



# Why Do Old Places Matter?

Economics of Historic Preservation:  
Recent Lessons

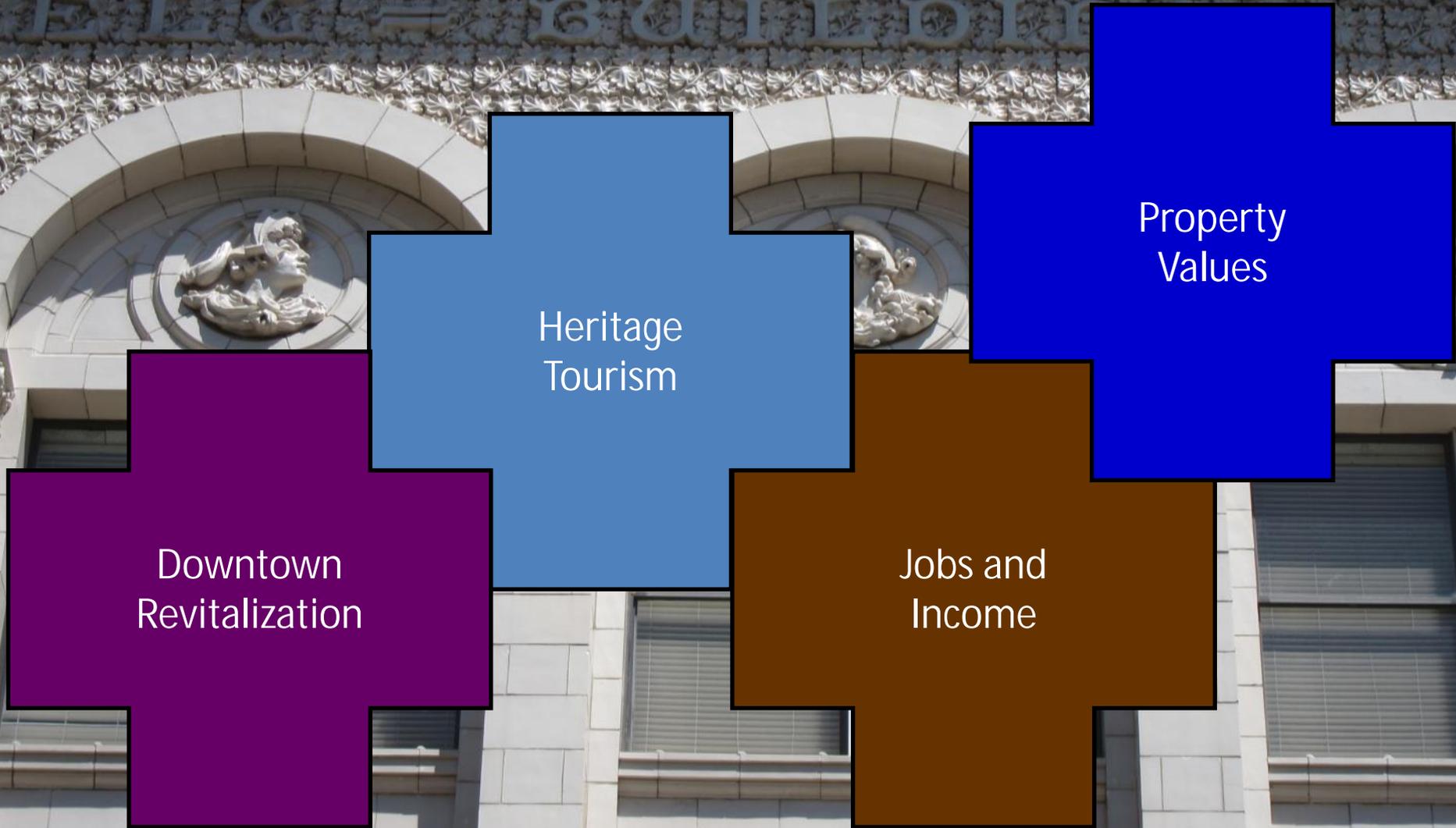
Smart Growth Information  
Clearinghouse Webinar

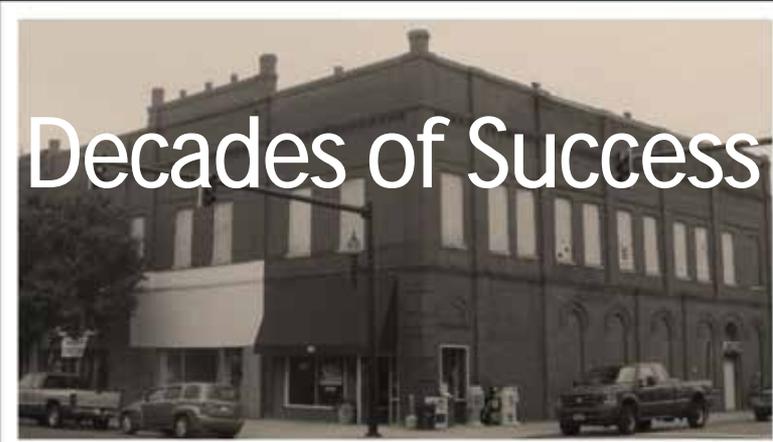
June 9, 2015

Donovan Rypkema  
*PlaceEconomics*, Washington, DC

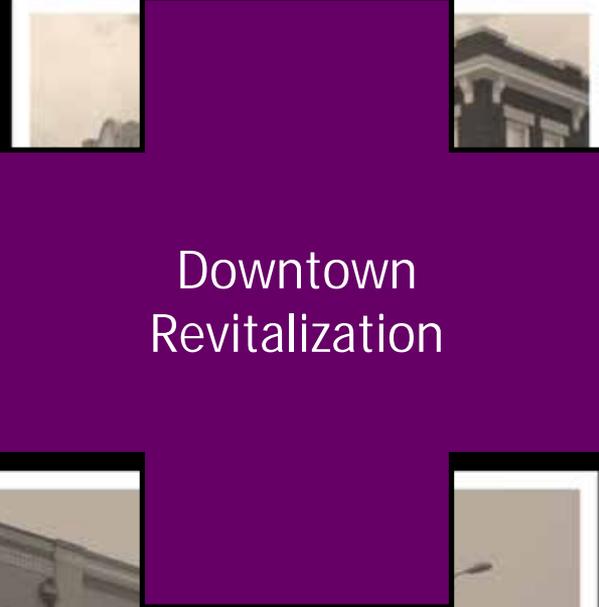
# 20 Years of Preservation/Economic Studies

## The Big Four





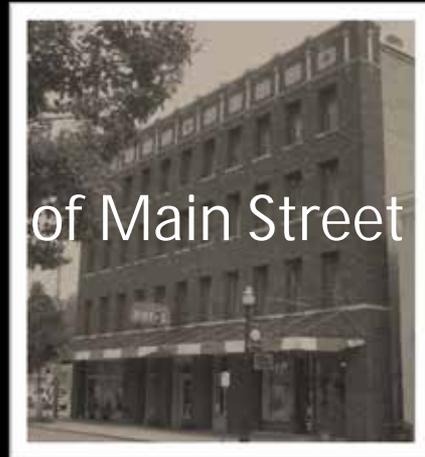
# Decades of Success



Downtown  
Revitalization



The Economic Impact



of Main Street



in North Carolina



Prepared for the  
North Carolina  
Department of Commerce

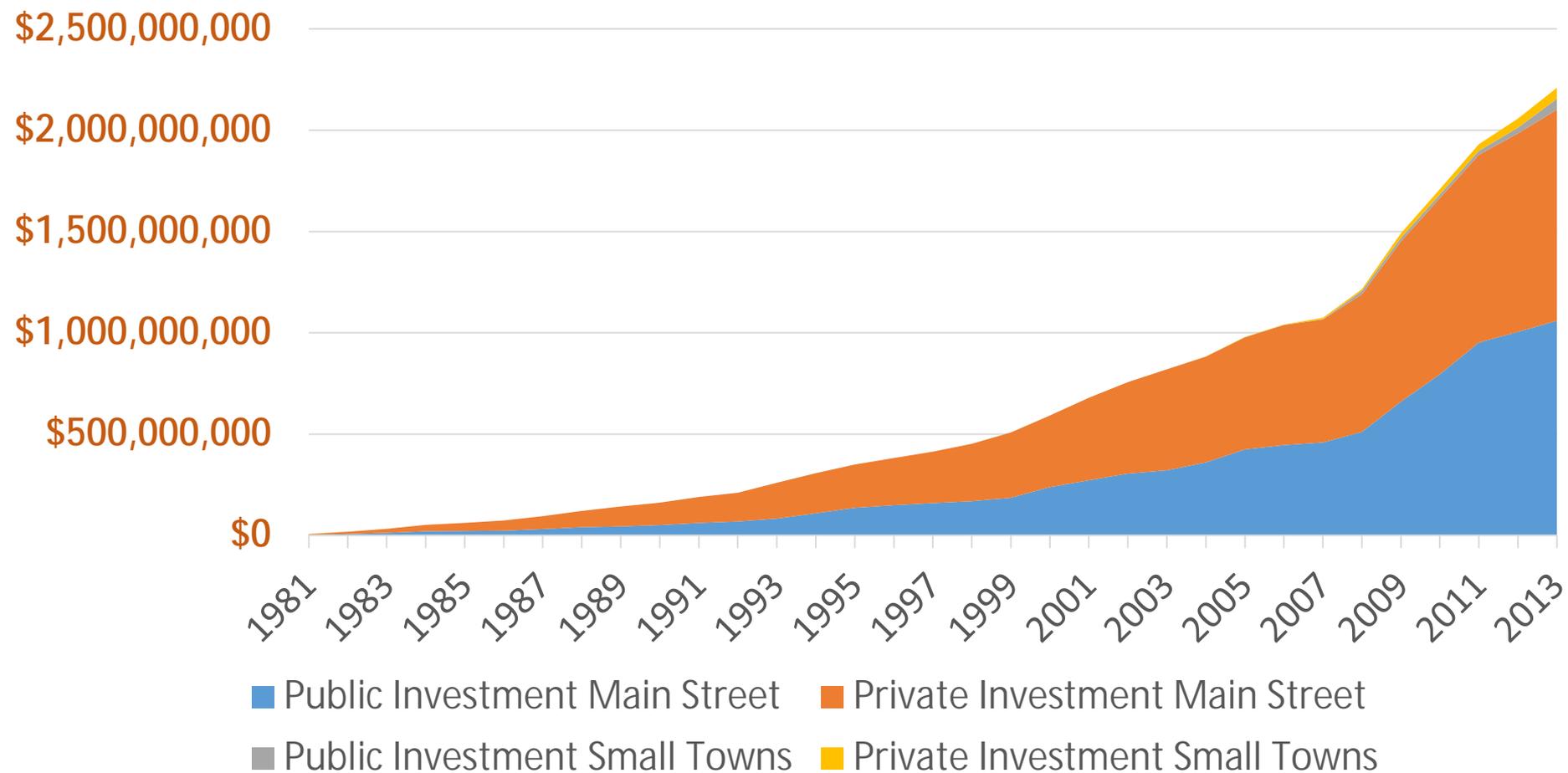


and  
North Carolina Main Street  
Communities



# Cumulative Investment 1981 - 2013

## Main Street and Small Towns Programs



# Total Investment

\$1,096,264,1

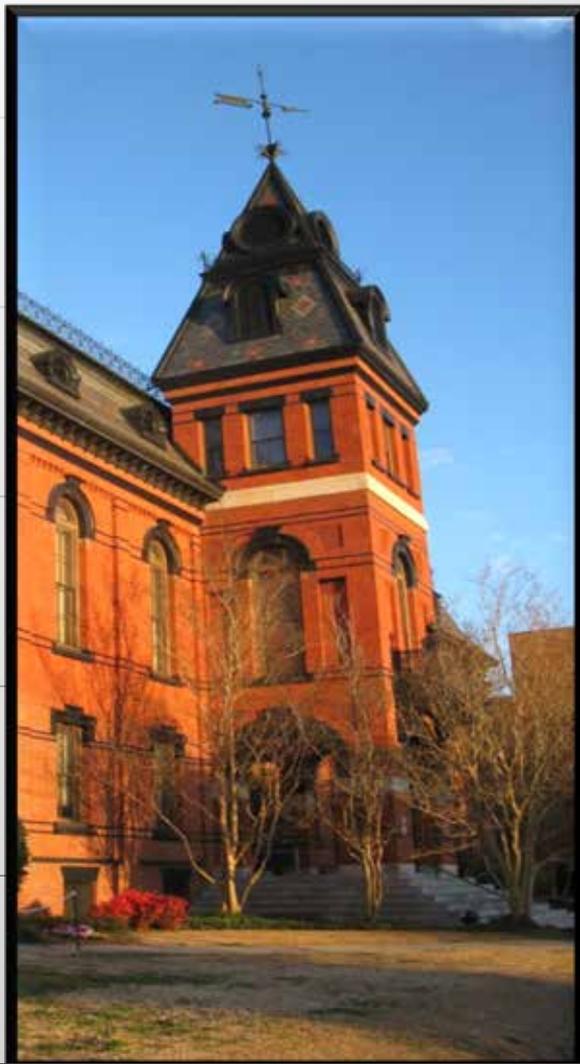
72

\$1,113,693,7

10

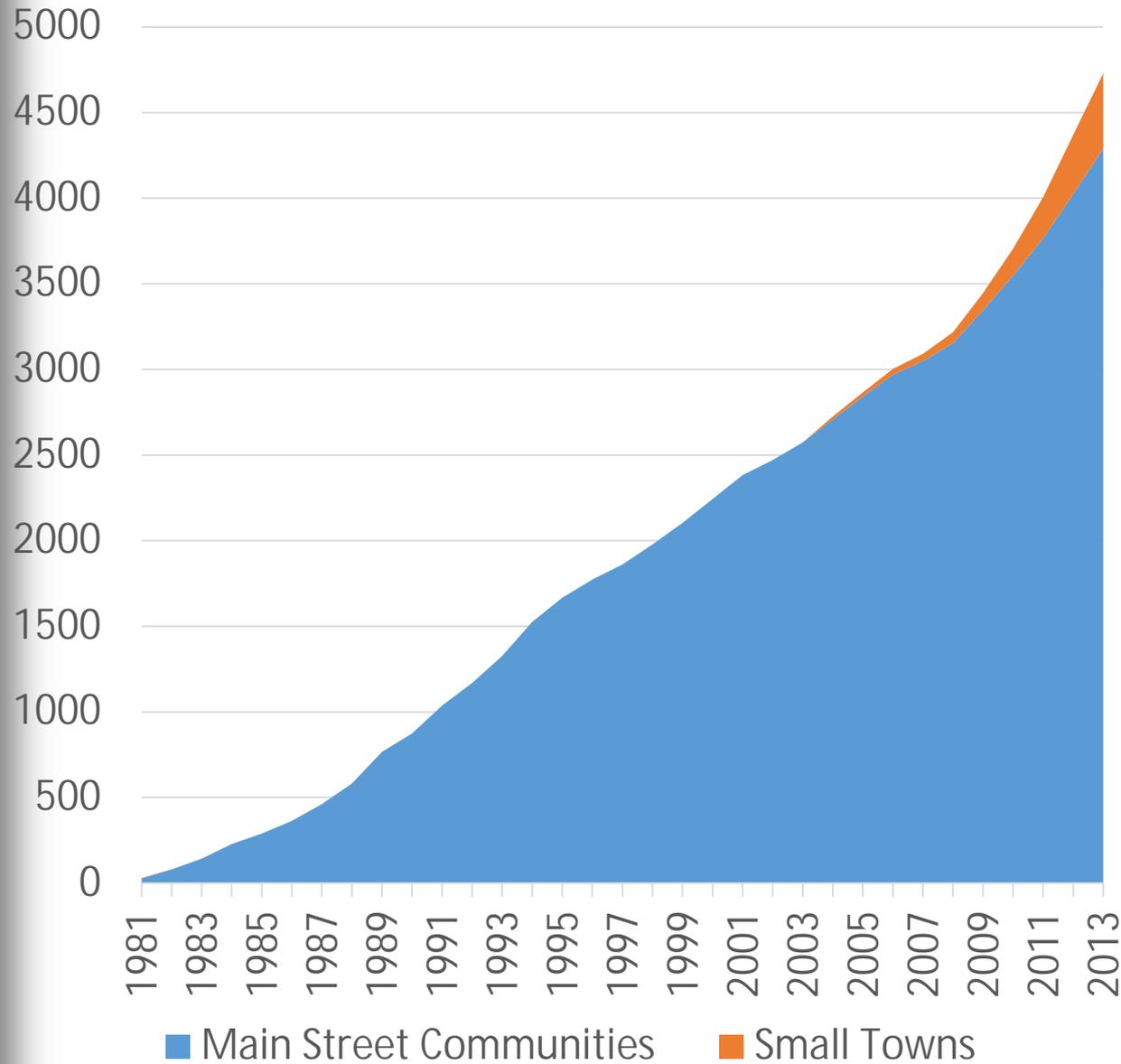


PRIVATE INVESTMENT

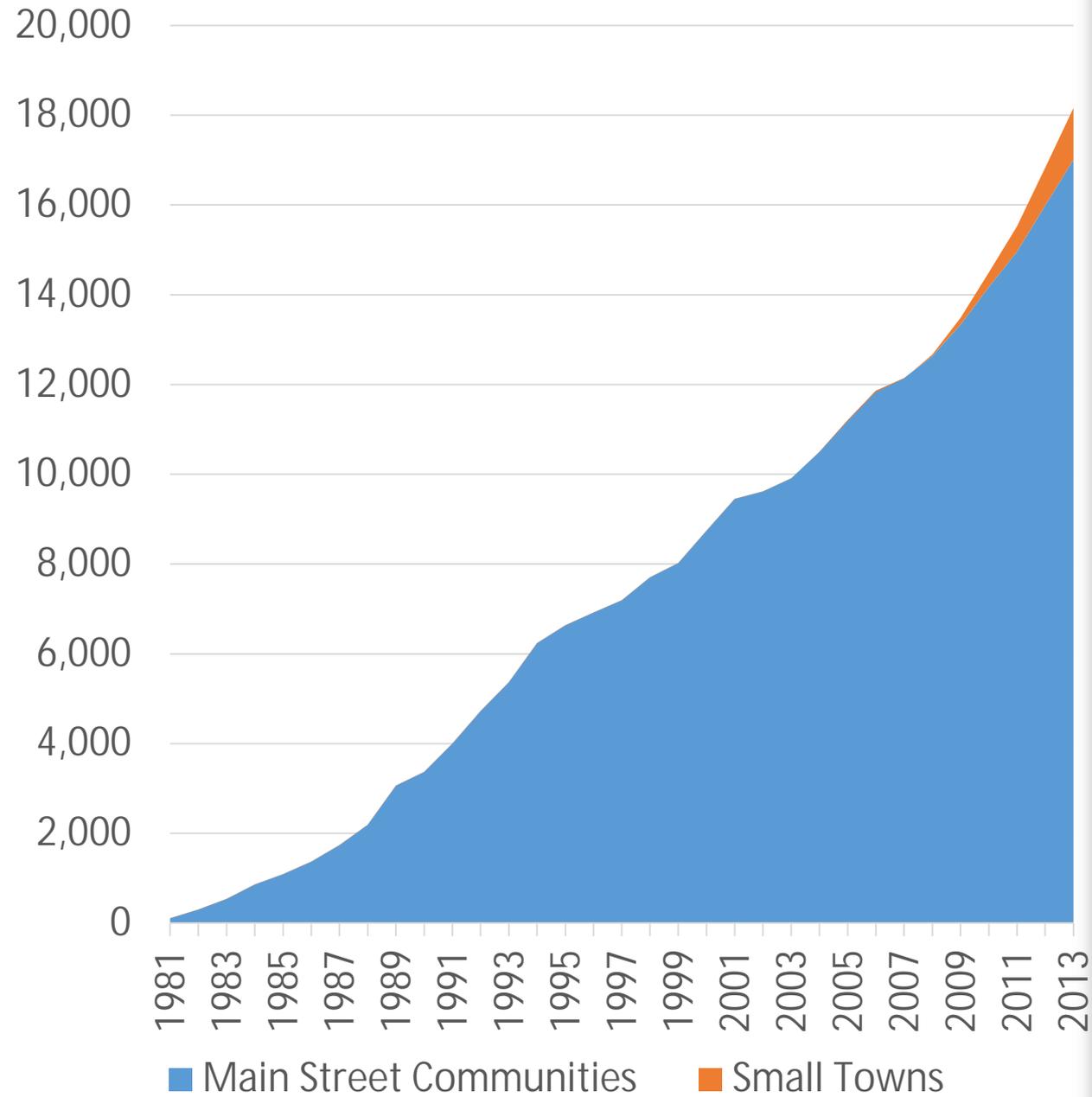


PUBLIC INVESTMENT

# Cumulative New Net Businesses 1981 - 2013



# Cumulative Net New Jobs



# Cumulative Building Rehabilitations



# Fiscal Effectiveness of Main Street

	1981-2013 Core Budget	1981-2013 Core + State Grants
Total Cost	\$7,748,192	\$11,898,192
Cost/Net New Job	\$435.29	\$668.44
Cost/Net New Business	\$1,650.83	\$2,535.04
Ratio of Private Investment to State Investment	\$145 to \$1	\$95 to \$1
Ratio of Public Investment to State Investment	\$140 to \$1	\$91 to \$1



Heritage  
Tourism

## Heritage Tourism



Heritage tourism in the Philadelphia 5-county area contributes over \$3 billion in total output, supporting over 45,000 jobs and \$975 million in earnings, within the Commonwealth of Pennsylvania each year.

