventions are likely to result in a wide range of economic, social and environmental benefits. The analytical framework therefore takes account of the need to

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examine both tangible impacts, such as business growth, and less easily measurable effects, such as an increased sense of place; and

- *additionality* – improvements to the historic buildings and/or places often form part of a larger scheme, which may also involve the provision of new commercial space or marketing activity. Consequently, within the analytical framework consideration is given to the extent to which benefits can be attributed specifically to heritage-led regeneration, as well as whether it has resulted in any adverse effects. The assessment therefore includes, for instance, additional turnover and jobs generated because an area attracts new customers as a result of investment in the historic environment. **However, where benefits, such as new jobs accommodated, would have been achieved even without improvements to the historic environment then these have been excluded.**

The research has assessed economic, social and environmental impacts based on consultations with individuals involved in the case study projects, surveys and secondary source information (the full details of the research methodology are set out in the technical appendix).

For all of the case studies reviewed as part of this research (see Section 2.3.4 and Appendix B), key individuals who were involved or have knowledge of the respective interventions were consulted. Where feasible, this took the form of a structured questionnaire, completed by the people involved with the project, exploring the rationale for why the investment was made, what was done and what they think the impact was, specifically in relation to the improvement to the historic environment.

In addition, for five case study sites, an ‘on-street’ survey, targeted at local residents, workers and visitors, and a business survey of local firms was undertaken. The surveys were carried out between 22nd April and 5th May 2010 by the survey company Spirul.

In total, the ‘on-street’ survey involved face-to-face interviews with around 1,000 people (approximately 200 people per case study area). The survey asked questions on individual’s perceptions of the project, its impact on the local area and the extent to which the project has influenced their behaviour, principally in relation to their spending patterns.

The business survey combined the use of face-to-face and telephone interviews to question over 120 firms (approximately 25 businesses per case study area) in relation to the impact of the case study project on their business and the local area. The survey focused on businesses within the immediate locality of each project and sought to determine whether improvements to the historic environment have had a positive impact on their performance.

The impact of heritage as assessed through this component of the analytical framework is set out within Section 4.

#### 2.3.4 *Selection of case studies*

In total, 16 case studies have been reviewed, in varying levels of detail, as part of this research. In selecting these, consideration was given to the need to reflect the diverse nature of heritage-led regeneration, both in terms of the form of intervention and the context in which it takes place. The case studies selected therefore represent a mix of projects covering:

- a geographical spread across the country;

- both urban and rural investments;
- different sizes of scheme, including varying levels of public sector intervention;
- different types of scheme, from public realm improvements to the creation of new commercial space; and
- a mix of public-led and private-led schemes.

As outlined in Table 2.4, individual case studies have been used to support different parts of the analysis.

Table 2.4: Selected case studies		
Assessment strand	Focus of assessment	Selected case studies
Impact on an area's role (see Section 3)	Nature of and activity in the area	Newburgh Street, London New Road, Brighton Quayside Barbican, Plymouth Regent Quarter, London Staircase House & Covered Market (Market & Underbanks area), Stockport
Economic, social & environmental benefits (see Section 4)	Economic benefits (see Section 4.2)	Aylsham Heritage Economic Regeneration Scheme (HERS), Norfolk Regent Quarter, London Sheffield Cultural Industries Quarter (CIQ) Townscape Heritage Initiative (THI), Sheffield Staircase House & Covered Market, Stockport Stourport Canal Basins, Stourport-on-Severn
	Social & environmental benefits (see Section 4.3)	Albert Dock, Liverpool Aylsham HERS, Norfolk Cromford Mill, Derbyshire Curson Lodge, Ipswich East Lindsey HERS, Lincolnshire Fort Dunlop, Birmingham Gloucester Quays, Gloucester North Shields Fish Quay, North Tyneside Regent Quarter, London Sheffield CIQ THI, Sheffield Staircase House & Covered Market, Stockport Stourport Canal Basins, Stourport-on-Severn West Auckland Partnership Schemes in Conservation Areas (PSiCA), County Durham

The assessment of the impact on an area's role (see Section 3) has focused on five of the case studies, in order that they can be explored in detail. The case studies chosen are in areas large

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enough to compare how activity in various parts of the town/city centre differs depending on the extent of the historic environment.

It has only been feasible to undertake primary survey research, in the form of an 'on-street' and business survey, for five of the case studies (see selected case studies in relation to economic benefits in Table 2.4). Not all of these are the same as the five case studies used for the assessment of the impact on an area's role.

The selection of the case studies for which to carry out primary survey research was based on discussions with English Heritage and sector stakeholders, with input from the survey team. Consideration was given to ensuring that the selected case studies both represented a diverse mix of historic environments and that sufficient businesses and local residents, workers and visitors would be accessible to survey. The economic benefits of heritage-led regeneration have been assessed for the five case study areas for which primary survey research has been undertaken (see Section 4.2).

The assessment of the social and environmental benefits (see Section 4.3) has been informed by the results of the 'on-street' and business surveys, as well as the consultations with project contacts. This provided information in relation to social and environmental benefits for 13 of the 16 case studies.

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## 3 The role historic environments play in the economic and social life of towns and cities

### 3.1 Introduction

This Section analyses the influence of the historic environment in towns and cities on the commercial and other activity that takes place, and the way in which investment can affect this.

It looks first at evidence of the correlation between the overall popularity of places as destinations and the extent to which they have historic buildings.

It then examines historic areas of five towns and cities of differing nature. Each case study assesses the spread of commercial activity across the town/city centre and how areas dominated by heritage assets differ from those that are not. Each case study then looks at the effect of an investment in that context.

### 3.2 The popularity of towns and cities with extensive historic environments

Primary research studies have found evidence of a positive correlation between the number and nature of heritage assets in places and their image and appeal as destinations. The Northwest Regional Development Agency (NWDA), for example, commissioned a survey that, over 12 months from April 2009 to March 2010, interviewed about 35,000 people nationally via an online panel.<sup>10</sup> It was weighted to be representative of the national population in terms of location of residence and age.

Respondents were asked to rate destinations in terms of whether they were ‘my kind of place’ for a day out<sup>11</sup>. Each respondent was given a list of 20 towns and cities to rate from an overall list of about 400. About 1,000 ratings were achieved for each of the 400 places on the list. Seaside towns and rural destinations are popular, but the top of the list of most popular places for a day out is dominated by places known for their heritage<sup>12</sup> (see Table 3.1).

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<sup>10</sup> A research process where people agree to answer questions sent to them by email.

<sup>11</sup> This is only, of course, one dimension of ‘popularity’ but one that is likely to correlate with popularity on other dimensions such as place to study or place to work.

<sup>12</sup> All have a medieval cathedral, abbey or castle as a centrepiece.



**Table 3.1: % rating destination as 'My Kind of Place' for a Day Out**

1	London	59%	21	Scarborough	32%	41	Glasgow	26%
2	<b>Edinburgh</b>	<b>56%</b>	22	Keswick	32%	42	Paignton	26%
3	<b>York</b>	<b>55%</b>	23	Coniston	32%	43	Glastonbury	26%
4	Isle Of Wight	49%	24	Ullswater	32%	44	Bodmin	26%
5	<b>Stratford-u-Avon</b>	<b>46%</b>	25	Weymouth	29%	45	Portsmouth	26%
6	Windermere	45%	26	Ambleside	29%	46	Great Yarmouth	26%
7	<b>Bath</b>	<b>45%</b>	27	Manchester	29%	47	Cardiff	26%
8	<b>Oxford</b>	<b>41%</b>	28	<b>Warwick</b>	<b>29%</b>	48	Liverpool	26%
9	Brighton	41%	29	Poole	29%	49	Torbay	26%
10	<b>Windsor</b>	<b>41%</b>	30	Whitley Bay	29%	50	Llandudno	25%
11	Penzance	39%	31	Fort William	29%	51	<b>Durham</b>	<b>25%</b>
12	<b>Chester</b>	<b>38%</b>	32	<b>Salisbury</b>	<b>29%</b>	52	Hastings	25%
13	<b>Canterbury</b>	<b>38%</b>	33	Truro	29%	53	<b>Arundel</b>	<b>24%</b>
14	Newquay	38%	34	Anglesey	28%	54	Bristol	24%
15	St Ives	38%	35	Plymouth	28%	55	<b>Buxton</b>	<b>24%</b>
16	Whitby	37%	36	Blackpool	28%	56	<b>Malvern</b>	<b>24%</b>
17	Cheddar	35%	37	<b>Winchester</b>	<b>27%</b>	57	Exmouth	24%
18	Kendal	35%	38	Dartmouth	27%	58	Ilfracombe	24%
19	Bournemouth	35%	39	Bude	26%	59	<b>Harrogate</b>	<b>24%</b>
20	Torquay	34%	40	Inverness	26%	60	Newcastle	24%

Note: Those places known for their heritage are marked in bold

Comparing the position of different places shows the extent to which the scale and nature of heritage affects their desirability as a place to take a day trip. York is seen by the public as being the most enticing destination in England other than London. The proportion of respondents rating Edinburgh as 'my kind of place' for a day out is more than twice that of Glasgow. Chester is considerably ahead of both Liverpool and Manchester.

The presence and nature of heritage assets is probably what makes places like Scarborough and Whitby the most highly ranked resorts. Brighton, which has about 560 listed buildings in its central area and, as shown in the case study below, has made use of them to create attractive visitor environments, is much higher up the list than Blackpool, which has about 22 listed buildings.

There is a direct relationship between the number of listed buildings in cities of similar type and their popularity as places to take a day trip. Figure 3.1 shows the cities known for their heritage ('heritage cities') that had the highest ratings for 'my kind of place' for a day out<sup>13</sup>. The percentage rating they were given by respondents to the survey has been translated into a 'popularity index' on a scale of 1-1000, and plotted against the number of listed buildings. With the exception of Windsor and Warwick, both of which are dominated as destinations by their castles, which are major landmark attractions, there is a direct correlation between the two variables. The correlation coefficient<sup>14</sup> is 0.71 (out of 1).

<sup>13</sup> Cambridge was accidentally omitted from the list given to respondents and would probably otherwise appear.

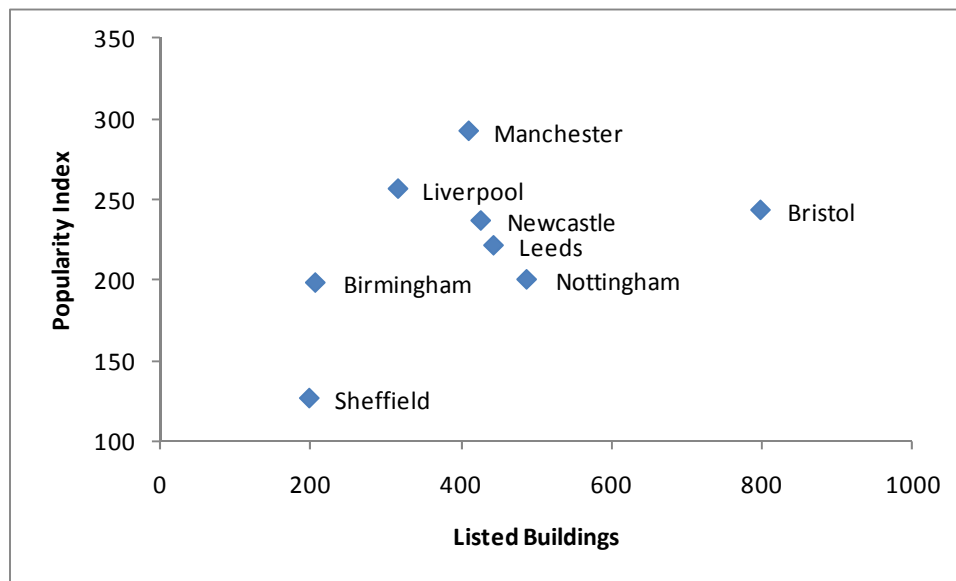
<sup>14</sup> The extent to which one variable varies in line with another. A correlation of 1 means that variable A varies in exact proportion to variable B. A correlation of 0 means that there is no relationship at all. An inverse correlation, shown as a negative figure, shows that one variable goes up as the other goes down.

**Figure 3.1: Relationship between heritage and popularity for the heritage cities**



A similar picture (see Figure 3.2) albeit to a lesser extent, emerges when correlating the number of listed buildings and the ‘popularity index’ of England’s eight largest regional cities, the so-called ‘Core Cities’. The correlation coefficient is 0.44, which is relatively high.

**Figure 3.2: Relationship between heritage and popularity for the Core Cities**



Bristol’s ranking in this analysis would appear to be inconsistent because it has many more listed buildings than the others but only comes third in the popularity list. Bristol has been one of the major English cities continuously since Norman times and has large concentrations of listed buildings in its inner city suburbs like Clifton. Its medieval city centre was, however, almost totally destroyed in 1940, so it may not be perceived as a heritage city in the way that nearby Bath is. The fact that it does, nevertheless, have so many listed buildings, and that they

are of an older vintage than in the northern cities, is likely to partially explain why it comes notably higher in the popularity table than larger rivals.

The actual visiting patterns of people are influenced by many factors other than a destination's intrinsic appeal. For example, people may be attracted to events or by the presence of friends and relatives. There is, nevertheless, a strong correlation between the number and nature of heritage assets in places and the extent to which they are visited. The NWDA research also asked people whether they had been to the destinations for a leisure trip (either a holiday/short break or day trip) in the past two years. As Table 3.2 shows, the top 60 contains a significant number of places known for their heritage and, again, those places which have considerable remaining heritage are comparatively more likely to have been visited than equivalent places with less.

**Table 3.2: % of people saying they had visited the destination for a leisure trip in past 2 years**

1	London	41%	21	Plymouth	8%	41	Great Yarmouth	7%
2	Brighton	17%	22	Cardiff	8%	42	Fort William	6%
3	<b>York</b>	<b>15%</b>	23	Nottingham	8%	43	Poole	6%
4	<b>Edinburgh</b>	<b>15%</b>	24	Whitby	8%	44	Lincoln	<b>6%</b>
5	<b>Oxford</b>	<b>14%</b>	25	Llandudno	8%	45	Dartmouth	6%
6	<b>Bath</b>	<b>11%</b>	26	St Ives	8%	46	Reading	6%
7	Portsmouth	11%	27	Norwich	8%	47	Dumfries	6%
8	<b>Windsor</b>	<b>11%</b>	28	Southampton	8%	48	Southend-On-Sea	6%
9	Newcastle	11%	29	Taunton	8%	49	St. Andrews	<b>6%</b>
10	Bristol	11%	30	Gloucester	8%	50	Paignton	6%
11	Bournemouth	11%	31	Dover	7%	51	Winchester	<b>6%</b>
12	Glasgow	10%	32	Derby	7%	52	Sheffield	6%
13	<b>Warwick</b>	<b>10%</b>	33	<b>Harrogate</b>	<b>7%</b>	53	Falmouth	6%
14	Birmingham	10%	34	<b>Richmond</b>	<b>7%</b>	54	Skipton	6%
15	Newquay	10%	35	<b>Matlock</b>	<b>7%</b>	55	Loch Lomond	6%
16	<b>Stratford-u-Avon</b>	<b>9%</b>	36	Torquay	7%	56	Exmouth	6%
17	Weymouth	9%	37	<b>Shrewsbury</b>	<b>7%</b>	57	Tewkesbury	<b>6%</b>
18	Scarborough	9%	38	<b>Canterbury</b>	<b>7%</b>	58	Bangor	6%
19	Leeds	9%	39	Exeter	7%	59	Eastbourne	6%
20	<b>Cheltenham</b>	<b>8%</b>	40	Skegness	7%	60	Worcester	6%

Note: Those places known for their heritage are marked in bold

### 3.3 Historic environments in the urban fabric – the ‘mosaic’ effect

The extent to which heritage assets dominate the built environment is likely to have a significant impact on the overall appeal of a town or city.

A closer look at the cities that are the most popular as day visit destinations suggests that their popularity is because a large part of the mainstream retail and leisure activity takes place in historic environments. That is a defining characteristic of cities like York, Chester, and Bath (as well as of smaller historic market towns such as Aylsham, examined elsewhere in this report). In most other cities and large towns, as the case studies will show, the high street retail offer is in a modern development with relatively limited influence from the historic environment. This is

because historic buildings are often not able to provide the size of retail space that modern retailers demand.

Historic towns and cities have had to find ways of integrating modern shopping spaces into the historic environment. Chester’s modern Grosvenor shopping centre is, for example, largely hidden by classic Rows façades.

Recent shopping developments, like Whitefriars in Canterbury, Princeshay in Exeter and arc in Bury St Edmunds, are carefully integrated into the historic street pattern and respect the local vernacular.

These circumstances are not, however, typical. Other major new shopping centres, like Liverpool One and Cabot Circus in Bristol, follow the same principle of being largely open air and creating a new street pattern. They make features of the heritage assets that exist, but their style is firmly modern.

Such developments often combine their highest value tenants with heritage assets. The ‘luxury’ shops in Cabot Circus, including Harvey Nichols, overlook Quakers Friars, one of Bristol’s most historic buildings, which has been restored as an up market restaurant and made the central feature of a piazza. The top of range fashion shops in Liverpool One are located in the listed Keys building. The smartest designer fashion shops in Leeds are in restored Victorian arcade now called the Victoria Quarter. The developers have concluded that the heritage assets provide an opportunity to create an ambience that attracts the highest value tenants. The same phenomenon can be seen with office and residential development, as the Regent Quarter case study examined in this report shows (see Section 3.5).

**Figure 3.3: Victoria Quarter, Leeds. Self-proclaimed ‘Knightsbridge of the North’**



All of these examples suggest that, even when they are located in the middle of modern developments, heritage assets can be used to create added value. This is for the simple reason that people like them and the ambience they create.

As the case studies below show, however, historic environments are, more usually, separate from the main commercial core and their effects are more subtle. Of perhaps the most

significance, they tend to nurture types of commercial and other activity that might not otherwise take place. This phenomena is explored in this section.

Locum has developed a framework, the Place Making Mosaic (see Figure 3.4), by which destination experiences, including the experiences offered by different parts of a town or city, can be plotted to demonstrate the way in which commercial and other types of activity of different type tends to 'cluster' in different parts of towns and cities and how historic environments impact on this clustering. These groupings are as follows:

- towards the **left** of the framework model are experiences **dominated by corporations**. The experience – shops, restaurants etc – is primarily branded chains and the property tends to be owned by larger property companies and financial institutions;
- towards the **right** of the model are experiences **dominated by independents** – the experience is dominated by locally owned businesses and or non-commercial activities like museums and other cultural facilities. The property tends to have multiple owners, and to be owned by relatively small companies, many of which are local;
- towards the **top** of the model are experiences **dominated by businesses that tend to compete on quality rather than price** ('up market' businesses); and
- Towards the bottom of the model are experiences **dominated by value-orientated businesses**. Price is a big factor in the way that they position themselves.

The centre of the framework represents experiences that mix corporate and non-corporate and businesses operating in the mid market.

The model has been shaded with brand orientated experiences in blue, independent experiences in red and mixed brand and independent orientated areas in purple. 'Premium' areas are dark shaded and 'Value' orientated areas are light shaded.

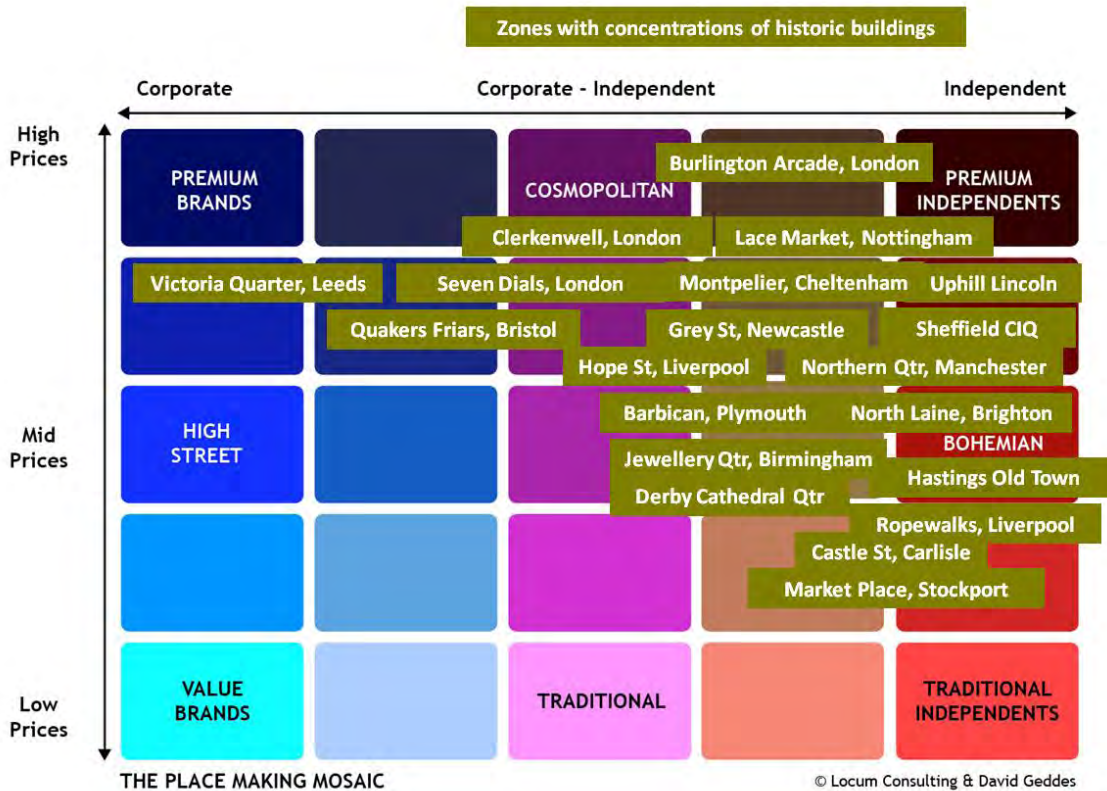
Figure 3.4 plots a range of England's best known historic environments in towns and cities, all of which have been the subject of investment in both the public realm and the buildings, onto the framework<sup>15</sup>. This shows the niches they occupy – either predominantly occupied by independent businesses or by multiples at the top end of the market. They are very different in nature: London's Clerkenwell, for example, has an extraordinary concentration of architects, Nottingham's Lace Market has a concentration of professionals, Cheltenham's Montpellier is full of shops that specialise in interiors. They are, however, alike in that they have economic activity that is different from other parts of the town/city they are located in and is dominated by occupiers that are not commonly seen elsewhere.

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<sup>15</sup> The plotting and commentary is based on personal experience of the zones and not an analysis of specific data on business use.



**Figure 3.4: Locations plotted on the Place Making Mosaic**



The following case studies use this framework to assess the situation in more detail in a selection of towns and cities – London’s Regent’s Quarter and West End, Brighton, Plymouth, and Stockport.

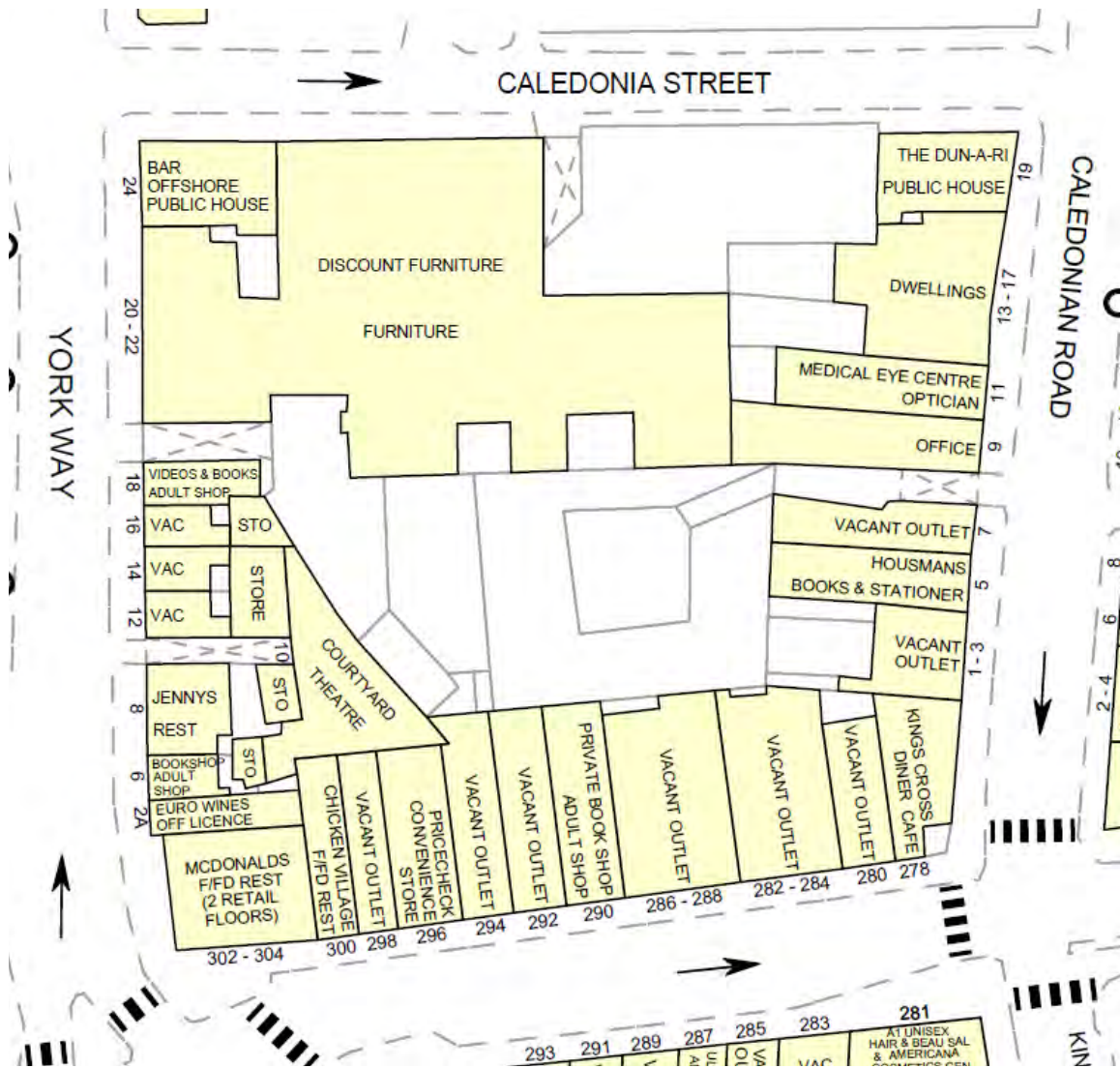
### 3.4 Case study: Regent Quarter, Kings Cross

This development, adjacent to Kings Cross station, illustrates how historic buildings can be used, in conjunction with modern buildings, to create attractive commercial environments in towns and cities.

The Regent Quarter is a mixed use development that combined new build with refurbished Victorian commercial buildings and a former varnishing works. Much of the space was vacant by 2001 (see Figure 3.5) and it was one of the main reasons the area has a poor reputation. There were three adult bookshops on the main Pentonville Road and York Way facades.



**Figure 3.5: Regent Quarter before redevelopment in 2001**



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The development, covering 5.8 acres, has 19,500 sq m of offices, 9,100 of retail, restaurant and leisure space, together with 98 residential units and a 277-bed hotel (in new build, north of Caledonia Street). The refurbishment of the buildings on the main street frontages created modern retail spaces that have largely been let to regional and national multiples that operate from relatively small units, a mixture of retail, services and quick service food and beverage. A theatre is being built in the area marked 'Under Construction'(see Figure 3.6).

The interior of the development is different. Office accommodation has been created, with independent bars and restaurants, framed by the historic structures at ground floor, providing a distinctive 'oasis' ambience that is characteristic of historic environments. Most of the space is





**Figure 3.7: Regent Quarter from SW and NE corners**



**Figure 3.8: Entrance to and interior of Regent Quarter**



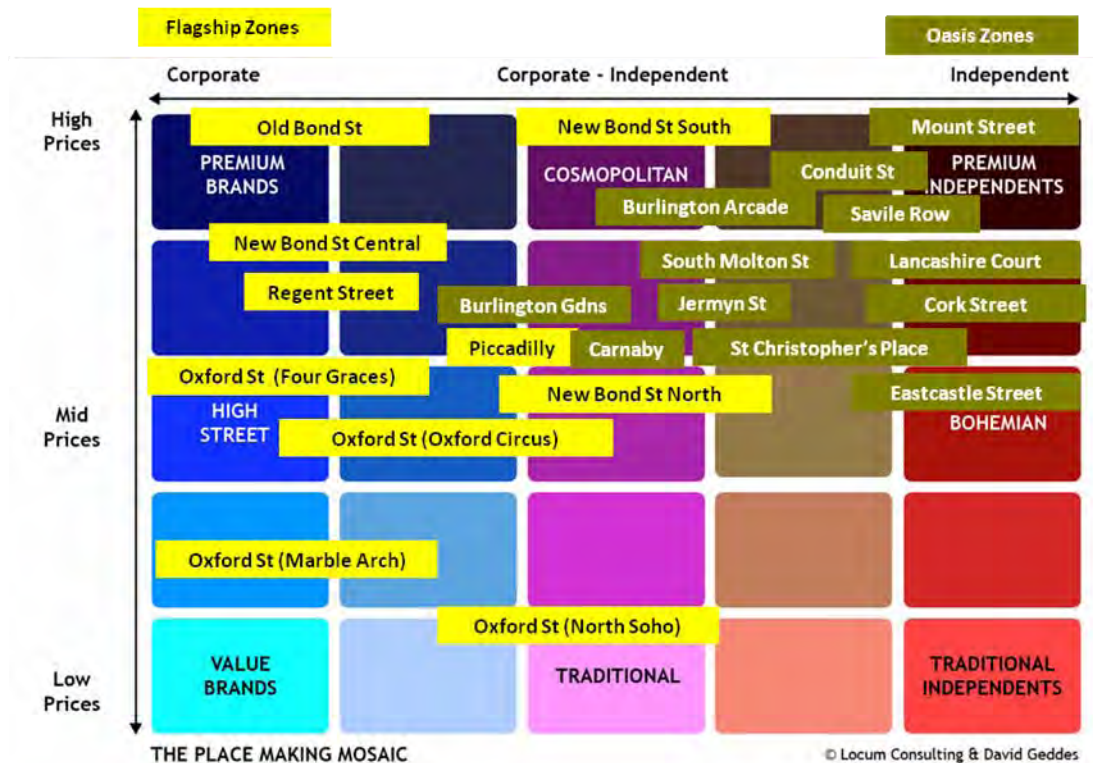
This example is representative of a situation where historic environments add value in a city centre environment by creating modern spaces that are given additional character by the historic buildings. It shows that development that uses heritage assets to create modern space can attract occupants who are prepared to pay a premium for the distinctiveness that historic environments deliver.

### 3.5 Case study: London West End/Newburgh Street

London's West End is one of the most successful retail and leisure destinations in the world. This section shows the role that historic environments play in nurturing the West End's diversity of economic activity, and how developers have shrewdly used historic buildings and places to create economic value added.

The mosaic model has been used in Figure 3.9 to create a perceptual 'map' of the character of zones in the West End where activities of different type have grouped.

**Figure 3.9: Clusters of retail and leisure experiences in London West End**



There are three main 'high street' shopping streets in the West End – Oxford Street, Regent Street and Bond Street. With the exception of a middle section of Bond Street, almost all of the shop units on those streets are occupied by national and international multiples. There are no cultural or entertainment uses, only one pub, and few food and beverage outlets, most of them located on the eastern and western extremities of Oxford Street (even chain coffee shops are largely absent from Oxford Street itself).

The situation adjoining these main 'flagship' streets is different, however. There are numerous pockets of shops, most of which are either unique or part of 'niche' chains. They include concentrations of art galleries (Cork Street), fashion designers (Conduit Street) and bespoke tailoring (Savile Row). Restaurants and bars mix with the shops in these areas. They have a more leisured ambience than the flagship streets and, therefore, can be called 'oases'.

The areas with the most unique shops and restaurants are where there are more confined spaces and character that is formed by the historic environment. The emergence of several areas like this – for example St Christopher’s Place, Carnaby, Lancashire Court, Heddon Street and Oxford Market – adjoining the main streets has been a major feature of the development of the retail and leisure offer in the West End in the past decade.

All of these areas have certain characteristics – they are located amidst listed buildings, they are dominated by independent retailers and/or niche brands that are not found on normal high streets, and they have restaurants and bars with outside seating, which are used to create a sociable environment.

Newburgh Street, which is a small street lined with historic buildings running parallel to Carnaby Street, is an example of one of these ‘oasis’ areas. Its regeneration was led by the private sector, in the form of the developer Shaftesbury plc. Shaftesbury’s strategy is to buy property in zones that are dominated by historic townscapes and then to transform those zones. They started, in 1986, buying property in the area north of Covent Garden, which they branded Seven Dials and transformed into a fashionable city quarter.

Shaftesbury used a similar approach to regenerate the Carnaby area, where they bought property from the Carnaby Estate in the late 1990s. They built an anchor development called Kingly Court (see Figure 3.10), which is built into the middle of a city block, showing how it is possible to create attractive modern commercial space in a constrained heritage townscape.

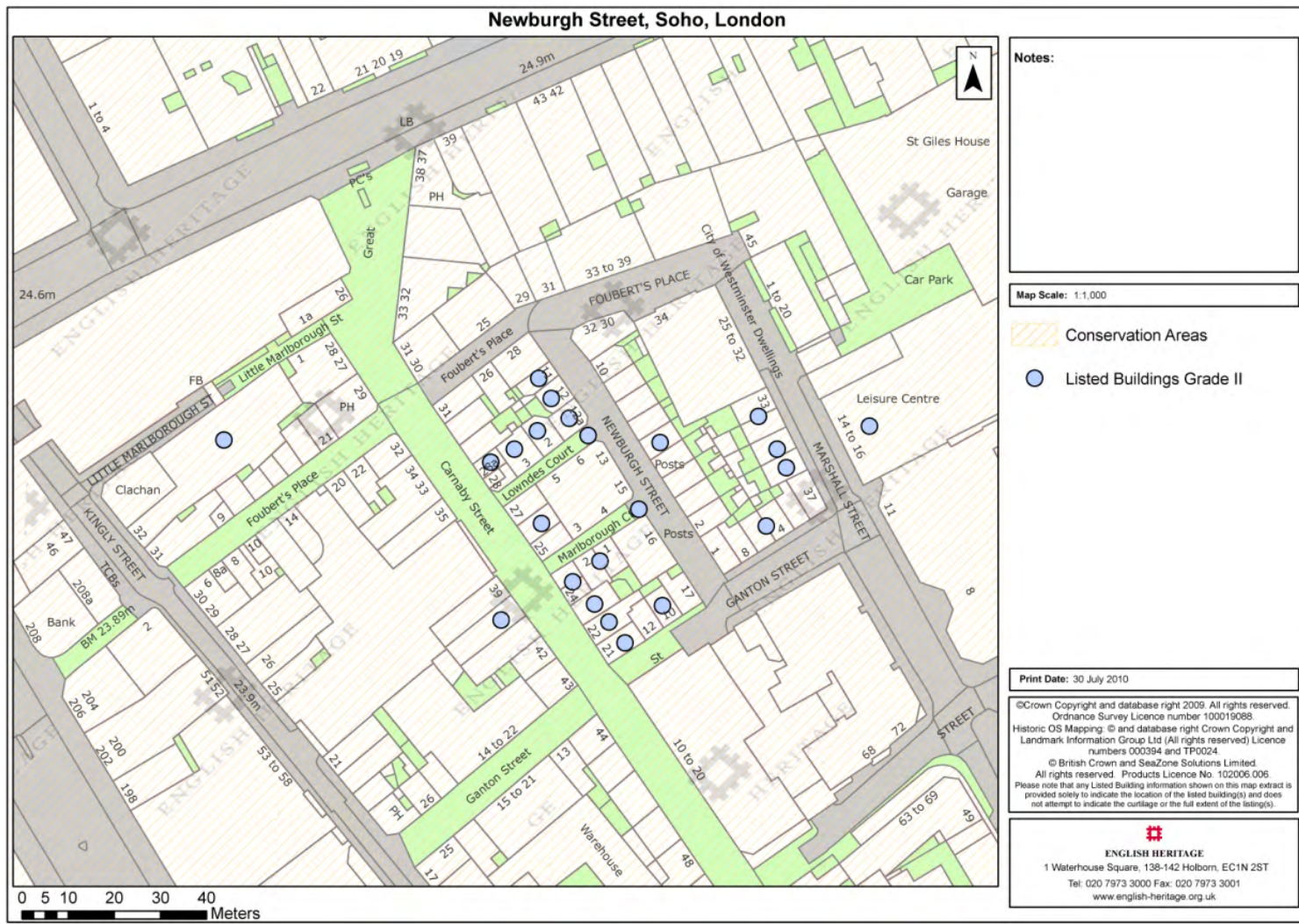
**Figure 3.10: Kingly Court, Carnaby**



Newburgh Street is a row of small Georgian shops to the north east of Carnaby Street that Shaftesbury has also regenerated and promotes as ‘The Newburgh Quarter’. It is a small example of the many ‘oasis’ areas in the West End. The area includes a cluster of listed buildings (see Figure 3.11).



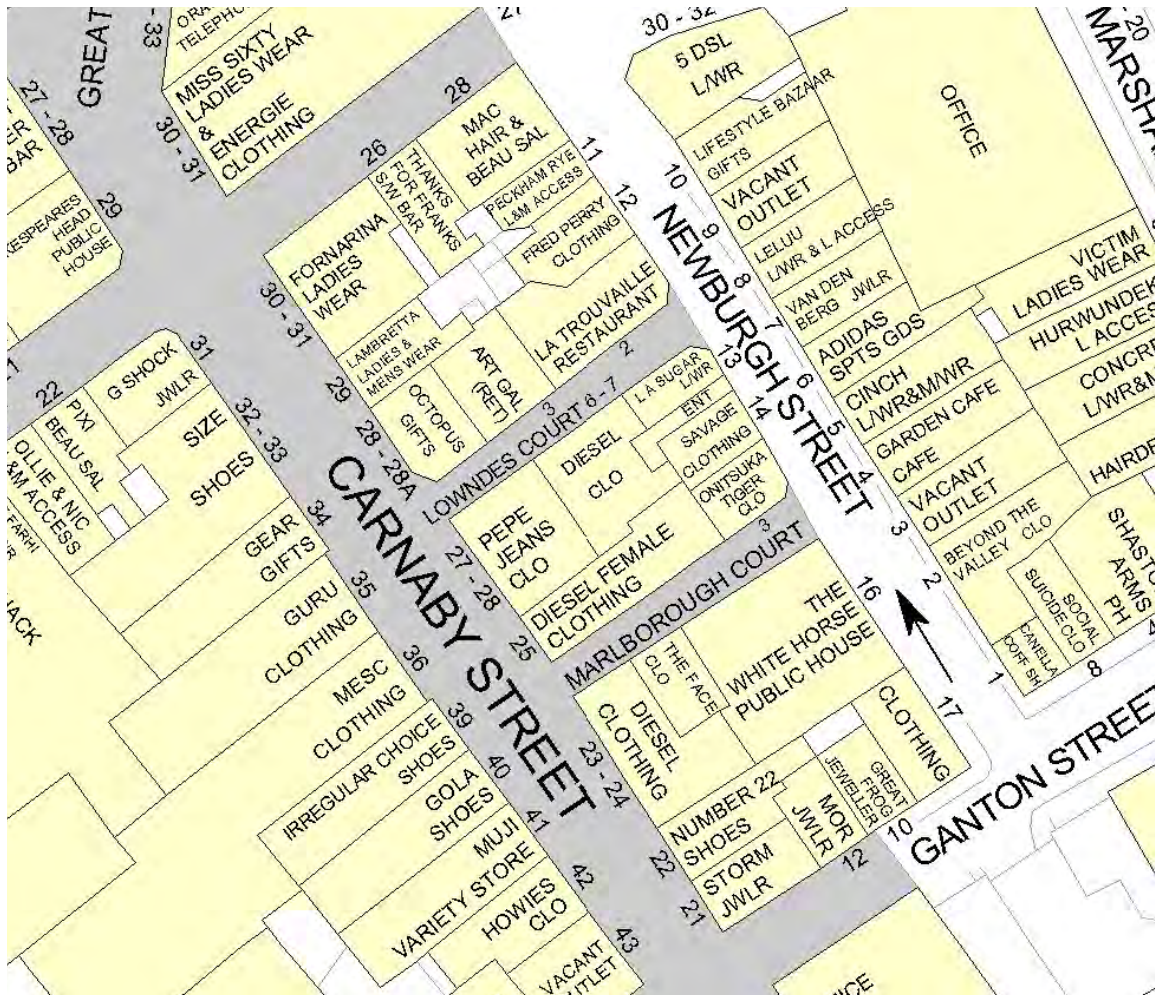
**Figure 3.11: Listed buildings around Newburgh Street**





As can be seen in Figure 3.12, which shows ground floor occupiers, the street has attracted independent fashion designers. A restaurant and pub, both with outdoor seating, provide the leisure dimension and creates a relaxed, communal environment for residents and workers in the area to socialise. The upper floors have been refurbished and are used for offices. The atmosphere is created by the 'human' scale and historic nature of the environment (see Figure 3.13).

**Figure 3.12: Occupiers of Carnaby Street and Newburgh Street**



The success of Shaftesbury's strategy appears to be reflected in rents on Newburgh Street<sup>17</sup>, which seem to be rising fast despite the recession. The rents for three shops that had new occupiers with five year leases in both 2004/5 and 2009/10 are recorded: they show rent increases of 24%, 53% and 78% respectively for the new occupiers.

<sup>17</sup> From Focus, a database provided by the information services company CoStar. It provides information - size, owner, occupiers, length of lease, rentals, rateable value - about individual properties in town and city centres. The records are far from comprehensive. Of 14 properties with Newburgh Street numbers, there is, for example, information on occupiers for 9 and on ground floor rentals for 6. Nevertheless, they allow some quantitative assessment of what has happened.

**Figure 3.13: Newburgh Street**



The offices on Newburgh Street are occupied by small businesses (see Table 3.3). The leases are all for five years and the recorded rents are relatively, but not exceptionally, low for the West End, varying between about £35 and £40 per square foot. Property agents assert that one of the useful functions that historic buildings provide is office accommodation for small businesses, sometimes in start-up phases, on flexible and cost effective terms. This seems to be the case on Newburgh Street.

**Table 3.3: Office occupiers on Newburgh Street as reported in Focus**

<i>Occupier</i>	<i>Staff (if recorded)</i>
Naomi Russell and Partners	
Devonshire Partners Recruitment Consultants	5
Merchant Place Corporate Finance	
Maine Road Publishing	
Roundhouse Films	6
Image Creative	3
Dench Arnold Literary Agents	8
J Gurnett Personal Management Ltd	2
Dye Holloway Murray Advertising Agencies	14
Contagious Films TV, Film & Video Production Services	
Paul Weiland Film Co Ltd TV, Film & Video Production Services	10

Shaftesbury's formula on Newburgh Street, as in the other parts of the West End where they work, is to create a brand for a zone, market it, and make interventions in the public realm that creates sense of place. They work in partnership with the local authority in managing the area. Westminster Council does the street cleaning, for example, but Shaftesbury also employs top up cleaners, working 24 hours and day.

This example shows why historic buildings and places are of economic and social significance in town/city centres. They nurture a commercial and leisure environment that is different in character and has different types of occupiers from main 'high street' areas. As the examples below show, other towns and cities also have differentiation between the streets and sections where the main multiples congregate ('flagship zones') and more intimate areas adjoining them, invariably historic environments, where independent and niche multiples thrive ('oasis zones'). The West End shows how to make the most of heritage assets in doing this and how it can be commercially attractive to do so.

### 3.6 Case study: Brighton/New Road

This case study shows how Brighton, like the West End, has used historic environments to create a distinctive retail and leisure offer, with a particularly vibrant independent sector. As the analysis in Section 3.2 indicated, Brighton is an exceptionally popular destination. The success with which it has used its heritage assets to nurture distinctive commercial and cultural activity is perhaps the main reason.

The geography of the city makes it possible to analyse the differences between parts of the area that are dominated by historic assets and those that are not.

The commercial and leisure offer in the city centre is divided into two by West Street, which runs north south from the Station to the Seafront. A landmark clock tower is at the centre, at the intersection of West Street and the east-west axis of Western Road/North Street.

The main high street retail area is immediately to the west of the clock tower, concentrated in Churchill Square, a covered shopping mall, and along Western Road. The type of shop on Western Road gets more 'value orientated' as it moves west away from the central high street area. Most of the national multiple chains are in this western area. There are few independently owned businesses and there are no restaurants.

The Lanes, a historic environment originating in Brighton's days as a fishing village, is immediately to the east of West Street. There is a mix of shops and restaurants in that area, most of which are unique, although there are some 'niche' fashion brands that are not normally seen on high streets - they are concentrated on East Street, on the eastern side of the Lanes. The Lanes is a 'Cosmopolitan' style zone in the terminology of the Place Making Mosaic model. Most of the businesses there do not compete on price. Bond Street extends north of the Lanes in an area called the 'North Laine'. It is lined for almost its full length by small shop units and is almost exclusively occupied by unique businesses, possibly the greatest concentration of its type in the country. It is a 'Bohemian' style zone in the terminology of the model.

Figure 3.14 shows these four shopping areas marked on the Mosaic model.



