



European  
Commission



## STUDY OF «HERITAGE HOUSES FOR EUROPE»

The first Pan-European Study on family-owned heritage houses. Assessing their added value for Europe as well as identifying innovative business models.

## Foreword by

**Tibor Navracsics**, Commissioner for Education, Culture, Youth and Sport



I am pleased to introduce the 'Heritage Houses for Europe. Exchange & Innovate' project, the first pan-European study on family-owned heritage houses. Historic monuments are a key part of our history and culture, they exemplify the notion of European heritage, which is so central to our identity – and to the future we are building with and for our future generations.

This study – a Preparatory Action of the European Parliament implemented by the European Commission – helps to address the lack of comprehensive, systemic data on this sector. And it provides practical tools for owners of family-owned heritage houses, tools to help them develop innovative business models and access EU funding programmes.

This is how 'Heritage Houses for Europe. Exchange & Innovate' contributes to our objective of making sure that the 2018 European Year of Cultural Heritage has a lasting impact. The project is just one of around 60 initiatives included in the Framework for Actions on Cultural Heritage that will be our guide in keeping culture and cultural heritage high on the agenda over the coming years.

Most importantly, we need to keep reaching out to citizens – opening up opportunities for them to explore and cherish our roots. Cultural heritage is not for museums, its place is right at the heart of people's daily lives. Heritage houses have an important part to play in bringing people together and enabling them to learn about others as well as about themselves. And I am confident that the results of this project will help owners and relevant stakeholders to fully take on this role.

I commend the efforts of all involved in this project and look forward to seeing the ideas developed here taken further, including at local level. Our diverse cultural heritage is our most precious resource – indispensable for building communities and a better future. Let us work together to ensure that we make the most of it.

### **EUROPEAN COMMISSION**

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# Study of Heritage Houses for Europe

***This is the first Pan-European Study on family-owned heritage houses. Assessing their added value for Europe; as well as identifying innovative business models.***

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**PART 1** Introduction

# 1. Rationale for the study

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*Historic houses bring the past back to life and allow us to critically assess how society has progressed and changed. In this sense, a first-hand experience of visiting a historic house has a strong educational value for young people. Taken out of the classroom, they come face to face with their cultural heritage. Given this immense value of Europe's historic houses, we are resolved that they should remain for future generations to enjoy and learn from.*

*by Themis Christophidou, Director-General, Directorate-General for Education and Culture, 2018 EHH Annual Conference*

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Cultural heritage plays a great role in Europe and in the everyday-life of its citizens, and so do family-owned heritage houses, either by participating to Europe's cultural identity, or by contributing to its vivid economic and social life; and the sector is also deeply intertwined with EU's cultural policies.

Family-owned heritage houses represent the hidden face of EU cultural heritage. Indeed, their contributions have never been valued properly at EU scale with a comprehensive analysis of their economic, social, cultural and environmental outputs. The causes are multiple and reside essentially in the difficulty to reach the target audience, especially in countries where heritage houses owners are not involved with supporting associations.

Historic buildings in general and family-owned heritage houses are also very fragile. The disappearance of many exceptional houses is a reality, here, in the EU. Many of the monuments are falling into ruins and even greater numbers are financially unsustainable for their owners. This study aims to contribute to support better the keeping of those exceptional monuments and identify barriers and new opportunities for their maintenance and development.

## 1.1 Embodying Europe's cultural diversity and identity

A large majority of Europeans think the diversity of European cultures sets the continent apart and gives it particular value<sup>1</sup>. Europe has seen countless cultural developments that have been inspired by and have spread on the territory of several member states, and it is no surprise that some sites, although anchored in a specific territory, embody a 'European identity', some of them being celebrated by the European Heritage Label.

Family-owned heritage houses exemplify this notion of European heritage as they feature some of the transnational developments such as: architectural styles, cultural landscapes created through common gardening cultures, and even common traditions such as chamber music, traditional cooking or hunting game. Heritage houses have historically attracted the talents of their time, who travelled from house to house, from family to family, thus diffusing their creations across Europe. These families are repositories of Europe's memory and intangible heritage.

Besides in addition to featuring transnational cultural heritage developments, family-owned heritage houses display a myriad of heritage types. They are a treasure chest full of European culture, where we can find picture galleries in the form of private family collections, cathedrals in the form of private chapels, theatres in the form of small private music rooms, libraries in the form of ancient family archives and museums in the interior halls, usually boasting extraordinary handcrafted pieces of the time.

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<sup>1</sup> Special Eurobarometer 466, 2017, "Cultural Heritage", Survey requested by the European Commission, Directorate-General for Education, Youth, Sport and Culture and co-ordinated by the Directorate-General for Communication:

Heritage houses, having often been inhabited by the same families across centuries are also a repository of Europe's intangible heritage, and still emanate memories and history of the local territory.

Living close to places related to Europe's cultural heritage gives Europeans a sense of belonging to Europe<sup>2</sup>. Moreover, a majority of Europeans think cultural heritage is not only important to them personally, but also to the European Union as a whole<sup>3</sup>. In this context, family-owned heritage houses are unique actors to promote and circulate ideas of Europe's rich cultural heritage, identity and sense of belonging, in communities that can be hard to reach such as in remote rural areas.

## 1.2 Contributing to the economic and social development of Europe

The contributions that heritage houses make to the economic life of Europe, particularly through the tourism industry are often underestimated. Indeed, according to the figures given by the European Council in 2010, European cultural heritage is of exceptional economic importance to the tourism industry, generating estimated annual revenue of €335 billion, and many of the 9 million jobs in the tourism sector are linked to it directly or indirectly. As a dynamic economic sector, culture provides quality jobs and promotes smart, sustainable, and inclusive growth.<sup>4</sup>

Cultural heritage, which crystallizes the European identity, inclusiveness, and sense of belonging, also accounts for numerous social benefits in the life of its citizens. Those further benefits of heritage to European society are clearly outlined in the Study "Cultural Heritage Counts for Europe"<sup>5</sup> and should also be integrated into an overall sector planning that spurs innovation and maintains, develops and provides heightened visibility to heritage and its benefits while strengthening those who steward it.

Cultural heritage, which attracts tourism in Europe and showcases Europe's core values, also greatly contributes to Europe's soft power and cultural diplomacy with third countries, and the European Commission has recently highlighted this in its report "Towards an EU strategy for international cultural relations".<sup>6</sup>

Due to cultural heritage's indisputable contribution to Europe, it is important to improve systematic data on its economic and social impacts. The report "Cultural Heritage Counts for Europe" (CHCFE), published in 2015, was already an important contribution to start filling this gap. Already, one of the major recommendations was to encourage EU institutions to ensure that cultural heritage impact is measured in a more systematic and holistic way by all relevant stakeholders and operators. With this project, the consortium intends to go further, and to move the magnifying glass on the contribution of family-owned heritage houses to these fields.

The culture and creative sector, present at the intersections between business, culture and technology, are at a crossroad to trigger innovation and spill-overs from and to other sectors (European Expert Network on Culture, 2015). Innovation within the cultural and cultural heritage sectors should allow them to foster growth and to adjust to a continuously advancing scientific and commercial environment. Particularly, heritage professions and heritage sites, such as museums or private historic houses, should adapt to the digital shift and seize the opportunities stemming from it, including by improving visitor participation and community engagement with heritage. Innovation should remain a priority, and a continuous endeavour for the entire sector, especially as it will be one of the main pillars of the legacy of the 2018 European Year of Cultural Heritage. This study will contribute to this aim by highlighting and circulating innovative thinking among private owners of historic houses, but also within the heritage sector in general.

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<sup>2</sup> Special Eurobarometer 466, 2017, "Cultural Heritage": 70% of respondents to the Eurobarometer survey indicate that living close to places related to Europe's cultural heritage gives people a sense of belonging to Europe.

<sup>3</sup> Special Eurobarometer 466, 2017, "Cultural Heritage": 80% of respondents to the Eurobarometer survey think cultural heritage is important for the European Union.; 84% think it is important for them personally.

<sup>4</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>

<sup>5</sup> "Cultural Heritage Counts for Europe", 2015 by the Cultural Heritage Counts for Europe Consortium (CHCFE), with the support of the EU Culture programme, see <http://www.europanostra.org/our-work/policy/cultural-heritage-counts-europe/>

<sup>6</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN%3A2016%3A29%3AFIN>

### 1.3 Participating to European cultural heritage policies

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*"The Union shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced" (Article 3 TEU)*

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From the founding treaties to the European Agenda for Culture of 2007, cultural heritage is at the heart of the European project. Although heritage protection is primarily dealt with at national and local level, there is no contradiction between national/local responsibility and a specific role of the EU. The Bruges Declaration of the Belgian Presidency in 2010 already emphasised the need to "prepare a specific, long-term plan which searches for possibilities to ensure that the potential of cultural heritage is better incorporated in the general policy of the European Union. Interaction with European Union policy-making level is central."

For some years now, momentum has been building at EU level. During the Greek and Italian presidencies of 2014, a series of cornerstone policy documents were adopted: the Conclusions on Cultural Heritage as a Strategic Resource for a Sustainable Europe<sup>7</sup> and the Conclusions on Participatory Governance of Cultural Heritage<sup>8</sup> as well as by the Communication Towards an Integrated Approach to Cultural Heritage for Europe<sup>9</sup> (European Commission, 2014) which calls for an integrated approach to fully make use of its potential for economic growth and social cohesion. A further indication of the EU's increasing interest in the wider potential benefits of cultural heritage is the publication of a report produced by the Horizon 2020 Expert Group on Cultural Heritage in April 2010<sup>10</sup>. The report entitled "Getting Cultural Heritage to Work for Europe", sets out recommendations for an innovative policy framework and agenda for cultural heritage-related research and innovation up to 2020. This momentum gathered around cultural heritage in Europe has been solidified by the Rome Declaration number 8 on March 25, 2017, in which the leaders of the Member States and EU institutions pledged to work for a 'Union which preserves our cultural heritage and promotes cultural diversity'.<sup>11</sup> Furthermore, in 2018 the European Commission proposed a New European Agenda for Culture which once again emphasized cultural heritage as a driver for growth, jobs and a source for social cohesion.<sup>12</sup>

In December 2017, the European Year of Cultural Heritage (EYCH) 2018 was officially launched in Milan. The Year promoted all types of heritage: tangible, intangible and digital, thus covering monuments to natural landscapes or archaeological sites, at every level (European, national, regional, local). On 27 November 2018, EU Ministers of Culture adopted, among others, conclusions on the Work Plan for Culture 2019-2027,<sup>13</sup> stressing the importance of sustaining the legacy of the European Year of Cultural Heritage 2018. The document, building on the previous multiannual plans of 2011-2014 and 2015-

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<sup>7</sup> Council conclusions of 21 May 2014 on cultural heritage as a strategic resource for a sustainable Europe, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XG0614%2808%29>

<sup>8</sup> Council conclusions on participatory governance of cultural heritage, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XG1223%2801%29>

<sup>9</sup> COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, "Towards an integrated approach to cultural heritage for Europe", COM/2014/0477, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2014:477:FIN>

<sup>10</sup> "Getting cultural heritage to work for Europe, 2015, Report of the Horizon 2020 Expert Group on Cultural Heritage, See: <https://ec.europa.eu/programmes/horizon2020/en/news/getting-cultural-heritage-work-europe>

<sup>11</sup> See: <https://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/>

<sup>12</sup> See: [https://ec.europa.eu/culture/news/new-european-agenda-culture\\_en](https://ec.europa.eu/culture/news/new-european-agenda-culture_en)

<sup>13</sup> See: <http://data.consilium.europa.eu/doc/document/ST-13948-2018-INIT/en/pdf>

2018,<sup>14</sup> defined working methods for policy collaboration on culture in the European Union and listed "Sustainability in cultural heritage" among its five priorities. During the 2018 EYCH, over 6.2 million people took part in more than 11,700 events organised across 37 countries. To ensure that the European Year has a lasting impact beyond 2018, the European Commission presented on 7 December 2018 the European Framework for Action on Cultural Heritage<sup>15</sup>. The Framework consists of 60 actions related to the promotion and protection of cultural heritage in the longer term, among which this specific project, supporting the cluster of actions to "Foster social innovation and cultural heritage competences".

With this project, the consortium ensures the legacy of the EYCH, by creating and strengthening synergies between family-owned heritage houses and other stakeholders to safeguard, develop and transmit cultural heritage to future generations.

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<sup>14</sup> See: [https://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/educ/117795.pdf](https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/educ/117795.pdf) and <http://data.consilium.europa.eu/doc/document/ST-16094-2014-INIT/en/pdf>

<sup>15</sup> See: <https://ec.europa.eu/culture/sites/culture/files/library/documents/staff-working-document-european-agenda-culture-2018.pdf>

## 2. Objectives of the study

The aim of this project is to gain an improved bottom-up understanding of the socio-economic contributions of family-owned heritage houses; and how innovative models can support their sustainable preservation. The ultimate goal is to strengthen the position of family-owned heritage houses within our society, by reinforcing the competencies and capacity of their owners, while raising awareness of their value for European citizens and society as a whole. The study formulates policy recommendations for the European Commission and other stakeholders on how they can support the sustainability of family-owned heritage houses in Europe.

Figure 1: Overview of the objectives of the study



Source: Project Consortium

## 3. Scope of analysis

As our research focuses on 'family-owned heritage houses', it is very important to have a clear understanding and scope definition of this topic. This section gives an overview of our understanding of *cultural heritage* and *family-owned heritage houses in Europe* in the context of this project, based on the literature review and insights from expert and stakeholder interviews.

### 3.1 Our understanding of cultural heritage

The notion of cultural heritage as a fluid concept has evolved dramatically over time, from the very factual, concrete notion of tangible heritage and inherited goods of previous centuries, towards a sense of cultural roots, identity and belonging - or intangible heritage. The Commission provides a focused definition considering cultural heritage as "*a sign or a symbol created by, or given meaning by human activity, that is intentionally protected, conserved or revived, instead of being left to natural decay, oblivion, or destruction. The purpose is the transmission to future generations of its values (i.e. cultural, historical, aesthetic, archaeological, scientific, ethnological, anthropological value), which are considered relevant by a community or group of reference*".<sup>16</sup>

Within the scope of this study, when referring to cultural heritage, we refer primarily to the 'built' heritage, as the core subject of this analysis are family-owned heritage houses. However, the intangible heritage, which derives and is nourished by historic monuments, including customs and family traditions, will also be considered as far as it is relevant in the context of this study.

### 3.2 What is a family-owned heritage house?

For the purpose of this study, the following definition of family-owned heritage houses is used (see Box 1)

*Box 1: Definition of family-owned heritage houses in the context of this study*

The following types of heritage houses are considered as family-owned heritage houses:

- Heritage Houses that are **officially protected** as cultural heritage **in Europe** (by national, regional or local authorities, depending on how competencies are allocated at national level), and that are **privately-owned and managed by a family**.
- Heritage Houses that are not officially protected but nevertheless possess a **major historic value and heritage characteristic**, and that are **privately-owned and managed by a family**.

Heritage Houses are studied in their surroundings, often **including land, whether agricultural, forestry, gardens or other**, which will be taken into account in determining business models and socio-economic value, as well as ecological and economic sustainability. As such, we will be taking the houses into account **within their natural and cultural ecosystems**.

Based on the insights from the literature and the first exploratory interviews, we further clarify what we understand under different elements that are highlighted **in orange** in the definition (see Box 1) and are crucial for the scope of the research.

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<sup>16</sup> See: [https://eacea.ec.europa.eu/sites/eacea-site/files/2\\_call\\_notice\\_eacea\\_35\\_2017-culture-ce-2018\\_en.pdf](https://eacea.ec.europa.eu/sites/eacea-site/files/2_call_notice_eacea_35_2017-culture-ce-2018_en.pdf)



### “Historic value and heritage characteristic”

Looking at the different selection criteria that are being used in EU member states to define buildings of historic value and heritage characteristic, it is clear that there is not a common definition. Nevertheless, one can derive a number of elements that are commonly stressed across member states:

- The buildings have an important historical, artistic, cultural, aesthetic and/or scientific significance. They are “an important record of historical development, way of life and environment of society”
- The buildings are representative of creative skills and work of humankind (artistic, architectural, technical, technological)

Furthermore, in several member states reference is also made to ‘authenticity’ and ‘rarity’. Only a few member states also include ‘age’<sup>17</sup> as a criteria to define heritage (E.g. Estonia). This is not however a common criteria across Europe.

Given the above, this definition doesn’t provide a clear-cut and measurable framework for categorizing historic houses. This is problematic for any quantitative analysis, including in the context of this study. To circumvent this problem, one has to look for a more pragmatic approach and identify proxies that could be used to delineate the research topic (for purposes of quantitative analysis). One proxy could be that the house is catalogued in a specific register or inventory (which doesn’t automatically imply that they are protected). Therefore, we have worked with the proxy that the house is included in a national register / listing / catalogue /inventory /database /historic document / (cultural) tourism website, etc., of cultural properties or cultural, immovable or architectural heritage (which doesn’t automatically imply that they are protected). Family-owned heritage houses that participated in the online survey and are not included in such a register/listening etc., were not included in the analysis, unless they were built pre-WWII.)

### “Privately-owned by a family”

Under the term “privately-owned”, we interpret heritage houses to be either *bought by or inherited by* private family owners. The heritage house can be owned by *one* or by *several* family members, where *different types of ownership structures* are included: individual private ownership as well as ownership via family trusts, private foundations, limited companies, ... *as long as the family* (one or more family members) *has controlling interest*. Corporate owned heritage houses where the (non-family-owned) corporation has controlling interest (e.g. industrial heritage owned by a corporation) as well as publicly owned heritage houses are excluded from the analysis.

### “Managed by a family”

When we look at the group of ‘family-owned heritage houses’, we can distinguish roughly two categories based on their use:

- 1) Family-owned heritage houses that are solely used as a dwelling, and where the house is not actively used as a resource for additional value creation (i.e. no activities are developed in the house and/or on the grounds).
- 2) Family-owned heritage houses that are used as a resource for (economic) value creation – whether or not in combination with the use as a dwelling. In this category of historic houses, activities are being developed in the house and/or on the grounds on an irregular or structural basis, with or without economic return. Renting (parts of) the house to third parties is included in these activities. Often family-owners in this category are ‘obliged’ to manage their heritage house in such manner, due to its size and the costs related to maintaining a heritage house.

Different EU member states and regions show a different landscape and presence of those specific family-owned heritage houses where activities are developed in order to finance the maintenance, due

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<sup>17</sup> i.e. age as an indicator of the willingness to transmit a value to future generations across time.

to, amongst others, the characteristics of the heritage houses on their territory. For example, the landscape of family-owned heritage houses in Flanders is characterized by mostly smaller family-owned heritage houses and less by larger estates: most family-owned heritage houses in Flanders are thus used solely as a dwelling and not as a business resource. On the other hand, the landscape of heritage houses in countries such as the UK and France are typified by larger estates and a higher share of family-owned heritage houses are used as a business resource.

For this study, we considered:

- Houses used as a dwelling and/or business resource for the socio-economic analysis of family-owned heritage houses (see PART 2)
- Houses used as a business resource for the mapping and analysis of business models (see PART 3).

For the SWOT analysis and ensuing policy recommendations (see PART 3 and PART 5), we again take both types of houses into consideration.

### **“In Europe”**

For the purpose of this study, we define family-owned heritage houses in Europe as those houses that are located in one of the countries participating in the Creative Europe programme i.e. Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, Former Yugoslav Republic of Macedonia, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Republic of Serbia, Slovakia, Slovenia, Spain, Sweden, the UK. For more information, please see: [https://ec.europa.eu/programmes/creative-europe/content/creative-europe-participating-countries\\_en](https://ec.europa.eu/programmes/creative-europe/content/creative-europe-participating-countries_en).

## 4. Structure of the report

Heritage Houses for Europe is the first pan-European Study on family-owned heritage houses. It aims to achieve an improved bottom-up understanding of the socio-economic, cultural and environmental contribution of family-owned heritage houses, and how innovative business models can support and help their sustainable preservation. The ultimate goal is to strengthen the position of family-owners within our society, by reinforcing their skillset and capacity, while raising awareness of their value for European citizens and society as a whole. This study formulates policy recommendations towards EU institutions and other stakeholders to improve the sustainability of family-owned heritage houses in Europe.

The content and data available in this report comes from a triangulation of research methods i.e. a combination of different types of data (quantitative and qualitative), methods (online survey, workshops, interviews, etc.) and sources (existing literature, survey data, etc.).

The literature review offers a first glimpse and an understanding of the sector. The interviews from the stakeholders (owners, policymakers, academics, heritage and cultural innovators) gave a voice to the actors and enabled us to understand their perspectives. The online survey, answered by 1,084 respondents, demonstrated a broader vision on family-owned heritage houses owners' situation. The Business model analysis, case studies and the two workshops, allowed this study to go deeper in the concrete reality of the actors. What is their experience and their needs? What are the opportunities they can seize?

A better understanding of the sector is crucial to unleash its potential. That is why Europe's cultural diversity and identity, its economic and social development, cultural heritage, innovation and business model expertise is at the core of this analysis.

Family-owned heritage houses are unique, authentic and a repository of history and key vectors of cultural values. This study strives to give an overview of the very diverse landscape of family-owned heritage houses across Europe. This diversity refers not only to their different historical or architectural characteristics, but also to the diverse framework conditions across Europe that apply to family-owned heritage houses as well as to their location, ownership structure, protection status and further development or use as a business resource.

To analyse the socio-economic contributions of heritage houses, we developed a multi-dimensional framework, centred around a set of core values that family-owned heritage houses represent. A SWOT analysis synthesises and organises the data and information collected, according to family-owned heritage houses' strengths, weaknesses, threats and opportunities.

Furthermore, the business model methodology was based on four main areas: customers, offer, infrastructure, and financial viability. Within the business model canvas those areas are described through nine basic building blocks: Customer Segments, Value Propositions, Channels, Customer Relationships, Key Resources, Key Activities, Key Partnerships, Cost Structure, Revenue Streams.

This study and all the related research enabled us to further understand the wide variety of business models, implemented in rural as well as in urban areas, covering large and small properties, entirely private owned as well as owned by public/private partnerships. A complementary SWOT analysis described the strengths, weaknesses, opportunities and threats of business models. Innovative business models are identified through Illustrative Practices and will help heritage houses owners to sustainably preserve their houses in a competitive world. Therefore, it is important to trigger innovation within existing business models. This can be done by making use of a number of methods described in this report. In order to support owners in this transition, tools and kit are developed in the framework of this project and they were tested during the workshops.

Policy recommendations towards the European Institutions as well as national and regional authorities are important to maintain and improve the future of privately-owned heritage houses. These recommendations will address a variety of problematics such as: access to funding, education and

trainings, volunteering and community participation, sustainable tourism, regional development, cultural and environment conservation.

The study is a first attempt to improve the understanding of the sector and its impact, to develop research and innovation, and to create or improve synergies among stakeholders. It is paving the way for future research and new projects to complete the results of this study and continue to participate in the preservation and development of European cultural heritage which was brought to the forefront by the 2018 European Year of Cultural Heritage.



## PART 2 Multi-dimensional contributions of family-owned heritage houses in European society

# 1. Introduction

Following the definition of the study scope, this chapter of the study portrays the multi-dimensional socio-economic contributions of family-owned heritage houses in Europe.

We start this chapter by giving an overview of the different types of research methods and data we have used to assess the socio-economic contributions of family-owned heritage houses in Europe.

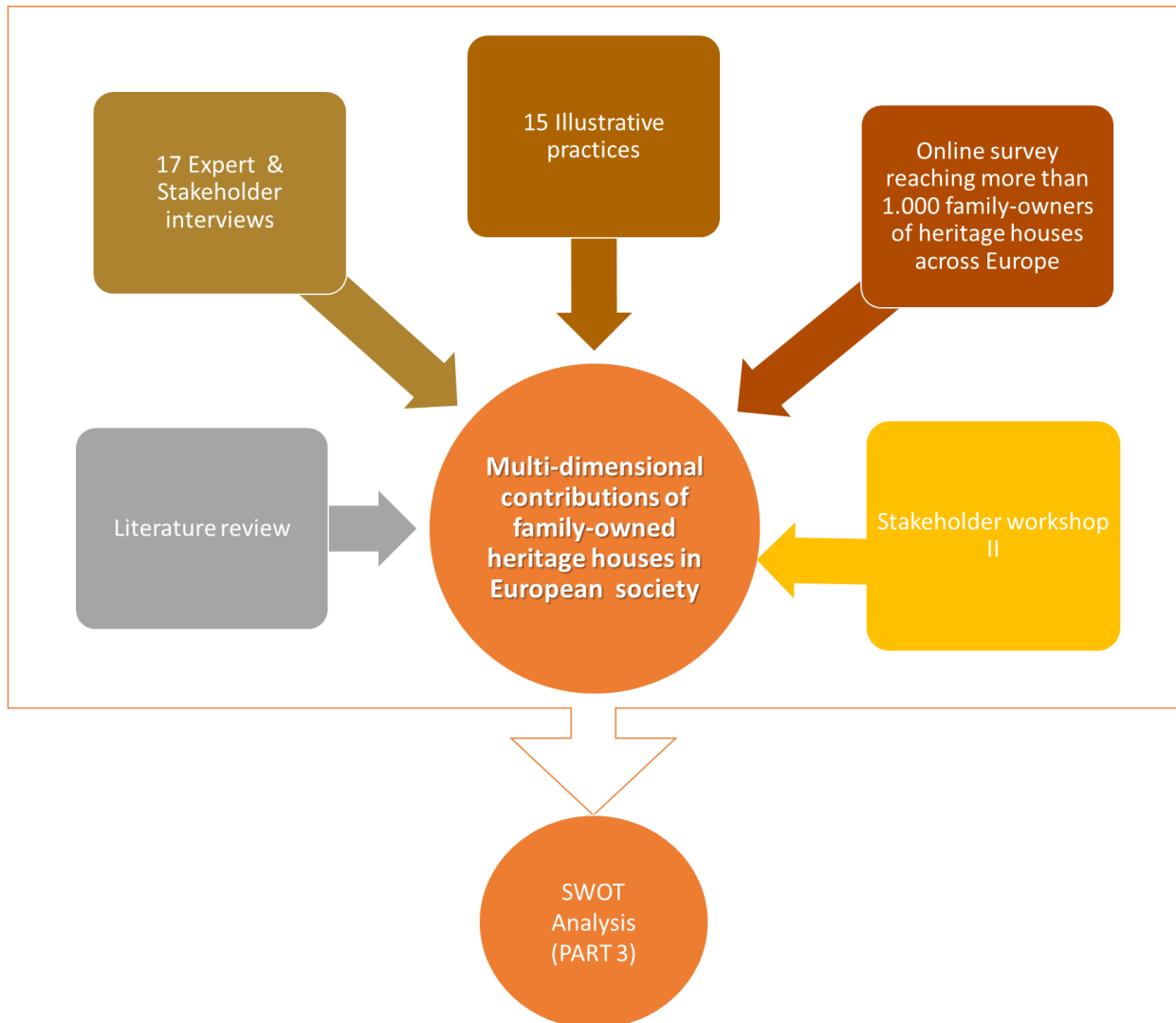
In the following section, we then set the scene by giving an overview of the very diverse landscape of family-owned heritage houses across Europe. This diversity in family-owned heritage houses refers not only to their different historical or architectural characteristics, but also to the diverse framework conditions across Europe that apply to family-owned heritage houses as well as to their location, ownership structure, protection status and further development or use as a business resource. These diverse features are in turn reflected in the diverse socio-economic contributions that heritage houses can generate.

In the fourth section, we analyse the socio-economic contributions of heritage houses in more detail. For this analysis, we developed a multi-dimensional framework, centred around a set of core values that family-owned heritage houses represent. In the ensuing paragraphs, we discuss these core values of family-owned heritage houses, the different activities that family-owners undertake as well as the varied socio-economic contributions that arise from these core values and activities, by presenting evidence from the literature, expert and stakeholder interviews as well as the online survey results.

## 2. Triangulation through a mix of research methods

For this chapter and the following chapter (SWOT analysis – see PART 3), we have used a triangulation of research methods i.e. a combination of different types of data (quantitative and qualitative), methods (online survey, workshop, interviews, illustrative practices, etc.) and sources (existing literature, survey data, etc.). Figure 2 below gives an overview of the main research methods that have been used. In the next paragraphs, we describe each of these methods in more detail.

Figure 2: Overview of research methods used



Source: IDEA Consult

## 2.1 Literature Review

For both the assessment of the multidimensional contributions of family-owned heritage houses (this PART) as well as the SWOT analysis (see PART 3), the research team made an in-depth mapping and analysis of the relevant literature in the field. A full overview of the literature that we have studied in the context of this project is given in ANNEXESA.1 /. The documents we have reviewed include the following:

- Academic literature;
- Research papers and books;
- Policy documents –at regional, national and European level;
- Studies and reports commissioned by authorities (such as e.g. the European Commission);
- Briefs issued by relevant sector organisations and federations at regional, national and European level;
- Internet sources;
- Public/private databases;
- Etc.

Figure 3 below gives an overview of the specific objectives of the literature review.

*Figure 3: Objectives of the literature review*

### Multi-dimensional contributions of family-owned heritage houses in European society

- delineate the scope of the research topic
- develop the online survey questionnaire
- develop the questionnaire for the exploratory interviews
- identify key actors for the expert and stakeholder interviews, workshops and illustrative practices
- identify illustrative practices
- gain an overview of and insight into the diversity of the landscape of family-owned heritage houses
- develop a multidimensional framework to conduct the socio-economic analysis of family-owned heritage houses
- describe, elaborate and present evidence on the core values and socio-economic contributions of family-owned heritage houses

### SWOT analysis (see Part 3)

- identify strengths and weaknesses
- describe, elaborate and present evidence on strengths and weaknesses
- gather data and evidence on external opportunities and threats

Source: IDEA Consult



## 2.2 Expert and stakeholder interviews

From September to December 2018, we conducted 17 expert and stakeholder interviews. An overview of the experts and stakeholders that the research team interviewed, can be found in ANNEXESA.3 /. The interview guideline we used for these interviews can be found in ANNEXESA.2 /.

The objective of the expert and stakeholder interviews was to feed the assessment of the socio-economic contributions of family-owned heritage houses (this PART) as well as the SWOT analysis (see PART 3 of the study) and to obtain more information on inspiring illustrative practices of socio-economic value creation (see illustrative practices report). More specifically, the expert and stakeholder interviews complemented the literature review for these different parts of the study, where they provided crucial country- and sector-specific insights and information on:

- key characteristics of family-owned heritage houses;
- the different types of value family-owned heritage houses create;
- the challenges family-owners face as well as good practices to counter these challenges.
- Together with the literature review, the insights from the interviews also contributed to structuring and refining the online survey questionnaire.

Throughout the study, we have clearly indicated where we have used information or quotes from the stakeholder and expert interviews.

## 2.3 Online survey

From 14 December 2018 to 18 February 2019 we ran an EU-wide online survey targeting family-owners of heritage houses. The survey was available in three different languages: English, French and German. The survey questionnaire (English version) can be found in ANNEXESA.5 /.

**This is the first large-scale survey towards family-owners of heritage houses across Europe.** Communication with family-owners about the survey occurred through mailings, newsletters, etc., by the consortium partners, the national associations that are member of both EHHA and ELO as well as other relevant intermediaries.

### 2.3.1 Profile characteristics

The infographic below gives an overview of the key profile characteristics of the respondents to the online survey. Of the 1,084 survey respondents, 82% fully completed the survey, while 18% only partially completed the survey. When analysing the online survey results, we took into account all available answers for each question, including the answers of respondents that only partially completed the survey. In the remainder of the report, we clearly indicate the n-numbers (number of survey respondents) for each survey question that we discuss.

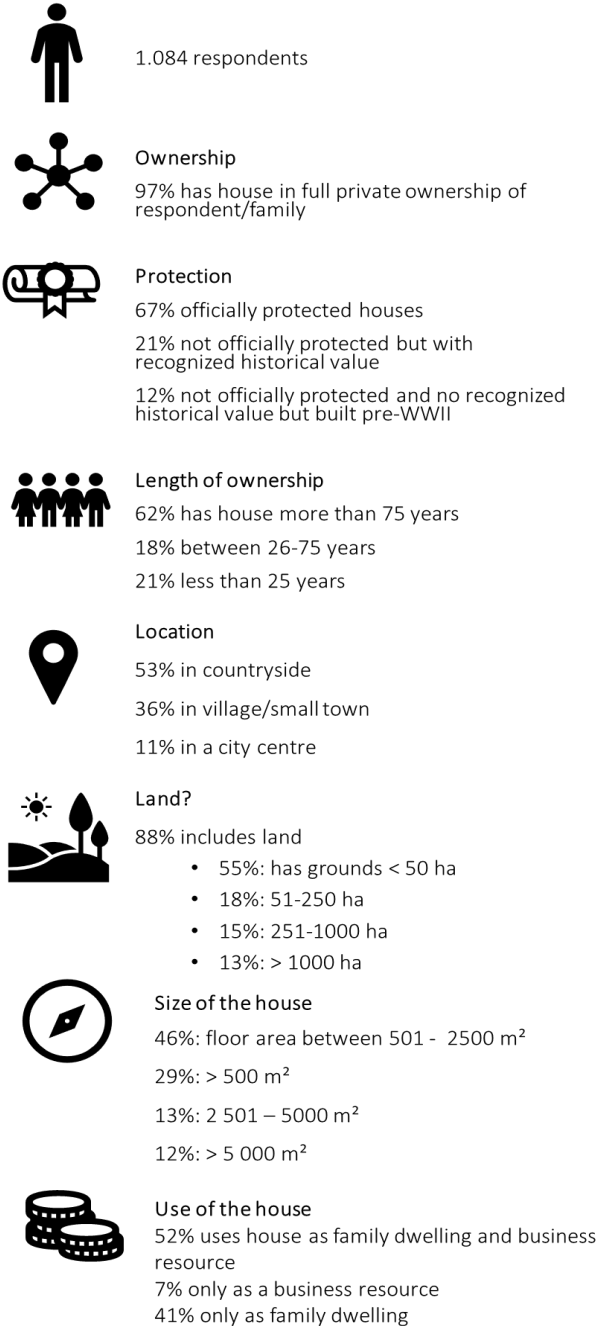
The ensuing figure (Figure 4) gives an overview of the country spread of the online survey respondents. As we can see in that figure, the largest concentration of survey respondents are situated in France, Italy as well as in the UK. This reflects the fact that these are also the countries in Europe with a well-developed privately-owned heritage house sector, as mirrored in the number of private heritage house owners that are members of national associations adherent to the European Historic Houses association EHHA<sup>18</sup>: indeed, the French, Italian and UK associations have the largest number of members (in comparison to the national associations in other European countries). On the other hand, we see a

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<sup>18</sup> See also Figure 9 in section 3.3 of this PART, which gives an overview of the number of privately-owned heritage houses that are member of these national associations.

much smaller concentration of survey respondents in Central and Eastern European countries, which corresponds to the fact that the private heritage house sector in these countries is currently less developed, as is also reflected in the relatively low number of private heritage house owners being members of national associations in these countries.<sup>19</sup>

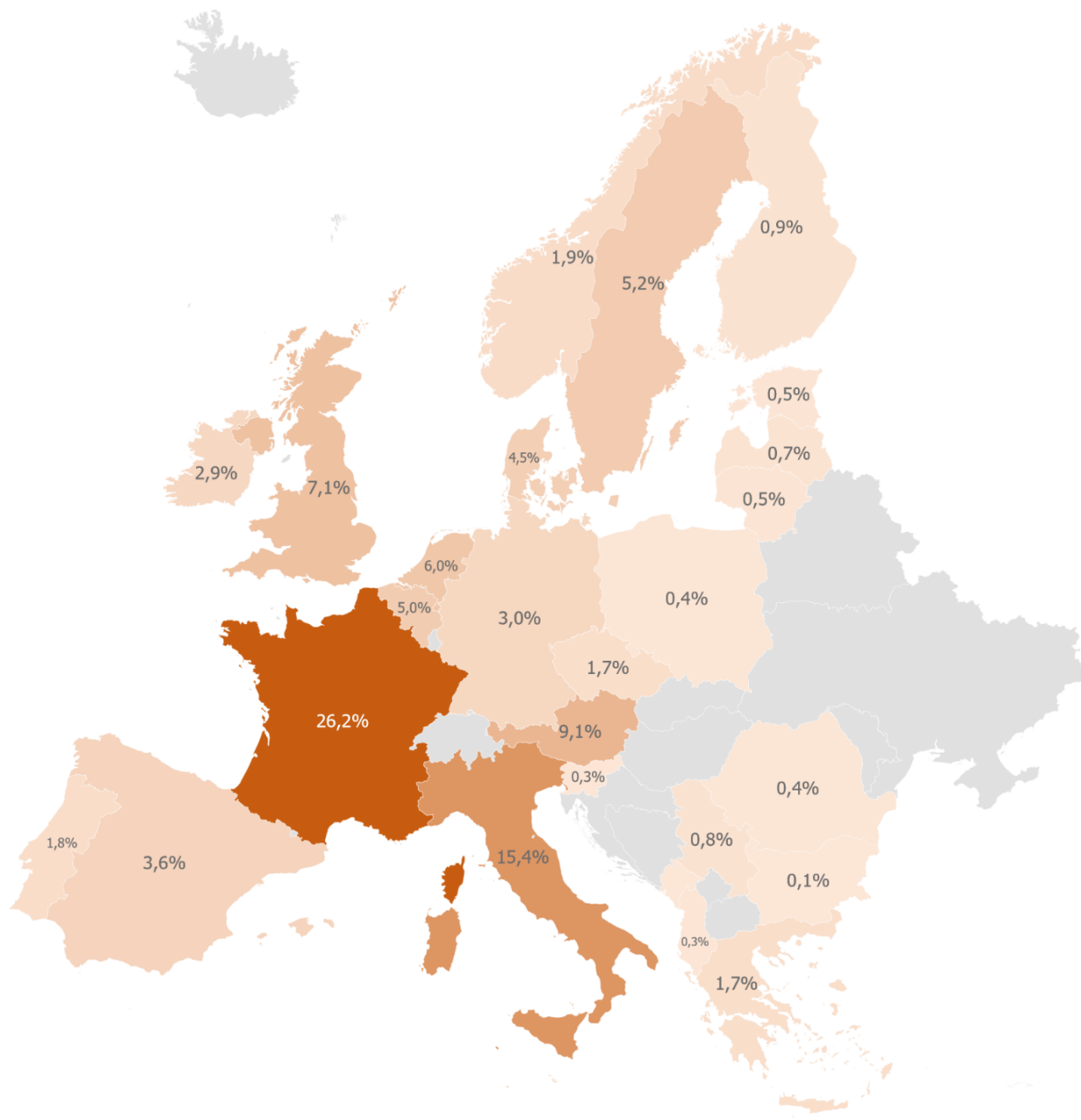
Figure 4: Infographic on online survey response - key profile characteristic



Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

<sup>19</sup> See also Figure 9 in section 3.4 of this PART, which gives an overview of the number of privately-owned heritage houses that are member of these national associations.

Figure 4: Country spread of respondents to the online survey (n=1,084)



Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

## 2.4 Illustration via Illustrative Practices

Based on the expert and stakeholder interviews, the workshop (see below) and the open answers from the online survey, the research team identified **15 Illustrative Practices** on the socio-economic contribution of European family-owned heritage houses **that serve as illustration to this part as well as to:**







- PART 2: Socio-economic analysis;
- **Error! Reference source not found.:** Policy recommendations;
- the EU funding guide for family-owners.

For this part of the study, the illustrative practices serve to clarify (a) the diversity in the landscape of family-owned heritage houses and (b) the different activities as well as socio-economic contributions that family-owned heritage houses can generate as well as (c) the challenges family-owners face. For PART 5 of the study (Policy recommendations), the illustrative practices highlight good policy practices that can be inspirational for policymakers and other stakeholders. For the EU funding guide, the illustrative practice serves as an example of the possibilities of EU funding for family-owners.

The illustrative practices were developed on the basis of desk research as well as interviews. We have included illustrative practices on family-owned heritage houses as well as specific initiatives and policy measures in the field.

**The full illustrative practices are described in a separate report.** They are **also included in a more condensed and schematic overview in the before-mentioned parts of the study.** Below we give a generic example of the condensed illustrative practices as they appear in this report: the headings in bold are the headings that we use in each condensed illustrative practice. In Figure 5 we briefly explain what we understand under each heading.

Figure 5: Short reading guide to the condensed illustrative practices

<b>Illustrative practice: Name and picture</b>
In case the practice concerns a family-owned heritage house: <b>New owner</b> or <b>Generational owner?</b>
In case the practice concerns an initiative or Policy Measure: <b>Type of initiative</b>
<b>Country:</b> Location or Country Coverage
<b>Highlights:</b>
✓ Key illustrative elements of the practice
<b>Activities:</b>
Short overview of the activities undertaken, categorised according to the following dimensions (only those dimensions that are applicable, are taken up for each illustrative practice):
<ul style="list-style-type: none"> <li>✓ <b>Cultural / Leisure</b></li> <li>✓ <b>Educational/ Research</b></li> <li>✓ <b>Community-building</b></li> <li>✓ <b>Environmental</b></li> <li>✓ <b>Commercial</b></li> <li>✓ <b>If applicable, also a short description of relevant partnerships.</b></li> </ul>
<b>Dimensions of contribution:</b>
A schematic overview of the socio-economic contributions that are generated, according to the following legend:
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Economic</p> </div> <div style="text-align: center;">  <p>Social</p> </div> <div style="text-align: center;">  <p>Cultural</p> </div> <div style="text-align: center;">  <p>Environmental</p> </div> <div style="text-align: center;">  <p>Educational/Skills</p> </div> <div style="text-align: center;">  <p>Interesting partnerships</p> </div> </div>
<i>Referral to the illustrative practices report</i>

## 2.5 Stakeholder Workshop

Following the first workshop held in November 2018 - which served as input for section 2.5 of the study - we organised a second workshop on 29 April 2019 in Brussels, with:

- family-owners from across Europe;
- EU, national and regional policymakers;
- other stakeholders, such as sector federations, cultural heritage associations and initiatives, academics and experts in the field, educational/skills' partners etc., with an EU-wide, national or regional perspective.

The objectives of this workshop were twofold:

1. to collect feedback and validation on the integrated draft SWOT-analysis the research team had developed (see PART 3);
2. to gather suggestions and feedback on solutions to overcome the main issues that have been identified in the draft SWOT-analysis:
  - a. from a policy perspective: to collect suggestions for policy recommendations (on EU/national/regional/local level) - not only focused on policymakers but also on other stakeholders such as intermediary or support organisations (see PART 5);
  - b. from a business model perspective: to obtain feedback on the Business Model toolkit (see PART 4) and its usefulness to spur innovative business model thinking for heritage houses.

We have included the full programme of the workshop as well as the participants' list in ANNEXESA.4 / below.

### 3. Family-owned heritage houses in Europe: a diverse landscape

The landscape of family-owned heritage houses is very rich in its diversity: heritage houses are the witnesses of Europe's vibrant past and traditions as well as its current variety of policy contexts and regulatory frameworks. These diverse influences in past and present have a determining impact on the features and characteristics of family-owned heritage houses throughout Europe, not only with regard to their historical styles, shapes and sizes but also with regard to their location, ownership structure, protection status and further development or use as a business resource.

In order to understand the working conditions and challenges of family-owned heritage houses in Europe, we identify and describe in the next sections their diverse historical backgrounds and characteristics as well as the diverse framework conditions the houses face across Europe.

#### 3.1 Diverse historical backgrounds

A first important factor explaining the current diversity in the European landscape of family-owned heritage houses is the diverse historical background in different regions across Europe over the past centuries. Historical evolutions had an important influence on the geographical concentration of family-owned heritage houses across Europe, as well as on their characteristics<sup>20</sup> and their preservation. In this context, the experts and stakeholders we interviewed, emphasized the importance of recent history in Central- and Eastern Europe to better understand the landscape of family-owned heritage houses in these countries.

**Communist rule in Central- and Eastern Europe (CEE).** The communist rule in CEE countries during part of the 20<sup>th</sup> century has had a profound impact on the current condition and development of family-owned heritage houses in those countries, leading to a very different setting for family-owned heritage houses compared to Western Europe. During communist rule, most family-owned heritage houses were confiscated, and family owners were expropriated; the heritage houses were subsequently often converted into buildings of public use such as schools or hospitals or abandoned. Following the communist rule, a large part of heritage houses in CEE countries were (and in some countries: still are)

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*"In Latvia, new owners have to start from scratch. Most houses only have a garden, as new owners do not have the money to buy the larger stretches of land surrounding the heritage house". Expert and stakeholder interviews*

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often in state of decay and in urgent need of restoration. For example, the expert and stakeholder interviews shed more light on the very precarious situation of heritage houses in Romania, illustrated by, amongst others, the fact that 2,6% of the non-archeological objects on the Romanian List of Historic Monuments is in a state of "pre-decay" or decay and the fact that there is no

information on the physical state of more than 65% of historic objects on the List.

In the aftermath of the communist era, different CEE countries also handled the communist legacy in different ways: in some countries (e.g. in the Czech Republic), family heritage houses restituted to their original family-owners could include all surrounding grounds, in other countries, only the house and part

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<sup>20</sup> Not only the architectural characteristics, but also in terms of the size of the estates or their location (in the countryside versus the city centers,...).

of the surrounding grounds were returned to the owners (e.g. in Romania, where maximum 50 hectares were returned).<sup>21</sup> From the interviews and literature review<sup>22</sup>, it became clear that in some countries, restitution to original owners is a complex and time-consuming process or is highly bureaucratic, often resulting in the further delay of necessary restoration works and thus further decay of the heritage houses.

The illustrative practice of **Birini castle** in Latvia (see below) shows how historical events and restitution procedures can have a strong influence on family-owned heritage houses. The development of Birini castle and park was started by count Mellin in the beginning of the 18th century. However, during the First Latvian Independence, the castle was given a public function as the Sick-fund of Book publishers opened a sanatorium for treatment of respiratory and heart diseases in the castle (1926). After World War II, during Soviet rule, Birini Castle was nationalized, also functioning as a sanatorium, which was visited by visitors from all over the Soviet Union. During this period, the Castle was decorated with artwork reflecting Soviet ideology. After the Latvian independency (1991) the estate was rented, and later bought by Jānis Vimba. As a new owner and businessman, he carefully restored the palace and maintains the surrounding landscape.

### Illustrative practice: Birini Estate: Thriving on leisure and business



#### **New owner**

**Country:** Latvia (LV)

#### **Highlights:**

- ✓ Evolution of ownership & Soviet Rule
- ✓ Challenges of restitution

#### **Activities:**

- ✓ **Commercial:** Birini castle is used as a hospitality and meeting venue: banquets, seminars, sightseeing, tours, a restaurant, a hotel and bathhouses. are offered to local and international tourists.

#### **Dimensions of contribution:**



*Read all details on Birini Estate in the illustrative practices report*

Legend: see Figure 5 on page 28

<sup>21</sup> See e.g. Rusu, M., Florian, V., Tudor M., Chitea M., Chitea., L., and E. Rosu, 2011, "LAND RELATED DISPUTES AND CONFLICTS IN ROMANIA", Agricultural Economics and Rural Development, New Series, Year VIII, no. 1, p. 127–145, 2011

<sup>22</sup> For an overview on property restitution in CEE countries, see e.g. US Department of State, Bureau of European and Eurasian Affairs, 2007, "Property Restitution in Central and Eastern Europe" <https://2001-2009.state.gov/p/eur/rls/or/93062.htm>

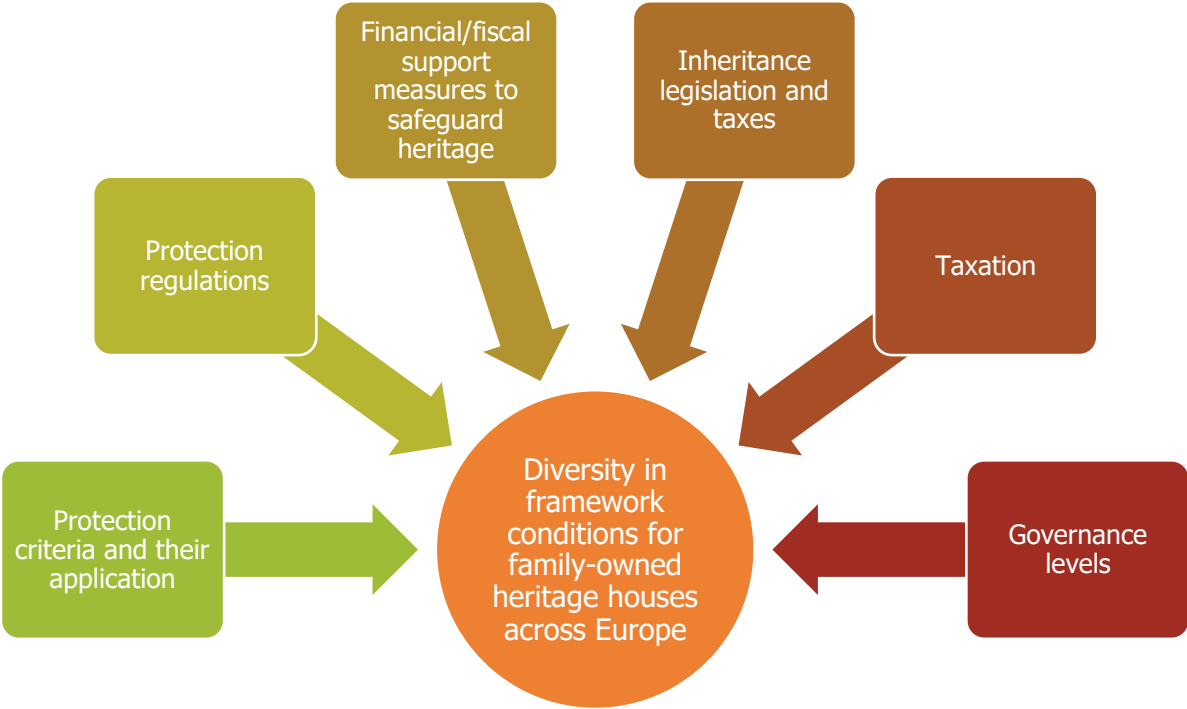
These historical differences result in quite different working conditions for family-owned heritage houses in Central and Eastern Europe versus Western Europe, but also within Central and Eastern European countries.

Evidently, historical evolutions across (Western) Europe have also had a profound influence on the characteristics - location, size, architectural features, etc. and preservation of family-owned heritage houses in these countries. As such, European family-owned heritage houses are the ambassadors of the rich European history they embody. A detailed description of this intricate intertwining between historical developments and family-owned heritage houses can be found in the historical literature – see e.g. Dewald (1996) on the history of European Nobility from 1400-1800.<sup>23</sup>

### 3.2 Diverse framework conditions

Besides the different historical backgrounds, family-owned heritage houses across Europe are also faced with very diverse framework conditions, that co-determine their actual diversity (see Figure 6). We discuss each of these aspects in the next paragraphs.

Figure 6: Diversity in framework conditions for family-owned heritage houses across Europe<sup>24</sup>



Source: IDEA Consult

**Protection criteria and their application.** The selection criteria that are being used to define buildings of historic value and heritage characteristic are very heterogenous across the different countries participating in Creative Europe. ANNEXESA.9 / provides an overview of this heterogeneity. Moreover, the actual application of these criteria is quite different across Europe. This leads to a disparate European landscape in terms of the numbers (or shares) of protected heritage houses per country (in the total of all heritage houses per country). From the literature and the expert and

<sup>23</sup> Dewald, J., 1996, "New Approaches to European History: The European Nobility, 1400-1800", Cambridge University Press

<sup>24</sup> Within the scope of this study i.e. countries participating in the Creative Europe programme;



stakeholder interviews<sup>25</sup> that we conducted, we see large cross-country differences with regard to the application of protection criteria, as illustrated in the following examples. In England, nearly all heritage houses are officially listed, in the Netherlands, more than half (58,5%) of the protected national monuments are houses where people live in (in total 36,268).<sup>26</sup> On the other hand, in Portugal only 91 private heritage houses are officially protected, whereas the national association of heritage houses<sup>27</sup> estimates that a total of 17,600 houses would be eligible to receive protection. This is also confirmed in the data from the online survey, where we see that more than 70% of the survey respondents for Portugal do not have an officially protected house. When it comes to the application of protection rules, e.g. Pro Património<sup>28</sup> (2015) highlights that in Romania listed heritage houses can be too easily de-listed "when there is a need",<sup>29</sup> thus stressing an issue with the political handling of protection legislation. Also in Poland, Purchla (2011) indicates that "*conservation services gradually lose their influence on the definition of monument preservation. Their role, increasingly passive, boils down to providing opinions on proposals from monument owners*".<sup>30</sup>

**Protection regulations.** Once a heritage house is officially protected or listed, its owner has to abide by certain regulations, most often implemented by national or regional protection, conservation or heritage agencies, in order to preserve the specific heritage characteristics of the house. These regulations mostly relate to the (type of) restoration works (materials, techniques, etc.) that need/can be carried out in/around the house and the contractors that are allowed to actually execute the works. Furthermore, the application of these regulations is very diverse. From the expert and stakeholder interviews, we find that conservation "agents", the persons who inspect the actual compliance with the regulations, often have a determining role in this context. For example, in France, the "Conservateur régional des monuments historiques" directs all administrative, financial and technical procedures associated with the maintenance, safeguard and restoration of protected monuments, in liaison with the main contractors and the project (i.e. house) owner and ensures scientific and technical supervision,<sup>31</sup> giving him a powerful role in the whole process of conservation and restoration of a heritage house. In Flanders (Belgium), special "immovable heritage consultants" are responsible for following up conservation or restoration works to the house, often reflecting a personal view on the heritage house and the works needed, and therefore also having a decisive role in the protection regulatory process. Also, in Austria "*regional decisions are too dependent on individual employees*" (Kovar & Partners, 2017).<sup>32</sup> On the opposite side of the spectrum of regulation enforcement, we note that in e.g. Romania, there is not enough qualified personnel at government level to actually give advice on, or to monitor conservation works to heritage houses, resulting in a situation where the quality of the works to heritage houses are left to the goodwill of building contractors.<sup>33</sup>

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<sup>25</sup> See ANNEXESA.3 /

<sup>26</sup> Rijksdienst voor het Cultureel Erfgoed, "De erfgoedmonitor"

<sup>27</sup> Associação Portuguesa das Casas Antigas (APCA)

<sup>28</sup> An international non-profit non-governmental organization whose main mission is the conservation, rescue and reactivation of cultural heritage, especially in architecture in Romania.

<sup>29</sup> Pro-Património, 2015, "Problèmes principaux auxquels est confronté le Patrimoine roumain " : " [...]. *Exemple on déclassé (ou on fait déclasser) un monument historique pour le détruire le lendemain quand on a besoin.*"

<sup>30</sup> Purchla J., 2011, "Towards a system of heritage preservation in Poland"

<sup>31</sup> Interview Patrice Besse, Patrice Besse châteaux et demeures de France. Besse & La Demeure Historique, "10 questions sur les monuments historiques accompagnées de leurs réponses".

<sup>32</sup> Kovar & Partners, 2017, "Bessere rechtliche Rahmenbedingungen für Baudenkmäler: Im Auftrag der Bundesimmobiliengesellschaft, des Instituts für den Wirtschaftsstandort Oberösterreich, des Österreichischen Burgenvereins und der Burghauptmannschaft Österreich"

<sup>33</sup> Pro-Património, 2015, "Problèmes principaux auxquels est confronté le Patrimoine roumain"

**Financial/fiscal support measures to safeguard heritage.** In most European countries, house owners of officially protected and/or listed heritage houses are subsidised for the extra investments needed to abide by the protection regulations. These financial support measures aim to cover the extra costs related to the use of special artisan techniques or building materials that are needed to maintain the heritage characteristics of the house (and thus to conform to the protection regulations). The support ranges from subsidies covering parts of the works to fiscal support measures such as tax deductions or exemptions. We refer to ANNEXESA.7 / for an overview.

In some countries, these financial support measures are dependent on the compliance with certain conditions, mostly related to opening up the house and/or grounds to the general public: e.g.

- in the UK, some listed houses can benefit from inheritance and capital gains tax exemptions<sup>34</sup>, when they are made accessible to the public.<sup>35</sup>
- In the Netherlands, there is a tax exemption for landowners related to the inheritance and transfer of the house if the estate remains intact for 25 years and opens its grounds to the public (the so-called "Natuurschoonwet NSW").

However, in some countries, heritage house owners do not receive any compensation for the conservation of their house in order to protect its heritage characteristics, e.g. in Poland, "*scarce funds for monument renovation are a chronic illness; Poland offers no tax reliefs that might be instrumental in actual protection of cultural assets*" (Purchla, 2011). There are also cross-country differences with regard to the works for which financial support can be obtained: e.g. in Norway, the focus of the public funding for heritage houses is on project funding for the *exterior* of the house and not for the interior.

Finally, there are not only financial or fiscal support measures available for heritage house owners, but also non-financial support: in e.g. the Netherlands, the system of Provincial Monument Watches<sup>36</sup> helps owners of protected monuments - via a subscription system - in the maintenance of their house by:

- Inspecting the house every one to two years;
- Carrying out small repairs during the inspection;
- Giving an up-to-date and extensive report after each inspection on the state of the monument.

A similar system exists in e.g. Flanders and was also recently set up in Slovakia.<sup>37</sup>

**Inheritance legislation and taxes.** For family-owners who have been owning the house for more than one generation, inheritance laws and taxation form an important aspect of the framework surrounding the longer-term management of their house. In this context, we can distinguish two large strands of inheritance legislation and regulations in the countries we study:

- In most Western-European countries (e.g. Belgium, France, Italy, etc.,) succession laws are based on the Napoleonic system where the inheritance needs to be split equally between children.
- In countries like Germany, the UK and Denmark however, succession laws allow the endowment of the estate to one child.

The table in ANNEXESA.8 / gives an overview of the death duties that need to be paid in 17 different countries participating in the Creative Europe programme (based on data from EHHA member organisations, 2016 – 2017), ranging from no inheritance taxes due in Sweden or Estonia to death duties ranging between 7%-36% in Finland. In the context of inheritance taxation, we need to take into

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<sup>34</sup> "It is likely that such buildings will be listed at Grade I or II\* or be a scheduled monument." For more info, see: <https://historicengland.org.uk/advice/hpg/assistanceforowners/taxrelief/>

<sup>35</sup> "The new owner must undertake that reasonable access will be provided for the public and that reasonable steps will be taken for maintenance, preservation and repair." For more info, see: <https://historicengland.org.uk/advice/hpg/assistanceforowners/taxrelief/> or <https://www.gov.uk/guidance/tax-relief-for-national-heritage-assets>

<sup>36</sup> See also: <https://www.monumenten.nl/onderhoud-en-restauratie/monumentenwacht/wat-doet-de-monumentenwacht>

<sup>37</sup> See also: [https://europa.eu/regions-and-cities/programme/sessions/73\\_en](https://europa.eu/regions-and-cities/programme/sessions/73_en) "Cultural Ambulances on the move".

account that in some countries, like e.g. the Netherlands, there is an inheritance tax relief ("NatuurSchoonWet") for family-owners of protected houses (subject to certain conditions, cf. supra). Finally, inheritance taxes can also explain the development of certain types of activities by heritage house owners: e.g. in the UK, the inheritance tax is 40% on everything. However, there is an exemption on agricultural land and some family businesses, explaining why owners in the UK develop more businesses/agriculture on their property.

**Taxation.** Aside from inheritance taxes, family-owners of heritage houses are subject to a number of other taxes, such as property taxes, wealth taxes, capital gains taxes, income taxes and potentially VAT (when the owners develop a business in their heritage houses). The table in ANNEXESA.10 / gives an overview of the different types of taxes that are applicable to heritage house owners, again showing that heritage house owners across Europe are subject to a very different taxation framework depending on the country, region or even municipality they live in. As was the case for inheritance taxes, the listing status of a house can also determine the taxes an owner has to pay, e.g. in Italy, the tax advantages that come with the label of being listed include a 50% reduction on property taxes and a 35% exemption on income taxes (see also part on financial support measures for owners above).

**Governance levels.** Finally, the governance levels that are responsible for the decision or implementation of protection policies, the allocation of financial support to owners or the fiscal treatment of owners, differ substantially in the countries we studied in this project. For example, we observe the following levels of governance for the regulatory and taxation framework that affects family-owned heritage houses (see also ANNEXESA.9 / Protection legislation in a selection of countries participating in Creative Europe):

- Governance on regional level, where the different regions are responsible for heritage policies, property and inheritance taxes such as e.g. in Belgium.
- Mixed governance between national/federal and regional levels e.g. in Austria, where the Agency responsible for the "Preservation of monuments" (Bundesdenkmalamt, BDA) is a federal agency whereas building regulations, protection of nature and land-use-planning are in the hands of so-called regional "Landeskonservatoren".
- Mixed governance between national, regional and communal levels, where heritage can be protected at the national level, at the provincial level or at the communal level such as e.g. in the Netherlands.

### 3.3 Diverse characteristics of family-owned heritage houses in Europe

The diversity in historical backgrounds and framework conditions that affect family-owned heritage houses, is also translated in the broad range of family-owned heritage houses that you can find across Europe. Below, we discuss the following types of characteristics based on the interviews and literature review: size; location; ownership structure; protection status and business development.

#### 3.3.1 Size

A determining factor for the sustainability of a heritage house is the size of the estate. There are two factors that need to be taken into account when looking at the size of the estate:

- The size of the heritage house itself i.e. the floor area of the house;
- The presence of grounds/land surrounding the house and if present, the total land area.

**Size of the house.** The size of the house is an important factor in the sustainability of the house, as smaller heritage houses do not encounter the same challenges, related to e.g. energy consumption and maintenance costs, as larger heritage houses.

**Presence of land and land area.** When a heritage house owner also owns surrounding grounds, this provides more possibilities to cover the costs of the house itself, through different kinds of exploitation of the land, such as agriculture, forestry, fishing, etc., thus facilitating the sustainability of the house. In the online survey, 88% of survey respondents indicate to have land surrounding the house, but for more than half of the respondents (55%) the grounds do not exceed 50 ha.

**Historical influences.** In some countries that underwent the communist rule, the original owners were restituted the entire estate, whereas new owners that acquired the heritage house on the market, were often only able to buy the house and possibly also the garden (e.g. Czech Republic). This element explains (partly) the fact that different types of owners<sup>38</sup> own different size heritage houses/estates, which in turn is an important factor for the sustainability and potential impact of the heritage house. In other Central- and Eastern-European countries, such as Latvia, heritage houses were mostly acquired by new owners, who were often only able to buy the house and garden, but not the larger stretches of land that originally were part of the estate surrounding the house. This also has a significant impact on the possibilities to generate income from the house/land in order to maintain the house.

In the online survey, we find that the family-owned houses that have been owned by a family for less than 75 years, have smaller plots of land surrounding their house compared to those houses that have been in the family for a longer period of time: more than half of the houses owned for less than 75 years by the family, have land that does not surpass 10 ha - compared to 24% of family-owners who have owned the house for more than 75 years.

### 3.3.2 Location

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*"Business opportunities mainly don't exist in most locations... even when you look at tourism. Only in a few top locations you have tourism the whole year round. But in most other places (and more than 70% of properties are in the country side, not in touristic hot spots) you might be lucky to have tourists a few weeks in summer, but after that you're in the middle of nowhere until next summer..." Expert and Stakeholder Interviews*

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The location of a heritage house is a determining factor for its viability. As the accompanying quote from the interviews shows, the challenges faced by houses that are located in more remote areas are quite different to those located in city centres e.g. with regard to attracting visitors to the house or developing accommodation in the house.

The online survey results confirm the different characteristics of heritage houses located in the countryside or in a village/small town compared to the houses located in a city centre:

- **Presence of land and land area.** In line with expectations, 43% of surveyed heritage house owners in a city centre indicate that their estate does not include land, compared to only 3% in the countryside. Moreover, 77% of heritage houses located in city centres are surrounded by land that does not surpass 10 ha, compared to 48% of the houses in small towns/villages and 21% in the countryside.
- **Size of the house.** As expected, heritage houses located in city centres are somewhat smaller: 47% of houses in city centres have a floor area of below 500m<sup>2</sup>, compared to 25% of houses in the countryside.
- **Use as a business resource.** Heritage houses that are located in city centres, are used somewhat more solely as a business resource<sup>39</sup>: 14% of houses located in city centres are used solely as a business resource, compared to 8% of houses in villages and 6% of houses in the countryside.

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<sup>38</sup> i.e. original owners, for whom the house has been part of their family for more than 75 years and new owners, who have bought the house more recently.

<sup>39</sup> as opposed to the houses that are used both as a family-dwelling and as a business resource or solely as a family-dwelling.

### 3.3.3 Ownership

We distinguish two different features regarding the ownership status of family-owned heritage house:

- The type of owners (public, private, public/private, etc);
- The ownership duration (length of time the house has been owned by the same family (-owners)).

**The type of owners.** In line with the scope of the study, we have distinguished the following types of ownership:

- Full private ownership of a private person/family (in private ownership, via a family trust, via a limited company where the private person/the family owns the shares, etc.);
- Shared ownership<sup>40</sup> between private person/family and other private partners, where the private person/family still has a controlling interest;
- Shared ownership<sup>41</sup> between private person/family and public partners, where the private person/family still has a controlling interest.

**More than 40% of European heritage houses belong to families.**<sup>42</sup> Looking at ownership data at country level, we note that data availability with regard to privately-owned houses is limited and based on different types of definitions of heritage (houses). For example, in some countries there is data available on the ownership status of:

- a broader category of heritage objects rather than heritage houses or even architectural/built heritage e.g. Austria has data on private ownership of "listed buildings and objects"; Romania has data on the ownership status of the "historic monuments list".
- officially protected or listed buildings (e.g. Denmark<sup>43</sup> and France<sup>44</sup>),

In other countries/regions there is no data (readily) available on the ownership status (e.g. in Flanders (Belgium),<sup>45</sup> Sweden).

Additionally, we observe very large cross-country differences regarding the ownership status of heritage houses in countries where data is available: e.g. in Denmark, most listed buildings are privately-owned; in France, 35% of classified monuments and 56% of enlisted monuments ("monuments incrits")<sup>46</sup> are privately-owned (in total about 22,000 buildings), whereas in some Eastern-European countries, private ownership of heritage is still quite limited.

**The ownership duration.** The scope of this project includes both heritage houses that have been owned by a family for more than one generation and heritage houses that have been bought recently by new owners. The online survey results confirm the influence of historical events in Eastern Europe on the ownership of heritage houses. The surveyed houses located in Central and Eastern Europe are indeed owned more by newer owners in comparison to the rest of Europe: 44% of owners in Central- and Eastern Europe own the house for less than 25 years, compared to 19% of owners in the other European countries that have participated in the survey.<sup>47</sup>

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<sup>40</sup> In private ownership, via a family trust, via a limited company, ...

<sup>41</sup> In private ownership, via a family trust, via a limited company, ...

<sup>42</sup> Based on EHHA survey among its national member associations.

<sup>43</sup> Interview Birthe Iuel, Historiske Huse Denmark

<sup>44</sup> Martin Malvy, 2016, "54 suggestions pour améliorer la fréquentation touristique de la France à partir de nos Patrimoines"

<sup>45</sup> Interview C. Vanhoutte, Flemish Agency of immovable heritage.

<sup>46</sup> Martin Malvy, 2016, "54 suggestions pour améliorer la fréquentation touristique de la France à partir de nos Patrimoines"

<sup>47</sup> see PART 2 section 3.3. for an overview of those countries.

### 3.3.4 Protection status

As described in section 3.2 , the protection criteria for heritage houses is quite diverse across different European countries. Also, the application of these protection criteria differs significantly in each country, influencing the data on/number of protected heritage houses that we observe at a country-level. Data on protected heritage *houses* is quite hard to come by, as houses often form a subcategory of lists of protected:

- Architectural or immovable heritage lists, which can also include bridges, churches, monasteries, industrial buildings, etc; this is the case for e.g. Hungary or Cyprus.
- Cultural goods lists, also including movable (and intangible) heritage; this is the case for e.g. Lithuania.
- Monuments' lists, also including archeological sites, artistic monuments, etc; this is the case for e.g. Luxembourg, Poland and Serbia.

Moreover, family-owned properties sometimes include multiple buildings like farmhouses, cottages, etc. However, in some countries, protection is at "building" level (e.g. Denmark and France). Therefore, the number of protected buildings in these countries thus represents an overestimation of the actual number of protected properties in their entirety, which we consider as the unit of measurement in this study i.e. the heritage house in its surroundings, including land and accompanying buildings such as barns, conservatories, etc.

### 3.3.5 Business development

As a final differentiating characteristic of family-owned heritage houses, we also consider the level of business development<sup>48</sup> that we find in family-owned heritage houses across Europe. Aside from being used as a dwelling, family-owned heritage houses can also be used as a business resource. In this context, the size of the house (including the size of surrounding grounds) is an important factor to be taken into account.

From the online survey results, we see that new owners<sup>49</sup> use the house more often as a business resource alone<sup>50</sup>: 13% of new owners use the house solely as a business resource, this is the case for only 6% of owners owning the house for more than 25 years. We also find that heritage houses that have been owned for 26-75 years by the family, seem to be used less as a business resource, whereas about 60% of heritage houses are used as a business resource by new owners and longer-time family-owners<sup>51</sup>. this is only the case for 49% of the houses that have been owned for 26-75 years. Finally, the location of the house matters in this context (see also above) as heritage houses that are located in city centres, are used somewhat more solely as a business resource.<sup>52,53</sup>

From the expert and stakeholder interviews, we obtained the following country-specific information regarding the business development of family-owned heritage houses, which we can compare to the profile of the heritage houses in the online survey:

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<sup>48</sup> These could be activities with or without economic return, in the house and/or on the surrounding grounds. Renting (parts of) the house to third parties is included in these activities.

<sup>49</sup> Owning the house less than 25 years.

<sup>50</sup> As opposed to the houses that are used (a) both as a family-dwelling and as a business resource or (b) solely as a family-dwelling.

<sup>51</sup> Owning the house >75 years.

<sup>52</sup> as opposed to the houses that are used both as a family-dwelling and as a business resource or solely as a family-dwelling.

<sup>53</sup> 14% of houses located in city centres are used solely as a business resource, compared to 8% of houses in villages and 6% of houses in the countryside.

- In Denmark, the Danish Historic Houses Association Historiske Huse estimates that approximately 5% of heritage houses (listed and non-listed) develop economic activities (excluding renting out the house). These houses are almost exclusively concentrated in the countryside and their activities nearly always relate to agriculture (farming, forestry, hunting, etc.). When taking into account the houses that are also rented (partly) to third parties, half of the Danish heritage houses are used as a business resource. This corresponds to what we find in the online survey, where 45% of the surveyed houses in Denmark were used as a business resource<sup>54</sup> (n=49). Renting out the heritage house is typically an activity that is more concentrated in the urban areas in Denmark.
- In the UK, more than 50% (over 900 houses out of 1.600 houses<sup>55</sup>) of the houses that are member of "Historic Houses"<sup>56</sup> are properties that are open to the public, which can be seen as a proxy for the business development of the houses. Also, in the online survey, 69% of the houses in the UK were used as a business resource (n=77). In the Czech Republic, about half of the members of the Czech Association of Castle and Manor House owners (representing 45 houses) is open to the public (in the online survey, the majority of the 18 responding owners used the house as a business resource). In France, a little less than half (46%) of houses that are member of "La Demeure Historique"<sup>57</sup> is open to the public (1,400 out of 3,000 houses). This corresponds to the online survey results, where 40% of French owners uses the house as a business resource.
- In Latvia, most family-owners typically do not use their heritage house as a dwelling, but only as an SME/business resource (the use as a dwelling is sporadic/incidental).<sup>58</sup>
- In Norway and Flanders, only a very small number of houses actually develop business activities in their heritage house or on the surrounding grounds. This is, however, in contrast with the profile of the family-owners that we reached in both countries through the online survey, where 67% of the owners that participated in the online survey in Belgium (n=54) use their house as a business resource as well as 48% of owners in Norway (n=21). This highlights the fact that the sample from the survey cannot be considered representative of the total population of heritage house owners in Europe, but has an overrepresentation of heritage house owners that use their house (partly) as a business resource.

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<sup>54</sup> The definition stipulated in the online survey includes renting out (parts of) the house to third parties.

<sup>55</sup> See <https://www.historichouses.org/resources/all-resources/member-survey.html>

<sup>56</sup> The association of independently owned historic houses and gardens in the UK.

