



**How do we measure the social and economic impacts of built heritage?**

**A methodological toolkit to assess the impacts of investment into cultural heritage**

**2016**



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## Introduction

Our point of departure is that the built heritage is in a permanent interaction with its environment, thus it may generate social and economic impacts therein. The objective of the publication was to serve as a guideline, which examines built heritage from the perspective of its relationship with its environment, the impacts it may generate through investment into a building which is part of the heritage and how these impacts are worth exploring. This methodology has been prepared by a two-year-long research coordinated by the Forster Centre and involving domestic and foreign external experts. So far, no comprehensive impact assessment has been prepared in Hungary in the area of cultural heritage management, though we had the experience and examples of other areas to rely on (for example, impact assessments relating to EU projects, environmental protection, rural development, etc.). First we reviewed international literature on impact assessment, as similar research has already been done in several countries and we drew upon these experiences. In addition to this, we conducted several consultations with experts in Hungary and abroad in order to prepare the research as profoundly as possible.

The research, on the basis of which we have drawn up the methodology, focused on three locations of cultural heritage in Hungary. At these locations we were able to test and make individual measuring tools even more accurate. In the course of selecting the locations, we made efforts to identify those which represent the diversity of cultural heritage locations in Hungary (size, function, owner, success of operation, financing, etc.). The measurement tools suitable for quantification and identifying impacts beyond figures also promote the identification of impacts as fully as possible. In the context of the project and the priorities of current cultural heritage management in Hungary, we basically dealt with buildings serving purposes of tourism and culture, thus this is the primary purpose the methodology is convenient for. The tourism function was significant in all the three cases examined. In spite of this, the methodology is also applicable to heritage buildings serving as locations of public institutions, however testing this went beyond the context of this project.

The summary presenting the outcome of the research at the three locations can be downloaded from the following website: <http://orokseghalauz.hu>

## The target audience of the publication

Carrying out an impact assessment of cultural heritage might provide important and useful information for several would-be and current project hosts. In our experience, the more the expected impacts are taken into account in the phase of planning the renovation, the broader the spectrum of positive impacts might be later. Therefore, we recommend our methodology to all practitioners and communities planning to renovate locally or nationally protected buildings and assign them a function (partly) different from the former one and revive the building. Thus, we recommend this to municipalities, organisations in the area of urban and regional development, non-governmental organisations dealing with the protection of heritage, architects specialising in

historical monuments, landscape architects, active local groups and those writing projects in particular.

Besides, we recommend the methodology to staff in the national institutions of the protection of cultural heritage, responsible for the planning and implementation of various renovation projects and policy decision-makers elaborating the regulatory and funding environment.

However, the publication might also serve as a point of information and/or source of inspiration for those who would like to know more about the role a heritage building can play in its immediate social and economic environment and for those who would even want to improve this role. Carrying out the impact assessment requires the following capacities and skills in the first place:

- data collection,
- good communications skills to conduct the interviews,
- good organisational and flow support skills to organise workshops,
- good analytical skills to explore linkages and relationships.

### The subject of the analysis: What do we mean by built heritage?

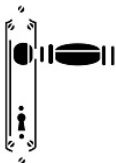
Pursuant to Act LXXVIII of 1997 on the Formation and Protection of the Built Environment

„*Architectural heritage* includes historical monuments, groups of buildings and cultural landscapes” (Section 2.). Heritage protection differentiates between two levels of the protection of architectural heritage. „The detailed regulations on the elements of the **country's architectural heritage** of special and national value, registered in the records of historical monuments, conservation of nature areas and other types of protection, are established by separate laws.” (Section 56.). National architectural heritage therefore include historical monuments, nature areas of national value and cultural landscapes. „ Elements of the architectural heritage which, based on their value and in accordance with Section 56, are not under national protection, and which, however, due to their unique appearance, characteristic, townscape or settlement structural value are important for the region or for the settlement, represent traditional values and are true reflections of the work of the area's people and communities, shall be considered as part of the **local architectural heritage**.” (Section 57.). Our study focuses primarily on buildings under local and national protection, hereinafter referred to as: built heritage, heritage area or heritage location. It is very important to draw attention to the fact that in our study built heritage might refer to a standalone building but also group of buildings, or an area under protection and constituting part of architectural heritage, such as a street or part of a city.

The impacts, as we will see later, can be examined as a result of an investment. On this basis, by *heritage investment* we mean development, for example, renovation, reconstruction, establishing a new function, maintenance, etc. of a building under local or national protection.



**REVEAL**  
A kulturális örökség gazdasági és  
társadalmi hatásainak feltárása



## The background of the social-economic impacts of built heritage

Our protected buildings, spaces have historical, aesthetic, architectural values, they contribute to the development of our individual and national identity. Due to these values, built heritage plays a very specific role in society, as well. But the reasons why certain entities find built heritage valuable might differ largely according to our set of values and perception. For practitioners of monument protection, the heritage value *per se* is to be preserved due to the role the heritage plays in architecture, its aesthetic value or historical role or its unique character. In international and domestic policies, the broader social and economic potential is increasingly recognised in the context of built heritage. Therefore, heritage should not only be treated as a value, an asset *per se*, but the positive or potentially negative impacts it has on its environment also need to be taken into account. In parallel with this attitude, the focus in heritage protection has been shifted from protection to value creation, i.e. heritage is not considered as the object of protection, but as the tool of creating values<sup>1</sup>.



Nő a helyi identitás	Local identity strengthens
Vállalkozások száma nő	Number of enterprises increases
Vendéglátóhelyek forgalma nő	The turnover of hospitality establishments increases
Foglalkoztatottság nő a turizmusban	Employment in tourism increases
Versenyképesebb település, térség	More competitive settlement, area

<sup>1</sup> Cultural Heritage Heads Forum (2015): Full Report. CHCFE Consortium, International Cultural Centre, Krakow

A helyi lakosság több kulturális programon tud részt venni	Local population may participate in an increasing number of cultural events
Látogatószám nő	Number of visitors increases
Foglalkoztatottak száma nő	Number of those employed increases
Programok	Programmes

