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**THE VALUE OF
BUILT HERITAGE**

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An information paper by Adrian Smith -
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'In the US you have to prove that heritage pays; that to protect something will be more profitable than neglecting it. But you also have to realise that in the case of the heritage vs. Walmart the heritage will never win.'

Prof. Randall Mason, University of Pennsylvania (Clark 2006)

INTRODUCTION

The above comments, although no doubt intended in a light-hearted way, nonetheless neatly summarise the perennial divide between heritage conservers and commercial interests. Development proposals, in particular, perhaps, those in the centre of our towns and cities where development land is usually scarce and therefore expensive, frequently bring this issue into sharp focus. On the one hand, conservationists fight to protect and preserve what they perceive to be priceless historic assets which, they contend, often serve both to preserve important elements of local or national history and culture, and also to provide a community focus through the preservation of what has come to be termed 'collective memory'. On the other hand, developers and property owners

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seek to maximise the commercial worth of their investment. Although the balance which is struck between these potentially opposing views tends to shift over time as society's values ebb and flow (compare, for example, the present vogue for the adaptive reuse of historic buildings with the wholesale demolition resulting from the 'brave new world' approach espoused by the town centre developers of the 1970s), controversial planning and development issues such as the projected sixth terminal at London's Heathrow Airport, which was reported (Beattie 2007) to

require the demolition of ‘... the whole village of Sipson – and 102 listed buildings’ continue to bring into sharp focus the perennial conflict between the needs of economic development and the preservation of the historic built environment.

If Mason’s comments are held to be universally true, then the only value system which matters is a financial one, but if that were the case, then other notions of value such as historic importance, cultural significance and aesthetic merit are immediately nullified. In many countries either historic structures or the historic environment or both receive a degree of protection, usually through some form of listing process, which inevitably includes other aspects of value, but the extent of the protection provided is variable and, when development is proposed, the ‘value’ of preservation (although the meaning of the term is rarely clearly defined), is frequently questioned in comparison to the perceived ‘benefits’ to be gained from demolition or substantial remodelling.

Questions which continue to be topics of discussion include:

- What aspects of our built heritage should be regarded as ‘valuable’ and why.
- What value the built heritage adds to society.
- How valuable built heritage is both in absolute terms and in relative terms compared to alternatives such as redevelopment.
- How ‘value’ should be defined.

Additionally, the value of heritage, whether in economic, social, cultural or environmental terms,

is central to most of our notions of how that heritage should be managed, and particularly in terms of issues as:

- Which elements of our built heritage should be preserved, conserved, restored, maintained, relocated, ignored or demolished or, controversially, whether some of the essence of the built form could be preserved or made available in other ways, thus enabling scarce economic resources, especially land, to be made available for redevelopment. Tessa Jowell, a former UK Secretary of State for Culture Media and Sport, for example, was bold enough to suggest that digital recordings might provide a substitute where the physical building could not be preserved (Jowell 2005). While at the time her suggestion met with almost universal disapproval by the UK heritage community, and was effectively dismissed out of hand, it has long been recognised that not everything can be preserved, nor can the public have absolute rights of access. Digital methods of recording heritage are already in use elsewhere (Barber *et al.* (2006), for example, discuss their use in architectural conservation and Siu (2006) describes the use of such a technique in Hong Kong to record the historic Star Ferry Pier shortly before its somewhat controversial demolition), and it would therefore be foolish to ignore the possibility that in the future, as populations continue to rise, physical resources become increasingly scarce, and land, particularly in prime locations, continues to rise in value, alternatives such as this may reappear on the general built heritage agenda.

- How heritage issues should impact upon land use and planning policy.
- How large a proportion of our societal wealth and other resources should be set aside for this purpose, and how these scarce resources should be allocated between competing heritage demands.
- How heritage resources should be controlled and managed for such issues as use and access.
- How and to what extent society should impose controls upon the rights which private property owners presently enjoy over the use, alteration and disposal of their assets in order to ensure that 'valuable' heritage in private ownership is protected and preserved for public benefit.

The value of built heritage, and perhaps more importantly how that value should be defined, is therefore an issue worthy of some academic consideration, and the purpose of this review is to examine how the value of heritage has been viewed in the past in order that we might better understand how these questions might be addressed in the future, so as to provide the maximum benefit to all the stakeholders.

A HISTORICAL PHILOSOPHICAL VIEW OF THE VALUE OF HERITAGE BUILDINGS

The buildings of the past have long inspired awe and wonder in later observers. Howard (2003), for example, points out that heritage conservation in some form goes back at least to the ancient

Greeks in Egypt, where guides would proudly show visitors the relics, and notions of some residual intrinsic value being attached to historic structures long after their initial construction have often given rise to attempts, if not at preservation, then at least at avoiding further deterioration and collapse through sometimes rather imaginative efforts at 'restoration'. In many cases, the value here has been associated with either the purpose for which the building was initially constructed, or with the ideas the building was intended to convey. Examples would include the Egyptian pyramids, Stonehenge, the European Gothic cathedrals, the Taj Mahal in Agra and the Temple of Heaven in Beijing.

