

# Trussville's Cahaba Project

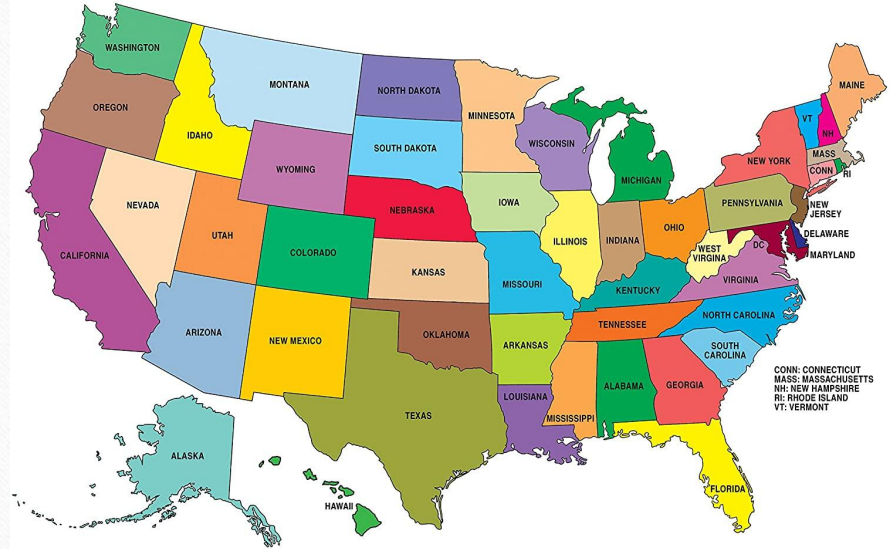


**A Presentation on the Economic Benefits of Historic Districts**

*Presented by the Cahaba Homestead Heritage Foundation*

# Economic Benefits of Historic Districts

- For this presentation, we will first lay the groundwork for economic benefits of historic districts, and then travel across the United States from west to east, beginning in California and ending in New York, learning some of the measures these states and their cities have taken to bring their historic pasts to the present, ensuring that heritage lives on.



# Alabama Historic Rehabilitation Tax Credit Program

---

- This program, first available in 2017, allows a 25% income tax credit on qualified expenses incurred during a rehabilitation project.
- Owners of residential and commercial historic properties can use this program to improve and repair their properties while receiving tax credits against income tax they owe to the State of Alabama.

## Eligibility

- Property must be at least 60 years old.
- Property must be listed in the National Register of Historic Places either individually or as a contributing resource in a listed National Register district.

## Selection Process

- An evaluation committee determines which projects receive tax credits based on a scoring system with several factors, including the project's economic impact, maintenance of historic fabric of the community, possible return on investment for community, geographic distribution of projects, strength of local support for the project and other types of public financing.

## Further Information

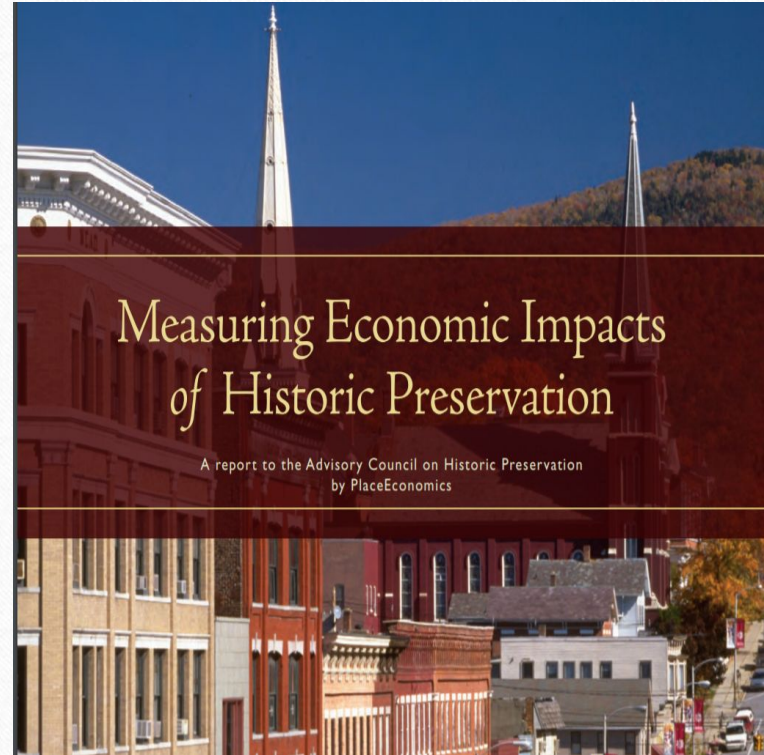
- Those interested in the Alabama Historic Rehabilitation Tax Credit Program can find more information [here](#).