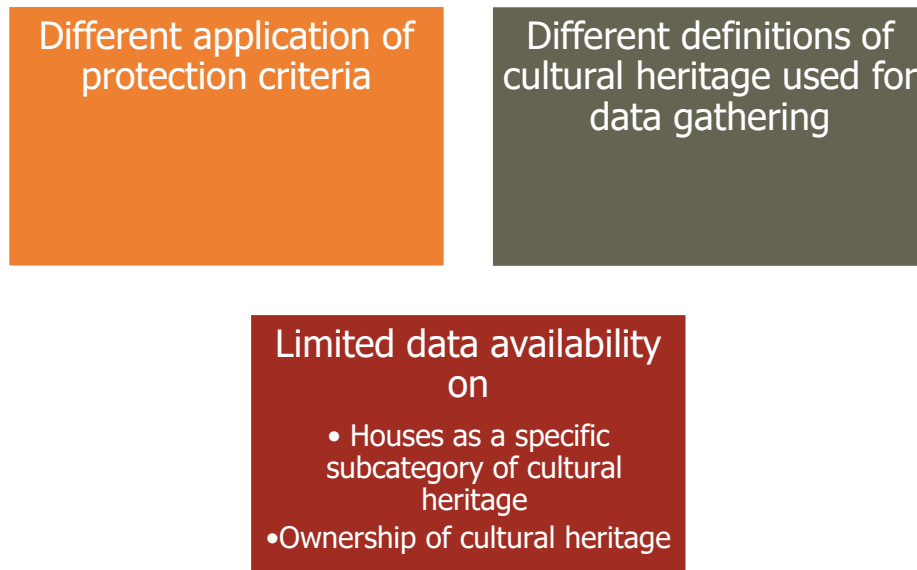
<sup>57</sup> La Demeure Historique represents the owner-managers of private historical monuments in France, both officially protected or registered as an historical monument, as well as remarkable homes, parks or gardens that are not officially protected or registered.

<sup>58</sup> We have 8 observations for Latvia in the online survey, so we cannot draw any conclusions on a country level from this.

### 3.4 Challenges in cross-country comparison of data on family-owned heritage houses

When looking for available quantitative data on the number of family-owned heritage houses in Europe, we conclude that these data are not sufficiently robust to allow for any cross-country comparison. Summing up what we have described above, especially the issues summarized in the figure below hamper this cross-country comparison.

*Figure 7: Challenges in country comparability of quantitative data on the number of family-owned heritage houses*



Source: IDEA Consult

Given these data limitations, we can only get an indication of the landscape of family-owned heritage houses across Europe by mapping the number of privately-owned<sup>59</sup> heritage houses that are members of a national association adherent to the European Historic Houses Association (EHHA) – see Figure 8 below.

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<sup>59</sup> Please note that “privately-owned” is defined by each national association independently, but largely corresponds to the definition we use in the context of this study.



Figure 8: Number of privately-owned heritage houses that are members of national associations adherent to the European Historic Houses Association EHHA (2018-2019)



Source: Membership data of national associations adherent to the European Historic House Association EHHA

## 4. How family-owned heritage houses contribute in European society

### 4.1 A multidimensional framework for socio-economic analysis

The mapping of family-owned heritage houses across Europe has demonstrated the rich diversity of family-owned heritage houses, which in turn influences the diverse socio-economic contributions that they can generate.

In this section, we describe the multi-dimensional framework that we have developed<sup>60</sup> for the socio-economic analysis of family-owned heritage houses in order to map and structure the values of family-owned heritage houses as well as their socio-economic contributions.

The framework distinguishes between the core values of the heritage houses on the one hand and the contributions that they make, on the other hand (see Figure 9, p.42).

**Core Values.** The core values of family-owned heritage houses relate to the intrinsic characteristics of these houses. In that context, Mason<sup>61</sup> (2002) talks about **values stemming from the public-good qualities of heritage** i.e. “those qualities that are “nonrival” (consumption by one person does not preclude consumption by someone else) and “nonexcludable” (once the good/service is provided to anyone, others are not excluded from consuming it)”. Examples of such core values are e.g. their historical value, cultural or aesthetic value. We consider these inherent values as being at the core of their socio-economic contribution. As Maeer (2014) describes, we understand them as “*the intrinsic set of values that people attach to heritage and that explains people’s love of heritage*”. In this set-up, the contributions and effects of family-owned heritage houses cannot be realised without these core values. When considering these inherent/intrinsic values of family-owned heritage house, we do point out the remark by Throsby (2002)<sup>62</sup> that “*heritage values are contingent, not objectively given. The values of heritage are not simply “found” and fixed and unchanging, (i.e., the notion of heritage values being intrinsic). Values are produced out of the interaction of an artifact and its contexts; they don’t emanate from the artifact [in casu: heritage houses] itself. Values can thus only be understood with reference to social, historical, and even spatial contexts— through the lens of who is defining and articulating the value, why now, and why here?*”

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*[...] But what is important is that they [family-owners of heritage houses] do not choose to spend their money ‘easily’, living in a comfortable modern house, playing golf, ... They choose to invest their money in maintaining heritage which is of value not only for themselves but also for the society at large: they contribute to the public space. They are not only privileged, but also have a huge responsibility when they decide to safeguard the heritage house”. Expert and Stakeholder Interviews*

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**Contribution of family-owned heritage houses.** Inherent values are at the core of any contribution that family-owned heritage houses make in society, but insufficient on their own. To be able to create other effects, interventions in family-owned heritage houses are needed, such as conservation activities or even the sheer maintenance of the house. These interventions can also involve e.g. the organisation

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<sup>60</sup> Based on a screening of the literature (see ANNEXESA.1 /) as well as the expert and stakeholder interviews.

<sup>61</sup> Mason, R. (2002), “Assessing Values in Conservation Planning: Methodological Issues and Choices”, In: “Assessing the Values of Cultural Heritage”, Marta de la Torre (ed.), Getty Conservation Institute Research report

<sup>62</sup> Throsby, D., 2002, “Cultural Capital and Sustainability Concepts in the Economics of Cultural Heritage”, In: “Assessing the Values of Cultural Heritage”, Marta de la Torre (ed.), Getty Conservation Institute Research report

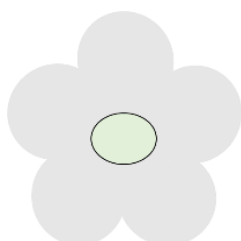
of cultural activities or opening the house and/or surrounding gardens to visitors. The contributions and effects that family-owned heritage houses create thanks to these interventions, can be multi-dimensional. In our model we distinguish five different dimensions of contributions:

- Cultural
- Social
- Educational/Skills
- Environmental
- Economic

When mapping the contributions of family-owned heritage houses, it is also important to identify the **main stakeholders**/groups that are affected, as well as the intervention logic (included in ANNEXESA.6 /) that helps us to understand how the (long-term) effects are being generated starting from (the organisation of) very specific interventions, i.e. concrete actions taken by the heritage houses. When we look at the groups and systems that might be influenced by the presence and contribution of family-owned heritage houses, we distinguish between individuals, local communities, the economy, the broader society or the natural ecological systems at large (ecosystems). For example, whereas the effects of family-owned heritage houses on health and wellbeing will be primarily situated at the level of the individual, their contribution to local community building will be rather at the community level. Some interventions might result in multi-level effects, such as e.g. the direct economic effects, which will be important for persons employed at the house (individual level) but also at the level of the economy through the procurement expenditures of family-owned heritage houses.

**Visualisation of value and impact framework.** The interconnectedness of the core values and the contributions of family-owned heritage houses is visualized in Figure 9. We have chosen a flower model with overlapping leaves to highlight that the different types of contributions do not exist in isolation from one another but are intertwined. For example, cultural activities can lead to (a) economic effects via e.g. visitors participating in cultural events in a heritage house as well as to (b) effects on skills development via e.g. education and skills training on architecture or history of the house.

Figure 9: Core Value and Contribution framework of family-owned heritage houses (a)



Core Values



Dimensions of contributions



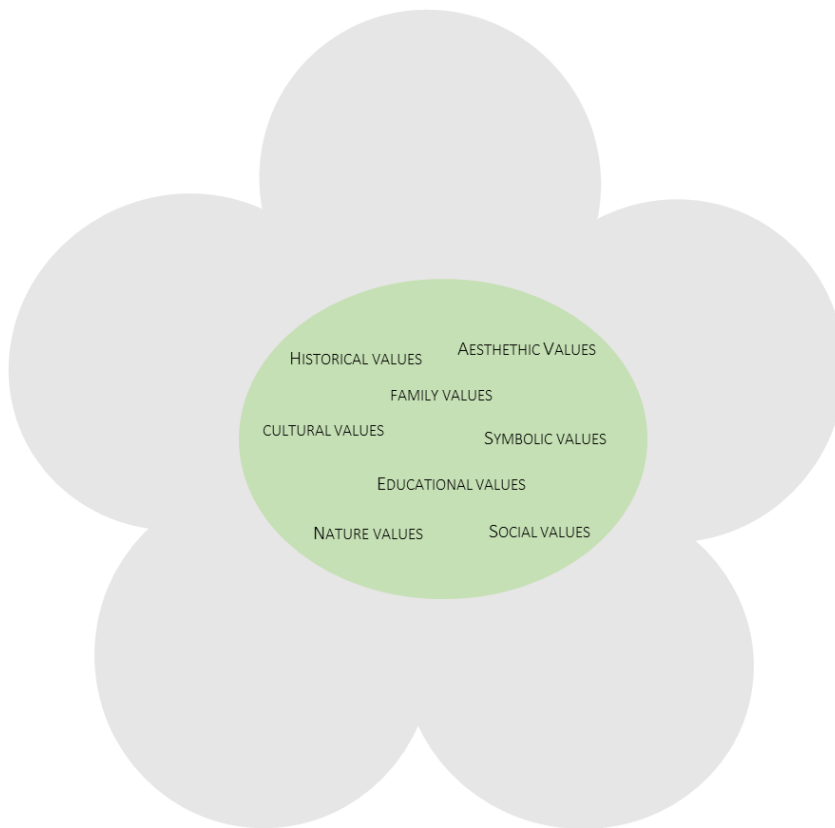
Contributions

Source: IDEA Consult

(a) Please note that this is a streamlined framework, not including e.g. the level of contribution (short-term, mid-term or long-term) or the groups that are affected (e.g. individuals, the economy, local communities or society at large)

## 4.2 Core values of family-owned heritage houses

Based on the extensive literature review, we have identified **eight inherent values that are at the core of family-owned heritage houses' impact creation** (see figure below).



**Historical values.** As formulated in a research report by the Getty Conservation Institute (2002) "historical values are at the root of the very notion of heritage." The capacity of a heritage site to express, embody, or trigger a relation or a reaction to the past form the fundamentals of heritage. Historical value is derived in several manners: "from the heritage material's age, from its association with people or events, from its rarity and/or uniqueness, from its technological qualities, or from its archival/documentary potential". (Mason, R. 2002). Most family-owned heritage houses embody a rich European history through

family connections, art collections, craftsmen and artists involved in building and decoration of the house... resulting in a historical myriad of connections between countries, people, cultures... Historical values also contribute to the shaping of identity of a group, providing a link with the past and acting as a source in the present (Throsby, 2001). We can find evidence on the importance of these historical values of heritage in a study by the Heritage Lottery Fund (2015, UK) which shows that people consider heritage to be important because it provides a record of national history, as well as in Austrian research<sup>63</sup> (2018) which showed that 61% of survey respondents agreed that "historic buildings are a testimony of our history". Closely related to the historical values of family-owned heritage houses, are the **educational values of heritage** which embody the potential "to gain knowledge about the past in the future." (Mason, R. 2002). A confirmation of these educational values of cultural heritage is shown in the Special Eurobarometer on Cultural Heritage (2017), which finds that a large majority of respondents (88%) agree that Europe's cultural heritage should be taught in schools, "as it tells us about our history and culture".

**Cultural and Symbolic values & identity.** Mason (2002) understands cultural/symbolic values as "those shared meanings associated with heritage that are not, strictly speaking, historic (related to the chronological aspects and meanings of a site)". According to Throsby (2001), identity relates to the symbolic value of heritage monument in the sense that a monument possesses a certain sense and content that helps the community to interpret its identity and define its cultural personality<sup>64</sup>. We can

<sup>63</sup> Karmasin Behavioural Insights, 2018, 'Historische Gebäude: Eine quantitative Studie.'

<sup>64</sup> see CHCFE report ("Cultural Heritage Counts for Europe", 2015), p. 76

see evidence of this cultural/symbolic value of heritage in the Special Eurobarometer on Cultural Heritage (2017) which shows that more than eight in ten (84%) of the Eurobarometer's respondents agree that culture and cultural exchanges should have a very important place in the EU so that citizens from different Member States can learn more from each other and **feel more European**. A study by the UK's Heritage Lottery Fund (2015) on the heritage sites and projects they have supported<sup>65</sup> also reveals that 55% of residents agree that their area's heritage sites and projects are important for their **personal sense** of identity.

**Social values, sense of place and civic pride.** The social values of heritage houses support and facilitate social connections, networks and other types of interactions. These values refer to the role of family-owned heritage houses in social activities and community building that are more related to the public-space, shared-space qualities of the heritage houses rather than to their historical, archaeological or architectural qualities (Mason, 2002). Also according to Mason, these social values include the "place attachment" aspects of heritage value where "place attachment" is a term used to describe the ways in which people attach meaning and values to specific locations: "Place attachment" refers to the social cohesion, community identity, or other feelings of affiliation that social groups [...] derive from the specific heritage and environment characteristics of their "home" territory". Historic England (2018) uses the term "sense of place" and describes this as "a characteristic applied to places where the environment evokes positive feelings such as belonging, identity and pride". Again, the importance of heritage in providing a sense of place to Europeans is confirmed in the Special Eurobarometer on Cultural Heritage (2017) results, which show that 70% of Europeans finds that living close to places related to Europe's cultural heritage can give people a sense of belonging to Europe and that more than eight in ten Europeans feel pride in a piece of cultural heritage<sup>66</sup> from their region or country.<sup>67</sup>

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*"Awareness about the importance of heritage has increased. Heritage is seen as a counterbalance of globalization and uniformization, which has led to a loss of traditions, intangible and tangible heritage. [...] Heritage houses give a 'sense of pride' to a place, which is very important in times of uncertainty, ... - Expert and Stakeholder interviews*

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**Aesthetical values.** In general, aesthetic value refers to the visual qualities of heritage (Mason, 2002). Aesthetic values of family-owned heritage houses relate to characteristics such as beauty & harmony of form, authenticity & integrity and the visual relationship with the surroundings (Throsby et al. 2010)<sup>68</sup>. The CHCFE<sup>69</sup> report (2015), discussing Throsby's (2001) interpretation of cultural values, describes the aesthetic value of a heritage monument as "*a monument possesses and expresses beauty of a certain fundamental significance*". These aesthetical values have a powerful contribution to people's sense of wellbeing and can be considered as the most personal and individualistic of the inherent values (Mason, 2002).

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<sup>65</sup> Heritage Lottery Fund, 2015, "20 years in 12 places". research on the heritage sites and projects HLF has supported over the last 20 years. The heritage sites that were studied include mainly built heritage and parks.

<sup>66</sup> i.e a historical monument or site, work of art or tradition from their region or country. (European Commission, Special Eurobarometer on Cultural Heritage, 2017).

<sup>67</sup> Proportions range from 96% of respondents in Greece, 93% in Portugal and 92% in Cyprus to 73% in Austria and 75% of respondents in both Luxembourg and Germany. (European Commission, Special Eurobarometer on Cultural Heritage, 2017).

<sup>68</sup> Throsby, D., Deodhar, V., Bronwyn H., Bronwyn J., O'Connor, Z. and A. Zednik, 2010, "Measuring the economic and cultural values of historic heritage places."

<sup>69</sup> "Cultural Heritage Counts for Europe", 2015

**Natural values.** This is a value of heritage that we do not find commonly described in the literature but for family-owned heritage houses that are surrounded by land (of any type<sup>70</sup> and size), we can assume that the environmental/natural values embodied by the different types of grounds that can surround a heritage house also represent an important core value – even when there are no activities / interventions undertaken on the land. As formulated in a report by Ruijgrok (2018),<sup>71</sup> this concerns the benefits of so-called “green heritage” such as “*the contribution to climate protection through carbon sequestration, the contribution to public health through particulate matter capture, the contribution to water safety / nuisance by preventing petrification, the contribution to the protection of groundwater quality, ...*” We can also take into account the safeguarding of biodiversity here. These benefits all depend on the amount of natural environment available and not on the state of maintenance of this environment.

**Family values.** For family-owned heritage houses, family values are at the heart of the set of inherent values. This is what makes them distinctly different from other tangible heritage. In the PwC publication “Fostering family value(s)”<sup>72</sup> of 2012, family values in family-run businesses are defined as the “underlying values, beliefs and ambitions of the (individual members of the) family who are involved with the business. They determine how things are done”. According to the PwC study, the family company’s values matrix is a complex aggregation of:

- entrepreneurial values such as trading ethos and common sense, but also the value of working hard;
- values specific to the family business such as stewardship, loyalty (to employees), long-term thinking and continuity;
- ethical standards such as honest business practices, trust, involvement, social commitment and care in the community;
- family/good governance.

Family-owners do not seek to manage only the assets and performance of the business, but also the family’s most important heritage—the values that are passed on from generation to generation. Values that underpin the sustainability of the family business, and its culture.

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*“Private owners do not only put money into the building, but also passion, care, ... If they would not take up this responsibility, who will? Public authorities do not have the means to safeguard all this heritage and even if they would, they could never put the soul into the heritage house as private owners can”. Expert and Stakeholder Interviews*

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From the interviews, a number of unique characteristics of family-owners of heritage houses came up that reveal their particular and distinct value added compared to other types of owners of heritage houses (public owners, commercial enterprises, ...) (see Figure 10):

- **Life & soul.** An important aspect of family-owned heritage houses is the feeling that it is lived in. Family-owners keep life within the houses, they make a home of it, put a soul into it.

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<sup>70</sup> Be it a garden/ recreational area, forests, meadows, agricultural land, nature conservation area,...

<sup>71</sup> Ruijgrok, 2018, “Maatschappelijke baten van instandhouding van complex historische buitenplaatsen”

<sup>72</sup> PwC, 2012, “Fostering family value(s): Managing culture and behaviour in the family business”

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*"The added value of private owners is their personal involvement and their willingness to take risks". Expert and stakeholder interviews*

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*"You don't want to turn heritage houses in museums nobody wants to live in". Expert and stakeholder interviews*

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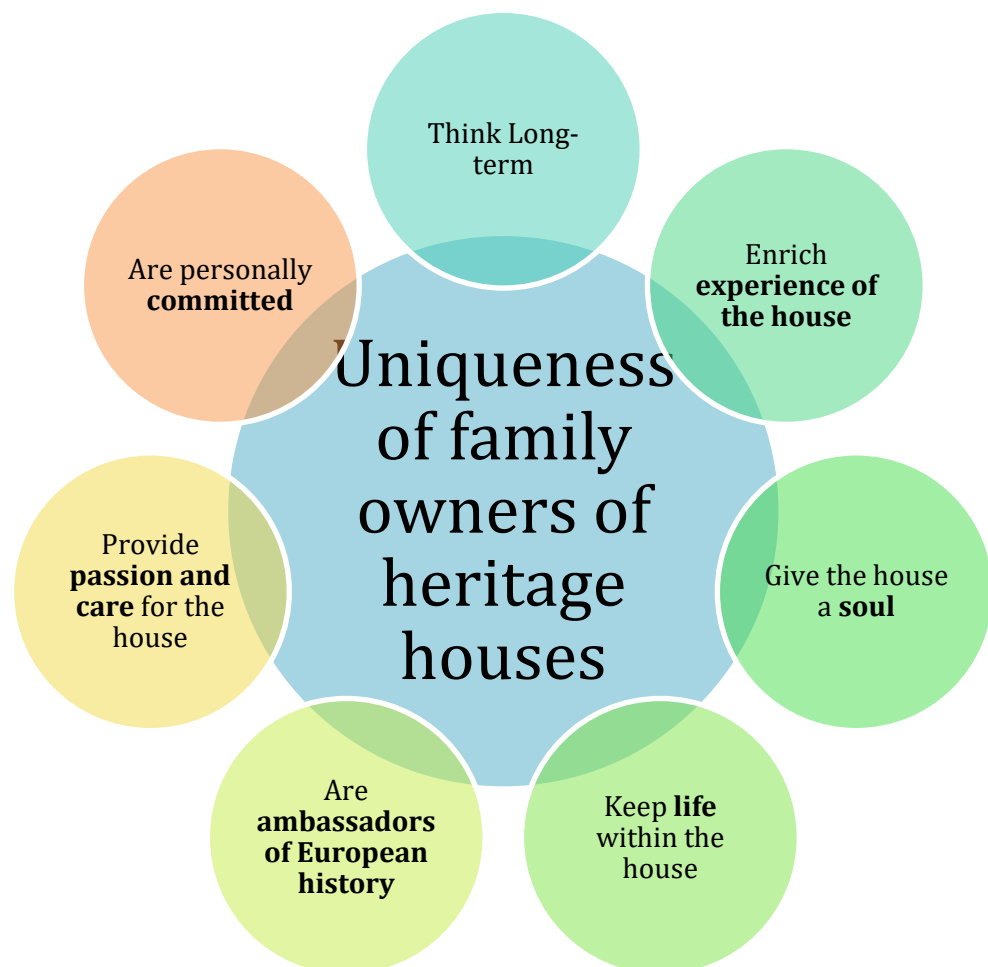
- **Long-term.** Family-owners take care of the long-term perspective in a society that is strongly driven by short-term goals. Most owners are "in it" for the long run: this long run perspective is also a key success factor for the sustainability of the heritage house.

- **Personal commitment, energy and passion.** Family-owners do not only put money into the building, but also passion, care, etc. Through their personal involvement and commitment, family-owners are willing to take risks

and invest in the house. Aside from the long-term perspective described above, interviewees highlighted that family-owners' energy and passion are key success factors for the sustainability of the house.

- **Enrich experience of the house.** Family-owners of heritage houses are sometimes "**iconic figures**" within their community: they "embody" their heritage house and enrich the experience and history of the house. This clearly also deepens the visitors' experience compared to other types of cultural heritage.

Figure 10: Uniqueness of family-owned heritage houses



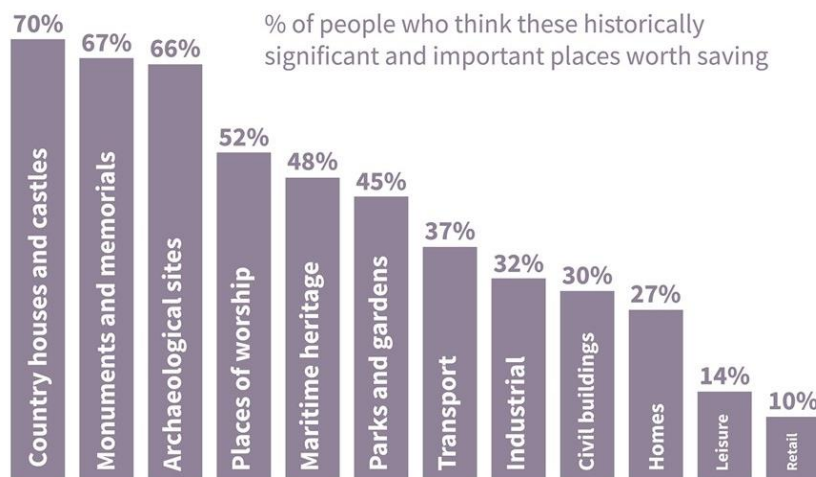
Source: IDEA Consult based on expert and stakeholder interviews



Finally, we conclude this section with two illustrations on **the overall value** of heritage and heritage houses for European citizens, on an individual and community level):

- the data included in the Special Eurobarometer on Cultural Heritage (2017), highlight that more than eight in ten Europeans (84%) think cultural heritage is important to them personally, and the same proportion of Europeans find cultural heritage important for their local community.
- a survey conducted by Historic England in 2015, showed that “country houses and castles” are the most commonly valued parts of England’s historic environment<sup>73</sup> (see figure 12 below).

Figure 11: *Importance of country houses and castles in England’s historic environment*



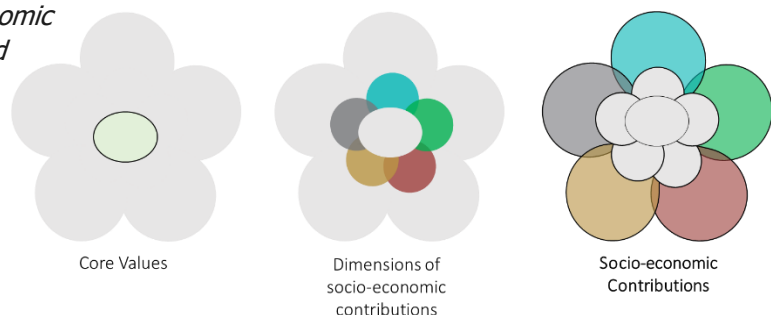
Source: Historic England, 2015, based on a poll of more than 5,000 adults

### 4.3 Socio-economic contributions of family-owned heritage houses

Building on the heritage house and the core values that it encompasses, family-owners develop different types of activities. These activities will in turn result in different types of socio-economic contributions. Based on the literature review and the interviews, we identified five categories of contributions that family-owned heritage houses make thanks to their presence and the activities that are being developed in the house/on the grounds, i.e. economic, cultural, social, educational/skills’ and environmental contributions. As can be seen in the figure below, we now move from the left-hand side of the figure (the core values) to the right-hand side of the figure (the socio-economic contributions).

In the next sections, we describe the different types of activities and contributions for each of these 5 dimensions that we have identified, providing evidence from the online survey results, the expert and stakeholder interviews and the literature.

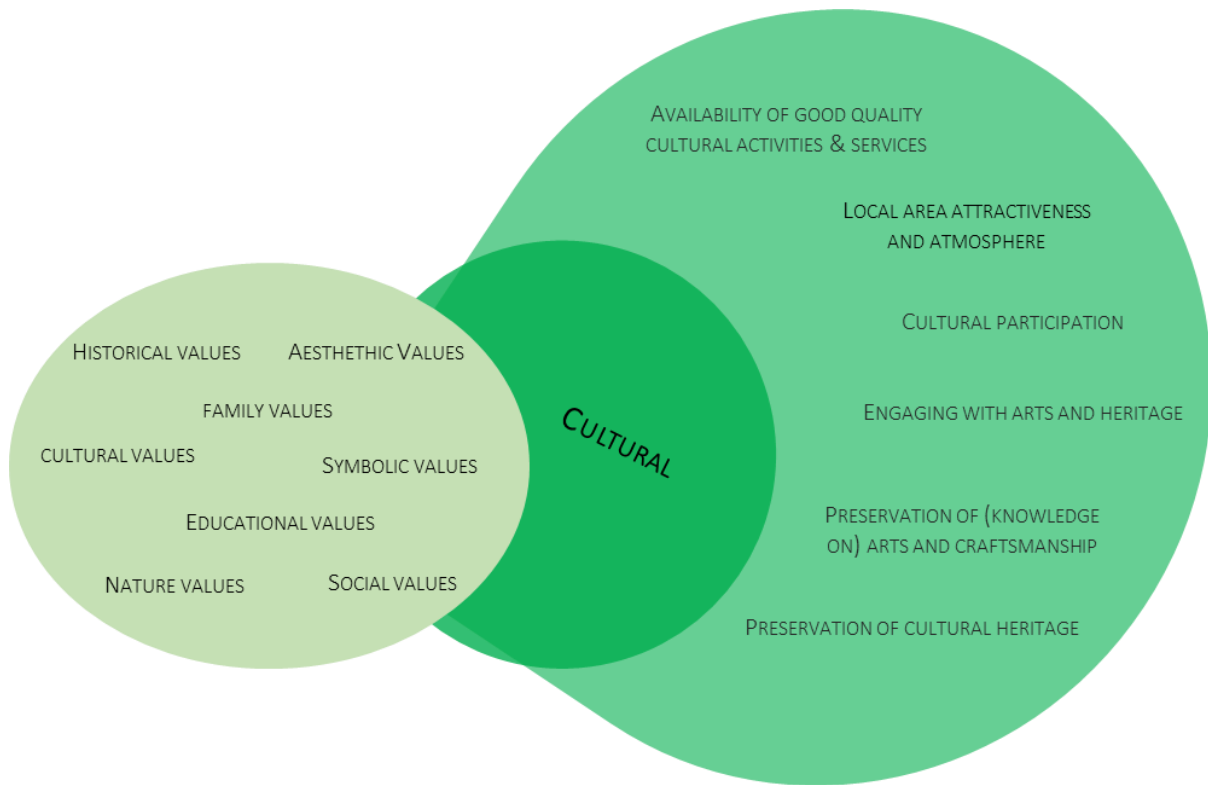
Figure 12: *Situating the socio-economic contributions in the core values and contributions’ framework for family-owned heritage houses*



Source: IDEA Consult

<sup>73</sup> See <https://historicengland.org.uk/whats-new/news/enthusiasm-for-heritage-surges/>

### 4.3.1 Cultural contributions



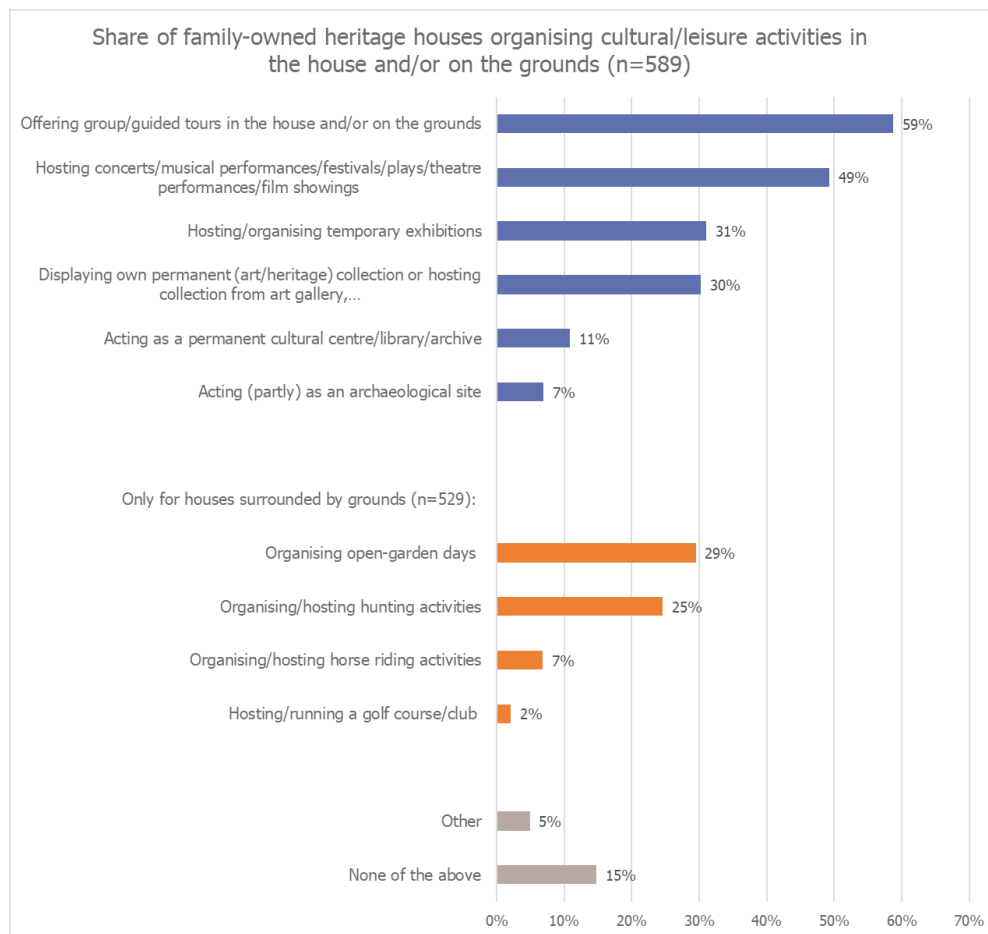
#### 4.3.1.1 Availability of good quality cultural activities & services.

Family-owned heritage houses provide cultural (and leisure) activities in their house and/or on their grounds. Figure 13 below gives an overview of the cultural and leisure activities that are organised by family-owners of heritage houses that took part in the online survey and that indicated to use their house as a business resource (in combination with the use as a family dwelling or solely as a business resource).<sup>74</sup> We see that **offering group or guided tours in the house is the most frequently organised cultural activity** (by 59% of survey respondents), **followed by the hosting of concerts/musical performances/festivals/plays/theatre performances/film showings, which are organised by nearly half of the family-owned heritage houses** in the survey. In one out of three houses in the survey that are (partly) used as a business resource, family-owners hosted either temporary or permanent exhibitions. For those houses in the survey that are surrounded by grounds, organising open-garden days is the most popular cultural/leisure activity, undertaken by 29% of family-owners. One in four of the houses with grounds, organise or host hunting activities. In the category "other", family-owners indicated to organise other types of (outdoor) sports or leisure activities (tennis, paddle, bicycle tours, cooking classes, water sports, marathon, ...) as well as to host or organise outdoor fairs (Christmas markets, garden markets, ...). Finally, in 15% of the houses in the survey,<sup>75</sup> no cultural or leisure activities are organised.

<sup>74</sup> 59% of the online survey respondents use their house as a business resource: 52% of the respondents use the house as a family dwelling in combination with the use as a business resource; 7% use the house solely as a business resource.

<sup>75</sup> that are used as a business resource, whether or not in combination with the use as a family dwelling

Figure 13: Cultural/leisure activities organised by family-owned heritage houses (a) (b)



(a) Survey question: "Which of the following cultural or leisure activities do you organise in the house (on a regular or irregular basis)? Multiple answers possible".

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

When comparing the cultural/leisure activities hosted by those houses that are used solely as a business resource (n=70), versus the houses that are used as a family-dwelling in combination with the use as a business resource (n=519), we observe that relatively more houses are used solely as a business resource, focusing on hosting guided tours, concerts/theatre/plays... temporary exhibitions or permanent exhibitions or use it as a cultural centre/library/archive, whereas a higher share of houses that are also used as a family dwelling, concentrate more on activities that can be hosted/organised on the grounds surrounding the house such as open-garden days and hunting. However, we also notice that the houses that are used solely as a business resource, organise relatively fewer cultural activities in the house/on the grounds: only 14% of the houses that are also used as a family dwelling do not organise any cultural activities; this is the case for 23% of the houses that are used solely as a business resource.

**Villa Reale di Marlia** in Italy is a nice **illustrative practice** of the exceptional role family-owned heritage houses can play in organising unique cultural events (see illustrative practice below and illustrative practices report). Moreover, Villa Reale di Marlia has also strongly **focussed on partnerships** to bring these cultural events to life, through collaborations with artists and several (local) creative associations as well as the local municipality. Together they organise both bigger and smaller events, stimulating and celebrating creativity. One exemplary event is the cultural art festival "Le Rinascenze" (2018, 2019, 2020), which is co-organised by Kreativa, an association that promotes various artistic disciplines. This event offers theatrical performances, live concerts, photographic

exhibitions, art workshops for adults and children, exhibitions, etc. During two days, local and international artists and visitors can interact and dwell freely in the park. Another nice example is the organisation of painting classes every Thursday in June and July (2019), in the gardens surrounding the house, under the guidance of Federica, a local painter, graduated from the academy of fine arts in Florence.

### Illustrative practice: Villa Reale di Marlia, celebration of creativity in a historical setting



#### New Owner

**Country:** Italy

#### Highlights:

- ✓ Restoration as a source of knowledge, delivering new insights in the evolution of building and decorating over time.
- ✓ Celebrating and stimulating creativity through collaboration in organising events and activities on-site.
- ✓ Villa Reale di Marlia collaborates closely with artists and several (local) creative associations and the local municipality.

#### Activities:

- ✓ **Cultural / Leisure:** Art events and a range of activities, such as theatrical performances, live concerts, photographic exhibitions, art workshops for adults and children, exhibitions and guided tours, are offered to visitors.
- ✓ **Commercial:** The estate hosts private and business events.
- ✓ **Partnerships:** The estate works with creative and cultural associations such as KREATIVA. The estate is also an active member of heritage preservation associations, such as Grandi Giardini Italiani, Associazione Ville e palazzi Lucchesi and Associazione Dimore Storiche Italiane.

#### Dimensions of contribution:



*Read all details on Villa Reale di Marlia in the illustrative practices report*

Legend: see Figure 5 on page 28

#### 4.3.1.2 Cultural participation

Through the organisation of cultural activities family-owners of heritage houses enable European citizens to participate in cultural events. Existing statistics on cultural participation of Europeans include the Special Eurobarometer on Cultural Heritage (2017), which shows that on average 31% from Europeans regularly visits sites or goes to events such as monuments, museums, festivals, concerts, etc. Moreover, respondents to the Eurobarometer survey who say they live close to some form of cultural heritage are

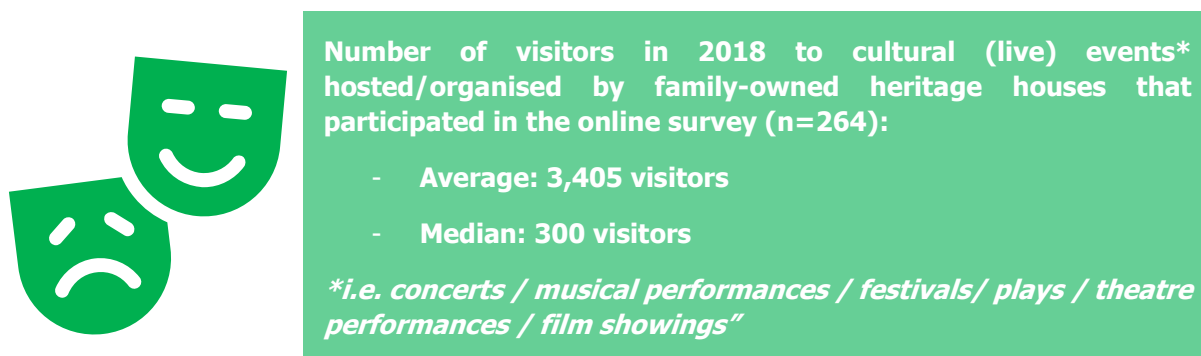
much more likely to be involved in cultural heritage, compared to those who say they do not (59% vs. 29%).

Figure 14 and Figure 15 give an overview of the participation to cultural (live) events hosted or organised at family-owned heritage houses in the online survey, which were (partly) used as a business resource<sup>76</sup>. As can be seen in these figures, there is a wide diversity in visitor numbers to cultural events in family-owned heritage houses: more than half (52%) of family-owned heritage houses welcomed between 1 and 500 visitors to cultural events in 2018, another 27% welcomed between 501 and 1,000 visitors, whereas 15% welcomed between 2,501 and 10,000 visitors. Only 6% of respondents to our survey reported having welcomed more than 10,000 visitors to cultural events last year. This large spread in visitor numbers also explains the rather wide gap between the average and median visitor numbers displayed in Figure 14.

Looking in more detail at the differences in cultural participation between different types of family-owned heritage houses, we observe the following – based on the median results in the online survey:

- **Location.** Family-owned heritage houses located in a city centre accommodated relatively more visitors to cultural live events than those located in a village/small town or the countryside: houses in city centres hosted a median number of 750 visitors to cultural events last year, compared to 300 visitors for houses located in a village/small town or the countryside.
- **Size of the house.** Larger family-owned heritage houses accommodated more visitors to cultural events last year: whereas houses with floor areas between 201- 2,500 m<sup>2</sup> hosted 300 visitors last year, houses with floor areas ranging between 2,501 -5,000 m<sup>2</sup> or more than 5,000 m<sup>2</sup> hosted respectively 750 and 1,750 visitors last year (median number of visitors).
- **Land area.** Houses with larger grounds also host more visitors to cultural events: whereas houses with grounds covering less than 50 ha hosted 300 visitors in the median, heritage houses with grounds covering more than 1,000 ha hosted 750 visitors.
- **Type of use.** Houses which are used solely as a business resource hosted 1,250 visitors (median number), compared to 300 visitors for cultural events hosted by houses that are used both as a business resource and as a family-dwelling.

Figure 14: Cultural participation in family-owned heritage houses (a) (b)



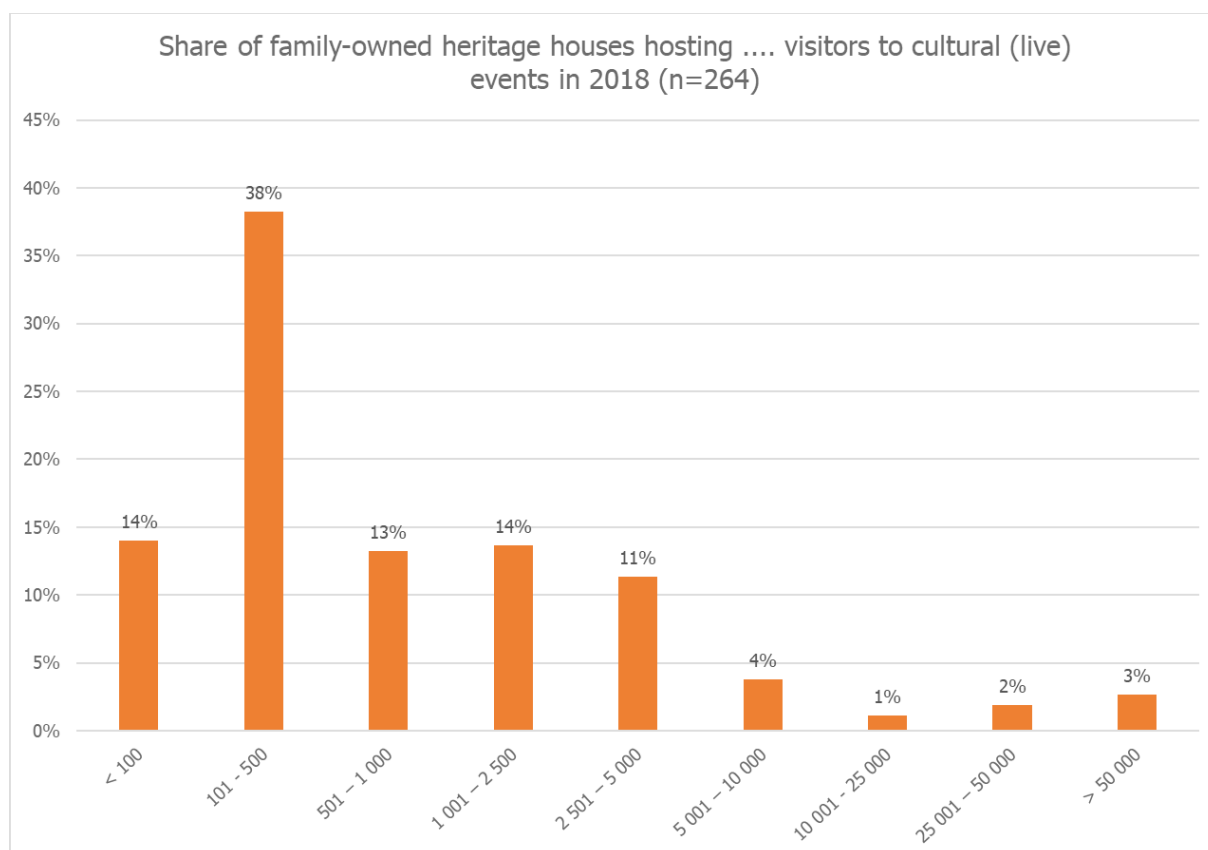
(a) Survey Question: "Could you estimate how many people attended the cultural (live) events\* you hosted at the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)?\* i.e.concerts/musical performances/festivals/plays/theatre performances/film showings".

(b) Question asked to family-owners who had indicated (1) to use the house as a business resource and (2) to organise these cultural (live) events.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

<sup>76</sup> i.e. in combination with the use as a family dwelling or solely as a business resource. In the online survey, 59% of the respondents use their house as a business resource: 52% of online survey respondents use the house as a family dwelling in combination with the use as a business resource; 7% use the house solely as a business resource.

Figure 15: Visitor numbers to cultural (live) events in 2018 hosted by family-owned heritage houses (n=264) (a) (b)



(a) Survey question: "Could you estimate how many people attended the cultural (live) events\* you hosted at the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)? \*i.e. concerts/musical performances/festivals/plays/theatre performances/film showings"

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource) and that indicated to organise or host cultural (live) events.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

#### 4.3.1.3 Engaging with arts and heritage

Engaging with arts and heritage supposes a more intense/deep involvement in these cultural activities that goes beyond participation, such as taking a membership, donating to a heritage house. Existing evidence regarding the intensity of this engagement is presented in e.g. a survey by Historic England in 2015,<sup>77</sup> which showed that nearly four out of ten (38%) of respondents have taken action to protect a local building or place from damaging change, or from becoming derelict or disused (via petition, joining membership group, fundraising/donating, etc.).

As conservators of heritage, heritage house owners directly engage with arts and heritage. But numerous heritage house owners go beyond their role of heritage conservators and engage with the arts also in other ways. The heritage house **Zámek Žďár from the Czech Republic** is a nice **illustrative practice** of how family-owned heritage houses can engage with culture: the house works with artists in residence, i.e. young emerging artists, in dance, music, writing, painting and photography. The purpose of the residence programme is not to have the artists produce a work of art for Zámek Žďár, but for them to find inspiration and a new energy thanks to the genius of the place and the

<sup>77</sup> Historic England, 2015, "Enthusiasm for heritage surges", see: <https://historicengland.org.uk/whats-new/news/enthusiasm-for-heritage-surges/>. Based on a poll of more than 5.000 adults in England.

exchange with other young artists. Around 10 to 20 artists per year reside at Zámek Žďár. Additionally, the estate cooperates with other cultural museums and organisations to offer complete visitor experiences and it also exhibits artefacts which come from the Czech national collections and are on loan in Žďár. Finally, Zámek Žďár also set up a set of series of social and educational activities through, amongst others, the hosting of a school.

### Illustrative practice: Zámek Žďár: A historical place managed in a contemporary and interactive way



#### Generational Owner (following restitution)

**Country:** Czech Republic

#### Highlights:

- ✓ Restitution
- ✓ Cultural and social value creation: artists – in residence programme & hosting a school

#### Activities:

- ✓ **Educational and community-building:** Zámek Žďár hosts a school inside its estate buildings and hosts numerous school visits. Teachers can also use the on-site museum as a 'motivation class' for teaching different subjects.
- ✓ **Cultural / Leisure:** Zámek Žďár works with artists in residence and established the "New Generation Museum" on its premises, which gives exposure to Czech craftsmanship, art and architecture by using new technologies and creative digital installations. Diverse visitor programs are organised, including expositions, workshops, outdoor trails and events as well as monthly events such as open garden days or a circus festival.
- ✓ **Commercial:** The estate also hosts business events and seminars.
- ✓ **Partnerships:** The estate cooperates with other cultural museums and organisations in order to offer comprehensive visitor packages.

#### Dimensions of contribution:



*Read all details on Zámek Žďár in the illustrative practices report*

Legend: see Figure 5 on page 28

#### 4.3.1.4 Preservation of cultural heritage – local area attractiveness and atmosphere – preservation of (knowledge on) arts and craftsmanship

Finally, family-owned heritage houses are a part of cultural heritage and culture itself, hence, as stated in the CHCfE report (2015, p75), "any intervention in their resources is directly reflected in culture". In this context, the **conservation of family-owned heritage houses, leading to their preservation, is already a cultural effect in itself**. In turn, the conservation and preservation of family-owned heritage houses leads to a **local area attractiveness and atmosphere**. This is illustrated in the literature via, amongst others, a study by the Heritage Lottery Fund (2015, UK), which shows that even people who have not visited any of the heritage sites that were being surveyed in the study, agreed

that their area’s heritage sites have made it a better place to live, where four types of local benefits were identified: heritage (a) supports local economies; (b) makes local areas more attractive; (c) encourages local pride and (d) increases social cohesion. Lastly, the engagement with arts and crafts which are used in the process of maintenance and conservation of heritage houses, contributes to **the safeguarding of (the knowledge on) these arts and crafts.**

We illustrate the contribution of family-owned heritage houses to the preservation of cultural heritage via the **illustrative practice** of **Château de Linières** in France (see below), where new family-owners have set up an ambitious cultural project with the active engagement of the local community. Through crowdfunding campaigns, the new owners managed to raise the financial means for step by step renovations and for setting up cultural initiatives, resulting in the preservation of their heritage house.

**Illustrative practice: Château de Linières: An ambitious artistic project**



**New Owner**

**Country:** France

**Highlights:**

- ✓ Cultural value creation & community building
- ✓ Potential of Crowdfunding

**Activities:**

- ✓ **Cultural:** Organising cultural events such as operas.
- ✓ **Community-building:** Organising a ‘meet and greet’ with local community.
- ✓ **Partnerships:** The project is supported by cultural institutions such as: Angers-Nantes Opera, the Geneva Opera, the DRAC and La Pays de la Loire region for the renovation works, but also by local artists and artisans as well as by the inhabitants who offered to host artists.

**Dimensions of contribution:**

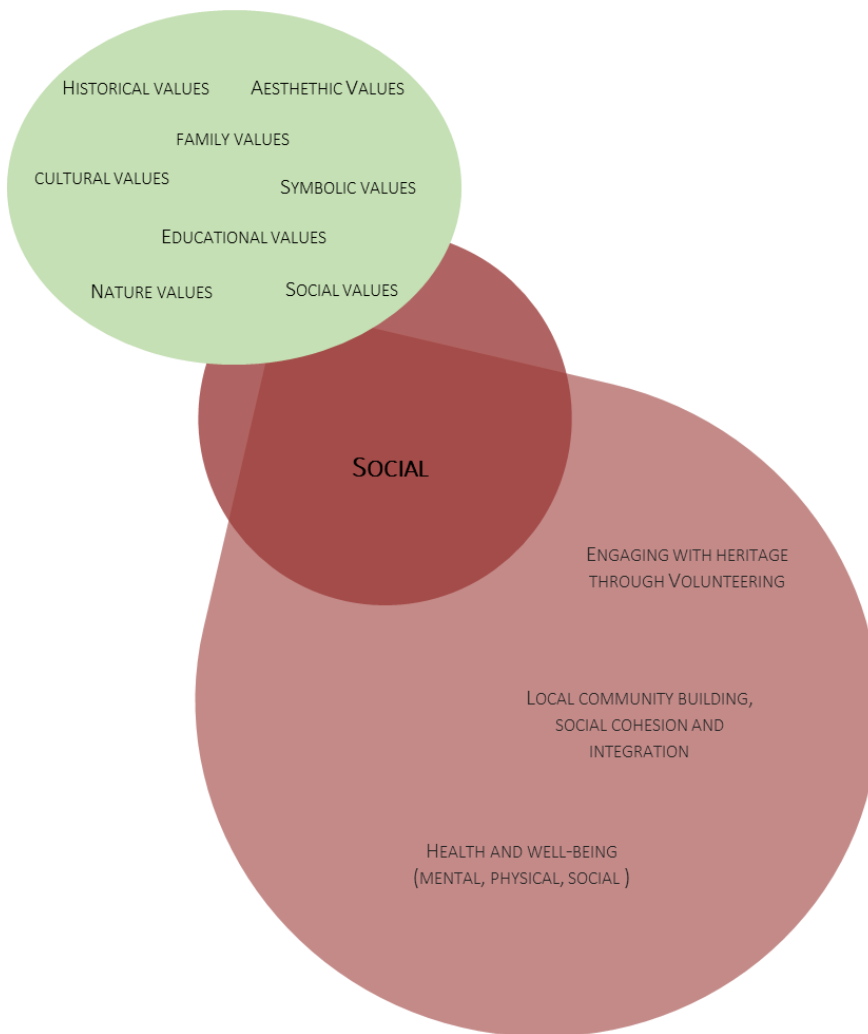


*Read all details on Château de Linières in the illustrative practices report*

Legend: see Figure 5 on page 28



### 4.3.2 Social contributions



The social impact of family-owned heritage houses reflects their contribution to fostering or improving social capital. The OECD (2001) defines social capital as “*networks together with shared norms, values and understandings that facilitate cooperation within or among groups*”.<sup>78</sup> As described in the CHCfE report, quoting Nash (2002), a community that is characterized by strong social capital, will have an increased sense of social and personal responsibility and display the tendency to respect social values. According to Murzyn-Kupisz and Działek (2013) tangible cultural heritage can contribute to building and enhancing social capital through the following dynamics, which are also applicable to family-owned heritage houses that are open to the public or that organise activities for their local communities<sup>79</sup>:

- Bonding within local community/bridging with others.
- Historic public spaces as spaces of leisure and encounters providing possibilities to meet, socialize and spend leisure time. Heritage sites as community hubs providing bonding and bridging opportunities between different age groups, long time and new residents, different ethnic and religious groups; acting as venues for encounters and discussion of community issues.
- The importance of heritage in attracting new residents who may bring new dynamism to the local community.
- **Social integration.** Heritage sites and heritage-oriented activities communicating important messages of social inclusion.
- **Common actions.** Heritage as the reason for cooperation and integration towards a certain common aim: common actions of both informal (protest groups) and formal character, such as volunteering at heritage sites.

<sup>78</sup> OECD, 2001, “The Well-Being of Nations: The Role of Human and Social Capital”, p.41

<sup>79</sup> Murzyn-Kupisz M. and J. Działek; 2013, “Cultural heritage in building and enhancing social capital”, in Journal of Cultural Heritage Management and Sustainable Development, Vol. 3 No. 1, 2013, p.47

#### 4.3.2.1 Local community building, social cohesion and integration.

##### 4.3.2.1.1 Activities by family-owners of heritage houses, driving social effects.

The social effects from family-owned heritage houses stem mainly from the cultural, leisure, community and educational activities they undertake, involving local communities, volunteers, school children, local associations, ... Even the activities related to the preservation and conservation of the house, result in social contributions, in the sense that also volunteers or local communities can be involved in these activities. Moreover, family-owners have an important role as a driver of these social effects, linked to their position in and interaction with the local community. This also relates to the core family and social values (see section 4.2 on core values) that are central to the potential realisation of social contribution. In what follows, we will focus on those specific activities that are oriented towards community building, such as the collaboration with local associations, the hosting of local community or charity events and the organisation of participatory activities with the local community.

The online survey results indicate that **more than 4 out of 10 heritage houses, (partly) used as a business resource<sup>80</sup>, collaborate with local associations or societies** (see Figure 16). This is the community building activity that is organised by most heritage houses, followed by the hosting of local community events by 39% of houses. Finally, the hosting of charity events and the organisation of participatory activities with the local community are activities undertaken by respectively 30% and 22% of family-owned heritage houses, (partly) used as a business resource. 22% of the heritage house owners in the survey, that use their house (partly) as a business resource, specified that no community (or educational or environmental)<sup>81</sup> activities were organised in the house and/or on the grounds on a regular or irregular basis.<sup>82</sup>

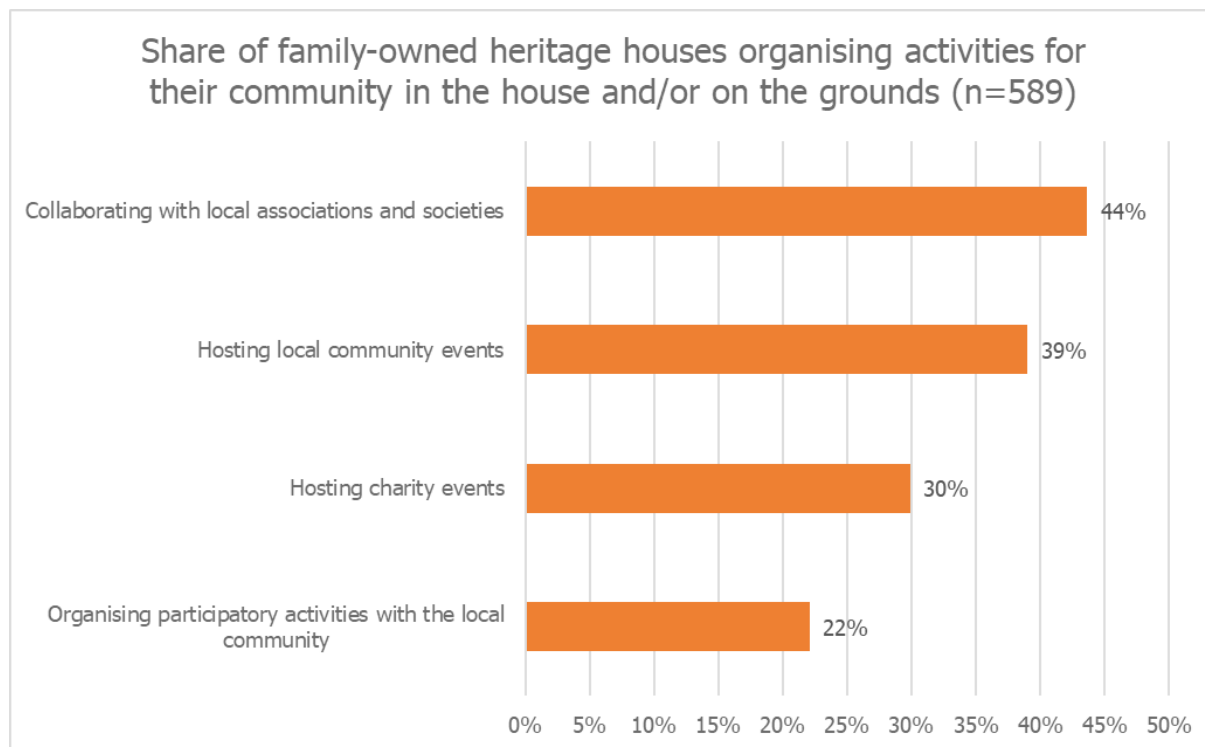
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<sup>80</sup> i.e. The use of the house as a business resource; whether or not in combination with the use as a family dwelling. In the online survey, 59% of the respondents use their house as a business resource: 52% of the respondents use the house as a family dwelling and as a business resource; 7% use the house solely as a business resource. Source: Online Survey Family-Owned Heritage Houses.

<sup>81</sup> The survey question on community activities was combined with the question on educational/research and environmental activities, see ANNEXESA.4 /.

<sup>82</sup> 24% of houses only used as a business resource (n=71), does not organise any educational/community/environmental activities compared to 21% of houses used as family dwelling and as business resource (n=518).

Figure 16: Community building activities organised or hosted by family-owned heritage houses (a) (b)



(a) Survey question: "Which of the following community activities do you organise in the house and/or on the grounds (on a regular or irregular basis)?" Multiple answers possible

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

Slightly more houses used as a family-dwelling *and* as a business resource collaborated with local associations and societies (44%; n=518), compared to those houses used solely as a business resource (39%; n=71). On the other hand, relatively more houses used only as a business resource hosted local community events (46%) or participatory activities with the local community (25%) than houses used also as a family dwelling (38% of those houses hosted local community events, 22% hosted participatory activities with local communities).

Additionally, we also asked survey respondents whether they could give **examples of community building activities where they engaged successfully with their local community**. The most cited answer (by 57% of family-owners<sup>83</sup>) can be grouped under the common denominator "use of the estate by local communities for events / hosting events for the local community" such as e.g. (Christmas)concerts, exhibitions, fairs, Easter egg hunts, botanical treasure hunts, charity open days for local charities, book presentations, choir repetitions, church / religious services / festivities, concerts by local bands, events for the local music associations, literature lectures/festivals, evening markets, guided tours for local communities, pic-nicks for/by the local community, artisanal markets, hosting village playground, etc. (see also Figure 17).

<sup>83</sup> i.e. by those family-owners that indicated in the online survey to use the house as a business resource (whether or not in combination with the use as a family dwelling) and to organise community-building activities in the house and/or on the grounds.

Figure 17: Examples of community building activities by family-owned heritage houses



Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

Finally, the **Castle of Merode Westerlo** in Belgium offers a good insight into **the power organising participatory activities with the local community**. More specifically, the castle organises "Historalia", historic musicals conceived as magical spectacles in a historic decor, with more than 100 local volunteers involved in the events. For more info, see the box below and the illustrative practices report.

## Illustrative practice: Castle de Merode Westerlo: Where magic happens (to be a revenue)



### Generational owner

**Country:** Belgium

### Highlights:

- ✓ Cultural & economic value creation through the organisation of "Historalia"
- ✓ Importance of community building

### Activities:

- ✓ **Cultural and commercial:** The organisation of "Historalia", historical musicals around the Castle that are rooted in local history and conceived as magical spectacles in a historic decor. Writers, choreographers, composers, dancers, musicians and actors are all involved in the creative and production process. The concept is already being extended to other family-owned heritage houses in the region.
- ✓ **Community-building:**
  - More than 100 local volunteers are involved in the Historalia.
  - The association 'friends of the castle' contributes actively to the maintenance of the castle.

### Dimensions of contribution:



*Read all details on Castle de Merode Westerlo in the illustrative practices report*

Legend: see Figure 5 on page 28

### 4.3.2.1.2 Contribution of family-owned heritage in local community building, social cohesion and integration.

Evidence of the positive contribution of heritage on community building and social cohesion can be found in several research reports, amongst others, in a report by the Council of Europe,<sup>84</sup> which finds that in countries with high cultural participation rates,<sup>85</sup> people tend to be more tolerant and show higher levels of interpersonal trust among the population. A study by the UK Heritage Lottery Fund (2015) further substantiates the positive effects of cultural heritage on local community building: the study found that one of the local benefits of heritage is its ability to contribute to local social cohesion by fostering understanding between different groups of residents and unifying them around a shared history. Indeed, family-owned heritage houses, especially those situated in the countryside, can be a

<sup>84</sup> Council of Europe, 2016, "CULTURAL PARTICIPATION AND INCLUSIVE SOCIETIES: A thematic report based on the Indicator Framework on Culture and Democracy"

<sup>85</sup> Including volunteering but also visiting a historical site.

unique location for the local community to meet (see also above); even more, local communities often have a sense of ownership of the heritage houses: they feel the house's history is their history too.

#### 4.3.2.2 Engaging with heritage through volunteering

Existing data from the Special Eurobarometer on Cultural Heritage (2017) documents the engagement of Europeans with cultural heritage and the heterogeneity of this engagement across Europe: on average, 5% of Europeans does voluntary work for an organisation active in the field of Cultural Heritage. The literature further describes and substantiates the **positive effects of volunteering in heritage on wellbeing**. A recent reference in this field can be found in a UK study by the What Works Centre for Wellbeing (2017)<sup>86</sup> which shows that undertaking heritage-related activities,<sup>87</sup> such as volunteering to help care for the environment or visiting heritage sites, is associated with a lower wellbeing inequality; implying that engaging with heritage can contribute to reducing the wellbeing gap between people.

As we can see in Figure 18, the results from the **online survey** show that **one in three of family-owned heritage houses in the survey, that are (partly) used as a business resource,<sup>88</sup> works with volunteers in the house and/or on the grounds**. Relatively more houses located in the countryside and a village / small town work with volunteers compared to houses located in city centres.<sup>89</sup> The share of new owners (owning the house less than 25 years) indicating to work with volunteers, is also higher in comparison to family-owners owning the house for more than 25 years.<sup>90</sup> Finally, the type of use<sup>91</sup> of the house also affects the involvement of volunteers: whereas 35% of heritage houses that are used as a family dwelling (and as a business resource) involve volunteers, this is the case for 23% of the houses that are used solely as a business resource. Crosstabulation of the online survey data did not reveal a link between the size of the house or the area of the land surrounding the house and the involvement of volunteers in the house or on the grounds.

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<sup>86</sup> What Works Centre for Wellbeing, 2017, "Drivers of wellbeing inequality: Inequality in Life Satisfaction across Local Authorities in Great Britain".

<sup>87</sup> The heritage indices that are used are the "RSA/HLF Heritage indices, which are defined as: *Assets Index (including listed buildings, monuments, museums, canals, parks and local nature reserves) and Activities Index (including rates of volunteering to help care for the environment, community groups and visits by the public to heritage) separately*.

<sup>88</sup> i.e. owners use the house (1) as a business resource in combination with the use as a family dwelling or (2) solely as a business resource. In the online survey, 59% of the respondents use their house as a business resource: 52% of the respondents use the house as a family dwelling and as a business resource; 7% use the house solely as a business resource.

<sup>89</sup> Share of family-owned heritage houses, used as a business resource, working with volunteers in the house and/or on the grounds: 34% of houses located in the countryside (n=298), 36% of houses located in village/small town (n=195), 26% of houses located in a city center (n=65). Source: Online Survey Family-Owned Heritage Houses.

<sup>90</sup> Share of family-owned heritage houses, used as a business resource, working with volunteers in the house and/or on the grounds: 40% of houses owned for less than 25 years by the family (n=124); 33% of houses owned between 26-75 years by the family (n=80); 32% of houses owned for more than 75 years by the family (n=354). Source: Online Survey Family-Owned Heritage Houses.

<sup>91</sup> Type of use of the house: (a) as a family dwelling and business resource versus (b) solely as a business resource.

Figure 18: Volunteering in family-owned heritage houses (a) (b) (c)



- 34% of family-owned heritage houses, (partly) used as a business resource, has volunteers working in the house and/or on the grounds (n=558)
- Number of volunteer days per family-owned heritage house, in 2018 (total number of days from all volunteers together) (n=185):
  - Average: 114 volunteer days
  - Median: 40 volunteer days

(a) Survey question: "Do you have any volunteers working in the house and/or on the grounds?" "Could you estimate how many volunteer days\* (i.e. the total number of days from all volunteers together) you had in 2018 (or in 2017 if data for 2018 is not yet available)?\* whole number"

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource)

(c) (partly) used as a business resource means: (1) used as a business resource in combination with the use as a family dwelling or (2) solely as a business resource.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

**The median number of volunteer days in 2018 in a European family-owned heritage house, that took part in the online survey,<sup>92</sup> was 40 volunteer days, the average number of days in 2018 was 114 days. This shows that there is wide variety in the number of days reported in the online survey, as can also be seen in Figure 19:**

- on the one hand, more than 6 out of 10 heritage house owners reported to have involved volunteers for less than 50 days last year– this accounted for 11% of all volunteer days reported in the survey;
- on the other hand, only 12% of heritage house owners had volunteers working in the house or on the grounds for more than 250 days last year – however, this accounted for more than half of all the volunteer days reported by the survey respondents.

The online survey results also show that family-owners owning the house for more than 25 years reported a higher (median) number of volunteer days last year in comparison to new family-owners: 25+ year-owners worked with volunteers for 40 to 50<sup>93</sup> days last year compared to 30 days for new<sup>94</sup> family-owners. Thus, whereas a higher share of new owners in the online survey work with volunteers, they involve them for fewer days per year (in 2018) in comparison to 25+ year owners. Larger houses (with floor areas up till 5,000 m<sup>2</sup>) also worked more days with volunteers than smaller houses, though this statement does not hold true for the largest houses (floor area > 5,000 m<sup>2</sup>)<sup>95</sup>. Finally, crosstabulation of the land area of the grounds surrounding the house with the number of volunteer days does not show a link between these two variables.<sup>96</sup>

<sup>92</sup> i.e. in those family-owned heritage houses that took part in the online survey, that are used as a business resource (in combination with the use as a family-dwelling or solely as a business resource) and where volunteers are working in the house and/or on the grounds.

<sup>93</sup> Median number. Houses owned for 26-75 years by the family reported 50 volunteer days in 2018 in the median (n=25); houses owned for more than 75 years by the family reported 40 volunteer days in 2018 in the median (n=112).

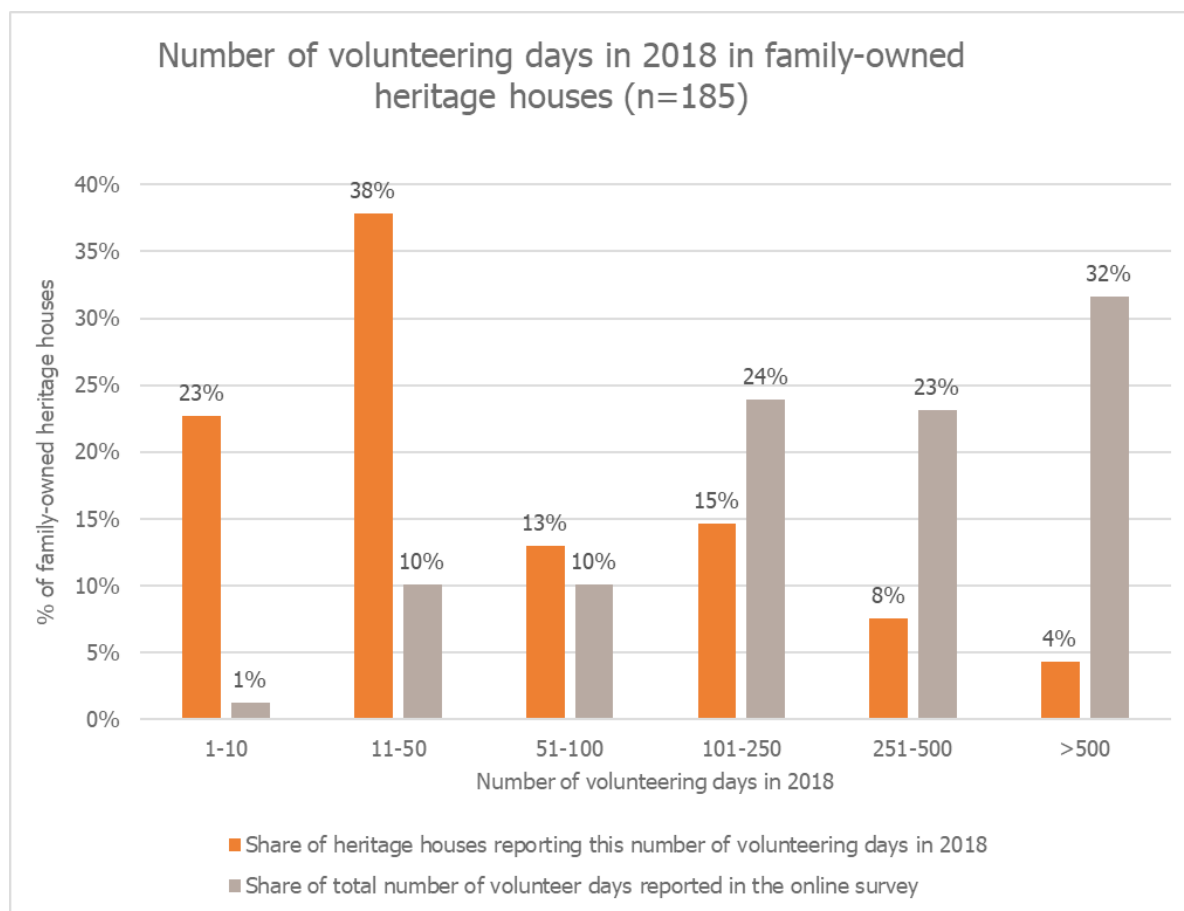
<sup>94</sup> i.e. owning the house for less than 25 years (n=48).

<sup>95</sup> Online survey data on the number of volunteer day for houses with floor areas:

- 201 – 500 m<sup>2</sup>: 33 (n=32)
- 500 – 2 500 m<sup>2</sup>: 30 (n =88)
- 2500 – 5000 m<sup>2</sup>: 100 (n=31)
- > 5000 m<sup>2</sup>: 48 (n=29).

<sup>96</sup> Lastly, we also cross-tabulated: (a) the type of use of the house (family-dwelling + business resource vs. only business resource), but the number of respondents in the subgroup that only uses the house as a business resource is too small (n=15)

Figure 19: Volunteering days in 2018 in family-owned heritage houses (a) (b)



(a) Survey question: "Could you estimate how many volunteer days\*(i.e. the total number of days from all volunteers together) you had in 2018 (or in 2017 if data for 2018 is not yet available)?\* whole number"

(b) Question only asked to family-owners of heritage houses that indicated (1) to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource) and (2) to have volunteers working in the house and/or on the grounds

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

An illustration of the power of volunteering can be found in the **Château de Septème** in France, a castle that has been owned by the same family for 250 years (see illustrative practice below and illustrative practices report). As many other family-owners, the castle owners face the challenge of self-financing the maintenance of the house while also investing in new activities to ensure its sustainability. The local community support the owners in their endeavours through "The Friends of the Castle Association", which was formed in 2018. The association contributes to the realisation of conservation and renovation works as well as the protection and accessibility of the castle garden and ramparts. The association unites 80 local volunteers, involved in maintenance projects and public activities on-site. Members of the association also contribute to the estate through financial donations.

to draw conclusions on this; (b) the location of the house (city centre, village/small town, countryside) but the number of respondents in the subgroup located in a city centre (n=16) is too small to draw conclusions on this. The comparison between houses located in villages / small towns (n=68) versus those located in the countryside (n=101) shows that house-owners in the countryside reported more volunteer days last year (48 days in the median) than house-owners in a village/small town (36 days).



