



Case Studies in Heritage Regeneration

Medina of Fez
Morocco

Architectural Heritage Fund
United Kingdom

Historic Center of Mexico City
Mexico

Stadsherstel Amsterdam
The Netherlands

Conservatorio
Panama

Doh Eain, Yangon
Myanmar

CHiFA

CULTURAL HERITAGE FINANCE ALLIANCE

Contributors

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About CHiFA

Every year sees the further deterioration, destruction and demolition of countless and irreplaceable landmark structures. As well, vast tracts of historic urban fabric—inhabited for centuries, and sometimes millennia—are at risk of being abandoned or overtaken by new development. The permanent loss of these structures and environments is a tragedy for individuals, local communities and humanity as a whole. Government resources fall far short of the funding needed to preserve and revitalize historic places, even in the richest and most culturally committed places. Philanthropic initiatives that largely focus on conserving major monuments are inadequate to satisfy the full scale of need.

The Cultural Heritage Finance Alliance (CHiFA) has sought to reverse the momentum of loss by defining a new model for investing in historic sites that offers the promise of scaled intervention and long-term sustainability. The underlying goal of the effort is the creation of a new heritage ecosystem that yields tangible economic, social and environmental benefits for local communities while preserving and revitalizing our most valued cultural assets.

Key to the CHiFA strategy is the introduction of private sector engagement and the use of innovative financing structures as a complement to local initiative and public resources. Founded by a group of experienced professionals in the fields of conservation, architecture, urban planning, business and finance, CHiFA is positioned to orchestrate long-term strategies that generate revenue and economic sustainability for heritage sites. CHiFA aims to build a global marketplace and a supportive ecosystem of expertise and civic interests premised on opportunities for capital investment in historic places, while supporting a range of Sustainable Development Goals.

At a time when accelerating climate change, catastrophic natural disasters, sustained conflicts and a global health pandemic are rapidly changing our world, historic environments provide cultural grounding, reinforce wellbeing, and foster a sense of common humanity and collective identity. CHiFA makes the case that the regeneration of historic places conserves unique cultural assets while pioneering a new frontier of investment in sustainability.

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Introduction

CHiFA's case studies document six successful, privately led initiatives to revitalize historic urban centers by means of cultural heritage regeneration, a process grounded in the conservation of buildings and monuments that are key parts of a community's architectural legacy. Amsterdam; Mexico City; the Medina of Fez, Morocco; Panama City, Panama; Yangon, Myanmar and sites across the U.K. are the focal points of the endeavors studied in this presentation. The briefs focus on the specific location of each project and the organization at its helm, the financing methods employed, and the duration of the project terms, which ranged from several years to several decades. The diversity of these cases paints a vibrant picture of the potential of cultural heritage regeneration to contribute to economic, social, and environmental sustainability across cultures and around the world. Each project's success stems from the recognition that built heritage is a resource which continually nourishes daily life.

CHiFA's research goal was to delineate business models and project designs that deliver a financial return on investment, whether modest interest earned on loans or high-percentage returns on equity shares. For this reason, the case studies do not include projects funded mainly by philanthropy. The six initiatives selected are divided equally between those financed wholly through private investment and others that blend a variety of private and public funding streams.

By examining private financing of cultural heritage projects, this publication fills a gap in the conversation, which tends to focus on project management processes. For example, much attention has been devoted to formal public-private partnerships (PPPs) that have been formed to manage cultural heritage initiatives.¹ While PPPs have proven effective in supporting the preservation of built heritage, their reliance on public contributions puts them outside the scope of CHiFA's present inquiry.

The case studies were undertaken and completed during the COVID-19 pandemic and thus are the fruit of desk research. CHiFA's investigations included informal surveys of experts in the field of cultural heritage regeneration and a literature search of print and online resources. Once the six subjects of the studies were selected, interviews were conducted with participants in the projects, often including the chief executive of the lead organization. Some of the chosen projects had already been recognized as noteworthy. However, CHiFA brings to them a unified lens of evaluation of their methods and accomplishments.

Each case study is structured as follows:

- **Key Features:** A description of the site or lead organization and factors that led to the project's success
- **In Brief:** A list of the project's parameters, including participants, dates, business and investment models

¹ For general discussions of the structure of the heritage PPP model and diverse examples, see:

MacDonald, Susan and Caroline Cheong. *The Role of Public-Private Partnership and the Third Sector in Conserving Heritage Buildings, Sites, and Historic Urban Areas*. Los Angeles: J. Paul Getty Trust, 2014.

Rypkema, Donovan and Caroline Cheong. *Public-Private Partnership and Heritage: A Practitioner's Guide*. CreateSpace Independent Publishing Platform (January 28, 2012).

■ **Program Development & Implementation:**

A report on the context, stakeholders, operational model, and achievements of the initiative, plus reflections on the influence and interplay of these factors with market conditions

■ **Map:** A visual representation locating the project's interventions in the built environment

■ **Financial Performance Summary:** An outline of the financial terms and actors governing transactions

■ **Timeline:** A snapshot of the evolution of the initiative or organization

■ **Sustainable Development Goals (SDGs):** A description of the outcomes of the initiative presented in terms of their alignment with the United Nations SDGs

The final section of each case study, "Sustainable Development Goals," puts the results of the project into global perspective. It does this by assessing the effect of the undertaking on local social and economic systems: did it help create new jobs and increase tax revenues, for example, and what was its environmental impact? As shown in the case studies, cultural heritage revitalization can play a transformative role in these and other areas targeted by the United Nations SDGs, regenerating not only historic buildings but community life itself.

Applying the same framework to each case facilitates reflection upon their similarities and differences. By describing the origin and context of initiatives, the conditions in which a type of intervention was viable are defined.






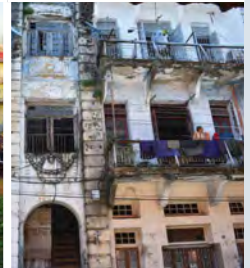
Singular and replicable elements, challenges, the evolution of practice over time, and the core spirit that pervades each case is noted. CHiFA's case studies make accessible detailed and comprehensive views of these initiatives.

CHiFA's goal in conducting and sharing the case study research is to offer an overlay of granular and birds eye views of past successes that will inspire future endeavors in cultural heritage regeneration. The six different models based on financial return through investment range from those with a high degree of public sector involvement to those that rely almost entirely on private enterprise and individuals. CHiFA's findings are elaborated in its report [*Impact & Identity, Investing in Heritage for Sustainable Development*](#), which introduces a methodology for marshaling private investment and blended capital in heritage regeneration.

The cases presented here lay a foundation for future practice in flexible, financially sustainable development of urban centers. Although the cases are distinct from one another, they possess common characteristics. Each project was buoyed by charismatic founders with innovative visions, dynamic cross-sector collaboration, and community stakeholder participation. All have woven into every operational decision a commitment to generate financial returns. That each produces positive social and environmental returns spotlights cultural heritage as a promising, largely untapped resource for building a sustainable future.

Sari Uricheck *Project Director*

Spectrum of Strategies for Capitalizing Heritage Regeneration

					
Fez	United Kingdom	Mexico City	Amsterdam	Panama City	Yangon
International Development Financing	Heritage Revolving Funds	Private Initiative, Public Commitment	A Heritage Investment Corporation	A Heritage B-Corp	Social Enterprise
Debt		Equity			Short-term Financing

Strategies for capitalizing the regeneration of historic environments range from principal dependence on the public sector to near total reliance on private entrepreneurs. The case studies that follow are arranged as such, in the sequence charted above that reflects this continuum of financing approaches.

Medina of Fez, Morocco



Key Features

The regeneration of the Medina of Fez has set a compelling precedent for addressing social goals through heritage development. The path to success was not always smooth, but the initial institutional investor's fundamental work of infrastructure improvement and other visible ameliorations gave confidence to the private and philanthropic sectors to initiate their own projects for restoring historic structures and starting new businesses in the Medina.

Efforts to address poverty and dereliction in the Medina began with international seminars surrounding World Heritage designation in 1981. When the World Bank focused on the Medina as part of its millennial program, more than half of the 13,000 buildings in the historic Medina were threatened with collapse. The physical environment was recognized as a key factor in the continued decline in well-being and economic opportunity in the oldest part of the city.

A \$14.3 million loan program in 1998 by the World Bank created an opportunity for national and municipal agencies to work together to address both physical issues and social needs. Residents were the focus of the program, consulted in project surveys, trained in conservation techniques, and employed in carrying out the building restorations. Maps of themed tourism routes were developed and installed citywide in an effort to reduce congestion and distribute the positive economic impact of tourist flows through the Medina.

A formal structure to attract complementary financial sources—not just those controlled by the government—could have accelerated the urban transformation. Nevertheless, additional investments in heritage conservation, pollution mitigation, and social programs amounted to three times the World Bank's original loan and much larger investments over the next decade.

Success Factors

- Improved livability through stabilization of residential building fabric
- A ripple effect of individual restorations and a growing circle of investors
- Curated tourism circuits and visitor accommodations feature the distinctive culture of Fez
- More than \$200 million in Moroccan and international government investments in the subsequent decade

IN BRIEF



Location

Medina of Fez

Area

375 hectares

Program Type

Development finance for poverty alleviation through heritage regeneration

Program Objectives

Urban regeneration and improvement of quality of life through rehabilitation of historic buildings, improvement of access via traffic flow, infrastructure, safety and institutional strengthening

Duration

World Bank program: 1998-2005; subsequent regeneration: 2005-present

Sponsoring Entity

World Bank/International Bank for Reconstruction and Development

Business Model

Debt financing via loan to the municipal and national governments of Fez, Morocco

Current Leadership

David Malpass, World Bank President

Fouad Serrhini, General Director, ADER-Fés



Bab Mahrouk Gate: the gateway was restored by a private bank after the World Bank-funded restoration campaign began.

Program Development & Implementation

Engagement of the World Bank

Over centuries, under pressures of over-population and lack of maintenance, the living conditions of the Medina of Fez, Morocco deteriorated. Crumbling building stock, high poverty levels and environmental pollution threatened the well-being of inhabitants. The urgency and opportunity to make dramatic improvements attracted investment by the International Bank for Reconstruction and Development—an arm of the World Bank Group—in the late 1990's in a landmark initiative specifically targeting cultural heritage conservation as a lever of poverty alleviation and urban regeneration.

An Historic Center of Trade and Learning

Fez was one of the great cities of the Muslim world. It had been founded in the late 8th century and grew to prominence as a center of learning and trade, reaching its apogee in the 13th and 14th centuries. At its core is the 375-hectare walled labyrinthine Medina, composed of two districts—Fes El Bali (old town) and Fes el-Jadid—with a total of some 160,000 inhabitants. The Medina retains its medieval character as one of the largest urban car-free zones in the world with a maze of streets, pedestrian alleys, narrow passages, courtyards and fountains. Traditional earth packed walls for construction of mosques, residences and palaces are complemented by colorful tiles and mashrabiya latticework woodcarvings. Fez is a city rich in artisan traditions, from the namesake hat whose red dye originated centuries ago in the city to leather goods, ceramics and metalwork. The layered history of Fez's multi-cultural inhabitants is echoed by the architectural styles from Andalusia and synagogues of the Mellah district in Fes el-Jadid, reflecting what was once a Jewish quarter with over 20,000 residents and its own spoken dialect.

The historic Medina is preserved in part due to the 20th-century French colonization approach that moved city infrastructure to a Ville Nouvelle to the west, and shifted the capital of Morocco to Rabat. Coupled with a conservation philosophy that held sacrosanct original historic material, the investment in the modern city meant neglect of the Medina's physical maintenance and its consequent decline. The strained urban setting became overcrowded due to gradual migration into the Medina from rural areas due to economic conditions caused by drought. With bowed ceilings, cracked walls, and crumbling foundations, buildings were unable to support the Medina communities through housing or commercial opportunity.

With more than 87% of its 13,385 buildings considered historic, and over half of those decaying, threatened with collapse or in ruins at the turn of the 21st century, Fez was an ideal city to pilot a comprehensive approach for rehabilitation of built heritage as a driver of the much-needed economic and social revitalization. The challenges and successes provide a vital case study in innovation and collaboration in urban conservation.

Attracting International Attention

Spotlighted by inscription on the UNESCO World Heritage List in 1981, Fez enjoyed extensive study and attention from the Moroccan government and the international community. In the early 1990's, notable monuments gained attention for restoration such as the Dar Adiyil palace financed by the Italian government. The 1993 Second International Colloquium of World Heritage Cities, held in Fez and organized through UNESCO, brought together interested parties in finance, urban planning and sustainable development to discuss the need for the safeguarding of Fez. A socioeconomic survey of the Medina

was a core driver of the strategy, having identified the extreme conditions of poverty and barriers to improvement. The World Bank was considering a multimillion dollar debt investment in Fez, and its Director, James Wolfensohn, was a supporter of the idea. Wolfensohn was a pivotal advocate for the urgency to invest in Fez. With data in hand he could rally the support of the World Bank Board of Directors.

Prominent members of the academic community prepared extensive economic evaluations and projections, with pioneering use of contingent valuation applied to cultural heritage, rendering Fez an important pilot study in heritage economics. Project strategy was designed by a team from Harvard's Institute for Housing, with urban planning expertise instead of an architectural conservation specialization. Surveys of local residents guided the planning of the implementation. Projections of the economic impact in terms of job creation and tourist revenue were impressive. Fez was UNESCO's first international campaign for rehabilitation of an Islamic city, and its success was potentially replicable.

The methodology applied to the program for Fez was intended to upend the standard, traditional approach to conservation of historic cities that focused on monuments. Instead of elevating the built fabric as the primary stakeholder, the communities' needs would guide the efforts. Surveys of inhabitants were conducted and the results provided overwhelming evidence of their interest in shaping and participating in the proposed actions. As Dr. Hassan Radoine, a participant in the early work comments, "The World Bank wanted to know that the heart was healthy." That is, they needed to have confidence that the Medina was going to live on past the bank's investment. The citizens on the ground were ready and willing to contribute to the success. The World Bank projected that its investment would be amplified by enthusiastic contribution of the residents' own financial and sweat equity investments in preserving their homes and heritage.

The World Bank's investment was unprecedented, in part as the first effort in conservation of an Islamic city, and because the loan involved three separate MOU's regarding the disbursements. The loan of \$14.3 USD was distributed to the Moroccan Government, split between the national and municipal levels. The World Bank approved the extraordinary proposal for a loan to focus on cultural heritage and signed three MOU's, one with the national Ministry of Finance, one with the local municipal Prefecture, which had been formed in 1985 and would closely coordinate building conservation through a local agency. The Agence pour la Densification et la Rehabilitation de la Medina de Fes (ADER-Fès), created prior to attend to urgent stabilization and/or demolition of active collapses, would coordinate and focus on the technical aspects of restoration of the historic built heritage, with its own separate project agreement for delivery of implementation. Fundamental to success was an update of the GIS equipment which facilitated a thorough survey of Medina buildings and to support strategic planning and monitoring of project progress.

Implementation and Course Correction

A multi-pronged approach was at the center of the vision to revitalize Fez and improve its social, economic and infrastructure conditions. ADER-Fès would work in concert with local inhabitants, providing conservation guidance, materials and technical assistance to address building conservation needs. The World Bank loan would support the critical operations to improve the built heritage and infrastructure. In addition to built heritage conservation aimed at enhancing housing, physical interventions were aimed at improvement of:

- traffic circulation (for tourists, deliveries and rapid response)
- parking
- an emergency circulation network and
- environmental pollution through chemical mitigation and solid waste management.

By-products of the artisan manufacturing of Fez resulting from tanning and dyeing processes for leather and chemical waste from metalworking and were a source of pollution. The growth of craft workshops adjacent to residential areas of the Medina caused contamination and threats to water safety and health of residents. Managing and mitigating the accumulation of these chemical and solid wastes was an initial goal of the World Bank investment. However, after consultation proved the artisan workshop relocation was not favored by stakeholders these elements were dropped from the plan.

The World Bank investment was intended to catalyze private participation and investment with the parking and solid waste management aspects considered appropriate for public-private partnership (PPP) contracts. However, solid waste collection had already been contracted by the municipality when the loan term began. A lack of interest in construction of the parking lot meant that this PPP never materialized either. While the citizen survey of the Medina had identified these needs, their incorporation into the World Bank plan was without the confirmation of private participation. Official project objectives were thus modified in 2004 to exclude the development of the parking and waste remediation through PPPs.

The ambitious regeneration campaign for Fez proved not without challenges. The scale of the work in Fez was initially confronted by a mismatch of experience and capacity of teams and lines of communication involved. The municipality and ADER-Fès had never coordinated on such a scale with the central government and capacity building was a gradual process. Administrative challenges encountered by the local units adopting the World Bank procurement and financial procedures caused delays. In fact, organizational restructuring of ADER-Fès plagued progress in the first three years of the loan. Ultimately an extension of loan term was necessary to facilitate disbursement of funds and implementation. A disproportionate 70% of the loan was disbursed in the final two of the seven years. Despite the

absence of efficient centralized management, or perhaps because of it, the World Bank debt investment in Fez ultimately achieved its mission to provide an example of ground-up revitalization of the communities through the regeneration of its built heritage.

A Widening Circle of Participation

The paradigm shift from a top-down building conservation-driven philosophy to citizen-driven action meant that advancement of the World Bank initiative followed the organic nature of the growth of the Medina itself. Local residents participated, learning traditional methods and gaining technical skills for future maintenance and employment while they restored their homes. As one unit was rehabilitated, neighbors would witness the process and follow suit. As absentee owners learned of the neighborhood transformations, they too returned to restore their homes. Residential enhancements were coupled with infrastructure improvements. These included:

- upgrading the water network and sewage
- enhancing electricity and telephone grids
- moving facilities like schools and nurseries into the Medina

Improvements in quality of life were massive and included such basics as enhanced lighting on the streets and improved plumbing infrastructure (the latter often was the cause of building collapses). As a pedestrian environment the Medina's design was restrictive to emergency vehicles. Engineering transit routes by ramping over stairs, gave access to all corners within 100m of a navigable route for golf cart-sized vehicles, increasing security for all visitors and residents.

Economic benefits for the Medina were flowed from the reinforcement of local institutions through capacity building, and

otherwise largely planned through capitalizing on the local artisan traditions to fuel, job creation, private investment and a notable increase in tourism.

