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## No escape? The coordination problem in heritage preservation

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**Abstract:** Conservation Areas (CAs) are among the most restrictive English planning policies. Designation implies a significant limitation of owners' control over the shape and appearance of their properties. The policy, however, can also be argued to solve a sort of 'prisoner's dilemma', in which it might be collectively rational to preserve the character of an area, but an individual homeowner may be tempted to inappropriately alter their property, thus free-riding on nearby properties' character. The net benefit of the policy depends largely on the existence of positive 'heritage effects' and acknowledgement from homeowners that policy contributes to neighbourhood stability and the preservation of these positive effects. Our results of a mixed-method analysis of close to 1 million property transactions near to about 8000 CAs and 111 interviews with residents in nine representative CAs in Greater London suggest that positive heritage externalities exist and that residents in CAs tend to value their local environments, acknowledge the need for planning control, and execute their right to object to neighbour's planning request.

**Keywords:** designation, social relation of value, heritage, property value, prisoner's dilemma

### 1 Introduction

"The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system."

DCLG (2012, page 6)

Planning in England has experienced a thirty-year history of neoliberalisation, which has sometimes obviously and other times subtly moved it away from its postwar Keynesian roots towards a form more at home with the imperative of growth (Allmendinger, 2011; Haughton et al, 2013; Lord and Tewdwr-Jones, 2012; Thornley, 1993). This has led some authors to claim that we are stuck in a growth-dependent paradigm for planning (Rydin, 2013). Given the above quote from the Department of Communities and Local Government and recent pronouncements from the Treasury in *The Plan for Growth* (HM Treasury, 2011), which seeks to further curtail planning power, the trajectory of planning in England seems fixed and our options appear limited. However, in this paper we argue that there are more complex ways in which markets and regulation interact and that understanding how value emerges in and through socioeconomic relations can provide key insights into the practice of value and the value of regulation.

Regulation and the market are frequently set up as antagonistic and mutually exclusive entities where any increase in performance of one necessarily implies an underperformance in the other through a sort of Polanyian double movement of market liberalism on the one hand and social reform on the other (Brenner et al, 2010; Hayek, 1960; Peck et al, 2009).

Here activities like town planning with its focus on the control of land markets and its attempts to ex-ante pin down and regulate locally held values creates an excellent opportunity to explore this supposed binary relationship between the self-regulating market and societally imposed, market-limiting safeguards. In this paper we challenge the notion that planning and markets must, through necessity, be antagonistic toward one another and argue that local people can value both the market and regulation in a mutually reinforcing way. We do this through a case study of Conservation Areas (CAs) in London where we observe the manner in which coordination problems arise and are overcome. We begin by viewing these problems through the lens of rational choice and the classic game of the prisoner's dilemma which, though useful as a tool for understanding why coordination problems may emerge, is limited in its treatment of agency and offers only a partial view of why residents might value both the market and regulation (Barnes and Sheppard, 1992; Sayer, 2000). We therefore incorporate an understanding of how value emerges in and through concrete, relational socioeconomic practice to build a more complex awareness of the problem (Lee, 2006; 2011). This paper therefore seeks to unravel the notions of the growth imperative and regulation illustrating how people can value both the market for the validation of value that it produces through the exchange process and regulation for the coordination benefits it brings and the localised values it upholds.

The paper proceeds as follows: in section 2 we examine the tensions that seemingly exist between planning and the imperative of economic growth and efficiency. We then introduce in section 3 the coordination problem in heritage conservation as an example where regulation is not an antagonist to but a potential means of achieving economic efficiency. In section 4, we substantiate the existence of this coordination problem via a property analysis that focuses on nonmarket heritage externalities. We then turn our attention in section 5 to the results of our quantitative and qualitative survey, which reveals not only how homeowners value and utilise regulation but also move beyond its strictures as part and parcel of what they hold to be of value. In section 6 we draw our conclusions highlighting that the varying practices of value that our research illuminates underscore that ex-ante regulation that seeks to pin down local values does not have to run counter to the market, but instead can allow for exchange and value creation, all the while permitting more multiple and complex economic practices to exist.

## **2 Planning regulation and growth**

Planning regulation and the desire for economic growth have been uneasy bedfellows over the last forty years (Cheshire and Sheppard, 2005; Ellickson, 1977; Evans, 1991; Evans, 2003). Indeed, political discourses against regulation and a rhetoric that has favoured an economy based on profit maximisation above other social constructions of value (Lee, 2011) have led some scholars to contend that, in the English context, we have become reliant on a growth-dependent model of planning (Rydin, 2013). Certainly, given that the current Coalition government's National Planning Policy Framework is dedicated to "ensuring that the planning system does everything it can to support sustainable economic growth" and "not act as an impediment to it" (DCLG, 2012; page 6), growth seems a central factor in the steady evolution of planning away from its Keynesian roots towards a form more at home with the imperatives and values of the market. This shift has left planners and planning with a narrowing of horizons and a limitation to imagining the 'possible' in practice (Haughton et al, 2013). It has also rendered market logics and market models preeminent in the minds of politicians who continue to see the ex-ante pinning down or fixing of value(s) through regulation as counterproductive, leading some scholars to go so far as to recommend the introduction of price signals into planning decisions so that planning learns "to work with as well as against markets" (Cheshire, 2013, page 186; Cheshire and Sheppard, 2005).