## Heritage Tourism



16% of  
Arkansas  
Tourists are  
Heritage  
Tourists

- But they spend 30% more than other visitors
- More likely to be out-of-state visitors

Heritage  
Tourism  
generates  
\$891  
Million/year

- Supports 21,552 Jobs
- Adds \$319 Million in income
- Generates \$74 million in tax revenues

## Heritage Tourism

*Heritage tourists to Florida in 2007 spent an estimated \$4.13 billion, and 46.7% of all U.S. visitors to Florida reported visiting an historical site during their stay*



# Hotel Room Nights

Heritage  
Tourism

Cultural  
Tourists



Others



**+470,000 Visitors**

Heritage  
Tourism



**+785,000 Visitors**

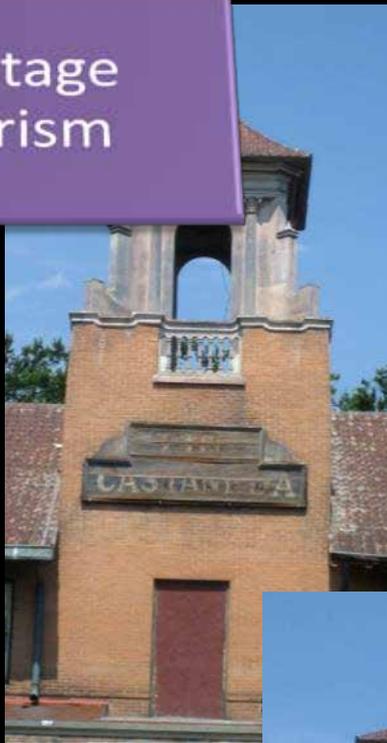
Heritage  
Tourism



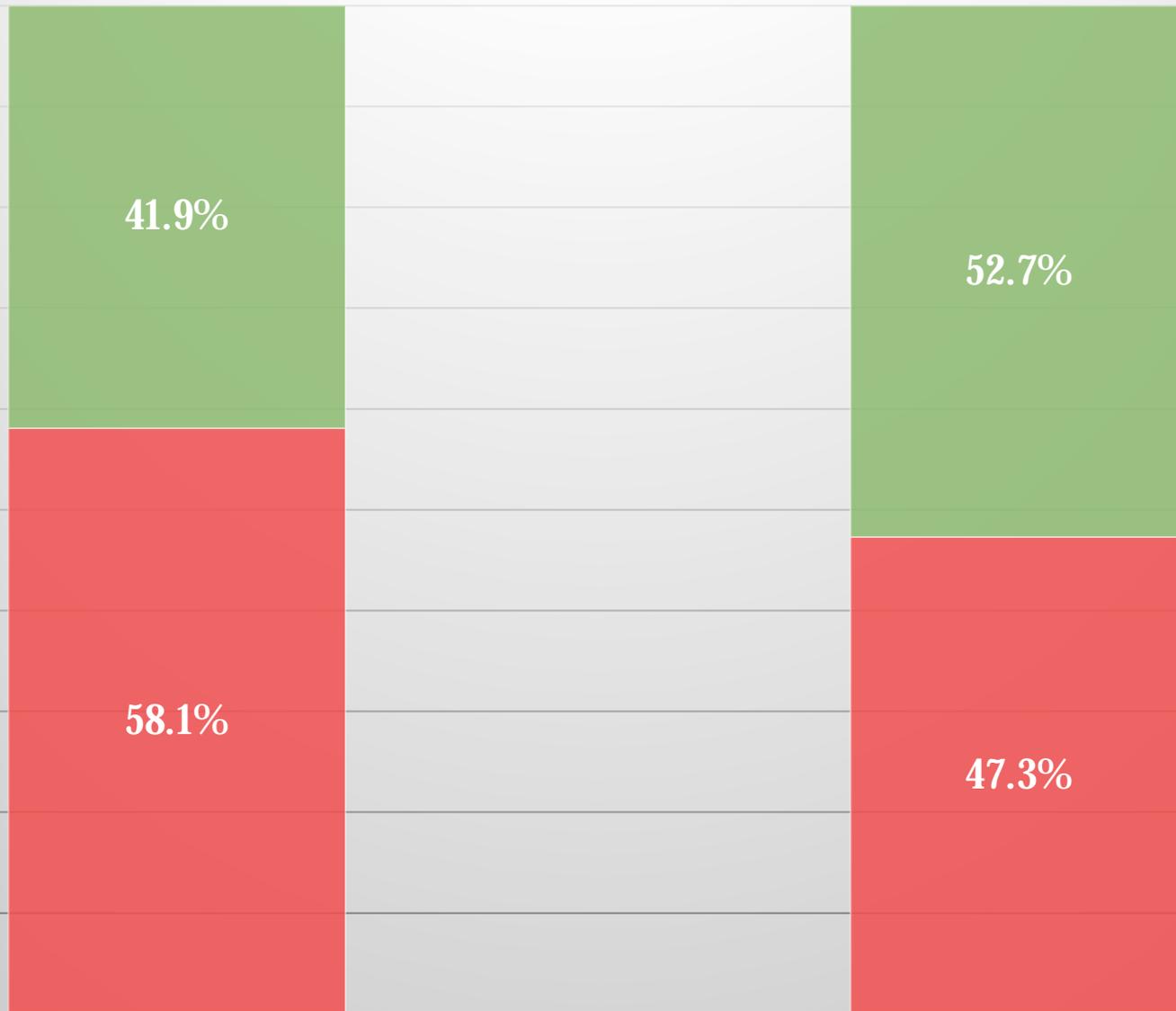
Heritage  
Tourism



# Heritage Tourism



# Share of Heritage Visitors in San Antonio



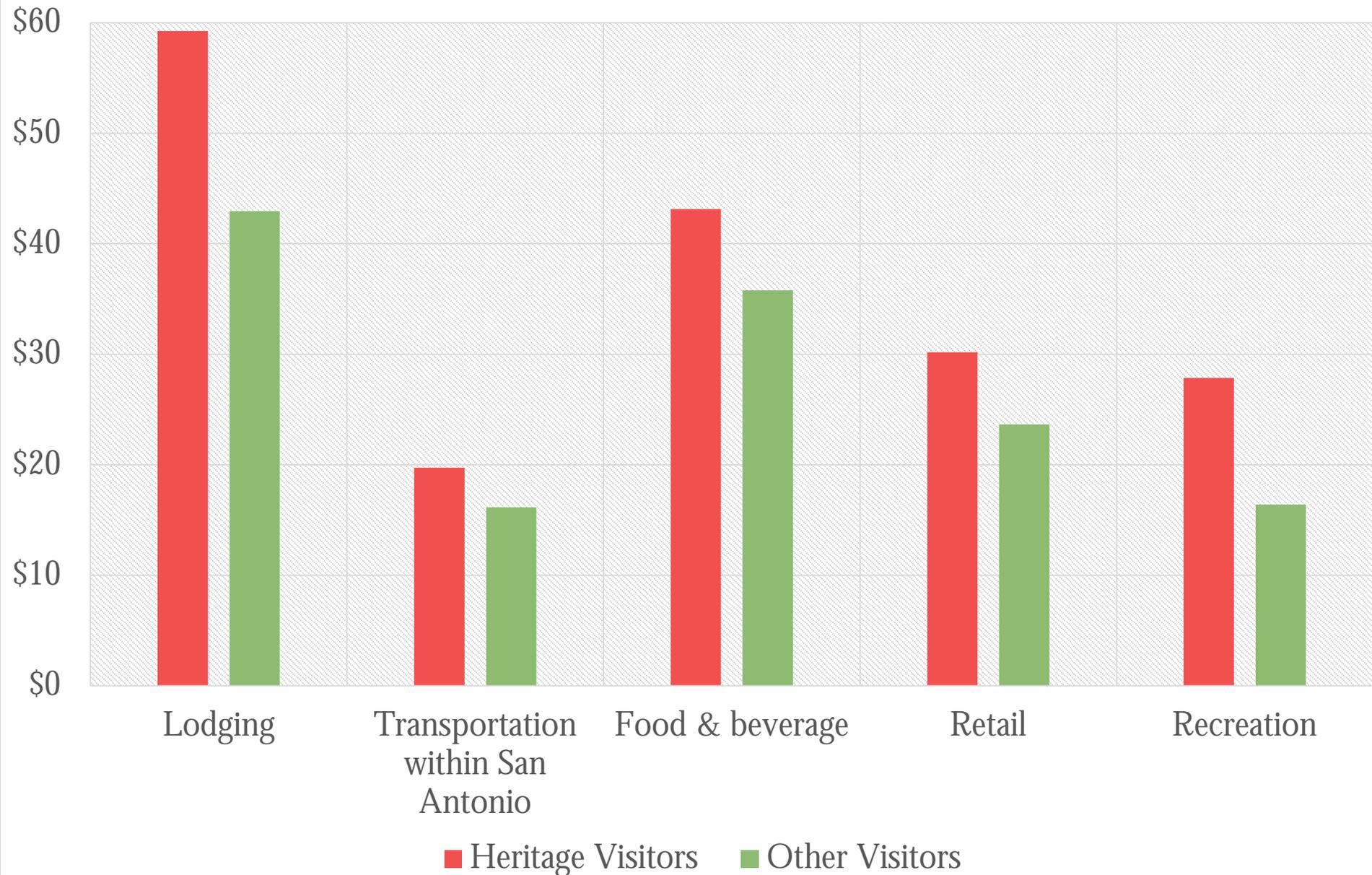
OVERNIGHT VISITORS

DAY VISITORS

■ Heritage Visitors

■ Non-Heritage Visitors

# Per Person Per Trip Overnight Visitors to San Antonio



# Heritage Tourism

Less than 7% of Heritage Tourism Dollars are spent at the Heritage Sites that attracted them.

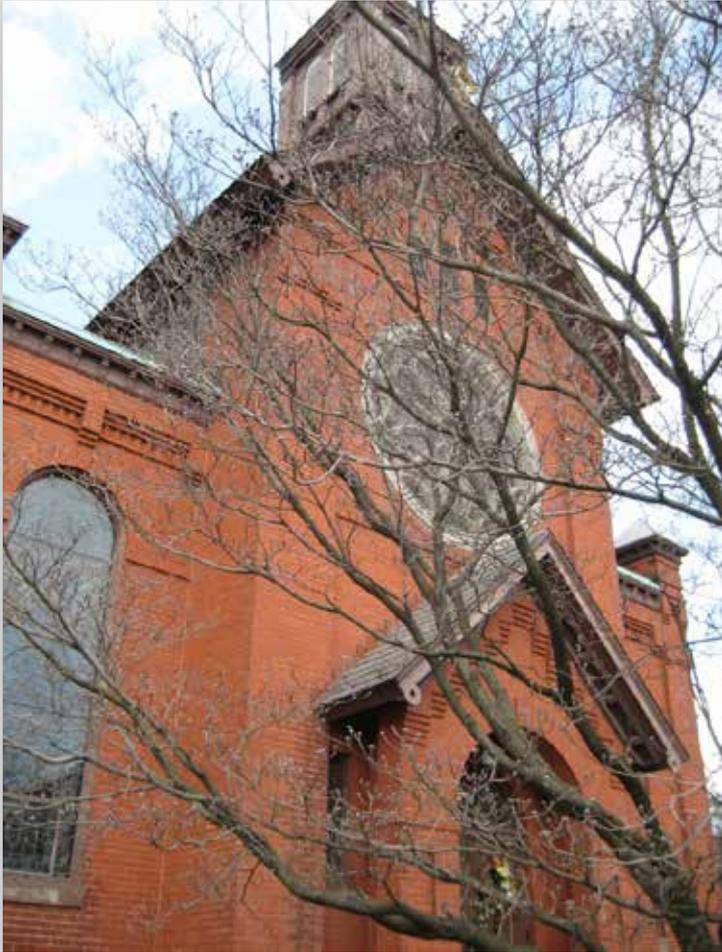


Jobs and  
Income



# Jobs

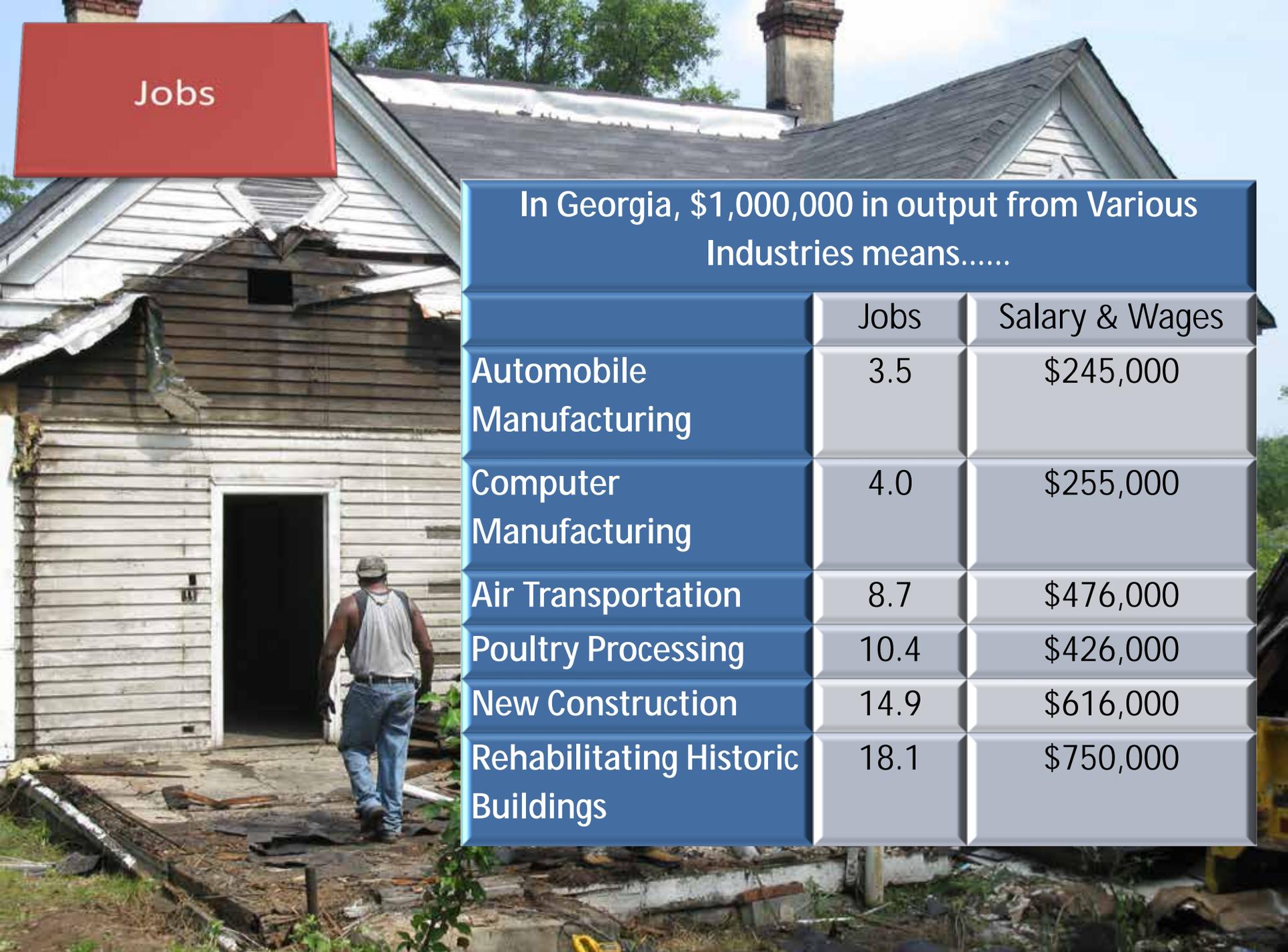
## Jobs in Delaware Per \$1 Million of output