Spotlighting Fez's cultural heritage in an accessible way was most effective at positioning Fez as a tourist magnet. A mapping system with 700 plaques offered a multilingual guide that defined six tourism circuits and guided visitors to them through the maze of the Medina. A visitor might choose to take a 'Castles and Gardens,' a 'Crafts' or a 'Walls and Fortresses' tour. This program revolutionized the visitor experience of the Medina. Dispersing sightseers from a few well-trodden paths, the "tourist trails" led tourists through different neighborhoods they might otherwise have not experienced, thereby spreading the potential for economic uplift. The proof of concept in Fez's Medina was replicated elsewhere in Morocco, including the historic cities of Marrakesh, Casablanca and Essaouira and continues to be a model for cities that are trying to mitigate the effects of concentrated tourist traffic.

Other augmentation of tourism amenities included the restoration of:

- 3 historic gardens
- 2 public spaces including a bus parking lot at the city Gate and
- a Heritage Center in a restored building.

A complement of partners contributed to the ignition of financial support and life into the Medina. The Moroccan Local initiative for Human Development (ILDH) worked on sanitation, craft ateliers, libraries and street vendor space. The Arab Fund for Social and Economic Development supported rehabilitation of 7 km of water networks, which had contributed to the instability of housing. The Banque Populaire funded the Bab Mahrouk Gateway restoration.



Examples of plaster and wood work embellishment of houses and other structures restored using traditional techniques.

What Was Achieved, What Not, and Why

During the term of the World Bank loan 132 housing units or workshops were rehabilitated with matching grants to their owners, with an additional 107 interventions to communal spaces with resident participation. In collaboration with neighborhood associations, pedestrian streets reaching 547 buildings were repaired while 56 collapsing houses were consolidated. Although this was a small portion of the houses in need, the momentum brought by the World Bank investment propelled further rehabilitation work. The security brought by the interventions is reflected in the small victory that 2005 was the first year without loss of life due to building collapses in the Medina.

Through built heritage conservation and environmental cleanup projects including the clearing of derelict spaces and waste accumulations, employment opportunities were created. Non-profit organizations were proactive in training programs for local inhabitants. A strategic study conducted by ADER-Fès described training for twenty community organizations, 10 micro enterprises of the construction sector, 20 conservation and rehabilitation professionals and 150 staff of ADER-Fès, municipal and regional authorities. Assessments defined the total labor outcome as equivalent to 1000 person years of low skilled labor. However, despite these positive statistics, job creation was one-sixth the projected amount. Poverty alleviation, the underlying goal of the World Bank investment, was not achieved on the scale intended.

While the World Bank investment in Fez may be considered to represent a best-practice case study for integrating heritage in development, the ICR (World Bank Implementation Completion and Results) review of 2006 is reserved in terms of describing its immediate success. Compared to the projected economic impacts of the project, including an Economic Rate of Return (ERR) of 13.6% and NPV of \$16.7 M, the final report tally of actual Economic rate of return at -26% and NPV at \$-0.5M were disappointing. Analysts noted that projected values were unmet due to the “overoptimistic assumptions” that led to unrealistically high expectations.

The relatively low percentage of inhabitants whose housing situations were improved through renovations was of material concern. None of the original goals of the initiative were fully achieved, since sanitation improvements and pollution mitigation were not completed due to bureaucratic roadblocks. The proposed public-private partnerships in the strategic plan never materialized and thus the construction of a parking lot, seen as otherwise unsustainable, was aborted. Contested ownership of buildings slowed much of the building conservation process, especially when coupled with the displacement of residents required for some infrastructure improvements.

The reality was that many elements of the program were successful, but perhaps not as successful as the overzealous projections made during the planning and negotiation phases. Quantitative

tools can predict, but not tell the whole story of the intangible benefits of the sum of interventions—and this is a common challenge of cultural heritage work. In the long term, the World Bank’s foray into investment in cultural heritage in Fez showed that development bank debt instruments, usually used for much less colorful goals, could be instrumental in revitalizing culture.

Crafting the Future

What was accomplished in Fez through the World Bank investment far exceeded the numerous building repairs. The complex fabric of the Medina’s cultural heritage in architecture, craft traditions, and community life was consolidated literally and figuratively. To prioritize the daily lives of residents, while weaving the threads of heritage into an accessible tourism offering for visitors, was a world-class example of the potential of urban regeneration. Engagement of the citizenry invigorated and capitalized on the greatest assets of the Medina: the communities and their unique histories and traditions.

The World Bank loan inspired parallel investment. Private investment further supported the preservation of thirty-three historic buildings that were reused as boutique hotels. Other foundations and international donors rehabilitated more buildings and sites (\$3.3M), preserving two major classified monuments and ten public fountains. In fact, parallel investment of outside partners was valued at \$42.9M, three times as large as the World Bank loan (Bigio and Licciardi, 26).

The Moroccan government continued investment in residential buildings and tourism after the term of the World Bank loan, including a pilot project, the Ziyarates, or Lodging with Locals program that facilitates home stays for tourists. Private investment has continued, including construction of eight hotels (at a value of \$29.7M).

Analyses of the artisan sector completed for the World Bank were instrumental in later work that focused on this sector. Development of artisan small businesses was financed with support of the Millennium Challenge Corporation (2008-2013), with over \$100M dedicated to pollution mitigation and equipment upgrades that had been intended in the WB plan. A 2013-2017 program with expenditure by the Moroccan government of \$75M (UNESCO World Heritage Review, 26) continued to augment the impacts. Other unrealized elements of the original World Bank proposal such as parking facilities are central to the most recent Fez Medina 2018-2023 Vision plan for city development.

Cultural heritage is now central to the development strategies of the leaders of Morocco, not just in Fez but in other cities as well. This can be attributed to the visionary World Bank investment in Fez which signaled and proved its belief in the return gained by showcasing cultural heritage as a driver of economic growth and social benefits. 🕒



Aerial view of the Medina showing contemporary themed tourist routes and major city gates



Typical street in the Medina.



Bab Bou Jeloud, or Blue Gate.

Timeline

- 1976** • Launch of International Campaign to safeguard the Medina
- 1978** • UNESCO commissions Fez Urban Development Plan (SDUF)
- 1980** • Mr. Amadou Mahta M'Bow, then Director General of UNESCO, launches appeal for restoring the Medina
- 1981** • Inclusion of Medina on World Heritage List
- 1982** • Delegation for the safeguard of the Fez Medina created in the Moroccan Interior Ministry
- 1985** • Fez Medina administrative structure formalized with a Municipality and Prefecture
- 1989** • Moroccan government creates ADER-Fès (Agence pour la Dédensification et la Rehabilitation de la Médina de Fès)
- 1990s** • Private international support of restorations: Fondoul Nejjarine, Madrasa al-Bouinaniya, Dar Adiyel, and Bab al-Makina
- 1992** • GIS system is launched - an important tool to support all works
- 1993** • Italian government pays for Dar Adyal Palace restoration, the first project completed in UNESCO initiative
- 1993** • UNESCO hosts colloquium on “The Financing of the Rehabilitation of the Historic Cities by Whom? How? And Why?”
- 1995** • Rehabilitation plan of Fez Medina by ADER-Fès team
- 1998** • World Bank funds approved (29 Oct)
- 2003** • World Bank agrees to extend term of loan by 23 months and to reduce amount of loan proceeds by 30%
- 2005** • World Bank funds closed (30 Nov)



Entrance to Madrasa



Typical roofscape in the Medina

Financial Performance Summary

Information Item	Description
Transaction Summary	World Bank (WB), International Bank for Reconstruction and Development (IBRD) loan funds to the Government of Morocco (GOM) with disbursement at the national and municipal levels
Investor(s)/Lender(s)	World Bank IBRD
Amount	Project total: USD \$14.3M with loan from the World Bank of \$9M, co-financing of 42.7M and \$2.6M contribution from the Government of Morocco
Instruments	Debt financing through two separate IBRD loans, IBRD44020 and IBRD44030
Investment Mechanism	Loans to the municipal and national governments were disbursed to public agencies and private contractors who implemented the work. Repayment to the World Bank was completed by the Government of Morocco.
Use of Proceeds	WB loans supported work on built heritage, tourism and emergency access route development, infrastructure, and institutional resilience. Allocations made: 23.8% for upgrading historic housing stock and expanding tourism (\$3.4 M), 47.5% to emergency access route creation (\$6.8 M), 16.8% towards reducing poverty by creating employment (\$2.4 M), 11.9% to capacity building for local agencies (\$1.7 M).
Currency	Moroccan Dirham
Terms	Two loans intended to be \$7M. Due to project changes, disbursal and interest were different. IBRD44020 had an interest rate of 1.23% and IBRD44030 had an interest rate of 1.16%.
Fees and Expenses	IBRD44020 = \$113,987.10; IBRD44030 = \$103,234.07
Closing Date/Time Frame	1998-2005
Private Investment	World Bank investment in Fez spurred parallel public, private and philanthropic investment in complementary initiatives. The non-public contributions are calculated to be equivalent to \$42.9M, or three times the total project amount.

Sustainable Development Goals

The World Bank initiative in Fez, Morocco contributed to positive economic, social and environmental impacts. The work directly supported by the World Bank during the program term 1998-2005 made diverse contributions that can be mapped within the context of the Sustainable Development Goal framework. As important, however, were the complementary private and philanthropic initiatives that followed the work carried out with World Bank loan funds.



GOAL 1 End poverty in all its forms everywhere:

- The work of the World Bank had a poverty alleviation focus that targeted quality of life for all inhabitants through improvements in housing, infrastructure, employment opportunities and access to services.
- Wealth creation was supported through employment, with the equivalent of 1000 person-years of labor produced as an outcome.



GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- Skills training for local communities was integral to the built heritage conservation program, including the training for 150 staff of ADER-Fes and for 20 community organizations, 10 micro enterprises of the construction sector, 20 conservation and rehabilitation professionals.



GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

- The equivalent of 1000 person-years of low skilled labor was generated during the term, with demand for construction job skills promising to continue to create value over workers' lifetimes.



GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation:

- Infrastructure was strengthened by improvements in the residential building stock, electricity networks, street lighting and water infrastructure.



GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:

- Rehabilitation of 132 housing or workshop properties through repairs and upgrade of infrastructure.
- Fifty-six collapsing houses were consolidated and pedestrian streets reaching 547 buildings were repaired.



GOAL 12 Responsible consumption and production:

- The re-use of construction materials employed by restoration of building stock created significant reductions in waste that entered landfills compared to the alternative of demolition.



GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development:

- Public, private, and philanthropic international partners joined in financing and implementing complementary aspects to the initiative.
- Municipal and national government agencies of Morocco collaborated together and with the international community.

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Architectural Heritage Fund, United Kingdom



Calton Hill, Edinburgh (Scotland), general view

Key Features

The Architectural Heritage Fund (AHF), a charity established in the UK in 1976, is one of the largest and longest-running heritage revolving funds, with capital of £17.5M. Offering early stage development grants, capacity-building assistance, and low-cost loans over the lifetime of a campaign, AHF is an exemplary partner to its borrowers—primarily local Building Preservation Trusts (BPTs) seeking to rehabilitate or reuse historic buildings for social benefit.

Over the 45 years of its existence, AHF has provided over £125 million in funds to nearly 900 projects across England, Scotland, Wales, and Northern Ireland. As a model for setting lending procedures, mitigating risk, and developing impact measurement standards, AHF offers a global precedent. Responsive to resource availability and market needs, AHF has judiciously expanded the scope of its activities. In 2019, for instance, it launched an impact fund in partnership with UK heritage bodies and utilizing private finance.

Success Factors

- Flexible program design allows for alignment with government High Street programs, for example, enabling AHF to focus on issues such as reversing urban blight and to position projects for other government funding programs such as the UK wide National Lottery Heritage Fund.
- Mainstay operational support from the UK government enables AHF to devote staff resources to developing innovative finance vehicles such as crowd-source funding, community shares, and an impact fund.
- Significant leverage from other UK governmental programs, including the the National Lottery Heritage Fund, and other local governmental and private sources.

IN BRIEF



Location Architectural Heritage Fund (AHF) operates in all U.K. countries.

Project Type Community regeneration through civic engagement in rehabilitation of built heritage.

Project Objectives

AHF's Strategy for 2020-2023:

- Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings
- Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings
- Promote the impact and benefits of community-led regeneration and ownership of historic buildings.

Duration 1976–present

Sponsoring Entity U.K. Government and devolved administrations

Business Model Non-profit with revolving loan funds and grant expenditures. Main revenue through philanthropic allocations from government and foundation donors, other revenue through interest repayment on loans.

Investment Model Debt financing of projects and other social investments

Current Leadership

Matthew McKeague, CEO since 2017

Website www.ahfund.org.uk



Portland Works, Sheffield (England), aerial view

Program Development & Implementation

Coalition Building

A textured tradition of practice and debate regarding the preservation of historic monuments has proliferated in the UK since the 19th century when prominent figures like William Morris established the Society for the Protection of Ancient Buildings and John Ruskin wrote the influential essay, *Lamps of Memory*. The national conversation was first captured in legislation to address the disposition and protection of architecture in 1882. Early 20th-century movements that argued for preservation of country houses, Georgian and Victorian architecture, and restoration after destruction of war bombing furthered the formal system of grading and protections that exist today.

Within this environment, the Civic Trust was established in 1957 by Duncan Sandys, a former son-in-law of Winston Churchill, to advocate for preservation of historic environments, which many Britons felt were under assault by the practices of modern town planning. A 1971 survey report of the Civic Trust discussed the challenges of a growing number of building preservation trusts (BPTs). The Trust report was pivotal in promoting a national loan fund to assist these BPTs in saving buildings. The topic was timely. In 1972 the Council of Europe's Committee of Ministers

approved 1975 as European Architectural Heritage Year. Joining the decree of the European Architectural Heritage Congress of October 1975, the UK appointed the Civic Trust as the Secretariat for the UK.

The Civic Trust was able then to set up a fund for preservation of architectural heritage. The U.K.'s Secretary of State of the Environment provided £500,000 of government budget to match the £500,000 the Civic Trust raised from private donors. Thus in 1976, the Architectural Heritage Fund was officially founded, as a charity and "non-departmental public body" of the UK government.

Common Wealth & Resource

Architectural Heritage Fund's mission is to support the restoration and reuse of historic buildings that embody the identity of villages, towns and regions in the UK, from medieval buildings to 20th-century industrial hubs. AHF was established originally as a revolving fund to assist in the formation and operations of BPTs with funding for planning, property purchase or capital works. Today over 230 BPTs are active in the UK, many thanks to the AHF's guidance and support of the transfer of properties from public to community ownership. AHF has developed a portfolio

of funding and services, becoming a grant maker and consultant for organizations working on historic property regeneration. Over time, AHF has branched out to work with community development organizations and social enterprises stewarding 'viable community led solutions' to further heritage preservation and community benefit. Properties must be publicly accessible and listed on the Heritage at Risk or Buildings at Risk registers, in the process of becoming listed, or in a conservation area.

Shepherding the Journey

Support from the AHF comes in the form of advice, loans and grants that are available for the lifecycle of a campaign, from inception through completion. The AHF staff's deep knowledge and high level consulting advice in the design of prudent, realistic and entrepreneurial projects is a special advantage of its longevity of experience, which helps drive the success of the initiatives it funds.

AHF's readiness to support projects at all stages makes it a unique resource in the sector. This includes finances for Project Viability Grants and Project Development Grants, often modest (~ £7000) for nascent initiatives with few other options. At the other end of the scale, AHF's Transformational Project Grants (up to 80% of cost with a maximum of £350,000) allow for property purchases and organizational development.

AHF contributions can be leveraged to gain more funding from other sources: between 2000 and 2017, £5.2 million in grants and £51.4 million in loans resulted in additional investment of £485 million, an amplification factor of almost 10. AHF's financing is most often a small but critical part of a larger package

that includes other funding sources such as the National Lottery Heritage Fund or other national programs such as Historic Environment Scotland or Wales' Cadw.

Community Shareholders

Active engagement of the community is an integral part of all AHF-supported projects. Stakeholder input and support in fundraising, design and advocacy are central to success. A building restoration is intended to solve problems in the community instead of standing in the way of progress, as many listed buildings may be perceived of doing. AHF encourages crowd sourcing through its Crowd Funding Challenge Grants, which match up to £25,000 raised by any philanthropic crowd-funding initiative.

Raising capital through a Community Shares program is also eligible for AHF participation. Community Shares are fundamental to the structure of British community benefit societies and cooperatives. As with a share in any business, a community share is open for purchase by constituents at a set price. Shares may accrue an annual return or loss based on performance of the community asset, and they may be sold. Community shareholders differ significantly from a stock shareholder however, as they do participate in governance with simply one vote per shareholder, instead of per share. Tax incentives encourage investing in community shares, similar to other retirement investments.

AHF has pioneered the use of Community Shares in the heritage sector through collaboration with Co-Ops UK. AHF offers a £10,000 grant to aid the launch of a Community Shares program and will provide matching funds of up to £50,000 in equity. As



Sail Loft, Portsoy (Aberdeenshire) Scotland, restored and repurposed as a self-catering facility managed as a community business by the Scottish Traditional Boat Festival



Portland Works, Sheffield (England), community event

a foil to the conception that historic building restorations are the purview of an elite few, Community Shares empower and engage every citizen through the opportunity to participate in ownership. In 2019, the Jubilee Pool in Penzance, an art deco seaside attraction, raised an impressive £500,000 through its Community Share offer when the asset transferred from public ownership to the local community. AHF itself is the largest institutional owner of Community Shares in the UK with approximately 500,000 community shares in its investment portfolio.

With a current initiative, Transforming Places Through Heritage, AHF synthesizes all of its offerings to encourage regeneration of town centers, complementing Historic England's Heritage Action Zones program and Future High Streets Fund. While grants and loans may support a single building project, its contribution to an ensemble or landscape of renewal is critical to its eligibility for AHF support. To encourage this approach, AHF has recently launched a new grant to fund pilot Heritage Development Trusts which are taking a portfolio approach to heritage regeneration.

Revolving Challenges

AHF's exceptional role in providing funding at all entry points of a regeneration project means that sometimes its loans are at far riskier terms than others. Taking these risks on heritage projects is both a strength and weakness. The financial sustainability of its position is built on tight margins. It therefore mitigates risk through security for loans and guarantees from local banks, and by gaining the first charge of the properties. AHF's bad debt provision is regularly reviewed and currently stands at 8.3%. The AHF's balance sheet and cash flow show the challenges of working in the heritage sector. Its financial position is vulnerable to shocks

from bad debt and the risk of failure of projects and of the newly formed organizations it supports. AHF's expenditures have exceeded its revenue in a number of recent years.

Over the first three decades of its existence, AHF's loan resources had grown to a surplus over expenses to greater than £13 million, and its programs were expanded as well with additional support. Grants and donations from foundations such as the William Grant Foundation and Garfield Weston Foundation undergird finances and spur programming. AHF's encouragement of the renewal of ensembles and districts for High Street and town center regeneration has been an objective of the last decade; however, other stand-alone building projects that have catalyzed towns and regions have included Wentworth Woodhouse, Yorkshire; Portland Works, Sheffield; and Royal William Yard, Plymouth.

