

## **ANALYSIS OF MOLDOVA'S BUILT CULTURAL HERITAGE WITH COMMERCIAL POTENTIAL**

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**Abstract:** Cultural heritage is an ideal resource for sustainable development, provided it is harnessed. In this article, the author presents the analysis of the built heritage from the point of view of the number of monuments in geographical profile, the structure of the monuments built according to their functional destination and the possibility of their use, emerging from the market analysis. The author also analyzes the economic and financial opportunities for safeguarding the cultural heritage built in the Republic of Moldova. The issues facing the built heritage segment include: the legal and technical regulatory issues; the technical aspects with reference to the specific materials of the restoration works and the special construction technologies correlated with the conditions characteristic of the area. The main problems refer to the lack or insufficiency of financial means for the rehabilitation and inclusion in the economic circuit of the built heritage, preserving its cultural value.

**Keywords:** *cultural heritage, cultural value, restoration works, protection, conservation, rehabilitation, safeguarding, built heritage.*

### **Introduction**

Heritage is an ideal resource for sustainable development, provided it is valued. Uniqueness is the reason why historical monuments are so valued. If, as far as natural heritage is concerned, it is easy to understand that every place in the world is unique in its own way, then for cultural heritage, things are not so obvious. Nowadays, modern technologies are able to produce, on a large scale, exact reproductions of original objects, but the value is not given by the copy, but by the original.

The cultural heritage of a country constitutes one of the most representative distinctions of human cultural heritage. In this regard, the Republic of Moldova can be proud of an impressive number of architectural monuments of major importance (fig. 1). We have a country with a rich heritage, where many significant historical monuments have been preserved in their original form. This concept is essential in contemporary culture and remains very complex due to its diversity.

Although it is fundamental to preserve cultural assets, it is not at all easy for younger generations to have the presence of mind and culture to understand and choose them (Marian M.-L. 2022).

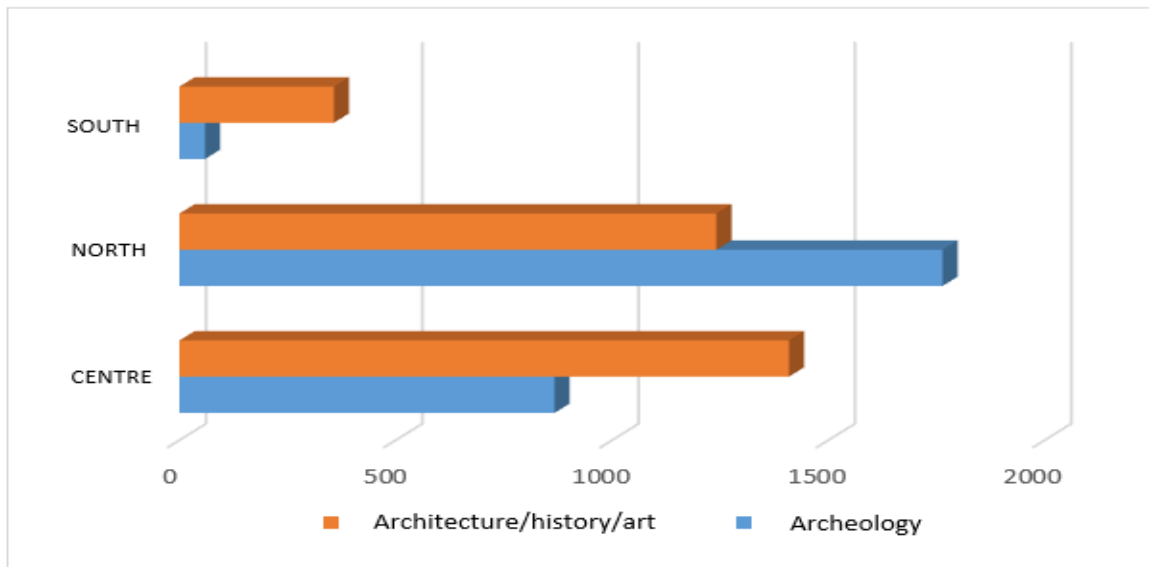


Fig 1. The number of monuments according to the Register of monuments protected by the state in the Republic of Moldova.