Such buildings plainly represented considerable value to their creators, both in terms of the facilities which they provided (and in some cases continue to provide), and also the enormous economic opportunity cost of the resources used to construct them. Earl (2003), however, contends that, rather than their present-day value resting in either the intrinsic value of the resources embodied in them (in a sense their 'recyclable demolition value') or in their ability to successfully continue to perform some useful function, their residual value instead lies in their status as:

'celebratory monuments, invested with symbolic significance ... [and perhaps with] ... some claim to be considered works of art, or works of deliberate "historical landmarking" in their own right'.

The same may, of course, with the passing of time, come to be said of more modern buildings such as the Sydney Opera House, Dubai's Burj al Arab or London's Swiss Re tower.

Howard (2003) points out that some later revolutionary regimes have exploited this symbolic significance, the symbolic value, of such buildings as a way of providing legitimacy for their cause. Examples he cites include the occupation by the communists in Russia of a number of historic Tsarist sites, and the call by humanist groups in the 1930s for Europe's great Gothic cathedrals to be turned into museums and places of education.

However, despite Earl's confidence in some form of timeless residual value, it is evident that this special symbolic value has been neither universally recognised or respected. Many of the historic buildings which would fall into this class today have been either severely vandalised or completely destroyed, not necessarily because they had reached the end of their useful lives or because they were in the way of physical redevelopment, but often because of shifts in the sociopolitical landscape or prevailing religious ideology. For example, many of England's major religious institutions were destroyed by Henry VIII

in the cause of religious reform (**Box 1**), and many more churches were vandalised and defaced by Cromwell's Puritan soldiers in the English civil war. More recently, we have witnessed the wanton destruction of several unique and priceless Buddhist statues in Afghanistan by the Taliban in 2001 (BBC 2001).

Of those structures which have managed to avoid the depredations of vandalism and war, some were simply ignored and left to decay (Earl counts among these St Pancras station, the Albert Memorial and the Eiffel Tower) or they were simply demolished and reused, their fittings being sold and stripped out for reuse elsewhere and their structures used as quarries; a fate which befell a number of historic English country houses largely as the result of sociological change in the decades immediately following the First World War (**Box 2**). It would seem, then, that these philosophical, cultural and symbolic aspects of value may tend, to a significant extent, to be transitory and subject to the whims and fancies of

BOX 1

FOUNTAINS ABBEY, YORKSHIRE



Founded in 1132 by the Cistercians. Demolished 1539–40 following Henry VIII's dissolution of the monasteries and sold to Sir Richard Gresham. Bought by William Aislabe in 1767 and landscaped as a picturesque folly.

The abbey estate comprises the largest group of monastic ruins in England, and is now a World Heritage site in the care of the National Trust.

changing religious ideologies and cultural, political and social fashions.

Earl further contends that ‘if ... [important buildings] ... survive these risks they tend to return permanently to national monument status’. This may be the case with those buildings which are clearly recognised by a wide spectrum of society as being of national or international importance, and which then receive appropriate protection, but it seems more likely that those less well recognised buildings and historic environments which have survived have done so more by chance than anything else. It may be convincingly argued, for example, that some of our best-loved ‘heritage’ city centres (York is a good example), have survived not because they were historically considered to be particularly important in heritage terms or because they were especially loved by the local community, but simply because, in earlier centuries, the population was too poor for redevelopment to be a worthwhile option.

EMERGING NOTIONS OF VALUE

THE VALUE OF HERITAGE STRUCTURES, GROUPS AND DESIGNED LANDSCAPES

While the previous discussion has centred upon the value of heritage buildings, and many city buildings have been preserved in isolation, modern thinking now recognises that in many cases the context of a historic structure can be properly understood only if it is interpreted either as an integral part of a larger group or as an element in a wider designed landscape.

BOX 2

SUTTON SCARSDALE HALL, DERBYSHIRE

Built by Francis Smith of Warwick for the 4th Earl of Scarsdale and completed



in 1729, this house was said to rival Chatsworth in the quality of its design and interior finishings.

After some years of neglect, the house was purchased in 1919 by a group of local businessmen, and the interiors were stripped out and sold at auction. The oak panelling from one room was said to have been bought by William Hearst for use in Hearst Castle, although it was never installed, and a further set of panelling is in the Philadelphia Museum of Art. The lead was stripped from the roof in 1920 and sold, and the building left to rot.

The shell was purchased for preservation as a ruin in 1946 by Sir Osbert Sitwell, and is now cared for by English Heritage.

BOX 3**THE PANTHEON, STOURHEAD**

© NTPL/Nick Meers

Built by Henry Flitcroft for Henry Hoare in 1754, the Pantheon is the largest structure in the Stourhead garden, a property under the care of The National Trust.

The design and setting is said to be based upon Claude Lorrain's *Landscape with Aeneas at Delos* (below) painted in 1672, then in Hoare's collection and now in the National Gallery in London.