Impact Innovation

From its origin, AHF has supported policy goals of the UK Government by contributing to the social fabric of communities through renewal of the built environment. To determine the measurement of impacts, AHF conducts rigorous annual surveys of award recipients and their constituents. AHF reports on economic impact through gross value added (GVA), new housing units, direct job creation and land value uplift. The creation of 719 housing units between 2000 and 2017 is an example of the magnitude of its contributions to the UK's housing stock. Positive social impacts of projects are monitored and reported to supplement the economic analyses. AHF identifies the impacts of educational opportunities through traineeships, social cohesion through increased and diverse community participation in events, improved physical and mental well-being and pride.

THE MONASTERY, MANCHESTER

Originally, the Church and Monastery of St. Francis, Gorton, Manchester was built in the late 19th Century after designs by Edward Pugin (son of A.W.N. Pugin). Following the decline of the surrounding area, the church closed in the 1970s and went derelict after commercial development failed. Spearheaded in 1996 by Paul and Elaine Griffiths, who formed the BPT, the Monastery now thrives as a vibrant community multi-use space. The Monastery has enjoyed the repeated support of AHF. It received a 1997 AHF feasibility grant for its redevelopment prospects, a development grant in 2000, a working capital loan in 2002 to help cash flow, and a tailored lending program.



A 2017-18 Project Impact Survey reported that AHF-supported organizations:

- Held more than 7,000 community events. These events promoted diversity, education and cohesion with almost a third of participants identified as children or youth, and more than 5% from varied racial and ethnic backgrounds.
- Hosted more than 6,000 volunteer opportunities
- Created than 1,000 training opportunities

The Future of Heritage Funding

In 2019 AHF launched a £7M Heritage Impact Fund that seeks to attract investors through its financial and social returns. Supported by investment funds, management and loan facilities of Rathbone Greenbank Investments, this pioneering initiative is AHF's first partnership for loans with a headline rate for recipients of 6%. The balance of the account is the sum of financial contributions from the National Lottery Heritage Fund (£2.25 M), Historic England (£800K), Historic Environment Scotland (£427K), Cadw (£100K), and the Department of Communities Northern Ireland (£300K).

With the HIF, AHF has expanded its constituency. The program's funding offers are open to projects proposed by non-profit entities other than BPTs in all regions of the U.K. For example, from the first class of recipients, Fife Employment Access Trust, whose mission is to enhance employment opportunities for those with mental health barriers, will access a loan for a nineteenth-century mill renovation that will create a multi-use space offering such employment opportunities.

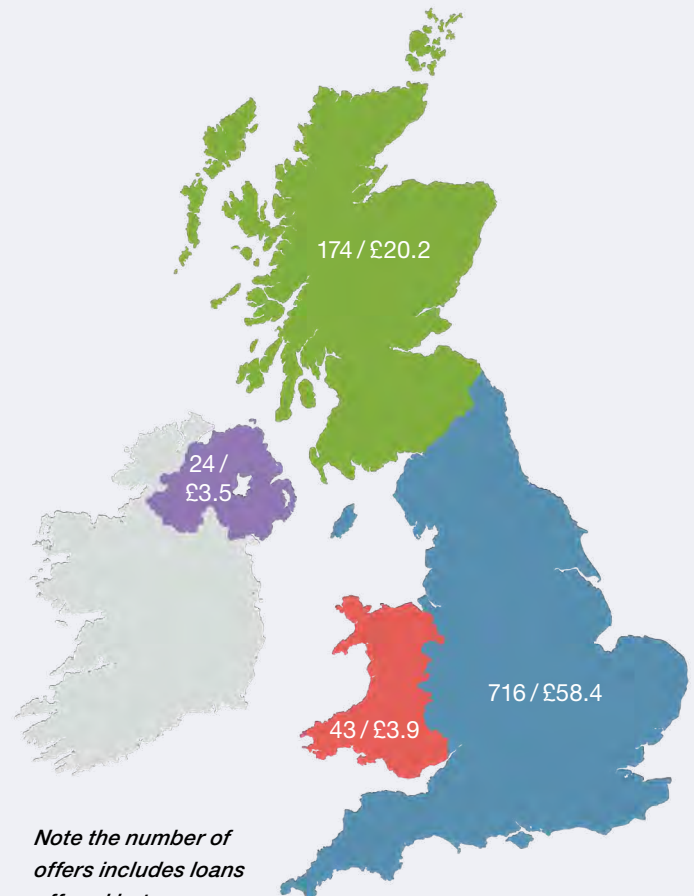
Fit for the Future

The Heritage Impact Fund is aligned with the objective of bringing more sustainable funding resources to the heritage preservation ecosystem. As a proof of concept of how heritage regeneration can provide a return to investors, its performance will be instructive. Maximizing the benefit of budgeted monies and pursuing government objectives continue as part of AHF's work. AHF continues to evaluate and iterate its own methodologies, through reporting to its funders. Contributions to environmental sustainability are also part of its mission. Recently AHF joined the U.K. network Fit for Change, which promotes the environmental sustainability of cultural programs and buildings. Any organization that receives AHF funding is linked into this network for advice and services that may assist in upgrading historic buildings to more eco-efficient operations, another common goal of the UK government. ●

Architectural Heritage Fund Loans

With initial contributions of £1 million and gradual capital growth over time, AHF has been able to offer loans to more than 900 projects across the United Kingdom, encourage the creation of hundreds of building preservation trusts, and leverage far more significant funding from other governmental and private sources.

Loans	Offers	Amount (millions)
England	716	£ 58.4
NI	24	£ 3.5
Scotland	174	£ 20.2
Wales	43	£ 3.9
Totals	957	£ 86.0



Note the number of offers includes loans offered but never drawn down. Totals are since 1976.

Financial Performance Summary

Information Item	Description
Amount	£13 million revolving loan fund, £7 million Heritage Impact Fund
Instruments	Debt financing and grants
Investment Mechanism	AHF disburses grants and loans funds to organizations, which repay principal and interest.
Use of Proceeds	Contributed towards revolving loan funds for new projects
Currency	British pound
Hedging Requirements	Requires a guarantee or first charge over property
Closing Date/ Time Frame	AHF offers loans and grants with varying terms. Projects may apply for subsequent funding after completion of an award. Programs are currently active, with annual application deadlines and award periods.
Board of Directors	A board of twelve members is led by the Chairman Liz Peace CBE
Investor Rights	Investor rights over the lifetime of the investment (e.g. to participate in votes in the company, right to request and obtain info).
Governing Law	National
Performance	AHF financial performance has varied over the decades of its programming, with a numbers of years operating at a loss.



Bangor Courthouse, Northern Ireland. The building is currently empty pending completion of the community asset transfer process.



Public event at The Monastery, Gorton (Manchester), England, Gorton Trust Ltd.

Timeline

- 1957 • Civic Trust founded
- 1971 • Civic Trust survey report to government on BPTs
- 1972 • Council of Europe Committee of Ministers approves the 1975 European Architectural Heritage Year
- 1976 • Foundation of AHF with £500,000 matching funds from UK government
- 2003 • Ian Lush named Chief Executive
- 2005 • Cumulative awards reached: £3.5 M in grants and loans of over £73 M to over 1000 eligible projects
- 2011 • Announcement that AHF will administer a £2 M Challenge Fund to rescue at-risk buildings formed by donations from Andrew Lloyd Weber Fund and English Heritage
- 2016–2019 • Community Enterprise through Heritage Program
- 2019 • Heritage Impact Fund is launched
- 2019 • Transforming Places through Heritage program is launched
- 2020 • AHF joins the Fit for the Future network



Burgh Hall, Dunoon (Argyll and Bute), Scotland, restoration by the John McAslan Family Trust and local building preservation trust with help from AHF.



Harlesden High Street, London. A former bank building renovated as an education center by the Refugee Support Network

Sustainable Development Goals



GOAL 3 To ensure healthy lives and promote well-being for all at all ages:

- AHF funds numerous projects to support community health care facilities and mental health programs.
- Impact surveys conducted after AHF-supported interventions reflect improved physical and mental wellbeing of communities.



GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- Incorporated in some restored properties are cultural and educational activities open to community participation including theater, music and fine arts.
- In a typical year, more than 6,000 volunteer opportunities are borne out of AHF annual investments.



GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

- Many apprentice construction trades training programs are included in AHF projects. In a typical year, at least 1000 training opportunities are created.
- Development of an AHF project site typically creates two full-time employment opportunities (FTE), while post-development there are three new FTEs.
- AHF supports community job-training and job creation.
- Community wealth creation is facilitated through employment opportunities in renovations and in resident businesses.



GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:

- AHF investment has supported renewal of nearly 900 historic properties – many in urban environments.
- Some projects include the development of affordable housing units, mixed-use and income-generating spaces.



GOAL 13 Take urgent action to combat climate change and its impacts:

- Conserving historic building fabric offers a lower carbon footprint than the alternatives of demolition and new building.
- Collaboration with the Fit for Change network encourages AHF clients to integrate eco-efficient solutions to building renovations. In 2017-18, 50% of projects increased the energy efficiency of buildings involved.



GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development:

- AHF partners with numerous NGOs in the heritage preservation and social sectors.

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Market Hall, Cardigan (Ceredigion), Wales. The important medieval markethall has been restored and reanimated with numerous shops and other vendors.



Jubilee Pool, Penzance (Cornwall), England, general view



Historic Center of Mexico City, Mexico



Key Features

The rehabilitation of the historic center of Mexico City—undertaken over the last 20 odd years—is remarkable and instructive for many reasons. From a state of deterioration and depopulation, accelerated by the earthquake of 1985, the historic center was brought back to vibrant life, with hundreds of buildings restored, streets and public spaces upgraded, new private business established, government offices and university departments that had abandoned the city center returned, and a broad enhancement of the quality of life with new residents, tourism and public events.

The campaign was remarkable for the extent of the area impacted, the number and size of buildings conserved, adapted and reoccupied, and the amount of traditional and digital infrastructure modernized. It was remarkable too for the enhancement of the quality of life in the city center, the improvement of public safety, the number of jobs created both through the works undertaken and the permanent business—small and large—supported. How this was achieved holds many lessons for cities contemplating regeneration programs more extensive than single structures.

World Heritage status, renowned monuments and the early efforts of citizen groups in the 1980s and 1990s laid the groundwork for regeneration but did not have the required impetus. Then, at the turn of the millennium, public-sector leadership at the national and city level converged and the prominent business leader—Carlos Slim Helú—was recruited by the President to lead the effort. He set up a dual-entity governance structure including the non-profit Fundación del Centro Histórico, which led programming, and the Sociedad Inmobiliaria del Centro Histórico managing private investment in real estate and its restoration and reuse.

This coordinated multi-sector approach—public works and incentives, private investment, philanthropic and civil society engagement—resulted in a wide range of impacts, with significant contributions from a large group of intellectual and professional leaders.

Success Factors

- Large-scale private investment leveraged governmental commitment to infrastructure.
- Complementary social programs focused on health, education, culture, family integration, public safety and homelessness.
- Minimal residential displacement; empty buildings were repurposed to accommodate the existing population.
- Public events, street lighting, bike lanes and the restoration of monuments enhanced the quality of public life.
- The integrated strategy led to property values tripling over twenty years.

IN BRIEF



Location Historic Center of Mexico City, Mexico. 9.1 Km² comprised of 668 city blocks, includes 1436 land-marked buildings from the 16th to the 20th century. World heritage designated Perimeter A (3.2 Km²) corresponds to the core of the colonial center and Perimeter B (5.9 Km²) to the area of 19th c. expansion (buffer zone).

Program Type Urban Regeneration through mixed-use of historic buildings

Program Objectives Conserve and adapt derelict historic structures; invest in physical fabric; create middle-income jobs to revitalize the most historically significant part of a megacity.

Business Model For-profit corporation; non-profit corporation; and public agencies.

Sponsoring Entity Mexico City, Advisory Committee for the Centro Histórico, comprising Sociedad del Centro Histórico de la Ciudad de Mexico, S.A. (for-profit); Fundación del Centro Histórico A.C. (private non-profit)

Investment Model Investors in the for-profit Sociedad had the option to withdraw investments after 5 years with 0% return or purchase stock at the end the investment period.

Current Leadership Fundación Centro Histórico de la Ciudad de Mexico A.C. Current Director: Christiane Hajj Aboumrard Sociedad del Centro Histórico Current Director: Julian Slim

Website Fundacioncentrohistorico.com.mx



Program Development & Implementation

Decline and Destruction

Carlos Slim Helú (b. 1940), the richest man in Latin America and head of a conglomerate of Mexican and international businesses, grew up in Mexico City as the son of a Lebanese immigrant who had made a fortune, partly in real estate. Over the years he witnessed the slow decline of its Historic Center from a vital, cosmopolitan hub of artistic, intellectual, commercial and political life with a population of approximately 90,000 to a blighted downtown riddled with crime, where many buildings were abandoned and decaying and the population had shrunk to a mere 5,000 by the turn of the 21st century.

A series of events had launched and accelerated this process—beginning with rent control laws in the 1940s that inhibited investment by property owners in the area, and the departure of the university from its central campus buildings in the 1950s, and fueled by periodic financial downturns. A devastating earthquake in 1985 destroyed or seriously damaged more than 400 buildings in the city center, many of which stood untouched and unrepaired for more than fifteen years.

Early Initiatives

At the same time, the recognition of the Historic Center's cultural and historical importance grew, beginning with the fortuitous discovery in 1978 by electrical workers of the Coyolxauhqui

stone, an Aztec carved relief, buried near the Metropolitan Cathedral and the subsequent rediscovery and excavation of the Aztec Great Temple (Templo Mayor) and the creation of a world-class museum there. This sparked international interest and led in 1987 to the inscription of the Historic Center of Mexico City on the World Heritage List. In the 1980s a group of concerned citizens formed the Sociedad de Amigos del Centro Histórico to promote its rehabilitation through public festivals and publications, but was not able to undertake any restoration work. A private sector trust, Fideicomiso Centro Histórico (Trust for the Historic Center), was established in 1990 headed by the distinguished banker Antonio Ortiz Mena, general manager of Banamex. The trust supported substantial documentation, research and planning. The city offered tax incentives for investment in the Historic Center, but they were not strong enough to attract substantial investment. Improvement was slow and conditions worsened, despite several localized efforts such as the emblematic restoration of the Palacio Iturbide by Banamex itself.

A New Approach

The time was ripe for change when, in 1999, Mexico City's Mayor-Elect Manuel Lopez Obrador, approached Carlos Slim Helú and asked for help in revitalizing the Avenida Reforma, the commercial artery between the Historic Center and the Chapultepec Palace and Park and the affluent suburbs beyond,

which was still scarred from the damage of the 1985 earthquake. With an eye for value that has made him famous for his shrewd business decisions, Slim counter-proposed that he would invest in the Historic Center provided that the President of Mexico would support the initiative. Shortly thereafter, the new president Vicente Fox (2000-06) created an Advisory Council (Consejo Consultivo) for the regeneration of the Historic Center, with Carlos Slim Helú as President of the group's Executive Committee, and including Manuel Lopez Obrador and 125 representatives of civil society (intellectuals, businessmen, artists, etc.) and relevant public authorities. Its first meeting was held in the National Palace on August 14, 2001.

Slim's next move was to negotiate a deal to construct a new public building on a tract of abandoned property facing the Alameda Park, which the Federal Government purchased to relocate its Ministry of Foreign Affairs. The relocation of the Ministry to the Historic Center in 2003, the opening of Sears in an adjacent landmark building, and the creation of a popular public art space in the Atrio San Francisco across the street were signals of confidence in the recovery and viability of the area.

By seizing and shaping these opportunities, Slim brought together his longstanding affection for the neighborhood where he had grown up with a powerful business acumen, a strong financial standing and a passionate conviction that the Historic Center could be transformed. The extraordinary convergence of opportunity, public support and private leadership resulted in one of the most successful public-private collaborations for urban regeneration of recent decades.

Building a Framework of Cooperation

The Consejo Consultivo (Advisory Council) was put in charge of establishing and coordinating the rehabilitation work program, to be implemented with the support of the Federal and City governments. In 2001 the Federal Government created the Fondo

de Obra Pública (Public Works Fund) and assigned 375 million pesos (approximately \$40 million USD at the time) for public works and 150 million pesos (\$16 million USD) for security. The Mexico City municipal government financed and coordinated street work and infrastructure improvements, such as burying of cables, relocating street vendors, controlling signage and other aspects of the streetscape. Both Municipal and Federal government offered fiscal incentives to investors.

The Fideicomiso del Centro Histórico, formerly a private organization, became a public entity under the Secretary of Finance of the Mexico City, in charge of planning and implementing the Historic Center's regeneration program. The rehabilitation plan called for:

- improved security and public services such as health, education and family integration;
- micro-loans for residents, and job creation opportunities;
- relocation of street vendors, pedestrianizing streets, repaired sidewalks, new buried fiberoptic cables, removal of commercial signs;
- restoration of public spaces and monuments;
- creation of bicycle lanes, improved public transportation (using clean energy); and
- public events and cultural activities to attract visitors.

The Fundación del Centro Histórico, a private non-profit organization created under the Advisory Council was created to help achieve the social and cultural objectives of the plan. A sister for-profit entity, the Sociedad Inmobiliaria del Centro Histórico, was created to raise private investment for the purchase, restoration and adaptive reuse of buildings in the targeted area—Perimeter A of the World Heritage site. Both entities were directed by Adrian Pandal González from 2001 through 2018. Both remain active today.



Complementary Goals

The creation of a public-private collaboration under strong governmental leadership, with complementary goals and responsibilities for the public and private sectors, defined the mission of the dual private-sector initiative spearheaded by Carlos Slim Helú. Private investment through the Sociedad Inmobiliaria in the rehabilitation of residential and commercial buildings in the Historic Center provided an impetus for repopulating the area. The public sector improved the streets, infrastructure and public spaces in coordination with the building works undertaken by the private sector. Meanwhile, the non-profit Fundación complemented these investments with a range of educational, social and cultural programs that helped to reinforce the attraction of the historic center as a desirable place to work and live, and at the same time offered support for poor and homeless people and strengthened security through enhanced police surveillance capabilities. The Fundación Centro Histórico was given an endowment of \$10 million through the purchase of a parking garage, whose revenue supported its programs.

Coordinated Action

The Municipal Government of Mexico City and the Advisory Council coordinated their efforts by focusing on rehabilitating the infrastructure, streets and public areas along contiguous groups of streets, themed as “corridors.” Cultural, commercial, technology, and entertainment corridors were designated. Uses were not limited to these themes, but their designation leveraged specific investments and was intended to attract new business and activities within those sectors.