Figure 3.14: The four main shopping/leisure areas in Brighton marked on the Mosaic

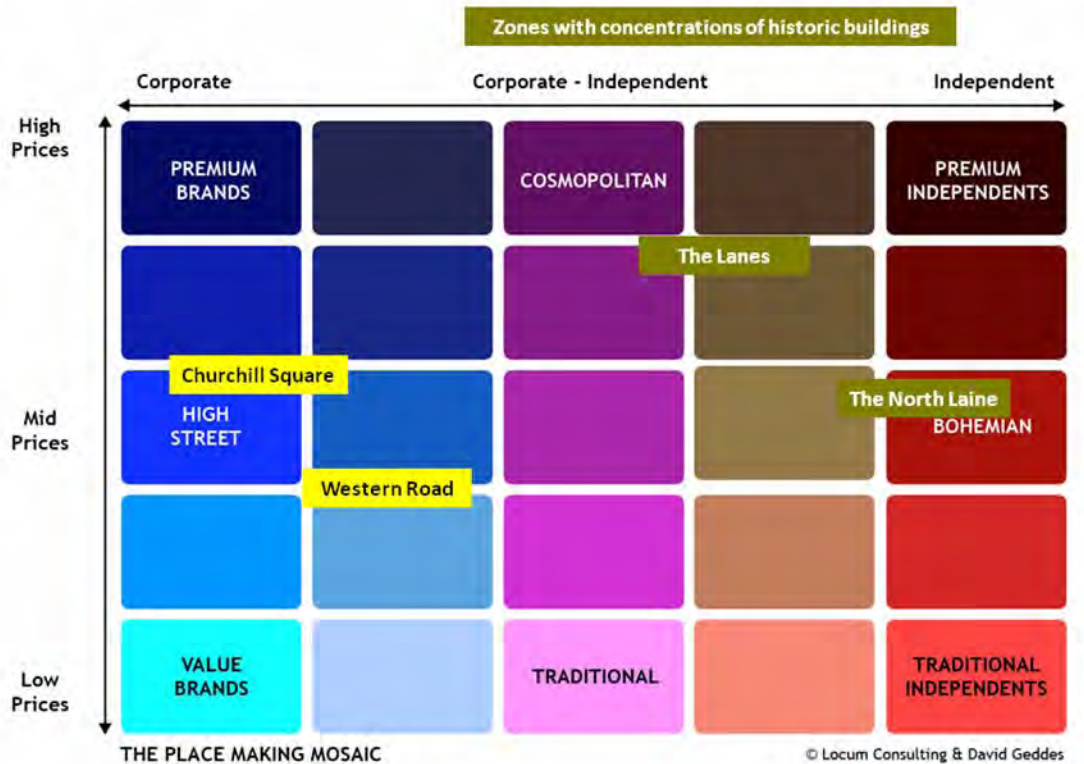
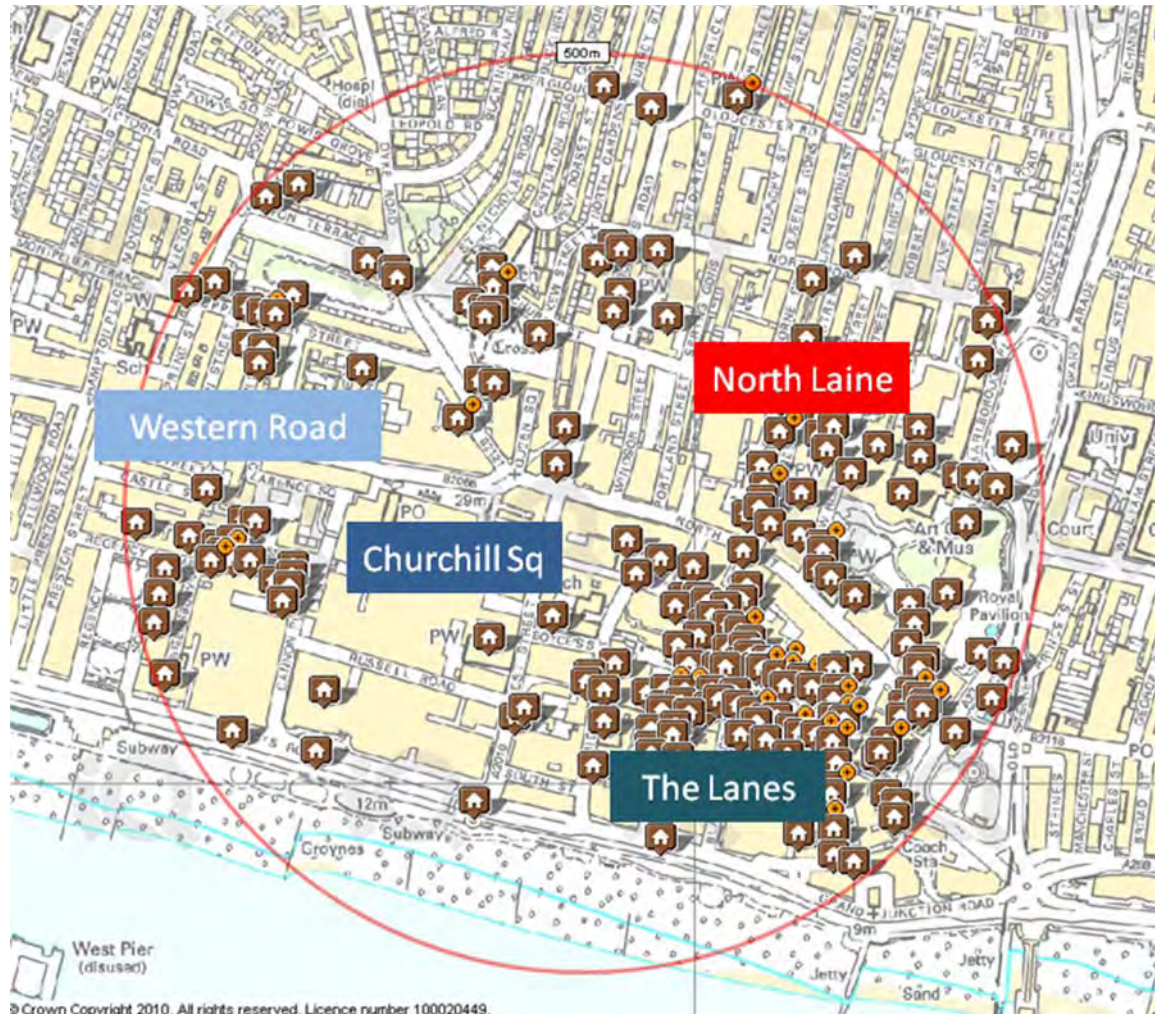


Figure 3.15 shows the listed buildings located within a radius of 500m of the Clock Tower, an area that encompasses the four main shopping and leisure areas outlined above. The names of each area are colour coded from the mosaic model to show the dominant type of commercial activity in it. It shows that there are many more listed buildings to the east in the Lanes and North Laine than to the west (there are actually no listed buildings at all in the main shopping street – all of the listed buildings shown on the map to the west of the clock tower are in residential areas located away from the shopping streets. By contrast, the commercial offer exists in listed buildings on the eastern side.



**Figure 3.15: Listed buildings within a radius of 500m of the Clock Tower (in the centre), with the main shopping and leisure areas marked**



Note: red marks indicate that more than one listed property is combined under a marker.

Table 3.4 is based on analysis of property within circles of 250m immediately to the west and east, respectively, of the Clock Tower (i.e. exactly the same physical area, dominated in both cases by commercial activity).

There are 2.5 times more shop units to the east than the west. Restaurants and bars are a major feature of the Lanes and the North Laine. There are three times more of them than in the high street area and, in reality, most of those in the high street area are chain coffee shops and fast food outlets. There have been almost twice as many detailed planning applications in the east than in the west in the past 5 years.

**Table 3.4: Nature of areas to the west and east of the Brighton Clock Tower**

	<i>High St Area</i>	<i>%</i>	<i>Lanes/North Laine</i>	<i>%</i>
Listed buildings	47		137	
<b>RETAIL UNITS</b>				
Pubs, Restaurants & Cafes	26	19%	87	27%
Shops	110	81%	239	73%
<i>Total:</i>	<i>136</i>	<i>100%</i>	<i>326</i>	<i>100%</i>
<b>DETAILED PLANNING APPLICATIONS JUN 2005-JUN 2010</b>				
Retail	58	43%	94	36%
Residential	48	36%	101	39%
Recreation	10	7%	44	17%
Offices	19	14%	20	8%
<i>Total:</i>	<i>135</i>	<i>100%</i>	<i>259</i>	<i>100%</i>

Source: ProMapIQ,

It is clear, therefore, that, as in London’s West End, historic environments are performing a distinct role. They are encouraging a vibrant independent retail sector and providing ‘oases’ where people can relax and socialise.

New Road is an example of the impact of investment in such a situation. It is immediately to the east of the North Laine.

Brighton and Hove Council invested £1.45 million in the street in 2007 (the top left photo in Figure 3.16 shows what it was like before the investment). It is a ‘shared space’ scheme, which means that vehicles are still allowed to use it although pedestrians are given priority. The Theatre Royal and the Dome are located on the street and it has become the focus of a cultural quarter. It is used regularly for events such as a food festival.

The Council has encouraged restaurants, cafés and bars to use the street for continental style outdoor seating. The operators pay a Tables & Chairs license fee based on the space used and an initial admin fee<sup>18</sup>.

New Road is an important part of Brighton and Hove’s strategy to create a more mature and balanced night economy (the City is a beacon council for management of the night economy).

The improved street connects the Lanes area to a new mixed used development called Mariner’s Quarter. That area has substantial new development which, at ground floor, provides larger units that are currently occupied by national restaurant chains like Carluccio’s, YO! Sushi and Starbucks.

<sup>18</sup> An area of 25 sq m (250 sq ft) will pay about £425 per annum – which makes a contribution to costs of maintaining the space.



**Figure 3.16: New Road, Brighton, before (top left) and after investment (others)**



As illustrated in Figure 3.17, there are a number of listed buildings running along New Road and in the immediate vicinity. Figure 3.18 clearly shows the leisure-orientated nature of the occupiers that have been able to make use of the public realm that has been created on New Road.

Figure 3.17: Listed buildings around New Road

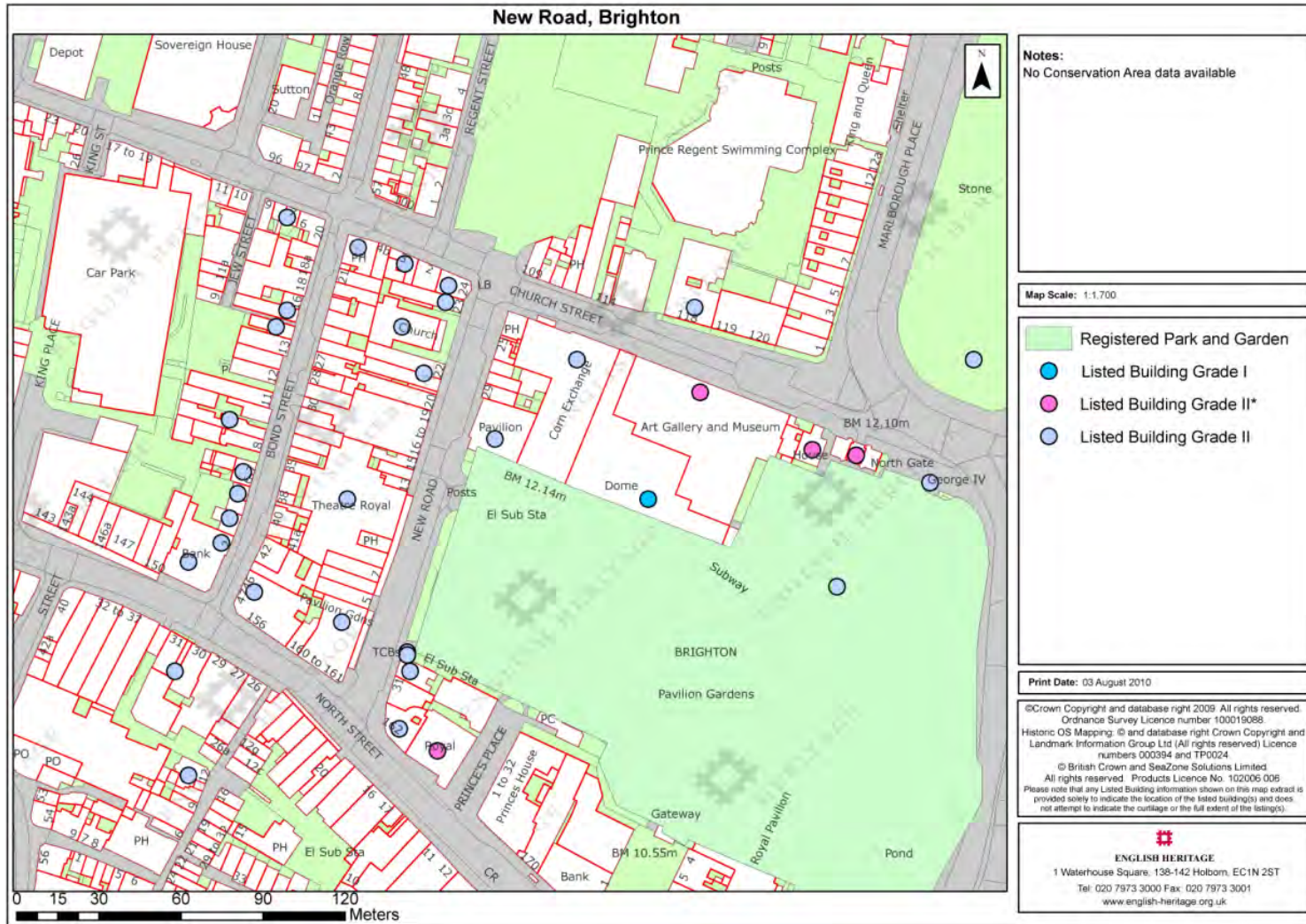
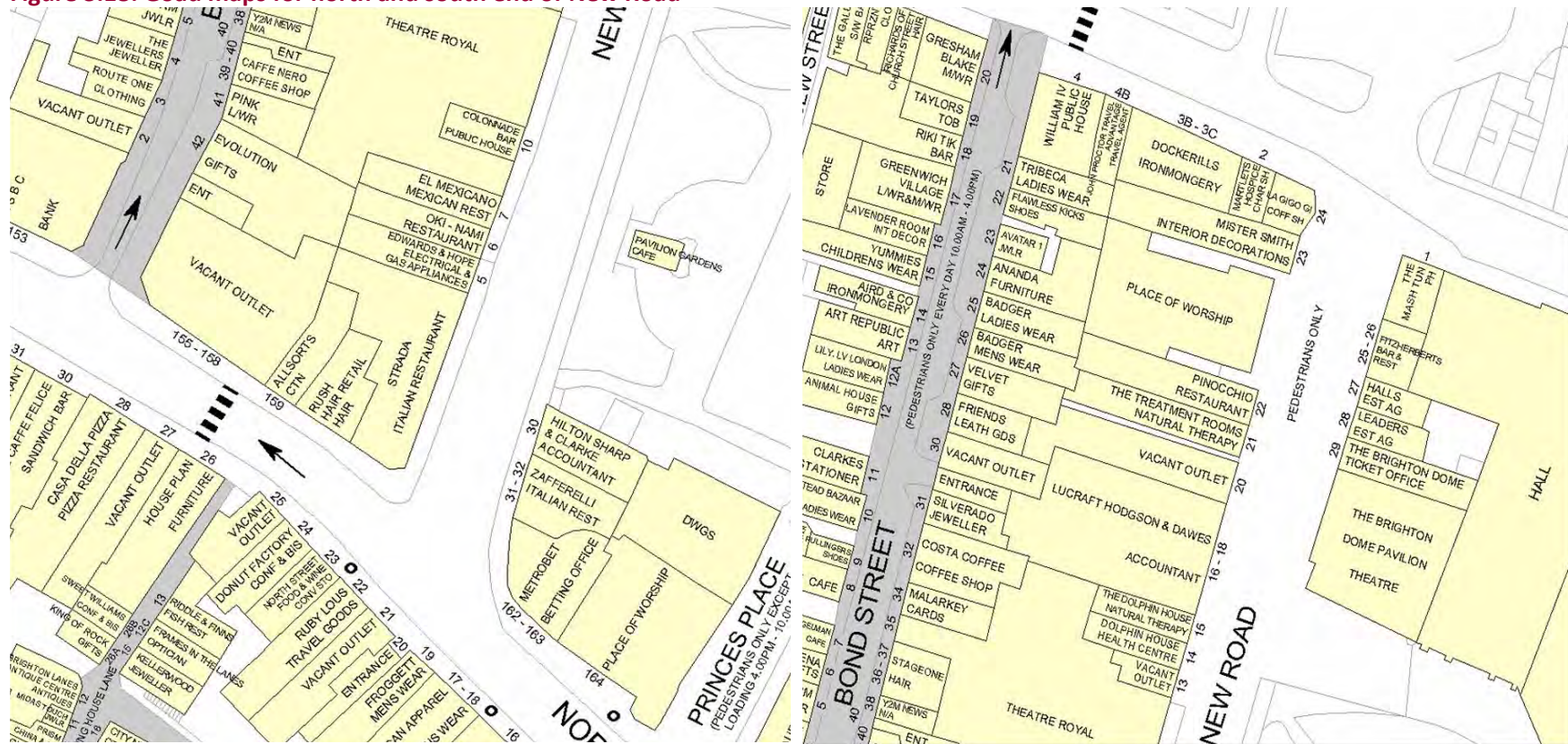




Figure 3.18: Goad maps for north and south end of New Road



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New Road illustrates how investment that makes the most of historic environments is not necessarily in heritage assets themselves. It often has most effect when made to the assets' surroundings – normally, in other words, to the public realm (this is true, to varying extents, of all five of the case studies in this section). Historic assets create an ambience that people like. Investment in the public realm enables people to enjoy it.

The nature of the occupiers on adjacent Bond Street, which is part of the North Laine, is interesting. Figure 3.19 shows how small the units on Bond Street are. This has enabled independent businesses to thrive. There are about 40 retail units in that section, only three of which are part of chains (this section is only about a quarter of the total area of the North Laine - the rest is not covered by Goad maps). Demand is high – there are only two vacant units.

The narrowness of Bond Street is used, by allowing cafés to put tables onto the street, to create a distinctive ambience that differentiates it from other parts of the city centre. This has helped the area become very popular, and helped nurture small businesses.

**Figure 3.19: Bond Street**



### 3.7 Case study: Plymouth/The Barbican

Plymouth demonstrates, as in Brighton, the difference between commercial activity which is located in large, modern buildings in the modern heart of the city centre and that which takes place in an adjacent historic environment. Research conducted by Plymouth City Council has provided proof of the added value that historic buildings and places have in influencing consumer behaviour.

The houses of medieval Plymouth were clustered around the church of St Andrew. The port grew in importance in the 16<sup>th</sup> and 17<sup>th</sup> Centuries and the town spread in that direction.

Most of Plymouth's city centre was destroyed by bombing in 1940. The Plan for Plymouth, by J Paton Watson, the city engineer, and Professor Patrick Abercrombie, was published in 1943. It proposed total rebuilding of the commercial area with a new, car free street pattern. This created the modern city centre which is predominantly occupied by national multiple retailers, although there is a more varied mix to the west around the market. A new shopping centre, called Drakes Circus, has recently revitalised the mainstream retail offer.

Much of the 16<sup>th</sup> to 17<sup>th</sup> Century townscape around the harbour survived the Blitz. More of it was actually lost to pre and post War demolition than was lost to bombing.

This townscape had deteriorated severely by the 1950s, however, and was for a time under threat of complete demolition. The Barbican Association was formed to campaign for its preservation. Plymouth City Council owned most of the property and transferred long leases to the Association so that it could refurbish the property and maintain it in perpetuity. This far sighted decision resulted in Plymouth having a substantial townscape with medieval character on the edge of the city centre area. It is equivalent to an urban village with a mix of residential, office, retail, cultural and leisure use. As shown in Figure 3.21 overleaf, the area still contains a high density of listed buildings.

The Sutton Partnership, a joint venture between Sutton Harbour Company and Plymouth City Council, was established about six years ago to deliver regeneration around the harbour. The main developments were new build residential and office blocks overlooking the water and the Barbican.

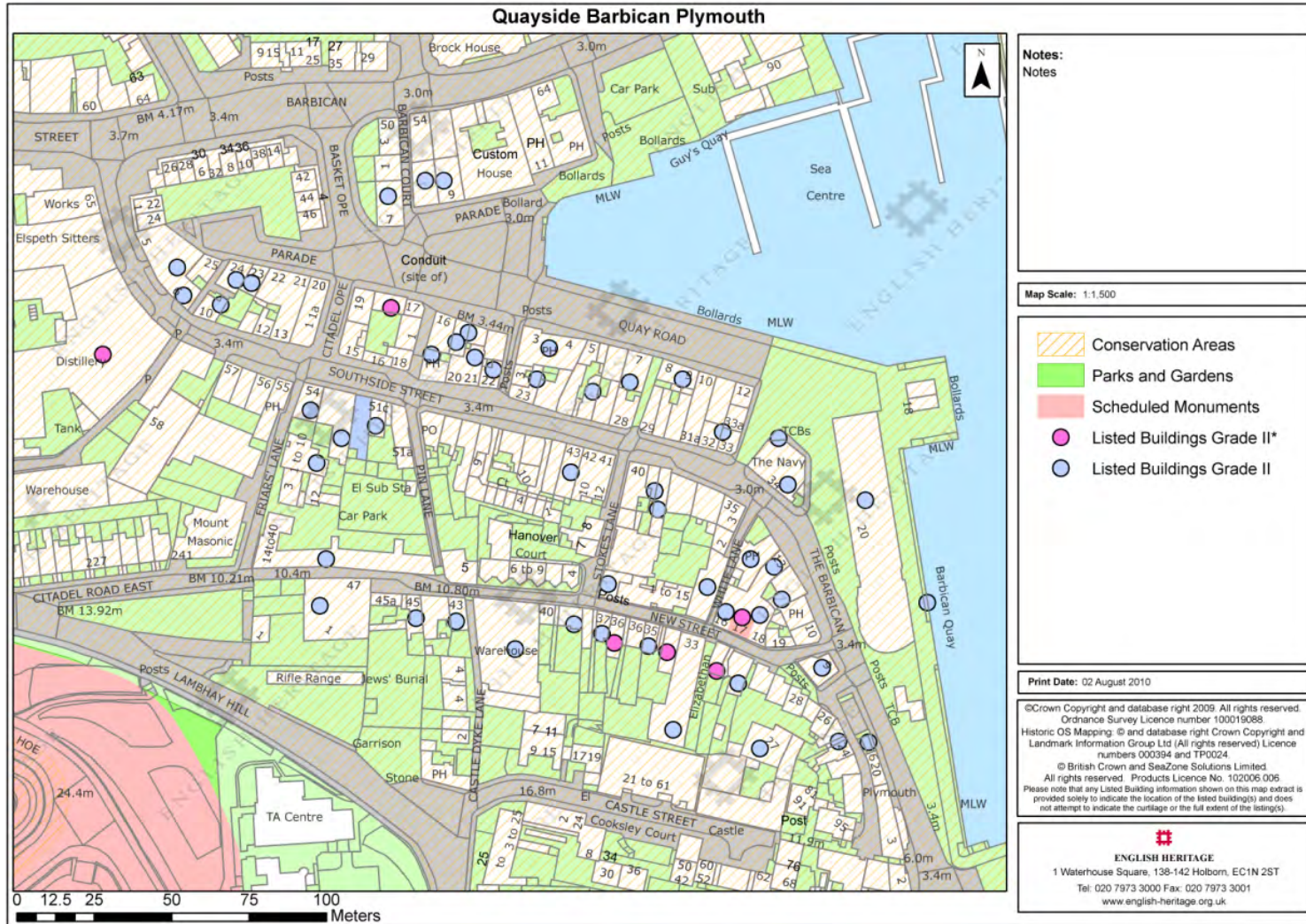
The main investment made in improving the townscape in the Barbican itself has been to the public realm and buildings on Quay Road (see Figure 3.20) and, to a lesser extent, on Southside Street. The work to Quay Road allowed outside seating for restaurants, which has resulted in all of the units now being taken up for this purpose.

**Figure 3.20: The Quayside**





Figure 3.21: Listed buildings in the area around the Barbican





The main change in the overall tenant mix at ground floor level on Southside Street/Parade/Quay Road has been a substantial increase in the number of pubs and bars, mainly at the expense of art shops and bookstores (see Table 3.5 and Figures 3.23 and 3.24). This is illustrative of the fact, seen in the West End and Brighton above, that historic environments are especially conducive to restaurant/bar use. The area still, however, has a vibrant mix of businesses, nearly all of them independent.

**Table 3.5: Ground floor tenants in on Southside Street and the Quay**

	2001	2010		2001	2010
Pubs & Bars	6	11	Bakers	1	2
Restaurants	7	10	Jewellery	1	1
Gifts	10	9	Ice Cream	2	1
Antiques & Art	11	7	Charity Shop		1
Cafe/Coffee Shops	2	3	Market	1	1
Food stores	1	2	Natural Therapy		1
Bookstores	4	2	Optician	1	1
Fashion	4	2	Betting	1	1
Fish & Chips	2	2	Cosmetics	1	
Interior Design		1	Sports Goods	1	
			<i>Total:</i>	<i>47</i>	<i>49</i>

The Barbican has since evolved into the primary restaurant area in Plymouth (see Table 3.6). As is the case with the Lanes and the North Laine in Brighton, the ‘high street’ bar offer (with the exception of a Wetherspoons pub) is not located here. It is located in an area adjacent to the retail core where there are larger shop units. The rest of the Barbican’s establishments are unique or part of small chains.

The Barbican has also steadily become the focus of other leisure and cultural activity. It has a theatre. Plymouth Gin, which still has an operational distillery there, has opened a new visitor/conference centre. It hosts the Plymouth Jazz and Blues Festival, which has evolved into one of the city’s most popular events – it had 62 performances over 10 days in 2009.

**Figure 3.22: Investment in public realm and buildings**







Figure 3.24: Plymouth Barbican Ground Floor Occupiers - 2010



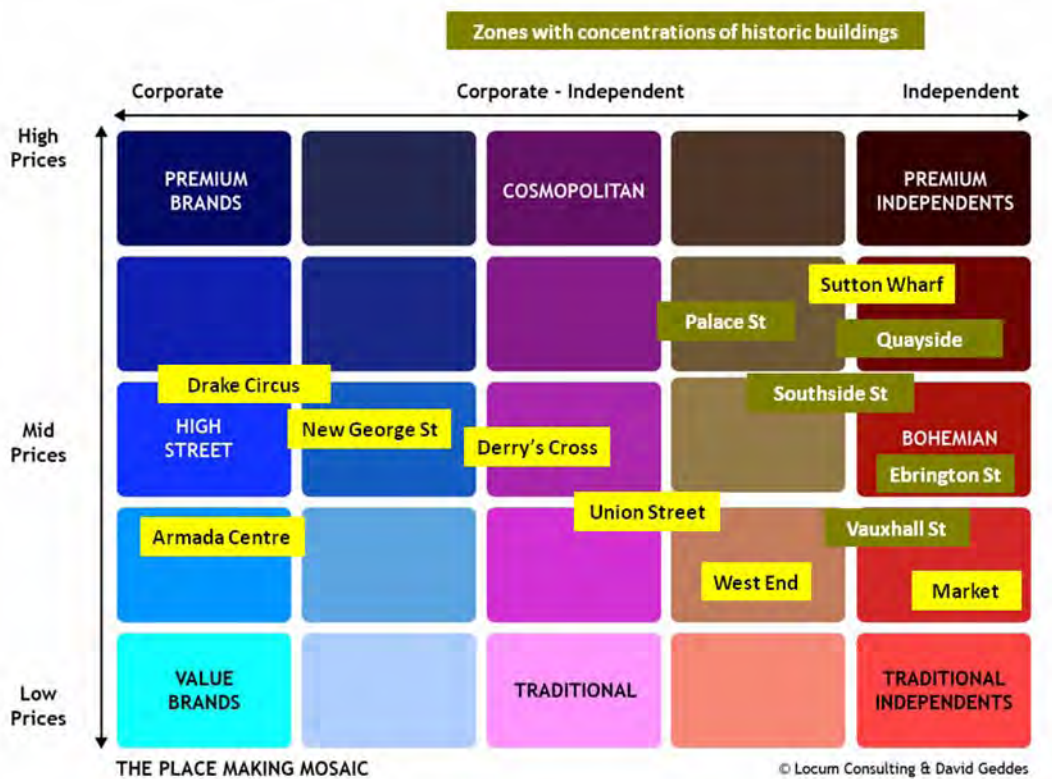
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There is office accommodation in upper floors in the Barbican. It is mainly occupied by professionals. The area also has a substantial residential population. This mixed use environment creates an attractive village ambience. That, in turn, provides a focal point for the new office and residential development which has taken place around the harbour.

The situation is, therefore, similar to Brighton’s New Road. Enhancement of a historic townscape has not of itself created much new commercial space, which is difficult to do within the constraints of a historic environment, but it has added to the appeal of nearby development sites.

Figure 3.25 plots streets in Plymouth onto the Mosaic model according to the nature of the dominant commercial activity that exists in each case. It shows how, as in Brighton, there is a direct correlation between the location of historic assets and the existence of unique, independently owned businesses (all but Ebrington Street are in the Barbican area).

**Figure 3.25: Main commercial shopping and leisure areas in Plymouth City Centre**



The Planning Department of Plymouth City Council commissioned research in 2009 to inform development of area action plans for the city centre. It provided evidence of the impact of these different use groupings on visitor behavior in the city centre.

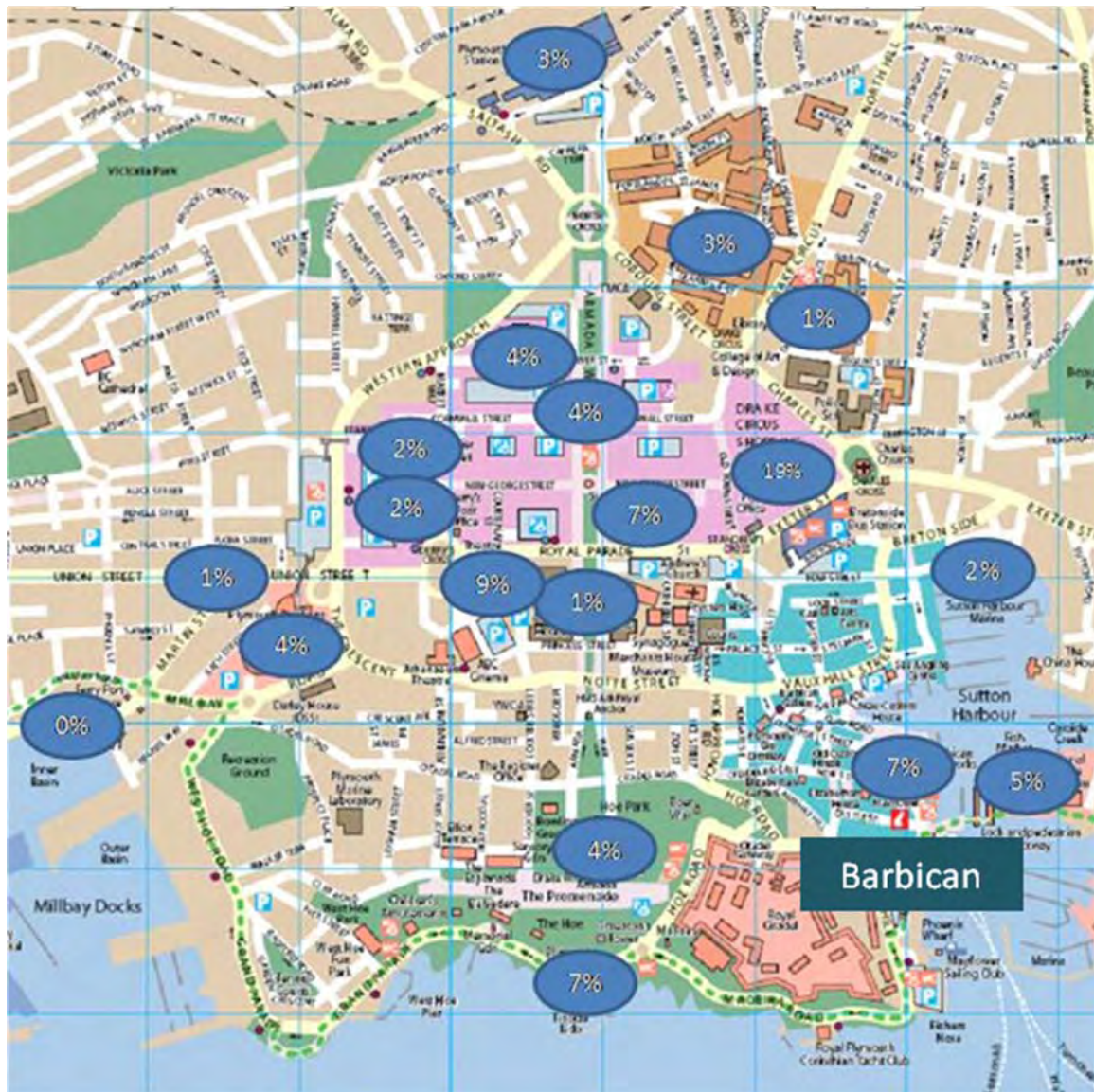
The research interviewed 300 people who lived within a 30 mile band of the centre of Plymouth, 600 who lived within 30-60 miles, and 600 who lived within 60-120 miles.



Those respondents who had been to Plymouth within the past six months were shown a map of the centre and asked where they had been on their last visit. Given the fact that many of the respondents use the city as their main shopping resource, it is not surprising that Drake's Circus is the main destination for visits (see Figure 3.26).

The Barbican is in joint second place alongside the neighbouring Plymouth Hoe – many visitors probably visit both.

**Figure 3.26: Main destination for visits to Plymouth**



Source: Plymouth Visitor Research Study, 2008

The propensity to use different parts of the city centre varies, however, according to how far from the city that people live. The Hoe, followed closely by the Barbican, is the primary destination for those who live between 60-120 miles away (see Table 3.6).

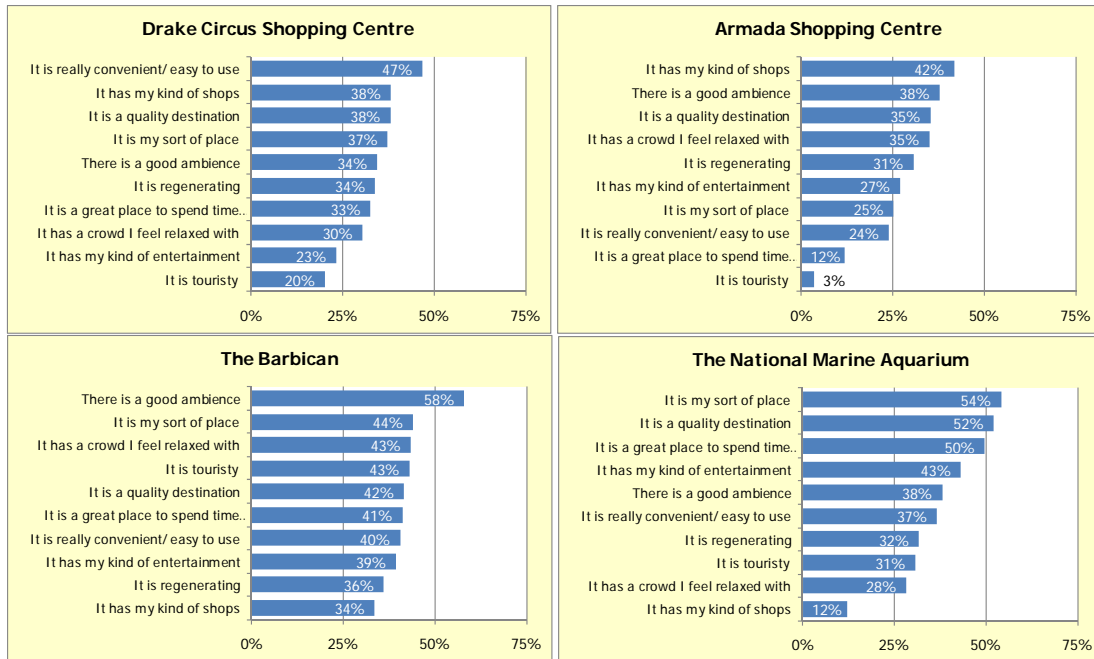
**Table 3.6: Main destination visited by catchment area**

	Less than 20 miles	20-60 miles	60-120 miles
Drake Circus Shopping Centre	26%	19%	9%
Other	12%	12%	7%
Theatre Royal	3%	12%	6%
New George Street shops (House of Fraser/Debenhams etc)	12%	6%	6%
The Barbican	5%	7%	13%
The Hoe - seafront and Tinside Lido area	3%	7%	14%
The National Marine Aquarium	0%	6%	9%
Armada Shopping Centre	2%	5%	4%
The Pavilions	3%	4%	2%
The Hoe - monuments and park area	3%	4%	5%
Armada Way - shopping area	4%	4%	1%
Plymouth Station	5%	3%	2%
Plymouth University	1%	4%	1%
Shops and cafés in the West End (i.e. around the Market)	3%	1%	6%
Plymouth Argyle Football Club	4%	2%	0%
The Market	2%	1%	3%
Sutton Harbour Marina	4%	0%	3%
Armada Way - Civic Centre area	2%	1%	2%
Union Street (nightlife area)	1%	1%	2%
City Museum and Art Gallery	1%	1%	4%
Barbican Leisure Park	1%	0%	1%
Millbay Docks	1%	0%	2%
Mount Wise	0%	0%	0%
Stonehouse	0%	0%	0%
Ferry Terminal	0%	0%	1%
Mount Edgecumbe	0%	0%	0%
Royal William Yard	0%	0%	0%

Visitors were then asked to rate various statements about the destination in the city that was the main purpose of their visit. The charts in Figure 3.27 show the proportion who strongly agreed with various statements put to them about the destination.

Comparing the responses for the reasons given for liking the different destinations shows a striking difference between the responses for the shopping destinations, for the main visitor attraction in town (the National Marine Aquarium) and the Barbican. The Barbican is most liked for its *ambience*. The others are most liked for more functional reasons, such as having a good range of shops and being convenient. The Barbican has considerably the highest rating for being 'My Sort of Place'.

**Figure 3.27: Proportion of people for whom the destination was their main purpose of visit saying they 'strongly agreed' with the statement**



This research in Plymouth provides evidence of the fact, which is also visibly evident in the heritage townscape destinations studied in London and Brighton, that historic environments provide an optimal setting for activity that has a leisure dimension because people instinctively like the ambience that it creates. Furthermore, historic buildings and places are important in attracting people from far afield because they differentiate the town/city from others.

### 3.8 Case study: Stockport/Market & Underbanks area

This case study demonstrates that the same effect applies in a totally different context – a post industrial town in the north of England.

The Market & Underbanks area at the heart of the town of Stockport retains the street pattern, building pattern and 'feel' of the market town it was before it became a major centre of manufacturing in the 19th Century (commemorated in the town's Hat Works attraction).

The area remains a vibrant hub in the town, with the Victorian Market Hall at its heart and, in a valley below it, the busy Underbanks. It is a designated conservation area, comprising Stockport town centre's historic core and represents an area of substantial historic, architectural and archaeological interest. The area contains physical evidence, at both above and below ground levels, of the growth and development of the Market Place from a defensive settlement to an important commercial centre from the early medieval period up to the present day.

The town's main shopping area is separate, however, largely contained in a modern shopping centre to the immediate west (see Figure 3.28). This is, as in Brighton and Plymouth, almost entirely occupied by national and regional multiples.



**Figure 3.28: Stockport Town Centre**



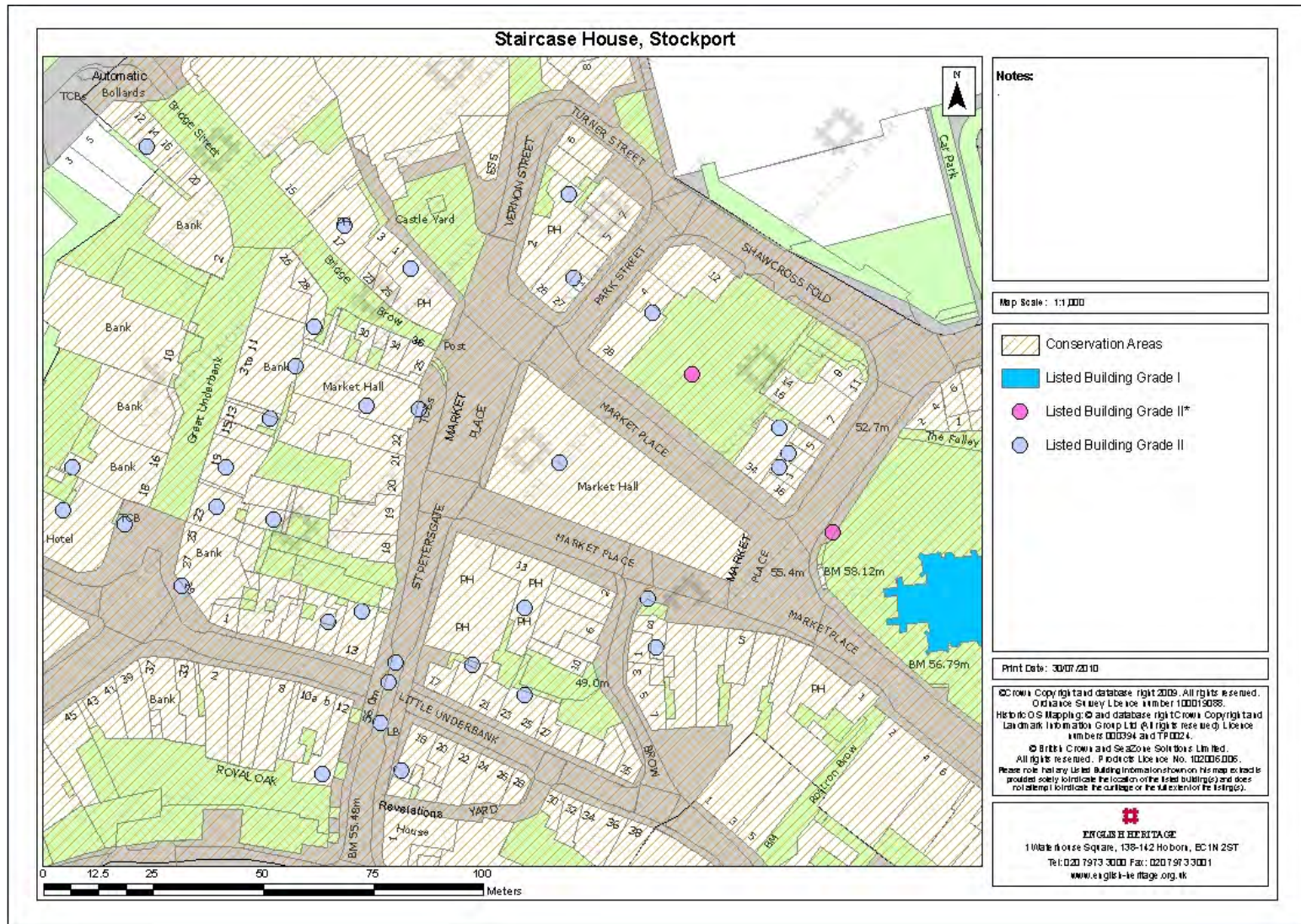
Figure 3.29 shows the listed buildings in the historic area. It had, for a considerable period of time, experienced neglect and a lack of investment, and was not viewed as attractive or safe. There were very few facilities to attract visitors and shoppers to the area and this was further compounded by poor access. Many of the listed and key landmark buildings within the area had become vacant and were in a state of severe disrepair by the 1990s.

Stockport Council recognised the importance of the historic environment in the Market & Underbanks area in terms of maintaining a distinctive sense of place. It has co-ordinated a long term plan for upgrading the buildings and the public realm. The main projects have included the restoration and opening of Staircase House, a grade II\* listed medieval merchant's house originally built in the late 15th Century, and the restoration of the Victorian Market Hall, a grade II listed building built in 1861. Both were part funded by the Heritage Lottery Fund.

The programme has had a significant impact on the physical appearance of the area, restoring many of the surviving historic buildings, such as Staircase House and the Market Hall, and improving the setting of the conservation area through high quality public realm works that reflect its historic context.



Figure 3.29: Listed buildings in the Market & Underbanks area





As Figure 3.30 shows, the area sustains a large number of small businesses in addition to those located within the Market Hall, most of which are locally owned.

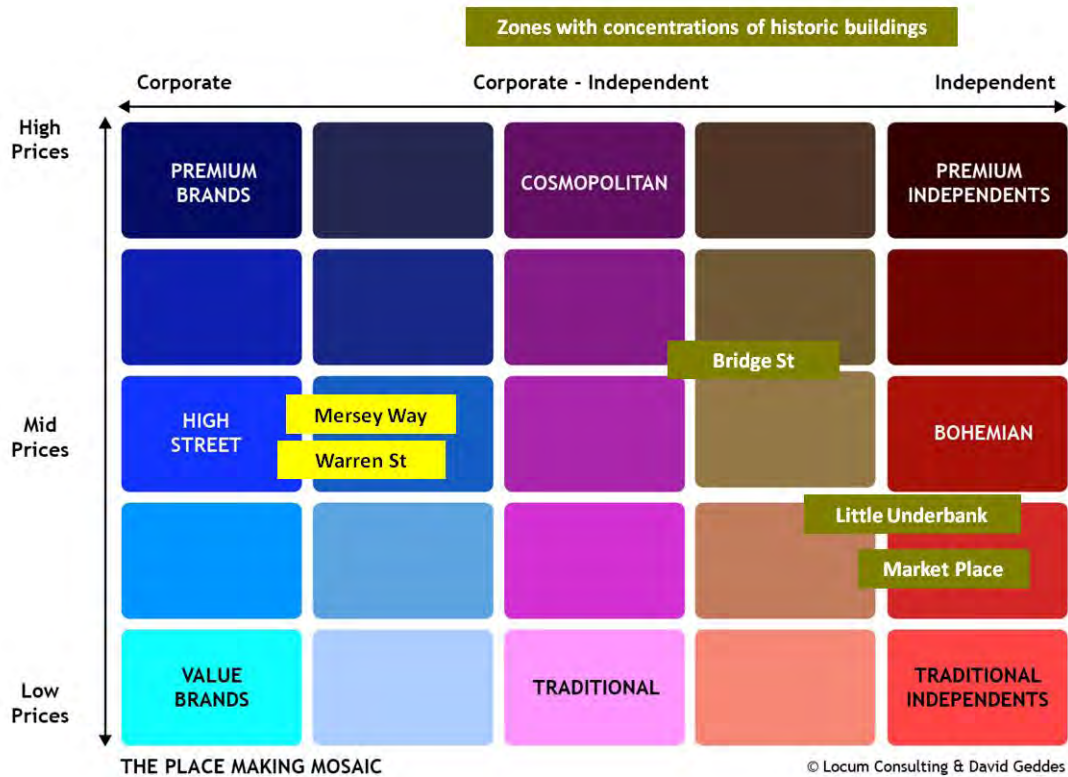
**Figure 3.30: Occupiers of the Underbanks/Market Place in Stockport**



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Figure 3.31 shows the main shopping and leisure areas in Stockport Town Centre plotted on the Mosaic model. As with the other case studies, there is a strong correlation between the location of historic buildings and the existence of independently owned businesses. The rents are relatively low, providing an important source of affordable accommodation for small, independent businesses.

**Figure 3.31: Main commercial shopping and leisure areas in Stockport Town Centre**



The visitor survey conducted for this study shows why the Market and Underbanks area is popular. Of 200 people surveyed, all but two (i.e. 99%) said that the area had “*an atmosphere that I like*”, all but three agreed that “*It’s one of the nicest parts of town*”, all but two agreed that “*It’s a nice place to be in the evenings*” and that “*It’s a pleasant place to spend time in*”.

The comments made by those surveyed give a rich picture of why people like the environment and the impact that the investment has made. The combination of the ‘character’ of the environment and the businesses that operate there, and the rejuvenation resulting from the investment, is evidently appreciated by almost all those interviewed.