## Illustrative practice: Château de Septème – a project supported by the local community



### Generational Owner

**Country:** France

### Highlights:

- ✓ The power of community building
- ✓ The challenges of maintaining and investing in the heritage house
- ✓ Partnerships and diverse communication channels as valuable tools to reach the market

### Activities:

- ✓ **Community-building:** Locals are involved in maintenance projects and public activities on-site, through the Friends of the Castle Association (2018).
- ✓ **Cultural / Leisure:** guided tours and family events on-site, such as a large fireworks, medieval meals, medieval weekends, theatrical visits and other workshops.
- ✓ **Commercial:** The estate also hosts private and business events.
- ✓ **Partnerships:** partnerships with the Vienne Tourist Board and the Departmental Tourism Committee to reach the market.

### Dimensions of contribution:



*Read all details on Château de Septème in the illustrative practices report*

Legend: see Figure 5 on page 28

### 4.3.2.3 Contribution of family-owned heritage to health and wellbeing

Finally, there is a body of evidence in the literature on the health- and wellbeing effects of cultural heritage, amongst others:

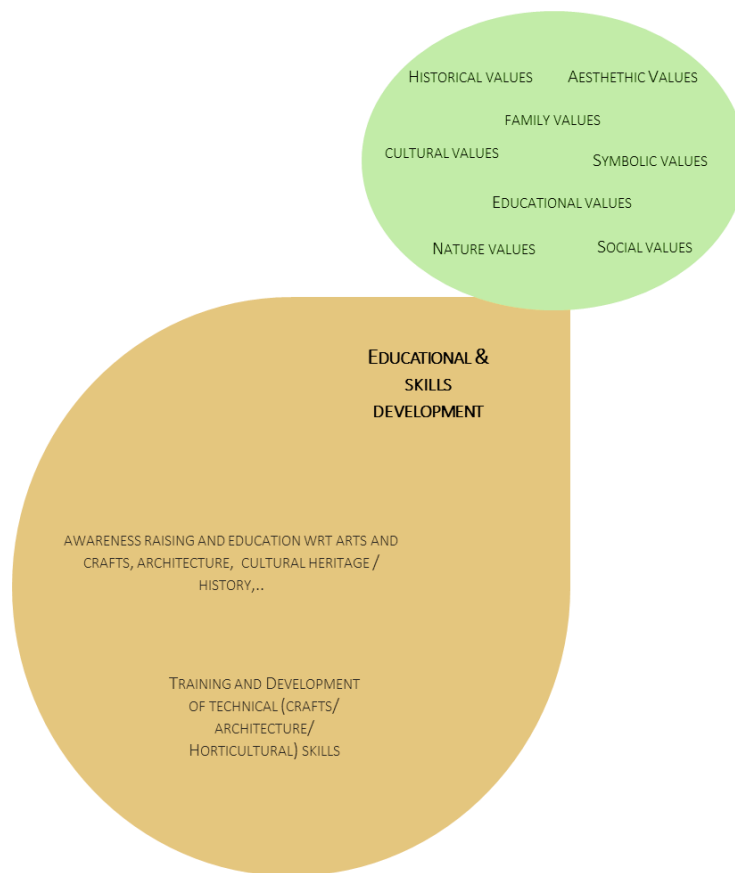
- The Special Eurobarometer on Cultural Heritage (2017) concluded that more than seven in ten agree that living close to places related to Europe's cultural heritage can improve people's quality of life. Similarly, a report by the UK Heritage Lottery Fund (2015)<sup>97</sup> shows that 93% of residents say that local heritage has an impact on their quality of life.

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<sup>97</sup> Heritage Lottery Fund, 2015, "20 years in 12 places". Research on the heritage sites and projects HLF has supported over the last 20 years. The heritage sites that were studied include mainly built heritage and parks

- A UK survey by the DCMS (2015)<sup>98</sup> finds that visits to heritage sites are a predictor of higher life satisfaction and happiness and lower anxiety. Another UK survey, by NatCen<sup>99</sup> (2018), shows that people who hadn't visited a heritage site<sup>100</sup> in the previous year reported poorer physical, mental and general health as well as lower life satisfaction and lower self-efficacy. Similar research based on a survey of young people (10-15-year-old) (NatCen, 2018)<sup>101</sup> confirms that young visitors to heritage sites were more likely to report high levels of happiness and self-esteem.
- With family-owned heritage houses constituting an important component of the European cultural heritage landscape researched in the above-mentioned surveys and reports, these studies indicate that the described health and wellbeing effects can also be attributed to family-owned heritage houses.

### 4.3.3 Educational contributions and contributions with regard to skills development



<sup>98</sup> DCMS, 2015, "Taking part 2015/2015, Focus On: Wellbeing - Statistical release", The survey provides a repeated cross-sectional dataset from 2005/06 to 2012/13 with a current sample size of roughly 10,000 adults per year

<sup>99</sup> NatCen, 2018, "Culture, sport and wellbeing. Findings from the Understanding Society adult Survey

<sup>100</sup> Heritage sites are defined as: A city or town with historic character; A historic building open to the public (non-religious); A historic park or garden open to the public; A place connected with industrial history (e.g. factory, dockyard or mine); A historic place of worship attended as a visitor (not to worship); A monument such as a castle, fort or ruin; A site of archaeological interest (e.g. Roman villa, ancient burial site); A site connected with sports heritage (e.g. Wimbledon).

<sup>101</sup> NatCen, 2018, "Culture, sport and wellbeing. Findings from the Understanding Society Youth Survey."

#### 4.3.3.1 Awareness raising and education w.r.t. arts and crafts, architecture, cultural heritage, history

As Maer (2008, p.10)<sup>102</sup> states “there is widespread agreement that the strongest evidence of impact of heritage on individuals is found in what might be called ‘personal development’ e.g. new skills, new experience, improved confidence, changed attitudes; education support”.<sup>103</sup> Also the ChCfE report (2015) summarizes that “getting to know cultural heritage not only builds up knowledge and skills in the field of heritage itself, but also broadens horizons and contributes to the development of skills from literacy to creativity”. However, the report also notes that the current literature lacks the hard data to confirm these statements. Reason why we choose to limit the effects in this study to awareness raising and education resulting from the educational activities that family-owned heritage houses organise.

Figure 20 gives an overview of the educational activities organised by family-owners that participated in the online survey: **4 out of 10 family-owners, that (partly) use their house as a business resource,<sup>104</sup> host school visits while more than 1 in 5 family-owners, (partly) using their house as a business resource, organises educational events or collaborates with (a) research institutes for research on different topics related to the house (architecture, heritage, history, ....) or (b) (local) schools or professional arts- and craftsmen to support skills development.**

A higher share of family-owners that uses the house as a dwelling in combination with the use as a business resource, organises educational activities in comparison to family-owners using the house only as a business resource<sup>105</sup>. For example, 40% of family-owners that combines the use of the house <sup>106</sup> hosts school visits in comparison to 35% of owners using the house only as a business resource. Also, 23% of owners with combined use of the house collaborates with local schools/professional arts- and craftsmen compared to 17% of owners who use the house only as a business resource.<sup>107</sup> 24% of houses used only as a business resource, does not organise any educational (or community or environmental)<sup>108</sup> activities compared to 21% of houses that are also used by the family as a house to live in.

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<sup>102</sup> Maer, G. (2008). “Values and benefits of heritage: a research review”.

<sup>103</sup> Referring to Burns Owens Partnership, 2005, “New Dimensions in Social Policy: Cultural Diversity for museums, libraries and archives.” Report by the Burns Owen Partnership for Museums, Libraries and Archives. London: MLA.

<sup>104</sup> i.e. (1) used as a business resource in combination with the use as a family dwelling or (2) solely as a business resource. In the online survey, 59% of the respondents use their house as a business resource: 52% of the respondents use the house as a family dwelling and as a business resource; 7% use the house solely as a business resource.

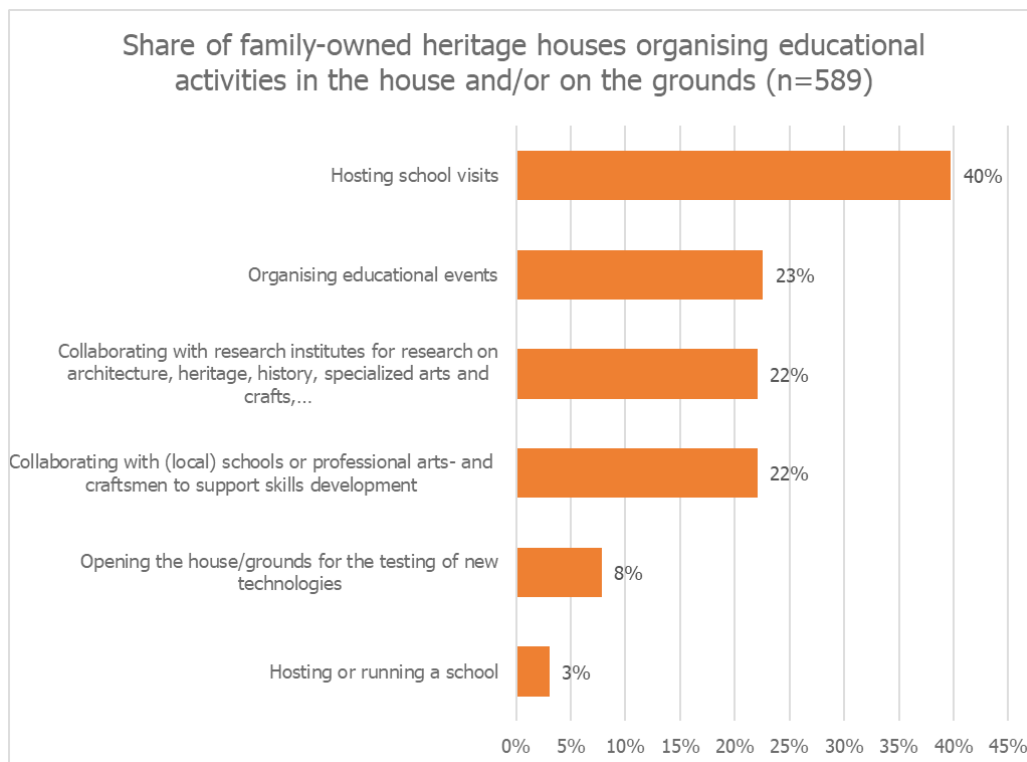
<sup>105</sup> Except for the organisation of educational events and the opening of the house/grounds for the testing of new technologies: (a) 22% of houses used as family-dwelling and business resource organise educational events compared to 25% of houses used solely as a business resource; (b) 8% of houses used as dwelling and business resource open the house/grounds for the testing of new technologies compared to 10% of houses used solely as a business resource.

<sup>106</sup> As a dwelling and business resource

<sup>107</sup> n=518 for houses used as a family dwelling and business resource; n=71 for houses used only as a business resource. Also, 22% of houses with combined use, collaborates with research institutes in comparison to 20% of houses solely used as a business resource. The share of houses hosting or running a school equals 3% for both groups.

<sup>108</sup> The survey question on community activities was combined with the question on educational/research and environmental activities, see ANNEXESA.4 /.

Figure 20: Educational activities organised or hosted by family-owned heritage houses (a) (b)



(a) Survey question: "Which of the following educational activities do you organise in the house (on a regular or irregular basis)? Multiple answers possible".

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource)

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

Despite the high share of family-owners engaged in welcoming school visitors, school visitors do make up only a small part of the total number of visitors in most of the heritage houses, as

Figure 21 illustrates. In 2018, school children constituted only 2,5% of all yearly visitors to the houses/grounds (median number); on average, this was 8%.

Figure 21: Share of school visitors in total number of visitors to the house/grounds in 2018 (a) (b)



**Share of school children in total number of visitors to the house and/or grounds (n=297):**

- **Average share: 8%**
- **Median share: 2,5%**

(a) Survey question: "Could you estimate the shares of the following types of visitors\* (school visitors) in the total number of visitors in 2018 (or in 2017 if data for 2018 is not yet available)? \* excl. visitors attending (live) events such as musical performances, festivals,..."

(b) Question only asked to family-owners of heritage houses that indicated (a) to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource) and (b) to admit visitors to the house and/or surrounding grounds (i.e. both paid and free admissions, incl. admissions for cultural/educational activities e.g. for exhibitions, open-garden days, guided tours, school visits,...)

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

#### 4.3.3.2 The training and development of technical (crafts/architecture/horticultural) skills

Some heritage house owners collaborate with schools or professional arts- and craftsmen to support skills development via e.g. apprenticeships, field studies, etc. An example of this can be found in Italy, where the Italian Association of Historic Houses "ADSI" supports crafts' skills and other skills' (such as marketing & communication skills) development through a pilot programme ("*ARSlab: Progetto alternanza scuola/lavoro*") that is supported by the Italian Ministry of Education, where university students can do internships in privately-owned heritage houses as part of their curriculum.<sup>109</sup> The mutual dependence between family-owned heritage and arts & crafts organisations/companies is also described in Greffe et. al. (2015),<sup>110</sup> where it is noted that partnerships need to be set up between private heritage and "centres de formation" in order to have a mutual reinforcement of both. In this context, the authors refer to a project in Auvergne (France) where students in cabinetmaking can work directly on furniture of a castle belonging to the centre of national monuments (castle of Aulteribe). Finally, also in Belgium, in 2019, the Belgian Association of Private Historic Houses<sup>111</sup> and the Union of Heritage Craftspeople (UAP)<sup>112</sup> set up a collaboration<sup>113</sup> where craftspeople<sup>114</sup> offer up to 40 hours of pro-bono restoration works to private owners of heritage houses that are member of the Belgian Association of Private Historic Houses.

**The EU-wide initiative "Mad'in Europe"** (see illustrative practice below) aims to promote and support the European arts-crafts community. It is a European network which selects highly qualified professional makers all over Europe and gathers them on an online portal. The initiative promotes the transmission of know-how proposed by craftsmen through internships and classes. It collaborates with regional, national & international institutions, such as Associazione Italiana Città della Ceramica, Swiss Arts Crafts Association, Fundesarte and Repreneurs d'Entreprises aux Savoir-Faire d'Excellence. Mad'in Europe actively works on education, skills training and enhancement of technical arts skills as the initiative organises workshops and trainings for professionals as well as starters throughout Europe. For family-owners of heritage houses, the Mad'in Europe initiative is especially relevant, as it can connect them to skilled craftsmen that they need for the conservation or restoration works on their house.

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<sup>109</sup> <http://www.adsi.it/arslab-progetto-alternanza-scuolalavoro/>

<sup>110</sup> Greffe, X. and S. Pflieger. 2015. "L'empreinte économique des monuments privés protégés: prospective régionale – 2030."

<sup>111</sup> Historische Woonsteden & Tuinen van België, see: <https://www.demeures-historiques.be/nl/>

<sup>112</sup> See: <http://www.uniondesartisansdupatrimoine.be/en/accueil> . The aim of the Union is to protect the knowledge accumulated over generations and defend and promote the status of Craftspeople.

<sup>113</sup> For more info on the collaboration, see: <https://www.demeures-historiques.be/nl/1120-2/>

<sup>114</sup> For 2019, the focus will be on upholsterers, decoration painters and parqueteurs.

## Illustrative practice: Mad'in Europe: Connecting know-how to people



### Initiative on arts & crafts

**Country:** EU-wide

### Highlights:

- ✓ EU-wide Crafts-community

### Activities

- ✓ **Educational:** Mad'in Europe is a European network which selects highly-qualified professional makers all over Europe and gathers them on an online portal ([www.madineurope.eu](http://www.madineurope.eu)). The initiative promotes the transmission of know-how proposed by craftsmen through internships and classes.
- ✓ **Partnerships:** The initiative collaborates with regional, national & international institutions, such as Associazione Italiana Città della Ceramica, Swiss Arts Crafts Association, Fundesarte and Repreneurs d'Entreprises aux Savoir-Faire d'Excellence.
- ✓ **Cultural:** Mad'in Europe organises awareness-raising activities through editorials, interviews and events.
- ✓ **Commercial:** The initiative supports sales through the online portal and initiatives such as organising a collective stand at fairs (e.g. Mansion d'Objects, Salon du Patrimoine). It also disseminates good practices and aims to create career opportunities within the sector by posting vacancies and calls for collaboration.

### Dimensions of contribution:



*Read all details on Mad'in Europe in the illustrative practices report*

Legend: see Figure 5 on page 28

Figure 22: Partners of family-owned heritage houses in education, research and skills development



In the online survey, we also asked respondents whether they could give examples of successful collaborations with research institutes, schools or professional arts- and craftsmen (see specific examples in Figure 23 below) to support:

- **research** on a diversity of topics linked to the house (architecture, history,...). Examples given by owners of activities that lead to successful collaborations in this domain were: setting up joint exhibitions, research on (family-) archives / house library / garden, organising conferences on the history of the house, renovations of art collections in the house, thesis students writing a thesis on the house, etc.

- **the development of skills** in the domains of arts, crafts and architecture but also in the domains of accommodation or

tourism. Examples include (a) collaborations with schools to develop pupils' skills w.r.t. restoration techniques (on house furniture, paintings, house exterior, etc.), tourism (improving e.g. guided tours), technical model building, etc; (b) teaching courses on specific arts- and crafts techniques; (c) collaborations with local craftsmen.

- **the testing of new technologies.** Examples given by owners refer to the digitisation of art collections and archives as well as the testing of specific restoration techniques.

Figure 23: Examples given by family-owners of heritage houses on collaborations with schools, professional arts- and craftsmen and research institutes (a) (b)



Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

(a) Survey question: "During the survey, you have indicated that you collaborate with schools, professional arts- and craftsmen or research institutes: could you give examples of activities where you have successfully engaged with these partners?"

(b) Question only asked to family-owners of heritage houses that indicated (a) to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource) and (b) to collaborate with schools, professional arts- and craftsmen or research institutes or to open their house for the testing of new technologies.



**Petre P. Carp Manor in Romania** (see **illustrative practice** below) illustrates the potential of family-owned heritage houses in the domains of education and skills development. The manor, dating back to 1646, underwent the historical turbulences of the last century in Eastern Europe, as it was nationalized but then returned to the family in 2005 in a state of decay, merely a ruin without doors and windows. The family-owners started implementing a large long-term restoration project in collaboration with local, national and international organisations. Starting from a ruin, the estate is turned into a school of crafts and heritage promotion. Within this initiative, renovations at the site and the surrounding area take place in co-creation with locals, craftsmen, (international) organisations and students.

The school of crafts in the Petre P. Carp Manor is dedicated to techniques of traditional construction and crafts. The school is open to the local community, but also attracts students from across Romania and from abroad. It offers free educational programmes as an alternative for local young people who dropped out of school. Also, since 2006, a cultural workshop programme entitled *Batem fierul la conac!* (Hitting the iron at the manor!) is running which has resulted in e.g. the organisation of workshops designed to save heritage, with different themes: forged ornamental iron, frescos, bread ovens, traditional plasters and pottery.

## Illustrative practice: Petre P. Carp Manor: Saved from ruin by a project dedicated to crafts & heritage



### Generational owner (following restitution)

**Country:** Romania

### Highlights:

- ✓ Challenges of restitution
- ✓ Educational effects of family-owned heritage & community building

### Activities:

- ✓ **Educational:** Located in a deserted area, the estate was turned into a school of crafts and heritage promotion. Within this initiative, renovations at the site and the surrounding area, take place in co-creation with locals, craftsmen, (international) organisations and students. Since 2006, a cultural workshop program entitled Batem fierul la conac! (Hitting the iron at the manor!) has been taking place.
- ✓ **Community-building:** The local community is involved in these initiatives: giving ideas, working as volunteers or participating as students.
- ✓ **Partnerships:** The family-owners collaborate with a local, national and international network of partners.

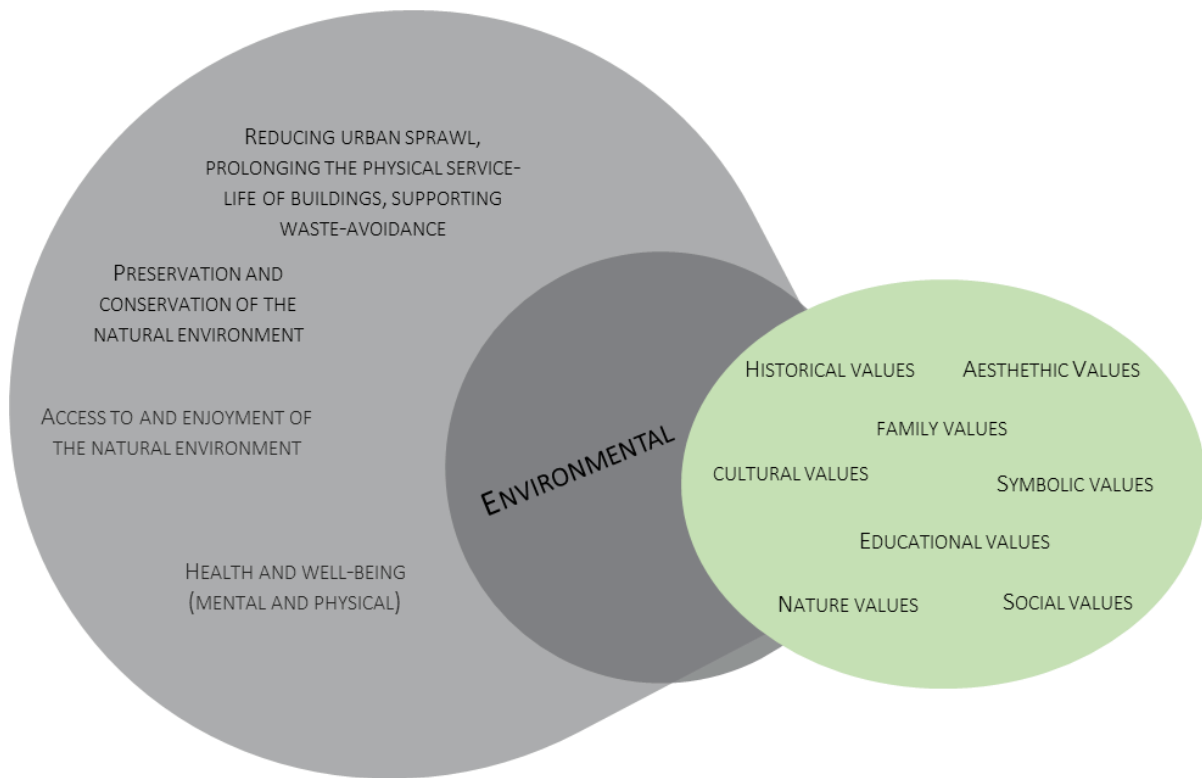
### Dimensions of contribution:



*Read all details on Petre P. Carp Manor in the illustrative practices report*

Legend: see Figure 5 on page 28

#### 4.3.4 Environmental contributions



##### 4.3.4.1 Reducing urban sprawl, prolonging the physical service-life of buildings, supporting waste-avoidance

These effects are described in the CHCfE report (2015)<sup>115</sup> as well as in a report by the National Trust for Historic Preservation's Research & Policy Lab<sup>116</sup> which finds that (for the US) "*the renovation and reuse of existing buildings of comparable functionality and size,<sup>117</sup> and equivalent energy efficiency levels, consistently yield fewer environmental impacts<sup>118</sup> than demolition and new construction over a 75-year period*". Even when it is taken into account that newly constructed buildings are performing at a 30 percent improvement in energy, "*rehabilitation and retrofit still outperform new construction, yielding fewer impacts over a 75-year lifespan*". According to this study, it takes between 38 and 50 years for a new single-family home, that is 30 percent more efficient than an average-performing existing building, to overcome, through efficient operations, the negative climate change impacts related to construction. Moreover, from the **online survey**, we find that **55% of the houses have made investments in the house in the last three years to meet energy or thermal efficiency requirements.**<sup>119</sup>

<sup>115</sup> Based on, amongst others, Thomsen and van der Flier (2009) - Thomsen A. and K. van der Flier, 2009, "Replacement or renovation of dwellings: the relevance of a more sustainable approach.", *Building Research & Information*, 37 (5-6), pp. 649-659.

<sup>116</sup> National Trust for Historic Preservation's Research & Policy Lab, "The Greenest Building: Quantifying the Environmental Value of Building Reuse."

<sup>117</sup> With the case of a single-family home also included in the researched cases.

<sup>118</sup> Environmental impacts are defined as impacts on climate change, resource depletion, human health and ecosystem quality.

<sup>119</sup> The floor area of the house does not affect these energy or thermal efficiency investments in the last three years, neither does the location of the house (countryside, village/small town or city centre). Source: Online Survey Family-Owned Heritage Houses.

#### 4.3.4.2 Preservation and conservation of the natural environment

Heritage houses are quite often embodied in natural landscapes which possess a high natural value. The link between cultural and natural heritage is particularly true in Natura 2000 areas.<sup>120</sup> Considering that a large proportion of those areas are in private hands, the interconnection between heritage houses and their direct environment is of particular importance. This effect is primarily relevant for family-owned heritage houses that have grounds surrounding their house. As the accompanying quote shows, family-owned heritage houses play an **important role in preserving the natural environment even when they do not open up their grounds to visitors but by only maintaining their grounds, as other types of owners** (public owners, enterprises,..) **often have incentives to develop the grounds for other types of use.**

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*"In order to pay inheritance taxes, the owner of a Castle in Flanders had to sell part of his grounds. He sold these grounds to the municipality, which provided building permits for these grounds. The result is that the grounds that were sold are now fully developed, while the grounds that the owner still has in private ownership form a fully natural landscape". Expert and Stakeholder Interviews*

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The online survey results additionally show that **more than 1 in 4 family-owned heritage houses that are (partly) used as a business resource**<sup>121</sup> (also houses that are not surrounded by grounds)<sup>122</sup> **undertake activities aimed at enhancing biodiversity** through, for example, the installation of bee hives, bat or bird boxes, wild flower meadows, historic moats, green/living roofs, etc. A little less than 1 in 5 family-owned heritage houses used as a business resource (only those surrounded by grounds) conduct wildlife conservation activities. Environmental activities are organised by relatively more family-owners also using the house as a dwelling in comparison to family-owners using the house only as a business resource.<sup>123</sup> See Figure 24 below.

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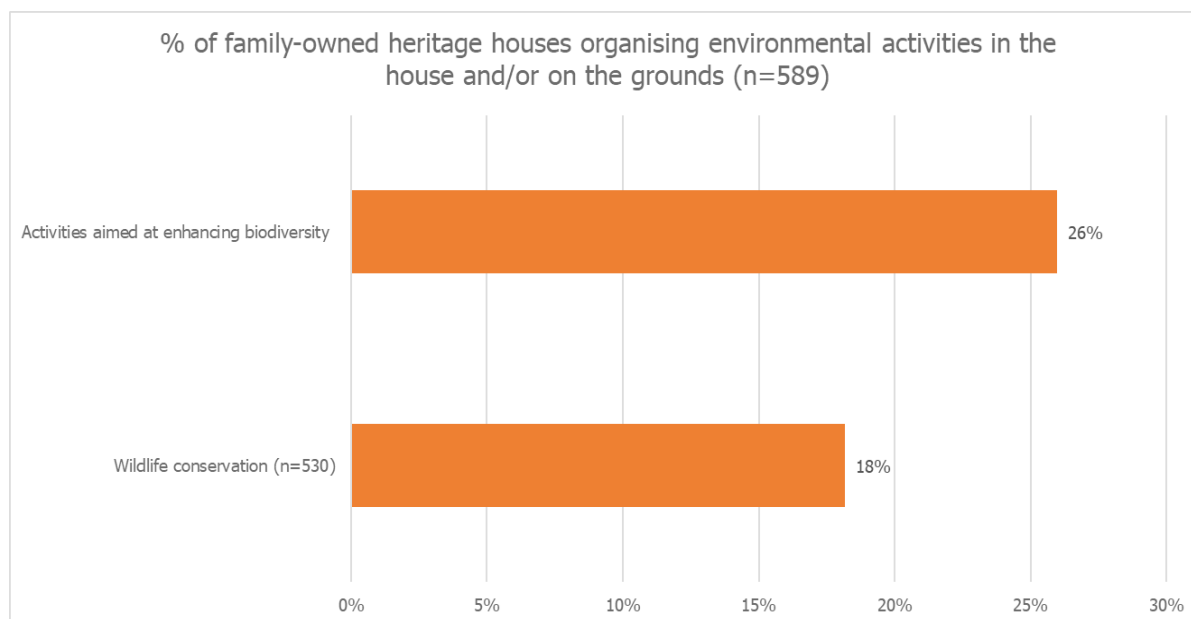
<sup>120</sup> Europe's cultural and natural heritage in Natura 2000: <http://ec.europa.eu/environment/nature/natura2000/management/pdf/Nature-and-Culture-leaflet-web.pdf> [Last consultation: 2019.01.04]

<sup>121</sup> i.e. (1) used as a business resource in combination with the use as a family dwelling or (2) solely as a business resource. In the online survey, 59% of the respondents use their house as a business resource: 52% of the respondents use the house as a family dwelling and as a business resource; 7% use the house solely as a business resource.

<sup>122</sup> n=59 for those houses that are not surrounded by grounds.

<sup>123</sup> n=518 for houses used as a family-dwelling and business resource; n=71 for houses used solely as a business resource. 27% of houses also used as a dwelling, conduct activities aimed at enhancing biodiversity, in comparison to 15% of houses used solely as a business resource; 20% of houses also used as a dwelling conduct activities aimed at wildlife conservation compared to 7% of houses used solely as a business resource.

Figure 24: Environmental activities by family-owned heritage houses in Europe (a) (b)



(a) Survey question: "Which of the following environmental activities do you organise in the house and/or on the grounds (on a regular or irregular basis)? Multiple answers possible"

(b) Question only asked to family-owners of heritage houses that indicated they use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource)

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

#### 4.3.4.3 Access to and enjoyment of the natural environment

Through the opening of their grounds and gardens to the public, family-owned heritage houses can contribute to access and enjoyment of the natural environment for visitors. The online survey results show that **more than half of family-owned heritage houses that are (partly) used as a business resource and include land<sup>124</sup> are opened to visitors (both paid and free admissions).**

Figure 25: Admission of visitors to the house and/or surrounding grounds (a) (b) (c)



**55% of family-owners, (partly) using their house as a business resource, open their heritage house and/or surrounding grounds, to visitors - both paid and free admissions (n=545; only heritage houses surrounded by land)**

(a) Survey question: "Which of the following commercial activities do you organise in the house (on a regular or irregular basis)? General admission of visitors to the house and/or surrounding grounds (i.e. both paid and free admissions)".

(b) Question only asked to family-owners of heritage houses that indicated they use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

(c) (partly) used as a business resource means: (1) used as a business resource in combination with the use as a family dwelling or (2) solely as a business resource.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

**Knepp Castle & Park** (see **illustrative practice** below) is an excellent illustration of the environmental contributions that family-owned heritage houses in Europe can offer. Before the turn of the century, most of the land surrounding Knepp Castle was devoted to traditional arable and dairy farming. But in 2001, a major shift was made: the driving principle was to establish a functioning

<sup>124</sup> n=545

ecosystem where nature was given as much freedom as possible. With regeneration and restoration projects aimed at nature conservation, the rewilding of land started to take off. Using grazing animals as the drivers of habitat creation, and with the restoration of natural water courses of the nearby river and of the Knepp lake, the project has seen extraordinary increases in wildlife. The estate has therefore been able to shift towards nature-based tourism, opening up the estate “wilderness” to visitors by offering a safari campsite with lodges and spaces for tents as well as a vehicle-based safari or guided walking safari tours in the ‘wilderness’ of Sussex.

**Illustrative practice: Knepp Castle & Park: Rewilding 3,500 acres in the heart of the Sussex Weald**



**Generational owner**

**Country:** United Kingdom

**Highlights:**

✓ Transition to ecological business model & resulting economic value creation

**Activities:**

- ✓ **Environmental:** With regeneration and restoration projects aimed at nature conservation, a rewilding of the land surrounding the house was initiated, resulting in extraordinary increases in wildlife.
- ✓ **Commercial:**
  - Livestock production and alternative food production business, selling pasture-fed beef, venison and pork through local channels;
  - The hosting of guided safaris and camping;
  - Renting out from a portfolio of 150 properties with a variety of cottages, houses, offices and light industrial units.
- ✓ **Educational and community-building:** Involvement of the local community includes volunteer days and school visits. Volunteer days engage the local community and other interested parties in data collection and recording of species.
- ✓ **Partnerships:** The family-owners of Knepp Castle collaborate with a large network of nature preservation organisations and research institutions. Around 2,500 people are Friends of the Knepp Wildland project.

**Dimensions of contribution:**



*Read all details on Knepp Castle & Park in the illustrative practices report*

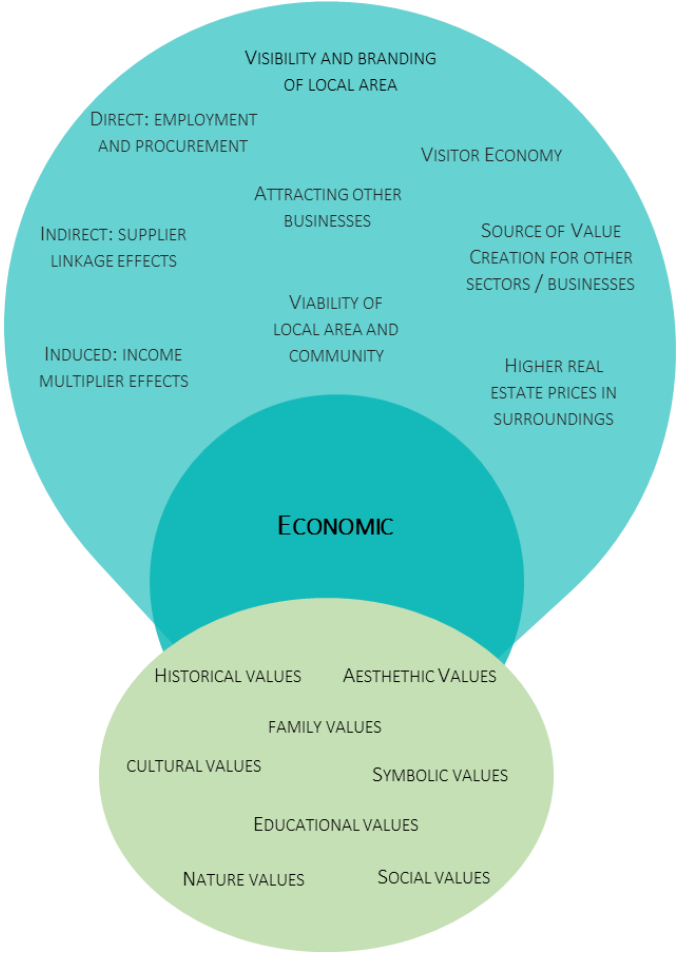
Legend: see Figure 5 on page 28

**4.3.4.4 Health and wellbeing (mental and physical)**

As shown above, more than half of the family-owned heritage houses in the online survey, surrounded by grounds and (partly) used as a business resource, are open to visitors: the access to and the enjoyment of the natural environment offered by family-owned heritage houses, in turn generate health

and wellbeing effects for visitors. A report by the UK Heritage Lottery Fund (HLF) (2015) can serve as an illustration of these effects; the report assessed the benefits of heritage in which the HLF had invested over the last 20 years,<sup>125</sup> and found that parks especially had the greatest impact on residents' quality of life with 69% of local residents, aware of the parks selected for the study, believe their personal quality of life to be a little better or much better as a result of having them in the area.<sup>126</sup> We further refer to example Maeer (2008),<sup>127</sup> who provides an overview of the literature on the health effects of green spaces (p.12-13), citing different studies for the UK that offer evidence on, amongst others, the connection between nature and mental health/social development as well as the link between green space/biodiversity and increased levels of physical activity.

4.3.5 Economic contributions



4.3.5.1 Direct economic contribution

Whenever business activities take place on the grounds of family-owned heritage houses, heritage house owners create employment and generate turnover similar to other businesses. But also without any business exploitation, heritage house owners can employ people e.g. to support in the maintenance

<sup>125</sup> The study covered 12 locations in the UK, with the selected sites for the study including major attractions/museums; parks; historic buildings; nature reserves/landscapes; archives/libraries, local collections; townscapes; and activity projects. For more information on the research, see Heritage Lottery Fund, 2015, 20 Years in 12 Places: 20 years of Lottery funding for Heritage". See: "[https://www.heritagefund.org.uk/sites/default/files/media/attachments/20\\_years\\_in\\_12\\_places\\_main\\_report.pdf](https://www.heritagefund.org.uk/sites/default/files/media/attachments/20_years_in_12_places_main_report.pdf)

<sup>126</sup> Heritage Lottery Fund, 2015, 20 Years in 12 Places: 20 years of Lottery funding for Heritage", p.53.

<sup>127</sup> Maeer, G. (2008). "Values and benefits of heritage: a research review".

of the house and grounds. Below we discuss in more detail the direct economic contributions of family-owned heritage houses.

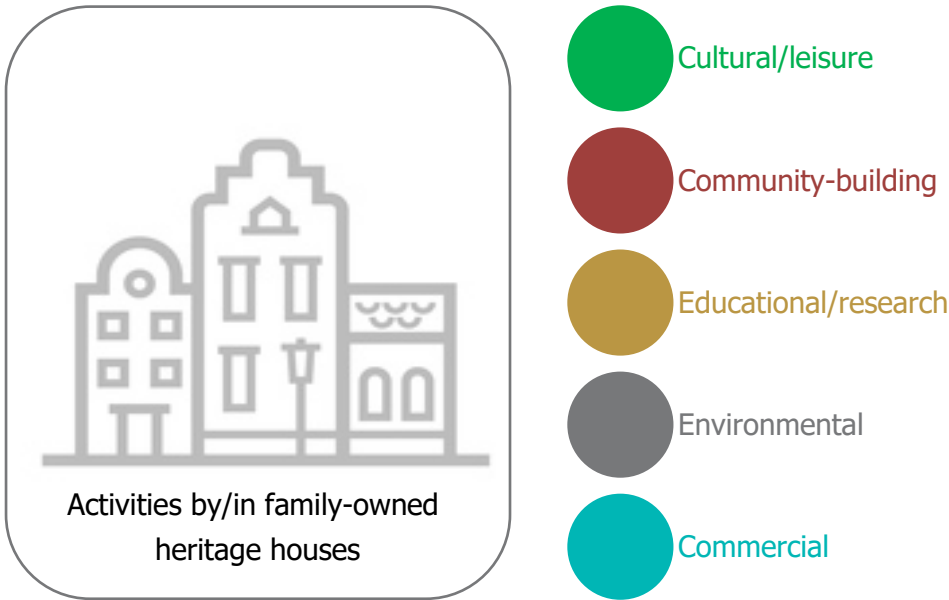
4.3.5.1.1 Economic activities

From the profile characteristics, we find that nearly 6 out of 10 private heritage owners (59%) in the survey use (part of) their heritage house as a business resource as they organise different types of activities that may or may not generate an economic return (see also):

- cultural and leisure activities; see section 4.3.1 above;
- community building activities; see section 4.3.2 above;
- educational activities; see section 4.3.3 above;
- environmental activities; see section 4.3.4 above.

On top of these activities, family-owners also organise more commercial activities.

Figure 26: Activities by family-owners of heritage houses



Source: IDEA Consult

Figure 27 gives an overview of the commercial activities organised by family-owners that participated in the online survey and use their house as a business resource (in combination with the use as a family dwelling or solely as a business resource):

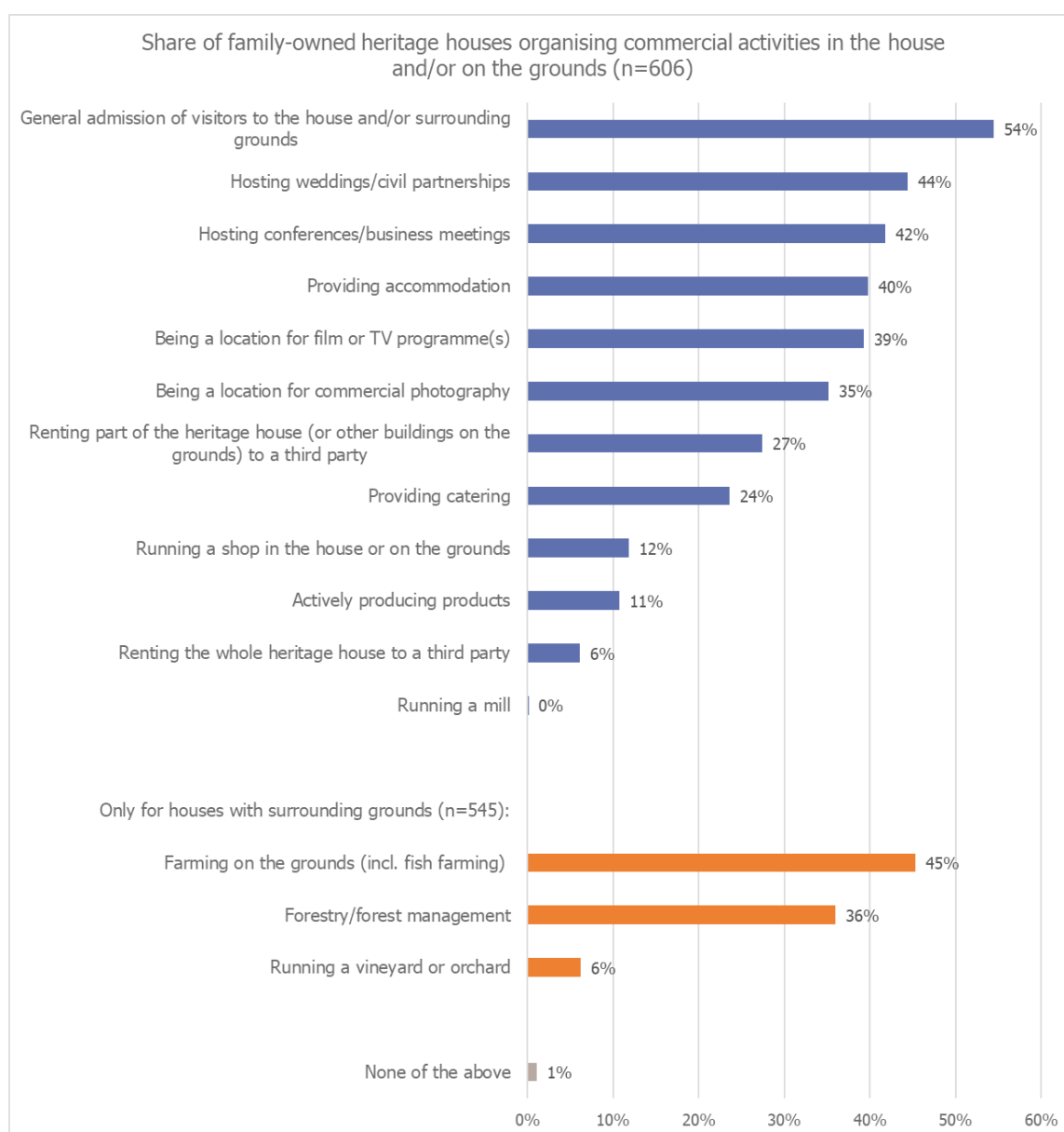
- **Opening the house:** more than half of the owners that participated in the survey, open up their house and/or grounds<sup>128</sup> to visitors.
- **Commercial activities related to hospitality:** more than 4 out of 10 family-owners also organise commercial activities related to hospitality, such as hosting weddings and/or conferences or providing accommodation. Approximately a quarter (24%) of the houses also provide catering.
- **The use of the houses by other creative sectors,** such as the film industry, is also important: 39% of the houses in the online survey were used as a location for a film or TV programme, another 35% was used as a location for commercial photography.

<sup>128</sup> If we only look at those houses that are surrounded by grounds, this is 55% (see also Figure 25).



- **Renting:** 27% of the family-owners in the survey rented out parts of the house (or other buildings on the grounds) to a third party. Only 6% rented the whole house to a third party.
- Running a shop in the house or actively producing products is an activity that is only undertaken by a little more than 10% of the family-owners.
- When we only look at **the houses that are surrounded by grounds**, we see that **45% of the family-owners conduct agricultural activities**. A smaller share of the houses (36%) performs activities related to forestry, whereas 6% runs a vineyard or orchard.

Figure 27: Commercial activities organised by family-owned heritage houses (a) (b)



(a) Survey question: "Which of the following commercial activities do you organise in the house (on a regular or irregular basis)? Multiple answers possible."

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

When comparing houses that are solely used as a business resource with houses that are also used as a dwelling, we see that a relatively larger share of the houses that are exclusively used as a business resource are oriented towards the hospitality business. For example, more than half of the houses used exclusively as a business resource host weddings or conferences,<sup>129</sup> compared to 4 out of 10 houses that are also used as a dwelling.<sup>130</sup> Also, the provision of catering is done by 46% of the houses used only as a business resource, compared to 21% of the houses also used as a dwelling. Likewise, the use of the house for film/TV programmes or commercial photography, is done in relatively more houses that are used exclusively as a business resource<sup>131</sup> compared to the houses where owners also live in the house.<sup>132</sup> Finally, if we only look at the houses that are surrounded by grounds, we see that a relatively larger share of the houses that are also used as a dwelling are orientated towards more traditional activities such as agriculture and forestry.<sup>133</sup>

In the context of the above-mentioned importance of activities related to hospitality, the **uniqueness and authenticity** that characterises family-owned heritage houses (stemming from their core values – see section 4.2), are important assets that distinguish them from other types of locations and venues. The next two **illustrative practices** showcase how this uniqueness and authenticity can be used to develop commercial activities through, amongst others, **storytelling**.

The first illustrative practice is **“Las Casas de la Judería” in Spain** - a beautiful illustration of the power of storytelling and the potential of commercial activities in family-owned heritage houses – even when the houses are not surrounded by grounds. La Casas de la Judería is a unique estate because it consists of 27 houses and 4 Palacios that are linked to each other. The houses were carefully restored, based on research on the original inhabitants, their houses and their individual stories - as such, **each house is a “storyteller”, which also enriches the experience of visitors to the houses**. Las Casas offers 134 different rooms which are linked through 40 patios, gardens and a labyrinth of small passageways. As a touristic residence with top ranked boutique hotel rooms, a rooftop swimming pool and spa, a meeting venue for family and business events, but also a cultural attraction in itself, las Casas de la Judería contributes to the economic life of Sevilla. For more info: see the illustrative practice below and the illustrative practices report.

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<sup>129</sup> 58% of the houses used exclusively as a business resource hosts weddings/civil partnerships; 57% hosts conferences or business meetings. (n=72)

<sup>130</sup> 43% of the houses used as a business resource and as a dwelling hosts weddings/civil partnerships; 40% hosts conferences or business meetings. (n=534)

<sup>131</sup> 50% of the houses used exclusively as a business resource is used as a location for film/TV programme; 46% is used as a location for commercial photography (n=72).

<sup>132</sup> 38% of the houses used as a business resource and as a dwelling is used as a location for film/TV programme; 34% is used as a location for commercial photography (n=534).

<sup>133</sup> 47%/37% of the houses used as a business resource and as a dwelling (n=489) conducts farming/forestry on the grounds compared to 29%/25% of the houses used solely as a business resource (n=56).

## Illustrative practice: Las casas de la Judería, Sevilla



### Generational Owner

**Country:** Spain

### Highlights:

- ✓ 27 historic houses and 4 palacio's with their own unique stories are interlinked through 40 patios, gardens and a labyrinth of small passageways.
- ✓ The estate serves as a distinct attraction in Sevilla, offering a history-based leisure and cultural experience.
- ✓ Contributing to the economic life of Sevilla through hospitality services.

### Activities:

- ✓ **Educational / research:** The houses were carefully restored, based on research on the original inhabitants, their houses and their individual stories. Every house is, therefore, a storyteller.
- ✓ **Cultural / Leisure:** The complex of houses is a cultural attraction in itself, telling the story of many remarkable figures that lived or stayed here.
- ✓ **Commercial:** The estate offers 134 top ranked boutique hotel rooms, a rooftop swimming pool and spa. It serves also as a meeting venue for family and business events.

### Dimensions of contribution:



*Read all details on Las casas de la Judería in the illustrative practices report*

Legend: see Figure 5 on page 28

The second illustrative practice regards "**Antiga Biblioteca Almirall**" in Spain, where the authenticity of the house (in this case, library) is used to create a unique visitor experience by developing the former library as a "**concept house**" (see illustrative practice below and the illustrative practices report). In 1999, a Colombian-Norwegian family living in Barcelona became the owner of the house. They renovated the former library and its garden and live there together with their four children. Meanwhile, they also developed their residence as a venue for special events and inspirational experiences. During the period 2007–2016, the Antiga Biblioteca Almirall was gradually tested as a venue for business meetings, small concerts, family celebrations, anniversaries and celebrations of academic graduations. The idea of the library as a venue was further developed in the direction of a "concept house" with emphasis on enriching the experience of the visitor. The content of key activities is also outsourced to local partners, such as a young chef, florists and a photographer.

## Illustrative practice: Antiga Biblioteca Almirall, transition from library to an inspirational boutique residence



### New Owner

**Country:** Spain

### Highlights:

- ✓ Reconversion of a library
- ✓ Active business modelling and exclusivity
- ✓ Enriching guest experiences

### Activities:

- ✓ **Cultural / Leisure:** Chamber music concerts, gathering of yogis, gastronomy, etc.
- ✓ **Commercial:** The estate hosts small-scale, elegant private and business events.
- ✓ **Partnerships:** Careful selection of (global) network partners. Close cooperation with local suppliers: chef, photographer, designer and farmers.

### Dimensions of contribution:



*Read all details on Antiga Biblioteca Almirall in the illustrative practices report*

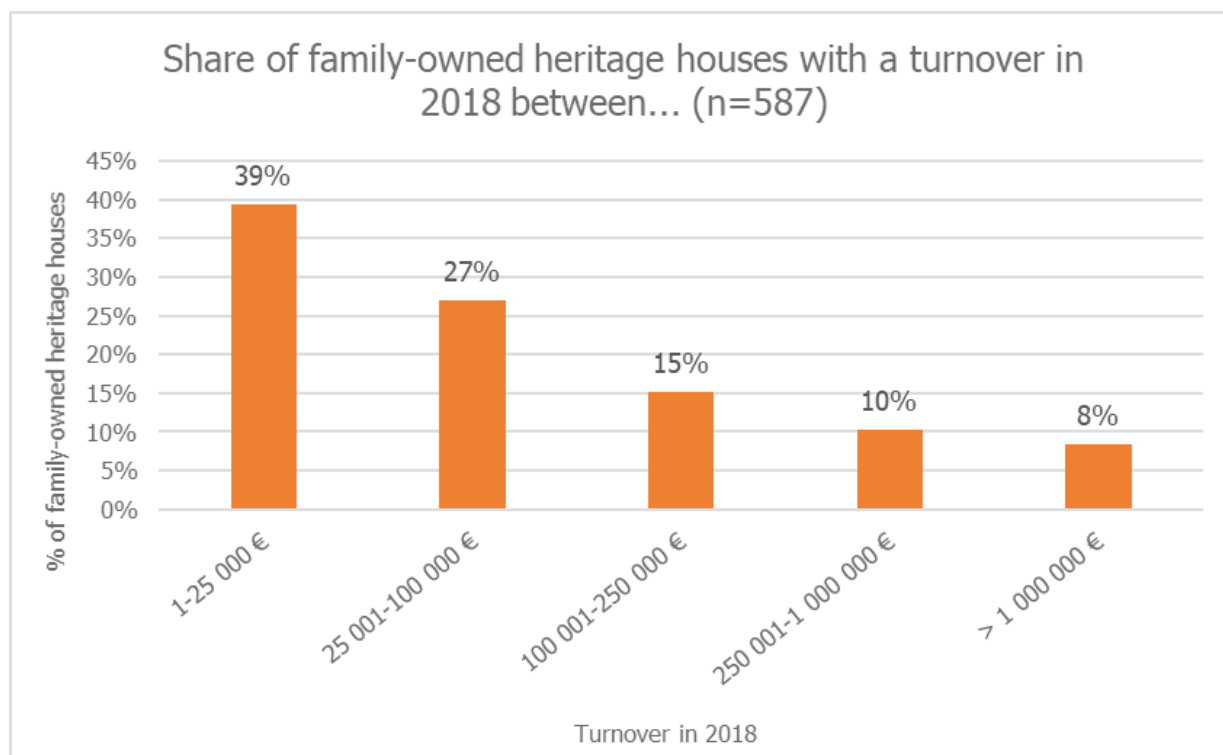
Legend: see Figure 5 on page 28

#### 4.3.5.1.2 Turnover

When asking about the **average turnover** that family-owners generate with these activities, we find that this **amounts to approximately €200,000 on average<sup>134</sup> and €62,500 in the median**. This spread between average and median turnover points to a wide diversity across the survey sample: 39% of the heritage house owners that generate turnover from their house indicate that this turnover is very limited, in the range of 1 to €25,000. Another 27% of the respondents indicate that they have a turnover between €25,000 and €100,000. Only 8% of the respondents generate a turnover above €1 million (see also Figure 28 below).

<sup>134</sup> Based on turnover data from 587 respondents.

Figure 28: Distribution – Turnover by family-owned heritage houses in Europe in 2018 (a) (b)



(a) Survey question: "Could you estimate the total turnover you realised for the house and/or grounds from these activities in 2018 (or in 2017 if data for 2018 is not yet available)"

(b) Question only asked to family-owners of heritage houses that indicated to use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

When we **extrapolate** these **turnover numbers** to the total membership of private heritage house owners to EHHA member associations<sup>135</sup> – representing a total of 19,516 house-owners<sup>136</sup> - **a total turnover of €2.2 billion is realised by privately-owned heritage houses across Europe**. *This extrapolation is done under the assumption that the profile of the houses which are members of the national associations adherent to EHHA is similar the profile of family-owned heritage houses that took part in the online survey;*<sup>137</sup> however, we can assume that the online survey has reached the more economically active family-owned heritage houses in the EHHA membership. Thus, this extrapolation should instead be interpreted as an indication of the **turnover potential** of family-owned heritage houses in Europe rather than as an absolute number. Also, given the distribution as displayed in Figure 28, it is important to note that **only 8% of the houses generate 43% (or nearly €1 billion) of this total extrapolated turnover, whereas 66% of the houses together realise 11% (or about €250 million) of this total extrapolated turnover**. This is again evidence of the **very diverse landscape** of family-owned heritage houses across Europe.

<sup>135</sup> In those countries participating in the Creative Europe programme.

<sup>136</sup> See also Figure 9 in Part 3.4

<sup>137</sup> I.e. based on the assumption that, similar to the online survey results, 59% of the heritage houses uses the house as a business resource.

Figure 29: Turnover in 2018 of family-owned heritage houses participating in the online survey (a) (b) (c)



Average turnover by a family-owned heritage house, (partly) used as a business resource, in Europe (n=587): €195,635

Median turnover realised by a family-owned heritage house, (partly) used as a business resource, in Europe (n=587): €62,500

(a) Survey question: "Could you estimate the total turnover you realised for the house and/or grounds from these activities in 2018 (or in 2017 if data for 2018 is not yet available)?"

(b) Question only asked to family-owners of heritage houses that indicated they use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

(c) (partly) used as a business resource means: (1) used as a business resource in combination with the use as a family dwelling or (2) solely as a business resource.

Source: IDEEA Consult based on Online Survey Family-Owned Heritage Houses

Looking at the characteristics of the house, size has a clear influence on the median turnover figures:

- Whereas the median turnover in houses with a floor area below 500m<sup>2</sup> amounts to €12,500, this amount raises to more than €62,500 for houses with a floor area between 501-2,500 m<sup>2</sup> and to €175,000 for houses with a floor area above 2,500 m<sup>2</sup> (see Figure 30 below).
- Heritage houses with land below 250 ha realised a median turnover of €62,500 in 2018 whereas houses with more than 250 ha of surrounding land generated a median turnover of €175,000.
- The type of use of the house (solely as a business resource versus as a business resource and as a dwelling) does not affect the median turnover in the house. In addition, the location of the house (city centre, village/small town or the countryside) does not have an influence on the median turnover.<sup>138</sup> Finally, houses that are owned by new owners (for less than 25 years) generated a lower median turnover than houses owned by the same family for more than 25 years.<sup>139</sup>

Evidently, the turnover generated by a family-owned heritage house largely depends on its business model. PART 4 of the study analyses in detail the relation between the chosen business model and the realised **turnover**.

<sup>138</sup> For all locations, median turnover is €62,500.

<sup>139</sup> Median turnover=12,500 for houses owned between 0-25 years (n=127). Median turnover = €62,500 for houses owned for more than 25 years (n=460).

Figure 30: Median turnover in 2018 in relation to the floor area of family-owned heritage houses (n=587) (a) (b)



(a) Survey question: "Could you estimate the total turnover you realised for the house and/or grounds from these activities in 2018 (or in 2017 if data for 2018 is not yet available)?"

(b) Question only asked to family-owners of heritage houses that indicated they use the house as a business resource (in combination with the use as a family dwelling or solely as a business resource).

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

#### 4.3.5.1.3 Employment

**More than 2 out of 3 family-owned heritage house owners in the survey (68%) indicate that they employ people. The employment of people is not only restricted to heritage houses that are (partly) used as a business resource; from the survey we find that also 59% of the respondents that use their heritage house only as a family dwelling, create employment related to the house.**

Like the turnover, employment creation appears to be strongly linked to the size of the property:

- Whereas only 29% of the owners of heritage houses in the survey with less than 200 m<sup>2</sup> floor area employ people, this percentage increases to more than 85% for heritage houses with a floor area above 2,500 m<sup>2</sup>.
- In properties with less than 10 ha of surrounding land, almost 40% of the respondents indicate they do not employ people. In family-owned heritage properties with more than 1,000 ha of surrounding land, this is the case for only 6% of the respondents.

Figure 31: Share of family-owned heritage houses with employees in the house/on the grounds(a) (b)



- Share of family-owned heritage houses with employees working in the house/on the grounds = 68% (n=1,005)
- Share of family-owned heritage houses with employees working in the house/on the grounds, that are used:
  - only as a dwelling: 59% (n=443)
  - as a dwelling and a business resource: 74% (n=497)
  - only as a business resource: 75% (n=65)

(a) Survey question: "Do you have employees\* working in the house and/or on the grounds?\* i.e. persons who are on the payroll of the house (i.e. have an employment contract and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind). The following are included: part-time workers, seasonal workers, persons on short-term leave. The following are excluded: volunteers or workers on long-term leave.)"

(b) Question asked to all family-owners of heritage houses that participated in the survey

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

Looking at the number of employees working at family-owned heritage houses,<sup>140</sup> the **median heritage house owner employs 1 full-time employee and 1 part-time employee**. However, the average employment lies at 8.4 employees in 2018 (see Figure 32), pointing to a wide spread across the survey sample. The majority of family-owned heritage houses (84%) employ 1 to 5 people. In 16% of the heritage houses in the survey, 6 or more people are employed on a full-time basis. For part-time and seasonal work, 93% of the respondents employ between 0 and 5 people. Only less than 8% of the respondents employ 6 or more part-time or seasonal workers.

When we **extrapolate** the **employment numbers** of the online survey to all privately-owned houses that are member of EHHA national member associations,<sup>141</sup> **privately-owned heritage houses in Europe employ a total of 111,023 persons i.e. 48,555 full-time employees (44% of total), 29,004 part-time employees (26% of total) and 33,464 seasonal employees (30% of total)**. *This extrapolation is done under the assumption that the profile of the houses which are members of the national associations adherent to EHHA is similar the profile of family-owned heritage houses that took part in the online survey.*<sup>142</sup> However, we can assume that the online survey has reached the more active family-owned heritage houses in the EHHA membership – thus, this extrapolation should instead be interpreted as an **indication of the employment potential** of family-owned heritage houses in Europe rather than as an absolute number. **Also, a small proportion of the houses are responsible for a large share of this total extrapolated employment:**

- For the full-time employment, only 1.9% of the houses is responsible for 34% of the total full-time extrapolated employment (i.e. 16,486 full-time employees of the total 48,555 full-time employees);
- For the part-time employment, only 3.7% of the houses accounts for 32% of the total part-time extrapolated employment (i.e. 9,177 part-time employees of the total 29,004 part-time employees);
- For the seasonal employment, only 2.2% of the houses employ 39% of the total seasonal extrapolated employment (i.e. about 13,000 employees of the total 33,464 seasonal employees).

<sup>140</sup> i.e. those houses that indicate they employ people at the house and/or on the grounds.

<sup>141</sup> In those countries participating in the Creative Europe programme; representing a total of 19,516 house-owners.

<sup>142</sup> For this extrapolation specifically, we assume that 68% of privately-owned heritage houses employ people at their house and/or on their grounds.



Figure 32: Median and average employment in family-owned heritage houses in 2018 (a) (b)



- **Average direct employment at a family-owned heritage house in Europe in 2018 (n=672): 8.4 employees of which**
  - 3.7 Full-Time Employees
  - 2.2 Part-Time Employees
  - 2.5 Seasonal Employees
- **Median direct employment at a family-owned heritage house in Europe in 2018 (n=672): 2 employees of which:**
  - 1 Full-Time Employee
  - 1 Part-Time Employee

(a) Survey question:

"Could you estimate the total number of employees\* directly employed at the house and/or on the grounds in 2018 (or in 2017 if data for 2018 is not yet available)?\* whole number"

(b) Question asked to the family-owners of heritage houses that indicated to have employment at the house/on the grounds.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

Again, the size of the house and surrounding grounds has an impact on the median number of employees:

- Whereas a median heritage house with floor area below 500 m<sup>2</sup> does not have employment at the house/on the grounds, a house with floor area between 501 – 2,500 m<sup>2</sup> has 2 employees working on the property (1 full-time employee and 1 part-time employee) and a house with a floor area of more than 2,501 m<sup>2</sup> has 5 employees working in the house/on the grounds (2 full-time employees, 2 part-time employees and 1 seasonal employee).
- A median heritage house with land below 50 ha does not have employment in the house/on the grounds. On the other side of the spectrum, a median heritage house with surrounding grounds of more than 1,000 ha has 11 employees working at the property: 5 full-time employees, 5 part-time employees and 1 seasonal employee. In between those two, a median property with land between 51-250 ha has two employees (1 full-time and 1 part-time employee) and properties with land between 250 – 1,000 ha have a median employment of 5 people (2 full-time, 2 part-time and 1 seasonal employee).

The **illustrative practice** of the **Heerlijkheid Mariënwaerdt** in the Netherlands (see below and also the separate illustrative practices report), is a good illustration of the economic value that family-owned heritage houses can create through a future-oriented vision rooted in sustainability, corporate social responsibility and biological farming as well as a very good diversification of activities that they organise – ranging from organic farming to organising estate fairs, running hospitality services, renting out buildings on the property, producing food products, etc. Today, Heerlijkheid Mariënwaerdt employs 150 people at the estate, of which 80% are full-time employees and on-call staff.

## Illustrative Practice: Heerlijkheid Mariënwaerd: Food and agriculture of the 21st century



### Generational Owner

**Country:** The Netherlands

### Highlights:

- ✓ Ecological, economic & social value creation
- ✓ Entrepreneurship with future oriented vision

### Activities:

- ✓ **Commercial and environmental:** Organic farming and cattle breeding, the organisation of fairs, offering catering, hosting meetings, parties and weddings, renting out other buildings on the property, agricultural lease, running a B&B, renting out 2 holiday homes, producing delicacies, jams, chutneys and cheese.
- ✓ **Community-building:**
  - Cooperation with 2 health care institutions to manage the production of low fruit;
  - "Friends of Mariënwaerd" count 600 volunteers who take care of renovations, guided tours, workshops, forest management and other chores.
- ✓ **Educational:** Mariënwaerd is a recognised apprenticeship and internship company.

### Dimensions of contribution:



*Read all details on Heerlijkheid Mariënwaerd in the illustrative practices report*

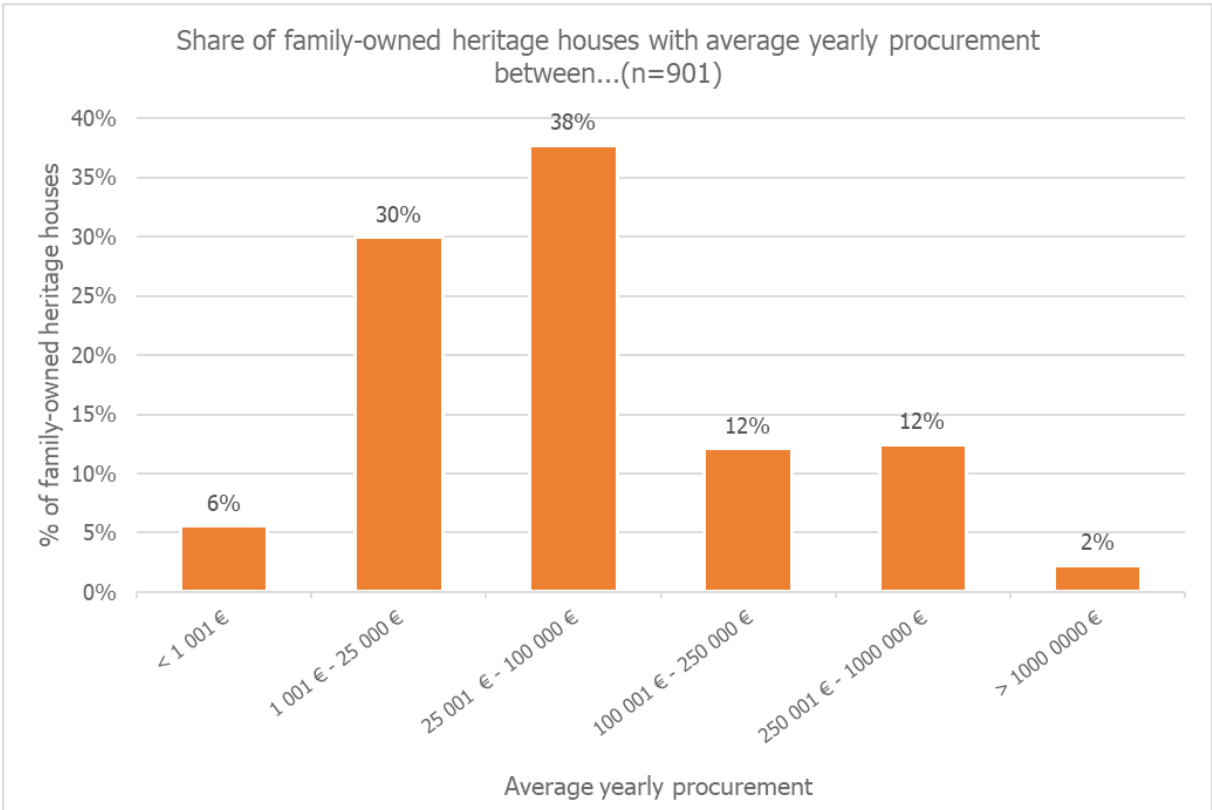
Legend: see Figure 5 on page 28

### 4.3.5.2 Indirect economic (supply chain) effect and induced effect

To both maintain the house and/or develop (business) activities on the grounds, heritage house owners make purchases of goods and services. These purchases generate turnover and employment on the side of suppliers. In what follows, we describe the procurement by family-owned heritage houses that participated in the online survey and give an overview of the sectors in which their suppliers are active as well as the location (local versus other) of these suppliers. It is important to note that **not only heritage houses which are used as a business resource purchase goods and services, but houses that are only used as a family-dwelling do as well, as they also conduct maintenance, conservation and preservation activities in the house.**

The online survey results indicate that the **average yearly procurement<sup>143</sup> of the family-owned heritage houses which participated in the online survey<sup>144</sup>, amounts to €175,000; the median yearly procurement by the houses amounts to €50,000.** As was the case for the other (economic) indicators from the online survey, this difference between average and median procurement indicates that there is a wide spread in the survey procurement data: 36% of family-owners in the survey purchases for less than €25,000 with suppliers on a yearly basis; another 38% of owners procures between €25,001 - €100,000 on a yearly basis. Only 14% of family-owners spends more than €250,000 on procurement annually, with 2% spending more than €1 million on a yearly basis (see also Figure 33).

Figure 33: Distribution - Average yearly procurement by family-owned heritage houses (a) (b)



(a) Survey question: "Could you estimate the average yearly total costs\* (excl. employment costs) over the last three years (in euros)? \*i.e. expenditures on procurement/supplies/services incl. one-off investment costs (before depreciation); whole number.  
 (b) Question asked to all family-owners of heritage houses that participated in the online survey.  
 Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

When we **extrapolate** this average **yearly procurement spending** to all privately-owned heritage houses that are member of EHHA national member associations,<sup>145,146</sup> a total of **€3,4 billion is procured by privately-owned heritage houses across Europe.** This extrapolation is done under the assumption that the profile of the houses which are members of the national associations adherent to EHHA is similar the profile of family-owned heritage houses that took part in the online survey; however, we can assume that the online survey has reached the most active/developed family-owned heritage houses in the EHHA membership – thus, this extrapolation should instead be interpreted as an

<sup>143</sup> Based on an average over the last three years; where procurement is defined as "expenditures on procurement/supplies/services incl. one-off investment costs (before depreciation)."

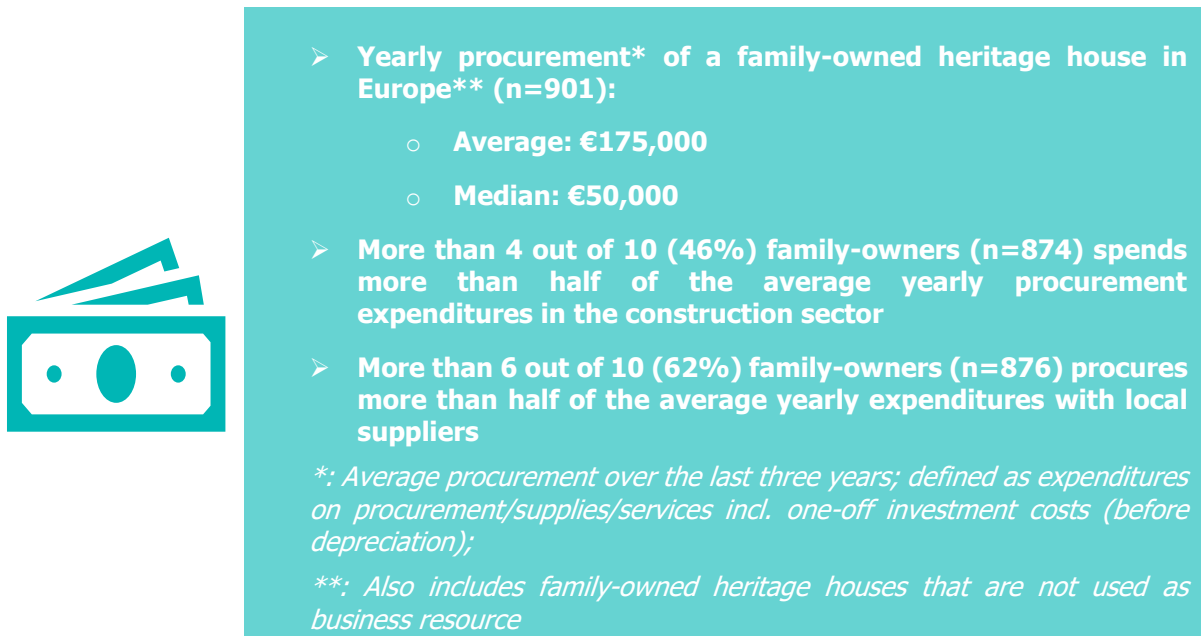
<sup>144</sup> Based on 901 answers; question asked to all survey respondents.

<sup>145</sup> Representing a total of 19.516 house-owners in the countries participating in the Creative Europe programme.

<sup>146</sup> See also Figure 8 in section 3.4

**indication of the procurement potential** of family-owned heritage houses in Europe rather than as an absolute number. It is important to note that **only 2% of the houses is responsible for over €1.1 billion (or 34%) of this total extrapolated procurement compared to 56% of the houses which are responsible for €231 million (or 7%) of this total extrapolated procurement.** Again, this shows the **very large diversity** among family-owned heritage houses regarding these economic indicators.

Figure 34: Procurement by family-owned heritage houses in 2018 (a) (b)



(a) Survey questions:

"Could you estimate the average yearly total costs\* (excl. employment costs) over the last three years (in euros)?\* i.e. expenditures on procurement/supplies/services incl. one-off investment costs (before depreciation); whole number." – "Could you estimate the share\* of construction sector/local suppliers in these average yearly costs?\* i.e. the average share over the last 3 years."

