

Urban Revival: Store Location Dynamics and Cultural Heritage

“Cultural heritage drives store dynamics”

“Cultural heritage implies resilience”



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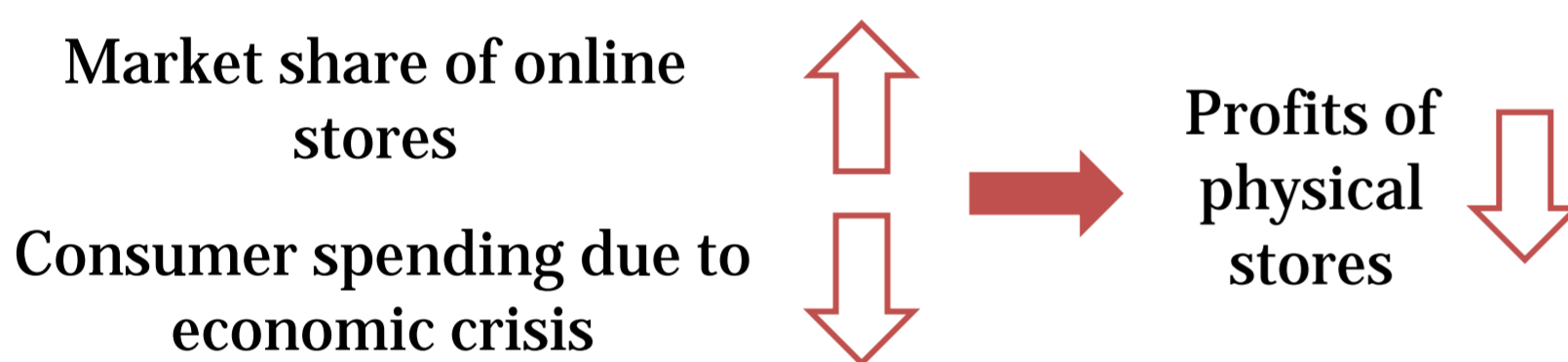
Research aim

What is the role of cultural heritage in store location dynamics?

- What factors are relevant for the store location dynamics?
- Which types of stores do we find within conservation areas?
- Are stores within conservation areas more resilient than shops outside conservation areas?

Background

Physical stores are having an increasingly difficult time to survive in the current economic situation.



Specific physical stores with a **thin** profit margin are therefore more likely to disappear.



It is then clear that there is market failure and thus it is very relevant for local policy makers. However, there is heterogeneity between different types of stores and their location. We focus on the store dynamics in neighborhoods within and outside conservation areas.

Data

Locatus

- Store location and characteristics

Statistics Netherlands

- Neighborhood and demographic characteristics

Netherlands Institute for Cultural Heritage

- Location and size of conservation areas*
(*In dutch: Beschermdde stadsgezichten)

