

Valuing Historic High Streets: Integrating Cultural Heritage Capital into Urban Policy through Triangulated Economic Methods

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Abstract

This article discusses the experience of the CAVEAT project, funded by the recently launched AHRC-DCMS programme to contribute to the development of the Department for Culture, Media, and Sport's (DCMS) Culture and Heritage Capital Framework. CAVEAT explores how existing valuation techniques can be triangulated to assess the value of a complex historic asset, such as a historic high street, to improve decision makers' confidence when using such results in Social Cost-Benefit Analysis. The project triangulates some of the key economic valuation methods to articulate the value of the historic high streets of Poole and Lincoln. The paper focuses on the methodological challenges linked with such triangulation and provides insights into the economic and social dimensions of heritage.

Key words: Cultural capital, economic values, triangulated methods, historic high streets, social cost-benefit analysis

JEL: A13; Z10; Z18

1. Introduction

Cultural heritage assets encompass both tangible and intangible components, from historic buildings and urban landscapes to traditions, rituals, and community narratives. These assets play a fundamental role in shaping social cohesion, fostering identity, and contributing to economic vitality. However, their value often remains invisible within traditional financial assessments due to the difficulty of quantifying non-market benefits associated with the presence of cultural goods.

The Culture and Heritage Capital (CHC) Framework, introduced by the UK's Department for Culture, Media, and Sport (DCMS), represents a transformative effort to address these challenges. This framework integrates cultural heritage valuation into Social Cost-Benefit Analysis (SCBA) methodologies, emphasizing the importance of accounting for both use and

non-use values in policy planning (Sagger et al, 2021). It aligns with global sustainability goals by encouraging a balance between cultural preservation and economic development.

The CAVEAT project, funded by a joint venture between the Arts and Humanities Research Council (AHRC) in the UK and DCMS, directly addresses these challenges by triangulating different methodologies for valuing cultural assets. Its focus on historic high streets in Poole and Lincoln reflects the critical intersection between heritage preservation, urban regeneration and investments in cultural heritage. This paper synthesizes theoretical insights, methodological innovations, and expected findings from the CAVEAT project to reflect on the importance of integrating cultural heritage valuation into policy.

2. Literature Review

2.1 The Nature of Cultural Capital

The concept of cultural capital was first theorized in economic terms by Throsby (1999). Unlike natural or financial capital, cultural capital encompasses both tangible components, such as historic buildings and archaeological sites, and intangible aspects, such as traditions, rituals, and aesthetic or symbolic significance. Cultural goods stand apart due to their capacity to simultaneously generate economic value and embody profound social, historical, and emotional meanings. Throsby's conceptual framework (Throsby, 2012) stresses the dual role of cultural heritage as both a resource for economic activity and a repository of collective identity and memory.

Expanding upon Throsby's work, Riganti (2022) highlights the inherent duality of cultural goods, which may function both as public and private goods. Public goods are defined by their non-rivalry and non-excludability—attributes that ensure their enjoyment by one individual does not reduce their availability to others, and their benefits extend to all members of society. However, cultural goods can also have private characteristics, particularly when linked to economic uses such as tourism or real estate premiums. This duality presents unique valuation challenges, as traditional market mechanisms often fail to adequately reflect their full societal importance.

The Total Economic Value (TEV) framework, borrowed from environmental economics (Pearce and Turner, 1989), can inform the approach to valuation of cultural capital. TEV divides the value of cultural goods into use and non-use values, capturing both their direct economic contributions, such as tourism revenue, and intangible benefits, including bequest

and existence values. Bequest value refers to the satisfaction derived from preserving cultural heritage for future generations, while existence value reflects the intrinsic appreciation of cultural goods, even by individuals who may never physically interact with them. These non-use values often dominate cultural goods' valuation, making them vital considerations in public policy. Mariotti and Riganti (2021) applied the TEV framework to urban cultural assets like the Navigli in Milan. They combine results from different valuation methods eliciting use and non-use values. In this way, they capture the benefits that local communities associate to heritage-led regeneration projects focusing on the conservation of historic buildings. The study demonstrate that such projects can revitalize economically struggling areas while fostering a sense of community and place.

Cultural capital also has a temporal dimension, as its value often grows over time due to its cumulative association with history and collective memory. This dynamic characteristic underscores the need for interdisciplinary valuation approaches that integrate cultural, economic, and sociological perspectives. The intrinsic value of cultural heritage thus extends beyond its immediate economic benefits, serving as a resource for resilience, social cohesion, and intergenerational equity.