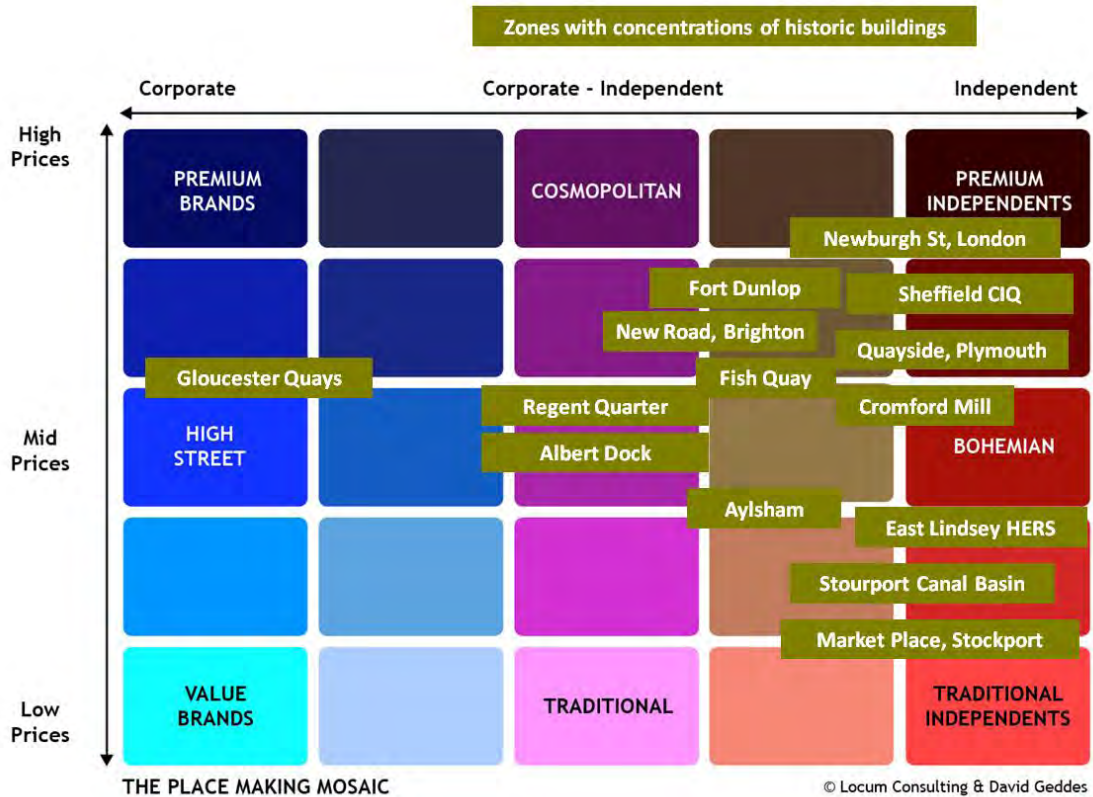
### 3.9 Summary

The evidence assessed in this section substantiates something that, intuitively, most people would probably accept – that places known for the quality and quantity of their historic assets are more popular destinations. People like being in historic environments.

The case studies convey a more subtle message of the impact that historic buildings and places have. They nurture types of commercial, leisure and cultural activity that are not easily created otherwise in towns and cities.

Figure 3.32 shows all of the examples that were examined as part of this study on the Place Making Mosaic model. The majority of them are on the right of the model. In other words, they are dominated by commercial and other activity that is independently owned and managed.

**Figure 3.32: Case Study locations plotted on the Place Making Mosaic**



The case studies have shown how they are differentiated in this respect from other parts of the town/city centre. The West End, Brighton, Plymouth and Stockport are alike that they only have concentrations of unique businesses in historic environments.

In some cases, as in Stockport, these concentrations are of a relatively 'traditional' nature. Prices and rents are relatively low.

In others cases, like the West End and the Lanes in Brighton, the activity is more 'premium'. Rents are high and business operating there charge higher prices than in other areas.

Whilst the nature of the different historic environments is diverse, they share other characteristics. All of them have a mix of uses, and all of them have a substantial leisure dimension, particularly in the form of bars and restaurants. This again differentiates them from other parts of the town/city centre.

The research evidence from Plymouth and Stockport has shown that this happens because people feel relaxed and comfortable in historic places. The Plymouth research provides direct evidence that the further that people live from a city, the more they are likely to be influenced by the nature and quality of its heritage assets to visit it. This in turn explains why places like





Brighton, which nurture large scale commercial activity in historic environments, become so popular.

The conclusion that can be reached from this is that every town and city should look carefully at their heritage assets and what can be done to make optimal use of them, especially by using them to encourage unique and leisure-orientated uses.

## 4 Analysis of the economic, social and environmental impacts of historic environment regeneration

### 4.1 Introduction

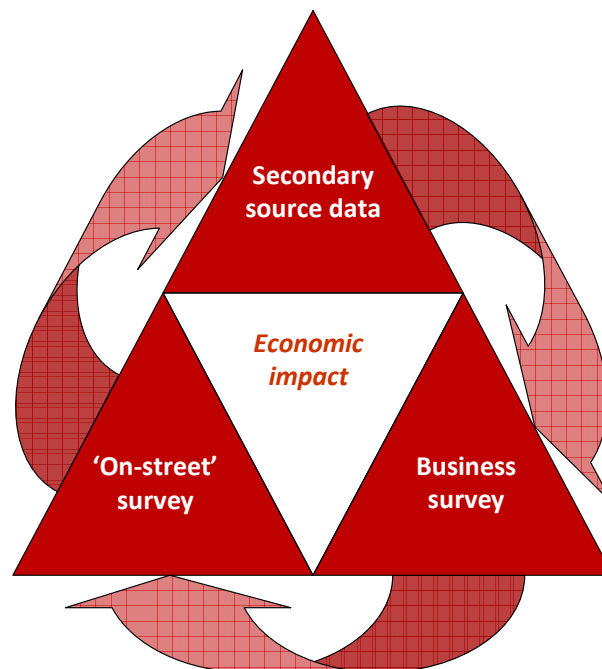
In this section, the assessment looks specifically at the economic, social and environmental impacts of a range of individual case studies, which have involved improvements to the historic environment. It first assesses the economic impact of five case study projects and then outlines the social and environmental benefits associated with heritage-led regeneration, drawing on a number of examples.

### 4.2 Economic benefits of historic environment regeneration

#### 4.2.1 Overview

An estimate of economic impact has been calculated separately on the basis the ‘on-street’ survey, the business survey and data provided by project contacts (see Figure 4.1). The use of three different approaches has been adopted to address the limitations of the existing evidence base, to account for the possibility of bias and to provide greater confidence in the results. It also reflects the challenges posed in assessing the economic benefits associated with historic buildings and places, including the difficulty of disentangling the effects of historic investment from other factors, such as wider economic conditions.

**Figure 4.1: Economic impact analysis**

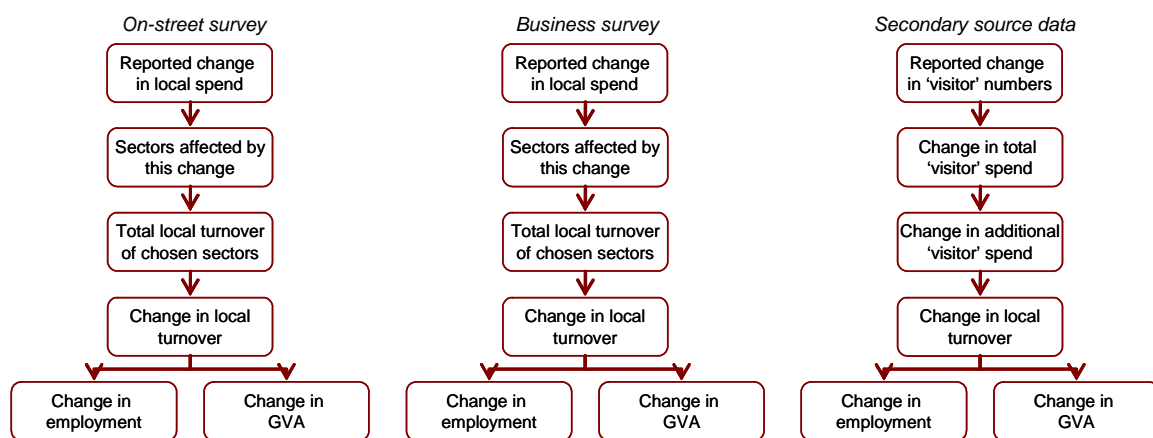


The information gathered under each approach has been combined to form a composite analysis of the economic impact that can be directly attributed to improvements to the historic environment achieved in five different case studies. This has identified a number of key economic benefits that can be associated specifically with heritage-led regeneration, namely increased business turnover, leading to greater levels of economic activity (measured in terms of GVA) and employment.

It should be stressed that the assessment of economic benefits is **a marginal analysis of the additional impact of heritage-led regeneration**. In other words, it is focused on the impacts that arise directly from the fact that improvements have been made to the historic environment. It therefore does not seek to measure the full impact of each case study project and excludes benefits that would have been achieved even if the quality of the historic environment had not been enhanced. The analysis concentrates on the additional impact that the historic environment has had on business performance and people’s actions and perceptions.

The approach used to assess the economic benefits, based on the ‘on-street’ survey, business survey and secondary source data gathered through consultations with key project contacts, is summarised in Figure 4.2. Suitable existing secondary data was only available for two of the five case studies assessed.

**Figure 4.2: Assessment of economic benefits**



Appendix C sets out a technical description of the assumptions underpinning each of the three strands of assessment. It is important to note that the results derived from each strand of assessment should not be added together. Rather, they are separate methods of estimating the same impacts. Moreover, the estimates of impact should not be expected to be exactly the same given the different approaches adopted under each element of the analysis.

As described in detail within Appendix C, consideration has been given to the extent to which the benefits of the case studies assessed are additional. By additional it is meant, *“the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention”*<sup>19</sup>. The impact of an intervention after taking account of additionality is referred to as its net additional impact.

The scale of the net additional impact will vary depending upon the spatial area at which the benefits are assessed. Heritage-led regeneration is mainly concerned with the renovation and renewal of specific, localised geographical areas. As such, the analysis of economic impact has been undertaken at the local level (principally, the town or city in which the project has taken place).

Although the main area of impact is likely to be local, depending on the scale of the project, there may also be spill-over effects into adjoining areas. This was not measured directly as part of the study. However, the ‘on-street’ and business surveys do suggest that each of the case study projects has brought some additional spend into the wider economy.

The results of the economic impact analysis are summarised below. A comparison is also made to benchmarks derived from other public sector interventions to assess the relative value for money of the public sector investment in the case studies. A range of GVA per £1 of public sector investment and cost per job ratios have been derived and, where possible, used to estimate the impact of the other case studies reviewed as part of this research. However, it should be noted that these ratios are derived solely from the assessment of the five case studies covered in this Section. The impact of specific historic environment regeneration projects may vary.

#### 4.2.2 *Business turnover*

For five different case studies (see Section 2.3.5, Table 2.4), the changes in spend of local residents, workers and visitors and the turnover of local business, as reported by the ‘on-street’ and business survey respectively, have been assessed to estimate the impact on business turnover. In addition, for the Staircase House and Covered Market Hall project in Stockport and the restoration of the Stourport Canal Basins project, an assessment of secondary source data, in the form of visitor information, has also been carried out.

The impact on turnover within the local area under each of the case studies is summarised in Table 4.1. A cumulative impact has been calculated, assuming that the benefits of the interventions last for ten years.<sup>20</sup> This is consistent with the methodology applied within PricewaterhouseCoopers’s (PwC) 2009 review of Regional Development Agency (RDA) spending,

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<sup>19</sup> English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.

<sup>20</sup> The cumulative impact reflects the total benefits of a project based on the anticipated number of years the benefits of the project are expected to last. For the purposes of this assessment, it has been derived by estimating an annual impact and multiplying this by ten. A discount rate (the Social Time preference Rate) of 3.5% has then been applied in order to calculate the ‘present value’ of the cumulative impact on business turnover (in other words, the value of the benefits in present terms).



undertaken on behalf of the then Department for Business, Enterprise and Regulatory Reform (BERR).<sup>21</sup>

<b>Table 4.1: Cumulative ten year impact on business turnover (£millions)</b>			
	<b>'On-street' survey</b>	<b>Business survey</b>	<b>Secondary source data</b>
Aylsham HERS	£6.6m	£3.2m	-
Regent Quarter, Kings Cross	£10.9m	£34.4	-
Sheffield CIQ THI	£9.5m	£10.7m	-
Staircase House & Covered Market Hall	£10.6m	£9.4m	£7.3m
Stourport Canal Basins	£38.4m	£1.1m	£24.6m

The results of the impact analysis demonstrate a degree of consistency across the different approaches used to estimate the impact on turnover for the Aylsham HERS, Sheffield CIQ THI and Staircase House & Covered Market Hall projects. However, in relation to the restoration of the Stourport Canal Basins and, to a lesser extent, the Regent Quarter project, there is a large discrepancy between the impact on turnover assessed using the results of the 'on-street' survey compared to when the results of the business survey are used.

From the survey of local businesses in Stourport, issues were raised about the disruption caused by the development. This could explain partly why the reported impact was so much lower compared to the 'on-street' survey.

In addition, a few firms reported that the Stourport project had diverted trade from their business. Some displacement is not uncommon in public sector investment. The 'on-street' survey implied nearly 40% of the additional spend generated by the project is displaced from elsewhere in the local area. It is possible, given the small sample size of the business survey (25 firms), that a disproportionate number of businesses adversely affected by the project were surveyed. This would suggest that the results of the business survey could underestimate the impact of the project.

It is uncertain whether this is indeed the case, but more weight should be given to the results of the 'on-street' survey for Stourport due to its larger sample size (151 residents, workers and visitors) and consistency with the results of the assessment using secondary source data. For the purposes of the assessment of value for money (see Section 4.2.5) the results of the business survey for the Stourport Canal Basins project have therefore been excluded.

There is also a relatively large difference between the impact estimated for the Regent Quarter case study under the 'on-street' survey compared to the business survey. To a degree, this is to be expected. In comparison with the other case studies, the 'on-street' survey for the Regent Quarter is likely to have included a large number of respondents who were travelling through the area, as opposed to visiting the Regent Quarter itself. The effect of the project on such people's spend is likely to be lower, reducing the scale of impact measured through the 'on-street' survey.

<sup>21</sup> BERR (2009), *Impact of RDA spending – National report*

#### 4.2.3 Economic activity (GVA)

As well as the impact on turnover, the effect of heritage-led regeneration under each of the case studies has been assessed in terms of GVA, which can be used as a measure of change in economic activity.<sup>22</sup> It is also useful to assess the impact on GVA as it allows comparisons to be made more easily with other public sector interventions, for which benchmarks have been produced in terms of increase in GVA per £1 of public sector investment (see Section 4.2.5).

Table 4.2 sets out the cumulative ten year GVA impact under each of the case studies.<sup>23</sup> Again, where possible, results have been reported based on the 'on-street' survey, business survey and assessment of secondary source data. As the estimate of GVA impact has been derived from turnover, the same issue arises with regard to the Stourport and Regent Quarter projects, with a significant discrepancy between the business survey and the results from the other approaches.

Table 4.2: Cumulative ten year GVA impact (£millions)			
	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	£2.0m	£1.0m	-
Regent Quarter, Kings Cross	£3.3m	£10.3m	-
Sheffield CIQ THI	£2.8m	£3.2m	-
Staircase House & Covered Market Hall	£3.2m	£2.8m	£2.2m
Stourport Canal Basins	£11.5m	£0.3m	£7.4m

Overall, it is estimated that the Aylsham HERS project will generate between £1.0 and £2.0 million of net additional GVA, while the Regent Quarter project will create between £3.3 and £10.3 million of net additional GVA. Under the Sheffield CIQ THI case study, it is calculated that the project will generate between £2.8 and £3.2 million of net additional GVA, whereas the Staircase House and Covered Market Hall project is expected to result in between £2.2 and £3.2 million of net additional GVA. Excluding the results of the business survey, it is estimated that the restoration of the Stourport Canal Basins will generate between £7.4 and £11.5 million of net additional GVA.

#### 4.2.4 Employment

The impact on employment has, as with GVA, been derived from the estimated effect on business turnover. The figures set out in Table 4.3 therefore do not include a direct allowance for employment accommodated through the provision/redevelopment of commercial space. In part, this is to avoid double counting. A proportion of the direct employment accommodated under each case study will be dependent on the expenditure of local residents, workers and

<sup>22</sup> This measure of economic value is used by, for example, the Department for Business, Innovation and Skills (BIS) to measure the value of economic development and regeneration interventions.

<sup>23</sup> As with business turnover, the cumulative GVA impact has been expressed in 'present value' terms, based on a discount rate of 3.5%.

visitors generated as a result of improvements to the historic environment. This is already reflected in the estimates of employment impact set out in Table 4.3.

In addition, this study is principally concerned with the impact of improvements to historic buildings and places, not the effects of increased commercial space. It has therefore concentrated on the effect of a project on people’s behavior (measured through changes in their spending patterns), rather than how many jobs a given development has accommodated – particularly as these could probably have been accommodated without improvements to the historic environment.

<b>Table 4.3: Employment impact</b>			
	<b>‘On-street’ survey</b>	<b>Business survey</b>	<b>Secondary source data</b>
Aylsham HERS	9	4	-
Regent Quarter, Kings Cross	10	31	-
Sheffield CIQ THI	15	17	-
Staircase House & Covered Market Hall	16	14	12
Stourport Canal Basins	55	2	35

It is important to stress that the employment impact outlined above could be much higher, certainly for the Regent Quarter case study and Sheffield CIQ THI case study, if the direct jobs created as part of the project were all included. However, as already noted, by taking account of changes in the turnover of local firms and the resulting changes in employment, those direct jobs that can be specifically attributed to historic environment improvements are included in the estimates set out in Table 4.3.

By way of example, it is estimated that the Regent Quarter development could accommodate around 1,700 jobs. Some 3,000 jobs are reported to be located within the Sheffield CIQ, although this includes all of the CIQ, not just the seven buildings which were the focus of THI investment.

It should be noted that, as part of the business survey firms were asked what impact the case study investments have had on employment. Of the 122 firms interviewed, only one business responded that they had increased employment as a result of the improvements. From this it can be inferred that either:

- the increase in turnover for each individual firm has not, on the whole, been significant enough to result in changes to the number of people they employ; or
- firms are unable to disentangle the impact of heritage-led regeneration from the effect of other, perhaps more dominant, factors such as wider economic conditions.

It is probable that both of these suggestions are true to an extent. Given the reported impact on turnover, it is likely that improvements to the historic environment have helped to support job creation, or at least safeguarded employment, in combination with other factors. For example, a number of consultees reported that the project had helped to militate against the effects of the recession.

At the same time, the economic downturn is likely to have had a greater impact on many businesses, compared with improvements to the historic environment. The responses to the business survey (as well as the ‘on-street’ survey) will have been affected by the recession and, perhaps, meant that firms found it more difficult to identify the effects of heritage-led regeneration. If the survey had been carried out at a time when the economy was performing more strongly, the responses to the business survey in terms of employment could, potentially, have been much more positive.

#### 4.2.5 Value for money

The public sector costs incurred under each case study are set out in Table 4.4. The development of Regent Quarter did not involve any direct public sector investment and has, therefore, not been included within the analysis of value for money. However, the Regent Quarter project is a good example of how heritage-led regeneration is possible with private sector funding.<sup>24</sup> Heritage assets can be of significant value to the private sector and can become the focal point of commercially led schemes.

Table 4.4: Public sector cost	
	Public sector cost
Aylsham HERS	£0.3m
Sheffield CIQ THI	£3.1m
Staircase House & Covered Market Hall	£5.3m
Stourport Canal Basins	£3.3m

The assessment of value for money has been based on two analyses of value for money:

- firstly, a benefit:cost ratio comparing the ratio of cumulative net additional GVA to public sector cost; and
- secondly, a public sector cost per net additional job ratio.

The ratios derived for each case study are set out in Table 4.5.

Comparisons have been made with benchmarks from other public sector interventions, obtained from the review of RDA spending undertaken by PwC in 2009.<sup>25</sup> The benchmarks used correspond to interventions categorised as ‘public realm’, which encompasses projects focused on improving the quality of the built environment, streetscape and the quality of the physical infrastructure. Overall, the average achieved GVA to cost ratio for public realm projects reviewed as part of the PwC report was 1.8:1. The average cost per job was £118,945.

The public realm benchmarks are considered to be the most appropriate for this study, as the research is, as already stressed, specifically focused on the impact of improvements to the historic environment in each case study, rather than the impact of the case study project as a

<sup>24</sup> Although no public sector funding was provided in relation to the Regent Quarter project, English Heritage did play a role in facilitating the planning (although not the implementation) of the development.

<sup>25</sup> BERR (2009), *Impact of RDA spending – National report*



whole (including the provision of commercial space). It would therefore not be appropriate to use benchmarks based on, for example, projects bringing land back into use.

<b>Table 4.5: Value for money</b>		
	<b>Cumulative GVA:public sector cost</b>	<b>Public sector cost per net additional job</b>
Aylsham HERS	2.9:1 – 6.0:1	£36,662 - £82,490
Sheffield CIQ THI	0.9:1 – 1.0:1	£181,442 - £205,634
Staircase House & Covered Market Hall	0.5:1 – 0.6:1	£332,563 - £443,417
Stourport Canal Basins	2.2:1 – 3.5:1	£60,000 - £94,286
<b>Case study weighted average*</b>	<b>1.6:1</b>	<b>£126,689</b>
<b>Benchmark ratio (public realm)</b>	<b>1.8:1</b>	<b>£118,945</b>

\*The case study weighted average is based on the 'on-street' survey, for which it is considered reliable data has been obtained for all four of the case studies.

The results of the analysis show that, based on the five case studies:

- for every £1 of public sector expenditure on heritage-led regeneration, there is a return of £1.60 cumulative net additional GVA. Consequently, measuring just the quantitative economic impacts, the benefits more than exceeds the costs;
- the cumulative net additional GVA:public sector cost ratio is comparable, although slightly lower, than the benchmark ratio for public realm interventions; and
- the average public sector cost per net additional job, at £126,700, is also comparable with the benchmark ratio for public realm interventions, albeit marginally higher.

The analysis suggests that the relative value for money of historic environment regeneration will be partly dependent on the form of intervention undertaken. In particular, those projects that succeed in attracting additional visitors are perhaps more likely to achieve a higher direct economic return. In contrast, projects that are concerned with restoring existing heritage assets that do not represent significant visitor attractions may achieve lower economic returns, not accounting for the effects of other components of the scheme such as the provision of commercial accommodation.

The above analysis of value for money only takes into account the indirect economic benefits of heritage-led regeneration. For the majority of projects focused on the historic environment, the main purpose is not the creation of additional jobs or GVA, but the repair and restoration of important heritage assets that are of intrinsic value. Furthermore, as described in Section 4.3, investment in historic buildings and places will also often lead to a number of other wider, less easily monetised impacts that are nevertheless important.

#### 4.2.6 Applying the findings to the other case studies

As described in Section 2.4, eleven other case studies have been reviewed as part of this study in addition to the five case studies considered above. This has not included primary survey research, so an exact estimate of economic impact has not been possible. However, on the basis of the nature of each case study and where information on public sector funding has been provided, it is possible to use the findings in Table 4.5 to derive an estimate of the potential scale of impact.

For seven of the other case studies, consideration has been given to which of the four case studies included in Table 4.5 they most closely resemble.<sup>26</sup> The relevant GVA to cost ratio and cost per job ratio have then been applied to the level of public sector expenditure in order to provide an estimate of economic impact. The results of this analysis are shown in Table 4.6.

Table 4.6: Additional impact attributable to public sector funded historic environment regeneration				
Case study	Public sector cost	Comparative project	Indicative impact	
			Cumulative GVA	Employment
Albert Dock, Liverpool	£40.0m	Stourport Canal Basins	£88.0m-£140.0m	424-667
Cromford Mill, Derbyshire	£6.8m	Stourport Canal Basins	£15.0m-23.8m	72-113
Curson Lodge, Ipswich	£0.7m	Staircase House & Covered Market Hall	£0.3m-£0.4m	2-3
East Lindsey HERS	£1.0m	Aylsham HERS	£2.8m-£5.9m	12-27
Fort Dunlop, Birmingham	£10.0m	Sheffield CIQ THI	£9.0m-£10.0m	49-55
Gloucester Quays	£6.0m	Sheffield CIQ THI	£5.4m-£6.0m	29-33
West Auckland PSCA	£0.5m	Aylsham HERS	£1.5m-£3.0m	6-14

As the estimates of economic impact set out within Table 4.6 involve more assumptions than those in Table 4.5 they should therefore be treated with more caution. The validity of using such a value transfer method is restricted given the small number of case studies covered by the main assessment. In addition, historic buildings and places are often unique and can be set within widely differing contexts. The level of private sector investment will also be an important determining factor.<sup>27</sup> These figures should therefore be seen as illustrative estimates which

<sup>26</sup> Public sector cost information has not been available for the Quayside Barbican (Plymouth), New Road (Brighton), Newburgh Street (West End, London) and North Shields Fish Quay case studies. Therefore they have not been included as part of this analysis.

<sup>27</sup> For the Gloucester Quays case study, the level of private sector funding as a proportion of the total project cost was much greater than for the comparative project used to provide benchmark GVA to cost and cost per job ratios (Sheffield CIQ THI). Therefore, the figures in Table 4.6 for Gloucester Quays are likely to underestimate the full scale of impact associated with improvements to the historic environment.

provide an example of how the results of this study might be applied, in combination with a more detailed project assessment.

Moreover, as with the assessment of the five case studies above, the figures in Table 4.6 are an estimate of the marginal impact of the project that can be attributed to heritage-led regeneration. Some of the case studies generated a large number of direct jobs, through the provision of commercial space. For example, it is estimated that around 2,000 jobs are accommodated within Fort Dunlop and that some 700 jobs have been created within Gloucester Quays. Consultees for each project have indicated that this employment can at least partially be attributed to the improvements in the historic environment.

## 4.3 Social and environmental benefits of historic environment regeneration

### 4.3.1 Overview

In addition to the economic benefits assessed above in Section 4.2, the study has also looked at the social and environmental impacts of heritage-led regeneration. Each of the key benefits is discussed in turn below. This has been informed by the ‘on-street’ survey and business survey, along with responses to the project consultations. The ‘on-street’ survey involved face-to-face interviews with nearly 1,000 local residents, workers and visitors (see Table 4.7), while the business survey covered over 120 firms across five case study areas.

Table 4.7: ‘On-street’ survey – number of people surveyed			
Case study	Local residents / workers	Visitors*	Total
Aylsham HERS	186 (92%)	15 (8%)	201
Regent Quarter, Kings Cross	162 (81%)	38 (19%)	200
Sheffield CIQ THI	191 (95%)	9 (5%)	200
Staircase House & Covered Market Hall	193 (98%)	4 (2%)	197
Stourport Canal Basins	106 (70%)	45 (30%)	151

\*Visitors were classed as those people who did not work or live within the local area

All of the businesses interviewed were aware of the improvements to the historic environment carried out under the respective case studies. In contrast, some of the people responding to the ‘on-street’ survey did not know of the changes that had been made to the area (see Table 4.8). Only those aware of the project were asked for their views on the investment, although all respondents were asked questions regarding their perceptions of the area as a whole and the importance of the historic environment more generally.

Table 4.8: Proportion of respondents to the 'on-street' survey not aware of the project			
Case study	Local residents / workers	Visitors	All respondents
Aylsham HERS	23%	53%	25%
Regent Quarter, Kings Cross	28%	97%	41%
Sheffield CIQ THI	4%	38%	6%
Staircase House & Covered Market Hall	0%	50%	1%
Stourport Canal Basins	4%	49%	17%
Overall	12%	65%	18%

#### 4.3.2 Enhanced townscape

Evidence from the 'on-street' survey, set out in Table 4.9, indicates that heritage investment projects were widely perceived to have had made a positive contribution to the local environment, with 93% of respondents describing the impact of the intervention as good or very good. These findings suggest that historic buildings and places constitute an important component of the wider townscape for a high proportion of people.

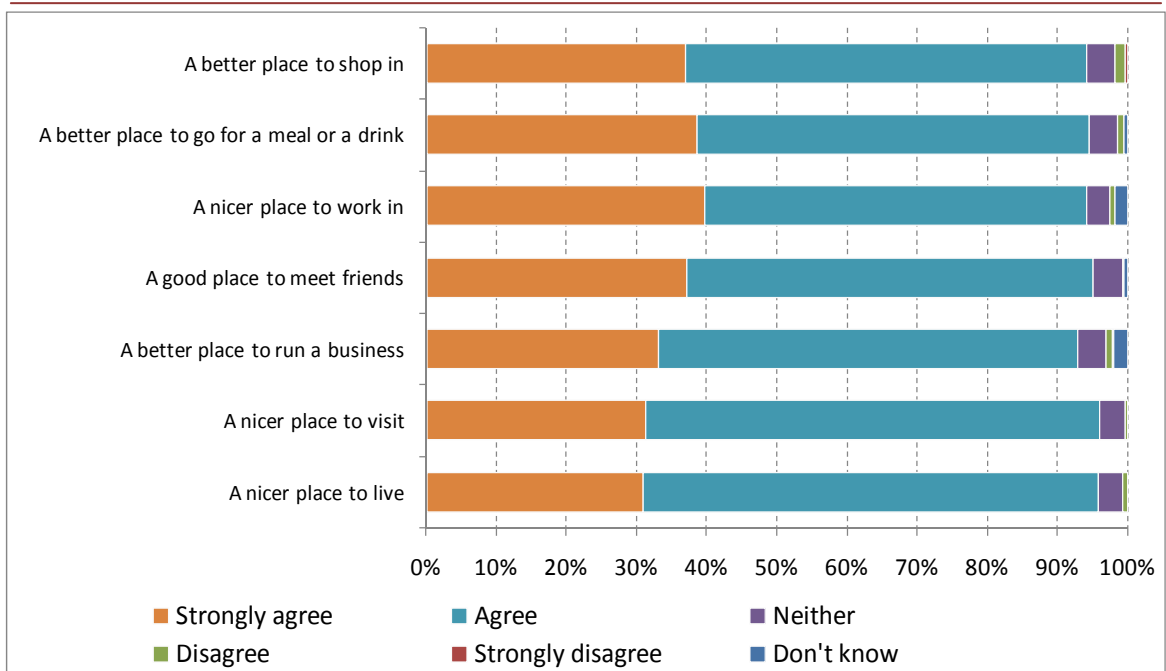
Table 4.9: Survey responses – How would you rate the project for making a positive contribution to the local environment						
	Aylsham	Kings Cross	Sheffield	Stockport	Stourport	Average
<b>Very good</b>	50%	11%	39%	38%	43%	37%
<b>Good</b>	46%	81%	58%	58%	35%	55%
<b>Neither</b>	3%	8%	3%	4%	22%	7%
<b>Poor</b>	1%	0%	0%	0%	0%	0%
<b>Very poor</b>	0%	0%	0%	0%	0%	0%
<b>Don't know</b>	1%	0%	0%	0%	0%	0%

Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project

Evidence from the surveys also suggests that through the improvement of heritage assets and enhancement of the overall townscape, the experience of living within the case study areas was also enhanced. As illustrated in Figure 4.3, over 90% of respondents to the 'on-street' survey undertaken within the case study areas indicated that the investment in the historic environment had resulted in the creation of a nicer place in which to live, work and socialise, as well as a more attractive visitor destination.

**Figure 4.3: Characteristics of case study areas following heritage regeneration investment**





Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

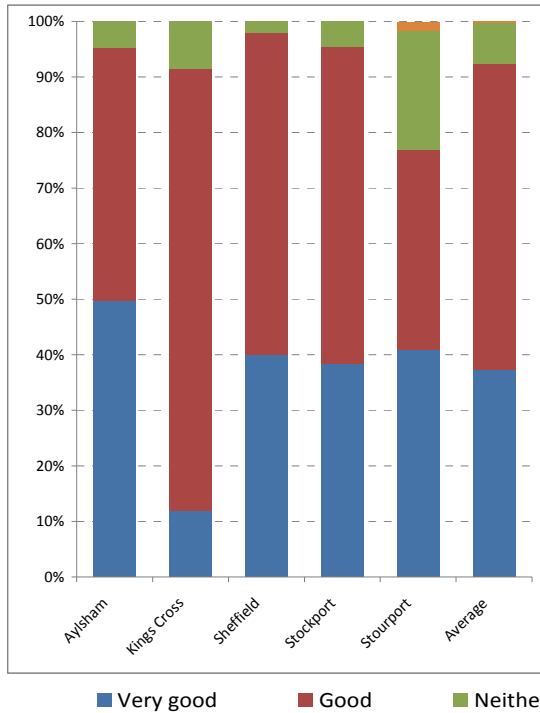
### 4.3.3 Civic pride and sense of identity

Civic pride can be associated with the shared appreciation of local character and is intrinsically linked with concepts of identity.

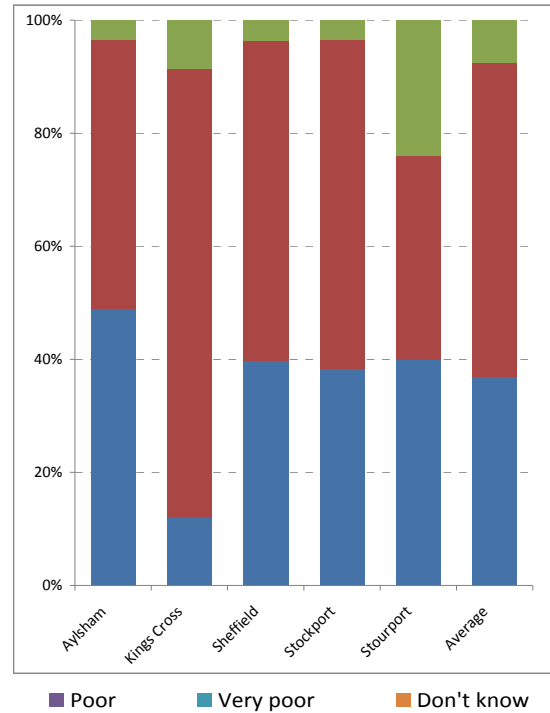
This link is reinforced by research undertaken as part of this study. Respondents to the ‘on-street’ survey carried out for each of the case study areas were asked how they rated the project in terms of both raising pride in the local area and in terms of creating a distinct sense of place. The responses to these questions are set out in Figure 4.4 a) and b) below.

Of the 778 respondents to this question across all case study areas, some 92% indicated that they would rate the project as either good or very good in terms of raising pride in the local area, while 93% rated the projects as good or very good in terms of creating a distinct sense of place.

**Figure 4.4 a): Project rating for raising pride in the local area**



**Figure 4.4 b): Project rating for creating a distinct sense of place?**



Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project

These results are supported by findings from the survey of project managers and other consultees. The project manager for the Fort Dunlop regeneration scheme highlighted the importance of the former Dunlop Warehouse to local communities, emphasising its role as an iconic landmark. The importance of this landmark to communities is reflected in the level of involvement of residents and community groups in the development of the regeneration project.

Fort Dunlop has now been redeveloped and incorporates key facilities and amenities for local communities including shops, bars and restaurants along with a cafe, a nursery and an art gallery. The project has transformed this iconic but derelict site into a key local landmark and a focus for a renewed sense of pride amongst local residents and workers.

#### 4.3.4 Place vitality

The concept of place vitality is intrinsically linked to the use of spaces and activities that take place within the urban environment on a day to day basis. It is identified as a key concept of urban design, with animated spaces recognised as promoting interaction and safety. Places that have vitality are vibrant and attractive to businesses and individuals. They are places where people want to live, work and visit.

Vitality, in terms of an area’s liveliness, marks a key social indicator in assessing the quality of any place. Successful places encourage high levels of vitality, observed in the street life and

level of activity across public spaces. Place vitality as a concept underpins the principles of high density, mixed-use development that have been central to urban design over the last 10 years. Establishing a busy, thriving and enjoyable environment is critical to promoting vitality.

The results of the 'on-street' survey suggest that areas benefiting from heritage-led regeneration have strong vitality and are perceived positively by those that use them. In particular, 89% of respondents agreed or strongly agreed that investment has created an environment with an enjoyable atmosphere. In excess of 80% of respondents over the five case studies agreed that the local areas are pleasant places to spend time in and be in during the evenings.

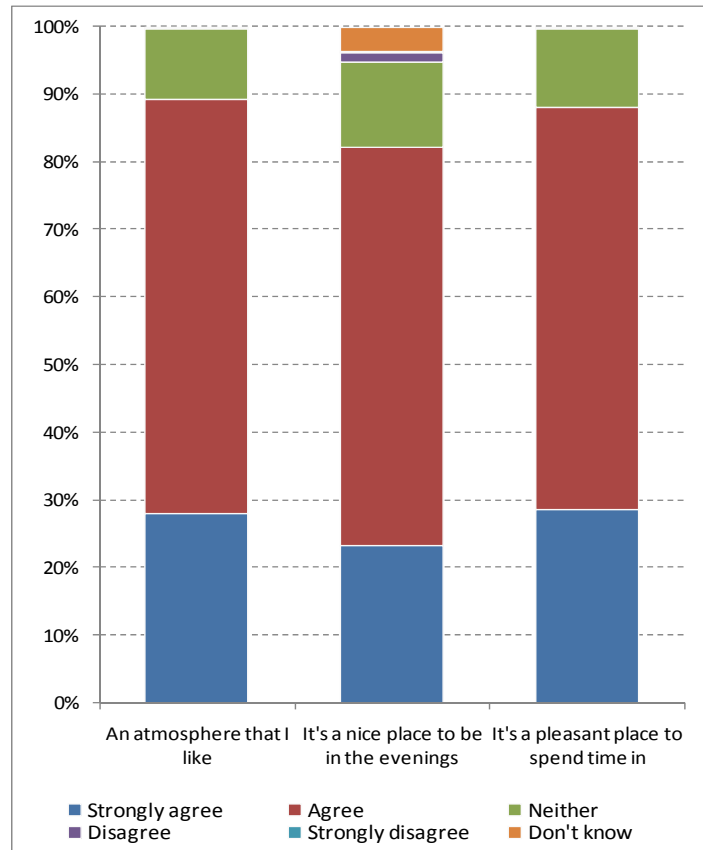
Survey responses indicate that people's experience of the areas in which historic environment regeneration has taken place is generally strongly positive.

The survey of people associated with the project emphasised the role of the public sector in addressing the decline in the urban fabric to stimulate demand from both private sector investors and potential residents, thus generating increased activity within an area and enhancing vitality. The North Shields Fish Quay case study demonstrates that through investment to bring historic buildings back into active use issues of environmental, as well as economic and social, decline can be addressed. The project manager for the Fish Quay project indicated that regeneration investment has transformed the area. The unique character of the area has been a factor in enabling it to outperform other business areas over the course of the recession and maintain high levels of vitality across this historic business district.

#### 4.3.5 Social interaction

Poorly conceived development creates hostile environments, characterised as poorly lit and maintained, resulting in low levels of use. Conversely, high-quality public spaces become places and destinations where people can interact, rather than just through routes.

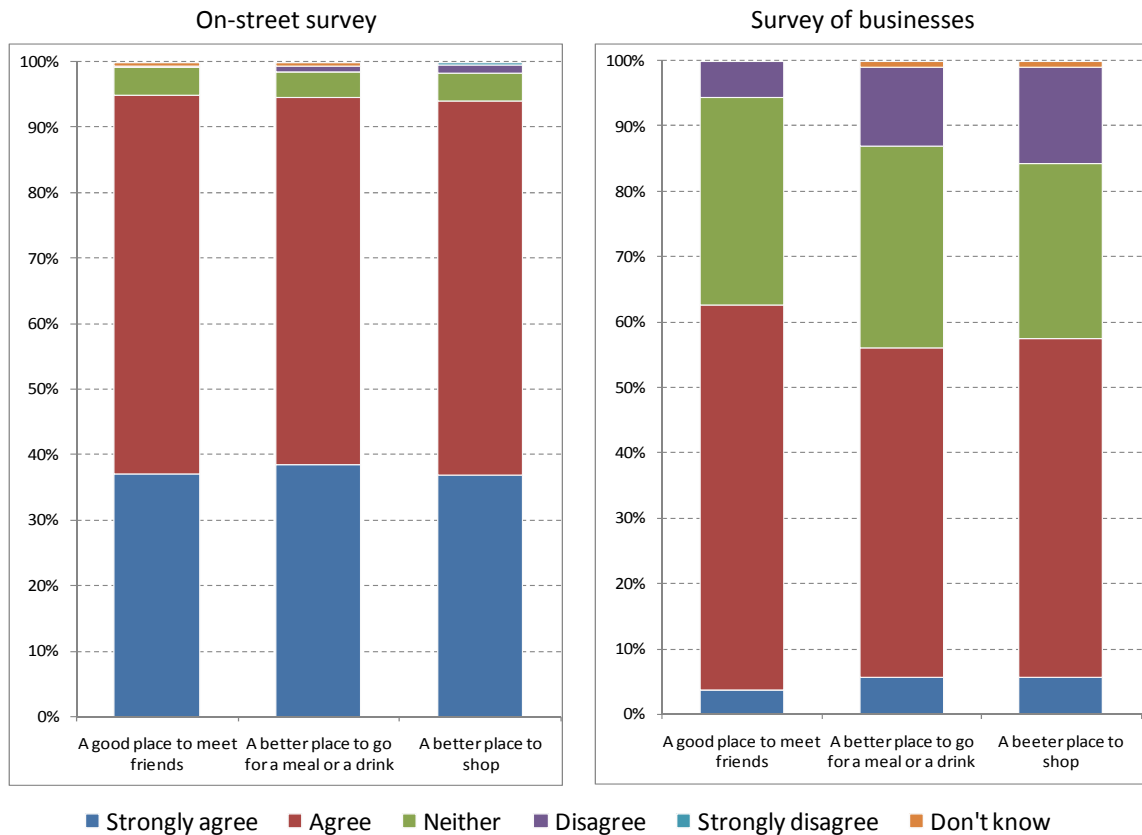
**Figure 4.5: Perceptions of the area**



Note: Of the respondents to this question, 18% were either not aware of the project or had not lived/worked in the area before the project was implemented

Responses from the ‘on-street’ survey indicate that the case studies were successful in creating a townscape that promotes social interaction. Across the five case study areas, approximately 95% of respondents to the ‘on-street’ survey agreed or strongly agreed that the project areas were now a good place to meet friends. An equivalent proportion of the 680 people who responded indicated that following the project the area was a better place to engage in social activities, such as visiting restaurants and bars and going shopping. These findings are set out in Figure 4.6.

**Figure 4.6: Social interaction within the case study project areas**



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The level of impact attributed to heritage investments in terms of promoting social interaction was less pronounced under the business survey, although still broadly positive. Some 62% of respondents agreed that the case study areas were a good place to meet friends, while 56% of respondents thought that investment to regenerate the local historic environment had resulted in the creation of a better place to go for a meal or a drink.

#### 4.3.6 Community engagement

The survey of project managers and other consultees highlighted the important role that communities and voluntary groups play in historic regeneration schemes, along with the role of such schemes in fostering community engagement. The great majority of the survey responses



indicated that either the voluntary sector or local residents had been involved in delivering the project. In particular, responses from Cromford Mill and East Lindsey demonstrate the role of historic regeneration in encouraging community engagement.

As a partnership scheme, the East Lindsey HERS brought key private, public and voluntary sector interests together alongside local residents to drive the regeneration process forward. Local interest groups were consulted in relation to the funding of key projects and the design of public realm works. Through this mechanism, the project monitor for the East Lindsey HERS indicated that voluntary and community organisations enjoyed a substantial level of involvement in the development of the scheme.

At Cromford Mill, the voluntary sector played a different though equally important role. The Arkwright Society Charitable Trust has been the body charged with the delivery of key elements of the restoration project, transforming the derelict Mill into a visitor attraction and small business centre. Further to this, voluntary organisations are responsible for the management of the site and the staffing of key visitor services, and have played a key role in researching the history of the mill and promoting on-site architectural investigation. The survey response emphasises that working alongside key public and private sector stakeholders, the voluntary sector has played a critical role in the transformation of this UNESCO World Heritage site.

Another example of successful community engagement is provided by the regeneration of Curson Lodge, a 16<sup>th</sup> century, Grade II\* listed, timber framed building in Ipswich. The Ipswich Building and Preservation Trust oversaw the repair and conservation of the building's existing fabric and conversion of the ground floor into 2 retail units and the upper floors into 2 flats. The restoration and repair of Curson Lodge is demonstrative of the Trust's aim that *"the people of Ipswich benefit from living in a town which has buildings of greater architectural and historical interest and a stronger visual character and sense of place than would be the case without it"*.

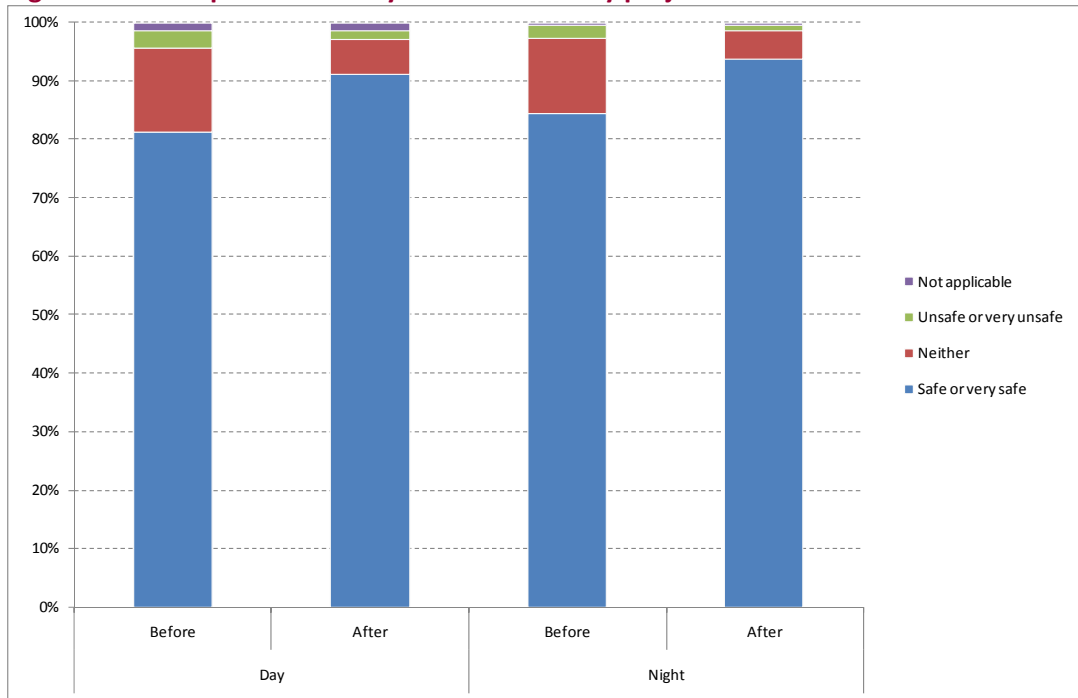
#### 4.3.7 *Community safety and crime reduction*

Survey responses indicate that the case study interventions have enhanced perceptions of safety within each project area. The improvement in perceptions of safety is illustrated in Figure 4.7 below, based upon 679 responses across the five areas.

While only 3% of respondents across the case studies indicated that they felt unsafe within the project areas prior to the intervention, this reduced to 1% post intervention. Further to this, the proportion that indicated positive feelings of safety increased from 81% to 91% during the day and from 85% to 94% after dark.

