



Multidisciplinary methodology development to measure socio-economic impacts of cultural heritage

Revealing the socio-economic impacts of cultural heritage

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Motivation

- Advocacy role
- Research
- Methodology development

Methods

- **Local level** impact assessment in three test sites
- Impact analysis on **real estate** market
- Counterfactual impact assessment on **settlement level**
- Recommendations for **national level** assessment

Impact analysis on the real estate market

Does cultural heritage increase the value of real estate?

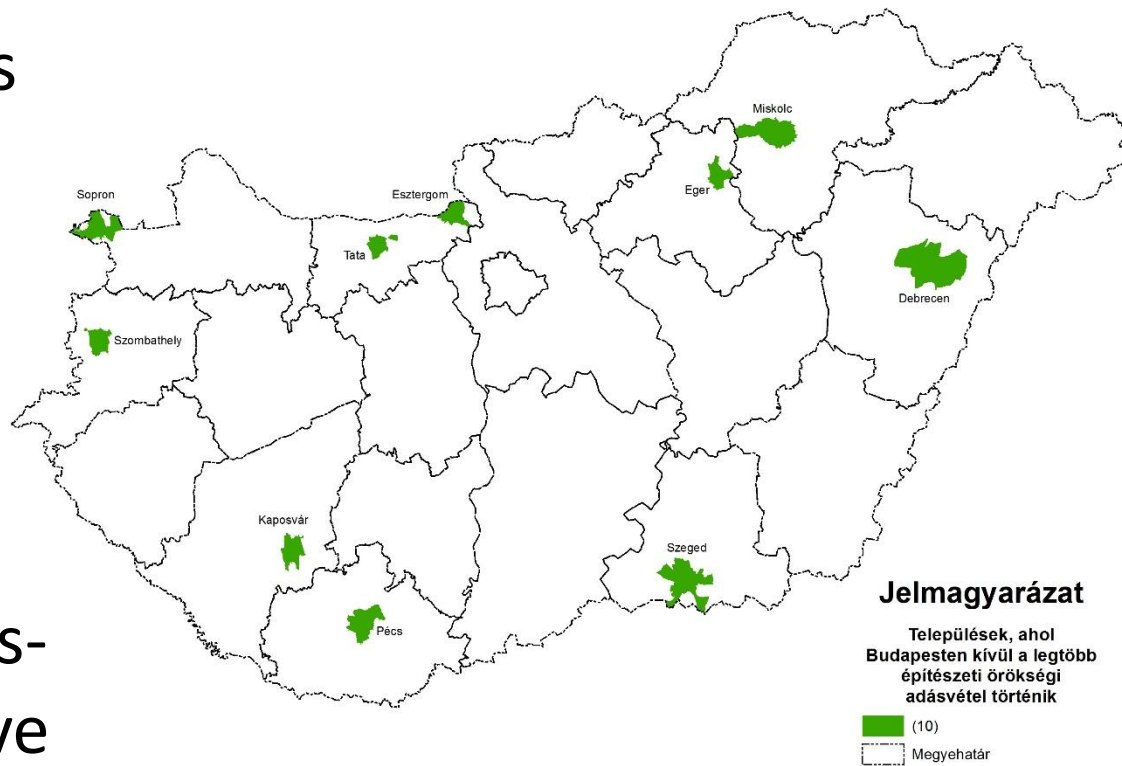
Cultural heritage status can create extra value

Regulations on refurbishment can reduce the value for the owner since it might narrow opportunities

Hypothesis

Price effect on residential properties

- 760 000 transactions between 2000 and 2007
- 17 000 transactions related to cultural heritage
- time-series and cross-sectional comparative analysis



Top 10 city concerning heritage transactions (2000-2007)
(Sources: ELTINGA, FHB Index, Forster Centre, Lechner)

Price effect on potential properties

Heritage buildings

- are usually bigger than other properties
- can be found mostly in larger cities
- usually better located (city center, panoramic, etc)