Source: elaborated by the author according to the (Register of Monuments of the Republic of Moldova protected by the state)

### **The cultural heritage built in a republican profile**

For all aspects of cultural heritage, value is the essential attribute that underlies decisions about its use. Thus, there is a distinct feature regarding the perception of the value of cultural heritage: individual and collective. A level of civilization is the individual or collective freedom to invest in the preservation of cultural heritage. The common vision recognizes value, exclusively derived from individual utility. The ideal users of cultural heritage are consumers who are aware, educated and informed about its cultural and economic value. In particular, real estate can be valued through direct use, i.e. through "use". The value of use means that state of pride felt by individuals, for the fact that they live or work in a building with cultural value declared a historical monument. This conception is reflected not only in the feeling of social consideration, but also in the market process, where it can be dimensioned by an increased sale or rental value and by the increased number of visitors.

On the real estate market, there are clear signs that the value of use of immovable cultural heritage is on the rise, which tells us that the number of people who are aware and appreciate its benefits and who are ready to pay a commensurate price has also increased. Cultural heritage elements that are in public ownership have a passive use value, which is actually perceived by society, but is not reflected in the market process (Marian M.-L. 2022). Due to its endogenous value, apart from that of use, cultural heritage offers the possibility of determining individual or group investments aimed at ensuring perpetuity. The motivational factor of this attitude is

represented by the satisfaction of perpetuating the values of heritage in society, of its conservation and handing it over for use to future generations. The benefits of cultural heritage are relevant to a greater extent to society and less for individuals. Once these benefits are identified, they will lead to a recurrence of cultural heritage: in terms of cultural value and in terms of economic value (Marian M.-L. 2022).

A major problem of cultural heritage management is the lack of calibration of the instruments and units for measuring cultural value and those of economic value. While the economic value can be evaluated following the cost-benefit analysis, then the cultural value results from the accumulation of a complex of order values: aesthetic, spiritual, social, historical and symbolic.

In an attempt to capitalize on heritage, a well-intentioned user will protect the cultural value because the market tends to value tangible values, and a properly preserved heritage building will have a clearly superior value to a new one, similar in position and gauge, enhancing the quality of life and will be able to attract both tenants and buyers of a higher quality (Marian M.-L. 2021).

The integrated conservation is based on two principles that are opposite in dynamism, namely:

- That of conservation, protection and restoration of the built cultural heritage;
- That of modernization and progress, of urban development.

The quintessence of the concept of integrated conservation lies in the progression from passive conservation to active conservation and from the restoration as an end in itself to the restoration as an expression of society's interest. The sustainable use of the protected monument is a necessary condition for its survival. But there are contradictions between the original functions of the building and the current needs. Very few categories of real estate have kept their functions and original way of organization (Leşan A. 2020).

One of the multiple possibilities for capitalizing the architectural heritage is to assign it a destination in the interest of the community, such as a commercial destination. The existing potential in the Republic of Moldova includes about 38% of the number of built registered monuments (fig. 2).

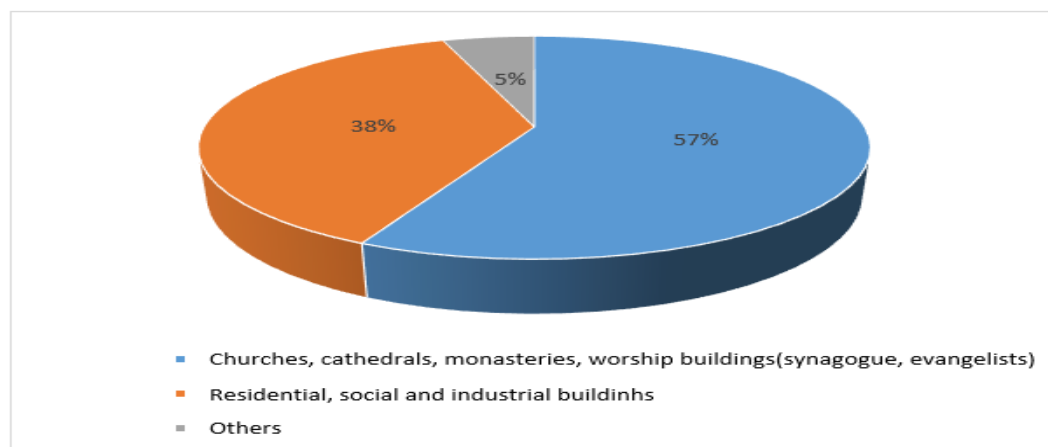


Fig.2 The structure of monuments built according to their functional purpose

Source: elaborated by the author on the basis of (Register of Monuments of the Republic)