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Heritage planning, or the ability of the government to restrict property owners' rights without compensation to alter or demolish structures deemed valuable to society, came about by an accretion of policy from the 1882 Ancient Monument's Protection Act to the 1953 Historic Buildings and Monuments Act, which set up the current system for the listing and preservation of individual buildings. The 1967 Civic Amenities Act extended this to areas which could be statutorily described as having "special architectural or historic interest, the character or appearance of which is desirable to preserve or enhance" (1967 Act, §1). As such, CAs represent England's attempt to protect not simply individual buildings of historic importance but also groups of buildings, streetscapes, trees, and open spaces that form significant sites of local character. CAs came into being at a time punctuated by slum clearance and comprehensive redevelopment, which many have argued helped to spur the development of the legislation (Townshend and Pendlebury, 1999) in an attempt to quell market forces by pinning down an understanding of what was collectively valuable. Since 1967 some 9800 areas have been designated in England, making the policy a significant aspect of local planning.

CAs are created at the local level and are designated by local planning authorities (LPAs) employing local or regional criteria. These criteria therefore vary across the country, allowing the 'value' attached to heritage to be culturally interpreted through specific sites and places (Pendlebury, 2009) highlighting the complexity of value(s) so aptly described by Lee (2006). In practice this means that CAs can range from masterplanned communities like Hampstead Garden Suburb to open spaces like Richmond Park to attractive areas of suburbia to modernist housing estates. Each of these very different, locally defined places are then afforded protection under national planning legislation and advice issued by central government, thus reflecting the wider interests of society pinned down via regulation.

Across England, owners of properties in CAs typically receive no special grants or assistance for the upkeep and maintenance of their properties. Once an area has been designated, alterations to individual properties require 'Conservation Area Consent' (CAC) thus limiting what owners may do with their properties. It is a criminal offence to totally or substantially demolish any building within a CA without first seeking consent from the LPA. In cases where alterations to the property require planning permission, owners are also required to apply for CAC and applications are determined based on the enhancement and protection of the area. In some circumstances householders are allowed to make certain small alterations to their buildings without the need for planning permission. However, these alterations may be construed as detrimental to the fabric of CAs and are therefore partially or wholly restricted. Householders therefore must apply for permission to install certain types of cladding, roof extensions, and side and rear extensions of more than one storey and satellite dishes and antennae that are visible from the highway. In addition, the General Planning and Development Order gives LPAs and the secretary of state the right to further withdraw permitted development rights under Article 4 directives. In these cases, LPAs are able to require permission to be sought for alterations such as building a porch, removing a chimney, or replacing windows and exterior doors. As of 2009 some 13% of CAs in England were under the added protection of Article 4 directives (English Heritage, 2009). Despite the restrictive nature of CA policy, one of its striking features is how accepted it has become in England (Pendlebury, 2009; page 1) as an ex-ante attempt to pin down collectively defined notions of where value comes from, how it should be evaluated, and how value should be practised.

However, this public acceptance is not without its critics. Eversley (1973), for example, worried that conservation policy blocked progress and renewal in cities, elevating the tastes of a small minority above those of the average citizen. This fear that conservation is simply a

trope for elite ideals and understandings of cultural heritage and is therefore exclusionary has also been played out in a variety of national contexts from the Americas to China (Ley, 1995; Osman, 2011; Shin, 2010; Smith, 2006). It has also been criticised by the political Right on free-market terms as a means of smothering people “with bureaucratic instructions limiting their freedom” (cited by Larkham and Barrett, 1998, page 57) and more recently by Glaeser (2010; 2011) as a market-hampering mechanism, which restricts land supply and leads to rising house prices and affordability problems. Further such critiques about CAs are echoed in current debates in England regarding the preservation of greenbelt land and its relationship to higher house prices in the southeast (Cheshire, 2013; Overman, 2013). In both instances we see policies that regulate the market and, in theory at least, stand in the way of growth.

### 3 Conservation Areas and coordination problems

Conservation policy in England may have escaped, as Allmendinger and Thomas (1998) argue, the most stringent pushes of deregulation sought by successive rounds of neoliberalisation in planning, perhaps, as Pendlebury (2009) asserts, underpinned by the immediate economic value that can be created through heritage commodification. However, it still represents a significant intrusion into the functioning of free-market principles and the free exercise of property rights by homeowners. Thus we might assume that homeowners would be resistant to regulation and see little value in its implementation. However, as our findings demonstrate, the story is far more complex. Importantly, we argue that conservation policy is less at odds with the imperative of market efficiency than it might initially seem. As we demonstrate, there is an evident coordination problem, which provides an economic rationale for regulation and at the same time makes it less likely that homeowners will be resistant to regulation. However, not only did our homeowners value and utilise regulation, they also moved beyond it to reinforce their own understandings of what was valuable about their CAs. The residents in our survey are not simply seeing regulation as a rod. Regulation is being valued as an integral asset that helps support the multiple ways in which CAs are being valued across time and place.