National
listed
monuments
+1,9%

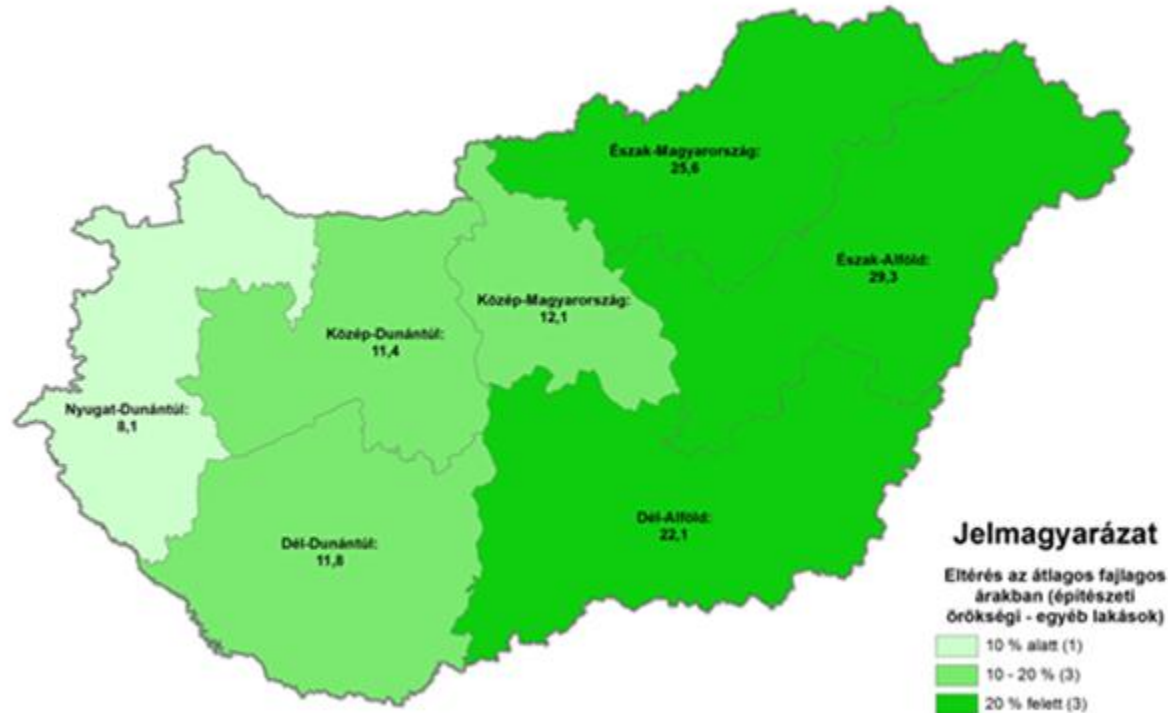
Locally
protected
buildings
+4%

+30%

-0,9%

Settlement level analysis

- If the proportion of listed historic buildings to non-listed properties is 1% point higher within the total housing stock, it entails 3% higher property prices
- 1% out of this 3% is the consequence of tourism



Difference of heritage and non-heritage buildings' prices according to regions (% , 2000-2007)

(Sources: ELTINGA, FHB Index, Forster Centre, Lechner)

- Price premium of residential properties in historic downtown of Eger increased in the last 10 years
- 30-40% price premium