We can state that commercial real estate, part of the social service sphere, constitutes a basic component of the national economy. Since commercial real estate objects are meant to generate income, they represent an efficient means of investing (Law of the Republic of Moldova on the protection of monuments). In the Republic of Moldova, the most profitable or the highest incomes are generated by commercial buildings located in the urban environment, especially in Chişinău. This fact is due to the high concentration of the population, industrial and service companies, a fact demonstrated by the increased demand for commercial real estate. The historical centre of the city, which includes most of the architectural monuments in the country is in the centre of the Chişinău municipality (table 1) (Monuments Inspection and Restoration Agency).

Table 1 The number of monuments included in the Register of State-protected monuments on 13.01.2014 in regional profile.

Location	Total	Including:		Including:		Total
Area %	District	National importance	Local importance	Archeology	Architecture / History / Art	rate,
<b>CENTRE</b>						
2,76	Anenii Noi	157	138	19	100	57
1,44	Călăraşi	82	58	24	10	72
2,26	Criuleni	129	104	25	72	57
1,67	Dubăsari	95	64	31	52	43
1,30	Grigoriopol	74	51	23	23	51
2,19	Hânceşti	125	81	44	49	76
2,44	Ialoveni	139	119	20	90	49

2,56	Nisporeni	146	117	29	66	80
5,63	Orhei	321	295	26	144	177
1,33	Slobozia	76	74	2	33	43
1,79	Strășeni	102	101	1	38	64
2,21	Telenești	126	126	0	61	65
2,60	Ungheni	148	147	1	57	91
7,35	Chișinău	419	419	0	50	369
0,74	Bălți	42	42	0	7	35
0,65	Tighina	37	36	1	10	27
1,02	Tiraspol	58	58	0	5	53
39,95	TOTAL Centre	2276	2030	246	867	1409

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**NORTH**

3,37	Briceni	192	139	53	122	70
2,62	Camenca	149	93	56	67	82
3,25	Dondușeni	185	121	64	94	91
2,37	Drochia	135	90	45	74	61
6,67	Edineț	380	219	161	193	187
3,42	Fălești	195	116	79	105	90

4,46	Florești	254	164	90	146	108
2,84	Glodeni	162	126	36	116	46
3,07	Ocnîța	175	130	45	103	72
2,49	Rezina	142	91	51	82	60
1,69	Râbnița	96	53	43	40	56
3,41	Râșcani	194	147	47	131	63
5,62	Sângerei	320	263	57	253	67
4,27	Soroca	243	153	90	129	114
3,21	Șoldănești	183	129	54	109	74
52,75	TOTAL North	3005	2034	971	1764	1241

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**SOUTH**

0,37	Basarabeasca	21	16	5	3	18
0,56	Cahul	32	26	6	3	29
0,49	Cantemir	28	24	4	0	28
0,70	Căinari	40	36	4	8	32
0,90	Căușeni	51	50	1	15	36
0,39	Ceadâr-Lunga	22	19	3	1	21
0,63	Cimișlia	36	25	11	0	36

0,30	Comrat	17	10	7	0	17	
0,63	Leova	36	11	25	1	35	
1,28	Ștefan-Vodă	73	44	29	22	51	
0,35	Taraclia	20	7	13	1	19	
0,70	Vulcănești	40	19	21	5	35	
	TOTAL South	416	287	129	59	357	7,3
	TOTAL register	5697	4351	1346	2690	3007	
100,00							

Source: elaborated by the author based on the (Register of State-protected Monuments of the Republic of Moldova).

