

Grand Pré UNESCO Heritage Designation Impact Study

Prepared for

Nomination Grand Pré Committee

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1.0 Introduction

The purpose of this study is to gather information to determine the impacts, both positive and negative, on an area's economic environment of a UNESCO Heritage Site Designation. The approach for this study was to look at selected comparison areas and attempt to draw inferences for Grand Pré and surrounding communities, particularly in relation to increased economic activity that may result from a Grand Pré designation.

Study methodology consisted of:

- Identification of potential comparison communities, including Lunenburg, NS.
- Literature review of impacts of UNESCO designations and economic development based on the tourism opportunities of heritage and cultural characteristics.
- Interviews and correspondence with comparison communities and knowledgeable researchers and educators on heritage developments.
- Analysis of property values to attempt to determine if a UNESCO Heritage designation has an impact on those values.

2.0 Comparison Communities

In addition to Lunenburg, comparison communities with similar characteristics to Grand Pré and area were sought through a review of the UNESCO World Heritage Site webpage. Countries with similar types of economic systems were targeted. The sites chosen were in Scotland and Ireland, which both have western-style economies and tax regimes. The sites are examples of two extremes. New Lanark, in Scotland, is a refurbished town that has become a tourist destination. The Archaeological Ensemble of the Bend of the Boyne, in Ireland, is a large natural area with three prehistoric sites and is part of the area's tourist attractions.

Old Town Lunenburg, NS was designated in 1995 and was already a well-known tourist destination at that time. The designation was because it is "... the best surviving example of a planned British colonial settlement in North America."¹

Opinions on the impact of the designation are mixed. Some people believe that it has benefited the community through increased economic development around tourism. Others believe that it has led to congestion during the tourist season that reduces residents' quality of life and enjoyment of their own community, as well as driving property values to a level at which local residents and their families cannot afford to live in the community. Some believe that property taxes have increased as a result of climbing property values and higher tax rates².

¹ <http://whc.unesco.org/en/list/741>

² Getson, Heather-Anne Risser, *Lunenburg, Nova Scotia, World Heritage Site – Would We Do It Again?*, Plan Magazine, Summer 2003.

Discussions with Lunenburg municipal authorities indicate that the UNESCO designation may have had a short-term impact on tourism, but the Town was a significant tourism attraction before the designation was awarded. They also stated that:

- Tourism marketing and management have to be planned in advance and ready for roll-out immediately upon announcement of the designation. People are much more mobile now and can explore interesting attractions.
- UNESCO World Heritage Site (WHS) designation attracts tourists who are interested in the uniqueness of the attraction and marketing efforts need to clearly target that type of tourist.
- Potential issues need to be identified and addressed prior to the designation, not after. Municipal and other government authorities need to ensure that zoning and heritage controls are in place when the designation is awarded.
- UNESCO will review the site on a regular basis to ensure that the characteristics that justified the WHS designation remain valid. The working community must be maintained and supported, not just the tourist aspects.

New Lanark, South Lanarkshire, Scotland received its UNESCO Heritage designation in 2001 as an example of "...a model for industrial communities that was to spread across the world in the 19th and 20th centuries."³ New Lanark consists of an extensive system of mills, workers' housing and public buildings that formed a self-contained community. It is located two kilometres from the town of Lanark, 40 kilometres from Glasgow and 56 kilometres from Edinburgh. Its location is not part of a traditional tourist area but its proximity to two major cities supports economic activity based on its heritage attraction.

New Lanark had deteriorated significantly and many buildings were in ruins until the New Lanark Trust was formed in 1974 to spearhead its regeneration. The regeneration strategy focused on housing, tourism and hospitality, commercial property rental, and hydroelectric power to support the community. Subsequently, a visitor centre, hydroelectric plant and textile production mill were refurbished and formed the base of the heritage tourist attraction. A hotel and other types of tourist accommodations (e.g.: housekeeping-style units) opened in 1997 and the most recent development is residential rental housing completed in 2009.

New Lanark has become a self-contained tourist attraction and community based on the efforts of the local community and government support. Hundreds of local people were employed on the restoration in the 1980s. It has become a tourist destination for the area.

Originally there were concerns about coexistence between the business communities of New Lanark and Lanark; however, careful planning addressed the issues to both communities' satisfaction.

³ <http://whc.unesco.org/en/list/429>

The Archaeological Ensemble of the Bend of the Boyne (Brú na Bóinne), Meath County, Ireland received its WHS designation in 1993 as "... Europe's largest and most important concentration of prehistoric megalithic art. The monuments there had social, economic, religious and funerary functions."⁴ The site's information centre is located in Donore 50 kilometres north of Dublin and three kilometres south of the historic site of the Battle of the Boyne, which is also a tourist attraction. The site covers approximately 3,300 hectares (33 square kilometres).