One way of characterising the coordination problem is a sort of prisoner’s dilemma whereby all those living inside an historic district benefit from localised heritage amenity but individual property owners may be tempted to inappropriately alter or not adequately maintain their properties thus ‘free-riding’ on the overall character of the area (Coulson and Lahr, 2005). Historic preservation then represents an instance where, in game-theory terms, a coordination problem exists between private and common interest (Rand et al, 2009, page 272). Here all parties could gain from the conservation of their neighbourhood through heightened amenity and raised property values, but in order to realise this gain residents are required to make mutually consistent decisions about the alteration and upkeep of their properties. The situation corresponds to the standard welfare economics problem where a *nonpecuniary* externality that cannot be traded on an economic market leads to a misallocation of resources since external costs and benefits are not taken into account in the market equilibrium (Scitovsky, 1954). Under this scenario heritage amenity would be a common pool resource that is nonrivalrous and nonexcludable. This means that the use of the resource by one actor does not preclude its use by another, nor is it possible to exclude individuals from using the resource (Samuelson, 1954). Given these characteristics, the effect of individual actions on others (externality) is *nonpecuniary* and cannot be traded on (economic) markets, thereby producing a *market failure*. Any externality will remain unconsidered in a market equilibrium that resembles the Nash equilibrium in the sense that it is individually rational, but cooperation would be welfare maximizing (collectively rational). The lack of an economic market corresponds to the physical separation of the actors in the prisoner’s dilemma, which makes the cost of coordination prohibitive. While in theory



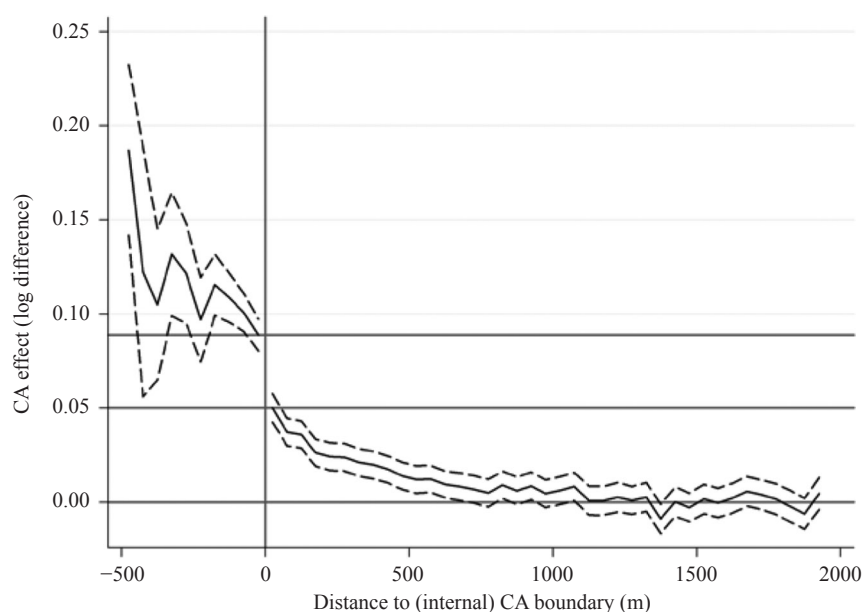
coordination could emerge if the cost of cooperation was low even in the absence of a policy (Calabresi and Melamed, 1972), it is, in practice, arguably unlikely that this scenario applies to areas anywhere near to the size of an average conservation area. We provide detailed applications of the prisoner's dilemma concept to the case of heritage conservation alongside a discussion of coordination costs and free-riding incentives in the methodological appendix.

#### 4 Heritage externalities and revealed value

The essential precondition for a coordination problem to emerge along the lines just described is the existence of positive heritage externalities within CAs. By definition it is not possible to directly observe market prices that reflect the value of nonmarket externalities. A popular approach to the valuation of public goods is to exploit revealed preferences that materialise on economic markets that indirectly relate to a public good in question. A typical example is the economic valuation of nonmarket spatial externalities based on capitalisation effects in property prices. A great deal of research has concentrated on property price premiums within conservation areas or historic districts, typically finding positive effects (eg, Koster et al, 2012; Leichenko et al, 2001). Fewer studies have focused on spatial variation within or outside to detect heritage externalities (eg, Ahlfeldt and Maennig, 2010; Coulson and Lahr, 2005).

Our quantitative analysis started from the conventional assumption in spatial economics that property prices reflect all the costs and benefits owners derive from the location of their property. The overall net benefits to owners of properties in CAs can be distinguished into *heritage* and *policy* effects. Benefits include the pleasure of living in a building with certain historic and aesthetic features (*internal heritage effect*) or near to buildings with similar characteristics (*external heritage effect*). In addition, the legal status of designation brings the benefit of reduced uncertainty regarding the future of the neighbourhood and the cost of increased planning control: that is, development restrictions and maintenance obligations (*policy effect*). Since we were interested primarily in the nonmarket heritage externality we focused on comparing how prices changed at different distances from a CA boundary, both internally and externally. The rationale for such an analysis is that we assume the internal heritage effect and the policy effect to exist inside CAs alone and to be constant within a given CA. The external heritage effect can then be concluded from spatial variation in prices within and outside CAs assuming that the strengths of the heritage externality must be lower at locations further away from a CA (larger external distance) and higher at locations closer to the centre of a CA (larger internal distance). To conduct this analysis we merged 1088446 property transactions provided by the Nationwide Building Society with 8167 CAs in GIS. English Heritage provided the exact boundaries of the CA in the form of an electronic map (shapefile). In the econometric analysis we utilised 830055 transactions, which were within 2 km of 7737 CAs. The remaining transactions and CAs remained unconsidered in the analysis. To separate the external heritage effects from potentially correlated factors we made use of a comprehensive dataset that allowed us to hold constant a wide variety of observable property and locational characteristics. Moreover, our statistical analysis was designed to provide a comparison within a 2 km distance from a CA within a given year. All unobservable factors that influence property prices in such a relatively small area within a certain year were, thus, controlled for. A detailed description of the empirical specification and data used is provided in the methodological appendix.