Jobs

# Household Income in Delaware Per \$1 Million of output

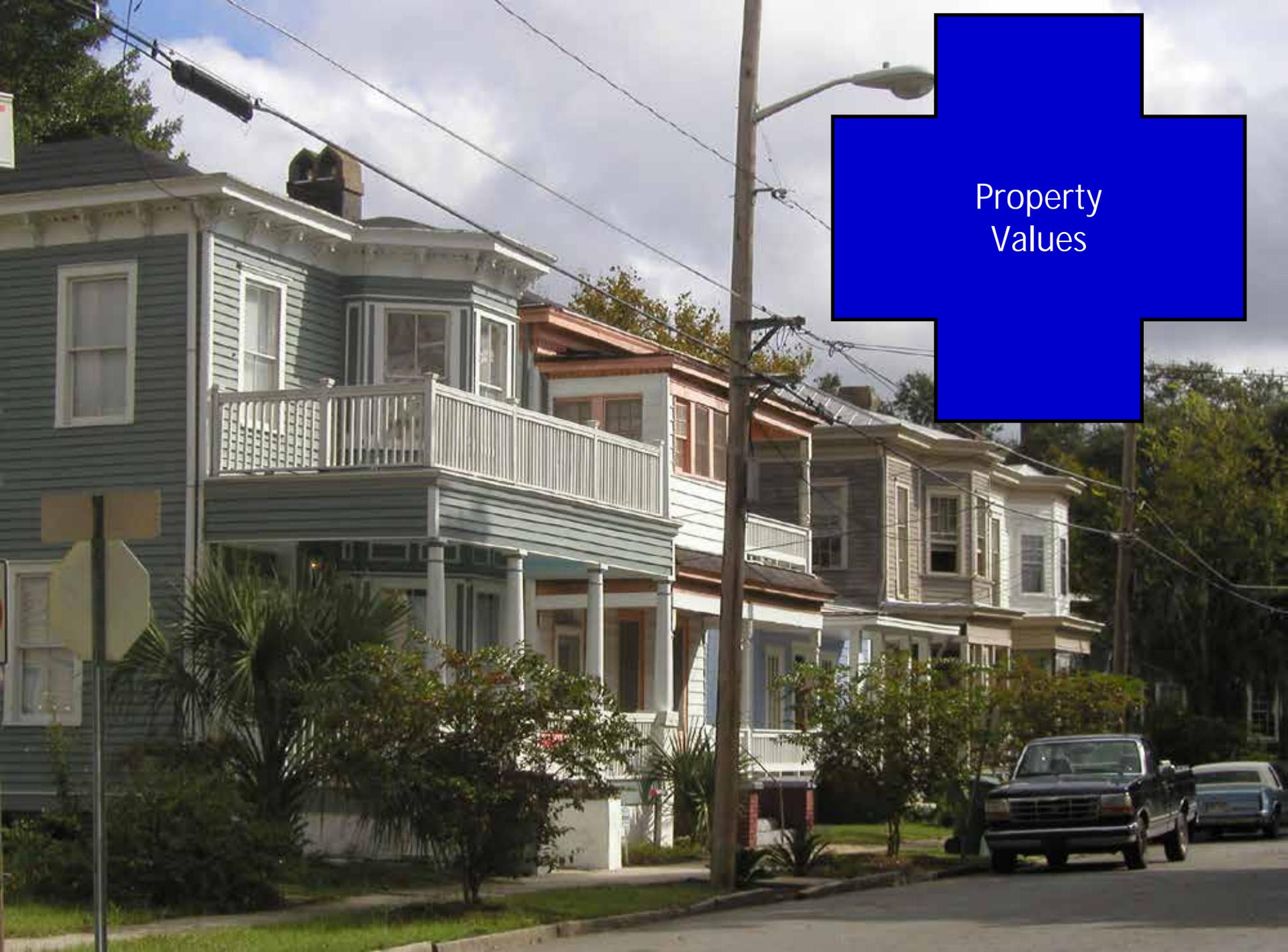




# Jobs

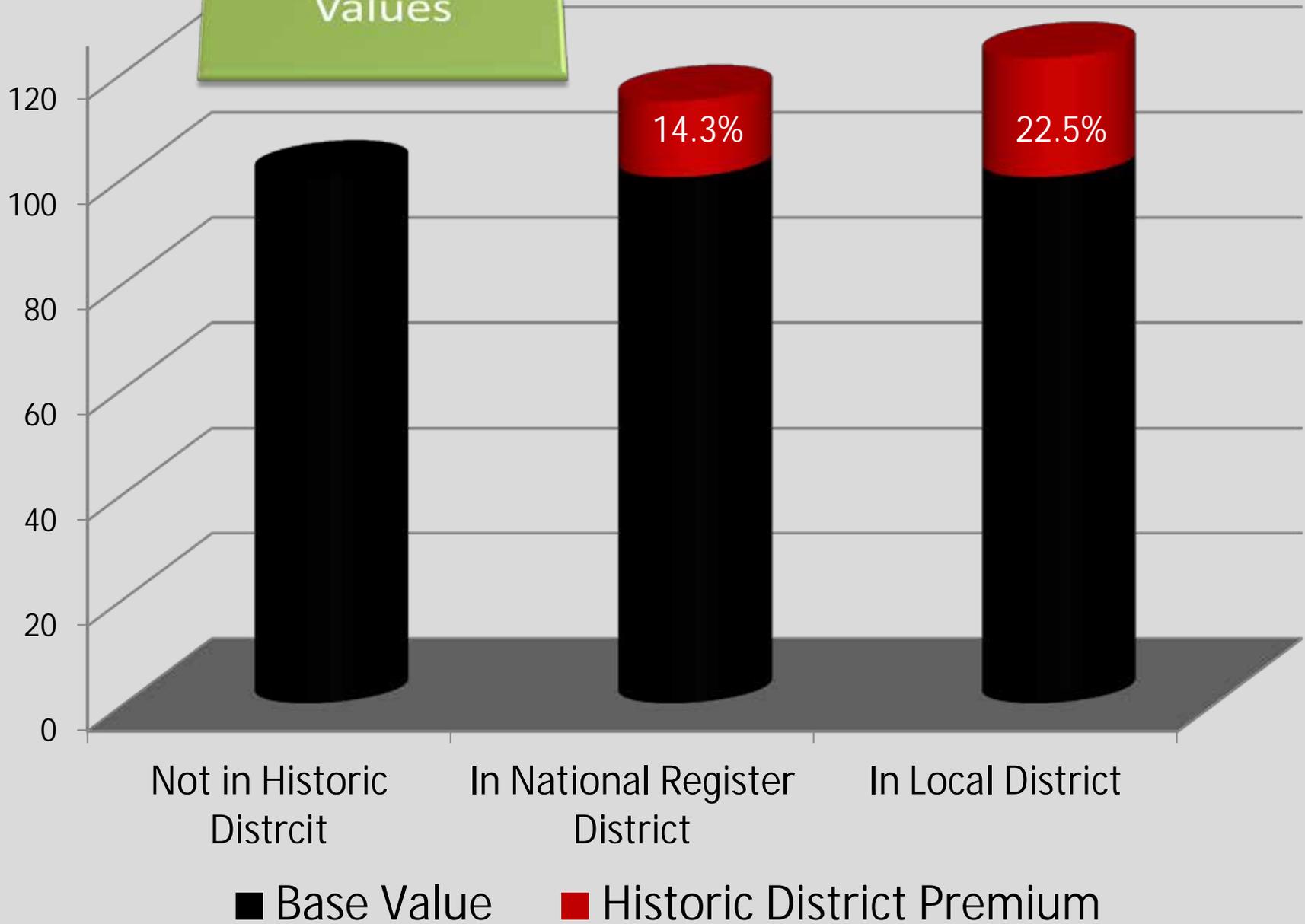
In Georgia, \$1,000,000 in output from Various Industries means.....

	Jobs	Salary & Wages
Automobile Manufacturing	3.5	\$245,000
Computer Manufacturing	4.0	\$255,000
Air Transportation	8.7	\$476,000
Poultry Processing	10.4	\$426,000
New Construction	14.9	\$616,000
Rehabilitating Historic Buildings	18.1	\$750,000

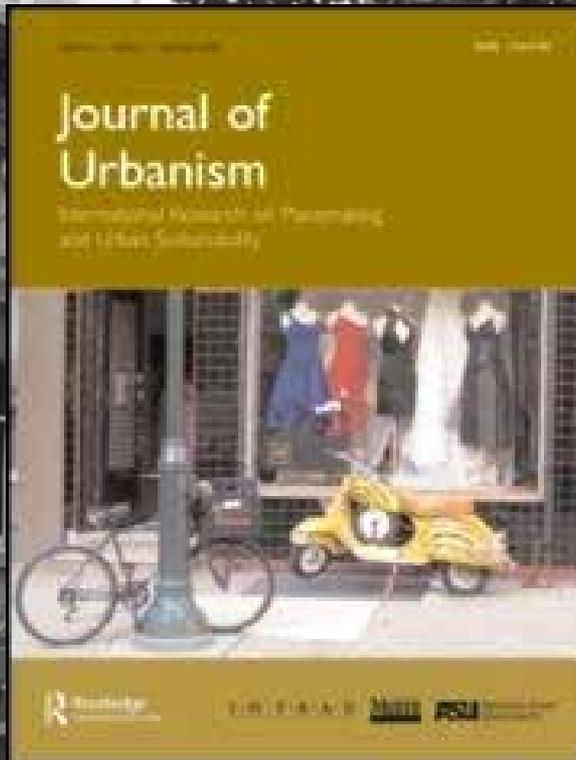


Property  
Values

# Property Values



## Property Values

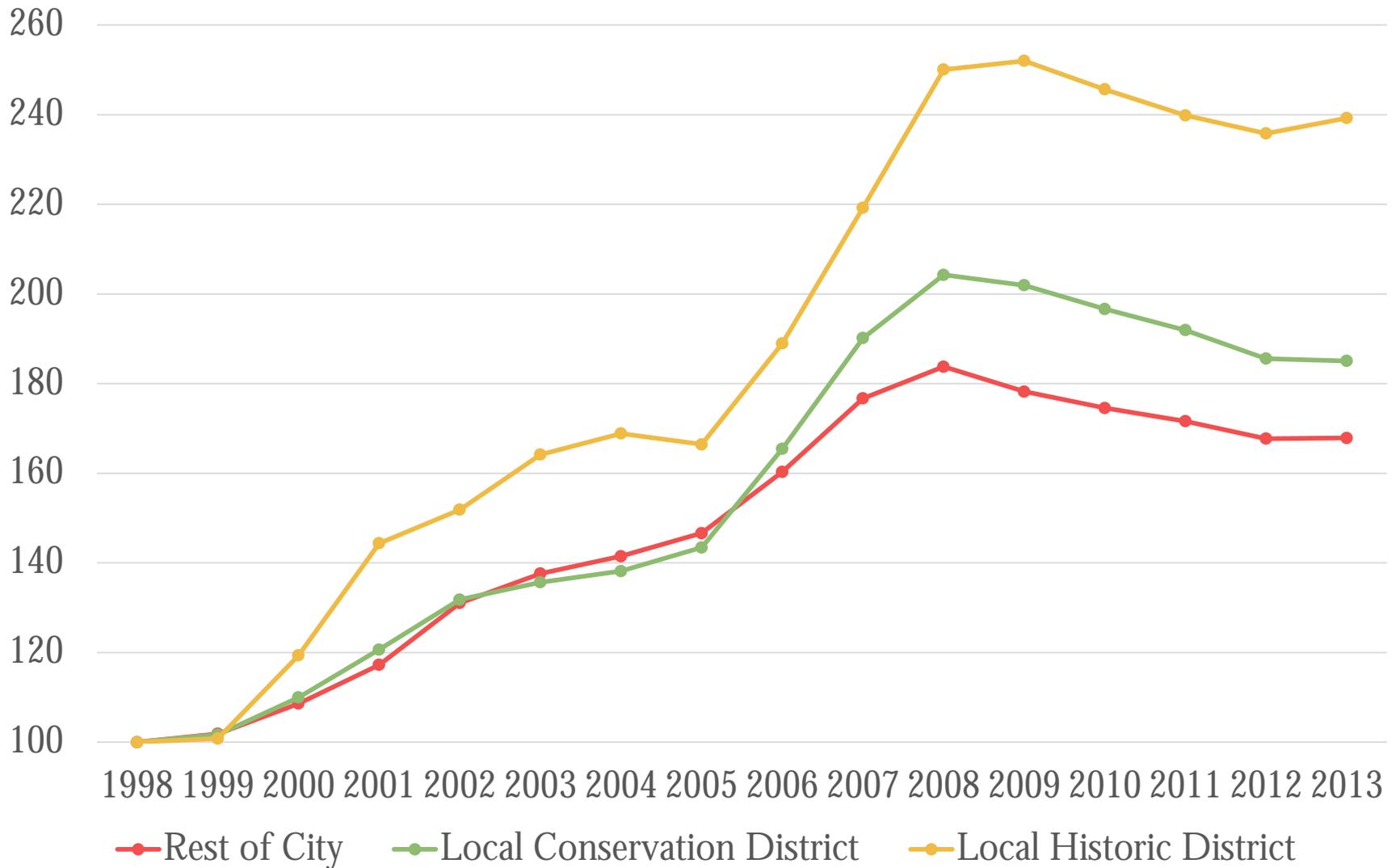


2000 – 2007

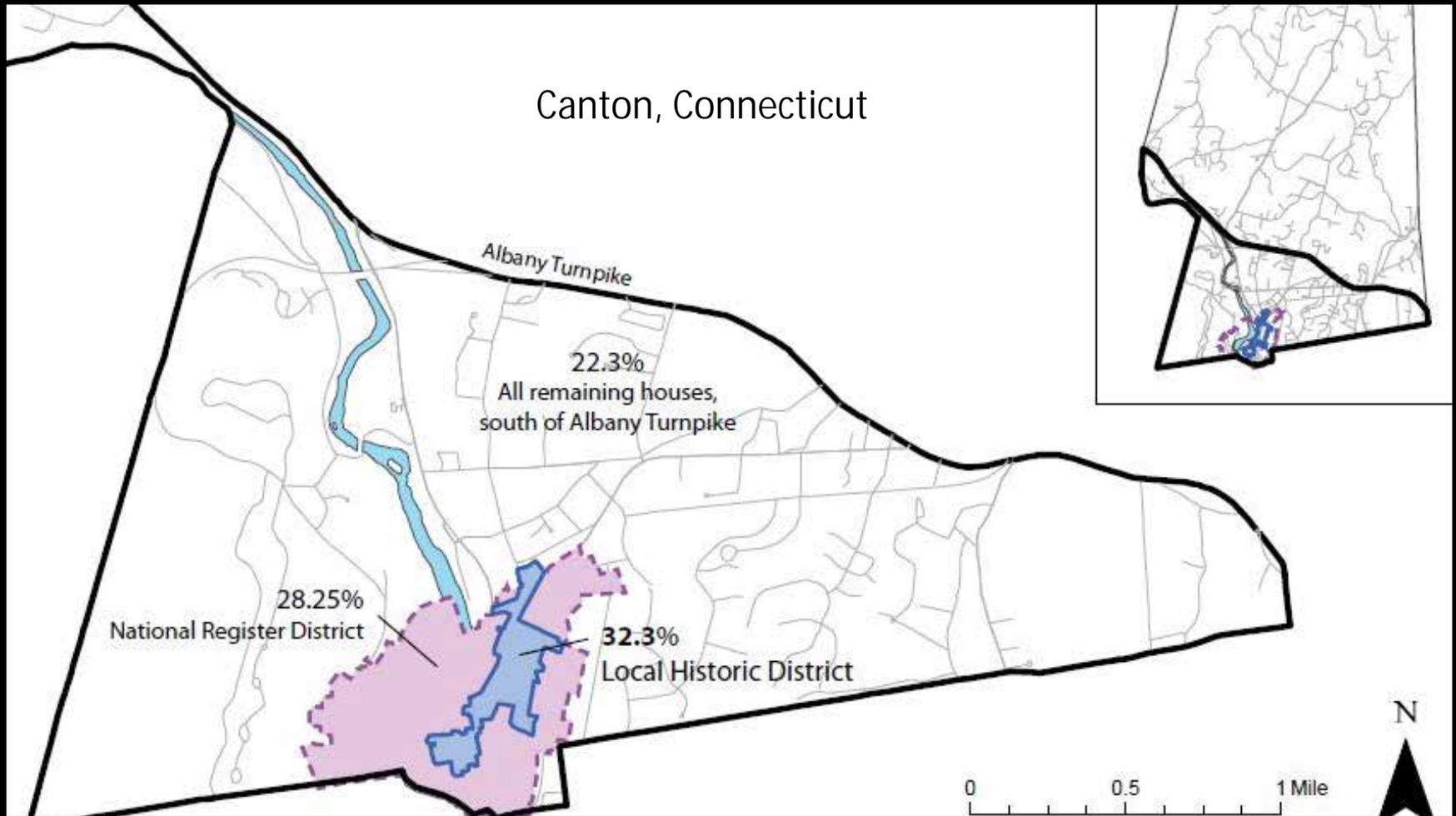
- In local historic district = + \$59,000 to \$67,000
- Historic district properties + 21% in appreciation