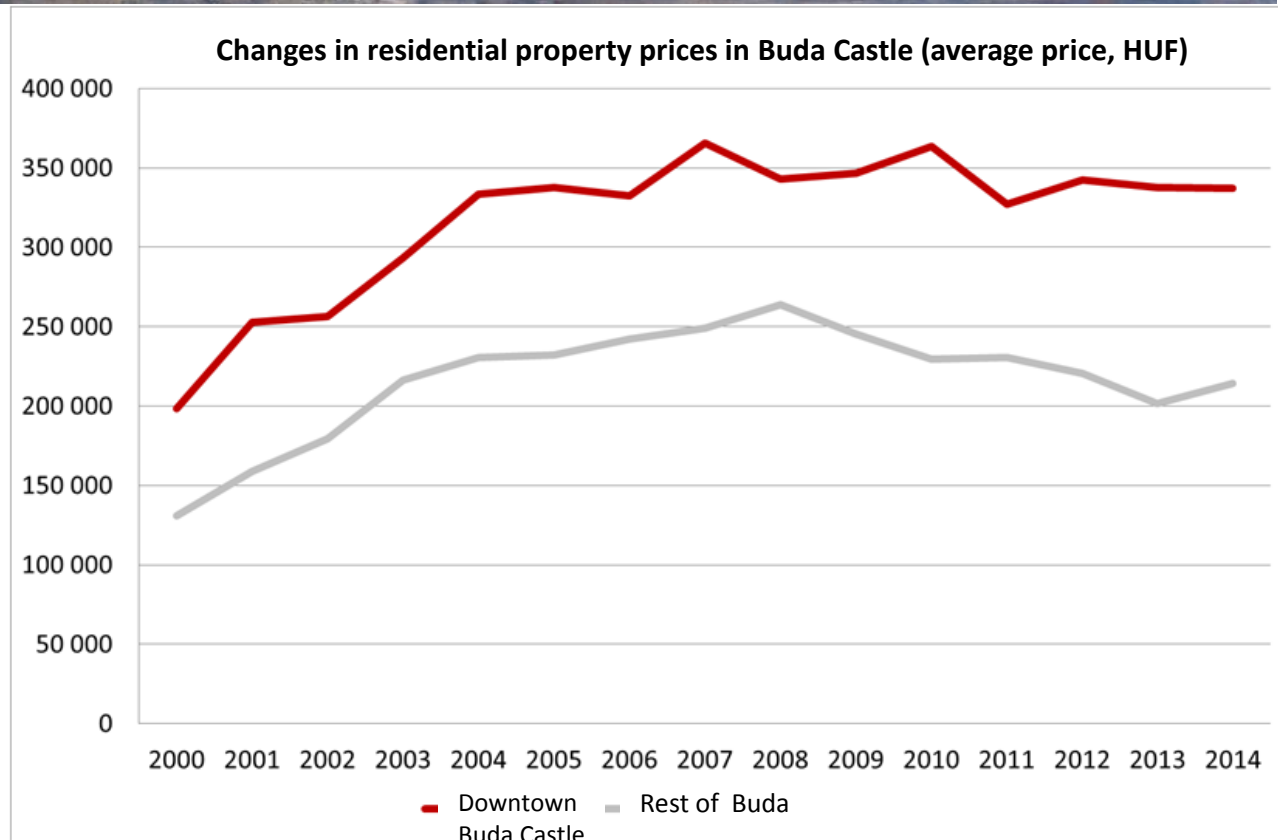
Changes in residential property prices in downtown, Eger (average price, HUF)



Residential properties - Eger



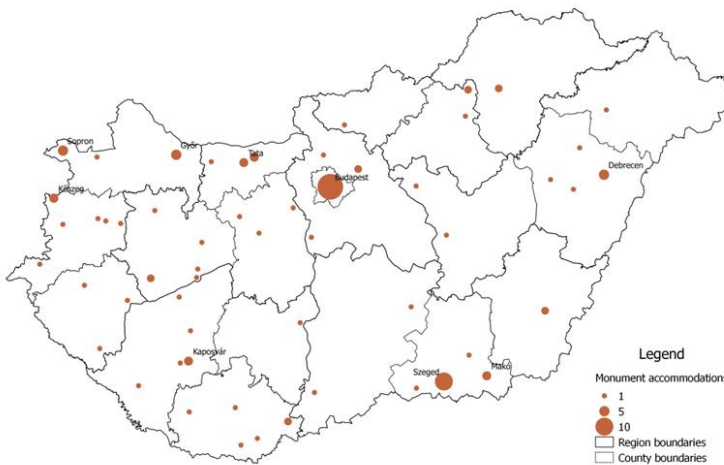
- Price premium of residential properties in the Buda Castle has also increased in the last 10-15 years
- Buda Castle is one of the most expensive areas of Hungary