2.2 Valuation Methods

Valuing cultural heritage is a complex task that requires specialized methodologies capable of addressing the multifaceted nature of cultural goods. Economic valuation methods are broadly categorized into revealed and stated preference techniques, each with specific applications and limitations.

Revealed preference methods infer the value of cultural goods from observable market behaviours. Hedonic pricing (HP), one of the most widely used techniques, evaluates how the proximity to heritage sites affects property prices. For example, studies have shown that properties located near cultural landmarks command higher market values, reflecting the added aesthetic and historical significance conferred by heritage assets. Travel costs (TC), another revealed preference method, estimates the expenditures incurred by visitors traveling to heritage sites. This method is particularly effective for valuing use-oriented cultural goods, such as popular museums or historic attractions. However, both techniques are limited in their ability to capture non-use values, which often constitute the majority of the total economic value of cultural heritage.

Stated preference methods address this limitation by directly eliciting valuations from individuals through surveys. Contingent valuation (CV) and discrete choice experiments (DCE) are the most prominent techniques in this category. CV involves asking respondents their willingness to pay (WTP) for the preservation or enhancement of cultural goods. DCE takes this further by presenting respondents with hypothetical scenarios that involve trade-offs between attributes and costs, allowing for a more nuanced understanding of public preferences. While these methods are indispensable for capturing the intangible dimensions of cultural value, they are not without challenges. Riganti (2022) discusses several biases, including hypothetical bias, where respondents' stated WTP diverges from their actual behaviour, and the embedding effect, where individuals fail to differentiate between goods of varying scope, as key issues that can compromise the reliability of results.

The CAVEAT project aims to overcome these methodological challenges. It employs an approach integrating revealed and stated preference techniques with real-world experiments. Hedonic pricing, travel costs, CV, and DCE are used to articulate both use and non-use value of the selected Historic High Streets. Then Real-world experiments (RWE) are applied to compare results obtained in a hypothetical setting (CV and DCE surveys) with the actual behaviour of respondents. There are no precedents in literature of simultaneous application of the above techniques on the same historic site to tackle specific theoretical and empirical challenges. The triangulation results will help identify ways to minimise bias by providing empirical data to refine valuation outcomes and enhance their applicability to policy contexts.

These innovations are particularly relevant in valuing the non-market benefits of cultural heritage assets often overlooked in traditional cost-benefit analyses. By capturing the full spectrum of cultural and economic values, these methods when appropriately applied will enable policymakers to make evidence-based decisions in heritage investments.

2.3 The Policy Context in the UK

The UK's Department for Culture, Media, and Sport (DCMS) has played a pivotal role in advancing the integration of cultural heritage valuation into public policy through its Culture and Heritage Capital (CHC) Framework (Sagger et al, 2021). This initiative aligns with the principles of Social Cost-Benefit Analysis (SCBA), emphasizing the importance of quantifying both the economic and social benefits of cultural assets to support evidence-based decision-making.

The CHC Framework builds on the Green Book guidance (2018), the UK government's standard for project appraisal, by providing a structured approach to incorporating cultural and heritage values. It underscores the need to account for the non-market benefits of cultural goods, which are central to the public's appreciation of such assets. The DCMS's scoping report highlights the framework's potential to address longstanding gaps in the appraisal of heritage projects, ensuring that cultural assets are adequately represented in public investment decisions (Kaszynska et al, 2022). By integrating cultural capital into SCBA, the framework supports policies that promote not only economic growth but also social cohesion, community resilience, and environmental stewardship.

The CHC Framework's debate reflects a growing recognition of cultural heritage as a critical component of national well-being and economic resilience. By standardizing valuation methodologies and promoting interdisciplinary collaboration, the framework provides a robust foundation for advancing the integration of cultural heritage into public policy (Riganti and Throsby, 2021).

3. The CAVEAT Project

3.1 Aims and Objectives

The CAVEAT project seeks to address critical gaps in the economic valuation of cultural heritage by designing a unique valuation exercise and implementing methodologies that can more comprehensively quantify the value of complex heritage assets such historic high streets. The project is motivated by the recognition that existing valuation frameworks often fail to account for the complex interplay between the tangible and intangible dimensions of cultural heritage. These gaps have significant implications for public decision-making, where cultural assets are often undervalued or excluded entirely from policy considerations due to the difficulty of capturing their full economic and societal benefits.