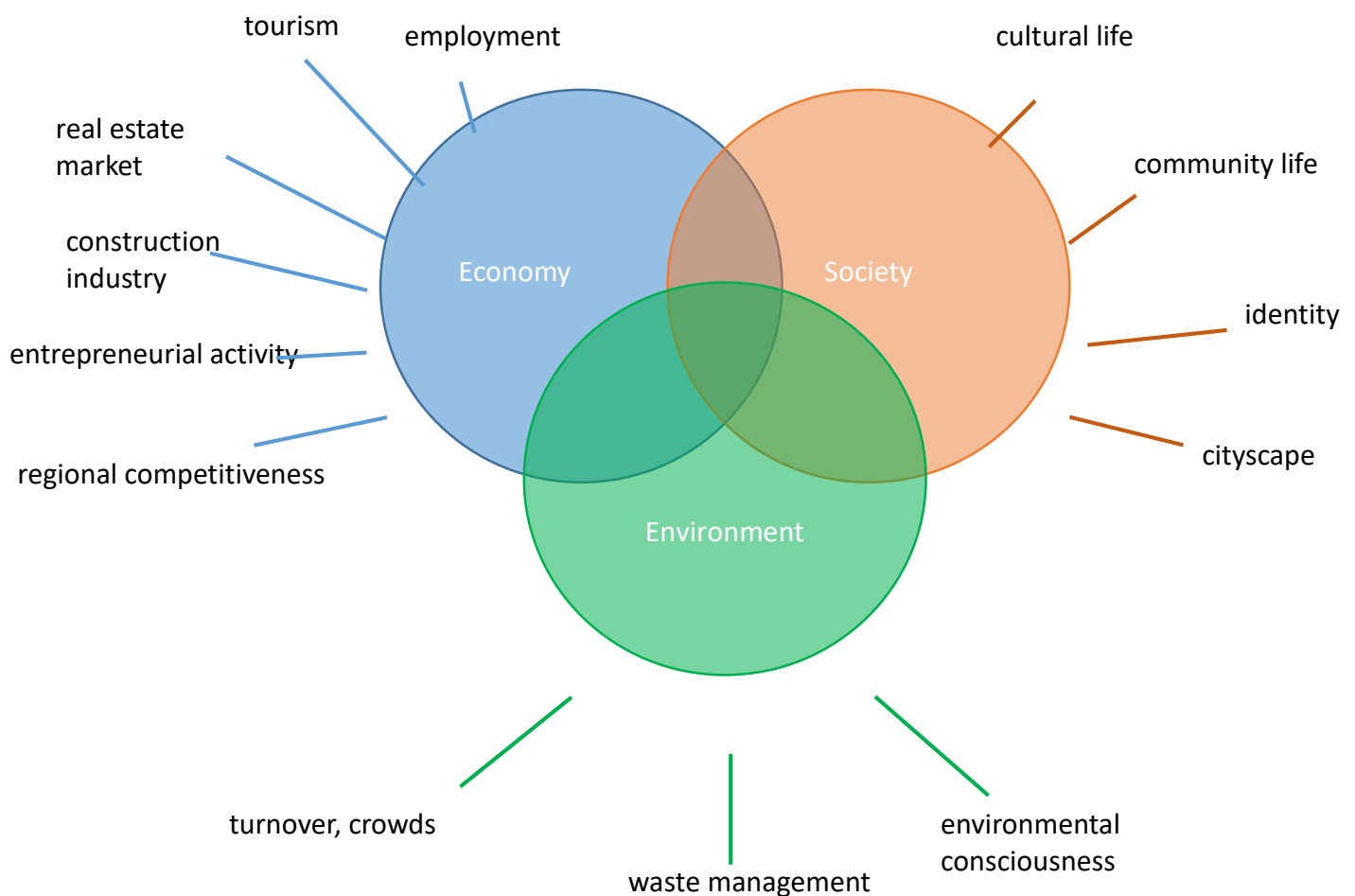
All this means that the preservation and maintenance of protected buildings does not only imply costs and imposes obligations on those responsible but given appropriate functions and operation, the buildings which are part of the heritage might create significant positive social and economic impacts. However, to this end, we should make a step further and out of the heritage building: as it is illustrated by the figure, these social and economic impacts might partly unfold outside the location of the heritage within the given settlement or in its surroundings.

With proper management of a heritage building not only the number of visitors of a specific building, or the revenue from the entrance fees can be increased, it goes far beyond that. The historical monument might bring revenues to the neighbouring cafe, might lead to a significant economic benefit through tourism, or by providing spaces for the local community it might be an important life space of the community. Built heritage might serve as a tool of local economic development: due to its spillover effects it might create jobs and might increase the revenues of local businesses and through this, the revenues of the local municipality. Built heritage is linked very closely to culture, constitutes part of the cultural heritage<sup>2</sup>, thus we must not forget about social impacts. The exploration and stimulation of local impacts is all the more important because evaluating built heritage only on the basis of its economic impacts might lead to a distorted result. We cannot evaluate built environment only on the basis of local revenues because they are mostly short- and medium-term indicators. Architectural heritage plays a major role in passing on historical values, maintaining local and national culture, but it can even contribute to the preservation of the environment by avoiding or keeping away greenfield investments. These impacts rather unfold in the long run for the broader spectrum of society. This is why it is not sufficient to evaluate a heritage investment on the basis of short-term economic indicators, but its social and environmental impacts also need to be taken into account.

In the publication we were making efforts to present a methodology suitable for identifying or measuring these potential impacts on a broad spectrum. On this basis, in our methodology we divided the impacts potentially generated by a heritage investment into three main categories: social, economic and environmental impacts. Important is the fact that all the three areas need to be

<sup>2</sup> Cultural heritage pursuant to Act LXIV of 2001 on the Protection of Cultural Heritage includes tangible heritage, including built heritage (e.g., historical monuments), and other tangible heritage, which are important in the development of the customs and culture of a community or nation (e.g., artefacts). In the ordinary use of the word, cultural heritage also includes intellectual heritage, e.g., traditions, the customs of a community, its specific language, etc.

taken into account simultaneously in the course of the impact assessment, none of them replaces any of the other two.<sup>3</sup>



<sup>3</sup> The categorisation was done in the research the methodology is based on. In the research we explored the impacts of investments at three heritage locations in Hungary: <http://oroksegkalauz.hu/esettenulmanyok>



In reality, impacts caused by heritage investment cannot be sharply delineated, as the figure illustrates, the three areas we identified overlap.

By economic impacts we mean changes induced by heritage investment, which either in the short or medium term are realised as an economic benefit (as a revenue or even as a loss). This might appear in the improved financial results of related economic organisations or the decline thereof, changes in consumer behaviour, changes in business and market processes, changes relating to income status or employment, etc.<sup>4</sup> Not only changes directly relating to built heritage belong here, but also changes in the environment of the heritage building, which at the same time are due to the specific heritage investment, i.e. changes which induce the material welfare of society in the short or medium term.