# PlaceEconomics

---

- PlaceEconomics, led by Donovan Rypkema, is a private sector firm with more than 30 years of experience in the analysis of the economic impacts of historic preservation.
- A 2011 study commissioned by the Advisory Council on Historic Preservation aimed to “identify a finite number of indicators that can be used to regularly, consistently, meaningfully, and credibly measure the economic impact of historic preservation over time.”



# PlaceEconomics

## *Recommendations for collecting economic data*

---

- According to the study, five broad categories of data were recommended to be collected, evaluated and disseminated:
  - Jobs
  - Property Values
  - Heritage Tourism
  - Environmental Measurements
  - Downtown Revitalization

## Measurements

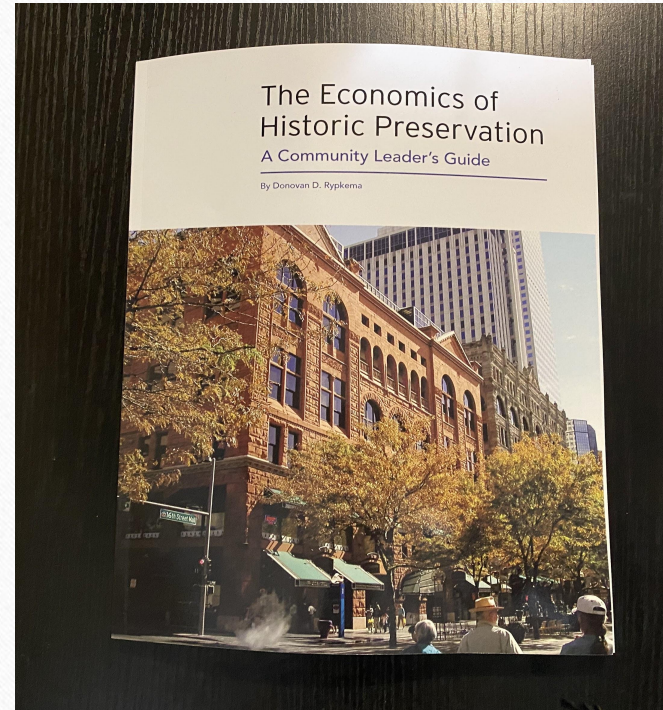
- Jobs
  - Number of jobs that are created annually through the rehabilitation of historic buildings and the household income that those jobs generate
- Property Values
  - Measurement of the impact on property values attributable to being located in a local historic district and/or a National Register Historic District
- Heritage Tourism
  - Measurement of regular, comprehensive and consistent surveys
- Environmental Measurements
  - Measurements of embodied energy in rehabilitated buildings; infrastructure cost savings of rehabilitation rather than new construction; reduction of emissions and vehicle miles traveled; comparative annual analysis of annual operating costs of rehabilitated historic buildings with new buildings
- Downtown Revitalization
  - Measurement of net new jobs, net new businesses, amount of investment, number of buildings rehabilitated



# PlaceEconomics

---

- The purpose of briefly touching on this robust 83-page report is that it will somewhat lay the groundwork for the remainder of the presentation.
- For further reading, the PlaceEconomics report to the Advisory Council on Historic Preservation is available online [here](#).
- Additionally, check out PlaceEconomics' report on 24 reasons that historic preservation is good for communities [here](#).



PlaceEconomics' book, *The Economics of Historic Preservation: A Community Leader's Guide*  
Photo by Gary Lloyd

# National Preservation Institute

---

- Next, we will briefly touch on a 2005 discussion paper prepared for The Brookings Institution Metropolitan Policy Program by Randall Mason, an associate professor of City and Regional Planning at the University of Pennsylvania School of Design.
  - At right, you will see a couple key phrases from [this 75-page paper](#), found on the National Preservation Institute's [website](#).
- “Historic preservation is typically judged to be a sound investment. **By most accounts, it is more efficient and profitable to preserve a historic building than to construct a new one.** Designating a landmark or district as historical typically maintains if not boosts the value of the property, and as an economic development tool, historic preservation has proved its worth. Nearly any way they effects are measured, be they direct or indirect, historic preservation tends to yield significant benefits to the economy.”
  - “There is broad agreement that the benefits of historic preservation outweigh the costs. **More specifically, the economic costs of preservation are outweighed by the benefits—both economic and cultural—of a robust historic preservation sector.** The literature is conclusive about the overall positive benefits of historic preservation—sometimes explicitly, often tacitly. Much of the literature is therefore concerned either with articulating these benefits, often in quantitative, monetized terms, or finding those points on the cost-benefit curve at which the best marginal improvements to benefit can be made.”

# National Preservation Institute

## *Property Values*

---

- From this same study found on the National Preservation Institute website, real data is presented that shows increasing property values in historic districts. Some of those findings can be seen at right.
- We will dive into various cities and states in subsequent slides.
- For more information, on this report, you can access it [here](#).

