



**Summary in English. The report “Julkinen taide aluerakentamisessa ja -kehittämisessä: Taloudellisen arvon tunnistaminen ja arviointimenetelmät.” (“Public Art in Planning and Development: Economic Value and Evaluation Methods.”)**

The 21st century has seen public art become an instrument for developing cities and residential areas. In the last 20 years, art has played a particularly important role in area-level planning and the redevelopment of residential districts in Finland. Art and artistic planning are understood to enhance the quality of built environment and to increase interest and demand in both new and redeveloped areas. The regulations on planning and the obligations on art funding (e.g. the percent for art principle) defined in land use agreements have increased the proportion of private funding in public art projects. This has heightened the demand for knowledge on the profitability of investing in art and culture. Little research exists on the economic impact of public art. This report presents a review of methods for identifying and assessing the economic impact of artworks and projects that have been commissioned as part of area development projects.

In identifying the economic impact of public art, the report builds on existing theoretical and research literature as well as on empirical data that was collected via interviews with developers and art experts who work in Finland and via an online survey of Finnish architecture firms. The methodological development work also draws upon several Finnish art districts, that is, areas where art has been incorporated into area-level planning. The data gathered from these case areas include documents and personal communications. The new residential developments included in the report are *Penttilänranta* in Joensuu (2011–2036), *Länsiranta* in Porvoo (2014–2035), and *Kangas* in Jyväskylä (2014–2040), while the *Circle of Art* (Taidekehä) outdoor gallery in Kankaanpää (1990–) represents the use of public art in town centre regeneration.

The report demonstrates the suitability of willingness-to-pay (WTP) analysis for assessing the total economic value of public art. Particularly useful are the methods of hedonic regression model, contingent valuation, and choice-experiment. WTP analysis is used in, for example, environmental economics to assess the impact of the proximity of green areas on housing prices. Finnish cultural economists have used these methods in research on the economic value of museums and cultural heritage. Internationally, the idea of using WTP analysis on public art has been proposed, but few studies have been conducted. Instead of carrying out actual estimations, the report discusses data requirements and provides a review of the existing data sources. It is recommended that WTP analysis will be piloted in further research on the topic.

The report was created as part of the development project Art in Use – Solutions for the integration of art into construction projects (Creative Expertise project 2018–2020). The project is funded by the European Social Fund and coordinated by the Ornamo Art and Design Finland. The aim of the project is to simplify the integration of arts in planning and construction projects and to increase the quality and quantity of art and creative design acquisitions of both municipalities and construction companies.

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