Social impacts refer to changes which - contrary to economic impacts - may have an influence on social welfare in the longer run. Contrary to economic impacts, it does not include the changes of the material, but of other dimensions of welfare, e.g., the physical, intellectual welfare of society and individuals, their health status, etc.<sup>5</sup> The built heritage might serve as the engine of local community events and thereby may contribute positively to establishing local identity or social capital, which in the long run might result in a healthier society and the cultural role of built heritage also belongs here<sup>6</sup>.

Under the environmental impacts of built heritage, we examine the burden or the benefit resulting from the operation of the heritage building for its ecological environment. This is important because in the spirit of sustainable development we must in every segment of our life to achieve the smallest possible environmental burden and ecological sustainability in addition to economic and social sustainability. This raises questions, such as how the operation of built heritage contributes to, or reduces the negative impacts of climate change<sup>7</sup>. According to the energetic studies relating to the life-cycle of buildings so far, nature benefits from the renovation of already existing buildings rather

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<sup>4</sup> Radich, A. (1987): Economic impact of the arts: a sourcebook. Denver: National Conference of State Legislature

<sup>5</sup> European Task Force on Culture and Development (1997): In from the margins: a contribution to the debate on culture and development in Europe. Council of Europe, Strasbourg

<sup>6</sup> McCarthy, K. F. et al. (2004): Gift of the muse. Reframing the debate about the benefits of the arts, RAND Corporation, Santa Monica, Arlington, Pittsburgh

Murzyn-Kupisz, M. and Działek, J. (2013): Cultural heritage in building and enhancing social capital. Journal of Cultural Heritage Management and Sustainable Development, 3(1), pp. 35-54.

<sup>7</sup> Cassar, M. (2009): Sustainable heritage: challenges and strategies for the twenty-first century. APT Bulletin, 40(1), pp. 3-11.

than from the construction of new buildings: the renovation of old buildings leads to less greenhouse gas emissions than the construction of new ones.

### **Embeddedness: the social-economic environment of built heritage**

One of the axioms of the methodology is that heritage buildings do not exist in a vacuum, they are embedded into the economic and social fabric of a settlement or area, region. Heritage buildings are an integral part of the cityscape and through the operation and functions of the institutions they house, they participate in the life of the settlement or region. Our objective is to examine the role of the heritage building or location in this social-economic environment (and the impacts generated by the renovation of the heritage in this environment), to this end

- we need to survey the characteristics of the heritage location;
- we need to map the social and economic capacities of the settlement or area, region where the heritage building can be found; and
- we also need to identify those who are potentially affected by the heritage buildings within an analysis.

### **As regards the location of the heritage, the following characteristics are worth examining:**

#### **The main function of the building:**

- touristic, e.g., exhibition
- commercial (e.g., shops, outlets)
- cultural
- public (e.g., school, hospital, other public building)
- residential building(s)

#### **The target audience of the building:**

- external: when the primary function of the heritage building is not to provide services for the population of the given settlement, e.g., museums, castles with touristic purposes
- internal: when the function of the building primarily serves the community of the given settlement, e.g., school located in a historical monument.

#### **Owner:**

- an organ of the central government
- a municipality
- a private entity
- a non-governmental organisation
- other

**Operator:** in several cases the owner and the operating entity are different, therefore these two categories should be treated separately. Operators can include:

- an organ of the central government
- a municipality
- a private entity
- a non-governmental organisation
- other

**Characteristic of the heritage environment:** this category refers to the built environment of the heritage location examined by us, whether in its immediate surroundings another building representing heritage value can be found, the location itself is a historical part of the city, or a standalone building, for example, a mansion or castle. On this basis, the heritage location may be:

- *rich* in buildings representing cultural heritage
- *or isolated*

***Exploring investment-related information after the investment:***

**Project host:** the organisation responsible for the investment,

- an organ of the central government
- a municipality
- a private entity
- a non-governmental organisation
- other

**Source of investment:**

- state funding
- EU/Norway grants
- municipality funding
- private investment
- other

**The degree of involvement:** this category refers to what extent those living in the proximity of a heritage location are involved in planning, and to what extent they have a say in the function of the building and its operation. The type and degree of impacts generated by the investment largely depends on the degree of involvement. The possible degrees of involvement are as follows:

- no involvement: the investment is planned and implemented by the project host
- low: the planning and implementation is done with the involvement of the operating entity

- medium: major local groups are involved in planning, e.g., the mayor
- significant: planning and execution takes place in cooperation with a broader local community and social groups

### Mapping the environment of the built heritage

Mapping the environment of the built heritage means that we explore the social and economic characteristics of the settlement or area where the built heritage is located. This step is important because the environment of the heritage partly determines the types of impact that may be generated by the investment into the heritage. The renovation of a protected building in a settlement, which is full of active and agile entrepreneurs and a well-established touristic strategy, may lead to completely different results than in a settlement where the tourism sector is rather new and less developed.

In this step through desk research, analysis of documents and on the basis of publicly available statistical data we may have a more detailed picture of a settlement or area, which is similar to the situation analysis in regional development. The following data should be examined by all means:

Major demographic indicators:

- the population of the settlement
- age composition, ratio of the elderly and the youth
- the number of people arriving in and leaving the settlement (immigration and emigration)
- the number of the unemployed

Economic indicators:

- number of businesses
- number of registered commercial accommodation facilities
- number of private accommodation facility owners, number of beds

