# The Value of a Building to a Main Street District



A vacant lot in a downtown generates next to zero revenue to the public or private sectors and often costs the taxpayer to pay for maintenance and care. Empty lots are an ongoing expense liability to a community and to a downtown. Even parking lots are not a wise investment, especially in small rural communities because the cost to build and maintain those parking lots outweighs the financial return. "Free parking" is a myth.

A vacant or underutilized building in a downtown generates little to no revenue to the public or private sectors and owners write them off as losses on their taxes. The burden of taxation is then placed on those who take care of their properties and utilize them to full capacity. Safety is also a major issue.

## Cost of a Main Street Building Vacancy

− Loss of rent (commercial & residential)
− Loss of property value
− Loss of property and sales taxes
− Loss of utility, telephone & internet revenue
− Loss of loan demand, bank fees, deposits & interest
− Loss of revenue from maintenance and repairs
− Loss of revenue from printing, copying & supplies
− Loss of insurance premiums
− Loss of legal and accounting fees
− Loss of property management fees
− Loss of advertising, marketing and PR expenditures
− Loss of payroll and payroll taxes
− Loss of profit & compensation to the business owner
− Loss of potential income for workers elsewhere in the community

*SOURCE: Place Economics Washington, D.C.*

A fully utilized building in a downtown generates income, tax revenue, housing opportunities, jobs and businesses as well as spin-off businesses and activities that create vitality in the district.

Not only does a rehabilitated building generate revenue but it helps give individual identity and a special character to the community increasing a sense of pride among residents. It's also a strong selling point for potential businesses and employees to locate or remain in the community.

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