(b) Question asked to all family-owners of heritage houses that participated in the online survey.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

**More than 4 out of 10 (46%) family-owners (n= 874) spends more than half of these average yearly procurement expenditures in the construction sector**, 23% of the owners even highlighted they purchase more than three quarters in the construction sector. Only 2% of surveyed family-owners did not purchase goods or services from the construction sector in the last three years. Not only the construction sector is an important sector in which family-owned heritage houses procure goods and services. **The arts and crafts sector also finds an essential target / sales market in family-owned heritage houses.** Research by Haspel for Germany (2011)<sup>147</sup> shows that built heritage conservation is an important source of orders for many craft trade businesses. Haspel highlights that more than 60% of the master craftsmen who have been trained as restorer craftsmen in Germany ("Restaurator im Handwerk") have worked on heritage conservation contracts on the basis of this supplementary qualification and that probably more than 90% of restorers in a narrower sense<sup>148</sup> are employed almost exclusively on contracts in the built or cultural heritage conservation sector. Haspel further describes the evidence from empirical studies which show that **orders involving heritage**

<sup>147</sup> Haspel, J., 2011, "BUILT HERITAGE AS A POSITIVE LOCATION FACTOR – ECONOMIC POTENTIALS OF LISTED PROPERTIES", p. 909; See: [http://openarchive.icomos.org/1304/1/IV-3-Article3\\_Haspel.pdf](http://openarchive.icomos.org/1304/1/IV-3-Article3_Haspel.pdf)

<sup>148</sup> who are members of professional associations, or who have received special qualifications from a university of applied sciences. See Haspel, 2011, p.909

**conservation are particularly labour-intensive.** The relevant reports assume that between 70% and 80% of restoration work costs are labour costs, while on average material costs make up no more than 30% of the total. In comparison, the German building industry is characterised by 50% labour costs and 50% material costs for general building work, and in the case of new buildings, an even higher percentage for materials (Haspel, 2011, p. 909).

Another important facet of the procurement by family-owned heritage houses is the local character of these expenditures. The results from the online survey show that more **than 6 out of 10 (62%) family-owners indicated they procure more than half of their expenditures with local suppliers; 41% of these family-owners even purchased more than three quarters of their expenditures with local suppliers.**<sup>149</sup> Also Haspel (2011, p. 909) refers to this important aspect of local arts and crafts in this context. He states that: "*The sensitive refurbishment of historic building following local traditions gives local craftsmen and small- or medium-sized firms an important location advantage when competing with supraregional suppliers in a globalised world*".

Finally, these purchases by family-owned heritage houses lead to wider effects in the economy as the procurement by the houses also contributes to the generation of turnover and employment at the side of the suppliers. These are the so-called supplier linkage effects or **indirect effects**: in literature *for the UK* (DC Research, 2015<sup>150</sup> on the basis of Oxford Economics, 2013<sup>151</sup>) it is estimated that the indirect multiplier<sup>152</sup> is 2.0, which means that the combination of direct and indirect effects is estimated to be 2.0 times the direct effects. Additionally, there are also **induced or income multiplier effects**, resulting from the fact that the people employed through both the direct and indirect effects also spend part of their income in the wider economy, generating additional turnover and employment. Estimates in the literature for the UK,<sup>153</sup> point to a multiplier of 2.5 to estimate the indirect and induced effects together.<sup>154</sup>

#### 4.3.5.3 Impact on the visitor economy

Family-owned heritage houses also make an indisputable contribution to the visitor economy in Europe:

- By opening the houses and grounds to the public, they are a direct contributor to Europe's touristic offer. They welcome tourists that not only spend money on-site, but that also make additional purchases in the (local) economy e.g. on transport, food, etc.
- Also the many family-owned houses that are closed for the public but are an integral part of a place or landscape, make an important contribution to the visitor economy in Europe. The widespread presence of heritage and historic places is a major asset for tourism in Europe.

Regarding the first point, **family-owned heritage houses that participated in the online survey and indicated they admit visitors to their house and/or grounds (paid or free admissions) hosted on average 8,300 visitors in 2018 to their house and/or grounds; the median number of visitors was 1,750<sup>155</sup>** (see also Figure 36).

The wide gap between average and median visitor numbers indicates a broad diversity in the survey sample: 1 in 3 (29%) family-owners who took the survey,<sup>156</sup> hosted less than 500 visitors in 2018,

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<sup>149</sup> Based on n=876 observations. Question asked to all family-owners, also those owners that only used the house as a family-dwelling and not as a business resource.

<sup>150</sup> DC Research, 2015, "The economic and social contribution of independently-owned historic houses and gardens".

<sup>151</sup> Oxford Economics, 2013, "The economic impact of the UK Heritage Tourism Economy".

<sup>152</sup> or "Type I" multiplier

<sup>153</sup> Oxford Economics, 2013, "The economic impact of the UK Heritage Tourism Economy".

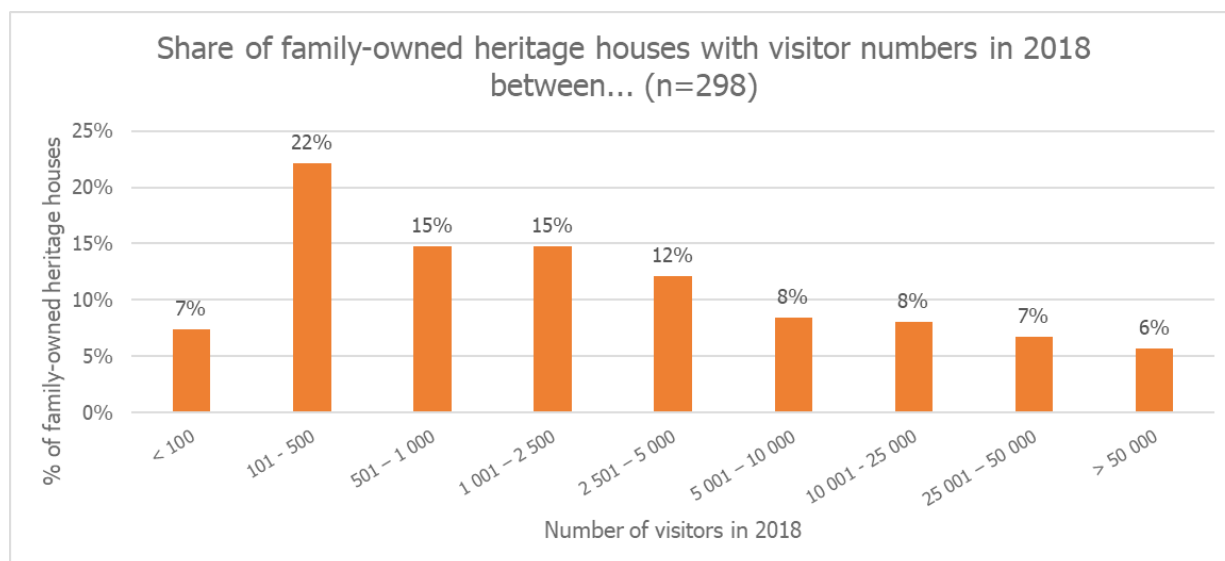
<sup>154</sup> i.e. a "Type II" multiplier of 2.5 to estimate the indirect and induced effects together.

<sup>155</sup> Based on n=298 observations.

<sup>156</sup> Those family-owners of heritage houses that indicated (a) to use the house as a business resource (with or without the use as a dwelling) and (b) to admit visitors to the house – both paid and free admissions.

another 30% received between 501-2,500 visitors to their house and/or grounds. 20% of family-owners hosted between 2,501 and 5,000 visitors, while only 6% of the owners received more than 50,000 visitors last year (see also Figure 35).

Figure 35: Visitor numbers in 2018 to family-owned heritage houses in Europe (a) (b)



(a) Survey question: "Could you estimate the total number of visitors\* to the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)?" \*excl. visitors attending (live) events such as musical performances, festivals,..."

(b) Question asked to those family-owners of heritage houses that indicated (a) they use the house as a business resource (with or without the use as a dwelling) and (b) to admit visitors to the house – both paid and free admissions.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

When we **extrapolate** these numbers to the total membership of private heritage house owners to EHHA member associations<sup>157</sup> – representing a total of 19,516 house-owners<sup>158</sup> - **a total number of 51.9 million visitors are hosted by privately-owned heritage houses across Europe.** This extrapolation is done under the assumption that the profile of the houses that are members of the national associations adherent to EHHA is similar the profile of family-owned heritage houses that took part in the online survey.<sup>159</sup> However, we can assume that the online survey has reached the more active family-owned heritage houses in the EHHA membership – thus, this extrapolation should instead be interpreted as an **indication of the visitor potential** of family-owned heritage houses in Europe rather than as an absolute number. Given the distribution as displayed in Figure 35, it is important to note that **only 13% of the houses host over 33 million (or 65%) of this total of 51.9 million extrapolated visitors, whereas 44% of the houses together host 1.1 million visitors (or 2%) of this total extrapolated number of visitors.**

In the online survey, the size of the house as well as the area of the land surrounding the house, affected the number of visitors. Based on median visitor numbers, we observed from the survey data that:

<sup>157</sup> In those countries participating in the Creative Europe programme.

<sup>158</sup> See also Figure 8 in section 3.4.

<sup>159</sup> I.e. based on the assumption that, similar to the online survey results:

- 59% of the heritage houses uses the house as a business resource;
  - 54% of the houses that uses the house as a business resource, also admits visitors to the house and/or grounds (paid or free admissions).

- **Larger heritage houses hosted more visitors than smaller houses.** The median number of visitors to houses with a floor area between 201-500 m<sup>2</sup> was 300 in 2018, for houses with a floor area between 501-2,500 m<sup>2</sup> this was 750 and for houses with floor areas surpassing 2,500 m<sup>2</sup>, this was 3,750 visitors.
- **Houses which are surrounded by larger stretches of land, received more visitors.** The median number of visitors to houses with grounds below 10 ha, was 750 in 2018; for grounds between 11-50 ha this was 1,750 visitors and for houses with grounds exceeding 50 ha, this was 3,750 visitors.

Figure 36: Visitor numbers to family-owned heritage houses in 2018 and their spending on-site (a) (b)



(a) Survey questions:

"Could you estimate the total number of visitors\* to the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)?" \*excl. visitors attending (live) events such as musical performances, festivals,..."

"What is the average spending of your visitors (incl. the entry fee)?"

(b) Question asked to those family-owners of heritage houses that indicated (a) they use the house as a business resource (with or without the use as a dwelling) and (b) to admit visitors to the house – both paid and free admissions.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

We also asked family-owners that participated in the online survey about the profile of the visitors that they hosted to their house or on their grounds. More specifically, we inquired about the shares of the following visitors in the total number of visitors last year:

- Local visitors: visitors from the local area, where the visit lasts less than 3 hours, including travel;
- Day visitors: visitors from further away, where the visit lasts more than 3 hours, including travel;
- Overnight visitors: national or international visitors whose visit includes at least one overnight stay;
- School visitors: see
- *Figure 21* above in section 4.3.3.1.

The family-owners in the survey mostly received local visitors: for 1 in 3 of the houses (33%), local visitors made up more than half of all their visitors. This is followed by day visitors: for 16% of the houses in the survey, day visitors constituted more than half of their total number of visitors, for 30% of the houses, day visitors made up between a quarter and half of the number of visitors. Overnight visitors constituted the smallest segment in the visitor profile, with more than half (55%) of family-owners indicating that overnight visitors represented less than 6% of the total number of visitors they hosted.

Finally, we also investigated the spending of visitors on-site (including the possible entrance fee to the house/grounds) in the online survey. **On average, visitors to family-owned heritage houses**

**spent €29.20 on-site; the median spending was €5.** Indeed, for more than half (56%) of family-owners that took the survey, visitors spent less than €10 on-site (including the possible entrance fee); in 1 in 3 (34%) of the houses, visitors spent between €11 and €50. Only 1% of the family-owned houses in the survey had visitors spending more than €250 on-site. **PART 4 of the study analyses in more detail the link between the business model of the house and the visitor spending on-site.**

Apart from the direct and indirect economic effects as a consequence of activities on the grounds of the heritage houses, **heritage visits also generate wider economic effects for the (local) economy as visitors often combine a heritage visit with other spending in restaurants or cafés, hotels, retail, etc.** Although we have no data from our survey on visitor spending off-site, a study into heritage and the UK tourism economy (HLF 2010)<sup>160</sup> estimated that for every £1 spent as part of a heritage visit, £.32 is spent on-site and the remaining £.68 is spent in local businesses including restaurants, cafes, hotels and shops.

Although we cannot attribute the full 100% of this spending to the heritage houses (the visitors might have spent (part of) it without the heritage house as well), we can say that 4 out of 10 tourists in Europe do choose their destination based on its cultural offering,<sup>161</sup> including family-owned heritage houses. As such, at least part of this off-site spending by visitors can be attributed to heritage houses.

#### 4.3.5.4 Impact on prices (premium mark-up)

##### 4.3.5.4.1 Higher estate prices

Heritage also has an estate value. Several studies point out the positive impact that heritage has on real estate prices, both of the heritage houses themselves and the property in the proximity of heritage. An important aspect influencing this premium pricing is not only the presence of the built heritage, but also its conservation status.<sup>162</sup>

Studies covering different European countries find that real estate prices are 0% to 20% higher for preservation-worthy homes:

- In a recent study in Denmark, Realdania (2015)<sup>163</sup> finds that family houses with a high preservation value are sold at square-metre prices that are on average 30% higher than for other family houses within the same municipality. For listed homes, the price difference is even higher. For flats with a high preservation value the price is on average 18% higher.
- A study by ELTINGA (2015)<sup>164</sup> on the Hungarian real estate market finds that listed historic buildings have a 1.9% price premium (in Budapest the price premium increases to 2.1%).
- In Flanders (Belgium), Damen et al. (2017)<sup>165</sup> found that built heritage that is listed in the heritage inventory show a real estate price premium of 6%. Protected monuments even show a real estate price premium of 12%.

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<sup>160</sup> HLF & Visit Britain, 2010, "Investing in success: Heritage and the UK tourism economy"

<sup>161</sup> [http://ec.europa.eu/growth/sectors/tourism/offer/cultural\\_en](http://ec.europa.eu/growth/sectors/tourism/offer/cultural_en)

<sup>162</sup> See e.g. Haspel (2011), Witteveen+Bos (2018)

<sup>163</sup> Realdania, 2015, "The value of the built heritage"!

<sup>164</sup> ELTINGA, 2015, "Impacts of Cultural Heritage on the Real Estate Market", REVEAL Research paper

<sup>165</sup> DAMEN S., VANDESANDE A., BOMANS K., STEENBERGHEN T., BALEN K.V., JAEGER S.D., ROUSSEAU S., VRANKEN L., HEYLEN O. & DUGERNIER M. , 2017, "Onderzoek naar de effecten van de erfgoedkarakteristieken en de erfgoedwaarde van woningen en hun omgeving op de marktprijzen van woningen in Vlaanderen", Research reports Agentschap Onroerend Erfgoed 83



- Some studies (see e.g. Noonan et al. (2011)<sup>166</sup>) point to negative rather than positive effects on real estate prices of especially listed buildings as the listing entails limitations on use, and because of extra maintenance.

Also, estate prices of property in the vicinity of heritage are positively affected:

- A recent Create Streets' study (2017) finds that proximity to a listed building increased property price by between 4.4% and 10.3%.<sup>167</sup>
- Research analysing over 1 million house sales in the period 1995-2010 showed that properties in conservation areas sell for 23% more on average than other houses. Even when location, property features and other factors affecting house prices are adjusted for, a premium of around 9% was still found (Ahlfeldt et al., 2012).
- This positive impact is also confirmed by Realdania in Denmark, where they found that if there are more than 15% preservation-worthy buildings in a local area, prices of non-preservation-worthy homes are 13% higher on average.
- Also, ELTINGA (2015) finds similar results for Hungary: properties located in historic environments have a 8.2% price premium and in Budapest even a 19.8% price premium. Properties located in historic centres, such as the Buda castle or the historic town of Eger even have a 30-40% price premium.
- In Flanders (Belgium), Damen et al. (2017) find that estate prices are 3% higher when located in a protected historical environment. Each additional protected monument in a vicinity of 50m increases the price by 1.8 to 2.2%. Buyers thus seem to value especially historical environments with a high concentration of built heritage.
- In the Netherlands, Van Duijn en Rouwendaal (2012)<sup>168</sup> found that average real estate prices in Almere would be 4% lower if there would be no built heritage in the city, 11% lower in Utrecht and even 22% lower in Amsterdam.

#### 4.3.5.5 Magnetic effect

Heritage houses contribute to the viability and branding of local areas through the quality of the built and green environment that they represent. As such, the presence of heritage and heritage houses is also an important factor in location marketing, as the quality of built heritage is considered a soft location factor in the location decision of individuals and businesses. Heritage houses do not only provide exclusive business offices, they are also attractive private dwellings for (often highly-qualified) staff to live in the vicinity of their company. Quality of life factors, including built heritage, become increasingly more important in the competitive positioning of knowledge hubs. Similar to the price premium effect, the conservation status of the built heritage is an important element influencing its magnetic effect. For example, Haspel (2011) points to regional studies for Germany by chambers of trade and commerce *"which show that it is particularly among businesses with highly-qualified staff and future-oriented industries that decisions on location involve image quality in addition to conventional criteria (availability of labour, transport links, local taxes, etc.)."*<sup>169</sup> This does not only hold for heritage in urban areas; also in rural areas heritage houses can contribute to the economic (re-)development of the area.

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<sup>166</sup> Noonan DS & DJ. Krupka, 2011, "Making—or picking—winners: evidence of internal and external price effects in historic preservation policies" Real Estate Economics, vol. 39

<sup>167</sup> Create Streets, 2017, "Beyond Location – a study into the links between specific components of the built environment and value"

<sup>168</sup> Van Duijn, M. and J. Rouwendal, 2012, "Cultural heritage and the location choice of Dutch households in a residential sorting model", Journal of Economic Geography

<sup>169</sup> Haspel, 2011, p. 906.



## PART 3 SWOT-analysis of family-owned heritage houses in Europe

## 1. SWOT of family-owned heritage houses

In the previous chapter, we have presented the evidence from triangulated data and research on:

- the set of values that is at the core of what characterises family-owned heritage houses and what sets them apart from other heritage/houses;
- the multidimensional contributions that family-owned heritage houses make in society: cultural, social, educational/skills, environmental and economics.

In view of further optimising these contributions and strengthening the position of family-owned heritage houses, we have made a SWOT-analysis for the sector: what are the strengths on which the sector of family-owned heritage houses can build for the future? What challenges does the sector face – from an internal and external perspective? And what societal trends entail opportunities for the sector so that it can further grow? In the SWOT analysis these different elements are clustered according to the following logic: the Strengths and Weaknesses reflect the internal factors that characterize the sector of family-owned heritage houses whereas the Opportunities and Threats signify the external factors that affect family-owned heritage houses in Europe (see also figure 38 below).

*Figure 37: Set-up of SWOT-analysis*



Source: IDEA Consult

Based on the results from the literature review, the stakeholder and expert interviews, illustrative practices on innovative business model cases as well as the online survey, the research team prepared the SWOT analysis of family-owned heritage houses. This SWOT-analysis was then presented at the end of April 2019 at a stakeholder workshop with family-owners and researchers in the field, as well as sector representative organisations, policymakers and other support organisations at national and EU level (see ANNEXESA.4 / for the list of participants). Based on the feedback on and validation of the SWOT analysis by the workshop participants, the research team finalised the analysis, resulting in the SWOT-analysis presented on the next page. We describe the SWOT in more detail in the following paragraphs.

## STRENGTHS

- **VALUES THAT THE FAMILY-OWNED HERITAGE HOUSE EMBODY I.E.:**
  - **FAMILY VALUES**
  - HISTORICAL VALUES
  - CULTURAL VALUES
  - SOCIAL VALUES
  - AESTHETICAL VALUES
  - NATURE VALUES
- **SOCIO-ECONOMIC VALUE FAMILY-OWNED HERITAGE HOUSES CREATE** (CULTURAL, SOCIAL, EDUCATIONAL, ENVIRONMENTAL AND ECONOMIC)
- **DIVERSITY OF FAMILY-OWNED HERITAGE HOUSES ACROSS EUROPE**
- **OPEN AND (MORE) ENTREPRENEURIAL YOUNGER GENERATIONS OF FAMILY-OWNERS**

- **POSITIVE EVOLUTION IN THE PUBLIC & POLICY MINDSET REGARDING THE IMPORTANCE OF CULTURAL HERITAGE**
- **THE RISING IMPORTANCE OF THE "PURPOSE ECONOMY", WITH A SHIFT TOWARDS VALUES AND IMPACT AS A DRIVER AND WITH A FOCUS ON AUTHENTICITY**
- **GROWING CULTURAL TOURISM IN EUROPE**
- **INCREASING IMPORTANCE OF SUSTAINABLE TOURISM**
- **INCREASING SOCIETAL FOCUS ON HEALTH, WELLBEING AND PREVENTION**
- **INCREASING SOCIETAL FOCUS ON NATURE VALUES AND BIODIVERSITY**
- **RE-VALUATION OF THE COUNTRYSIDE IN A SOCIETY THAT IS INCREASINGLY URBANIZED**
- **RISE IN ENABLING TECHNOLOGIES**
- **RISE IN NEW SOURCES OF FINANCE, SUCH AS CROWDFUNDING, PHILANTHROPY, IMPACT INVESTING, ...**

## OPPORTUNITIES

## WEAKNESSES

- **HIGH MAINTENANCE COSTS - HEAVILY DETERMINED BY THE SIZE OF THE HERITAGE HOUSE**
- **DEPENDENCE OF CURRENT BUSINESS MODELS OF FAMILY-OWNED HERITAGE HOUSES ON THE PRESENCE OF LAND SURROUNDING THE HOUSE (AND THE LAND AREA)**
- **INADEQUATE SKILLS-SET**
- **LACK OF INNOVATION & ENTREPRENEURSHIP**
- **LIMITED VISIBILITY**
- **LIMITED NETWORKING**
- **FAMILY DYNAMICS**
- **GENERATION GAP**
- **DISASSOCIATION OF FAMILY-OWNERS FROM LOCAL ECOSYSTEMS**

- **UNFAVOURABLE AND DIVERSE FRAMEWORK CONDITIONS ACROSS EUROPE:**
  - **RULES & REGULATION**
  - **TAXATION**
- **COMPETITION WITH (SUBSIDIZED) PUBLIC HERITAGE**
- **NEGATIVE PUBLIC PERCEPTIONS**
- **LACK OF PUBLIC AND POLICY AWARENESS REGARDING THE IMPORTANCE OF FAMILY-OWNED HERITAGE HOUSES**
- **DEPOPULATION OF RURAL AREAS, FADING RURAL COMMUNITIES AND WEAKENED RURAL ECONOMY**
- **PRESSURE ON OPEN SPACE DUE TO URBANIZATION**
- **DISAPPEARING ARTS/CRAFTS SKILLS**
- **PRESSURE ON PUBLIC FUNDING FOR HERITAGE**
- **NEGATIVE PUBLIC PERCEPTIONS ON ENERGY EFFICIENCY OF FAMILY-OWNED HERITAGE HOUSES**
- **NEGATIVE EFFECTS OF CLIMATE CHANGE ON CULTURAL HERITAGE**
- **LACK OF PRIVACY**
- **INCREASED INSURANCE & SECURITY COSTS DUE TO THEFT OF MOVABLE CULTURAL HERITAGE GOODS**
- **EVOLUTIONS IN TOURISM MARKET: INCREASED CONCENTRATION OF VISITOR TRAFFIC TO TOP ATTRACTIONS**

## THREATS

## 1.1 Strengths

### STRENGTHS

- **VALUES THAT THE FAMILY-OWNED HERITAGE HOUSE EMBODY I.E.:**
  - **FAMILY VALUES**
    - HISTORICAL VALUES
    - CULTURAL VALUES
    - SOCIAL VALUES
    - AESTHETICAL VALUES
    - NATURE VALUES
  - **SOCIO-ECONOMIC VALUE FAMILY-OWNED HERITAGE HOUSES CREATE (CULTURAL, SOCIAL, EDUCATIONAL, ENVIRONMENTAL AND ECONOMIC)**
  - **DIVERSITY OF FAMILY-OWNED HERITAGE HOUSES ACROSS EUROPE**
  - **OPEN AND (MORE) ENTREPRENEURIAL YOUNGER GENERATIONS OF FAMILY-OWNERS**

The strengths of family-owned heritage houses lie in their core values as well as in the socio-economic value they create. Moreover, in the stakeholder workshop, the diversity in family-owned heritage houses was highlighted as an important asset. Finally, the open and entrepreneurial attitude of younger owners offers a positive outlook for the future of family-owned heritage houses.

**The first three strengths are extensively described in PART 2** of the study: we give a brief recapitulation here – for a full description we refer to PART 2 of the study.

The core values as well as the socio-economic value that family-owned houses in Europe create, are visualised in Figure 38 below.

**Core Values.** The strengths of family-owned heritage houses lie in the core values that they embody (see PART 2/section 4.2 on core values of family-owned heritage houses for an elaborate description of these values). They are visualised at the core of the flower in Figure 38 below:

- **Family Values**, which are **central** to these strengths. Under these family values, we understand a number of unique characteristics of family-owners of heritage houses that reveal their particular and distinct value added compared to other types of owners of heritage houses (public owners, commercial enterprises, ...)
- The combination of a **unique property** with the fact that family-owners give the house a **life & soul**: Family-owners bring life within the houses, they make a home of it, put their soul into it. Also, they are sometimes “iconic figures” within their community: they “embody” their heritage house **and enrich the experience and history of the house**. This clearly also deepens the visitors’ experience compared to other types of cultural heritage.
- **Long-term thinking and strategic planning**: family-owners take care of the long-term perspective in a society that is strongly driven by short-term goals. Most owners are “in it” for the long run: this long run perspective is also a key success factor for the sustainability of the heritage house.

- **Personal involvement & commitment of family-owners:** family-owners do not only put money into the building, but also passion and care. Through their personal involvement and commitment, family-owners are willing to take risks and invest in the house.
- **Historical Values:** family-owned heritage houses embody a rich European history and are ambassadors thereof.
- **Cultural Values:** family-owned heritage houses contribute to the preservation of cultural heritage. The cultural and symbolic values of family-owned heritage houses are important in defining a European as well as personal identity.
- **Social values:** family-owned heritage houses support and facilitate social connections and networks (linked to the public-space/shared-space qualities of family-owned heritage houses). The houses evoke positive feelings such as belonging, identity and (civic) pride.
- **Aesthetical values:** family-owned heritage houses possess and express beauty of fundamental significance.
- **Natural values:** family-owned heritage houses that are surrounded by land, contribute to the conservation and preservation of the natural environment.

Based on these values, family-owned heritage houses also have a **strong brand value**, distinguishing them from other types of cultural heritage.

Finally, in the stakeholder workshop it was stressed that these values are also fundamental for the generational transmission of the houses, especially the family values: the next generation of owners will be more inclined to take over the house if they have a sentimental connection to the property.

**Socio-economic value creation.** Building on the core values that family-owned heritage houses encompass, owners develop different types of activities, from conservation activities to the organisation of cultural activities or opening the house and/or surrounding gardens to visitors. These activities in turn result in **different types of socio-economic contributions: cultural, educational, social, environmental and economic** – these are elaborately described in PART 2/section 4.3 of the study and are visualised as the different leaves of the flower in Figure 38. Especially those houses that are not solely used as a family-dwelling but are also used as a business resource, will be able to generate these socio-economic contributions. **Figure 39 gives an overview of key results from the online survey towards heritage house owners<sup>170</sup> to illustrate the different types of socio-economic value that family-owned heritage houses across Europe generate.** Each of the building blocks in Figure 39 corresponds to a leaf in the flower of Figure 38 (indicated by using the same colours as in the flower).

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<sup>170</sup> That was conducted in the context of this study and that reached more than 1,000 family-owners across Europe.

Figure 38: Core Value and Contribution framework of family-owned heritage houses (a)



Source: IDEA Consult

(a) Please note that this is a streamlined framework, not including e.g. the level of contribution (short-term, mid-term or long-term) or the groups that are affected (e.g. individuals, the economy, local communities or society at large)

Figure 39: Key results from the online survey towards family-owners of heritage houses in Europe (a)



- Half (49%) of family-owned heritage houses in Europe, (partly) used as a business resource, hosts concerts / musical performances / festivals / plays / theatre performances / film showings
- Number of visitors in 2018 to cultural (live) events hosted/organised by family-owned heritage houses:
  - Average: 3,405 visitors
  - Median: 300 visitors



- More than 4 out of 10 heritage houses, (partly) used as a business resource, collaborates with local associations or societies (44%)
- 1 in 3 (34%) family-owned heritage houses, (partly) used as a business resource, has volunteers working in the house and/or on the grounds
- Number of volunteer days per family-owned heritage house in 2018:
  - Average: 114 volunteer days
  - Median: 40 volunteer days



- 4 out of 10 family-owners, (partly) using their house as a business resource, hosts school visits
- More than 1 in 5 family-owners, (partly) using their house as a business resource, organises educational events (23%)
- 22% of family-owners, (partly) using their house as a business resource, collaborates with
  - research institutes for research on different topics related to the house (architecture, heritage, history, ...) or
  - (local) schools or professional arts- and craftsmen to support skills development.



- More than 1 in 4 (26%) family-owned heritage houses, (partly) used as a business resource (also houses that are not surrounded by grounds), undertake activities aimed at enhancing biodiversity
- 55% of family-owners, (partly) using their house as a business resource, open their heritage house and/or surrounding grounds to visitors - both paid and free admissions



- Turnover by a family-owned heritage house ((partly) used as a business resource) in Europe in 2018:
  - Average turnover: €195,635
  - Median turnover: €62,500
- 68% of family-owned heritage houses has employees working in the house/on the grounds (including those houses not used as a business resource but only as a dwelling)
  - Average direct employment at a family-owned heritage house in Europe in 2018: 8.4 employees (3.7 full-time; 2.2 part-time; 2.5 seasonal employees)
  - Median direct employment at a family-owned heritage house in Europe in 2018: 2 employees (1 full-time, 1 part-time)
- Yearly procurement of a family-owned heritage house in Europe (including those houses not used as a business resource but only as a dwelling):
  - Average: €175,000
  - Median: €50,000
- Yearly number of visitors hosted by a family-owned heritage house:
  - Average: 8,300 visitors
  - Median: 1,750 visitors

(a) heritage house (partly) used as a business resource means (1) house used as a family-dwelling in combination with the use as a business resource or (2) house solely used as a business resource.

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses



**Diversity family-owned heritage houses across Europe.** The landscape of family-owned heritage houses is very rich in its diversity: heritage houses are the witnesses of Europe's vibrant past and traditions as well as of their family-owners. These diverse influences in past and present have a determining impact on the features and characteristics of family-owned heritage houses throughout Europe: there isn't one historic house, they are all unique and special in a way. This diversity is a key strength of family-owned heritage houses given the increasing societal focus on authenticity and uniqueness and the shift away from mass consumption (see also section 1.3 on Opportunities below).

**More open and entrepreneurial younger generations of family-owners.** The expert and stakeholder interviews highlighted that younger / new generations of owners:

- often create a new openness towards their local communities or the general public at large;
- are building up adequate entrepreneurial competences and skills before taking over the house.

In turn, these qualities allow them to have an open and innovative mindset regarding the potential opportunities of the house (business or other). Nowadays, younger generations are also looking for a sense of meaning in their life – (the ownership of) a heritage house can present this additional significance or value in their life.

## 1.2 Weaknesses

### WEAKNESSES

- **HIGH MAINTENANCE COSTS - HEAVILY DETERMINED BY THE SIZE OF THE HERITAGE HOUSE**
- **DEPENDENCE OF CURRENT BUSINESS MODELS OF FAMILY-OWNED HERITAGE HOUSES ON THE PRESENCE OF LAND SURROUNDING THE HOUSE (AND THE LAND AREA)**
- **INADEQUATE SKILLS-SET**
- **LACK OF INNOVATION & ENTREPRENEURSHIP**
- **LIMITED VISIBILITY**
- **LIMITED NETWORKING**
- **FAMILY DYNAMICS**
- **GENERATION GAP**
- **DISASSOCIATION OF FAMILY-OWNERS FROM LOCAL ECOSYSTEMS**

Despite the different strengths that private heritage houses in Europe possess, the literature review, interviews and survey results revealed that they also face a number of internal difficulties (Weaknesses). Broadly speaking, these difficulties relate to:

- Pressures regarding the sustainability of the house – high maintenance costs and the dependence on the presence of land to finance the upkeep of the house;
- Inadequate skillsets and the lack of an entrepreneurial attitude;
- A loss of connection with the local communities;
- The limited visibility of (mostly remotely located) heritage houses, also related to their limited networking;
- The family-dynamics among owners of the house: across generations (generational gap) or between owners (in case of multiple family-owners of the house).

Below, we discuss each of these weaknesses in more detail.

#### **High maintenance costs & Dependence of current business models of family-owned heritage houses on the presence of land surrounding the house (and the land area)**

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*"For most family-owners, their heritage house is no longer an asset but rather a liability".  
Stakeholder Workshop*

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Respondents to our online survey ranked the financial sustainability as the main challenge faced by family-owners.<sup>171</sup> This was also confirmed in the expert and stakeholder interviews and workshops.

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<sup>171</sup> Based on weighted scores, this challenge was ranked 1<sup>st</sup> (out of a total of 11 challenges) (n=907). See Annex A.11 / for an overview of the online survey results regarding the challenges family-owners face in the management of their house and/or grounds.

Firstly, heritage houses have maintenance costs that often exceed the income generated by the business model deployed by the family-owner of the heritage house. Clearly, the maintenance costs are heavily determined by the size and location of the heritage house: smaller heritage houses do not face the same financial pressures related to the upkeep of the house (e.g. energy costs, restoration/conservation works, maintenance of the house, ...) as larger houses.

Secondly, current business models of family-owned heritage houses depend to a large extent on the presence of land surrounding the house (and the land area). In comparison to a heritage house that has no surrounding grounds, an estate with land can provide heritage house owners more possibilities to cover the costs of the house itself, through different kinds of exploitation of the land, such as agriculture, forestry, fishing,... (see also below), thus facilitating the (financial) sustainability of the house. However, from the expert and stakeholder interviews it became clear that (a) financial pressures and/or (b) (inheritance) taxation regulations often lead to the sale or fragmentation of the grounds surrounding the heritage houses.

Recent evidence from research in the UK<sup>172</sup> gives a clear signal on the severity of the financial pressures that family-owners face: for houses that are member of the UK association of independently-owned heritage houses "Historic Houses" (in total 1,600 houses), the annual shortfall between (a) the value of urgent repairs and (b) the actual expenditures on repairs and maintenance, is estimated to be about £11 million. Similarly, a survey among private owners of heritage houses that are members of the ADSI<sup>173</sup> (Italian Association of Historic Houses) revealed that respondents forecast a decrease of 37% in spending (on maintenance and protection measures) over the period 2018-2022, due to "a widespread and growing lack of confidence on the part of the owners in the possibility of facilitating interventions by the legislator". Somewhat older research from 2003 for Ireland<sup>174</sup> including 31 privately-owned houses (on a total of 50 houses researched) concludes that "The vast majority of owners claimed their houses presently require complex and extensive restoration and/or conservation work. The high cost of maintenance, in many instances, prevents it being properly carried out. Major restoration and conservation works are frequently beyond reach unless capital is raised through the sale of contents or of land. When the latter is resorted to it often compromises the cultural heritage value of the house and/or estate". Finally, research from the Netherlands (2015)<sup>175</sup> shows that the costs for private owners of larger estates amount to €70,449 on average per year (with subsidies and financial support measures of the government already deducted) whereas the benefits for these owners only amount to on average €12,118 per year (these benefits are the profits from recreational activities they organise and other commercial activities), resulting in an average deficit of more than €58,000 per year.

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*"As a heritage house owner, try to create a connection with your local community, involve volunteers, ... It is key success factor for the sustainability of the heritage house that owners and citizens reach out to each other and that owners generate public support for their house". Expert and Stakeholder Interviews*

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In general, these financial pressures often result in the sale of land, leading to a (further) decrease in the size of the grounds/estate, meaning that the income from the grounds (from agriculture, forestry, ....) further diminishes, resulting in less funding to finance the upkeep of the house.

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<sup>172</sup> DC Research, 2015, "The economic and social contribution of independently owned historic houses and gardens".

<sup>173</sup> Monti, L and R. Cerroni, 2018, "Il potenziale socio-economico del patrimonio immobiliare storico privato in Italia"

<sup>174</sup> Dooley, T. 2003, "A future for Irish historic houses; a study of fifty houses".

<sup>175</sup> Ruijgrok, E.C.M., 2018, "Particuliere Instandhouding van Historische Buitenplaatsen".

## Limited visibility & networking

Private heritage houses – especially those located in more remote rural areas – often have a limited visibility. This is also linked to the fact that not all family-owners possess adequate communication or marketing skills to promote their house and reach the intended audience, whether these are visitors, decision-makers, craftsmen, local authorities, clients for by-products etc.

Houses located in tourist areas or city centres do not encounter the same challenges as houses situated in more remote rural areas with regard to e.g. attracting visitors to the house or developing accommodation in the house. According to the Special Eurobarometer on Cultural Heritage (2017),<sup>176</sup> the remoteness or the difficulty to access a cultural heritage site, is indeed a barrier to visit a site for more than 12% of European respondents to the survey. Another confirmation of this challenge can be found in the “report Malvy” (2016),<sup>177</sup> where the French association of private heritage house owners, La Demeure Historique,<sup>178</sup> observed that the visits to the monuments in their network only constitute 20% of total tourist visits in France. In the interviews, the attention was drawn to the fact that national/international tourists often do not know where to find heritage houses in rural locations. This also presents a barrier to the possibilities of boosting the impact of these heritage houses.

Also, it was pointed out in different interviews and the workshop that family-owners of heritage houses currently are insufficiently present in relevant networks.

In order to overcome this issue, some national organisations and associations are (in the process of) setting up online information hubs in order to group and visualise the offer of private heritage houses in their country. Examples of this can be found, amongst others, in:

- Italy, where the national association of Historic Houses ADSI has set up an online information hub and network of historic buildings that are open to the public for visits, stays or private events. The network is called “Dimore Storiche Italiane” and can be accessed via <https://www.dimorestoricheitaliane.it/en/>. Additionally, the online (privately-run) platform “Beyond the gates” (<https://www.beyondthegates.it>) offers an online booking platform for tailor-made tours, accommodation, private and business events, film locations, cars rentals, n Italian historic houses.
- France, where the real estate agency Patrice Besse has made an overview of heritage houses in France that provide accommodation, organise cultural events, provide business accommodation, host weddings, offer opportunities for commercial photography or film shootings,....This website can be accessed via: <https://www.patrice-besse.com/sejourner/>
- Belgium and France, where the privately-run initiative Patrivia gathers more than 350 monuments and cultural sites (both publicly and privately-owned) which are open to the public on an online platform (<https://patrivia.net/home>), allowing visitors to book tickets to visit e.g. historic houses in advance via the platform as well as enabling house owners to showcase their heritage house.
- Denmark, where the Danish Historic Houses Association Historiske Huse has recently developed a special website “The Danish Club” <https://danishclub.dk/> (see below Box 2)
- The UK, where the national association Historic Houses<sup>179</sup> offers an overview of all its member-houses including the facilities they offer, their opening dates, the characteristics of their property, on their website <https://www.historichouses.org/house-listing.html>.

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<sup>176</sup> Respondents in Romania, Estonia (both 20%), Finland and Bulgaria (both 19%) are the most likely to say cultural heritage sites or activities are too remote or difficult for them to access, while those in Malta (5%), the United Kingdom (7%) and Luxembourg (8%) are the least likely to say this. (European Commission, 2017, “Special Eurobarometer on Cultural Heritage.”)

<sup>177</sup> Martin Malvy, 2016, “54 suggestions pour améliorer la fréquentation touristique de la France à partir de nos Patrimoines”

<sup>178</sup> La Demeure Historique represents the owner-managers of private historical monuments in France, both officially protected or registered as an historical monument, as well as remarkable homes, parks or gardens that are not officially protected or registered.

<sup>179</sup> Historic Houses represents more than 1.600 independently-owned historic houses and gardens in the UK.

## Box 2: Good practice - The Danish Club

The Danish Club <https://danishclub.dk/> is an **information hub showing historic houses across Denmark, together with the activities and the events they organise**. Website visitors can consult the houses on a map or in a list and filter on:

- the types of activities they are looking for (overnight stays, parks and gardens, children's activities, ...),
- the location of the house,
- the type of house (ranging from townhouse, lighthouse and museum to castle/country house, ...).

### Membership of the Danish Club

Members of the Danish Club are owners or managers of a historic house, with one or more commercial activities. The house does not have to be open all year. Examples of houses that may be included: manor houses, farm buildings, mills, industrial buildings, country houses, gardens, inns, hotels, B & B, restaurants, museums, warehouses, townhouses, lighthouses, pastors, forest gardens, dairies and monasteries. Before April 2019, membership was free.

### Showcasing successful heritage house management and business models

Besides its role as an information hub, the aim of the Danish Club is also to showcase successful heritage house management and business models. Through the website, these good cases get exposure and other owners can become inspired.

### Sources:

- Interview Birthe Iuel, Danish Historic Houses Association Historiske Huse, 5 October 2018
- [www.danishclub.dk](http://www.danishclub.dk)

## Changing contexts: inadequate skills-set and lack of innovation & entrepreneurship

Whereas for most family-owners there was previously no need to develop activities in the house in order to finance its upkeep (e.g. the size of the grounds surrounding the house or the family capital was sufficiently large enough to finance the maintenance of the house), today entrepreneurship, innovation as well as skills related to e.g. community building, communication,... are nearly indispensable in order to successfully manage a heritage house in a sustainable way. The lack of specific trainings for family-owners as well as the changing context in which family-owners operate, has resulted, for some owners, in a skills-set that is not adequate enough today to viably run a heritage house. For example, today private owners have to manage several communication channels in order to put their house to the foreground: the expert and stakeholder interviews indicated that not all owners are capable of setting up a good website or using social media to communicate about (activities in) their house, resulting in very little visibility of their heritage house. Younger generations of owners often are more prepared in this sense, building up sufficient entrepreneurial competences and e.g. communication skills before taking over the house.

## Family dynamics, the familial burden of inheritance and the generation gap

During the stakeholder workshop it was highlighted that the family-values that are listed as strength for the sector, can also turn out to be a weakness. This weakness can relate to:

- **the joint ownership of the house across different family-members**, which can hamper the development of a common vision and way-forward for the house. This aspect was also underlined in the stakeholder workshop, where it was stated that in case of joint ownership, the decision-making regarding the house can be a difficult process due to the family dynamics.
- **the familial burden of inheritance and the generation gap between older and younger generations of owners** (only applicable to privately-owned heritage houses that have been in the family for more than one generation):

- **Familial burden of inheritance.** Managing a heritage house is a life-time job. Understandably, younger generations are sometimes reluctant to make this sacrifice while still wanting to ensure the continuity of the heritage house. The interviews and stakeholder workshop indicated that changing family patterns and (international) career paths can be an additional barrier for younger generations to take over the family-owned heritage house: their personal/career perspectives are not always in line with the needs of the house. This is also confirmed in a study by DC Research (2015) which surveyed private owners of historic houses in the UK.

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*"The younger generation wants to travel, move and does not want to stay every summer in the same place, so they slowly disconnect from the house. They don't want to invest themselves in that adventure of "maintaining the house". Stakeholder Workshop*

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*"There is a need to reconcile the views from the previous & new generation to complete the circle." Stakeholder Workshop*

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- **Generation gap.** The interviews and stakeholder workshop also indicated that 'older' generations of family-owners often have a more closed-minded attitude than younger generations, which can also present a barrier to their thinking about potential opportunities for the house (business or other). As it was stated in the stakeholder workshop "*Financial decisions are in the hand of the older generation. They take the decision but are not always able to promote their houses, innovate, change.*"

The Next Generation Framework of the European Historic Houses Association (see Box 3 below) aims to make the issues and concerns related to inheriting a heritage house more debatable, by giving next generation owners who face the inheritance of a family heritage house, the opportunity to share their experiences with each other, providing trainings to help them prepare for the management of the house while also opening up the discussion with the older generation regarding the transmission and future of the house.

*Box 3: Good Practice: The Next Generation (NextGen) Group of the European Historic Houses Association (EHHA)*

The Next Generation (NextGen) group of the European Historic Houses Association (EHHA) was developed in 2014, with a view to support National Member Associations of EHHA more actively in widening the participation of young and future members. National NextGen groups organise events and create partnerships which support young and future owners on matters relating to the management of heritage property and inter-generational transmission. Thanks to NextGen framework, there is a forum to discuss the preparation of taking over a heritage house. During the NextGen assemblies, people can *'look into a mirror through the stories and problems of other owners that are similar to theirs and share experiences...'* (William Cartwright-Hignett, Next Generation coordinator of EHHA).

This **sharing of experiences** opens up opportunities for dialogue between the older and younger generations, leading to an increased **"intra-family understanding"** with regard to the importance of the family heritage property. Once the intra-family conversation has started, both the younger and older generation can also start to see opportunities of the heritage house in the future, leading to mutual trust between the different generations. NextGen especially emphasises this **importance of planning** in order to have a future for the house. At the moment, NextGen has 9 national groups, with approximately 450 members in the UK, 800 in Italy, 300 in Spain, 50 in Switzerland and 150 in France. It works with a range of partners for different types of trainings related to the transmission of a heritage house such as EY, Deutsche Bank, Bonhams.

**Sources:**

- Interview William Cartwright-Hignett, Next Generation coordinator of the European Historic Houses Association (EHHA) on 17 October 2018;
- <http://www.europeanhistorichouses.eu/activities/nextgen/>

### **Disassociation of family-owners from local ecosystems**

The connection of family-owners with their local community very much depends on the openness of the owners. The interviews indicated that in some countries, heritage house owners are rather closed towards their community but, as discussed above, that younger generations of owners often create a new openness towards their local communities or the general public at large. In the online survey, this weakness was ranked in the bottom half of the list of challenges that family-owners themselves indicated to face.

## 1.3 Opportunities

- **POSITIVE EVOLUTION IN THE PUBLIC & POLICY MINDSET REGARDING THE IMPORTANCE OF CULTURAL HERITAGE**
- **THE RISING IMPORTANCE OF THE “PURPOSE ECONOMY”, WITH A SHIFT TOWARDS VALUES AND IMPACT AS A DRIVER AND WITH A FOCUS ON AUTHENTICITY**
- **GROWING CULTURAL TOURISM IN EUROPE**
- **INCREASING IMPORTANCE OF SUSTAINABLE TOURISM**
- **INCREASING SOCIETAL FOCUS ON HEALTH, WELLBEING AND PREVENTION**
- **INCREASING SOCIETAL FOCUS ON NATURE VALUES AND BIODIVERSITY**
- **RE-VALUATION OF THE COUNTRYSIDE IN A SOCIETY THAT IS INCREASINGLY URBANIZED**
- **RISE IN ENABLING TECHNOLOGIES**
- **RISE IN NEW SOURCES OF FINANCE, SUCH AS CROWDFUNDING, PHILANTHROPY, IMPACT INVESTING, ...**

### OPPORTUNITIES

Finally, we end the SWOT analysis with a discussion on a number of promising societal evolutions (Opportunities) that can provide future avenues for family-owned heritage houses to build on their strengths. We discuss each of these evolutions below in more detail.

#### **Positive evolution in the public & policy mindset regarding the importance of Cultural Heritage**

**Recent evolutions in the public and policy mindset regarding the positive contribution of cultural heritage within society provide an important positive setting/framework for family-owners to develop their heritage house.**

Illustrative of this increased attention towards cultural heritage by policymakers is e.g. The European Year of Cultural Heritage in 2018,<sup>180</sup> the European Framework for Action on Cultural Heritage<sup>181</sup> and the New European agenda for Culture.<sup>182</sup> Evidence for the increased public awareness regarding the importance of cultural heritage can be found in The Eurobarometer of Cultural Heritage where at least 8 in 10 respondents highlighted that cultural heritage is important for them personally, for their local community, for their region, for their country and for the EU. Almost 7 in 10 respondents also stated that they wanted to know more about Europe’s cultural heritage.

#### **Rising importance of the purpose economy**

The purpose economy was first depicted by Aaron Hurst (2014),<sup>183</sup> describing a shift towards a more localised economy and a change from “consumption” to “creation and experiences”. The purpose economy entails an increased societal focus on values and impact as a driver for action and with an emphasis on authenticity. This shift toward a purpose economy has also been identified in a recent

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<sup>180</sup> See: [https://europa.eu/cultural-heritage/european-year-cultural-heritage\\_en](https://europa.eu/cultural-heritage/european-year-cultural-heritage_en)

<sup>181</sup> See: [https://ec.europa.eu/culture/content/european-framework-action-cultural-heritage\\_en](https://ec.europa.eu/culture/content/european-framework-action-cultural-heritage_en)

<sup>182</sup> See: [https://ec.europa.eu/culture/policy/strategic-framework\\_en](https://ec.europa.eu/culture/policy/strategic-framework_en)

<sup>183</sup> Hurst, A., 2014, “The purpose economy: how your desire for impact, personal growth and community is changing the world.” Elevate



"Megatrend" report by Euromonitor<sup>184</sup> (2017), described as the "Experience More" trend, with an increased emphasis on experiences over possessions: "*consumers are also becoming more demanding of experience in the path to purchase*" [...] *Those at the frontline [...] are tackling this trend head on [...] by placing more emphasis on the consumer experience [...] including creating more intimate experiences with consumers, providing a seamless shopping environment whether online or in-store and personalising their offering*". The recent OECD report on Tourism Trends<sup>185</sup> (2018) translates this trend into implications for the tourism market, stating that "*the predominance of emerging generations and their preferences for unique, customised, and sustainable travel experiences could lead to a shift away from more traditional sun, sea and sand, and attraction-based tourism*". Based on the trend analysis, the report concludes that policymaker and industry decision-makers "*need to consider how to more effectively develop and connect travellers with more remote destinations, where appropriate, to provide diverse and distinct experiences outside of traditional tourism destinations, and support the socio-cultural and economic development of local communities*".

### **This shift towards the purpose economy creates different opportunities for family-owners:**

- To leverage the core values of the house to enrich the experience of visitors via e.g. storytelling to enable visitors to become a part of the history of the heritage house.
- To have the core values of the house bringing significance or value to the lives of younger generations of owners, who are also looking for a sense of meaning in their life.

### **Growing Cultural Tourism in Europe**

**As was shown in PART 2 of the study, family-owned heritage houses already play an important role in the visitor economy. Given the fact that it is estimated that cultural tourism accounts for 40% of all European tourism i.e. 4 out of 10 tourists choose their destination based on Europe's cultural offering,<sup>186</sup> a growth in tourism provides a significant opportunity for family-owned heritage houses.**

This growth in tourism is projected in a recent report by the UNWTO<sup>187</sup> (2018) which states that: "*the projected rate of growth in the period 2010-2030 [1.9% a year] translates into an **increase of some 9 million international tourist arrivals a year on average***" [...]. *In the period 2020 - 2030, emerging and advanced economy destinations are forecast to grow by 2.8% and 1.3% respectively*". Looking at the decomposition of the projected EU-inbound tourism growth according to the region of origin, we see that markets from within the EU-28 are projected to grow by 1.6% a year and from extra-EU-28 by 3.5% a year.

Thus, these projections show that the growth in tourism especially concerns **tourists from outside the EU**. Therefore, those houses that can adapt to these new tourism profiles by adopting innovative approaches to communicate with and accommodate new demands and specific preferences of these new tourist profiles, can tap into these growing tourism streams from outside Europe.

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<sup>184</sup> Euromonitor International, 2017, "Megatrend Analysis: Putting the Consumer at the Heart of Business" See: <https://go.euromonitor.com/rs/805-KOK-719/images/wpMegatrendAnalysis.pdf>

<sup>185</sup> OECD, 2018, "OECD Tourism Trends and Policies 2018", OECD Publishing, Paris. See: <http://dx.doi.org/10.1787/tour-2018-en>

<sup>186</sup> [http://ec.europa.eu/growth/sectors/tourism/offer/cultural\\_en](http://ec.europa.eu/growth/sectors/tourism/offer/cultural_en)

<sup>187</sup> UNWTO, 2018, "European Tourism Trends", See: <https://www.e-unwto.org/doi/pdf/10.18111/9789284419470>

### Increasing societal focus on health, wellbeing and prevention

Different trend reports demonstrate an increasing societal focus on health, wellbeing and prevention, such as:

- The trend report of Nextnet<sup>188</sup> where one of the social megatrends identified is “healthy diets and lifestyles” (see page 56).
- A recent megatrend report by Euromonitor (2017),<sup>189</sup> which states “healty living” as one of eight identified megatrends. The report also declares that “Consumers are demonstrating a more holistic approach to wellness encompassing spiritual and mental wellbeing, alongside physical health. This continued focus on health and wellbeing entails a wider lifestyle shift and evolving attitudes towards health care, nutrition, beauty, physical activity and overall self-improvement”.

**This increased societal focus on health, wellbeing and prevention gives family-owners the opportunity to leverage the health and wellbeing effects they can generate thanks to the social and environmental contributions they bring** (see PART 2 of the study as well as the Strengths in section 1.1).

### Increasing importance of sustainable tourism

A recent OECD report (2018) on Tourism Trends<sup>190</sup> identifies sustainable tourism as one of the megatrends transforming tourism. Correspondingly, a large-scale consumer survey by Nielsen<sup>191</sup> (2015) showed that 66% of global consumers say they are willing to pay more for sustainable brands (up from 55% in 2014) and that 73% of global millennials are willing to pay extra for sustainable offerings—up from 50% in 2014. However, the OECD report (2018) also notes that in some markets, there is still a large proportion of those who are not willing to pay a premium for sustainability: “*a key factor influencing purchasing decisions is **brand trust**, which is why third-party certification programmes have become so common in the field of sustainable tourism*”.

**This expected increasing importance of sustainable tourism can present an opportunity for family-owners of heritage houses when they act in a pro-active way to ensure and promote the sustainable development and management of their house, balancing the interests of local communities and tourists in both the short- and long-term.**

### Increasing societal focus on natural values and biodiversity

Closely related to the increasing importance of sustainable tourism, is the increased societal focus on the environment and biodiversity. Evidence for this trend can be found in the Special Eurobarometer on Attitudes of Europeans towards Biodiversity,<sup>192</sup> which highlights that more than three quarters of Europeans believe that mankind has a responsibility to look after nature and that it is important to stop biodiversity loss: 67% of surveyed Europeans totally agree that looking after nature is essential for tackling climate change and 60% that our health and wellbeing are based upon nature and biodiversity. A second Special Eurobarometer on the Attitudes of European citizens towards the environment

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<sup>188</sup> H2020 project “Next generation Technologies for networked Europe”, 2017, <https://nextnetproject.eu/wp-content/uploads/2018/02/D2.1-Report-on-trends-and-key-factors.pdf>

<sup>189</sup> Euromonitor International, 2017, “Megatrend Analysis: Putting the Consumer at the Heart of Business” See: <https://go.euromonitor.com/rs/805-KOK-719/images/wpMegatrendAnalysis.pdf>

<sup>190</sup> OECD, 2018, “OECD Tourism Trends and Policies 2018”, OECD Publishing, Paris. See: <http://dx.doi.org/10.1787/tour-2018-en>

<sup>191</sup> Based on a poll of 30.000 consumers in 60 countries across the globe. Nielsen, 2015, “Nielsen Global Corporate Sustainability Report”, See: <https://www.nielsen.com/eu/en/press-room/2015/consumer-goods-brands-that-demonstrate-commitment-to-sustainability-outperform.html>

<sup>192</sup> European Commission, Directorate-General for Environment, 2015, “Special Eurobarometer 436: Attitudes of Europeans towards biodiversity”, see: [http://ec.europa.eu/environment/eurobarometers\\_en.htm](http://ec.europa.eu/environment/eurobarometers_en.htm)

(2017)<sup>193</sup> confirms these findings as more than nine in ten survey respondents say that protecting the environment is important to them personally. A global survey by Nielsen<sup>194</sup> (2015) translates these findings into consumer trends and finds that “*when it comes to sales intent, commitment to the environment has the power to sway product purchase for 45% of consumers surveyed*”.

**As was mentioned in PART 2 of the study, family-owned heritage houses already provide important environmental contributions to society by, amongst others, preserving and conserving the natural environment and providing access to the natural environment by opening up their grounds to visitors. In this context, family-owned heritage houses are well positioned to reap the opportunities that stem from this increased focus on natural values, the environment and biodiversity, also in the context of the rise in sustainable tourism.**

### **Re-valuation of the countryside in a society that is increasingly urbanised.**

As was described above (see 1.4 on Threats), increasing urbanisation is a threat to open space and to family-owned heritage houses that maintain these open spaces or are located therein. However, the flipside of this medal is that increasing urbanisation also provides opportunities as the countryside has many resources that are essential for urban areas (see European Parliament, 2016),<sup>195</sup> such as food and water, renewable energy and ecosystem services (air quality, preservation of biodiversity). Furthermore, the countryside can provide a high quality of living, as well as cultural resources and landscapes for recreation and tourism.

**In this context, family-owned heritage houses can position themselves as a part of these countryside “assets” as well as benefit from the re-valued attractiveness of the countryside to appeal to visitors.**

### **Rise of enabling technologies**

One of the four megatrends identified by the OECD<sup>196</sup> (2018) that will determine the future of tourism, is the rise in so-called enabling technologies, enveloping a wider scale of technologies than purely digital technologies. Examples of enabling technologies mentioned in the OECD report are the sharing economy, virtual reality technology, the Internet of Things, autonomous vehicles, artificial intelligence, blockchain technology, ...

Together, these trends could make “*travel more affordable, efficient and accessible to many people*” (OECD, 2018). **Enabling technologies can provide, amongst others, the following opportunities for family-owned heritage houses:**

- “More travelers and visitors can **connect directly through a technological platform with a service provider**, rather than dealing with a hotel, a booking agent or professional travel agent”<sup>197</sup> (OECD, 2018). As these platforms are often used to inform travel decisions and to book vacations online, making it easier and simpler for travelers to plan and book their stay or other activities at the house, these platforms can be an opportunity for family-owned heritage houses. However, the rise of digital platforms and aggregators in travel and tourism may also squeeze the profit margins of family-owned heritage houses or provide an opportunity only for the big players whereas smaller actors such as individual family-owned heritage houses might not have the critical mass to absorb these technologies and use them for their benefit.

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<sup>193</sup> European Commission, Directorate-General for Environment, 2017, “Special Eurobarometer 468: “Attitudes of European citizens towards the environment”, see: [http://ec.europa.eu/environment/eurobarometers\\_en.htm](http://ec.europa.eu/environment/eurobarometers_en.htm)

<sup>194</sup> Based on a poll of 30.000 consumers in 60 countries across the globe. Nielsen, 2015, “Nielsen Global Corporate Sustainability Report”, See: <https://www.nielsen.com/eu/en/press-room/2015/consumer-goods-brands-that-demonstrate-commitment-to-sustainability-outperform.html>

<sup>195</sup> European Parliament, 2016, “Bridging the rural-urban divide: Rural-urban partnerships in the EU”, [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/573898/EPRS\\_BRI\(2016\)573898\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/573898/EPRS_BRI(2016)573898_EN.pdf)

<sup>196</sup> OECD, 2018, “OECD Tourism Trends and Policies 2018”, OECD Publishing, Paris. See: <http://dx.doi.org/10.1787/tour-2018-en>

<sup>197</sup> OECD, 2018, “OECD Tourism Trends and Policies 2018”, OECD Publishing, Paris. See: <http://dx.doi.org/10.1787/tour-2018-en>

- The increasing and extensive use of social media presents opportunities to market family-owned heritage houses in a more personalised manner.
- New technologies (such as mobile apps, virtual reality or even augmented reality) can **enrich the experience of visitors** to the house, giving them e.g. easier access to navigation information, translations, or even bring the history of the house “alive”.
- New technologies may offer the opportunity for family-owned heritage houses to **provide highly personalised products and experiences to visitors**, as visitors increasingly have more transparent and comparable information at their fingertips when making decisions about where to stay, how to get to a destination and where to eat.

On the other hand, the increased digitalisation may also tip the balance in favour of activities where visitors can “unplug” and have “analogue” natural experiences. This trend also provides an opportunity for family-owned heritage houses.

### Rise in new sources of finance, such as crowdfunding, philanthropy, impact investing, ...

Recently there has been a rise in new sources of finance such as crowdfunding, venture philanthropy and impact investing. A recent study on crowdfunding by IDEA Consult (2017) shows that currently only a minority of crowdfunding campaigns in the Cultural and Creative sectors come from Heritage. The study<sup>198</sup> estimates that the amounts raised for heritage are €3.5 million in the period 2013-October 2016, compared to €71 million in Film & Audiovisual, €43 million in Music and more than €30 million each for the Design and Literature, Books and Press sectors in the same period. Importantly, the study shows that a **crowdfunding campaign in the Cultural and Creative Sectors very often serve other purposes beyond finance, such as community engagement, skills development, promotion and market research, making it an interesting tool and opportunity also for family-owned heritage houses** (see also *Box 4* below).

Another upcoming financing source is **impact investing**, where there is an explicit combination of financial and social returns. Impact investing is positioned between philanthropy on the one hand and financial investment on the other. Contrary to philanthropy, investors in impact investing can reap the (financial) rewards when projects are successful. However, the main objective of impact investing is that the investor generates a social impact. Also different from philanthropy - which is often focused on the (short-term) financing of specific projects - impact investing ensures more sustainable financing of organisations that generate social impact. The organisations in which investments are made are explicitly expected to monitor the social impact of their activities and report on it to investors, so that the latter can also effectively assess their investment in this area. Impact investing is currently strongly focused on the financing of social economy organisations and very limited in the cultural sector. **However, impact investing has an intrinsic potential for also financing family-owned heritage houses given the social value that the houses can generate** (see PART 2 of the study as well as the Strengths in section 1.1).

Finally, **venture philanthropy (VP)** could also provide opportunities for family-owned heritage houses. Venture philanthropy is defined as a form of financing in which both financial and non-financial support are combined to create stronger 'investee' organisations, so that they can enlarge their social impact. The approach can cover the entire spectrum of financial instruments (grants, debts, own resources, etc.) and non-financial support (advisory, coaching and business mentoring services, access to network, financial management, fundraising and income strategy, governance). Research by the EVPA (European Venture Philanthropy Association)<sup>199</sup> showed that in 2015, some 7% of philanthropy investment was spent on "culture and recreation".<sup>200</sup> **Similar to impact investment, venture**

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<sup>198</sup> IDEA Consult et. al, 2017, “Crowdfunding; Reshaping the crowd’s engagement in culture”, study commissioned by Directorate General for Education and Culture.

<sup>199</sup> EVPA, 2015, “The State of Venture Philanthropy and Social Investment (VP/SI) in Europe: The EVPA survey 2015/2016.”

<sup>200</sup> i.e. culture, arts, sports, other recreation and social clubs.

**philanthropy has an intrinsic potential for family-owned heritage houses, given the social value that they can generate** (see PART 2 of the study as well as the Strengths in section 1.1).

*Box 4: Crowdfunding & Crowdfunding platform Dartagnans*



**Dartagnans** is a French crowdfunding platform dedicated specifically to (material and immaterial) cultural heritage, culture and the arts in France.

Currently, two thirds of the crowdfunding projects on Dartagnans are in the hands of private owners, foundations or private corporations. In 2016, €2.6 million euro was raised on Dartagnans, from €400,000 in 2015. Bastien Goullard, co-founder of Dartagnans, noted that innovative crowdfunding projects in heritage, working on

the basis of a reward-based system<sup>201</sup> have more chances of successfully reaching their crowdfunding target. Projects aiming at the restoration of heritage are also often successful. Mr. Goullard also observed that donation-based<sup>202</sup> crowdfunding campaigns or projects in heritage domains that are located outside the larger tourist areas in France, have more difficulties in being successful. Apart from matching heritage sites with donors, Dartagnans is also a communication agency, offering campaigners communication support for their project launched on the platform. Dartagnans also offers specific business expertise to support the crowdfunding campaigns on their platform.

**Sources:**

- Interview with Bastien Goullard, co-founder of Dartagnans, 2 October 2018;
- IDEA Consult et. al, 2017, "Crowdfunding; Reshaping the crowd's engagement in culture", study commissioned by Directorate General for Education and Culture. See <https://publications.europa.eu/en/publication-detail/-/publication/7e10916d-677c-11e7-b2f2-01aa75ed71a1/language-en/format-PDF>
- Website Dartagnans: <https://dartagnans.fr/en/about/platform>

<sup>201</sup> Reward-based crowdfunding: donating small amounts to meet the larger funding aim of a specific project with the expectation of receiving a tangible (but nonfinancial) reward or product at a later date in exchange.

<sup>202</sup> Donation-based crowdfunding: donating small amounts to meet the larger funding aim of a specific project while receiving no financial or material return in exchange.

## 1.4 Threats

- **UNFAVOURABLE AND DIVERSE FRAMEWORK CONDITIONS ACROSS EUROPE:**
  - **RULES & REGULATION**
  - **TAXATION**
- **COMPETITION WITH (SUBSIDIZED) PUBLIC HERITAGE**
- **NEGATIVE PUBLIC PERCEPTIONS**
- **LACK OF PUBLIC AND POLICY AWARENESS REGARDING THE IMPORTANCE OF FAMILY-OWNED HERITAGE HOUSES**
- **DEPOPULATION OF RURAL AREAS, FADING RURAL COMMUNITIES AND WEAKENED RURAL ECONOMY**
- **PRESSURE ON OPEN SPACE DUE TO URBANIZATION**
- **DISAPPEARING ARTS/CRAFTS SKILLS**
- **PRESSURE ON PUBLIC FUNDING FOR HERITAGE**
- **NEGATIVE PUBLIC PERCEPTIONS ON ENERGY EFFICIENCY OF FAMILY-OWNED HERITAGE HOUSES**
- **NEGATIVE EFFECTS OF CLIMATE CHANGE ON CULTURAL HERITAGE**
- **LACK OF PRIVACY**
- **INCREASED INSURANCE & SECURITY COSTS DUE TO THEFT OF MOVABLE CULTURAL HERITAGE GOODS**
- **EVOLUTIONS IN TOURISM MARKET: INCREASED CONCENTRATION OF VISITOR TRAFFIC TO TOP ATTRACTIONS**

### THREATS

Next to the internal difficulties (Weaknesses) that family-owners of heritage houses face, an additional number of external factors negatively impact the conditions under which they operate (Threats). Below we describe these threats in more detail.

#### Unfavourable and diverse framework conditions across Europe - Rules & Regulation

As was described in PART 2/section 3.2 of the study, family-owned heritage houses across Europe are faced with very diverse framework conditions. Family-owners that participated in the online survey rank "Legislation, rules and regulation" in the top 3 challenges that they currently face.<sup>203</sup>

Heritage houses that develop activities in or around the grounds, are often at the **crossroads of different types of regulations** with regard to:

- protection of the heritage;
- health and safety regulations (fire safety, food safety, ...);<sup>204</sup>
- nature conservation or nature planning rules;
- planning permits; ...

Especially the rules and regulations regarding the protection of the house are often perceived as very strict by family owners, limiting their opportunities to develop activities. As a report on the situation in Austria states (2017), "*the use of monuments therefore is in a field of tension between the building*

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<sup>203</sup> Based on weighted scores, this challenge was ranked 3<sup>rd</sup> (out of a total of 11 challenges) (n=907). See Annex A.11 / for an overview of the online survey results regarding the challenges family-owners face in the management of their house and/or grounds.

<sup>204</sup> Of course, also new houses that develop activities must abide by the same health and safety regulations or planning permits. In this sense, new houses and heritage houses are not treated differently.

*regulations, the protection of the monument, and the economic basis*".<sup>205</sup> A study for the UK (DC Research, 2015) highlights that owners find "*listed status, planning regulations, processes and systems, and health and safety issues adding to the cost of what is typically specialist and highly regulated works*".

According to the interviews, national heritage/conservation agencies often have a strong focus on 'preserving the listing value' and act re-actively instead of pro-actively. Luckily, in some European countries/regions (e.g. Flanders, Denmark) they become progressively more aware of the challenges for owners and there is openness to find solutions. However, this often happens on a case-by-case basis or is very dependent on the public servant handling the dossier, rather than that it is being translated into the general regulatory framework (e.g. in France, Austria, Flanders) (see also PART 2/ section 3.2 on Framework Conditions). In other countries, the role of the conservation offices has been diluted, such as in Poland (see Purchla (2011)<sup>206</sup>) and Romania.

From the expert and stakeholder interviews, we find that there is also often a **lack of a general vision** on the different regulations that affect heritage houses, resulting in **different regulations contradicting each other** e.g. if a heritage house owner wants to abide by the fire regulations in order to be able to exploit some kind of catering in or around the house, this often conflicts with the rules imposed by the conservation offices. This was also confirmed, for example, in Austria, where a recent report<sup>207</sup> (Kovar & Partners, 2017) states that "*the general legal framework is neither consistent nor coherent. There is no mechanism or institution that ensures that different regulations are tuned to each other and do not contradict each other. [...].*"

**The inheritance regulation framework** forms an important aspect of the challenges that family-owners face when they want to pass on their house to their children, especially in those countries following the Napoleonic system, where the inheritance needs to be split equally between children (see also PART 2/section 3.2 on framework conditions for a more detailed description on this). This type of inheritance taxation often results in:

- The sale of the grounds surrounding the house, as the heritor needs to "buy out" his/her siblings in order to achieve an equal distribution of the inheritance among the children;
- The sale of the complete estate (house and grounds) as there is often not enough financial capital available for one sibling to buy out other siblings and/or – when there is a sole inheritor – to fulfill the payment of the death duties.

The sale of the grounds is an important restriction on the sustainability of the house, resulting in financial pressures, as described above.

### **Lack of (transparency in) compensation for owners of officially protected heritage houses.**

As was mentioned in PART 2/section 3.2 on the diversity in framework conditions, in some countries, heritage house owners do not receive any compensation for the conservation of their house in order to protect its heritage characteristics. For example, in Romania private owners do not receive any subsidies from the state. Moreover, the fiscal advantages that house owners previously had w.r.t. property tax exemption, have been suspended (similar case for Poland, see section 3.2 on framework conditions). In other countries, such as the Czech Republic, the main concern is that there is no transparency with regard to the compensation for private owners of an officially protected heritage house: all owners of officially protected buildings – also public owners – have to apply for the same funds, with no

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<sup>205</sup> Kovar & Partners, 2017, "Bessere rechtliche Rahmenbedingungen für Baudenkmäler: Im Auftrag der Bundesimmobiliengesellschaft, des Instituts für den Wirtschaftsstandort Oberösterreich, des Österreichischen Burgenvereins und der Burghauptmannschaft Österreich"

<sup>206</sup> Purchla J., 2011, "Towards a system of heritage preservation in Poland"

<sup>207</sup> Kovar & Partners, 2017, "Bessere rechtliche Rahmenbedingungen für Baudenkmäler: Im Auftrag der Bundesimmobiliengesellschaft, des Instituts für den Wirtschaftsstandort Oberösterreich, des Österreichischen Burgenvereins und der Burghauptmannschaft Österreich "

transparency on the distribution of the resources. Obviously, when owners have to abide by protection regulations - which often impose the use of specific conservation/restoration techniques or materials - resulting in higher maintenance and conservation costs for heritage house owners, it is a great financial challenge for owners when they do not receive or are not sure to receive a compensation for these extra investments.

**Restitution.** Finally, in Eastern Europe, there are issues with the restitution of heritage houses as was discussed in more detail in PART 2/section 3.1.

### Unfavourable and diverse framework conditions across Europe - Taxation

Family-owners that participated in the online survey indicated that the **tax burden** was the second most important challenge they are facing in the management of their house and/or grounds.<sup>208</sup>

In the interviews, the different taxation treatment of family-owners, compared to public owners, and of heritage/protected/listed buildings, compared to new buildings, have been mentioned repeatedly as having a negative effect on private owners. For example:

- different tax treatment of private vs. public owners (of houses open to the public), for example in the Czech Republic, private owners have to charge VAT on ticket prices, whereas state owners do not have to do this;
- different tax treatment of new vs. listed/protected buildings, e.g. in the UK, the zero rate of VAT for alterations to listed buildings was abolished in 2012, resulting in a VAT rate of 20% for reconstruction/renovation compared to a VAT of 0% for new buildings.<sup>209</sup>

Furthermore, the discretionary powers of fiscal authorities often pose a challenge for owners. For example, in Austria, a report by Kovar and partners (2017) states that, when owners use the possibilities of tax deduction related to conservation costs, they run the risk of "*having the expenditures classified by the tax authorities as a "hobby" and not as an operating expense*". Another example can be found in France, where the value of historic monuments is included in the calculation of the wealth tax base: in this context, fiscal authorities will put an estimate. In the stakeholder workshop the **instability in the framework conditions** was also highlighted as an additional threat in the stakeholder workshop: the fact that e.g. changes in national taxation frameworks or regulation frameworks applicable to family-owners are unpredictable, creates an extra obstacle for owners.