Brú na Bóinne became an attraction in the 1960's and 1970's as reports of the findings of excavation and conservation efforts became well known⁵. A guide service was originally established to control tourism impacts on the site; however, visitor numbers increased rapidly and created problems of wear and tear on the monuments, traffic congestion, litter and the need for increased security, parking and toilet facilities increased. Eventually the site was designated as a park by the Irish government and the Brú na Bóinne Visitor Centre opened in 1997 under the authority of the Office of Public Works. The primary purpose of the centre is to manage visitor flows. Visitors enter the site in shuttle buses to reduce traffic congestion in the area. A partial, full-scale replica of the chamber in the Newgrange site was constructed in the visitor centre for those who do not have sufficient time for the full tour.

Originally, the proposed changes to the site caused concern among local people regarding the impact of its conversion to a park on business activities, particularly farming. The government engaged in extensive public consultation before opening the visitor centre to ensure that concerns were aired and the local community was involved in its design and operation. The visitor centre has become an integral part of the community as a focal point for community activities, including Christmas parties for seniors, sports for children, school plays, crafts exhibits, and other community-focused gatherings.

Local residents and their guests are admitted to the site free of charge and recognize that they live in a special area. A concerted effort has been made to emphasize the educational benefits of the area for both local residents and visitors.

The major public concern regarding the WHS designation is that people believe that it has restricted their ability to develop their properties (e.g.: build new houses). However, the restrictions on property development were in place before Brú na Bóinne was developed and received its designation. The restrictions are from the planning regime of the local authorities (i.e.: municipal government), not from the federal designation of the historic site or UNESCO WHS status.

⁴ <http://whc.unesco.org/en/list/659>

⁵ *Brú na Bóinne – The Monuments, Tourism and the Local Community*, Clare Tuffy, Office of Public Works, Ireland.

3.0 Factors Influencing UNESCO Impacts

Discussions with heritage impact researchers indicate a UNESCO designation does not by itself create the impact. Demand for certain types of heritage properties or attractions is the true driver and long-term economic impacts usually relate to tourism. The acknowledgement by UNESCO creates awareness that may increase tourism-based demand but the site must have the basic characteristics attractive to visitors in the first place. Many heritage and cultural sites have significant tourism activity without UNESCO WHS recognition.

Economic impacts, both negative and positive, are complex issues and there has not been much research done to assess and measure them. Impacts cannot be effectively controlled by government through regulation; however, negative impacts can be mitigated with careful monitoring and targeted intervention. For example, some tourist areas levy special taxes on tourist accommodations (e.g.: Halifax, NS) that are directed toward supporting increased infrastructure and services that a significant growth in tourist activity requires. This approach requires effective, continuous monitoring to identify issues early before they become problems within the community.

A study conducted for the Lake District World Heritage Project in the United Kingdom⁶ indicates that there is not an automatic economic benefit from a UNESCO designation and that increases in tourism are often short-term. The impact reflects the focus of the community and site proponents. Sites that are focused on social and economic impacts and carefully plan for and manage the opportunities see more economic impact than those whose focus is mainly the recognition and maintenance of a cultural or heritage site. UNESCO designation provides another marketing tool.

UNESCO sites that did not previously attract tourists do not normally see an increase in economic activity beyond the impact of employment for site maintenance that is usually supported by some level of government.

4.0 Potential UNESCO Heritage Site Benefits

A United Kingdom (UK) study of the costs and benefits of UNESCO Heritage status from 2007⁷ identified eight types of benefits:

- 1) **Partnership** – Status increases the level of partnership activity through consultation to prepare the proposal and manage the facility, benefiting local residents and visitors through improved management.
- 2) **Additional Funding** – Several levels of government and, sometimes, corporate support greater than the individual community can provide on its own are brought

⁶ James Redbanks Consulting Ltd., reported in seminar literature *Opportunity Into Advantage: Exploring the Potential Economic Gain from World Heritage Inscription*, Lake District World Heritage Project, September 23, 2009.

⁷ Pricewaterhouse Coopers LLP, *The Costs and benefits of World Heritage Site Status in the UK*, December 2007.