The overarching aim of the CAVEAT project is to develop a robust, interdisciplinary toolkit for cultural heritage valuation that integrates three complementary methodological approaches: revealed preference methods, stated preference surveys, and real-world experiments. By combining these techniques, the project seeks to address long-standing methodological challenges while ensuring that the resulting valuations are both academically rigorous and practically relevant for policy application. This triangulated methodology is particularly innovative in its capacity to validate and refine valuation findings through real-world behavioural data, overcoming the limitations of survey-based approaches alone.

A core objective of the project is to quantify both use and non-use values associated with cultural heritage (Wright and Eppink, 2016). Use values capture the tangible, marketable benefits of heritage assets, such as increased property prices in proximity to historic sites or revenues generated through tourism. These values are often easier to measure using economic methods, such as hedonic pricing or travel cost analysis. However, the CAVEAT project places equal importance on capturing non-use values, which are far less tangible yet central to the societal appreciation of heritage. Non-use values include existence value (the worth of preserving heritage for its own sake, independently from its use), bequest value (the desire to pass heritage on to future generations), and option value (the potential for future use or appreciation). By explicitly integrating these non-market values into its valuation framework, the project seeks to provide a more holistic understanding of the societal contributions of cultural assets.

The project's innovation lies not only in its triangulated methodology but also in its emphasis on addressing key biases that have historically undermined the reliability of valuation outcomes. One such challenge is the embedding effect, where survey respondents fail to adequately differentiate between varying scopes of goods being valued, leading to inconsistent results. Hypothetical bias, where individuals' stated willingness to pay (WTP) does not align with their real-world behaviour, is another critical limitation of traditional stated preference methods. The CAVEAT project tackles these issues by triangulating appropriately the various methodology, such as incorporating real-world experiments to test and validate findings derived from CV and DCE surveys. These experiments involve observing actual behaviours and preferences in response to heritage interventions, providing empirical evidence to strengthen the validity of valuation outcomes.

Aligned with the broader objectives of the AHRC-DCMS-funded Culture and Heritage Capital (CHC) program, the CAVEAT project aims to create a standardized approach to valuing cultural heritage that is scalable and adaptable across diverse contexts. This aligns with the DCMS's focus on integrating cultural valuation into Social Cost-Benefit Analysis (SCBA), ensuring that heritage assets are systematically included in public investment decisions. By providing policymakers with actionable data and practical tools, the project supports evidence-based strategies for heritage conservation and urban regeneration.

The CAVEAT project is timely and responds also to important urban regeneration challenges. Across the UK, historic high streets and other cultural assets are under significant threat from

economic pressures, shifts in consumer behaviour, and urban development. The project's focus on high-profile case studies such as Poole and Lincoln provide a platform to demonstrate how cultural valuation can inform regeneration strategies that balance economic growth with historical preservation. These case studies serve as testbeds for applying and refining the project's innovative approach, offering insights that can be scaled to address broader challenges in the cultural sector.

Another innovative aspect of the CAVEAT project is its interdisciplinary approach. Recognizing that cultural heritage valuation transcends any single academic discipline, the project brings together expertise and insights from economics, urban planning, and cultural studies. This collaborative framework ensures that the valuation methodologies developed are not only methodologically rigorous but also sensitive to the diverse dimensions of cultural value. The integration of quantitative and qualitative techniques further enhances the project's ability to capture the complex, multidimensional nature of cultural heritage.

Finally, the CAVEAT project aims to leave a legacy by producing a replicable and transferable toolkit for cultural heritage valuation. This toolkit will include guidelines, methodologies, and case study findings that can be utilized by policymakers, heritage professionals, and researchers beyond the immediate scope of the project. By building capacity and advancing knowledge in the field of cultural heritage valuation, the project contributes to the long-term sustainability and resilience of the cultural sector.

In summary, the CAVEAT project represents a significant step forward in the field of cultural heritage valuation. Its innovative approach, its focus on addressing methodological biases, and integration of interdisciplinary approaches position it as a groundbreaking initiative. By providing robust, actionable insights, the project bridges the gap between academic research and policy application, ensuring that cultural heritage assets are appropriately valued and conserved for future generations.

3.2 The Importance of Historic High Streets

Historic high streets in the UK are vital cultural and economic assets, serving as focal points for community interaction and local business activity. These spaces often feature architectural styles that reflect centuries of urban evolution, making them key sites for heritage preservation. However, historic high streets face significant challenges, including declining footfall, the rise of e-commerce, and competition from suburban shopping centres. The CAVEAT project has selected such heritage sites since they need private and public

investment to be revitalised. Articulating their value in a correct manner, will help make the case for their conservation and valorisation.