# Annual Change in Value San Antonio 1998 - 2013

1998 = 100

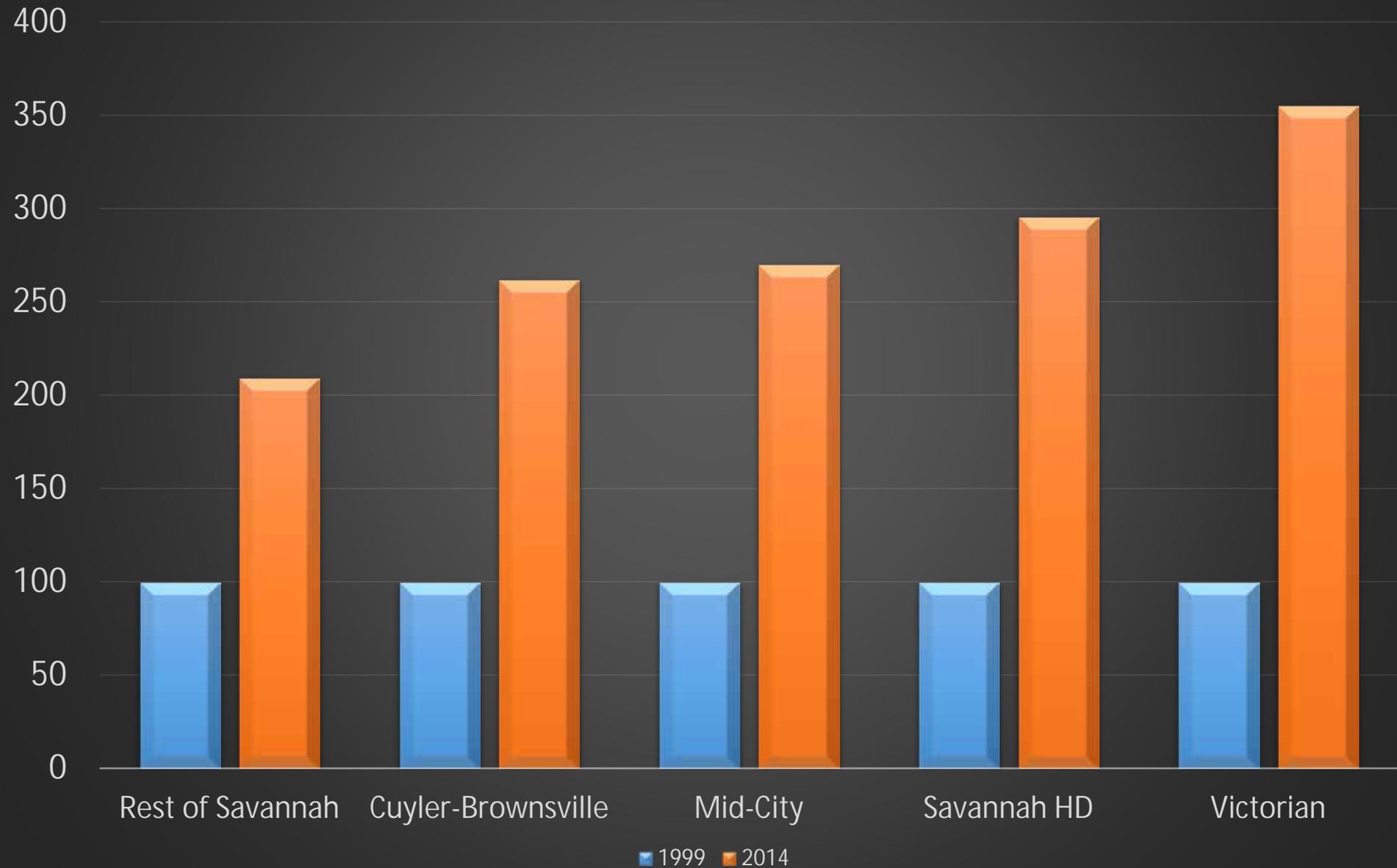


# Property Values



# Value Change 1999 - 2014

## Savannah Local Historic Districts



# The New Nine

Foreclosure

Stability on the Downside

Density

Walkability

Knowledge/Creative Industries

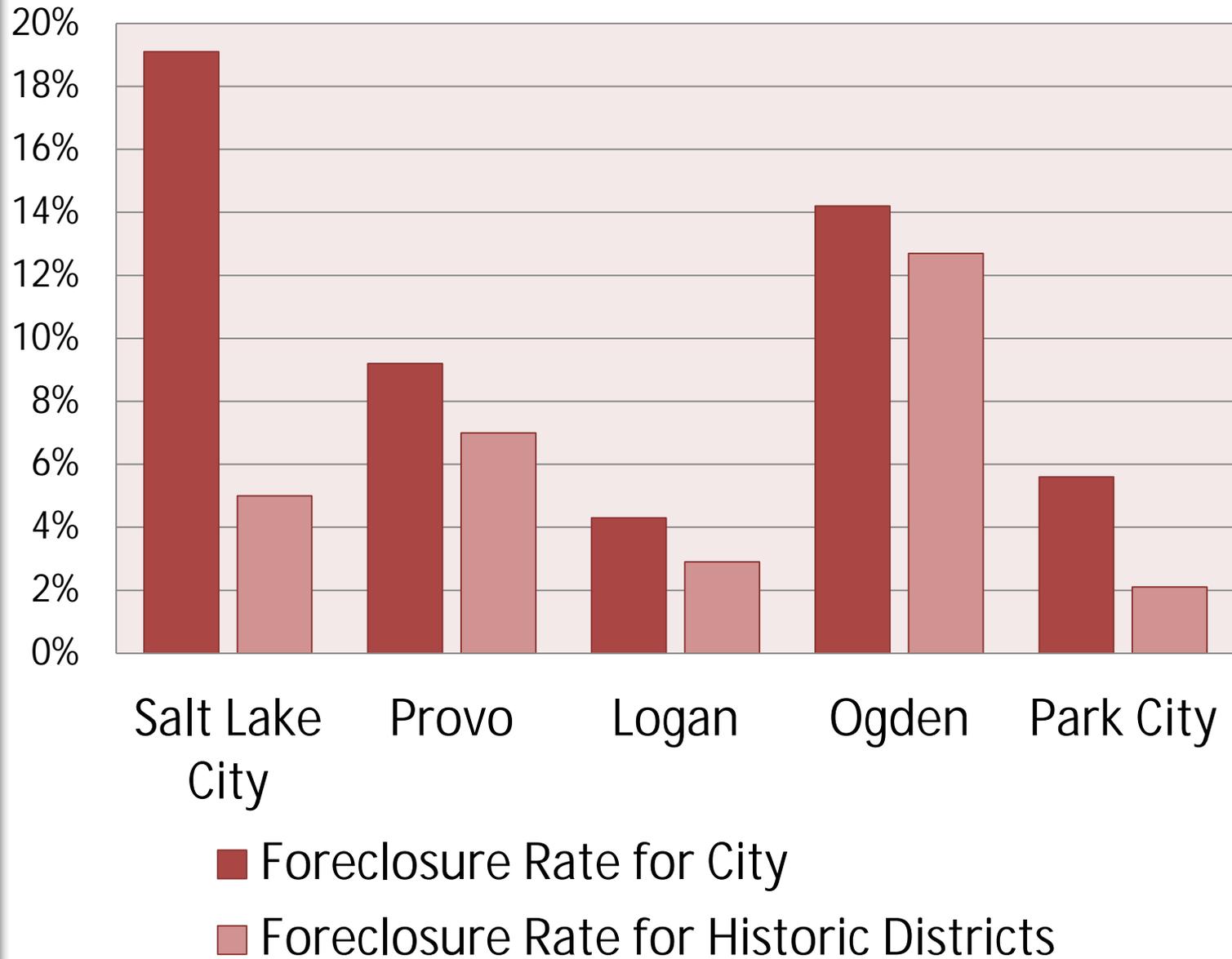
Business Births/Deaths

Demographic /Economic Mirror

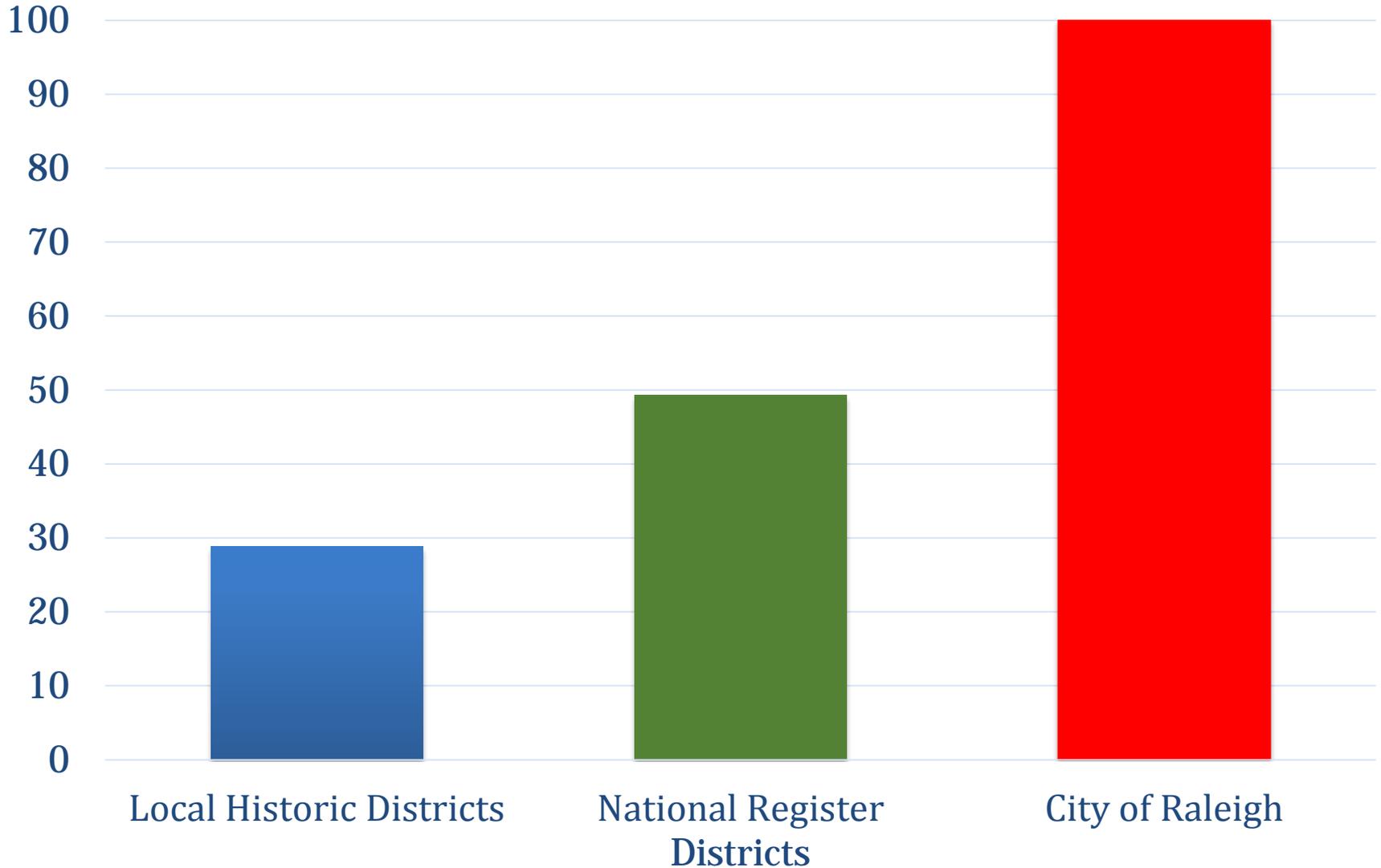
The Environment

The First Place of Return

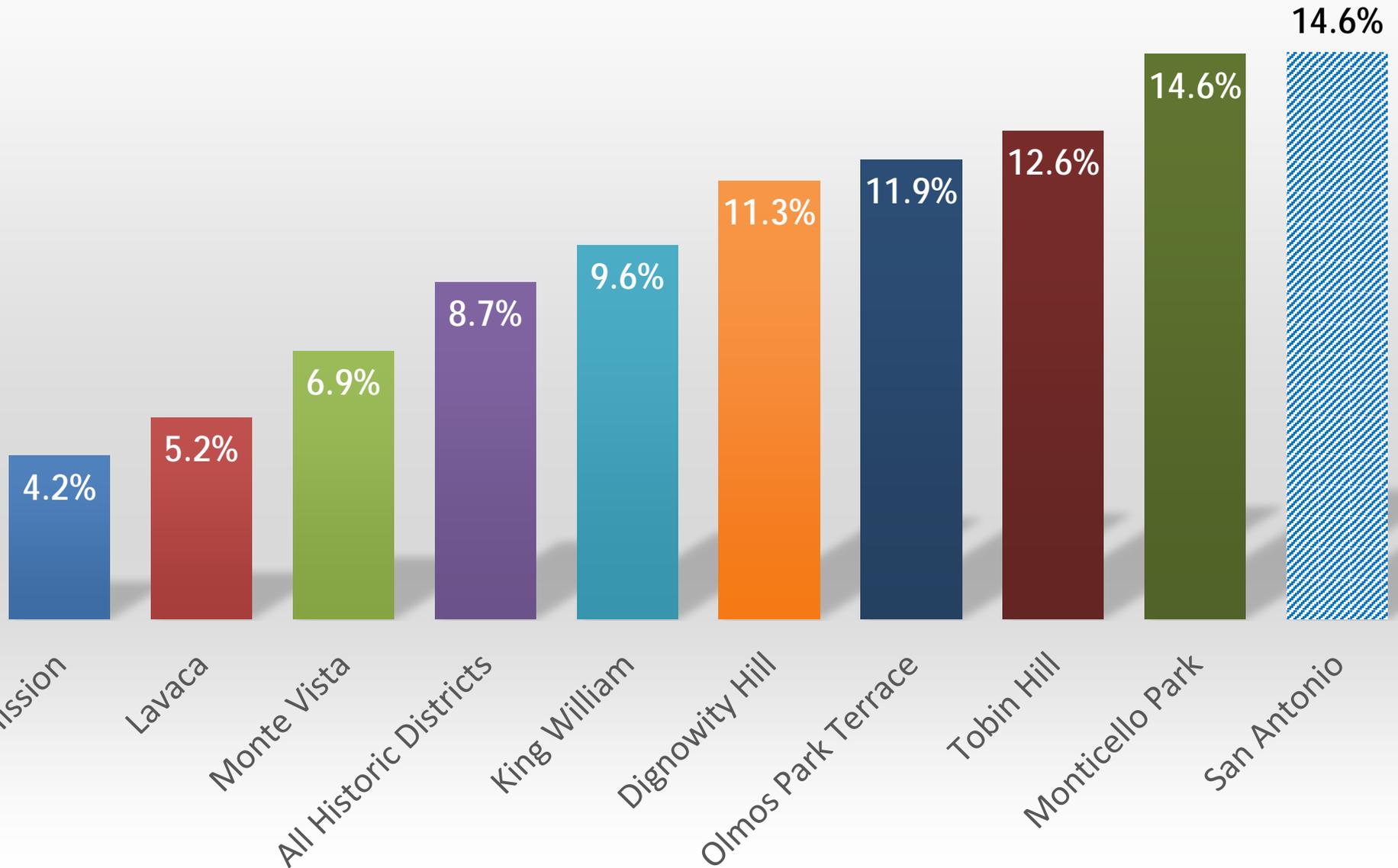
# Single Family Foreclosure Rates 2008-2012



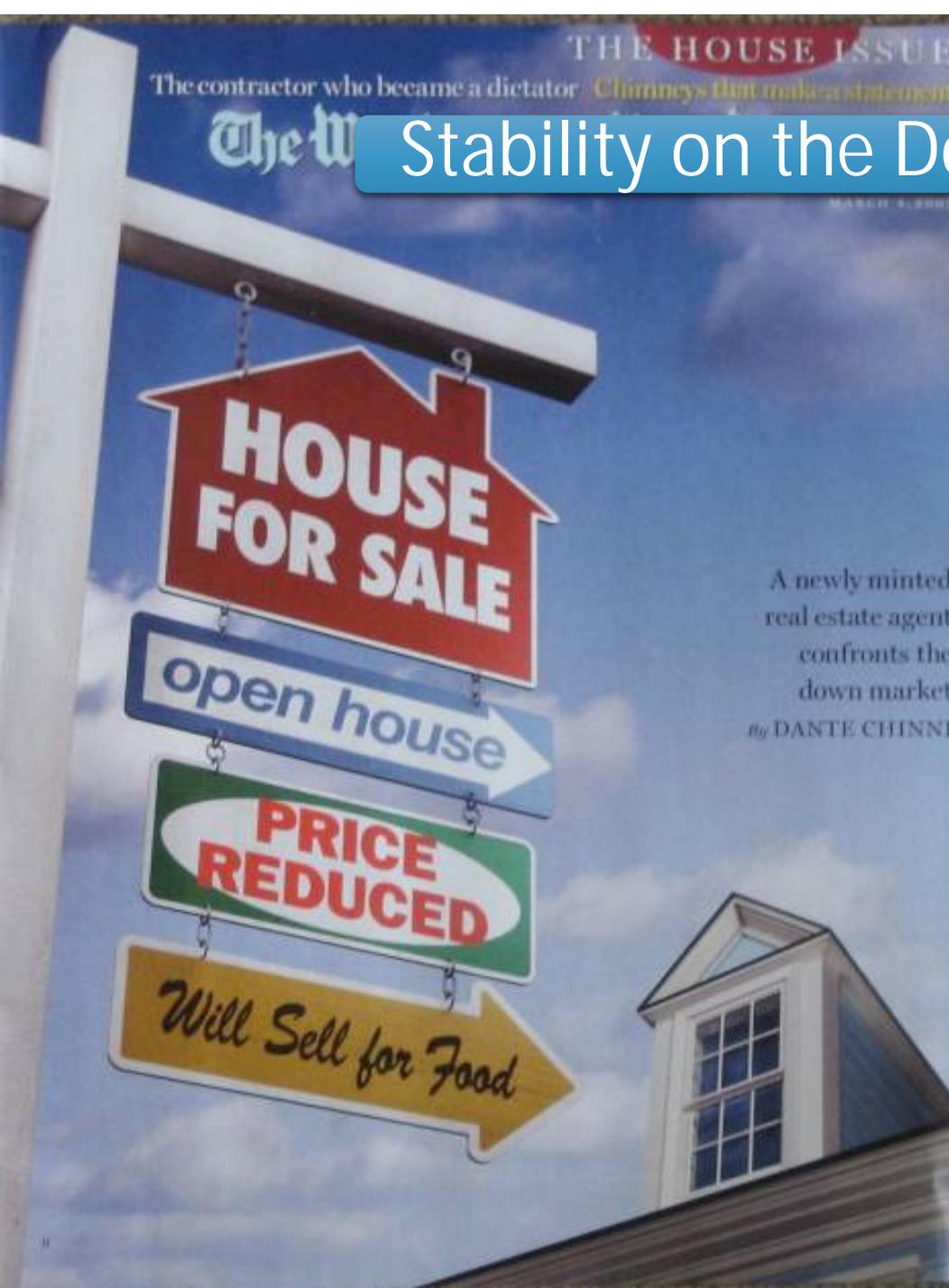
# Foreclosures per 1000 Single Family Houses 2008 - 2013



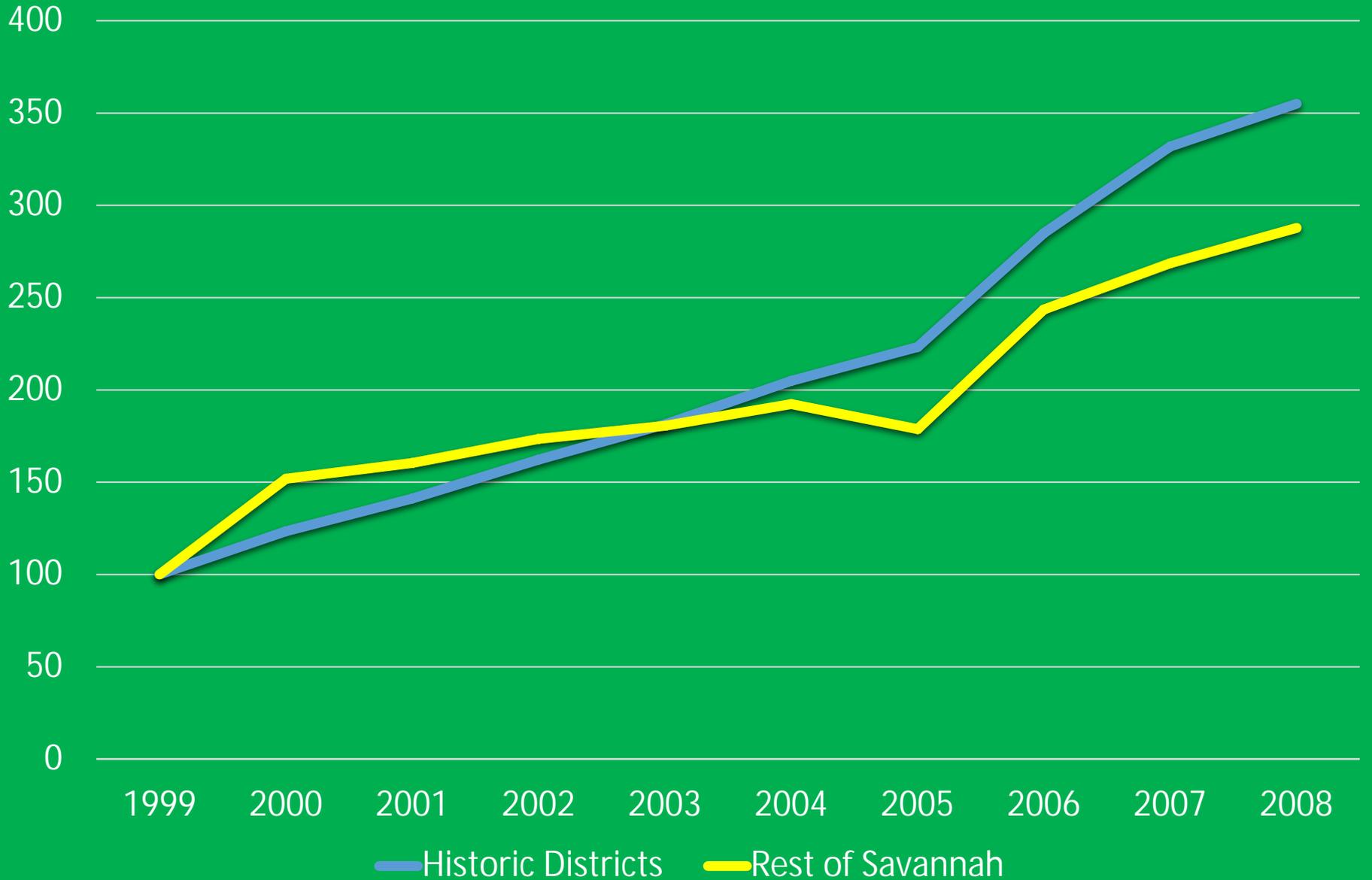
# Foreclosure Rate Single Family Houses 2008 - 2014