Descriptive statistics

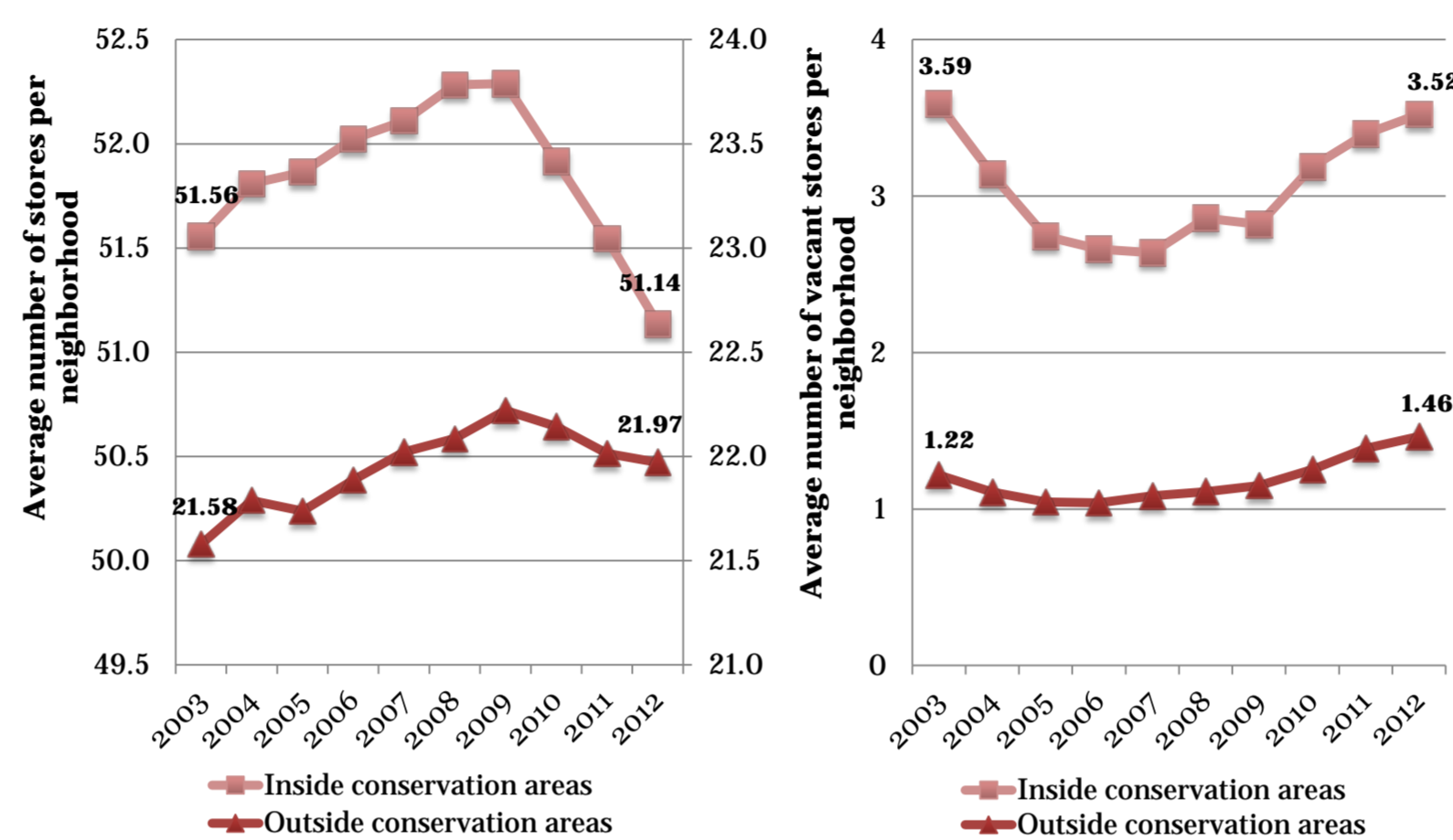


Fig 1. The average number of stores is decreasing after 2009. The average number of vacant stores is increasing after 2007.

There are, on average, more stores within conservation areas than outside conservation areas (Fig 1.). However, the number has decreased from 2009. Stores that can be found within conservation areas are mostly fashion and catering stores (Table 1). Note that we do not adjust for area or population size.

Table 1. Descriptive statistics for 2012. Mostly, fashion and catering stores are found within conservation areas.

	Inside conservation area	Outside conservation area	Ratio inside / outside
Neighborhoods in sample	862	7382	.
Population in neighborhoods	2562	1760	1.5
Food stores (Levensmiddelen)	4.23	2.46	1.7
Fashion stores (Kleding & Mode)	6.59	1.71	3.8
Catering stores (Horeca)	11.60	3.90	3.0
Do-it-yourself stores (Doe-Het-Zelf)	0.49	0.41	1.2

Model

What we want to do: Compare the number of (vacant) stores in heritage-rich and heritage-poor neighborhoods between 2003 and 2012.

How we want to do it: Estimate year-on-year changes in the number of stores (type j) on year-on-year changes in neighborhood characteristics (X) and include the surface of conservation area (CA) within each neighborhood (i) and the distance to the main train station ($dist\ station$).

$$\Delta \#Stores_{ijt,t-1} = \alpha CA_{i,2012} + \delta \ln(dist\ station)_{i,2012} + \beta \Delta X_{it,t-1} + \gamma_i + \mu_t + \varepsilon_{ijt}$$

Results

Table 2. Regression results that show the importance of cultural heritage for retail dynamics.

Variables	(1) Percentage change in total stores	(2) Percentage change in vacant stores	(3) Percentage change in fashion stores	(4) Percentage change in catering stores
Conservation area (km ²)	0.00470*** (0.00178)	-0.00471*** (0.00125)	0.0105*** (0.000622)	-0.00220*** (0.000571)
Log(Dist. to main train station)	0.000674 (0.000515)	-0.000573 (0.000362)	-0.000606*** (0.000180)	-7.06e-05 (0.000165)
Percentage change in Log of Population (#)	2.268*** (0.471)	0.636* (0.331)	0.0358 (0.164)	0.212 (0.151)
Additional control variables	YES	YES	YES	YES
Fixed effects	Year & Municipality	Year & Municipality	Year & Municipality	Year & Municipality
Observations	26,778	26,778	26,778	26,778
R-squared	0.028	0.018	0.030	0.020

Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1.

Table 2 shows that an extra km² of conservation area results in:

- **0.47%** growth in the total number of stores
- **-0.47%** growth in the number of vacant stores
- **1.05%** growth in the number of fashion stores
- **-0.22%** growth in the number of catering stores

Conclusions

- Store location dynamics vary by neighborhood characteristics, such as the presence of a conservation area, neighborhood income, population size, origin of the residents, and household composition.
- On average, there are more stores, and even vacant stores, in neighborhoods within a conservation area.
- Typical stores that can be found in neighborhoods within a conservation area are fashion and catering stores.
- Growth rates of the total number of stores, especially for fashion stores, have been **higher** in neighborhoods within a conservation area between 2003 and 2012.
- Growth rates of vacant stores and catering stores have been **lower** in neighborhoods within a conservation area between 2003 and 2012.
- Neighborhoods within conservation areas seem to be more **resilient** than other neighborhoods in the sense that the growth rate of total stores is higher and of vacant stores is lower in neighborhoods within conservation areas.