Between 2001 and 2005 the city completed two phases of street rehabilitation and the Sociedad Inmobiliaria made most of its purchases along the improved streets and avenues, choosing sites for purchase based on location and price. At the same time, the Fundación made complementary philanthropic

investments in cultural, social, and educational programs and public placemaking in the same geographical areas.

In addition, Slim was able to support neighborhood regeneration by making strategic corporate investments in the Historic Center. In 2001, he moved the headquarters of Telmex to the Historic Center and brought thousands of jobs to the area. Investments in entertainment, hospitality, banking and commerce also were used strategically to complement the urban revitalization with social services and amenities for the community. Telmex also provided the city with electronic monitoring equipment, through which the police were able to control crime more effectively.

In 2006 Marcelo Ebrard became Mayor of the City of Mexico (2006 -2012) and the Executive Committee’s role in the planning of the rehabilitation of the Historic Center ended. However, Ebrard continued the urban rehabilitation work and encouraged the private sector to invest independently by offering expanded tax incentives, which allowed businesses to deduct 100% of the investment in buildings in the Historic Center in the first year of purchase (as opposed to depreciation over 20 years), and reduction in real estate taxes.

The Fideicomiso del Centro Histórico was put in charge of the implementation of the publicly-funded rehabilitation efforts within the Historic Center and created in 2007 the Autoridad del Centro Histórico (ACH - Authority of the Historic Center) to manage the area with Dra. Alejandra Moreno Toscano, a renowned historian, as its director. The ACH launched the “Programa Integral de Rehabilitación del Centro Histórico” which invested approximately 500,000,000 pesos per year between 2006 and 2012 (averaging \$40-50 million per year) in the improvement of water systems, streets, sidewalks, security and illumination, as well as the relocation of 26,000 street vendors to 48 designated commercial areas. In 2009 the ACH established the Intendencia del Centro Histórico (Municipal Administration for the Historic Center) to clean and maintain the area.

Multiplier Effect

The Mexican National Banking and Securities Commission authorized the issuance of convertible bonds, which after five years were reimbursed or converted into shares. The intention was that anyone could invest in this area of the city through the Sociedad Inmobiliaria.

Sixty-six percent of the Sociedad was owned by Carlos Slim Helú’s companies, the Grupo Carso, Inbursa, and a real estate company associated with Teléfonos de México. Some members participated by exchanging their property for shares in the Sociedad. Between 2001 and 2004 the Sociedad invested 906.36 million pesos (approximately \$100 million) in 62 buildings in the Historic Center, according to the Fideicomiso del Centro Histórico. At the end of five years, all the investors chose to remain engaged and were given





shares in the Sociedad Inmobiliaria. These shares increased 50% in value within ten years and 300% in 20 years. This considerable growth in property value, complemented by the creation of new businesses and jobs in hospitality, technology, entertainment, and commerce, have increased the city's tax base proportionately, and allowed the Municipality to manage the Historic Center sustainably and continue its investments in street rehabilitation and infrastructure. Tourism has only increased the economic activity and tax base. From 2005 to 2015 annual tourist visits nearly tripled from 700,000 to 2 million.

Today the Sociedad Inmobiliaria continues to manage the portfolio of property acquired between 2001 and 2012, and the Fundación Centro Histórico continues to provide cultural programs in the Historic Center, having moved the focus of its social programs to the nearby neighborhood of Las Pensiles.

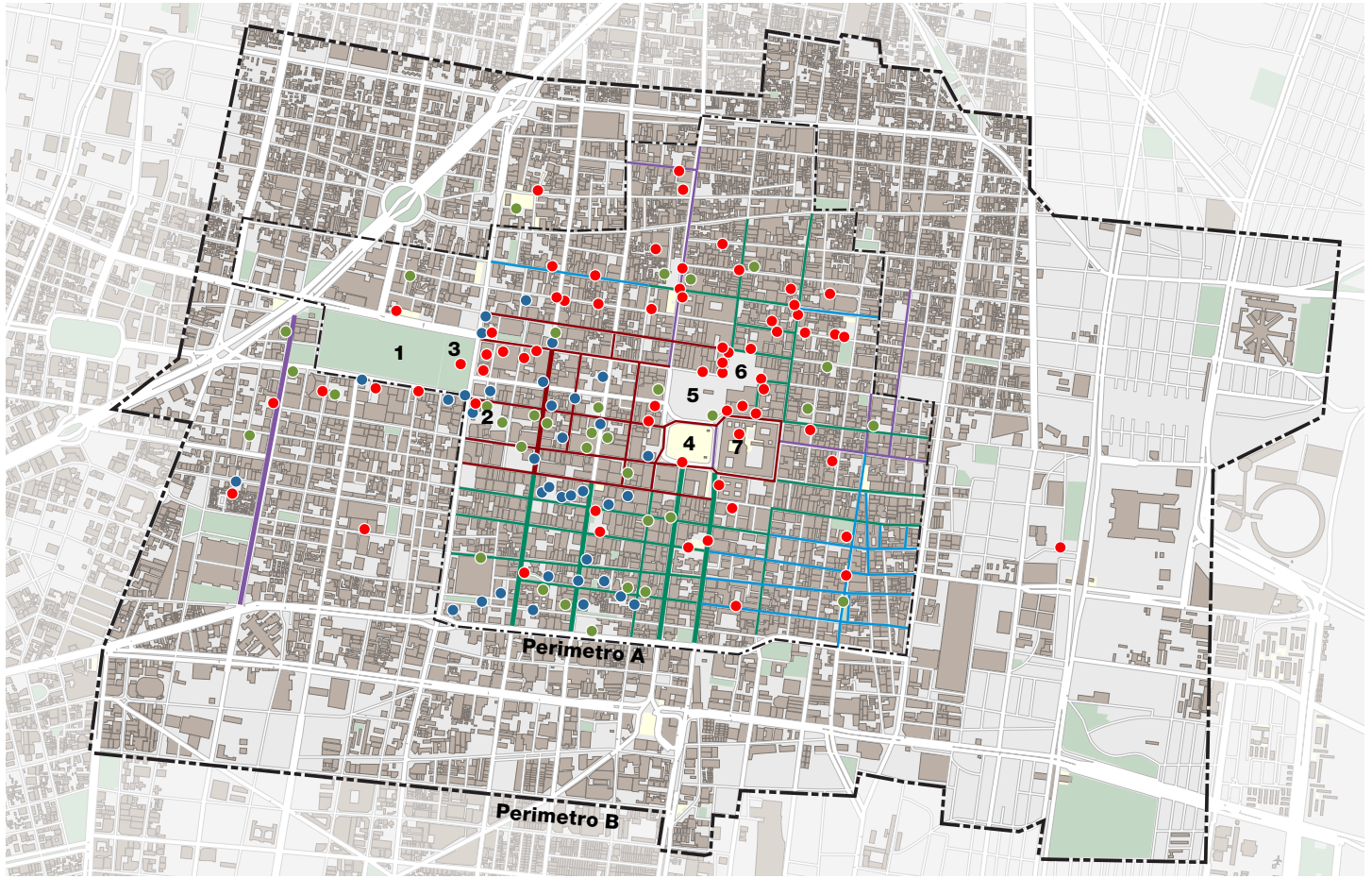
A Transformation

Within a few years of inception a marked change in the Historic Center became visible. By 2004, 5,000 new jobs had been created, scores of new shops opened, study centers, art galleries and museums were established, and more residents moved into the area, resulting in a stronger real estate market. By 2008 it was reported that private and public investment in the Historic Center reached a total of 20 thousand million pesos (almost \$1.8B USD). Once the Historic Center started to recover, independent investors not associated with the Sociedad Inmobiliaria invested in properties such as the Sheraton Hotel (now Hilton Centro Histórico) and many others. The private investment outside the Sociedad Inmobiliaria exceeded government investment by 20 to 1 and resulted in the

restoration, rehabilitation, and construction of more than 1,000 buildings. Today there are approximately 40,000 residents in the Historic Center. Opportunities remain for continued investment in this unique urban area by providing opportunities for both affordable housing and the expansion of recreational and visitor amenities.

Other institutions that contributed to the rehabilitation of the Historic Center include the Universidad Nacional Autónoma de México UNAM, Claustro de Sor Juana University, Instituto Nacional de Antropología e Historia INAH, Consejo Nacional para la Cultura y las Artes CONACULTA, Instituto Nacional de Bellas Artes INBA, Banco Nacional de Mexico BANAMEX, Fundación Telmex, and Grupo Carso (the latter two owned by Carlos Slim Helú). International support came from The Junta de Andalucía (Spain) and World Monuments Fund (USA).

Political leadership and dynamic private engagement characterized the success of this initiative from the outset. However, this accomplishment has not replicated itself in other less stable parts of the inner city of Mexico, which still suffer from disinvestment and depopulation. The Centro Histórico miracle is a good model for other historic cities of the Americas, where decision making is driven by government. It also demonstrates the vulnerability of such government-led model without continued sharing of decision making and renewal of goals through planning and citizen engagement. ●



Rehabilitated Streets

- Lopez Obrador (2000-05)
- Ebrard (2006-12)
- Mancera (2012-18)
- Sheinbaum (2018-24)

Perimeter

- - - Perimeter A Boundary
- · · Perimeter B Boundary

Sites

- Public (GDF, INAH, UNAM, CONACULTA, Foreign Govs)
- Private (Sociedad and Fundación)
- Private (Other)

1. Alameda Central

- 2. Atrio de San Francisco**
- 3. Palacio de Bellas Artes**
- 4. Zócalo**
- 5. Catedral Metropolitana de la Ciudad de México**
- 6. Templo Mayor**
- 7. Palacio Nacional**

Timeline

- 1998** ● Fideicomiso develops Programa para el Desarrollo Integral del Centro Histórico de la Ciudad de México (Integrated Development Plan for the Historic Center of the City of Mexico) as a guide for the rehabilitation of the HCM.
- 1999–2000** ● Fiscal incentives expanded to include unlisted properties and new construction
- 2000** ● Andrés Manuel López Obrador elected Mayor of the City of Mexico
- 2001** ● President Vicente Fox creates Consejo Consultivo (Advisory Council) for the revitalization of the HCM. Carlos Slim Helú becomes President of the group's Executive Committee. Parallel entities, Fundación del Centro Histórico de la Ciudad de México A.C. (non-profit) and the Sociedad Inmobiliaria del Centro Histórico de la Ciudad de México S.A. (for-profit) are created.
- 2001** ● The Fideicomiso del Centro Histórico becomes public. Through the Fondo de Obra Pública (Public Works Fund) the GDF provides infrastructure funding.
- 2001** ● 2001-2005 street rehabilitation plan announced (see map). Restoration of Alameda Central and Plaza Juárez start, electrical cables are replaced and the San Francisco Church atrium is restored as a public art venue. The Fundación launches nutrition and micro-credit programs.
- 2002** ● Widespread restoration work. Telmex Technology Center is established.
- 2003** ● Centro de Integración Familiar CIF (Family Integration Center) and Puesto de Mando (Security Control Center) are established. Sears returns to the HCM and Centro Comercial Parque Alameda opens.
- 2004** ● Public sector rehabilitations start in the west side of the HCM. “Conmemora a tus Muertos” organized to observe the Day of the Dead at the Zócalo.
- 2005** ● Widespread restoration work. Casa Vecina cultural center is created.
- 2006** ● Marcelo Ebrard elected Mayor of the City of Mexico
- 2006** ● 2006-2012 street rehabilitation plan announced (see map). Rodin exhibit at Atrio de San Francisco attracts more than 367,000 visitors; dedication of new Ministry of Foreign Affairs building and inauguration of Museo del Estanquillo, Museo de Arte Popular, and Museo Interactivo de Economía MIDE
- 2007** ● Creation of Autoridad del Centro Histórico (ACH) and launch of Programa Integral de Rehabilitación del Centro Histórico. Guardian Angels program to police the Historic Center is launched. Street vendors are relocated.
- 2008** ● Launch of Regina Cultural Corridor, rehabilitation of Barrio Chino (China Town)
- 2009** ● Calle Madero becomes pedestrian. Creation of second CIF in Calle Mesones
- 2010** ● Widespread restoration work. Restoration of 500 facades in the western area of the HCM. Electrical upgrades by the Federal Electrical Commission. Launch of the Proyecto de Atención al Desempleo Juvenil (Youth Unemployment Training Project) and eyeglass donation program by Fundación
- 2011** ● Publication of Plan Integral de Manejo para el Centro Histórico de la Ciudad de México 2011-2016 in order to comply with the UNESCO requirement for World Heritage management plans and guide future interventions
- 2012** ● Miguel Ángel Mancera elected Mayor of the City of Mexico
- 2012** ● Widespread restoration work; inauguration of the restored Alameda Central park; Jornada de Salud (Health Campaign) program launched (served nearly 15,000 people in 7 years); expansion of bicycle lanes
- 2013** ● 2013-2017 street rehabilitation plan announced (see map). Widespread restoration work; Aldea Digital, a digital fair organized by TELMEX in the Zócalo; Mariachi school established in Plaza Garibaldi; illumination of Cathedral and National Palace
- 2014** ● Start of rehabilitation of Calle de la Moneda
- 2015** ● Fundación moves its social programs to las Pensiles (Colonia Hidalgo).
- 2016** ● Inauguration of Mexico City Visitor Center and Casa de Colombia at Edificio Rule
- 2018** ● Claudia Sheinbaum elected Mayor of the City of Mexico; 2018-2024 street rehabilitation plan announced (see map); Publication of Plan Integral de Manejo - Centro Histórico de la Ciudad de México 2017-2022

Financial Performance Summary

Information Item	Description
Transaction Summary	Purchase and renovation of approximately 60 buildings between the Zócalo and the Alameda Park in Perimeter A of the Historic Center by the for-profit and non-profit entities created for the purpose of urban regeneration. Additional investments by the public sector and in over 1000 buildings by private investors encouraged by tax incentives.
Investor(s)	Mexican business investors through the “Sociedad Inmobiliaria del Centro Histórico de la Ciudad de Mexico S.A.” (private for-profit). Social, cultural and educational projects and non-profit building rehabilitations through the “Fundación del Centro Histórico de la Ciudad de Mexico A.C.” (private non-profit). The city government created the “Autoridad del Centro Histórico” to manage the Historic Center of Mexico and a public “Fideicomiso del Centro Histórico” to fund its rehabilitation.
Investee(s)	Most of the properties acquired were residential with commercial facilities on the ground floor.
Amount	\$100M for Sociedad + \$10 M to set up the Fundación. Other investors put up their properties in exchange for shares.
Instruments	Purchase by the Sociedad Inmobiliaria del Centro Histórico, S.A. for commercial and residential properties; agreements with the City of Mexico to restore and operate publicly-owned properties.
Investment Mechanism	Equity investments in and operation of the properties purchased.
Use of Proceeds	Renovation for rental residential use (620 apartments through 2010) and commercial spaces.
Currency	Mexican peso (through inflation, the Mexican peso declined from approximately 10 to the US\$ in 2001 to 21.6 in 2020)
Terms	The Sociedad offered investors the option to withdraw the investment money in 5 years with 0% return or to exchange it for shares. In the event, 100% of the investors kept their shares. Their property value increased by 50% in 5 years and by 300% in 20 years.
Hedging Requirements	Mexico City and TELMEX committed to reduce crime through an upgrade of security installations contributed by an investor. The City also removed street vendors, improved paving and infrastructure in the targeted corridors as part of the collaborative plan.
Fees and Expenses	Average US\$1 million operating costs per year for the Fundación covered by revenue generated through the ownership of a parking garage purchased with an initial investment of \$10M. Sociedad Inmobiliaria costs absorbed in transactions.
Liquidation Terms	Discretion of the Sociedad Inmobiliaria.
Closing Date/Time Frame	The program was most active between 2001 and 2012. The Sociedad still owns and operates most properties, and the Fundación Centro Histórico is still active in social development in the city.
Conditions Precedent to Closing	Counter-investments by the public sector: Secretario de Obras y Servicios: 1,118.1m pesos; Fideicomiso del Centro Histórico: 359.1M pesos; Sistema de Aguas de la Ciudad de Mexico: 324.1m pesos. Total government investment: 1,801.3M pesos (\$US 193M altogether)
Private Investment Leveraged	104,475.4M pesos (\$8 BN). In addition to the Sociedad’s investments, private investors also directly purchased an additional 70 to 80 buildings, spurred by incentives offered by the City of Mexico, permitting full deduction of the cost of purchasing historic properties in one year (rather than 20-year depreciation).
Public investment	According to the 2017-2022 Management Plan, the GDF invested between 2001-2017 more than US\$550 m. It estimates that private investment was approximately 15 times the public investment.
Advisory Committee	125 representatives of civil society (intellectuals, businessmen, artists, etc.) and authorities. This was based on a previous agreement between the Federal and the D.F. Governments.
Governing Law	Mexican government, local law, heritage protection for listed buildings
Investor Rights	Investor rights over the lifetime of the investment (e.g. to participate in votes in the company, right to request and obtain info).
Performance	Purchase cost: \$600/sm+rehabilitation cost of \$400/sm=\$1000/sm. After five years the property value increased to \$1500-2000/sm; after 20 years to \$3000/sm.

Sustainable Development Goals

The Fundación Centro Histórico has had an exceptionally broad impact across the spectrum of the UN Sustainable Development Goals. These outcomes were not formally recorded against metrics; however, the following notes give a sense of their positive impact.

