

Benefits of Historic Preservation

Ten Benefits of Local Historic Districts from Saving Places
By the National Trust for Historic Preservation

1. Local districts protect the investments of owners and residents of historic properties. Insensitive or poorly planned development can make an area less attractive to investors and homebuyers, and thus undermine property value. In contrast, historic district designation encourages people to buy and rehabilitate properties because they know their investment is protected over time.
2. Properties within local historic districts appreciate at rates greater than the local market overall as well as faster than similar, non-designated neighborhoods. Findings on this point are consistent across the country. Moreover, recent analysis shows that historic districts are also less vulnerable to market volatility from interest rate fluctuations and economic downturns.
3. Local districts encourage better quality design. In this case, better design equals a greater sense of cohesiveness, more innovative use of materials, and greater public appeal—all of which are shown to occur more often within designated districts than non-designated ones.
4. Local districts help the environment. Historic districts encourage communities to retain and use their existing resources in established neighborhoods. This reduces the need for cars, cuts back on pollution and congestion, and eliminates landfill waste.
5. Local districts are energy-efficient. Many older buildings were designed with energy conservation in mind, taking advantage of natural light, cross-ventilation, and climate-appropriate materials. Preservation commissions are also increasingly improving their design guidelines to make it easier for historic building owners to use renewable-energy technologies.
6. Historic districts are a vehicle for education. They are a tangible link to the past and a way to bring meaning to history and to people's lives. They preserve the original character of buildings and streets, while welcoming growth and innovation within those spaces. They are a living, active record of communities and their residents.
7. Historic districts can positively impact the local economy through tourism. An aesthetically cohesive and well-promoted district can be a community's most important attraction. According to a 2009 report, 78% of all U.S. leisure travelers are cultural and/or heritage travelers who spent, on average, \$994 on their most recent trips—compared to \$611 spent by non-cultural and heritage travelers.
8. Protecting local historic districts can enhance business recruitment potential. Vibrant commercial cores and charming neighborhoods with character attract new business and quality industry. Companies continually relocate to communities that offer their workers a higher quality of life, which successful preservation programs and stable districts enhance.

9. Local districts provide social and psychological benefits. People living in historic districts enjoy the comfort of a human-scale environment (a mix of aesthetics and functionality that fit the average person's dimensions and capabilities); the opportunity to live and work in attractive surroundings; a recognizable and walkable neighborhood; and the galvanizing effect of community-based group action.

10. Local districts give communities a voice in their future. By participating in the designation process, citizens can help direct their communities' path. Making these decisions together in a structured way—rather than behind closed doors or without public comment—gives everyone involved a sense of empowerment and confidence.

Preservation represents commitment to remembering the past and preparing for a sustainable future.

The benefits of historic preservation and energy conservation are often overlooked because they come to societies as a whole over time rather than directly and immediately benefiting a developer or property owner. Developers often find it more financially advantageous to tear down and build new, but because of the amount of materials used and wasted, it is not possible to sustain this practice indefinitely. Preservation of historic properties demonstrates long-term vision by preserving irreplaceable cultural resources and promoting sustainability practices by conserving our limited environmental resources.

Environmental Benefit

On its most basic level, the practice of historic preservation is the practice of conserving resources. Not only do restoration and redevelopment consume less energy than demolition and new construction, but preservation also recovers the worth of past energy investment. Demolition and new construction not only consume present-day energy, but negates and wastes the past energy investment made in a building. Preservation is a remarkably effective method of sustainability.

Cultural Benefit

Architecture is a direct and substantial representation of history and place. By preserving historic structures, we are able to share the very spaces and environments in which the generations before us lived. Historic preservation is the visual and tangible conservation of cultural identity.

Architecture is one aspect of our heritage with which we can interact and adapt. Some buildings have specific historic context and must be meticulously and exactly preserved. Most buildings, however, must be lived in, interacted with and maintained by the public. These buildings change with us, thus recording a piece of each generation's story. We have an obligation to respect this community resource

and preserve it for future generations. Preservation works within the established history and location of cities and towns to build on the rich culture already at hand.

In addition to solidifying a community's past, preservation can help strengthen a community's future. Historic buildings help create vibrant, cultural downtowns that draw tourism, art, festivals, and other activities which in turn draw investment, revenue, and economic growth. A dynamic historic downtown can be the centerpiece of community life: a place to shop, invest, create and live. Simultaneously, preservation can be a tool to boost economy and quality of life. Local residents can also benefit through interpretive components such as learning and recreational activities that complement an historic site's didactic offerings and illustrate a special meaning between its past, present and future. The more the community is involved, the more successful effective an area will become for locals and visitors.

Property Value benefit

Studies around the country suggest that property values increase faster in local historic districts than elsewhere. In Fredericksburg, Virginia, for example, commercial property values located within the historic district increased by an average 480 percent compared to an average 281 percent elsewhere in the city. In some areas, local designation may help turn around a decline in property values. A study of St. Paul's Historic Hill District found that residential property values rose 31 percent compared to an 18-percent decrease elsewhere in the city. One study found that buyers valued the extra protection offered by local historic districts and so were willing to pay higher prices.

