

Your House Is In A Historic District: Does That Raise Or Lower Its Value

[Paul Whaley](#) of Boston's Coldwell Banker Residential Brokerage speaks for a lot of the real estate industry when he voices his feelings about historic districts. "I think buyers see a property in a historic district as a negative because it restricts what they can do," Whaley says. "Investors don't like it either as it takes longer for approvals. In general, I think it depresses the value of a property."

There are more than 2,300 local historic districts in the United States. The first one was created in 1931, in Charleston, South Carolina, followed as few years later by the second, in New Orleans. In 1966, the Department of the Interior established the National Register of Historic Places. And, while a National Register listing is an honorary designation, those local historic districts are the ones with teeth. Most issue design guidelines that control changes made to the properties within the district.

"People are afraid that being in a historic district will disable them from making changes," says architect [Christopher Dallmus](#), principal and president of Design Associates of Cambridge, Massachusetts. The firm has worked in historic districts from Nantucket to Colorado. "The purpose of a historic district is not to make it impossible to make changes; it is to make sure that the change is appropriate."

"If an area has caught the attention of a community so that it gave it historic district protection, it must be special already," says [Bruce Irving](#), a realtor and home renovation consultant based in Cambridge, Massachusetts. "The value goes back to before it was a historic district; the district was put in place because people saw something special, and this is another level of control and input by the community."

He believes historic districts enhance property values. This is borne out by [an analysis real estate values in historic districts](#) conducted by economist Donovan D. Rypkema, of Washington, D.C. "The results of these studies are remarkably consistent: property values in local historic districts appreciate significantly faster than the market as a whole in the vast majority of cases, and they appreciate at rates equivalent to the market in the worst case. Simply put – historic districts enhance property values."

[A 2011 study of Connecticut historic districts and property values](#) found that property values in every local historic district saw average increases in value, ranging from 4% to over 19% per year. In [New York City between 1980 and 2000](#), local historic district properties on a price per square foot basis increased in value significantly more than non-designated properties.

"You can lose the things that attract people," Irving says. "It is also important for homeowners to remember that the purview of the historic district commission is those things that can be seen from a public way. It has nothing to do with the interior."

But it will preserve the historic charm that attracted people in the first place. "When you buy into a historic district, you can rest assured that, in 30 years, it will tend to look very much the same" says Dallmus.