-
- 1 NO POVERTY**
- GOAL 1 End poverty in all its forms everywhere:**
- All the Fundación Centro Histórico's social programs served the underserved communities of the city, focusing on health, employment, homelessness, and community life. Displaced residents were rehoused in purchased buildings.
-
- 3 GOOD HEALTH AND WELL-BEING**
- GOAL 3 Ensure healthy lives and promote well-being for all at all ages:**
- The FCH established two Family Integration Centers to provide free health services, organized health education and domestic violence prevention workshops and eyeglass donation campaigns.
 - Telmex Foundation donated equipment to three hospitals and organized several health campaigns offering different services, serving almost 15,000 people between 2012 and 2019.
 - The FCH established Casa Vecina as a community center to work with schools and low-income housing units (*vecindades*), to work mainly with children and create community connections.
 - After 2012 organized Health Days in the Centro Histórico and La Pensil area, serving almost 40,000 people from 2012 to 2019.
-
- 4 QUALITY EDUCATION**
- GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:**
- With the support of the Secretary of Education, the Fideicomiso Centro Histórico created a pilot program to innovate education in 9 local schools, which received computer technology from the Telmex Foundation.
 - The Telmex Technology Center offered technical training to almost 80,000 participants, donated computer equipment to schools and developed innovative pedagogy to promote digital literacy in school children.
 - The FCH donated scholarships for technical studies at the Centros de Capacitación Tecnológica (CECATI) and to study computer systems at the Universidad Autónoma de México (UNAM).
 - The FCH carried out several cultural programs and exhibits in public spaces. These attracted 114,000 people up until 2017.
 - The FCH offered a weekly service to schools, offering socio-emotional support and providing tools for teachers and support for families, serving almost 20,000 students.
-
- 6 CLEAN WATER AND SANITATION**
- GOAL 6 Ensure availability and sustainable management of water and sanitation for all:**
- The Executive Committee analyzed and proposed solutions to the sinking of Mexico City due to the over-exploitation of its aquifer. Proposals included: reduce leaks from 40% to less than 20%, increase rain infiltration to the aquifer and separate rain drainage, treat drainage before infiltration, establish an efficient control over the price of water consumption.
 - Construction of new drainage tunnels (Emisor Oriente and Emisor Central) replacing the Gran Canal to control flooding.
-
- 8 DECENT WORK AND ECONOMIC GROWTH**
- GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:**
- With support from Inbursa Bank, the FCH provided micro-loans and organized training workshops for family-owned businesses.
 - The FCH in collaboration with the Federal Government established job training workshops (Talleres de Oficio del Centro Histórico)
 - Nearly 40,000 new jobs were created in the HCM as a result of 113 private investment projects that produced 750,000 m² of restoration or new construction.
 - The Grupo Carso (private for-profit) brought 6,700 of its workforce to the HCM.
-
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
- GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation:**
- The rehabilitation of the Historic Center included the burial of cables and updating of energy and communication services, cleaning of water drainage system, improvement of sidewalks and roadways, creation of bicycle lanes, bicycle rental stations, establishment of pedestrian-only streets and expansion of electric bus and taxi service in the area.
-
- 11 SUSTAINABLE CITIES AND COMMUNITIES**
- GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:**
- One of the first actions implemented by the Federal Government was to establish in 2002 a public security program for the Historic Center, with the goal of reducing crime and enticing new residents to the area. The program trained a specialized police force for the Historic Center, established a control center supported by computer technology provided by Telmex, installed security cameras throughout the area and relocated illegal street vendors.
 - Restoration of hundreds of historic buildings, monuments and plazas.
 - Operation of the Atrio de San Francisco, a public space bringing art and other festivities and observances to the public, has attracted more than 10 million people to its exhibitions and activities.
 - Between 2000-2018 almost 50km of streets and 200,000 m² of plazas were rehabilitated, and many streets became pedestrian, reducing traffic (and associated pollution) by 20% by 2012.
-
- 17 PARTNERSHIPS FOR THE GOALS**
- GOAL 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development:**
- The initiative was a fully integrated collaboration of the public, private and civil sectors, also engaging several public ministries, the for-profit and non-profit orchestrators, and many businesses.

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Stadsherstel Amsterdam, The Netherlands



Key Features

Stadsherstel Amsterdam N.V. (Stadsherstel) has spearheaded the regeneration of Amsterdam's built heritage for over 60 years. Having undertaken the conservation and stewardship of more than 600 buildings, its work has been essential to preserving and enhancing the experience of Amsterdam's historic core. The increased value of the Stadsherstel's property portfolio is a testament to the business case for equity investment in cultural heritage. The transformation of the city center has propagated a wide range of social benefits as well.

Stadsherstel's original model blended the methods of a social housing development corporation and a heritage restoration institute. Stadsherstel's founders—members of the Amsterdam business and arts communities—brought a practical market-oriented discipline to the work. The company operated much like a real estate investment trust, but focused solely on the restoration and adaptive reuse of historic structures for the greater good of the city. By holding the properties for the long term and collecting rents, Stadsherstel was able to offer a modest but reliable return to its investors.

Recognizing the importance of the connected urban fabric, Stadsherstel worked initially with multiple units of the common house type, not necessarily grand canal houses or landmark structures. As an affordable housing company, Stadsherstel benefited from Dutch tax incentives. While many of the buildings came to Stadsherstel by chance, or were purchased when they were particularly dilapidated, Stadsherstel also selected structures at prominent corner sites to maximize the positive impact of the restoration along two streets and to enhance the broader public realm.

Throughout its long history, Stadsherstel specified the quality of its restoration works to a high standard and long time horizon. Retention of and training in the traditions of restoration crafts has been integral to its mission and success. Stadsherstel did not undertake improvements of adjacent public infrastructure in streets and canals, leaving that work to the public sector. Stadsherstel was careful to work in a complementary fashion to the municipality and other civic groups, but with little operational coordination until recent decades. The city's 13% investment stake, made some 10 years after Stadsherstel's foundation, has been entirely passive. In recent years, Stadsherstel has restored and adapted numerous churches and other monumental buildings, moving beyond its roots in social housing and further enlarging its positive impact on the city.

Success Factors

- Providing affordable housing to counter urban decline
- A long-term investment strategy guiding property choice
- A commitment to high-quality renovations and sustainable reuse
- Independence from public influence

IN BRIEF



Location

Amsterdam, including the historic center and metropolitan area is an area of 8.04 km², comprising eight districts and including the 2010 designated UNESCO World Heritage site, the Amsterdam Canal District.

Project Type

Urban regeneration primarily through renewal of canal house ensembles and a mix of other historic building types and monuments. Portfolio of properties includes more than 600 buildings from the 17th to the 20th centuries, most with landmark designation.

Project Objectives

Retention of historic buildings including provision of affordable housing.

Duration

1956-present

Sponsoring Entity

Stadsherstel Amsterdam N.V.

Business Model

Real estate investment model earns revenue from rentals and for shareholders, including a municipal investment stake of 13%. Dual structure organization has evolved into solely a limited liability corporation.

Investment Model

Equity investment. Investors receive a fixed 5% annual dividend.

Current Leadership

Director, Onno Meerstadt

Website

Stadsherstel.nl



Program Development & Implementation

Amsterdam Without Canals?

Imagine if the houses and canals of Amsterdam had been lost in post-war redevelopment. Indeed, the historic fabric of the Dutch Golden Age of the 17th century was once in jeopardy. After the industrial and commercial boom of the 19th century, the pressures of urbanization and traffic began to alter the city in the 20th century. Although the historic core was spared bombing in WW II, the devastating population decline of the city's Jewish community left properties and portions of the city empty. The ensuing architectural decay, disinvestment, slums and presence of squatters coincided with the post-war demands of car culture. These threats to the inner city spawned urban planning approaches like that of police chief Hero Kaasjager, who in 1954 sought to level buildings and fill canals to make room for ring roads. This prospect was so controversial that it galvanized municipal and citizen groups to action. Thanks largely to an effort that rallied against this proposal and led to the founding of the Stadsherstel Amsterdam N.V., a walk through the city today continues to evoke the atmosphere represented by Dutch painters of the period.

Originally called the Amsterdamse Maatschappij tot Stadsherstel, or "Society for City Recovery," Stadsherstel was spearheaded by the collaboration of an unlikely duo, a young artist-activist, Guert Brinkgreve and a distant relative of his, Pieter Joseph Hendrik Marie Van der Does de Willebois. Known as Uncle Jost, Van der Does was the president of the Court of Justice, and carried the social capital necessary to support the advocacy espoused by Brinkgreve's publications and public lectures on urban design and city renewal. Their partnership fueled a critical mass of citizen engagement and protest against filling canals and led to the formation of a committee (Comité De Stad

Amsterdam) to advocate for the city's heritage. With Jan Six van Hillegom, the director of the Amstel Brewery as chairman, the group of twelve prominent citizens voiced concerns to the municipality over urban planning. With the canal infill issue settled, the committee formally established the Stadsherstel in 1956 to take further action regarding the built heritage.

The mission of the Stadsherstel is encapsulated in the etymology of its chosen name. Composed of Stad, the Dutch word for city—and herstel whose meanings include both 'to restore' and 'to heal', the compound name points to the pillars of its mission:

- preserve built heritage and the restoration craft
- advocate for urban development sensitive to historic character
- increase citizen engagement with their heritage.

"Institutional Investors to Protect Old Amsterdam"

The establishment of the Stadsherstel was captured in this headline of the local newspaper, *Leeuwarder Courant* on August 31, 1956. Legend has it that Jan Six van Hillegom raised the company's original capital of "1.1 million guilders with half an hour of phone calls" to colleagues in banking, insurance and shipping (Feddes, p. 43). Shareholders drawn from local industries, and therefore with a vested interest in participating and accepting a modest return, have been integral to its business model ever since.

The Stadsherstel was founded and continues to operate as a real estate investment company purchasing, restoring and operating properties. Rehabilitations and adaptations have created housing, commercial and mixed-use spaces, entertainment and special event venues, the rentals of which provide steady operating income. The basis of Stadsherstel's value is the growth and appreciation of the property portfolio (seen in the bar graph

of Fixed Assets below), which includes 14 churches, 23 monuments and over 500 buildings that house 378 commercial units and 774 residential units.

Fundamental to the original profit strategy and model was to capture tax incentives in transactions. Comité member Huibert Van Saane owned a public housing corporation, NEMAVO (Nederlandse Maatschappij Volkshuisvesting), that he suggested as a model for the Stadsherstel. Consequently, Stadsherstel copied the unique example and was founded as a limited liability corporation (*Naamloze vennootschap, or N.V.*) that met the statutory requirements of a social housing corporation. Designation as a housing authority offered the exemption of some corporation taxes and the benefit that government would subsidize rents in return for following guidelines linked to rental price ceilings.

While Dutch social housing is comparable to “affordable housing” in other countries, the market in the Netherlands is robust and without stigma due to a national policy that treats housing as a citizen’s right. Today more than 40% of the rental market in Amsterdam is social housing. The demand for Stadsherstel’s offerings is renowned, with considerable waiting lists for its rentals.

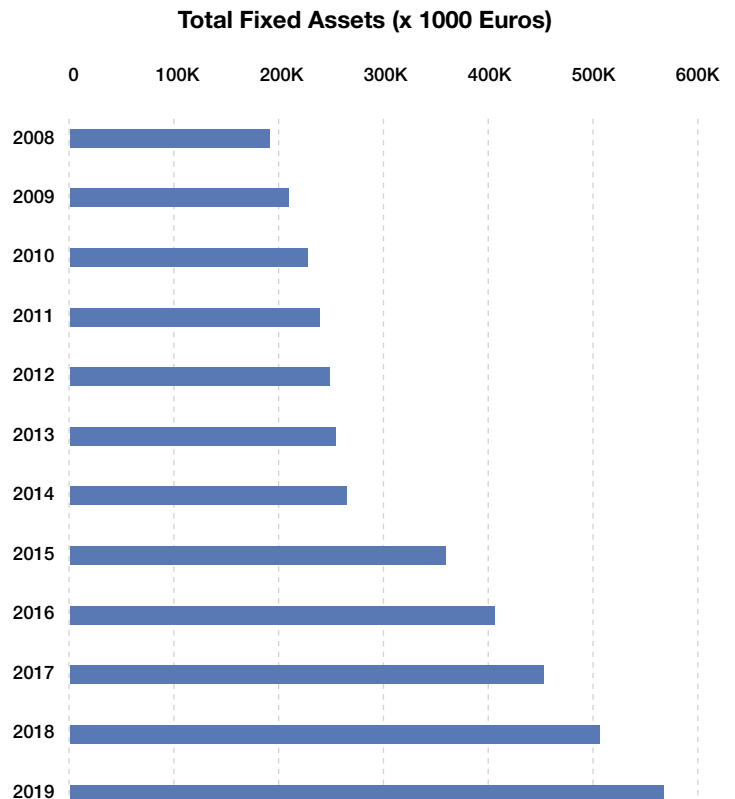
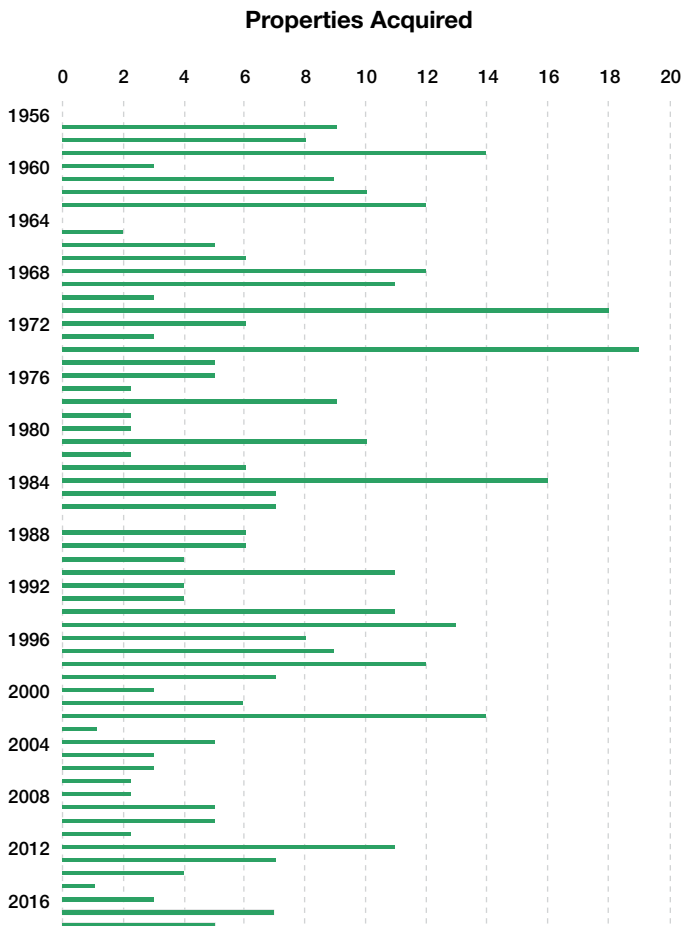
In addition to social housing subsidies, through the purchase of designated and protected historic buildings, the Stadsherstel enjoys tax credits and other subsidies. The economic balance of investments with compounded incentives ensures the long-term

financial sustainability of its equity investments. A rental equation with projections of restoration costs versus revenue with a 50-year horizon are applied to each prospect for the portfolio. Algorithms integrate market and vacancy risks into the formula.

An Evolving Model

Stadsherstel’s business structure and management of social housing continued for the first 40 years of operation. However, its organizational structure changed to include a Stadsherstel foundation (*stichting*) in 2013 by means of which 91 social housing properties were moved into a separate portfolio. Since 2013, “only 20 percent of its total possessions are in the social sector.” (Feddes, p. 47.) In 2017, the Foundation’s apartment portfolio was merged with Amsterdam’s largest housing corporation, Eigen Haard. (*Nieuwsartikel*, Nov. 1, 2017)

The segregation of social housing properties from the rest of the portfolio was implemented to alleviate perceived conflicts of interest with business from the municipality, which since 1968 has held a 13% stake in the Stadsherstel. This public investment was a contribution from fines collected on controversial demolitions of historic properties. Although the financial participation by the municipality was not a contractual public-private partnership, it implied public sector support and has over time attracted scrutiny, resulting in the distinction of the business lines. A silent partner in the early years, the public sector more recently has



been a collaborator with the Stadsherstel in relation to formal outreach to international partners in urban regeneration.

Playing the Long Game

Through the decades Stadsherstel's operations have evolved in response to changing market conditions by taking on building types other than houses, broadening its business activities and diversifying their revenue streams. Stadsherstel's original investments included multiple houses along entire city blocks, such as those along Bloemgracht, where it acquired twelve buildings by 1971. Targeting large corner properties that could act as "book-ends" and would contribute the greatest to surrounding renewal along two streets was a strategy implemented at the corner of Brouwersgracht and Prinsengracht. In the early decades, the stock of residential buildings in need of rehabilitation was abundant and implementation inexpensive, making for the rapid expansion of Stadsherstel's portfolio.

Equity investment with a long horizon guides the Stadsherstel vision of operational imperatives for future stewardship. The company is known for its innovation and high standards of architectural design, craftsmanship, and materials employed to reduce the long-term maintenance costs. The expertise from a continuity of staff and a cadre of contractors addressing the particular needs of historic properties is fundamental to its success and reputation. Integrated in its projects are apprenticeship programs to train craftsmen and tradesmen in the traditional methods and particular needs of historic properties for generations to come. Stadsherstel designs solutions for sustainability and was a founding partner of The Green Canals (De Groene Grachten) in 2012, a program that has tested the feasibility of alternative HVAC methods applied to canal houses.

Real estate speculation in the 1970's changed the market, as did the expansion of housing corporations constructing large apartment blocks. Stadsherstel's influence on these developments is impossible to quantify. In some ways it has become a victim of its own success. An inflection point occurred in 1987, when it acquired not a single property. Real estate values have

increased such that it has become difficult to acquire a property (except by donation) in the historic core, where restoration and operation can produce a sustainable return.

Financing for projects has been cultivated resourcefully through grant and loan support from organizations such as the Prins Bernhard Cultuurfonds and the Nationaal Restauratiefonds Netherlands. Development of a Friends (Vrienden) group numbering more than 2500 members, was key to augmenting budgets for costly restorations that otherwise would not be realized. Anyone may join the Friends group for a nominal donation. Opportunities to participate through volunteering, attending events like charity races, concerts, cultural programs, or joining numerous Open Monument days and heritage walking tours, are also activities that feed into the Friends' group income. Contributions by the Friends are significant additions to project budgets; for instance from membership and targeted fundraising campaigns, more than 450,000 Euros were contributed in 2019 (*Jaarverslag 2019 p37*).

An Expanded Field

The capabilities of the Stadsherstel have brought opportunities to acquire monumental properties outside of canal house tracts. After merging with a sister organization, the Amsterdam Monuments Foundation, in 1999, Stadsherstel expanded its portfolio to include landmarks and other types of buildings, including windmills, industrial landscapes and prominent churches such as the Vondelkerk. A shift in company practice toward adaptive reuse of larger properties and management of those operations for public use began with the conversion of the Amstelkerk, a 17th-century church into a commercial space with a restaurant and Stadsherstel offices.

Notable projects include De Duif, a 19th-century church adapted by the addition of radiant floor heating to an active events space. Kromhout Wharf, an 18th-century shipyard, was converted into a commercial space with a museum. Pakhuis De Zwijger, a 19th century warehouse, considered a white elephant because of a roadway bridge later built through it, was adapted to a mixed-



Early investments included Bloemgracht 36, 34 and 32 identified by the ubiquitous blue and white Stadsherstel plaques.



In recent years the Stadshertel has taken on the conservation and adaptive reuse of landmark buildings, such as the Amstelkerk, now the headquarters of Stadsherstel.