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The depiction of buildings as integral elements in the landscape has long been a feature of traditional Chinese art, and the values attributed to heritage buildings in this context are related not to philosophical notions of reverence or symbolism for what the buildings represent, or of their embodied value in terms of their construction, but, in common with the ideas which emerged in Europe in the 18th century, are largely to do with satisfying the needs of the human soul; what we might term in modern-day language the 'feel-good' factor – those unquantifiable qualities of beauty and harmony which we all know exist, but find such great difficulty in describing in objective terms.

Traditional Chinese architecture, then, requires that buildings are organised and fitted into existing natural settings such that building, topography, natural landscape and vegetation come together in a way which symbolises harmony between man and nature. (Conner 1979; Liu 1989; D'Ayala and Wang 2006a).

THE PICTURESQUE MOVEMENT

These concepts of the artistic value of buildings as decorative elements in a landscape came to prominence in English architecture towards the end of the 18th century, driven largely by a passion on the part of wealthy patrons for the works of the 17th-century continental landscape artists such as the Frenchmen Claude Lorrain, Gaspard and Nicholas Poussin, the Italian Salvatore Rosa, and a little later Antonio Canaletto. The drive was reinforced by the progressive rediscovery by contemporary English architects, beginning in the first two decades of the 18th century, of the architecture of classical antiquity through a

study of the works of Andrea Palladio. As early as 1715, Colen Campbell, in his *Vitruvius Britannicus*, argued for a national English architectural style based upon a revisiting of the work of Inigo Jones at the end of the 17th century (the British *Vitruvius* of the title), and a reinterpretation of Palladio as an alternative to the heavy Baroque of Vanbrugh and Hawksmoor. The process was encouraged by the publication of books such as Dubois' translation of *The Architecture of A. Palladio in Four Books, Revis'd, Design'd and Published by Giacomo Leoni*, Robert Wood's *The Ruins of Palmyra and The Ruins of Balbec*; James Stuart and Nicholas Revett's *The Antiquities of Athens*; Robert Adam's *Ruins of the Palace of the Emperor Diocletian at Spalato in Dalmatia*; the Society of Dilettanti's *Ionian Antiques*; and J D Le Roy's *Les Ruines des plus beaux monuments de la Grèce*. (Sommerson 1993).

The 'picturesque' (said to derive from the Italian *pittresco* meaning 'after the manner of a painter' (Mordaunt Crook 1987)) ideas in building and landscape design which emerged from this period placed considerable emphasis not only upon architectural style, but upon the harmonious placement of buildings, such that when viewed from predetermined points in the landscape the composition resembled a picture. Indeed, Stourhead, one of the first of the picturesque gardens to be built in Britain for Henry Hoare in the middle of the 18th century, has elements said to be copied directly from a Lorrain landscape (**Box 3**).

In some cases, of course, the existing landscape itself required 'improvement' in order to render it more pleasing to the eye; more 'naturalistic', thus giving rise to the wholesale civil engineering of

landscape pioneers such as Charles Bridgeman, Lancelot 'Capability' Brown and Humphrey Repton. Such 'improvements' were not, however, a new idea for landscape artists – Nicholl (2005), for example, points out that Leonardo da Vinci's first known dated drawing, a landscape sketch of Vinci drawn in 1473, is, in fact, a modified version of the actual scene.

Such compositions often included 'ruins' within the designed landscape, which might be specifically constructed to suit the purpose. However, if genuine historical remains existed, then they might be 'improved' to make them artistically more desirable. Pilcher (1947), for example, reports that the Reverend William Gilpin, termed by some 'the High Priest of the picturesque movement', went so far as to suggest, in his *Observations on the River Wye* published in 1782, that '... a mallet judiciously used ...' might render more attractive the, in his view insufficiently ruined, gables of Tintern Abbey.

This view, then, both of historic structures and of their setting, appears to suggest a popular view that their value in artistic or aesthetic terms might quite legitimately be enhanced through often very substantial modification. This alteration, sometimes in the name of restoration and often with the expressed objective of arresting decay, was later embraced with considerable vigour by 19th-century figures like E E Viollet-le-Duc in France, and Lord Grimethorpe, George Nicholson, James Whyatt and others in England. Although some of what was done is now considered appalling (Nicholson, for example, chiselled off between two and three inches from the outer face of the external stonework of Durham

Cathedral, and Whyatt compounded the sin by demolishing half of the Norman Chapter House (Earl (2003)), in a very pertinent observation of the way perceptions of value change over time as societies develop, makes the point that these men did not perceive what they were doing as anything which would in any way diminish the value of the buildings in their care. Rather, that they were preserving the value of the building by averting total loss, and that, in the end, in many cases they were creating unique townscapes, particularly in respect of the settings of buildings such as cathedrals, which are now seen as an ‘... admirable norm, to be preserved in unspoilt completeness’. (Earl 2003).