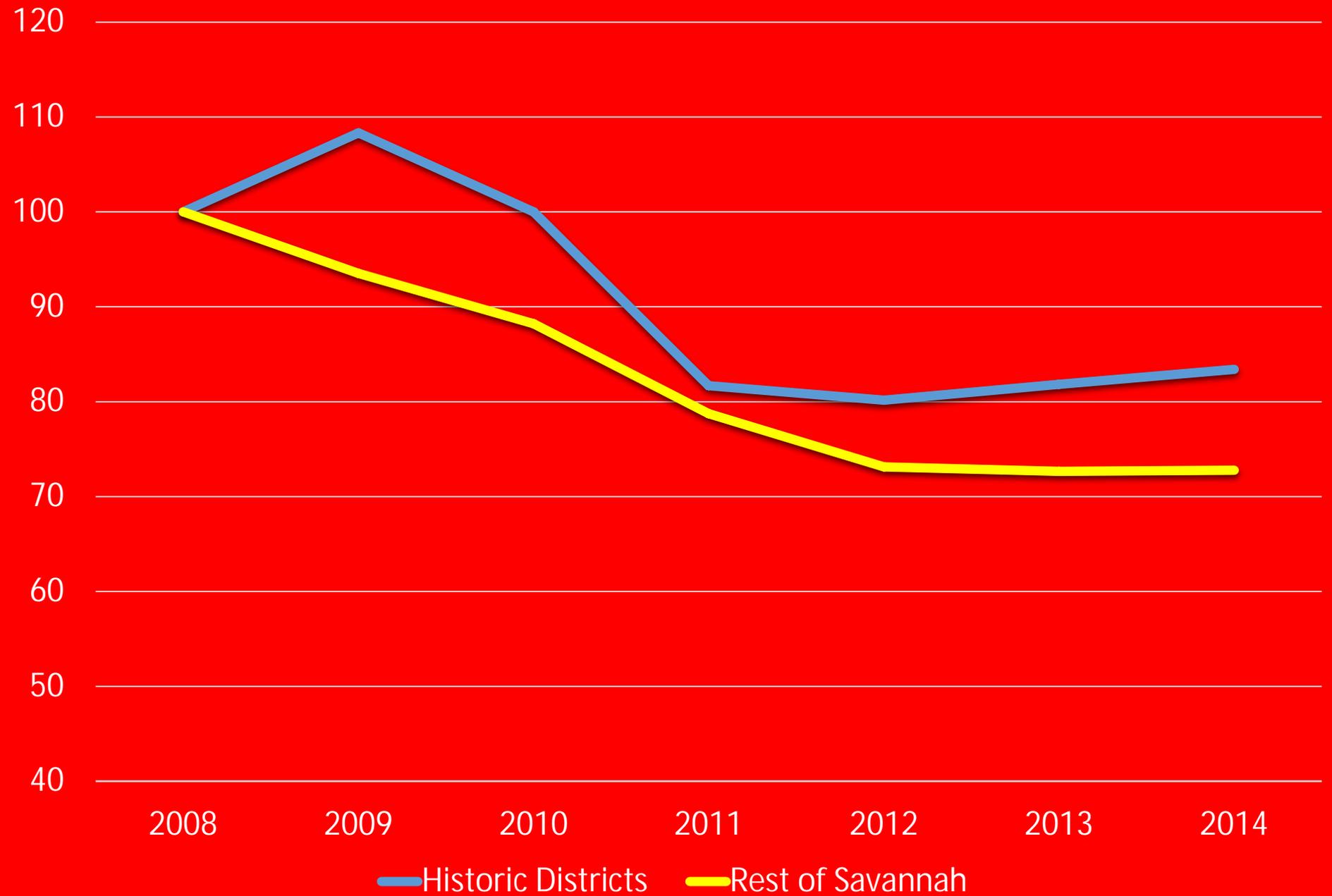
# Stability on the Downside



# Real Estate Values in Up Years



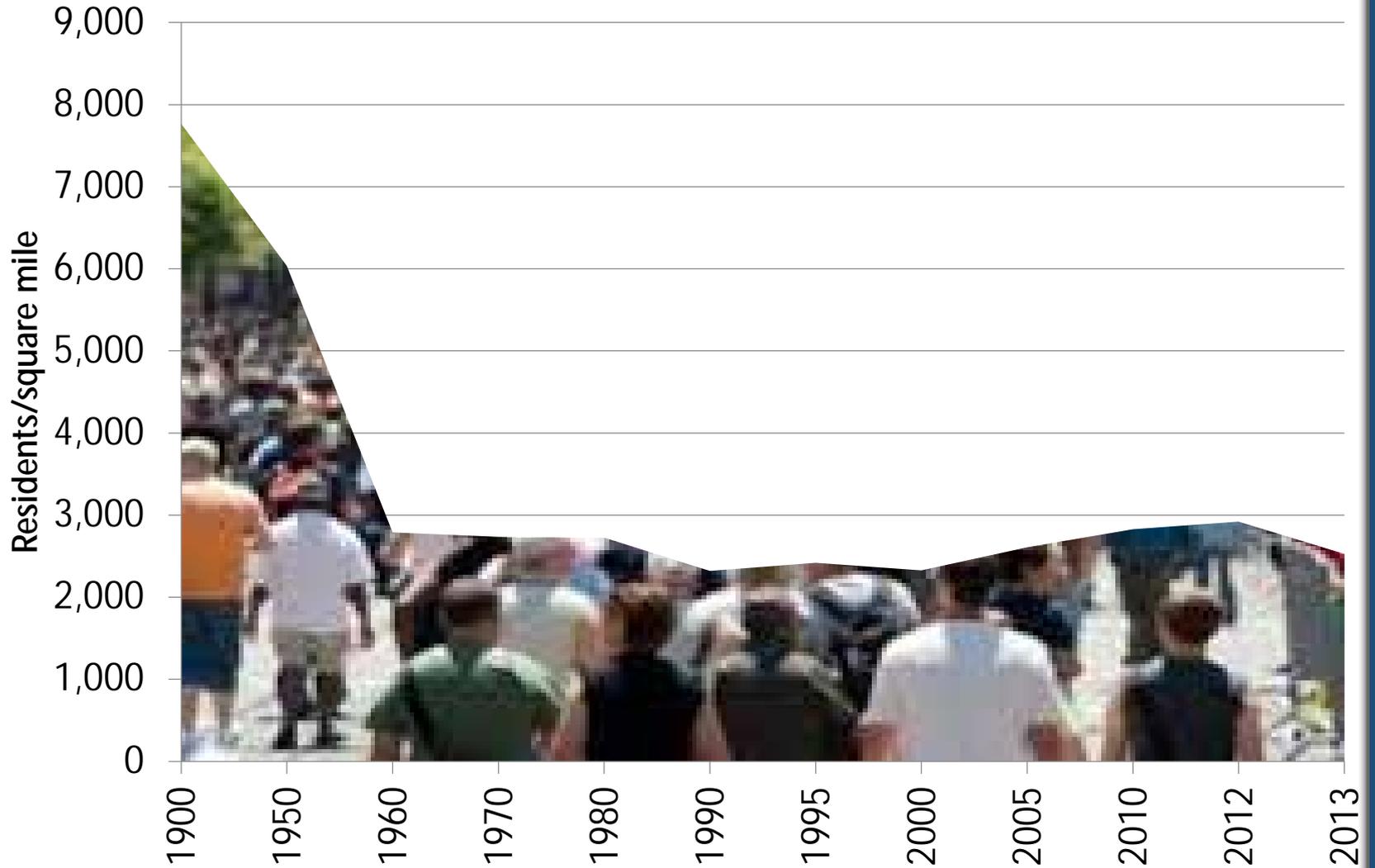
# Real Estate Values in Down Years



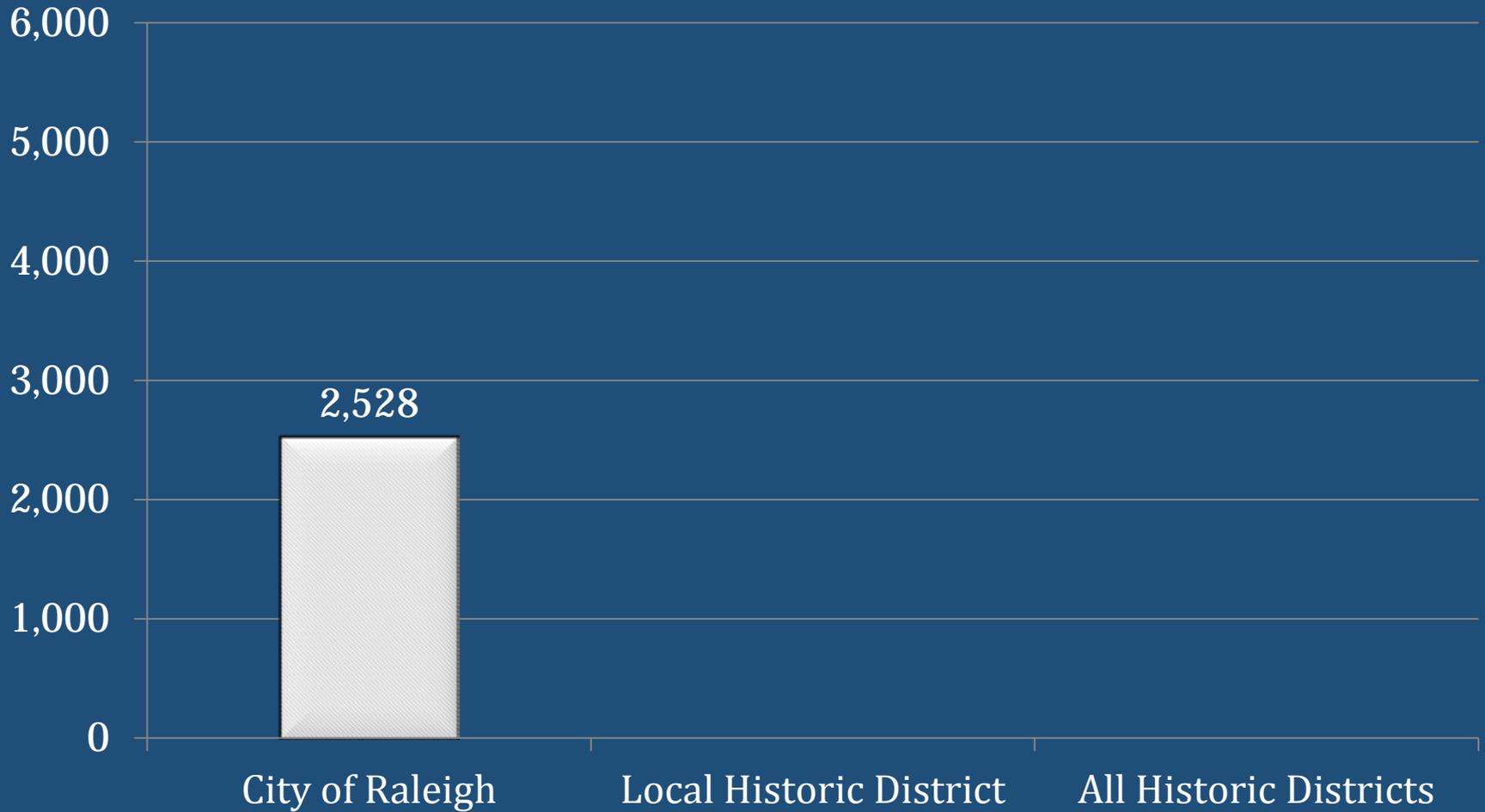
# Density



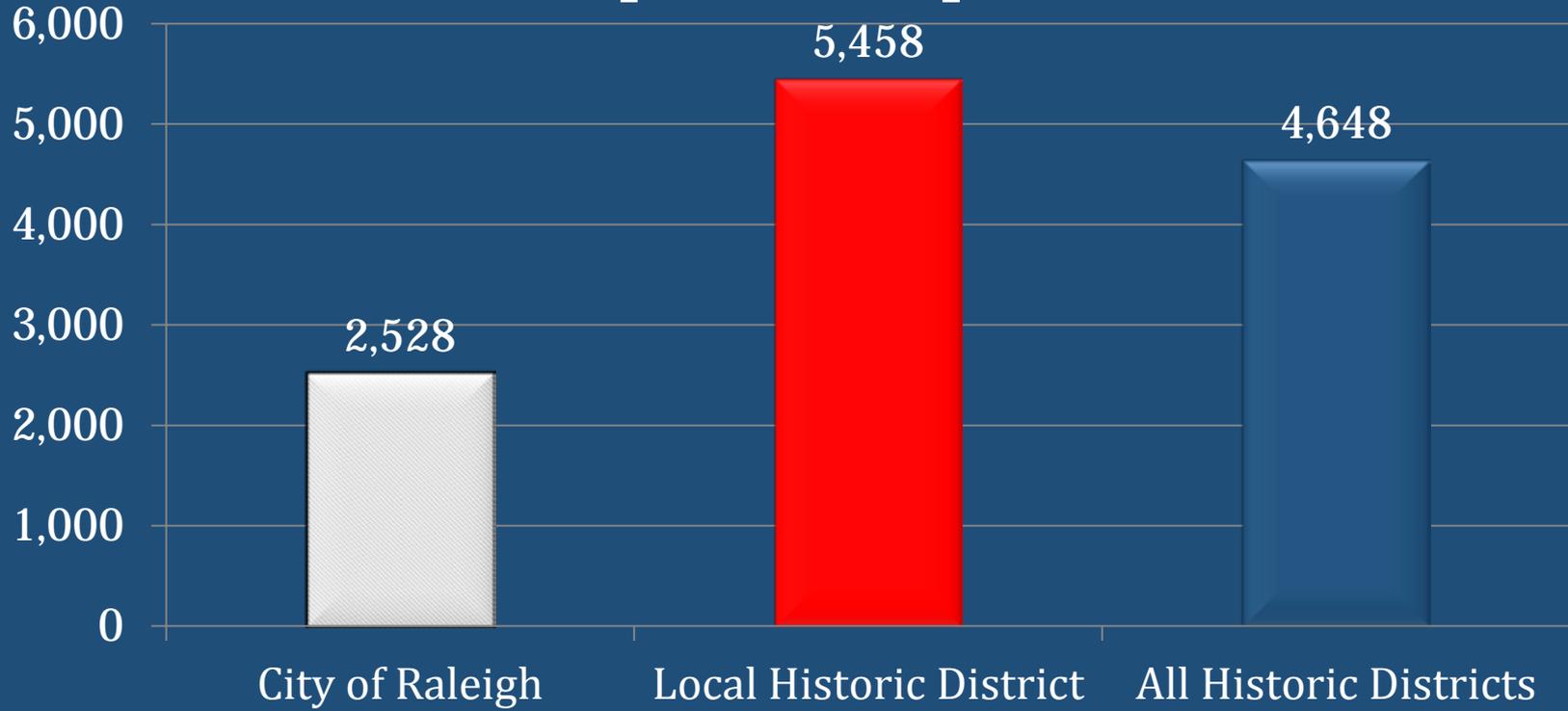
# Raleigh Population Density, 1900-2013



# Population Density Population/Sq Mi



# Population Density Population/Sq Mi



The Tale of Two Neighborhoods	Oakwood	Reedham Oaks/Wyndham
Population	1664	507
Size (acres)	114.5	114.0
Housing Units	794	127
Average Year of Construction	1925	1992
Average Size of House (square feet)	2473	3515
Average Value	\$315,004	\$524,077
Taxes per Unit	\$2,887	\$4,805
Population per acre	14.5	4.4
Square feet of Road per Unit	1045	2209
Taxes per acre	\$22,022	\$5,351
Water/Sewer Line Replacement Cost per Unit	\$8,811	\$24,781
Annual Property Taxes	\$2,292,539	\$610,068

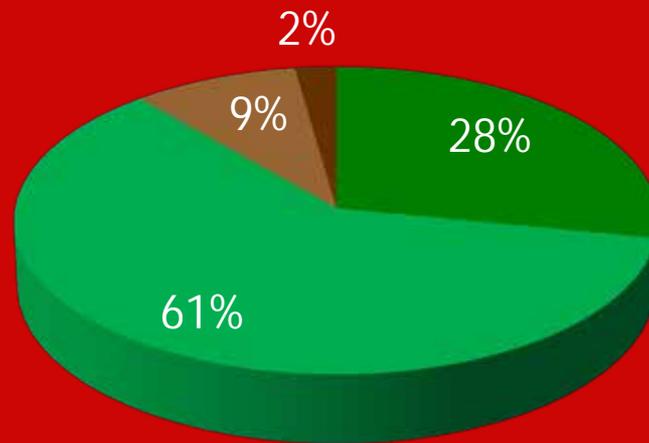
# Walkability



# Historic Preservation in Connecticut:

*Advancing good urban design principles in towns and cities of every size*

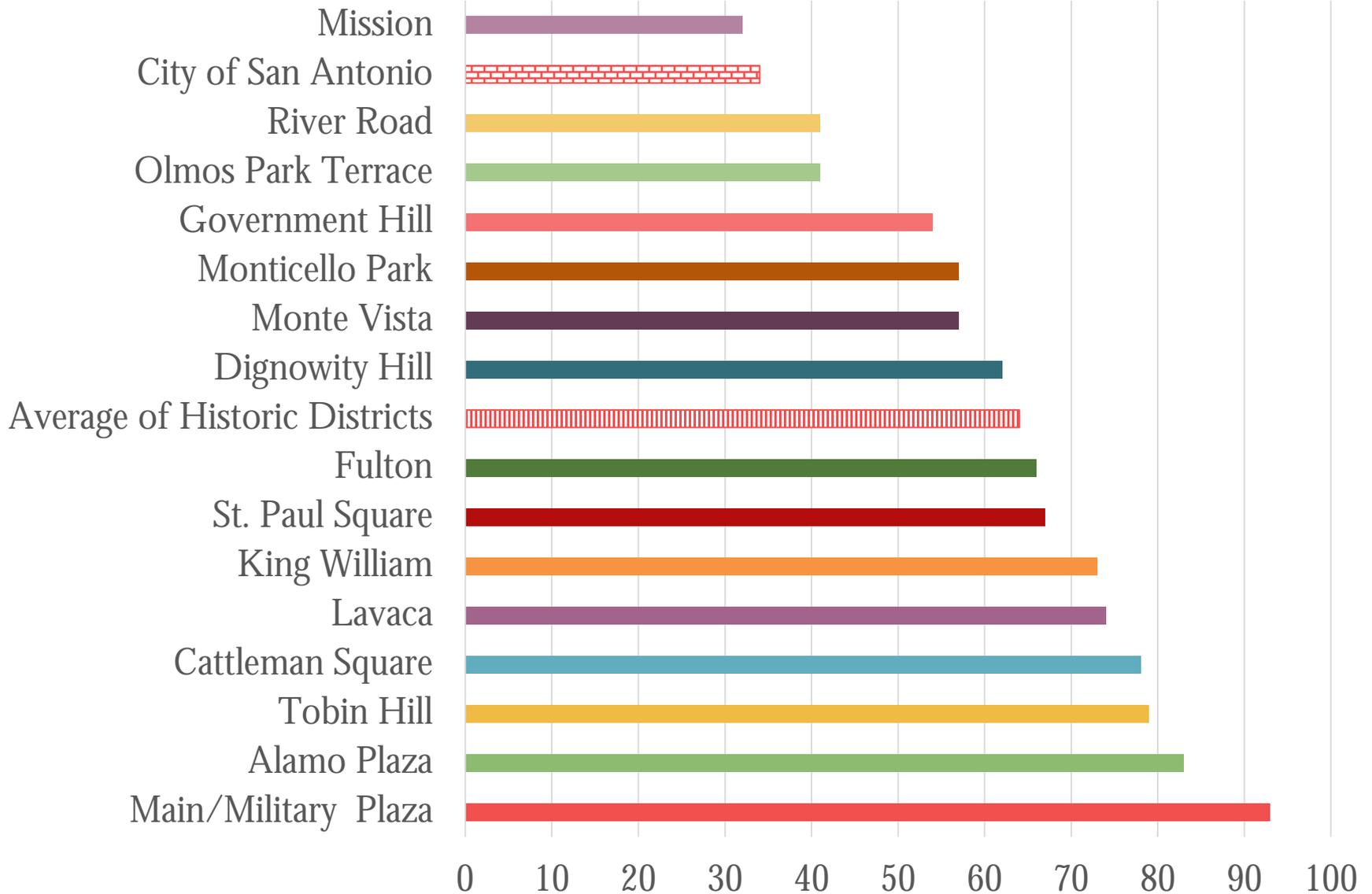
- Walker's Paradise:  
Daily errands do not require a car.
- Very Walkable:  
Most errands can be accomplished on foot.
- Somewhat Walkable: Some amenities within walking distance.
- Car Dependent:  
Almost all errands require a car.