The houses at the corner of Vijzelgracht and Prinsengracht were among the early tracts restored by the Stadsherstel

use commercial and creative incubator noted internationally as an example of best practice in regeneration. For these and other projects, Stadsherstel is highly regarded for its transformations of properties with challenging prospects.

Stadsherstel's assets continue to grow through legacy gifts in the historic center and expansion beyond of the city perimeter. Over 50 projects in greater metropolitan Amsterdam have become a lab for innovation in adaptive reuse, sustainable building technologies, outreach, and social program development with partners.

- In the town of Etersheim, 30-km northeast of Amsterdam, where the adaptation of the 19th century single-classroom Dik Trom School into a museum of children's books enlisted the first crowd funding for heritage in the Netherlands. This campaign in 2011 filled a 50,000 Euro funding gap and showed the utility of incorporating crowd-sourcing into every project's standard toolbox.
- Ongoing conversion of the Fronik Boerderij farmhouse in Zaandam, a town 15 km northwest of the city, includes housing, community and work development for autistic residents.
- Sponsorship of a design competition for solar installations for the Pakhuis De Zwijger and more recently the addition of photovoltaic panels to the Rosenstock Huessy Huis rehabilitation in Haarlem, exemplify the utilization of renewables when feasible.

Stadsherstel Amsterdam has always been on the edge of innovation in its technical practices. Social, cultural and environmental elements of its restorations demonstrate the interwoven relationship of built heritage regeneration, and the strengthening of community and culture, with protection of the environment.

Responsible for the conservation of more than 700 buildings and 50 monuments, Stadsherstel Amsterdam has made significant contributions to the preservation of cultural heritage and life in Amsterdam's historic center and surrounding districts. The cumulative number of tenants who have obtained affordable housing has contributed to retention of a diverse local population. Numerous jobs created, educational opportunities, enhancement of social cohesion and increased cultural engagement have resulted from Stadsherstel's restorations and programs in renewed spaces. The magnitude of its impact is, however, unquantifiable. As a profit driven organization Stadsherstel has not devoted resources to actively monitor or measure the long-range social impacts of its portfolio.

Exporting the Model

The financial success of the Stadsherstel Amsterdam business model and mission has inspired its replication in other locales, including more than 40 cities across the Netherlands and five other countries. These initiatives replicate the methodologies of Stadsherstel Amsterdam, including the structure of shareholders from local industries, the guaranteed annual dividend and financial model for project selection. With the support of UNESCO and the World Heritage Centre in 2011, Stadsherstel convened a colloquium, Urban Heritage Inc., to share its working model, resulting in collaborations far afield in Africa, South America and



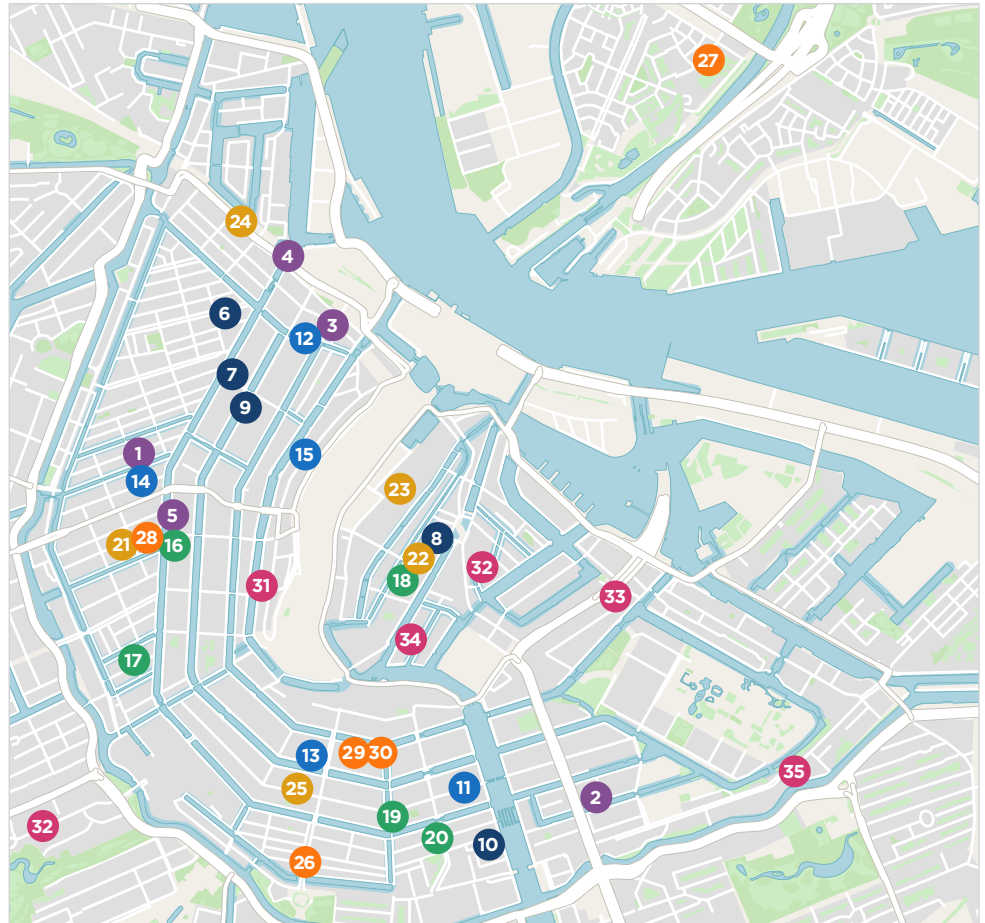
between 1963 and 2011.

Asia. Stadsherstel staff have been recruited by the development arms of the Dutch government, to share and replicate the model in Suriname; Curaçao; Zanzibar, Tanzania; Indonesia and Morocco. Outcomes include:

- replication of the business model in Curaçao in the 1990's, resulting in the N.V. Stadsherstel Willemstad, Curaçao, active in the preservation and management of properties of the World Heritage city
- collaboration with Indonesia, largely through consultation with the Indonesian Heritage Trust (BPPI) and convening of regional collaborative events
- formation of Hifadhi Zanzibar in 2012, enlisting local investors and purchasing its first building in 2015 in efforts to preserve heritage buildings in the Stone Town in collaboration with an NGO, African Architecture Matters
- consultation in Casablanca, Morocco, on restoration approaches for adaptation of sacred spaces
- formation of the Stichting Stadsherstel Paramaribo (SSP) on Oct. 25, 2011. The SSP began as a foundation and is now an N.V., founded by seven shareholders from the local business community, with contributions of €50,000 each, with De Surinaamsche Bank, the largest private bank as a shareholder. It is currently restoring its fifth property.

While the Stadsherstel organizations in the Netherlands, such as those in Utrecht, The Hague and Delft enjoy similar success to the one in Amsterdam, the international entities face challenges in adapting the operating model to different legal and political contexts. Undoubtedly, the developed ecosystem of support for cultural heritage, civic engagement, and financial innovation of the Netherlands is a key factor in the competitive advantage, longevity, and success of the Stadsherstel Amsterdam N.V. But ultimately its success would not have been possible without the participation of the private sector and the application of profit-making business practices dedicated to the common good. 🌐

Stadsherstel has restored more than 600 properties in Amsterdam. A plan showing all projects would blanket the city plan. This map depicts five projects per decade of Stadsherstel's work to give an impression of how completely their work has affected the historic city center.



Stadsherstel Properties & Year of Acquisition

1 Bloemgracht 34	1957	13 Nieuwe Spiegelstraat 22B, C, E	1974	25 Kerkstraat 196	1998
2 Amstel 95	1958	14 Bloemgracht 39	1976	26 Vijzelgracht 63	2000
3 Buiten Wieringerstraat 1	1958	15 Sint Nicolaasstraat 51-57	1978	27 Wingerdweg 28-34	2002
4 Korte Prinsengracht 5, 7, 9	1959	16 Reestraat 5	1980	28 Lauriergracht 12	2004
5 Prinsengracht 337, 339	1959	17 Passeerdersgracht 6	1982	29 Herengracht 532	2009
6 Prinsengracht 8	1961	18 Dwars Spinhuissteeg 5	1984	30 Reguliersgracht 2	2009
7 Keizersgracht 62, 64	1962	19 Amstelveld 8	1986	31 Raamsteeg 6	2010
8 Kloveniersburgwal 6, 8	1965	20 Utrechtsestraat 135	1988	32 Vondelstraat 41	2012
9 Keizersgracht 99	1966	21 Eerste Laurierdwarsstraat 50	1990	33 Rapenburg 93	2014
10 Achtergracht 36-38	1969	22 Bethaniënstraat 14	1992	34 Groenburgwal 42 (Christ Church)	2018
11 Kerkstraat 402	1970	23 Sint Annenstraat 12	1994	35 Sarphatistraat 500 (Muiderpoort)	2019
12 Herenmarkt 19	1972	24 Haarlemmer Houttuinen 47	1996		

Timeline

- 1956** ● Stadsherstel founded as the Amsterdamse Maatschappij tot Stadsherstel
- 1961** ● Chairman of the supervisory board, Six van Hillegom, dies in a car accident
- 1963** ● New chairman appointed, Goos Van 't Hull
- 1965** ● President, K.W. van Houten retired. New President, J.M. Hengeveld, appointed
- 1966** ● Total houses restored to date = 26
- 1968** ● Municipality becomes shareholder with 13% stake
- 1975** ● Nieuwmarkt riots in protest of housing demolition for metro construction affects municipal policy
- 1976** ● Total houses restored to date = 126
- 1980** ● Friends group activated to develop in philanthropy outside of Shareholders
- 1986** ● Total Houses restored to date = 202; owned = 297
- 1987** ● The only year with no acquisitions
- 1986-1990** ● Amstelkerk restored; becomes Stadsherstel head office
- 1991** ● Wim Eggenkamp becomes Director, having worked in urban renewal for municipalities of Leiden and Haarlem
- 1996** ● Total houses restored to date = 250; owned = 400
- 1999** ● Entire city of Amsterdam designated as cultural heritage. Stadsherstel merges with Amsterdam Monuments Foundation, bringing seven historic churches into portfolio
- 1999-2002** ● De Duif church restored
- 2000** ● Expansion of work to include properties outside of the Singelgracht, or city boundary perimeter
- 2007** ● Onno Meerstadt succeeds Wim Eggenkamp as director
- 2010** ● 17th-century Canal Ring inside the Singelgracht inscribed on the World Heritage list
- 2013** ● Stadsherstel is split into two entities: a Stichting, a non-profit housing authority with 91 properties, and an N.V. for the remaining ones. Also, Stadsherstel changes status from being a Designated Monument Conservation Organization (AOM) to being a Professional Organization for Conservation of Monuments (POM). This change reflects quality of work and offers advantages in applying for subsidies and fundraising.
- 2017** ● Stichting Stadsherstel Amsterdam merges with Eigen Haard, one of the largest housing corporations in Amsterdam, adding its 300 some units to EH's 55,000.

Financial Performance Summary

Information Item	Description
Transaction Summary	Company founded in 1956 with a pool of \$500,000 (Tung, p.12) local investment for restoration of decrepit historic buildings.
Investor(s)/Lender(s)	<p>Early investors included Dutch banks and insurance companies. In 2019 shareholders with more than a 5% share included: ABN Amro Bank N.V., ASR Life Insurance N.V., Cooperative Rabobank U.A., De Nederlandsche Bank N.V., National Netherlands Life Insurance Society N.V., ING Bank N.V., and Janivo Foundation.</p> <p>Since 1968, the municipality of Amsterdam has held a 13% stake. Current lending from Nationaal Restauratiefonds.</p>
Amount	Current portfolio includes 505,982,000 € in property assets; 3.5% are in restoration; the rest operating.
Instruments	Purchase of properties from public and private owners
Investment Mechanism	For profit corporation
Use of Proceeds	Over 600 buildings and 20 monuments were purchased by or donated to the Stadsherstel
Currency	Originally the Dutch guilder, since 2002, the Euro
Liquidation Terms	Majority of properties are still held by Stadsherstel
Closing Date/Time Frame	The Stadsherstel remains active
Private Investment	2018 Shareholder equity of 61,894,350 €, with each share valued at 450 €
Board of Directors	Supervisory Board (six members) with a maximum term of eight years (prior to 2017 the maximum term was nine years). “The composition of the Supervisory Board is such that the members operate independently and critically with respect to each other, the management and the organization. The members of the Board carry out their activities on behalf of the company without remuneration. None of the members of the Supervisory Board have any personal shares in the company. This also applies to the management.” (p.# 10 <i>Jaarsverlag</i> 2018).
Investor Rights	Investor rights over the life of the investment (e.g. to participate in votes in the company, right to request and obtain information)
Governing Law	Law governing the transaction
Performance	5% annual dividend to shareholders. Otherwise, per property, ROI varies.

Sustainable Development Goals

The work of Stadsherstel Amsterdam has produced positive economic, social, and environmental impacts over its more than 60 years of operation. Its initiatives have made diverse contributions to the local environment that align with the Sustainable Development Goal framework.



GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- Apprenticeship programs for construction and preservation trades have offered advanced skills and experience to hundreds of trainees.



GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:

- Stadsherstel's focus on conservation of built heritage to provide housing and commercial resources contributes to sustainable livable cities.
- Its primary focus on affordable social housing has contributed significantly to the diversity of Amsterdam's population.
- Individual projects such as the Rosenstock Huessyhuys in Haarlem have focused on adaptive re-use as a solution for greater inclusion for marginalized communities such as autistic teens and adults.



GOAL 12 Responsible consumption and production:

- All of Stadsherstel's work supports the recycling of material through its re-use of construction materials employed in restoration of building stock. This creates significant reductions in waste that enters landfills compared to the alternative of demolition.



GOAL 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development:

- Public, private and philanthropic partners have joined in financing, implementing and advocating for complementary aspects of numerous initiatives.
- Local and national government agencies have collaborated with Stadsherstel in for urban renewal with projects around the world.



De Hallen was the former tram depot of Amsterdam, restored and converted into markets, a food hall, hotel and offices.

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Conservatorio SA, Panama City, Panama



Panama City, bird's eye view of Casco Viejo

Key Features

Conservatorio, SA, based in Panama, is a real estate development company that invests in historic urban areas by purchasing and restoring historic buildings for reuse and through brownfield development with new construction. Starting with a single project, Conservatorio has built a portfolio of properties that includes hotels, commercial office buildings, residential and cultural facilities—often in mixed-use format. From its first investment in 2005, the company has grown to a scale of \$80 million in managed properties and \$900 million in pipeline transactions.

Conservatorio was certified as a B Corporation in 2016. The company's positive social impacts are built into its investments in two ways: directly, through creation of affordable housing; and indirectly, by supporting, and often creating, social and environmental benefit programs in the communities where it works. It has developed a trademarked Sustainable Urban Revitalization (SUR)[™] strategy for its property acquisition and management. This approach seeks to avoid, mitigate and offset the tendencies of cultural homogenization and gentrification that often accompany development. To have a positive influence on neighborhoods, SUR promotes affordable-housing rents and sales, increased home ownership, safety, employment, diversity, environmental stewardship and community cohesion. Initiatives created by Conservatorio include a program for gang rehabilitation, a community leader development program and a “rent to own” model, and a soon-to-be-launched publicly traded historic property fund.

Conservatorio uses a combination of industry standard metrics and its own proprietary benchmarks for social investment and environmental impact, and in its reports to investors it classifies outcomes in accordance with impact investing metrics and the UN's SDGs. Equity investors in the company's projects, who are committed to investing for impact, can expect a market-level return on investment.

Success Factors

- Investments are structured to achieve both profit and impact.
- Strategy emphasizes mixing incomes and property uses and encouraging local ownership.
- Direct funding and space for social programs helps maintain community diversity.
- Human-centered design and stakeholder engagement guide community activities.
- The strategy targets project-level returns to investors in the range of 15-20%.

IN BRIEF



Location

Historic Center of Panama City, Panama, including 50,000 m² with World Heritage designation

Project Type

Urban regeneration through mixed use of historic buildings, new construction, social programs and job creation

Project Objectives

Preservation, rehabilitation and conversion of derelict buildings for new businesses, affordable housing and job creation to strengthen the social and human, environmental, financial and cultural capital of communities

Duration

2005–present

Business Model

For-profit corporation with Benefit Corporation (B Corp) certification

Investment Model

Investors in the for-profit company and/or individual projects receive a variable return

Current Leadership

Keyes Christopher (K. C.) Hardin, founder and CEO

Website

Conservatoriososa.com



Panama City, bird's eye view of Casco Viejo

Program Development & Implementation

The Gateway Opens

Adjacent to the western entrance of the Panama Canal, Casco Viejo or Old Town, Panama City is a diverse mix of people and architecture, having witnessed Spanish, French and American occupation over time. Also known as San Felipe or Casco Antiguo, the neighborhood is modest in size, a mere 28 blocks defined by three avenues and four public squares. On an intimate scale, Casco Viejo epitomizes the challenges of modern urbanization of historic enclaves. Centuries of changing sovereignty and demographics, failing infrastructure and the growth of poverty during the 20th century the neighborhood was subject in the 1980s to disinvestment, squatters, gangs and crime.

The end of military rule in 1989 and the area's inscription on the World Heritage list in 1997 produced a change in perception. A floodgate of investment opened in Panama City after the 1999 handover of the Panama Canal and skyscrapers began to sprout up throughout modern areas of the city. Likewise, the unrealized potential of Casco Viejo, with its French colonial architecture, walkability, and diverse culture, began to attract interest as the

real estate market heated up. However, as one of the city's lowest income and densest urban populations, Casco Viejo was not quite yet ready for tourism.

Local Connections

Conservatorio S.A. was founded in this environment by two lawyers, one American and the other Panamanian. Their first investment was an abandoned neo-classical building that had previously housed the National Conservatory of Music. The project would become Conservatorio's proof of concept and inspire its name. Their vision to create a live-work space for artists did not initially attract the artists or attention promised—instead it attracted attention from local street gangs who probed the new construction activity for opportunities. Gang activity was so prevalent in the area at the time that the Conservatorio Building, as it came to be known, and an early hotel investment, the three room, Canal House, were repeatedly grazed by stray bullets. Though the Conservatorio Building later became the home of a music foundation created by Grammy-winning Jazz musician Danilo Perez, and the Canal House went on to house actor Daniel

Craig during the filming of a James Bond movie, they were created by the company at a time when the neighborhood was still widely perceived as too dangerous for commercial activity.

As a response to this inhibiting factor, the company in its early years blurred the line between being a business and an NGO. Living in the neighborhood afforded the founders a first-hand understanding of community needs. Hardin co-founded Esperanza San Felipe, a gang reintegration program that would offer gang members a path to employment, including the chance to join his construction crews and building staffs. The success of this effort gained attention from MIT's Real Estate Innovation Lab and was recognized in 2016 by the Aspen Institute's McNulty Prize. Both social engagement and human-centered design are indicative of the approach to development that supports Conservatorio's success. Hardin notes that "the maintenance of human architecture" was integral to the building renovations and neighborhood regeneration.