## Findings

- New York City's Independent Budget Office studied the effect of local historic district designation and regulation on real-estate prices and found evidence of a **statistically significant price premium associated with inclusion of a property in a historic district**.
  - The premium ranged from 22.6 percent to 71.8 percent.
- A 2001 academic study found that local historic district designation had a positive effect on property values in seven of the nine Texas cities they studied (the two outliers had inconclusive results). Historic designation, the researches found, **increased property values in the range of 5 to 20 percent**.
- In New Jersey, according to a 1998 New Jersey Historic Trust report, it was found that properties listed on the national, state or local historic registers had a market value of \$6 billion, **of which about \$300 million could be attributed to the value-enhancing effect of historic designation**.
- Even in Canada, a 1993 study found that, "In every heritage district designated in Canada in the last 20 years, **property values have risen despite the fact that developmental potential has been reduced.**"



# Columbia University Study

---

- One last robust, academic study to touch on and then we will travel west to east across the United States and look at what various communities have done with their historic districts.
- This [2013 thesis](#) was presented on measuring the full economic impacts of local historic district designations.

## Key Points

- There are quantitative indicators, such as the five measurements addressed in Slide 4 on PlaceEconomics.
- There are also qualitative indicators, such as quality of life, quality of place, sense of place and the unique characteristics of historic districts.
- While quantitative indicators, such as property values, are readily accessible, qualitative indicators are not. These should be evaluated alongside the quantitative indicators in order to more thoroughly measure the economic impacts of historic designation. This can be done through traditional and Delphi surveys, and interviews with the public and decision-makers.
- Community cohesion, a qualitative indicator, is something that actually can be measured.

# Community Cohesion

---

- In 2003, the Trust for Public Land held a colloquium with parks experts and economists with the goal of developing metrics that could be used to more comprehensively analyze the economic impacts of parks. One of the qualitative indicators that was studied during this conference was community cohesion and how the development and maintenance of parks could help build social capital. The similar process of the identification, designation, and stewardship of local historic districts also establishes social capital in neighborhoods.

## Community Cohesion Value

- The economic benefits of social capital cannot be directly measured, but community cohesion can be estimated through the examination of time and money spent by communities maintaining and improving local parks. In 2012, Peter Harnik of the Trust for Public Land noted that as public goods, local historic districts and local parks share many of the same values, and certain metrics from the 2003 parks conference, such as community cohesion, could certainly be adapted for preservation economics. The metric developed by parks experts and economists to quantify community cohesion impacts as a result of local parks presented in the 2009 report is shown in the next slide.

# Community Cohesion

- Social capital and community cohesion are indicators also referenced in the arts literature. For example, the 2004 study “Gifts of the Muse” notes that social contact is facilitated through the public realm of the arts, creating strong social bonds and networks in a community. This public realm created by the arts and parks is reflected in historic districts, and the creation of social bonds and networks occurs through local preservation organizations dedicated to the designation and preservation of local historic districts.

Community Cohesion Value: Park Supporters in Philadelphia

Organization or Activity	Volunteer Hours	Value of Volunteer Hours*	Financial Contributions	Total
Fairmount Park Volunteers (54 friends groups)	154,209	\$2,894,503	\$3,318,713	\$6,213,216
Independence National Historical Park	10,390	\$195,017	—	\$195,017
Pennsylvania Horticultural Society (52 friends groups)	65,052	\$1,221,026	\$694,680	\$1,915,706
Other support groups, combined	452	\$8,485	\$267,961	\$276,446
<b>Total Value</b>		<b>\$4,319,031</b>	<b>\$4,281,354</b>	<b>\$8,600,385</b>
*Value of one hour of volunteer labor in Pennsylvania as determined by Independent Sector, 2005: \$18.77.				

In this metric, all local organizations that focus on parks development and maintenance were identified. Then the number of volunteer hours of each organization was multiplied by the Independent Sector’s volunteerism value for Pennsylvania, and then added to financial contributions given to these organizations, in order to establish a quantitative value of community cohesion that occurs as a result of its parks organizations.<sup>56</sup> Since many local preservation organizations are established to identify and promote local historic districts, this parks metric could certainly be used in evaluating the impacts of local historic district designations on community cohesion.



# Community Cohesion Example

## *Greenwich Village Historic District*

- The Columbia University study applies the community cohesion metric at Greenwich Village Historic District in New York and the Nantucket Historic District in Massachusetts
- A brief summary of the Greenwich Village Historic District is at right.