4. Case Studies: Poole and Lincoln

4.1 Selection Process

The selection of Poole and Lincoln as case studies for the CAVEAT project followed a structured and methodologically rigorous process. They were selected among the sites included in the Historic England High Streets Heritage Action Zone (HSHAZ) program. The HSHAZ initiative aims to breathe new life into historic high streets across England by combining heritage-led regeneration with local community engagement. It includes 67 historic high streets of importance, that have been thoroughly studied by Historic England experts. Poole and Lincoln were chosen from this national pool of candidates for their unique cultural and historical significance, as well as their potential to illustrate diverse socio-economic contexts and valuation challenges.

The initial selection phase involved a comprehensive review of potential high streets included in the HSHAZ program, focusing on sites with significant architectural heritage, active community involvement, and pressing economic and social challenges. Poole and Lincoln stood out due to their geographic, economic, and cultural characteristics, making them ideal testbeds for applying the triangulation approach developed by the CAVEAT project.

A key element in the selection process was the active engagement of local stakeholders, including local authorities, heritage organizations, business owners, and community groups. Another consideration in the selection process was the availability of data and the feasibility of conducting in-depth surveys and experiments. Both Poole and Lincoln offered robust data sets, including historical records, property market data, and visitor statistics, which facilitated the application of revealed preference methods such as hedonic pricing. Additionally, both sites demonstrated strong community attachment to their heritage, providing a rich basis for stated preference surveys and real-world experiments.

Ultimately, Poole and Lincoln were selected for their ability to showcase the diversity of challenges and opportunities inherent in heritage conservation. Poole, a coastal town with a rich maritime history, represents a high street grappling with retail decline and economic pressures. In contrast, Lincoln, an inland city dominated by its medieval landmarks, illustrates the interplay between tourism-driven development and heritage preservation.

Together, these case studies provide a comprehensive framework for understanding the multifaceted value of historic high streets.

4.2 Characteristics of Poole

Poole's high street serves as a cultural and economic corridor that connects the historic quayside with the modern town centre. Its maritime heritage is deeply embedded in the town's identity, reflected in its architecture, urban layout, and community traditions. The high street is home to several key landmarks, including Scaplen's Court, a Grade I-listed medieval building that now serves as a heritage site and community space, and the Waterfront Museum, which chronicles Poole's history as a major port town.



Poole Quay (photos: Riganti, 2024)

The architectural fabric of Poole's high street is characterized by a mix of Georgian and Victorian styles, interspersed with more contemporary structures. This diversity reflects the town's evolution as a commercial and cultural hub over centuries. The high street also hosts regular markets and cultural events, further cementing its role as a focal point for community life.

Despite its rich heritage, Poole's high street faces significant challenges. The decline of traditional retail, exacerbated by the rise of e-commerce and out-of-town shopping centres, has led to increased vacancy rates and economic stagnation. These pressures have made it increasingly difficult to maintain and preserve the area's historic character.

Community engagement has also played a pivotal role in Poole's regeneration efforts. Initiatives such as the "Salt" theatre project have successfully leveraged the town's maritime



Lincoln high street and Lincoln Cathedral (photos: Riganti, 2024)

history to create immersive cultural experiences that attract visitors and foster local pride. These efforts illustrate how heritage conservation can serve as a catalyst for economic revitalization, even in the face of broader economic challenges.

4.3 Characteristics of Lincoln

Lincoln's historic high street is a quintessential example of a historic urban landscape that seamlessly integrates cultural heritage with contemporary urban life. Anchored by the iconic Cathedral and Castle Quarter, the high street features a rich blend of medieval, Victorian, and Edwardian architecture, reflecting the city's historical evolution as a centre of trade, religion, and governance.

Key landmarks along Lincoln's high street include St Mary's Guildhall, a Grade I-listed building that stands as a testament to the city's medieval past, and the Barbican Hotel, which has been repurposed to support tourism and hospitality. The Cathedral and Castle themselves serve as magnets for cultural tourism, drawing thousands of visitors each year and contributing significantly to the local economy.

Unlike Poole, Lincoln's high street benefits from a well-established tourism base, driven by its status as a historic destination. However, the area faces its own set of challenges, including traffic congestion, the need for infrastructure improvements, and balancing the demands of tourism with the preservation of its historic fabric. These challenges highlight the complex interplay between economic development and heritage conservation.