### Competition with (subsidised) public heritage

As was described above, the different tax treatment of public versus private owners of heritage houses in e.g. the application of VAT on entry fees already creates an unequal playing field. Furthermore, public authorities that own a heritage house (can) establish fees for visits to or other activities in the house/grounds based on a public benefit reasoning rather than a financial business reasoning, and thus charge 'below cost' entrance fees. In this sense, there is a **different level playing field between public and private owners of heritage houses.**

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*"In Eastern countries, heritage houses are like church. You need to open your doors all the time for free. It is seen as common good". Stakeholder workshop*

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### Negative public perceptions

According to the interviews, in countries like Italy and France, heritage house owners are often perceived as landlords, aristocrats or "very wealthy persons". This is confirmed in a study for France by Greffe et.al. (2015),<sup>210</sup>

<sup>208</sup> Based on weighted scores, this challenge was ranked 2<sup>nd</sup> (out of a total of 11 challenges) (n=907). See Annex A.11 / for an overview of the online survey results regarding the challenges family-owners face in the management of their house and/or grounds.

<sup>209</sup> See also: Historic Houses, 2018, "[Tax treatment of independent historic houses](#)"

<sup>210</sup> Greffe, X. and S. Pflieger, 2015, "L'empreinte des monuments privés protégés: Prospective Régionale – 2030."



where negative perceptions from the general public are highlighted as an important barrier for private owners to connect with the public. On the other hand, in other countries, such as the UK, there is generally a good connection between heritage houses and the public, mostly on a local level. A study for the UK (DC Research, 2015) gives a mixed perspective on this issue, as some private owners that were interviewed/surveyed in the study “*felt that perceptions were evolving and improving, others thought such perceptions were still persisting*”. In general, in countries that underwent the communist rule, heritage houses were often publicly accessible for the whole community throughout the communist rule. Following the aftermath of communism, when (some) heritage houses became private property again, local communities felt disappointed that they could no longer access the heritage house and/or its surrounding, leading to less favourable public perception of new/original heritage house owners. According to the expert and stakeholder interviews, these public perceptions of heritage house owners are gradually improving now. For example, in Latvia, (mostly new) heritage house owners are viewed neutrally, as they have no historic baggage linked to the house. Also, family-owners of heritage houses that participated in the online survey, did not rate negative public perceptions as an important challenge they currently face in the management of their house/grounds.<sup>211</sup>

### **Lack of public and policy awareness regarding the importance of family-owned heritage houses**

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*“For many years the role of private owners in heritage has been mentioned at policy level, but never really recognised as ‘full partners’ of public authorities. With this study family-owned heritage finally receives the right attention”. Expert and Stakeholder Interviews*

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*“There is a long way to go to convince policymakers of the importance and contribution of cultural heritage” Expert and Stakeholder Interviews*

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A study by the Heritage Lottery Fund (2015, UK) showed that one of the key limitations on levels of engagement with heritage involved complacency amongst residents (and particularly young people) and awareness. As the accompanying quotes show, the interviews focused more on the lack of policy awareness regarding the importance and the specific needs of family-owned heritage houses. This is confirmed in a study for the UK (DC Research, 2015) where private owners of heritage houses stated that there “*should be a greater recognition of the heritage, stewardship and conservation role of historic houses and gardens*”. The lack of

public/policy awareness regarding the impact of heritage houses was also highlighted as a challenge by family-owners that participated in the online survey.<sup>212</sup>

### **Depopulation of rural areas, fading rural communities and weakened rural economy**

A recent policy brief from ESPON (2017)<sup>213</sup> on shrinking rural regions describes how many rural regions face shrinking populations due to a restructuring of agriculture as well as an increasing concentration

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<sup>211</sup> Based on weighted scores, this challenge was ranked 7<sup>th</sup> (out of a total of 11 challenges) (n=907). See Annex A.11 / for an overview of the online survey results regarding the challenges family-owners face in the management of their house and/or grounds.

<sup>212</sup> Based on weighted scores, this challenge was ranked 4<sup>th</sup> (out of a total of 11 challenges), behind the above-mentioned challenges “financial pressures”, “tax burden”, “legislation, rules and regulation” (n=907). See Annex A.11 / for an overview of the online survey results regarding the challenges family-owners face in the management of their house and/or grounds.

<sup>213</sup> ESPON, 2017, “Shrinking rural regions in Europe: towards smart and innovative approaches to regional development challenges in depopulating rural regions?” Policy brief. See:

<https://www.espon.eu/sites/default/files/attachments/ESPOLPolicy%20Brief%20on%20Shrinking%20Rural%20Regions.pdf>

of population and employment in urban centres. According to Eurostat data (2016) in the ESPON report, *“the population of Europe’s urban regions is projected to increase by 24.1 million persons by 2050 and will provide home to almost half of the EU-28 population. By contrast, the population of predominantly rural regions is projected to fall by 7.9 million”*.<sup>214</sup> The ESPON brief further explains that this rural decline is both a demographic and economic phenomenon, as agriculture has become less labour intensive while economic and employment growth has become progressively more focused on the tertiary sector, favouring larger urban centres. This had led to *“selective job-related out-migration from rural to urban regions, particularly of younger and well-educated workers”*, which in turn has resulted in *“persistent “slow-leak” depopulation, divestment and a negative natural population balance”*. The ESPON brief further gives an overview of the symptoms of rural shrinkage:

- an increasing mismatch between the supply and demand of services due to a decreasing population, creating difficulties for both the public and private sectors;
- the underutilisation and poor maintenance of services due to weak local markets;
- the deterioration of local living conditions and quality of life;
- the rise in unemployment while skilled labour becomes scarce, causing the emergence of abandonment and obsolescence.

All of these symptoms have a negative effect on the attractiveness of (shrinking) rural regions across Europe. As many family-owned heritage houses in Europe are located in rural regions or small towns, the above-mentioned factors also pose a real threat to their sustainability.

### Pressure on open space due to urbanisation

The Eurostat publication (2016) on “Urban Europe”<sup>215</sup> explains how (a) the above-described increase in population in urban areas as well as (b) the limited space available for urban developments resulted in the **divide between urban and rural areas becoming increasingly blurred**: *“In many cities, people have tended to move out of inner cities to suburban and peri-urban areas (hybrid areas of fragmented urban and rural characteristics) on the outskirts of existing metropolitan regions. This shift has been encouraged, among others, by increased motorisation rates; improvements to road networks and public transport links; aspirations for a better quality of life; and a desire to escape poverty and urban decay apparent in some inner-city areas”*.<sup>216</sup>

This urbanisation process has clearly put pressure on the available “open space” in these areas. This development also presents a threat to family-owned heritage houses located in these areas, especially those houses surrounded by land. However, we need to note that this urbanisation trend has been increasingly recognised by urban planners, who currently *“try to restrict the number of suburban and greenfield sites that are being used for developments — due to their potential adverse environmental impact — focusing attention instead on (re-)developing inner city areas”* (Eurostat, 2016). As such, attempts are made to stop these negative consequences of urbanisation.

Finally, urbanisation has also led to increased customer expectations: similar to the city, consumers expect to find the same services in the countryside too (e.g. similar cafe or restaurant experience, similar shopping experience (in the neighbourhood), etc.). Expectations that cannot be met cause consumers to refrain from visiting the countryside.

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<sup>214</sup> ESPON, 2017, “Shrinking rural regions in Europe: towards smart and innovative approaches to regional development challenges in depopulating rural regions?”

<sup>215</sup> Eurostat, 2016, “Statistics explained: Urban Europe – statistics on cities, towns and suburbs - patterns of urban and city developments”, see: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/50929.pdf>

<sup>216</sup> Eurostat, 2016, “Statistics explained: Urban Europe – statistics on cities, towns and suburbs - patterns of urban and city developments”, see: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/50929.pdf>

## Disappearing arts/crafts skills

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*"The lack of local skills, knowledge and understanding about building techniques and lack of understanding of the use of the right materials when it comes to conserving the heritage house". One of the main challenges in managing a heritage house stated by a participant to the online survey towards Family-owners of heritage houses in Europe*

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year) on a total of 10,000 jobs. Likewise, the UK Heritage Crafts Association<sup>218</sup> has recently made up a red list of endangered crafts: drawing on information such as the current number of craftspeople and trainees, the average age of practitioners, opportunities to learn, and other issues affecting the future of the crafts considered, the association has assessed the likelihood that craft skills will be passed on to the next generation. The research results show that half of the investigated crafts<sup>219</sup> were identified as being (critically) endangered, including crafts such as coppersmithing, founding, lead working, chair seating, etc.

As was described in PART 2/section 4.3.3.2, initiatives like "Mad'in Europe" try to counter this threat (see also illustrative practices report).

## Pressure on public funding for heritage

According to Eurostat data,<sup>220</sup> total government expenditures in the European Union (EU) have steadily decreased since 2012, when they stood at 48.9% of gross domestic product (GDP) compared to 45.8% of GDP in 2017. Among the main functions of general government expenditures in the EU, 'social protection' is by far the most important, equivalent to 18.8% of GDP in 2017. The next most important areas are 'health' (7.0%), 'general public services' (5.8%) such as external affairs and public debt transactions, 'education' (4.6%) and 'economic affairs' (4.0%). On the other hand, the function 'recreation, culture and religion' (1.1%), has a much more limited weight.

This decrease in public funding is a threat to family-owned heritage houses as it is also making it more difficult for them to find the necessary means to restore and maintain the house.

## Negative public perceptions on energy efficiency of family-owned heritage houses

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<sup>217</sup> Greffe X. and S. Pflieger, 2015, "L'empreinte des monuments privés protégés: Prospective Régionale – 2030"

<sup>218</sup> Heritage Crafts Association, 2019, "Red List of Endangered Crafts", See: <https://heritagecrafts.org.uk/wp-content/uploads/2019/03/HCA-Red-List-optimised.pdf>

<sup>219</sup> A total of 212 crafts were considered for this research, where a heritage craft was defined as "a practice which employs manual dexterity and skill and an understanding of traditional materials, design and techniques, and which has been practised for two or more successive generations." The research focused on craft practices which are taking place in the UK today, including crafts which have originated elsewhere. See <https://heritagecrafts.org.uk/craft-skills-under-threat-with-37-additions-to-the-red-list-of-endangered-crafts/>

<sup>220</sup> Eurostat; 2019, Newsrelease: "General government expenditure in the EU in 2017: Highest proportion of government expenditure goes to social protection and health - Total government expenditure continued to decrease." See: <https://ec.europa.eu/eurostat/documents/2995521/9665811/2-15032019-BP-EN.pdf/2340c61d-9dc5-4b5f-9b13-db36ff01c082> and [https://ec.europa.eu/eurostat/statistics-explained/index.php/Government\\_expenditure\\_by\\_function](https://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_by_function)

As was described in PART 2/section 4.3.4 of the study, the National Trust for Historic Preservation's Research & Policy Lab<sup>221</sup> finds that (for the US) "*the renovation and reuse of existing buildings of comparable functionality and size,<sup>222</sup> and equivalent energy efficiency levels, consistently yield fewer environmental impacts<sup>223</sup> than demolition and new construction over a 75-year period*". Even when it is taken into account that newly constructed buildings are performing at a 30% improvement in energy, "*rehabilitation and retrofit still outperform new construction, yielding fewer impacts over a 75-year lifespan*". According to this study, it takes between 38 and 50 years for a new single-family home, that is 30% more efficient than an average-performing existing building, to overcome, through efficient operations, the negative climate change impacts related to construction.

However, **in the public debate on climate change, this "cradle-to-cradle" reasoning is often missing**, with the debate frequently focusing on the fact that heritage houses are not built according to the most recent energy efficiency-standards, also not taking into account the strict regulatory framework that applies to protected heritage houses, which often does not allow certain investments in the domain of energy efficiency. Thus, the public debate on this matter often lacks complete data on the full cost-benefit picture, which should also take into account e.g. the waste and demolition impacts of new buildings. As Haspel<sup>224</sup> (2011) notes: "*Even today, an overall balance that compares the production, use, maintenance, demolition and disposal of old buildings with conservation management, continued use and site recycling of built-up areas, seldom favours the permanent replacement of buildings*". The current lack of this full "cradle-to-cradle" reasoning in the public debate hampers the correct recognition of the value of family-owned heritage houses as an integral part of Europe's building stock in modern society.

### **The negative effects of climate change on cultural heritage.**

Family-owned heritage houses themselves can also be negatively affected by climate change: a warmer and wetter climate will put more stress on cultural heritage – through e.g. rising sea levels, increasing erosion and the danger of floods and landslides.<sup>225</sup> Currently, there is a wide body of evidence describing these adverse effects of climate change on cultural heritage – an overview can be found in e.g. Horowitz et al. (2016).<sup>226</sup>

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<sup>221</sup> National Trust for Historic Preservation's Research & Policy Lab, "The Greenest Building: Quantifying the Environmental Value of Building Reuse."

<sup>222</sup> With the case of a single-family home also included in the researched cases.

<sup>223</sup> Environmental impacts are defined as impacts on climate change, resource depletion, human health and ecosystem quality.

<sup>224</sup> Haspel, J., 2011, "Built heritage as a positive location factor: economic potentials of listed properties", pp.909 - 910; See: [http://openarchive.icomos.org/1304/1/IV-3-Article3\\_Haspel.pdf](http://openarchive.icomos.org/1304/1/IV-3-Article3_Haspel.pdf)

<sup>225</sup> See also: The Directorate of Cultural Heritage in Norway, 2008-2010, Nordic collaborative project on the "Effects of climate change on cultural heritage and cultural environments"

<sup>226</sup> Horowitz, A.D., M.F. Lopez, S.M. Ross, J.A. Sparenberg, 2016, "Climate change and cultural heritage conservation: a literature review." Prepared for the APT Technical Committee on Sustainable Preservation's Education and Research focus group. See: <http://www.apti.org/clientuploads/Technical%20Committees/2015-2016/APT%20TC-SP%20Literature%20Review%20Climate%20Change%20%20Cultural%20Heritage%20Conservation%202016June30.pdf>

## Lack of privacy

For owners who live in their house, there is always a tension between opening the house to visitors while still maintaining sufficient privacy. This is confirmed in a survey of private heritage house owners in the UK (DC Research, 2015), that indicated that *“the divide between work and family life can be hard to maintain”*. It was also noted in the stakeholder workshop that *“if the house is used exclusively or too much in an economical perspective, the owners and their family lose the feeling of “home”, “relaxation”, “quiet”, and “history of their family”*. This can especially become an issue for smaller houses.

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*“For owners who live in their house, there is always a tension between opening the house to the public while still maintaining sufficient privacy. In that sense, there is a tension between the different “users” [owners and visitors] of the house”. Expert and Stakeholder Interviews*

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## Increased insurance & security costs due to theft of movable cultural heritage goods

A survey by EHHA among the houses that are member of the national associations adherent to EHHA (2011)<sup>227</sup> showed that 58% of the survey respondents<sup>228</sup> had been the victim of theft of movable cultural heritage goods in their house (paintings, furniture, silverware, sculptures, ...). More than 1 in 4 of the private owners participating in the survey indicated that investments in security systems amounted to more than €5,000. The increased insurance and security costs due to the theft of these goods is added to the financial pressures family-owners experience today (see 1.2 on Weaknesses above).

## Evolutions in tourism market

Today many tourism sites are receiving huge influxes of visitors, especially in peak periods, potentially resulting in severe management difficulties, a deterioration of the visitor experience, as well as the general site conditions.<sup>229</sup> This can also be a threat for family-owned heritage houses (see also the lack of privacy issue above). However, participants to the stakeholder workshop noted that *“there is especially a tendency toward an increased concentration of “visitor traffic” to leading world attractions,<sup>230</sup> leaving the rest behind”*. This is an important challenge to deal with for family-owners, as many heritage houses are located in more remote areas.

**Based on this SWOT analysis, a number of building blocks for innovative business models have been identified that foster the strengths of family-owned heritage houses to enable them to reap the opportunities that have been identified.**

**These building blocks will be discussed in the next part of this study, where the existing business models of heritage houses will be analysed in order to identify where innovation can be further stimulated to make the sector of family-owned heritage houses resilient and competitive to overcome the identified threats and counter the weaknesses, while building on the strengths of the houses in order to be able to fully grasp the detected opportunities.**

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<sup>227</sup> EHHA, 2011, “Synthèse sur le trafic illicite des biens culturels”.

<sup>228</sup> On a total of 82 respondents, with houses in the UK, France, Belgium, Italy and Portugal.

<sup>229</sup> See UNWTO on Sustainable Development of Tourism – Cultural Heritage: <http://sdt.unwto.org/content/cultural-heritage-1>

<sup>230</sup> See e.g. Peeters, P., Gössling, S., Klijs, J., Milano, C., Novelli, M., Dijkmans, C., Eijgelaar, E., Hartman, S., Heslinga, J., Isaac, R., Mitas, O., Moretti, S., Nawijn, J., Papp, B. and Postma, A., 2018, “Research for TRAN Committee - Overtourism: impact and possible policy responses, European Parliament”, Policy Department for Structural and Cohesion Policies, Brussels”, [http://www.europarl.europa.eu/RegData/etudes/STUD/2018/629184/IPOL\\_STU\(2018\)629184\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2018/629184/IPOL_STU(2018)629184_EN.pdf)



## PART 4 Analysis & mapping of business models

### Innovative business models

# 1. Scope of analysis

The scale and speed at which innovative business models are transforming industry landscapes today is unprecedented (Osterwalder & Pigneur, 2010). For entrepreneurs, executives, consultants, and academics there is an urgent need to understand existing business models and how those models can become innovative. Family heritage house owners need to develop new and innovate business models to create value and maintain their property, resulting in a positive impact on visitors, customers and society.

In this study we make use of the business model canvas developed by Osterwalder & Pigneur (2010). The business model canvas they developed gives us the opportunity to describe traditional & innovative business models.

## 1.1 Objectives

- **Mapping of existing business models** used by family-owned heritage houses in the EU member states: identify best practices and potential innovations
- **Identify innovative models and best practices** in order to assist private owners of family-owned heritage houses in maintaining their property, while increasing the dynamism and creating socio-economic opportunities and development at local and systemic level.

Realising the above objectives, we make sure:

- **To cover a wide variety of models**, implemented in rural as well as in urban areas, covering very large properties/lands as well as small size ones, entirely privately-owned as well as owned by public/private partnerships, etc.
- **To cover a broad geographical balance within the EU**

## 1.2 Business model: definition

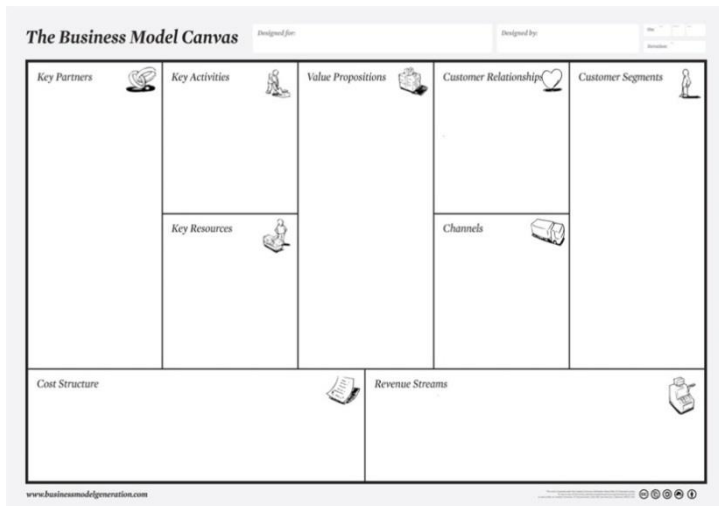
'A business model in the Cultural and Creative Sectors is understood as a set of assumptions about how an individual entrepreneur or an organisation create value, deliver value to a customer, and capture the value and turn it into economic, social and / or cultural output'<sup>231</sup>. A business model is a combination of a variety of core logics and strategic choices for creating and capturing value. The 'value' of new BMs cannot be identified just in simple monetary terms. The many dimensions of the value of the CCSs in society include also cultural and social values. It includes financial (e.g. revenues from hostelries and restauration or agriculture or food and beverage) as well as non-financial benefits (e.g. from the enjoyment of living somewhere or recreational experiences).

## 1.3 Business Model Canvas

The Business Model Canvas methodology was initially proposed by Alexander Osterwalder based on his earlier work on Business Model Ontology. The business model canvas gives the opportunity to redesign and innovate existing business models. It's used throughout the world by an increasing number of consultants, companies, NGO's, etc. Why? Because of its ability to convey the essentials of what you need to know, quickly, simply, and in a visual format. It was co-created with a worldwide community of business practitioners and researchers .

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<sup>231</sup> (Dümke, 2015 for the European Network on Culture)



The Business Model Canvas can be printed out on a large surface so groups of people can jointly start sketching and discussing business model elements with post-it notes or board markers. It is a hands-on tool that fosters understanding, discussion, creativity, and analysis. It is distributed under a Creative Commons license from Strategyzer AG and can be used without any restrictions for modeling businesses.

To describe a business model four main areas of a business should be tackled: **customers, offer, infrastructure, and financial viability**. Within the business model canvas those four main areas are described through nine basic building blocks:

### 1.3.1 Customer Segments

*Defines the different groups of people or organisations an enterprise aims to reach and serve.*

Customers comprise the heart of any business model. Without (profitable) customers, no company can survive for long. In order to better satisfy customers, a company may group them into distinct segments with common needs, common behaviours, or other attributes. A business model may define one or several large or small Customer Segments. An organisation must make a conscious decision about which segments to serve and which segments to ignore. Once this decision is made, a business model can be carefully designed around a strong understanding of specific customer needs.

Customer groups represent separate segments if:

- Their needs require and justify a distinct offer
- They are reached through different Distribution Channels
- They require different types of relationships
- They have substantially different profitabilities
- They are willing to pay for different aspects of the offer

### 1.3.2 Value Propositions

*The Value Proposition is the **reason why** customers turn to one company over another. It solves a customer problem or satisfies a customer need.*

Each Value Proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific Customer Segment. In this sense, the Value Proposition is an aggregation, or bundle, of benefits that a company offers to customers. Some Value Propositions may be innovative and represent a new or disruptive offer. Others may be similar to existing market offers, but with added features and attributes. Some of the cultural values attached to cultural heritage for examples have been already described in the 'Cultural Heritage Counts for Europe' report as: 'aesthetic value', 'spiritual value', 'social value', 'historical value', 'symbolic value', and 'authenticity value'. According to the report, spiritual, historical, and symbolic value all describe impacts related to identity (and the formation of it) through a variety of mechanisms. Those values will be particularly relevant for heritage houses and also reflect the specificity of the sector.



### 1.3.3 Channels

*Describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition.*

Communication, distribution, and sales Channels comprise a company's interface with customers. These channels are customer touch points that play an important role in the customer experience.

Channels serve several functions, including:

- Raising awareness among customers about a company's products and services
- Helping customers evaluate a company's Value Proposition
- Allowing customers to purchase specific products and services
- Delivering a Value Proposition to customers
- Providing post-purchase customer support

### 1.3.4 Customer Relationships

*Describes the types of relationships a company establishes with specific Customer Segments.*

A company should clarify the type of relationship it wants to establish with each Customer Segment. Relationships can range from personal to automated.

Customer relationships may be driven by the following motivations:

- Customer acquisition
- Customer retention
- Boosting sales (upselling)

### 1.3.5 Key Resources

*Describes the most important assets required to make a business model work.*

Every business model requires Key Resources. These resources allow an enterprise to create and offer a Value Proposition, reach markets, maintain relationships with Customer Segments, and earn revenues.

Different Key Resources are needed depending on the type of business model. Rebuilding a castle into a hotel requires capital, whereas a garden festival focuses more on human resources. Key resources can be physical, financial, intellectual, or human. Key resources can be owned or leased by the company or acquired from key partners.

### 1.3.6 Key Activities

*Describes the most important things a company must do to make its business model work.*

Every business model calls for a number of Key Activities. These are the most important actions a company must take to operate successfully. Like Key Resources, they are required to create and offer a Value Proposition, reach markets, maintain Customer Relationships, and earn revenues. Like Key Resources, Key Activities differ depending on business model type. For software maker Microsoft, Key Activities include software development. For PC manufacturer Dell, Key Activities include supply chain management. For consultancy McKinsey, Key Activities include problem solving.

### 1.3.7 Key Partnerships

*Describes the network of suppliers and partners that make the business model work.*

Companies forge partnerships for many reasons, and partnerships are becoming a cornerstone of many business models. Companies create alliances to optimise their business models, reduce risk, or acquire resources. We can distinguish between three different types of partnerships:

- Strategic alliances between non-competitors
- Competition: strategic partnerships between competitors
- Joint ventures to develop new businesses

### 1.3.8 Cost Structure

*Describes all costs incurred to operate a business model.*

This building block describes the most important costs incurred while operating under a particular business model. Creating and delivering value, maintaining Customer Relationships, and generating revenue all incur costs. Such costs can be calculated relatively easily after defining Key Resources, Key Activities, and Key Partnerships. Some business models, though, are more cost-driven than others. So-called “no frills” airlines, for instance, have built business models entirely around low-cost structures.

### 1.3.9 Revenue Streams

*Represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).*

If customers comprise the heart of a business model, Revenue Streams are its arteries. A company must ask itself: “for what value is each Customer Segment truly willing to pay”? Successfully answering that question allows the firm to generate one or more Revenue Streams from each Customer Segment. Each Revenue Stream may have different pricing mechanisms, such as fixed list prices, bargaining, auctioning, market dependent, volume dependent, or yield management.

### 1.3.10 Value Proposition Canvas

While the Business Model Canvas will be the tool to summarise all the business models of our family-owned heritage houses, the Value Proposition Canvas will link our business models to the socio-economic information gathered. Of all the 9 boxes of the Business Model Canvas, the two most important parts of the business model are the relationship between the Value Proposition (what you’re building) and the Customer Segment. These two components of the business model are so important we give them their own name, “Product/Market Fit.”

The Value Proposition Canvas functions like a plug-in to the Business Model Canvas and zooms into the value proposition and customer segment to describe the interactions between customers and product more explicitly and in more details. This keeps things simple by giving the big picture at the business model level and the detailed picture at the “product/market fit” level.

## 2. Triangulation through a mix of research methods

### 2.1 Literature review

*Aim: collecting relevant information on the nine building blocks of the Business Model Canvas (Osterwalder & Pigneur, 2010) when used in determining business models of family-owned heritage houses*

Documents were retrieved by library and internet searches on key words directly relevant the Business Model and the Value Proposition Canvas in the context of family-owned heritage house.

### 2.2 Developing questions to analyse business models for family-owned heritage houses

*Aim: formulating questions to gather the basic information needed to analyse existing and identifying innovative business models for family-owned heritage houses*

Documents retrieved during the literature review were used to formulate basic questions related to the nine building blocks of the Business Model and the Value Proposition Canvas. Depending on the type of information needed, questions were developed to be used in the survey, in the technical sheet on existing business models or in the illustrative practices on innovative business model cases.

### 2.3 Business Model Canvas

The following set of questions referring to the business model canvas, as defined before, were identified during the review study.

#### 2.3.1 Customer Segments

- For whom are we creating value?
- Who are our most important customers?

#### 2.3.2 Value Propositions

- What value do we deliver to the customer?
- Which one of our customer's problems are we helping to solve? Which customer needs are we satisfying?
- What bundles of products and services are we offering to each Customer Segment?

#### 2.3.3 Channels

- Through which Channels do our Customer Segments want to be reached?
- How are we reaching them now?
- How are our Channels integrated?
- Which ones work best?
- Which ones are most cost-efficient? How are we integrating them with customer routines?

### 2.3.4 Customer Relationships

- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- Which ones have we established? How costly are they?
- How are they integrated with the rest of our business model?

### 2.3.5 Key Resources

- What Key Resources do our Value Propositions require?
- What Key Resources do our Distribution Channels require?
- What Key Resources do our Customer Relationships require?
- What Key Resources do our Revenue Streams require?

### 2.3.6 Key Activities

- What Key Activities do our Value Propositions require?
- Our Distribution Channels?
- Customer Relationships?
- Revenue streams?

### 2.3.7 Key Partnerships

- Who are our Key Partners?
- Who are our Key Suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

### 2.3.8 Cost Structure

- What are the most important costs inherent in our business model?
- Which Key Resources are most expensive?
- Which Key Activities are most expensive?

### 2.3.9 Revenue Streams

- To what value are our customers really willing to pay?
- What do they currently pay?
- How are they currently paying?
- How would they prefer to pay?
- How much does each Revenue Stream contribute to overall revenues?

## 2.4 Value Proposition Canvas

The following set of questions referring to the value proposition canvas, as defined before, were identified during the review study.

### 2.4.1 Customers

- Why do they want to make use of your products or services?
- What annoys your customers (price, distance, ...)?
- What is the goal of your customer when buying your products or using your services?

## 2.4.2 Value proposition

- Products and services?
- How do your products and services avoid to annoy your customers?
- How do your products and services help your customers reaching their goals?

## 2.5 Workshop 1

*Aim: validating questions concerning the nine building blocks of the business model canvas and the elements of the value proposition map.*

Representatives of the primary and secondary target groups (among them ELO and EHHA experts, heritage stakeholders, policy-makers, SME's/Cultural creative sector professionals) were invited to participate in a workshop in Brussels (side event of the EHHA General Assembly – 6<sup>th</sup> November 2018).

Based on the information gathered during the initial mapping (literature research) participants were asked to:

- Validate questions related to the business model canvas and the value proposition map
- Create 10 main categories of business models based on the type of activities indicated in the pre-identified business models (79 pre-identified case studies)

More information on the outcome of the workshop can be found on:

[https://www.europeanlandowners.org/heritage-houses-for-europe/wp-content/uploads/2018/12/HeritageHouses\\_Workshop-Report-I.pdf](https://www.europeanlandowners.org/heritage-houses-for-europe/wp-content/uploads/2018/12/HeritageHouses_Workshop-Report-I.pdf)

## 2.6 Survey, Technical Sheet and illustrative practices

Based on the validated questions of the business model canvas and the value proposition map (outcome of workshop 1) a questionnaire was developed feeding the survey, the technical sheets and the illustrative practices on innovative business models. To avoid multiple surveys for the socio-economic analysis and the business models mapping questions were integrated in a single survey. For the survey, questions were mainly formulated as closed questions. The same questions were used as open questions for the technical sheet. Financial sensitive responses were however categorised using the answers to the closed questions of the survey. For the illustrative practices an on-site investigation was done on top of the open questions.

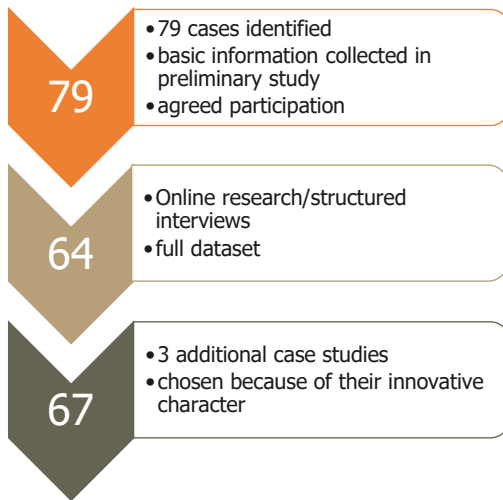
## 2.7 The online survey (S)

The survey incorporated questions on both business models as well as on the socio-economic impact of heritage houses. The survey enabled us to further broaden the already wide variety of models, implemented in rural as well as in urban areas, covering large and small properties, entirely private owned as well as owned by public/private partnerships.



For the business model part, closed-ended questions were asked in function of the categories identified. A few open-ended questions on innovative activities were used so as to enable the respondent to indicate new and unusual elements not captured by the questions.

## 2.8 Technical Sheet on existing business models



79 pre-identified family-owned heritage houses were studied making use of online available information and were, when needed, supplemented with short (15 to 20 minutes) structured interviews by telephone or videoconference. Based on the online research additional short structured interviews, quantitative and non-quantitative information, were gathered on the most important elements of their business models according to the business model canvas developed by Osterwald (2004<sup>232</sup>, 2008<sup>233</sup>, 2010<sup>234</sup>). We were unable to collect a full dataset from 19 of the pre-identified family-owned heritage houses and were subsequently removed from the study. Due to their innovative character, a further 4 family-owned heritage houses were added to the study bringing the **total number of case studies used in this study to 67**.



## 2.9 Illustrative business model cases

Out of the 67 case studies, we selected 14 because of their exemplary role using innovative business models. 13 out of those 14 case studies were studied on-site. Illustrative Practices on innovative business model were chosen based on the innovative aspect(s) of their activities (activities directly linked to building blocks identified during the study) and the way those were integrated in the business strategy of the

family-owned heritage house. Initially only 10 illustrative practices were foreseen. We had the opportunity to include 4 more without travelling to additional countries. We were however not able to meet and visit Flanderhof (Romania). This is the only Illustrative Practices on innovative business model not studied on-site. While the 67 Technical Sheet on existing business models were geographically balanced over all parts of Europe, this was not the case for the illustrative practices.

## 2.10 Data processing and analysis

The different types of information and data collected throughout all steps of the mapping of business models was systematically structured and analysed by the research team. The themes covered were related to the business model canvas and the value proposition canvas as described earlier.

Technical sheets on business models for European heritage houses summarising the data gathered were developed for each of the case studies.

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<sup>232</sup> Osterwalder, A. (2004) "The Business Model Ontology - A Proposition in a Design Science Approach" Unpublished PhD Thesis, University of Lausanne, Lausanne, CH.

<sup>233</sup> Osterwalder, A. (2008) "The Business Model Canvas" <http://www.nonlinearthinking.typepad.com>

<sup>234</sup> Osterwalder, A. & Pigneur, Y., et al., *Business Model Generation: A Handbook for Visionaries, Game Changers and Challengers*, Wiley, 2010.

## 2.11 Workshop 2

The second workshop was described in Part 2, section 2.5 of this study.

## 2.12 Validation of innovative business models

The proposed innovative business models developed were validated during workshop 2, organised on 29<sup>th</sup> April 2019. During the workshop, the innovative business models were presented, and participants could give feedback.

## 2.13 Identifying innovative business model to use 'at home'

During workshop 2 we examined in an interactive workshop how participants were best able to select innovative business models and tools usable within the context of their own family-owned heritage house.

We made use of two different entry points:

- based on their type of activities with different economic and cultural impact
- based on their business strategies.

To test the first entry point (based on their type of activities with different economic and cultural impact) participants were given 'activity cards' describing activities with different economic and cultural impact. Participants had to choose activities fitting within their family-owned heritage house business model. Depending on the economic and cultural impact of those activities innovative business tools were proposed.

To test the second entry point (based on their business strategies) participants were given questions to determine which business strategy their family-owned heritage house business model was following. Depending on the business strategy innovative business tools were proposed.

## 3. Analysis & mapping of business models

### 3.1 Use of the house: the key resource

Traditionally a business model starts its journey with the customer. In the end a business wants to offer a product or a service to a customer aiming to make his/her life easier, more pleasant or more comfortable. A family-owned heritage house owner does not have that privilege. The family-owned heritage house owner has a key resource: the house and the surrounding land, if present. To enable the owner to make a successful business model he has to rethink the process of a business plan starting from his or her main asset: the house. Therefore, we will not follow the traditional approach to a business plan and analyse the customer segments first. Instead, we will start with the key resource: the family-owned heritage house.

#### 3.1.1 The key resource: the family-owned heritage house

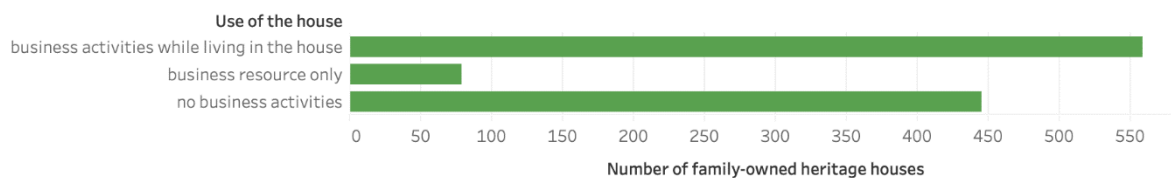
In the case of family-owned heritage houses, the key resource is a physical asset comparable with manufacturing facilities, buildings, warehouses and other infrastructure. However, the asset is not built in function of the business plan developed. In addition to the family-owned heritage house, other key resources are intellectual resources such as symbols belonging to the house, partnerships, interested people and foremost, the history of the house. A historic background for the house is not something you can create, the story behind the house can be as valuable as the house itself. The house, its history and its former (and present) inhabitants offer substantial value.

Further to material and intellectual resources, there is also a need for human resources ranging from skilled artisans restoring the house, to a dynamic owner making sure the house remains in optimal conditions for the generations to come.

The restoration and maintenance of family-owned heritage houses call for financial resources. In this analysis we try to find out if present business models are able to provide those financial resources or if innovative business models can assist the owner in creating those financial resources.

When we have a closer look on “how the owner is making use of his or her historical house”, we noticed that out of a total of 1,084 replies to the survey conducted: 446 respondents **(41%) indicate not to have any business activity in or related to the house**. From those family-owned heritage houses indicating they have a business activity 559 **(52%) answered they are running a business while they are living in the house** while a minority (79 houses or **7%) indicates they use the house only as a business (not living in the house)**.

Figure 41: Number of family-owned heritage houses in function of the use of the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses

While the ratio between those houses not having a business activity and those having a business activity may not reflect the actual situation due to the distribution of the survey through membership networks for historic houses. The ratio between houses having a business running while living in the house versus not living in the house clearly indicates that a majority of family-owned heritage houses combine living in the house with a business activity in or around the house. As already stated under section 3.2, new owners tend to use the house more often as a business resource without living in the house (13%) compared with owners having the house in their family for more than 25 years (6%). New owners also



tend to use the house more often as a business resource (60%) compared with owners whose family have lived in the house for several generations (49%).

### 3.1.2 Location of the house

Most of the family-owned heritage houses who responded to the survey are located in the countryside: 53% are located in the countryside, 36% in a village or a small town while 11% are located in the city centre.

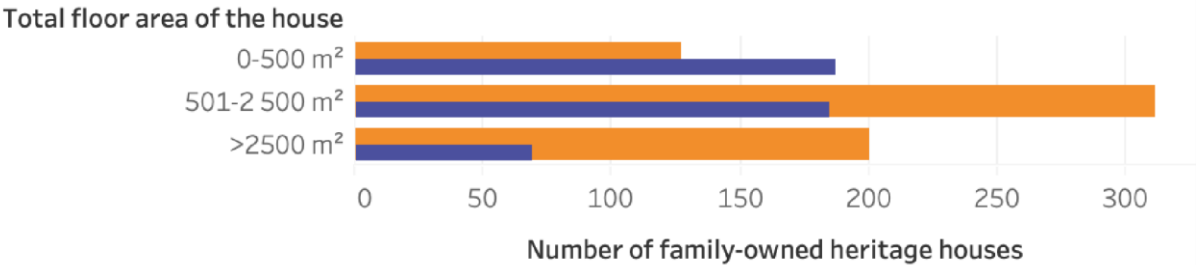
If we look at the location of those houses having a business activity, we see a very similar distribution indicating that the location of the heritage house is not influencing the choice to develop a business linked to the heritage house.

### 3.1.3 Size of the house

The size of the house plays an important role in the choice of the owner whether they will develop a business model to support the restoration and/or maintenance of the house.

Middle and large sized houses especially, have the tendency to develop business models. The restoration and maintenance costs of those houses are very high. For many owners the development of a business model is a necessity in order to cover the costs.

Figure 42: Number of family-owned heritage houses not having a business activity (bleu) or having a business activity (orange) in function of the total floor area of the house.



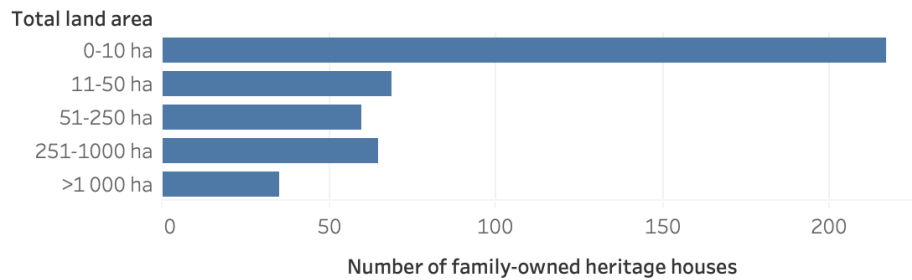
Source: K&DM based on Online Survey Family-Owned Heritage Houses

Only 40% of the smaller houses (0-500m<sup>2</sup>) develop a business related to the heritage house, while this raises to 62% for middle sized houses (501-2500m<sup>2</sup>) and 74% for large houses (>2500m<sup>2</sup>). The size of the house is an important factor in the choice of activities to develop. You are not able to develop a concert hall in a small historical house in the city, and a small shop in a large castle in the countryside is not going to be very effective if no other activities are organised to attract people to the house.

### 3.1.4 Size of the surrounding land

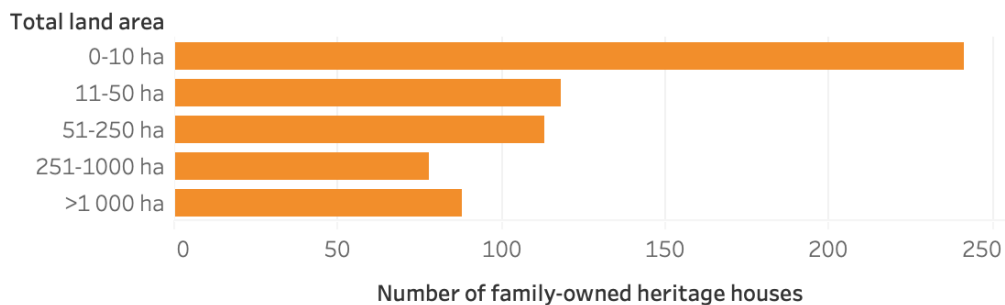
Along with the size of the house, the surrounding land is an important element to take into consideration when developing a business. Figures 43 and 44 show respectively the distribution of heritage houses without and with a business activity and surrounded by different areas of land.

Figure 43: Number of family-owned heritage houses not having a business activity in function of the total land area around the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses

*Figure 44: Number of family-owned heritage houses having a business activity in function of the total land area around the house.*



Source: K&DM based on Online Survey Family-Owned Heritage Houses

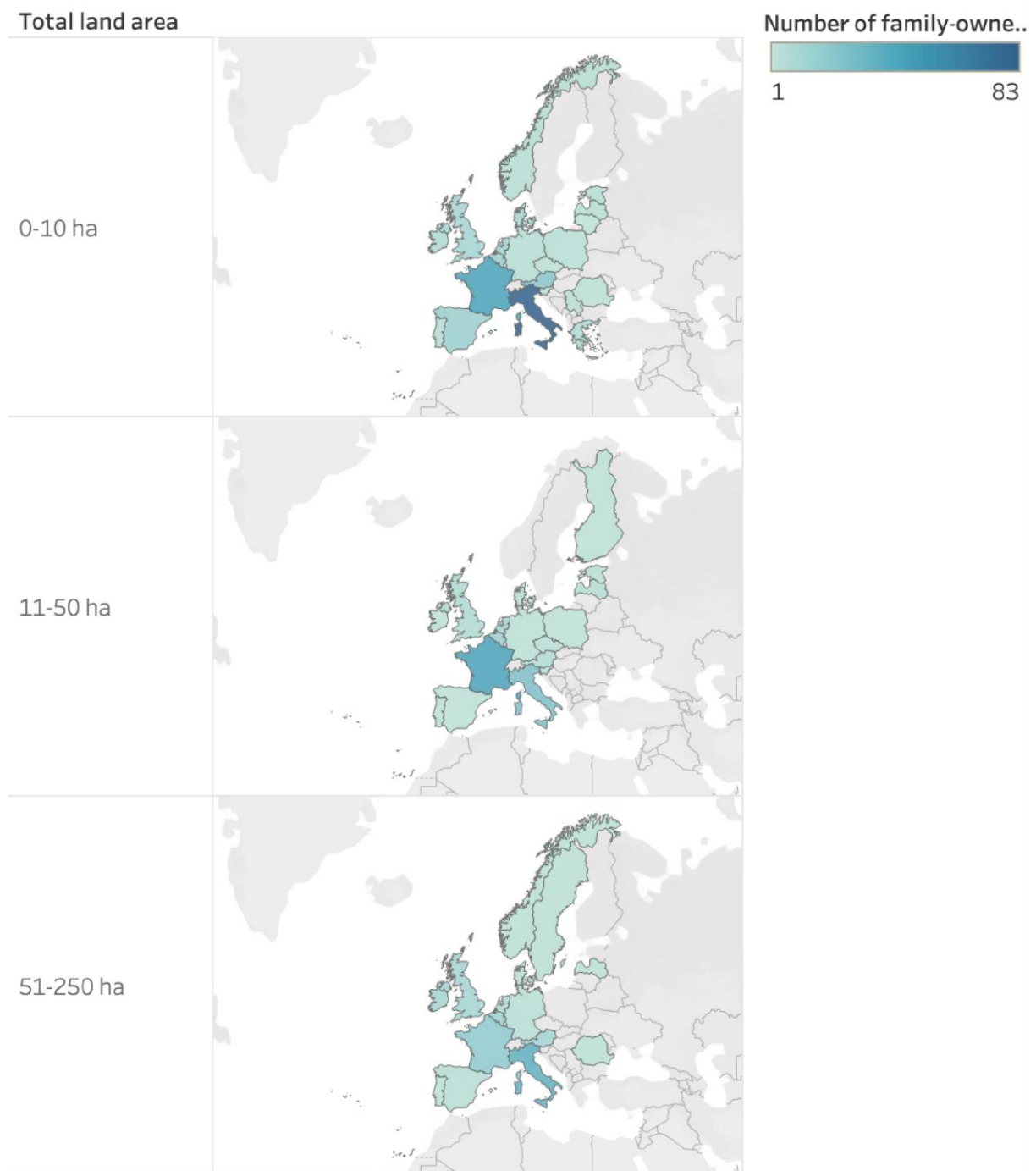
88% of the survey respondents indicate to have land surrounding the property. For most of the owners the surrounding land does not surpass the total size of 50 ha. For each of the plot sizes we see that there are more family-owned heritage houses with a business activity than without a business activity. For a total land area between 0 and 10 ha you have almost the same amount of heritage houses with as without business activities. For plot sizes between 11 and 1000 ha we see more houses with a business activity than without (up to 100% more) while the number of heritage houses having a surrounding land area of more than 1000 ha is tripling between those without and with a business present on the estate.

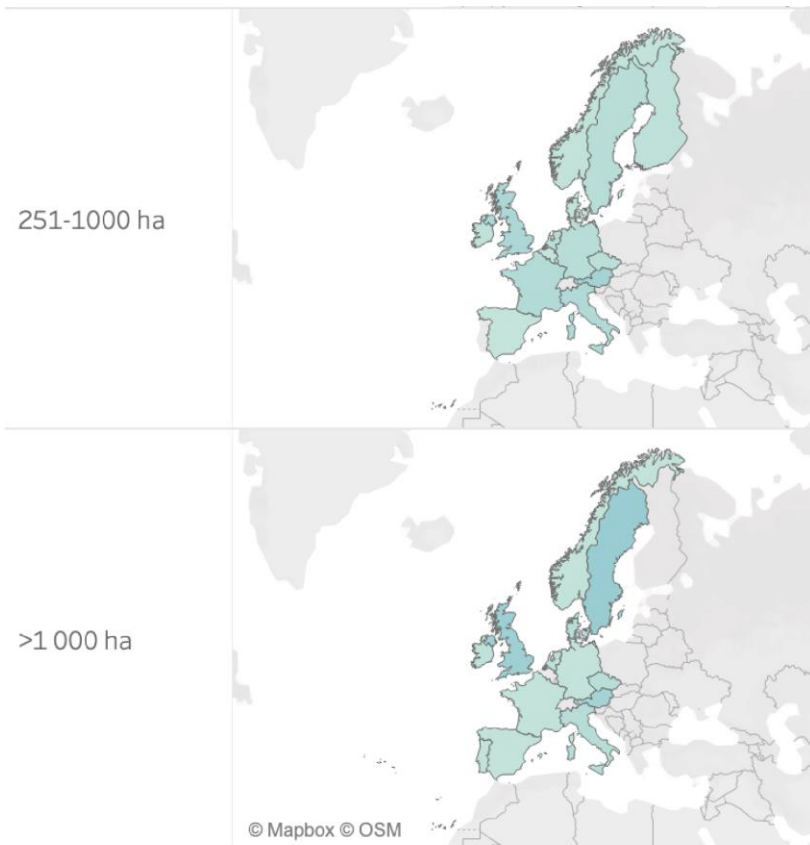
This indicates the necessity or the opportunity to have an (additional) income for family-owned heritage houses on larger plots of land.

Family-owned heritage houses with no or limited land surrounding the house (1-10 ha) are predominantly found in Italy and France (see figure 45). Houses surrounded by big plots of land (> 1000 ha) are found in the United Kingdom and in Sweden. As indicated in part 2 (7.2), inheritance legislation plays an important role, as in those countries, succession laws allow the endowment of the estate to one child (contrary to the Napoleonic system in place in most West-European countries where the inheritance needs to be split equally between children).

Most of those properties have an income from agriculture and forestry.

Figure 45: The geographical distribution of family-owned heritage houses with different sizes of land





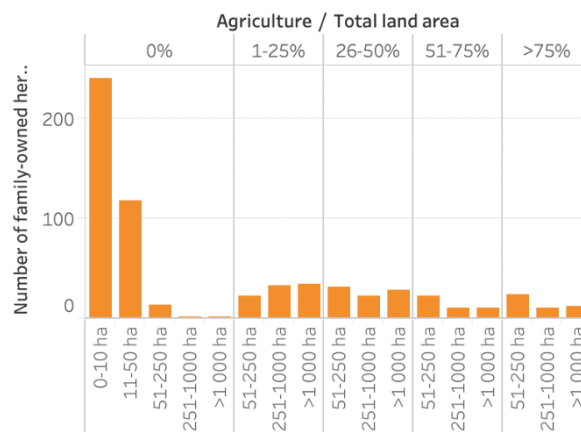
Source: K&DM based on Online Survey Family-Owned Heritage Houses.

### 3.2 Land use

Agriculture, forestry, nature conservation and recreational areas are not present at all in the business models of family-owned heritage houses with land areas smaller than 50 ha. Above 50 ha of surrounding land we see an increasing interest for those activities directly to the total land area.

For heritage houses with surrounding land between 51 and 250 ha agriculture is the main activity. Only when the estate is larger than 250 ha the percentage importance of agriculture decreases.

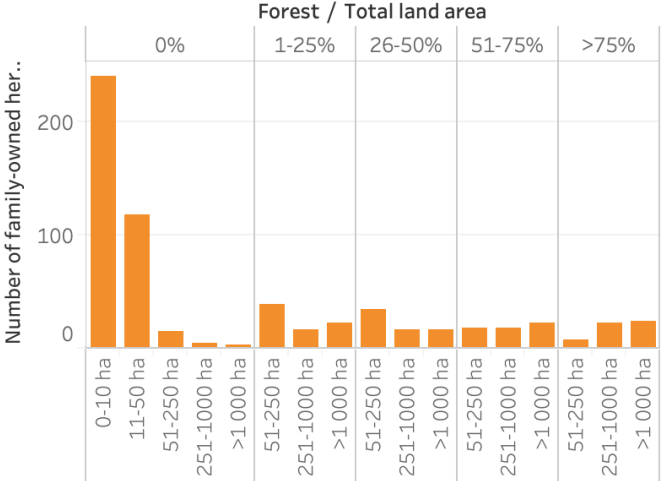
Figure 46: The importance of agriculture for family-owned heritage houses with different land areas belonging to the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses

The opposite is seen for forestry. Above 251 ha almost all estates have a mix between agricultural and forestry activities. This is reflecting the fertility of the land which is not the same over the total area of the estates, but is also a way for heritage house owners to spread the risk over different income types.

Figure 47: The importance of forestry for family-owned heritage houses with different land areas belonging to the house.

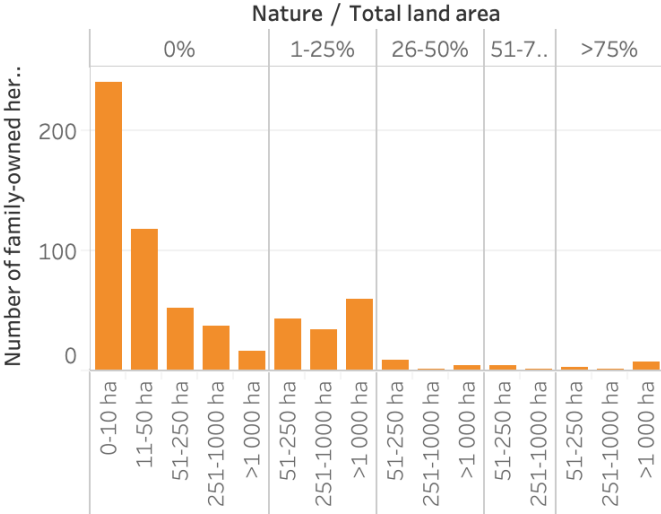


Source: K&DM based on Online Survey Family-Owned Heritage Houses

Nature conservation becomes more important with increasing land areas surrounding the heritage house. For estates with a surface between 51 and 250 ha, 49% of the heritage houses indicate to have nature conservation projects. This increases to 52% if the size of the land is between 251 and 1000 ha and to 81% when the estate is larger than 1000 ha. This shows an increasing interest in nature conservation if landowners possess larger plots of land. The larger estates have the possibility to conserve nature without a major negative impact on the total income of the estate.

Many estates have gardens and/or parks. In this study, those are not considered as nature conservation, even if many of those gardens and parks can play a (major) role in biodiversity conservation.

Figure 48: The importance of nature management for family-owned heritage houses with different land areas belonging to the house.



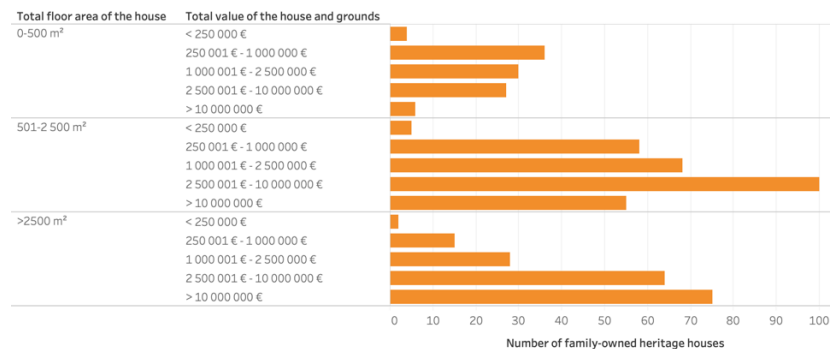
Source: K&DM based on Online Survey Family-Owned Heritage Houses

### 3.3 Value

Figure 49 shows a clear relationship between the value and the size of the house. The smaller houses (0-500 m<sup>2</sup>) are in general cheaper while the bigger houses are in general more expensive.

The value of the family-owned heritage house is however not only related to the total floor area of the house. Other variables playing an important role are e.g. the finishing of the house, the quality of the restoration works done, presence of original elements, business opportunities, land surrounding the house and, as indicated earlier, the history of the house.

Figure 49: Total value of family-owned heritage houses in function of the total floor area of the house.

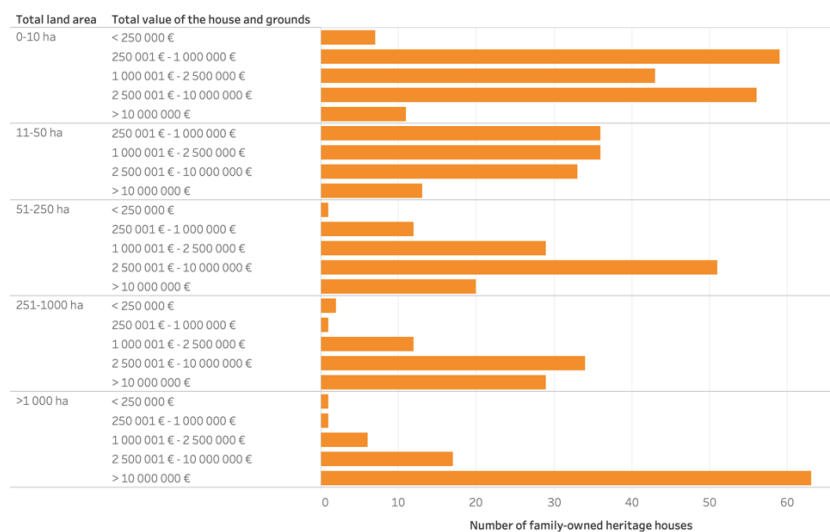


Source: K&DM based on Online Survey Family-Owned Heritage Houses

A similar relationship is present between the total value of the house and the surrounding land when comparing the total land area with the total value.

This indicates that the land surrounding the heritage house plays a very important role in the total value of the estate. For estates larger than 50ha the land becomes an important source of income enabling the owner to maintain the house.

Figure 50: Total value of family-owned heritage houses in function of the total land area belonging the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses

### 3.4 Investments

Principle investments are directly related to the buying of the house and the land. Restoration and the continuous maintenance of the house and the surrounding land are important financial burdens for the heritage house owner.

We will discuss the choice for a specific business strategy later in this study. However, the choice of the business strategy plays an important role in determining the total investment. Investments in family-owned heritage houses increase significantly when choosing for a product leadership strategy. The investments are considerable smaller when following a customer intimacy business strategy. When the total land area is increasing (> 1000 ha) heritage house owners have the tendency to choose for operational excellence as a business strategy. The different business strategies used by family-owned heritage houses are explained later.

### 3.5 Number of visitors

In Part 2, section 4.3.5.3 we already discussed the impact on the visitor economy. But how do visitor numbers relate to a healthy business plan? More than 50% of the family-owned heritage houses inviting people to visit their place, or to participate in an event they are organizing are not attracting more than 2500 visitors/year. 75% are not attracting more than 5,000 visitors/year. 5,000 visitors is seen by many of the owners as the minimum figure to make it profitable. Under 5,000 visitors/year the opening of the family-owned heritage house is in reality a cost to the owner. Opening up implies the need for additional personnel (or volunteers) and often implies the necessity to take special precautions (safety, protection of valuable belongings, ...).

Figure 51: Total number of visitors/year attracted by individual family-owned heritage houses



Source: K&DM based on Online Survey Family-Owned Heritage Houses

For events, the entry fee is an important factor. However, for those houses who are not able to welcome more than 5,000 visitors/year when opening their house for a longer period (3 months up to a year) the opening of their heritage house leads to a financial loss. As most of the heritage house owners see it as their duty to open the house (those who receive subsidies for opening the house are obliged to do so) the extra income enables them to indemnify at least part of the costs.

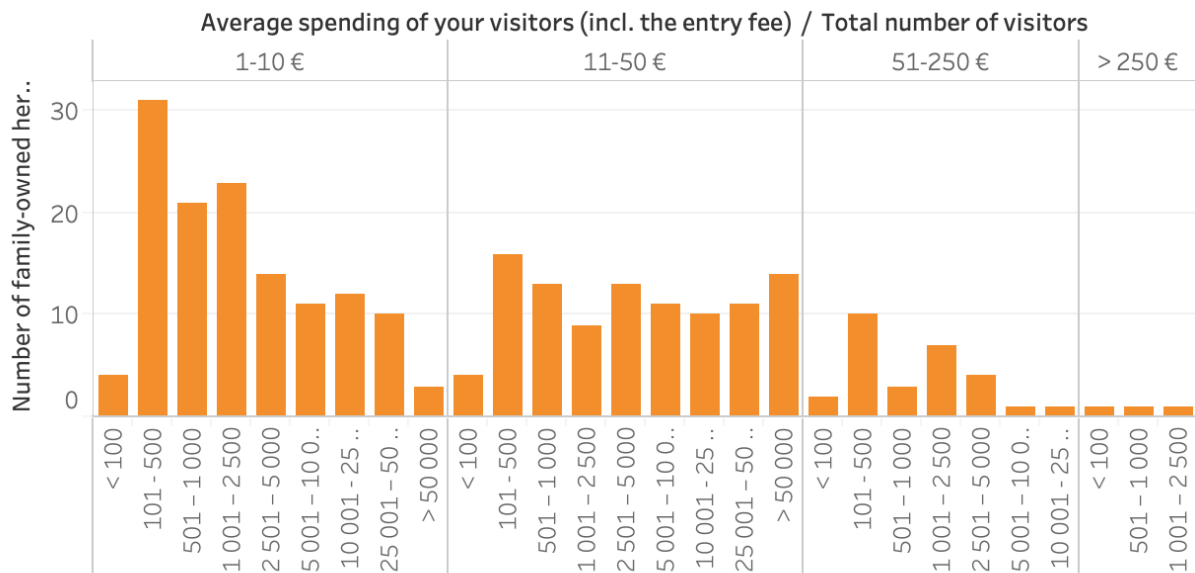
However, family-owned heritage house owners often see other advantages of opening the house to visitors: raising awareness on the work they do, a possibility to meet with future investors or business partners, etc.

### 3.5.1 Access

54% of family-owned heritage houses used as a business ask an entry fee to visit the house and/or the surrounding land.

### 3.5.2 Average spending of the visitors

Figure 52: Average spending (including the entrance fee) of visitors in function of the total number of visitors to individual family-owned heritage houses



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Most of the family-owned heritage houses showing less than 1,000 visitors organise events. Above 1,000 visitors an average spending between €1-10 refers in most cases to the entrance fee asked. Between €11-50, the amount refers to the entrance fees (up to €25) or to the combination of the entrance fees to the estate and the payment to participate in additional events or to buy products on the estate. Above €51 the average spending refers in more than 80% of the cases to accommodation. Between €51 and €250 you can rent accommodation in an historic house having a customer intimacy or a product leadership business strategy. Above €250 most of the estates offering accommodation have chosen for a product leadership strategy.

As average spending above €51 mostly refers to the rent of accommodation it is clear that the most profitable visitors are overnight visitors. Visitors spending the night on an estate often combine this with visits to other estates or with participating in events (concert, musical, etc).

## 3.6 Activities – the value proposition

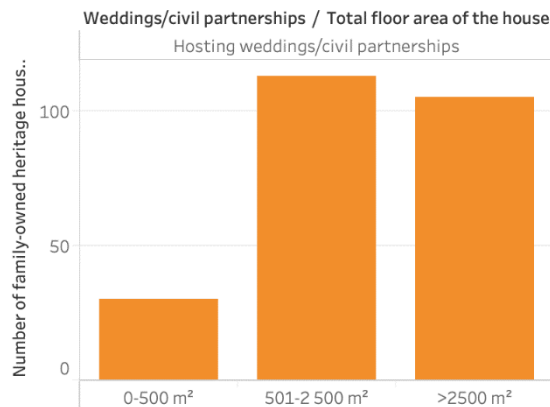
The value proposition describes the products and services that create value for a specific customer segment. The value proposition is the reason why customers (visitors) decide to visit a family-owned heritage house. To attract visitors a heritage house has to offer a product or service that fits the needs of their visitors. Some of those value propositions can be innovative. Others will be similar to existing offers elsewhere but with added features and attributes. Below we describe a number of activities organised by family-owned heritage houses (their value proposition to their visitors).

As we have seen, the most important key resources of our business models are by definition the house and, if present, the surrounding land. We have valued each of the activities on the basis of the size of the house and the size of the surrounding land.



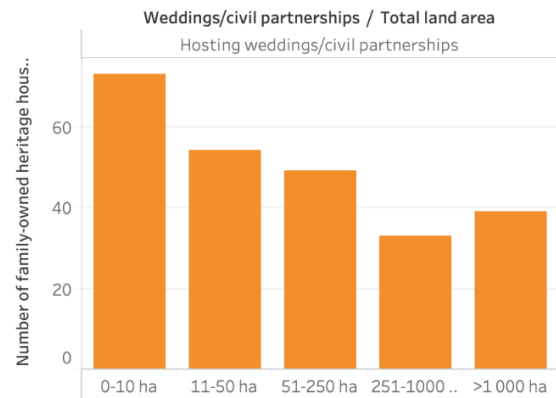
### 3.6.1.1 Weddings

44% of the family-owned heritage houses engaged in a business activity organise weddings/civil partnerships. As a wedding needs a minimum amount of space, we see that the larger houses especially, are actively involved in organising weddings. While the land surrounding the house is not directly related to the possibility to organise weddings, we see a link with the total land surrounding the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 53: Number of family-owned heritage houses offering weddings/civil partnerships in function of the total floor area of the house.

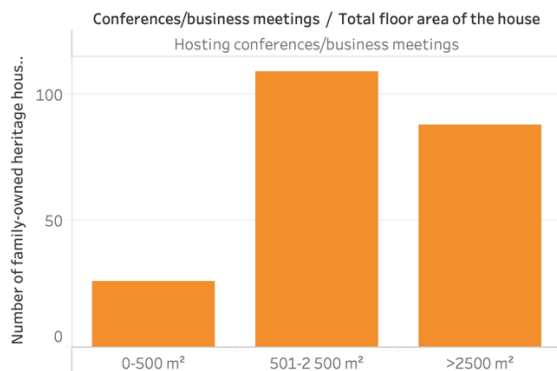


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 54: Number of family-owned heritage houses offering weddings/civil partnerships in function of the total land area of the house.

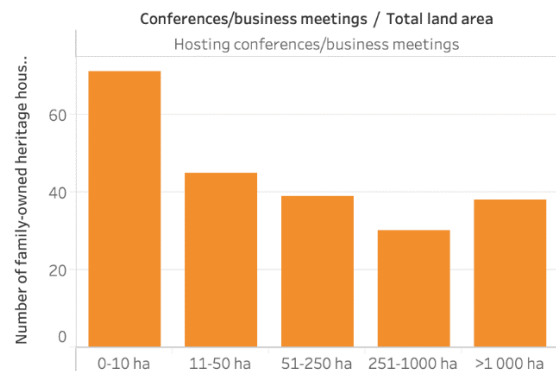
### 3.6.1.2 Conferences/business meetings

44% of the family-owned heritage houses engaged in a business activity organise conferences and/or business meetings. The impact of the size of the house and of the surrounding land seems to be very similar as with weddings.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 55: Number of family-owned heritage houses organising conferences and/or business meeting in function of the total floor area of the house.

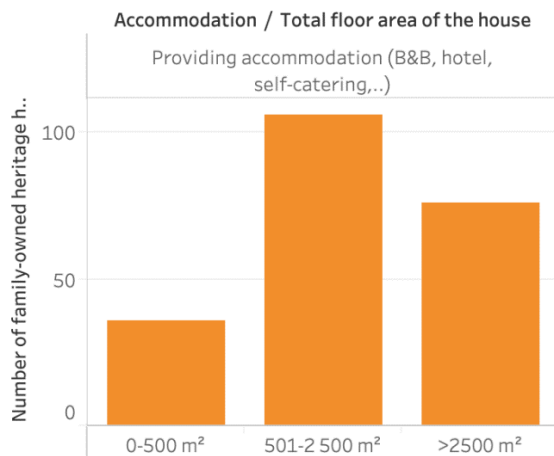


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 56: Number of family-owned heritage houses organising conferences and/or business meeting in function of the total land area surrounding and belonging to the house.

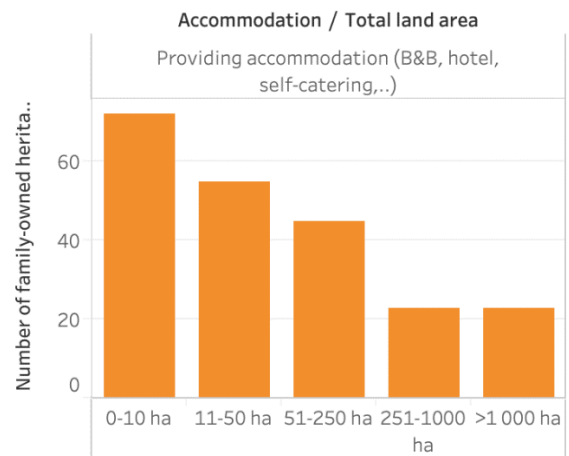
### 3.6.1.3 Accommodation

40% of the family-owned heritage houses engaged in a business activity offer accommodation, including hotel rooms, bed & breakfast, holiday houses, tree cabins, tiny houses, a complete castle, etc. Whilst medium and large sized houses are more involved in accommodation, we also see smaller houses playing an important role. The number of houses providing accommodation decreases when the size of the surrounding land is increasing.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 57: Number of family-owned heritage houses offering accommodation in function of the total floor area of the house.*

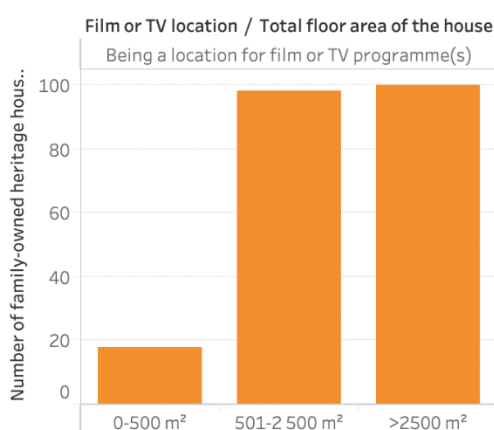


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 58: Number of family-owned heritage houses offering accommodation in function of the total land area of the house.*

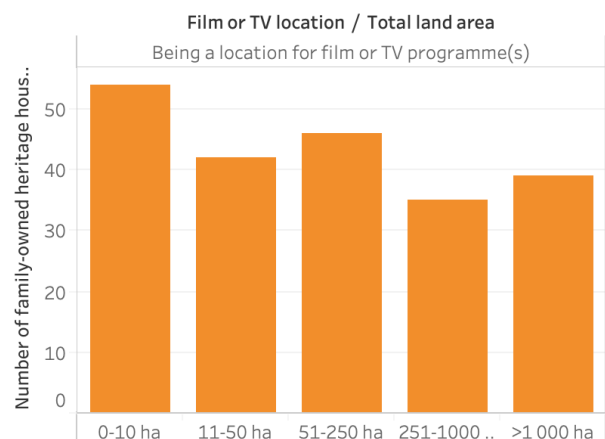
### 3.6.1.4 Film or TV location

39% of the family-owned heritage houses engaged in a business activity open the house and/or the surrounding land for film or television productions. Especially larger houses are of interest while the size of the surrounding land is not a factor of influence.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 59: Number of family-owned heritage houses opening the house for film or television productions in function of the total floor area of the house.*

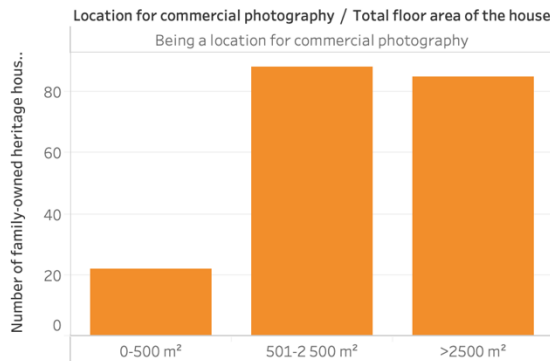


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 60: Number of family-owned heritage houses opening the house for film or television productions in function of the total land area of the house.*

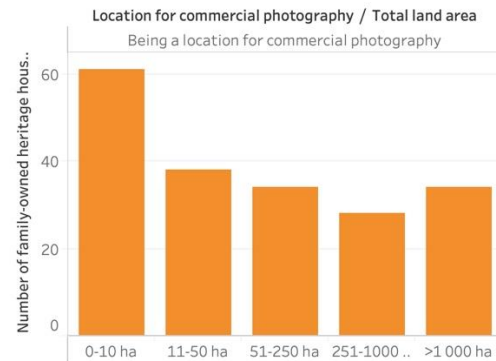
### 3.6.1.5 Location for commercial photography

35% of the family-owned heritage houses engaged in a business activity open the house and/or the surrounding land for commercial photography. We see similar distributions as with film and TV location. There seems however a larger interest for houses surrounded by no more than 10 ha.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 61: Number of family-owned heritage houses opening the house for commercial photography in function of the total floor area of the house.*

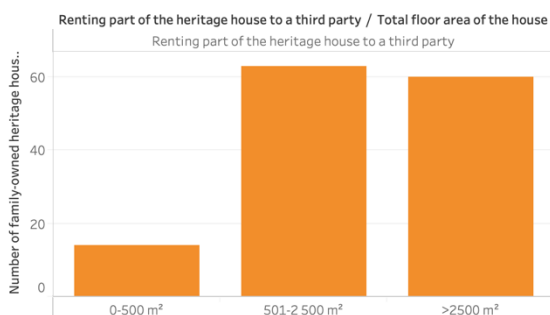


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 62: Number of family-owned heritage houses opening the house for commercial photography in function of the total land area of the house.*

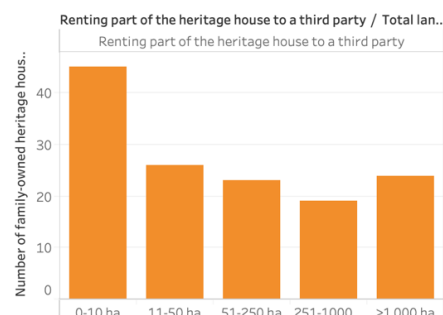
### 3.6.1.6 Renting part of the heritage house

27% of the family-owned heritage houses engaged in a business activity rent part of the heritage house. This activity is especially seen with medium and large houses. It makes sense as smaller houses do not have the necessary floor area to rent out part of the house. Here again we see the larger part of houses surrounded by not more than 10 ha of land playing an important role.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 63: Number of family-owned heritage houses renting part of the house in function of the total floor area of the house*

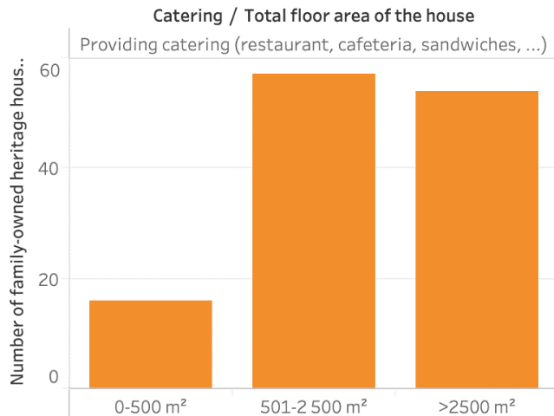


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 64: Number of family-owned heritage houses renting part of the house in function of the total land area of the house*

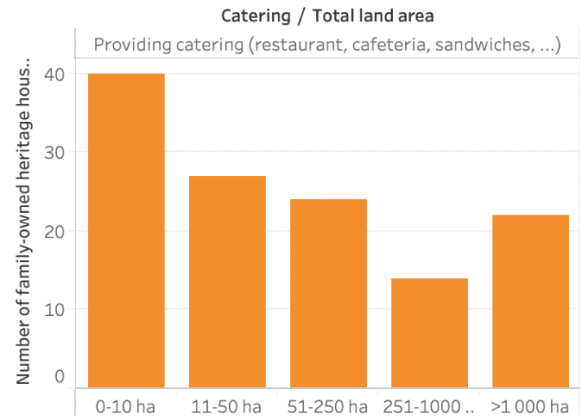
### 3.6.1.7 Catering

24% of the family-owned heritage houses engaged in a business activity offer catering for weddings, private events, business events, etc. Again an activity for which you need space. Therefore, again the medium and larger houses are the most important players. The interest in organising catering decreases with increasing land surrounding the house. However, above 1000 ha catering plays again a more important role as a business activity.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 65: Number of family-owned heritage houses offering catering in function of the total floor area of the house.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 66: Number of family-owned heritage houses offering catering in function of the total land area of the house.