Preserving Diversity in the Urban Ecosystem

Conservatorio's core activities are renovation of historic properties and construction of new buildings as mixed-income, mixed-use complementary ensembles. Conservatorio's mission as a B Corp is not limited to the renewal of built heritage, but includes the entire urban ecosystem of buildings and people. Conservatorio takes a holistic, long-term view that connects improvements in quality of life for the community to value creation for shareholders.

Conservatorio's overarching philosophy is based on balanced capital growth, approaching built heritage, social, human, finan-

cial, environmental and cultural capital as valid and critical forms of community wealth. The philosophy, which the company refers to as "Sustainable Urban Revitalization" (SUR) is visible in company's broad product mix and approach to selecting tenants and encouraging home ownership. Conservatorio sells residential units, encouraging local ownership, and rents commercial units, favoring independent tenants over retail chains. Conservatorio's property portfolio mixes high-end and affordable units in housing, office, hotel and retail, alongside community resources such as galleries, theaters, and startup incubators.

SUR is a strategy for mitigating negative externalities of renewal, while advancing positive social outcomes. The approach strives to guard against the tendencies of cultural homogenization and gentrification that often accompany development. To have a positive influence on neighborhoods, SUR promotes equity in the form of affordable housing rents and sales, increased home ownership, safety, employment, diversity and community cohesion.

Promoting equity through home ownership is a particularly critical and difficult challenge. To further this goal, Conservatorio builds one affordable housing unit for each high-end market unit, a variation of a common B Corp model, Buy One-Give One. Affordable and market rate apartments are built to the same quality standards, but may differ in amenities such as parking, number of bedrooms, and location within a complex. Thus far Conservatorio has invested in almost 150 affordable units. One example is Casa Balcones in the Santa Ana district of Panama City, with 39 residences of which 31 are affordable with an average price of \$120,000. An earlier building, Flor de Lirio, offers



Panama City, American Trade Hotel and Plaza Tomás Herrera

apartments at \$39,000, which is considered within reach of 85% of the Panamanian population. But according to Conservatorio, transitioning neighborhood residents from informal housing to home ownership is a persistent challenge. While the Conservatorio has been successful in creating affordable housing in relatively high quantities, the company's goal of graduating neighborhood residents from informal housing to home ownership continues to be a persistent challenge. Even though government subsidy programs make a \$120,000 two-bedroom apartment affordable to a couple earning just over minimum-wage, they are still out of reach for many informally employed Casco Viejo locals. To better address this population's needs, the company is developing a rent-to-own program with a local bank.

Gaining Momentum

Conservatorio's portfolio grew with additional hotel offerings, including the mid-range six-room Las Clementinas that incorporated salvaged wood from the US Army barracks and desks from the British Embassy. The original Conservatory building has been converted to a new music conservatory where local music students train before graduating to play at the jazz club that entertains visitors at Conservatorio's high-design boutique hotel next door. The American Trade Hotel, originally managed in collaboration with Atelier Ace, was unveiled to critical acclaim in 2013. In San Felipe, the high end and mid-range hotels were complemented by retail (La Avenida and Flor de Lirio) and housing.

Conservatorio's investments, initially centered within Casco Viejo and San Felipe, have expanded into the adjacent district of Santa Ana. Co-founder Hardin notes that this area "had good bones" in its built heritage, pre-automobile walkability and diverse communities. Over time success and iteration of practice have enabled Conservatorio to scale up from single building, \$2-5M projects

to ensembles such as La Quince, approaching the \$35M scale, with projects as large as \$150M being planned. La Quince, an enclave of six buildings in Santa Ana, is currently under construction. When completed La Quince will offer 89 affordable apartments, 56 market-rate and 52 commercial units in addition to art and event spaces and parking, all within Casco Viejo.

Community Co-Creation

Conservatorio devotes 1% in every project budget to social impact initiatives that have been identified and articulated through stakeholder engagement in participatory workshops with local communities using a methodology called "LiderazCo" that the company developed with MIT's Community Innovator's Lab. In collaboration with residents, Conservatorio has:

- Researched and implemented a multi-sectoral social intervention program called Santa Ana Lidera which, with a grant from USAID, attracted five NGOs to address specific critical social needs identified by the Santa Ana community
- Executed tactical urbanism interventions, such as a healthy bus stop (La Parada Sana) and community gardens.
- Rehabilitated a community meeting space in the Hotel Santa Ana that anchors multiple programs
- Founded Esperanza San Felipe gang reintegration program that offers, in exchange for a commitment to reject violent activity, a 12-week intensive job training with placement and seed-funding opportunities for startups
- Designed La Manzana Urban Innovation Center, a 6000 square meter hub for NGOs, academic institutions and social entrepreneurs that is scheduled to open in 2021



Panama City, ongoing building restorations in Casco Viejo

Measuring the Impacts

Conservatorio evaluates and reports its social impact using both B Corp and IRIS metrics, in addition to other non-financial indicators. It defines the impact of its work through a variety of quantifiable factors, from affordable housing to market level ratio, reduced distance of commutes, and the amount of outside investment attracted to social programs. When baseline values for poverty indicators were not available for comparison, Conservatorio sponsored “Panama’s first adaptation of the UNDP Global Multi-Dimensional Poverty index to a community level” so it could follow long-term impact of its development in the Santa Ana neighborhood (per the Responsible Business Forum, Saïd Business School) see Sources & Documents).

Conservatorio reports to investors on the quantitative and qualitative contributions it makes to its ecosystems, applying the framework of the United Nations Sustainable Development Goals (SDGs) to categorize results. It tags specific SDGs to the five categories of capital that Conservatorio strives to develop. While use of the SDGs pervades sustainability and investment vehicle reporting in the business world, Conservatorio is a rare example within the heritage development field to directly reference its contribution to the SDGs.

Riding the Wave

Conservatorio’s approach holds promise for replication in other locales. While the majority of its work has focused on Panama City, more recently Conservatorio has entered ventures in Honduras and Guatemala. Casa Quinchon, a joint venture in Tegucigalpa, Honduras developed a 7000 m² mixed-use industrial co-work space and incubator, has shown the value of Conservatorio’s SUR model and its commitment to human-centered design of real estate products and services.

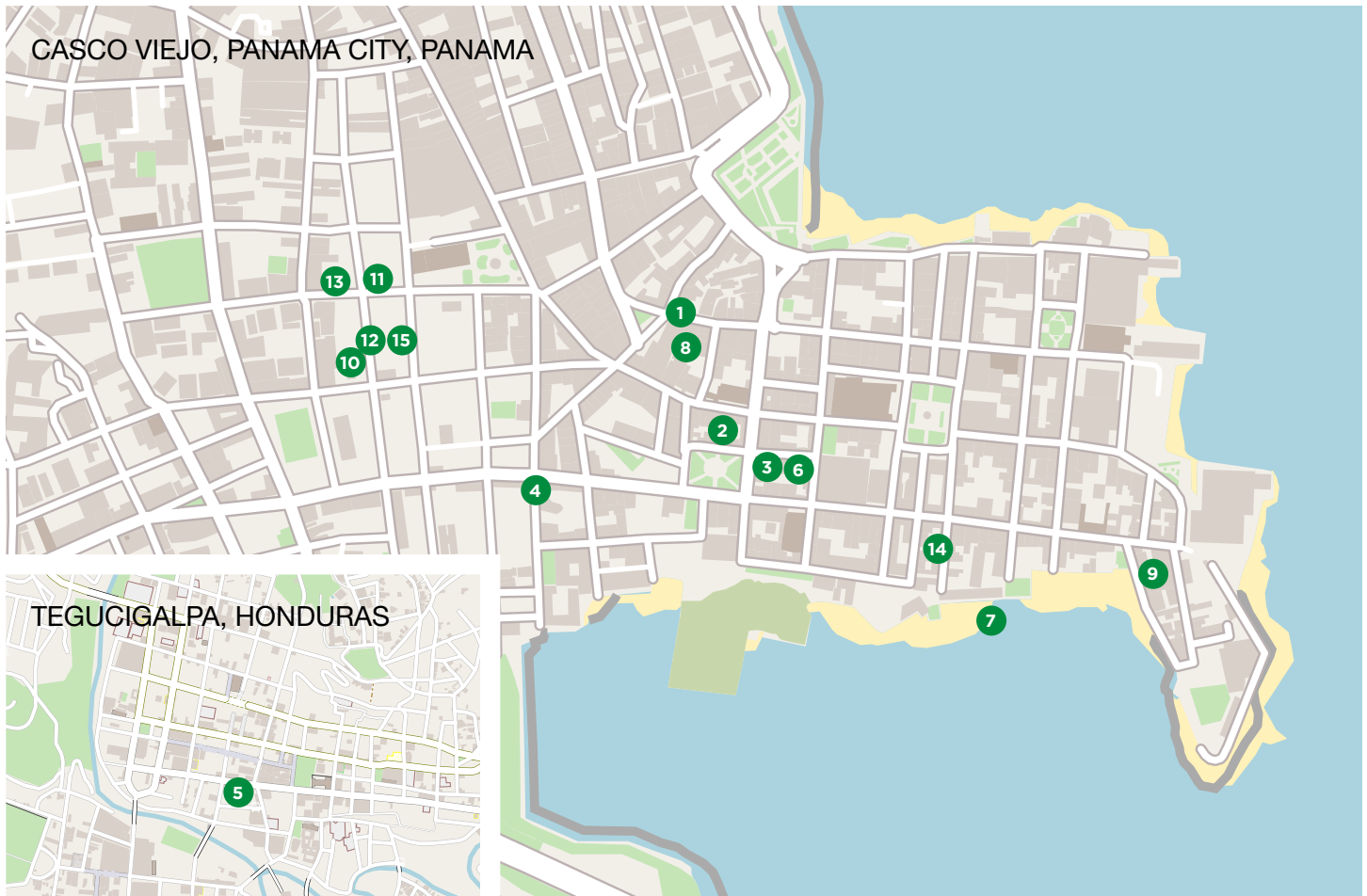
Through the COVID-19 pandemic of 2020-21 Conservatorio continues to contribute to the urban ecosystem that it has co-created, enlisting its LiderazCo network for community surveys and food and service delivery. Trust, creativity and collaboration have characterized its negotiations with tenants for leases and payment terms. As life, commerce and tourism rebalance over time, Conservatorio’s SUR model will be put to the test to demonstrate its ability to bring resilience to the business and its stakeholders. 🌱



Temporary public realm improvements



Panama City, Flor de Lirio after restoration



Propierty Name	Status
1 Las Clementinas	Completed 2010
2 American Trade Hotel	Completed 2013
3 El Colegio	Completed 2014
4 Flor de Lirio	Completed 2015
5 Casa Quinchon, Honduras	Completed 2018
6 El Colegio II	Completed 2018
7 Dos Casas	Completed 2016
8 Benedetti Hermanos	Completed 2018

Propierty Name	Status
9 Casa Vidal	Completed 2018
10 Casa Korsi	In Development
11 Casa Quijano	In Development
12 Casa Balcones	In Development
13 La Manzana	In Development
14 Santa Familia	In Development
15 Casa Patterson	Sold

Timeline

- 1914 ● Panama Canal completed by the U.S.
- 1983-1989 ● Manuel Noriega's authoritarian rule in Panama
- 1997 ● Casco Viejo inscription in World Heritage List
- 1999 ● Panama Canal handed over from U.S. to Panama – 31 December
- 2005 ● Conservatorio SA founded
- 2007 ● Canal House opened; American Trade Hotel building purchased
- 2010 ● Las Clementinas, 6 room hotel renovation completed
- 2013 ● American Trade Hotel opens
- 2013 ● Esperanza San Felipe co-founded with Matt Landau
- 2014 ● Controversial Cinta Costera Phase III causeway completed around Casco Viejo, of which Conservatorio was vocal in opposition
- 2014 ● El Colegio office building completed
- 2015 ● Flor de Lirio affordable housing renovation completed
- 2016 ● Esperanza awarded Aspen Institute McNulty Prize
 Company certified as a Benefit Corporation (B Corp)
 Dos Casas, mixed use commercial building completed



Panama City, street in Casco Viejo

Financial Performance Summary

Information Item	Description
Transaction Summary	In a typical transaction, Conservatorio will purchase a building or assemble land, then plan, permit and prepare the project for apartment pre-sales. At that point, Conservatorio invites investors in as limited partners (LPs) with Conservatorio taking the role of the general partner (GP) in charge of executing the project.
Investors	A typical project will take from three to five years and will have from five to fifteen LPs, each of whom invest \$250,000 or more.
Amount	In recent years, projects have ranged from \$35M to \$50M, typically with 30-40% equity.
Instruments	Combination of common equity, preferred equity (mezzanine) and bank debt.
Investment Mechanism	Investments can be structured through local vehicles (sociedad anonimas) though when dealing with sophisticated international investors, an LLC or Limited Partnership with English language documents familiar to the investors and domiciled in a country with trusted courts is preferred.
Currency	Investors prefer US dollar denominated investments where possible.
Fees and Expenses	Typical profit splits on residential development projects provide equity investors with an 8-10% preferred return prior to Conservatorio receiving a share of the profits. Conservatorio's share of the profits can start at 20% and reach 50%, once return thresholds are satisfied. Conservatorio receives a development fee to cover its overhead during the development process.
Governance	As General Partner Conservatorio maintains broad control rights over projects, with Limited Partners having rights over decisions that affect the fundamental character of the investment. Conservatorio itself is governed by a seven member board of directors that includes investor-appointed directors and independent directors.
Governing Law	When international structures are used the law of the jurisdiction where the investment vehicle is based. Typically Delaware or New York.
Performance	Equity returns target 15%-20% IRRs. Preferred (mezzanine) returns are typically in the range of 8-12%

Sustainable Development Goals



GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- Over a hundred community leaders have been trained through LiderazCo, Conservatorio's training program.
- Development projects incorporate cultural activities open to community participation including theater, music and fine arts.



GOAL 5 Achieve gender equality and empower all women and girls:

- Financial support of the work of Futbol Con Corazon, and Voces Vitales, nonprofit organizations that work with the women of the community in life skills and employment training



GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

- Investments in distressed communities through housing creation and access to financing for private ownership
- Employment opportunities for local communities directly in construction projects and indirectly through the businesses that occupy Conservatorio properties
- Support of community job-training initiatives and grants program in the area



GOAL 10 Reduce inequality within and among countries:

- Conservatorio encourages first-time home buyers through affordable housing creation and facilitating access to financing.
- One affordable housing unit built per high-end unit helps to retain diversity and inclusion of residents of different socioeconomic backgrounds.



GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:

- Develops mixed-use and income-generating spaces
- Invests in Esperanza San Felipe, a gang reintegration program that has increased safety for all residents in and visitors to the neighborhoods
- Invests in renewal of historic building fabric



GOAL 13 Take urgent action to combat climate change and its impacts:

- Projects near transportation hubs have reduced commute time and contributed to a lower carbon footprint for residents
- Conserving historic building fabric offers a lower carbon footprint than the alternative of demolition and new construction
- New construction is guided by EDGE certification requirements



GOAL 16 Promote peaceful and inclusive societies:

- LiderazCo program develops community leaders and facilitates multi-sectoral engagement processes
- Creation of Fundación Esperanza San Felipe and continued participation by residents in its programs have contributed to a significant reduction of crime and increase in neighborhood safety
- Financial support of Fútbol con Corazón, a social enterprise focused on providing life education programs through soccer, keeping children in school and reducing gang membership in the area



GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development:

- Conservatorio partners with numerous public and private institutions for its social impact projects.

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Doh Eain, Yangon, Myanmar



Key Features

Doh Eain Limited, founded in 2017, is a young organization active in the historic city center of Yangon, Myanmar. Doh Eain—which means “our home”—describes itself as a “restoration and placemaking social enterprise,” offering research and design, restoration project and property management, public space development, community engagement and education. Doh Eain has created a model that uses mainly non-local equity and loan financing to support socially and environmentally beneficial urban projects. Unlike other investment companies working with heritage properties, Doh Eain does not take ownership of the properties it restores. It subsidizes and delivers turnkey restoration and management services in return for a portion of the rental income over a fixed period of time. Once costs are recovered, the properties are returned to the owners, who may elect to continue Doh Eain’s management services.

Most of Doh Eain’s projects to date have been the conservation and restoration of single residential buildings and apartments. Doh Eain has used these essential units of the urban fabric to test approaches to cost-effective and sustainable design. Doh Eain has also identified the importance of rehabilitating public spaces. While these adjunct projects have not been easy to accommodate within Doh Eain’s financial model, they play a significant role in building trust for the organization and setting up a more holistic approach to urban regeneration. This has taken a wide range, from various forms of education to participatory design.

Doh Eain’s user-centric model is a model worth watching. It could potentially have broad application across the world where countries are emerging from isolation or catastrophic events, and do not have a strong system of urban planning and management that involves citizens in decision making. As Myanmar enters another turbulent phase with the military coup of February 2021, Doh Eain will face challenges as it seeks to grow in Yangon. The company has gained international recognition. Attracting investment to scale up, or expanding its model to other rapidly developing cities, will be key to demonstrating the strength of the business model.

Success Factors

- Creating a marketplace for the renovation of dilapidated buildings that generates business and investment opportunities
- Wealth creation for owners who benefit from short-term rentals and recover use of their properties after capital investments are repaid
- Renovation of public spaces, promoting social cohesion and the growth of local property values
- A replicable model that could be applied beyond the incubator of Yangon

IN BRIEF

Location

Yangon, Myanmar

Project Type

Participatory design practice rehabilitating heritage buildings for owners and for public benefit.

Project Objectives

Preservation of heritage buildings, renewal of urban landscapes through regeneration of public spaces, place-making

Duration

2017- present

Sponsoring Entity

Doh Eain Limited

Business Model

Doh Eain works with property owners by providing the funding as well as design, management and restoration services, which are repaid through rent collection and property management fees

Investment Model

International backers provide loans serviced by annual dividends and repaid when projects are completed

Current Leadership

Emilie Röell, Founder and Director

Website

DohEain.com



Program Development & Implementation

Emerging Metropolis

Yangon, formerly the capital of Myanmar (previously Burma), remains the country's economic engine and center of cultural heritage. With 5.3 million inhabitants, it is home to ten percent of the national population. Beside the Yangon River, the city port location on the route between China and India has rendered it an important transitory point and export market over centuries.