Scores from *Walkscore.com*

Good urban neighborhoods are walkable. Nearly **90%** of historic preservation tax credit projects are in neighborhoods described as *Very Walkable* or *Walker's Paradise*

# Walk Scores for San Antonio Historic Districts



# Walkability

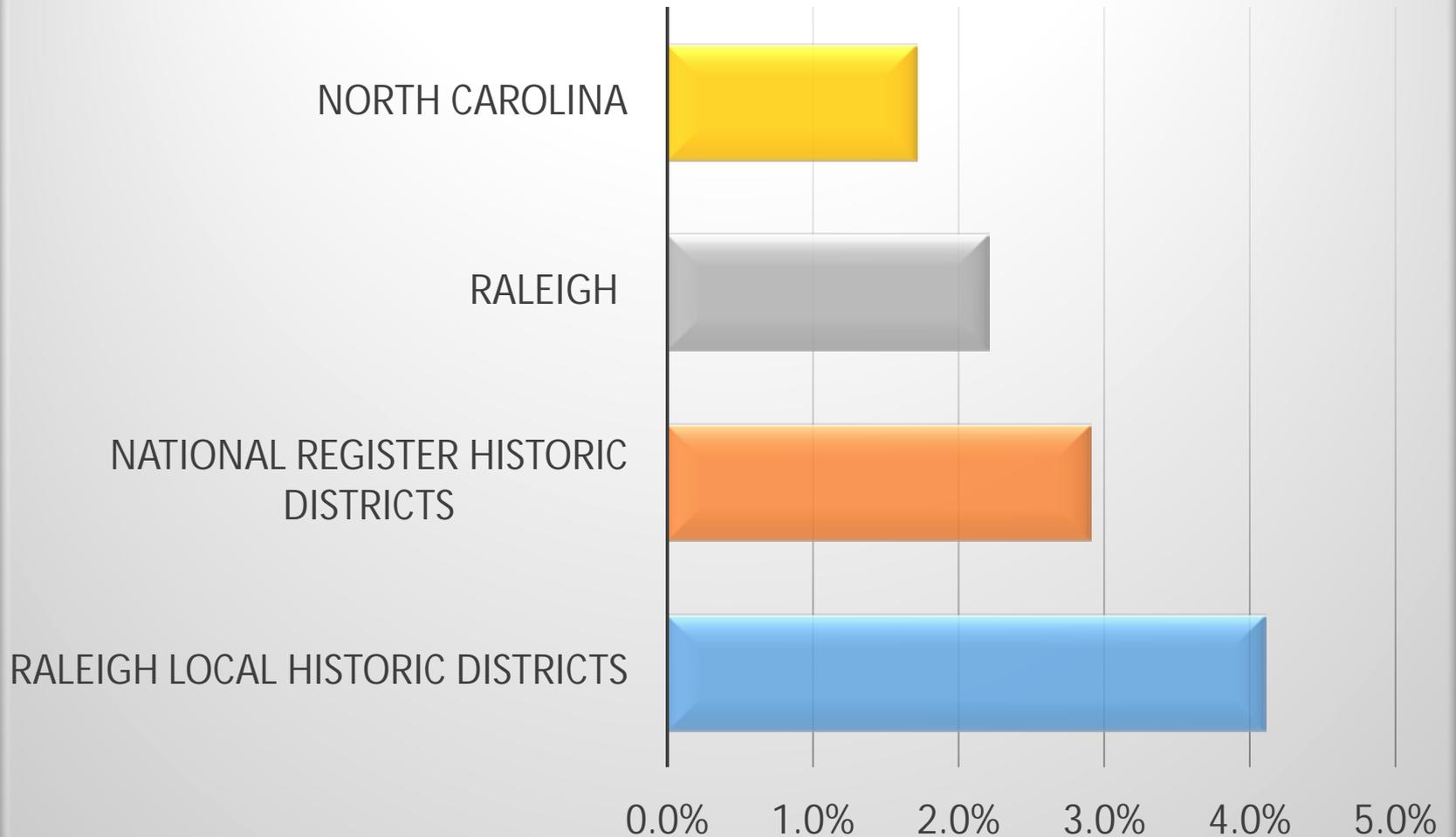
	<i>Average Walk Score</i>	<i>Designation</i>
Raleigh	29	Car-dependent
Local historic districts	82	Very walkable
National Register historic districts	64	Somewhat walkable
<b>All historic districts</b>	<b>73</b>	<b>Very walkable</b>



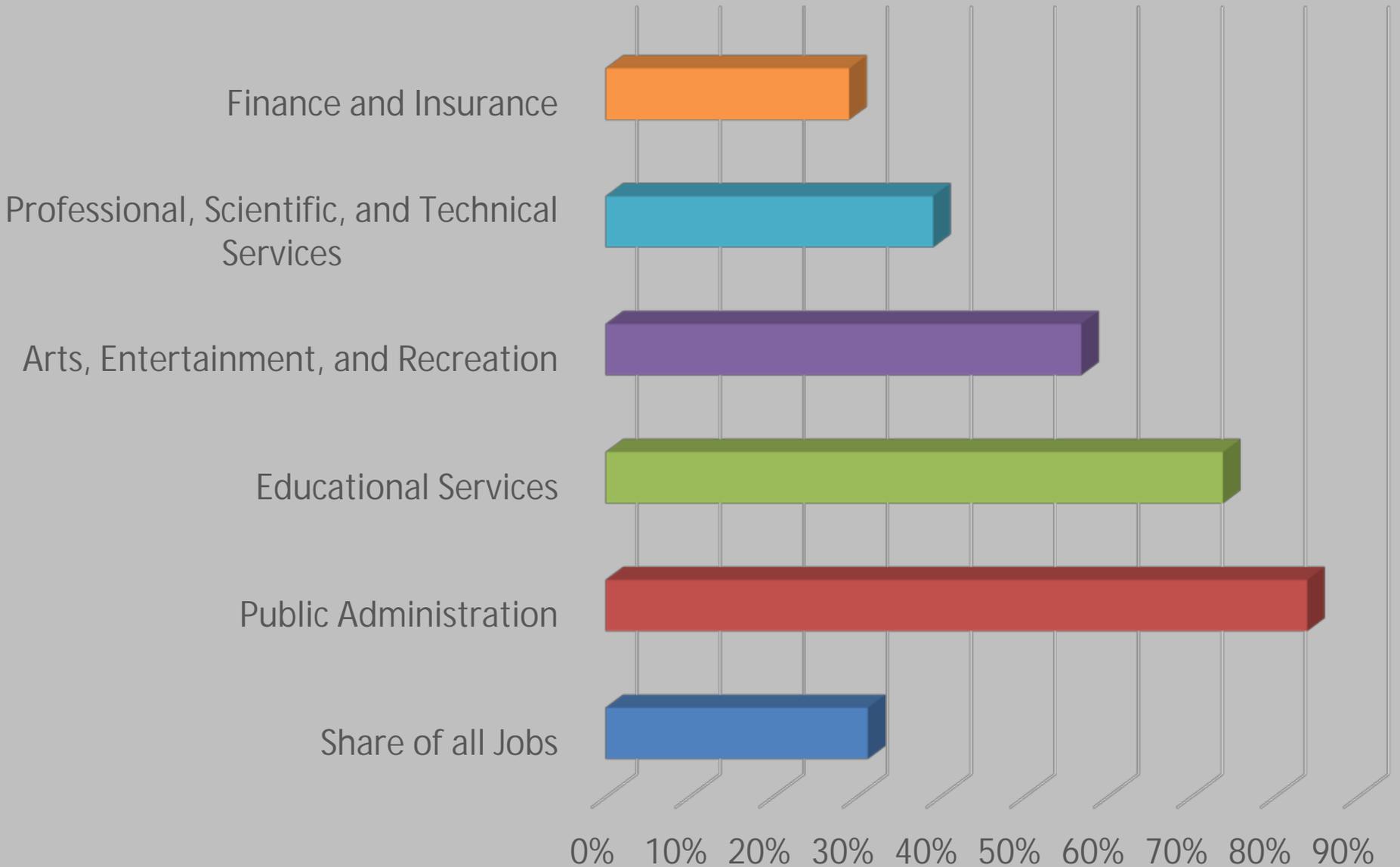
# Knowledge/Creative Industries



## % of Workforce in Arts/Entertainment/Recreation



# Share of Knowledge Worker Jobs in Savannah Historic Districts

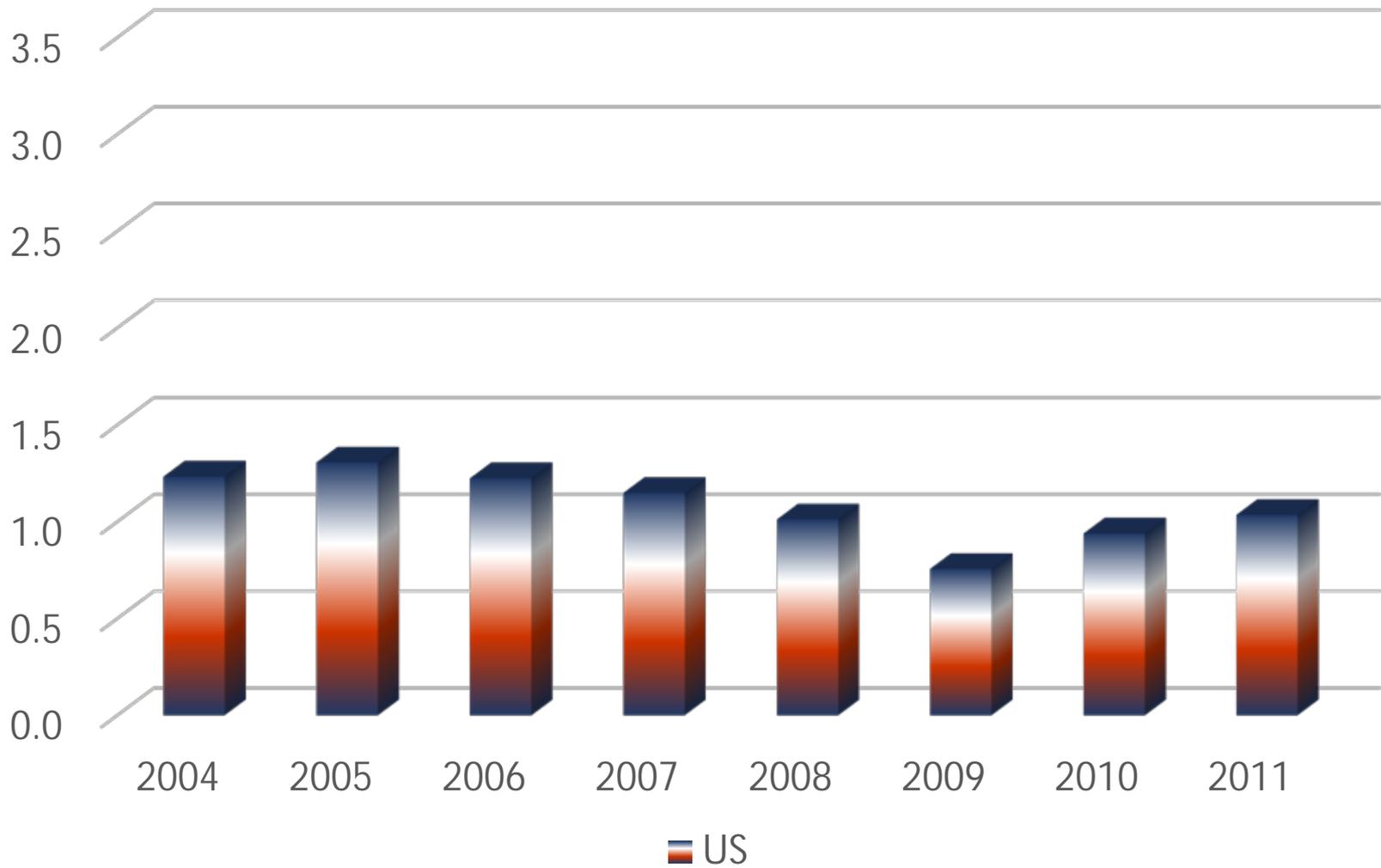


## Business Births/Deaths

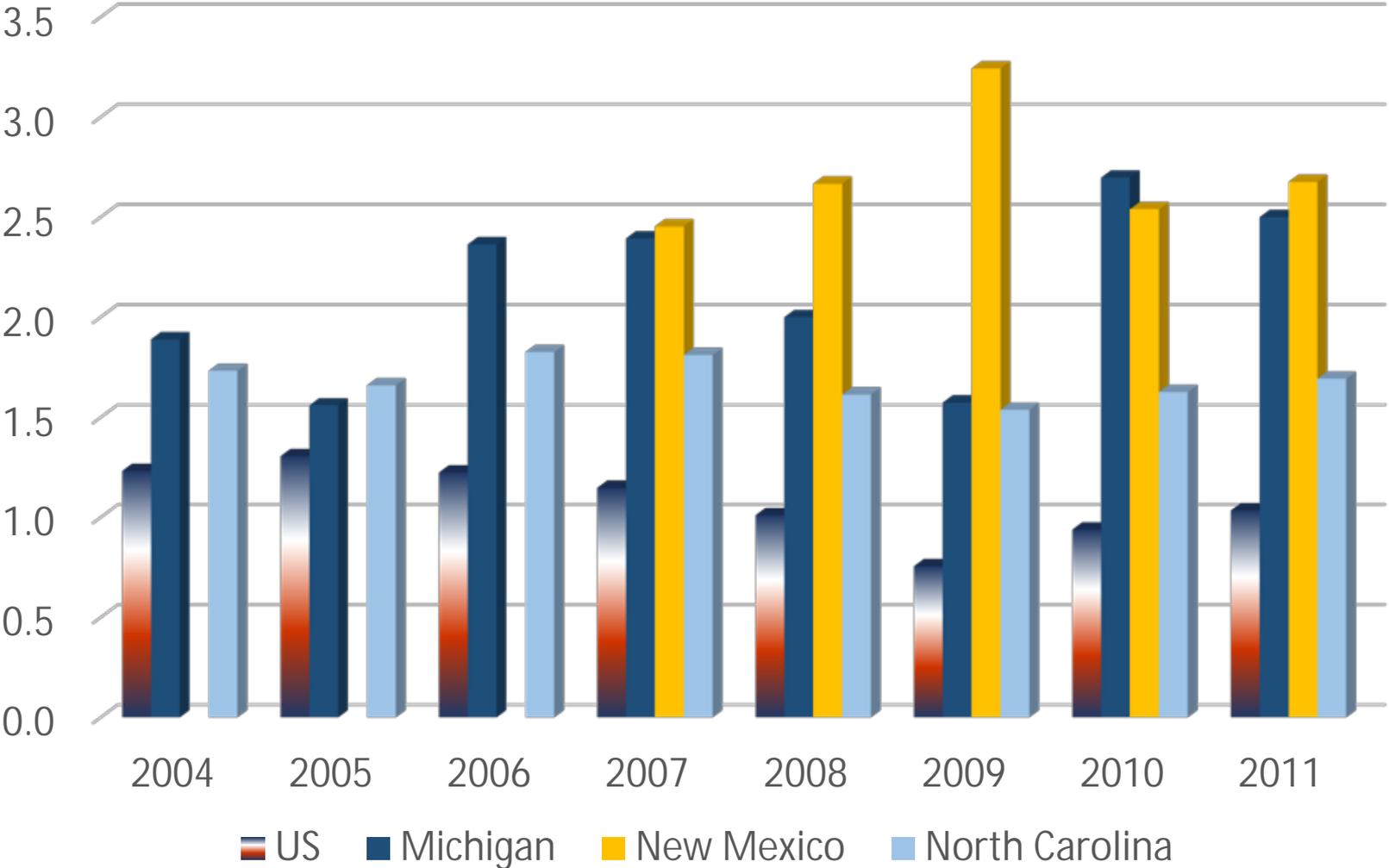
**GOING OUT OF BUSINESS SALE  
SAVE FROM 30% TO 70%**