### 3.6.1.8 Shop

12% of the family-owned heritage houses engaged in a business activity have a shop. Again the size of the house is an important factor with a higher probability to have a shop in medium and large houses. Shops are found more frequent in houses surrounded by not more than 10 ha or by more than 1000 ha. Those houses surrounded by more than 1000 ha often have a shop selling the estate's agricultural products.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 67: Number of family-owned heritage houses having a shop in function of the total floor area of the house

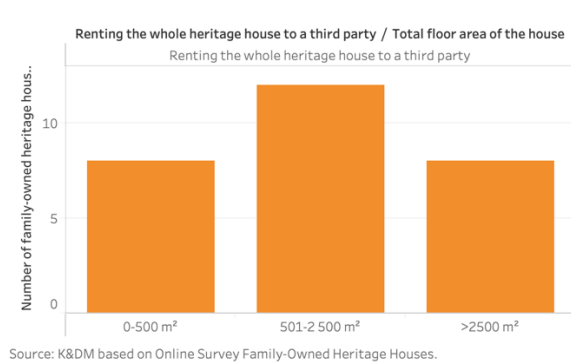


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 68: Number of family-owned heritage houses having a shop in function of the total land area of the house

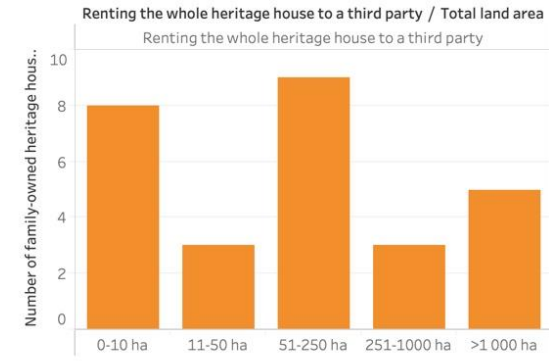
### 3.6.1.9 Renting the whole heritage house

6% of the family-owned heritage houses engaged in a business activity rent the whole heritage house. Opposed to renting part of the heritage house there is no clear tendency in function of the total floor area or of the size of the surrounding land.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 69: Number of family-owned heritage houses renting the whole house in function of the total floor area of the house

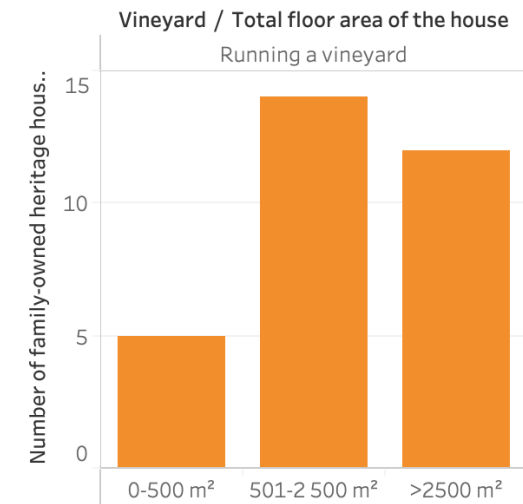


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 70: Number of family-owned heritage houses renting the whole house in function of the total land area of the house

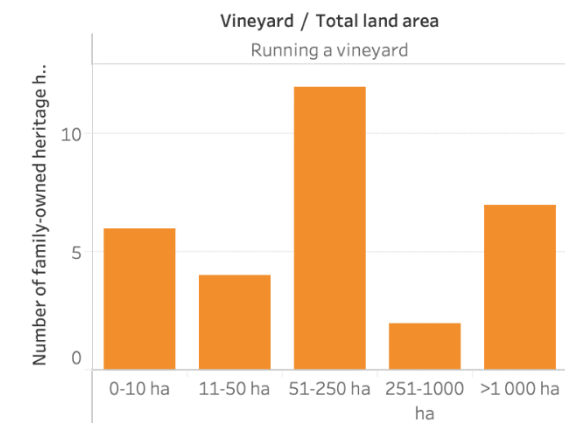
### 3.6.1.10 Vineyard

6% of the family-owned heritage houses engaged in a business activity have a vineyard. The need to store and to produce goods results in medium and larger houses on the wine estates. We see most of the vineyards on an estate size between 51 and 250 ha. We have already seen that this is the preferential size for heritage houses active in agriculture.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 71: Number of family-owned heritage houses having a vineyard in function of the total floor area of the house

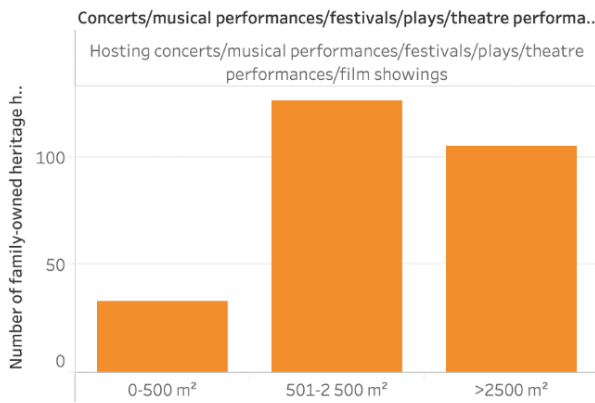


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 72: Number of family-owned heritage houses having a vineyard in function of the total land area of the house

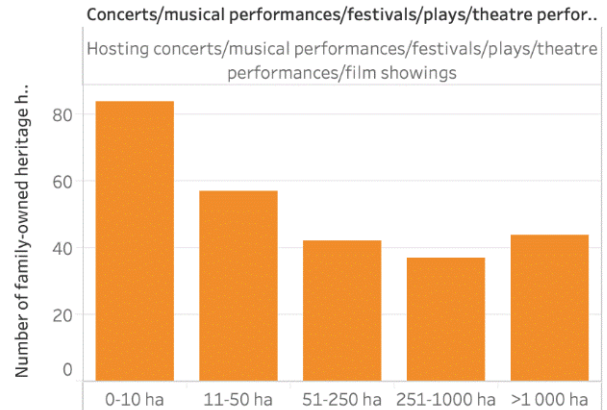
### 3.6.1.11 Concerts, theatre

49% of the family-owned heritage houses engaged in a business activity organise concerts, musical performances, festivals, theatre performances, ... The need for enough space to organise those events is seen in the participation of especially medium and larger houses. A decreasing trend is seen when taking into account the size of the surrounding land with a slight increase above 1000 ha



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 73: Number of family-owned heritage houses organising concerts and plays in function of the total floor area of the house.

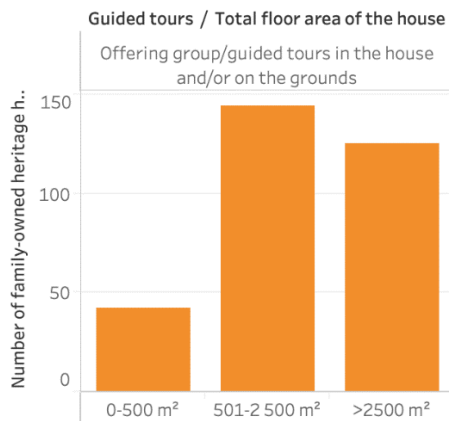


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 74: Number of family-owned heritage houses organising concerts and plays in function of the total land area of the house.

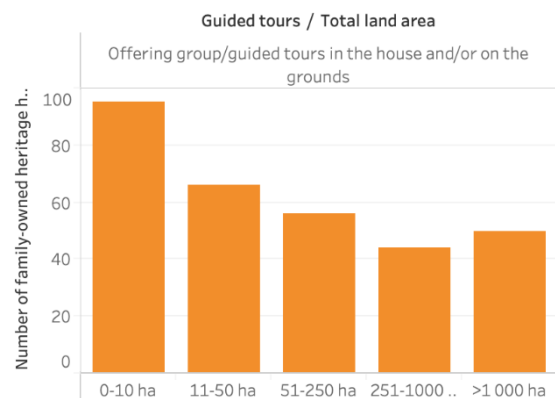
### 3.6.1.12 Guided tours

59% of the family-owned heritage houses engaged in a business activity organise guided tours. Medium and large sized houses are again taking the lead. The number of houses offering guided tours decreases with the size of the surrounding land and with increasing alternatives to make money.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 75: Number of family-owned heritage houses organising guided tours in function of the total floor area of the house

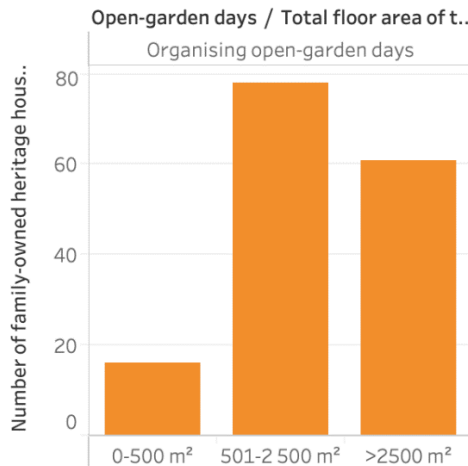


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 76: Number of family-owned heritage houses organising guided tours in function of the total land area of the house

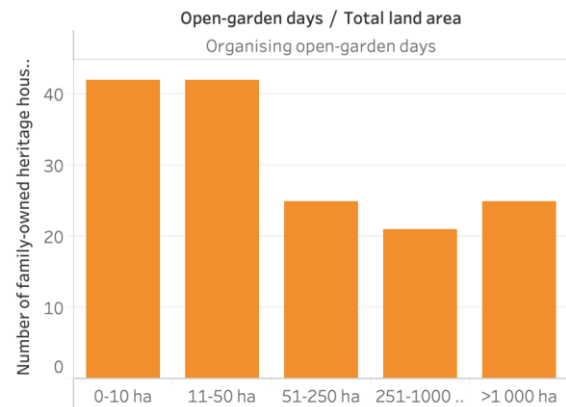
### 3.6.1.13 Open-garden days

29% of the family-owned heritage houses engaged in a business activity organise open-garden days. Especially houses surrounded by not more than 50 ha are organising open-garden days. This is the size range of the family-owned heritage houses that maintain gardens and parks. As we have seen before houses with less than 50 ha of surrounding land are not involved in agriculture, forestry or nature conservation. Their garden and/or park are one of their major assets to attract visitors.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 77: Number of family-owned heritage houses organising open-garden days in function of the total floor area of the house



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 78: Number of family-owned heritage houses organising open-garden days in function of the total land area of the house

### 3.6.1.14 Golf course

2% of the family-owned heritage houses engaged in a business activity have a golf course. Especially larger houses on larger plot of lands having golf courses in place.

### 3.6.1.15 Horse riding

7% of the family-owned heritage houses engaged in a business activity organise horse riding. Especially medium sized houses offer horse riding indicating the need for space. There is no clear link with the size of the surrounding land.

### 3.6.1.16 School

3% of the family-owned heritage houses engaged in a business activity have a functioning school. Especially larger houses have the necessary space to set up a school.

Most of the above-mentioned activities show a similar trend. Smaller sized houses have a limited number of houses actively involved in the activities listed. Due to the small size those houses are not always fit for the activities discussed. Certainly not if the owner is living in the house.

Median sized houses have, for most of the activities, the largest number of houses active. Larger houses are slightly less active than the median ones but show a similar activity rate.

Where we see an increasing trend in function of the floor size the size of the house proves to be of lesser importance to carry out the activity. In those cases, the larger houses seem however to have a greater attractiveness to the visitors.

If we consider the land area: here the smaller houses are much more active. Probably a necessity as they do not have income from agriculture or forestry. The activity rate decreases with increasing plot sizes. However, the largest estates >1000 ha show a higher interest in many of those activities. For them developing multifunctionality is important. At the same time, they have sufficient personnel involved in different activities giving the possibility to the owner to develop additional activities. As those activities are not the main objective of the estate, often they copy the business activities of others.

Smaller estates not having income sources from agriculture and/or forestry do have to develop other business activities. As this leads to a fierce competition among those smaller estates, they tend to be more innovative than the larger estates. This is obviously not referring to innovation in agriculture or forestry.

### 3.7 Products

Selling of products is a marginal activity for family-owned heritage houses. Most of the products sold at the premises are related to agriculture, forestry, and wine making. Books and tourist articles with a direct link to the family-owned heritage house are also much more valued by visitors. Only a limited number of heritage houses host a specialty shop (often clothes or jewellery).

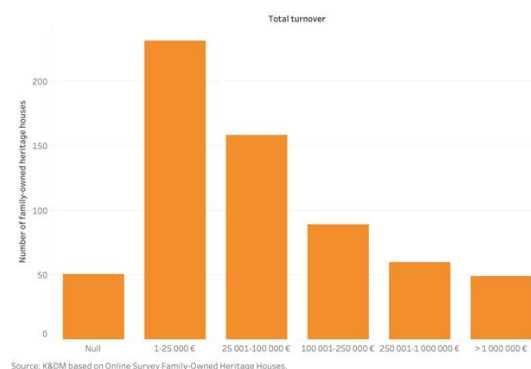
For most of the estates, the shop represents only a minor part of the total turnover (for 90% of the houses having a shop represents maximum 5% of their revenues. For some, this goes up to 25% and for farm shops this can go even further than 50%).

Having a shop is a time-consuming activity for a family-owned heritage house. In most of the houses having a shop is combined with the entrance ticket office.

### 3.8 Turnover

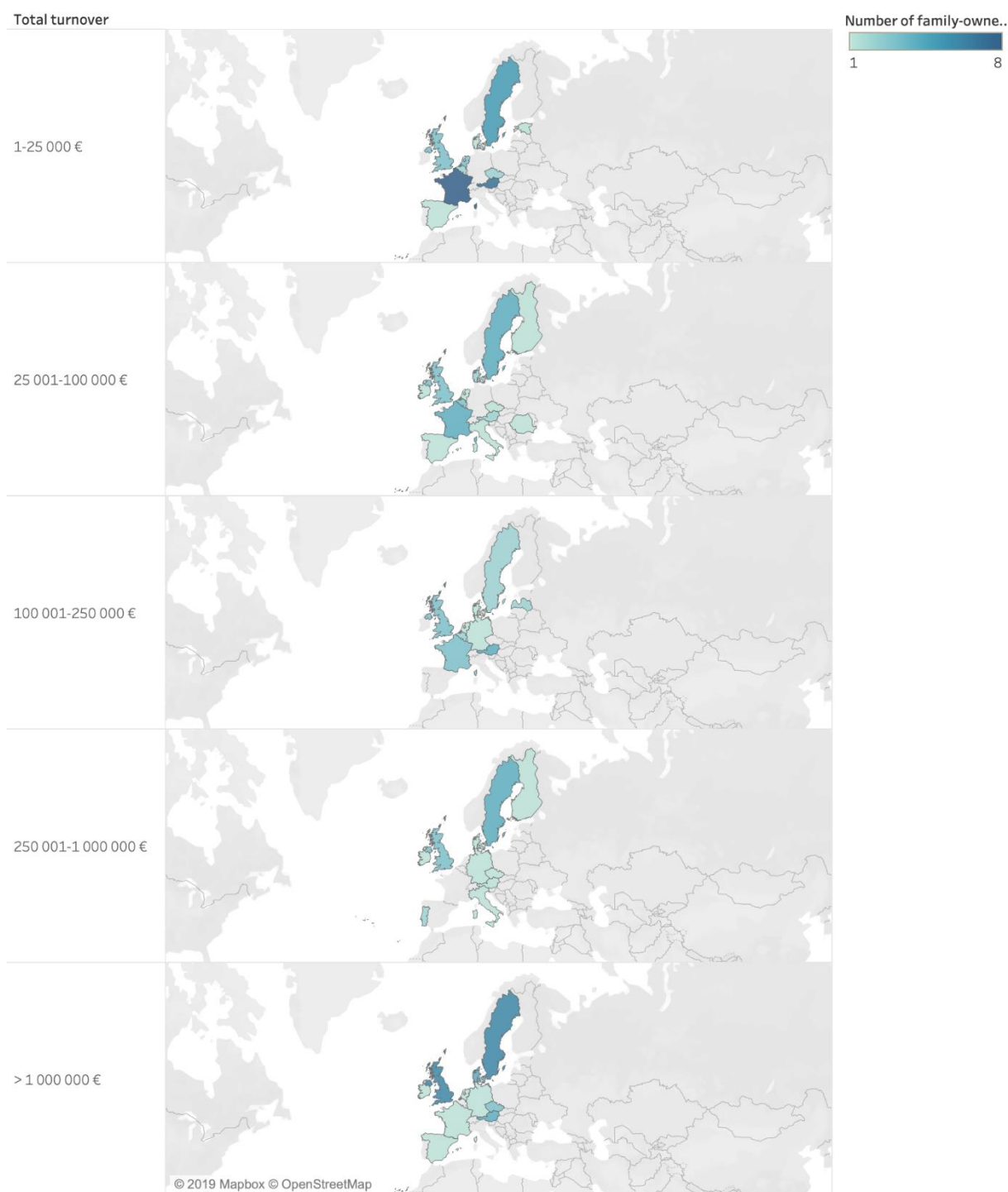
51 houses did not give information on the total turnover. Most of the heritage houses are achieving a small turnover (up to €100,000). Only one out of three of the houses are able to generate more than 100,000.

Figure 79: Number of family-owned heritage houses and their total turnover on a yearly basis.



The figure below shows the number of family-owned heritage houses in function of total turnover in different European countries. The figure resembles figure 80 indicating the importance of land belonging to the house in order to realise a turnover more than €250,000. A yearly turnover of more than €1,000,000 is limited to farms and (historic) places with large number of visitors.



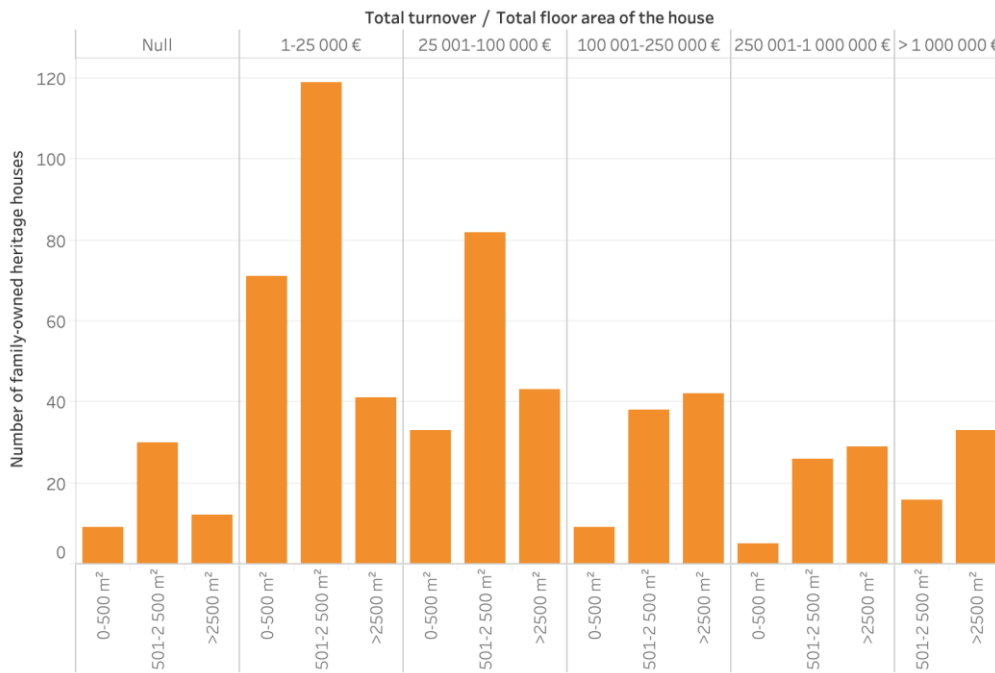


Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 80: The geographical distribution of family-owned heritage houses in function of their yearly turnover.*

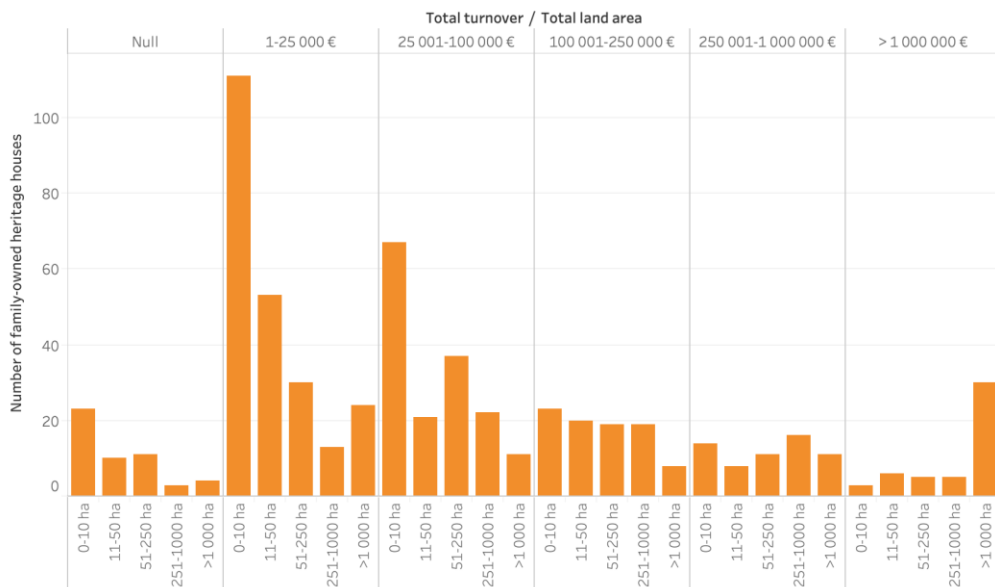
Figure 81 and 82 show the positive impact of, as well the total floor area of the house as of the total land area belonging to the house on the yearly turnover.

Figure 81: The number of family-owned heritage houses achieving a certain yearly turnover in function of the floor size of the family-owned heritage house



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 82: The number of family-owned heritage houses achieving a certain yearly turnover in function of the land size of the family-owned heritage house



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

For half of the family-owned heritage houses the general admission asked to visitors represents no more than 5% of their yearly turnover. For 2 out of 3 heritage houses this is no more than 25%. Only a minority of heritage houses are able to make more than 75% of their annual turnover from entrance fees. We have mentioned earlier that entrance fees only cover the costs of organising ticketing when 5 000 visitors/year are reached. Making a successful business model with only entrance fees is only possible for highly touristic houses or areas.

More than half of the family-owned heritage houses hosting conferences and business meeting are only achieving 5% of its annual turnover with those activities. Only 5 heritage houses indicated achieving more than 75% of their annual turnover by hosting conferences and business meetings.

Family-owned heritage houses providing accommodation contribute to the total annual turnover in very different ways. For many heritage houses renting accommodation is one activity out of many. For other heritage houses, this is however the main income source. This is especially the case for houses active in the hospitality sector. Even for those heritage houses renting accommodation, seldom is this activity representing more than 75% of the yearly turnover, indicating that most of them are combining accommodation with the organisation of events.

The use of a family-owned heritage house as a location for film, television or photography only contributes in a minor way to the yearly turnover.

Renting part of the heritage house can contribute significantly (up to 100%) to the annual turnover. This is especially the case in heritage houses with low turnovers (up to maximally €100,000).

Renting the whole heritage house can provide up to 100% of the annual turnover but is seldom the case, indicating that the heritage house is only part of a larger number of buildings or is surrounded by land contributing significantly to the annual turnover.

4 out of 5 heritage houses selling products only achieve 25% of annual turnover with this activity. Those achieving larger percentages are selling agricultural (including wine) or forestry products.

While smaller estates are investing in innovative business models in order to be able to compete with their competitors in the same size range (surrounding land). Larger estates are searching for activities to compensate for lower income from their agricultural and forestry related activities, caused by fluctuating harvests due to climate and weather events or fluctuating profits due to market instability.

### 3.9 Price differentiation

Family-owned heritage houses vary their entry fees using multiple criteria: age (19%), type of activities (15%), indoor versus outdoor activities (7%), people with disabilities (8%), group versus individual entrance (18%). 1 out of 3 houses do not differentiate their prices.

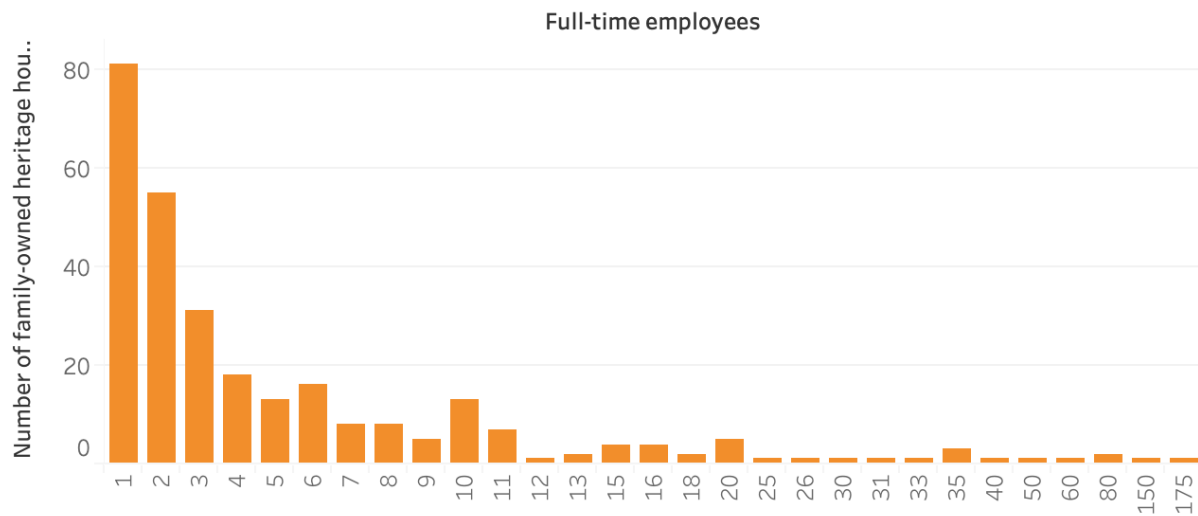
### 3.10 Employment

75% of family-owned heritage houses having a business activity are hiring personnel. Of those houses hiring personnel 50% have 7 or less full-time equivalents. 1 out of 3 heritage houses hiring personnel has a single person working on the premises.

Most of the houses hiring 25 or more people have agriculture as their main business. Also, heritage houses active in the hospitality sector tend to hire more personnel. This is especially the case when a product leadership strategy is chosen.

The higher the multifunctionality of the heritage house (involvement in many different activities) the higher the amount of people hired.

Figure 83: Number of family-owned heritage houses hiring a specific number of full-time employees



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Family-owned heritage houses implementing a product leadership or a customer care strategy tend to hire full-time personnel. Whilst those implementing an operational excellence strategy more often hire part-time and seasonal personnel. The influence of different business strategies on the development of business models is explained later in this chapter. Seasonal personnel are often related to agriculture and forestry.

### 3.11 Volunteers

Volunteers are specifically in demand for larger events and for heritage houses opening up for the public. Family-owned heritage estates opening up to the public and attracting larger crowds need volunteers in order to keep the entrance fees as low as possible without making a loss. A more comprehensive description of the involvement of volunteers in family-owned heritage houses is given in part 8.3.8 (Engaging with heritage through volunteering).

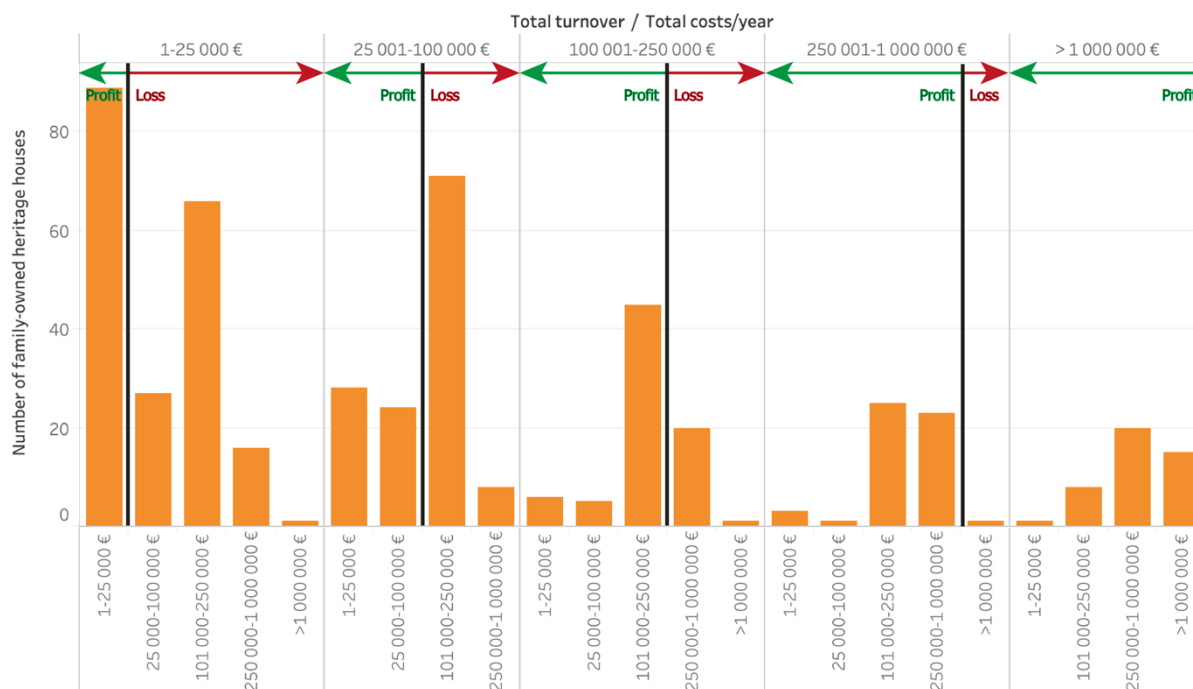
### 3.12 Costs

Total costs increase with increasing floor areas and increasing land areas surrounding the house. The following figure compares the total turnover with the total cost. Out of this figure we can conclude that for family-owned heritage house with a turnover:

- between €1 and €25,000 only 38% is profitable,
- between €25,000 and €100,000 only 63% is profitable,
- between €100,001 and €250,000 only 62% is profitable,
- between €250,001 and €1,000,000 only 86% is profitable,
- larger than €1,000,000 only 59% is profitable.

Overall this implicates that of all family-owned heritage houses with a business activity, only 55% is profitable. **45% of the owners are making a loss** and adds personal money to the business activity in order to keep the house open to the public.

Figure 84: Number of family-owned heritage houses making a total yearly turnover in function of the total yearly costs.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

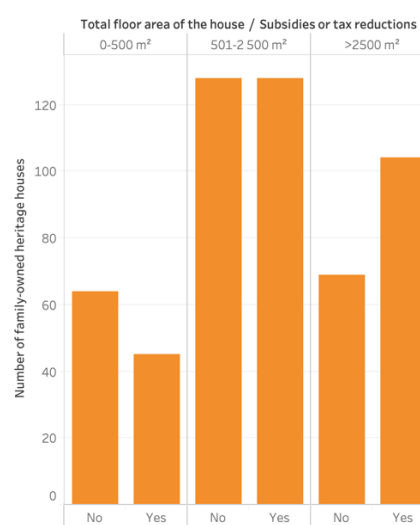
Depending on the business model developed, local suppliers play a more or a less important role. 6 out of 10 family-owned heritage houses are actively choosing to work with local suppliers.

### 3.13 Subsidies

43% of the family-owned heritage houses make use of subsidies. The interest in subsidies and tax reductions grows with the size of the house. This is logical as the size of the house is the most important factor in the total restoration cost of the heritage house.

Nevertheless, the restoration costs for small heritage houses are also high. Owners clearly make the trade-off between administrative work, studies, management plans and additional rules related to subsidies on one hand, and the financial gain on the other hand. For larger houses the amount of subsidies increases. On top of this owners of larger estates, including agriculture and/or forestry do have more experience with subsidies as they are working professionally with subsidies coming from the Common Agricultural Policy (European Commission).

Figure 85: Number of family-owned heritage houses using subsidies or tax reductions in function of the floor area.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

### 3.14 Selling channels

Family-owned heritage houses involved in agriculture and forestry make use of wholesalers, retailers and often of direct selling to customers.

Those heritage houses active in the hospitality sector often make use of travel agents but maintain whenever possible direct contact with their visitors, often offering them better deals when selling directly through their own channels. This way the owner omits high contributions to the travel agents, including booking websites. Ticketing is almost always direct to the visitor, either through a ticketing office or through the website of the heritage house.

### 3.15 Key partners

The following box, including percentage refers to the key partners of family-owned heritage houses, and their relevance to the business activity.

Government agencies and construction companies are seen as key partners. It makes sense as the restoration and the maintenance of the historic house is a major objective.

The very low percentage for IT firms, technology suppliers and marketing companies is however problematic, as those partners could enable a more efficient and more effective management and marketing of the heritage house.

Government agencies	50%
Construction companies	31%
Gardeners	27%
Financial institutions	21%
Marketing companies	15%
Consultants	15%
Food suppliers	10%
Scientific institutions	10%
NGOs	9,4%
IT firms	5,6%
Technology suppliers	4,8%

### 3.16 Communication

The following communication channels are used by family-owned heritage houses:

- Newspaper: 31%
- Magazine: 15%
- Online: 13%
- Social media: 12%
- Radio: 7.8%
- Leaflets: 7.0%
- Television: 5.8%
- Billboards: 5.3%
- Direct mail, catalogues: 4.0%
- Directories: 2.5%

The low percentage for online and social media are shocking. Both are cheap tools with a very large distribution for messaging, information, etc. Here action should be taken by local and/or international organisations active in the support of heritage house owners. Tools and applications could be developed in a collaborative way to be used by all.

## 4. Characteristics of existing business models

### ***Property includes land***

Family-owned heritage houses including large gardens, forests, nature and agricultural land tend to finance the heritage house from traditional and innovative business models making use of the surrounding land.

### ***Long-term strategic planning (several generations involved)***

When the ownership remains in the family for many generations, a real long-term planning to maintain and to develop the house can be made.

### ***Strong links with local community***

Business models interacting with the local community tend to be more successful. A broad involvement of the local community results in more innovative business models.

### ***Unique properties***

The uniqueness of heritage houses is considered a very strong point as it is almost impossible to copy paste existing business models as such. Investing in a good, unique and innovative business model guarantees the owner/manager in a long-term benefit. This is not the case for business models which can be copied without the need to take into consideration the unique properties of the location.

### ***Local jobs***

When creating local jobs, support for family-owned heritage houses tends to grow fast. As show in some of the Illustrative Practices on innovative business model, HH were/became centre stage in the economic development of/in their region

### ***The story behind***

As heritage houses are part of the local/national history, they all have a story to tell. In the past, this story was at the centre of the business models turning heritage houses into static museums. In several business models, we see innovative ideas where the story is told without being the focus point. Activities such as murder mysteries, escape rooms, interactive exhibitions do tell the story of the house while offering activities of interest for the wider public.

### ***Lack of business management knowledge related to heritage houses***

Many heritage house owners do not have an a priori business knowledge in the field of heritage houses. Due to the lack of knowledge, they often need time to detect the opportunities they have with their heritage house. There is however a shift towards more educated business managers as the younger generations tend to professionalise the management of the house.

### ***Limited financial resources versus high maintenance costs***

Heritage houses, certainly when they are protected, have high maintenance costs. Maintenance costs are often higher than the income generated by the business model deployed by the family owner heritage house.

### ***Limited geographical reach***

Many family-owned heritage houses market their activities & products only at the local scale. The growing interest in authentic products and services by a growing number of people requires a more global approach.

### ***Balance between living in the house, commercial, social and cultural activities***

Family-owned heritage houses often have multiple functions. When the family is still living in the house it is often difficult to find a good balance between living in the house and making use of the house as a business. In our study we have identified multiple business models enabling this.

### ***Digital tools***

Digital tools including reservation systems, web shops, etc are underdeveloped leading to increased personnel costs. As many family-owned heritage houses are looking for similar tools, a combined effort would greatly benefit the owners involved.

### ***Networking with other heritage houses***

If you own a small business, networking can be an inexpensive way to promote your business. Through networking, you can discover new opportunities, build your customer base and find new suppliers and staff. You may also find investors and business partners. Networking is particularly important if you're running a home business because it can connect you with peers and help you overcome potential issues associated with being isolated.

### ***New funding sources***

Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet.

Crowdfunding is a form of crowdsourcing and alternative finance. Crowdfunding is more successful when small investors have a personal link to a project, a city, or a region. Cultural heritage is very well suited for this type of funding. A specific box on crowdfunding is given in part 1 of this report.

### ***Increasing interest from the public***

Where heritage houses are becoming involved in trade or business, the interest of the wider public in the cultural and historical background of the heritage house is growing.

### ***Regulation***

Regulation is an often-heard complaint related to cultural heritage houses. Strict protection not keeping in mind modern needs can become a threat as it seems to be extremely difficult to find business models.

### ***Decrease of public funding***

In many EU Member States the total amount of public funding is decreasing making it more difficult for family-owned heritage houses to find the necessary means to restore and maintain the house.

### ***Access to public funding***

Access to public funding is seen as complex and procedures are considered as complicated.

### ***Increasing maintenance cost (especially for skilled labour)***

Skilled labour with knowledge of traditional (restoration) methods is becoming rare and expensive.

### ***Generation gap***

Often, owners get the final responsibility for managing the family-owned heritage house only at a later stage in their career.

### ***Activities not known to the larger public***

Many heritage house owners/managers struggle with their marketing, and find it difficult to reach the wider audience.



## 5. Business strategy

Searching for the best business strategy is often leading to innovation. We have thus studied the business strategy of each case study. The analysis will be included in the technical sheet. Why is business strategy important? To succeed in the marketplace, companies must embrace a competitive strategy. Several authors (see references) have argued that companies must choose—and then achieve—market leadership in one of the following three disciplines, and perform to an acceptable level in the other two.



### 5.1 Operational excellence as a competitive strategy

Traditionally, an operational excellence strategy aims to accomplish **cost leadership**. This strategy focusses on automating (manufacturing) processes and work procedures in order to streamline operations or to reduce cost. Such a strategy is ideal to realise high-volume, transaction-oriented and standardised production. Most of the time there is little differentiation, but digital technology including the development artificial intelligence software enables more and more differentiation.

Operational excellence is the ideal strategy for markets where customers value cost over choice. This is often the case for mature, commoditised markets where cost leadership results in continued growth. Leading companies in the area of operational excellence are strongly centralised, with strong organisational discipline and a standardised, rule-based operation.

Those family-owned heritage houses indicating their business model fits the operational excellence strategy are mostly active in agricultural and/or forestry related activities. And all of them have additional land surrounding the property.

### 5.2 Customer intimacy as a competitive strategy

The focus of the customer intimacy strategy is the offering of a unique range of customer services allowing for the personalisation of service and the customisation of products to meet differing customer needs. Often companies who pursue this strategy have an individual approach of their customers.

Such a strategy requires an excellent knowledge as well as insights of the client's wishes and desires. This strategy rarely offers the cheapest option for the customer, nor the most innovative. To implement a customer intimacy strategy, the owner/manager has to align the product development, manufacturing, administrative functions and executive focus with the needs of the individual customer.

### 5.3 Product leadership as a competitive strategy

Product leadership as a competitive strategy aims to build and bring systematically superior products to market, aiming to achieve premium market prices. Such a strategy demands for highly skilled personnel systematically searching for quality and innovation. A large budget is used for research portfolio management, teamwork, product management, marketing and talent management.

To make this strategy successful, companies have to excel in creativity, problem solving and teamwork as those are critical to their success. As family-owned heritage houses are often small enterprises, the product leadership can only be achieved by networking with other heritage houses implementing the same strategy.

### 5.4 Geographical distribution of business strategies

The three business strategies described are normally getting equal shares of the total amount of business models. This is however not the case for family-owned heritage houses where owners give a clear preference to product leadership.



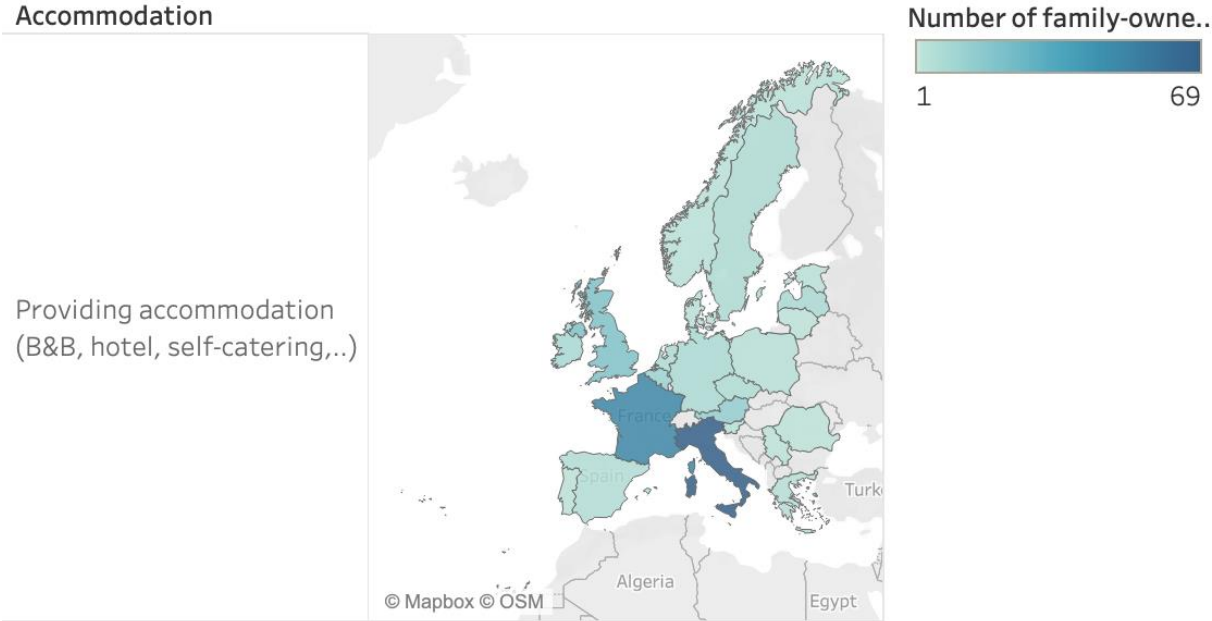
Source: K&DM based on Online Survey Family-Owned Heritage Houses.

*Figure 86: Number of family-owned heritage houses per country in function of the business strategy chosen.*

The strong focus on product leadership by family-owned heritage houses is logical. It shows the commitment of the owners to restore the house to its original glory with care for the environment and the traditions. Product leadership becomes very visible in heritage houses where accommodation is offered at a five-star quality. The choice to invest in high quality accommodation is not a coincidence. The high investments are rewarded afterwards by a higher income making the pursuit of a product leadership perfectly possible in the hospitality sector.

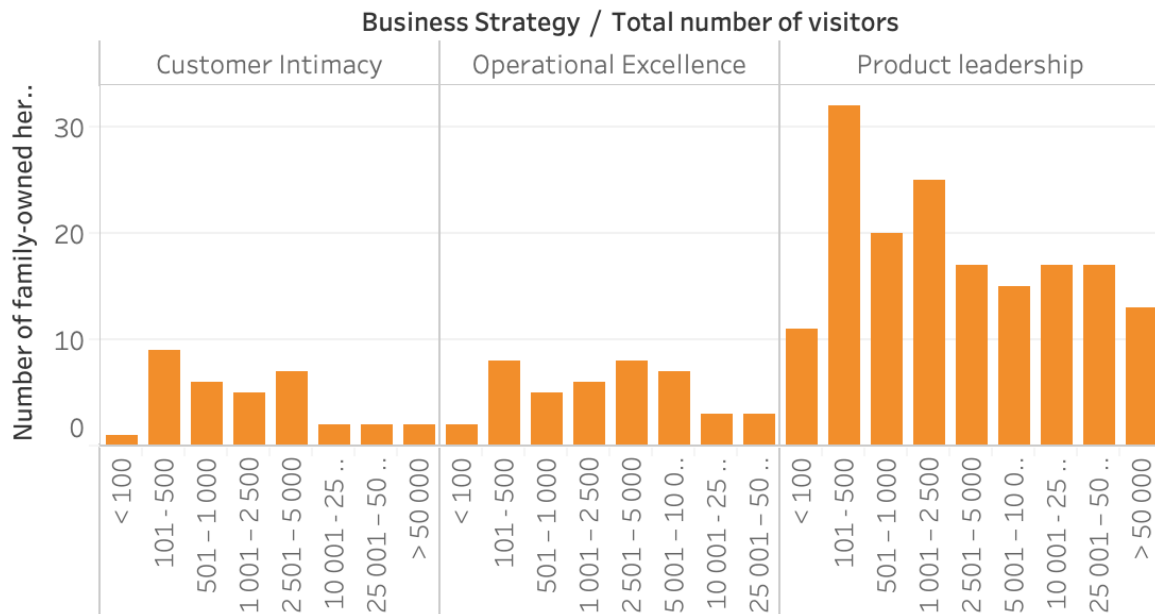
If we compare the figure below with the product leadership map of figure 86, we see an almost identical picture indicating the importance of product leadership for family-owned heritage houses in the hospitality sector in Europe.

*Figure 87: Number of family-owned heritage houses per country who are active in the hospitality sector.*



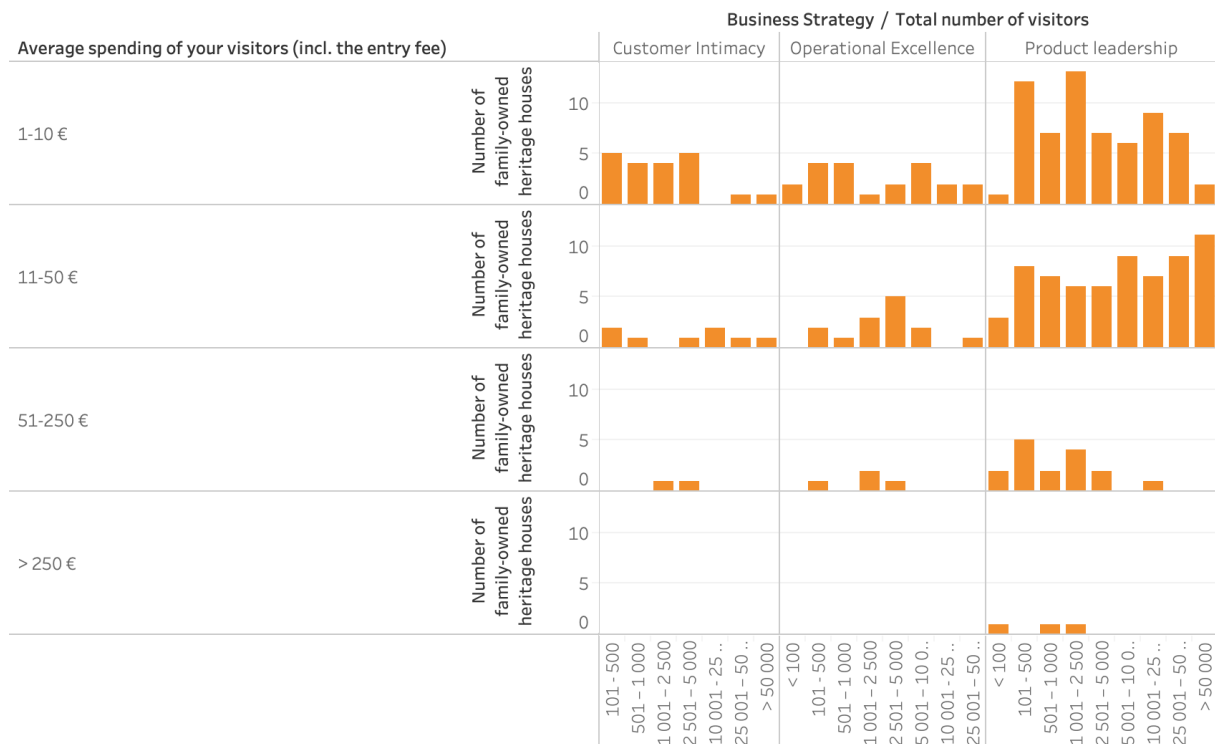
Source: K&DM based on Online Survey Family-Owned Heritage Houses.

The choice for product leadership amongst family-owned heritage houses has an important socio-economic impact. Product leadership is labour intensive and tourists tend to prefer to visit places where product leadership is the main business strategy. If on top of that they are also prepared to pay a higher entrance fee, it is logical that product leadership is the preferred business strategy for family-owned heritage houses.



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 88: Number of family-owned heritage houses per business strategy in function of the number of yearly visitors



Source: K&DM based on Online Survey Family-Owned Heritage Houses.

Figure 89: Number of family-owned heritage houses per business strategy in function of entrance fees.

Figure 89 shows that the choice for a customer intimacy strategy is found especially in places where visitors are paying no more than €10. Houses choosing an operational excellence strategy are common up to €50. Above €50 most of the houses have a product leadership strategy.

## 6. Innovative business models

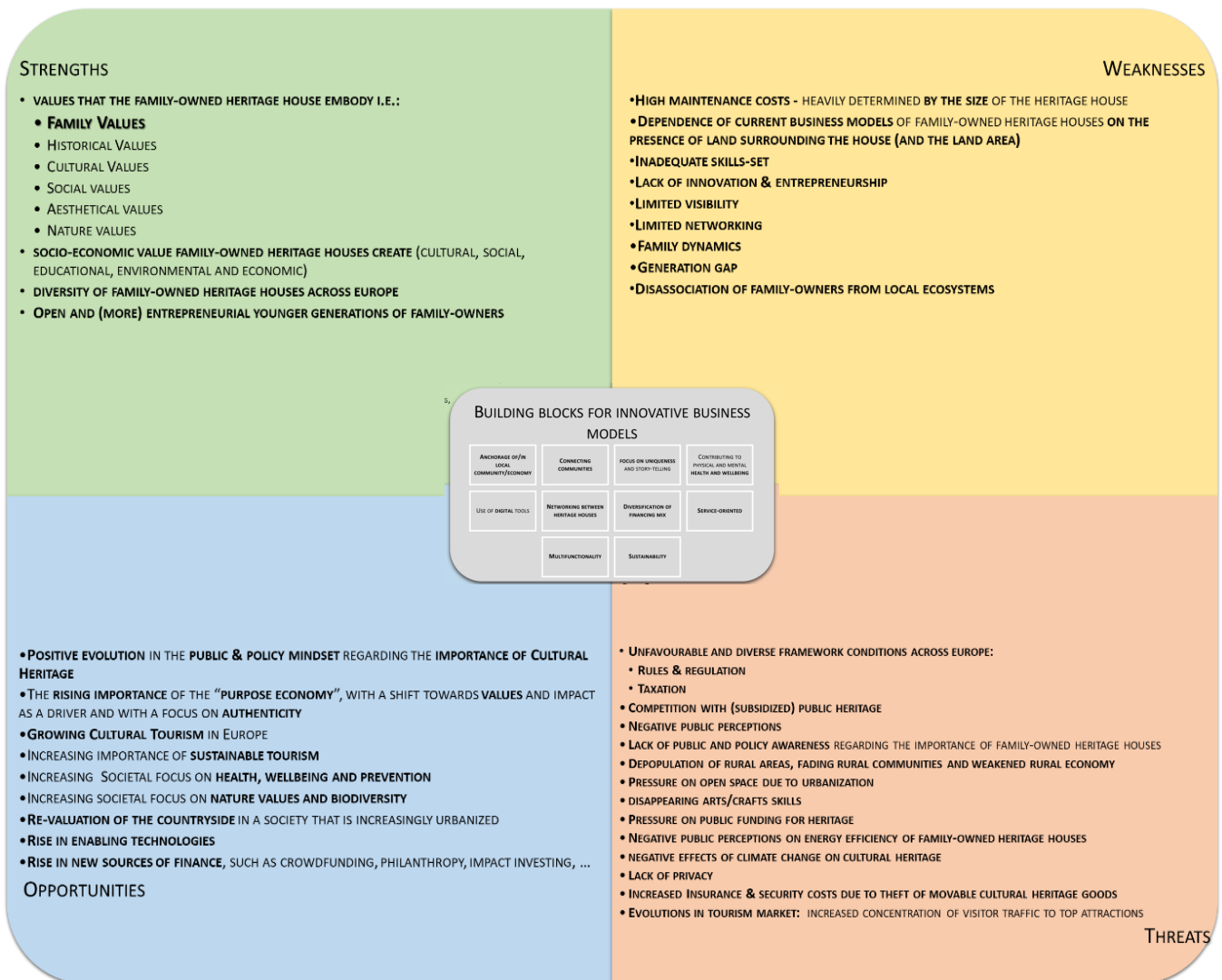
### 6.1 Triggering innovation

This study provides an overview of existing business models used by family-owned heritage houses. Some of them are innovative, most of them are not. It is therefore important to trigger innovation in existing business models. This can be done making use of a number of methods. We have used the following methods in this study:

#### 6.1.1 Analysis for innovation

It is important to systematically invest in the strengths of an existing business model. Opportunities have to be taken on board where possible. However, the weaknesses and threats especially give possibilities to implement innovative ideas. In the Illustrative Practices on innovative business model and in the Technical Sheet on existing business models, special attention is given how weaknesses and threats can be used.

Based on the SWOT analysis, a number of building blocks for innovative business models have been identified that foster the strengths of family-owned heritage houses to enable them to reap the opportunities that have been identified.



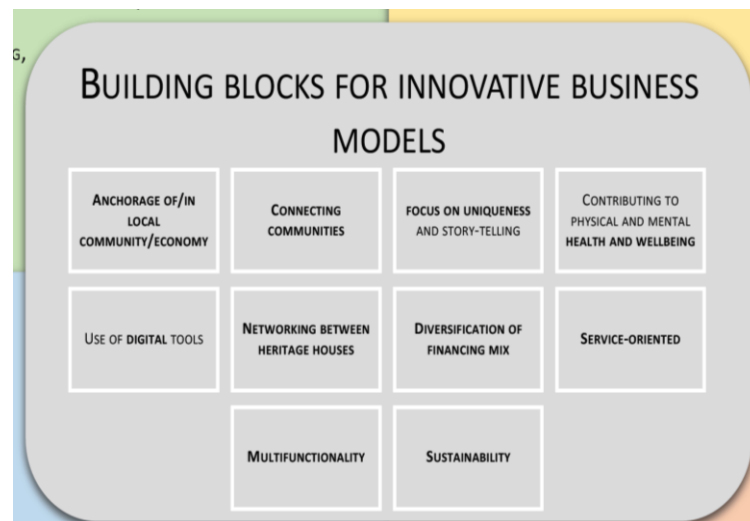
## 6.1.2 Strategy based innovation

Companies aiming to achieve market leadership in either operational excellence, customer intimacy or product quality have to innovate systematically in the strategy chosen. For each of the case studies, the strategy is described.

For each of the building blocks identified we have indicated how for each business strategy innovation can be realised within existing business models.

Based on the SWOT analysis, a number of building blocks for innovative business models have been identified that foster the strengths of family-owned heritage houses to enable them to reap the opportunities that have been identified.

## 6.2 Building blocks for innovative business models



### 6.2.1 Anchorage of/in local community/economy

Community involvement include employment, the use of volunteers or even the active participation of third parties. A nice example is the Heetveldemolen (BE) where the owners are stimulating local farmers to cultivate old grain varieties which afterward are used to produce local products, making use of the water mill. The strong interaction with the local farmers created a local network of people connected to the heritage house.

Giving local stakeholders the opportunity to actively participate will not only enable you to get additional help, you will also get a free set of marketers for all of the activities you organise.

#### ***What to do if your business strategy is operational excellence?***

- Make use of local volunteers
- Ask for an active participation of third parties in the activities of the family-owned heritage house (youth movement, local organisations, ...)

#### ***What to do if your business strategy is customer intimacy?***

- Make a mix of local volunteers and local employment
- Ask for active participation of third parties in the activities of the family-owned heritage house (youth movement, local organisations, ...)
- Co-create activities
- Involve local stakeholders in developing new products

#### ***What to do if your business strategy is product leadership?***

- Employ local people
- Look for local suppliers offering the best products fitting in your business model

### Illustrative Practices on innovative business model: Palácio Fronteira



**Country:** Portugal

**Highlights:**

Anchorage of/in local community/economy

**Activities:**

- ✓ **Commercial activities**
  - Guided (house) & non-guided visits (garden)
  - Renting meeting rooms for cultural initiatives
- ✓ **Education, research, community or environmental activities**
  - Thematic tours guided by experts
  - Reading groups (thematic)
  - Library, including online access
  - Publications on cultural topics
  - Research topics linked to the objectives
  - Educational service targeting schoolchildren
- ✓ **Cultural or leisure**
  - Bridge tournaments
  - Cultural activities, expositions, conferences
  - Musical & poetry recitals
  - Meetings on themes of history, art history, (landscape)architecture, literature, etc.
- ✓ **Innovation**

Palácio Fronteira is a strange mix of an international renown touristic attraction, a museum on azulejos (Portuguese tiles), a cultural centre and a community centre. While the regular visits to the house are a must-do for many tourists visiting Lisbon, the foundation managing the house never lost the connection with the local population. After the touristic hours it is time for cultural and community activities ranging from reading groups, bridge tournaments, cultural activities, expositions, conferences, musical and poetry recitals and thematic meetings.

This way Palácio Fronteira has made their business model more sustainable. They are no longer depending on only the tourist inflow. When the tourism diminishes the cultural and community activities take over as a source of income. At the same time the local community gets involved and becomes a great supporter of the heritage house. In a way, it became their heritage house. The strong involvement of local communities in the business development of a family-owned heritage house is an innovation which has recently been copied by several other family-owned heritage houses.

*Read all details on Palácio Fronteira in the annex on Illustrative Practices on innovative business model (5), Technical Sheet on existing business models (47)*



## 6.2.2 Connecting communities

Working with volunteers is very engaging towards the local community. The involvement of the volunteers makes them excellent marketers for events and activities organised. The involvement of volunteers is often seen in those case studies organising larger events: Hex (BE), Ledreborg (DK)

### **What to do if your business strategy is operational excellence?**

- Work with volunteers! It is very engaging towards the local community involving them in activities organised by the heritage house owners

### **What to do if your business strategy is customer intimacy?**

- Use volunteers as marketers for events and activities organised.

### **What to do if your business strategy is product leadership?**

- Use volunteers for larger events

## Illustrative Practices on innovative business model: Heetveldemolen



**Country:** Belgium

### **Highlights:**

Connecting communities

### **Activities:**

#### ✓ **Commercial activities**

- Milling
- Different types of flour for sale

#### ✓ **Education, research, community or environmental activities**

- Guided tours
- Renewable energy
- Research related to the ancient craft

#### ✓ **Cultural or leisure**

- Guided tours in combination with hiking trails
- Several events where the mill plays a central role
- Folklore related events

#### ✓ **Innovation**

The Heetveldemolen is a heritage house with truly unique objectives. The managing association (an NGO) turned the mill into a meeting point bringing all kinds of people together around an ancient craft. Folklore, education, research, technology, renewable energy, fair trade, art, etc are areas in which this non-profit organisation invests, both at regional and national level, and sometimes even at international level. In 2018 the Heetveldemolen received the public participation prize of the Flemish Agency for Cultural Heritage

Activities and visits are directly related to the objective of the NGO with a strong focus on the involvement of the local population and other NGOs sharing the same values. This project is 100% volunteer driven. Local farmers and other NGO's are systematically involved in the activities resulting in a strong interaction between local stakeholders. This way an innovative business model was created that goes far beyond the heritage house itself and has a direct impact of the community living around the heritage house.

*Read all details on Heetveldemolen in the the annex on Illustrative Practices on innovative business model (6), Technical Sheet on existing business models (5)*

### 6.2.3 Focus on uniqueness and storytelling

Having a story to tell is a unique feature shared by all family-owned heritage house owners. Organising activities that directly or indirectly tell the story behind the family-owned heritage house is an innovative approach rapidly developing. A clear example of this approach is the Château de la Ferté-Saint-Aubin (FR) – more info in the Illustrative Practices on innovative business model. They have built a very successful business model around murder mysteries and escape rooms linking those activities to the history of the castle.

***What to do if your business strategy is operational excellence?***

- Make use of storytelling as a marketing instrument

***What to do if your business strategy is customer intimacy?***

- Organise storytelling activities

***What to do if your business strategy is product leadership?***

- Storytelling is a side product (high quality book telling the history of the house, ...)

## Illustrative Practices on innovative business model: Château de la Ferté-Saint-Aubin



**Country:** France

**Highlights:** Storytelling

### Activities:

- ✓ **Commercial activities**
  - Entrance fee to the castle and park
  - Additional fees for events
  - Bed and breakfast
- ✓ **Education, research, community or environmental activities**
  - Discovery tour
  - Museum telling the history of the castle
  - Collection of old games and dolls
- ✓ **Cultural or leisure**
  - Discovery trail trying to find the secret room
  - cooking demonstrations and degustations
  - escape room & mystery games/plays
  - Adventure trail and family games
  - Easter egg run & Christmas event
  - Activities in the park
- ✓ **Innovation**

If there is one element all heritage houses have in common, it certainly is the fact they have a story to tell. Storytelling in itself is not new for heritage houses. But storytelling is transforming from a static activity (museum, visiting the interior of the house, etc) into a dynamic and often interactive activity. Heritage houses owned by larger organisations or the government often develop this interactivity with innovative digital tools (from apps to 3D simulation). Those digital tools are often expensive and not fitting within the budget of the family-owned heritage houses. Some of them are innovating by making their story more interactive without using digital tools but by developing interactive exhibitions (where you can play games, solve questions, etc). Interactive storytelling can take many different forms: from discovery trails finding the secret room to adventure trails in the garden or park of the heritage house. Often special activities are organised for Christmas, Easter and other memorable dates within the history of the heritage house. A great innovation for family-owned heritage houses are escape rooms as those games can tell the story of the family-owned heritage house by solving riddles. Escape rooms are rented to small groups. However, larger groups can try to solve mysteries: mystery plays attract often large crowd and examples can be found all over Europe.

Château de la Ferté-Saint-Aubin is combining all those storytelling techniques into their business model and they do so in a very successful way.

*Read all details on Château de la Ferté-Saint-Aubin in the annex on Illustrative Practices on innovative business model (3), Technical Sheet on existing business models (29)*

## Illustrative Practices on innovative business model: Rumene Manor



**Country:** Latvia

**Highlights:** Focus on uniqueness and storytelling - Product leadership

### **Activities:**

#### ✓ **Commercial activities**

- Apartments and houses for rent
- Wellness and spa (Latvian bath house)
- Restaurant
- Meetings and wedding

#### ✓ **Education, research, community or environmental activities**

- hunting and nature conservation

#### ✓ **Cultural or leisure**

- golf
- cooking classes & wine tasting
- musical presentations
- porcelain painting classes
- hiking, touring, biking and boating

#### ✓ **Innovation**

Rumene Manor is an example of a straightforward product leadership strategy where quality is put at the forefront of whatever they do. The award-winning renovation of the manor was completed to the most exacting standards in 2009. Rumene Manor is the country residence of the 5-star Hotel Bergs, a Small Luxury Hotels of the World, and provides a wealth of activities in a haven of luxury for discerning guests from near and far. Everything in the house appears touched by a fine patina of time, while the furnishings and built-in items are genuine and handmade.

As many family-owned heritage houses develop a product leadership strategy you need to pay attention to details to make a difference in this already high-level segment. And that is exactly what Rumene Manor does.

Next to the rigorous following of a product-leadership strategy, Rumene Manor has introduced a number of innovative business blocks (as described elsewhere in this report) supporting their product leadership strategy: storytelling, wellness and spa facilities (contributing to physical and mental health and wellbeing) etc. For all activities organised (golf, wine tasting, weddings, cooking courses, painting courses) the same very high standards are used as reference.

Many heritage houses follow a product leadership strategy in their restoration work, but only a few are able to translate this product leadership strategy into whatever they are doing and organising.

The urge to reach the very best in product leadership becomes the unique story of this family-owned heritage house. Its history is a unique story, the restoration is another unique story. Innovative to the business model of Rumene Manor is that the owners were able to make from their business strategy the story of the house.

*Read all details on Rumene Manor in the annex on Illustrative Practices on innovative business model (4), Technical Sheet on existing business models (45)*

## 6.2.4 Contributing to physical and mental health and wellbeing

As people are becoming more conscious that having a good physical and mental health is an important aspect of life. As they become older they think more often how they can postpone physical and mental problems related to age or to the stress of modern life. People are also willing to spend money on good health. Activities contributing to physical and mental health and wellbeing are becoming more and more popular. There is a fast-growing market share due to demographic age distribution. On the other hand, there is a growing interest by younger people giving you the possibility to attract a new customer segment.

### ***What to do if your business strategy is operational excellence?***

- Sell health related products (do not forget the webshop!)

### ***What to do if your business strategy is customer intimacy?***

- Organise workshops and courses in the house

### ***What to do if your business strategy is product leadership?***

- Private hospitals and rest homes
- Bathing rituals (sauna, hammam, ...)

## 6.2.5 Use of digital tools

The overall use of digital tools remains extremely low among family-owned heritage houses (survey results). At the same time our case studies illustrate that family-owned heritage houses using digital tools to communicate with their visitors are more successful. Better communication results in returning visitors. Whilst better knowledge about visitors can assist owners to develop new products attractive for visitors. Comments given by visitors on social media can help to improve the way they manage their business activities.

Many tools are available on the internet, others have to be developed specifically for the heritage house. There is however a market for historic houses associations to develop and market digital tools to support their members (ticketing, marketing, communication, newsletters, ...).

### ***What to do if your business strategy is operational excellence?***

- Make use of third-party applications (booking.com, tripadvisor, Amazon etc). You want to reach large groups of people in the most efficient way.

### ***What to do if your business strategy is customer intimacy?***

- Develop your own reservation systems fitting the needs of your visitors
- Make use of third-party applications (booking.com, tripadvisor, Amazon...)
- Ask people for personal feedback

### ***What to do if your business strategy is product leadership?***

- Integrate your reservation systems in your website
- Make use of dedicated websites (Welcoming Estates, ...)
- Make use of third party applications (booking.com, tripadvisor,...)

## Illustrative Practices on innovative business model: Flanderhof



**Country:** Romania

**Highlights:** Focus on uniqueness and storytelling

**Activities:**

- ✓ **Commercial activities**
  - Rooms and houses for rent
  - Bed & Breakfast
  - Meetings
  - On demand tours
  - Discovery trips
- ✓ **Education, research, community or environmental activities**
  - Nature hikes, hunting
  - conferences, meetings, colloquia on neuroscience
- ✓ **Cultural or leisure**
  - conferences, meetings on art and music
- ✓ **Innovation**

This family-owned heritage house is active in the hospitality sector. To avoid empty rooms throughout the year the owners decided to build up their business plan around their passions: art and neuroscience. Several events related to art, music and neuroscience are organised or hosted by Flanderhof. Here, storytelling became the innovation added to the traditional business plan resulting in an innovative approach and making sure the rooms in the house are not remaining empty in periods where less visitors are coming to the house.

*Read all details on Flanderhof in the annex on Illustrative Practices on innovative business model (11), Technical Sheet on existing business models (50)*

### 6.3 Networking between heritage houses

Family-owned heritage houses share similar problems. All are searching for solutions and sometimes they are found. By sharing solutions owners are able to assist each other. By networking owners will be able to learn from each other. Networking can also initiate the development of common tools.

*Box 5: a marketing website for leisure activities on European estates*

Welcoming Estates (<http://www.welcomingestateswebsite.com>) is **a marketing website for leisure activities on European estates**. This website gives an overview of the **many interesting things you can do on several European Estates**. Think of a short stay in a B&B, small hotel or an inn, a longer stay in a cosy cottage, a luncheon, supper or even a wedding; sports like canoeing, sailing, swimming or golf. Quite a few estates have their own products, such as wine, fruits and vegetables.

Welcoming Estates is an initiative of Friends of the Countryside, the European Landowners' Organisation and the European Historic Houses Association. **Several of the case studies are making use of the website to promote their activities and products:** Heerlijkheid Mariënwaerd (NL), Wanås Estate (SE), De Hoge Veluwe National Park (NL).

***What to do if your business strategy is operational excellence?***

- Digital networking (Facebook, LinkedIn, ...)

***What to do if your business strategy is customer intimacy?***

- Digital networking (Facebook, LinkedIn, ...)
- Make networks of clients (digital and real life) by offering services related to the house (newsletter, YouTube channel, ...)
- Connecting to peers (contact other owners of family-owned heritage houses)

***What to do if your business strategy is product leadership?***

- Networking via other product leadership companies
- Connecting to peers (contact other owners of family-owned heritage houses)

### 6.3.1 Diversification of financing mix

Innovative financing refers to a range of non-traditional mechanisms to raise additional funds for development aid through "innovative" projects such as micro-contributions, taxes, public-private partnerships and market-based financial transactions, including crowdfunding.

***What to do if your business strategy is operational excellence?***

- Try crowdfunding as a financial instrument

***What to do if your business strategy is customer intimacy?***

- Try crowdfunding (repay your investors with a non-financial product, e.g. a product you make related to the house)

***What to do if your business strategy is product leadership?***

- Make use of private capital

### 6.3.2 Service-oriented

Several of the family-owned heritage houses try to deliver an exceptional service to their clients as a differentiator to other companies. Many of the family-owned heritage houses opt for this strategy rather than choosing for the highest quality. Several case studies have this strategy as their differentiating strategy towards others active in the same business field: Castle Bežanec (HR), Padaste Manor (EE), and Pałac Krasków (PL). In competition with primarily heritage houses focusing on a product leadership strategy this could just be the difference that customers are searching for. Being service oriented is a popular business strategy among family-owned heritage houses that do not have the financial means to do major renovations.

***What to do if your business strategy is operational excellence?***

- Offer digital services for reservation, ticketing, ...