We found that prices clearly decline from the centre of the area towards the boundary and decline even further from the edge of the area outwards. The CA premium at the boundary (0–50 m) of 9.5% roughly doubles once the innermost zone is reached (inside the CA, but more than 450 m from the boundary). This increase in value is in line with a positive external heritage effect as heritage density increases as one approaches the centre of the CA. Just outside the CA (0–50 m) there is still a significant premium of close to 5% cent. This external



**Figure 1.** Internal and external Conservation Area (CA) effects. Black solid (dashed) lines show point estimates (95% CI). Positive (negative) distances denote internal (external) distance from the CA border.

premium declines in distance and becomes statistically indistinguishable from 0 at about 600 m (see figure 1). Again, this spatial trend is in line with a positive external heritage effect as the benefit of being close to a CA should be associated with both its relative visibility and ‘visitability’ from the affected property. This spatial scope of the effect is very similar to the evidence provided by Ahlfeldt and Maennig (2010), who detect heritage externalities within a range of about 600 m, though in a different institutional context (Berlin, Germany).

The discontinuity at the boundary can be attributed either to an internal heritage effect, or to a highly localised external heritage effect or a policy effect. If anything, the relatively large and positive discontinuity at the boundary indicates that the potentially negative policy effects associated with a location in a CA on property values are relatively small compared with the internal and external heritage benefits. More importantly for the purpose of our analysis, we interpret the evident spatial trends within and near to the CA boundaries as strong evidence of a positive external heritage effect. These benefits help us to establish why a coordination problem may exist with respect to CAs.

## 5 Cooperative behaviour and generation of value

The external heritage effect, a nonmarket externality, sets the stage for the prisoner’s dilemma (Coulson and Lahr, 2005). To better understand how and if coordination emerged in CAs we took a case-study approach examining a representative sample of nine CAs in London through quantitative and qualitative techniques. Selection was guided by the hedonic analysis and is predicated on property price premia (high/low), location in Greater London (Inner/Outer), and relative deprivation (higher/lower) as described by the 2007 Indices of Multiple Deprivation. We also examined areas with varying levels of planning restriction in the form of Article 4 Directions and areas with and without active amenity societies (see table 1).

We surveyed 111 residents, including homeowners and private and social renters, in our nine CAs. Surveys were conducted face-to-face and the sample was drawn such that homeowners, renters, and those residents who had applied for planning permission in their current residences were represented. There were fifty-three questions in the survey covering topics ranging from level of community involvement, attitudes toward the area in

**Table 1.** Case study selection criteria.

	Premia	Deprivation	Name and borough	Amenity society	Article 4
Inner London	high	high	De Beauvoir (Hackney)	yes	yes
		low	Ladbroke (Royal Borough of Kensington and Chelsea)	yes	in part
	low	high	St Mark's (Hackney)	yes	in part
		low	Courtfields (Royal Borough of Kensington and Chelsea)	no	in part
Outer London	high	high	Brentham Gardens (Ealing)	yes	yes
		low	Sheen Road (Richmond)	no	in part
	low	high	Bowes Park (Haringey)	yes	no
		low	St Matthias (Richmond)	no	in part
Outside London	low		Overcliffe (Gravesham)	no	yes

terms of likes and dislikes, attitudes toward the planning system, experiences with planning applications, and experiences with objecting to applications. Questions were both multiple choice and discursive allowing for longer responses to gauge more fully resident’s opinions about living in their neighbourhood and about planning regulation. The quantitative data from these interviews were input into Stata and analysed. We also conducted interviews with local council conservation officers and other property professionals across our nine CAs and more extensively across London. All interviews were recorded and transcribed so that verbatim quotes could be used and data triangulated to ensure rigour. At all stages anonymity was assured and informed consent gained from our interviewees [see Ahlfeldt et al (2012) for more detail].

**5.1 Valuing neighbourhoods**

We argue that, in order for cooperation to emerge, residents must have an awareness of the added value of the characteristics of their neighbourhood and respond accordingly. Here the dimensions along which ‘value’ materialises are manifold. Firstly, the capitalisation effects discussed in section 4 witness heightened amenity value that are specific to the areas deemed heritage rich, be the value related to aesthetic character and integrity, neighbourhood stability or identity. Property value, however, is not only reflective of the utility buyers and sellers derive from such favourable locational attributes. Because property is typically the largest asset in a homeowner’s portfolio, it constitutes a major component of household’s wealth and liquidity (Fischel, 2001). In this sense, property value can be seen as both a cause and an effect of economic utility. As such, owners, as utility maximisers, will care about the value that preservation brings to their properties (Henrich et al, 2001). However, as previously mentioned in our hedonic analysis, it is not possible to directly observe market prices that reflect the value of nonmarket externalities. It is also not possible to understand how value is being valued simply by examining prices (Lee, 2006; 2011). We contend that, since value is produced through both economic and non-economic relations, we cannot simply distil economic activity to metrics of economic growth and monetary reward. We must also consider the everyday evaluation of value caught up in the *ordinariness* of socioeconomic practice where self-interest and economic utility play a part, but a part “defined and practiced in socially variable ways” (Lee, 2006; page 414). In this way we utilise our survey and interview data to unpick the multiple and diverse ways in which residents valued their neighbourhoods.



We asked our interviewees both to rate the physical attractiveness and distinctiveness of where they lived and to discursively explain what elements of their neighbourhood they held as dear.