- to development and maintenance of the site, augmenting local community resources.
- 3) **Conservation** – Additional funding and increased scrutiny influences the scale and quality of local resources to protect and maintain the heritage site.
 - 4) **Tourism** – Heritage status may provide a “branding” opportunity and increased awareness that can be used in tourist promotions, although the study found that the impact within the UK was mixed.
 - 5) **Regeneration** – In cases where the site has deteriorated significantly, such as New Lanark, UNESCO Heritage status can act as a catalyst for regeneration of the site, although New Lanark completed much of its work prior to designation in 2001.
 - 6) **Civic Pride** – Status is believed to be a mechanism for building local confidence and pride, an important impact identified in the interviews for this study with researchers. Community involvement at all levels of development increases social unity and cohesiveness.
 - 7) **Education and Learning** – Heritage sites are considered an opportunity for use in education depending on the site and involvement of the educational community. They can also become educational experiences for tourists, both local and international. The UK report indicated that, on average, 20% of visitors to the sites were from outside the UK, therefore, they provide significant potential to educate the local population on its heritage.

5.0 Potential UNESCO Heritage Site Costs

The UK study focused on readily identifiable costs, including:

- 1) **Bidding Costs** – These costs include bid co-ordinator costs, whether hired specifically for the position or provided by another organization, partner and consultation time to oversee bid preparation and make decisions, production costs for the document and supporting media (e.g.: photography), and supporting studies on tourism, conservation, etc.
- 2) **Costs of Producing a Management Plan** – These costs include partner and consultation time and production costs of the document, manuals, etc.
- 3) **Management Costs** – These costs depend on the type of ownership and characteristics of the site and have a wide range. Sites like New Lanark that are essentially tourism and resident-based heritage communities have significantly higher and more complex management systems and costs than a relatively remote site with little development.

The UK study did not address indirect community costs such as increases in property tax to support added infrastructure, increased property values that improve resident-owner wealth but also raise property tax, or negative impacts on community social structure if development does not include or reflect community values.

Another study from 1998⁸ looked at the impact on the community of St. Jacobs, Ontario of significant tourism development without full involvement of the community from the first. The study concluded that while there had been significant economic growth, 80% of those employed in the tourist-related businesses lived outside the community and that there was substantial public dissatisfaction with the pace and direction of development. St. Jacobs's location places it in a different situation than the comparison communities or Grand Pré area. It is close to densely populated areas of Ontario (Kitchener-Waterloo, Guelph) and is only an hour from the outskirts of Metropolitan Toronto. Many residents of the cities in the area have moved closer to St. Jacobs into new housing developments, creating easier opportunities for visiting the community. Its development has been mainly around specialty retail businesses rather than maintenance of the historic community's Mennonite background. While Lunenburg and Grand Pré are influenced by Halifax Regional Municipality, the population pressures are nowhere near as great as those on St. Jacobs.

6.0 Business Impacts

Business impacts can be positive or negative. Some businesses will react to opportunities while others may be replaced by larger or more competitive businesses drawn to the area by increased activity. Research completed for this study indicates that the major business impacts resulting from a UNESCO WHS designation are in tourism.

6.1 Change in Business Environment

Changes in the business environment may be in the mix of business, the number of businesses, ownership (corporate or local), and employment by industry. Data were not available on changes in the business environment for New Lanark and Brú na Bóinne, however, information provided by representatives of both sites indicated that tourism activity increased in both locations, supporting businesses based on accommodation, food, crafts and other tourism operations. Much of the development in New Lanark was within the designated site itself, but that at Brú na Bóinne was in the surrounding communities as the site is protected from development that would damage the historic artefacts.

Census information on employment by industry for residents of the Town of Lunenburg was gathered from the 1996, 2001 and 2006 censuses⁹. The following table contains information on the percent of employment by major category for both the town and province. Data is for the year prior to the census and includes total labour force number and percent of labour force employed in each industry. Data for the 1996 census were not broken down in as much detail as for the other censuses so detailed comparison for each year is not possible.

⁸ Mitchell, C.J.A. (1998) "Entrepreneurialism, Commodification and Creative Destruction: A Model of Post-modern Community Development" *Journal of Rural Studies*, 14(3), pp. 273-286.

⁹ *Statistics Canada. 1996, 2001 and 2006 Community Profiles. Statistics Canada Catalogue no. 93F0053XIE.*

Employment by Industry - Census Data	Lunenburg			Nova Scotia		
	1995/96	2000/01	2005/06	1995/96	2000/01	2005/06
Total - Experienced labour force	1,065	1,125	1,010	424,820	442,420	468,590
Agriculture and other resource-based industr	5.6%	7.1%	5.0%	6.7%	6.6%	5.8%
Manufacturing and construction industries	25.8%	22.2%	18.3%	16.8%	16.0%	15.3%
Wholesale and retail trade	n/a	14.2%	21.3%	n/a	16.1%	16.0%
Finance and real estate	n/a	4.9%	4.5%	n/a	4.7%	4.6%
Health and education	n/a	18.7%	16.3%	n/a	18.2%	19.1%
Business services	n/a	10.2%	10.9%	n/a	15.9%	17.3%
Other services	n/a	22.7%	23.3%	n/a	22.6%	21.9%
Total services	69.0%	70.7%	76.2%	76.4%	77.4%	78.9%

The table shows that the proportion of service employment in Lunenburg increased relative to the other main categories. The significant reduction in manufacturing and construction relative to the province as a whole may reflect the moratorium in the fisheries that reduced processing activity and may also have negatively impacted construction activity due to the loss of a major source of residents' income. Tourism employment is included in the "Other services" category and details on tourism employment impact related to the UNESCO designation are not obvious. However, there may be an indirect impact on "Wholesale and retail trade" employment from increased tourism. Lunenburg was well known as a tourist destination prior to the designation.

