

Invest in the material cultural heritage – it pays off!

New research demonstrates that the social economic value of the material heritage is great. Cultural heritage buildings and environments create socio-economic values, jobs and increased value to those who live in and around them.

During this year the Directorate has received reports from studies of the contribution to social economic values by the built cultural heritage and cultural environments. One study, by Menon Economics, focuses specifically on the socio-economic value of the material cultural heritage¹. They have studied the consumer willingness to pay for residential historic protection worthy building in and around cultural environments. Further, they studied the nett income from tourism and other activities related to historic buildings and cultural environments, in in 4 specific local cases; Oslo, The Old Town in Fredrikstad, Røros (World Heritage Site) and Henningsvær.

Increased value for residential housing

The findings show that urban residential environments regulated for protection do not loose value, as often assumed. It is rather the opposite. The study finds that the willingness to pay for a residence in, or close to such heritage buildings and environments actually increased the housing values.

The figures show that such residential and urban environments that are regulated for protection create a 2,4 % higher market price than for comparable residential areas that are not regulated. People are willing to pay an even higher premium price to live inside buildings and in areas with a high density of heritage buildings. In these heritage buildings and environments, the increased price of the residence is 4 to 5 % over comparable non-heritage environments. The demand is high and in the old town of Fredrikstad the market value of residences, in or close to the Old Town are priced 14-18% higher than comparable residence in other parts of Fredrikstad town.

Tourism and experiences

Tourism; traveling to and experiencing heritage, create positive economic effects. Based on visitor statistics, accounting figures, consumer studies and travel motivation, the Mennon report, finds that the heritage tourists are responsible for 40% of the values created by tourism in Røros, for 4% of the total value created by all businesses in the municipality. In Henningsvær, Norway's best-preserved fishing community, cultural environment tourism is responsible for 50% of the total value created by tourism and constitutes the largest single economic sector in this small community. Here the cultural environment tourism contributes with 15% of the total value created in those companies obliged to make public accounting statements and generate app. 20% of the total employment in this community.

Figures substantiate that foreign and national tourists want more than spectacular and beautiful Norwegian nature. Tourism surveys from Innovation Norway show that the material heritage and cultural environments are responsible for an important part of the turnover in the tourism sector. In the official statistical tourism satellite account, material heritage and cultural environments contribute with 15 840 jobs (FTE) and a turnover of 27,1 billion kroners yearly.

¹ (No: kulturminner)

The construction sector

Material heritage, buildings and cultural environments create activity in the construction sector. The historic buildings create employment (FTE) for 9 600 people in 2 600 SME's and 18,7 billion Kr. in turnover yearly. Norwegian households invest 5 billion Kr in the maintenance of pre-1920 residences. In Norway, there are 7 369 protected buildings and 515 000 historic pre-1900 buildings (SEFRAK register). We constantly, and increasingly, experience good examples of maintenance, upgrading, transformation and new use of old buildings. This creates economic activity.

Contribution to BNP (brut national product)

The voluntary NGO sector is important. 230 000 Norwegians are members in a voluntary association for the promotion of cultural heritage. Norway has 600 active history associations. 80% of the population holds the opinion that the cultural environments and buildings are important or very important to them. This extensive local activity leads to many heritage buildings being improved and conserved to become available to visitors and as residences. This extensive local and voluntary work and commitment is important for the individuals in question and its value goes far beyond what we can count in monetary terms.

In total, the built and cultural environments contribute with 45,8 billion Kroners in production. This is app. 2% of the BNP. The total contribution to employment is 25 440 jobs (FTE) or 1% of the total employment in Norway.

The figures should convince those who, until presently, have considered the material heritage as an expense. There is money to be 'made' by investing in the built heritage; for the owners, for the local community, for society and for the nation Norway. It has a high social and economic value.

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Sources:

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[translation: T. Nypan]

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