For our survey, residents were asked to describe their neighbourhoods as distinctive on a five-point scale where 1 was very distinctive and 5 was not distinctive at all. Here 70% of respondents across the nine areas viewed their neighbourhood as either very distinctive or distinctive, indicating that there was a general valuation amongst residents that the area was special in some way. We also gave those surveyed the opportunity to compare their neighbourhood with neighbouring districts, describing the physical attractiveness of their area, again on a five-point scale. The results show that over 60% of residents believed that their neighbourhood was either much more attractive or more attractive relative to other nearby districts, again indicating that residents evaluated their areas as somehow unique.

Whilst these data lay down an initial picture of our CAs, they do not tell us much as to what aspects of the neighbourhoods were viewed as distinctive or attractive. When asked what interviewees most valued about their neighbourhood, three core themes emerged across all of the areas surveyed. These were: community cohesion (or neighbourliness), the quality of the environment (eg, green space, trees, and tranquillity) and the value of the built heritage. These echo earlier findings on what residents valued in inner-urban conservation areas in Tyne and Wear (Pendlebury, 2002; Townshend and Pendlebury, 1999).

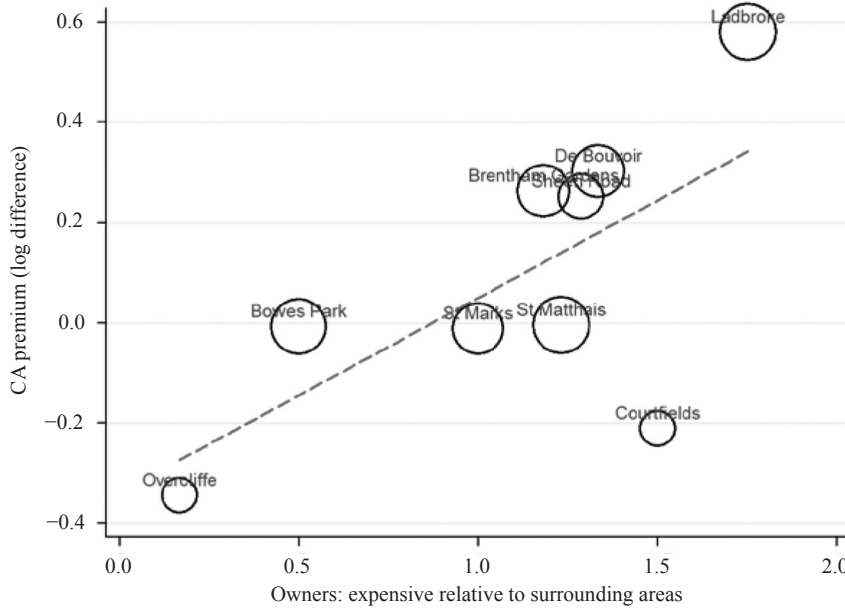
Narratives around community featured most strongly in our high-deprivation CAs where interviewees talked about “feelings of belonging” which they often linked to areas being mixed in terms of social class. In Brentham Gardens residents associated this with the original “utopian ideal of connecting different sorts of families” via a very specific architectural vision founded on Garden City principles and through the existence of a strong and active local amenity society. In Inner London, residents also talked about social mix and the multicultural nature of their neighbourhoods. One De Beauvoir resident noted,

“It is a really mixed area with a very mixed social strata of people living here. I imagine in other CAs it is like all very rich people, but here there are lots of tenants, it is not all privately owned so there’s a lot of people from different social backgrounds and I like that.”

Whilst these attitudes were not universal in our high-deprivation CAs, with some residents speaking of crime and anti-social behaviour, for the majority, feelings of community cohesion featured prominently in their narratives of place. This finding was supported by our survey data, which showed strong inclinations toward community cohesion, with 40% of our residents belonging to a community group, over 35% knowing ten or more of their neighbours by name, and close to 80% agreeing that “most people can be trusted”.

A strong affinity with the local environment and architecture also emerged as significant in residents’ valuations of where they lived. Environmentally, a green, pleasant, and peaceful neighbourhood was discussed by a majority of our residents who frequently linked a notion of “neighbourhood feel” to both public and private green spaces within the CA boundaries. Architectural style and integrity also arose as an integral factor for residents’ valuations of their locale, most prominently in our high-deprivation high-premia CAs. Here residents in Brentham Gardens frequently mentioned the area’s “village feel”, which emerged from the cottage-style architecture prevalent in the CA. In De Beauvoir, an inner London CA, residents also typified the space as “being like a village” noting that the area’s architectural variety was “like English heritage ... a typical English city landscape”. This level of affinity with local architectural styles by residents was also noted in interviews with local planning officers who commented on the high degree of community involvement in planning, which they linked to a strong sense of heritage and the built environment amongst residents.

Finally, residents were asked about their perception of the economic value of their areas and how being part of a CA might impact on this. More than 75% ranked their area as expensive or very expensive. On the basis of the answers we created an index of relative affordability by CA and compared the results with the price premium we estimated based on transactions in and around the respective CAs (see figure 2). The evidence suggests, that with the exception of Courtfields, owners were well aware of the overall economic value of their CA. Moreover, when asked if being in a CA had an impact on their individual property values, more than 80% of interviewees responded positively.