There is no clear indication that the UNESCO WHS designation had any major impact on the business environment in Lunenburg. Grand Pré is also a well developed tourist area that has a variety of attractions and services. Tourist numbers to the area have dropped over the last several years and a UNESCO World Heritage Site designation may increase visitation, which will support existing infrastructure. Tourism activity would have to increase significantly to change the existing business environment in the Grand Pré area or Kings County and estimates of visitation impact do not support a large increase in the number of tourists (see Section 8).

6.2 Economic Impact

A study was completed for New Lanark in 2007 that estimated the economic impact of the site¹⁰. The study found the following annual impacts on the local community, municipal area and country are created by the development.

- Impact on the town of Lanark: 198 direct and indirect jobs and 3.2 million pounds in Gross Value Added to the economy.
- Within South Lanarkshire: 210 direct and indirect jobs and 3.6 million pounds in Gross Value Added.

¹⁰ *New Lanark Stage 2 Study: Executive Summary*, completed by Tribal Group plc for Historic Scotland, South Lanarkshire Council and New Lanark Conservation Trust, January 2007.

- Impact on Scotland: 279 direct and indirect jobs and 6.2 million pounds in Gross Value Added.

The information did not identify the direct relationship between the UNESCO WHS designation and increased impacts, but New Lanark representatives believe that the recognition provided worldwide supported existing activity and had a positive impact for both national and international visitation.

A full economic impact study has not been completed for Brú na Bóinne; however, in 2007, over 240,000 visitors stopped at the site, of which 20% remained in the centre without touring the site. One of the greatest benefits to the community since the visitor centre was opened has been from increased employment. Prior to opening the visitor centre four full-time and 16 temporary guides provided visitor services at the site. Employment has grown to 30 full-time and 12 temporary (seasonal) staff, plus an additional 29 full and seasonal jobs with the Newgrange Tourist office and visitor Tearooms at Brú na Bóinne.

Economic impact studies similar to that completed for New Lanark have not been completed for Lunenburg, but municipal representatives believe that the designation offers an on-going opportunity to increase tourism activity for the area. A study completed for the Nomination Grand Pré Committee¹¹ found that Lunenburg tourism visitation increased 6.2% as a result of the UNESCO WHS designation.

Section 8 of this report provides a range of projected visitor increase to the Grand Pré national historic site based on Lunenburg's experience. The economic impact on the Grand Pré area and Annapolis Valley will reflect the amount of effort that is put into marketing the site based on the uniqueness of the UNESCO WHS designation and cooperation with the two other Nova Scotia sites: Lunenburg and Joggins Fossil Cliffs.

6.3 Government Support for Local Business

New Lanark has incorporated some of the tourism-related businesses created by its reconstruction into the site itself. It receives some funding from federal agencies that would indirectly help local business, but information on government support for business beyond New Lanark was not found.

Brú na Bóinne offers local businesses providing accommodations to tourists discount coupons for entry to the site and the ability to reserve tour times so that their customers do not have to wait in line for a tour.

¹¹ *Grand Pré: An Economic Impact Assessment of a UNESCO World Heritage Designation*, prepared for Nomination Grand Pré by Dr. Brian VanBlarcom, Dr. Cevat Kayahan and Adam McLeod, April 2009.

Lunenburg has established a special, lower commercial tax rate for seasonal businesses that do not have income for the full year. They also cooperate with the business community in some marketing activities.

Some locations apply differential tax rates for resident and non-resident ownership (e.g.: Prince Edward Island). The argument is that non-resident landowners demand high levels of service and infrastructure that are supported by local taxes on businesses and non-businesses but do not support local business and economic activity for the full year. This means that some businesses struggle to remain viable in the off season. Differential property tax rates on non-residents indirectly reduce rates for local businesses.

7.0 Cost Impacts

Developments that attract economic or residential activity to a community have the potential to impact the costs of living and doing business in that community. It must also be recognized that many of the cost increases generate increased revenue for some local businesses. While there may be many cost impacts, the main one that has drawn public discussion in the Grand Pré area is the effect on property values and taxes of a UNESCO designation.