***What to do if your business strategy is customer intimacy?***

- Personalize all contacts
- Give an exceptional service to clients

***What to do if your business strategy is product leadership?***

- General high-quality service

## Illustrative Practices on innovative business model: Monsignor della Casa Country Resort & Spa



**Country:** Italy

**Highlights:** Service-oriented

**Activities:**

✓ **Commercial activities**

- Rooms, apartments and villas for rent
- Wellness and spa
- Restaurant, meetings and wedding

✓ **Education, research, community or environmental activities**

- Hunting and nature conservation without direct commercial interest.
- The resort is recognized by the Italian government as a special landscape area

✓ **Cultural or leisure**

- cooking classes & tastings of local products
- truffle hunting
- hiking, touring, and e-bike trips

✓ **Innovation**

Family-owned heritage houses active in the hospitality sector often choose product leadership: offering the very best accommodation possible. At Monsignor della Casa this is the case but the offering of high-quality accommodation is seen as a necessity, not as the most important selling proposition. The business strategy chosen is in reality a customer intimacy strategy. From each of the guests, information is gained on what they like to do, to eat, to visit, etc. Based on the information gathered guests can expect extra surprises: when returning from a visit to the city you have a cake or something to drink ready in your apartment or room, you have a special interest in wine?: a visit is arranged to one of the nearby winery estates, are you a hunter there is chance the owners invite you to a local hunt, or if you are lucky and you are a soccer addict you will get a ticket for one of the matches of one of the renown Italian teams in the region. Bring your children with you and in no time the personnel knows what their favourite ice cream is.

The individualised service the clients get is not limited to their stay. The marketing campaigns are focused on a personal interaction: Christmas cards, special offers, etc.

The combination of high-quality lodging with an exceptional level of service towards their visitors differentiates the estate from their many competitors in the Tuscan region, all of them offering excellent lodging but not always with the same interest in the individual customer.

The exceptional service is even combined with another innovative practice: storytelling. As the estate was the birth place of Giovanna della Casa (1503), guests with an interest in 'Il Monsignore' are invited at the end of their stay to visit the villa where they have the possibility to taste local Tuscan products.

*Read all details on Monsignor della Casa in the annex on Illustrative Practices on innovative business model (1), Technical Sheet on existing business models (44)*



### 6.3.3 Multifunctionality

To avoid dependency on a single activity many of the family-owned heritage houses studied develop a multifunctional approach. This is especially the case for estates with large proportions of land belonging to the heritage house: Hardegg (AT), Château de Westerlo (BE) (see illustrative practices annex), Het Loo (BE), Castle Blatná (CZ), Putkaste Manor (EE), Gårdskulla (FI), Kullo Gård (FI), Malmgård estate (FI), Koskis Gård (FI), Château de la Gabelle (FR), Verwaltung Guenther Graf v.d. Schulenburg (DE), Schloss Dennenlohe (DE), Enniscoe House (IE), Castello di Brazza (IT), Estate of Herado do Zambujal (PT), El Guijoso (ES), Heerlijkheid Marienwaerd (NL), Lulworth Estate (UK).

#### ***What to do if your business strategy is operational excellence?***

- Multifunctionality is not seen as added value in this case.

#### ***What to do if your business strategy is customer intimacy?***

- Avoid dependency on a single activity. Start developing other business opportunities for the house. Involve where possible your visitors.

#### ***What to do if your business strategy is product leadership?***

- Avoid dependency on a single activity. Start developing other business opportunities for the house. Involve specialist companies to develop new products.

### Illustrative Practices on innovative business model: Kasteel van Hex



**Country:** Belgium

**Highlights:** Multifunctionality

**Activities:**

- ✓ **Commercial activities**
  - Garden festival
  - Farming
  - Forestry
- ✓ **Education, research, community or environmental activities**
  - Nature conservation
  - Part of the estate is Natura 2000
- ✓ **Cultural or leisure**
  - Occasional guided tours
- ✓ **Innovation**

This family-owned heritage house is surrounded by a farmland, forest and nature (Natura 2000). With 3 farms on the estates the income gained by agriculture and forestry is important. In order to open the family-owned heritage house to the larger public and to have an alternative income, the estate organises a garden festival twice a year. While in the past most of the family-owned heritage houses with large surfaces of surrounding land were mainly involved in a single activity (agriculture or forestry), larger estates have the increasing tendency to develop additional activities, making their estate more multifunctional. Multifunctionality is an innovation we see with most of the larger estates. By creating additional sources of income, they are able to neutralize income fluctuations due to market circumstances or weather/climate related problems. While the multifunctionality is innovative in itself, those estates seldom develop innovative tools themselves.

*Read all details on Kasteel van Hex in the annex on Illustrative Practices on innovative business model (8), Technical Sheet on existing business models (7)*

## Illustrative Practices on innovative business model: Ledreborg Palace



**Country:** Denmark

**Highlights:** Multifunctionality

**Activities:**

✓ **Commercial activities**

- Company events, meetings, conferences
- Renting of holiday houses & business space
- Recording of films, TV and commercials
- Fly high
- Lifestyle exhibition

✓ **Education, research, community or environmental activities**

- Guided tours
- Hunting
- Nature conservation

✓ **Cultural or leisure**

- Horse riding
- Golf course
- Concerts

✓ **Innovation**

Ledreborg Palace has a very broad range of activities ranging from agriculture, forestry, company events, guided tours, music festivals etc. The estate is an example of the use of multifunctionality as an important tool to diversify its activities and to limit income fluctuations. The broad set of activities organised are so interlinked that they reinforced each other. That multifunctionality is not only an innovative building block of a business model, it is becoming the business model. While most of family-owned heritage houses are only finding out the benefits of multifunctionality Ledreborg Palace is making multifunctionality its prime business model.

*Read all details on Ledreborg Palace in the annex on Illustrative Practices on innovative business model (9), Technical Sheet on existing business models (12)*

## Illustrative Practices on innovative business model: Gisselfeld Kloster



**Country:** Denmark

**Highlights:** Multifunctionality – multiple business strategies

**Activities:**

✓ **Commercial activities**

- Events
- Meetings, parties and weddings
- 125 houses for rent
- Forestry & agriculture
- Restaurant

✓ **Education, research, community or environmental activities**

- Botanic park

✓ **Cultural or leisure**

- Classic motor show
- Christmas market & life style fair
- Opera gala & theatre festival
- Fishing & hunting

✓ **Innovation**

Gisselfeld Kloster is another example of multifunctionality. However, this family-owned heritage house took a very different approach. Most of the income is coming from agriculture and forestry in combination with rental activities. Gisselfeld Kloster has 125 quite different tenancies which are let out to private persons and trade purposes. Most of the houses are one-family houses and a few ones are double houses, and are situated in isolated places. Bigger or smaller gardens belong to all the houses, and in some of the premises it is possible to keep horses or other animals. From 55 m<sup>2</sup> to 700 m<sup>2</sup> beautiful idyll for the tenants who prefer peaceful surroundings.

Gisselfeld is combining multifunctionality with the use of different business strategies: operational excellence for agriculture and forestry, customer intimacy for the renting of the houses and a product leadership strategy for activities directly related to the heritage house. This innovative approach enables the heritage house to choose the business strategy best suited for a specific activity.

*Read all details on Gisselfeld Kloster in the annex on Illustrative Practices on innovative business model (10), Technical Sheet on existing business models (13)*

### 6.3.4 Sustainability

Climate change and biodiversity loss are amongst the largest global problems. An increasing amount of people want to act and are searching for initiatives where their ecological footprint is minimal. By promoting eco-friendly activities, using sustainable materials, installing sustainable energy sources, etc, a new segment of customers will find its way to your property.

***What to do if your business strategy is operational excellence?***

- Implement sustainability actions when cost efficient

***What to do if your business strategy is customer intimacy?***

- Implement sustainability actions in function of your client/visitors' wishes

***What to do if your business strategy is product leadership?***

- Implement sustainability actions even when not cost efficient

#### Illustrative Practices on innovative business model: Miravel



**Country:** France

**Highlights:** Sustainability

**Activities:**

✓ **Commercial activities**

- Renting of the house for short periods
- Meetings, conferences

✓ **Education, research, community or environmental activities**

- Restoration with organic only materials
- Durability is the leading theme
- Conservation actions for bats
- Participation in numerous local activities

✓ **Cultural or leisure**

- Concert
- Fishing, canoeing
- Hiking & biking
- Nature discovery

✓ **Innovation**

Sustainability is the main differentiator of this estate. Central heating is provided by a high tech – high efficiency wood combustion stove. Connected to this are the solar panels which primarily produce the sanitary hot water. In addition, small wood fuelled stoves are placed in several living rooms to ensure full comfort, even when the central heating is not required in spring and autumn. Energy saving (A category) household machines are provided for dish and laundry washing, and low energy bulbs and timers are used whenever possible. Water savings are provided by special installations, only few water efficient bathtubs, water saving household machines, rainwater collection, etc. The energy is produced via producers of renewable resources and energy resources. All the above efforts would be vain if not complemented by environmentally every day gestures which are summarised in recommendations to dwellers at Miravel. The estate has received the Clé vert label for the past 10 years. Sustainability is becoming an increasingly important selling proposition.

*Read all details on Miravel in the annex on Illustrative Practices on innovative business model (2), Technical Sheet on existing business models (30)*

## Illustrative Practices on innovative business model: Fort van Oelegem



**Country:** Belgium

**Highlights:** Community involvement - Sustainability – nature conservation (combined with a customer intimacy strategy)

**Activities:**

- ✓ **Commercial activities**
  - No commercial activities
- ✓ **Education, research, community or environmental activities**
  - Guided visits to the bat populations
  - Research on the bat populations present
- ✓ **Cultural or leisure**
  - Participation to cultural or leisure activities organized by third parties
- ✓ **Innovation**

Sustainability is becoming an innovative selling proposition for many family-owned heritage houses. The Fort of Oelegem is a very special case as nature conservation is the main goal and no commercial activities are developed. The fortress contains the largest bat population in Flanders. The day-to-day management of the fortress is given to a local nature conservation NGO who maintain the estate and make sure the fortress is regularly open for visitors.

The combination of community involvement and sustainability as main objective created an alternative funding system where people want to contribute to the bat population and the heritage site where they are living. Without major investments the heritage house is maintained, can be visited and create and added ecologic, economic and social value: sustainability and nature conservation as a business model.

*Read all details on Fort van Oelegem in the annex on Illustrative Practices on innovative business model (7), Technical Sheet on existing business models (6)*

## Illustrative Practices on innovative business model: De Hoge Veluwe National Park



**Country:** The Netherlands

**Highlights:** Sustainability – operational excellence

**Activities:**

✓ **Commercial activities**

- Entrance fee to the park and/or to the museum + guided tours
- Covered wagon ride through nature guide
- Restaurant, camping site
- Bikes for rent

✓ **Education, research, community or environmental activities**

- Nature conservation, games and workshops
- Photography workshop, lectures
- Hunting

✓ **Cultural or leisure**

- Hiking and biking
- Safari, bird watching, photography
- Events: concerts, sport events, markets

✓ **Innovation**

De Hoge Veluwe National Park is an example of the growing interest of the public in nature conservation and sustainability. The history of the park linked to the Kröller-Müller family, and the museum in the centre of the park is an important part of the storytelling. However, the unique nature values created in the park linked with many stories on the individual species and habitats is a never-ending source of stories to entertain or to educate the visitors.

The National Park together with the museum in the park is attracting more than 50,000 visitors a year. While the nature management is done based on a product leadership quality, the welcoming of the visitors is guided by an operation excellence strategy, getting the visitors as fast as possible into the park, avoiding too many people at the entrance. While this is a logical choice, cultural heritage houses seldom make use of an operational excellence strategy unless within a farming or forestry environment.

*Read all details on De Hoge Veluwe National Park in the annex on Illustrative Practices on innovative business model (13), Technical Sheet on existing business models (13)*

## Illustrative Practices on innovative business model: Elmley Estate



**Country:** United Kingdom

**Highlights:** Sustainability – customer intimacy

**Activities:**

✓ **Commercial activities**

- Agriculture
- Entrance fee per car
- Houses for rent
- Tiny houses for rent
- Weddings
- Events

✓ **Education, research, community or environmental activities**

- National Nature Reserve under Section 35 of the Wildlife and Countryside Act (1981)
- Very successful breeding ground for lapwings

✓ **Cultural or leisure**

- Hiking

✓ **Innovation**

Elmley Estate is a third example of nature conservation as major objective. But they choose customer intimacy strategy. Visitors can spend the night in the park and are welcomed in a very personal way by the owners. Over the estate different lodgings are available (tiny houses), where people are in direct contact with the surrounding nature. While the innovative nature is directly related to the choice of the business strategy in combination with nature conservation, other innovative business blocks are directly relevant to this family-owned heritage house: Focus on uniqueness and storytelling: successes and failures of nature conservation are excellent stories to attract people to the nature reserve. The passionate way the owners are speaking about the lapwing populations present is a reason in itself to visit the estate; sustainability is at the heart of Elmley Estate. The farm is off-grid and is powered by a very efficient solar array and generator with big batteries. The huts are handcrafted using natural materials and eco-friendly insulation.

*Read all details on Elmley Estates in the annex on Illustrative Practices on innovative business model (14), Technical Sheet on existing business models (68)*

## 7. Conclusions

The activities a family-owned heritage house develops, and the business strategy it adopts are primarily linked to the size of the house and the size of the surrounding land. Especially middle sized and large houses have the tendency to develop business models. There is no direct relationship between the size of the house and the size of the land.

Family-owned heritage houses with up to 50 ha of surrounding land have gardens and/or parks, but do not develop agricultural or forestry activities.

Houses with between 50 and 250 ha surrounding land are mostly agriculture-driven, above 250 ha the percentage that agriculture represent decreases while forestry is becoming more prominent. **Houses with agriculture and forestry have no direct need to develop business models for their houses as they generate enough income form their agricultural or forestry business to restore and maintain the house.**

Houses with more than 50 ha of surrounding land show an increasing interest in nature conservation with an increasing size of surrounding land. The larger plot sizes allow the estates to develop nature conservation without creating a negative impact on the total income.

Total floor area of the house combined with the total size of land surrounding the house are the main components of the value of the house.

While 54% of family-owned heritage houses do ask an entry fee, **more than 50% of them do not attract more than 5,000 visitors and resulting in a loss.** For many heritage house owners there are however other advantages when opening their houses to the public, including raising of awareness and contacting new possible investors.

**Most entrance fees are under €10 but many visitors spend up to €50 when visiting an estate selling extras.** Average spending above €50 is especially related to the renting of accommodation.

**Most of the activities are organised in medium to large sized houses on smaller plots. They have the most urgent need to generate additional income to restore and maintain the house.** The more surrounding land family-owned heritage houses have the less interest they show in organising additional activities. However, houses with more than 1000 ha of surrounding land do organise more often additional activities. Often, they make use of activities that have been proven successful with smaller houses. Their main interest to organise additional activities is a more multifunctional business model enabling them to generate a more stable income.

Only a marginal number of heritage houses sell products not related to the house. **Shops seems to be especially successful when related to agricultural products produced on the estate.**

Most of the family-owned heritage houses develop multifunctional business models developing several activities in or around the house.

The yearly turnover is directly related to the activities performed. **Turnover shows a direct relationship with the plot size of the estate.**

The number of employees is especially influenced by the business strategy chosen. Family-owned heritage houses implementing a product leadership or a customer care strategy tend to hire full-time personnel. Whilst those implementing an operational excellence strategy more often hire part-time and seasonal personnel.

**45% of family-owned heritage house owners are making a loss and add personal money into the business activity in order to keep it open to the public.**

Owners clearly make the trade-off between administrative work, studies, management plans and additional rules related to subsidies on one hand and the financial gain on the other hand.



Product leadership is the most common business strategy followed by customer intimacy and operational excellence. **Choosing a product leadership strategy results in higher number of visitors willing to pay a higher amount of money.** The large number of family-owned heritage house owners choosing product leadership as their preferable strategy leads to a strong competition between heritage houses. This is especially the case in the hospitality sector.

Innovation is clearly linked to the SWOT analysis of the family-owned heritage houses and its resulting building blocks. Innovation has to be carefully adapted to the business strategy chosen.

Innovation in family-owned heritage houses is strongly linked to one of the following themes: anchorage of/in local community/economy; connecting communities; focus on uniqueness and storytelling; contributing to physical and mental health and wellbeing, use of digital tools, networking between heritage houses, diversification of the financing mix, service-oriented, multifunctionality and sustainability.

**In general, family-owned heritage houses on smaller plots tend to be more innovative as they need to develop additional activities to generate an income to restore and maintain the house.** Family-owned heritage houses on plots larger than 1000 ha tend to copy successful business models developed by the first group. In function of innovative business models, it is more efficient to support houses on smaller plots. Houses on larger plots are more oriented on innovation of agricultural and forestry related practices and equipment as those are the basis of their main income source.

**Family-owned heritage houses are often not financially sustainable. This will be a challenge as future generations might be less willing to take-over the house, especially if they have more appealing alternative career plans. Therefore, there is a need for suitable business models, a need for assistance to enable the development of sustainable business models and a need to better understand business models and their possible contribution to the restoration and maintenance of family-owned heritage houses.**



## PART 5 Policy recommendations

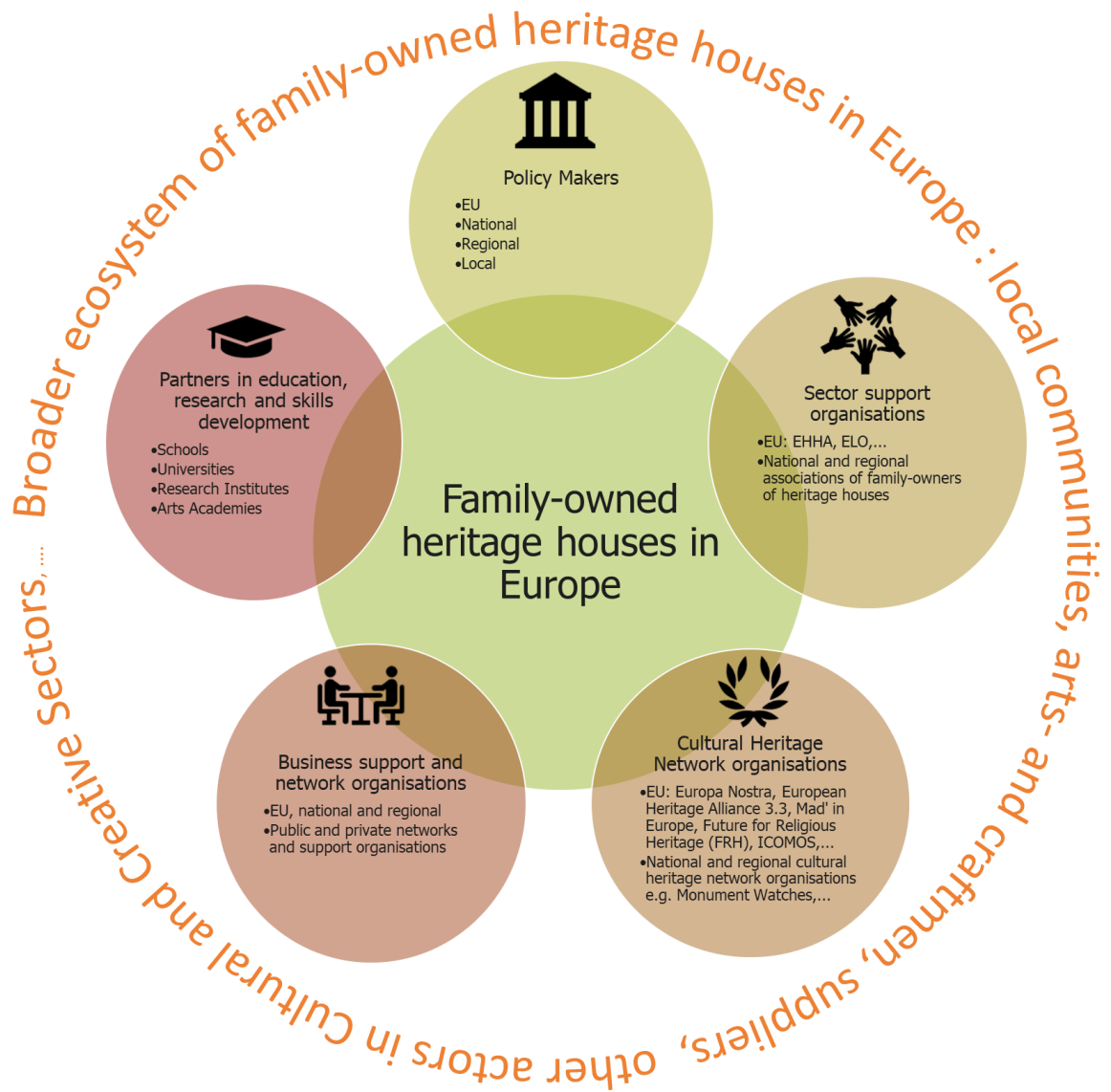
## 1. Stakeholder mapping

We start this section by mapping the different stakeholders that can take action in order to help overcome the issues that have been identified in the SWOT-analysis (see PART 3). Based on the preceding study-analyses and the input from the stakeholder workshop held in the context of this study in April 2019 (see PART 2, section 2.5), we visualised these stakeholders in the Figure below. When asked about the most important actors in this stakeholder mapping, the participants to the stakeholder workshop very clearly pointed out to policymakers (at all levels) as well as specific sector support organisations as the main stakeholders to take actions.

Indeed, policymakers have an important role to play in cases of market failure by e.g. providing additional funding, bringing stakeholders together, etc. In this context, the responsibility of policymakers will be in creating the initiative and the framework conditions to remedy market failure. However, for the concrete implementation of certain initiatives, there is also an important role to play for sector support organisations, cultural heritage network organisations, business support organisations and educational/research partners. Moreover, local communities, arts- and craftsmen, suppliers working with family-owned heritage houses as well as other actors active in the Cultural and Creative Sectors form an important part of the ecosystem surrounding family-owned heritage houses (see circle enveloping the stakeholders in the figure below): the collaborations with these key-partners enable family-owned heritage houses to develop activities and to generate impact for the benefit of European citizens.

**To summarise: with support of the identified stakeholders and in collaboration with the actors in the broader ecosystem, family-owned heritage houses can boost the socio-economic contributions they bring to European society.**

Figure 90: Stakeholder mapping



Source: the Project Consortium

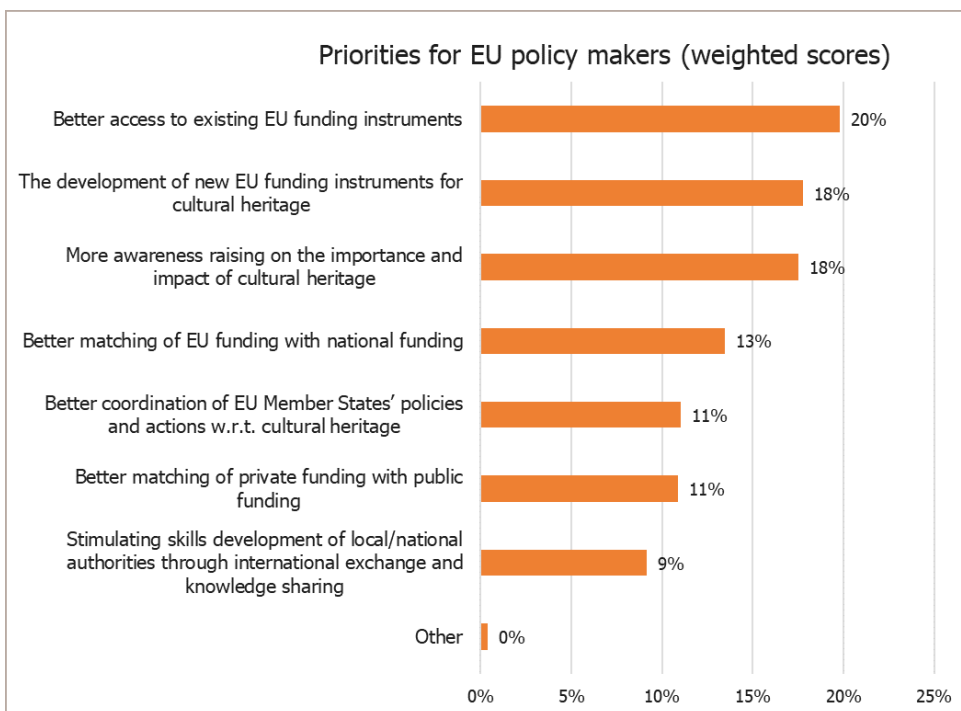
## 2. Policy recommendations

From the previous chapters, it is clear that family-owned heritage houses make a multidimensional contribution to today's European society. In order to further boost their contributions in European society, it is important that they can operate and further develop in a stimulating environment that supports innovation, entrepreneurship and further investments (public and private) in family-owned heritage houses across Europe. To this end, we have prioritised 6 areas for policy actions - at local, regional, national or European level - for the different stakeholders identified in section 1 above:

- improving access to finance,
- supporting capacity building,
- awareness raising,
- knowledge sharing & networking,
- improving framework conditions, and
- supporting new partnerships.

These areas for policy action have been elaborated on the basis of the online survey results (see also figure 91 below), the SWOT analysis that was developed in PART 3 of the study, the stakeholder mapping (see above), the inputs from the stakeholder workshop in April 2019 (see PART 2 of the study) as well as an additional internal workshop on policy recommendations.

Figure 91: Priorities for EU policymakers according to family-owners of heritage houses in Europe that participated in the online survey (n=880) (a) (b)



(a) Question in the online survey: "What priorities should EU policymakers focus on to increase the impact of your house: could you rank these priorities from 1 (most important) to 5 (least important)?"

(b) Question asked to all family-owners of heritage houses that participated in the online survey.

(c) For more info on the calculation of the weighted scores, see: <https://www.checkmarket.com/kb/how-do-i-interpret-rank-order-scale-results/>

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

For **each policy recommendation**, we have indicated **the stakeholder to which the recommendation is directed**, via the inclusion of the **icon** of that specific stakeholder, **as shown in the stakeholder mapping** (Figure 90) above.

## 2.1 Improving access to finance

The **online survey results** show that the median turnover of a family-owned heritage house ((partly) used as a business resource) in 2018 was €62,500, whereas the median average annual procurement of the houses was €50,000<sup>235</sup>. Combining these procurement costs with the finding that a median family-owned heritage house employs 1 full-time and 1 part-time employee<sup>236</sup>, shows that the **median annual costs for a family-owned heritage house by far exceed their annual median turnover**. Thus, there is a **clear need for innovation in the current business models of family-owned heritage houses to make the houses sustainable, as well as to make the whole sector of family-owned heritage houses more sustainable and resilient for the future**. Improving access to (EU) funding to address the challenges regarding business model innovation is an important area of action, which is also confirmed by the online survey results displayed in the Figure above, which shows the priorities for EU policymakers according to family-owners that participated in the online survey.

Moreover, as the SWOT analysis showed, family-owned heritage houses can play an important role in the economic and social (re-)generation of rural areas across Europe. This contribution of family-owned heritage houses to rural development can also be supported through public funds, at local, regional, national and EU level.

Therefore, we recommend improving the access to **(a) public funding** at all levels and **(b) complementary financing instruments** for family-owners of heritage houses in the following domains:

### Improve access to public funding at all levels


We recommend that at the EU level current and future EU funding instruments are unlocked in the following areas:

- Support projects which foster innovation, digitisation and new technology in private historic buildings through the new Horizon Europe Programme (cluster 'inclusive and safe society'). 
- Support (a) competitiveness of and innovation by family-owned businesses, including family-owned heritage houses as well as (b) the contribution of family-owned heritage houses to rural development (e.g. through tourism), through e.g. COSME or the new ESI Funds – especially through ERDF and EAFRD - linked to the following investment priorities: 
  - **"Smarter Europe**, through innovation, digitisation, economic transformation and support to small and medium-sized businesses", among which are family-owned businesses and heritage houses.
  - **"A more Connected Europe, strategic transport, mobility and digital networks and connectivity"**: prioritise connectivity of transport and digital infrastructure to develop and increase cultural tourism in rural areas where private historic buildings are situated

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<sup>235</sup> This calculation is made for all types of family-owned heritage houses, i.e. those houses: (a) only used as a family dwelling; (b) used as a family-dwelling in combination with the use as a business resource; (c) only used as a business resource. If we only take into account those houses (partly) used as a business resource (i.e. categories (b) and (c)), median annual procurement costs amount to 70.000 €.

<sup>236</sup> This calculation is made for all types of family-owned heritage houses, i.e. those houses: (a) only used as a family dwelling; (b) used as a family-dwelling in combination with the use as a business resource; (c) only used as a business resource. If we only take into account those houses (partly) used as a business resource (i.e. categories (b) and (c)), median employment remains 1 full-time and 1 part-time employee.


- **"A Europe closer to citizens, by supporting locally-led development strategies and sustainable urban development across the EU"**: support the contribution of private historic houses to the development of rural areas
- Ensure that the new proposed financial instruments for the cultural and creative sectors, under the "Invest EU Fund", are also accessible to entrepreneurs in family-owned cultural heritage. 

Also at local, regional and national level policymakers should stimulate access to public funds for private heritage houses to further support their socio-economic contribution to local and regional development.

In order to unlock these EU funding instruments to family-owners, we recommend that:

- **Sector support organisations at EU/national level guide, support and/or co-ordinate the application processes to EU and other public funding instruments;** e.g. by clustering family-owners in collective EU funding trajectories together with the sector support organisation in order to pull resources, leverage the benefits of EU funding to multiple owners and to actively engage member heritage house owners in the learning effects of EU funded projects. 
- **EU and other policymakers** design feasible criteria for sector support organisations as well as for owners to access the public funding portfolio. 



### **Improve access to complementary financing instruments (national/regional/local level)**

Access to complementary financing instruments (complementary to public funding) can also be facilitated at national/regional/local levels and can be opened up (more) to family-owners. In this domain, we recommend that **national/regional/local policymakers facilitate the access to complementary finance such as crowdfunding, microcredits, philanthropy, ... by facilitating their uptake by private owners of heritage houses** through: 

- the simplification of the framework conditions regarding these complementary financing instruments e.g. by facilitating transnational donations, simplifying or improving the fiscal treatment of donations, etc.
- the replication of best practices in the domain of complementary finance for cultural heritage, such as the system of Heritage Lottery Funds in the UK and France which could help financing family-owned heritage houses.

## 2.2 Support capacity building

Whereas for most family-owners there was previously no need to develop activities in the house in order to finance its upkeep (as e.g. the size of the grounds surrounding the house or the family capital was sufficiently large to finance the maintenance of the house), today entrepreneurship, innovation as well as skills related to e.g. community building, communication, etc are nearly indispensable in order to successfully manage a heritage house in a sustainable way. The online survey results highlighted in section 2.1 clearly indicate that there is a need for innovation in the current business models of family-owners to make the houses profitable and sustainable in the future – a starting point in this business model innovation is **building the capacity of family-owners to take their house and related business model to the next level**. In order to stimulate the capacity building of family-owners, we recommend the following actions:

- **Support and stimulate the development of training programmes** in order to provide family-owners with adequate skills and knowledge to sustain their historic buildings i.e. to develop their business, understand regulatory and legal frameworks, improve financial management skills, optimise the financing mix, improve digital skills, including website and social media management. This action can be taken up by **European/national/regional sector support organisations in collaboration with**  

## higher education institutions, possibly with the support under the Erasmus+ Sector Alliances.

More specifically, we recommend that specific trainings on the management of a private heritage house gain inclusion in university curricula or in e.g. MOOCs. In Box 6 below we give an overview of two good practices in this field, by La Demeure Historique (FR) and Historic Houses (UK). Also, **The Toolkit for Business Development** addressed to historic houses owners in the framework of this project should be disseminated and could be used as a basis for such training programmes – including through MOOCs.

- **Tailor business advice to family-owners:** EU/national/regional sector support organisations can bring family-owners in contact with business support organisations. We recommend that these organisations develop an overview of the business support measures that can benefit family-owners of heritage houses; set up dissemination activities targeting family-owners and develop a network of specialised advisors that are well aware of the specific characteristics and (business) challenges of managing a private heritage house.



### *Box 6: Trainings offered by national sector support organisations*

The majority of interviewees in this project (see PART 2, section 2.2) highlighted that in their countries, there were no specific trainings available specifically oriented towards managing a heritage house. However, some national associations are working on training programmes targeting heritage house owners or managers or already offer training opportunities, such as:

- La Demeure Historique, the French association of the owner-managers of private historical monuments in France representing 3,000 monuments, which is working on establishing a university course together with the Université de Paris on "The management of a historic monument" and which also organises trainings and knowledge/experience sharing among family-owners.
- Historic Houses, the UK association of independently owned heritage houses, organises training opportunities for their members while also promoting good practices via a series of seminars and regional house-member meetings.

Source: Expert and Stakeholder Interviews

**The SWOT analysis in PART 3 of the study also revealed disappearing arts/crafts skills as an important threat to family-owned heritage houses across Europe.** To tackle this threat, we recommend:

- stimulating the development of arts-crafts skills among European youth through the following actions at EU level:
  - the further promotion of the European Solidarity Corps as a platform where young volunteers can be mobilised for the benefit of family-owned heritage houses;
  - funds within Erasmus+ and Erasmus for Young Entrepreneurs (and their follow-up programmes) for exchanges/collaborations in the field of heritage, arts and crafts.
- supporting knowledge exchange, capacity-building<sup>237</sup>, as well as the pooling of resources among craftsmen in Europe, taking stock of the recommendation adopted by the Paris



237 For an overview of good practices in training, education and knowledge transfer in the heritage professions in the EU, see also : OMC Working Group of Member States' Experts, 2018, " Fostering Cooperation in the European Union on skills, training and knowledge transfer in cultural heritage profession ", <https://publications.europa.eu/en/publication-detail/-/publication/e38e8bb3-867b-11e9-9f05-01aa75ed71a1/language-en>



Declaration, during the informal meeting of European Union Member State Ministers responsible for Cultural and European Affairs in May 2019.

### 2.3 Raise awareness about the importance of family-owned heritage houses in society

The lack of **both public and policy awareness** regarding the importance of family-owned heritage houses and their contributions to European society was identified as an important threat in the SWOT analysis (see PART 4 of the study).

We recommend that **EU, national and regional sector support organisations actively and continuously press the case of family-owned heritage houses** with European, national and regional policymakers, stressing their important role and contributions in society by:



- Actively exchanging with policymakers - on a continuous basis – about the reality of family-owned heritage houses, their needs, the challenges they face etc.
- Formulating clear positions on new regulations, policies, legal & fiscal framework developments, etc. that affect family-owners of heritage houses as well as active involvement in stakeholder consultations, etc. when new policies are drafted.
- Sharing study results and illustrative practices on the socio-economic contributions of family-owned heritage houses in European society.

For **national and regional policymakers**, we recommend to **launch similar studies** to this one in order to gather additional data and insights on the socio-economic contributions of family-owned heritage houses as well as the challenges they face on a national and regional level.



### 2.4 Knowledge sharing and networking

In order to overcome the currently limited networking and knowledge sharing between family-owned heritage houses, as well as between policymakers, we recommend **Encouraging knowledge sharing and networking between family-owners as well as between policymakers.**

This can be realised through the following **actions at EU, national and regional level**:





- The provision of funding at EU-level for a feasibility study of an **EU observatory and community building platform on family-owned heritage houses**. This European observatory would help to share knowledge between family-owners as well as between policymakers – on an EU, national and regional level. The Observatory could for example contain the following type of information and features:
  - European Good practices to inform:
    - *policymakers* on innovative policy instruments as well as legal, regulatory and fiscal frameworks benefitting family-owned heritage houses;
    - *owners* on Business models, EU funding opportunities, complementing funding opportunities - such as an overview of foundations supporting cultural heritage – as well as legal and fiscal optimisation for family-owners.
  - Data mapping the sector of family-owned heritage houses (number of privately-owned houses, characteristics, etc.)



- Networking / community building platform to exchange between owners, policymakers, other stakeholders (arts/crafts specialists, etc.)
- A repository of information on interesting events, training programmes, etc. relevant for the practice of family-owners of heritage houses.
- A repository of the knowledge that has been built up in EU and national projects. In this context, we refer to knowledge in the domains of e.g.:
  - Innovation in Cultural Heritage (e.g. Community of Innovators in Cultural Heritage);
  - Heritage led rural regeneration (e.g. H2020 RURITAGE project);
  - Energy efficient retrofitting of historical buildings (e.g. JRC project iRESIST+, Nordic collaborative project on the “Effects of climate change on cultural heritage and cultural environment”, etc.);
- New policy documents, regulations, etc. that (can) affect family-owned heritage houses.

If such an EU observatory appears feasible, with the support of follow-up EU funding, EU sector support organisations could set up, maintain (provide content and keep-up-to date), and promote the platform as well as manage the community/network exchange on the platform.



- The provision of funding at EU level via Erasmus+ to set up **networks that support Peer2Peer exchange and networking** between owners to share experiences, good (management) practices as well as failures. These networks could be set up and run by EU, national or regional sector support organisations. A good practice in this regard is the **Next Gen Framework of EHHA**, described in Box 3 and included in the SWOT analysis (PART 3 of the study).
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  - 
- **The inclusion of family-owned heritage houses and their specific needs in the future Open Method of Coordination (OMC) discussions / agenda / Work Plan** for culture in order to share and analyse innovative business models, innovative policy measures as well as legal, regulatory and fiscal frameworks benefitting the sector.
  - 
- **The creation of national forums/learning networks by national authorities / policymakers**, gathering representatives of heritage houses, public authorities and civil society which could serve as structures for regular consultation and dialogue among these stakeholders.
  - 

A good practice in this regard is the project “Bygningskultur 2015” set up by **Realdania in Denmark in cooperation** with the Danish Agency for Culture (see illustrative practice below and in the separate illustrative practices report). More specifically, this project aimed to create new insights and networks regarding the maintenance of Danish cultural heritage. To achieve this objective, owners, associations and public authorities were involved in **learning network initiatives** where knowledge and experiences were shared and used to develop tools for preservation.

## Illustrative practice: Realdania: Philanthropic initiatives for heritage houses



### Philanthropic association working to improve the quality of life and the common good by improving the built environment

**Country:** Denmark (DK)

**Highlights:**

- ✓ Innovative business models for heritage houses
- ✓ Learning network to develop tools for conservation
- ✓ Funding for sustainable investments

#### Activities:

- ✓ **Funding:** Public as well as private heritage houses are renovated and made publicly accessible, with funding of Realdania. Approximately 100 privately-owned houses received funding in the past 10 years.
- ✓ **Support development of innovative business models:** since 2008, the 'Fremtidens Herregård' (heritage houses of the future) programme has been supporting forward-looking initiatives and ideas that breathe new life into historical estates and help to secure and develop unique cultural value.
- ✓ **Learning network initiatives:** the initiative "Bygningskultur 2015" was implemented in collaboration with the Danish Agency for Culture and has created new insights and networks regarding the maintenance of Danish cultural heritage. Owners, associations and public authorities were involved in learning network initiatives where knowledge and experiences were shared and used to develop tools for preservation.

#### Dimensions of contribution:




*Read all details on Realdania in the illustrative practices report*

Legend: see Figure 5 on page 28

## 2.5 Improve framework conditions

As was described in PART 2 and 3 of the study, the framework conditions for family-owners are very diverse across Europe and pose a lot of challenges for family-owners in preserving their house and making it sustainable from a business perspective.

We therefore recommend **national/regional/local policymakers to create a holistic, coherent vision and communication on the regulatory, fiscal and legal framework for the sector of family-owned heritage houses** through the following actions: 

- **Optimise legal and fiscal frameworks** to stimulate family-owners to develop a business in the house and/or on the grounds in order to make it sustainable. We suggest to focus especially on those houses that have limited grounds surrounding the house, as these are the most vulnerable to




financial pressures. **A good practice** in this case is the newly created inheritance tax regulation in the region of Wallonia, which exempts heritage house owner from inheritance taxes, under the condition that they invest the amount of inheritance taxes in the heritage house over the next 10 years<sup>238</sup>.

- **Streamline the regulatory framework** that affects family-owned heritage houses by :
  - better tuning the different regulations (from different policy domains), that affect private owners of heritage houses, to each other;
  - streamlining the communication between different levels of regulatory instances that affect family-owned heritage houses;
  - **streamlining the communication between private owners and regulatory instances**, focusing on supportive communication to help owners find their way in the regulatory process and **reducing the administrative burden** for family-owners to e.g. apply for funding for renovation works. This could be achieved by setting up **a one-stop-shop** in each country for private owners of (officially protected or inventoried/listed) heritage houses.

We also recommend EU policymakers to initiate **a mapping study on the fiscal frameworks across Europe for owners, highlighting best practices.** 

## 2.6 Support new partnerships

As was indicated in the SWOT analysis, family-owners of heritage houses often lack visibility, especially those houses located in more rural areas. In order to counter this threat, we suggest supporting new partnerships within the sector of family-owned heritage houses as well as between the sector and other stakeholders such as public authorities or stakeholders from other sectors (e.g. tourism/hospitality sector). More specifically, we recommend that:

- **National/regional policymakers** stimulate public/private partnerships between publicly-owned and privately-owned heritage houses to leverage the impact of cultural heritage and increase the visibility of the houses. A good practice in this domain is the project **"From Stone to Stone** along the river Scheldt" in Flanders (Belgium), where the partnership of public and private owners of heritage houses is supported by the Flemish government to bring the stories of the houses in a shared vision to the public through experiential exhibitions and scenic routes (see illustrative practice below and separate illustrative practices report) 
- **EU policymakers** to (financially) support a feasibility study for the creation of a **European Brand Name for family-owned Historic Houses as a marketing tool**, to increase the visibility of family-owned heritage houses in Europe in order to attract more tourists to the houses, also those located in more remote rural areas. EU support could be given by funding the feasibility study for the brand name. This feasibility study is necessary to determine the possibilities for the brand name regarding the scope, labelling process, quality assurance, impact assessment, etc. When the feasibility study positively evaluates such a brand name, **the actual implementation and management of the brand name could be taken up by EU sector support organisations.**   


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<sup>238</sup> See: [http://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&cn=2018042610&table\\_name=loi](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=2018042610&table_name=loi)

## Illustrative practice: From Stone to Stone along the river Scheldt



**Public – private partnership aiming for regional touristic valorisation along a river.**

**Country:** Belgium

### Highlights:

- ✓ The creation of synergies between private owners, public authorities and other stakeholders
- ✓ Development of the castles involved as gates to the green-blue valley of the river Scheldt
- ✓ The connection of the castles with each other through walking and cycling routes as well as through the uniformity of signage and the design of visitor infrastructure

### Activities (up to today)

- ✓ **Research-based conceptualisation** of the visitors' experience centres
- ✓ Organisation of a recreational and cultural event with several local partners from the region, interlinking landscape, recreational activities, heritage and arts
- ✓ Set-up of an **ambassadorship programme in cooperation with local businesses**
- ✓ Organisation of an **educational programme** and workshops for guides
- ✓ **Involvement of local communities and organisations** in the process of developing the different sites.

### Dimensions of contribution:



*Read all details on the project "From Stone to Stone" in the illustrative practices report*

Legend: see Figure 5 on page 28

## 3. The EU funding guide for family-owners of heritage houses

### 3.1 Why?

As highlighted in the analysis (see PART 2 and 3), access to finance is an important challenge for many family-owners of heritage houses. The financing of a family-owned heritage house will most often involve a combination of different sources of finance (e.g. generated revenues from the house (and/or the surrounding land), income from other sources, bank finance, grants, etc.). Also, EU funding might provide opportunities to attract finance for specific activities when they are in line with the objectives of the specific EU funding programme.

To increase the awareness of heritage house owners about the potential of EU funding and to highlight the most relevant EU funding opportunities for them, an EU funding guide has been developed as part of this project. The primary audience for this EU funding guide is family-owners of heritage houses across Europe. The funding guide therefore directly addresses this target group.

### 3.2 What to find in the funding guide?

In August 2017 and in response to the 2018 European Year of Cultural Heritage (EYCH), a report “Mapping of Cultural Heritage actions in European Union policies, programme and activities” was published<sup>239</sup>. Based on this report, the following paragraphs highlight those EU funding opportunities that are most relevant for family-owners of heritage houses.

More specifically, the funding guide for heritage house owners contains information on the following EU funding programme:

- Creative Europe
- Erasmus+
- Europe for Citizens
- Horizon 2020 (incl. SME instrument)
- EU Structural and Investment (ESI) Funds
- Common Agricultural Policy

Apart from these traditional (co)funding programmes, we also highlight a number of other EU instruments that do not involve direct funding, but rather provide other types of support that could be relevant for heritage house owners (such as e.g. training, provision of guarantees):

- Facilitate access to finance: CCS Guarantee Facility
- Enhance competitiveness: COSME
- Stimulate entrepreneurship: Erasmus for Young Entrepreneurs (EYE)
- Business advice: Enterprise Europe Network (EEN)
- Facilitate access to (micro)finance: EU Programme for Employment and Social Innovation (EaSI)
- Digital culture: EUROPEANA

For each of the above-mentioned instruments the funding guide provides an overview information fiche with information about the instruments, specific calls, links to guidelines for applicants, etc.

The funding guide does not pretend to be exhaustive. Its primary aim is to provide heritage house owners a helicopter view of the most relevant EU funding programmes and instruments to support the management of a family-owned heritage house, and to stimulate owners to further explore the

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<sup>239</sup> i.e. updated from a 2014 report. See [http://ec.europa.eu/assets/eac/culture/library/reports/2014-heritage-mapping\\_en.pdf](http://ec.europa.eu/assets/eac/culture/library/reports/2014-heritage-mapping_en.pdf)

possibilities of these instruments thanks to the multiple references to relevant websites and contact points that are in the funding guide.

The funding guide contains a selection of EU funding opportunities that is relevant for 'most family-owned heritage houses'. However, the study has shown that the landscape of family-owned heritage houses is highly diverse (the context in which they operate, the business models they develop, etc.). We therefore encourage family-owners of heritage houses to also consult the EC website [https://ec.europa.eu/info/funding-tenders/funding-opportunities/funding-programmes/overview-funding-programmes\\_en](https://ec.europa.eu/info/funding-tenders/funding-opportunities/funding-programmes/overview-funding-programmes_en), which provides an overview of all EU funding programmes.



## ANNEXES



## A.1 / Literature review Multi-dimensional Contribution of Family-owned heritage houses

Author	Title	Year	Online version	Additional Source Information
<b>De Baerdemaeker M. et.al.</b>	De sociaal-economische impact van het onroerend erfgoed (beleid) in Vlaanderen Indicatorenkorf	2011		
<b>National Trust for Historic Preservation's Research &amp; Policy Lab</b>	The Greenest Building: Quantifying the Environmental Value of Building Reuse			
<b>Ruijgrok E.C.M.</b>	Particuliere Instandhouding van Historische Buitenplaatsen	2015		
<b>Airaghi E., P. Kern, A. Le Gall (KEA European Affairs, Belgium) E.Lykogianni, L. Mobilio, R. Procee (VVA, Belgium)</b>	The material cultural heritage as a strategic territorial development resource: mapping impacts through a common set of European socio-economic indicators, ESPON	2018		
<b>Baarsma, B.</b>	Reken je niet rijk: Over economische waardering van baten van monumentenzorg	2012		SEO-rapport nr. 2012-87
<b>Barton, J., R. Hine and J.N. Pretty</b>	The health benefits of walking in greenspaces of high natural and heritage value	2009	<a href="https://www.researchgate.net/profile/Jules_Pretty/publication/233109560_The_health_benefits_of_walking_in_greenspaces_of_high_natural_and_heritage_value/links/00463536be19f90860000000/The-health-benefits-of-walking-in-greenspaces-of-high-natural-and-heritage-value.pdf?origin=publication_detail">https://www.researchgate.net/profile/Jules_Pretty/publication/233109560_The_health_benefits_of_walking_in_greenspaces_of_high_natural_and_heritage_value/links/00463536be19f90860000000/The-health-benefits-of-walking-in-greenspaces-of-high-natural-and-heritage-value.pdf?origin=publication_detail</a>	
<b>Benhamou F. and D. Thesmar</b>	Valoriser le patrimoine culturel de la France	2011		
<b>Besse, P. and La Demeure Historique</b>	10 questions sur les monuments historiques accompagnées de leurs réponses			
<b>Chabiera A., N. Dahl-Poppe, I.Holm, A. Kozioł, B. Skaldawski, O.T.Tollersrud</b>	Heritage of My Environment		<a href="https://www.nid.pl/pl/Wydawnictwa/inne%20wydawnictwa/Dziedzictwo%20obok%20nie%20%E2%80%93%20inspiracje%20do%20dzia%C5%82a%C5%84%20lokalnych%20-%20EN1.pdf">https://www.nid.pl/pl/Wydawnictwa/inne%20wydawnictwa/Dziedzictwo%20obok%20nie%20%E2%80%93%20inspiracje%20do%20dzia%C5%82a%C5%84%20lokalnych%20-%20EN1.pdf</a>	
<b>CHcFE consortium</b>	Cultural heritage counts for Europe	2015	<a href="http://www.europanostra.org/our-work/policy/cultural-heritage-counts-europe/">http://www.europanostra.org/our-work/policy/cultural-heritage-counts-europe/</a>	
<b>Clark C., W. Rosenzweig, D. Long and S. Olsen</b>	Double bottom line project report: assessing social impact in double bottom line ventures methods catalog	2004	<a href="https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/02/Report_Clark_DoubleBottomLineProjectReport_2004.pdf">https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/02/Report_Clark_DoubleBottomLineProjectReport_2004.pdf</a>	

<b>Council of Europe</b>	CULTURAL PARTICIPATION AND INCLUSIVE SOCIETIES: A thematic report based on the Indicator Framework on Culture and Democracy	2016	<a href="https://rm.coe.int/cultural-participation-and-inclusive-societies-a-thematic-report-based/1680711283">https://rm.coe.int/cultural-participation-and-inclusive-societies-a-thematic-report-based/1680711283</a>	
<b>Create Streets</b>	Beyond Location – a study into the links between specific components of the built environment and value	2017		
<b>Damen S., A. Vandesande., K. Bomans., T. Steenberghen, K. Van Balen., S.D. Jaeger, S. Rousseau., L. Vrancken, O. Heylen, M. Dugernerier</b>	Onderzoek naar de effecten van de erfgoedkarakteristieken en de erfgoedwaarde van woningen en hun omgeving op de marktprijzen van woningen in Vlaanderen	2017		Research reports Agentschap Onroerend Erfgoed 83
<b>DC Research</b>	The Economic and Social Contribution of Independently Owned Historic Houses and Gardens	2015		
<b>DCMS (Department for Culture, Media &amp; Sport)</b>	Taking part 2015/2015, Focus On: Wellbeing - Statistical release	2015	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476510/Taking_Part_201415_Focus_on_Wellbeing.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476510/Taking_Part_201415_Focus_on_Wellbeing.pdf</a>	
<b>DCMS (Department for Culture, Media &amp; Sport)</b>	Culture Sport and Wellbeing: an analysis of the taking part survey	2014	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476322/Culture_Sport_and_Wellbeing_-_An_analysis_of_the_Taking_Part_Survey.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476322/Culture_Sport_and_Wellbeing_-_An_analysis_of_the_Taking_Part_Survey.pdf</a>	
<b>DCMS (Department for Culture, Media &amp; Sport)</b>	Taking part focus on: Heritage	2017	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655949/Taking_Part_Focus_on_Heritage.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655949/Taking_Part_Focus_on_Heritage.pdf</a>	
<b>De Baerdemaeker M., P. Lievevrouw, B. Vandekerckhove et.al.</b>	De sociaal-economische impact van het onroerend erfgoed(beleid) in Vlaanderen	2011		
<b>De Baerdemaker et al.</b>	De sociaal-economische impact van onroerend erfgoed(beleid) in Vlaanderen	2011		
<b>de Graaf A., G.-J. Hospers, M. Péro, H. Renes, E. Stegmeijer, F. Strolenberg / Cultural Heritage Agency of the Netherlands</b>	Attract and Connect. Population Decline and the Heritage in Europe	2014	<a href="https://cultureelerfgoed.nl/sites/default/files/publications/attract-and-connect-population-decline-and-the-heritage-in-europe.pdf">https://cultureelerfgoed.nl/sites/default/files/publications/attract-and-connect-population-decline-and-the-heritage-in-europe.pdf</a>	
<b>Dewald, J.</b>	New Approaches to European History: The European Nobility, 1400-1800	1996		Cambridge University Press
<b>Directorate for Cultural Heritage Norway</b>	Revitalisation of Cultural Heritage	2018		

<b>Directorate of Cultural Heritage in Norway</b>	Nordic collaborative project on the "Effects of climate change on cultural heritage and cultural environments"	2008 - 2010		
<b>Directorate-General for Research and Innovation</b>	Getting cultural heritage to work for Europe	2015		
<b>Donoghue B.</b>	Achieving the full potential of visitor economy	2009		
<b>Dooley T.</b>	Historic House Survey Ireland	2003		
<b>Eblé V.</b>	Rapport d'information au nom de la commission des finances sur les dépenses fiscales relatives à la préservation du patrimoine historique bâti	2015		
<b>Ecorys</b>	The Economic Impact of Maintaining and Repairing Historic Buildings in England	2012		
<b>Ecorys et al.</b>	Economic Value of Ireland's Historic Environment	2011		Final Report to the Heritage Council
<b>EHHA</b>	Synthèse sur le trafic illicite des biens culturels	2011		
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<b>EHHA</b>	Economic and Social Contribution Research Survey	2015		
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<b>European Commission, Directorate-General for Environment</b>	Special Eurobarometer 436: Attitudes of Europeans towards biodiversity	2015	<a href="http://ec.europa.eu/environment/eurobarometers_en.htm">http://ec.europa.eu/environment/eurobarometers_en.htm</a>	
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<b>Heritage Crafts Association</b>	Red List of Endangered Crafts	2019	<a href="https://heritagecrafts.org.uk/wp-content/uploads/2019/03/HCA-Red-List-optimised.pdf">https://heritagecrafts.org.uk/wp-content/uploads/2019/03/HCA-Red-List-optimised.pdf</a>	
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## A.2 / Interview guideline for expert and stakeholder interviews – Delivered to the CE the 15/09/2018

### About the project

Recently, the **European Commission, DC EAC** has granted the project “*Heritage houses for Europe. Exchange and Innovate.*” to the European Landowners Organization [ELO](#) (lead partner) and its consortium partners European Historic Houses Association [EHHA](#) and [IDEA Consult](#). The project will run for 12 months, ending with a **final conference in Brussels in September 2019**.

The aim of this project is to gain an improved **bottom-up understanding of the socio-economic impact of family-owned heritage houses**; and how **innovative models** can support and help their sustainable preservation. The ultimate goal is to strengthen the position of family-owned heritage houses within our society, by reinforcing the competences and capacity of their owners, while raising awareness on their value for European citizens and society as a whole. The study will formulate policy recommendations for the European Commission and other stakeholders on how they can support the sustainability of family-owned heritage houses in Europe.

During the project we will conduct a literature review, have interviews with different experts, organise an online survey among owners of heritage houses and will interact with stakeholders during two workshops. The study also wants to inspire and stimulate exchange through the sharing of interesting practices and case studies on innovative business models. A project website gathering all the information will be live shortly. Communication and dissemination of the results of the study & business models mapping will also happen within the framework of the 2018 European Year of Cultural Heritage.

*Box 7: Definition of family-owned heritage houses in the context of this project*

The following types of heritage houses are considered as family-owned heritage houses:

- Heritage Houses that are **officially protected** as cultural heritage in the EU Member States (by national, regional or local authorities, depending on how competences are allocated at national level), and that are privately-owned and managed by a family.
- Heritage Houses that are **not officially protected** but nevertheless possess a major historic value and heritage characteristic, and that are privately-owned and managed by a family.

Heritage Houses will be studied in their surroundings, often **including land, whether agricultural, forestry, gardens or other**, which will be taken into account in determining business models and socio-economic value, as well as ecological and economic sustainability. As such, we will be taking the houses into account **within their natural and cultural ecosystems**.

### About the interview

#### 1. Aim

The aim of this interview is to mainly **feed the socio-economic impact analysis** of family-owned heritage houses and to obtain more information on **inspiring practices and illustrative examples** of family-owned heritage house management and its relation with **socio-economic value creation and innovative business models**. More specifically, the expert and stakeholder interviews aim to **complement the initial literature review** we have conducted on the contribution of family-owned heritage houses to economic growth and entrepreneurship, culture, community, social inclusion and intercultural dialogue, regional and local development and education. Together with the literature review, the insights from the interviews will also contribute to structuring and **refining the online**

**survey questionnaire**, which will be **launched in January 2019**, targeting heritage house owners from across the EU.

## 2. Practicalities

The interview will last **maximum 1.5 hours** and will be conducted **face-to-face or over the phone/skype** by a **researcher of IDEA Consult**.

## 3. Interview topics

- 1) **Definition:** How are family-owned heritage houses defined in your country/region or in other EU countries/regions you are informed about? What is your view on the definition we use in the scope of this project (see Box 7 on the previous page)?
- 2) How important do you consider the following types of **barriers** for family-owned heritage houses?
  - a. (Local/regional/national) **legislation, rules and regulation**, with regard to e.g. officially protected houses, taxes, inheritance,... ?

How do you evaluate the **importance of partnerships** with local planners and national bodies in this regard?

- a) **Financial pressures** linked to e.g. maintenance costs, renovation, energy consumption, availability of and access to public/additional/external funding,...
- b) **Lack of knowledge and skills** of family owners w.r.t. financial and business management, business modelling, innovation in cultural heritage ... and the **provision of trainings** on these subjects?
- c) Familial **burden of heritage? Generation** gap?
- d) **Public perceptions** of historic houses and their owners?
- e) **Disassociation** of the heritage **from its local ecosystem**?
- f) **Lack of public/policy awareness** regarding the impact of heritage houses?
- g) Other?

Do you have **concrete examples or cases in EU-countries/regions** that could further illustrate one or more of these different types of barriers?

## 1 Dimensions of socio-economic impact

*Based on a first screening of the literature, we have identified five different dimensions of socio-economic impact that family-owned heritage houses (can) generate: economic, cultural, social, educational & scientific, ecological. These five dimensions are displayed in Part 1, which is a **draft impact framework** including also draft building blocks that constitute the different impact dimensions<sup>240</sup>. This draft framework will be used to guide the following interview questions:*

- a) What are the main **types of impact currently being realised by family-owned heritage houses** in your country/region or in other EU countries/regions you are aware of?

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<sup>240</sup> Please note that this is a **draft** and **streamlined** framework, not including e.g. the level of impact (short-term outputs, middle-term effects or long-term impacts) or the groups that are affected by the impacts (e.g. individuals, the economy, local communities or society at large). Also the interlinkages between the different types of impact have been omitted for reasons of clarity in the visualization.

- I. Which **intrinsic features** of family-owned heritage houses and/or **activities** are the **main drivers** to realise or support these impacts?
  - II. What are **the key success factors**?
- b) What **types of impact are currently not or insufficiently realised** in your country/region or in other EU countries/regions you are aware of? Which **specific barriers** hamper the full realisation of these impacts?

*When answering questions a) and b) above: Are the impacts and/or barriers different for the following types of family-owned heritage houses:*

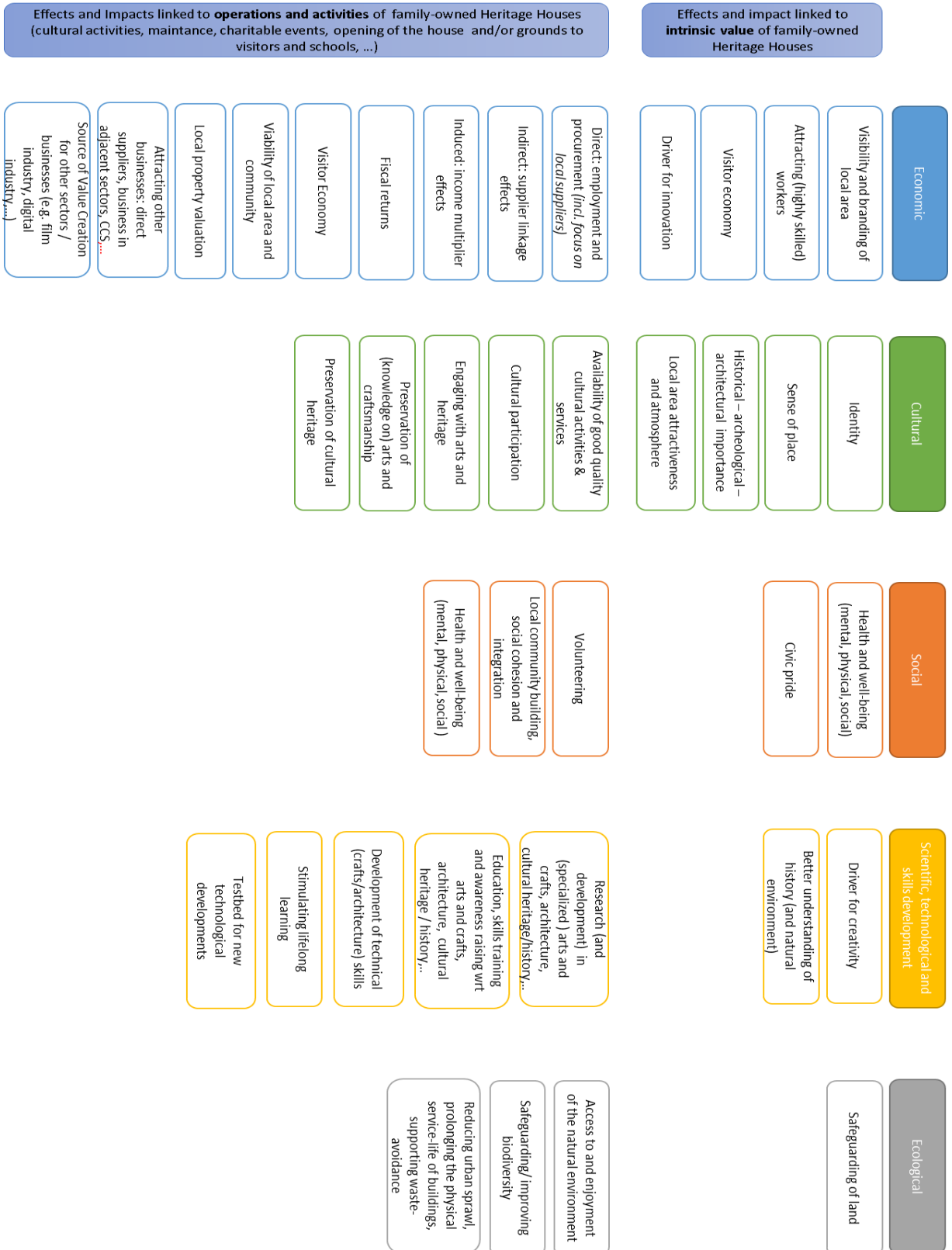
- I. Family-owned heritage houses located in **rural** versus **urban** areas?
- II. **Officially protected** versus **non-protected** family-owned heritage houses?
- III. **Large-scale** versus **small-scale** family-owned heritage houses? How would you define (large- and small-) scale heritage houses in your country/region or in other EU countries/regions you are aware of?

- c) What role do **public authorities** currently have in the realisation / barriers to realisation of these different types of impact? How can public authorities **leverage the impacts** of family-owned heritage houses **in the future**? Do you have knowledge of **illustrative cases** with regard to specific public support schemes or policy measures in your country/region or other EU countries/regions that strengthen the impact of family-owned heritage houses?
  - d) How do **partnerships** increase or leverage the impacts of family-owned heritage houses? Who / what types of partners are the most essential in this regard?
  - e) Are any impact dimensions or impact building blocks **missing**?
- 2 Do you have suggestions for / knowledge of:
- 2.1 **successful examples of socio-economic value creation** by family-owned heritage houses in your country/region or other EU countries/regions in order to illustrate these impact dimensions?
  - 2.2 **illustrative cases of innovative and existing business models** implemented by family owners of heritage houses in your country/region or in other EU countries/regions?
- 3 Literature on the socio-economic impact of (family-owned) heritage houses is primarily focused on the UK<sup>241</sup> and the Netherlands. Do you have knowledge of **studies and/or data on the family-owned heritage house sector** (employment, number of family-owned heritage houses, qualitative mapping, (innovative and existing) business models, impact analysis,...) **in other EU countries**?

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<sup>241</sup> Example for the UK: DC Research, 2015, "The Economic and Social Contribution of Independently Owned Historic Houses and Gardens".

## Building blocks for impact framework of family-owned heritage houses



## A.3 / List of Expert and Stakeholder interviews

<b>Name</b>	<b>Organisation</b>	<b>Function</b>	<b>Country coverage</b>	<b>Date interview</b>
<b>Gaddo della Gherardesca</b>	Associazione Dimore Storiche Italiane (ADSI)	President	IT	3/October
<b>Birthe Iuel</b>	Bygnings Frednings Foreningen (BYFO)	President	DK	5/October
<b>Dana Beldiman Karlsons</b>	Latvian Historic Houses	President	LV	8/November
<b>Jean de Lambertye</b>	La Demeure Historique	President	FR	15/October
<b>Ben Cowell</b>	Historic Houses Association (HHA)	Secretary General	UK	9/October
<b>William Cartwright-Hignet</b>	EHHA Next Generation	Coordinator	UK	22/October
<b>Johan Karel Bierens de haan</b>	Leiden University	Professor	NL	2/October
<b>Patrice Besse</b>	Patrice Besse Agence Immobilier	CEO - Real estate expert	FR	4/October
<b>Bastien Goullard</b>	Crowdfunding platform Dartagnan	CEO	FR	2/October
<b>Sneška Quaedvlieg-Mihailović</b>	Europa Nostra	Secretary General	EU-wide	6/November
<b>Terje Nypan</b>	Economic taskforce of the European cultural heritage heads forum	Chairman	EU-wide	18/September
<b>Christine Vanhoutte</b>	Agency for Immovable Heritage of the Flemish government	Policy researcher	BE	25/September
<b>Leo Van Broeck</b>	Vlaamse Bouwmeester	CEO	BE	9/October
<b>Tom Wezenbeek</b>	Rivierpark Scheldevallei	Projectcoordinator	BE	19/October
<b>Guy Clause</b>	Prior European Investment Bank Institute -	Vice President	EU-wide	27/September

	Currently Europa Nostra			
<b>Caroline D'Assay</b>	Pro Patrimonio	President	RO	30/November
<b>Petr Svoboda</b>	Czech Association of Castle and Manor House owners	Owner and member	CZ	19/November

## A.4 / Stakeholder workshop II (29 April 2019)

### Workshop participants

Name	Organisation/Heritage House	Break out session
<b>Jana Paratz</b>	Observer	
<b>Alessandro Belgiojoso</b>	Private owner	<i>Business Model Innovation</i>
<b>Axel Bonaert</b>	Private owner Château et Jardins de Freÿr	<i>Business Model Innovation</i>
<b>Birthe Iuel</b>	Historiske Huse	<i>Business Model Innovation</i>
<b>Birgit de Boissezon</b>	Private owner - Moulin de Grais	<i>Business Model Innovation</i>
<b>Caroline d'Assay</b>	Pro Patrimoinio	<i>Business Model Innovation</i>
<b>Dana Beldiman Karlsons</b>	Private owner - Padaste Manor	<i>Business Model Innovation</i>
<b>Diederik von Bönninghausen</b>	Private owner Henrickhave Manor - Museum Van Loon Amsterdam	<i>Business Model Innovation</i>
<b>Henrick Creutz</b>	Private owner - Malmgård Estate	<i>Business Model Innovation</i>
<b>James Hervey Bathurst</b>	Private owner	<i>Business Model Innovation</i>
<b>Baudoin Monnoyeur</b>	Private owner	<i>Business Model Innovation</i>
<b>Laetitia de Theux</b>	Private owner - Domain de Montjardin	<i>Business Model Innovation</i>
<b>Leon Lock</b>	Fondation Roi Baudoin	<i>Business Model Innovation</i>
<b>Luigi de Benedetto</b>	Private owner - Villa Pantaleo	<i>Business Model Innovation</i>
<b>Maunoir de Massol</b>	Patrivia	<i>Business Model Innovation</i>
<b>Prince Simon de Merode</b>	Private owner - Kasteel de Merode Westerlo	<i>Business Model Innovation</i>
<b>Rodolphe de Looz-Corswarem</b>	Former president European Historic Houses Association	<i>Business Model Innovation</i>
<b>Sigbjorn Sandberg</b>	European Commission, DG EAC	<i>Business Model Innovation</i>
<b>Stefanos Germenis</b>	Private owner	<i>Business Model Innovation</i>
<b>Thibaud Lepissier</b>	Private owner - Château de la Mazure	<i>Business Model Innovation</i>
<b>Thibault le Marié</b>	Private owner - Château de la Mazure	<i>Business Model Innovation</i>
<b>Ben Cowell</b>	Historic Houses	<i>Policy Recommendations</i>
<b>Charles-Antoine de Theux</b>	Private owner - Domain de Montjardin	<i>Policy Recommendations</i>
<b>Christine Vanhoutte</b>	Agency of Immovable Heritage Flanders	<i>Policy Recommendations</i>
<b>Erminia Sciacchitano</b>	European Commission, DG EAC	<i>Policy Recommendations</i>
<b>Filine Knipmeijer</b>	UIPI	<i>Policy Recommendations</i>
<b>François Denys</b>	Patrice Besse Real Estate	<i>Policy Recommendations</i>
<b>Heidi van Limburg Stirum</b>	Kastelen.nl	<i>Policy Recommendations</i>
<b>Irina Boulin Ghica</b>	Ministry of Culture, Romania	<i>Policy Recommendations</i>



<b>Laurence de la Vaissière</b>	La Demeure historique	<i>Policy Recommendations</i>
<b>Madina Benvenuti</b>	Mad'in Europe	<i>Policy Recommendations</i>
<b>Marie-Sophie de Clippele</b>	Icomos Belgium	<i>Policy Recommendations</i>
<b>Martina Scheper</b>	Associació Monumenta de Propietariis de Castells – Edificis Catalogats de Catalunya	<i>Policy Recommendations</i>
<b>Monika Alund</b>	Swedish Landowners' Organisation	<i>Policy Recommendations</i>
<b>Régis Verdier</b>	European Commission, DG GROW (Tourism)	<i>Policy Recommendations</i>
<b>Piet Jaspaert</b>	Europa Nostra	<i>Policy Recommendations</i>
<b>Sylvie Van Damme</b>	University Ghent	<i>Policy Recommendations</i>
<b>Uno Silberg</b>	Committee of the Regions	<i>Policy Recommendations</i>

<b>Project Team</b>	<b>Organisation</b>
<b>Alberto Hermosel</b>	ELO
<b>Alfonso Pallavicini</b>	EHHA
<b>Anne Marchadier</b>	ELO
<b>Eveline Durinck</b>	IDEA Consult
<b>Isabelle De Voldere</b>	IDEA Consult
<b>Jurgen Tack</b>	K&DM
<b>Lucie Maret</b>	EHHA
<b>Marie Orban</b>	ELO
<b>Pierre Atlan</b>	EHHA
<b>Wenceslas Lobkowicz</b>	EHHA

### **Aim of the workshop**

The objectives of this workshop were twofold:

- 1) to collect feedback and validation on the integrated draft SWOT-analysis (integrated SWOT from Tasks 1 and 2),
- 2) to gather suggestions for and feedback on solutions to overcome the main issues that have been identified in the draft SWOT-analysis:

**From a policy perspective:** to collect suggestions for policy recommendations (on EU/national/regional/local level) - not only focused on policymakers but also on other stakeholders such as intermediary or support organisations.

**From a business model perspective:** to obtain feedback on the Business Model toolkit and its usefulness to spur innovative business model thinking for heritage houses.

### **Detailed workshop programme**

*10:00 – 10:30: Registration & welcome coffee*

*10:30 – 13h15: Plenary & break-out sessions on SWOT analysis*

**Plenary Presentation** on:

- The **socio-economic analysis** of family-owned heritage houses in Europe

- The multidimensional framework that was developed (based on the literature and expert/stakeholder interviews) to conduct the socio-economic analysis of family-owned heritage houses;
- The evidence on the socio-economic contribution of family-owned heritage houses - from the online survey results, the literature and expert/stakeholder interviews.
- The **draft SWOT analysis** of family-owned heritage houses in Europe
- Based on the draft SWOT analysis:
  - **Building blocks for innovative business models** for family-owned heritage houses in Europe;
  - The evidence from the business model case studies on these different building blocks.