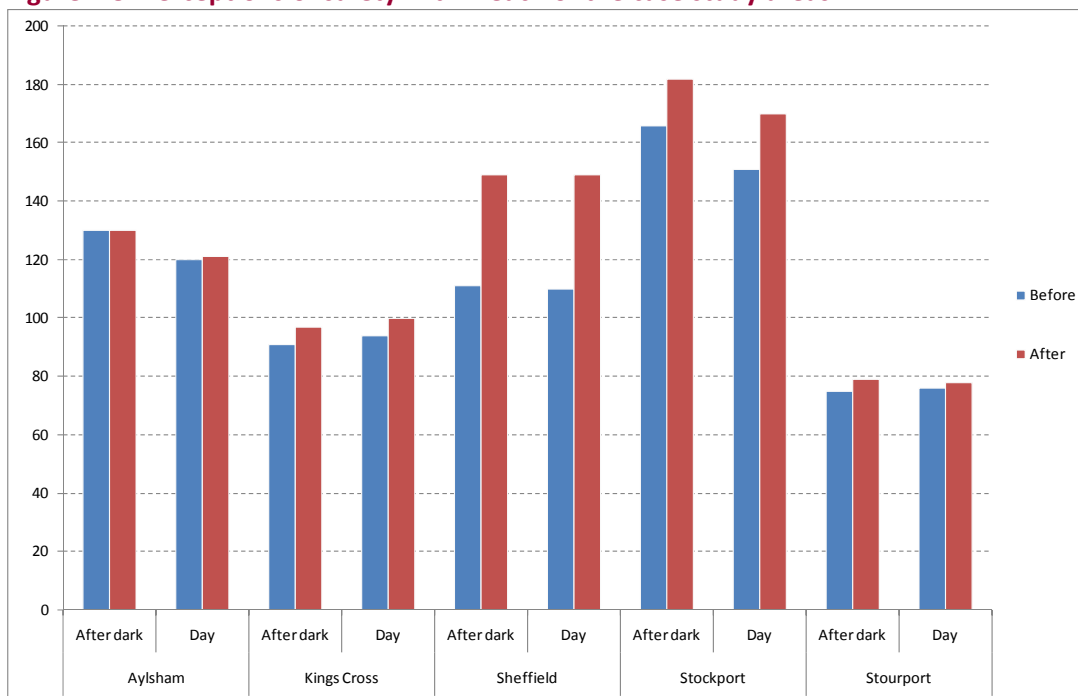
Increases in perceptions of safety were marginal in Aylsham, although overall it was still considered to be safe or very safe by over 85% of respondents during the day and 93% after dark prior to the heritage project (see Figure 4.8). Improvements in perceptions of safety were particularly pronounced in Sheffield, with the proportion of respondents perceiving the project area as safe or very safe increasing from 73% to 98% following the investment.

**Figure 4.7: Perceptions of safety within case study project areas**



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

**Figure 4.8: Perceptions of safety within each of the case study areas**



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The survey of project managers and other consultees further supports these findings. Within the majority of case study areas, the project consultees agreed that heritage investment had made the area feel safer.

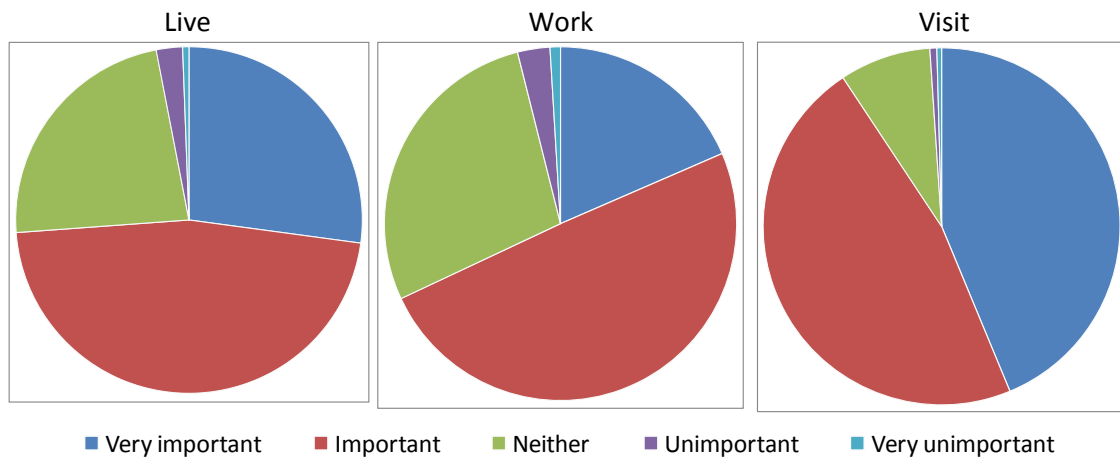
Further to this, the project monitor for East Lindsey reported that the design of the scheme in line with *Streets For All* principles had not only contributed to the heritage setting, but also enhanced traffic safety within the town centre. This highlights that a comprehensive and plan led approach to the regeneration of historic buildings and places can contribute to improving safety for local communities.

#### 4.3.8 Heritage and decisions on where to live, work and visit

Existing research indicates that heritage and historic buildings and places have an impact on where people choose to spend their time. The survey reinforces these findings and highlights the level of importance respondents attached to the historic environment when making decisions about where to live, work and visit.

The findings, illustrated in Figure 4.9, suggest that historic buildings and places contribute to determining where people choose to visit, with 91% of respondents identifying it as an 'important' or 'very important' factor. The influence of the historic environment in decisions about where to live and work appears to be somewhat lower at 74% and 68% respectively. Despite this, it is clear that the majority respondents ascribed significant value to the existence of historic buildings and places.

**Figure 4.9: Importance of the historic environment in deciding where to live, work and visit**



Note: Of the respondents to this question, 18% were either not aware of the project or had not lived/worked in the area before the project was implemented

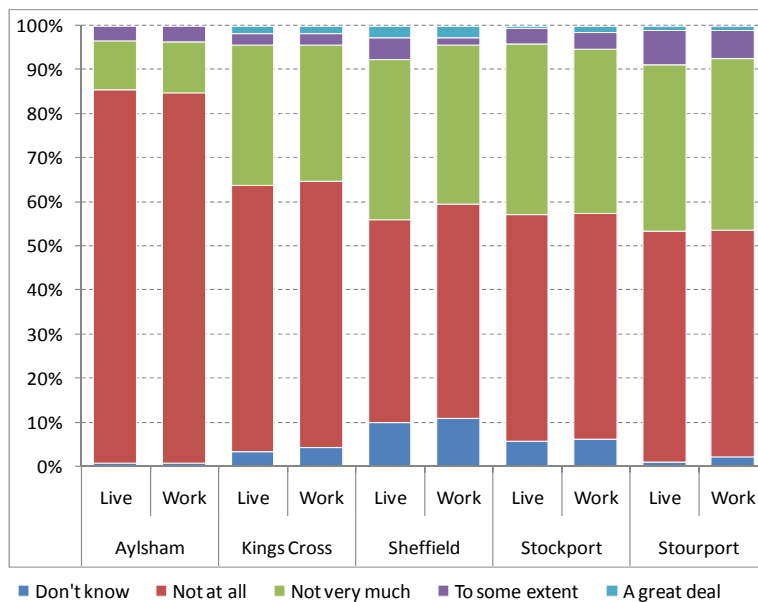
While this suggests that the historic buildings and places play an important role in where people choose to live and work, the survey indicates that the impact of the case study interventions was somewhat more limited. As Figure 4.10 shows, some 96% of respondents across all case studies rated the projects as positive or very positive in terms of their impact on local heritage. However, despite these positive perceptions, respondents indicated that the influence of the project in decisions relating to where to live and work was limited. Overall, 5% of respondents

across all of the case study areas said that the respective project had influenced their decision (either 'a great deal' or 'to some extent') to live or work in the area. However, this is to be expected given the wide range of factors that influence individuals' decisions of where to live and work.

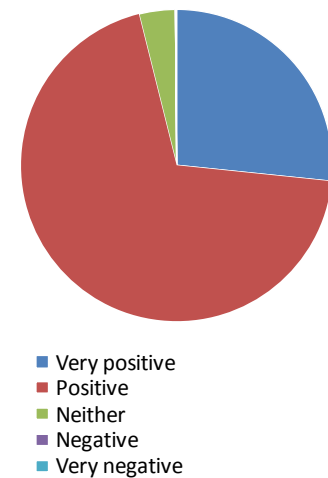
Part of the reason for this limited impact is that, particularly within areas of low population turnover such as Aylsham, many people have lived or worked within the areas surveyed for a long time prior to the improvements to the historic environment. Their decision to live or work in the area was therefore made before the investments were made. However, although the improvements may not have influenced the original decision to live or work in an area, it is likely that the case studies have helped to encourage people (and businesses) to remain.

In addition, as noted, there are numerous factors that are likely to influence someone's decision as to where to live and work – for example, being near friends and family, the presence of good local amenities such as schools and shops, and the availability of suitable employment opportunities. This should not lessen the importance attributed to the historic buildings and places, as the general responses to the 'on-street' survey indicate that they are a significant contributory factor to the overall attractiveness of an area.

**Figure 4.10a: Extent to which heritage intervention influenced live / work location decisions**



**Figure 4.10b: Impact on heritage across all case study areas**

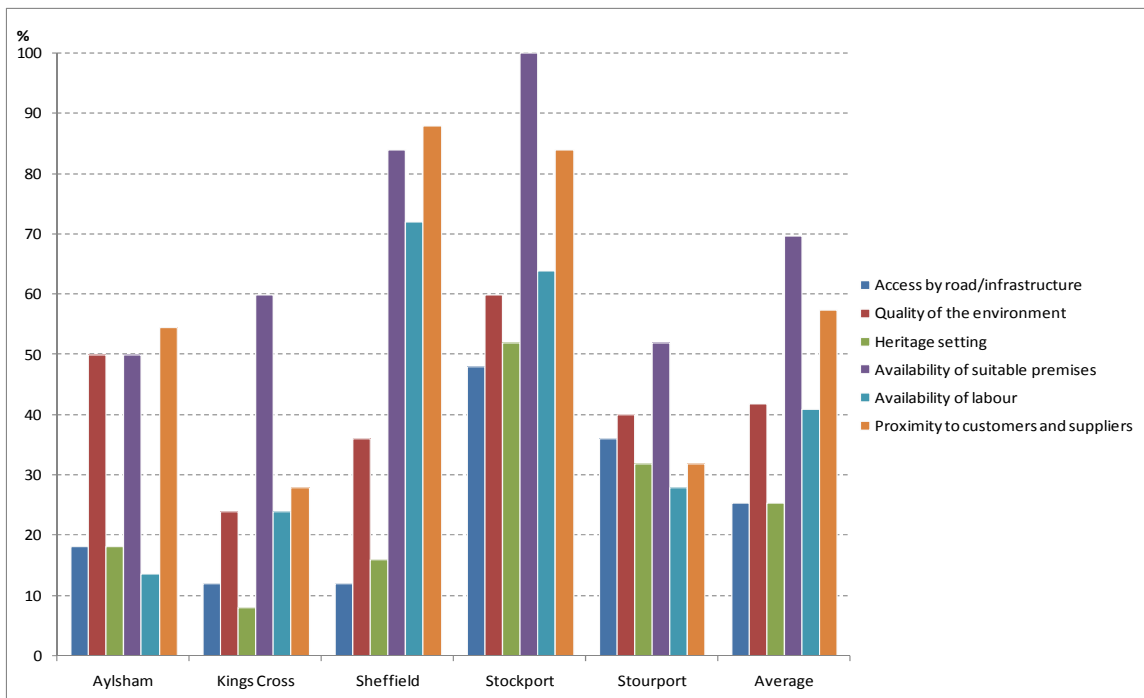


Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project



Across the five case studies, 25% of the 122 business respondents agreed or strongly agreed that a heritage setting was an important factor in the decision to locate within the area. As shown in Figure 4.11, in terms of influence, heritage ranked equal with road access as a determinant, but below quality of the environment, availability of premise, availability of labour and proximity to customers and suppliers. This is not unexpected given the competitive pressures faced by businesses. Moreover, as identified in Section 3, the historic environment may be more important to certain types of business (for example, small independent firms) than others.

**Figure 4.11: Factors affecting business location decision**

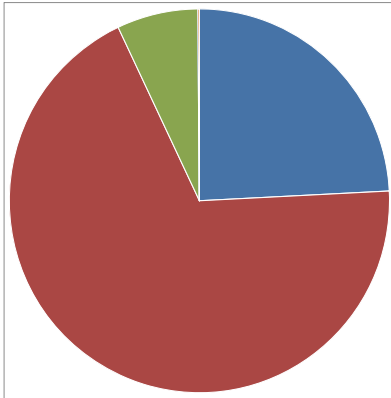


Note: Graph illustrates the percentage of respondents who 'strongly agree' or 'agree' that a specific factor was important in terms of the decision to locate in the area

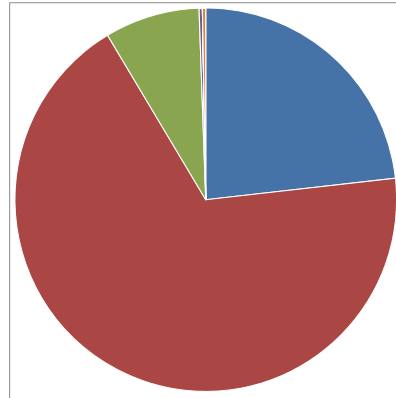
#### 4.3.9 Enhanced image of local areas

Evidence from the survey of residents, workers and visitors within the case study areas suggests that investment to enhance historic buildings and places has a positive impact on the image of an area. Figure 4.12a shows that 93% of 711 respondents indicated that the intervention had improved the image of the immediate project area. Further to this, some 91% of respondents said that the project had resulted in an improvement in the image of the wider town or city, as illustrated in Figure 4.12b.

**Figure 4.12a: Improved the image of this part of town**



**Figure 4.12b: Improved the image of the town as a whole**

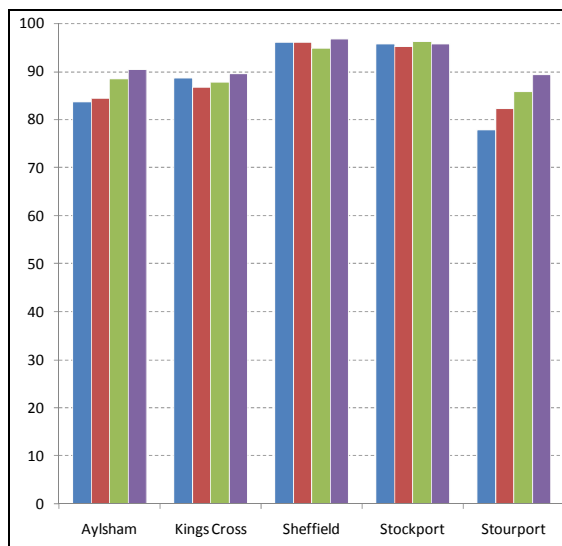


- Strongly agree
- Agree
- Neither
- Disagree
- Strongly disagree
- Don't know

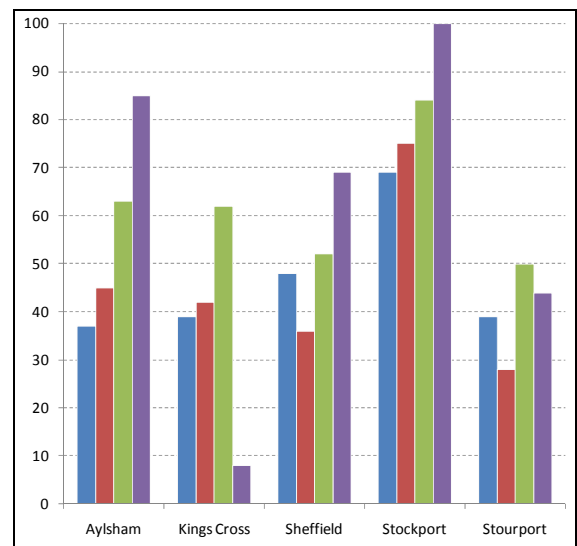
Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The response from businesses was more muted, although still positive. Across all case study areas, some 63% of businesses responded that investment in the historic environment had enhanced the image of the project area and the town as a whole. However, 15% indicated that they thought the project had not had any significant impact on the image of the local area. Further to this, just 46% of respondents said they thought the investment had resulted in an increase in the number of visitors. The survey sample for the business survey was, however, relatively small compared to the 'on-street' survey and a number of the businesses interviewed were not visitor based.

**Figure 4.13a: 'On-street' survey**



**Figure 4.13b: Business survey**



- Attracted more local people to this part of the town
- Attracted more visitors to the town
- Improved the image of the town
- Improved the image of the town centre

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The survey of project consultees further highlighted the role of heritage regeneration investment in improving the image of a town or city, although it also suggested that the scale of impact was dependent upon the size of the project.

The project manager for the Curson Lodge project in Ipswich indicated that the refurbishment had resulted in some improvement in the image of the area in the immediate vicinity of the building, but that its wider impact on the image of Ipswich had been limited. Against this, major historical regeneration projects such as Gloucester Quays, Liverpool Albert Dock and Fort Dunlop in Birmingham were considered to have had a profound effect in transforming the wider image of each respective city.

#### 4.3.10 *Regeneration catalyst*

Major interventions, such as that at Gloucester Quays where investment by the Homes and Communities Agency (HCA) and the Southwest Regional Development Agency (SWRDA) facilitated the redevelopment of the historic Quays site, have acted as focal points to wider regeneration. Gloucester Heritage Urban Regeneration Company is responsible for developing and implementing a strategic vision to tackle economic and social problems within Gloucester and to secure the regeneration of the centre area. Heritage underpins this vision, and is fundamental to regeneration proposals for the city. The Quays has been the most significant regeneration project to date, drawing in substantial private investment and generating a significant number of visits to the city centre. The Designer Outlet centre (the first major phase of the project to be completed) has delivered a retail offer that complements the city centre. It provides an important amenity for local residents and ensures that a greater proportion of local spend is captured within Gloucester centre.

The catalytic impact of heritage regeneration investment is also evident for smaller scale HERS and THI projects involving grants to businesses to facilitate the improvement of business premises, particularly shop frontages, within a town centre. The survey of project consultees in terms of both the West Auckland and East Lindsey schemes indicated that through investment to enhance the appearance and viability of the historic environment, new businesses have occupied premises while existing businesses have been retained. Further to this, the improvement in the appearance of town centres resulting from this investment has encouraged other businesses to invest in improvement works.

#### 4.3.11 *Sustainability*

Research conducted by English Heritage in 2004<sup>28</sup> demonstrated that the demolition of old buildings uses more energy than their refurbishment. Demolition and construction accounts for 24% of the total annual waste produced in the UK. Further research commissioned by The Heritage Council<sup>29</sup> found that the costs of maintaining and occupying a Victorian terraced house, when considered over a 100-year period, are almost 30% cheaper than those of a house built in the 1980s. A study carried out in Ireland, referenced by English Heritage, showed that a

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<sup>28</sup> English Heritage (2004) *Heritage Counts - State of the Historic Environment Reports 2002 – 2004*

<sup>29</sup> The Heritage Council (2004) *Built to Last – The Sustainable Reuse of Buildings*

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refurbished existing building perform better in environmental terms than a hypothetical newly constructed building on the same site<sup>30</sup>.

The reuse of existing historic structures forms an integral part of many of the case studies reviewed as part of this study. The restoration of the historic Albert Dock in Liverpool involved the redevelopment and refurbishment of in excess of 115,000 sq m of floorspace, transforming the derelict warehouses into hotel, retail, leisure and residential accommodation. The restoration scheme came forward as a result of substantial public sector investment in the wake of intense pressure for development. Under an alternative proposal, much of the original dock complex would have been demolished and new accommodation erected.

The capacity of historic buildings to accommodate modern activities through adaptation is also demonstrated by many of the other case study projects. The transformation of the 12ha Gloucester Quays site has resulted in the restoration of 14 historic buildings, leading to the creation of approximately 28,000 sq m of new retail space. Fort Dunlop, another major regeneration scheme, created almost 40,000 sq m of primarily office floorspace with the capacity to accommodate up to 2,250 jobs. The adaptation of the historic environment in both instances resulted in the delivery of high quality employment accommodation and avoided generating substantial demolition waste or emissions through the construction process.

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<sup>30</sup> English Heritage (2004) *Heritage Counts - State of the Historic Environment Reports 2002 – 2004*



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## 5 Conclusions

The analysis has found strong evidence of the benefits of heritage led regeneration. It demonstrates that towns and cities that are known for having historic environments are often highly regarded as places people want to visit. This is shown in simple terms by a strong correlation between the number of listed buildings that a town/city has and both the extent to which it is seen as a desirable destination and is likely to be visited.

In addition, historic buildings and places provide the opportunity for types of commercial activity that might otherwise not have the chance to develop. It, in particular, enables locally owned and unique businesses to operate. These are, depending on the circumstances, typically office and/or studio based businesses, shops and restaurants.

Historic environments provide a setting for restaurants and bars to thrive. This creates urban 'oases' which have a feel and vitality that is often very different from the main high street shopping areas. They frequently provide a more independent orientated leisure offer than other parts of towns and cities, where high street bars and clubs congregate in larger premises. They typically become the primary place within the town or city for people to socialise and are often primary locations for cultural activity.

This combination of a distinctive environment and unique businesses is central to towns and cities developing a sense of place that distinguishes them from others. There is direct evidence from research in Plymouth of how the combination of a historic environment and the commercial activity that takes place in it is the main reason why people are likely to visit from a significant distance.

The same is almost certainly true of places, like Brighton and the West End of London, that have been notably successful in using historic buildings and places to create experiences that are different to those which anywhere else offers. It is also true of developments, like Regent Quarter, that use heritage assets to create an office environment that is especially attractive and, therefore, can attract high quality tenants.

There has been much talk in recent years about 'Clone Town' Britain, where every high street is much the same. The same could be said of office quarters. The global economy has meant, in fact, that high streets and office developments in other parts of the world are increasingly likely to have a similar look to those in the UK. Examples studied in this report, from the West End of London to Stockport, demonstrate that historic buildings and places can help to stimulate diverse shopping experiences, as they invariably nurture experiences that are unique.

The analysis suggests that making the most of historic buildings and places is an important way to develop groups of businesses that are unique to the area. This reinforces the thrust of PPS5 that it is important that planners understand the historic environments in their areas and what could be done with them.

Primary survey work undertaken as part of this study demonstrates that the heritage-led regeneration can create a number of economic, social and environmental benefits. By investing in their heritage assets, areas across the country have experienced increased business turnover, due to the area becoming more attractive to local residents, workers and visitors. This has

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positive effects in terms of creating additional economic activity and new employment opportunities for local people.

The impact of historic environment regeneration on business turnover, GVA and employment was assessed for five case studies in detail. In all of the case studies, the investments were found to have had a positive effect. In the case of the Stourport Canal Basins, for example, the cumulative ten year impact on business turnover and GVA was estimated to be up £38.4 million and £11.5 million respectively, with some 55 jobs supported.

Where public sector funding had been provided, the return on this investment varied, but overall was similar to comparable value for money benchmarks for public realm interventions. A weighted average analysis of the case studies indicated that for every £1 of public sector expenditure in the historic environment, there is a return of £1.60 cumulative net additional GVA over ten years. The quantitative economic benefits alone therefore more than exceeds the costs. The average public sector cost per net additional job was estimated to be £126,700.

In addition to economic benefits, it is also evident that heritage-led regeneration leads to a number of less tangible, but equally important, wider social, cultural and environmental benefits. A survey of nearly 1,000 people and interviews with over 120 businesses, along with consultations with individuals involved in the implementation of the case study projects, highlighted a range of social and environmental impacts that are strongly associated with improvements to historic buildings and places. The results of the 'on-street' survey identified that:

- 93% of respondents rated the projects assessed as making a good or very good contribution to the local environment;
- over 90% of respondents indicated that investment in the historic environment had resulted in a nicer place in which to live, work and socialise, as well as a more attractive visitor destination;
- some 92% of those that responded indicated that they would rate the projects assessed as either good or very good in terms of raising pride in the local area, while 93% rated the projects as good or very good in terms of creating a sense of place;
- 89% of respondents agreed or strongly agreed that the investment has created an environment with an enjoyable atmosphere and over 80% that the local areas are pleasant places to spend time in during the evening;
- approximately 95% of respondents agreed or strongly agreed that the project areas were now a good place to meet friends;
- perceptions of safety had also improved – the proportion of respondents that indicated positive feelings of safety increased from 81% to 91% during the day and from 85% to 94% after dark;
- the historic environment contributes to determining where people choose to visit, with 91% of respondents identifying it as an important or very important factor. The influence of historic buildings and places in decisions about where to live and work appears to be

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somewhat lower at 74% and 68% respectively, but still a significant proportion of respondents; and

- 93% and 91% of respondents indicated that the project had improved the image of the immediate project area and of the wider town or city respectively.

In terms of businesses, the survey results showed that a quarter of respondents agreed or strongly agreed that a heritage setting was an important factor in the decision to locate in an area. Some 63% of business respondents indicated that the investment in the historic environment had enhanced the image of the project area and the town as a whole.

In many cases, the survey of project managers highlighted the important role that community and voluntary sector groups play in heritage-led regeneration schemes, as well as a scheme's role in fostering community cohesion. The historic environment can also form a focal point for the wider regeneration of an area. In addition, previous research has highlighted that, for example, the demolition of old buildings uses more energy than their refurbishment.

Overall, this study has found strong evidence that heritage-led regeneration can have a significant positive impact. This is likely to come from the nature of businesses that locate in historic environments, along with the enhanced appeal of places that have invested in their heritage assets to local residents, workers and visitors.

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## Appendix A – Background literature

### Key policy and strategic documents

**Better Places to Live: Government, Identity and the Value of the Historic and Built Environment**, DCMS, 2005

**Culture at the Heat of Regeneration**, DCMS, 2004

**English Heritage Strategy 2005 – 2010: Making the Past Part of Our Future**, English Heritage, 2005

**Heritage Protection for the 21<sup>st</sup> Century**, DCMS,

**Planning Policy Statement 5: Planning for the Historic Environment**, CLG, 2010

**Power of Place: The Future of the Historic Environment**, English Heritage, 2000

**PPS5 Planning for the Historic Environment: Historic Environment Planning Practice Guide**, CLG, English Heritage and DCMS, 2010

**Review of Heritage Protection: The Way Forward**, DCMS, 2004

**The Government's Statement on the Historic Environment for England 2010**, DCMS, 2010

**The Role of Historic Buildings in Urban Regeneration**, House of Commons, ODPM: Housing , Planning, Local Government and the Regions Committee, 2004

**Valuing our heritage, investing in our future: Our Strategy 2008 – 2013**, HLF, 2009

**World class places: The Government's strategy for improving quality of place**, CLG, 2009

### Selection of existing research documents

**Capturing the Public Value of Heritage**, English Heritage, 2006

**Demonstrating the Public Value of Heritage**, The National Trust, 2006

**Economic Impact of HLF Projects**, GHK, 2009

**Economic, Social and Cultural Impact of Heritage in the North East**, Arup, 2005

**Heritage Counts 2003: Historic environment and the economic value**, English Heritage, 2003

**Heritage Counts 2009: Historic environment and sense of place**, English Heritage. 2009

**Heritage Works: A Practical Guide to the Role of Historic Buildings in Regeneration**, Drivers Jonas, undated

**New Life: Heritage and Regeneration**, HLF, 2004

**Regeneration and the Historic Environment: Heritage as a Catalyst for Better Social and Economic Regeneration**, English Heritage, 2005



**Social Impact of Heritage Lottery Funded Projects**, Applejuice Consultants, 2008

**The Economic Impacts of Funding Heritage**, ECOTEC, 2006

**The Heritage Dividend Methodology: Measuring the Impacts of Heritage Projects**, English Heritage, 2005

**The Value of Public Space: How high quality parks and public spaces create economic, social and environmental value**, CABE, 2002

**Townscape Heritage Initiative Scheme Evaluation: Five Year Review Report**, Oxford Brooks University, 2008

**Valuation of the Historic Environment: The scope for using results of valuation studies in the appraisal and assessments of heritage-related project and programmes**, efttec, 2005

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## Appendix B – Case studies

### Albert Dock, Liverpool

The Albert Dock is situated on Liverpool's historic waterfront and consists of the largest group of Grade I listed buildings in the country, spanning over 100,000 sq m. The Dock was officially opened in 1846 by Prince Albert, but after 1920 there was virtually no commercial shipping activity due to it being unable to accommodate the larger iron and steel ships. After decades of disuse, it was finally closed in 1972. Despite being given listed building status in 1952 and becoming a Conservation Area in 1976, the Albert Dock became continually more run-down, suffering from neglect and abandonment.

By 1981, acute economic decline and restructuring over a number of decades had devastated the City's South Docks. The port and related industries had contracted and closed, leaving redundant and vacant land and buildings. The Albert Dock itself was left unused and the dock silted up.

The refurbishment of the Albert Dock commenced in 1982, carried out by the Arrowcroft Group in conjunction with the Merseyside Development Corporation, with the first phase opened in 1984. Work continued for the next decade, with the final areas of the Dock developed in 1998/99. The aim of the overall scheme was to transform the derelict dock and warehouses into a sustainable, vibrant and commercially viable tourist attraction.

Following around £40 million of public sector support and £150 million of private sector investment, the Albert Dock is now the site for a mix of commercial and residential uses, as well as housing a number of unique visitor attractions, such as Tate Liverpool. In total, the redevelopment of the Dock has created around:

- 21,000 sq m of office space;
- 18,000 sq m of shops/bars;
- 19,000 sq m of hotel space;
- 30,000 sq m of attractions, including Tate Liverpool, the Merseyside Maritime Museum and International Slavery Museum; and
- 29,000 sq m of residential accommodation.

Over 2,000 people are employed at the Dock and it is estimated that around 4 million people visit each year, making the Albert Dock the most popular free tourist attraction in the North West. From its disused and derelict state prior to 1982, the Dock has now become a popular centre for leisure and tourism, as well as an attractive place in which to live and work due to its unique, historic location.

The reclamation and refurbishment of the Albert Dock has been pivotal in the regeneration of Liverpool and the wider city region, particularly in establishing the City as a key tourism destination. In the early 1980s, there were no major tourist attractions in Liverpool and, other than at the Pier Head, the City's historic waterfront was inaccessible to the general public. The

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redevelopment of the Albert Dock has transformed it into a major leisure and visitor destination, bringing additional economic activity and investment into Liverpool and Merseyside.

## Aylsham Heritage Economic Regeneration Scheme

The Heritage Economic Regeneration Scheme (HERS) invested over £300,000 of Council and English Heritage funds in Aylsham's historic environment over a four year period, between 2004 and 2007. Aylsham is a historic market town on the River Bure in north Norfolk and has over 20% of the district's listed buildings.

The scheme initially involved the provision of grants to support work on domestic and commercial buildings, but later switched to focus on commercial buildings and work to the public domain. Grants were funded 50% by English Heritage and 50% by Broadland District Council. For most projects, the grants represented 80% of the total project cost and 100% for public realm works.

Examples of projects supported through the scheme include the restoration of a 17<sup>th</sup> century shop, renovation of small workshops for office use and the replacement of unsympathetic, relatively modern, shop fronts with ones of more appropriate traditional design. Public realm works included the installation of historic information panels around Aylsham town centre.

The private sector, local residents and community organisations were all involved in delivering the scheme, along with Norfolk County Council, who was the main delivery partner for public realm projects.

The objective of the overall scheme was to maintain the historic fabric of Aylsham to help it establish a niche as a successful market town, attracting both local residents and visitors. The provision of grant support enabled a number of historic buildings to be brought back into active use, as well as providing improved retail and leisure space.

The renovation of historic property and branding of Aylsham under Cittaslow (see below) has revitalised the image of the town and establish a niche for local products. It is considered that this has been an important factor in helping to lessen the effects of the recession on the local economy.

The scheme was extended for a year in recognition of the efforts being made by the Town to build on its unique heritage, culminating in its being awarded Cittaslow status (only the second town in Britain to gain this honour). Cittaslow is an international network of towns, spreading across 20 different countries, who have adopted a set of common goals and principles to enhance the quality of life for residents and visitors.

The responses to the 'on-street' survey carried out within Aylsham as part of this study highlight how the scheme has contributed towards creating a place where people want to live, work and visit, with many people emphasising how the image of the area has improved and is now more in keeping with the town's historic nature.



*Aylsham Green before*



*Aylsham Green after*



*Postle's before*



*Postle's After*

*Photos reproduced with permission of Broadland District Council*

## Cromford Mill, Derbyshire

Cromford Mill, in Derbyshire, was built in 1771 and was the world's first successful water powered cotton spinning mill. Following its initial construction, a number of warehouses and workshops were developed around the mills, which now form the Cromford Mill site. Over the years, the buildings at Cromford Mill have been put to various uses, including a brewery, laundries, cheese warehousing and, finally, in 1922 a colour works.

In 1979 the site was vacated by the Cromford Colour Works and left abandoned, with many buildings heavily contaminated. All of the key buildings had fallen into disrepair and many of the historic features of the site had been lost, leading to the view that the site should be demolished. However, a reappraisal of the site, following the clearance of the modern buildings, led to the mill complex gaining Grade I status and it is now part of the Derwent Valley Mills World Heritage Site.

The Cromford Mill scheme involved the acquisition, conservation and regeneration of the site, as part of a multiphase programme between 1979 and 2009. This involved the progressive conservation of the ancillary buildings, for use as a restaurant, retail/small business premises



and a conference centre, repair of the main buildings and refurbishment of the canal wharf warehouses. Business planning for a World Heritage Site Visitors Centre and a number of small business units is currently ongoing.

The aim of the scheme has been to reuse the buildings on the site in ways that will provide them with a sustainable future, as well as offering year round employment that will contribute positively to the local economy. In doing so, the Arkwright Society, who are responsible for the implementation of the scheme, are committed to using the highest standards of repair and conservation practice.

A range of partners have been involved in delivering the scheme, including English Heritage, the Heritage Lottery Fund (HLF), Derbyshire County Council, East Midlands Development Agency and Derby and Derbyshire Economic Partnership, along with a range of other private, voluntary and community bodies. To date, some £7 million has been invested in the site, with 30% of funding being provided by the HLF, 30% by English Partnerships and the remainder coming from other funders, material sponsorship and local fundraising.

The Cromford Mill site now provides accommodation for a range of businesses, as well as hosting exhibitions and a varied programme of events throughout the year. Businesses on the site include the Karten CTEC Centre, which provides the local community with training facilities. In total, the buildings on the site provide around:

- 900 sq m of office space;
- 1,900 sq m of retail space;
- 500 sq m of restaurant/café space; and
- 500 sq m of exhibition/meeting space.

There is a further 3,700 sq m of space that is currently unused. Some 20 full-time equivalent jobs are believed to be supported through the commercial activities on the site and it is estimated that Cromford Mill currently attracts some 100,000 visitors per year. Training is also provided in building craft skills, retail, and catering, as well as work experience opportunities for local schools and colleges.

## Curson Lodge, Ipswich

Curson Lodge is a 16<sup>th</sup> century, Grade II\* listed, timber framed building situated in a prominent position on the corner of four streets at the heart of historic Ipswich. It bears a plaque to Cardinal Thomas Wolsey, whose childhood home stood opposite. The building contained a major structural problem in terms of a large central chimney, which was a deterrent to any future commercial buyer. Many aspects of the building had become inaccessible and it was considered more or less unusable without complex and expensive structural repairs.

The building stood empty for a number of years and was placed on the Building at Risk register. A structural survey in 1998 recommended that the entire chimney stack should be demolished. However, in 2004, the Ipswich Building and Preservation Trust appointed a conservation architect, Hilary Brightman, to prepare a feasibility study on the repair and restoration of the

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building. Following the award of grant support from English Heritage, work was able to start in late 2006 and was completed in September 2007, winning an Award of Distinction from the Ipswich Society in November 2007.

The project, carried out by the Ipswich Building Preservation Trust, has involved the repair and conservation of the existing fabric and conversion of the ground floor into 2 retail units and the upper floors into 2 flats. This is consistent with the aim of ensuring that the building could once again be put to beneficial use in order to secure its long term future. Following completion, the first shop and flat sold in August 2009. The sale of the remaining shop and flat has been agreed, subject to contract.

In addition to the creation of new retail and residential accommodation, the project has involved intricate repair; the resolution of complex structural problems; the unpicking of the use of some inappropriate materials from 1930s alterations; recovery and careful matching of architectural features such as panelling; conservation of historic wallpapers and painted decoration; and imaginative upgrading of the thermal performance in terms of energy conservation.

Decorative details of wall paintings and 18<sup>th</sup> century wall paper have been retained, and a 17<sup>th</sup> century ceiling with roses has been carefully restored. The exterior of the building has been repaired and conserved, with a rare medieval window uncovered behind plasterwork. Timber repairs were also carried out to the roof, along with improvements to the rainwater drainage system and enhanced thermal insulation.

The total cost of the project was £650,000. Grant aid was provided by Ipswich Borough Council (£20,000), English Heritage (£45,000) and £585,000 was provided through loan funding and the Trust's own funds, which it is expected will be recouped from the sale of the properties. The longer than anticipated time that it has taken to dispose of the building (3 years after completion) has been attributed to the effects of the recession and downturn in the commercial and residential property market.

The restoration and repair of Curson Lodge is a successful example of the Ipswich Building and Preservation Trust's aim of carrying out conversions that are not commercially attractive, and thereby saving buildings that would otherwise be lost. Although on its own the project may not result in a major economic impact, it is a key part of a wider goal, as recognised by the Trust – *“the people of Ipswich benefit from living in a town which has buildings of greater architectural and historical interest and a stronger visual character and sense of place than would be the case without it”*.



*Curson Lodge before*



*Curson Lodge after*

*Photos reproduced with permission of Ipswich Building and Preservation Trust*

## East Lindsey Heritage Economic Regeneration Scheme

The East Lindsey Heritage Economic Regeneration Scheme (HERS) was a conservation-led economic regeneration programme for Burgh le Marsh, Tattershall, Woodhall Spa and Wragby, administered by East Lindsey District Council. It was completed over a five year period, between 2003 and 2009, and aimed to make these centres more attractive places in which to live, work, visit and invest by restoring historic commercial buildings. The scheme sought to enable historic buildings to become usable and viable in the modern economy, while retaining and enhancing their historic character.

Grants were provided for the repair and restoration of a number of buildings in the areas concerned, the majority of which were owned by small businesses. Overall, there were 32 individual projects with a total value of around £990,000. The average project cost was approximately £35,000. Public sector funding accounted for between 50% and 80% of the total cost of each project, depending on the types of work being undertaken.

English Heritage, East Lindsey District Council, Lincolnshire County Council and the European Regional Development Fund provided the main sources of funding for the scheme. Burgh le Marsh Town Council, Tattershall, Woodhall Spa and Wragby Parish Councils also contributed to the scheme. Local business owners contributed by providing match funding for the repair/restoration works to their own buildings. In addition, local groups were able to have a say on where the money was spent and the design of new public realm works.

The nature of the works varied between each project and encompassed: the reinstatement of traditional shop fronts, which was seen as a priority; the reuse of vacant and underused floorspace and vacant sites; the reinstatement of traditional building materials and architectural features, including, for example, sash windows and traditional external doors; and repairs to the exterior of historic buildings, such as general structural repairs and repairs to roof structures, chimneys, leadwork, brickwork, windows, doors and other external joinery.

It is considered that the scheme has helped to encourage private sector investment within the historic environment and raise confidence in the local areas concerned. It addressed a backlog

of repairs and a legacy of inappropriate alterations to commercial properties, which had affected the viability of businesses and the character and appearance of the conservation areas involved. This in turn was affecting the success of the villages covered by the scheme as economic centres.

The utility and overall amenity of the places involved has been improved, both for local residents and businesses, as well as for visitors to the area. At the individual project level, the scheme has provided businesses with accommodation that is fit for purpose, while maintaining its historic appeal. For local residents and visitors, the overall improvements to the areas involved and the conservation of the historic environment has helped to create attractive places in which to shop and spend time.

A large part of the scheme's success is attributable to the distinctive sense of place historic environments can create. The towns and villages covered by the East Lindsey HERS are good examples of how people are drawn to traditional streets of small shops due to their unique appearance and character. Investing in such attributes can therefore help to boost economic activity and increase the vitality of an area.

## Fort Dunlop, Birmingham

Fort Dunlop in Birmingham is an iconic landmark, located alongside the M6 motorway, and was once one of the world's largest factories. The building itself is 52 meters deep and the south side measures 24 meters in height and 130 meters in width. It was built in 1916 by the former Dunlop Rubber Company, since when a number of other offices, factories and buildings have been built on the site surrounding the original factory. After the closure of the former tyre factory, the building was left derelict and unused for over 20 years.

In 1999, the building was acquired by Urban Splash and proposals for its redevelopment were drawn up in conjunction with Advantage West Midlands. Planning consent for a mixed use scheme was received in 2002 and work began on transforming the building into a unique office, leisure and retail destination, reflecting its prominent position just 10 minutes from Birmingham city centre.

The aim of the project was to regenerate this iconic building, giving it a viable use and maximising the opportunities Fort Dunlop provided in terms of creating new employment and driving forward the renaissance of Birmingham. The redevelopment of Fort Dunlop was considered to be a key element in the regeneration plans for the city and wider region, as reflected by the support of Advantage West Midlands for the project.

Advantage West Midlands contributed £10 million towards the costs of the scheme, with £25 million provided through bank funding and the remaining £15 million from Urban Splash's own resources. The commitment of both the public and private sector partners has enabled Fort Dunlop to become an established destination for business and enterprise, and it is estimated that around 2,000 people are now employed at the site. After the completion of the scheme in 2008, the site now provides around:

- 32,500 sq m of office space;



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- 3,000 sq m of retail and leisure space (including shops, restaurants, bars and cafés); and
  - a new 100 bed hotel.

Despite its significant transformation, Fort Dunlop remains an architecturally iconic building, with consideration given to ensuring that the building's character has been retained whilst enabling its viable use. The qualities of the original building have been preserved and enhanced and the new additions have been sensitive to its historic character. It therefore offers a unique location for businesses, that is both attractive and distinctive and also meets the needs of modern businesses in terms of the spaces and facilities it provides.

## Gloucester Quays

Gloucester Quays straddles the Gloucester and Sharpness Canal and is the largest of sites within the Gloucester Heritage Urban Regeneration Company area. The site, which covers around 25 hectares, had been an industrial area to the south of the city's historic docks, consisting mainly of 19<sup>th</sup> century and 20<sup>th</sup> century industrial and storage buildings, many of which have become derelict and disused. The majority of the site is currently either owned by British Waterways and Peel Holdings. It forms a key component of the ongoing regeneration of Gloucester and its heritage assets.

The vision of Gloucester Heritage Urban Regeneration Company is to *"bring life back to the historic areas of Gloucester, reflecting their special character while creating a new, prosperous, attractive, safe, sustainable urban centre for the 21<sup>st</sup> century"*. The redevelopment of Gloucester Quays is seen as a key element to achieving this vision and is identified as one of the major redevelopment sites that will drive forward the regeneration of Gloucester.

The site is being developed in a series of phases, with the major phase, the Designer Outlet Centre, opened in May 2009. A new superstore has also opened along with a new 106 bed hotel. Further phases will open as shops/restaurants are let. The first phases of the project are considered to represent the largest single regeneration scheme ever undertaken in Gloucester. So far, around 27,800 sq m of retail space has been created, including a number of new bars and restaurants, generating an estimated 680 jobs. The project has also led to the restoration of 14 historic buildings and 12 hectares of derelict land.

The development of the Designer Outlet Centre involved a partnership between Peel and British Waterways, with £134 million of private sector investment going into the first phase. Some £6 million of public sector funding from the HCA has also been provided. The public sector funding was an essential part of the project, as it enabled the necessary road access to the scheme to be created (a bridge across the Gloucester and Sharpness canal).

In the first year of operation, the Designer Outlet Centre is judged to have attracted approximately 2 million visitors. This represents a slight underperformance against the original target, which has been attributed to the recession, although it still equates to a significant increase in the levels of economic activity in the local area. More generally, it is considered that the scheme has succeeded in generating a new attitude to Gloucester and provided the momentum for further regeneration.

One of the key benefits of the redevelopment of Gloucester Quays has been the improved linkages with the regenerated historic docks and the city centre of Gloucester, helping the city to establish itself as a visitor destination. The project has provided a catalyst and focus for other major investment within the wider area and the re-use of existing historic buildings, alongside new extensive construction and infrastructure works, has demonstrated the successes that can be achieved through heritage-led regeneration.



*Prior to development*



*People in the Designer Outlet Centre*

*Photos reproduced with permission of Gloucester URC*

## Newburgh Street, West End

Newburgh Street is a small street lined with historic buildings running parallel to Carnaby Street, in London's West End. It contains a row of Georgian shops and is the focus for a cluster of listed buildings. It has smaller units and less passing footfall than Carnaby Street, but benefits from a range of independent, unique retail businesses, including a number of one-off fashion boutiques, that coupled with its cobbled streets and historic character have helped give the area a distinctive appeal.

The regeneration of Newburgh Street was led by the private sector, in the form of Shaftesbury plc. Shaftesbury plc's strategy is to buy property in zones that are dominated by historic buildings and streetscapes and then to transform those zones. They have secured the maximum value from Newburgh Street by gradually upgrading the streetscape and the buildings, having a clear vision of the type of occupier that is suited to the street, and active management in partnership with the local authority.

Shaftesbury plc has used the qualities of Newburgh Street, particularly its historic environment, to attract independent fashion designers. A restaurant and pub, both with outdoor seating, provide the leisure dimension and creates a relaxed, communal environment for residents and workers in the area to socialise in. The upper floors have been refurbished and are used for offices. The offices on Newburgh Street are occupied by small businesses, orientated towards

creative industries. This mix of uses has helped to enhance the vitality of the area during both the day and at night.

Shaftesbury plc has worked in partnership with the local authority in relation to Newburgh Street. Westminster Council does the street cleaning, but Shaftesbury plc employs cleaners, working 24 hours and day, 7 days a week, to make sure that the area is always well maintained. Street furniture belongs to the Council and they are responsible for repairs, but Shaftesbury pays for or subsidises work when they want improvements and/or council funds are not sufficient.

Property agents assert that one of the useful functions that historic environments provide is accommodation for small businesses, sometimes in start-up phases, on flexible and cost effective terms. This is the case on Newburgh Street. The rents for the shops are considerably lower than on Carnaby Street and the rents for the offices are also relatively low for the West End. This has contributed to attracting small, independent businesses that have helped differentiate the area from elsewhere.



## New Road, Brighton

New Road sits at the heart of Brighton’s cultural quarter, linking the Royal Pavilion gardens to the new library. Prior to the recent investment in the public realm, New Road was a fairly unwelcoming street, with narrow footways, few places to sit and relax and an environment

that failed to integrate successfully the needs of the different users of the street. In particular, New Road in itself was not an attractive place for people to come and spend time, despite it providing the main access to the Theatre Royal and Pavilion Theatre.

Given its important location and use, Brighton Council was determined that the potential of the street should be realised. In 2007, the Council commissioned a design team to assess how the streetscape could be enhanced, investing £1.45 million towards its improvement. New Road is now a good example of how historic environments can be vibrant, unique areas that provide an opportunity for people to relax and socialise. It is a 'shared space' scheme, which means that vehicles are still allowed to use it although pedestrians are given priority. It has become the focus for the cultural quarter and is used regularly for events such as farmer's markets and festivals.

A much more pedestrian friendly environment has been created, with the clutter that used to characterize the street removed. The layout of the street surface and furniture has been designed to encourage defensive driver behavior and the environment is now much less hazardous. The street is no longer divided into separate spaces for different users, but is instead a shared space that is able to accommodate the more informal uses associated with theatres, cafes and restaurants. As a result, New Road has now become one of the most popular visitor attractions in the city.