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS (SPAB)

This European fashion for enhancing the perceived value of buildings was challenged in the late 19th century by the Society for the Protection of Ancient Buildings (SPAB) through its manifesto, published in 1877, in which a number of basic ideas were proposed which fundamentally reinterpreted the way in which historic structures in particular ought to be viewed and valued. Earl (2003) comments that the majority of the manifesto amounts to little more than an ‘anti-restoration polemic’, but it is clear that the values which SPAB attributed to ancient buildings were those of purity of form, honesty in architecture and structure, and a respect for antiquity. It advocated that buildings were best preserved through a policy of minimum intervention with what remained.

The origin of these ideas is, of course, closely bound up with the personal philosophies of the founding members and their contemporaries. SPAB and the core values it espoused essentially grew out of the philosophies of the Arts and Crafts movement, which in turn owed much to the philosophies of the artistic Pre-Raphaelite Brotherhood, established in 1848 by William Morris and his contemporaries Edward Burne-Jones, Ford Maddox-Brown, William Michael and Dante Gabriel Rossetti, William Holman Hunt and John Everett Millais. The members of this group totally rejected the prevailing artistic philosophies of the time, seeking inspiration instead from an earlier and simpler age, from the art and ideas of the medieval period rather than that of the High Renaissance (Adams 1998). The Arts and Crafts movement, then, marked a rejection of the ‘machine age’ of Victorian Britain and a return to more ‘traditional’ values characterised by honest toil, craftsmanship and good design.

Both the Pre-Raphaelite Brotherhood and the Arts and Crafts movement were greatly influenced by the thinking of philosophers like John Ruskin who, among other things, campaigned against the despoiling of Britain’s buildings and landscape by the Victorian drive for progress and industrialisation. Among his better-known comments is his bitter denunciation of the desecration of his beloved Miller’s Dale in Derbyshire:

‘There was a rocky valley between Buxton and Bakewell, once upon a time, divine as the vale of Tempe. You Enterprised a Railroad through the valley; you blasted its rocks away, heaped thousands of tons of shale into its lovely stream.

The valley is gone, and the Gods with it; and now every fool in Buxton can be at Bakewell in half an hour, and every fool in Bakewell at Buxton, which you think a lucrative process of exchange – you fools everywhere.’ (Ruskin 1885–89).

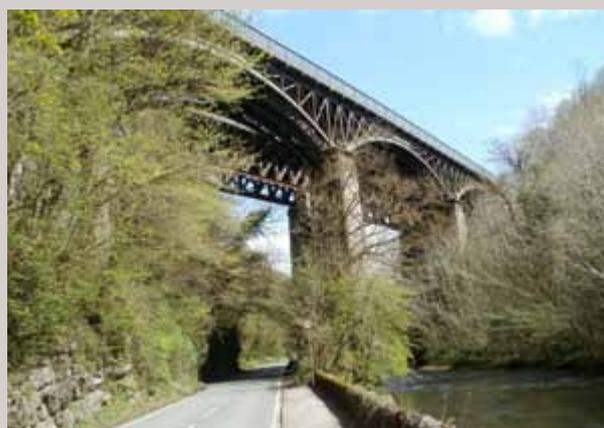
Similar sentiments were expressed by William Wordsworth in his rather sadder and more wistful denunciation of the construction through the Lake District of the Kendal and Windermere Railway, when he speaks of ‘... a power, the thirst for gold, that rules o’er Britain like a baneful star, wills that your peace, your beauty shall be sold and clear way made for the triumphal car ...’ (quoted in Carr 1978).

Despite the emotional outpourings of Victorian Britain, however, the scars of railway and other infrastructure development of the time mellowed, to the extent that now many relics of that age of steam, including the Miller’s Dale viaduct (**Box 4**), so hated by Ruskin, are themselves valued and preserved as important additions to that same landscape which some of our forefathers were so anxious to defend.

The philosophical ideas embraced by the Arts and Crafts movement also struck a chord with architects such as Phillip Webb, whose Red House, designed for Morris in 1860 and now listed Grade I, is described by Adams (1998) as ‘... reminiscent of domestic Tudor buildings ...’ and ‘consistent with the utilitarian Arts and Crafts aesthetic that no undue effort should be made to disguise materials and structure ...’, and Augustus Welby Pugin, who followed his father Augustus Charles Pugin as a tireless advocate of the Victorian Gothic Revival style. It is those same philosophies which have now come to define the

BOX 4

THE VIADUCT, MILLER’S DALE, DERBYSHIRE



Built in 1866 as part of the second stage of the Manchester, Buxton, Matlock and Midlands Junction Railway from Rowsley to Buxton. The line was initially promoted in the late 1840s, and the first stage from Ambergate to Rowsley, engineered by George Stephenson, was completed in 1849.

The scheme was bitterly condemned by John Ruskin for its desecration of Miller’s Dale. The railway was closed as part of the Beeching closures, and much of the Dale is now a Site of Special Scientific Interest, and the trackbed from the Monsall Trail is a popular walking and cycling route.

bedrock of modern Western ideas underpinning conservation practice, and which postulate that the core value of our historic structures lies in them being as 'un-restored' as possible.