### Analysis of those concerned

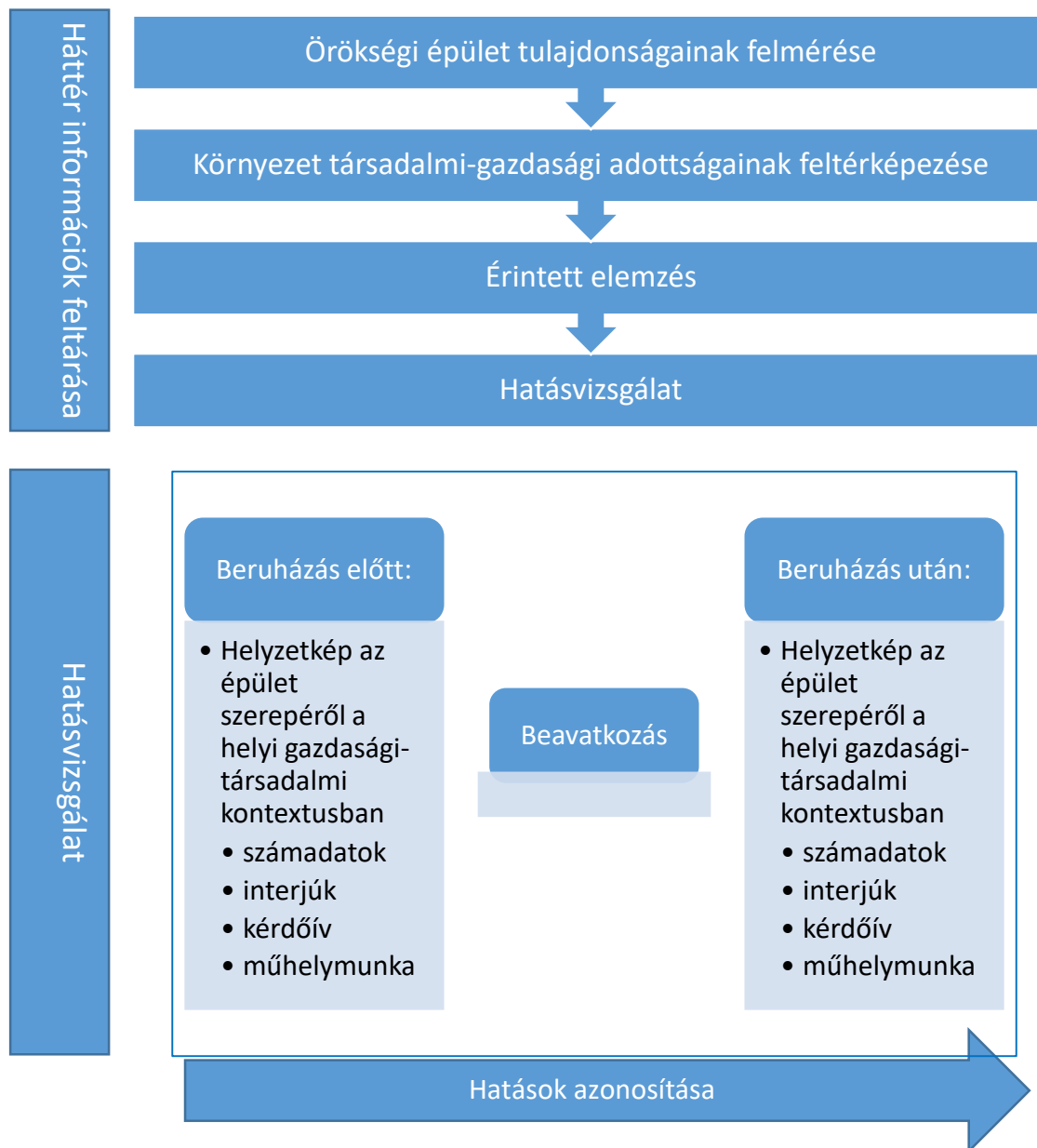
An analysis of those concerned is necessary to find out who are the persons, groups whose lives, jobs or everyday circumstances are affected by the functioning of the given historical monument. These are the groups who should be interviewed at a later phase of work, of the impacts they perceive. It is also important to explore the interests of those concerned because depending on the interests of individual groups of concerned parties, they will consider the impact generated by the heritage investment as positive or negative. For example, for the owner of the local restaurant the increased number of visitors might result in an increased revenue, whereas for the local population not interested in business, the increased number of visitors only means a crowd, which might be

problematic. Therefore, a conflict of interests of those concerned might emerge and these conflicts need to be managed in some way.

#### Typical concerned parties with respect to a heritage building:

Group concerned	Relationship with the building	Typical actors	Their typical interests
<b>Operators</b>	Persons directly operating the building and those working in the building	<ul style="list-style-type: none"> <li>- owner, facility manager</li> <li>- the employees of the building</li> </ul>	<ul style="list-style-type: none"> <li>- economic sustainability</li> <li>- energy efficiency</li> <li>- employment</li> </ul>
<b>Investor</b>	Persons and organisations responsible for investment come into contact with the building due to the investment	<ul style="list-style-type: none"> <li>- designers</li> <li>- those executing it</li> <li>- monument supervision</li> <li>- researchers, archeologists</li> <li>- sponsor of investment</li> </ul>	<ul style="list-style-type: none"> <li>- respecting and preserving monumental values,</li> <li>- implementing the investment</li> </ul>
<b>Municipality</b>	The municipality of the settlement where the built heritage can be found	<ul style="list-style-type: none"> <li>- mayor</li> <li>- maintenance of public spaces</li> </ul>	<ul style="list-style-type: none"> <li>- cheap and easy maintenance (especially with regard to public spaces)</li> <li>- revenues for the municipality</li> </ul>
<b>Educational institutions</b>	The schools and education-related institutions of the given settlement	<ul style="list-style-type: none"> <li>- director of school</li> <li>- teacher of history, drawing or arts</li> </ul>	<ul style="list-style-type: none"> <li>- use of the building by the school</li> <li>- involvement of the youth in the events</li> <li>- awareness raising amongst the youth</li> </ul>
<b>Cultural institutions, organisations</b>	The cultural institutions of the given settlements, those interested in culture	<ul style="list-style-type: none"> <li>- event organiser</li> <li>- theatre, museum</li> <li>- music school</li> <li>- local media</li> <li>- those interested in local history</li> </ul>	<ul style="list-style-type: none"> <li>- high quality programmes, events</li> <li>- providing space for the actors of local cultural life</li> </ul>
<b>NGOs, local people</b>	Non-governmental organisations are often active in local social life, they organise events. Local population not establishing NGOs also constitute the civil society.	<ul style="list-style-type: none"> <li>- culture and heritage-related NGOs</li> <li>- NGO sustaining local traditions</li> <li>- local people</li> </ul>	<ul style="list-style-type: none"> <li>- space for NGOs</li> <li>- an increased access of local people to the heritage site</li> </ul>
<b>Actors in tourism</b>	As one of the objectives of several heritage buildings is related to	<ul style="list-style-type: none"> <li>- restaurants, bars</li> <li>- accommodation</li> </ul>	<ul style="list-style-type: none"> <li>- various programmes and services</li> </ul>

	<p>tourism, local entrepreneurs interested in tourism are one of the groups concerned, as well as the association and other organisations interested in tourism</p>	<p>providers, hotels</p> <ul style="list-style-type: none"> <li>- local tourism association</li> <li>- bike rental services</li> </ul>	
<p><b>Environmental / nature protection organisations</b></p>	<p>In several cases built heritage is directly related to some natural assets, for example, it can be found in a protected natural environment. In such cases, nature protection organisations is also one of the groups concerned</p>	<ul style="list-style-type: none"> <li>- management of a national park</li> <li>- guard in the national park</li> <li>- forest management (forest supervisor)</li> </ul>	<ul style="list-style-type: none"> <li>- environmentally sustainable operation</li> <li>- environmental consciousness in maintenance and use</li> </ul>