New Road is an important part of Brighton and Hove's strategy to create a more mature and balanced night economy (the City is a beacon council for management of the night economy). The Council has encouraged restaurants, cafés and bars to use the street for continental style outdoor seating. The photographs below clearly show the leisure-orientated nature of the occupiers that have been able to make use of the public realm created on New Road.







## North Shields Fish Quay

North Shields Fish Quay is a fishing port located close to the mouth of the River Tyne, dating back to the 13<sup>th</sup> century, and consists of a series of quays surrounding a central harbour, known as the Gut. It contains a Scheduled Ancient Monument in Clifford's Fort, which was built in the 17<sup>th</sup> century as part of a network of coastal defences against the Dutch. The area surrounding the Quay is mainly commercial, with many traditional small and medium sized businesses associated with the fish catching, processing and merchandising industry.

The decline in the local fishing industry, caused to a large extent by the reduction in North Sea stocks, resulted in much of the area becoming derelict and under-used, although it has maintained its status as a popular tourist destination for the region. The Fish Quay suffered from a protracted period of neglect and under-investment, which led to an erosion in the quality of the historic environment.

In 2001, following the commission of a regeneration strategy and master plan for Fish Quay by North Tyneside Council, a programme of improvement works was initiated, aimed at reversing the terminal decline suffered by the area. The vision was for Fish Quay to *"become a vibrant, distinctive mixed use community taking full advantage of its location, built form and heritage potential"*. Since this time, several projects have been completed that have sought to rejuvenate the area by bringing back into use derelict historic buildings, mostly in the form of SME accommodation.

The projects have been funded by North Tyneside Council, Tyne and Wear Partnership and ONE North East. The aim has been to find building solutions that preserve the original character of the area, while also ensuring the buildings can provide viable accommodation for a commercial end user. Regeneration of North Shields Fish Quay is still ongoing, but projects that have been successfully delivered include:

- Working above the shops – refurbishment of shop units to provide workspaces for SMEs and improvements to the public realm. Funding of £1.8 million was provided through ONE North East and North Tyneside Council;

- Vita House – repair and refurbishment of a former fish processing building, located next to Clifford’s Fort, in order to create new small workspaces for SMEs. The capital costs amounted to £525,000, all of which was met by the public sector;
- Smokehouses – repair and refurbishment of five disused buildings, one of which is listed, for use by SMEs, supported through the provision of £1.1 million of public sector funding; and
- Food Park – remediation of brownfield land, installation of improved infrastructure and construction of buildings for use by food processors, with funding of £4.4 million provided by One North East and North Tyneside Council.

North Tyneside Council has led on all main aspects of the regeneration programme, with substantial community involvement. The public sector investment in the local area has helped to increase confidence, resulting in private sector investors now viewing the area as a prime location associated with business excellence and growth. It is considered that the unique character of the area has helped it manage the challenges posed by the recent recession and given it a competitive advantage over other business locations.



*Photos reproduced with permission of North Tyneside District Council*

## Quayside Barbican, Plymouth

Plymouth’s Barbican consists of bustling narrow cobbled streets and a thriving quayside, on the edge of the city centre area. It forms the heart of the city’s heritage. However, the townscape around the old harbour had severely deteriorated by the 1950s and, for a time, was under threat of demolition. The Barbican Association was formed to campaign for its preservation. Plymouth City Council owned most of the property and transferred long leases to the Association so that they could refurbish the property and maintain it in perpetuity.

The Sutton Partnership, a partnership between Sutton Harbour Company and Plymouth City Council, was established about six years ago as a delivery mechanism for regeneration around the harbour. The main developments were new build residential and office blocks overlooking the harbour and improvements to the public realm.

At the Barbican, the improvements to the streetscape and buildings, in particular on Quay Road, have allowed outside seating for restaurants. The Barbican has since evolved into the primary restaurant area in Plymouth. The main change in the overall tenant mix at ground floor level has been a substantial increase in the number of pubs and bars, although the area still has a vibrant mix of businesses, nearly all of them independent. Many of the establishments at the Barbican are unique or part of small chains.

The area has also steadily become the focus of other leisure and cultural activity and, for example, hosts the Plymouth Jazz and Blues Festival, which has evolved into one of the city's most popular events. There is office accommodation in upper floors, mainly occupied by professionals, and the area has a substantial residential population. This mixed use environment creates an attractive village ambience. This, in turn, has provided a focal point for new office and residential development around the harbour.



## Regent Quarter, King's Cross

Regent Quarter covers an area of 5.8 acres, located opposite King's Cross station. Prior to development, it was a run-down, former 19<sup>th</sup> century industrial complex, which was substantially derelict and a magnet for anti-social activities. Two of the four city blocks that comprise Regent Quarter have now been developed, by P&O Estates, creating a mix of offices, homes, shops, restaurants, bars and leisure facilities, with a third block having received planning consent for a continuation of the mixed use scheme.

The redevelopment of Regent Quarter has seen the creative re-use of existing 19<sup>th</sup> century buildings to form a distinctive, mixed-use urban quarter based on the area's industrial heritage. The project has transformed redundant industrial, brownfield sites into an economically viable area, with a high quality historic environment.

The objectives of the project were to produce a 'sea change' in the reputation and economic character of the area by regenerating run down and out of use derelict sites, to produce a development where people would want to live and work whilst maintaining financial viability.

With the support of English Heritage, a plan for the area was developed that embodied the concepts of the re-use of existing buildings alongside new, contemporary additions and the



creation of pedestrian routes linking the blocks and the series of former industrial courtyards into new public routes. The existing but disused courtyards were revitalised in order to capture the original character of the area and give access to the public.

The project has so far involved £105 million of private sector investment and has created:

- 19,500 sq m of office space;
- 3,250 sq m of retail space;
- 4,650 sq m of restaurant/café space;
- 1,200 sq m of leisure space;
- 98 residential units; and
- a new 277 bed hotel.

Fully occupied, it is estimated that the development could provide around 1,700 jobs, with many of these being accessible to local people. The project has also helped to attract new businesses and provided a catalyst for other developments in the local area, stimulating further regeneration. Moreover, the redevelopment of Regent Quarter has contributed significantly to creating a safer, more pleasant place to live and work.





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## Sheffield Cultural Industries Quarter Townscape Heritage Initiative

The Cultural Industries Quarter (CIQ) in Sheffield covers an area of around 24 hectares. It has developed over the past 20 years in a once derelict part of the city centre, located in a pivotal position between the Sheffield Railway Station and the heart of the City. The local area suffered from significant physical and socio-economic decline due to the collapse of many of the traditional local industries, including the steel, cutlery and tool making trades. A number of the historic buildings within the CIQ were lost and many of the others were left in a derelict or poor condition.

Following the regeneration and transformation of the CIQ, which began in the 1980s, it now forms the centre for a diverse range of organisations and businesses providing creative and cultural services, employing around 3,000 people. The CIQ is designated as a Conservation Area due to its special architectural and historic interest and includes nine listed buildings and many others of historical and architectural significance.

Between 2002 and 2007, some £3 million of public sector funding was provided through the HLF's Townscape Heritage Initiative in the form of grants for the repair and reuse of historic buildings in the area. Overall the scheme assisted seven projects that enabled the repair and reuse of some of the most significant and important historic buildings within the CIQ. These included the Grade II\*listed Butcher Works, the Grade II\* Sterling Works and smaller projects such as work to 92a Arundel Street.

The aim of the scheme was to repair and regenerate the historic fabric of the CIQ, contribute to the sustainability of the local economy and support the wide range of people and communities that live and work in the area. A key part of the scheme was ensuring that investment was made in the historic environment to run alongside new developments, thus maintaining the area's historic value.

Match funding of up to 50% towards the cost of eligible works on projects in the CIQ was provided, leading to high-standard historic repair and conservation. Overall, in addition to the £3 million of public sector funding, nearly £16 million of private sector investment was committed as part of the scheme.

The Townscape Heritage Initiative scheme has led to the creation of 131 new residential properties and a small number of live/work units in historic buildings in the quarter. This has attracted new residents to the area, helping to increase the vitality of the CIQ and supporting the further regeneration of the city centre. The project is seen as having made a significant contribution to the economic and cultural revival of the city and to improving the quality of life for all those who live, work and visit the CIQ.



*Butcher works before*



*Butcher works after*



*Butcher works after*



*Scotia Works before*



*Scotia Works after*



*Scotia Works after*

*Photos reproduced with permission of Sheffield City Council*

## Staircase House and Covered Market Hall, Stockport

The Market and Underbanks area is a designated Conservation Area, comprising Stockport town centre's historic core. It represents an area of substantial historic, architectural and archeological interest and includes a number of listed buildings and historic properties. Many of these buildings had become vacant and in a state of severe disrepair by the 1990s, with the area as a whole experiencing neglect and a lack of investment. There were very few facilities to attract visitors and shoppers and the area also suffered from poor linkages with the town's main shopping area.

A regeneration initiative scheme was launched in the mid 1990s that sought to make the Market and Underbanks area a more attractive place to visit, work, live and invest. The initiative has involved a number of interrelated actions aimed at restoring the area's key heritage assets and bringing vacant or underused space back into use, in the form of viable residential and business facilities.

Two key schemes that formed a key part of the regeneration of the Market and Underbanks area were the repair and restoration of the Grade II\* listed Staircase House and the renovation

of Stockport's Covered Market Hall – a Grade II listed building dating from 1861. The wider programme of works in the Market and Underbanks area has seen investment of approximately £35 million to date, much of which has been by the private sector.

Staircase House is located in the heart of Stockport's historic market place. The building is a Grade II\* listed medieval town house dating back to around 1460 and has been carefully restored following a fire in 1995. It now functions as the Tourist Information Centre and Stockport Story Museum of local history, attracting around 9,000 visitors per annum. The restoration process was completed in 2005, supported by around £2.3 million from the Heritage Lottery Fund and a further £1.2 million from other public sector partners, including English Heritage.

Adjacent to Staircase House is the Covered Market Hall. The Hall had fallen into a poor state of repair and, internally, it had lost much of its original Victorian character. The restoration and repair of the external envelope of the historic Hall and its interior was completed in 2008, using around £1 million of from the Heritage Lottery Fund and £0.8 million of Council funding. Careful restoration and redecoration of the structure has rejuvenated the original design, creating a striking interior.

A new community and events space has been created within the Market Hall and accessibility has been improved to encourage greater use of the building by traders, customers and the public. The project has succeeded in maintaining the character of the building, while vastly improving the facilities provided, encouraging new businesses to the area and increased footfall.

Together, the renovation of both Staircase House and the Covered Market Hall have played a central role in creating a distinctive area of the town centre, that capitalises on its heritage assets and reinforces its unique historic environment. Business confidence has been enhanced and, along with the wider investments in the Market and Underbanks area, the two projects have significantly improved the physical appearance of the area, making it a more attractive place to live, work and visit.



*Staircase House before*



*Staircase House after*



*Covered Market Hall before*



*Covered Market Hall after*

*Photos reproduced with permission of Stockport Council*

## Restoration of Stourport Canal Basins

The Stourport Canal Basins lie at the historic heart of Stourport-on-Severn, in the central part of the town. They consist of five historic canal basins, home to nearly 100 narrow boats and yachts, and one re-opened basin, along with five canal locks and a dry dock, located on the bank of the River Severn. The decline of waterborne commerce in the 20<sup>th</sup> century saw a corresponding decline in the town's fortunes and, as a consequence, there was a long period of underinvestment in the canal infrastructure, although the Canal Basins have remained largely intact.

The restoration of the Stourport Canal Basins began in 2004, involving a partnership between British Waterways and a number of key stakeholders, including Advantage West Midlands, Worcestershire County Council, Wyre Forest District Council, English Heritage and the Heritage Lottery Fund. The main aim of the project was to restore and enhance the historic Canal Basins, as part of bringing vitality back to Stourport, with the wider objectives being:

- to conserve, enhance and promote the built heritage and environmental assets of the foremost inland port in the UK;
- to create an environment in which a visit to the waterways is an educational and interpretative experience of the canal history and environment;
- to increase local ownership and participation;
- to use the Canal Basins as a catalyst to stimulate sustainable economic regeneration in Stourport and the surrounding area;
- to achieve high levels of public accessibility for all; and
- to sustain harmony between environmental, heritage and recreational uses.

By 2008 the Canal Basins had been restored, over a four year period, involving £3.3 million of public sector investment, principally funded by British Waterways, the Heritage Lottery Fund and Advantage West Midlands, along with other key partners.



Overall, the project, chosen by the public as winner of the 2009 national UK Lottery funded projects heritage category award, has regenerated an area encompassing 29 listed buildings and/or important structures and opened up three new gateways into the site, helping to attract more local residents and visitors. The physical elements of the restoration work have included faithful traditional construction techniques, removal of unsympathetic modern additions and the introduction of new high-quality contemporary features.

In addition, there has been significant community involvement in the project, with a range of community based interpretative initiatives and events, volunteer activities, education trails and skills development opportunities. New public realm has also been provided, along with a new cafe/restaurant/heritage room.

It is estimated that the number of visitors to the Canal Basins has increased from 225,000 per annum prior to the project to 375,000 following the restoration works. Through the improvements to the area and attraction of additional visitors, the project is considered to have acted as a catalyst for Stourport's wider regeneration plans. A number of neighbouring projects started during the lifetime of the project and the renovation works have helped to attract new investment and economic activity. At the same time, the town's unique character has been maintained and enhanced.



*Barge Lock before*



*Barge Lock after*



*House in Severnside before*



*House in Severnside after*

*Photos reproduced with permission of British Waterways*

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## West Auckland Partnership Schemes in Conservation Areas

The village of West Auckland is a former mining village, nestled in the Wear Valley within County Durham. Within the centre of the village is an attractive mix of historic buildings dating predominantly from the 17<sup>th</sup>, 18<sup>th</sup> and early 19<sup>th</sup> centuries, surrounding a large, oval shaped village green, dating back to the 12<sup>th</sup> century. The buildings include a Grade II\* listed building called The Old Hall and a Grade I listed Jacobean building that is now a hotel and country club. The village green and surrounding buildings form the focus of the West Auckland Conservation Area.

A Conservation Area Partnership Scheme between the Council and English Heritage was initiated in 2007, which has resulted in a significant improvement in the quality of the historic environment within the village. The scheme has involved a number of aspects, including a Historic Building and Shop Fronts Grant Scheme, public realm improvements and Conservation Area character appraisal and management proposals.

In addition, as part of the scheme, an Article 4 (2) Direction was declared in February 2009. This Direction covers traditional properties within the historic centre of the village and requires consent to be sought for changes to windows, doors, roofs, chimneys and other historic features. The Direction was introduced to prevent any further erosion of the character and appearance of the West Auckland Conservation Area.

The overall cost of the scheme has thus far amounted to around £740,000 (£450,000 for the Historic Buildings and Shop Fronts Scheme, £210,000 for public realm improvements and £80,000 for a Conservation/Project Officer), with £540,000 being provided through a range of public sector funders, including Durham County Council, Wear Valley District Council, West Auckland Parish Council and English Heritage. Private sector funding has amounted to around £200,000. The final phase of the Historic Buildings and Shop Fronts Grant Scheme is due to be completed by the end of March 2011.

The main aims of the Conservation Area Partnership Scheme have been:

- the enhancement of the West Auckland Conservation Area;
- conservation led regeneration of the built environment and public realm, including the retention of existing businesses and the creation of new businesses; and
- the repair and reinstatement of the built environment's historic fabric.

The direct benefits of the project have included three small retail units being brought back into active use and two businesses being saved. A new café has also been created, called the Sir Thomas' Tea Room, with tourist accommodation provided above and improvements have been made to the public realm. Overall it is considered that the scheme has helped to enhance the quality of the historic environment, improving the image of the village and making it a more attractive place to live, work and visit.



**English Heritage**

# **Impact of Historic Environment Regeneration**

Appendix C: Technical appendix



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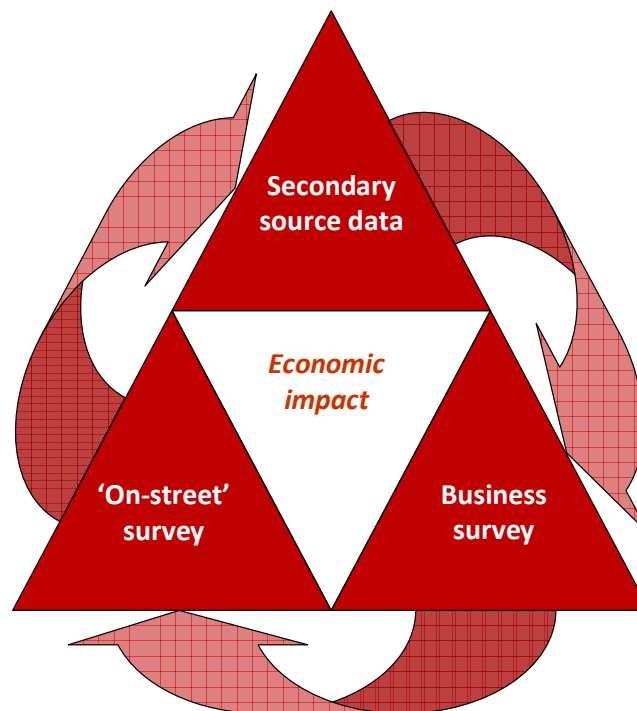


## Appendix C – Technical appendix

### Introduction

This appendix sets out a technical description of the assumptions underpinning the assessment of the economic benefits of historic environment regeneration. An estimate of economic impact has been calculated separately on the basis of an ‘on-street’ survey, a business survey and secondary source data obtained through the key stakeholder survey (see Figure C.1). The use of three different approaches has been adopted to address the limitations of the existing evidence base, to account for the possibility of bias and to provide greater confidence in the results.

**Figure C.1: Economic impact analysis**



The analysis has focused on the impact of a number of selected case studies, as described in Section 2 of the main report. For each case study, the impact of historic environment regeneration has been assessed in terms of business turnover, Gross Value Added (GVA) and employment. Therefore, the study is principally concerned with the ‘spin-off’ economic (and social) benefits of improvements to the historic environment, not the intrinsic value of the historic environment itself.

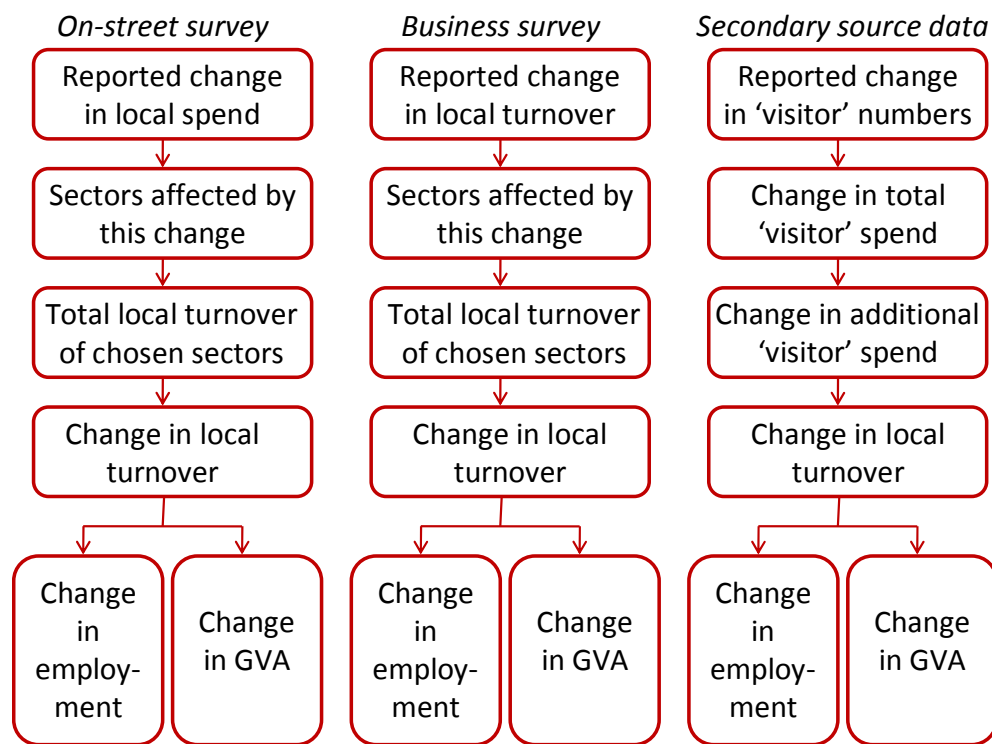
A summary of the approach to the assessment of the economic benefits of historic environment regeneration is set out below, along with the information and assumptions used to support the analysis under each of the three strands of assessment. In addition, the results of the impact analysis are described for each case study in terms of the overall estimated cumulative impact.

## Summary of approach

### Overview

The approach used to assess the economic benefits of historic environment regeneration based on the 'on-street' survey, business survey and secondary source data is summarised in Figure C.2. Under each strand of assessment, the analysis has focused on determining the change in local turnover, change in employment and change in GVA that can be attributed to improvements in the historic environment.

**Figure C.2: Assessment of economic benefits**



In terms of the 'on-street' survey, the analysis has used reported changes in expenditure by local residents, workers and visitors to determine how the turnover of local businesses will have been affected by historic environment regeneration. Assumptions with regard to the industry sectors affected by this change, the likely area of impact and the persistence of the benefits created have then been used to form an estimate of the overall cumulative impact within the local economy.

A similar approach has been applied using the results of the business survey. Local businesses were asked directly how the improvements to the historic environment have affected their turnover. The reported impact on turnover has then been 'grossed-up' to derive a cumulative impact for the local economy as a whole on the basis of the assumed area of change, affected industry sectors and persistence of benefits.

In addition, for two of the case studies (the Staircase House and Covered Market Hall project in Stockport, and the restoration of the Stourport Canal Basins project) visitor information has been available allowing an assessment of secondary source data to be carried out. This has focused on the reported change in visitor numbers following the improvements to the historic environment and resultant increase in visitor spend. A cumulative impact has been estimated based on the assumed persistence of benefits.

It is important to note that the results derived from each strand of assessment should not be added together. Rather, they are separate methods of estimating the same impacts. Moreover, the estimates of impact should not be expected to be exactly the same given the different approaches adopted with each strand of assessment.

### *Identifying the additional impact*

One of the main challenges in assessing the impact of an intervention is extracting its influence from the other influences likely to have affected an area, such as wider economic conditions. This requires an assessment of the likely consequences of a project (which will not necessarily all be positive) and the extra benefits it will achieve compared with the likely effect if no intervention had taken place.

Additionality is the term used for the process whereby the additional effect of a proposed project is determined and is defined as *'the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention'*. In order to assess the additionality of historic environment regeneration, the following factors will need to be considered:

- deadweight – outputs which would have occurred without the project;
- leakage – the proportion of outputs that benefit those outside of the project's target or reference area;
- displacement<sup>1</sup> – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets; and
- multiplier effects<sup>2</sup> – further economic activity associated with additional local income and local supplier purchases.

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<sup>1</sup> Product market displacement arises where the output of a supported activity takes market share from local firms producing the same good or service. In the case of factor market displacement a support activity uses locally scarce factors of production (e.g. skilled labour or land) or bids up factor prices.

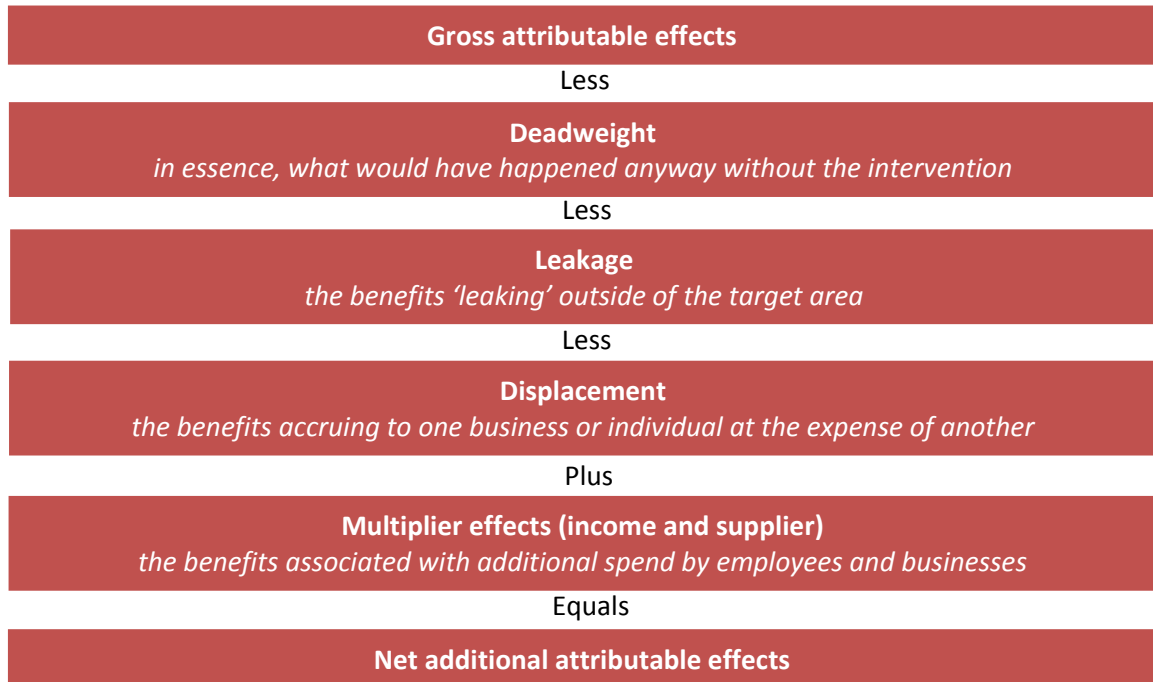
<sup>2</sup> For analytical purposes two types of multiplier can be identified:

- a supply linkage multiplier - due to purchases made as a result of the project and further purchases associated with linked firms along the supply chain.
- an income multiplier - associated with local expenditure as a result of those who derive incomes from the direct and supply linkage impacts of the project.

A number of impact studies have also identified a longer-term development multiplier associated with the retention of expenditure and population in an area.

The approach to assessing the net additional impact of historic environment regeneration, taking into account the above adjustments, is shown diagrammatically in Figure C.3.

**Figure C.3: Identifying the net additional impact**



The sections below describe how allowances have been made for each of the above additionality factors in relation to the assessment of the benefits of historic environment regeneration. Where possible, evidence has been used from the primary research undertaken as part of this study. However, reference has also been made to secondary source data, such as that contained in the *Additionality Guide*<sup>3</sup>.

### *Area of analysis*

The extent of additionality will vary depending on the area of analysis at which the impacts are assessed. For instance, at a larger spatial scale the displacement and multiplier effects are likely to be greater, whereas leakage will be lower. It is therefore important to be clear as to the spatial level at which the assessment of the benefits of historic environment regeneration has been carried out.

Historic environment regeneration is, in the main, concerned with the renovation and renewal of specific, localised geographical areas. The economic impact of improvements to the historic environment is principally realised through enhancements to the appearance and function of these local areas, as described within the main report. As such, the analysis of economic impact

<sup>3</sup> English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.



has been undertaken at the local level, although consideration has also been to the scale of impact at wider spatial areas.

Table C.1 identifies the respective local areas of analysis for each of the five main case studies. The project area, within which the 'on-street' and business surveys were carried out, is also shown for each case study.

Table C.1: Area of analysis		
Case study	Project area	Local area
Aylsham HERS	Aylsham Town Centre	Aylsham
Regent Quarter, Kings Cross	Regent Quarter	Kings Cross
Sheffield CIQ THI	Sheffield CIQ	Sheffield
Staircase House & Covered Market Hall	Market & Underbanks Area	Stockport
Stourport Canal Basins	Canal Basins area	Stourport

### 'On-street' survey

The 'on-street' survey was targeted at local residents, workers and visitors, and involved face-to-face interviews with around 1,000 people, encompassing five case study areas (see Table C.2). The survey asked questions about individuals' perceptions of the project, its impact on the local area and the extent to which the project has influenced their behaviour, principally in relation to the effect improvements to the historic environment have had on their spending patterns.

Table C.2: 'On-street' survey – number of people surveyed			
Case study	Local residents / workers	Visitors*	Total
Aylsham HERS	186 (92%)	15 (8%)	201
Regent Quarter, Kings Cross	162 (81%)	38 (19%)	200
Sheffield CIQ THI	191 (95%)	9 (5%)	200
Staircase House & Covered Market Hall	193 (98%)	4 (2%)	197
Stourport Canal Basins	106 (70%)	45 (30%)	151

\*Visitors were classed as those people who did not work or live within the local area

The results of the 'on-street' survey have been used to estimate the change in expenditure that has occurred as a result of each of the five case studies. This has involved the following stages of analysis:

- *Step 1: determine the average spend of local residents, workers and visitors within the project area* – based on the responses to the 'on-street' survey, an average spend figure has been calculated for residents and workers and for visitors, as shown in Table C.3. Where the number of visitor responses for a case study was 5% or less, it has been decided not to include visitors as part of the analysis, due to the small sample size.

**Table C.3: 'On-street' survey – average spend within the project area**

Case study	Local residents/workers (spend per week)	Visitors (spend per day)
Aylsham HERS	£58	£47
Regent Quarter, Kings Cross	£94	£141
Sheffield CIQ THI	£49	-
Staircase House & Covered Market Hall	£47	-
Stourport Canal Basins	£40	£41

- *Step 2a: calculate the proportion of spend attributable to improvements in the historic environment for local residents and workers – in order to allow for the fact that the majority of spend would still occur even in the absence of the project (i.e. deadweight), the survey asked local residents and workers whether they spend more or less within the project area since the improvements to the historic environment.*

The responses from the interviewees have been collated to derive an estimate of the proportion of expenditure by local residents and workers within the project area that can be attributed to historic environment regeneration (see Table C.4).

**Table C.4: 'On-street' survey – proportion of spend by local residents and workers attributable to historic environment regeneration**

Case study	Attributable expenditure
Aylsham HERS	0.7%
Regent Quarter, Kings Cross	3.2%
Sheffield CIQ THI	2.9%
Staircase House & Covered Market Hall	2.9%
Stourport Canal Basins	2.0%

- *Step 2b: calculate the proportion of spend attributable to improvements in the historic environment for visitors – again, it is expected that much of the spend by visitors would still occur even in the absence of the project (i.e. deadweight). Therefore, to allow for this, the 'on-street' survey sought to determine the extent to which the improvements to the historic environment have influenced people's decision to visit.*

For those visitors who responded that the project influenced their decision to visit 'a great deal', all of their spend has been considered to be as a result of the historic environment improvements, whilst for those who responded that the project influenced their decision 'to some extent', half of their spend has been taken to be additional. The expenditure of all other respondents has been treated as deadweight.

On the basis of the above assumptions, an 'influence factor' has been calculated for each case study, which has in turn been used as an estimate of the proportion of spend within

the project area by visitors that can be attributed to the improvements in the historic environment. The 'influence factor' for each case study is shown in Table C.5.

Table C.5: 'On-street' survey – proportion of spend by visitors attributable to historic environment regeneration	
Case study	Attributable expenditure
Aylsham HERS	6.7%
Regent Quarter, Kings Cross	0.0%
Sheffield CIQ THI	-
Staircase House & Covered Market Hall	-
Stourport Canal Basins	7.8%

- *Step 3: adjust for the displacement of expenditure from elsewhere within the local area* – where the spend of local residents and workers within the project area has increased as a result of improvements in the historic environment, it is likely that some of this spend has been displaced from elsewhere within the local area. The 'on-street' survey therefore explicitly asked where people spent their money before the project.

From the responses to the survey, a displacement factor has been estimated for each case study. This has been used to calculate the net change in expenditure by local residents and workers that can be attributed to historic environment regeneration (see Table C.6).

Table C.6: 'On-street' survey – net change in spend by local residents and workers attributable to historic environment regeneration		
Case study	Displacement	Net attributable expenditure
Aylsham HERS	66%	0.2%
Regent Quarter, Kings Cross	45%	1.8%
Sheffield CIQ THI	53%	1.4%
Staircase House & Covered Market Hall	46%	1.6%
Stourport Canal Basins	37%	1.2%

In terms of the expenditure of visitors, an implicit allowance has already been made for displacement by only taking account of those visitors who would not have otherwise come to the area. The net change in expenditure of visitors that can be attributed to historic environment regeneration is therefore as set out in Table C.6 above.

- *Step 4: calculate the average net change in expenditure of local residents, workers and visitors* – based on the proportion of interviewees who were local residents and workers, compared to visitors, as well the respective average spend for each group of respondents, an overall average net change in expenditure has been estimated from the results of the 'on-street' survey (see Table C.7).

**Table C.7: 'On-street' survey – average net change in spend by local residents, workers and visitors attributable to historic environment regeneration**

Case study	Average net attributable expenditure
Aylsham HERS	2.4%
Regent Quarter, Kings Cross	0.5%
Sheffield CIQ THI	1.4%
Staircase House & Covered Market Hall	1.6%
Stourport Canal Basins	6.2%

- *Step 5: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in spend attributable to the improvements in the historic environment is likely to generate a number of multiplier effects. From the responses to the business survey, it has not been possible to estimate what the scale of these effects might be. Consequently, reference has been made to benchmark figures.

The Additionality Guide sets out benchmark values for multiplier effects at the neighbourhood and regional level.<sup>4</sup> At the neighbourhood level, an average multiplier effect is assumed to be 1.1. For want of more specific information, a multiplier of 1.1 has therefore been applied to the five case studies in order to calculate the total average net change in expenditure, as shown in Table C.8.

**Table C.8: 'On-street' survey – total average net change in spend by local residents, workers and visitors attributable to historic environment regeneration**

Case study	Multiplier effect	Total average net attributable expenditure
Aylsham HERS	1.1	2.5%
Regent Quarter, Kings Cross	1.1	0.6%
Sheffield CIQ THI	1.1	1.5%
Staircase House & Covered Market Hall	1.1	1.7%
Stourport Canal Basins	1.1	6.8%

- *Step 6: calculate the annual impact on local business turnover* – the estimated average net change in spend figures set out in Table C.9 can be seen as representative of people who come to the defined project area, whether it is to shop, work or visit. However, these figures cannot be applied to all local residents and workers and visitors to the local area,

<sup>4</sup> English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.



as many of these people will not, generally, come to the project area in which the survey has been undertaken.<sup>5</sup>

Therefore, the average net change in spend figures derived from the ‘on-street’ survey have been used as a proxy measure for the increase in turnover of businesses situated within the project area. Given that this impact is driven off spend on consumer goods and services, only the turnover of businesses within the retail, leisure and hospitality sectors is likely to have been affected.

The total affected turnover within the project area of each case study has been estimated based on the number of employees within the retail, leisure and hospitality sectors and an average turnover per employee figure for each sector.<sup>6</sup> The average net change in spend figures have then been applied to total turnover within each area to obtain an estimate of the annual impact on local business turnover (see Table C.9).

<b>Table C.9: ‘On-street’ survey – total net annual impact on local business turnover attributable to historic environment regeneration</b>		
<b>Case study</b>	<b>Total annual business turnover within project area of affected sectors</b>	<b>Net attributable annual business turnover</b>
Aylsham HERS	£30.8m	£0.8m
Regent Quarter, Kings Cross	£210.5m	£1.3m
Sheffield CIQ THI	£73.5m	£1.1m
Staircase House & Covered Market Hall	£72.6m	£1.2m
Stourport Canal Basins	£65.6m	£4.5m

## Business survey

The business survey combined the use of face-to-face and telephone interviews to question over 120 firms across the five main case study areas (see Table C.10). The survey sought to determine the views of local businesses in relation to the impact improvements to the historic environment have had on their performance and the local area more generally. The survey focused on businesses within the immediate locality of each project.

<sup>5</sup> For example, it is likely that the majority of people living or working in Sheffield will not, on the whole, spend any money within the Sheffield CIQ. Therefore, to apply the average net change in spend of 1.5% to all residents and workers in Sheffield would significantly overestimate the impact of the scheme.

<sup>6</sup> The level of employment within the respective project areas has been calculated using project specific floorspace data and information from the Annual Business Inquiry (ABI). The ABI has also been used to calculate average turnover per employee figures for the retail, leisure and hospitality sectors.

Table C.10: Business survey – number of businesses surveyed	
Case study	Number of local businesses surveyed
Aylsham HERS	22
Regent Quarter, Kings Cross	25
Sheffield CIQ THI	25
Staircase House & Covered Market Hall	25
Stourport Canal Basins	25

The results of the business survey have been used to derive an estimate of the impact improvements to the historic environment have had on local business turnover, under each of the five case studies. This has involved the following stages of analysis:

- *Step 1: calculate the proportion of turnover attributable to improvements in the historic environment* – the business survey asked local firms what impact improvements to the historic environment have had on their turnover. This has enabled deadweight to be deducted (the turnover that would have been achieved anyway even in the absence of historic environment regeneration).

The responses from the business survey for each case study have been collated to determine an estimate of the proportion of business turnover within the respective project areas that can be attributed to the improvements to the historic environment. The attributable turnover for each of the five main case studies is outlined in Table C.11.

Table C.11: Business survey – proportion of business turnover attributable to historic environment regeneration	
Case study	Attributable turnover
Aylsham HERS	1.2%
Regent Quarter, Kings Cross	2.2%
Sheffield CIQ THI	3.0%
Staircase House & Covered Market Hall	3.0%
Stourport Canal Basins	0.4%

- *Step 2: adjust for the displacement of turnover from other businesses within the local area* – where the turnover of businesses within the project area has increased as a result of improvements to the historic environment, it is likely that some of this has been at the expense of businesses situated elsewhere within the local area. The business survey sought to estimate the level of this displacement by asking where firms' competitors were located.

From the results of the business survey, a displacement factor has been derived for each case study. This has been used to calculate the net change in turnover of businesses within the project area that can be attributed to historic environment regeneration (see Table C.12).

**Table C.12: Business survey – net change in business turnover attributable to historic environment regeneration**

Case study	Displacement	Net attributable turnover
Aylsham HERS	12%	1.1%
Regent Quarter, Kings Cross	20%	1.8%
Sheffield CIQ THI	67%	1.0%
Staircase House & Covered Market Hall	55%	1.3%
Stourport Canal Basins	59%	0.2%

- *Step 3: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in business turnover attributable to the improvements in the historic environment is likely to generate a number of multiplier effects. However, as discussed above, the responses to the business survey were not sufficient to calculate the scale of this impact.

Benchmark figures from the Additionality Guide have again therefore been used to allow for multiplier effects, as shown in Table C.13. An average multiplier of 1.1 has been applied to each case study in order to derive the total net change in business turnover that can be attributed to historic environment regeneration.

**Table C.13: Business survey – total net change in business turnover attributable to historic environment regeneration**

Case study	Multiplier effect	Total net attributable turnover
Aylsham HERS	1.1	1.2%
Regent Quarter, Kings Cross	1.1	1.9%
Sheffield CIQ THI	1.1	1.1%
Staircase House & Covered Market Hall	1.1	1.5%
Stourport Canal Basins	1.1	0.2%

- *Step 6: calculate the annual impact on local business turnover* – the net attributable change in turnover figures outlined in Table C.13 have been applied to the total turnover of relevant sectors within the project areas of each case study. For all of the case studies, apart from Sheffield CIQ, the business survey indicated that the affected sectors were again the retail, leisure and hospitality sectors. The total turnover figures are therefore the same as those assumed for the ‘on-street’ survey.

In terms of the Sheffield CIQ case study, the responses to the business survey suggested that some creative industry firms (for example, media businesses) had experienced a positive impact on business turnover as a result of improvements to the historic environment. This has been reflected in the total turnover figure applied to the Sheffield

CIQ project area. The estimated annual impact on local business turnover for all five case studies is set out in Table C.14.

<b>Table C.14: Business survey – total net annual impact on local business turnover attributable to historic environment regeneration</b>		
<b>Case study</b>	<b>Total annual business turnover within project area of affected sectors</b>	<b>Net attributable annual business turnover</b>
Aylsham HERS	£30.8m	£0.4m
Regent Quarter, Kings Cross	£210.5m	£4.0m
Sheffield CIQ THI	£112.8m	£1.2m
Staircase House & Covered Market Hall	£72.6m	£1.1m
Stourport Canal Basins	£65.6m	£0.1m

## Secondary source data assessment

In terms of the analysis of economic benefits, the secondary source data assessment has involved an examination of visitor information to determine the impact of historic environment regeneration on visitor spend. Of the five main case studies, data in relation to visitor numbers has only been available for two of the projects, namely the Staircase House and Covered Market Hall project in Stockport and the restoration of the Stourport Canal Basins project. The information is summarised in Table C.15.

<b>Table C.15: Secondary source data assessment – number of visits</b>	
<b>Case study</b>	<b>Number of visits per annum*</b>
Staircase House	8,400
Covered Market	380,000
Stourport Canal Basins	375,000

\*Based on 2009/10 figures

From the visitor information provided for the Staircase House and Covered Market Hall project and the Stourport Canal Basins project, estimates have been derived of the increase in visitor spend that can be attributed to improvements to the historic environment. This has in turn been used as a measure of the impact on local business turnover. The analysis has involved the following stages:

- *Step 1: estimate the proportion of visits attributable to local residents and workers and those attributable to visitors from outside of the local area – the number of visits recorded for the Covered Market Hall and Stourport Canal Basins has been calculated from footfall data. As such, a proportion of these visits will have been from local residents and workers, as opposed to visitors from outside of the local area. In order to estimate the composition of visits, reference has been made to the results of the ‘on-street’ survey.*



In relation to Stourport, 70% of those interviewed classed themselves as a local resident and/or worker. In comparison, for the Staircase House and Covered Market Hall project, 98% of respondents were local residents and/or workers. For purposes of this assessment, all visits to the Covered Market Hall have been assumed to be attributable to local residents and workers, and all visits to Staircase House have been attributed to visitors from outside of the local area. The composition of visits based on the above assumptions is set out in Table C.16.

<b>Table C.16: Secondary source data assessment – composition of visits</b>			
<b>Case study</b>	<b>Local residents and workers</b>	<b>Visitors</b>	<b>Total</b>
Staircase House & Covered Market Hall	380,000	8,400	388,400
Stourport Canal Basins	263,245	111,755	375,000

- *Step 2: calculate the number of additional visits that can be attributed to historic environment regeneration* – for each case study, many of the visits would still have occurred even in the absence of the project. In order to calculate the level of this deadweight, the number of visits prior to the implementation of the project has been deducted. This has provided an estimate of the number of visits attributable to improvements to the historic environment (see Table C.17).

<b>Table C.17: Secondary source data assessment – number of visits attributable to historic environment regeneration</b>				
<b>Case study</b>	<b>Visits per annum prior to improvements</b>	<b>Additional visits - total</b>	<b>Additional visits – local residents / workers</b>	<b>Additional visits – visitors</b>
Staircase House	-	8,400	-	8,400
Covered Market	326,800	53,200	53,200	-
Stourport Canal Basins	225,000	150,000	105,000	45,000

- *Step 3: calculate the total spend generated by the additional visits* – the additional visits created as a result of improvement to the historic environment will have generated new spend within the local economy. The quantum of this impact has been estimated by applying an average spend per visit figure to the number of additional visits calculated for each case study (see Table C.18). This has involved using information from the ‘on-street’ survey and STEAM data.

With regard to Stourport, based on the ‘on-street’ survey, an average spend per visit figure of £41 has been used for visitors compared to £11 for local residents and workers.<sup>7</sup>

<sup>7</sup> The average spend figure for local residents and workers reported by the ‘on-street’ survey was £40. However, this was over an entire week and a local resident or worker could make multiple visits over that week. A mid-point between visiting everyday and only once a week has been assumed (i.e. 3.5 times a week), providing an average spend per day figure of £11.

For the Staircase House and Covered Market Hall project, an average spend per visit figure of £13 has been derived from the 'on-street' survey in terms of local residents and workers.<sup>8</sup> There were insufficient responses to the survey to estimate an average spend for visitors, so STEAM data has been used to provide a figure of £46.

Table C.18: Secondary source data assessment – total spend from additional visits attributable to historic environment regeneration		
Case study	Average spend per visit	Total spend per annum
Staircase House & Covered Market Hall		
Local residents and workers	£13	£0.7m
Visitors	£46	£0.4m
Total	-	£1.1,
Stourport Canal Basins		
Local residents and workers	£11	£1.2,
Visitors	£41	£1.8m
Total	-	£3.0m

- *Step 4: adjust for the displacement of spend from elsewhere within the local area* – where spend from additional visits by local residents and workers to the project area has increased as a result of improvements to the historic environment, some of this will have been displaced from elsewhere within the local area. The displacement rates derived from the 'on-street' survey have been used to take this into account and calculate the net impact on spend, as shown in Table C.19.

In terms of the expenditure of visitors, all visitors are, by definition, from outside of the local area and the allowance for deadweight has meant that only those who would not have come anyway have been included. Therefore, it is not expected that the total spend attributed to visitors will have displaced expenditure from elsewhere within the local area and, as such, a displacement rate of 0% has been assumed.

Table C.19: Secondary source data assessment – net spend from additional visits attributable to historic environment regeneration		
Case study	Displacement	Net spend per annum
Staircase House & Covered Market Hall		
Local residents and workers	46%	£0.4m
Visitors	0%	£0.4m
Total	-	£0.8m
Stourport Canal Basins		
Local residents and workers	37%	£0.8m
Visitors	0%	£1.8m
Total	-	£2.6m

<sup>8</sup> Again this is based on dividing the reported spend per week figure of £47 by 3.5, in order to give an average spend per day figure of £13.

- *Step 5: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in spend generated as a result of additional visits to the project area is likely to create a number of multiplier effects. Again, the average multiplier benchmark for local areas set out within the Additionality Guide has been applied to each case study (see Table C.20). This has provided an estimate of the total net additional impact in terms of visitor spend.

**Table C.20: Secondary source data assessment – total net spend from additional visits attributable to historic environment regeneration**

Case study	Multiplier effect	Total net spend per annum
Staircase House & Covered Market Hall	1.1	£0.9m
Stourport Canal Basins	1.1	£2.9m

The assessed total net increase in spend from additional visits, generated as a result of improvements to the historic environment, is assumed to result directly in a corresponding increase in business turnover within the local area. The following section describes the approach applied to estimating the overall cumulative impact on business turnover, after allowing for the expected persistence of benefits.

## Cumulative impact

### *Impact on business turnover*

A cumulative impact on business turnover has been calculated, assuming that the benefits of the interventions last for ten years. This is consistent with the methodology applied within the 2009 PricewaterhouseCoopers's (PwC) review of Regional Development Agency (RDA) spending, undertaken on behalf of the then Department for Business, Enterprise and Regulatory Reform (BERR). The 'present value' of the cumulative impact on business turnover has then been estimated using a discount rate of 3.5%, as set out within HM Treasury's *Green Book*.

Table C.21 sets out the cumulative impact on business turnover for each case study, based on the three separate strands of assessment.