**Figure 2.** Effective and self-reported (relative) price level. Owner's rating is on a -2 to +2 scale. The CA (Conservation Area) premium is the  $\hat{\beta}_n$  coefficient recovered from separate regression for each CA  $n$  of the following type:  $P_{in} = \alpha_n + \beta_{nj} \text{CAD}_{nj} + \xi_{nj} \text{YEAR}_t + \varepsilon_{nj}$ , where CAD is a 0 or 1 indication for whether a transaction takes place within CA  $n$ , and  $\text{YEAR}$  refers to the year of transaction. Each regression considers transactions that occurred within 1 km of the CA boundary (inside or outside).

From these data we can begin to understand the multiple ways in which residents are valuing their CAs, and these valuations are different from place to place. This is important, for, whilst England provides a national framework for planning regulation, its local application is imperative in helping to maintain the local collective values of residents. Furthermore, our survey data reveal that the vast majority of residents in CAs are well aware that a price premium exists and that being in a CA has an impact on the value of their individual properties. These qualitative data reinforce the results of our hedonic analysis, by suggesting that somehow the coordination problem is being overcome. In the following subsection we explore how regulation is an integral factor in helping establish collectively rational behaviour.

## 5.2 Residents and regulation

In this subsection we argue that, to be effective in addressing coordination problems and avoid free-riding, residents must use the tools made available to them through planning policy, the strongest of these being the right to raise objections to planning applications. We found that just over 40% of residents surveyed had objected to a neighbour's request for planning permission and this 40% remained constant when the areas were subdivided into high/low premium and high/low deprivation. Thus we can see residents utilising regulation as a way of enforcing collectively rational behaviour and pinning down local values.

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In our high-premium areas three factors emerged as significant when objections were made. The first, and perhaps most expected, was that residents object when they feel directly threatened by change. Here being overlooked, the loss of sunlight, or the disruption of a cherished view were the reasons most often mentioned for lodging an objection to a neighbour's planning application. These reasons relate most strongly to the private enjoyment of personal property rather than to any sense of collectively held values based on the heritage or aesthetic quality the neighbourhood might have. This may seem to support a simple entangling and disentangling of price and self-interest made by a rational market actor; however, delving further into the interview data we see more multiple and complex valuation strategies emerging in our CAs.

Moving beyond simple individual self-interest, residents also reported objecting to a neighbour's planning application based on concerns about the loss of heritage and area character, indicating that there were heritage narratives embedded in these CAs. Here objections included opposition to changes in the style or form of properties and to the removal of significant trees from the landscape. As one resident noted,

"It is a constant battle to keep the new developments in-line with the spirit of the area. My wife keeps an eye on all the applications and we object to those that would spoil the character of the area."

Planning officers corroborated these views, noting that residents had a "heightened awareness of conservation" and were intent on "keeping the character of the area and stopping detrimental development".

Moving beyond objections made by individual householders, we also saw collective patterns of objections emerging in our high-premia CAs. Here the role of amenity societies (groups dedicated to maintaining and enhancing the area's heritage) and more generalised neighbourhood pressure appeared to drive objections and alter applicant behaviour. For example, in Brentham Gardens several respondents mentioned the existence of the Brentham Society as an organisation responsible for raising objections to development where the character of the CA was neither enhanced nor protected. In Ladbroke interviewees discussed the vital role citizens played in reporting inappropriate development. As one resident stated, "Whilst the council is there to intervene in these matters, it is up to us as residents to report any breaches." The same pattern held true for De Beauvoir, where conservation officers noted that the local amenity society and to a large extent the residents were their "eyes and ears" on the ground, often letting them know the "moment a ladder touched a building". In fact, across our sample of CAs officers reported that amenity societies and residents were instrumental in mounting challenges to inappropriate development. This 'eyes and ears' function is vitally important, as English planning enforcement can be typified as being reactive and responsive rather than systematic and all encompassing, with a great deal of enforcement reliant upon the general public's reporting of breaches (Harris, 2013).

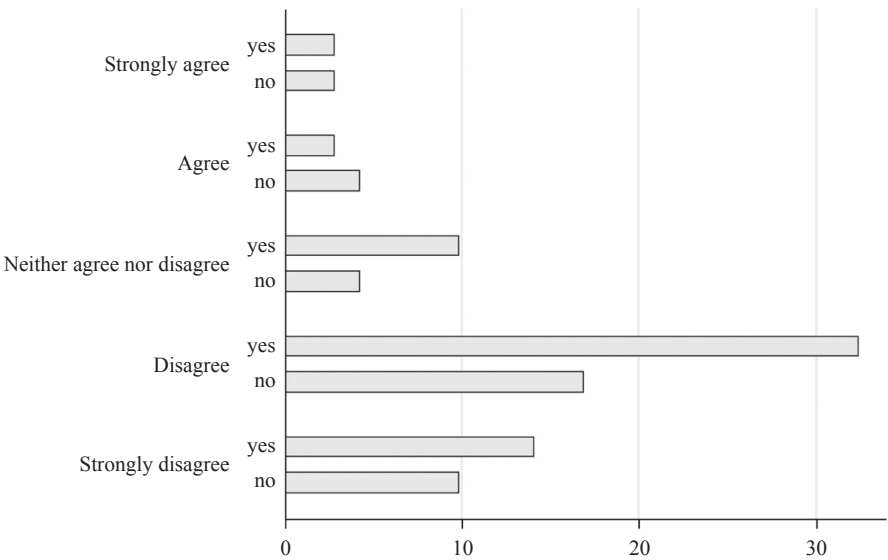
In Ladbroke an even more interesting pattern emerged, with homeowners discussing the pressure they felt about altering their properties in ways that might be at odds with CA character. One interviewee told the story of a neighbour who had been given permission to change the roofline of her property but that neighbours felt that this would negatively impact the skyline near the garden square. She stated, "there was such pressure in the neighbourhood that despite the approval the person did not go ahead with the build." Similarly, one conservation officer reported that residents frequently felt pressure to replace old wooden sash windows with new wooden sash windows rather than the cheaper uPVC type despite local regulation not requiring this. Here she noted that residents typically mimicked the behaviour of their neighbours in a sort of cultural reproduction that reflects a kind of