7.1 General Cost Changes

No information was available from any of the comparison sites on the impact on general costs to businesses and the community, such as increased rent, changes in cost of accommodations or food services. It is reasonable to assume that increased property values will lead to increased rent and mortgage payment and that the increase in the cost of living to employees will push up wages paid, thus increasing labour costs for local business. However, data are not available to test this assumption.

7.2 Property Value Impacts

Property values are influenced by many factors, including location, access, attractiveness, and economic activity in the area. Value increases add to the owner's wealth, but can increase carrying costs if property taxes go up in relation to increases in property values. Value decreases reduce the owner's wealth, but may reduce property taxes if tax appraisals closely reflect property values.

Another concern that has been expressed in several areas of Nova Scotia is the significant increase in shoreline property based on increased construction of residences and businesses attracted by the beauty of the province's shoreline. Tourist businesses based on activities associated with the ocean and our rural heritage have multiplied drawing tourists to our attractions.

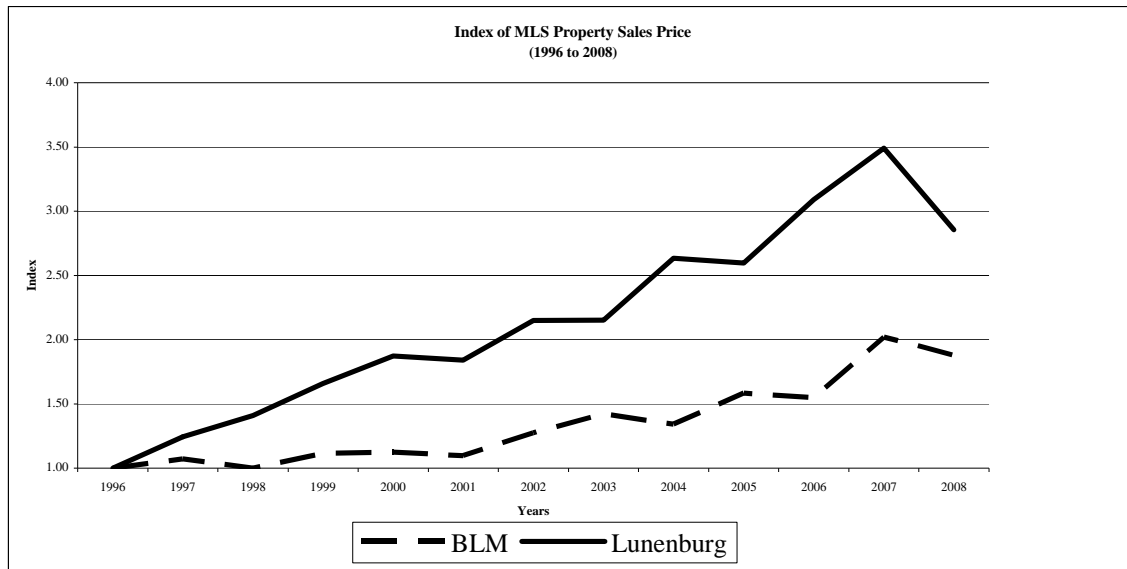
Many people mistake the impact of UNESCO recognition with tourism impacts. Increased real estate values leading to higher property taxes occur in all cases of

increasing tourist interest in any area. Information provided by New Lanark indicated that the development did not have a significant impact on area real estate values, possibly because it is a self-contained and self-financing development. New Lanark has also added a residential component to the development that is likely to restrain property value changes.

Property in the area of Brú na Bóinne rarely comes up for sale and when it does is generally purchased by local residents. Ireland had a significant housing bubble through the 1990s, which has subsequently burst, and this influence was felt in County Meath as well. The main issue in the area of Brú na Bóinne is lack of properties offered for sale.

The chart below provides an index of property values for Lunenburg compared to a combination of Bridgewater, Liverpool and Mahone Bay (BLM), communities in relatively close proximity to Lunenburg that have similar geographic settings. The data is from Multiple Listing Service (MLS) Real Estate sales provided by Central Mortgage and Housing Corporation (CMHC). The data are limited to properties that were sold through the MLS listing and do not include private sales or real estate sold by a broker that was not included in the MLS system. Prices were only available from 1996 through 2008 and were indexed to 1996 by dividing the average sales price for each year by the value for 1996. Indexing allows comparison of price trends between data that have different dollar values.

Lunenburg property prices increased by almost three-and-a-half times compared to two times for the comparison communities between 1996 and 2007, after which they dropped in all communities as a result of the recession. Price increases were greatest during the property boom years of the mid-2000s. MLS property prices increased by 30% in Lunenburg in 2007, which was a period of strong economic activity and relatively low mortgage interest rates.