<b>Table C.21: Cumulative ten year impact on turnover</b>			
	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	£6.6m	£3.2m	-
Regent Quarter, Kings Cross	£10.9m	£34.4m	-
Sheffield CIQ THI	£9.5m	£10.7m	-
Staircase House & Covered Market Hall	£10.6m	£9.4m	£7.3m
Stourport Canal Basins	£38.4m	£1.1m	£24.6m

In relation to the restoration of the Stourport Canal Basins, there is a discrepancy between the impact on turnover assessed using the results of the ‘on-street’ survey compared to when the results of the business survey are used. This might partly be explained by the fact issues were raised in the business survey about the disruption caused by the development, leading the firms interviewed to report a much lower impact.

In addition, a few firms reported that the Stourport project had diverted trade from their business. The ‘on-street’ survey implied that nearly 40% of the additional spend generated by the project is displaced from elsewhere in the local area. It is possible, given the small sample size used for the business survey (25 firms), that a disproportionate number of businesses adversely affected by the project were surveyed. This would suggest that the results of the business survey could underestimate the impact of the project.

There is also a relatively large difference between the impact estimated for the Regent Quarter case study under the ‘on-street’ survey compared to the business survey. To a degree, this is to be expected. In comparison with the other case studies, the ‘on-street’ survey for the Regent Quarter is likely to have included a large number of respondents who were travelling through the area, as opposed to visiting the Regent Quarter itself. The impact of the project on their spend is therefore likely to be lower as a result.

### *Impact on GVA*

As well as the impact on turnover, the effect of historic environment regeneration under each of the case studies has been assessed in relation to GVA. The impact on local business turnover has been used to derive an estimate of GVA by applying an assumed GVA to turnover ratio of 0.3:1. This has been calculated on the basis of national ABI financial data for the retail, leisure and hospitality sectors.

Table C.22 sets out the cumulative ten year GVA impact under each of the case studies. Again, results have been reported based on the ‘on-street’ survey, business survey and assessment of secondary source data, where it has been possible to do so.

<b>Table C.22: Cumulative ten year GVA impact</b>			
	<b>‘On-street’ survey</b>	<b>Business survey</b>	<b>Secondary source data</b>
Aylsham HERS	£2.0m	£1.0m	-
Regent Quarter, Kings Cross	£3.3m	£10.3m	-
Sheffield CIQ THI	£2.8m	£3.2m	-
Staircase House & Covered Market Hall	£3.2m	£2.8m	£2.2m
Stourport Canal Basins	£11.5m	£0.3m	£7.4m

### *Impact on employment*

The impact on employment has, as with GVA, been derived from the estimated effect on business turnover. For each case study, an average turnover per employee figure has been calculated based on regional ABI financial data for the retail, leisure and hospitality sectors. This



has then been applied to the estimated impact on local business turnover per annum. As the benefits are expected to last ten years, the jobs created have been treated as full-time equivalent employment.

The average turnover per employee figures used for each case study are as follows:

- Aylsham HERS – £83,700
- Regent Quarter, Kings Cross – £128,200
- Sheffield CIQ THI – £74,300
- Staircase House & Covered Market Hall – £76,500
- Stourport Canal Basins – £81,600

Table C.23 summarises the estimated employment impact under each of the case studies, based on the three separate strands of assessment.

Table C.23: Employment impact			
	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	9	4	-
Regent Quarter, Kings Cross	10	31	-
Sheffield CIQ THI	15	17	-
Staircase House & Covered Market Hall	16	14	12
Stourport Canal Basins	55	2	35

The employment figures set out in Table C.23 do not include a direct allowance for employment accommodated through the provision/redevelopment of commercial space. In part, this is to avoid double counting. A proportion of the direct employment accommodated under each case study will be dependent on the expenditure of local residents, workers and visitors generated as a result of improvements to the historic environment. This is already reflected in the above estimates of employment.

In addition, the assessment of economic benefits is a **marginal analysis of the impact of historic environment regeneration**. It does not seek to measure the full impact of each case study project, but looks to determine the additional effect that can be directly attributed to the improvements to the historic environment. Therefore, in order to be prudent, direct employment has been excluded from the analysis.

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# Potential Funding Sources for Heritage Preservation Projects

*Below is a list of public and private entities that have previously funded heritage preservation projects. This list is not exhaustive, and organizations may change their programs, so be sure to review the materials on the websites indicated below for more information.*

## **FEDERAL GOVERNMENT SOURCES**

**Grants.gov** ([www.grants.gov](http://www.grants.gov)) is a website that allows organizations to electronically find and apply for competitive grant opportunities from all federal grant-making agencies. The site is a single access point for more than 900 grant programs offered by 26 Federal grant-making agencies. It is a very good starting point for research on federal grants.

The **Department of Agriculture's** Rural Development Program, [www.rurdev.usda.gov](http://www.rurdev.usda.gov), offers a range of nationally competitive grant programs, including Rural Business Opportunity Grants which provide planning or technical assistance funding to public bodies, nonprofit corporations, and rural cooperatives to promote sustainable economic development in rural communities, and various community development grants which support housing, community facilities, and economic development projects.

The **Department of Education**, [www.ed.gov](http://www.ed.gov), offers an abundance of programs that are of interest to heritage preservation groups. The website can be accessed by organization type (nonprofit, local or state government).

The **Department of the Environment**, <http://www.epa.gov/epahome/grants.htm> offers assistance for the assessment and cleanup of contaminated industrial sites through programs like the Brownfields Assessment Grants Program.

The **Department of Housing and Urban Development** (HUD) Community Development Block Grant (CDBG) Program can fund historic preservation and heritage tourism projects. Their brochure, *Historic Preservation and Heritage Tourism in Housing and Community Development: A Guide to Using Community Development Block Grant Funds for Historic Preservation and Heritage Tourism in Your Communities*, can be accessed at: [https://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_14212.doc](https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14212.doc). Information on the CDBG Program can be accessed here: [https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs](https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs).

The **National Archives and Records Administration** operates the National Historical Publications and Records Commission (NHPRC), [www.archives.gov/nhprc/](http://www.archives.gov/nhprc/), which supports a wide range of activities to preserve, publish, and encourage the use of documentary sources relating to the history of the United States. Through

its grant program, training programs, research services and special projects, the Commission offers advice and assistance to individuals, institutions and non-federal agencies committed to the preservation and use of America's documentary resources.

The **National Park Service** (NPS), [www.cr.nps.gov](http://www.cr.nps.gov), offers grant programs for heritage preservation projects. They include:

- The **American Battlefield Protection Program**, <https://www.nps.gov/abpp/index.htm>, which offers grants to federal agencies, tribal, state, and local governments, educational institutions, and nonprofit historic preservation and other private sector organizations for projects that lead directly to the identification, preservation, and interpretation of battlefield land and/or historic sites associated with battlefields;
- The **Chesapeake Bay Gateways and Water Trails Initiative**, <https://www.nps.gov/chba/index.htm> provides assistance to projects that enhance education and interpretation of the Chesapeake Bay, increase public access, and conserve natural and cultural resource sites;
- The **National Center for Preservation Training and Technology**, <https://www.ncptt.nps.gov/>, which supports research, training, meetings, conferences and publications related to archeology, historic architecture, historic landscapes and materials conservation;
- **Historic Preservation Fund Grants**, <https://www.nps.gov/preservation-grants/>, are generally focused on special initiatives such as disaster recovery, Civil Rights heritage, etc.

The **Institute of Museum and Library Services** (IMLS), <https://www.imls.gov/grants>, offers several grants of interest including:

- **Museums for America**, <https://www.imls.gov/grants/available/museums-america>, offers grants to strengthen a museum's ability to serve the public more effectively by supporting high-priority activities that advance the institution's mission and strategic goals;
- The **National Leadership Grants for Museums**, <https://www.imls.gov/grants/available/national-leadership-grants-museums>, supports three funding categories for museums: learning experiences, community anchors, and collections stewardship. The museum priorities encourage: leadership in the education of lifelong learners in the 21st century; innovation in providing public service and meeting community needs; widespread and creative use of new technologies; model projects to be replicated throughout the field; greater public access to museum collections; and an extended impact of federal dollars through collaborative projects;
- **Collections Assessment for Preservation Program (CAP)**, <https://www.imls.gov/grants/available/collections-assessment-preservation-program-cap>, support small and mid-sized museums by providing recommendations for improving the care of collections;
- **Museum Assessment Program (MAP)**, <https://www.imls.gov/grants/available/museum-assessment-program-map>, is a partnership between IMLS and the American Alliance of Museums. It supports museums in helping them to assess their strengths and weaknesses, as well as helping them plan for future developments.

The **National Endowment for the Arts** (NEA), <https://www.arts.gov/grants>, offers several types of grants that can benefit heritage preservation projects, including:

- **Challenge America**, <https://www.arts.gov/grants-organizations/challenge-america/grant-program-description>, which support small and mid-sized organizations for projects that extend the reach of the arts to underserved populations.
- **Our Town**, <https://www.arts.gov/grants-organizations/our-town/introduction>, offers support in the areas of arts engagement, cultural planning, design projects, and projects that build knowledge about



creative place-making. These projects contribute to the livability of communities with a concentration on the arts.

The **National Endowment for the Humanities (NEH)**, [www.neh.gov/grants/index.html](http://www.neh.gov/grants/index.html), offers several programs that can fund heritage preservation projects, including:

- **Public Humanities Projects**, <https://www.neh.gov/grants/public/public-humanities-projects>, which support the realization of interpretive exhibitions (both long-term and traveling), the interpretation of historic sites, associated interpretive project components (such as publications and public symposia), public programming, and websites;
- **Preservation Assistance Grants for Smaller Institutions**, <https://www.neh.gov/grants/preservation/preservation-assistance-grants-smaller-institutions>, which helps assist both small and mid-sized institutions such as libraries, museums, historical societies, archival repositories, etc. This grant helps improve the ability to preserve and care for significant humanities collections;
- **Sustaining Cultural Heritage Collections**, <https://www.neh.gov/grants/preservation/sustaining-cultural-heritage-collections>, which assists institutions in preserving large and/or diverse humanities collections; and supports institutional resilience to preserve collections for future generations.

The **Naval History and Heritage Command**, a part of the Department of the Navy, offers:

- **The Vice Admiral Edwin B. Hooper Research Grant**, <https://www.history.navy.mil/get-involved/grants-and-fellowships/hooper-research-grants.html>, to assist scholars in the research or writing of books or articles by helping to defray the costs of travel, living expenses, and document duplication, related to the research process.

## **STATE GOVERNMENT RESOURCES**

The **Governor's Grants Office**, <http://www.grants.maryland.gov/>, assists state and local governments and community-based organizations in identifying federal grant opportunities while ensuring these groups are aware of assistance that may be available through state or private foundation grants.

The **Maryland Department of Housing and Community Development (DHCD)**,

<http://dhcd.maryland.gov/Pages/default.aspx>,

<http://projectportal.dhcd.state.md.us/Login2.aspx?APPTHEME=MDDHCD>, provides an array of funding

programs for community revitalization and heritage preservation. These include:

- **Community Legacy**, <http://dhcd.maryland.gov/Communities/Pages/programs/CL.aspx>, which provides flexible capital and operating resources to assist local governments and their nonprofit partners in planning and realizing comprehensive community revitalization and heritage preservation initiatives;
- **The Community Investment Tax Credit**, <http://dhcd.maryland.gov/Communities/Pages/programs/CITC.aspx>, which supports nonprofit projects by awarding allocations of state tax credits to projects such as redevelopment assistance, supporting physical improvements to upgrade areas, and education and literacy training.
- **The Technical Assistance Grants Program**, <http://dhcd.maryland.gov/Communities/Pages/tag/default.aspx>, provides funding to nonprofit organizations, local governments, local development agencies and local development corporations to obtain or provide advisory, consultative, training, information, and other services which will assist or carry out community development activities (which can include preservation activities).

- The **Nonprofit Assistance Fund (Operating Assistance Grants)** combines the Main Street Improvement Program; the Nonprofit Assistance Fund; and the Technical Assistance Grant program. Eligible applicants can apply to any of the three funds for operating and technical assistance funding, which can include preservation activities.

The **Maryland Department of Planning (MDP)**, <http://planning.maryland.gov>, does not provide direct grant funding, but it manages the **Maryland InfoPortal** (formerly Redbook Online), <http://planning.maryland.gov/OurWork/MarylandInfoPortal.shtml>, which is a database of financial and non-financial assistance offered by Maryland state government agencies and contains information on more than 700 programs providing financial assistance and technical services to governmental entities, civic and private organizations, and individuals.

The **Maryland Historical Trust (MHT)**, <http://mht.maryland.gov/>, an agency of the Maryland Department of Planning, provides funding for heritage preservation projects through several grant and loan programs. These include:

- **African American Heritage Preservation Grant Program**, [https://mht.maryland.gov/grants\\_africanamerican.shtml](https://mht.maryland.gov/grants_africanamerican.shtml), administered as a partnership between MHT and the Maryland Commission on African American History and Culture (MCAAHC), the grant provides support for the acquisition, construction, and capital improvement of buildings, sites, or communities of historical and cultural importance to the African American experience in Maryland;
- **Capital Historic Preservation** grants are available to eligible applicants for projects including acquisition, rehabilitation, or restoration of historic property. A historic property is defined as any prehistoric or historic district, site, building, structure, or object included in the Maryland Register of Historic Properties;
- **Non-Capital Historic Preservation** grants are available to non-profit organizations and local governments for research, survey, planning and educational activities involving architectural, archeological or cultural resources. Eligible activities include, but are not limited to, the development of preservation plans, architectural, archeological, or cultural surveys, educational outreach programs and National Register nominations;
- The **Certified Local Government (CLG) Program**, [http://mht.maryland.gov/grants\\_clg.shtml](http://mht.maryland.gov/grants_clg.shtml), supports a variety of projects such as historic site research and survey work, National Register nomination development, archeological investigations, community planning, and public education. This federal pass-through matching grant is available only to local jurisdictions that have achieved CLG status;
- The **Historic Preservation Loan Program**, <http://mht.maryland.gov/loans.shtml>, provides loans to nonprofit organizations, local jurisdictions, business entities, and individuals to assist in the protection of historic property. Loan funds can be used to acquire, rehabilitate, or restore historic property listed in, or eligible for listing in, the National Register of Historic Places. They may also be used for short-term financing for studies, surveys, plans and specifications, and architectural, engineering, or other special services directly related to pre-construction work;
- The **Heritage Structure Rehabilitation Tax Credit Program**, <http://mht.maryland.gov/taxCredits.shtml>, provides Maryland income tax credits equal to 20% of the qualified capital costs expended in the rehabilitation of a "certified heritage structure," which can include structures: listed in the National Register of Historic Places; designated as a historic property under local law; located in a historic district listed in the National Register or in a local historic district and certified as contributing to the district's significance; or located in a certified heritage area and certified as contributing to the area's significance. The credit is available for owner-occupied residential properties as well as income-

producing properties. The rehabilitation must conform with the Secretary of the Interior's *Standards for Rehabilitation*; and

- The **Federal Historic Preservation Tax Incentive Program**, <https://www.nps.gov/TPS/tax-incentives.htm>, is administered by MHT and enables the owners or long-term lease holders of income-producing certified historic structures (those listed in the National Register of Historic Places, or a contributing element within the boundaries of a historic district listed in the National Register), to receive a federal tax credit amounting to 20 percent of the cost of a rehabilitation that meets the Secretary of the Interior's *Standards for Rehabilitation*.

The **Maryland Heritage Areas Authority (MHAA)**, <http://mht.maryland.gov/grants.shtml>, provides support for historic preservation, cultural traditions and special natural landscapes in order to stimulate economic development through tourism. Nonprofits and government entities with heritage tourism projects located within the boundaries Certified Heritage Areas are eligible to receive grants and loan assistance for acquisition, development, public interpretation, and programming, as well as tax incentives for the rehabilitation of non-designated historic buildings and non-historic buildings in active tourism use.

In addition, most Maryland **Certified Heritage Areas** have mini-grant programs. A list of certified heritage areas and their contacts can be found on the MHT website – <http://mht.maryland.gov/heritageareas.shtml>. Check with your local heritage area for more information on their mini-grant program.

The **Governor's Commission on Maryland Military Monuments**, <http://mht.maryland.gov/monuments.shtml>, administered by the Maryland Historical Trust, obtains the services of professional conservators and historic preservation professionals to determine and carry out appropriate treatments to care for the monuments. The **Maryland State Arts Council (MSAC)**, [www.msac.org](http://www.msac.org), offers several funding programs that can benefit folklife projects and art and performance related projects at history museums and other heritage organizations. These include:

- **Maryland Traditions**, <https://www.msac.org/grants/maryland-traditions-project-grant>, with funding from the National Endowment for the Arts, seeks to develop statewide infrastructure for folk arts and folk life. Maryland Traditions partners with organizations to develop folk arts and folklife programs and projects. It offers a Folk Arts and Culture Apprenticeship grant to support master-apprentice teams that practice folk and traditional arts and traditional occupational skills. It also offers Project Grants that support projects that help to preserve and sustain Maryland Traditions;
- The **Grants for Organizations**, <https://www.msac.org/programs/grants-organizations>, is a program which awards funding to non-profit organizations that produce or present arts in Maryland for the public in any of the following disciplines: children's events, dance, folk arts/heritage, literature, media, multi-discipline, music, theater, and visual arts. Organizations that do not present or produce the arts but serve artists and organizations may apply for service grants.

The **Maryland State Highway Administration (SHA)**, [www.marylandroads.com](http://www.marylandroads.com), offers several funding programs that can benefit historic preservation projects. These include:

- The **Transportation Enhancement Program**, <http://www.sha.state.md.us/Index.aspx?PageId=144>, is administered by the State Highway Administration and provides funding for transportation-related community amenities. Eligible categories include: acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs (including the provision of tourist and welcome center facilities); historic preservation; rehabilitation and operation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals); archeological planning and research; and the establishment of transportation museums;

- The **Maryland Scenic Byways Program**, <http://www.sha.state.md.us/index.aspx?Pageid=97>, funds the development of community-based corridor management plans (CMP), which make scenic byways eligible for additional grants as well as National Scenic Byway designation. A CMP is a guide for the promotion, preservation and development of a scenic byway that addresses issues that can be as diverse as tourism development, roadway safety, highway signs or the preservation of natural features and historic structures;
- The **National Recreational Trails Program**, <http://www.fhwa.dot.gov/environment/rectrails/>, funds the development of community-based, motorized and non-motorized recreational trail projects. The program provides funds for all kinds of recreational trail uses, such as pedestrian uses (hiking, running, and wheelchair use), bicycling, in-line skating, equestrian use, cross-country skiing, off-road motorcycling, all-terrain vehicles, and four-wheel drive vehicles.

The **Rural Maryland Council**, [www.rural.state.md.us](http://www.rural.state.md.us), administers the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) which offers financial support to rural-serving nonprofit organizations that promote statewide and regional planning, economic and community development, and agricultural and forestry education efforts.

## **NATIONAL NON-PROFIT ORGANIZATIONS**

The **1772 Foundation**, [www.1772foundation.org](http://www.1772foundation.org), seeks to preserve and enhance American historical entities for future generations to enjoy with particular interest in farming, industrial development, transportation and unusual historical buildings.

The **Getty Foundation**, [www.getty.edu/grants](http://www.getty.edu/grants), provides support to institutions and individuals, funding a diverse range of projects that promote the understanding and conservation of the visual arts. Click on “Current Initiatives” for current grant and partnership opportunities.

The **National Trust for Historic Preservation**, <http://www.preservationnation.org/resources/find-funding/grants/>, has several grant funds that have assisted innovative preservation projects that protect the continuity, diversity, and beauty of communities. These include:

- The **Bartus Trew Providence Preservation Fund** which awards grants for the acquisition, maintenance and preservation of historic landmarks and memorials on the Eastern Shore of Maryland;
- The **Henry A. Jordan, M.D. Preservation Excellence Fund** which provides funding to organizations demonstrating commitment to the protection of natural and cultural resources in the Mid-Atlantic region;
- The **Johanna Favrot Fund for Historic Preservation** for projects that contribute to the preservation or the recapture of an authentic sense of place;
- The **Cynthia Woods Mitchell Fund for Historic Interiors** which assists in the preservation, restoration, and interpretation of historic interiors;
- The **Richard E. Deutsch Memorial Fund for Rosenwald Schools** grants are designed to advance ongoing Rosenwald School preservation planning activities. Preference is given to projects related to Rosenwald Schools located in Tennessee. The fund supports, but is not limited to, projects such as preservation planning, engineering studies, architectural plans, archeology, and research that advance the preservation of Rosenwald School buildings.



- The **Battlefield Preservation Fund** assists with legal and research fees to mitigate development threats, fund-raising and media plans, feasibility studies for endangered buildings and sites, archeological studies, landscape research and planning, viewshed protection, easement planning, and interpretation and heritage education activities;
- **Emergency/Intervention Funding**, which is awarded in emergency situations when immediate and unanticipated work is needed to save a historic structure, such as when a fire or other natural disaster strikes. Funding is restricted to nonprofit organizations and public agencies. Emergency grants typically range from \$1,000 to \$5,000, but a cash match is not required;
- **The National Fund for Sacred Spaces**, <http://www.fundforsacredplaces.org/>, provides training, planning grants, and capital grants from \$50,000 to \$250,000 for congregations of all faiths.
- The **National Trust Community Investment Corporation (NTCIC)**, <http://ntcic.webfactional.com/>, enables tax credit equity investments that support sustainable communities nationwide. NTCIC places qualified tax credits for federal and state historic (HTC), new markets (NMTC), solar (ITC) and low-income housing (LIHTC). NTCIC is a for-profit, wholly-owned subsidiary of the National Trust for Historic Preservation. Since its inception in 2000, NTCIC has raised over \$1 billion in capital for HTC, NMTC, ITC, and LIHTC investments for 134 transactions with over \$4 billion in total development costs.

## **STATEWIDE NON-PROFIT ORGANIZATIONS**

**Maryland Humanities**, <http://www.mdhumanities.org/>, offers a grant program that supports public humanities programs that engage Maryland's residents in exploring the rich and varied aspects of the human experience. Public humanities programs can take many forms, including lectures, seminars, symposia, interpretive exhibitions, films, media projects, reading/discussion programs, teacher institutes, local histories, living histories, public archaeology, distance learning, or any other format that effectively engages residents of Maryland in the humanities. There are two types of grants:

- The **Mini Grants program**, (formerly the Opportunity Grant program) provides small grants (up to \$1,200) that give priority to the programming needs of small and underserved audiences. The program also supports new and innovative programs in the humanities. Applications are accepted on a six week rolling deadline; and
- The **Major Grant** program provides grants (up to \$10,000) to support high quality public humanities programs through two competitive grant rounds per year.

**Preservation Maryland**, [www.PreservationMaryland.org](http://www.PreservationMaryland.org), founded in 1931, is dedicated to preserving Maryland's rich and diverse heritage of buildings, landscapes, and archeological sites. Funding from Preservation Maryland grants and loans assists individuals and communities with efforts to protect and utilize their historic resources. Funding programs include:

- The **Heritage Fund** which provides grants up to \$5,000 for the stabilization of endangered historic properties; feasibility studies, architectural plans, structural assessments and historic structure reports; "bricks and mortar" repairs and restoration; and, educational and planning efforts related to resource preservation. Preservation Maryland grants are "user-friendly," characterized by brief response time and minimal paperwork.

## **LOCAL RESOURCES**

The **Dundalk Renaissance Corporation** <http://www.dundalkusa.org/renovation-incentives>, offers several renovation incentives and tax credits for homes located within the Historic Dundalk area in Baltimore County.

The **Montgomery County Historic Preservation Commission (HPC)** <http://montgomeryplanning.org/planning/historic/historic-preservation-commission/>, offers grants and tax credits for non-profit organizations with a range of projects consistent with the County preservation plan.

The **Prince George's County Planning Department** <http://www.pgplanning.org/Page655.aspx>, offers a Historic Property Grant Program offers funds for the preservation, rehabilitation or restoration of historic properties located in Prince George's County.

**Baltimore City's Commission for Historical and Architectural Preservation (CHAP)**, <http://chap.baltimorecity.gov/tax-credits>, offers a ten-year tax credit for residential and commercial structures to help offset the increased property value resulting from qualifying rehabilitation work.

**Preservation Howard County** <http://www.preservationhowardcounty.org/preservation-resources.html>, has funds available for small grants that will help organizations to preserve or maintain historic structures located in the Howard County area of Maryland.

The **Baltimore County Government** [http://www.baltimorecountymd.gov/Agencies/planning/historic\\_preservation/taxcreditfaq.html](http://www.baltimorecountymd.gov/Agencies/planning/historic_preservation/taxcreditfaq.html), has historic tax credits available for historic structures located within Baltimore County.

## **MISCELLANEOUS**

Many foundations, both local and nationwide, offer support for heritage preservation projects. **The Foundation Center**, [www.foundationcenter.org](http://www.foundationcenter.org) offers advice on funding from private foundations. In addition to information on foundations across the U.S., the center offers training programs for grant-writers and developers and publishes a directory available at public libraries. The **Enoch Pratt Free Library** in Baltimore, [www.pratt.lib.md.us](http://www.pratt.lib.md.us), is a "cooperating collection" with The Center and maintain a core collection of Foundation Center materials and occasionally offer free fundraising and grant writing workshops. The Foundation Center also has a branch at 1627 K Street, NW, Washington, DC 20006-1708, that has a substantial library.

The **Kodak American Greenways Awards Program**, [www.conservationfund.org/?article=2106](http://www.conservationfund.org/?article=2106), a partnership between Eastman Kodak, The Conservation Fund, and the National Geographic Society, provides small grants to stimulate the planning and design of greenways in communities throughout America.

Members of **Maryland Association of Nonprofit Organizations (MANO)**, [www.marylandnonprofits.org](http://www.marylandnonprofits.org), have access to the organization's libraries and databases of funding sources in the Baltimore and Silver Spring offices.

The **Wisconsin Historical Society**, [www.wisconsinhistory.org/hp/funding](http://www.wisconsinhistory.org/hp/funding), maintains a database of private and public sources of funding assistance for projects related to the documentation and preservation of historic places. While many resources are Wisconsin specific, others are universally applicable.

Each Maryland County and Baltimore City has a **County Arts Council** which receives support from the Maryland State Arts Council through the Community Arts Development program. Some councils regrant a portion of these funds to local arts organizations. To find your local arts council, visit <http://www.msac.org/>

**Community foundations** pool donations into a coordinated investment and grant making facility dedicated primarily to the social improvement of a given place. Many of Maryland's community foundations offer support for historic preservation projects. You can find your local community foundation through an online search for your county + "community foundation".

Some jurisdictions offer a **local property tax credit** for the rehabilitation of homes as well as income-producing designated historic buildings. The credits are typically provided either as an offset of property taxes owed by a percentage of the rehabilitation expenditure (up to ten percent), or an amount equal to the increase in property taxes resulting from the rehabilitation improvements for a period of up to ten years.

The **American Institute for Conservation of Historic and Artistic Works** <http://www.conservation-us.org/grants#.WK8JUvkrldV>, provides several grants and scholarships that promote development, outreach and conservation projects.

# **Title 34 DEPARTMENT OF PLANNING**

## **Subtitle 04 HISTORICAL AND CULTURAL PROGRAMS**

### **Chapter 07 Heritage Structure Rehabilitation Tax Credit Certifications**

**Authority: State Finance and Procurement Article, §5A-303, Annotated Code of Maryland**

#### **.01 Scope.**

This chapter establishes procedures for certification of heritage structure rehabilitations by the Director of the Maryland Historical Trust. Certification of a heritage structure rehabilitation is an eligibility requirement for a taxpayer to claim a heritage structure rehabilitation tax credit.

*34.04.07.02*

#### **.02 Definitions.**

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) “Act” means State Finance and Procurement Article, §5A-303, Annotated Code of Maryland.

(2) “Business entity” means:

(a) A person, as defined in State Finance and Procurement Article, §1-101(d), Annotated Code of Maryland, who conducts or operates a trade or business in the State that is:

(i) Registered to do business and in good standing with the Maryland State Department of Assessments and Taxation; and

(ii) Subject to State income tax as defined in Tax-General Article, §10-101(n), Annotated Code of Maryland; or

(b) An organization conducting or operating a business in the State that is:

(i) Registered to do business and in good standing with the Maryland State Department of Assessments and Taxation; and

(ii) Exempt from taxation under §501(c)(3) of the federal Internal Revenue Code.

(3) “Certified historic structure” means a structure that is:

(a) Located in the State;

(b) Not owned by the State, a political subdivision of the State, or the federal government; and

(c) One of the following:



- (i) Listed on the National Register of Historic Places;
  - (ii) Designated as a historic property under local law and determined by the Director to be eligible for listing on the National Register of Historic Places;
  - (iii) Located in a historic district listed on the National Register of Historic Places or in a local historic district that the Director determines is eligible for listing on the National Register of Historic Places, and certified by the Director as contributing to the significance of the district; or
  - (iv) Located in an area established as a certified heritage area under Financial Institutions Article, §13-1101, Annotated Code of Maryland, and certified by the Maryland Heritage Areas Authority as contributing to the significance of the certified heritage area.
- (4) “Certified rehabilitation” means a completed rehabilitation of a certified historic structure that the Director determines was completed in conformance with the Standards for Certified Historic Structure Rehabilitation.
- (5) “Criteria for Listing” means the Secretary of the Interior’s Criteria for Listing in the National Register of Historic Places, 36 CFR §§60.3 and 60.4, as amended, or successor criteria.
- (6) “Director” means the Director of the Maryland Historical Trust.
- (7) Disposition.
- (a) “Disposition” means the transfer of legal title in real property or, in the case of a leasehold, the transfer of a leasehold interest in the property, or any portions thereof, and includes, without limitation, a sale-and-leaseback transaction, a transfer on the foreclosure of a security interest, or a transfer by gift.
- (b) “Disposition” does not include a transfer of title or of a leasehold interest to a creditor on creation of a security interest lien, mortgage, or deed of trust.
- (8) “Disqualifying work” means work performed at any time prior to the expiration of the recapture period for a certified rehabilitation that, if performed during the rehabilitation would have made the rehabilitation ineligible for certification as a certified rehabilitation.
- (9) “High performance building” means a building that:
- (a) Meets or exceeds the current version of the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) green building rating system gold rating; or
  - (b) Achieves at least a comparable rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard approved by the Secretaries of Budget and Management and General Services.
- (10) Historic Property.
- (a) “Historic property” means a district, site, building, structure, monument, or object significant to:
- (i) The prehistory or history of the State; or
  - (ii) The terrestrial or underwater archeology, architecture, engineering, or culture of the State.
- (b) “Historic property” includes related artifacts, records, and remains.

(11) “Local historic district” means a district that has been designated by a county or municipal corporation, or the Mayor and City Council of Baltimore, as historic in accordance with local authority under Land Use Article, §8-105, Annotated Code of Maryland.

(12) “Political subdivision” means a county or municipal corporation of the State.

(13) “Program” means the Heritage Structure Rehabilitation Tax Credit Program established under Regulation .03 of this chapter and authorized by the Act.

(14) “Qualified rehabilitation expenditure” means any amount that is:

(a) Properly chargeable to a capital account;

(b) Expended to complete a certified rehabilitation:

(i) Of a structure that is certified by the Director as a certified historic structure under Regulation .04 of this chapter (Part 1) no later than the end of the calendar year during which the certified rehabilitation is completed; and

(ii) In compliance with a rehabilitation plan that has been approved by the Director under Regulation .05 of this chapter (Part 2); and

(c) Not funded, financed, or otherwise reimbursed by any:

(i) State or local grant;

(ii) Grant made from the proceeds of tax-exempt bonds issued by either the State or a political subdivision of the State, or any instrumentality thereof;

(iii) State tax credit other than the tax credit provided for under the Act; or

(iv) Other grant, loan, loan guarantee, tax benefit, or insurance made or financed by the State or a State unit, as defined by State Government Article, §11-101, Annotated Code of Maryland, other than a loan that must be repaid at an interest rate that is greater than the interest rate on general obligation bonds issued by the State at the most recent bond sale prior to the time the loan is made.

(15) “Recapture period” means the taxable year in which a rehabilitation is certified by the Director as a certified rehabilitation under Regulation .06 of this chapter (Part 3) and the next 4 taxable years that succeed that taxable year.

(16) “Rehabilitation” means the process of returning a structure to a state of utility, through repair or alteration, which makes possible an efficient use while preserving those portions and features of the structure and its site and environment which make the structure and its site and environment historically, architecturally, or culturally significant, but excludes alteration which is primarily remodeling, landscaping, or interior décor.

(17) “Reserve Fund” means the Heritage Structure Rehabilitation Tax Credit Reserve Fund established under the Act.

(18) “Secretary” means the Secretary of the Maryland Department of Planning.

(19) “Single-family, owner-occupied residence” means:

(a) A structure or a portion of a structure occupied by the owner and the owner's immediate family as a primary or secondary residence; or

(b) A residential unit in a cooperative project owned by or leased to a cooperative housing corporation, as defined in Corporations and Associations Article, §5-6B-01, Annotated Code of Maryland, and leased for exclusive occupancy to, and occupied by, a member of the corporation and the member's immediate family under a proprietary lease.

(20) "Standards for Certified Historic Structure Rehabilitation" means the Secretary of the Interior's Standards for Rehabilitation, 36 CFR §§67.7 and 67.6(b)(1)—(7), as amended, or successor standards.

(21) "Standards for Evaluating Significance" means the Secretary of the Interior's Standards for Evaluating Significance within Registered Historic Districts, 36 CFR §67.5, as amended, or successor standards.

(22) "State" means the State of Maryland.

(23) "Trust" means the Maryland Historical Trust.

*34.04.07.03*

### **.03 The Heritage Structure Rehabilitation Tax Credit Program.**

A. There is a Heritage Structure Rehabilitation Tax Credit Program in the Trust that includes three separate tax credits for certified rehabilitations known as:

- (1) The Homeowner Tax Credit;
- (2) The Small Commercial Tax Credit; and
- (3) The Competitive Commercial Tax Credit.

B. To claim a Heritage Structure Rehabilitation Tax Credit, a business entity or individual shall:

- (1) Own or have site control of a certified historic structure as determined by the Part 1 application process under Regulation .04 of this chapter;
- (2) Have an approved Part 2 application under Regulation .05 of this chapter for the rehabilitation of the certified historic structure; and
- (3) Have the completed rehabilitation approved as a certified rehabilitation by the Part 3 application process under Regulation .06 of this chapter.

C. The Homeowner Tax Credit.

- (1) A rehabilitation will qualify as a certified rehabilitation eligible for the Homeowner Tax Credit if:
  - (a) The rehabilitation is of a certified historic structure that is a single-family, owner-occupied residence;
  - (b) The rehabilitation includes only qualified rehabilitation expenditures; and
  - (c) During a continuous 24-month period selected by the applicant that ends during the taxable year in which the applicant claims the tax credit, the qualified rehabilitation expenditures exceed \$5,000.

(2) The Homeowner Tax Credit shall equal the lesser of:

(a) 20 percent of the qualified rehabilitation expenditures incurred during the continuous 24-month period selected by the applicant; or

(b) \$50,000.

(3) The Homeowner Tax Credit may be claimed only for the taxable year during which the certified rehabilitation was completed.

#### D. The Small Commercial Tax Credit.

(1) A rehabilitation will qualify as a certified rehabilitation eligible for the Small Commercial Tax Credit if:

(a) The rehabilitation is of a certified historic structure;

(b) The rehabilitation includes only qualified rehabilitation expenditures;

(c) The qualified rehabilitation expenditures do not exceed \$500,000;

(d) Upon completion of the rehabilitation, the structure:

(i) Is not solely a principal residence;

(ii) Is primarily used for income-producing purposes; and

(iii) Has no greater than 75 percent of its habitable interior square footage used or configured for rental residential purposes; and

(e) During a continuous 24-month period selected by the applicant that ends during the taxable year in which the applicant claims the tax credit, the qualified rehabilitation expenditures exceed \$5,000.

(2) The Small Commercial Tax Credit shall equal the lesser of:

(a) 20 percent of the qualified rehabilitation expenditures incurred during the continuous 24-month period selected by the applicant; or

(b) \$50,000.

(3) The Small Commercial Tax Credit may be claimed only for the taxable year during which the certified rehabilitation was completed.

#### E. The Competitive Commercial Tax Credit.

(1) A rehabilitation will qualify as a certified rehabilitation for the Competitive Commercial Tax Credit if:

(a) The rehabilitation is to a certified historic structure;

(b) The rehabilitation includes only qualified rehabilitation expenditures;

(c) The plans for rehabilitation are ranked competitively and qualify for an award of available tax credits as determined by the Director under Regulation .05 of this chapter;

(d) During a continuous 24-month period selected by the applicant that ends during the taxable year in which the applicant claims the tax credit, the qualified rehabilitation expenditures exceed the lesser of:

(i) The adjusted basis of the certified historic structure, as determined under the provisions of Tax-General Article, Annotated Code of Maryland; or

(ii) \$25,000; and

(e) A sign or marker is located on the property either external or internal to the certified historic structure that identifies the certified historic structure as having been rehabilitated with funds provided by the Program.

(2) The Commercial Tax Credit:

(a) Shall equal the sum of:

(i) 20 percent of the qualified rehabilitation expenditures incurred during the continuous 24-month period selected by the applicant; and

(ii) If applied for in the Part 2 application, an additional 5 percent of those qualified rehabilitation expenditures if the certified rehabilitation results in a high performance building; and

(b) May not exceed \$3,000,000.

*34.04.07.04*

#### **.04 Certification of Structures as Certified Historic Structures (Part 1).**

A. A business entity or individual may request that a structure be certified by the Director as a certified historic structure by filing a Part 1 application with the Director on the standard application forms available on the Trust's website.

B. The Director may not accept or review a Part 1 application until the Trust receives all information required by the application form.

C. Upon receipt of a complete Part 1 application, the Director shall:

(1) Determine whether the structure meets either the Criteria for Listing or the Standards for Evaluating Significance;

(2) Approve the application if the structure meets the Criteria for Listing or Standards for Evaluating Significance;

(3) Deny the application if the structure does not meet the Criteria for Listing or Standards for Evaluating Significance; and

(4) Promptly send the applicant written notice that the application has been either approved or denied.

*34.04.07.05*



## **.05 Procedures for Application for and Review of Certifications of Eligibility of Certified Historic Structure Rehabilitations (Part 2).**

### **A. Part 2 Application Process.**

(1) A business entity or individual may file a Part 2 application with the Director requesting the Director to determine that a proposed rehabilitation of a certified historic structure, if completed in accordance with the requirements of the Program, shall qualify as a certified rehabilitation.

(2) The Trust shall post and maintain on its website separate and distinct Part 2 applications forms for the Homeowner Tax Credit, Small Commercial Tax Credit, and Competitive Commercial Tax Credit, and all Part 2 applications shall be filed on the forms that correspond to the tax credit sought by the applicant.

(3) A Part 2 application shall be deemed incomplete, and may not be accepted or reviewed by the Trust, if the application does not:

(a) Include all information required by the application form;

(b) For an application for either the Small Commercial Tax Credit or the Competitive Commercial Tax Credit, state the maximum amount of the tax credit for which the rehabilitation may qualify;

(c) Include a nonrefundable administrative fee payable to the Trust of:

(i) \$10 for either a Homeowner Tax Credit or a Small Commercial Tax Credit; or

(ii) \$250 for a Competitive Commercial Tax Credit; or

(d) Otherwise comply with a requirement of this regulation.

(4) An incomplete application received by the Trust shall be returned to the applicant if all required information or the administrative fee is not received by the Trust within a reasonable time as determined by the Director.

(5) At any time before completion of the rehabilitation, an applicant may propose to the Director an amendment to a Part 2 application which the Director may approve or deny at the Director's discretion.

### **B. Homeowner Tax Credit.**

(1) Upon receipt of a complete Part 2 application for the Homeowner Tax Credit, the Director shall review the application and determine whether:

(a) The proposed rehabilitation is of a certified historic structure;

(b) The plan for the rehabilitation as described in the application meets the Standards for Certified Historic Structure Rehabilitation;

(c) The anticipated qualified rehabilitation expenditures will exceed \$5,000; and

(d) No substantial part of the rehabilitation had begun at the time that the Trust received the application.

(2) The Director shall approve the Part 2 application and promptly send written notice of the approval to the applicant if the Director determines that each of the criteria set forth in §B(1) of this regulation is satisfied.

(3) The Director shall deny the Part 2 application and promptly send written notice of the denial to the applicant if the Director determines that any of the criteria set forth in §B(1) of this regulation is not satisfied.

#### C. Small Commercial Tax Credit.

(1) Upon receipt of a complete Part 2 application for the Small Commercial Tax Credit, the Director shall review the application and determine whether:

(a) The proposed rehabilitation is of a certified historic structure;

(b) The plan for the rehabilitation as described in the application meets the Standards for Certified Historic Structure Rehabilitation;

(c) The anticipated qualified rehabilitation expenditures will exceed \$5,000 but not exceed \$500,000; and

(d) No substantial part of the rehabilitation had begun at the time that the Trust received the application.

(2) If the Director determines that each of the criteria set forth in §C(1) of this regulation is satisfied, the Director shall:

(a) Approve the Part 2 application;

(b) Issue an initial credit certificate to the applicant in an amount equal to 20 percent of the anticipated qualified rehabilitation expenditures, which shall be the maximum amount of tax credit approvable under Regulation .06 of this chapter; and

(c) Promptly send written notice of the approval and the initial credit certificate to the applicant.

(3) If the Director determines that any of the criteria set forth in §C(1) of this regulation is not satisfied, the Director shall deny the Part 2 application and promptly send written notice of the denial to the applicant.

(4) The Director may not approve any Part 2 application and may not issue any initial credit certificates for a Small Commercial Tax Credit after the aggregate amount of initial credit certificates for the Small Commercial Tax Credit issued by the Director on or after January 1, 2015, totals \$4,000,000.

#### D. Competitive Commercial Tax Credit.

(1) For every State fiscal year that funds are available in the Reserve Fund, the Director shall establish and publish on the Trust's website a date by which Part 2 applications for the Competitive Commercial Tax Credit shall be received by the Trust.

(2) Information required by the Trust as part of a Part 2 application for the Competitive Commercial Tax Credit shall include:

(a) Documentation that establishes that the applicant has received letters of intent for all rehabilitation project funding not included in the amount of the tax credit for which the rehabilitation may qualify;

(b) If the applicant is not at the time of the application the fee-simple owner of the property proposed for rehabilitation:

(i) A written statement from the fee-simple owner that the owner is aware of the application and has no objection to the application or to the proposed rehabilitation; and

(ii) Documentation or evidence satisfactory to the Director that the applicant will have ownership or site control of the property within 18 months of the approval of the Part 2 application;

(c) A statement from the applicant that:

(i) No substantial part of the rehabilitation has begun, unless the rehabilitation was previously approved under the federal historic tax credit; and

(ii) Upon completion of the rehabilitation, a sign or marker will be located on the property either external or internal to the rehabilitated structure identifying the structure as having been rehabilitated with funds provided by the Program; and

(d) A request that the rehabilitation be eligible for the additional 5 percent tax credit available under Regulation .03E(2)(a)(ii) of this chapter if the applicant intends for the rehabilitation to result in a high performance building.

(3) The Director shall reject a Part 2 application received from an applicant who in the same fiscal year submitted three or more other Part 2 applications for the Competitive Commercial Tax Credit that, together, exceed \$500,000 in anticipated qualified rehabilitation expenditures.

(4) The Director shall review and consider only those complete Part 2 applications received by the Trust by the date established under §D(1) of this regulation.

(5) The Director shall competitively rank all complete Part 2 applications received annually by the date established under §D(1) of this regulation based on the following criteria:

(a) The extent to which the certified historic structure is:

(i) A rare example of an architectural style; or

(ii) A structure designed by a noted architect;

(b) Whether the certified historic structure is:

(i) Protected by a historic preservation easement held by the Trust; or

(ii) Subject to preservation conditions or restrictions through a Memorandum of Understanding or Programmatic Agreement with the Trust or some other instrument acceptable in form and substance to the Trust;

(c) Whether the certified historic structure is located in an area:

(i) Where the political subdivision has implemented regulatory streamlining or other development incentives that foster redevelopment and revitalization in priority funding areas, as defined in State Finance and Procurement Article, Title 5, Subtitle 7B, Annotated Code of Maryland, and has certified those regulatory streamlining or other development incentives to the Smart Growth Subcabinet established under State Government Article, Title 9, Subtitle 14, Annotated Code of Maryland; or

(ii) Targeted by the State for additional revitalization and economic development opportunities due to the focusing of State resources and incentives;

(d) Whether the rehabilitation project will include affordable and workforce housing options;

(e) Whether the rehabilitation is consistent with and advances current growth and development policies and programs of the State, as identified by the Director in consultation with the Secretary;

(f) The extent to which the rehabilitation:

(i) Sustains the existing form, integrity, and material of the certified historic structure; or

(ii) Accurately recovers the form and details of the certified historic structure as it appeared during the structure's period of historic significance;

(g) The extent to which the qualified rehabilitation expenditures for the rehabilitation will exceed the assessed value of the certified historic structure;

(h) The extent to which the need for rehabilitation of the certified historic structure is of an urgent or emergency nature;

(i) The amount of private investment that will be leveraged by the rehabilitation project; and

(j) Such other criteria as the Trust may determine from time to time.

(6) Based on the competitive ranking under §D(5) of this regulation, the Director shall:

(a) Select those rehabilitation projects that will be awarded an initial credit certificate for the Competitive Commercial Tax Credit and the maximum amounts of each award;

(b) Promptly notify each applicant selected for an award that the application was selected and of the maximum amount of the award;

(c) Promptly notify each applicant not selected for an award that the application was not selected; and

(d) Not later than 60 days following the selections, post on the Trust's website information regarding each competitive commercial rehabilitation project selected.

(7) The maximum amount of an award of an initial credit certificate for a rehabilitation under §D(6) of this regulation may not exceed the lesser of the maximum amount of qualified rehabilitation expenditures specified in the Part 2 application or \$3,000,000.

(8) For purposes of calculating the limitation on qualified rehabilitation expenditure under §D(7) of this regulation, a rehabilitation project shall include:

(a) Phased rehabilitation of a single certified historic structure;

(b) Rehabilitation of multiple certified historic structures located on a single property;

(c) Separate rehabilitations of different components of a single certified historic structure; or

(d) The rehabilitation of multiple certified historic structures that are functionally related to serve an overall purpose.

(9) Following the selection of an award of an initial credit certificate under §D(6)(a) of this regulation, the Director shall:

(a) Charge the applicant an administrative fee in an amount equal to 3 percent of the amount of the award of the initial credit certificate, less \$250;

(b) Send written notice to the applicant of the amount of the administrative fee;

(c) Notify the applicant that within 90 days of the fee notice the Trust must receive from the applicant the administrative fee payable to the Trust; and

(d) Inform the applicant that if the fee is not received by the Trust within the 90 days of notice of the fee the Director will not:

(i) Issue the initial credit certificate for the rehabilitation; or

(ii) Accept a Part 2 application for the Competitive Commercial Tax Credit from the applicant during any of the 3 fiscal years that immediately follow the fiscal year in which the fee is not received.

(10) Promptly after receiving the administrative fee charged under §D(9) of this regulation from an applicant, the Director shall issue to the applicant an initial credit certificate for the rehabilitation project in the amount awarded for the rehabilitation under §D(6) of this regulation.

