12 Economic Benefits of Historic Preservation

1 Rehab Costs Are Roughly the Same as Building New
   - If no demolition is required, a major rehabilitation will cost between 12% less and 9% more than new construction.
   - If constructing a new building requires demolition of a significant existing structure, the cost savings from rehabilitation will be between 3% and 16%.
   - Life spans for new buildings are often 30-40 years vs. more than 100 years for most historic structures.

2 Creates Jobs
   - In a typical rehabilitation project, 60% to 70% of the total cost is labor.
   - Laborers are almost always hired locally. They, in turn, spend their money locally, supporting the local economy.
   - A California study found that rehabilitation resulted in 10% greater wholesale purchases and 43% greater retail purchases from suppliers than the same amount spent on new construction activity.
   - $1M spent on building rehabilitation creates:
     - 12 more jobs than $1M spent on manufacturing in Michigan
     - 20 more jobs than $1M spent mining coal in West Virginia
     - 29 more jobs than $1M spend pumping oil in Oklahoma
     - 22 more jobs than $1M spend cutting timber in Oregon

3 Increases Property Values
   - In a study of National Register districts in Philadelphia, homes in historic districts received a sales price premium of 131% over comparable properties in undesignated neighborhoods.
   - A study of nine Texas cities found that local designation increased property values from between 5% and 20%.

4 Conserves Resources
   - Approximately 25% of the material being added to the landfills is demolition and construction waste.
   - Demolishing one typical two story commercial building on Main Street eliminates all of the environmental benefits of recycling 1,344,000 aluminum cans.
   - Historic buildings contain significant embodied energy. That’s the amount of energy associated with extracting, processing, manufacturing, transporting and assembling building materials.

5 Uses Existing Public Investments
   - Every community has significant investments in public infrastructure, including roads, sewers, parks and schools.
   - Historic preservation directs development to places where infrastructure is already in place.
   - Rehabbing historic schools instead of building new saves money for education and often creates a better learning environment.

6 Supports Small Business
   - 75% of all net new jobs in the U.S. are created by small businesses.
   - Older buildings make ideal locations for small, independent businesses and for start-ups.
   - 60 cents of every dollar spent at independent businesses remains in the local economy vs. less than 10 cents at national discounters.
7 Revitalizes Main Street

Since 1980, local Main Street programs have:
- Stimulated $48.9 billion in total private and public investment.
- Created 94,176 net new businesses.
- Generated 417,919 net new jobs.
- Generated a reinvestment ratio of $27 to $1 per community.*

* The average number of dollars generated in each community for every dollar used to operate the local Main Street Program.

8 Attracts Investment

“In economics, it is the differentiated product that commands a high premium.

If in the long run we want to attract capital, to attract investment in our communities, we must differentiate them from anywhere else.”

-Donovan Rypkema

9 Attracts Visitors

- 78% of U.S. leisure travelers (118 million adults) participate in cultural and/or heritage activities when traveling.
- Cultural heritage travelers spend, on average, $994 per trip compared to $611 for all U.S. travelers.
- Cultural/heritage travelers took an average of 5 trips in 2008-2009 compared with slightly less than 4 trips for non-cultural/heritage travelers.

10 Prevents Sprawl

- Saving historic buildings and keeping our towns and cities healthy reduces the pressure to pave the countryside.
- In 1970, the state of Maine spent $8.7M to bus students to and from school. By 1995, with fewer students enrolled, the cost had risen to $54M.
- When we reinvest in older neighborhoods, we are reinvesting in inherently sustainable communities that are generally dense, walkable, transit-accessible, and feature mixed-uses.

11 Creates Affordable Housing

- To replace the current housing units occupied by lower income residents would cost $335 billion.
- In 2005, 1,101 units of affordable housing were created in historic buildings using the federal rehabilitation tax credits.
- Historic structures are often located close to services and public transportation, reducing transportation costs for residents.

12 Is Good Economic Development

- In Nebraska, historic preservation generates $170 million per year:
  - Between 2001 and 2005, an estimated total of $1.5 billion was spent on rehabilitation of buildings.
  - Twenty-two jobs are created for every $1M spent on historic preservation, which supported 3,869 jobs in the state in 2009.
  - Historic designation of neighborhoods and downtowns enhances and protects property values. Of the districts studied, property values as a whole showed increases in historic districts.

References