It is worth commenting, however, that these principles are not universally held to be true. For example, in Chinese conservation thinking, buildings tend to be viewed very much as repositories of ideas and collective memory, as reminders of historical events; and that, while age is venerated, it is also quite logical to suggest that preserving such buildings in completely their original form might not be necessarily desirable. The modification of such structures at various times in their life, often with the expressed objective of arresting decay, but also sometimes with the aim of improved utility, is therefore regarded as perfectly legitimate in maintaining the building 'fit for purpose' (D'Ayala and Wang 2006b).

THE BURRA CHARTER

The Australia ICOMOS Burra Charter, first developed in 1979 (subsequently amended in 1981, 1988 and 1999) (ICOMOS 1988), brought the concept of 'cultural significance' to the forefront of the heritage conservation debate. This restated the symbolic value of a heritage asset within the history and culture of the society in which it exists, and suggested that this cultural value may be at least as important in conservation terms as other more conventional value measures.

We have already concluded that in the past the perceived symbolic value of structures, in particular, has been subject to shifts in fashion, politics and social development; but the idea of the cultural value of place (what Howard (2003)

terms 'golden places') rather than structure is an interesting new concept. We have already seen hints that the idea of place is common in a number of cultures around the world. In Hong Kong, for example, many of the Taoist temples have been so heavily restored in recent years that little of the original structure remains, but the underlying idea seems to be that it is the place and the ideas which that place represents which are more important than the building itself. Such a concept is recognised in the regeneration debate in the UK, where refurbishment of large areas of the housing located close to Victorian or other heritage buildings provides a strong notion of community cohesion. These notions of value are again hard to express in measurable terms, however, and it may not be either appropriate or even possible to represent them in economic or financial terms.

EXPERT DETERMINATION OF VALUE

The idea that heritage might embody values which are not easily measurable, but which 'any educated person can clearly see are there' has led to the notion that decisions about what should be considered valuable or expendable in heritage terms is one which is best left to 'experts' to determine, and most heritage legislation has been made on this basis. Britain is in many ways typical, in that the final decision about the relative value of 'important' heritage assets in terms of whether and how they should be protected, has generally been left to some branch of government or at least to a government-appointed agency. Some processes entail a degree of public consultation, but in essence the process of deciding what is 'important' heritage and what

is not has been more or less centrally controlled though the concept of some form of listing, or the conferring upon a specified area of some special status.

Hewison (1987) contends that this situation has sometimes given rise to the view that the value of heritage is largely decided by, and controlled by and for, a small intellectual group, who then use their knowledge to promote a national identity. Howard (2003) appears to concur that this may be the impression given when he points out that the creation of the British National Trust, in part at least, gave rise to the popular view that the real objective was to persuade the many to pay for the pleasures of the few, a situation parodied brilliantly in a BBC *Yes Minister* television script about the Royal Opera House, Covent Garden, 'The middle-class rip-off' (Lynn and Jay 1984).

In Britain, some attempts have been made in recent years to involve the general public in deciding which local heritage projects should be supported, through television programmes such as the *Restoration* series, but there is still significant scope for further public participation in the process. Steps in this direction have been made, and Sir Neil Cossons, in the Preface to Kate Clark's book *Informed Conservation* (Clark 2001), writes that the publishers English Heritage hope that the book '... may form a prelude to a wider public understanding of the importance of place so that as a nation we may nurture what we value as an important contribution to the process of change'.

Holden and Hewison (2004), in a review of ten years of UK Heritage Lottery Fund operation, are in no doubt that things have changed significantly

in the last decade. They report that their research reveals that the Heritage Lottery Fund has:

'... shifted the idea of the value and importance of heritage away from being something that is exclusively determined by experts on behalf of society, to one that recognises the importance of widespread participation in identifying and caring for what is valued collectively'.

MODERN DEFINITIONS OF VALUE

In recent years, the justification of schemes to preserve historic buildings by making them pay their way and, perhaps to a lesser extent, the dilemma facing central funders of how much of our available limited resources should be spent on which of a bewildering multiplicity of apparently worthwhile conservation schemes is seeking funding at any one time, seems to have driven us into a preoccupation with defining value in terms of money, and a number of different techniques have been developed to attempt to do this.

In the simplest of cases, for example historic houses in private ownership which will continue to be used as dwellings, the issue often becomes one of pure market value in terms of how much buyers are prepared to pay for the property in an open marketplace, often an auction. In such cases, the value to the purchaser will be influenced by things like the desirability of the location, the suitability for economic use of the property, its condition, and whatever restrictions are placed upon its use or physical alteration. Such transactions typically only rarely take into account other less tangible aspects of value, for example the value to society of the property and its setting within a beautiful

landscape; the economic value which the house adds to the local community through the provision of jobs, attraction of tourists to the area, etc.; and the innate historical value embodied in the house, its architecture, construction, social history, etc.