While the comparison communities also saw significant price increases for properties sold, they were not as rapid as in Lunenburg. Also, prior to 2007, it appears that price changes for the comparison communities lagged Lunenburg price changes by one year, indicating that Lunenburg prices influenced those in the surrounding areas.

Lunenburg municipal representatives and real estate professionals were consulted to determine the forces that influence the town's property values. Property prices began increasing significantly in the mid-1980s when US residents from New England began buying and restoring historic homes and properties as seasonal residences. Many of these people have a historic relationship to Lunenburg through the fisheries connection between Lunenburg and Boston, and most had relatives in Lunenburg. The US currency was strong relative to the Canadian dollar and these people were able to purchase and restore Lunenburg properties much less expensively than in New England communities.

In the mid-to-late-1990s residents of Central Canada became interested in Lunenburg for seasonal and retirement residences. This compounded demand from the United States. Also, German residents identified the area as one in which it would be nice to have a vacation home, although many of the Germans purchased property in surrounding rural communities rather than directly in Lunenburg. Lunenburg is relatively close to the Halifax Regional Municipality, which also influences prices.

Until recently there was not much subdivision or affordable housing development in Lunenburg. Some new developments focused on the historic nature of the town, but housing prices were high and not in the range that would attract buyers with young families. This meant that there was little opportunity to offer a wide range of house prices and local residents with young families tended to move to surrounding communities like Bridgewater to seek affordable housing. The lack of affordable

housing development may partly explain the direct relationship between prices in Lunenburg and surrounding communities as people moved there to find affordable houses. Real estate sales representatives stated that they believe the municipal government's restrictions on the location and type of development had a direct impact on the increase in property values in the Town of Lunenburg.

Those interviewed about real estate values believe that, while the UNESCO WHS designation may have heightened pressure on property values, it was not a strong influence. It may have raised the awareness of some people who subsequently visited Lunenburg and decided to locate in the community, but many of these people have since sold their properties and moved to other areas that they found interesting.

Discussions with real estate professionals from the Annapolis Valley identified some of the drivers of property prices in Grand Pré and the surrounding community. Grand Pré's history and ambiance are attractive to people; however, supply is tight as few properties are offered for sale. The proximity to Halifax and twinning of Highway 101 have increased demand while supply has not changed, resulting in strong upward pressure on property prices.

Very little land comes up for sale in the Grand Pré area and many of the large landholdings are closely held by families who are not interested in developing them for residential uses outside the family. Land use regulations inhibit development and reduce opportunities to offer affordable housing in the community. Municipal restrictions on development of agricultural land reduce the potential for increased supply of residential housing in rural Kings County. At the same time, there has been increased interest from Europeans, particularly Germans and those from the United Kingdom, who wish to retire to the community or own a seasonal property in the area. Many of these people prefer rural properties with a couple of acres of land.

All of the above factors are presently placing significant pressure on property prices in Grand Pré and surrounding communities. They are unlikely to ease in the short term. **UNESCO WHS designation may make people more aware of the attractions of the area, but it is unlikely to have a major impact on property prices. The main influence on those prices will be supply relative to demand, and that situation is already strongly influencing prices.**

7.3 Property Tax Impacts

Property taxes are one of the few revenue sources used by municipal authorities to fund local services. The revenue generated from the taxation of real property depends on a number of variables. Those variables include:

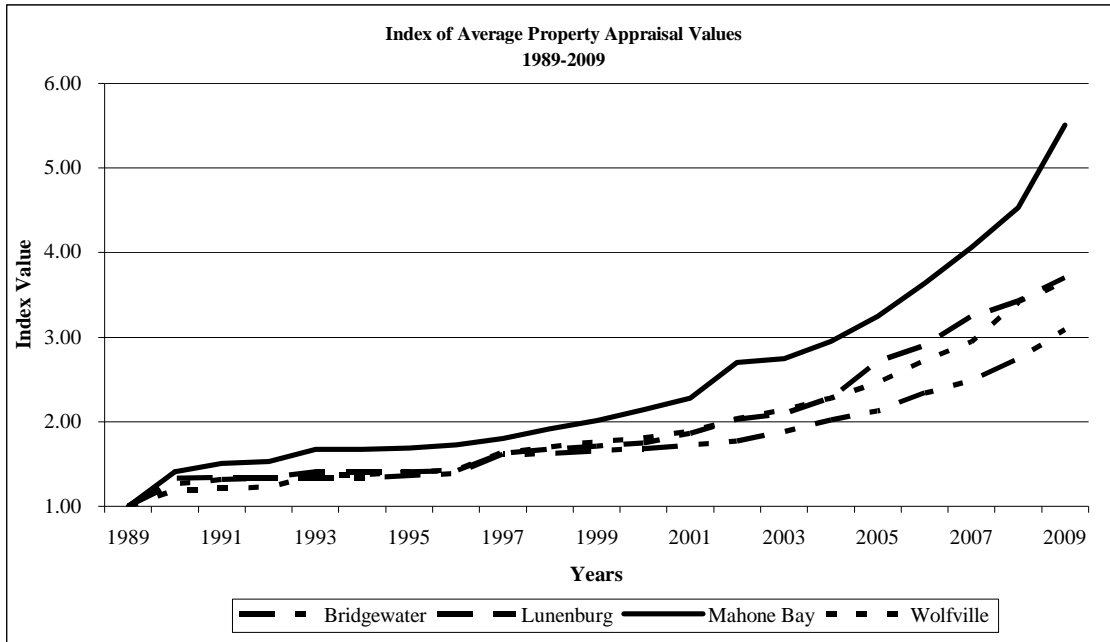
- The tax base – what properties are subject to tax or are not exempt from tax,
- The assessment ratio – assessed value relative to the market value, and
- The tax rate – the rate applied to the assessed property values.