Residential properties – Buda Castle

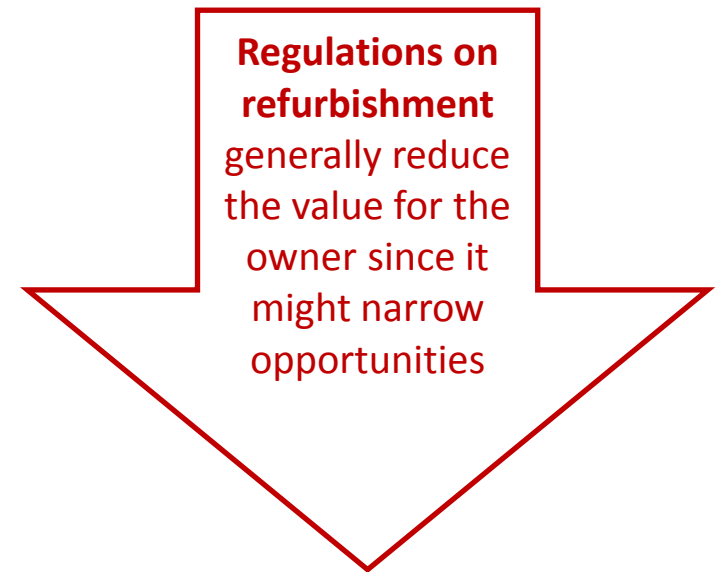


- **27% price premium** before controlling for characteristics
- **12% price premium** after controlling for characteristics
- Assessed 2850 accommodations from booking.com



Heritage impact on hotel room prices

Does cultural heritage increase the value of real estate?



Price effect of heritage

TOTAL IMPACT

Individual

Economic

Social

Environmental



Visitors
(Cultural
experience)

Inhabitants
(Quality of life,
local identity)

Non-use value
(Conservation for
next generation,
pride)

Tourism, hospitality
Ticket sales,
Expenditures

Business activity
investments,
location selection

Employment
direct, indirect

Trade
Visitors' consumption

Construction
infrastructure, housing

Residential real estate
housing prices

Income
tax base/gross
income

Culture
(cultural programs,
museum visitors)

*Autonomous civil
society*
(NGO-s)

*Community
cohesion*
(communities)