(11) An initial credit certificate issued under §D(10) of this regulation shall expire, and the Director may not certify the rehabilitation project as a certified rehabilitation under Regulation .06 of this chapter, if:

(a) For an applicant who was not the fee-simple owner of the property at the time the Part 2 application was submitted, the applicant fails within 18 months after the Director issues the initial credit certificate to provide to the Trust documentation or evidence satisfactory to the Director that the applicant is the fee-simple owner or has site control of the property;

(b) Within the 18 months after the Director issues the initial credit certificate, the applicant fails to notify the Trust, in writing, that the rehabilitation has commenced;

(c) The rehabilitation is not completed within 30 months after the Director issues the initial credit certificate; or

(d) The applicant does not submit to the Trust, in accordance with Regulation .06 of this chapter, a Part 3 application for the rehabilitation within 12 months after the 30-month expiration date under §D(11)(c) of this regulation.

(12) The Director may extend to a later specified date the 30-month expiration date under §D(11)(c) of this regulation if:

(a) The applicant requests an extension in writing which is received by the Director prior to the expiration; and

(b) The Director finds reasonable cause in the written request for the extension.

(13) The Director may extend to a later specified date the deadline for submitting the Part 3 application established under §D(11)(d) of this regulation if:

(a) The applicant requests an extension in writing;

(b) The rehabilitation was completed prior to the 30-month expiration date under §D(11)(c) of this regulation or as extended by the Director under §D(12) of this regulation; and

(c) The Director finds reasonable cause in the written request for the extension.



## **.06 Procedures for Certification of Completed Rehabilitation (Part 3).**

A. Following completion of a rehabilitation approved by the Director under Regulation .05 of this chapter (Part 2) or for which the Director issued an initial credit certificate under Part 2, the Part 2 applicant may file a Part 3 application with the Director requesting that the Director determine that the completed rehabilitation is a certified rehabilitation.

B. A Part 3 application shall be filed:

(1) For either the Homeowner Tax Credit or the Small Commercial Tax Credit, not later than the end of the calendar year that follows the calendar year during which the rehabilitation was completed; and

(2) For the Competitive Commercial Tax Credit, within the time limit set forth in Regulation .05D(11)(d) of this chapter as may have been extended by the Director under Regulation .05D(13) of this chapter.

C. A Part 3 application shall:

(1) Be filed on the standard application forms available on the Trust's website;

(2) Include a statement made under oath by the applicant that the amount of the qualified rehabilitation expenditures as stated in the Part 3 application is true and correct; and

(3) For either the Homeowner Tax Credit or the Small Commercial Tax Credit, include an administrative fee in an amount that is equal to 3 percent of either the maximum amount stated in the Part 2 application in accordance with Regulation .05A(3)(b) of this chapter or the amount of the qualified rehabilitation expenditures stated in the Part 3 application, whichever is greater, less \$10 paid with the Part 2 application.

D. The Director may not accept or review a Part 3 application until the Trust receives all information required by the application form and the administrative fee.

E. Upon receipt of a timely filed and complete Part 3 application, the Director:

(1) May inspect the completed rehabilitation; and

(2) Shall:

(a) Determine whether the rehabilitation as completed is a certified rehabilitation;

(b) As may be appropriate for a competitive commercial rehabilitation, determine whether the rehabilitation resulted in a high performance building;

(c) Determine the tax credit amount, if any, based upon the applicant's accurately reported qualified rehabilitation expenditures; and

(d) Promptly send written notice to the applicant of the Director's determinations.

F. An applicant that has completed a competitive commercial rehabilitation approved under Part 2 may file a second Part 3 application for a determination by the Director of the applicant's qualification for the additional 5 percent tax credit available under Regulation .03E(2)(a)(ii) of this chapter if:

- (1) The Director previously determined under §F(2)(a) of this regulation that the rehabilitation project is a certified rehabilitation;
- (2) The additional 5 percent tax credit was not included within the tax credit amount determined by the Director under §F(2)(c) of this regulation; and
- (3) The second Part 3 application is received by the Trust within 18 months following the completion of the rehabilitation.

34.04.07.07

## **.07 Administrative Review.**

A. An applicant may request that the Director reconsider any written determination made by the Director under Regulation .04, .05, or .06 of this chapter. A request under this section shall be in writing and received by the Trust within 30 days after the Director's written determination was sent to the applicant.

B. Within 60 days of the Trust's receipt of a request for reconsideration made pursuant to §A of this regulation, the Director shall:

- (1) Review the request;
- (2) Determine whether the standards and requirements set forth in this chapter or otherwise applicable to the request warrant either a denial of the request or a modification of the Director's determination; and
- (3) Send written notification to the applicant of the Director's determination on the request.

C. An applicant whose request for reconsideration has been denied in whole or part by the Director under §B of this regulation may file a request that the Board of Trustees of the Trust reconsider the Director's denial. A request made under this section shall be in writing and received by the Trust within 30 days after the written notice of the Director's denial is sent to the applicant.

D. The Board of Trustees of the Trust shall, within 60 days of the Trust's receipt of the request made pursuant to §C of this regulation or at the next regularly conducted meeting of the Board following the Trust's receipt of the request, whichever is later:

- (1) Review the request;
- (2) Determine whether the standards and requirements set forth in this chapter or otherwise applicable to the request warrant either a denial of the request or a modification of the Director's determination;
- (3) If the Board determines that the Director's determination shall be modified, articulate the applicable standard and factual basis that warrant the modification; and
- (4) Notify the applicant in writing of the Board's determination.

E. The Board of Trustees of the Trust may establish from time to time guidelines or procedures for processing and reviewing requests for reconsideration made under §C of this regulation.

F. Actions or determinations taken or made by the Board of Trustees under §D of this regulation shall be in accordance with the bylaws of the Board of Trustees of the Trust.

G. A determination of the Board of Trustees of the Trust made under §D of this regulation shall be final and is not a contested case within the meaning of State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

*34.04.07.08*

## **.08 Determining Disqualifying Work; Recapture of Tax Credits.**

A. Upon the request of the Comptroller or on the Director's own initiative, the Director shall determine whether any disqualifying work has occurred during a certified rehabilitation or during the recapture period that would make the rehabilitation ineligible for a tax credit under the Program, and shall promptly notify the Comptroller of the Director's determination.

B. A tax credit awarded and claimed through the Program shall be recaptured if during either the rehabilitation or the recapture period:

(1) Any disqualifying work is performed on the structure that was the object of the certified rehabilitation; or

(2) For a certified rehabilitation awarded either a Small Commercial Tax Credit or a Competitive Commercial Tax Credit, there is a disposition of the structure that was the object of the certified rehabilitation.

C. A tax credit shall be recaptured as follows:

(1) If disqualifying work or disposition occurs during the taxable year in which the certified rehabilitation was completed, 100 percent of the tax credit shall be recaptured;

(2) If disqualifying work or disposition occurs during the first full year after the taxable year in which the certified rehabilitation was completed, 80 percent of the credit shall be recaptured;

(3) If disqualifying work or disposition occurs during the second full year after the taxable year in which the certified rehabilitation was completed, 60 percent of the credit shall be recaptured;

(4) If disqualifying work or disposition occurs during the third full year after the taxable year in which the certified rehabilitation was completed, 40 percent of the credit shall be recaptured; or

(5) If disqualifying work or disposition occurs during the fourth full year after the taxable year in which the certified rehabilitation was completed, 20 percent of the credit shall be recaptured.

D. The business entity that claimed the tax credit shall pay the recaptured amount of the tax credit as taxes payable to the State for the taxable year in which the disqualifying work or disposition occurred.

*34.04.07.09*

## **.09 General Provisions.**

A. Program Administration.

(1) Any action, determination, decision, or certification to be taken or permitted by the Director under the Act or this chapter may be delegated by the Director to a designee and any delegated action, determination, decision, or

certification taken by the Director's designee shall be considered an action, determination, decision, or certification of the Director.

(2) The Director may establish operational handbooks or manuals governing matters relating to administration of this chapter including descriptive statements of procedures which do not directly affect the rights of the public or procedures otherwise available to the public.

(3) The Program may adopt a handbook containing internal guidelines or policies related to the administration of the Program or establishing other requirements relating to the Program. The handbook shall be available for public examination at the Trust or on the Trust's website.

(4) An applicant shall retain all records concerning a certified rehabilitation for a period of 7 years from completion of the rehabilitation or for 2 years from the date the recapture period ends, whichever is shorter.

(5) The Trust makes no representation and accepts no responsibility as to any tax or other consequences to an entity, a person, an individual, or any other party arising out of the approval or certification, or allocation of credits for a project.

B. Waiver. The Secretary may waive or vary a provision of this chapter if:

(1) The waiver or variance is not inconsistent with the Act or otherwise unlawful;

(2) The Secretary determines in writing that application of the provision in a specific case or in an emergency situation would be inequitable or contrary to the purposes of the Act; and

(3) The Office of the Attorney General approves the waiver for form and legal sufficiency.

C. False Statements.

(1) Any action, determination, decision, or certification made by the Director or the Secretary under the Act or this chapter that was based in whole or part in reliance upon a false statement knowingly made or caused to be made by the applicant is subject to revocation by the Director or the Secretary.

(2) The Director or the Secretary may revoke an action, determination, decision, or certification §C(1) of this regulation even if the action, determination, decision, or certification could have been made absent reliance upon the false statement.

*34.04.07.9999*

### **Administrative History**

**Effective date: January 14, 1999 (26:1 Md. R. 23)**

Regulation .01 amended as an emergency provision effective January 3, 2005 (32:4 Md. R. 404); amended permanently effective April 11, 2005 (32:7 Md. R. 676)

Regulation .02B amended as an emergency provision effective June 1, 2004 (31:16 Md. R. 1249); emergency status expired December 1, 2004

Regulation .02B amended as an emergency provision effective January 3, 2005 (32:4 Md. R. 404); amended permanently effective April 11, 2005 (32:7 Md. R. 676)

Regulation .04 amended as an emergency provision effective November 24, 2003 (30:25 Md. R. 1841); emergency status expired May 22, 2004

Regulation .04 amended as an emergency provision effective June 1, 2004 (31:17 Md. R. 1249); emergency status expired December 1, 2004

Regulation .04 amended as an emergency provision effective January 3, 2005 (32:4 Md. R. 404); amended permanently effective April 11, 2005 (32:7 Md. R. 676)

Regulation .04E amended as an emergency provision effective June 29, 2005 (32:15 Md. R. 1313); amended permanently effective October 10, 2005 (32:20 Md. R. 1655)

Regulation .05 amended as an emergency provision effective January 3, 2005 (32:4 Md. R. 404); amended permanently effective April 11, 2005 (32:7 Md. R. 676)

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Chapter recodified from COMAR 05.08.08 to COMAR 34.04.07

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Chapter revised as an emergency provision effective August 4, 2010 (37:18 Md. R. 1212); revised permanently effective October 4, 2010 (37:20 Md. R. 1396)

Regulation .04E amended as an emergency provision effective October 5, 2011 (38:23 Md. R. 1418); amended permanently effective November 28, 2011 (38:24 Md. R. 1504)

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Regulations .01—.07 repealed and new Regulations .01—.08 adopted as an emergency provision effective January 1, 2015 (42:1 Md. R. 16); adopted permanently effective February 16, 2015 (42:3 Md. R. 318)

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Regulations .01—.08 repealed and new Regulations .01—.09 adopted effective September 12, 2016 (43:18 Md. R. 1019)



# The Abell Report

*What we think about, and what we'd like you to think about*

Published as a community service by The Abell Foundation

## **ABELL SALUTES: “Project Light Bulb” and the 300 “Mrs. Copelands” who are saving money by saving energy.**

1924 E. 32nd St., in the Cold Stream section of Baltimore City near Lake Montebello, looks pretty much like all of the other houses on the block: a row-house with a porch front, a postage-stamp size front lawn, five steps leading up to the porch and the front door. But 1924 is not like any of the other houses on the block; men and women from Project Light Bulb have been here; they have made 1924 different.

Mrs. Bobbie Copeland lives here, and she explains this difference: “The people from Project Light Bulb approached me with an offer to make certain changes in my home at no cost that would save energy, and at the same time, save me money on my Gas and Electric bill. They turned out to be right. It’s true. By saving energy I find I am saving money.”

And what changes that have the technicians from Project Light Bulb made? To answer, Mrs. Copeland escorts a visitor on a tour, starting in the living room. She lights a table lamp and points out that the bulb is of the ‘compact fluorescent kind.’ Most all of the bulbs in the house are these compact fluorescent light bulbs (CFLs). They provide much brighter light than the conventional bulbs. And they do not take as much energy to keep them lit.”

*continued on page 9*

## **Heritage Tax Credits: Maryland’s Own Stimulus to Renovate Buildings for Pro- ductive Use and Create Jobs, an \$8.53 Return on Every State Dollar Invested**

by Joseph Cronyn and Evans Paull

Baltimore’s historic center of commercial activity at Howard and Lexington streets is now at the center of the city’s economic and green resurgence. The Hecht’s and Stewart’s department store shoppers have long since departed, now replaced by the residents of the Atrium Apartments and the office workers of Catholic Relief Services’ world headquarters.

The transformation of that intersection and its vibrant West Side mixed-use community is due in great part to one of the most successful economic development programs ever designed by Maryland state government, the Maryland Heritage Structure Rehabilitation Tax Credit Program. But the intersection can also be considered “climate change central,” exemplifying the types of changes needed to set Maryland on a sustainable path for future growth.

Most Atrium residents and Catholic Relief Services office workers are probably unaware that their choice of a place to live and work is about as close to “climate neutral” as you can get on a developed piece of real estate in the state of Maryland. The occupants of these buildings drive at least 40 percent less than regional norms, since residents can walk or take transit to everything from baseball games to movies. Both buildings have been renovated to LEED or LEED-equivalent standards, saving

about 30 percent of energy use within the building. In addition, the area is also served by Baltimore’s district heating system, so the energy that is required is delivered with low-carbon efficiency.

The Maryland Historic Tax Credit Program is well established as a community revitalization engine, a key element in the renewal of downtowns and older established communities across the state: Berlin, Cumberland, Easton, Frederick, Hagerstown, and more. Less recognized, but defined and quantified here for the first time, is the role of the tax credit in reinforcing smart growth, lowering greenhouse gases, improving water quality, saving greenfields, lowering demand for landfill space, and making better use of existing infrastructure. In short, the historic preservation tax credit program is an environmental-economic development win-win.

### **Background**

The Maryland Heritage Structure Rehabilitation Tax Credit (MHRTC) Program is intended to encourage the redevelopment of historic properties in the state by offering developers tax incentives equal to up to 20 percent of eligible rehabilitation costs. Though both commercial (i.e., income-producing) and owner-occupied residential historic properties can be eligible for the program, the bulk of rehabilitation activity and state expenditures have involved

*continued on page 2*

commercial structures. Combined with federal historic preservation tax incentives in a similar amount, the state program has provided a powerful incentive for recycling older, underutilized and economically obsolete buildings into new uses: abandoned warehouse and manufacturing structures have become exciting office space for entrepreneurial new companies; economically and functionally obsolete office buildings have become upscale apartments bringing new residents to formerly struggling downtown areas.

In the 1996-2002 period, the Maryland program was a leader nationally in the number and scale of commercial projects which it enabled. The success of the program, however, led to legitimate concerns about the unpredictability of annual tax credit outlays and, then, legislative restrictions which curtailed its productivity. Over the 2002-2004 period, the commercial program was progressively cut back: capping total program expenditures and expenditures per property, apportioning awards geographically, instituting competitive ranking for scarce credits—all of which limited its desirability for developers.

The number of completed projects has dropped precipitously: from 75 projects and \$303.9 million total rehabilitation cost among 2001 applicants to only 20 projects and \$32.8 million total rehabilitation cost among 2005 applicants. The state's expenditure for tax credits also dropped proportionately from \$74.8 million to \$6.6 million for those years, yielding a program cost which some would consider more fiscally responsible, but others would characterize as short-sighted in light of the long-term benefits created by the rehabilitation activity.

## Economic & Fiscal Impact of Historic Preservation

As an important gauge of the benefits which historic preservation can bring to Maryland, we analyze the impact of tax credit-facilitated projects on the state's economy and public budgets over the lifespan of the program since 1996. The distinct impacts of the commercial and residential components of the inventory are studied separately, using ratios contained in the IMPLAN economic input-output model for Maryland.

### Commercial Properties

The Maryland Heritage Structure Rehabilitation Tax Credit Program has facilitated the redevelopment of 407 historic commercial structures over its 12-year life. Those projects involved over \$923.0 million in total rehabilitation spending (\$1.02 billion in 2009 dollars) by developers, assisted by an investment of \$213.9 million in state tax credits. The commercial portfolio has the following characteristics:

- *Economic Development*

Over 12 years, completed commercial projects have generated a total economic impact on the Maryland economy of more than \$1.74 billion (\$2009) in total economic activity, employing an estimated 15,120 persons earning \$673.1 million (\$2009). Construction labor on the job-sites totaled an estimated 9,248 workers earning \$443.4 million (\$2009)—over three-fifths of the total economic impact.

Although not usually thought of as a jobs program, historic renovation is a labor-intensive process which creates jobs—especially valuable in an economic downturn such as we are now experiencing. Economic mod-

els confirm experience that rehabilitation activity creates 20 percent more jobs than new construction. Over the past 12 years, the state's tax credit investment has generated 1,850 more jobs than would have been created had the same funds been used for new construction.

- *Fiscal Impact*

During their construction periods alone, the 407 projects generated an estimated \$83.7 million (\$2009) in state and local taxes—effectively paying down more than one-third of the state's total \$213.9 million tax credit investment. The greatest return on the state's investment, however, comes from the long-term increase in employment and property taxes at the historic properties and their neighbors.

- *Scale of Rehabilitation*

Though projects have ranged in their scale of total rehabilitation expenditures from \$6,000 to \$70.9 million, more than three-fifths (60.9%) of projects have involved spending of less than \$500,000. Only 48 structures have required a rehabilitation scope exceeding \$5.0 million, but those properties generated over \$691.0 million in rehabilitation spending—three-quarters of total rehabilitation expenditures and tax credits awarded by the state.

- *Geographic Distribution*

The projects have been concentrated in Baltimore City, which captured more than three-fifths (63.6%) of all awards, representing 85.9 percent of all rehabilitation expenditures and 87.1 percent of all tax credits. Nonetheless, projects were located in all but three Maryland jurisdictions—Charles, Garrett and Somerset coun-

ties. Frederick (20), Anne Arundel (18) and Baltimore (18) counties had the next most numerous inventories of commercial tax credit awards.

- **Non-Profit Developers**

Non-profit developers accounted for about one-tenth of commercial rehabilitation projects: 36 projects involving \$98.2 million in expenditures. Since the non-profits could not themselves take advantage of the tax credits, they received refunds of the full amount of the tax credits.

- **Federal Tax Credits**

The Maryland Historical Trust estimates that \$172.2 million in Federal Historic Preservation Tax Incentives Program tax credits have been leveraged by the Maryland tax credits—almost a one-to-one match. Owing to their challenging nature, most commercial projects would not be attempted without the equity provided by the combination of state and federal incentive programs.

### Residential Properties

Since 1997, the Maryland tax credit program has assisted in the rehabilitation of 2,351 historic residential structures. Those projects involved over \$201.4 million in total rehabilitation spending (\$217.1 million in 2009 dollars) by owner-occupants and their developers, assisted by an investment of \$41.6 million in state tax credits. The residential portfolio has the following characteristics:

- **Economic Development**

Over 12 years, completed residential projects have generated a total economic impact on the Maryland economy of more than \$354.9 million (\$2009) in total economic activity, employing an estimated 3,343 persons earning \$88.5 million (\$2009). Construction labor on the job-sites totaled an estimated 1,606 workers

earning \$38.9 million (\$2009)—almost half of the total economic impact.

- **Fiscal Impact**

During their construction periods alone, the 2,351 projects generated an estimated \$23.5 million (\$2009) in state and local taxes—effectively paying down more than one-third of the state’s total \$41.6 million tax credit investment. The greatest return on the state’s investment, however, comes from the long-term increase in property taxes for the historic properties and their neighbors in perpetuity.

- **Scale of Rehabilitation**

Though projects have ranged in their scale of total rehabilitation expenditures from \$5,000 to \$3.3 million, three-quarters (74.6%) of projects have been small—involving total rehabilitation spending of less than \$100,000. Only 13 homes required a rehabilitation scope exceeding \$1.0 million—in total about one-tenth of all rehabilitation expenditures and of state residential tax credits.

- **Geographic Distribution**

Residential rehabilitation projects were awarded tax credits in all counties in Maryland, though almost three-fifths of projects and spending were located in Baltimore City. There have been 1,352 homes rehabilitated in the city, involving eligible expenditures of \$118.0 million. Montgomery (241) and Baltimore (229) counties had the next greatest numbers of residential tax credit awards.

- **Tax Credit Effectiveness**

Over three-fifths (62.4%) of residential applicants have stated that they would not have attempted rehabilitation of their historic properties unless the Maryland tax credits were available.

### Tax Credit Leverage

The economic impact of historic preservation tax credits is magnified by the fact that, for every \$1.00 invested by the State of Maryland, there must be a total expenditure of at least \$5.00 in rehabilitation expenses by the property owner. Using the IMPLAN economic and fiscal impact statistical model, we estimate the leverage gained by state in the rehabilitation of commercial projects as follows:

#### Leverage of Maryland Tax Credits Impact of 20% Commercial Credit

	Per \$1.00 of Credit
Total Economic Output	\$8.53
Employee Compensation	\$3.30
State & Local Tax Receipts	\$0.41
Construction Wages (On-Site)	\$2.18
	Per \$1.0 Million in Credits
Total Employment (Jobs)	72.5
Construction Jobs (On-Site)	45.5

During the construction period alone, each \$1.00 of tax credits invested yields the state \$8.53 in total economic output including \$3.30 of wages—two-thirds of which are received directly by construction workers on-site. Job creation is also significant, with 72.5 jobs (45.5 on-site) being created during the construction period throughout Maryland for each \$1.0 million investment by the state.

### Inventory of Historic Structures

Maryland’s historically significant properties are a unique resource preserving a built record of the development of American society from colonial days to the present. Given Maryland’s place in U.S. history, it is perhaps not surprising that Maryland boasts a greater number of structures listed in National Register and local historic districts than any other state in the Union.

There is no comprehensive list of all designated historic structures in the

state, since each county and municipality has the authority to create local historic districts. A reasonable estimate of the number of contributing structures can be made, however, based on calculations from a 2003 Lipman Frizzell & Mitchell study commissioned by the Maryland Historical Trust, since updated to 2008 by the state agency. The agency estimates the number of contributing structures in National Register historic districts to be 89,523 as of December 31, 2008. Adding to that figure an estimated 8,087 structures in local historic districts which are not counted above, we calculate the number of eligible structures throughout the state to be approximately 97,610. (It should be noted that 60,835 or 62.3 percent of those properties are located in Baltimore City—leading to its disproportionate representation in tax credit expenditures and economic/fiscal benefits analyzed above. Prince George’s, Frederick and Washington counties have the next largest inventories of historic properties.)

- *Tax Credit “Capture”*

The average number of preservation projects (the vast majority being owner-occupied residential) receiving tax credit awards over 12 years has been 230 per year, though the total reached as high as 491 for cases initiated in 2004. Even assuming that the number of tax credit applications in a given year might total 500, we calculate that only 0.5 percent of all eligible structures are being addressed in any one year. (We also note that the proportion of applications which do not ultimately result in the completion of approved rehabilitation and an award of tax credits seems to be about 10 percent. The total volume of applications to be processed annually, however, is tremendous—and the Maryland Historical Trust needs to be staffed appropriately to handle the volume.)

- *Large Historic Structures*

In 2003, Lipman Frizzell & Mitchell estimated the number of potentially eligible high rehabilitation cost properties (requiring more than \$15 million in rehabilitation) at approximately 300 properties statewide. That universe was comprised of properties of at least 150,000 sq. ft. which were constructed no later than 1950. That estimate was based on available but incomplete data from the Maryland Department of Assessments & Taxation on all private, public, utility, institutional and non-profit properties. In the event that the cap were lifted regarding maximum project size eligible for tax credits, it seems that there would be a finite universe of properties which could trigger the payment of very high (e.g., greater than \$3.0 million) tax credits in any given year.

In a review of the 12-year experience of the Maryland tax credit program, it is apparent that cutbacks in the funding of the program combined with additional program restrictions (especially per-project funding cap, rating/ranking procedures, jurisdictional allocations) have reduced program production—as intended. The experience of other states with similar programs (e.g., Virginia, North Carolina, Missouri) but without the added caps and restrictions is not exactly comparable to Maryland’s due to differences in overall program guidelines and local conditions. It is clear, however, that those states enjoyed a relatively consistent level of production in the years following 2002—falling since 2007 due to the current economic recession. Were Maryland to have retained its pre-2002 guidelines for the tax credit program, it is likely that demand for the tax credits would have been sustained and that the job creation and environmental benefits of the program would have continued.

### **Community Revitalization**

Case studies conducted in the past by

Lipman Frizzell & Mitchell<sup>1</sup> and others have documented additional community revitalization benefits of the tax credit program. These included:

- *CBIZ/BGS&G Building (Cumberland)*

The building was regarded as a key linking element between the Cumberland Mall and Canal Place and was credited with stimulating economic activity in both directions, thereby contributing to the heritage tourism that was one of the cornerstones of the city’s economic plans;

- *Cannon Hill (Frederick)*

The redevelopment was credited with stimulating significant re-investment activity in both residential and commercial corridors adjacent to the site.

- *American Can Complex (Baltimore City)*

Analysis revealed that building permit activity tripled and neighborhood property values rose 17.6 percent in the four-year period following completion of the project. This compared to citywide property values rising 4.4 percent.

- *Tide Point (Baltimore City)*

Certainly not typical of all tax credit projects in its scale, Tide Point is regarded by many as a linchpin project, sparking revitalization of the city’s Locust Point neighborhood. The \$17.7 million tax credit was the key financing source for this redevelopment of the former Procter and Gamble soap plant. Tide Point consists of 400,000 square feet of modernized office and technology space, accommodating 1,600 jobs and representing \$72 million investment. The project, completed in 2000, paved the way for at least three subsequent conversions of underutilized industrial land to new residential, mixed-use, and commercial redevelopment projects, totaling several



multiples of the Tide Point investment (Silo Point, Foundry on Fort, and McHenry Row). A recent master’s thesis<sup>2</sup> focuses on indicators of neighborhood revival:

- Average commercial and residential property sales prices rose approximately fivefold from 1995 (pre-Tide Point, \$58,800) to 2007 (\$276,600);
- Construction permits grew dramatically, about fivefold from 1995 to 2007. When the construction permits are compared to city-wide permits, which also grew, the Locust Point growth rate still exceeds the citywide rate by a factor of 3.52.

### Environmental Impact of Historic Preservation

We document and quantify the benefits associated with historic preservation as a primary tool in encouraging responsible growth within existing communities including impacts on air quality, greenhouse gases, water quality, travel congestion, public health, and preservation of farmland. Our analysis demonstrates that each \$1.0 million investment in historic tax credits results in significant environmental benefits, as illustrated in the following table (and explained in the narrative below).

The benefits of growth within existing communities are contrasted with the negatives associated with sprawling development patterns. In each case below, therefore, preservation / redevelopment of an historic structure is considered to save the environment from the construction of a new structure of similar scale on a suburban “greenfields” site.

### Climate Change, VMTs and Walkable Communities

Experts agree that reducing vehicle miles traveled (VMTs) is a critical element of climate change strategies. There is solid evidence from multiple studies

that “compact development” saves in the range of 20 to 40 percent VMTs relative to sprawl.<sup>3</sup> Some highly urbanized and walkable communities have been documented to reduce VMTs by up to 75 percent.<sup>4</sup> The factor that has proven to be most highly correlated with VMT reduction is density. Several studies found that doubling density corresponds to a 25 to 30 percent reduction in VMTs.<sup>5</sup> The urban form characteristics that are correlated with VMT reduction are, in rank order: density, mixing uses, proximity to transit, proximity to city center or job centers, and connectivity of the streets and the pedestrian friendliness of the public thoroughfare (grid streets).

Historic structures are typically found in communities meeting all these criteria. Both residential and job densities surrounding all tax credit commercial properties were evaluated for this study and found to be at least triple those in developed suburban areas. Further, 86 percent of all tax credits have been

awarded to Baltimore City projects and, according to the Baltimore Metropolitan Council, city residents on average drive at half the rate of suburbanites: 14.2 VMT per person per day contrasted with 28.1 VMT for suburbanites.<sup>6</sup>

A community’s “walkability” ranking is both a quality of life factor and a good correlate and predictor of VMT reduction. Researchers for this study rated each MHRTC project on a walkability index ([www.walkscore.com](http://www.walkscore.com)) and found that the median walkscore was 91 out of 100 (90 to 100 is the highest ranking, characterized as a “walker’s paradise”). This ranking means that the vast majority of MHRTC projects are located in mixed-use communities where walking is a viable alternative to car travel.

Based on our analysis, we conclude that historic preservation projects reduce VMTs 30 to 40 percent as compared to new suburban development (higher reduction is generally attributed to compact development – see Appendix for an

**Environmental Impact of Historic Preservation:  
Benefits of \$1.0 Million Investment in Historic Tax Credits\***

Benefit	Quantification
Renovated space	50,000 sq ft
Environmental Impacts:	
• Lower VMTs (20%-40% saving compared to sprawl)	198,000 – 264,000 VMTs
• Lower travel-related CO <sub>2</sub> compared to sprawl	92 – 123 metric tons CO <sub>2</sub>
• If the rehabilitation is also LEED equivalent for energy efficiency, the CO <sub>2</sub> “saved” relative to conventional construction in suburban location	164 – 195 metric tons CO <sub>2</sub>
— This is equivalent in gallons of gasoline	18,700 – 22,000 gal. of gas
— This is equivalent taking vehicles off the road	30 to 35 vehicles
• Retained “embodied” energy	55,000 MBTUs
• Greenfield land preserved	5.2 acres
• Lowered run-off per sq ft or DU, relative to low density sprawl – percentage reduction	70%
• Less demolition debris in landfills, relative to demolition and new construction	2,500 tons
• Value of natural resources conserved, relative to new construction	\$100,000
Infrastructure investments “saved”	\$500,000 - \$800,000

\* Calculations assume 20% credit and rehabilitation cost of \$100 per sq. ft.



explanation of the methodology). The VMT reduction can be quantified as carbon dioxide reduction over the 12-year experience of the tax credit program as follows:

- Households and employees have reduced their travel by 34.3 - 45.8 million miles
- CO<sub>2</sub> emissions have been reduced by 13,700 - 21,200 metric tons
- These VMT and CO<sub>2</sub> reductions represent:
  - 1.7- 2.3 million gallons of gasoline: or,
  - 2,500 - 3,800 cars removed from the road for a year.

### The Dual Energy Benefit of Energy-Efficient Buildings in Energy-Efficient Locations

Historic preservation projects tend to be both energy-efficient within the building envelope and located in areas that encourage non-automotive means of access and egress—yielding dual energy conservation benefit. Policymakers should consider ways to adjust the tax credit to add a benefit for green, energy efficient buildings in order to maximize the sustainable energy-saving aspects of preservation projects. Every 50,000-square-foot building that reduces VMTs by 40 percent and also lowers building energy use by 30 percent (typical LEED savings) reduces CO<sub>2</sub> production by 195 metric tons—the equivalent of taking 35 automobiles off the road. (See Appendix for examples of preservation projects that offer both transportation and in-building energy savings)

There is a common misperception that older buildings are less energy efficient than buildings built in more recent times. Data from the US Energy Information Administration indicates that buildings built before 1920 are approximately equivalent to buildings built from 2000 to 2003, and the worst energy offenders are actually those built in the 1970’s and 1980’s.

The reasons that historic structures are relatively energy-efficient have to do with the use of materials that are superior insulators, use of natural ventilation, as well as siting/orientation for efficient heating and cooling in the pre-air conditioning era.

### Embodied Energy

Embodied energy is defined as the amount of energy associated with extracting, processing, manufacturing, transporting and assembling the building materials – essentially the energy already expended to build a building.<sup>7</sup> Preservationists argue that embodied energy, even though it is backward-looking, is legitimate to count when weighing the energy impacts of alternative plans, because it accurately brings into consideration a longer-term, life cycle-oriented approach, which is entirely appropriate given that greenhouse gases dissipate over very long time periods.

Embodied energy is calculated at about 1.1 MBTU (million BTUs) per square foot for a generic commercial building. Every tax credit project can be viewed as retaining (not wasting) the embodied energy of the renovated building. Estimating that the historic preservation tax credit program has facilitated the renovation of 10.2 million sq ft of commercial space and, then, multiplying that amount of space times 1.1 MBTU per square foot results in a calculation that 11.2 million MBTU of embodied energy has been “retained.” For per-

spective, 11.2 million MBTU is equivalent to 67 million gallons of gasoline or 595,000 metric tons of CO<sub>2</sub>.<sup>8</sup>

### Saving Greenfields

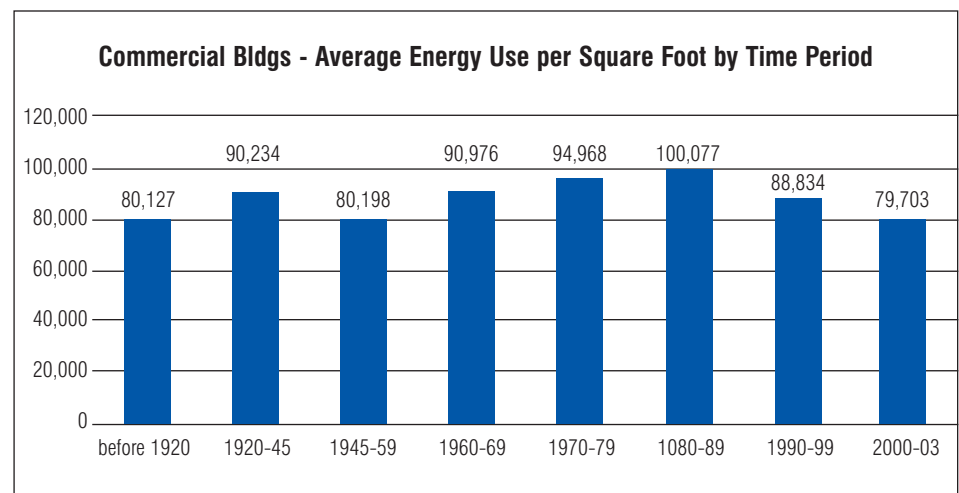
Tax credit projects by their nature involve the redevelopment of land that has already been used. Historic preservation represents an alternative way to accommodate growth and avoid the outward pressure to develop greenfields, farms and virgin land. An EPA-funded study for brownfields sites estimated that one acre of brownfields redeveloped corresponds to conserving 4.5 acres of greenfields.<sup>9</sup> The density data reflected in the VMT section and the appendices support this 1:4.5 acre ratio as a conservative estimate.

Using this ratio (1 acre redeveloped to 4.5 acres greenfields saved), we conservatively estimate that the program has already saved at least 1,053 acres of greenfields land by virtue of accommodating growth in existing communities.

### Infrastructure Savings

Historic preservation projects are reusing land which is served by existing infrastructure: roads, storm and sanitary sewers, utility lines, etc. A review of national literature, combined with discussions with local developers and public officials led to the conclusion that preservation projects save 50 to 80 percent in infrastructure costs compared to new suburban development.<sup>10</sup>

We calculate, therefore, that infra-



structure investment “savings” over the past 12 years have amounted to between \$102 and \$163 million, which can be interpreted as an indirect fiscal benefit returning over one-quarter of the state’s tax credit investment. (National research also indicates that there are operating cost savings attributable to more dense development such as the historic structures, but the magnitude is not well established.)

### **Lowering Runoff and Improving Water Quality**

Tax credit projects, because of their density, can be credited with reducing stormwater runoff and improving water quality. EPA estimates that higher density (e.g., 8 Dwelling Units per acre) development reduces runoff by 74 percent as compared to a low density (1 DU per acre) development.<sup>11</sup>

### **Less Waste in Landfills**

Demolition debris comprises roughly 24 percent of the municipal solid waste stream, estimated to be 325 million tons nationally in 2003, for example.<sup>12</sup> The EPA estimates that residential demolition generates 115 pounds of waste per square foot and the demolition of non-residential buildings produces approximately 155 pounds of waste per square foot.<sup>13</sup>

Assuming each tax credit preservation project to be an alternative to demolition, we estimate that the state’s investment in historic commercial properties has “saved” 387,000 tons of material from landfills over the past 12 years. This amount of landfill material is the equivalent of filling a football stadium to a depth of 50-60 feet.<sup>14</sup>

There are also energy savings due to NOT demolishing and landfilling this amount of material. The authors estimated that 5,000 metric tons of CO<sub>2</sub> have been conserved due to MHRTC program. This amount of CO<sub>2</sub> is the equivalent of 900 automobiles being taken off the road.

### **Health Benefits of Historic, Walkable Communities**

With a median walkscore of 91 out of 100, tax credit projects have been objectively ranked as being located almost universally in highly walkable communities. National research correlates walkable communities with higher levels of compliance with exercise guidelines<sup>15 16</sup> and lower levels of obesity, high “body mass index,” high blood pressure, arthritis, headaches, and breathing difficulties.<sup>17</sup>

### **Conclusions**

The research conducted by Lipman Frizzell & Mitchell and Northeast-Midwest Institute is clear in demonstrating the short- and long-term yield which the State of Maryland has received on its investment in historic preservation through the Maryland Heritage Structure Rehabilitation Tax Credit program. Historic preservation is also economic development and environmental preservation—creating jobs and saving greenfields. As urban areas are revitalized and sprawl reduced, the Maryland economy will grow along a more sustainable trajectory and its citizens’ quality of life will be enhanced.

If the Maryland Heritage Structure Rehabilitation Tax Credit is to be maximally effective in delivering its environmental, economic and fiscal benefits in the future, we recommend that to the extent feasible the following objectives be realized:

- *Smart Growth Program*  
The program’s greatest benefits are long-term: more sustainable communities, reduced infrastructure costs, increased property tax base, and others. Historic tax credit investments must be evaluated from a long-term investment perspective similar to public finance bond investments.
- *Remove/increase program and project caps*  
The tax credit program is effective at

capturing growth in the right places and creating jobs. The larger projects create more employment and also tend to catalyze broader revitalization in their immediate neighborhoods. The greater the availability of tax credits, the greater the program’s job-creating potential—particularly in the midst of a recessionary economy.

- *Increase Predictability*  
The greater the predictability the program can have for developers and investors, the more likely they will be to attempt historic rehabilitation. Removal of rating and ranking systems (along with their associated time delays) will encourage the use of the program.
- *Encourage energy-efficient rehabilitation*  
Starting from a base of relatively more energy-efficient buildings, encouraging greater energy savings in historic structures through green building standards will enhance the program’s total impact.

### **The Authors**

In this analysis, the authors review recent research into the benefits of the rehabilitation of historic structures regarding their impact on the environment, on the Maryland economy and on the budgets of state and local governments in Maryland. Benefits are quantified insofar as current research will permit. The principal author, Joseph Cronyn of Lipman Frizzell & Mitchell LLC, is a nationally-recognized authority on the economic and fiscal impacts of historic preservation. His co-author, Evans Paull of the Northeast-Midwest Institute, has done extensive research into brownfields, sustainable development, and environmental issues for the development of national policy.

An appendix containing additional documentation of the methodology and assumptions is available from The Abell Foundation upon request by contacting [abell@abell.org](mailto:abell@abell.org)

## Endnotes

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- <sup>6</sup> Baltimore Metropolitan Council, Factors Affecting Travel Behavior, for the Transportation 2030 Project.
- <sup>7</sup> The 1.1 MBTU per sq ft factor represents a clarification from Patrice Frey, National Trust for Historic Preservation. The embodied energy data is based on 1970's data that is being revised. According to Ms. Frey, the revisions will likely result in lower numbers.
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- <sup>9</sup> George Washington University, "Public Policies and Private Decisions Affecting the Redevelopment of Brownfields: An Analysis of Critical Factors, Relative Weights and Areal Differentials," 2001, <http://www.gwu.edu/~cem/Brownfields/>
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## ABELL SALUTES

*Continued from page 1*

The next stop is the kitchen, actually the kitchen sink. Ms. Copeland points to a lever on a device fixed to a spigot. “Water comes out in a shower, in separate little streams, so there is less water coming out to do the same job” She presses a tiny lever near the faucet handle. “This stops the water at the temperature you had it, so when you restart it the water comes out at that same temperature. There is no loss of water, or of the energy to heat the water, when you leave the kitchen for any reason or pick up the phone to interrupt what you were doing.”

Mrs. Copeland leads the visitor down steps off the kitchen and into the basement, which has been rebuilt into a club room. She points to the hot water heater. “It’s wrapped in three and a half inches of insulation. It keeps the heat in and the savings in energy up.”

Back on the first floor she points to the thermostat on the wall near the stairwell. She says, “You can preset the control to get differing temperatures at the times when you want it, so that you need not waste energy keeping the house warm when you are not here or when you are asleep and might want it cooler.

“I not only can take credit for saving energy, I got credit on my monthly budget bill from Baltimore Gas and Electric. I am delighted with the program.”

Mrs. Copeland’s house at 1924 E. 32nd St. is one of 300 houses where Civic Works has installed the energy saving, money saving Project Light Bulb program.

The program traces its origins in Baltimore to The Abell Foundation’s interest in energy conservation. Aware of Civic Works’ strong track record of neighborhood stabilization, community service and skills development, the Foundation approached the organization about funding for a new energy-efficiency program. Civic Works researched a program in Colorado, implemented by the Mile High Youth Conservation Corp with funding

from the Governor’s Office of Energy Management and Conservation. With a start-up grant of \$67,375 from the Abell Foundation, the Colorado model was modified into a pilot program for Baltimore. Project Light Bulb was born.

The project is designed to be easy to implement, immediately addressing the five things in the house that can quickly and most cost-effectively reduce energy consumption and lower household energy costs—with a high priority on light bulb replacement, with removal of up to 15 incandescent bulbs within the house and replacement with CFL light bulbs. The Maryland Energy Administration provided 1,600 CFL bulbs for the pilot and Baltimore Gas and Electric provided 1,000 CFL bulbs. In addition, Civic Works tests thermostat settings for the furnace and air conditioner and tests temperatures of hot water heaters and refrigerators. They replace one kitchen and one bathroom faucet with aerators and replace the showerhead with a low-flow version to reduce consumption of hot water. As a safety measure, Civic Works provides a carbon monoxide detector and makes referrals to the Fire Department for smoke detectors in houses where there are none. Importantly, they provide education on conservation by giving the resident tips on additional energy-saving measures such as washing clothes in cold water and cleaning dust off refrigerator coils. They provide printed information with each resident on the energy conservation items installed and tips for additional savings.

Project Light Bulb began as a pilot program in two neighborhoods, Belair Edison and Coldstream-Homestead-Montebello, in November, 2007. Each of the neighborhoods was chosen for its demographics of low and moderate income households most likely to be affected by energy prices, the predominant housing type of the two-story row house with some built-in energy efficiency advantages and for the strong neighborhood organizations with marketing capability.

Civic Works trains AmeriCorps workers and deploys them in teams of two to visit each home. By the end of February, 2008, Civic Works had visited 330 homes, installing 4,060 CFLs, 287 kitchen aerators, 258 bathroom aerators, 219 low-flow shower heads and 330 carbon monoxide detectors and provided 164 names and addresses to the Fire Department of smoke detector referrals. They found that in the majority of homes, residents had very limited knowledge of energy conservation and most did not have thermostats, freezers and water heaters set at the recommended temperatures. Civic Works conservatively estimated that in the first year the 300 participating households will save \$27,000 in combined electricity costs and 3.2 million gallons of water, not including any reductions from adjusted thermostat settings or hot water usage.

Using data provided through BGE under agreement with each participant, Civic Works compared actual electricity usage from February and March, 2008 to February and March, 2007. They determined that the average monthly savings for participating households is 53 kilowatt hours per month or \$8, which represents approximately a 10 percent savings in monthly electricity costs. Although the homeowner does not pay the \$205 cost of the installation of energy-saving devices at current electricity rates, the homeowner savings cover the cost of the program in a little over two years. Based on the results of the pilot program, The Abell Foundation awarded a subsequent \$213,000 grant to Civic Works to continue the program for one year to address an additional 1,000 households.

The Abell Foundation Salutes Project Light Bulb: Dana Stein, Executive Director; Earl Millett, Director of Community Development of Civic Works; and the Civic Works AmeriCorps trainees who implement the program, and all 300 of the Mrs. Copelands who are saving money by saving energy.

**ENVIRONMENT SCRUTINY COMMITTEE  
TASK AND FINISH REVIEW GROUP**

**Northgate  
Heritage Regeneration  
2002-07**

*Heritage Economic Regeneration Scheme  
&  
Partnership Scheme for Conservation Areas*

**DRAFT FINAL REPORT**

**MARCH 2007**

**TASK AND FINISH GROUP MEMBERS**

Cllr Stella Robson (Chair)  
Cllr Fred Lawton  
Cllr Ron Lewis  
Cllr Dorothy Long  
Cllr Jim Ruck  
Cllr John Vasey



## **INTRODUCTION**

Environment Scrutiny Committee was asked to undertake a review of the impact of the Northgate Heritage Regeneration schemes, in terms of whether they represented value for money, and whether they had made a notable difference in the area. A Task and Finish Group was established to consider the Heritage Economic Regeneration Scheme (HERS) 2002 – 2005 and the Partnership Scheme for Conservation Areas (PSCA) 2005 – 2007. The review also considered the extent to which targets have been achieved and the potential for further funding opportunities in the future.

The information presented here is based on discussion following a presentation given by Officers to the Task and Finish Group, as well as information gathered by the group whilst on a site visit along Northgate.

## **BACKGROUND**

The ‘Heritage Economic Regeneration Schemes’ were promoted by English Heritage (EH) in the early 2000’s. Local Authorities were invited to bid for EH money, which had to be match funded by the Local authority. Funds were mainly to help property owners carry out repairs and reinstatements, plus some area environmental enhancements. As with earlier EH schemes, HERS was targeted at conservation areas; was not restricted to listed buildings; was limited to a set period; and managed day-to-day by the Local Authority. Furthermore, the schemes were to be focused on areas which required economic as well as physical regeneration. In particular where repairs and enhancements would help sustain local employment, provide new homes and encourage inward investment.

## **FINDINGS**

### **Northgate HERS**

In Darlington, the criteria for HERS was most closely met by the part of the Northgate Conservation Area fronting onto Northgate/High Northgate (see Map at **Appendix 1**). The Scheme boundary extends approximately half a mile from the ring road to the railway bridge and includes 120 properties, both commercial and residential. The area is important historically as the route of the old Great North Road and as a link between pre-industrial Darlington and the Stockton & Darlington Railway. It contains various listed buildings and others of townscape value, where historic features are threatened by poor repair or may be masked/damaged by previous inappropriate alterations.

The HERS Area is also acknowledged socially and economically as a deprived part of the town which has had low levels of investment for decades. This in turn can impact on the image of Darlington generally, as North Road provides a busy gateway in and out of the town.

In July 2002 EH confirmed the Councils bid for funding, which was to be match funded from ONE Single Programme monies under the banner of Darlington Gateway. The generous grants available reflected the level of deprivation and underinvestment in the area and consisted of:

- 65% for building repairs (eg roofs, walls)
- 75% for architectural reinstatements (eg shopfronts, railings)
- BUT 0% for maintenance and most internal improvements.