While there are no data available to support the opinion, New Lanark and Brú na Bóinne representatives do not believe that the UNESCO designation has influenced property taxes. Much of the infrastructure investment came either from non-local government or institutions. New Lanark has developed its community site in such a way that it is mostly self-financing and Brú na Bóinne is a federal-government owned and operated site so that local government funding requirements are limited.

Property values have a direct impact on property taxes paid by Nova Scotians. The provincial government responded to property owners' concerns about rapid increases in property values leading to tax increases by passing an amendment to the property tax act in 2004 that allowed residents to apply for a cap to increases in property appraisal values (15% - 2003-2004; 10% - 2005-2008). This move addressed some of the concerns regarding rapid increases in the annual cost of owning a property in desirable locations.

Lunenburg tax rates are comparable to those in other Nova Scotia towns, such as Kentville. As previously noted, a special rate is applied to seasonal tourism operations. However, some people are concerned that the designation has driven property tax appraisals much higher than other communities. The following graph provides information on average residential property appraisals as at the first of each year from 1989 to 2009 for four communities: Bridgewater, Lunenburg, Mahone Bay and Wolfville.

The graph provides indexes of appraisal values for each year with 1989 as the base year (index = 1). Appraisal values in Mahone Bay have increased the most, followed by Lunenburg and Wolfville with Bridgewater appraisals slightly lower than those two communities. The graph shows that property appraisal values in Lunenburg and Wolfville have risen at almost the same rate over the last two decades. Wolfville is an attractive community with a well-known university and is located on the Minas Basin. The other three communities are also attractive rural towns on the water or in close proximity to it, so that all three communities would have similar influences on property values and, thus, tax appraisals.



The pattern of appraisal increases for Lunenburg follows the same pattern as for Bridgewater and Wolfville both before and after the UNESCO World Heritage Site designation in 1995. **There is no indication in the property tax appraisal data that the UNESCO designation had any impact on the tax-appraised value of residential properties in the Town of Lunenburg.**

8.0 Infrastructure Impacts

Public infrastructure investment may also be needed to address increased transportation requirements for a historic site as well as the demands of increased numbers of visitors during the tourist season. This investment has the potential to impact the community through property tax rates.

Potential infrastructure impacts on Grand Pré will reflect the extent of changes in the number of visitors to the site relative to historic tourist activity. A recent study¹² estimated the potential increase in visitors based on changes to Lunenburg's tourist visits from its WHS designation. The study estimated a range of annual visitor increases from a low of 678 to a high of 4,410 per year.