**LIC  
TION SALE**

# Ratio of Business Openings to Business Closings



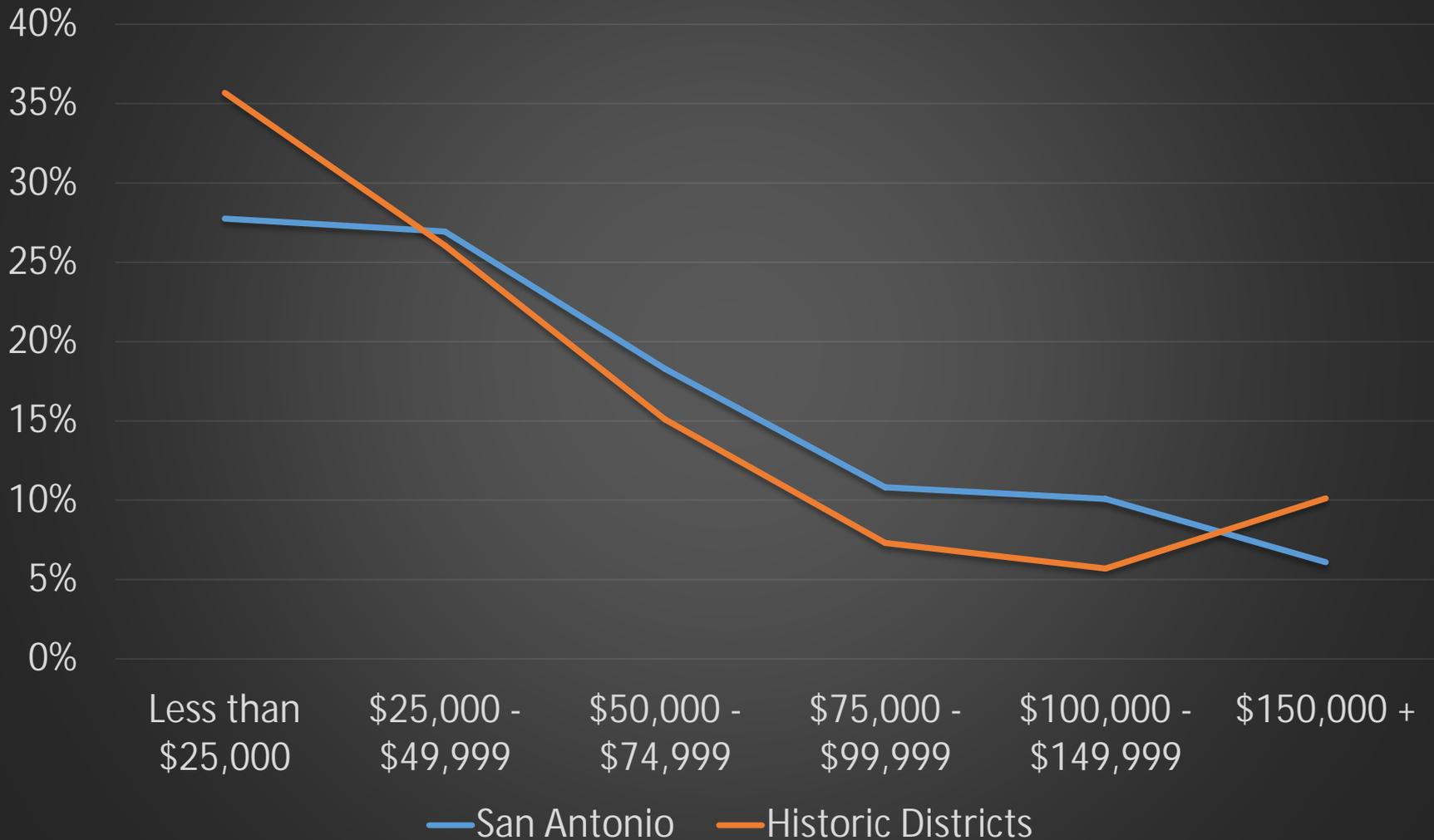
# Ratio of Business Openings to Business Closings



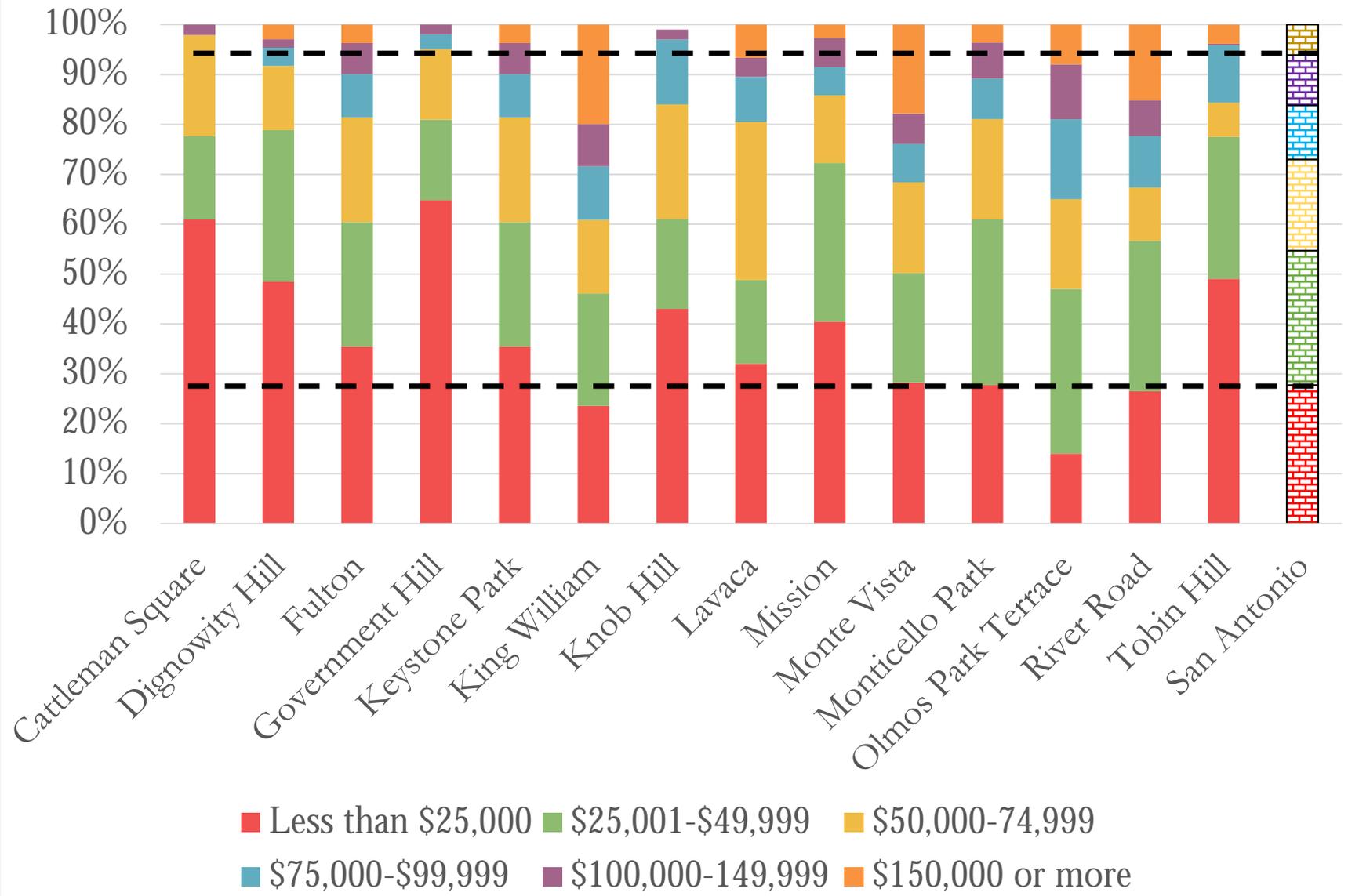
# Demographic /Economic Mirror



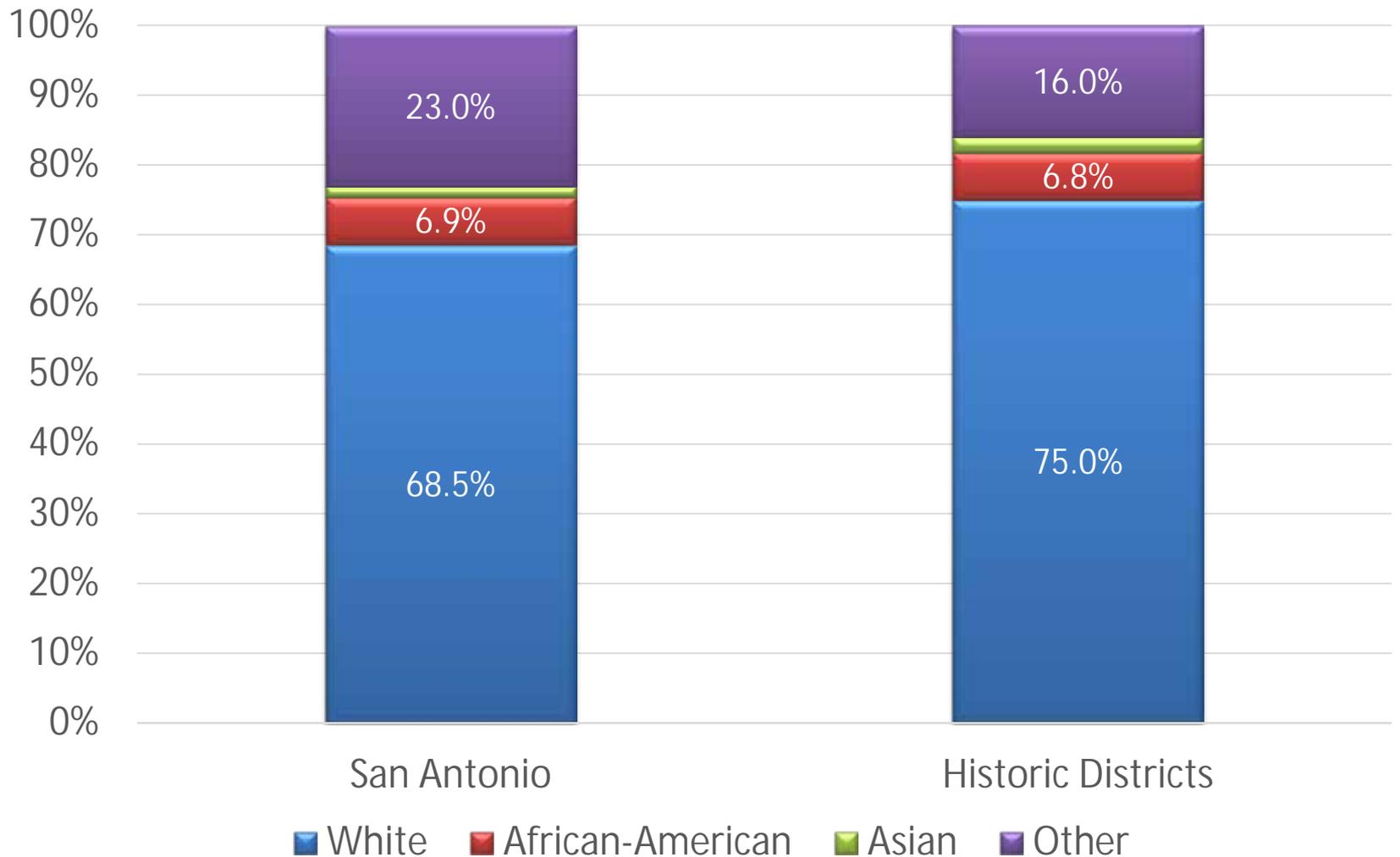
# Household Income Distribution San Antonio and Historic Districts



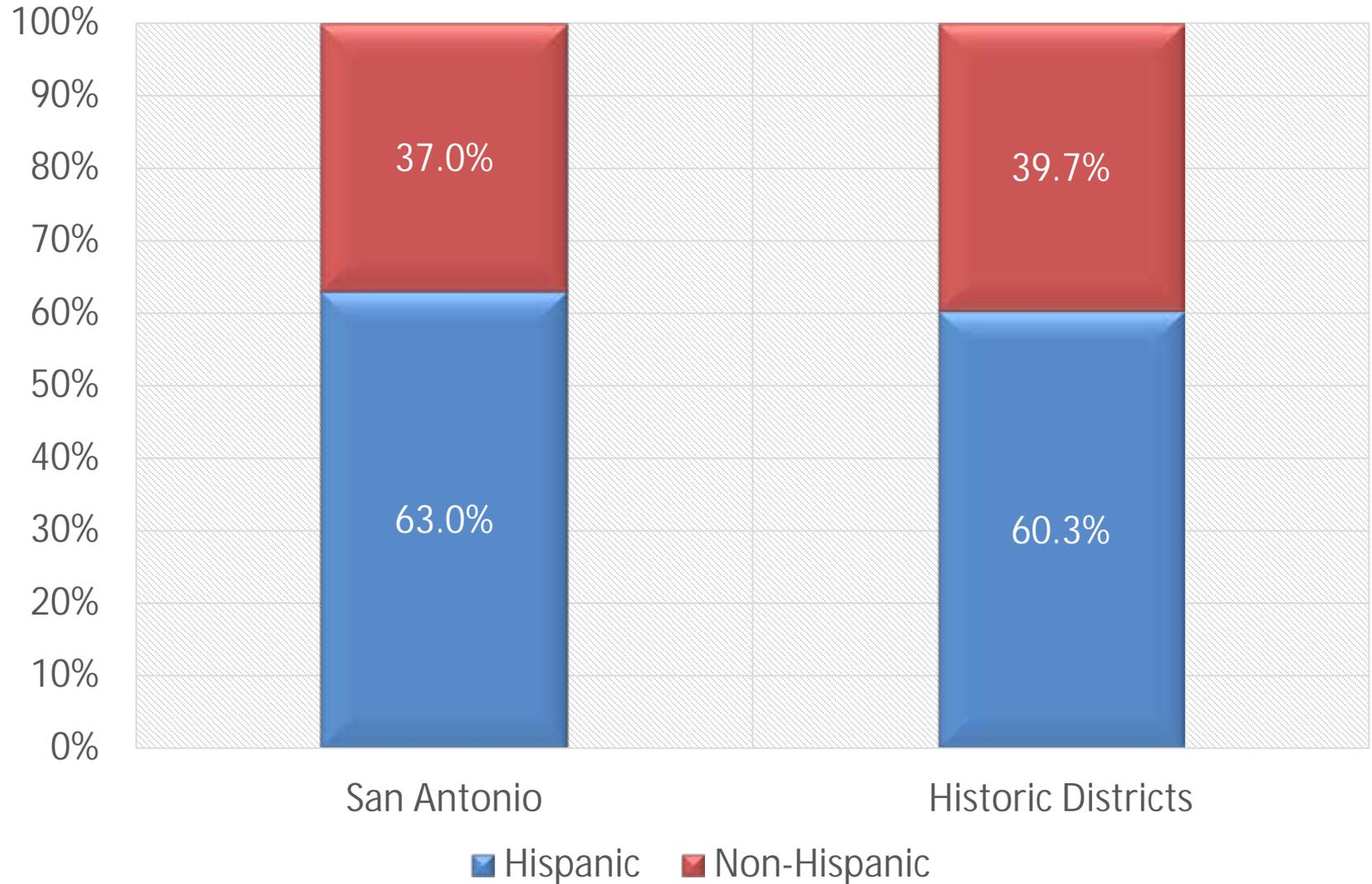
# Household Income Distribution in Historic Districts



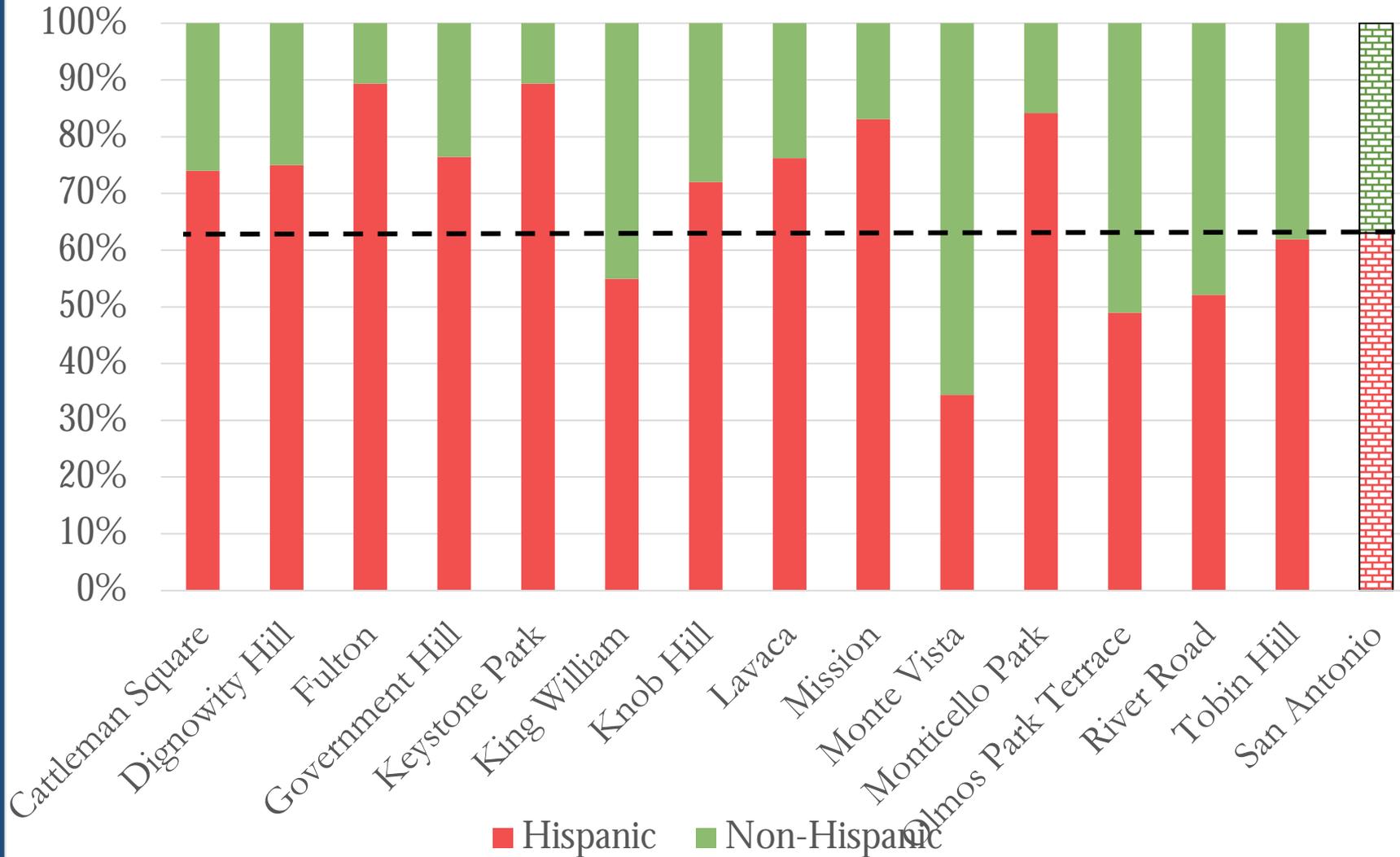
# Racial Distribution San Antonio and Historic Districts



# Hispanic Population San Antonio and Historic Districts



# Hispanic Population in Historic Districts



# The Environment



# Environmental Impact of Rehabilitating 50,000 s.f. Warehouse in Maryland

## The Environment

20 – 40% reduction in Vehicle Miles Traveled (VMTs)

Reduction of travel related CO<sub>2</sub> Emissions by 92 – 123 Metric Tons

CO<sub>2</sub> “saved” relative to suburban construction = 18,700 to 22,000 gallons of gasoline