### **Break-out sessions**

Parallel break-out sessions to discuss and give feedback on the draft SWOT-analysis in smaller groups

### **Plenary feedback moment**

- Sharing and discussing the main points and conclusions of the break-out discussions on the SWOT in plenary session
- Q&A

*13:15 - 14h00: Networking Lunch Break with sandwiches*

*14:00 – 15h30: 2 break-out sessions: (1) Policy Recommendations and (2) Business Model Innovation. Workshop participants will be briefed in advance on which break-out session they are assigned to.*

- Break-out session on **Policy recommendations:**
  - Presentation of the objective, desired outcomes and method of this break-out session
  - Discussion in smaller groups on policy recommendations, also focusing on the different actors' roles and responsibilities. Not only focused on policymakers but also on other stakeholders such as intermediary or support organisations.
  - Presentation and discussion with all the break-out session's participants on the outcomes of the group discussions.
- Break out session on **Business Model Innovation:**
  - Presentation of the objective, desired outcomes and method of this break-out session
  - Familiarisation with the methodology and instruments to build owners' current business model
  - Owners will work individually on their current Business Model
  - Assistance on how to innovate. How to transform your current business model into an innovation through the Business Model Canva methodology.
  - Exchange on how to create a useful business model/innovation toolkit for owners
  - Summary on learnings and solutions found

*15:30– 16:00: Plenary: Wrap up, conclusions and next steps*

*16:00: End of the workshop*

## A.5 / Online survey Questionnaire

### Heritage Houses for Europe

**1. Heritage Houses for Europe. Exchange and Innovate.** Thank you for taking the time to complete this survey! The aim of this survey is to map the socio-economic impact of family-owned heritage houses at European level. The results of this survey will be used to raise awareness on the value of family-owned heritage houses for European citizens and for society as a whole, in order to strengthen the position of family-owned heritage houses within our society. It will take 10 to 15 minutes to complete the survey. Your answers will be treated strictly confidentially and will only be used for the purpose of the study "Heritage Houses for Europe." The survey is to be completed for a specific heritage house. If you own multiple heritage houses, please complete the survey for each of the houses. If you are manager of a family-owned heritage house, please complete the survey on behalf of / in name of the family-owners. If you have any questions or remarks regarding the survey, please send these to [heritagehouses@ideaconsult.be](mailto:heritagehouses@ideaconsult.be).

### 2. About your heritage house

\* **3. My heritage house is located in:**

Albania  
Austria  
Belgium  
Bosnia and Herzegovina  
Bulgaria  
Croatia  
Republic of Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
Former Yugoslav Republic of Macedonia  
France  
Germany  
Greece  
Hungary  
Iceland  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Montenegro  
Netherlands  
Norway

- Poland
- Portugal
- Romania
- Republic of Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- UK
- Other, please specify  
.....

\*

**4. My heritage house**

is in full private ownership of myself/my family (in private ownership, via a family trust, via a limited company where you/your family own the shares,...)

is partly owned\* by me/my family and public fund/public authorities

is partly owned\* by me/my family and other private partners

is in full ownership of public fund/public authorities (where you/your family do not have controlling interest)

is in full ownership of other private partners (where you/your family do not have controlling interest)

has another ownership structure, please specify:  
.....

**5. \*partly owned (in private ownership, via a family trust, via a limited company,...) , where you/your family still have controlling interest.**

\*

**6. My heritage house is:**

Officially protected

Not officially protected but has a recognized\* historical value

Not officially protected and does not have a recognized historical value

**7. \*is included in e.g. a national register/(cultural) tourism website/historic document/listing/catalogue/inventory/database/...of cultural properties or cultural, immovable or architectural heritage**

\*

**8. What is the construction year\* of your house?\* i.e. approximate year the house was initially built (can be rounded to nearest decade or century). Please formulate as a year (e.g. 1500, 1810,...).**

\* **9. Please indicate the number of years you/your family have been owners of the house:**

0 - 25 years

26 - 75 years

> 75 years

\* **10. My heritage house is located in:**

A city centre

A village / small town

The countryside

\* **11. Does your heritage house include land\*? \* such as forests, agricultural land, nature areas, recreational areas (gardens,...)**

Yes

No

\* **12. Could you estimate the total floor area of the house?**

0-200 m<sup>2</sup>

201-500 m<sup>2</sup>

501-2 500 m<sup>2</sup>

2 501-5 000 m<sup>2</sup>

>5 000 m<sup>2</sup>

\* **13. Could you estimate the total land area?**

0-10 ha

11-50 ha

51-250 ha

251-1000 ha

>1 000 ha

\* **14. Could you estimate the shares of the following types of land in the total land area?**

	0%	1-25%	26-50%	51-75%	>75%
Forest	.	.	.	.	.
Agricultural land	.	.	.	.	.
Nature conservation area	.	.	.	.	.

Recreational area (gardens,...)	.	.	.	.	.
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\* **15. Could you estimate the total value of your house?**

- < 250 000 €
- 250 001 € - 500 000 €
- 500 001 € - 2 500 000 €
- 2 500 001 - 5 000 000 €
- > 5 000 000 €

\* **16. Could you estimate the total value of your house and grounds?**

- < 250 000 €
- 250 001 € - 1 000 000 €
- 1 000 001 € - 2 500 000 €
- 2 500 001 € - 10 000 000 €
- > 10 000 000 €

\* **17. In what way do you/your family use your heritage house?**

- I only use the house as my family dwelling and do not organise other activities in the house and/or on the grounds
- I use the house as my family dwelling and as a business resource\*
- I only use the house as a business resource\*

**18. \*i.e. I organise other activities, with or without economic return, in the house and/or on the surrounding grounds. Renting (parts of) the house to third parties is included in these activities**

**19. Activities organised in your heritage house (incl. grounds)**

\* **20. Which of the following commercial activities do you organize in the house and/or on the grounds (on a regular or irregular basis)? Multiple answers possible**

- 1.General admission of visitors to the house and/or surrounding grounds (i.e. both paid and free admissions, incl. admissions for cultural/educational activities e.g. for exhibitions, open-garden days, guided tours, school visits,...; excl. admissions for (live) events such as musical performances, festivals,...)
- 2.Hosting conferences/business meetings
- 3.Providing accommodation (B&B, hotel, self-catering,..)
- 4.Providing catering (restaurant, cafeteria, sandwiches, ...)
- 5.Hosting weddings/civil partnerships
- 6.Being a location for film or TV programme(s)

- 7. Being a location for commercial photography
- 8. Running a shop in the house or on the grounds
- 9. Renting part of the heritage house to a third party
- 10. Renting the whole heritage house to a third party
- 11. Actively producing products (food, textile, drinks, ...)
- 12. Running a mill
- 13. Farming on the grounds
- 14. Forestry/forest management
- 15. Running a vineyard
- 67. Other, please specify  
.....
- None of the above

**21. \*i.e. both paid and free admissions, including admissions related to cultural activities e.g. exhibitions, library at the house, open-garden days, guided tours, ...or educational activities such as school visits; excluding admissions for (live) events such as musical performances, festivals, theatre performances,...**

**22. Please specify the type of products you produce at the house/on the grounds**

\* **23. Which of the following cultural or leisure activities do you organize in the house and/or on the grounds (on a regular or irregular basis)? Multiple answers possible**

- 16. Displaying own permanent (art/heritage) collection or hosting collection from art gallery,...
- 17. Acting as a permanent cultural centre/library/archive
- 18. Hosting/organising temporary exhibitions
- 19. Acting (partly) as an archaeological site
- 20. Hosting concerts/musical performances/festivals/plays/theatre performances/film showings
- 21. Offering group/guided tours in the house and/or on the grounds
- 22. Organising open-garden days
- 23. Hosting/running a golf course/club
- 24. Organising/hosting horse riding activities
- 25. Organising/hosting hunting activities

68. Other, please specify  
.....

None of the above

\*

**24. Which of the following educational/research, community or environmental activities do you organize in the house and/or on the grounds (on a regular or irregular basis)? Multiple answers possible**

26. Hosting or running a school

27. Hosting school visits

28. Organising educational events

29. Collaborating with (local) (arts, crafts, agricultural, horticultural, architecture,...) schools or professional arts- and craftsmen to support skills development via e.g. apprenticeships, field studies, ...

30. Collaborating with research institutes for research on architecture, heritage, history, specialized arts and crafts,...

31. Opening the house/grounds for the testing of new technologies (w.r.t. arts and crafts, restoration techniques, digitization of art collections,...)

32. Collaborating with local (history, heritage,...) associations and societies

33. Hosting local community events

34. Hosting charity events

35. Organising participatory activities with the local community

36. Wildlife conservation

37. Activities aimed at enhancing biodiversity (e.g. through the installation of bee hives, bat or bird boxes, wild flower meadows, historic moats,...)

69. Other, please specify  
.....

None of the above

\*

**25. Which of the following commercial activities do you organize in the house (on a regular or irregular basis)? Multiple answers possible**

38. General admission of visitors to the house (i.e. both paid and free admissions, incl. admissions for cultural/educational activities e.g. for exhibitions, open-garden days, guided tours, school visits,...; excl. admissions for (live) events such as musical performances, festivals,...)

39. Hosting conferences/business meetings

40. Providing accommodation (B&B, hotel, self-catering,...)

41. Providing catering (restaurant, cafeteria, sandwiches, ...)

42. Hosting weddings/civil partnerships

43. Being a location for film or TV programme(s)

44. Being a location for commercial photography

45. Running a shop in the house

46. Renting part of the heritage house to a third party

47. Renting the whole heritage house to a third party

48. Actively producing products (food, textile, drinks, ...)

49. Running a mill



70. Other, please specify  
.....

None of the above

**26. \*i.e. both paid and free admissions, including admissions related to cultural activities e.g. exhibitions, library at the house, open-garden days, guided tours, ...or educational activities such as school visits; excluding admissions for (live) events such as musical performances, festivals, theatre performances,...**

**27. Please specify the type of products you produce at the house**

\* **28. Which of the following cultural or leisure activities do you organize in the house (on a regular or irregular basis)? Multiple answers possible**

- 50. Displaying own permanent (art/heritage) collection or hosting collection from art gallery,...
- 51. Acting as a permanent cultural centre/library/archive
- 52. Hosting/organising temporary exhibitions
- 53. Acting (partly) as an archaeological site
- 54. Hosting concerts/musical performances/festivals/ plays/theatre performances/film showings
- 55. Offering group/guided tours in the house
- 71. Other, please specify  
.....

None of the above

\* **29. Which of the following educational/research, community or environmental activities do you organize in the house (on a regular or irregular basis)? Multiple answers possible**

- 56. Hosting or running a school
- 57. Hosting school visits
- 58. Organising educational events
- 59. Collaborating with (local) (arts, crafts, architecture,...) schools or professional arts- and craftsmen to support skills development via e.g. apprenticeships, field studies, ...
- 60. Collaborating with research institutes for research on architecture, heritage, history, specialized arts and crafts,...
- 61. Opening the house for the testing of new technologies (w.r.t. arts and crafts, restoration techniques, digitization of art collections,...)
- 62. Collaborating with local (history, heritage,...) associations and societies

63. Hosting local community events

64. Hosting charity events

65. Organising participatory activities with the local community

66. Activities aimed at enhancing biodiversity (e.g. through the installation of bat or bird boxes, green/living roofs ...)

72. Other, please specify

.....

None of the above

### 30. Socio-economic impact of your heritage house

\* **31. Could you estimate the total turnover you realized for the house and/or grounds from these activities in 2018 (or in 2017 if data for 2018 is not yet available)?**

1-25 000 €

25 001-100 000 €

100 001-250 000 €

250 001-1 000 000 €

> 1 000 000 €

\* **32. Could you estimate the share of each of these activities in the total turnover for the house in 2018 (or in 2017 if data for 2018 is not yet available)?**

	0%	1-5%	6-25%	26-50%	51-75%	>75%
1. General admission of visitors to the house and/or surrounding grounds (excluding possible other activities shown in the list below)	.	.	.	.	.	.
2. Hosting conferences/business meetings	.	.	.	.	.	.
3. Providing accommodation (B&B, hotel, self-catering,..)	.	.	.	.	.	.
4. Providing catering (restaurant, cafeteria, sandwiches, ...)	.	.	.	.	.	.
5. Hosting weddings/civil partnerships	.	.	.	.	.	.
6. Being a location for film or TV programme(s)	.	.	.	.	.	.
7. Being a location for commercial photography	.	.	.	.	.	.
8. Running a shop in the house or on the grounds	.	.	.	.	.	.

9.Renting part of the heritage house to a third party	.	.	.	.	.	.
10.Renting the whole heritage house to a third party	.	.	.	.	.	.
11.Actively producing products (food, textile, drinks, ...)	.	.	.	.	.	.
12.Running a mill	.	.	.	.	.	.
13.Farming on the grounds	.	.	.	.	.	.
14.Forestry/forest management	.	.	.	.	.	.
15.Running a vineyard	.	.	.	.	.	.
67. \$\$\$Quest14-16\$\$\$	.	.	.	.	.	.
16.Displaying own permanent (art/heritage) collection or hosting collection from art gallery,...	.	.	.	.	.	.
17.Acting as a permanent cultural centre/library/archive	.	.	.	.	.	.
18.Hosting/organising temporary exhibitions	.	.	.	.	.	.
19.Acting (partly) as an archaeological site	.	.	.	.	.	.
20.Hosting concerts/musical performances/festivals/ plays/theatre performances/film showings	.	.	.	.	.	.
21.Offering group/guided tours in the house and/or on the grounds	.	.	.	.	.	.
22.Organising open-garden days	.	.	.	.	.	.
23.Hosting/running a golf course/club	.	.	.	.	.	.
24.Organising/hosting horse riding activities	.	.	.	.	.	.
25.Organising/hosting hunting activities	.	.	.	.	.	.
68. \$\$\$Quest16-11\$\$\$	.	.	.	.	.	.
26.Hosting or running a school	.	.	.	.	.	.
27.Hosting school visits	.	.	.	.	.	.
28.Organising educational events	.	.	.	.	.	.

29.Collaborating with (local) (arts, crafts, agricultural, horticultural, architecture,...) schools or professional arts- and craftsmen to support skills development via e.g. apprenticeships, field studies, ...	.	.	.	.	.	.
30.Collaborating with research institutes for research on architecture, heritage, history, specialized arts and crafts,...	.	.	.	.	.	.
31.Opening the house/grounds for the testing of new technologies (w.r.t. arts and crafts, restoration techniques, digitization of art collections,...)	.	.	.	.	.	.
32.Collaborating with local (history, heritage,...) associations and societies	.	.	.	.	.	.
33.Hosting local community events	.	.	.	.	.	.
34.Hosting charity events	.	.	.	.	.	.
35.Organising participatory activities with the local community	.	.	.	.	.	.
36.Wildlife conservation	.	.	.	.	.	.
37.Activities aimed at enhancing biodiversity (e.g. through the installation of bee hives, bat or bird boxes, wild flower meadows, historic moats,...)	.	.	.	.	.	.
69.***Quest17-13***	.	.	.	.	.	.

\*

**33. Could you estimate the share of each of these activities in the total turnover for the house in 2018 (or in 2017 if data for 2018 is not yet available)?**

	0%	1-5%	6-25%	26-50%	51-75%	>75%
38.General admission of visitors to the house (excluding possible other activities shown in the list below)	.	.	.	.	.	.
39.Hosting conferences/business meetings	.	.	.	.	.	.
40.Providing accommodation (B&B, hotel, self-catering,...)	.	.	.	.	.	.

41. Providing catering (restaurant, cafeteria, sandwiches, ...)	.	.	.	.	.	.
42. Hosting weddings/civil partnerships	.	.	.	.	.	.
43. Being a location for film or TV programme(s)	.	.	.	.	.	.
44. Being a location for commercial photography	.	.	.	.	.	.
45. Running a shop in the house	.	.	.	.	.	.
46. Renting part of the heritage house to a third party	.	.	.	.	.	.
47. Renting the whole heritage house to a third party	.	.	.	.	.	.
48. Actively producing products (food, textile, drinks, ...)	.	.	.	.	.	.
49. Running a mill	.	.	.	.	.	.
70. \$\$\$Quest18-13\$\$\$	.	.	.	.	.	.
50. Displaying own permanent (art/heritage) collection or hosting collection from art gallery,...	.	.	.	.	.	.
51. Acting as a permanent cultural centre/library/archive	.	.	.	.	.	.
52. Hosting/organising temporary exhibitions	.	.	.	.	.	.
53. Acting (partly) as an archaeological site	.	.	.	.	.	.
54. Hosting concerts/musical performances/festivals/ plays/theatre performances/film showings	.	.	.	.	.	.
55. Offering group/guided tours in the house	.	.	.	.	.	.
71. \$\$\$Quest20-7\$\$\$	.	.	.	.	.	.
56. Hosting or running a school	.	.	.	.	.	.
57. Hosting school visits	.	.	.	.	.	.
58. Organising educational events	.	.	.	.	.	.
59. Collaborating with (local) (arts, crafts, architecture,...) schools or professional arts- and craftsmen to support skills development via e.g.	.	.	.	.	.	.

apprenticeships, field studies, ...						
60.Collaborating with research institutes for research on architecture, heritage, history, specialized arts and crafts,...	.	.	.	.	.	.
61.Opening the house for the testing of new technologies (w.r.t. arts and crafts, restoration techniques, digitization of art collections,...)	.	.	.	.	.	.
62.Collaborating with local (history, heritage,...) associations and societies	.	.	.	.	.	.
63.Hosting local community events	.	.	.	.	.	.
64.Hosting charity events	.	.	.	.	.	.
65.Organising participatory activities with the local community	.	.	.	.	.	.
66.Activities aimed at enhancing biodiversity (e.g. through the installation of bat or bird boxes, green/living roofs ...)	.	.	.	.	.	.
72.***Quest21-12***	.	.	.	.	.	.

\*

**34. Could you estimate the total number of visitors\* to the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)?**

< 100

101 - 500

501 – 1 000

1 001 – 2 500

2 501 – 5 000

5 001 – 10 000

10 001 - 25 000

25 001 – 50 000

> 50 000

If you have an overview of the exact number of visitors in 2018 (or 2017), could you please specify:

.....

**35. \*excl. visitors attending (live) events such as musical performances, festivals,...**

\* **36. Could you estimate the shares of the following types of visitors\* in the total number of visitors in 2018 (or in 2017 if data for 2018 is not yet available)?**

	0%	1-5%	6-25%	26-50%	51-75%	>75%
Local visitors (visitors from the local area, where the visit lasts less than 3 hours, including travel)	.	.	.	.	.	.
Day visitors (visitors from further away, where the visit lasts more than 3 hours, including travel)	.	.	.	.	.	.
Overnight visitors (national or international visitors whose visit includes at least one overnight stay)	.	.	.	.	.	.
School visitors	.	.	.	.	.	.

**37. \*excl. visitors attending (live) events such as musical performances, festivals,...**

\* **38. What is the average spending of your visitors (incl. the entry fee)?**

- 0 €
- 1-10 €
- 11-50 €
- 51-250 €
- > 250 €

\* **39. Do you use any of the following elements to differentiate entry fees? Multiple answers possible**

- Age classes
- Types of activities organised in the house/on the grounds
- Indoor versus outdoor activities
- People with disabilities
- Groups versus individuals
- Not applicable: I do not charge entry fees
- Other, please specify  
.....
- None of the above: I do not differentiate entry fees

\* **40. Do you use any of the following elements to differentiate entry fees? Multiple answers possible**

- Age classes
- Types of activities organised in the house

People with disabilities

Groups versus individuals

Not applicable: I do not charge entry fees

Other, please specify  
.....

None of the above: I do not differentiate entry fees

\* **41. Could you estimate how many people attended the cultural (live) events\* you hosted at the house and/or grounds in 2018 (or in 2017 if data for 2018 is not yet available)?\* i.e.concerts/musical performances/festivals/plays/theatre performances/film showings**

- < 100
- 101 - 500
- 501 – 1 000
- 1 001 – 2 500
- 2 501 – 5 000
- 5 001 – 10 000
- 10 001 - 25 000
- 25 001 – 50 000
- > 50 000

\* **42. Do you have employees\* working in the house and/or on the grounds?\* i.e. persons who are on the payroll of the house (i.e. have an employment contract and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind). Are included: part-time workers, seasonal workers, persons on short-term leave. Are excluded: volunteers or workers on long-term leave.**

- Yes
- No

\* **43. Could you estimate the total number of employees\* directly employed at the house and/or on the grounds in 2018 (or in 2017 if data for 2018 is not yet available)?\* whole number**

	Full-time employees
	Part-time employees
	Seasonal employees

\* **44. Do you have any volunteers working in the house and/or on the grounds?**

- Yes
- No

\* **45. Could you estimate how many volunteer days\* (i.e. the total number of days from all volunteers together) you had in 2018 (or in 2017 if data for 2018 is not yet available)?\* whole number**



Volunteer days

- \* **46. Could you estimate the average yearly total costs\* (excl. employment costs) over the last three years (in euros)?\*i.e. expenditures on procurement/supplies/services incl. one-off investment costs (before depreciation); whole number**

€

- \* **47. Could you estimate the share\* of local suppliers in these average yearly costs?\* i.e. the average share over the last 3 years**

0%

1-25%

26-50%

51-75%

>75%

- \* **48. Could you estimate the cost share\* related to the construction sector (i.e. repairs, maintenance, one-off (re)developments, ...) in these average yearly costs?\* i.e. the average share over the last 3 years**

0%

1-25%

26-50%

51-75%

>75%

- \* **49. Did any of these costs\* include investments to meet energy or thermal efficiency requirements?\*related to the construction sector, in the last 3 years**

Yes

No

- \* **50. Have you made use of subsidies or tax reductions to buy, restore or open the heritage house and/or surrounding grounds?**

Yes

No

- \* **51. I have made use of subsidies or tax reductions to:Multiple answers possible**

buy the heritage house and/or surrounding grounds

restore the heritage house and/or surrounding grounds

open the heritage and/or surrounding grounds to the public

- \* **52. I have made use of subsidies or tax reductions to:** Multiple answers possible  
 buy the heritage house and/or surrounding grounds  
 restore the heritage house and/or surrounding grounds

**53. Characteristics of your products and services**

- \* **54. How are your goods sold?** Multiple answers possible  
 Producer -> Wholesale -> Retailer -> Consumer  
 Producer -> Retailer -> Consumer  
 Producer -> Consumer  
 I don't know

- \* **55. How would you describe your services or products?** Multiple answers possible  
 You try to be as innovative as possible  
 You try to have the best run heritage house in your region  
 You develop products/services/events based on specific demands of your clients/visitors  
 You involve your clients/visitors in the creation/development of your products/services/events  
 You spend a lot of time in a superior design of the products/services/events you offer  
 You consider brand/status as an important value of your heritage house  
 Your activities/products/events are aiming to be sold at very low or very high prices  
 You offer your visitors/clients discounts through multiple channels (as member of an organisation, as client of certain shops, ...)  
 You offer your clients/visitors a refund if they are not buying/visiting your products/services/events  
 Accessibility is a necessity in all events you organise  
 You make it your visitors/clients as easy as possible to buy your products/services or to visit your event (online ticketing, parking, ...)  
 None of the above

**56. Challenges and priorities**

- \* **57. What are the main challenges for you in the management of your house and/or grounds: could you rank these challenges from 1 (most important) to 5 (least important)?**

Legislation, rules and regulations with regard to e.g. officially protected houses, environmental legislation, ...	.	.	.	.	.
Tax burden with regard to inheritance taxes, property taxes,...	.	.	.	.	.

Financial pressures related to upkeep of the house, energy consumption, maintenance of the surrounding grounds,...	.	.	.	.	.
Insufficient public or other types of (external) funding or limited access to these types of funding	.	.	.	.	.
Lack of public and/or policy awareness regarding the impact of heritage houses	.	.	.	.	.
Negative public perception of heritage houses and their owners	.	.	.	.	.
Lack of knowledge and skills on financial management and/or business modelling/management of the heritage house	.	.	.	.	.
Lack of specific trainings on financial management and/or business modelling/management of heritage houses	.	.	.	.	.
Disassociation of the heritage house from its local community	.	.	.	.	.
If applicable: the familial burden of inheritance	.	.	.	.	.
Other, please specify .....	.	.	.	.	.

\*

**58. What priorities should EU policymakers focus on to increase the impact of your house: could you rank these priorities from 1 (most important) to 5 (least important)?**

Better access to existing EU funding instruments	.	.	.	.	.
The development of new EU funding instruments for cultural heritage	.	.	.	.	.
Better matching of EU funding with national funding	.	.	.	.	.
Better matching of private funding with public funding	.	.	.	.	.
Better coordination of EU Member States' policies and actions w.r.t. cultural heritage	.	.	.	.	.
More awareness raising on the importance and impact of cultural heritage	.	.	.	.	.
Stimulating skills development of local/national authorities through international exchange and knowledge sharing	.	.	.	.	.
Other, please specify .....	.	.	.	.	.

**59. Partners**

\*

**60. Which of the following organisations do you consider a key partner? Multiple answers possible**

- Government agencies
- Financial institutions
- Scientific institutions
- Construction companies
- NGOs
- IT firms
- Technology suppliers (not IT)
- Food suppliers
- Marketing companies
- Consultants
- Gardeners
- Other, please specify  
.....
- None of the above

\*

**61. Which of the following media do you use to promote the activities related to your heritage house? Multiple answers possible**

- Newspaper
- Magazine
- Radio
- Television
- Online
- Directories
- Social media
- Direct mail, catalogues
- Leaflets
- Bilboards
- Other, please specify  
.....
- None of the above

**62. Good practices**

**63. During the survey, you have indicated that you organize activities for your local community: could you give examples of activities where you have successfully engaged with your local community?**

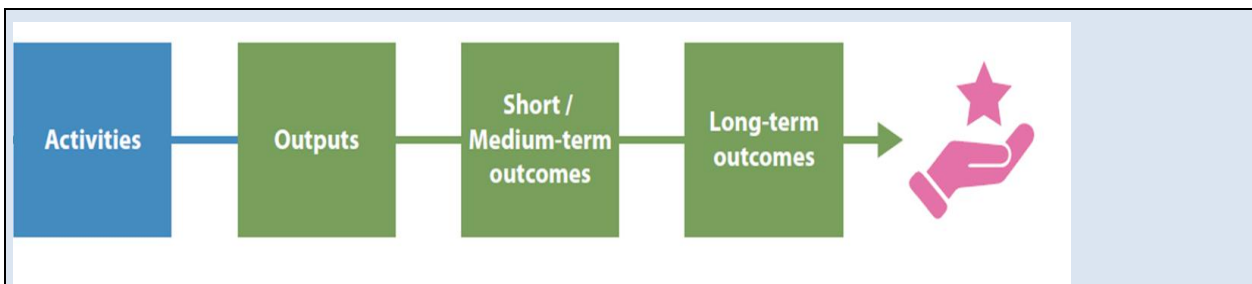
**64. Good practices**

**65. During the survey, you have indicated that you collaborate with schools, professional arts- and craftsmen or research institutes: could you give examples of activities where you have successfully engaged with these partners?**

**66. Your responses have been registered! Thank you for participating to this survey! Your answers have been successfully registered. We greatly appreciate your contribution. Should you have any remaining questions or remarks regarding the survey, please send these to [heritagehouses@ideaconsult.be](mailto:heritagehouses@ideaconsult.be).**

## A.6 / Structuring impact along the Impact Value Chain

The impact value chain (IVC) is a widely used model for better understanding how (long-term) impact is being generated starting from (the organisation of) very specific activities, i.e. concrete actions taken by the organisation of which you assess the impact.



Source: EVPA

A first step in defining the IVC is mapping and understanding the different **Activities** that take place and (can) create an (economic, cultural, social,...) impact. From those activities **Outputs** are derived, i.e. tangible products and services that result from the organisation's activities. E.g. one output of organizing an exhibition on migrants (= Activity) is the number of visitors that came to see the exhibition. From these outputs, short- to medium-term **Outcomes** can be derived. Those relate to changes, benefits, learnings or other effects (both long and short-term) that result from the organisation's activities. In the example of the exhibition this could be a changed perception of visitors on migrants and more understanding about their situation. Finally, these outcomes can lead to broader and longer-term **Impact**. E.g. the exhibition can contribute in the longer-term to a more inclusive society.

Often the organisation of activities/operations creates a multidimensional impact (also in the case of family-owned heritage houses). Therefore, an IVC can consist of multiple layers including multiple (sub-)dimensions and indicators to measure.

The Impact Value Chain (IVC) model enables us to map the potential socio-economic impacts of family-owned heritage houses (through the operations and activities that take place there) in a structured manner (see Box 8).

### Box 8: What is an Impact Value Chain (IVC)?

Based on the literature review, we have developed a draft theoretical Impact Value Chain tailored to the situation of family-owned heritage houses (see Table 3 below). For each of the phases in the Impact Value Chain (activities-output-outcome-impact), we identify different indicators that can be used in the analysis. Furthermore, in the table we have also indicated which type of data source can be used to measure (quantitatively or qualitatively) the different indicators. The IVC together with the indicators and data sources, will consist our methodological framework for the socio-economic analyses.

We do note that the IVC only relates to the building blocks in the lower part of table 2 (p 62.) (i.e. effects and impact generated through the operations and activities at the family-owned heritage house). It does not relate to the inherent value of family-owned heritage houses. The inherent value of family-owned heritage houses (cf. inside of the flower model above) will be further researched through the literature review and insights from the interviews.

• Table 3: Impact Value Chain

Activities	Indicator	Source	Output (reach)	Indicator	Source	Outcome (success)	Indicator	Source	Impact	Source																																							
Different types of activities: COMMERCIAL CULTURAL EDUCATIONAL ECOLOGICAL COMMUNITY/SOCIAL	Yes/no organisation of the activity	Online survey + EU landscape of family-owned HH	Direct: Revenues (turnover) from the different activities	Total turnover	Online survey + EU landscape of family-owned HH	Visitor spend	Direct and indirect effects of visitor spending in other sectors	Online Survey data combined with visitor spending data from literature	CULTURAL IMPACT: - Preservation of knowledge on arts and crafts - Engage with arts and heritage - Preservation of cultural heritage	Literature																																							
											% of turnover generated by the different activities	Online survey + EU landscape of family-owned HH	Indirect higher order procurement	Indirect effects of procurement	Literature - Multipliers																																		
																Employment in FTE	Online survey + EU landscape of family-owned HH	Economic returns in other sectors - focus on film industry	Consumption spending related to direct and indirect effects.	Literature - Multipliers	SOCIAL IMPACT: - Local community building, social cohesion and integration - Health and well-being																												
																						Direct: Value added (Value Added)	[Dependent on data availability in literature]	Value Creation in other sectors e.g. film industry	Fiscal returns of direct employment	Survey/Literature/ Eurostat(?) - dependent on data availability	SCIENTIFIC/ TECHNOLOGICAL /SKILLS IMPACT: - Stimulating LL - Better understanding of history and natural environment																						
																												Procurement	Total value of expenditure on procurement	Fiscal returns	Fiscal returns of direct employment	Literature	ECOLOGICAL IMPACT: - Safeguarding and improving biodiversity																
																																		->% of procurement to local suppliers	Online survey + EU landscape of family-owned HH	R&D in specialised arts & crafts, architecture, cultural heritage/history	Online Survey statements												
																																						->% of procurement in construction sector	Online survey + EU landscape of family-owned HH	Education, skills training and awareness raising w/rt arts and crafts, architecture, cultural heritage/history	Literature								
																																										Number of visitors / participants to different activities	Total Number of visitors	Development of technical skills	Online Survey statements				
																																														Types of visitors: local/day/overnight: %	Online survey + EU landscape of family-owned HH	Testbed for new technological developments	Online Survey statements
Number of schoolchildren reached	Number of schoolchildren reached	Higher valuation of family-owned heritage houses in comparison to similar houses	Literature																																														
				Heritage House Property Valuation	Higher valuation of family-owned heritage houses in comparison to similar houses	Literature																																											

## A.7 / Financial support measures for owners of protected heritage houses in a selection of countries participating in Creative Europe

**Table 1: Financial support measures for owners of protected heritage houses in 12 countries participating in Creative Europe<sup>242</sup>**

Country	Who is responsible? <sup>243</sup>	Types of funding? <sup>244</sup>
Austria	Federal Bundesdenkmalamt	Optional and partial funding for conservation, restoration and research: <ul style="list-style-type: none"> <li>- Tax benefit</li> <li>- income tax: depreciation of investment</li> </ul>
Belgium	Belgium Regional governments	Subsidy and tax benefits <ul style="list-style-type: none"> <li>- Flanders: <ul style="list-style-type: none"> <li>- Basic premium: 40% of the costs</li> <li>- Up to €25,000</li> <li>- Reduction by 50% of donation rights of classified buildings if savings are reinvested in the building in 5 years</li> <li>- Reduction by 50% of the registration rights of classified building.</li> <li>- Net Tax Reduction: 30% of the half of the costs (for properties which are open to the public)</li> </ul> </li> <li>- Wallonia: <ul style="list-style-type: none"> <li>- Grants: 80% rate and ceiling of €22,000 excl. VAT</li> <li>- Tax Incentives: tax reduction of 50% for the maintenance and restoration of non-subsidised goods classified with a maximum amount of €38,060 (2015, indexed annually)</li> <li>- Not based on the financial capacity of the owners, but on the status of the monument.<sup>4</sup></li> <li>- Exemption of donation rights for classified buildings if savings are reinvested in the maintenance or restoration of the building in 10 years</li> </ul> </li> </ul>

<sup>242</sup> Selection of countries: based on data availability.

<sup>243</sup> Who decides on subsidising cultural heritage, and subsequently private historic houses? The level of government.

<sup>244</sup> How is this decided? Meaning which criteria and procedure does the competent government use to give financial support to a building/house.



France	Ministry of Culture and Communication	<ul style="list-style-type: none"> <li>•State subsidies for restoration of listed buildings, objects or registered under the name of 'Monuments historiques'</li> <li>•Tax deductions for outstanding work by the owners</li> <li>•Transfer tax exemption in return for opening to the public</li> <li>•Local grants, in some cases opening to the public is required</li> </ul> <p>Fondation du patrimoine helps with funding for restoration and giving an A-label to unprotected heritage to give them right to tax deduction:</p> <ul style="list-style-type: none"> <li>•Classification/registration under the name of 'Monuments historiques'</li> </ul>
Germany	Länder are responsible for protection and preservation (Landesdenkmalamt)	<ul style="list-style-type: none"> <li>- Subsidy programmes</li> <li>- Tax benefits</li> </ul>
Greece	<ul style="list-style-type: none"> <li>- Ministry of Culture and Sports</li> <li>- Ministry of Macedonia-Thrace</li> <li>- General Secretariat for the Aegean and Insular Policy</li> </ul>	<p>Subsidies</p> <p>Tax benefits for donations of cultural property or money:</p> <ul style="list-style-type: none"> <li>- Tax exemptions from real estate taxation for certain categories of buildings of architectural heritage</li> <li>- Beneficiaries are owners of buildings dating more than 100 years and which are classified as monuments by special Acts</li> </ul>
Italy	Ministry for Heritage and Cultural Activities	Tax deductions: 19% of expenses deductible from income tax; or 9.5% + 50% of expenses deductible from income tax for dwelling houses, as general rule for all Italian buildings
Lithuania	Ministry of Culture of the Republic of Lithuania	<ul style="list-style-type: none"> <li>- Fixed tax relief</li> <li>- Subsidies from state budget</li> </ul> <p>Fifty percent of the necessary investigation and conservation operation expenses on all cultural monuments not under state ownership, but open to the public. The Government of the Republic of Lithuania may also compensate a larger portion of the expenses involved in these operations, subject to approval.</p>

Netherlands	Ministry of Education, Culture and Science	<ul style="list-style-type: none"> <li>- Restoration fund mortgage for nationally protected monuments: <ul style="list-style-type: none"> <li>o loan with low interest rate (1% for owners who live in their house) (3% under market rate, 1% minimum)</li> <li>o financing available up to 100% of the conservation costs (for restoration and/or maintenance)</li> </ul> </li> <li>- Subsidies for private owners of a nationally protected monument used as a dwelling (replacing previous tax deduction measure)<sup>245</sup>: up till 38% of costs for maintenance of “monumental parts” of the national monument – house. Private owners cannot combine subsidy and low interest mortgage for the same conservation works</li> <li>- Monuments mortgage, as addition to the Restoration fund mortgages, for buying the house (also as addition to the restoration fund) or for restoring monuments protected at communal level.</li> <li>- Cultural fund mortgage for the restoration of communal or provincial monuments – at lower interest rates (4.5% below market rate, min. 1%)</li> <li>- Tax relief: exemption for landowners for inheritance and transfer if estate has been intact for 25 years and opens the grounds to the public (NatuurSchoonWet)</li> <li>- Some Provinces also give subsidies for restoration to owners of nationally protected monuments that are used as a dwelling.</li> </ul> <p>Other support measures available for owners not using the protected house as a dwelling e.g. re-development of monuments or “maintenance subsidies” . See: <a href="https://www.monumenten.nl/monument-financiering/subsidie-voor-herbestemming">https://www.monumenten.nl/monument-financiering/subsidie-voor-herbestemming</a> and <a href="https://www.monumenten.nl/monument-financiering/instandhoudingssubsidie">https://www.monumenten.nl/monument-financiering/instandhoudingssubsidie</a></p>
Portugal	<ul style="list-style-type: none"> <li>- Ministério da Agricultura Ambiente e Ordenamento do Território</li> <li>- Secretary of State for Culture</li> </ul>	NA
Romania	Ministry of Culture	<p>No subsidies</p> <p>Property tax exemptions decided on by local authorities, only available for buildings and historic monuments situated in protected areas that are not organizing any commercial activities</p>
Spain	Spain has adopted a decentralized model of allocating heritage competences (SAU level), likewise for its financial policy.	<ul style="list-style-type: none"> <li>- Direct investment</li> <li>- Tax reliefs:</li> </ul> <p>Properties of Cultural Interest (BIC's) are exempt from the payment of Property Tax (IBI), Tax on Constructions, Installations and Works, and Capital Gains Tax on urban lands. Also, property of the BIC's and movable objects included in the General Inventory is exempt from the payment of Heritage Tax.</p>

<sup>245</sup> See also: <https://cultureelerfgoed.nl/dossiers/subsidies/instandhoudingssubsidie-woonhuis-rijksmonumenten>

Sweden	National Heritage Board - County Administrative board	<p>Churches and owners of listed buildings can apply if they have increased costs due to the legal demand of the Historic Environment Act. €26 million annually for the protection of particularly valuable archaeological sites and monuments, buildings and cultural landscapes.</p> <p>Criteria:</p> <ul style="list-style-type: none"> <li>- Cultural value</li> <li>- Urgency</li> <li>- Heritage sites</li> <li>- Projects</li> </ul>
UK	Secretary of State for Culture, Media and Sport	<p>England: Most historic houses are listed – possible categories: Grade I, Grade I* and Grade II.</p> <p>Listed houses can benefit from tax exemptions:</p> <p>They are then required to be opened to the public by tax authorities 28 days a year, sometimes more.</p>

Source: EHHA, 2016, based on the input of their members and own research

## A.8 / Inheritance taxes in a selection of countries participating in Creative Europe

**Table 2: Inheritance taxes in 17 countries participating in Creative Europe<sup>246</sup>**

Country	Death duties
Austria	Transfer Tax for properties Exemption: preferential rate for close relatives
Belgium	<ul style="list-style-type: none"> <li>• Direct heirs: 3-27%; Indirect heirs: 30-65% (Flanders)</li> <li>• Direct heirs: 3-30%; Indirect heirs: 20-80% (Wallonia)</li> <li>• Direct heir: 3-30%; Indirect heirs: 20-80%; partially exemptions (Brussels)</li> </ul> Donations: <ul style="list-style-type: none"> <li>• Direct: 3-27%</li> <li>Indirect: 10-40% (Flanders)</li> <li>• Direct: 3-30%</li> <li>Indirect: 20-80% (Wallonia)</li> <li>• Direct: 3-27%</li> <li>Indirect: 10-60% (Brussels)</li> </ul>
Czech Republic	15% (indirect line) Exemption: direct & secondary line
Denmark	0% (spouses) 15% (children) 36,25% (grandparents)
Estonia	No
Finland	7-36% (variable to amount & relationship)
France	5-45% (depending on amount and relationship) 60% (no family relationship)

<sup>246</sup> Selection of countries: based on data availability.

	Exemption: historical buildings with special agreement (open building 60-80 days/year his whole life & no sell)
Germany	7-50% (depending on size & relationship) Exemption: Historic houses (>60% & 100% if open to public)
Greece	0-60% (depending on size & relationship): <25% (children) 1-10% (close relatives) 0-40% (other) Exemptions: Cultural property if partly donated to state
Ireland	20 & 40% Exemptions: allowance £ 188,000 + contents exempt if displayed in suitable house 60 days a year for six years + lived in permanently by de cujns
Italy	None for listed monuments and mobile goods (archives, statues, paintings, etc.)
Latvia	No
The Netherlands	10-40% (depending on size & relationship) Exemption: Country estates under Nature Preservation Act if open to public (20 years on the list). Not open 1/2 exempt.
Portugal	Yes Exemptions: direct heirs
Spain	7,65–34% (depending on size & relationship) Exemption: 95% reduction for all listed houses and gardens The Regions (Comunidades Autónomas) can approve other percentages
Sweden	No
United Kingdom	40% (above £325,000) Exemptions: •Residential property passed on: £175,000 exemption •Lifetime transfers if donor lives longer than 7 years •100% exemption conditional on: 1. Public access (28 days or more) 2. Maintenance + conservation If conditions broken, then taxes can be claimed •Transfers between spouses •Agricultural land and some family businesses with conditions

Source: EHHA, 2016, based on the input of their members and own research



## A.9 / Protection legislation in a selection of countries participating in Creative Europe

**Table 3: Protection legislation in a selection of countries participating in Creative Europe<sup>247</sup>**

Country	Who is responsible?	Selection Criteria? <sup>248</sup>
Austria	Split competences: - Federal: Preservation of monuments <i>Bundesdenkmalamt, BDA</i> - Regional: building regulation, protection of nature and land-use-planning <i>Landeskonservatoren</i>	Historic, aesthetic and cultural meaning (based on scientific standards)
Belgium	Regional: <sup>249</sup> - Wallonia: Heritage department, part of Operational Directorate of Spatial Planning, Housing, Heritage and Energy - Flanders: Flemish Heritage Agency (Agentschap Onroerend Erfgoed) - Brussels-Capital: Monuments and Sites Directorate, part of Brussels Urban Development	<ul style="list-style-type: none"> <li>• Flanders:               <ul style="list-style-type: none"> <li>- Rarity</li> <li>- Recognisability</li> <li>- Representativeness</li> <li>- Value of the whole</li> <li>- Value of the Context<sup>250</sup></li> </ul> </li> <li>• Wallonia:               <ul style="list-style-type: none"> <li>- Authenticity</li> <li>- Integrity</li> <li>- Rarity</li> </ul> </li> </ul>

<sup>247</sup> Selection of countries: based on data availability.

<sup>248</sup> How is this decided? Meaning which criteria and procedure does the competent government use to protect a building/house. Very useful source for this category: <http://www.unesco.org/culture/natlaws/>

<sup>249</sup> At the Flemish level, the competent minister always has to ask advice to the Flemish Commission Immovable Heritage, the municipalities and some other regional administrations, except for when the procedure has to be fast. When the minister decides on a protection, there has to be a public survey, where everyone can put in remarks.

<sup>250</sup> [https://www.onroenderfgoed.be/assets/files/content/downloads/140915\\_LV\\_RWO\\_Brochure\\_toelichting.pdf](https://www.onroenderfgoed.be/assets/files/content/downloads/140915_LV_RWO_Brochure_toelichting.pdf)

		<ul style="list-style-type: none"> <li>- Typology<sup>251</sup> <ul style="list-style-type: none"> <li>• Brussels-Capital:</li> </ul> </li> <li>- Architectural Value of the Building</li> <li>- Documentary Value of the Building</li> <li>- Value of dialogue with its surroundings<sup>252</sup></li> </ul>
Bulgaria	Ministry of Culture	The cultural heritage shall include the non-tangible and tangible immovable and movable heritage as an aggregate of cultural values which bear the historical memory and national identity, and have scientific or cultural importance. "Cultural value" shall mean a non-tangible or tangible evidence of human presence and activity, natural sight or phenomenon, which is significant for the individual, the community or society as a whole, and has value from a scientific or cultural point of view.
Croatia	Ministry of Culture	<ul style="list-style-type: none"> <li>• Objects that are of interest to the Republic of Croatia and enjoy its special protection.</li> </ul>
Cyprus	Department of Town Planning and Housing (Ministry of Education and Culture)	<ul style="list-style-type: none"> <li>• An object which is classified among the national treasures possessing artistic, historic, or architectural value under national legislation or national administrative procedures.</li> </ul>
Czech Republic	Department of Monument Conservation (Ministry of Culture)	Works that are an important record of historical development, way of life and environment of society from the most ancient times to the present day, as a display of creative skills and work of humankind from the various fields of human activities, for their revolutionary, historic, artistic, scientific and technical values, [or] that have a direct relation to important personalities and historic events.
Denmark	<ul style="list-style-type: none"> <li>- Nationally: Agency for Culture and Palaces (Ministry of Culture)</li> <li>- Local municipalities list houses worthy of preservation</li> <li>- Historic Buildings Council</li> </ul>	Buildings with special architectonic or culture historical qualities telling about important periods in the history of the country that may be said to be of national significance. Preservation applies to the whole building, inside as well as outside, while only the out-side of the building is affected when it is declared worthy of preservation.
Estonia	<ul style="list-style-type: none"> <li>- Ministry of Culture</li> <li>- National Heritage Board</li> </ul>	<ul style="list-style-type: none"> <li>- Age</li> <li>- Authenticity</li> <li>- Importance in historical processes (incl. processes in architectural history)</li> <li>- Links with well-known people</li> <li>- Preserved historical interiors (machinery in industrial heritage)</li> <li>- Preserved context, ensemble</li> <li>- Preserved historical function</li> </ul>

<sup>251</sup> <http://doc.ruraleurope.org/public/Web/Agenda/Page45/5Vandennoortgaete.pdf>

<sup>252</sup> [http://www.irisonmonument.be/pdf/nl/75-algemene\\_methodologie.pdf](http://www.irisonmonument.be/pdf/nl/75-algemene_methodologie.pdf)



		<ul style="list-style-type: none"> <li>- Symbolic value</li> <li>- Rarity</li> <li>- Typicality</li> <li>- Outstanding quality, materials, etc. etc.</li> <li>- Preservability (current technical condition)</li> </ul> <p>DO NOT have to be all met!</p>
Finland	<ul style="list-style-type: none"> <li>- Ministry of Culture and Education</li> <li>- National Board of Antiquities and Historical Monuments (former State Archaeological Commission)</li> </ul>	Ancient monuments are protected by law as antiquities pertaining to the past settlement and history of Finland.
France	<ul style="list-style-type: none"> <li>- National level; Ministry of Culture and Communication and Ministry of Ecology, Sustainable Development and Energy for <i>classement au titre des monuments historiques</i> (buildings of national significance)</li> <li>- Local government for <i>inscription au titre des monuments historiques</i> (buildings of regional significance)</li> </ul>	<ol style="list-style-type: none"> <li>1. Artistic character of the site or monument</li> <li>2. Picturesque character of the place</li> <li>3. Historic dimension of the place</li> <li>4. Legendary character of the place</li> <li>5. Natural character</li> <li>6. Architectural interest of a monument</li> </ol>
Germany	<p><i>Länder</i> are largely responsible for protection and preservation</p> <p>(<i>Landesdenkmalämter</i>)</p>	Different criteria for each Land
Greece	<ul style="list-style-type: none"> <li>- Ministry of Environment, Energy and Climate Change</li> <li>- Ministry of Culture and Sports</li> <li>- Ministry of Makedonia-Thraki</li> <li>- General Secretariat for the Aegean and Insular Policy</li> </ul>	Cultural assets are the testimonies of the existence and of the individual and collective creativity of man. Monuments are the cultural assets that constitute material testimonies, belong to the cultural heritage of the Country and call for special protection. Recent monuments are the cultural assets that are dating after 1830 and call for protection <b>due to their historical, artistic or scientific significance.</b>
Hungary	<ul style="list-style-type: none"> <li>- Nationally: National Office of Cultural Heritage (Ministry of Education and Culture) Ministry of Culture</li> <li>- Locally: Government Office of the Capital City Budapest Department of Architecture and Cultural Heritage</li> </ul>	Any built structure, historic garden, historic burial site or special area (and/or the remains thereof) and, further, their functionally related compounds or systems which together with their components, fixtures and fittings constitute historic, artistic, scientific or technological remains of outstanding importance from the perspective of the past of our country and the identity of the Hungarian nation or another community.
Ireland	Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	The expression "national monument" means a monument or the remains of a monument the preservation of which is a matter of national importance by reason of the historical, architectural, traditional, artistic, or archaeological interest.
Italy	Ministry for Heritage and Cultural Activities	Cultural property consists of immovable and movable things which, present artistic, historical, archaeological, ethno-anthropological, archival and bibliographical interest, and of any other thing testifying to the values of civilisation.

Latvia	Ministry of Culture	Cultural monuments are (...) buildings (...) of historical, scientific, artistic or other cultural value and preservation of which for future generations correspond with the interests of the State and the nation of the Republic of Latvia, as well as international interests.
Lithuania	Ministry of Culture of the Republic of Lithuania	Significant cultural and public value
Luxembourg	Ministry of Culture of the Grand-Duchy of Luxembourg	Immovable objects for which the conservation has, from an archeological, historical, artistic, esthetic, scientific, technical or industrial viewpoint, a public interest, can be placed on the list of classified objects through an arrest by the Ministry.
Malta	Superintendence of Cultural Heritage	Immovable objects of artistic, architectural, historical, archaeological, ethnographic, paleontological and geological importance and includes information or data relative to cultural heritage pertaining to Malta or to any other country.
Netherlands	Cultural Heritage Agency, Ministry of Education Culture and Science But provincial and communal authorities can also develop their own heritage policies.	- Beauty - Meaning for science or culture-historical value <sup>253</sup>
Norway	Norwegian Directorate for Cultural Heritage (Ministry of Culture)	Architectural monuments and sites that are part of our cultural heritage and identity or form an element in the overall environment and resource management.
Poland	Ministry of Culture and National Heritage	Immovable object or part or group thereof, made by man or connected with man's activity and constituting a testimony to a past era or event, the preservation of which is in the interest of society due to its historical, artistic, scientific or academic value;
Portugal	- <i>Ministério da Agricultura Ambiente e Ordenamento do Território</i> - Secretary of State for Culture	All assets that, to the extent that they bear relevant cultural interest witness to a civilisation or culture value, should be the subject of special protection and enhancement. The relevant cultural interest, notably in terms of history, palaeontology, archaeology, architecture, language, documentation, art, ethnography, science, society, industry or technique, of the assets that incorporate the cultural heritage shall reflect values of memory, antiquity, authenticity, originality, rarity, uniqueness or exemplarity.
Romania	Ministry of Culture	Historical monuments shall be taken to mean immovable monuments, buildings and lands situated on the Romanian territory, significant for the national and universal history, culture and civilisation.
Serbia	Ministry of Culture	Cultural Heritage of Exceptional importance: - Embodies special significance pertaining to the social, historical and cultural development of peoples in the nation's history and development of the nation's natural environment; - Testifies to crucial historical events and personalities and their activities in the nation's history;

<sup>253</sup> <http://cultureelerfgoed.nl/sites/default/files/downloads/dossiers/stb-2015-511.pdf>

		<ul style="list-style-type: none"> <li>- Is a unique or rare representation of the human creativity of a certain time period or a unique example from natural history;</li> <li>- Exhibits exceptional artistic or aesthetic value.</li> </ul>
Slovakia	Institute of monuments preservation (Ministry of Culture)	The aggregate value of important historic, social, rural, urban, architectonic, scientific, technical, visual art, artistic and craft values for which the property or objects are subject to individual or territorial protection.
Slovenia	Ministry of Culture	Items resulting from human creativity and other human activities, and from social development and events characteristic of individual historical periods in Slovenia and the wider area whose protection is in the public interest due to their historical, cultural and civilisational value, in particular buildings and other items associated with important people and events in the political, economic and cultural history of Slovenia.
Spain	<ul style="list-style-type: none"> <li>- Ministry of Education, Culture and Sports</li> <li>- Extensive competences to the autonomous communities</li> </ul>	<p>The characteristics of cultural heritage:</p> <ul style="list-style-type: none"> <li>- History</li> <li>- Symbolism</li> <li>- Functional</li> <li>- Typology</li> <li>- Systemic</li> <li>- Landscape</li> <li>- Structural</li> <li>- Construction</li> <li>- Formal</li> <li>- Aesthetics<sup>254</sup></li> </ul>
Sweden	<ul style="list-style-type: none"> <li>- National Heritage Board</li> <li>- County Administrative Board/Regional Authority</li> </ul>	Historic or architectural value with a focus on the best parts of the common cultural heritage
United Kingdom	Secretary of State for Culture, Media and Sport	<p>England</p> <ol style="list-style-type: none"> <li>1. Vernacular Houses: <ol style="list-style-type: none"> <li>a. Regional and local characteristics</li> <li>b. Dates and rates of survival</li> <li>c. Innovation</li> <li>d. Alteration</li> <li>e. Specialist functions</li> </ol> </li> </ol>

<sup>254</sup> <http://ipce.mcu.es/pdfs/PNArquitecturaDefensiva.pdf>

		<ul style="list-style-type: none"> <li>f. Proportion of survival</li> <li>g. Plan-form, room use and circulation</li> <li>h. Fixtures, fittings and decoration</li> <li>i. Houses and industry</li> <li>j. Materials, finish and grading</li> <li>k. Historical associations (e.g. with historical figures)</li> <li>l. Management consequences</li> </ul> <p>2. Town houses</p> <ul style="list-style-type: none"> <li>a. Consideration by date range</li> <li>b. Architectural interest</li> <li>c. Status and survival</li> <li>d. Interiors</li> <li>e. Alteration</li> <li>f. Group value</li> <li>g. Regional variations</li> <li>h. The 1840 threshold</li> <li>i. Victorian houses</li> <li>j. Grading</li> <li>k. Historic interest</li> <li>l. Subsidiarity features</li> </ul> <p>3. Suburban and country houses</p> <ul style="list-style-type: none"> <li>a. Date</li> <li>b. Selectivity</li> <li>c. Aesthetic judgement</li> <li>d. Technology</li> <li>e. Alteration</li> <li>f. Subsidiary features</li> <li>g. Boundary walls</li> <li>h. Integrated assessments</li> <li>i. Regional variation</li> </ul>
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		<ul style="list-style-type: none"> <li>j. Planned settlements and estates</li> <li>k. Under-representation on the list</li> <li>l. Development pressures</li> <li>m. Grading</li> <li>n. Historic associations (e.g. with historical figures)</li> </ul> <p>4. The modern house &amp; housing</p> <ul style="list-style-type: none"> <li>a. Arts and crafts movement houses</li> <li>b. Neo-Georgian and historicist houses</li> <li>c. Modernist and post-war houses</li> <li>d. Pre-1939 social housing</li> <li>e. Pre-1939 private flats</li> <li>f. Post-war housing<sup>255</sup></li> </ul> <p>Scotland</p> <ul style="list-style-type: none"> <li>1. Age and rarity</li> <li>2. Architectural or historic interest</li> <li>3. Close historical associations<sup>256</sup></li> </ul>
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Source: EHHA, 2016, on the basis of input of our members and own research

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<sup>255</sup> <https://historicengland.org.uk/listing/selection-criteria/>

<sup>256</sup> *Historic Environment Scotland Policy Statement June 2016*: <https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=f413711b-bb7b-4a8d-a3e8-a619008ca8b5>

## A.10 / Taxation relevant for family-owners of heritage houses in a selection of countries participating in Creative Europe

Country	Income tax		Property tax	Wealth tax	Capital gains tax	VAT
	Rates	Deductions				
Austria	0-55%	<ul style="list-style-type: none"> <li>- Expenses of rental income</li> <li>- Irregular maintenance costs</li> <li>- Interests on loans</li> </ul>	Transfer Tax: 0,5%-3,50%	No	27,50% (buildings bought after 31/03/2002)	10% (rental of flats) 0% or optional 20% (renting of
Belgium	25-50%	After deduction of subventions on Heritage Houses, 30% on 1/2 restoration and maintenance cost (max deduction: € 38,180,- VAT included)	<p>On rateable value: 1,25-2,5% (Flanders) 1,25% (Wallonia) 1,25% (Brussels)</p> <p>Exemptions: Brussels: 25-100% reduction if 2 days/year open to public Flanders: listed monuments transferred</p>	No	16,5% (if sold within 5 years)	21% (general rate) 6% (house repairs and maintenance on private buildings older than 10 years)
Czech Republic	15%	100% for maintenance of rented property	<p>CZK 6.00/m2 + CZK 0.75/m2 (floor above ground)</p> <p>Exemption: listed monuments (if open to public &amp; agreement with Ministry of Culture)</p>	4% Transfer Tax in case of sale (paid by seller)	15%	21% (general rate) 15% (reduced rate for maintenance of list-ed monuments if open to public based on an
Denmark	40-60%	+/- 30% for maintenance and renovation (indoor + out- door)	Exemption: listed buildings (if special declaration from government)	No	40-52% (non-occupied by owner) Exemption:	25% (general rate)

Estonia	21%	House Loans	Only Land Tax (local variability with national limit)	No	No	20% (general rate) 9% (for cultural events and accommodation)
Finland	0-50%	Mortgage interest	0,86-1,80% (General Property Tax) 0,41-0,90% (Residential Buildings)	No	30-34% Exemption: owned & occupied >2 years	24% (general rate) 14% (agricultural goods & food) 10% (accommodations, cultural and entertainment events and all importation of
France	0-45%	<ul style="list-style-type: none"> <li>- 50% of charges if listed house closed</li> <li>- 100% if listed house opened to the public</li> <li>- 18% of the restoration costs on listed movable open for the public</li> <li>- 66% sponsorship under conditions</li> </ul>	<p>Varying Land and Council Taxes by region, town or department (depends on the city infrastructures)</p> <p>Specific features of historical houses in consideration ("exceptional houses" doctrine)</p>	<p>0,5-1,5% (&gt;1,3m € net taxable hereditament)</p> <p>Exemptions:</p> <ul style="list-style-type: none"> <li>• Art and antiquities</li> <li>• Gift as sponsor (partly)</li> <li>• &lt;1.3m € net taxable hereditament</li> <li>• Exemption on 75% of forest value (under conditions)</li> </ul>	<p>19% taxes in addition to 15,5% of social contribution based on the difference between the purchase price and the selling price. Deduction applies for the period of detention. Exemptions: Principal residence</p>	<p>20% (general rate)</p> <p>10% (houses older 2 years if the construction efforts do not lead to the construction of a new building)</p> <p>5,5% (ecological renovation work)</p>

Germany	14-45,0% + 5,5% (solidarity surcharge)	Restoration (spread over 10 years after approval)	0,8-1,8% of the rateable value	No	Yes, same rates as income tax for 10 years Exemption: Own home > 2 years	19% (general rate) 7% (for agricultural goods, food and print products)
Greece	0-45%	Mortgage interest if <35m <sup>2</sup> pp (max.2 pers.) & 25m <sup>2</sup> per child	0,025–0,035% (Communal Tax) 0.1-1% (General Tax & extra if value >300,000	No	15%	23% (general rate) 13 & 6%(reduced)
Ireland	22-44%	Restoration, repair, maintenance (if certificate of importance & open to public) Tax breaks are capped at 80,000 €/year	0.18% (Local Tax; <1m €) 0.25% (Local Tax; >1m €)	3% probate tax on death 6-9% stamp duty on house purchase	Yes, purchase price + index deducted from sale value. Exemption: if reinvested within 2 years rate 20%	20% (general rate) 12,5% (private dwellings for repairs & maintenance if labour consist of >60%)
Italy	19-43% 65% (for leased historical houses taxable income is 65% of rents) Unrented historic houses pay only IMU	- 19% (maintenance of listed buildings & prior approved) - 50% spread over 10 years + 1/2 of 19% immediately (9,5%); Max. € 96,000 - 19% (Mortgage interests if owner occupied)	IMU (Communal Tax n.1): - 0,2% -10,6% of half cadastral value TASI (Communal Tax n.2): - 0,8% of half cadastral value - 1% (Land Tax)	9% stamp duty on real estate transactions	Only if profit result changes in character or legal status	22% (general rate) 10% (restoration & maintenance of private dwellings ( only for a maximum of € 96,000/year)



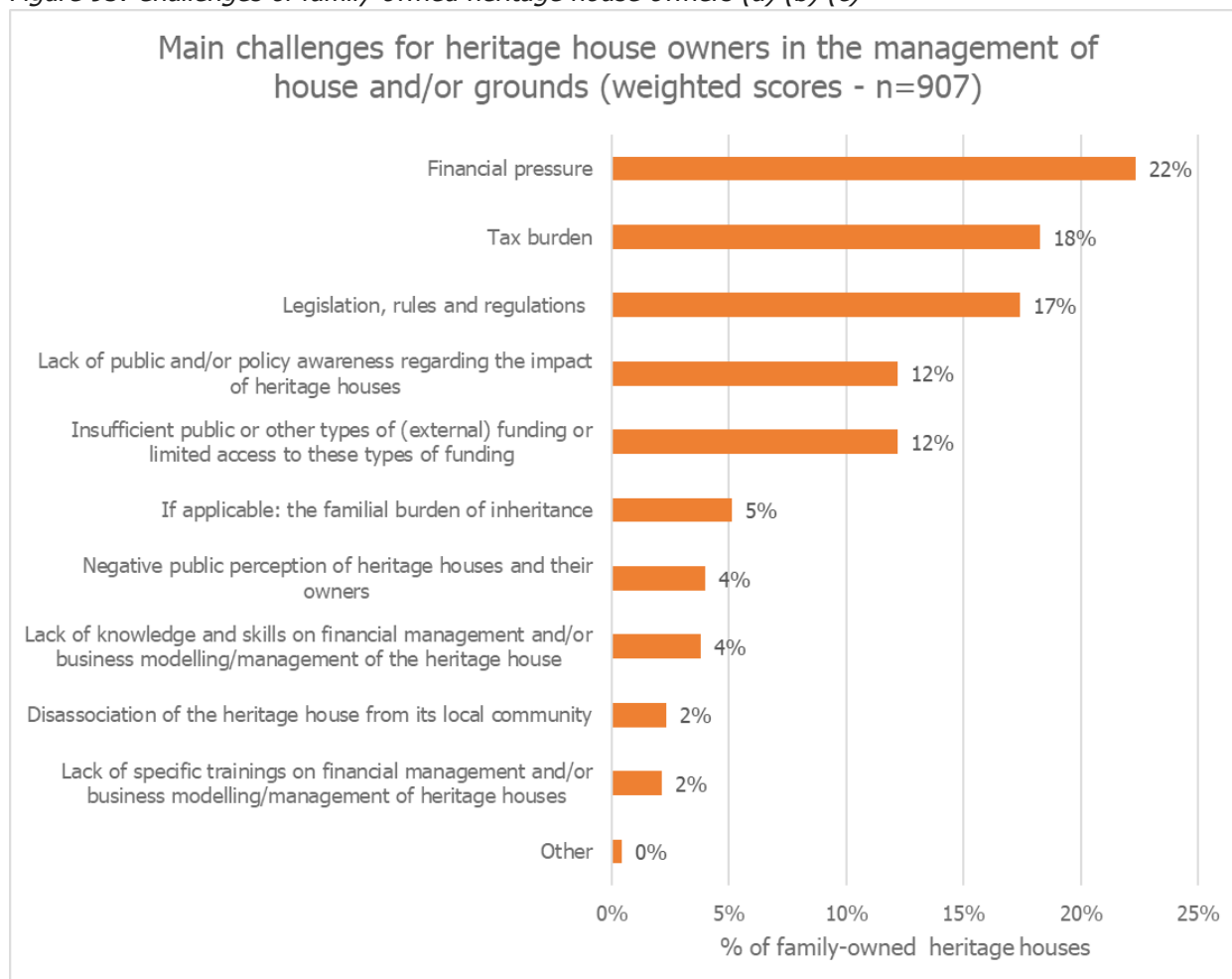
Latvia	23% (personal) 15% (company on profit)		1,5% of cadastral value, but regional authorities can give deductions	No	15%	21% (general rate) 12% (hotels)
The Netherlands	1.85%-52% (owner-occupied on net rental value of building) 1,2% (investments on market value)	- 80% of the maintenance costs of listed monuments - Interest on loans (owner occupied)	0,5% (=indication & communal variability)	No	No	21% (general) 6% (painting and plastering services for the renovation and repairing of private dwellings more than 15 years old & for ornamental gardens if continuously open for 2 months)
Portugal	14,5-56%	15% (mortgage interest on houses to be restored; € 296 limit)	Exemption: entirely listed estates, also in case of property transfer tax.	No	14,5-56% (if > 50% gain) Exemption: if reinvested	23% (general rate)
Spain	19-47%	15% (maintenance/restoration listed buildings). Not more than 10% of owners taxable revenue	Exemption: Grade 1 listed houses and gardens (not if economically exploited)	0,2-2,5% (variable per region) Exemption: listed houses	Gain is part of Income Tax Basis Exemption for: •Urban nature members of "the Historical" •Declared of "Cultural Interest"	21% (general rate) 10% (bricklaying repairs private dwellings)

Sweden	31% (on work by the council) 25% (on work by the state) 30-57% (on capital) 30% (part of private business)	<ul style="list-style-type: none"> <li>- Interest (100%)</li> <li>- Maintenance/repairs/Restoration</li> <li>- Labour (50%; &lt;SEK 100,000)</li> <li>- Occupied house gets value reduction on taxable income</li> </ul>	0,75% of 75% of market value on habitable houses maximum SEK 6.362/house.	No	30%	25% (general rate) 12% (food, restaurants, hotels and camping) 6% (books, entrance fees museums)
United Kingdom	20-45%	No deductions or allowances except where house is run as a business and taxed as such	Local Council Tax charges varying by regions according to use.  Local Business Tax ("Business Rates") on commercial activity is likely to increase and will be based on turnover rather than profit	No Annual charge on company houses >£1m value. Exemption if 28 days open	18% (28% for top rate income tax payers) Exemption: •Principal private residences & grounds •Others based on categories	20% (repairs, alterations & improvements of listed building) 5% (renovation dwelling unoccupied >2 years)

Source: EHHA, 2016, on the basis of input of our members and own research

## A.11 / Online survey: Challenges for heritage house owners in the management of their house and/or grounds

Figure 93: Challenges of family-owned heritage house owners (a) (b) (c)



(a) Survey question: "What are the main challenges for you in the management of your house and/or grounds: could you rank these challenges from 1 (most important) to 5 (least important)?"

(b) Question asked to all family-owners of heritage houses that participated in the online survey.

(c) For more info on the calculation of the weighted scores, see: <https://www.checkmarket.com/kb/how-do-i-interpret-rank-order-scale-results/>

Source: IDEA Consult based on Online Survey Family-Owned Heritage Houses

## A.12 / Literature review Business Model Mapping

Focus on elements relevant for the nine building blocks of the Business Model Canvas

Document Title	Author	Year
Developing business models to meet the challenges of the 21st century	EHHA	2013
Economic and Social Contribution Research Survey	EHHA	2015
The economic impact of the UK Heritage Tourism Economy	El Beyrouty, K. & M. Tessler	2013
Attract and Connect. Population Decline and the Heritage in Europe	de Graaf A., Hospers G., Péro M., Renes H., Stegmeijer E. & F. Strolenberg	2014
The Economic and Social Contribution of Independently Owned Historic Houses and Gardens	DC Research	2015
The Economic impact of the UK Heritage Tourism Economy	Oxford Economics	2013
Achieving the full potential of visitor economy	B. Donoghue	2009
Preference of Europeans Towards Tourism	European Commission	2015
Inspirational Places - The value of Britain's historic houses	HHA	2010
Historic Houses Survey Ireland	T. Dooley	2003
Connecting Cultures, Connected Citizens	Magazzù I. & D. Minichberger	2018
Getting cultural heritage to work for Europe	European Commission	2015
Hoe beheert de huidige landgoedeigenaar zijn bezit?	W. Ottens	2011
The value of built heritage	A. Smith	2010
Conclusions on cultural heritage as a strategic resource for a sustainable Europe	Council of Europe	2014
Revitalisation of Cultural Heritage	Directorate for Cultural Heritage Norway	2005
Cultural Heritage Monuments and Historic Buildings as value generators in post-industrial economy.	T. Nypan	2005
Protection and Reuse of Industrial Heritage: Dilemmas, Problems, Examples	Ifko S. & M. Stokin	2017
Economic and Social Contribution Research Survey	European Commission	2017
Cultural Tourism in Europe	G. Richards	2005
Heritage Management of Farmed and Forested Landscapes in Europe	Trow. S., Holyoak V. & E. Byrnes	2010
Validation of a Business Model for Cultural Heritage Institutions	Ciurea C. & F.G. Filip	2015

Innovative Business Model for Culture - InnoBuM	Autore P. & M. Marinuzzi	2013
Supporting SME collecting organisations: a business model framework for digital heritage collections	Peacock D., Swatman P. & L. Nhiem	2009
The cultural heritage of Europe: building the value proposition for Europeana	J. Cousins	2011
Open data in Cultural Heritage Institutions	Dietrich D. & J. Pekel	2012
Mapping of Cultural Heritage actions in European Union policies, programmes and activities	European Commission	2014
Changes in cultural heritage consumption model: Challenges and limits	Valentina V., Marius-Răzvan S., Login I-A & C. Anca	2015
A heritage Economy: Business Model Innovation for Economic Wealth, Social Well-Being, and Environmental Health	Brousseau-Gauthier F. & Y. Brousseau	2013
Aboriginal Cultural Tourism Business Planning Guide	Aboriginal Tourism Association of BC	2015
Business Planning for Natural World Heritage Sites - A Toolkit	UNESCO	2008
Activity Report 2016-2017	European Historic Houses	2017
An overview of cultural business models in the South East	Langley D. & S.J. Royce	2016
Open Spaces & Heritage Business Plan 2016/17-2019/20	Open Spaces & Heritage Department, UK	2017
Cultural Heritage in the Digital Era	COSTconnect	2017
Business Model Canvas: six questions for the sector	M. Robinson	2016
Business Model Innovation Cultural Heritage	The DEN Foundation	2010
Creative business models: insight into the business models of cultural centers in Trans Europe Halles	Schiama G., Bogen P. & A. Lerro	2016
Creative Tourism Business Model And Its Application In Bulgaria	Ohridska-Olson R. & S. Ivavov	2010
The Cultural Heritage Blueprint	The Cultural Heritage Blueprint	2008
Boscombe Regeneration Partnership Business Case	C. Mcmillan	2017
Using the WWW to Develop Cultural Heritage Destinations: an Exploratory Study	Jolliffe L., Rowe T. & C.H. Davis	2001
Designing Business Model for Small Tourism Enterprise: Creative Tourism Perspective	Tseng H.-P., Cheng J.-S., Xiang Y. & C.-W. Liu	2017
Digital Engagement in Culture, Heritage, and the Arts	Visser J. & J. Richardson	2013
Cultural Heritage and Identity in the Contemporary Tourism Development	L. Domsic	2013
White Paper: Business Models for Tourism - Identifying business models for the re-use of cultural objects for tourism	Kreinberger N., Thinnis F. & N. Timmermans	2014

A business model for the interaction between actors of cultural economy	Ciurea C. & F.G. Filip	2015
Business Planning for Historic Site Sustainability - Business Plan Template	Preserve Rhode Island	2009
Promoting access to culture via digital means: policies and strategies for audience development	Working Group of EU Member States' Experts on promoting access to culture via digital means under the open method of coordination	2017
Heritage Counts 2016 - Heritage and the Economy	Heritage Counts	2016
Historic House Museum Sustainability in the 21st Century: Paths to Preservation	S.R. Orr	2011
A Future for Irish Historic Houses? A Study of Fifty Houses	T. Dooley	2003
An introduction to business models (innovation) for arts and cultural organisations	IETM	2016
New Business Models in the Cultural and Creative Sectors	European Expert Network on Culture (EENC)	2015
Leveraging Heritage: Public-Private, and Third-Sector Partnerships for the Conservation of the Historic Urban Environment	S. Macdonald	2011
Arts and Culture Business Plan 2011-2014	City of Mississauga	2011
Commercial Exploitation of cultural heritage in memory institutions	Z. Manzhukh	2003
Preparing a Heritage Management Plan	Natural England	2008
Business Planning for Cultural Heritage Institutions	Bishoff L. & N. Allen	2004
Report on Best Practice for Cultural Heritage Management	CulturePolis	2012
Why cultural heritage matters	Rio Tinto	2011
The Value of Augmented Reality from a Business Model Perspective	Cranmer E., Jung T. & M.C. Tom Dieck	2016
European Cultural Heritage Strategy for the 21st Century	Council of Europe	2017
Report on increasing the competitiveness of the cultural heritage sector in Armenia	R. Pickard	2014
Successful Business Planning	Johnson R., Matiko S., Parfitt M. & T. Newbery	2013
The Economic Value of the Independent Museum Sector	DC Research	2010
Towards an EU Strategy for Cultural Heritage - The Case for Research	European Heritage Alliance 3.3	2012
Values and benefits of heritage - a research review	Maeer G., Robinson A. & M. Hobson	2016



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