In very oblique ways it is through mechanisms like the planning and heritage control systems that the wider preservation issues are considered.

In a similar way, the market value of buildings which are no longer suitable for their original purpose and which are to be reused for other purposes may be established through the use of those well-recognised valuation techniques described in Scarratt (1991), but often within very limiting criteria or for the purpose of demolition or redevelopment.

Situations where there are proposals to seek permission for the significant alteration, demolition and redevelopment of historic buildings are rather more problematic. Here the benefits to society as a whole of maintaining the innate integrity of the building are much harder to balance against the financial, environmental and social benefits of a new building. Economists have devised a range of approaches to attempt to evaluate these wider economic and social benefits in monetary terms.

ECONOMIC EVALUATION

Economic evaluation is an examination of the macro effects of proposed changes on the wider environment, and is therefore very different from a purely financial evaluation of the type outlined above, which is generally concerned only with the financial profitability or otherwise of the scheme to the owner and developer.

Economists have devised a number of valuation techniques, initially for the valuation of environmental assets, but later adapted for the assessment of heritage assets, including economic impact studies (Listokin and Lahr 1997), cost-benefit analysis (Nas 1996) and a number of techniques using substitution pricing mechanisms, based upon contingent valuation (Bateman and Turner 1995) and revealed preference techniques (Bateman 1995). A comprehensive methodology for the use of these techniques is given in Bateman *et al.* (2002).

ECONOMIC IMPACT STUDIES

Economic impact studies attempt to model the 'use value' of buildings and sites subject to historic preservation and rehabilitation by measuring the economic impact of preserved heritage on the local and wider economy. Mason (2005) summarises a wide range of studies carried out in the USA which appear to show that money spent on heritage conservation generates significant added value in the local economy (ratios were as high as 129:1 in one case) through the multiplier effect. Mason points out, however, that these studies may be misleading in the wider sense, since in the vast majority of cases they do not compare the value added by heritage preservation with that which might have been generated by alternative schemes such as redevelopment.

COST-BENEFIT ANALYSIS

Perhaps the most common method of assessing economic costs and benefits is cost-benefit analysis. Cost-benefit analysis is usually defined as a method of comparing the relative economic desirability of competing projects, but I would

propose that a better definition, in the context of heritage conservation, might be:

'Cost benefit analysis is a tool which decision makers use in deciding whether a proposed project should go ahead or not. Cost benefit analysis is carried out to weigh the costs, both financial and otherwise, of proceeding with a project against the benefits which would arise from it.'

The methodology basically consists of identifying all the relevant costs and benefits which are likely to accrue over the whole lifetime of the project, valuing them in financial terms discounted to present-day costs, and ranking or 'weighting' them according to their perceived relative importance.

SUBSTITUTION PRICING MECHANISMS

Substitution pricing mechanisms attempt to assign a pseudo-monetary value to something for which a market price cannot be directly determined, by developing a hypothetical market based upon some other known and related entity for which a market does exist.

The better-known techniques include:

- **Contingent valuation.** This technique attempts to value heritage by establishing a hypothetical market. In essence, people are asked how much they believe the heritage asset is worth in money terms. Two approaches are common in the literature, the willingness to pay (WTP) approach, where people are asked how much money they would be willing to pay to preserve or improve an existing historic asset; and the willingness to accept (WTA) approach where people are asked how much money they would require in compensation for the loss or removal of that asset.
- **Travel cost method.** Another survey technique, which seeks to value heritage assets by establishing how much people would be willing to spend to visit a particular site. In this case, survey data, including demographic information, frequency of visits and distance travelled, are collected from samples of visitors to a particular site. From these data a range of visit costs can be calculated, and a demand function can then be used to determine a hypothetical value for the amenity as a whole.
- **Hedonic pricing.** This method works on the principle that some heritage assets can be valued in terms of their effects on other known marketable goods. For example, it is argued that a house will be worth more than other comparable properties if it has better facilities (perhaps a swimming pool or a larger garden) and that higher prices also reflect

Both methods are conducted using survey techniques, and are therefore subject to the usual statistical constraints of adequate survey size, distribution, etc. The hypothetical nature of the questions has caused the validity of these approaches to be questioned by a number of observers, and experience generally appears to show that the amount of money required in compensation (the WTA approach) consistently exceeds the amount people would be prepared to pay (the WTP approach).

environmental advantages. In other words, people will be prepared to pay a premium to live within easy reach or within the influence of a heritage asset such as a historic park, garden, house, castle or other similar facility. Advocates of this method claim that it is more realistic than some of the others since the values arise directly from observable 'real market' behaviour and evidence.

One significant drawback of all of these techniques based on some form of willingness to pay or willingness to accept is that it is difficult to take account of the potentially widely differing financial circumstances among the survey population. For example, someone earning, say, £100,000 per year might be willing to pay significantly more to visit a particular site than someone earning an annual salary of, say, £15,000.