Embodied energy retained 55,000 MBTU

Greenfield land preserved 5.2 acres

Less construction debris in landfills 2500 Tons

Infrastructure investment “saved” \$500,000 to \$800,000

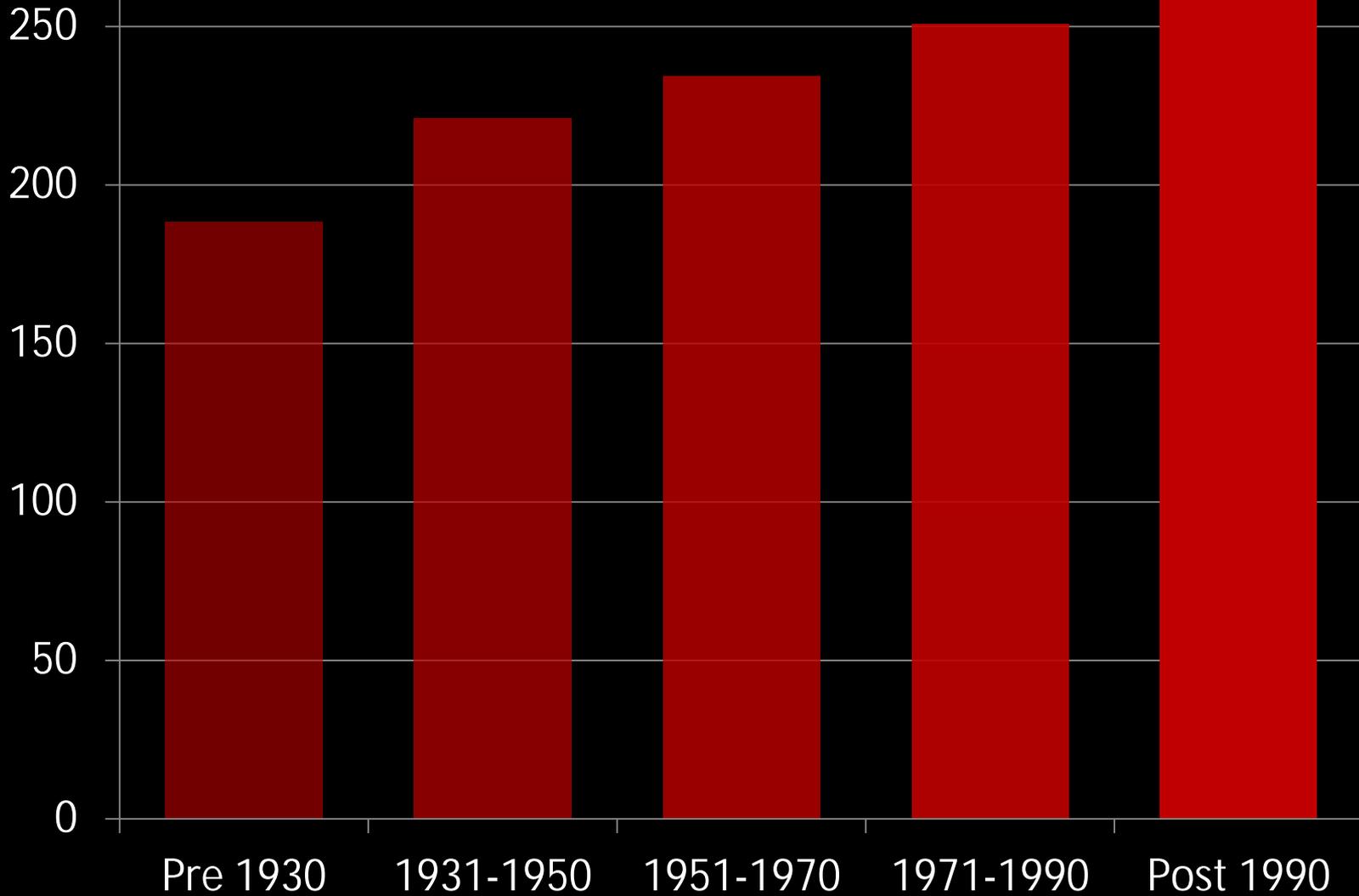
## The Environment

*Preservation projects save 50 to 80 percent in infrastructure costs compared to new suburban development.*



# The Environment

## Median kBTU/sf





The  
Environment

**PRESERVATION GREEN LAB:**

**Looking for the Greenest Building?  
Start with the one that already exists.**

*It takes 10 to 80 years of an energy efficient new building to make up for the negative climate change impacts of construction*

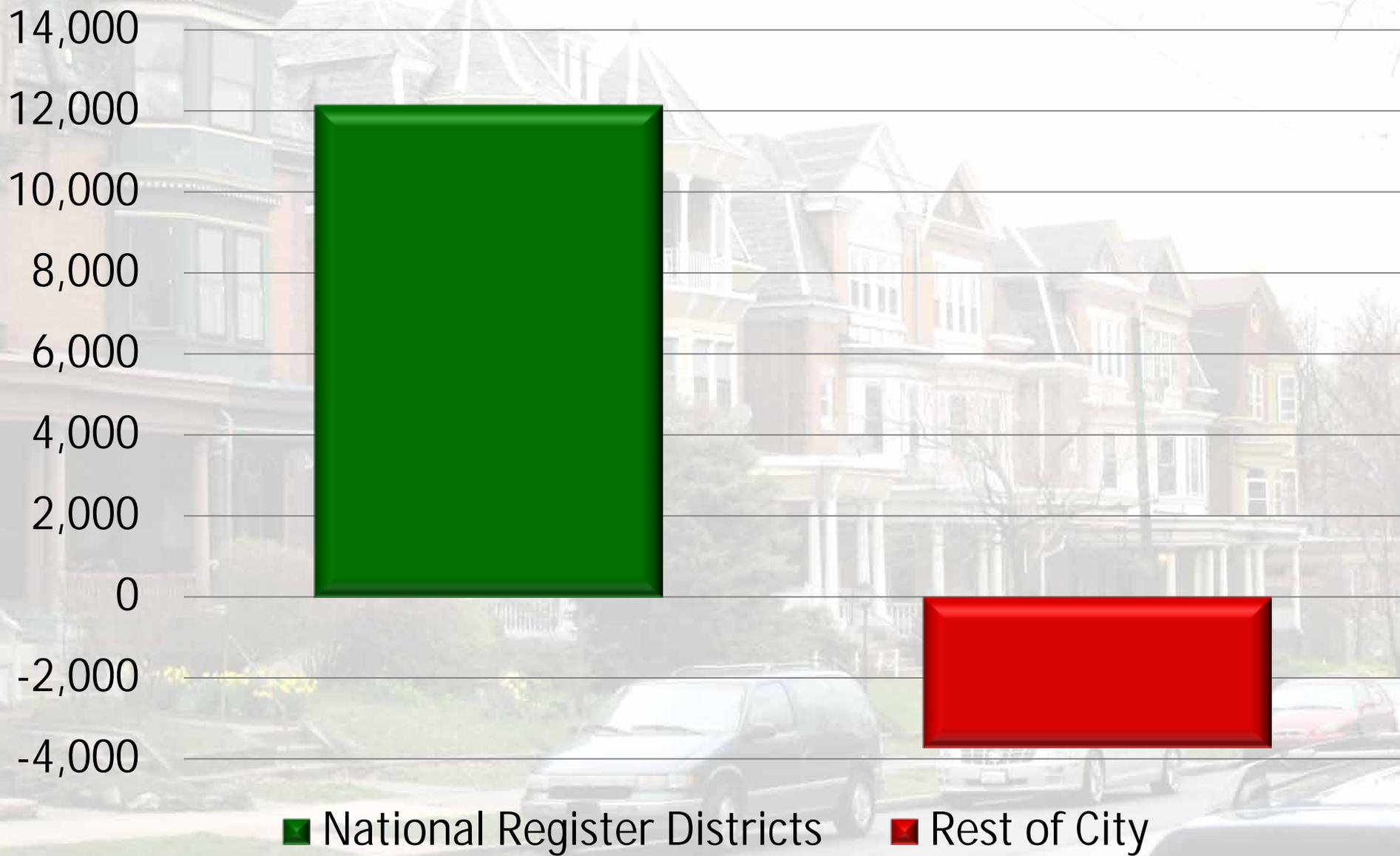
*Building reuse almost always offers environmental savings over demolition and new construction*

# The First Place of Return

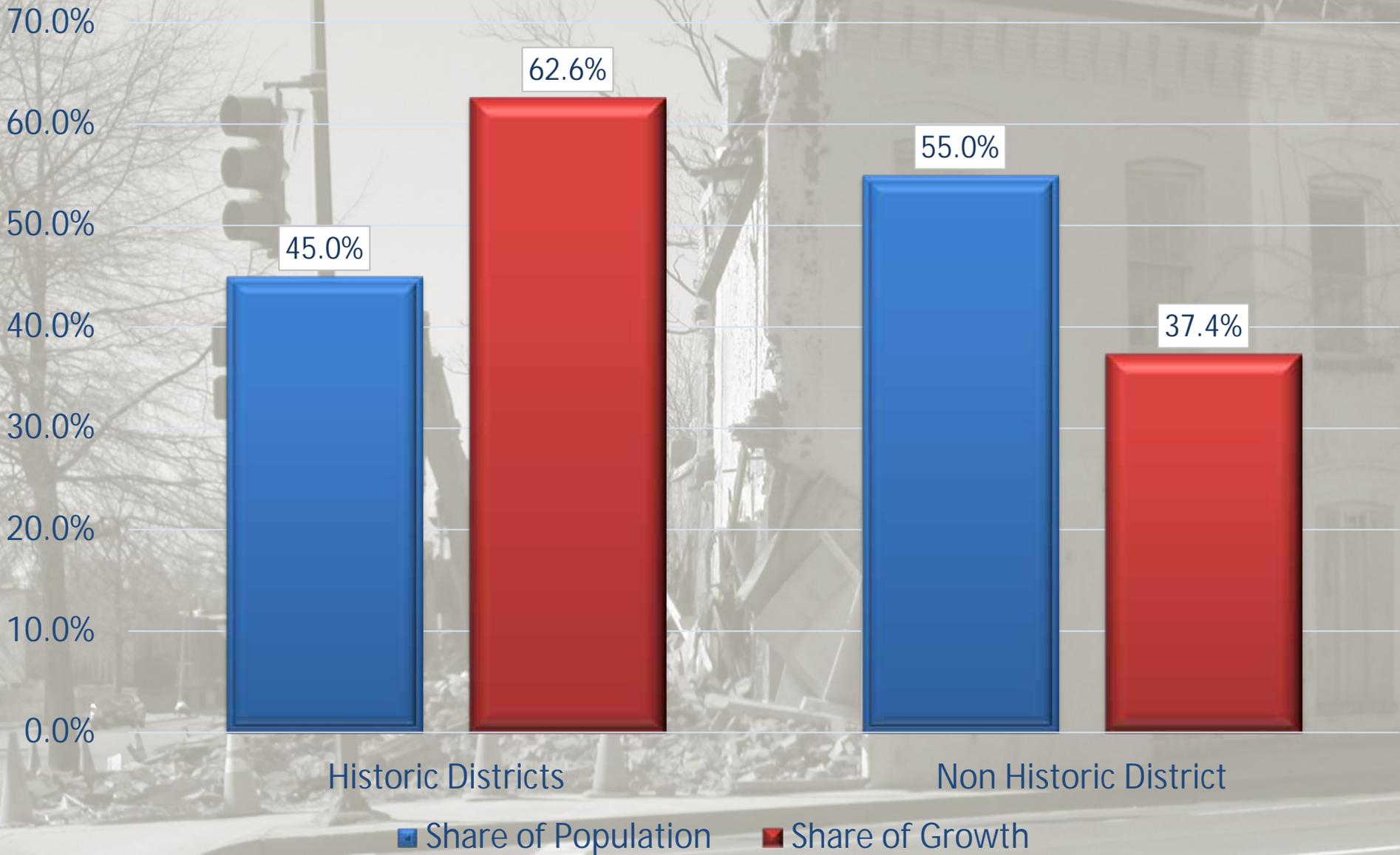




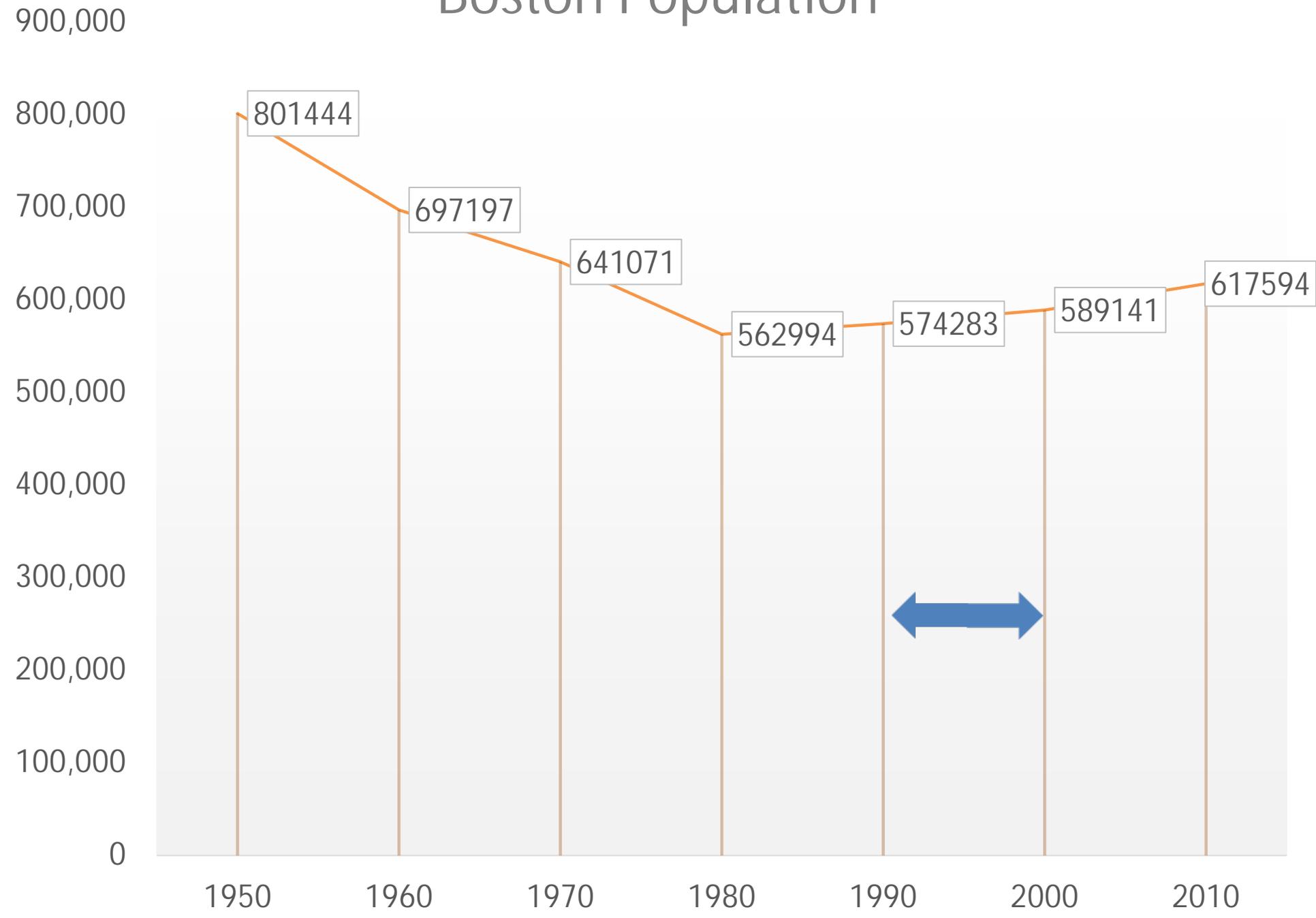
# Change in Philadelphia Population 2000 - 2010



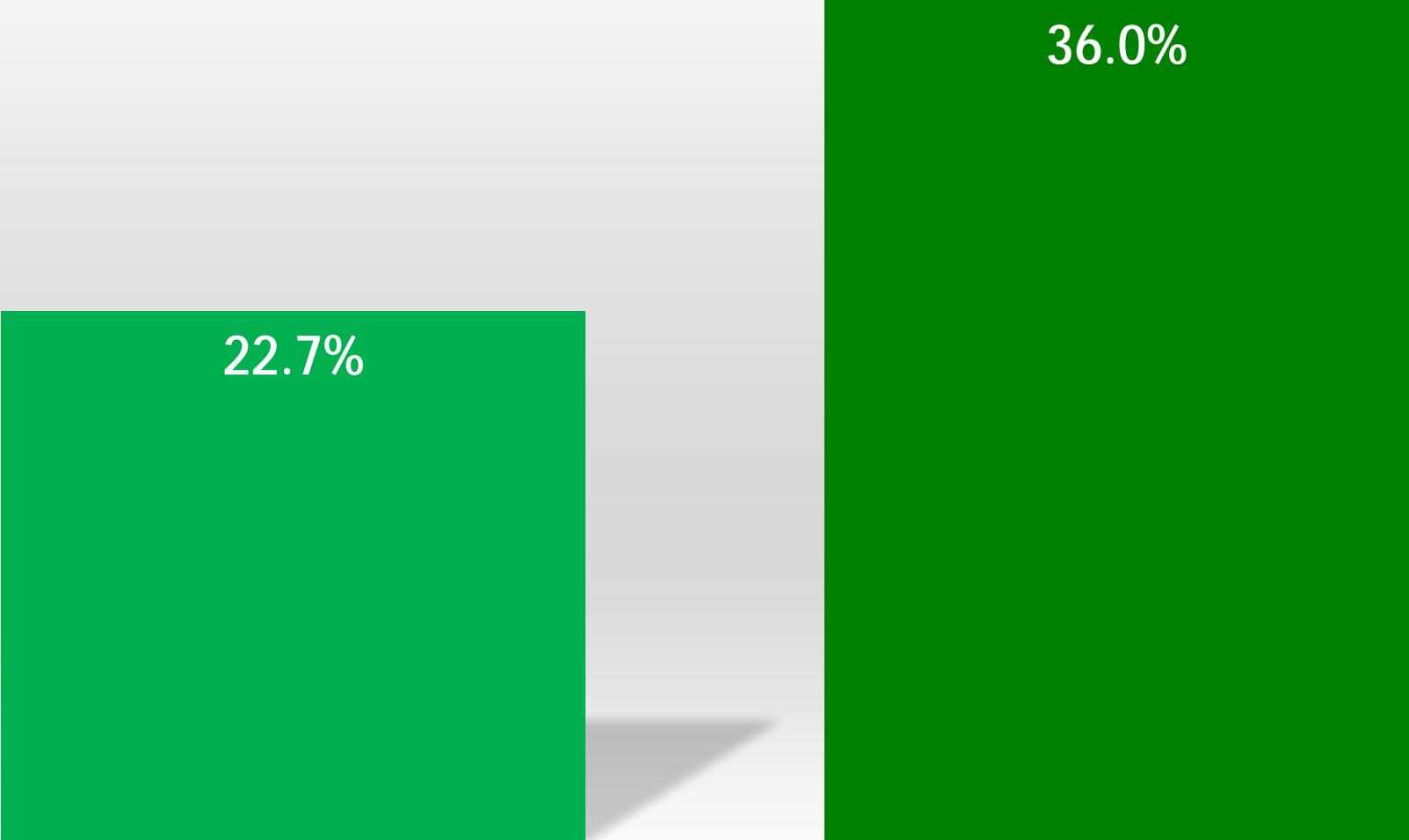
# Back to Where in the City? Washington, DC 2000 - 2010



# Boston Population



# Back to *Where* in the City? Boston 1990 - 2000



A bar chart with two green bars. The left bar is shorter and labeled '22.7%'. The right bar is taller and labeled '36.0%'. Both bars have a slight shadow to their right.

Category	Percentage
Historic Districts Share of Population	22.7%
Historic Districts Share of Growth	36.0%

22.7%

36.0%

Historic Districts Share of Population

Historic Districts Share of Growth



## The Lesson?

The list of why Old Places Matter to the local economy is long and growing.

Thank you very much