Greenwich Village Historic District & Community Cohesion in 2012				
Organization	Volunteer Hours	Value of Volunteer Hours	Financial Contributions	Total
Greenwich Village Society for Historic Preservation	3,666	\$100,155	\$363,897	\$464,052
Manhattan Community Board 2 Landmarks and Public Aesthetics Committee	657	\$17,949	\$0	\$17,949
<b>Total Value</b>	<b>4,323</b>	<b>\$118,104</b>	<b>\$363,897</b>	<b>\$482,001</b>

As established in the Philadelphia parks study, the volunteer hours of each organization dedicated to the local Greenwich Village Historic District were tallied. The Greenwich Village Society for Historic Preservation (GVSHHP) did not keep track of the organization's volunteer hours for 2012, so the volunteer hours were estimated. Dana Schulz, the GVSHHP's Program and Administrative Associate reported that there were 25 active volunteers in 2012, including unpaid interns. Five of these volunteers were highlighted as very active. To be conservative, it was estimated that the five very active volunteers worked one hour a week, or a total of 260 hours per year. In 2012, the organization held 42 events, including 21 lectures and presentations, seven walking tours, and three film screenings, as well as historic theater tours, archive tours, panel discussions, tours of interior landmarks, and other events. On average, these events lasted for two hours each, totaling approximately 84 hours. Assuming that 15 of the 20 less active volunteers assisted at each event constitutes a total of 1,260 volunteer hours.<sup>57</sup>

Additionally, in May of 2012 the GVSHHP held its 14th Annual Village House Tour Benefit, which included 4.5 hours of self-guided tours of homes in the Greenwich Village Historic District, as well as a subsequent, two hour long cocktail reception. Sheryl Woodruff, Senior Director of Operations at the GVSHHP reported that approximately 135 people volunteered for the 2012 House Tour Benefit, resulting in approximately 878 hours of additional volunteer time.

# Community Cohesion Example

## *Nantucket Historic District*

- Designated by the Nantucket Historic District Commission in 1955 and expanded in 1971, the Nantucket Historic District is one of the oldest locally designated historic districts in the country.

The Nantucket Preservation Trust is a local preservation organization focused on this historic district. Unlike New York City, Nantucket does not have any community boards or large landmarks groups in addition to the local preservation organization. The community cohesion of the Nantucket Historic District can be measured by the volunteer hour and financial contributions to this organization, detailed at right.

Nantucket Historic District & Community Cohesion in 2012				
Organization	Volunteer Hours	Value of Volunteer Hours	Financial Contributions	Total
Nantucket Preservation Trust	1,530	\$41,065	\$432,842	\$473,907

The Nantucket Preservation Trust has four committees of 15 people who meet twice a month in 2012. To be conservative, it was estimated that these groups meet for one hour each time, resulting in approximately 1,440 volunteer hours. In addition, the organization had nine hours of events in 2012. It was assumed that 10 people volunteered at each event, increasing the total volunteer time in 2012 to 1,530 hours. The value of volunteer hours was then multiplied by the Independent Sector's average value of one hour work in Massachusetts, which was \$26.84 in 2010 (the most recent year of available

<sup>65</sup> Conversation with Jenna Smith, Special Events and Membership Manager, New York Landmarks Conservancy (February 25, 2013).

Conversation with Nadezhda Williams, Director of Preservation and Research, Historic Districts Council (February 28, 2013).

data). Per GuideStar Nonprofit Reports, the annual revenue of the Nantucket Preservation Trust was \$432,842 in 2011 (this 2011 report reflects the most recent data available; it is assumed that the 2012 revenue was similar based on the list of 2012 donors provided by the Nantucket Preservation Trust).<sup>66</sup>



## Takeaways on Community Cohesion

---

- This metric established by parks experts and economists can clearly be transferred to the evaluation of local historic district designations. The amount of volunteer and financial contributions to these local preservation organizations highlight the amount of community cohesion created as a result of the long-established Greenwich Village and Nantucket Historic Districts. While these are both examples of preservation organizations in more affluent areas where local designations have been established for many years, they nevertheless illustrate the impacts of local historic districts on community cohesion.

### Quotable from the Study:

- “Without the local Greenwich Village and Nantucket Historic Districts, there would be likely be no (or a much less active versions of the) Greenwich Village Society for Historic Preservation, Manhattan Community Board 2’s Landmarks and Public Aesthetics Committee, or Nantucket Preservation Trust establishing a social network in the public realm, **bringing together many different members of the local community and creating social bonds.** Even though applying this metric to less dense, less affluent communities in the United States may divulge lower numbers of community cohesion, the quantitative values that this metric does create **exposes community cohesion that would not exist in the absence of local historic district and historic district-oriented organizations.**”



# California

---

- In November 2012, a report was produced by the California Cultural and Historical Endowment focusing on the economic impact of historic resource preservation.
- The report analyzes several studies done throughout the country on the economic impact of preservation efforts, results that are “overwhelmingly consistent regarding the beneficial impacts to a community’s economy from rehabilitation activities.”

## Synopsis

- The report focuses on three benefits:
  - Job Creation
  - Property Value Stabilization and Growth
  - Cultural Tourism
- “To summarize, the economic impact of historic and cultural preservation has been the subject of multiple studies, articles and reports in the past few decades. The findings of all these writings bear, perhaps not surprisingly, very similar results: **historic preservation leads to significant economic impacts.** All the reports reviewed indicate that historic preservation encompasses many purposes and objectives, but ultimately, preservation activity results in the betterment of the community on almost every possible factor.”