To get a grant, work needed to be to conservation standard and reinstatements had to be authentic. Although, various buildings were targeted in the implementation programme as priorities, in practice there was a need for some quick and visible improvements and so funding was given mainly on a first-come, first-served basis.

The HERS scheme was launched in 2003 and twelve building projects were carried out, benefiting 14 buildings. Details of the projects are included at **Appendix 2** ranging variously from:

- structural repairs (essential but inconspicuous), to re-fenestration (low-cost but high impact); and,
- comprehensive restoration of buildings, to reinstatement of boundary features.

### 29 High Northgate



**BEFORE**



**AFTER**

## HERS Expenditure

<b>Northgate HERS total public funding</b> (ONE £187,441) (EH £134,284)	<b>£321,725</b>
<b>Of which building grants</b>	<b>£294,390</b>
<b>Which drew in spending by owners of at least</b> (on eligible works £131,166) (on non-eligible works at least £33,372)*	<b>£164,539</b>
<b>Investment in Assisted Buildings</b>	<b>&gt; £459,000</b>

\* Details of spending on non-eligible works not required from owners

## HERS Targets and Achievements

Indicator	Target	Achieved
<b>Physical regeneration:</b>		
Properties grant-assisted	13	14
(including number targeted for priority action)	-	11
<b>Employment:</b>		
Businesses attracted	1	0
Businesses supported	1.5	2
<b>New homes:</b>		
New homes created with grant aid	0	0
<b>Investment:</b>		
Private investment	£50,200	£164,539

Indicators relate to direct achievements of PSCA, not indirect

### Northgate PSCA

EH supported the idea of extending the HERS through a new Partnership Scheme for Conservation Areas, based on similar principles to the HERS scheme. Again Darlington was successful in its bid and the two-year grant was launched in July 2005. The Council match-funded the EH contribution directly, and although slightly reduced, the grants remained generous:

- 60% for repairs/restoration of historic features
- 70% for the re-introduction of lost historic features.

To date, 12 grants have been provided assisting 9 Properties. The details are set out in detail at **Appendix 3**.

The EH grant was conditional on the Council preparing a Conservation Area Appraisal (CAA) for Northgate and adopting an Article 4 Direction to remove various permitted

development rights in the area thereby protecting the grant investment made in the properties. Both these conditions have been met and the CAA is available on the Council's Website, or hardcopies are available from the Council's Conservation Officer.

### 109 High Northgate



**BEFORE**



**AFTER**

#### PSCA Expenditure

<b>Northgate PSCA total public funding</b> (DBC £200,000) (EH £160,000)	<b>£360.000</b>
<b>Of which building grants</b>	<b>£360.000</b>
<b>Which drew in spending by owners of at least</b> (on eligible works £113,311) (on non-eligible works at least £ (not known))*	<b>£113,311</b>
<b>Investment in Assisted Buildings</b>	<b>&gt; £473,311</b>

\* Details of spending on non-eligible works not required from owners  
> plus costs of conversion to residential accommodation

### **PSCA Targets and Achievements**

Indicator	Target	Achieved
<b>Physical regeneration:</b>		
Properties grant-assisted (including number targeted for priority action)	10 -	9 7
<b>Employment:</b>		
Businesses attracted	-	1
Businesses supported	-	6
<b>New homes:</b>		
New homes created with grant aid	-	7
<b>Investment:</b>		
Private investment	-	<b>£113,311</b>

Indicators relate to direct achievements of PSCA, not indirect

### **FOLLOWING THE LEAD**

As hoped, other owners have started to invest in, and adjacent to, the area without grants. Some of the owners had expressed interest in grants but were either not offered them because of a shortage of funds in a particular year, or the nature of their project, or because they opted not to take them up because they were not willing to carry out work to 'conservation' standard. Nevertheless, some of these owners may not have come forward without the uplift in confidence engendered by the HERS and PSCA.

### **FUTURE GRANTS**

The T&F Group were informed that EH have no proposals at present to extend the PSCA grant scheme, in its current or any other form. Furthermore, Officers are not aware of any similar funding available from other sources. Members were keen that the good work achieved through the HERS and PSCA should be continued and that officers should investigate further sources of funding and, where the opportunity arises, bid for these resources where appropriate.

### **FINAL COMMENTS**

Having considered the information before them, and visited the Northgate area to assess the Grants Scheme results on the ground, the T&F Group makes the following observations:

- The Review Group can confirm that there is a general view that the work undertaken over the past five years through the two Schemes of Heritage Economic Regeneration Scheme (HERS) and Partnership Scheme for Conservation Areas (PCSA) has been both successful and encouraging in improving the gateway approach to Darlington, however there remains a lot more work to do;

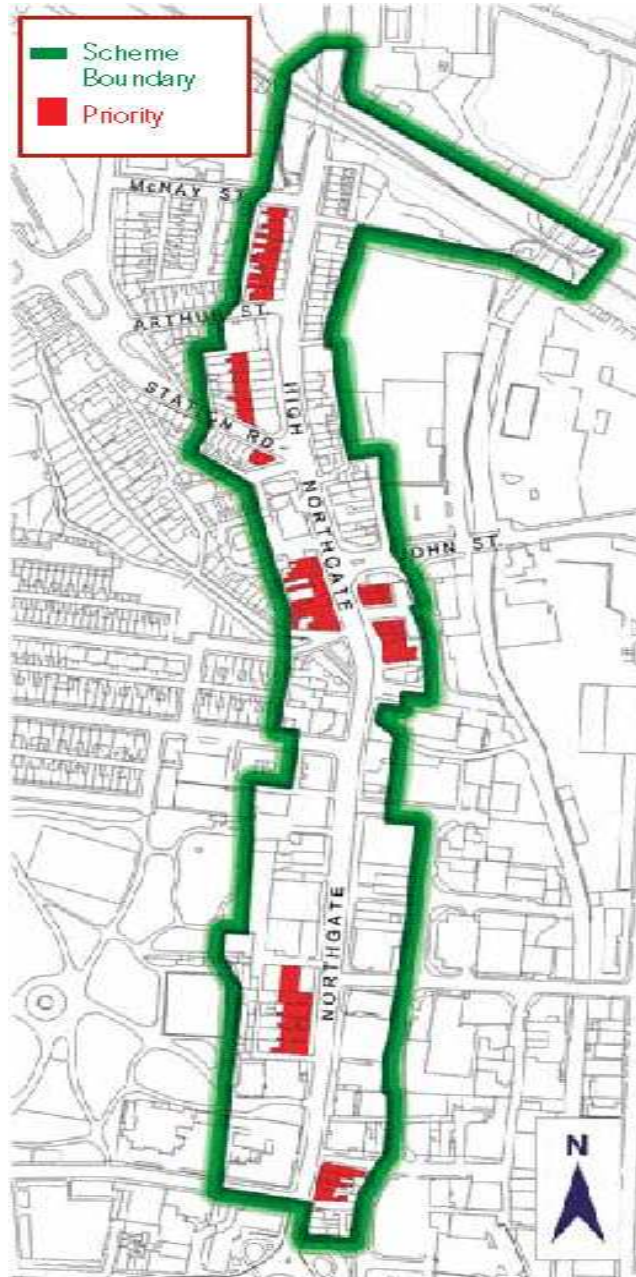


- The improvements to the area have been noticeable however it has been a slow process although momentum is gathering.
- Both grant and private money has been used as residents and owners of property in the area have noticed the difference being made. If the work were continued hopefully others would be encouraged to follow, success breeds success.
- The Northgate Conservation Area appraisal is supportive of both HERS and PCSA schemes.
- During the study of this important Gateway area the Group has identified a number of issues which could be pursued to improve this important Gateway approach to Darlington Town Centre as follows :-
  - There is a general need for more work on properties within the Northgate Conservation Area and as the current schemes cannot be extended therefore research should be undertaken to locate complementary economic funding through other sources i.e. Tees Valley Partnership;
  - The economic regeneration of the area should be a priority with traffic management and parking facilities being identified and solutions found;
  - The HERS and PCSA Schemes are commendable and worthwhile, however there is a great deal left to do and it is hoped that funding can be found to continue the existing schemes or alternatively pursue a local authority-run scheme with similar goals;
  - The Group had identified many problems in the area and further lines of research are required which are beyond the parameters of this study, it is felt that research should be undertaken into the following
    - Commercial Issues;
    - Economic Issues
    - Traffic and Parking Issues; and
    - General appearance of the area.

## **RECOMMENDATION**

That, in view of the success of these Schemes, the Council consider financing a complementary scheme for visual improvements to properties facing onto Northgate and also seek further finance to provide further schemes for regeneration of properties.

**APPENDIX 1: NORTHGATE HERITAGE REGENERATION SCHEMES  
BOUNDARY**



## APPENDIX 2: HERS PROJECTS

### **29 High Northgate**

(Former vacant shop, now Printing.com)

•**First grant to be offered, and probably the most important.**

- within primary target block, 11-29 High Northgate;
- poor condition visually and structurally;
- prominent - major impact on image of area and town.

•**Main grant works:**

- structural repair;
- reinstatement of traditional shopfront;
- reinstatement of traditional windows (inc. bay);
- Reroofing;
- repointing, re-rendering & brick repair.

•**Eligible costs:** £52,291

•**Grant:** £35,002

### **19 High Northgate**

*(Sadie's shop with flat above)*

- Again part of the primary target block, 11-29 High Northgate.
- Works essential to the structural integrity of the terrace and to the retention of the property. But almost inconspicuous.

•**Main grant works:**

- structural roof repairs
- structural wall restraint to front & rear
- reroof in Welsh slate
- replace cast iron rainwater goods
- reinstate rear chimney

•**Eligible costs:** £21,849

•**Grant:** £13,826

### **73 High Northgate**

*(Residential)*

- Part of the secondary target block, 69-81 High Northgate.
- One of the oldest groups of buildings in the area (early-mid 19thC). A fine building whose character had been diminished.

•**Main grant works:**

- reinstate front sash windows
- repair front door
- overhaul & repair rear windows
- reroof in slate
- replace CI rainwater goods

•**Eligible costs:** £27,881

•**Grant:** £18,430

### **97 High Northgate**

*(Residential)*

- Part of the secondary target block, 91-109 High Northgate.
- Close to the S&DR complex.
- Part of a pair with No.99.

•**Main grant works:**

- reinstate CI railings & repair stone steps
- reinstate/repair windows & surrounds
- repair doorcase
- reinstate hardwood front door
- reroof rear range
- renew CI rainwater goods
- rebuild chimney & reinstate pots
- rebuild rear wall
- cosmetic imps. to No.99

•**Eligible costs:** £65,253

•**Grant:** £44,772

## **95, 101 & 103 High Northgate**

*(Residential)*

•Again, part of the secondary target block, 91-109 High Northgate.

•**Main grant works:**

–reinstate CI railings and repair stonework  
–to match style of No.97

–

•**Eligible costs:** £26,567

•**Grant:** £19,926

## **105 High Northgate**

*(Residential)*

•Another part of the secondary target block, 91-109 High Northgate.

•**Main grant works:**

–reinstate sash windows  
–repair/renew CI rainwater goods  
–reinstate front door  
–repair rear wall & gate  
–remove pebbledash  
–render in traditional manner  
–reinstate stone boundary wall & steps  
–reinstate CI railings

–

•**Eligible costs:** £65,967

•**Grant:** £47,425

## **149 Northgate**

*(Residential, behind vacant shop)*

•Part of the secondary target block, 143-163 Northgate. Late-18thC/early-19thC.

•**Main grant works:**

–remove render from brickwork  
–reinstate first floor sash windows  
–repair front door  
–repair shop parapet

–

•**Eligible costs:** £27,037

•**Grant:** £17,954



### **151 Northgate**

*(Residential, behind shop)*

•Again, part of the secondary target block, 143-163 Northgate.

•**Main grant works:**

- reroof in slate; associated chimney repairs, flashings
- renew CI rainwater goods
- remove render from brickwork
- reinstate sash windows
- overhaul doorcase & door
- renew access gate
- 

•**Eligible costs:** £33,446

•**Grant:** £22,660

### **153 Northgate**

*(Residential, behind shop)*

•Part of the secondary target block, 143-163 Northgate.

•**Main grant works:**

- reroof dwelling in slate
- reroof shop in stainless steel
- repair flashings & CI guttering

•**Eligible costs:** £25,673

•**Grant:** £16,688

### **172-176 Northgate**

*(Now Topoli Joe's play centre & Joeggio restaurant)*

•Major commercial property, empty since vacated by Thornleys.

•**Main grant works:**

- reinstate traditional shopfront
- reinstate first floor bay windows

•**Eligible costs:** £31,322

•**Grant:** £23,492

### **32 High Northgate**

*(Darlington DIY)*

•Small 19thC shop on prominent junction.

•**Main grant works:**

- reroof in slate
- reinstate CI rainwater goods
- repair shopfront
- reinstate sash window

•**Eligible costs:** £9,938

•**Grant:** £6,503

### **108 High Northgate**

*(Residential)*

•Residential terrace on east side of road which has lost much of its original character.

•**Main grant works:**

- repair & reinstate sash windows
- reinstate basement lightwell
- reinstate stone steps
- reinstate boundary wall & railings

•**Eligible costs:** £38,327

•**Grant:** £27,710

## **APPENDIX 3: PSCA PROJECTS (AS AT 5 MARCH 2007)**

### **145 Northgate**

*(Commercial with residential upper floors)*

- First PSCA Scheme project.
- First property beyond North Lodge on the W side of Northgate - a priority property.

•**Main grant works:**

- reroof in Welsh slate
- re-point chimney stack
- cast iron rainwater goods
- new stainless-steel roof to flat-roofed shop.

•**Eligible costs:** £36,758

•**Grant:** £21,777

### **109 High Northgate**

*(Residential)*

- Residential terrace to W side of road, degraded by unsympathetic modern alterations - a priority property.

•**Main grant works**

**grant No.1:**

- 13 new timber sash windows to front and side elevations
- render repairs
- stone wall repairs
- new cast iron railings and gate
- re-paint exterior

**grant No.2:**

- structural repairs to internal bay at 1st and 2nd floors

**grant No.3:**

- replace chimney stack, inc. pots to end gable (works progressing)

•**Eligible costs:** £66,235

•**Grant:** £45,592

## **8 High Northgate (The Railway Tavern)** (*Works ongoing*)

(*Commercial*)

•A priority property, on W side of road.

•**Main grant works:**

- restore external timberwork, inc. windows & pilasters
- replace felt bay roof cladding with lead roll
- new side elevation timber gate

•**Eligible costs:** £11,217

•**Grant:** £6,730

## **21 High Northgate** (*works ongoing*)

(*Commercial, upper floors being converted to residential*)

•Mid-terraced building, opposite junction to John Street - a priority property.

•**Main grant works:**

- rebuild front elevation wall, suffering from structural weakness
- reroof in slate
- 4 new timber sash windows, one triple casement window
- new Victorian-style shop-front

•**Eligible costs:** £66,975

•**Grant:** £44,554

## **85 High Northgate**

(*Commercial*)

•Semi-detached club, re-fronted in the 1920s.

•**Main grant works**

**grant No.1:**

- restore existing windows, inc. stained glass
- 3 timber windows replaced
- render repairs
- new timber front door (replacing later window)

**grant No.2:**

- restore front boundary stone wall
- new cast iron railings and gate

•**Eligible costs:** £42,132

•**Grant:** £27,745

**120-122 High Northgate** (*works yet to start*)

(*Vacant shop*)

•Commercial property on E side of road. Penultimate property before rail bridge. Upper floors being converted to residential use.

•**Main grant works:**

- restore 19thC shop-front, including canopy
- restore & replace timber sash windows
- reroof in Welsh slate
- Remove paint to frontage
- reinstate front elevation stone boundary wall & cast iron railings

•**Eligible costs:** £44,601

•**Grant:** £30,340

**23 High Northgate** (*works yet to start*)

(*Shop*)

•Mid-terrace property on W side of road, opposite John Street. Upper floors being converted to residential use.

•**Main grant works:**

- restore 19thC shopfront, including canopy
- restore 19thC front door
- reinstate timber door to match 19thC original
- restore & replace timber sash windows
- reroof in Welsh slate
- reinstate front elevation stone boundary wall & cast iron railings

•**Eligible costs:** £45,490

•**Grant:** £30,524

**95, High Northgate** (*works yet to start*)

(*residential*)

**Main grant works:-**

- replace broken 19thC front door with replica

**Eligible costs:** £823.72

**Grant:** £412.00



**142-144, Northgate** (*works yet to start*)  
(*Commerical*)

- A priority property, on W side of road.

***Main grant works:-***

- structural repairs to roof, including new slate tiles
- renew rainwater goods in cast iron
- new sash windows
- new timber joists and boards
- rebuild chimneybreast and stack
- repair Georgian staircase balusters, spindles and newel posts

**Eligible costs:** £31,000.00

**Grant:** £18,688.00

**NOTES OF MEETING  
HERITAGE ECONOMIC REGENERATION SCHEME (HERS)  
TASK AND FINISH REVIEW GROUP**

18th January, 2007

**PRESENT** – Councillor S. Robson (in the Chair); Councillors, Lawton, Lewis, Long and Ruck.

**Officers in Attendance** – Steve Petch, Planning Services Manager, Martyn Kendall, Conservation Officer and Karen Graves, Democratic Support Officer.

Councillor Robson opened the meeting by welcoming everyone to the meeting and advised that Councillor D.A. Lyonette had asked Environment Scrutiny to undertake the Review on the HERS Scheme to investigate the effect the HERS Scheme had had on Northgate, whether it represented value for money and if a notable difference had been made to the area. The main purpose of today's meeting was to set the Terms of Reference and give consideration to the timescale for undertaking the Review .

The following points were discussed/considered :-

- The review could be completed with two meetings and a site visit, with one of the meetings being in the format of a presentation of 'before' and 'after' photographs; a target date for completion of the review was set at 31st March, 2007;
- During the site visit Members were keen to speak to occupants of properties who have had work done under the HERS Scheme and to people who wanted work done but owners of properties were unwilling;
- Information required by Members included the amount of properties worked on; the input by HERS; and the final outcome so that a rational judgement on the outcome of the scheme could be made;
- Martyn confirmed that the HERS finished in 2005 and it was replaced by the Darlington Partnership, a separate scheme, which was due to finish in 2007 after which grants could not be given;
- Steve confirmed that the HERS was match-funded from Darlington's share of One North East funding, the Darlington Partnership was match funded by Darlington Borough Council;
- A Member stated that the recommendations of the Review should state how valuable the scheme has been and suggest that it is a pity it has not been extended especially to other areas of the Town;

- Martyn also confirmed that the ‘Bed Shop’ in Northgate was a large scheme costing of £75,000 which was currently being restored and as English Heritage have contributed more than £25,000 they obviously have a large part to play in the works;
- It was stated that the HERS Scheme had assisted 14 properties and had had £300,000 to allocated to applicants, the current scheme had helped 8/9 properties with £50,000 remaining, two applications had been received but structural work was involved;
- Members gave consideration to the works undertaken in Northgate which were seen as essential as it was a corridor area to the Town Centre but recognized that the railway bridge was owned by Network Rail;
- It was confirmed that the aim of the scheme was to improve the appearance of building and restore them appropriately and that some grants were given for structural repairs and may not be visible from the external appearance;
- Steve advised Members that a lot of work had recently been undertaken on Conservation Areas and Article 4 directions had been put in place and were currently at consultation stage;
- It was also confirmed that four Conservation Area appraisals had been completed, two by consultants, and that funding was being investigated to undertake further appraisals, it was hoped to complete three more in the next financial year and have all areas completed within five years, after which the Appraisals would need to be re-visited and updated;
- The Conservation Review Group undertaken by Environment Scrutiny Committee had been a great help.

**IT WAS AGREED** – (a) That the following be this Task and Finish Review Group’s Draft Terms of Reference :-

- The Cabinet Member with portfolio for Regeneration and Planning requested Environment Scrutiny to undertake this Review of the HERS and Darlington Partnership Conservation Schemes within Northgate Conservation Area to determine whether it represented value for money and if a notable difference had been made to the area.
- Establish what the targets were and measure the schemes against those targets.
- Establish whether the schemes have made a notable difference.
- Investigate whether there are opportunities for funding in the future.

(b) That the next meeting of this Group be held on 15th February, 2007 incorporating a site visit to the Northgate Conservation Area.

**NOTES OF MEETING  
HERITAGE ECONOMIC REGENERATION SCHEME (HERS)  
TASK AND FINISH REVIEW GROUP**

15th February, 2007

**PRESENT** – Councillor S. Robson (in the Chair); Councillors, Lawton, Lewis, Long, Ruck and Vasey.

**Officers in Attendance** – Steve Petch, Planning Services Manager, Martyn Kendall, Conservation Officer, Brendan Boyle, Planning Officer and Karen Graves, Democratic Support Officer.

Councillor Robson opened the meeting by welcoming everyone to the meeting and advised that the purpose of today's meeting was to receive a PowerPoint presentation on the Heritage Economic Regeneration Scheme (HERS) and Northgate Partnership Scheme for Conservation Areas (PSCA) followed by a site visit to the Northgate Conservation Area in order to judge the outcome of both schemes.

The following points were discussed/considered :-

- HERS operated from 2002 to 2005 (with final payment March 2006) and was promoted by English Heritage to help property owners carry out repairs and reinstatements in the early 2000's, together with some environmental enhancements;
- Grant rates were 65% for building repairs and 75% architectural reinstatements;
- Local authorities were invited to bid for, and match-fund, EH funding;
- HERS was targeted at conservation areas, limited for a set period of years and managed by the Local Authority;
- HERS focused on areas which required economic and physical regeneration and that criteria was most closely met by part of Northgate Conservation Area;
- Following the bid process Northgate HERS was publicly launched in January 2003;
- Twelve projects, benefiting 14 buildings, were undertaken covering structural repair, re-fenestration, comprehensive restoration and reinstatement of boundary features;
- Northgate HERS expenditure included building grants of £294,390, with owners spending at least a further £164,539 giving a minimum total investment in assisted buildings of £459,000;
- The Powerpoint presentation gave further details on the schemes undertaken;
- The Northgate Partnership Scheme for Conservation Areas (PSCA) was launched in July 2005 with an initial two year period for grant offers and Local Authority match funding;



- Grant rates are slightly less than HERS at 60% for repairs and restoration of historic features and 70% for re-introduction of lost historic features;
- The first grant was offered in October 2005 and in October 2006 English Heritage reduced funding from £100,000 to £60,000:
- To date, ten grants have assisted seven properties with a final date for grants being offered of 31st March, 2007;
- To date there was currently £19,100 of PCSA funds remaining;
- The Powerpoint presentation gave further details on the schemes undertaken;
- Further property owners within the area have started to invest without grant assistance including some who expressed an interest but were not offered grants due to shortage of funds or the nature of the project;
- The Powerpoint presentation gave further details on the schemes undertaken;
- A site visit to the Northgate Conservation Area then took place.

**IT WAS AGREED** – (a) That the thanks of this Review Group be extended to the Officers for their informative presentation.

(b) That, as the Group has completed its investigations, the final report be compiled and given consideration at the next meeting scheduled for 8th March, 2007.

**NOTES OF MEETING**  
**HERITAGE ECONOMIC REGENERATION SCHEME (HERS)**  
**TASK AND FINISH REVIEW GROUP**

8th March, 2007

**PRESENT** – Councillor S. Robson (in the Chair); Councillors, Lawton, Lewis, Ruck, and J. Vasey.

**Officers in Attendance** –Martyn Kendall, Conservation Officer, Brendan Boyle, Planning Officer and Karen Graves, Democratic Support Officer.

Councillor Robson opened the meeting by welcoming everyone to the meeting and advised that the purpose of today's meeting was to look at all the information which had been gathered and formulate recommendations for approval by Environment Scrutiny and ultimately Cabinet. She stated that the Review Group had seen very good progress of both Schemes and they had made an excellent impact on the Northgate Conservation Area.

The following points were discussed/considered :-

- Individual gems had been produced with the little money available, the overall visual impact of the area was important and it was felt that this may not have been achieved;
- There were 120 properties in the area with 23 receiving grants – approximately 19% with some grants covering structural works and therefore not readily visible;
- A large number of properties still have eligibility and further improvements could be made if funding was available. There was also an economic element to the Schemes which it was felt could be further explored;
- The size of the problem was greater than the scope of available grants and it was questioned what stimulus could be offered to encourage fruitful use of the properties concerned;
- It was stated that in the West Midlands areas were made special i.e. the Birmingham Jewellery Corner, and as monies had recently been awarded to the Museum could that area be developed, there had already been improvements to the Sure Start building in McNay Street and apartments had recently been built in Stephenson Street – Was it possible to target regeneration in North Road;
- Members did agree that the Schemes had stopped the decline of the area and full credit should be taken for the improvements and enhancements;
- Officers reported that other Local Authorities had run parallel schemes for smaller works that were not within the remit of similar schemes to HERS and PCSA whereby cosmetic improvements could be undertaken at the same time as structural improvements;
- It was felt that the impact of the Commercial Street development on footfall in the area would be minimal and it was suggested that the problems for commercial properties in the Northgate area were traffic-related – Northgate is one of the busiest roads in the Borough and due to traffic regulations and parking restrictions it was difficult for passing

traffic to 'stop and do business';

- It was agreed amongst Members that Valley Street was a thriving area and can attract business as there was ample opportunity for parking however several streets in Northgate, including Garden Street, were bollarded for safety reasons therefore reducing the opportunity for traffic to stop – there was a feeling that traffic should be managed to ensure that the provision for stopping was made;
- Members agreed that a consultation exercise with businesses located in Northgate would be advantageous to determine their needs;
- A Member stated that English Heritage should take into account environmental issues such as global warming and climate change when placing conditions on works to be done, however, Officers advised that English Heritage were aware of the environmental issues but they ensured that the historic details were correct and accurate;

**IT WAS AGREED** – (a) That the thanks of this Review Group be extended to the Officers for their involvement in the investigations and research of the Group.

(b) That, the findings and recommendations of the Group be incorporated into the Final Report for consideration by Environment Scrutiny Committee at its meeting scheduled for 29th March, 2007.

## National Restoration Fund



# Monument preservation in the Netherlands

## Stock

- 62.000 state monuments, 40.000 municipal monuments
- 70% of historic stock consists of houses,
- 30% are other (churches, castles, windmills, etc.)
- 1,5% of all the buildings in Netherlands are protected

## Governmental financial measures

- Grants for restoration/ maintenance
- Tax deductions of maintenance costs
- Low-interest loans (Revolving Funds)





# National Restoration Fund



Monument



Hypotheek



Hotel

- Founded in 1985 (independent): private foundation, Initiative: ministry of Culture
- Goal: promoting the preservation and restoration of historic buildings by providing financial facilities and services;
- Specialized 'bank' in monument preservation for owners of monuments;
- Management of Revolving Funds;
- Partnerships: state, local governments, monument and private organizations.

Key tasks: financing and knowledge.

# What do we do?

## Facilitate owners

- Restoration-mortgages (instead of a subsidy)
  - Loan at 70% of the restoration costs
  - Interest 5% beneath normal market rates ( 1,5% at present)
  - < 30 years duration loan
  - Home owners: min. 10.000 euro, max. 300.000 euro
  - Large scale restorations: min. 300.000 euro , max. 2,5 million euro (total 103 million)
- All-in financing for restoration projects (90 million per year)
- Financial advise

# Loan process & restoration quality

- To simplify process : Tax Bureau for Monuments defines deductible maintenance costs, basis for loans
- Detailed restoration plan
- Closing business case
- Application loan before start of restoration
- Loan payments through declarations
- Report of completing the restoration

# What do we do?

## **Facilitate governmental organisations**

- Subsidy payments and administration (100 million per year)
- Financial facilities in combination with subsidy budgets: management of revolving funds.
- Research and strategic advise, specially on economical effects of the preservation of monuments

# Revolving Fund Mechanism

## REVOLVING FUND





# Revolving funds: low-interest loans

## State monuments

- Revolving Fund dwelling houses 359 mln.
- Revolving Fund large scale restorations 103 mln.

Municipality monuments 73 mln

## **Partnerships with**

State government → state protected monuments

Local governments → local protected monuments

Private funds/ organisations → depending on policy goal



# Revolving Fund mechanism as a sustainable model

# 'Recycling of money'

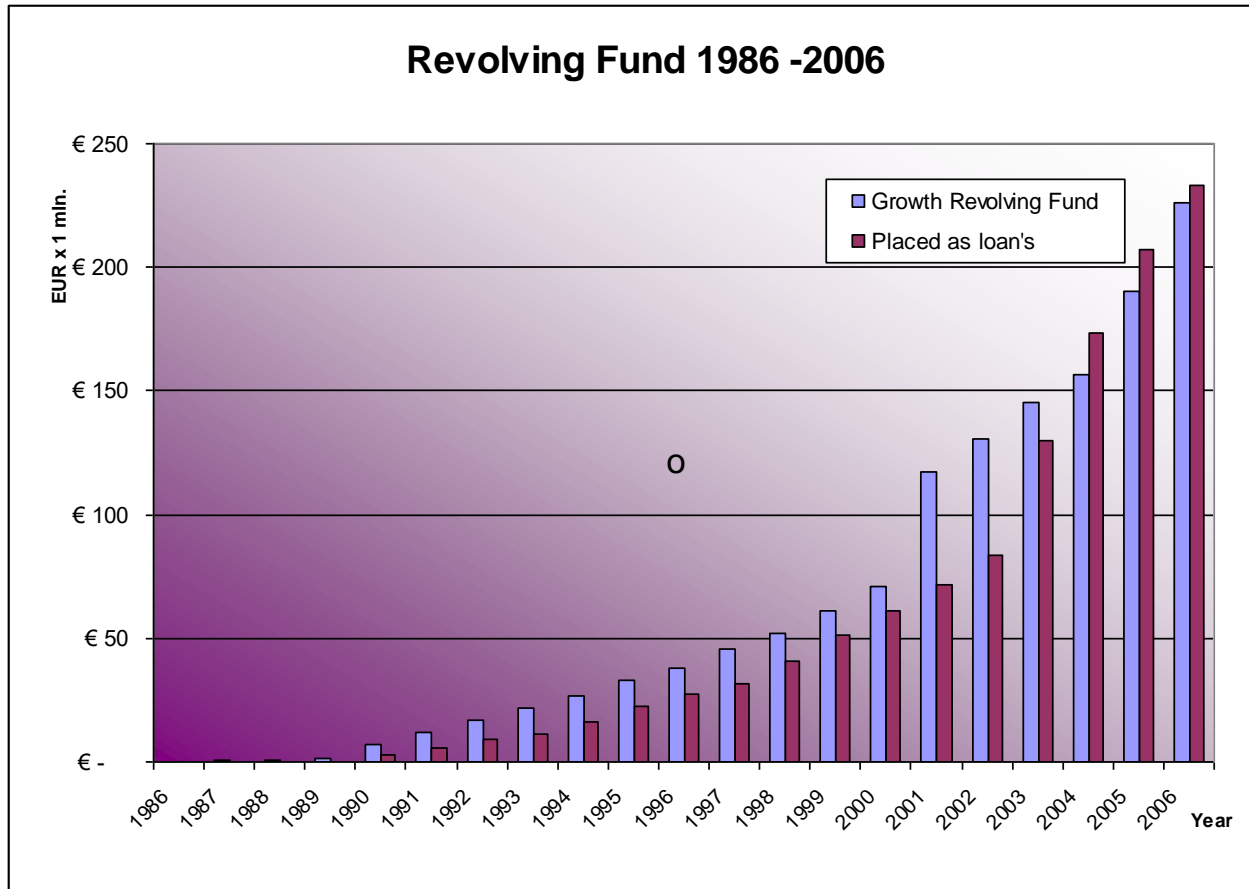
## **Input**

- At first: government subsidy
- Now: interest and instalment on loans

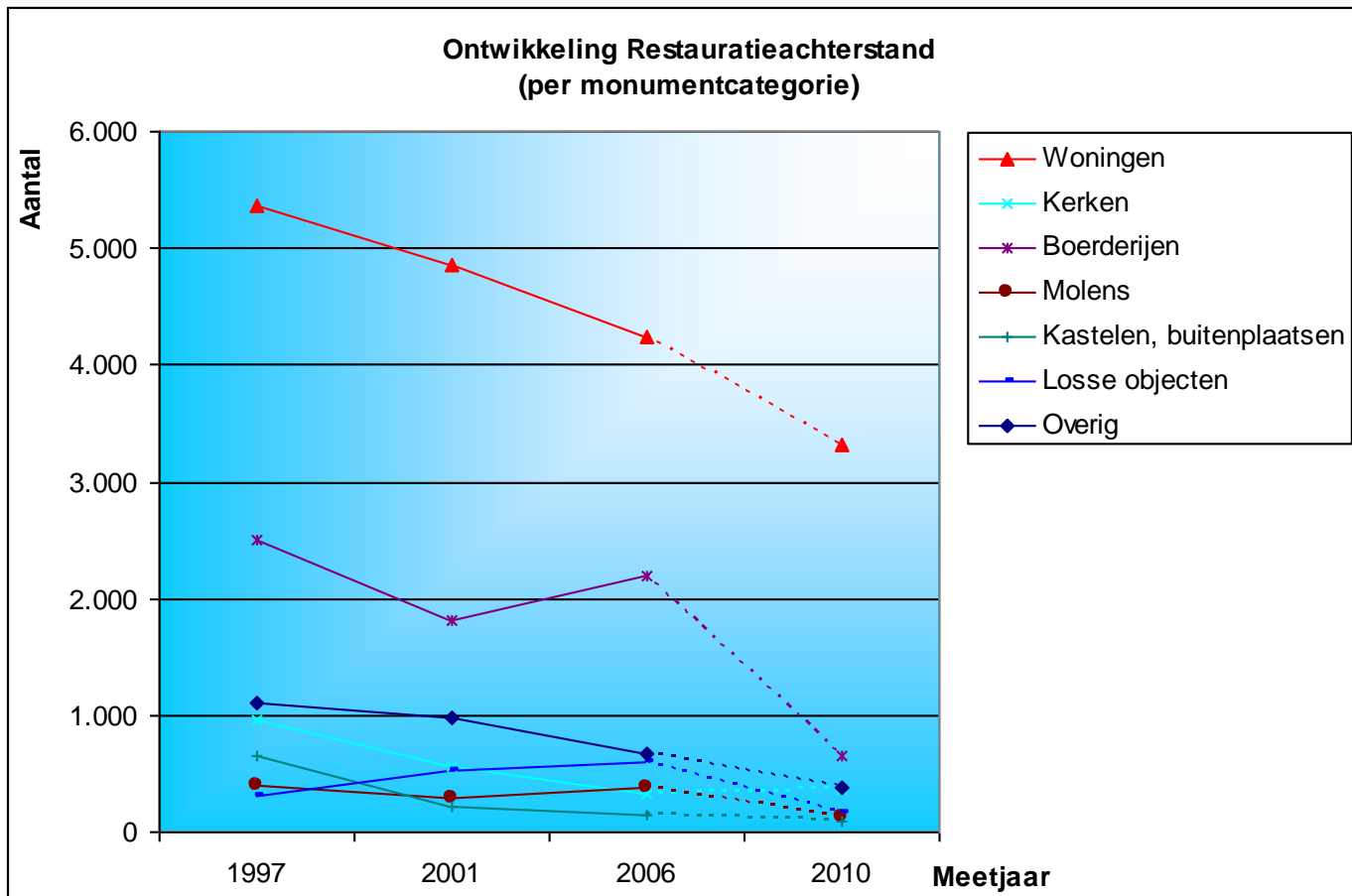
## **Now**

- 35 million Euro per year available for low interest loans
- 3900 restorations 1990 and 2013
- Revolving Fund has 'revolved' 2 to 3 times

# Development Revolving Fund



# Development restoration backlog





# Sustainable approach: replacing subsidy by a low-interest loan works!

- Self-sustaining financial mechanism: automatic renewal of money and generates new money.
- Recycling money forever: in time all activities can be financed without the support of the state
- Low rate interest *increases financial feasibility* big restoration and rehabilitation projects.
- Stimulates private investments and commitment.
- Leads to more enthusiastic attitude with other banks to invest in monuments;
- Stimulates re-use of existing old historic buildings;

# Direct & indirect benefits from investing in cultural heritage

- Long-term preservation heritage
- Provision of accommodation for living and working
- Supporting traditional crafts and professional employment
- Employment
- Tax revenues
- Tourism etc.
- Enhancement of environment to the benefit of society as a whole
- Public investment levers a considerable higher amount of private sector investment



# For what can Revolving Funds be used?

- Revolving funds are used by various governments to stimulate innovation, renewable energy, cultural heritage, support sustainable urban development or rural development.
- Shift from subsidising to financing.
- Not all subsidies can be converted into revolving funds. Depending on the (policy) heritage problem: some monuments still need extra funds/grants/aid which are unprofitable.
- Historic buildings should be capable of allowing an economic or otherwise beneficial use.

*A revolving fund is a means to an end!!*

# When setting up a revolving fund, the following questions must be answered

- Possibilities seen from the policy goals (from a total of policy fields);
- Consideration of various financial instruments (to find the right mix between subsidizing and financing);
- Inventory financing needs;
- Payback possibilities (the revolving potential): to what extent does the nature of the business lends itself to a revolving fund, is there a business model?;

# How to organise it?

- Independent from government to minimize the risk of other use
- Separate the cash flow for subsidies and loans
- Find an organisation with financial expertise (bank)

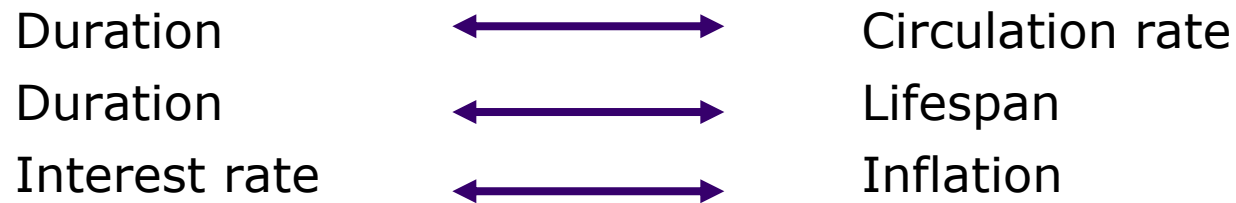


# How to create a revolving fund?

- State or municipal subsidy for each loan
- Lump sum at the start
- Other income, as company profits or donations
- *Make sure you have a starting amount big enough to last the first 10 years*  
*(1.2 million for a municipal revolving fund)*

# How to spend the money?

- Always as a loan!
- Object must be exploitable



- Make sure the money returns!



# STADSHERSTEL AMSTERDAM N.V.

AN EXAMPLE OF SAFEGUARDING BUILT HERITAGE

Company for City Restoration (limited liability company)



# The Canal Ring











1964





1964









  
AZIJNMAN

Boeken  
Pantboen

WOL  
HOUTEN  
WOL  
HOUTEN  
WOL  
HOUTEN

ET HODGDAL  
ET HODGDAL



## STADSHERSTEL IS FOUNDED IN 1956 AS A REACTION TO:

- The decline of maintenance in the historic city centre after WWII: desperate in need of restoration
- Local authorities of the city of Amsterdam and urban planners, that wished to transform the centre into a modern 'city' by;

1 break-throughs

2 subway

3 moving most housing projects to the suburbs





1972







Oude situatie Nieuwe Herengracht



1975





















## STRUCTURE

- Limited liability company (N.V.)
- Shareholders (annual dividend 5%)
- Shares keep their nominal value
- Supervisory board which represents the shareholders
- Excess value (after dividend) is not allowed to be distributed to shareholders but is used for long-term investments

## METHODS OF FINANCE (INITIALLY)

- Private capital (donations - shareholders) – 60 to 70%
- Loans (30 to 40%)
- Solvability is 60 to 70%
- Governmental involvement: subsidies (social housing and restoration)
- Interest benefits (National Restoration Fund\*)















## METHODS OF FINANCE (PRESENT)

- Letting residential and commercial objects: earning back the investment
- Long-term use of 'special' buildings by hosting cultural events
- Governmental involvement: listed monuments are subsidized
- Donations by individuals (crowdfunding) and 'Friends of Stadsherstel'

## RESPONSIBILITY

- Learn-work courses for young people: preserving craftsmanship
- Reducing energy
- Creating public awareness

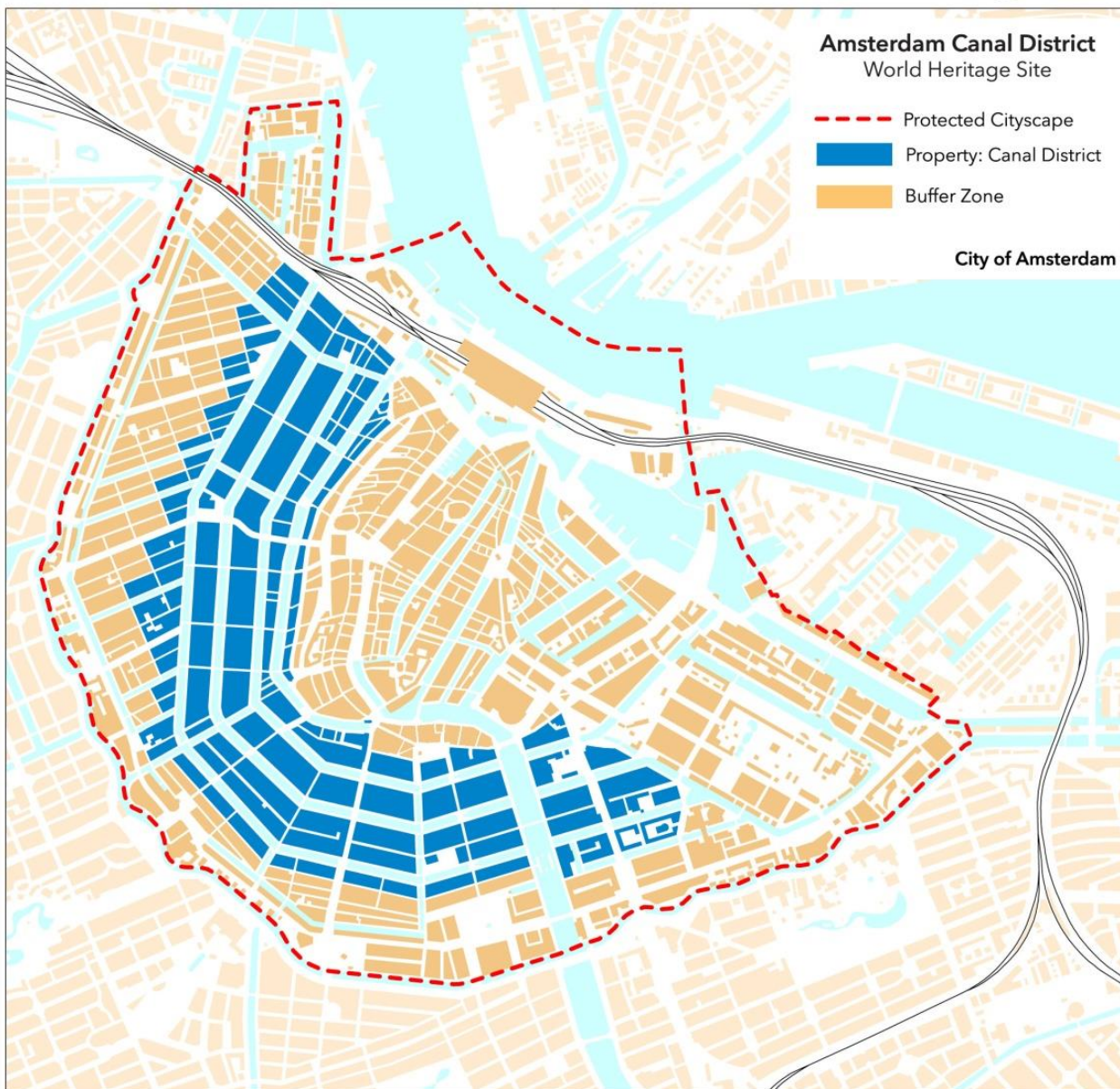




City of Amsterdam  
**Centre District**

World Heritage Office  
Bureau du Patrimoine Mondial

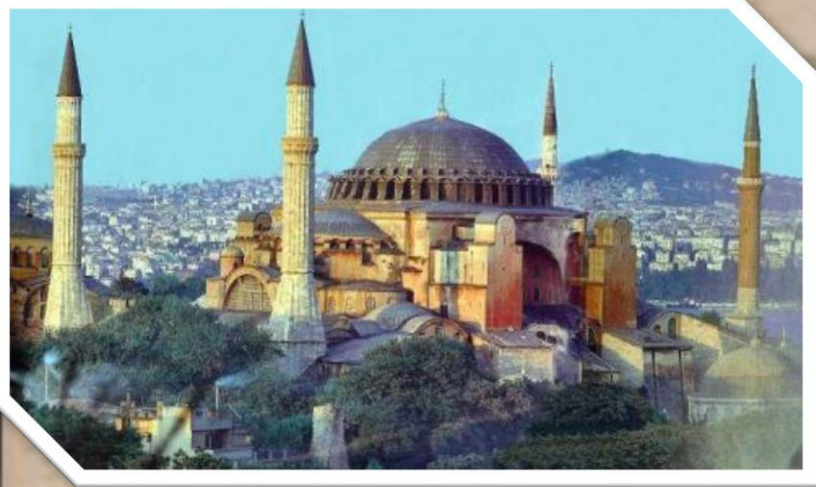
# Amsterdam Canal District World Heritage Site



## ACHIEVEMENTS

- Amsterdam's historic centre is a revitalized environment: residential function is restored.
- The world heritage site contains 6.000 buildings, 450 of them are owned by Stadsherstel
- In 1968 Amsterdam Municipality joins Stadsherstel as shareholder (12%): public private co-operation is established
- The best guarantee for the preservation of a monumental building is a profitable, cost effective function
- Stadsherstel owns 600 buildings – 130.000 m<sup>2</sup>





Amsterdam. Ambonplein R.K. Kerk.



 **Nederlands  
Philharmonisch Orkest**















## CURRENT PROPERTY

- 550 buildings including 30 larger monuments (e.g. churches, windmills, schools, fortresses, polder pumping station and a shipyard)
- Containing: 1000 dwellings and 300 commercial units
- **PPP; restoration of Amsterdam started by citizens, private initiative and private institutions like Stadsherstel. The local and national authorities followed later. This cooperation made it successful**

## Stadsherstel Paramaribo

- Asked for cooperation, support and advice in 2008 by Suriname
- Goal; raising a company like Stadsherstel Amsterdam
- Striking analogy between Amsterdam and Paramaribo
- October 2011; Stadsherstel Paramaribo raised as a foundation.  
Purchased first house, a monument
- 2012 – Will be transformed into a limited liability company.  
Following almost the articles of Stadsherstel Amsterdam

## REMARKABLE

- Support by banks, insurance company, contractors, warehouse, publisher
- As soon as the foundation has become a limited liability company these institutions will become shareholders
- They already invested up to € 180.000 in the foundation
- The managing director negotiates a price with the owners of 3 monumental houses
- The restoration of the first house has started
- Step by step > ZANZIBAR