*Scholarships,
researches*

Deterioration

Air pollution

*Resource-
efficiency*

Preservation

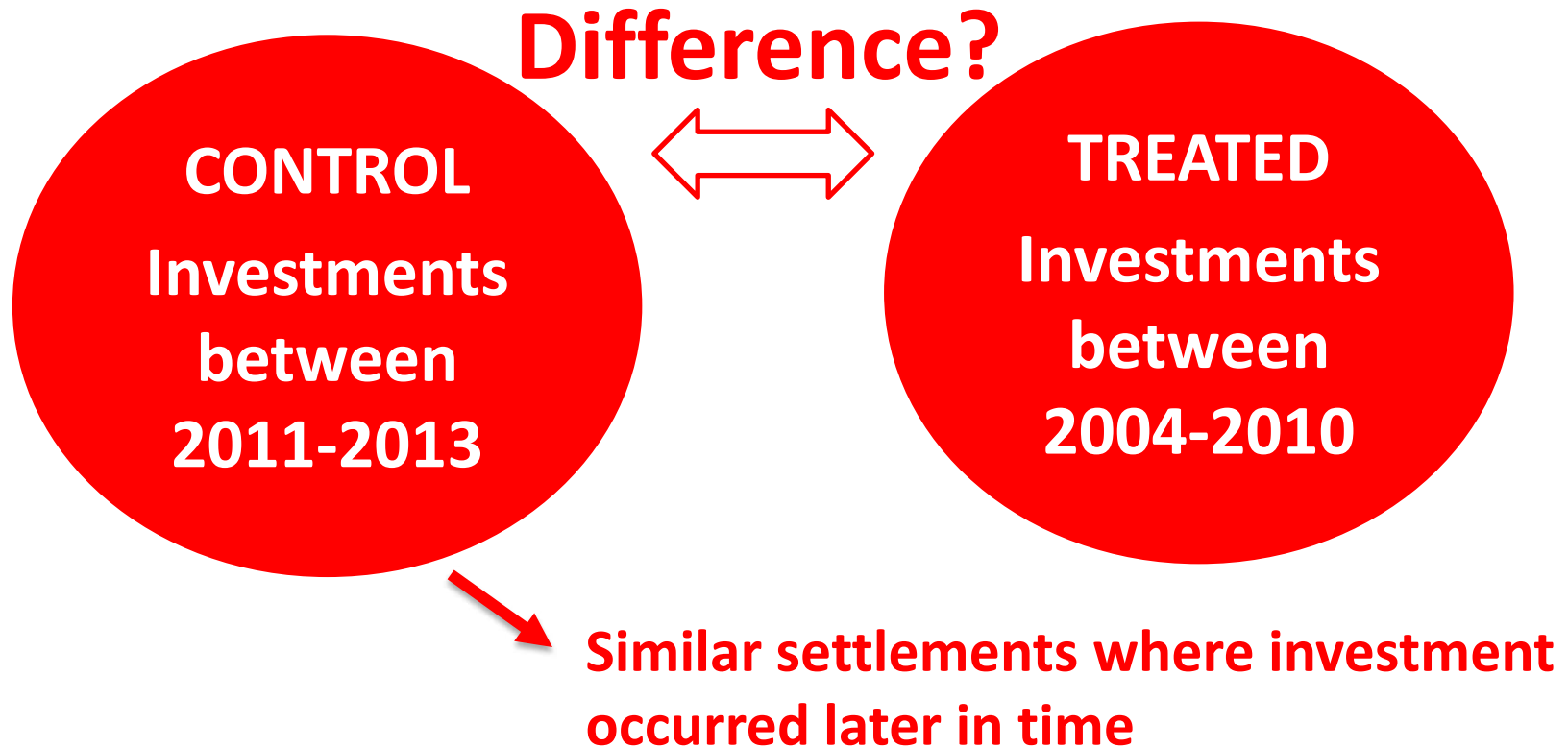
*Crowdness,
mass*

Outcome indicators

Live births per capita
Migration (in and out)
Number of tax payers
Tax base
Paid income tax
Number of retail stores
Number of restaurants
Number of registered firms in construction / hotel and catering / trade / total
Number of NGOs?
Number of registered unemployed

Measuring by numbers and soft indicators

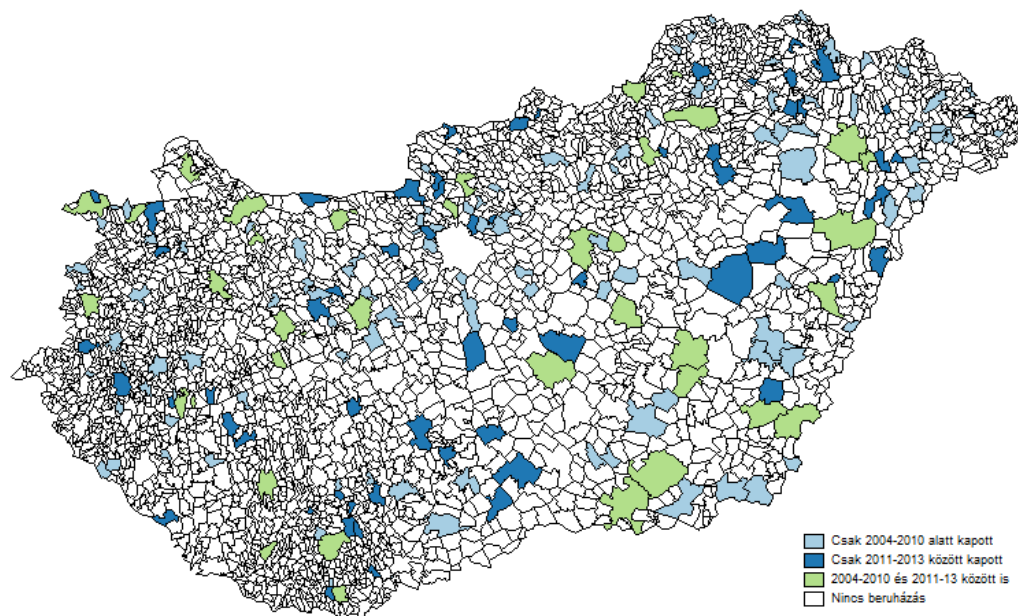
Counterfactual impact assessment (2004-2013)