Exploring background information	Assessing the characteristics of the heritage building		
	Mapping the social-economic capacities of the environment		
	Analysis of those concerned		
	Impact assessment		
Impact assessment	Before investment: <ul style="list-style-type: none"> <li>• State of play concerning the role of the building in the local economic social context</li> <li>• figures</li> <li>• interviews</li> <li>• questionnaire</li> <li>• workshop</li> </ul>	Intervention	After investment: <ul style="list-style-type: none"> <li>• State of play concerning the role of the building in the local economic and social context</li> <li>• figures</li> <li>• interviews</li> <li>• questionnaire</li> <li>• workshop</li> </ul>
	Identifying impacts		

## Impact assessment

Through the impact assessment we are striving to answer the question what **impacts** heritage investments result in. It is important to know that we do not wish to assess the **value** of the heritage building at a given point in time, but we wish to examine the changes the development of a heritage building will induce in its economic and social environment.

**Value** consist of fundamental principles and ethical norms we take into account when making decisions and all of the characteristics and features which in certain situations we prioritise.<sup>8</sup>

**Impacts** is a dynamic concept, which assumes a certain change resulting from an intervention where there is a causal relationship between change and intervention. Changes resulting from the intervention can be measured with output variables.<sup>9</sup>

To this end the first (1) step is to examine the role and function of the given heritage building in its immediate social and economic environment and the state of this environment. The next step (2) is to examine the **change** that takes place as a result of the intervention (investment), i.e. the state of

<sup>8</sup> Mason, R. (2002): Assessing values in conservation planning: methodological issues and choices. In: de la Torre, M., ed. Assessing the values of cultural heritage. The Getty Conservation Institute, Los Angeles, pp. 5-30.

<sup>9</sup> Landry, C. et al. (1993): The social impact of the arts. A discussion document. Stroud: Comedia



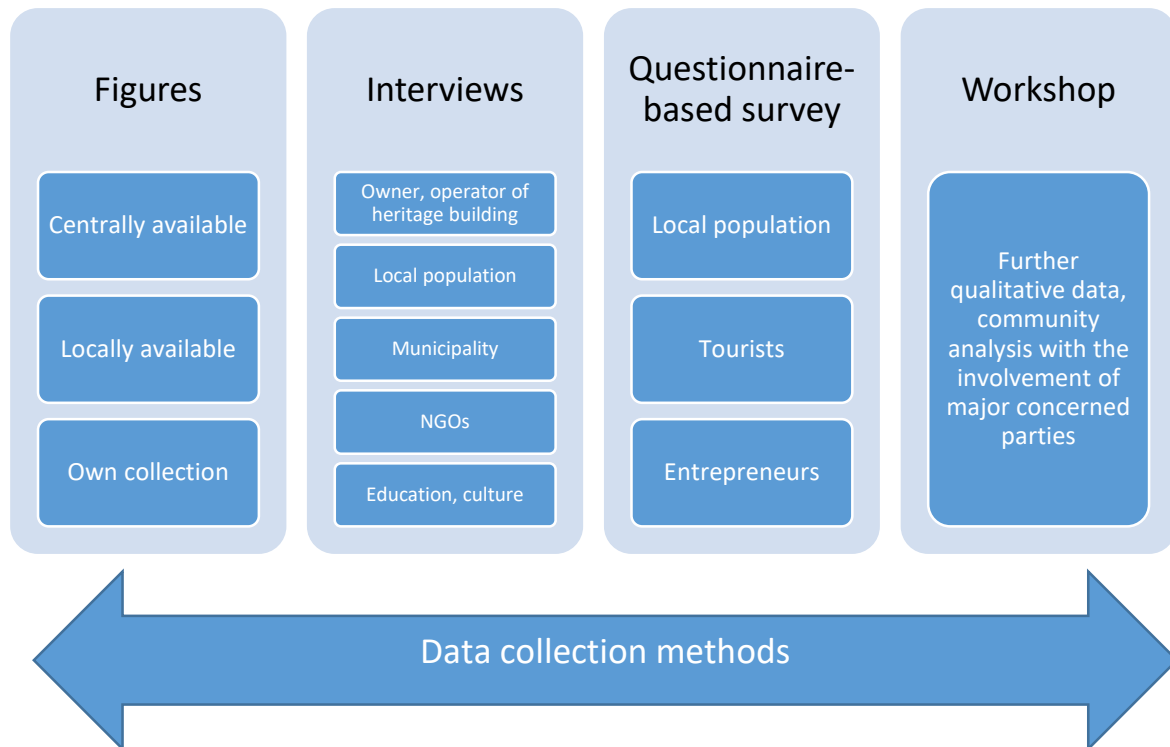
the local economic, social environment after the investment and the role played by the heritage building and the difference between the role it played before the investment.

However, the **change** identified is not necessarily identical with the **impact** of the investment, because simultaneously with the investment the environment might be exposed to other impacts as well and those other impacts might also result in certain changes (for example, the economic crisis, political events, weather influencing tourism, changes in trends of tourism, changes of accessibility, etc.). We examined the question to what extent the **change** experienced can be attributed to the impact of the heritage protection investment in two ways, from a quantitative and also a qualitative perspective.

As it is illustrated in the figure, it is necessary to assess the state before the investment, this will be the *baseline*, i.e. the original state to which we will be able to compare the state after the investment. We strive to answer the same question before and after the investment: *what is the role of the given architectural heritage in the social-economic environment?* To be able to answer that, we need various methods of data collection, which will serve as a tool to answer the question.

In the course of the impact assessment, we will then compare the state before the investment with the state after the investment and from these changes we will establish, relying mostly on qualitative methods, to what extent these changes are due to the heritage investment. In the following parts, we will briefly present the data collection methods we propose and which may be helpful in assessing the impacts of heritage investment.