Community engagement has also been a cornerstone of Lincoln's heritage strategy. Local events, such as the Lincoln Christmas Market, leverage the city's historical character to attract visitors and stimulate economic activity. These initiatives have not only enhanced the high street's vibrancy but also reinforced its role as a cultural and social hub.

The insights the researchers expect to gain from the CAVEAT project's case studies in Poole and Lincoln illustrate the diverse ways in which heritage valuation can inform urban regeneration strategies. While both high streets face distinct challenges, their shared emphasis on community engagement and cultural preservation highlights the universal relevance of heritage in fostering economic resilience and social cohesion.

5. Conclusions

The CAVEAT project represents a significant step forward in the integration of economic valuation methodologies into cultural heritage policy and practice. By addressing long-standing methodological challenges and pioneering a triangulated approach that combines revealed preference methods, stated preference surveys, and real-world experiments, the project aims to demonstrate the potential to comprehensively articulate the multifaceted value of cultural assets. This innovative framework is not only academically rigorous but also highly relevant for practical applications, providing policymakers with actionable insights to better inform public investment and urban regeneration strategies.

A key contribution of the CAVEAT project lies in its ability to address the key biases when quantifying both use and non-use values associated with cultural heritage. The inclusion of non-use values, such as existence, bequest, and option values, underscores the importance of recognizing heritage assets as more than economic commodities. By capturing these intangible benefits, the project supports a more holistic understanding of cultural heritage's contribution to societal well-being and sustainability. This approach aligns closely with the principles outlined in the Department for Culture, Media, and Sport's (DCMS) Culture and Heritage Capital (CHC) Framework, reinforcing the role of heritage as an essential component of the UK's national capital.

The relevance of the CAVEAT project extends beyond academic discourse to the broader cultural and heritage sector in the UK. Historic high streets, the focus of the project's case studies, are emblematic of the challenges facing heritage assets nationwide. Economic pressures, changing retail landscapes, and urban development risks have placed many such sites under threat, highlighting the urgent need for robust valuation tools to support

conservation efforts. By demonstrating the economic, cultural, and social benefits of preserving high streets in Poole and Lincoln, the project provides a replicable model for other contexts. These findings are particularly timely as the UK seeks to balance economic recovery with cultural resilience still in the aftermath of the COVID-19 pandemic.

One of the expected outcomes of the CAVEAT project is the development of a standardized toolkit for cultural heritage valuation, offering practical guidelines and methodologies that can be applied across diverse heritage contexts. This toolkit has the potential to significantly influence the cultural sector by providing a consistent framework for integrating heritage valuation into public decision-making. The ability to demonstrate the broader societal and economic benefits of heritage preservation will enable cultural organizations, policymakers, and local authorities to build stronger cases for funding and investment. This, in turn, could lead to a shift in the sector's approach to heritage management, prioritizing evidence-based strategies that align with national sustainability goals.

The interdisciplinary nature of the CAVEAT project also sets a precedent for future research. By bringing together expertise from economics, urban planning and conservation, the project highlights the value of collaboration in addressing complex challenges in heritage conservation. Future research should build on this foundation by exploring the application of the CAVEAT framework to other types of cultural assets, such as intangible heritage, rural landscapes, and industrial sites. Additionally, there is significant potential to expand the geographical scope of these methodologies, applying them to international contexts to explore cultural differences in valuation preferences and methodologies.

The project also identifies critical areas for methodological refinement. For example, the integration of advanced technologies, such as big data, geospatial analysis and artificial intelligence, could enhance the precision and scalability of valuation models. Similarly, further exploration of real-world experiments, particularly in diverse socio-economic settings, could provide deeper insights into the behavioural dimensions of cultural heritage valuation.

Finally, the CAVEAT project's emphasis on community engagement offers a valuable template for fostering public involvement in heritage conservation. By integrating stakeholder perspectives into valuation processes, the project ensures that the voices of local communities are heard and respected. This participatory approach not only enhances the credibility and legitimacy of valuation findings but also strengthens the connection between heritage assets and the communities they serve.

In conclusion, the CAVEAT project exemplifies the transformative potential of cultural heritage valuation in shaping sustainable, inclusive, and evidence-based policies. Its interdisciplinary, multi-methods approach position it as a landmark initiative with the potential to influence both the cultural heritage sector and broader public policy in the UK and beyond. Future research should continue to refine and expand these methodologies, ensuring that the value of cultural heritage is fully recognized and integrated into decision-making processes at all levels.

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