# California

## *Job Creation*

---

- The California report cites job creation data from Colorado, Texas, Arkansas and New York. See key points at right.
- PlaceEconomics economist Donovan Rypkema, a leading figure in preservation economics, is thoroughly quoted throughout California's report.

## Job Creation

- **Colorado:** A 2002 study found that rehabilitation of historic buildings put \$1.5 billion in to the state's economy over the previous 20 years, creating 21,327 jobs that generated \$522.7 million in household earnings.
- **Texas:** Investment of \$192 million in 1997 created more than 4,200 jobs in Texas in construction, manufacturing, transportation, retail trade, services, finance and real estate. An additional 32,000 jobs result from heritage tourism in Texas.
- **Arkansas:** This state credits historic building preservation with adding \$75 million of private investment and providing 1,500 jobs. It calculates separately an additional 21,500 jobs supported annually by heritage tourism activity.
- **New York:** The Lower Manhattan Task Force of the City of New York estimates that \$1 million invested in preservation construction in the city creates five more construction jobs and three more permanent jobs than does \$1 million spent in new construction.

# California

## *Property Value Stabilization and Growth*

---

- The California report cites property value data from Tennessee, Colorado, Texas, and New York. For the purposes of this slide, please see key points at right about Tennessee, Colorado and New York. More to come on Texas in a bit.

## Property Value Stabilization and Growth

- **Tennessee:** *Banking on Tennessee's History: The Economic Value of Historic Preservation to the People of Tennessee* describes Chattanooga's historic districts where a "rate of appreciation ... revealed a 19% increase outside the historic district compared to a 49% increase inside the historic district."
- **Colorado:** *The Economic Power of Heritage in Place: How Historic Preservation is Building a Sustainable Future in Colorado*, published in 2011, examined the impact that local historic district designation programs have on property values. They were particularly focused on those programs that included design review requirements that they state typically lead to "property value appreciation rates that are consistent with, and often greater than, rates in similar, non-designated areas. By encouraging sensitive development that maintains the integrity of the historic district, design review programs effectively preserve the distinguishing characteristics of historic areas and lead to increases in property values within such areas. In turn, higher property values generate increased property taxes for local governments and encourage private reinvestment."
- **New York:** A report from the Preservation League of New York credits the use of historic designations for revitalized communities. Approximately 80,000 individual properties in New York are on the National Register. Historic preservation is seen not as an end to itself, but as something that is central to many industries and through those industries it creates jobs, generates taxes, enhances property values and adds to household incomes.



# California

## *Cultural Tourism*

---

- The California report cites cultural tourism data from Arizona, Colorado, Texas, Arkansas, Tennessee and New York, among others. For the purposes of this slide, please see key points about Arizona, Colorado and Arkansas at right.

### Cultural Tourism

- **Arizona:** In-state cultural heritage visitors brought the state \$6 million and out-of-state cultural heritage travelers brought it \$2 billion. Further, the Arizona report states that, “Perhaps the biggest benefit of cultural heritage tourism is that opportunities increase for diversified economies, ways to prosper economically while holding on to the characteristics that make communities special.”
- **Colorado:** Heritage tourists -- travelers that incorporate at least one visit to a historic site or landmark or whose primary reason for traveling is to visit historic places -- made 4.6 million trips to Colorado in 1999, generating in that year alone a total of \$3.1 billion for the state economy.
- **Arkansas:** Arkansas calculates that 16% of all its tourists will visit a cultural or historic site and will contribute \$890 million to the state’s economy each year.

# California

## *Conclusions*

---

- “The preservation of historic resources should be a primary goal for those who seek a healthy economy in California or any community. Historic preservation preserves and increases property values and enhances the overall beauty of any setting. It creates a thriving urban environment that offers safe, attractive, vintage character, and affordable housing options for people and businesses. It also can lead to social transformations, increasing pride in the community.”
- Check out the complete *Economic Impact of Historic Resource Preservation* by the California Cultural & Historical Endowment [here](#).

## Conclusions

- Job creation, property value stabilization and growth, and cultural tourism are three of the most common benefits.
  - “All three of these areas demonstrate a strong return on the investment in historic property restorations, while also furthering many policy objectives like environmental sustainability and smart growth.”
- Historic preservation activities can be part of smart community development that encompasses charming walkable neighborhoods, open space protection, urban sprawl containment, and sustainable economic activity.
  - “Historic preservation does all this while also ensuring that the legacy of beautiful, historic buildings of the past is preserved for future generations to enjoy as museums, libraries, banks, city halls, schools, homes, restaurants, colleges, etc.”

# Tucson, Arizona

---

- A 2007 paper by City of Tucson Department of Urban Planning and Design Historic Preservation Officer Jonathan Mabry outlined the benefits of residential historic district designation for property owners.
  - Read it in full [here](#).