‘governmentality from below’,<sup>(1)</sup> that relies on amenity societies, self-reflection, and social ties to mobilise new forms of behaviour (Appadurai, 2000; Olson, 2008). These strategies are vital to the production of a culture that supports the integrity of the CA and helps to create cooperation amongst residents.

In our low-premium areas, whilst the propensity to object was as high, the reasoning behind objections was less well developed and articulated. Homeowners in our areas of low deprivation (Courtfields and St Matthias) provided the most articulated views on why they raised objections to planning applications in their neighbourhoods. These responses were an even mix between objections to an intensification of use in the form of commercial developments and flats, concerns about loss of light, and concerns about loss of character.

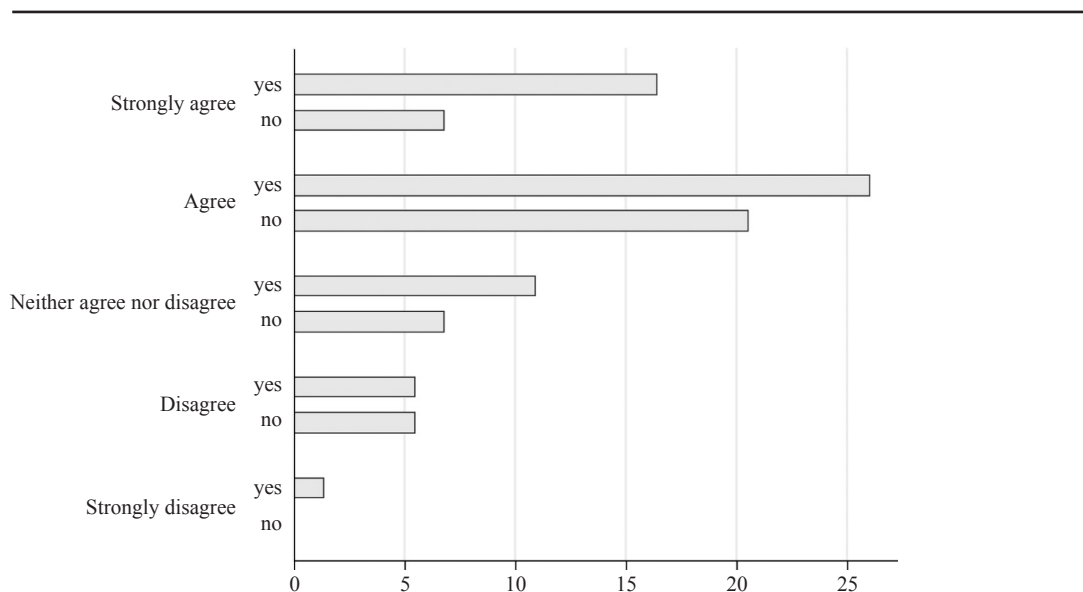
**5.3 Residents’ attitudes about planning**

Finally, for the system to be successful and the prisoner’s dilemma to be overcome there needs to be more than a simple willingness to object to a neighbour’s planning application. Residents must also believe that the system is functioning and fit for purpose and that the benefits they receive in the form of heightened property and amenity values outweigh the costs imposed by regulation. In our survey we asked residents if they viewed the constraints placed on property owners in the CA as a significantly negative attribute of the area. Just over 60% of the residents surveyed believed that the constraints were not negative, with just over 10% believing that they were. Interestingly, when we restricted the question to homeowners and divided these into those who had and had not applied for planning permission, we found a stronger tendency towards a belief that the constraints were not a burden (see figure 3). In addition, when asked if the planning system was the best mechanism for protecting the integrity of the area, just over 45% of those surveyed agreed or strongly agreed with less than 10% claiming that they disagreed or strongly disagreed with the statement. Again, when broken down by those residents who had applied for planning permission we find a more positive response amongst those former applicants (see figure 4). This would seem to indicate that residents, especially those who had applied for planning permission in the past,



**Figure 3.** Constraints on property owners. Homeowners who had ever applied for planning permission relating to their current residence were asked whether constraints on property owners in Conservation Areas are a significant negative attribute of the area.

<sup>(1)</sup>Clearly this ‘governmentality from below’ does not refer to the mobilisation of the poor; it does reflect more broadly a shared understanding of how regulation is conducted.



**Figure 4.** Approval for the planning system. Homeowners who had ever applied for planning permission relating to their current residence were asked whether the planning system is the best mechanism with which to protect this integrity.

considered the constraints both acceptable and necessary, which runs counter to what one might expect of a purely opportunistic market actor. This phenomenon could, in part, be simply down to a willingness to preserve or enhance the high property value that is typically found in conservation areas (as seen in our hedonic analysis). However, as indicated above, our research shows that there are more multiple values at work: that is, an appreciation of local character or identity. The high property value would then not be a cause but a consequence of cooperative behaviour. We now turn to our interview data to unpick the attitudes driving behaviour.