## Data collection methods



### Statistical data:

By statistical data we mean indicators suitable for describing certain changes. Generally speaking, these indicators are suitable for describing quantitative changes. In the case of heritage (mostly touristic) investments, most indicators might include the following:

- the number of visitors: not only visitors of the heritage site, but visitors in the settlement, environment (the indicator is not identical with the number of guest nights available from the Central Statistical Office, because the number of "daily" visitors is also a very important indicator)
- the spendings of visitors
- the sales revenue of hospitality establishments and other local businesses
- employment

Mostly these are data available through the author's own collection, but many other indicators can be found on the website of the Central Statistical Office or the Geographic Information System:

[www.ksh.hu](http://www.ksh.hu)

[www.teir.hu](http://www.teir.hu)

## Interviews

Interviewing is a qualitative method suitable for exploring qualitative changes. The objective of interviews is to have a more in-depth understanding of the role the heritage site plays in the local social and economic context and the impacts of heritage investment. By applying this method, we may understand the changes that occur and also the reason for these changes, impacts. In the course of the interviews, we ask for the opinions of major concerned parties with respect to the potential impacts generated by the heritage. The major issues are as follows:

- relationship with the heritage site, building
- local participation and cooperation in the course of the operation of the heritage
- the (perceived) economic, social and environmental impacts identified by those concerned

The interview practically is based on the *opinion* of interviewees. However, the exact benefit of heritage investment for the local community is something that is only known by people living in the environment of the heritage, therefore it is on the basis of their *opinions* that we can judge whether the investment generated qualitative impacts and whether these impacts are negative or positive.

## Questionnaire-based survey

Through a questionnaire-based survey we are able to access a larger quantity of numerically quantifiable data. With this method we can also determine the degree of the impacts generated by the heritage investment; however, only of those which have already been identified in the course of the interviews. Compared to interviews, this method is much more rigid because we need to ask predetermined questions in a predetermined order. Therefore, the questionnaire-based survey does not provide additional information and cannot shed light upon new impacts. Consequently, the interviews and questionnaire-based surveys are worth combining, and the findings of interviews should be integrated into the questionnaires.

The impacts perceived by the individual groups of concerned parties generally differ (due to their different interests), therefore it is worth preparing different questionnaires for different groups of concerned parties.

## Workshop

The workshop basically serves three main objectives:

1. It provides an opportunity to **check**, supplement, analyse the information gathered from interviews, questionnaires and through various quantitative indicators and **to weight** our findings. The presentation of the findings also provides an opportunity for feedback.
2. It provides an opportunity to further refine the changes identified from the information collected with qualitative and quantitative methods and filtered or identified as the impact of heritage investment. Through the community analytical methods, we may estimate or assess

the **ratio of the impacts** of the heritage renovation within the social-economic **changes** perceived at a settlement (or in an area, region).

3. It also provides an opportunity for the local actors relating to the renovation of the heritage building to meet, exchange their experiences, opinions concerning the project and its consequences. In a positive scenario this takes place in a neutral communication space with facilitation of the process, which might enhance (and maintain) the **dialogue**, the easing of potential tensions and it might trigger cooperation. The key of the successful operation of the heritage building could be communication, permanent contact or close cooperation with those concerned.

Detailed description, interview thread, questionnaires and further information concerning the organisation of the workshop: methodological toolkit, online version

Based on our research, which also led to the present methodology, we identified the following areas which might be impacted upon by the heritage investments carried out with a touristic purpose.

## Potential impacts

ECONOMIC IMPACTS		
Impact areas	Direct impacts on the heritage site	Indirect impacts on the heritage site
LOCAL TOURISM		
Number of visitors	One of the most spectacular and most direct impacts of the renovation of a heritage building, especially with touristic purpose, is the increased number of visitors. The renovated building and the new events organised there (exhibitions, concerts, festivals, recitals, etc.) generally attract a high number of visitors.	From the perspective of the impact assessment not only the visitors buying tickets to visit the heritage building count, but also those who do not enter a heritage building, but arrive in the given settlement due to the atmosphere and the environment of the heritage building.
Duration of the season	One of the major challenges of tourism is seasonality. The built heritage through proper events, programmes, functions may extend the touristic season, e.g., visitors can be attracted to such a site with cultural or culinary events in the autumn or even in winter.	
Composition of visitors	In addition to the number of visitors, their composition is also very important. High income visitors more probably will spend more not only at the heritage site but in restaurants, gift shops of the settlement, as well. This might largely depend on the target audience of the heritage site, the events it offers, e.g., a mansion hosting concerts and exhibitions is expected to attract visitors of a completely different profile than a castle presenting medieval tournaments.	
Average spending of tourists	The spending of visitors in a heritage building generally consists of the amount of entrance tickets and the amount spent at catering facilities, gift shops, etc.	The spending of visitors is one of the indicators which can be perceived the most easily; however, it is important not only to examine the amount of spending at the heritage site, but also to examine how much

		the visitors spend on other services of the settlement (accommodation, catering, transport, services, etc.).
Duration of stay	The amount of spending of visitors also depend on the length of stay. Those who wish to visit the castle in the settlement, then leave without having a meal in one of the local restaurants will not generate any revenue for the local economy. Those, however, who have lunch or a coffee or even spend a night there, will provide revenue for the local restaurant or accommodation provider, thereby increasing local revenues.	
REAL ESTATE MARKET		
Real estate prices	One of the best indicators of the development of a settlement is the changes in real estate prices. Their increase might indicate that it is better to live in the settlement (or in the given part of the settlement), more and more people would like to live there. However, in addition to real estate prices, the number of real estate sales should also be taken into account: prices themselves do not indicate the potential upswing of the real estate market, only if a sufficiently significant transaction is done in the settlement.	
CONSTRUCTION INDUSTRY		
Revenues of construction industry	The buildings of built heritage need maintenance, renovation. From the perspective of the given settlement, the employment of local construction enterprises in minor or even major renovation projects could be important (e.g., opening of a gravel pit, the contracting of local development companies, architect designers, local carpenters, masons, conservators, restorers)	Major heritage investments may make the settlement attractive for private investors. Private investments may generate further turnover in construction industry, e.g., a successful renovation of historical parts of a town might boost the tourism sector to an extent which also attracts private investors (e.g., the establishment of new accommodation facilities, spas, shops, etc.).
BUSINESS ACTIVITIES		
Catering, commercial services	The number of hospitality establishments, services at the heritage site, the operation of which can explicitly be linked to the heritage (e.g., gift shop, restaurant, cafe, museum within the building)	Catering facilities, hospitality establishments, shops may be opened in the settlement outside the heritage site because the number of the visitors attracted by the heritage building provides an excellent business opportunity. The hospitality establishment, services, restaurants, confectionaries, shops and other establishments, their description, defining their numbers, which operate due to the heritage building or the increased visitors or extended their previous activities
Accommodation	The heritage building might house a hotel. Thus, the direct impact of the heritage building is the characteristics, rate of usage and revenue of accommodation provided here.	The number of accommodation providers and the number of beds in a settlement indicates very well how many visitors might arrive and stay in the settlement. The longer the visitors stay, the more economic benefits they generate.
Other touristic services	Based on the characteristics of the given settlement, further touristic services are possible to be provided linked to the heritage, e.g., curative services, guiding, etc.	