## Benefits of Residential Historic Districts

- Higher property values and rates of appreciation
- Insulation from extreme market fluctuations
- Tax breaks
- Stabilization of residence
- Increased connections among neighbors and community involvement

## Key Points

- Historic district designation typically increases residential property values by 5-35% per decade over the values in similar, undesignated neighborhoods.
- Local historic district designation decreases investor uncertainty and insulates property values from wild swings in the housing market.
- Both nationally designated historic districts and locally designated historic districts outperform similar, undesignated neighborhoods, but districts that carry both local and national designation experience the highest relative increases in property values.



# Denver, Colorado

---

- In 2011, the Colorado Historical Foundation published *The Economic Power of Heritage and Place: How Historic Preservation is Building a Sustainable Future in Colorado*. Read it in full [here](#).
- For the purposes of this study, we will focus on one section, titled “Building Community Through History.”

## Building Community Through History

- Each museum or historic site throughout Colorado “contributes to the local economy as a significant cultural and community focal point and as an important tourist destination.”
- Nearly 300,000 people visited History Colorado’s museums and sites in communities statewide in 2010.
- Between 2009 and 2010, there was a 26% increase in admission revenue, a 40% increase in rental income, and a modest increase in gift shop sales. These increases show that, even in the face of the economic downturn and reduced visitation to museums nationwide, Colorado’s public is willing to spend their money on heritage tourism and to pay for authentic, sensory and enlightening experiences.
- **Picture this for a moment:** Trussville expands its Heritage Hall museum one day to maybe a Cahaba Project home. There are artifacts, resources, literature and souvenirs. There are walking tours. There are historic home tours. There are heritage festivals on The Mall. There is an active online and social media presence. There are visitors from within and outside the city and state lines. Trussville, already a destination because of its school system, parks, shopping opportunities, and much more, also becomes a tourist destination to learn about its rich history.

# Texas

---

- In 2015, the University of Texas at Austin Center for Sustainable Development produced *Economic Impact of Historic Preservation in Texas*, a 60-page report that detailed, among other things, heritage tourism, historic rehabilitation and property values. For the purpose of this presentation, we will focus on those three.
- The full report can be viewed [here](#).

## Synopsis

- Heritage Tourism
  - Tourism is a leading sector in the Texas economy, with direct visitor travel spending in Texas communities equaling nearly \$58.4 billion in 2013.
- Historic Rehabilitation
  - Historic rehabilitation in Texas adds \$1.04 billion to the state's annual GDP. Rehabilitation of historic structures is a \$772 million industry in Texas.
- Property Values
  - More than 50 Texas cities designate historic properties and districts as culturally significant. Local landmark commissions guide exterior rehabilitations of locally designated historic properties by working with owners to achieve a positive community impact using good preservation techniques.

# Oklahoma

---

- In September 2008, *Economic Impacts of Historic Preservation in Oklahoma* was published, a 393-page report conducted by the Center for Urban Policy Research. We will see, at right, some key points related to history, heritage and economic benefits.
- The full report can be viewed [here](#).

## Synopsis

- On the second page of the report, then-Governor Brady Henry wrote a letter to Oklahoma communities introducing the report, stating, in part, “The preservation of significant landmarks contributes to a community’s **quality of life** and **economic vitality**. Those benefits are now quantified in the study *Economic Impacts of Historic Preservation in Oklahoma*. Inside, you will find information about how well-established programs like those of the Oklahoma Historical Society, the Oklahoma Department of Commerce, local governments, and others have encouraged redevelopment of individual buildings, commercial districts, and residential neighborhoods, resulting in new jobs, higher property values, increased state and local tax revenues, and growing tourism across the state.”
- In Oklahoma County, which includes 11 historic districts, “strong empirical evidence has been presented showing that residential properties in historic districts in Oklahoma County, Oklahoma, generally experienced **greater price appreciation than did residential properties in other (non-historic) neighborhoods** of the same county. This occurs even after controlling for housing characteristics and other location effects—so called “real estate variables”—both which can generally be expected to affect the demand and price of a property.”



# Columbia, Missouri

---

- In August 2012, Development Strategies prepared *Economic Impact of Historic Preservation in Columbia Missouri* for the City of Columbia Historic Preservation Commission, a 53-page report focusing on historic preservation capital expenditures and sustainability, among other topics.
- The full report can be viewed [here](#).

## Synopsis

- “Columbia has benefited greatly from the state and federal historic preservation tax credit programs over the past decade. Since 2002, \$88.8 million has been spent in Columbia because of the historic preservation tax credit program to preserve and rehabilitate historic buildings in Columbia. These expenditures, while creating additional impacts on the local and regional economy, also provide direct jobs, income, and output for the city.”
- “Columbia’s downtown, with several historic districts, has the greatest concentration of historically preserved buildings in the city. Since 2001, the property value increase of historically rehabilitated downtown buildings is more than double the increase of properties in other parts of the city and Boone County (117%, 55%, and 53%, respectively). Historically preserved buildings also have the greatest rate of increase in tax revenue over the past decade—estimated at a 104% increase.”