### **The cultural heritage built in Chișinău**

Chișinău's Municipal Council, by decision no. 10/9 of 04.12.2014 keeps a strict record of historical monuments of local importance in the city of Chișinău. The respective decision regulates the composition of historical monuments, the regulation regarding the evaluation, monitoring and protection of historical monuments (Chișinău's Municipal Council Decisions, Chișinău City Hall). In annex no. 1 of Decision no. 10/9 of 04.12.2014, a little over 450 historical monuments that are part of different segments of the real estate market are registered. Together with the immovable assets contained in the Register of State Monuments in the municipality of Chișinău, we certify a number of 821 built monuments. Analyzing the list of buildings declared architectural monuments and their grouping by destination, we can see that 152 buildings (approximately 35%) of the total of historical monuments belong to the commercial market segment (Municipal Institute of Design "CHIȘINĂUPROIECT").

These properties are mainly located in the central administrative sector of the city of Chisinau, where prices exceed 3000 euros for a square meter of commercial space (fig. 3) and 1400 euros for a square meter of office space (fig. 4).

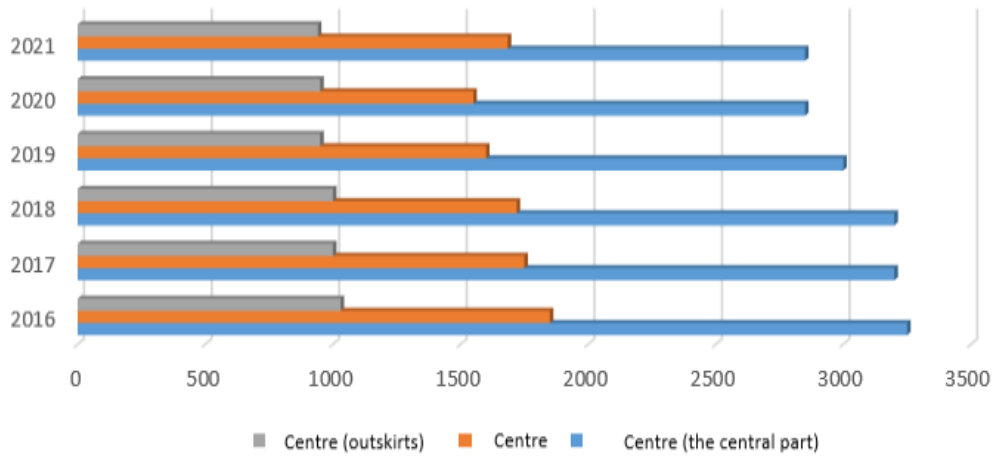


Fig. 3 Average prices for one square meter of commercial space in the central administrative sector, Chişinău city, in the period 2016-2020, euro  
 Source: developed by the author according to the data (Largest blog on real estate in Chişinău).

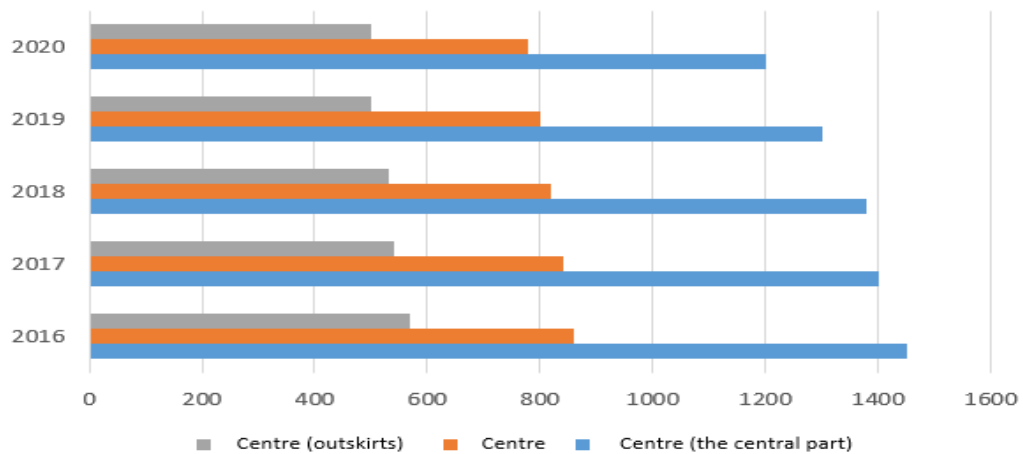


Fig. 4 Average prices for one square meter of office space in the central administrative sector, Chişinău city, in the period 2016-2020, euro.  
 Source: developed by the author according to the data (Largest blog on real estate in Chişinău).