A number of researchers in heritage conservation have recently reported studies using these approaches, and a good summary is included in *eftec* (2005b). A more detailed exposition of the economic analysis issues underlying the use of such models in a heritage context is given in Ost and van Droogenbroeck (1998).

In addition to the shortcomings of these approaches noted above, all these methodologies assume, of course, that a significantly large and wide variety of people are prepared to place a monetary value upon a particular amenity, and that if this is not the case then the asset in question has no value. This plainly discriminates against the loss of assets which may be of great cultural, historical or scientific importance but which are not of widespread general interest in the sense that

they do not give rise to visitor receipts. It may be argued, for example, that everyone in England and thousands of tourists benefit from the existence of Big Ben in London, but very few pay specifically to view or visit it.

To be of more use, the valuation process also requires that account be taken of effects which occur at different times, and some of the above issues may be in part taken into account by conducting a series of surveys at regular intervals over a period of time. This is, perhaps, particularly important when the purpose of the evaluation is to compare alternatives, but this then demands that the financial value of all the future economic costs and benefits must be converted (i.e. discounted) to a common time base, usually the present day.

Other significant difficulties which might arise in using either cost-benefit analysis or the economic evaluation techniques set out above in a heritage context include:

- Identifying all of the benefits and costs which may arise during the future use and maintenance of the asset, and of its eventual rehabilitation, disposal or demolition. Some of these may well be affected by new legislation (e.g. health and safety) and also by changes in the local authorities' planning proposals, and these may be harder to predict.
- Quantification of the identified benefits may be very difficult and is often subjective. Parties involved in the project may manipulate and interpret these figures differently to either support or disparage particular options.

- Assigning relative weightings or values to the various types of cost and benefit identified is also a very subjective process, and this problem often arises in the case of issues of heritage conservation and environmental concern. Is it, for example, more important in the overall scheme of things to build a new airport to relieve air traffic congestion in a particular area, even if to do so would destroy a historic structure and reduce the quality of life of the rural community? Note that this process assigns weightings to indicate the relative importance of specific issues in the context of the project as a whole. The calculation of the financial costs and benefits of such factors is a separate issue. Of course, assessing the human and social costs and benefits of such factors is equally as important but much harder to quantify.
- Assigning a monetary value to benefits and costs is frequently difficult in the case of historic environments which may in themselves be either unique or irreplaceable or both. Similarly, their influence on the value, benefits, sense of community, cultural identity of surrounding properties and their users and inhabitants may be hard to quantify.
- Predicting likely future scenarios such as visitor numbers, maintenance costs and the like, and 'external' economic effects such as the effects of a rise in the price of oil or the exchange rate is often very difficult. Predictions such as this obviously become progressively more uncertain the further ahead one tries to look. As Winston Churchill is said to have observed, 'Looking ahead is all very well but only as far as one can see'.

Problems such as these, then, tend to limit the effectiveness of the use of these techniques, and may even lead to allegations of implying a degree of accuracy in the predictions which is unsupported by the nature of the data used to create them.

Navrud and Ready (2002) present a comprehensive review of the application of the above techniques in an environmental and heritage context, citing a number of case studies including Stonehenge; and a number of different types of historic buildings including cathedrals, castles, monasteries, and theatres in Europe; historic monuments in Washington DC; cultural artefacts such as aboriginal rock paintings and Roman imperial remains; museums; and the Fes Medina in Morocco. *eftec* (2005a), in an extremely detailed review of the potential use of these techniques in a heritage context, does not conclude that such techniques are valueless or that they should never be used, but that there is usually a lack of sufficient reliable data to enable such appraisals to be made with any degree of certainty, and this raises serious questions about their reliability and validity. Nonetheless, they do represent the best available option at present for an economic evaluation, but the implications of the results of such a process plainly need to be considered very carefully.

21ST-CENTURY NOTIONS OF HERITAGE VALUE

CULTURAL SIGNIFICANCE

Clark (2001) picks up the notion of cultural significance in the context of the development of conservation plans when she writes:

'Significance lies at the heart of any conservation action – which for the historic environment means the recognition of a public value in what may well be private property. Historic buildings and their landscapes are significant for many different cultural reasons: for their architecture, for their association with people and memories, beliefs and events or simply because they are old ... That significance may be personal, local, regional, national or international; it may be academic, economic or social. These values can be roughly grouped into academic or scientific values and amenity values, such as the way in which communities value places or the contribution a place makes to the quality of life including economic value (author's emphasis).'

It must be recognised, however, that cultural significance is not a simple idea. Rather it is a complex and multi-faceted concept which may well mean different things to different cultural or socio-economic groups. Cultural significance has, in some cases, become almost synonymous with the concept of 'collective memory', but it is, I believe, important to differentiate between the two. The collective memory of a community may form part of the cultural significance of a heritage asset, perhaps in some extreme cases a major element, but it will rarely, if ever, be the

only aspect of cultural significance to be worthy of consideration. The multifaceted nature of cultural significance has led some to develop formal typologies which attempt to identify, and in some cases to assign weightings to, the individual identified components.