# Arkansas

---

- *The Economic Impact of Historic Preservation in Arkansas* was produced by the Arkansas Historic Preservation Program and the Center for Urban Policy Research at Rutgers University, and it focused on heritage tourism, historic rehabilitation, grant programs, preservation incentives and much more. Some highlights of the 32-page report are at right.
- The full report can be viewed [here](#).

## Synopsis

- Roughly 16% of all tourists in Arkansas will visit a cultural or historic site. These tourists spend up to 30% more than the average tourist and contribute \$890 million to Arkansas's economy annually. Heritage tourism supports more than 21,500 Arkansas jobs each year.
- A case study of North Little Rock's Argenta Historic District revealed property values more than twice of those found in adjacent unprotected neighborhoods.
- For every dollar invested, historic preservation yields more jobs and income than new construction and several other economic activities.

# Alabama

---

- A 2002 study submitted to the Alabama Historical Commission by Auburn University-Montgomery Professor of Economics M. Keivan Deravi focused on property value appreciation for historic districts in Alabama.
- The 44-page report can be viewed in full [here](#).

## Purpose

- To analyze the impact of historic designation on property values in Alabama when concentrating on Montgomery, Mobile, Birmingham, Decatur, Huntsville, Selma and Talladega.

## Summary

- In all cases, it was found that historic designation has a positive and substantial impact on the value of properties located in a historic neighborhood. This conclusion is found to be true in the short run (the results from the event study), and in the long run -- as indicated by the results reported by the repeat-sales and general long-run price trends.

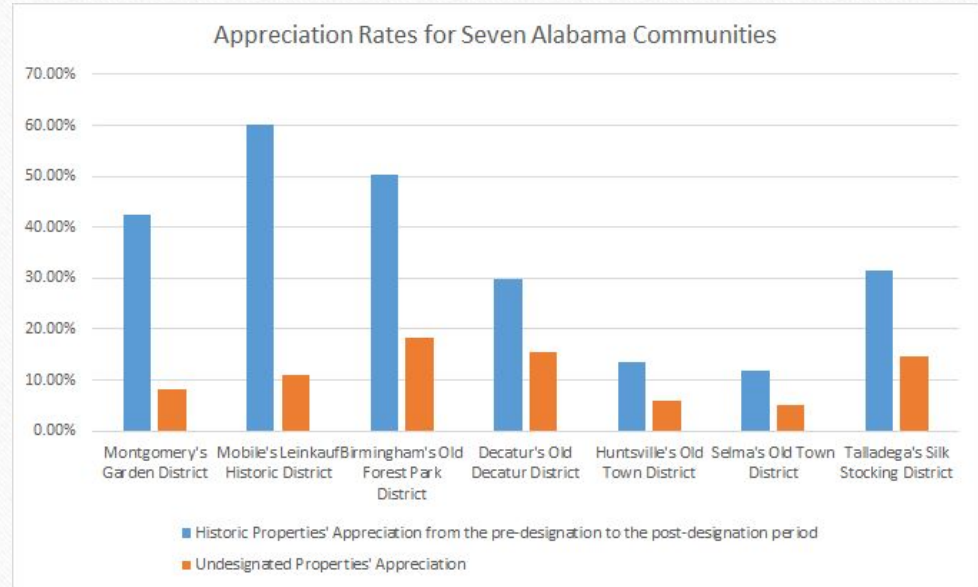
## Findings

- See the following slide for a breakdown of each of the seven communities.



# Alabama

- The chart at right shows appreciation rates for seven Alabama communities during a period of pre- and post-designation of historic homes compared with residential properties in the same communities that are undesignated.



# Florida

---

- A team of researchers from the Center for Governmental Responsibility at the University of Florida and the Center for Urban Policy Research at Rutgers University produced a the state's first comprehensive assessment of the economic impact of historic preservation.
- The full report can be viewed [here](#).

## Synopsis

- Heritage Tourism
  - In a March 2002 survey by Visit Florida, the state's official tourist promotion agency, 61 percent of the respondents said they participated in some "history-based activity" while vacationing in Florida. With more than 71 million visitors in 2000, the researchers were able to estimate \$3.72 billion in expenditures generated by heritage tourism.
- Historic Rehabilitation
  - Working with Geographic Information Systems researchers from the College of Design, Construction and Planning's GeoPlan Center, the researchers assessed values for some 28,000 primarily single-family residential properties representing 18 historic districts and 25 comparison neighborhoods in eight Florida cities. "In at least 15 of the 18 cases studied, property in the historic district appreciated greater than in the non-historic comparison neighborhoods," the researchers report. "No instance was found where historic designation depressed property values."
- "Heritage tourism wouldn't be such a big component if the historic homes and districts didn't exist in the first place. There would be nothing for heritage tourists to see." --research co-author Timothy McLendon

# Georgia

---

- A study of three Georgia communities was produced to determine the economic benefits of historic preservation in Athens, Rome and Tifton.
- The full report can be viewed [here](#).