And the prices for an acre of land located in the Central sector and intended for construction exceed 40,000 euros (fig.5).

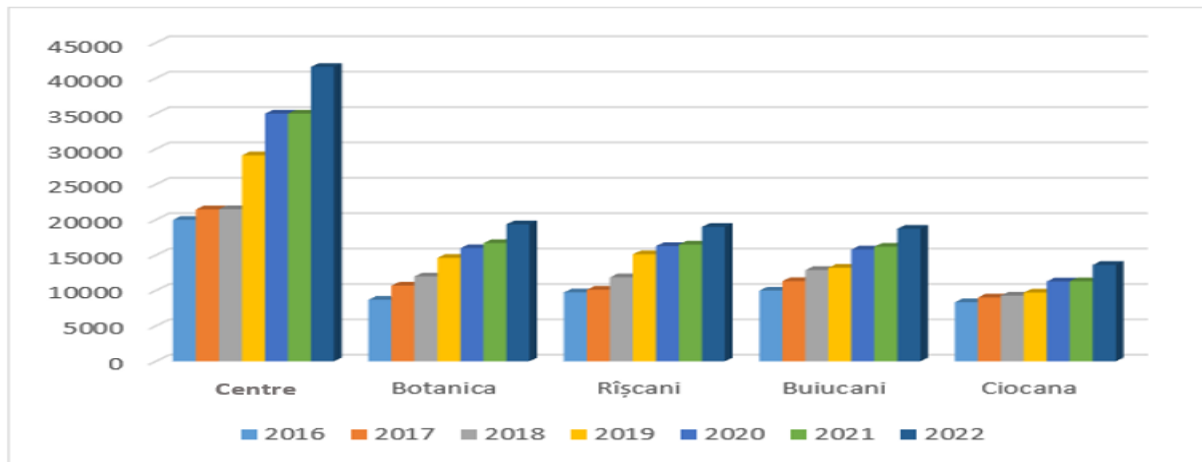


Fig. 5 Average prices for an acre of construction land in the city of Chisinau, 2016-2022.

Source: developed by the author according to the data (Largest blog of real estate in Chișinău).

All these buildings, if they enjoy the due attention of both the authorities and specialists in the field, will contribute significantly to the economic development of the capital and the country.

The opportunities for implementing financial and economic measures for the preservation of monuments in the current Republic of Moldova are summarized in the provisions of Law 1530 of 22.06.1993 regarding the protection of monuments (as amended in 2022) (Law 1530 of 22.06.1993), which by art. 35 provides that “Financing of the activities of recording, studying, enhancing, rescuing, protecting, preserving and restoring monuments is ensured by/from:

- The state budget through the Ministry of Culture;
- The local budget;
- Account of lease payments, including rent for the land in the protected areas of the monuments (the amount of the lease payment is established in accordance with the international norms);
- Breakdowns of tourism benefits;
- The income of the enterprises, which limit the protection of the monuments;
- The income of the enterprises, which limit the protection of the monuments;
- The income and donations of the organizations that protect the monuments, based on their status;
- The funds and donations of natural and/or legal persons, as well as
- From other legal sources”.

Additionally, to these, it is allowed “in supporting the activity oriented towards the record, study, enhancement, rescue, protection, conservation and restoration of monuments, editing of postcards, calendars, stamps, organization of tourism”.

De facto, we can only talk about means allocated from the budget, quite modest amounts and money allocated through projects with international funding. In the last eight years from the state budget were broken down for restoration works through the Ministry of Culture amounts between 497.5 thousand US dollars and 2426 thousand US dollars, which represents from 0.39% to 3.34% of the investments planned capitals in the state budget (Albu S. 2022).