The interview data revealed a consistent picture with residents quick to comment on the importance of protecting CAs. They spoke of “holding the line” against “an erosion” or “chipping away” of “architectural integrity” mostly discussed around vague notions of architectural styles or “area characteristics” generally typified as “village like” and green. They linked their current environments to a sense of reassurance they found embedded in “our national story” and our “relationship with the past” often citing their appreciation for the Georgian or Victorian characteristics of their properties. This seemed to flow from a belief that, as one resident put it, “as a nation we have a tradition in decent architecture and design”. They also noted that, if left to the individual, the temptation to alter properties inappropriately due to a desire to develop more intensely for private gain or more cheaply for economy would be too great. Even when planning permission had been denied to an owner we found several occasions where interviewees reflected on the overall reasonableness of the decision. As noted by one resident, “So, it was a decision that went against us as individuals, but I thought that it was probably correct in a more overall perspective.” These comments were further strengthened by a homeowner who reflected that the local council put in a great deal of effort and resources to help preserve local heritage, which in her words helped residents develop “an overall mind-set towards heritage”. When asked to comment specifically about the utility of the planning system, the overwhelming majority of residents stated that they “could see no alternative to the current system” and that regulation was vital to preventing ‘others’ from altering properties inappropriately.

What is interesting in the above account is a certain consistency in reasoning around both *why* it is important to protect CAs and *how* it might be best to do this. When given



the opportunity to discuss why they believed conservation was important, most residents harkened back to a sense of cultural norms around beauty and architectural integrity with words like cottage, village, Victorian, and English. These “social relations of value offer(ed) them a framework of evaluation” that was not, for the most part, predicated on economic self-maximisation (Lee, 2006, page 419). Similarly, the planning system was valued primarily as a tool to maintain area integrity and prevent the practice of other value(s) they saw as running counter to conservation. What residents saw and practised as value(s) was clearly more complex than a simple metric that measured the relative price of their property and how their neighbours might impact on this. The high property values in CAs, thus, were more likely the result of coordination to preserve the multiplicity of values than the actual driving force behind cooperative effects.

## 6 Escaping the dilemma?

Literature on valuing built heritage often approaches the question from either the point of view of the financial impact that designation has on property (Ahlfeldt and Maennig, 2010; Diaz et al, 2008; Koster et al, 2012; Leichenko et al, 2001; Zahirovic-Herbert and Chatterjee, 2012) or as a window into meanings of heritage and its value as a public policy goal (Lowenthal, 1985; 1996; Pendlebury, 2009; Townshend and Pendlebury, 1999). These more binary approaches obscure deeper understandings of the multiple values practised in ordinary economic geographies. In our paper we have sought to redress this by combining quantitative econometric models of property price analysis with qualitative perceptions into local derivations and understanding and practices of value. In so doing, the paper offers unique insights into conservation planning and the production of cooperative behaviour, which could not be achieved by solely a qualitative or quantitative approach.

So, what can this study tell us about planning for heritage conservation and, more importantly, what broader lessons can we learn about the practice of value(s) and the production of cooperative behaviour? In the first instance, it is clear that heritage externalities (as shown in our hedonic analysis) do exist in CAs and that these can motivate regulation that endeavours to correct individually rational but collectively destructive behaviour through the establishment of legal rules and standards. As we have demonstrated, the policy creates a framework in which residents are able to act in order to coordinate their behaviour in a more favourable way. We have also shown that residents do not see regulation as a rod; rather, they have faith in the planning system, utilising it frequently to help pin down locally held values. In addition, counter to any strict sense of profit-maximising behaviour, residents can and do go beyond the mere legal scope of the regulation in both spirit and practice even when this conflicts with their own personal interests. Here we saw some residents choosing not to act in a way that could be considered detrimental to local heritage values even when these actions would be allowed within the scope of regulation. All of this would appear to support the idea that regulation helps to correct individually rational but collectively irrational behaviour.

The question that remains is what drives cooperative behaviour in practice. As we have shown, property values in CAs are typically high and the majority of our residents were aware of this. Is the cooperative behaviour driven by the desire to maximise the value of property in order to realise an economic gain in the form of higher wealth and liquidity? Or does cooperation arise more from a desire to preserve local characteristics like architectural integrity, neighbourliness, and ‘community feel’? Because all of these values eventually materialise in property value it is notoriously difficult to distinguish the motives behind cooperation. However, our qualitative analysis offers novel insights into this behaviour. None of our residents directly mentioned property value in the form of economic gain as a reason to promote regulation and some arguably invested more time and money in their areas than could immediately be recouped in a sale price. What we see in our case studies is that

residents derived value and valued regulation not for its price effects but rather for a series of multiple and complex notions of value based around aesthetics, amenity, integrity, and the joy (however described) of living in a community (again however described).

Here we see varying practices of value emerging within quotidian ordinary economies, which illustrate that ex-ante regulation that seeks to pin down local values does not have to run counter to the market, but can instead allow for exchange and value creation, all the while permitting more multiple and complex economic practices to exist. This has serious implications for the current trend towards deregulation in planning, as it should give us pause to consider what we may lose if reforms to the system run ahead of honest evaluations of what we also gain from regulation. In this sense, we offer to the field of economic geography and planning a wider more complex view of value(s) as it is practised in the ordinary economy, which moves beyond a simple growth dependent paradigm upon which planning currently appears to be wed.

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