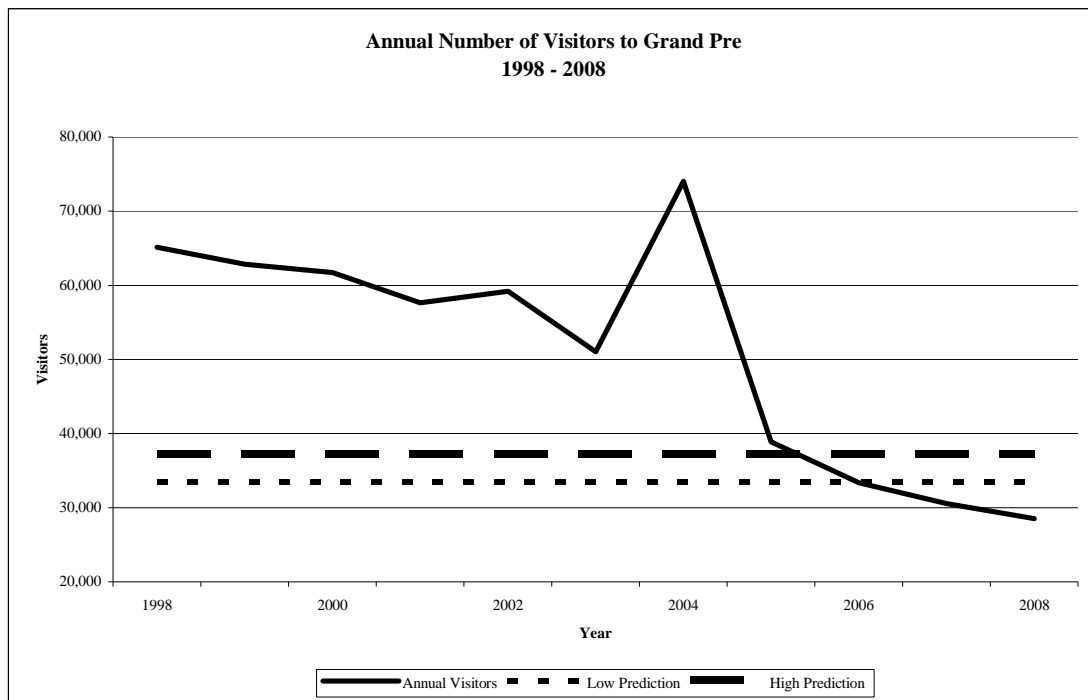
The following table provides estimated visitors by month based on information from the Grand Pré visitor centre (2004 has been removed from the estimates as that was the year

¹² *Grand Pré: An Economic Impact Assessment of a UNESCO World Heritage Designation*, prepared for Nomination Grand Pré by Dr. Brian VanBlarcom, Dr. Cevat Kayahan and Adam McLeod, April 2009.

of the Acadian Homecoming). The high and low estimates were added to the average visitor numbers from 2005 to 2008 to show the visitor range that can be expected each month.

	Visitor Increase		Average Number of Visitors 2005 - 2008	Projected Number of Visitors	
	Low	High		Low	High
May	40	258	1,784	1,824	2,042
June	98	635	5,362	5,460	5,997
July	177	1,149	7,939	8,116	9,088
August	156	1,012	7,977	8,133	8,989
September	143	931	6,914	7,057	7,845
October	66	425	2,854	2,920	3,279
Total	678	4,410	32,830	33,510	37,240

The following chart shows annual visitation from 1998 to 2008 along with the high and low visitor estimate from the table. The chart clearly shows the steady decline in visitation over the last decade, with the exception of 2004. Visitation from 1998 to 2003 averaged almost 60,000 tourists. The average for 2005 to 2008 is less than 33,000.



Existing infrastructure supported almost twice as many tourists over the last decade as can be expected to visit Grand Pré if it receives a UNESCO WHS designation. Part of the site is a National Park and has an existing visitor management system with the capacity to handle many more visitors than have been coming to Grand Pré over the last several years. Also, historical parts of Grand Pré have been designated a National Park, which provides the ability to cooperate with federal funding partners for maintenance, improvement and creation of infrastructure that will benefit the local community.

It is highly unlikely that significant municipal investment will be needed to support increased tourism or that property tax rates will have to be increased as a result of a UNESCO WHS designation.

9.0 Summary

In summary, it appears that the benefits of a UNESCO World Heritage Site designation will be positive for Grand Pré and area.

- It may help slow or reverse the downturn in visitors without requiring significant public investment in infrastructure to support increased activity,
- It has the potential to offer benefits to the community by preserving heritage and present lifestyle, while supporting the community's economic activity, and
- Designation has helped other areas educate the local population and visitors about the uniqueness of an area and increase community pride in its heritage.

The designation is unlikely to have a major impact on issues that concern community members, in particular property price and tax changes. The factors pushing up property prices in the Grand Pré area and other parts of rural Kings County are not related to economic activity, but to land use regulations. The area is already attractive to non-residents and they are finding their way to Grand Pré in any case. The relatively small projected increase in visitor numbers is unlikely to generate additional pressure, good or bad, on property supply and demand.

Property appraisal values for tax purposes have been influenced by the increase in property values due to the lack of supply of residential properties relative to the demand. Increased tourism from the UNESCO WHS designation may put further pressure on some property prices if international tourists who came to the area because of the designation decide to relocate to the area. However, the UNESCO designation does not appear to have been a significant factor in Lunenburg, which faced the same limited supply of affordable housing as is presently the case in Grand Pré.

Based on the information gathered during this project, maximum economic impact will result from a professional, coordinated management plan to leverage the profile associated with a UNESCO WHS designation. Minimum community disruption will be the result of a comprehensive, inclusive consultation process.