## Synopsis

- The three cities vary in geographic location and size. Rome, at the time a city of 30,000 people, most closely resembles Trussville.
- In Rome, statistics indicated that designated properties increased in value 10% more than non-designated properties, and locally designated properties increased in value almost 80% more than those only nationally designated. While higher rates of increase can not be solely attributed to local designation, as it is only one of several initiatives used to encourage community preservation, it appears likely that local designation has helped, and certainly not hindered, property values.
- Real estate data, such as property assessment values, support the conclusion that **local designation does have a significant impact upon historic property values**. Construction activities, such as rehabilitation projects and revitalization programs, contribute to the local economy through job creation, local sales tax revenues, and a strengthened tax base. Though yet to be fully measured, commercial activities such as tourism also contribute to the local economy.



# Philadelphia, Pennsylvania

---

- Econsult Corporation submitted a 119-page report to the Preservation Alliance for Greater Philadelphia called *The Economic Impact of Historic Preservation in Philadelphia* in 2010.
- The full report can be viewed [here](#).

## Synopsis

- On data recommendations, the report states, “...the importance of the government and non-profit sectors to the local economy, and their natural intersection with historic preservation, merits special attention and thus argues for an ongoing effort to track preservation work by such institutions. This could be another way to measure the impact of these sectors, in that **their efforts to restore, rehabilitate, and reclaim historic sites adds to the aesthetic fabric of the City and has a significant positive economic impact** in the form of output, employment, and earnings.”
- In Philadelphia, historic preservation is “an invaluable element.” Some positive growth areas include:
  - Tourism
  - Film industry
  - Safeguarding urbanness
  - Positive effect on property values

# Pittsburgh, Pennsylvania

---

- Remember PlaceEconomics from earlier in the presentation? The company produced *Historic Preservation: Part of the DNA of Pittsburgh*.
- The full report can be viewed [here](#).

## Synopsis

- The average value of a single-family home appreciated at a greater rate than the city as a whole in every City Historic District in Pittsburgh over the past 13 years.
- While Pittsburgh lost population between 2000 and 2010, city historic districts actually grew in population.
- Walk Scores, Transit Scores and Bike Scores are all greater in historic districts than the rest of the city.
- When both housing costs and transportation costs are considered, Pittsburgh's historic districts are actually more affordable than the city at large.
- Heritage visitors make up 45% of visitors to Pittsburgh, and they add more than \$800 million to the Pittsburgh economy every year.

# New York City, New York

---

- Finally, we will look at a few findings from *Historic Preservation: At the Core of a Dynamic New York City*, another report created by PlaceEconomics, this one in 2016. This report, produced for the 50th anniversary of New York City's Landmarks Law, was created to systematically look at the impacts of historic preservation in the city.
- The full report can be viewed [here](#).

## Synopsis

- Heritage tourism is a major component of New York's visitor industry. Just the domestic portion of that visitor segment provides jobs for 130,000 New Yorkers.
- Both historic office and apartment buildings use significantly less energy per square foot than their more recently built competitors.
- "These quantified facts prove the value of historic preservation beyond characteristics more traditionally associated with the field: aesthetic, social, symbolic, cultural, or educational. Those values are significant but in addition, so are these more immediate and measurable economic factors. Decisions affecting New York's historic resources are being made in the short term. And when the verdict is "tear it down" that is a decision than can never be undone. This report demonstrates that while the long-term values of preservation are as valid as ever, there are compelling reasons in the short term to maintain, and to celebrate, New York's built heritage."



## Conclusion

---

- What an incredible amount of information, and this presentation barely scratches the surface. If you have taken anything from this, I hope it is that **history** and **heritage** matter to dots all over the map, including Trussville, Alabama. Equally, and maybe more so to some, **economic benefits of historic preservation** are both quantifiable and verifiable.

I would like to leave you with some words from a 2011 PlaceEconomics report to the Advisory Council on Historic Preservation on measuring the economics of preservation. Read it in full [here](#).

Communities have to make choices. The economic contributions of historic preservation need to be among the factors a community considers when pondering its future. **But a community without memory is a meaningless place.** Historic resources are the physical manifestation of memory. Today quality of life is essential for a competitive community. The long-term quality and character of a community is directly related to its willingness to identify, protect, and enhance those places that define and differentiate it.

Educational, cultural, aesthetic, social, and historic values are building blocks of quality of life. Historic preservation is not about cities being the museums of yesterday; historic preservation is about using heritage resources to build quality of life for tomorrow.

While the research on the economic impact of historic preservation is relatively recent, it was recognized decades ago by the Harvard economist John Kenneth Galbraith who wrote: “The preservation movement has one great curiosity. There is never retrospective controversy or regret. Preservationists are the only people in the world who are invariably confirmed in their wisdom after the fact.”

Questions? Comments? Want to know more about us?

**Cahaba Homestead Heritage Foundation**

[www.cahabahhf.org](http://www.cahabahhf.org)

[cahahahhf@gmail.com](mailto:cahahahhf@gmail.com)