<b>Cooperation between entrepreneurs</b>	The degree of the impacts of the heritage investment is improved by the cooperation between the heritage building and local entrepreneurs and it might also make the building more functional. The indicator shows the cooperation between the heritage building and local entrepreneurs and how it is reflected. This might mean the communication of the heritage building with local businesses but also joint planning, events or joint products and services, e.g., the restaurant in the heritage building uses local ingredients, local products and serves local wine, etc.).	The cooperation between businesses is one of the key factors of the successful operation of certain sectors. This applies to tourism as well: cooperating touristic businesses can generally offer a more successful range of touristic services, e.g., culinary festival based on several local caterers. Cooperation between entrepreneurs is shown very well e.g., by the existence of a local touristic association and its operation.
<b>The quality of services</b>	The quality of services provided by the historical building, e.g., events, programmes for children, the quality of exhibitions and programmes.	Not only the quantity of the services offered by a settlement (e.g., how many accommodation facilities and catering facilities are in a settlement), but their quality is also of a decisive importance. It does matter whether outside the elegantly renovated impressive mansion building there are restaurants, catering facilities in the neighbourhood, which are able to provide services of a similar quality for more demanding visitors.
<b>The production of local produce (food, artisanal handicrafts)</b>	Locally processed products play an important role in the development of local economy. It may be important for the heritage building to deliberately look for local products or products from the vicinity of the settlement, e.g., handicrafts which they can sell as gifts, or food from local producers, e.g., wines, which it can offer at wine tasting events or link to any other service. The indicator describes what local products can be found on the heritage site and how much emphasis is placed on this perspective.	Processed products may be significant in the whole settlement which has grown due to the activities of the heritage site. Such can be e.g., food production based on local gastronomic traditions, which have become significant in the settlement due to the regular programmes, events organised by the heritage building. These are usually linked to local touristic services.
<b>REGIONAL COMPETITIVENESS</b>		
<b>Regional cooperation</b>	Cooperation may be beneficial not only in a given settlement, through regional cooperation the features and capacities of settlements in the neighbourhood can also be exploited. The heritage building itself can contribute to this attitude by not only cooperating with local entrepreneurs but by extending this cooperation to the whole area or region. In cooperation with other settlements in the vicinity or with the	Regional cooperation is also important for the entrepreneurs of a settlement due to increasing regional competitiveness for the same reasons as in the case of the heritage building. The indicator describes to what extent the regional attitude, approach is present in a settlement, whether local entrepreneurs try to cooperate with entrepreneurs and organisations in other settlements, e.g. by purchasing food

	tourism organisations of other settlements, by providing joint events, programmes, the whole region may be made more attractive: the more programmes, events are organised in the region, the more visitors will arrive in every settlement located in the region, thus in the heritage building, as well. In the case of a region or area in the countryside important may be the cooperation with the local LEADER (Rural Development) Group.	products from the region or by coordinating other services (e.g., conference organisers and accommodation providers).
<b>The role of heritage in regional attraction</b>	The indicator describes the role the heritage building plays in making the area or region touristically attractive	
<b>EMPLOYMENT</b>		
<b>Number of those employed in operating the facilities</b>	Heritage buildings may be important actors on the employment scene. It is important to examine how many people are employed directly in operation by the heritage building or by the institution operating the heritage building, or how many people were employed in the renovation, and how many of them are local.	The operation of the historical site does not only generate revenue for sectors relating to the operation of the heritage building (tourism, construction, real estate market), but positive impacts may appear in employment. For example, the increased number of visitors, which is due to a heritage investment, might make it possible for local caterers, accommodation providers and event organisers to employ even more people. The indicator describes employment in these related sectors and whether this is related to the operation of the heritage site.
<b>Quality of employment</b>	Naturally, it is relevant what type of jobs the heritage building or the related sectors can provide. If the heritage building also houses cultural institutions, then it is also possible to employ people with university or college degrees, which might make the settlement attractive for highly qualified young people, and thereby might also increase the retention power of the settlement.	



SOCIAL IMPACTS		
Impact areas	Direct impacts on the heritage site	Indirect impacts in the vicinity of the heritage site
CULTURAL PROGRAMMES, SERVICES ON OFFER		
Number of cultural programmes	Various programmes largely contribute to the vividness of the heritage site and its viability. Especially cultural events are closely linked to built heritage, its history, legends or style; for example castle days, various programmes to upkeep traditions.	Local actors outside the heritage site may also offer cultural programmes in cooperation with the heritage site or even individually. The indicator describes the cultural programmes, events offered by the settlement.
Diversity of cultural programmes	It is not sufficient to take into account the quantity of cultural programmes. The quality and diversity of these events are also important (for example, they address various social groups, they invoke different historical periods, ages, etc.).	
Cultural services	One of the most important tasks of heritage buildings is to provide cultural services. It is important to consider whether in the heritage building or in the vicinity there is some cultural service, e.g., theatre, exhibition space, library, etc.	Cultural institutions providing services might operate outside heritage sites. The indicator describes whether there is a cultural institution in a settlement, which is explicitly linked to the operation of the heritage building (but not located at the heritage site).
COMMUNITY INVOLVEMENT		
Operation	Is there a local organisation involved in the operation of the building?	
Non-governmental organisations	The participation of non-governmental organisations in the operation of the building, organising programmes and communication, raising awareness of the value of heritage, etc. might be an important part of the cooperation between the heritage site and the settlement.	
The involvement of local population in the operation of the building	Involving local population in the operation of the building, discussing issues of development with the local community is an important step for the local community to develop a feeling of ownership concerning the heritage (to find the acquisition of the related knowledge as important, to visit and use the building) and actively do something for it.	
Access of local population to the historical monument	Especially when heritage sites are used for touristic purposes, it is a very important question to what extent the local population is able to use the given buildings and spaces. It is important to maintain a balance between touristic and local use: excluding the local population from the heritage site might give rise to conflicts. This might happen physically, for example, by charging entrance fee to the heritage site, or the increased prices at catering facilities in the historical part of the city might lead to the local population being excluded from these places. The mitigation of these negative impacts might happen, for example, by offering free of charge visits and various events for the local population by involving locals in the planning of the functions of a building.	
LOCAL IDENTITY		