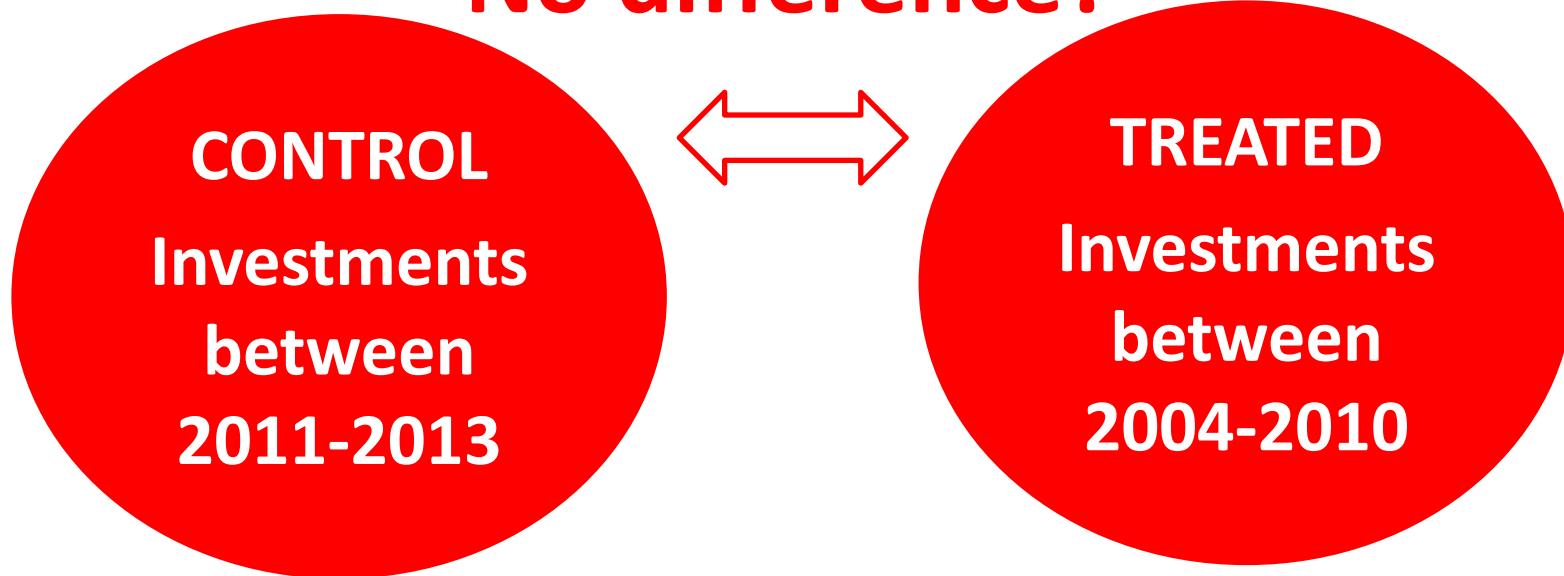
The sample

- Investments funded by Operative Programs & Norwegian Financial Mechanism
- Period: 2004-2013

	2011-2013 Control	2004-2010 Treated
Observations	63	107
Subsidies per cap. (HUF, 2013)	199,700	103,900



No difference?



- Not enough time for the impacts to materialize?
- Lack of reliable data in relevant areas (*e.g. guestnights, revenue of enterprises, employment, construction industry*)
- Lack of data on overall heritage investments
- National level indicators are too rough to grab the impacts of cultural heritage?

- Recommendations on national level assessment
- What is the real aim of heritage investments?
 - To increase employment?
 - To strengthen identity?
 - To contribute to enterprise development?
 - To increase business investments?





Thank you for your attention!

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Management**