A long history of Buddhist religion and British colonial rule are evident in Yangon's built heritage, which is characterized by pagodas and Victorian style architecture. Yangon has one of the highest concentrations of intact heritage properties in Asia, primarily from the 19th and early 20th century. The Central Business District (CBD) is Yangon's downtown commercial center and has the highest portion of cultural heritage icons, including the Botataung Pagoda, Sule Pagoda, the Secretariat Building and High Court.

Yangon has been a magnet not only of foreign interests, but also of rural migrants who have increased the population of the city and pressure on the urban fabric. Tensions in Myanmar between urban and rural parallels that of the dichotomies of agriculture and industry, religious vs. secular, nationalist vs. communist, and civilian vs. military interests that have manifested themselves over the country's conflicted 20th and 21st-century history. Martial law was imposed in 1988, shaping the city of Yangon, not only

by local policies that evicted residents to the outskirts and limited transit routes, but through effectively shutting down foreign investment due to American and European embargoes. With the first multi-party election in 2010 and easing of restrictions, a transition to a capitalist economy, and the flow of international investment and cooperation began.

Recognizing a Need

Military rule in Myanmar had resulted in a disjointed urban policy that led to more than a third of the heritage buildings of Yangon being demolished between 1990 and 2011. With the economic opening of Yangon and the entrance of international NGOs, businesses and investors, new attention to the city's assets has accelerated their development. Establishment of offices for business interests has broadened an expat community and opportunities for local citizens. With the election of Aung San Suu Kyi in 2012, over a billion dollars of investment by Japan and significant development aid from the European Commission, Yangon's urbanization has accelerated. In 2013 Yangon office space was found to be some of the most expensive in the world.

Within this context, Emilie Röell, a Dutch national working with an international NGO, founded Doh Eain, launching a service she had been developing informally while helping friends in Yangon. Resident in Yangon since 2013, Röell recognized that the unrealized potential of the building fabric of the CBD existed alongside

the need for attractive and affordable housing options. Röell has noted that “Homeowners are sitting on a treasure,” but lack the resources and knowledge of how to take advantage of them. Often owners are challenged to qualify for construction loans and uncertain how to navigate the bureaucracy. Understanding that access to capital and the process of restoration and rental were significant limiting factors, Röell applied her entrepreneurial approach and network to the challenge. After assisting one Yangonite friend with a renovation, word of mouth brought more demand and opportunities for intervention, which led to the establishment of Doh Eain which means “our home” in the local Burmese language.

Since 2017 Doh Eain has offered the opportunity for preservation of Yangon’s built heritage by providing capital and assistance for restoration of private owners’ properties. By offering the funding and sweat equity up front, in return for the repayment over time, Doh Eain enables owners to position their properties as revenue-generating assets. The historic buildings become places of pride that embody and anchor families and their cultural heritage in neighborhoods.

Empowering People

Thus far, Doh Eain has managed 25 restorations for private owners, all of which are residential properties with subsequent rental values increased by a factor of 3.5. Ongoing restoration projects include two more residential units, and planning for three larger multi-unit and individual building projects. Doh Eain is in discussion with government entities regarding future projects involving public buildings (many derelict since abandonment when the capital of Myanmar was moved out of Yangon) that could have mixed-use commercial leases as well as residential spaces.

Doh Eain offers turnkey service, shepherds property owners through the planning process, and supports all phases of the restorations from architectural design through construction to occupancy. Contracts, implementation and expenses are paid and managed by Doh Eain, in return for repayment of the loan

through rents. Although terms vary, in general Doh Eain is allocated over 50% of the monthly rent, with the remainder received by the owner. Repayment may be projected over a course of 5 to 10 years. Thus far, Doh Eain has had no defaults on contracts that, if fulfilled, will offer individual unit IRR’s of 15 to 25%.

Community Place-Making

To increase and share with the community the value of their built heritage, and to boost the value of the restored properties, Doh Eain has contributed to neighborhood initiatives. To alleviate congestion and a lack of shared space for which Yangon is notorious, Doh Eain engages with communities to improve public spaces and cultivate events that bring a diversity of citizens together in common purpose. Place-making efforts have included reclaiming and transforming unsightly alleys piled with trash between buildings into active garden spaces. So far, Doh Eain has led six highly successful alleyway renovations and filled them with the activity of public events. Ongoing place-making projects include street upgrades, playground design and renovations, and targeted events for girls.

Doh Eain’s reach into the community includes leading a crew of neighborhood tour guides and providing educational and training programs on restoration practices. While place-making and education have contributed to Doh Eain’s success in building social cohesion, community trust and recognition, these non-revenue generating efforts have been a drain on finances. Strategizing how best to include and fund these projects will be key to Doh Eain’s future.

Growing Social Impact

As Doh Eain grows it continues to evolve its practice and methodologies. Looking beyond single residential buildings, a team from Doh Eain has mapped the city’s heritage properties for future projects and financial modeling, considering best economic and community impact opportunities through suites of adjacent buildings and amenities. Measurement of its results and impact have been conducted and include the total units and spaces



Alleyway before and after community cleanup and improvement



restored, both residential and public, revenue generated for owners, and number and demographics of citizens participating in programs and reached through social and print media exposure.

Environmental sustainability of Doh Eain's work has also been integral to its operations. Doh Eain has conducted pilot testing on the energy efficiency of restoration versus demolition and new construction as supporting evidence of the positive environmental impacts of their work. Frameworks for monitoring and evaluation of all social and environmental impacts of their work have been important from Doh Eain's foundation and continue to be developed.

Broadening Scope

Doh Eain Ltd. was founded as a social enterprise under the umbrella of Doh Eain Holding in Singapore. It has thus far been supported by angel investors from around the world, including ones from Asia and the Netherlands. Shareholders are promised over time a 5% return on their investment annually. Now at a critical point in start-up growth, Doh Eain is working to pivot from operating at a loss to becoming profitable, demonstrating that the value it creates can be both impactful for stakeholders and financially sustainable for shareholders. To this end, Doh Eain has designed a deliberate framework for its revenue streams whereby Special Purpose Vehicles will be created for individual projects to ring-fence the risk of each. This approach will separate the restoration work from the community development work to better package projects for targeted investment. This may lead to peer-to-peer financing, in addition to institutional financing. The next phase of development includes creating such a peer-to-peer online platform to crowd-source funding for future projects and to become a hub for the local real estate community. Offering property management services for owners and entities that may not need Doh Eain's renovation services will provide additional opportunity for revenue, capitalizing on a matured property management capacity.

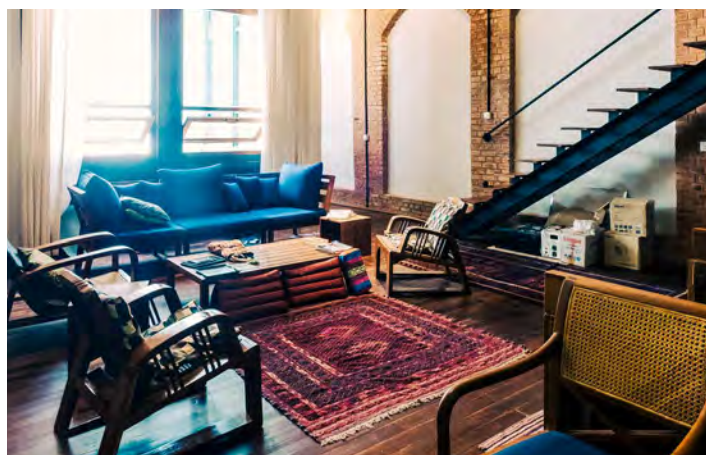
During the COVID pandemic, Doh Eain has proven resilient and creative in expanding its work. In the last year, Doh Eain has established the Yangon Neighborhood Network, consolidating its contacts and reaching into neighborhoods through community engagement. Doh Eain launched a successful campaign, "I Do Nation", to showcase the contributions of, and to promote support for Yangon's informal street vendor economy devastated by the pandemic lockdown. In partnership with the Dutch government, Doh Eain has initiated "Let's Ride" to promote cycling in Yangon and to advocate for the creation of bike lanes.

Doh Eain's community-centric approach and success delivering completed projects have attracted exposure and accolades in local and international publications, as well as a robust following on social media. How Doh Eain continues to scale up and refine its operations will be key to demonstrating the strength of its business model. Distributing the wealth of the ongoing renovation to Yangonite owners and supporting communities through public space initiatives will continue to amplify the benefits of democratization of Yangon. As the number and size of Doh Eain's projects increase, the impact of its work on neighborhoods, the city and the individual property owners and its own financial viability will provide an example for others to follow.

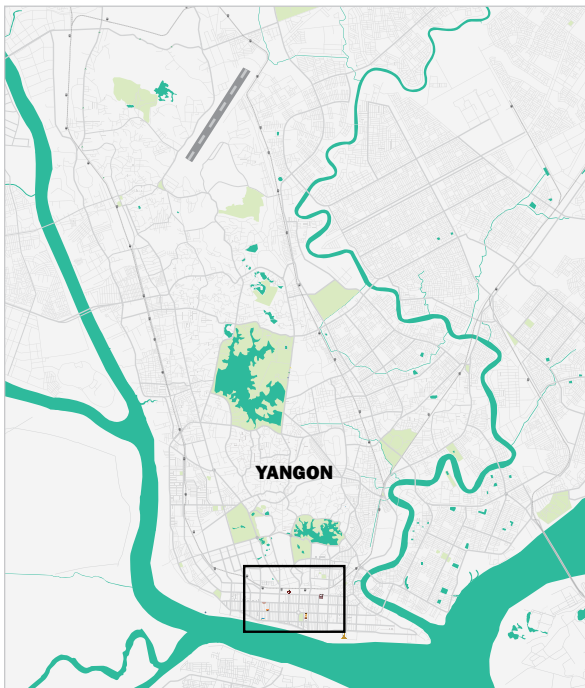
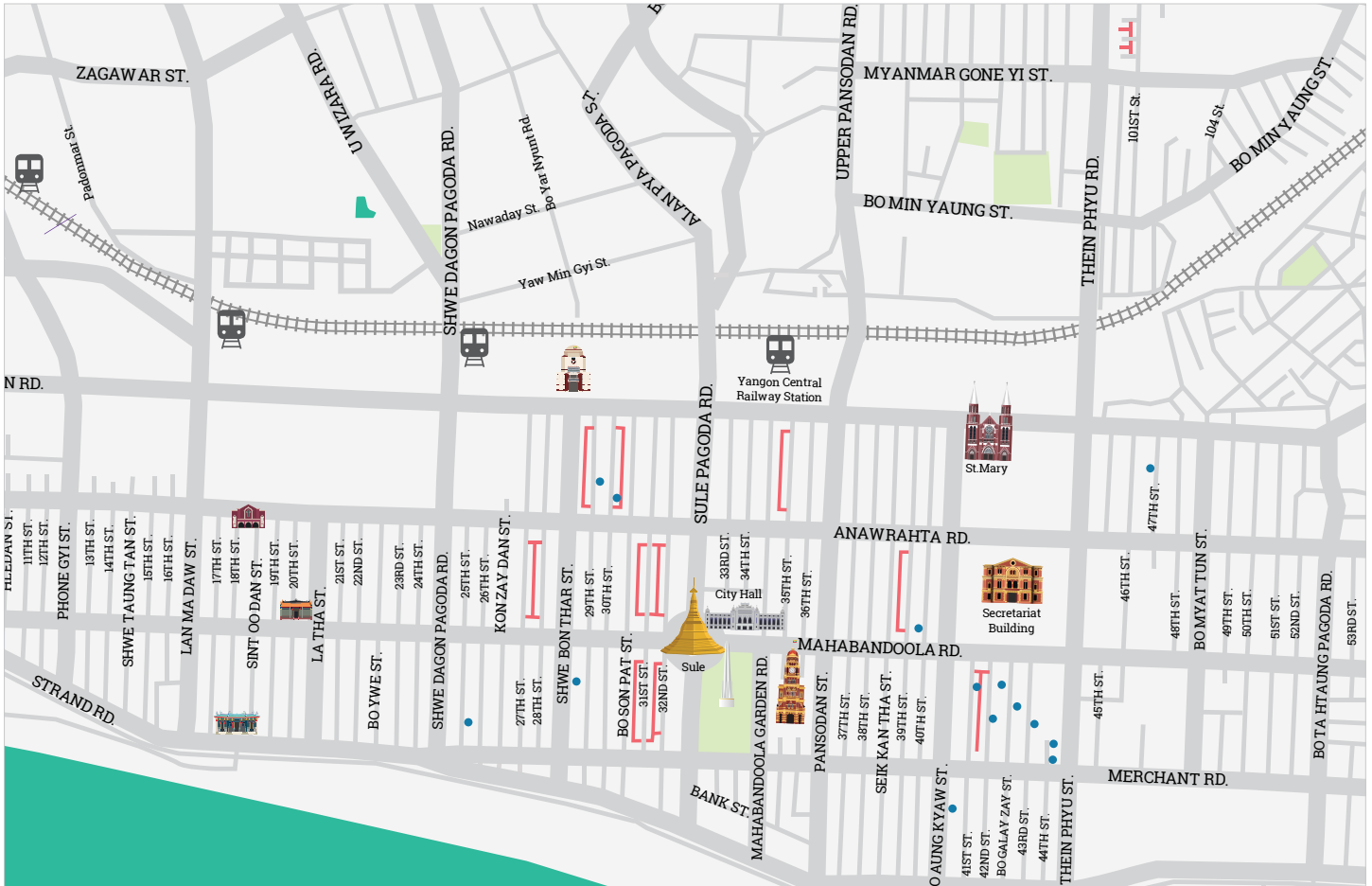
It is too soon to know how the coup of 2 February 2021 and the re-imposition of martial law in Myanmar will affect Doh Eain's ability to continue its engagement with citizens across the city seeking capital for the renovation of their homes. Doh Eain is confident of its existing contracts, and continues to develop social programs to integrate the city's vulnerable populations, especially street vendors who are the most recent arrivals into the urban job market, into the economy. Until political and market conditions stabilize, this may be a time for internal strengthening as well as promotion of its interesting model around the world. 🌐








Example of heritage house interior before and after restoration



Map of Yangon showing locations and types of projects and initiatives by Doh Eain



LEGEND

-  Road
-  Circular Rail
-  River/Lake
-  Doh Eain's Restoration Project
-  Doh Eains Alley Garden/Public Space Project

Restoration Sites

- 145, Bogalay Zay St.
- 139, Shwe Bon Thar Rd.
- 106, 42nd St.
- 46, 25th St.
- 167, 47th St.
- 74, 44th St.
- 173, 40th St.
- 144, Bogalay Zay St.
- 144, Bogalay Zay St.
- 115, 43rd St.
- 82, Bo Aung Kyaw St.
- 82, Bo Aung Kyaw St.
- Roselea Apartment
- 436, Merchant Rd.
- 30 Street Apartment

Alley Garden/ Public Space Projects

- 39th-Seikkantha St. MB
- 31st-32nd St. MB
- 29th-ShweBonThar UB
- 41st-42nd St. MB
- 35th-Bar St. MB
- 27th-285h St. MB
- Bossonpat-30th St. UB
- 101st-Thein Phyu UB
- 31st-Bosoonpat LB
- 31st-32nd St. LB
- Yankin
- Hlaing Thar Yar

Financial Performance Summary

Information Item	Description
Investor(s)/Lender(s)	A group of 23 international investors, including individuals and institutions. Shareholders have invested in Doh Eain: \$530,000 USD equity, \$500,000 loans @ 5% for 3.5 years
Amount	So far, of USD \$605,000 invested by Doh Eain in projects; \$200,000 has been repaid.
Investment Mechanism	Doh Eain manages and performs restoration work on properties, including design, research and coordination of contractors. The value of this work and its related costs, are recovered through contracted property management and collection of rents.
Currency	USD
Board of Directors	Board of Advisors includes five members, of which three are shareholders.
Performance	Doh Eain provides lenders with 5% return per annum. Their completed projects have provided an Average Gross Annual Yield of 8%.



Example of unrestored Yangon heritage building



Community playground

Timeline

- 1886**
Jan 1

● British rule begins after three Anglo-Burmese wars
- 1948**
Jan 4

● Independence from British rule
- 1988**
Sep 18

● Martial law imposed. Burma's name changed to Myanmar
- 1989**

● Aung San Suu Kyi begins 21 years of intermittent house arrest and imprisonment. Rangoon officially has name changed to Yangon
- 2005**

● Capital of Myanmar moved from Yangon to Naypyidaw
- 2010**

● Aung San Suu Kyi released from house arrest
- 2012**

● Aung San Suu Kyi elected as State Counsellor on behalf of the National League for Democracy
- 2012**

● Yangon Heritage Trust founded by U Thant Myint-U
- 2014**

● Yangon entered the World Monuments Watch list
- 2015**

● World Monuments Fund conference held in Yangon in collaboration with Yangon Heritage Trust
- 2015**

● Emilie Röell and colleagues complete first renovation project
- 2017**

● Incorporation of Doh Eain. First public alleyway project completed
- 2018**

● Launch of community engagement and public space design services
- 2019**

● Playground 'safe-space' design completed with engagement of female youth in design. Launch of capacity building activities
- 2020**

● Total projects completed since foundation: 25 property renovations; 16 public space initiatives. Participation in large donor projects as advisors and implementers. In response to COVID-19, launch of the Yangon Neighborhood Network and I Do Nation cash transfer initiative in support of the urban poor
- 2021**

● Martial Law reimposed, Aung San Suu Kyi detained

Sustainable Development Goals



Community visioning workshop facilitated by Doh Eain



GOAL 1 End poverty in all its forms everywhere:

- Through its Heritage Home property management, Doh Eain encourages wealth creation for local property owners. It generates US\$ 244,840 per annum in revenue for the owners in Yangon.



GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:

- Doh Eain has trained over 250 students and young professionals, as well as members of local Community Based Organizations in research and participatory urban design methodologies.



GOAL 5 Achieve gender equality and empower all women and girls:

- Doh Eain encourages women to participate in neighborhood committees and has boosted their participation by 14% since 2018.



GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

- Doh Eain has provided training for 70 employees and interns.
- By supporting investment in housing via access to financing for private owners, Doh Eain has boosted the local economy.



GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable:

- Doh Eain has restored 25 heritage properties for housing in the downtown district where demand is high.
- Nearly 65,000 Yangonites live within 500 meters of Doh Eain's renovated public spaces.



GOAL 13 Climate action:

- Conserving historic building fabric offers a lower carbon footprint than the alternative of demolition and new building.
- Doh Eain runs pilot studies to demonstrate the environmental benefits of their renovation options.



GOAL 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development:

- Doh Eain has founded and partnered with numerous NGOs on initiatives that address various issues including mobility, health, the informal economy and sanitation.

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Restored and improved alleyway scenes

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