Over the years, several articles from law no. 1530/1993 have been excluded, thus since 2004 a series of provisions have become inapplicable whereby:

- Annually, the Government provided in the state budget ***a central restoration fund and a central fund for exceptional interventions***.
- In order to materially support the work of recording, studying, enhancing, saving, protecting, preserving and restoring the monuments, the owners of which are natural and/or legal persons, the Government grants them ***loans repayable in installments, without interest***, in the event that they could prove that they could not afford the necessary expenses.
- The natural and/or legal persons, the owners of the monuments registered in the Register of Monuments, ***were exempt from taxes*** or, as the case may be, ***were partially subject to tax*** in accordance with the contract, except for income tax, real estate tax and VAT. Those tax-free revenues were used to finance the protection, conservation and restoration works of the respective monuments.
- The state granted some ***facilities*** such as: customs exemptions, tax reductions, with the exception of income tax, and ***a priority regime*** for natural and legal persons who directly produced or bought both from the country and from abroad, raw materials, materials, equipment and equipment necessary for the activities of recording, studying, enhancing, rescuing, protecting, preserving and restoring the built heritage, based on the documentation approved by the Ministry of Culture.

At the same time, an opportunity for the built historical heritage is “percentage philanthropy”. Starting from January 1, 2017 in the Republic of Moldova, natural persons can participate in the management of public money, directing 2% of their income tax to non-commercial organizations (State Fiscal Service of the Republic of Moldova). Regrettably, this possibility is not sufficiently publicized, nor is it used especially in the field of preserving the built cultural heritage.

However, we consider it possible to accumulate financial means to safeguard the cultural heritage built in the Republic of Moldova. We support the opinion of colleagues regarding the existing potential opportunities both at the country and municipality level and at the project level (tab.2).

**Table 2.** The economic and financial opportunities for safeguarding the built cultural heritage of the Republic of Moldova.

Existing opportunities	Potential opportunities
At the country level	
Subsidies Grants Precentral philanthropy Rent payments Editing of postcards, calendars, stamps, organization of tourism	Tax incentives. Tax reduction depending on the cost of rehabilitation works carried out in the current year Low interest bank loans Expropriation
At the municipal level (locality)	
Subsidies Grants The income and donations of the organizations that protect the monuments The funds and donations of natural and legal persons	Lotteries Low interest bank loans Fines for improper maintenance Differentiation of the real estate tax rate
At the object level	
Involvement of religious organizations as partners tax Involvement of non-profit organizations The funds and donations of natural and legal persons	Publicizing the need, to attract 2% of the income tax of natural persons.

Source: (Albu S. 2022)

Generalizing, we note that 821 built monuments are registered in the municipality of Chişinău. By grouping them by destination, we find that 152 buildings (approximately 35%) of the total of historical monuments belong to the commercial segment of the real estate market. These properties are mainly located in the Central administrative sector of the city of Chisinau, where prices exceed the value of 3000 euros for a square meter of commercial space and 1400

euros for a square meter of office space, and the prices for an acre of land located in the Central sector and intended for construction exceed 40,000 euros.

### **Conclusions**

The problems faced by the real estate segment of the built heritage include: legal and technical regulatory aspects; technical aspects with reference to the specific materials of restoration works and special construction technologies correlated with conditions characteristic of the area (high seismicity, landslides, etc.). However, the main problems relate to the lack or insufficiency of financial means for the rehabilitation and inclusion in the economic circuit of the built heritage while preserving its cultural value.

The sources of funding for the activities of recording, studying, appreciating, saving, protecting, preserving and restoring monuments in the Republic of Moldova are summarized in the state budget and local budgets (which practically do not have enough means); from the lease payment account, including the rent for the land in the protected areas of the monuments (which are currently not regulated and the amounts are negligible); breakdowns of tourism benefits; the income of the enterprises, which limit the protection of the monuments; the benefit of the state insurance bodies, in accordance with the concluded agreements; the income and donations of the organizations that protect the monuments; the funds and donations of natural and/or legal persons, which also do not function according to expectations. An opportunity for the built historical heritage is the “percentage philanthropy”, but de facto, we can only talk about the means allocated from the budget, quite modest amounts and money allocated through the internationally funded projects (for example cross-border projects).

The analysis of the international practices and the existing situation in the Republic of Moldova allows us to say that without the involvement of the state, the process of safeguarding the built heritage cannot be successfully carried out.

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