

HISTORIC DISTRICTING DOES NOT HAVE A NEGATIVE AFFECT ON PROPERTY VALUES

But don't take our word for it, review these studies for yourself.

"The New Nashville: A Study of the Impacts of Historic Preservation", 2019.

<https://www.nashville.gov/Historical-Commission/Educational-Resources/Economic-Impact-Study.aspx>

"The majority of economic studies published throughout the United States conclude that designation typically has a neutral or beneficial impact on property values and rarely a negative influence. The study conducted for the City of Memphis concluded the same. The economic study conducted by Rutgers concluded that historic designation means a higher average value, a higher value in comparison to similar homes, and a greater return on investment"

Preservation Makes Dollars & Sense: The Economic Impact of Historic Preservation in Memphis, Tennessee, prepared by Center for Urban Policy Research

[PDF available through the MHZC office](#)

"In no case was there evidence that being in a local historic district reduced property values. In fact, in three of the four communities, properties within historic districts have had an annual increase in value greater than that of properties in the community as a whole.

This is perhaps not surprising in times of rapid real estate appreciation. But what about in the recent years where property values around the country have fallen? The study looked at patterns of foreclosures in each of the four cities and found that in every case the rate of foreclosure was less in the historic district than in the local market – good news indeed for historic homeowners and their bankers."

Connecticut Local Historic Districts and Property Values, prepared by PlaceEconomics, Washington, DC, October (2011)

http://www.placeeconomics.com/wp-content/uploads/2011/03/ct_report_2011.pdf

"Recent studies in South Carolina found that local historic district status increases house values. The market recognizes the extra protection offered by local district status and rewards owners with a higher rate of return on their investments.

- In Columbia, house prices in local historic districts increased 26% per year faster than the market as a whole.
- In Beaufort, houses in the locally protected historic district sold for 21% more, all other factors being equal, than similar houses not in the district.
- In Greenville, establishing a local historic district caused prices of houses in the district to go up. House prices rose, on average, over 50% in just a few years.
- In six smaller towns and cities across the state, local historic district status was a positive factor in determining the value of a house. For example, in Georgetown, houses in the

local historic district sold for 11% more than comparable non-district houses, while in Anderson, district houses sold for 36% more.”

Historic Districts Are Good for Your Pocketbook: The Impact of Local Historic Districts on House Prices in South Carolina (2003)

<http://shpo.sc.gov/pubs/Documents/hdgoodforpocketbook.pdf>

“It can be said that according to the results in this report, historic neighborhoods with overlay zoning in place to preserve the architectural integrity and character of their resources retain their values and appreciate at a higher rate than those without these guidelines. On average, we have seen the increase in property values within HP zoned districts at a higher percentage than that of their Neighborhood Conservation District counterparts, and more so, neighborhoods without protections. Therefore, it can be said that HP and NCD overlay zoning are successful tools to curb extreme fluctuations in times of economic downturns. We see that there are also many benefits to increased property values: from a larger tax base towards the municipality to having better neighborhood amenities and infrastructure. It should also be noted that HP and NCD districts tend to benefit the middle and upper class historic neighborhoods and limit low-income residents as to what they can afford, so incentive programs and grants could be used to counter this occurrence.”

Fiscal Impact of Local Historic Preservation and Neighborhood Conservation Zoning on Residential Property Values: A Comparison of Nashville and Oklahoma City Historic Neighborhoods by Eric Hill (2015)

PDF available at MDHA offices

“Designation of historic districts is increasingly used as a tool to revive or halt the deterioration of central-city neighbourhoods. While historic designation is generally thought to have a positive impact on property values, evidence on this issue is mixed. One limitation of previous research is that it typically focuses on historic neighbourhoods in one city and thus bases its conclusions on a very limited sample. This study expands upon previous work by examining the effects of designation on property values across a larger set of cities. The study employs hedonic regression models to estimate housing prices in historic districts and comparable neighbourhoods in nine Texas cities. Results suggest that, in most cases, historic designation is associated with higher property values.”

Historic Preservation and Residential Property Values: An Analysis of Texas Cities by Robin M. Leichenko, N. Edward Coulson and David Listokin (2000)

<http://www.angelfire.com/tx5/cven04/Leichenko-%20Historic%20Preservation.pdf>

“IBO found clear evidence that after controlling for property and neighborhood characteristics, market values of properties in historic districts were higher than those outside historic districts for every year in our study. Although the results for price appreciation during particular sub-periods are mixed, for the entire 1975 through 2002 period properties in historic districts increased in price at a slightly greater rate than properties not in districts. Finally, there is not sufficient evidence to conclude that districting itself *causes* higher prices or greater price appreciation.”