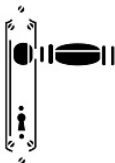


<b>Bonding, emotional ties with the heritage</b>	Local heritage might play an important role in the evolution of local ties, emotional bonds, to what extent the locals are emotionally tied to the place, to what extent they are proud of the existence of the local heritage. This emotional tie to the heritage building plays a role in the development of local identity.
<b>The involvement of youth in learning about the cultural heritage and its operation</b>	The involvement of local youth in the operation of the heritage building might help in the development and/or strengthening of local identity. Through their involvement, their knowledge of local history might increase, they might learn about the history of the settlement, in which the built heritage plays a very important role, or this might contribute to the development of a shared identity.
<b>CITYSCAPE</b>	
<b>The opinion of locals of the heritage</b>	The heritage building, site or part of a city has an aesthetic value, which through proper maintenance and renovation increases the standard of living of local people and contributes to the beauty of their surroundings. Through the maintenance of the heritage its environment may also develop, the cityscape may improve together with the condition of spaces and streets, which is indicated by the satisfaction, opinion and development of the aesthetic sense of local population.
<b>External parties' opinions of the heritage</b>	The maintenance, renovation, operation, etc. of built heritage may also earn the respect of the profession, reflecting the quality of operation from a heritage point of view. This might be indicated by the opinions of experts, awards, media appearances, the satisfaction of visitors and particular heritage investments can even become an example to follow.

<b>ENVIRONMENTAL IMPACTS</b>		
<b>Impact areas</b>	<b>Direct impacts on the heritage site</b>	<b>Indirect impacts in the vicinity of the heritage site</b>
<b>Crowds</b>	Due to the visitors at a heritage site large crowds might gather, for example, at weekends and the increased car traffic may lead to traffic jams and cause a great deal of inconvenience for the local population, in addition to the air pollution it causes.	
<b>The amount of waste</b>	Visitors usually also contribute to the increased amount of waste at the heritage site and in the whole settlement. However, with proper maintenance this impact is easy to handle. The indicator describes the amount of waste and its management: does the amount of waste disturb the locals or not? What efforts are needed for proper maintenance?	
<b>Environmental awareness</b>	It is not rare that heritage sites pay attention to sustainable operation and environmentally friendly solutions (e.g., selective waste disposal, thermal insulation, use of renewable resources, organic products in gift shops) or they host events related to environmental awareness (e.g., the festival of organic products). If the built heritage is embedded into a spectacular landscape (e.g., a castle), visitors might also appreciate the beauty of the landscape and they might also be more open to its	To what extent is environmental awareness present at the settlement, does it have anything to do with the heritage itself? The high number of visitors, for example, might require the use of renewable energy resources, the establishment of proper public transport or bicycle lanes.



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## The outcome of the impact assessment: processing, feedback

Two types of reports are worth drawing up concerning the analysis. One of them is the professional report, in which we collect findings in detail and impacts identified. For this purpose, we can rely on the assessment table of the Methodological Toolkit, which is available in the online version (<http://orokseghkalauz.hu/methodological-guides>). This we can use in order to make the analysis exploring the impacts of the heritage protection renovation more precise. In this we summarise the following:

1. the economic, social, environmental impacts which may be linked to the cultural heritage investment analysed and which of these is considered as significant and less significant by the local community;
2. in the case of the same changes, which are the ones considered by the local community as direct and indirect impact of the renovation.

In addition to the professional report, it is advisable to draw up a brief, narrative report easy to read and send it to everybody involved in the impact assessment and all the other important actors who related to the project, or those whom might be affected by its outcome.

## The collection, usage or the findings of the impact assessment, opportunity for policy recommendations

The findings of the impact assessment might be used in two main ways:

1. The **local, community objective** and benefit of the analysis is the opportunity it provides for local actors implementing the project and those affected to learn more about what is happening in their environment, consciously reflect and steer their future.
2. The **central policy objective** of the analysis, its benefit is to establish a central database through the broad application of the standard methodology and the collection of data and findings, which provides an opportunity for the circumstances and consequences of heritage protection investments to become fit for an analysis at national level. In the future, this might be extremely helpful in the preparation of policy decisions, publishing calls for applications, developing the regulatory and support system of heritage protection.

The first, i.e. the local objective is nearly automatically accomplished by the application of the methodology because the knowledge created through data collection, interviews and workshops trickles down to part of the community already during the process, they become aware of it, and by ensuring the publicity of documentation it can be made available for everybody, for society at large.

The accomplishment of the second, i.e. the central policy objective is already much more difficult. There are two preconditions for this:

1. the use of the methodology of the analysis must become nearly general in terms of heritage investment;
2. findings need to be collected centrally in a standardised form, in a (possibly public) database and it should be made available for analysis.

In order to establish such a system, broad cooperation and policy decision-making and management is necessary, its detailed description cannot be the subject of this methodological document, at the same time the establishment of the system would provide unique opportunities for the development of policy.

Some proposals for implementation:

1. The impact assessment methodology or at least some parts of it could be made mandatory in the context of heritage investments to be launched in the future, and implemented or supported directly by the central authorities for heritage protection and the collection of data on a central online surface. This could supplement the already mandatory feasibility studies and monitoring reports, providing a significant methodological assistance for the implementation making them comparable, much more useful and easy to use both for local communities and for policy makers than they are at present.
2. In addition to the description, central authorities in charge of heritage protection could provide further methodological assistance for those applying the methodology (brief training for project hosts, internet-based surface, promoting communication between projects, list of recommended experts, facilitators, etc.).
3. In the longer run, the impact assessment could become part of the general licensing and implementation practice of heritage investment.
4. In the process, positive communication, the direct local and indirect policy benefits of the methodology need to be emphasised.

## Summary

The methodology provides an orientation as to how the impacts created by a heritage investment can be measured. Visibly, these impacts might be rather diverse, requiring a complex set of tools. This was the objective of this brief methodological summary by presenting various tools.

However, surveying these impacts is only the first step: in the long run, the objective of heritage management can be to increase and exploit the general positive impacts generated by renovations. According to our experience, the operation of heritage sites is more successful if they generate positive impacts in their own environment. Thus, the acceptance of the heritage site increases, there will be opportunities for a more intensive cooperation, which are all the preconditions for a successful operation.



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From a practical perspective, our research also demonstrates<sup>10</sup> that heritage investments implemented as parts of complex and long-term urban or regional development plans generate benefits for their environment. Therefore, built heritage needs to be handled as the integral part of the economic and social environment and the orientation, directions for development need to be established with the resources, capacities and needs of the environment taken into account.

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<sup>10</sup> <http://orokseggkalauz.hu/case-studies>