<http://www.preservation.org/rypkema.htm>

http://www.historycolorado.org/sites/default/files/files/OAHP/crforms_edumat/pdfs/1620_EconomicBenefitsReport.pdf

12 Economic Benefits of Historic Preservation

1 Rehab Costs Are Roughly the Same as Building New

- If no demolition is required, a major rehabilitation will **cost between 12% less and 9% more than new construction.**
- If constructing a new building requires demolition of a significant existing structure, the cost savings from rehabilitation will be between **3% and 16%.**
- Life spans for new buildings are often **30-40 years** vs. more than **100 years** for most historic structures.

2 Creates Jobs

- In a typical rehabilitation project, **60% to 70% of the total cost is labor.**
- Laborers are almost always hired locally. They, in turn, spend their money locally, supporting the local economy.
- A California study found that rehabilitation resulted in **10% greater wholesale purchases and 43% greater retail purchases** from suppliers than the same amount spent on new construction activity.
- **\$1M** spent on building rehabilitation creates:
 - **12 more jobs** than \$1M spent on manufacturing in Michigan
 - **20 more jobs** than \$1M spent mining coal in West Virginia
 - **29 more jobs** than \$1M spend pumping oil in Oklahoma
 - **22 more jobs** than \$1M spend cutting timber in Oregon

3 Increases Property Values

- In a study of National Register districts in Philadelphia, homes in historic districts received a **sales price premium of 131%** over comparable properties in undesignated neighborhoods.
- A study of nine Texas cities found that local designation **increased property values from between 5% and 20%.**

4 Conserves Resources

- Approximately **25% of the material** being added to the **landfills is demolition and construction waste.**
- Demolishing **one typical two story commercial building** on Main Street **eliminates** all of the environmental **benefits of recycling 1,344,000 aluminum cans.**
- Historic buildings **contain significant embodied energy.** That's the amount of energy associated with extracting, processing, manufacturing, transporting and assembling building materials.

5 Uses Existing Public Investments

- Every community has significant investments in public infrastructure, including roads, sewers, parks and schools.
- Historic preservation **directs development to places where infrastructure is already in place.**
- Rehabbing historic schools instead of building new saves money for education and often creates a better learning environment.

6 Supports Small Business

- **75%** of all **net new jobs** in the U.S. are **created by small businesses.**
- Older buildings make ideal locations for small, independent businesses and for start-ups.
- **60 cents** of every dollar **spent at independent businesses** remains in the local economy vs. **less than 10 cents** at national discounters.

7 Revitalizes Main Street

Since 1980, local Main Street programs have:

- Stimulated **\$48.9 billion** in total **private and public investment**.
- Created **94,176 net new businesses**.
- Generated **417,919 net new jobs**.
- Generated a **reinvestment ratio of \$27 to \$1 per community**.*

* The average number of dollars generated in each community for every dollar used to operate the local Main Street Program.

8 Attracts Investment

*"In economics, it is the **differentiated product that commands a high premium**.*

If in the long run we want to attract capital, to attract investment in our communities, we must differentiate them from anywhere else."

-Donovan Rypkema

9 Attracts Visitors

- **78%** of U.S. leisure travelers (**118 million adults**) participate in cultural and/or heritage activities when traveling.
- Cultural heritage travelers spend, on average, **\$994 per trip compared to \$611 for all U.S. travelers**.
- Cultural/heritage travelers took an **average of 5 trips** in 2008-2009 compared with **slightly less than 4 trips** for non-cultural/heritage travelers.

10 Prevents Sprawl

- Saving historic buildings and keeping our towns and cities healthy **reduces the pressure to pave the countryside**.
- In 1970, the state of Maine spent **\$8.7M** to bus students to and from school. By 1995, with fewer students enrolled, the cost had risen to **\$54M**.
- When we reinvest in older neighborhoods, we are **reinvesting in inherently sustainable communities** that are generally dense, walkable, transit-accessible, and feature mixed-uses.

11 Creates Affordable Housing

- To replace the current housing units occupied by lower income residents would cost **\$335 billion**.
- In 2005, **1,101 unites of affordable housing** were created in historic buildings using the federal rehabilitation tax credits.
- Historic structures are often located close to services and public transportation, **reducing transportation costs for residents**.

12 Is Good Economic Development

- In **Nebraska**, historic preservation generates **\$170 million per year**:
 - Between 2001 and 2005, an estimated total of \$1.5 billion was spent on rehabilitation of buildings.
 - **Twenty-two jobs** are created for **every \$1M spent on historic preservation**, which supported **3,869 jobs** in the state in 2009.
 - Historic designation of neighborhoods and downtowns **enhances and protects property values**. Of the districts studied, **property values as a whole showed increases in historic districts**.

References

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