The Impact of Historic Districts on Residential Property Values (Background Paper), prepared by the New York City Independent Budget Office (2003)

<http://www.ibo.nyc.ny.us/iboreports/HistoricDistricts03.pdf>

A study revealed “that local historic districts in Indiana not only provide valuable protection for each community’s historical resources but protect and enhance the individuals’ financial resources as well.”

Preservation & Property Values in Indiana by Donovan Rypkema, economist

<http://www.indianalandmarks.org/sitecollectiondocuments/publication%20pdfs/pvlr.pdf>

“We find that through decades of a local civic organization’s efforts and government planning initiatives, the community has successfully turned from a university slum into a livable neighborhood. We also find that the benefits are not strictly nostalgic but there is a positive economic impact of historic preservation designation on property values.”

The Making of a Historic District and the Economic Impact Upon Housing Value: An Empirical Analysis of the Tree Streets Neighborhood in Johnson City, Tennessee by Ke Chen (2013)

<http://www.scirp.org/journal/PaperInformation.aspx?PaperID=40811>

“We find that, on average, neighborhoods that comprise historic districts experience an increase in socioeconomic status relative to other nearby neighborhoods after designation.”

Does Preservation Accelerate Neighborhood Change?: Examining the Impact of Historic Preservation in New York City by Brian J. McCabe and Ingrid Gould Ellen (2016)

<http://www.tandfonline.com/doi/abs/10.1080/01944363.2015.1126195#.V2FfL5j2bcs>

“Aesthetic regulations often are controversial because they are perceived as detrimental to the economic interests of property owners. While they may in some cases prevent an individual owner from maximizing profits on a particular building, aesthetic regulations can enhance the physical attractiveness of an entire area, making the properties in the area more valuable than similar properties located elsewhere in the community.”

The Economic Benefits of Preserving Community Character (1993) by Joni L. Leithe

<https://www.questia.com/magazine/1G1-14080146/the-economic-benefits-of-preserving-community-character>

In Philadelphia, houses in National Register historic districts command a premium of 14.3% over comparable properties not in historic districts. Houses in local historic districts command a premium of 22.5% over comparable properties not in historic districts.

The Economic Impact of Historic Preservation in Philadelphia (2010) prepared by Econsult Corporation

http://www.preservationalliance.com/wp-content/uploads/2014/09/Econ_Report_Final.pdf

“In a small historic district in North Little Rock, Arkansas, houses were worth on average \$31,000 more than comparable houses not in the district. This meant annual additional revenues for the county of \$40,000, for the city of \$50,000, and for the school district of \$200,000.”

A Profitable Past: The Economic Impact of Historic Preservation in Arkansas prepared by Center for Urban Policy Research at Rutgers University and the Arkansas Historic Preservation Program (2006)

<http://www.pawv.org/wvchp/arkansasecon.htm>

“In the city of Dubuque, Iowa, the average annual growth rate for historic preservation rehabilitation property values is 51%, compared to 5% for all properties in the city of Dubuque from 2001 to 2006. The average annual growth rate for the value of neighboring historic properties is 9.7%, compared to 3.7% for other properties in downtown Dubuque from 2000 to 2007.”

Iowa’s Historic Preservation and Cultural and Entertainment District Tax Credit Program Evaluation Study (2014) by Zhong Jin with Tax Research and Program Analysis Section of the Iowa Department of Revenue

<https://tax.iowa.gov/sites/files/idr/Historic%20Preservation%20Tax%20Credit%20Evaluation%20Study.pdf>

“In Louisville, Kentucky, properties in local historic districts were worth between \$59,000 and \$67,000 more than comparable properties not in historic districts. Between 2000 and 2007 houses in local historic districts appreciated 21% more than the rest of the market.”

Historic Preservation’s Impact on Job Creation, Property Values, and Environmental Sustainability (2009) by John I. Gilderbloom, Matthew J. Hanka & Joshua D. Ambrosius

<http://www.tandfonline.com/doi/pdf/10.1080/17549170903056821>

Compiled by the Metro Historic Zoning Commission (2016)