The whole issue of the development and use of typologies to describe different aspects of cultural significance is addressed at length in Worthington and Bond (2008).

In terms of how such issues might be objectively assessed, Clark points out that in a national or an international context recognition of the asset through listing or scheduling (expert determination) provides some indication of the measure of importance, the 'value', but she also points out that the significance may be geographically local, or may apply only to some particular, perhaps minority, community group. Such situations, which require an assessment of 'significance', are much more difficult to resolve satisfactorily, particularly when different stakeholders hold different definitions of the cultural significance associated with a particular asset, all of which are perhaps equally worthy in their own way and yet they may be diametrically opposed.

Clark also stresses that the values of heritage assets (as defined above) should be made explicit through conservation plans based upon evidence, and that these are regarded as an essential tool in competitive applications for funding from organisations like the Heritage Lottery Fund. This view is plainly sound, but there is, of course, a danger that in the competitive funding allocation process those schemes which win funding may

not, in fact, be the most worthy or the most 'valuable', but those which present the most persuasive conservation plans. There is, therefore, the chance that overall value may be judged on the quality of the advocacy rather than on the true value of the asset in question.

This issue of 'cultural value' is also taken up, perhaps surprisingly, by economist David Throsby (Throsby 2001; Throsby 2006), who argues that cultural assets, including heritage assets, are special because in addition to their economic value they also embody cultural values which, in terms of their contribution to humanity, may well exceed their economic or financial value. He characterises cultural value as comprising the sum of aesthetic value; spiritual value; social value in terms of a sense of identity and place; historical value; symbolic value; and authenticity. If this interpretation is accepted, we are then left with the position that a purely economic evaluation of a heritage asset may not always be completely appropriate in representing its actual worth. This point of view is supported by eminent American heritage specialist Professor Randall Mason, who writes:

'The value of historic preservation need not be expressed and analyzed only in quantitative terms. Qualitative expressions of the value of preservation often are dismissed by economists simply because they are not susceptible to standard economic (mathematically driven) methods of analysis. But these cultural values – resisting easy quantification and mathematical treatment – are essential to the nature of historic preservation and they must somehow remain part of the discourse on decision-making and other economic discourses on preservation.'

In other words, applying standard quantitative, market-derived measures of historic preservation will not suffice – a priori – to express the full value of preservation as cultural expression and public good.' (Mason 2005).

IN CONCLUSION

THE PUBLIC VALUE OF HERITAGE

The issue of how to define 'the value of heritage' is one which is now at the forefront of the debate about how heritage should be managed and funded in the future. The issue of cultural value, and how it should be assessed, is central to this debate, and experts appear to be still unsure of how this should be done. Clark (2006) presents a range of views of different aspects of the problem.

Hewison and Holden (2006) explore this issue and present an analysis in which cultural value is seen as comprising the sum of:

- the individual intellectual, emotional and spiritual experience of the heritage (termed the 'intrinsic value');
- the ancillary economic effects such as urban regeneration which may derive from the asset (termed the 'instrumental value');
- the value which is created in the public mind by the way in which the asset is presented (termed the 'institutional value').

They go on to identify three groups to whom these values are important as the public, politicians and policymakers, and heritage professionals. To this analysis we might also add owner-occupiers.

One area of study which appears to show some promise is the concept of the 'public value' of heritage. The original concept of public value, first proposed in Moore (1995), attempted to model the value to the public of government services using the private sector concept of shareholder value. The concept, while relatively easy to understand in essence, is, however, extremely difficult to measure in practice, and this has led commentators like Blaug *et al.* (2006) to conclude that 'public value is not a standard unit'. They therefore propose that 'public value = public responsiveness to refined preferences', and further that a series of performance indicators could perhaps be developed to provide some sort of objective measure.

The concept of public value appears to be an interesting idea for assessing the worth of cultural heritage, and could also, in the fullness of time, evolve into a useable tool. It is, however, important that, as competition for scarce resources becomes ever more fierce, we are able to quantify the value of heritage in realistic, responsive, easily understandable and robust ways.

This paper began by questioning whether it was appropriate to simply quantify the value of built heritage in monetary terms, and has attempted to show that to do so is to ignore fundamentally important intangible, essentially humanistic components of value which cannot readily be expressed in this unidimensional way.

For this perception to be overcome, there is plainly the need for a recognition within the mainstream of planning, policymaking and public sector funding that conserving heritage pays – even if it is not always easily assessable

in financial terms. In order to support this view it is, of course, necessary for heritage conservers to mobilise sufficient public opinion and political influence to ensure that the initial 'money value only' hypothesis fails. Such a view plainly requires a close understanding of the intangible culturally significant values involved, and an acceptance by those with political power and influence that, even if they cannot be quantified in a deterministic way, proper consideration of these values is an important factor in ensuring the future growth, well-being and stability of a mature and caring society.

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