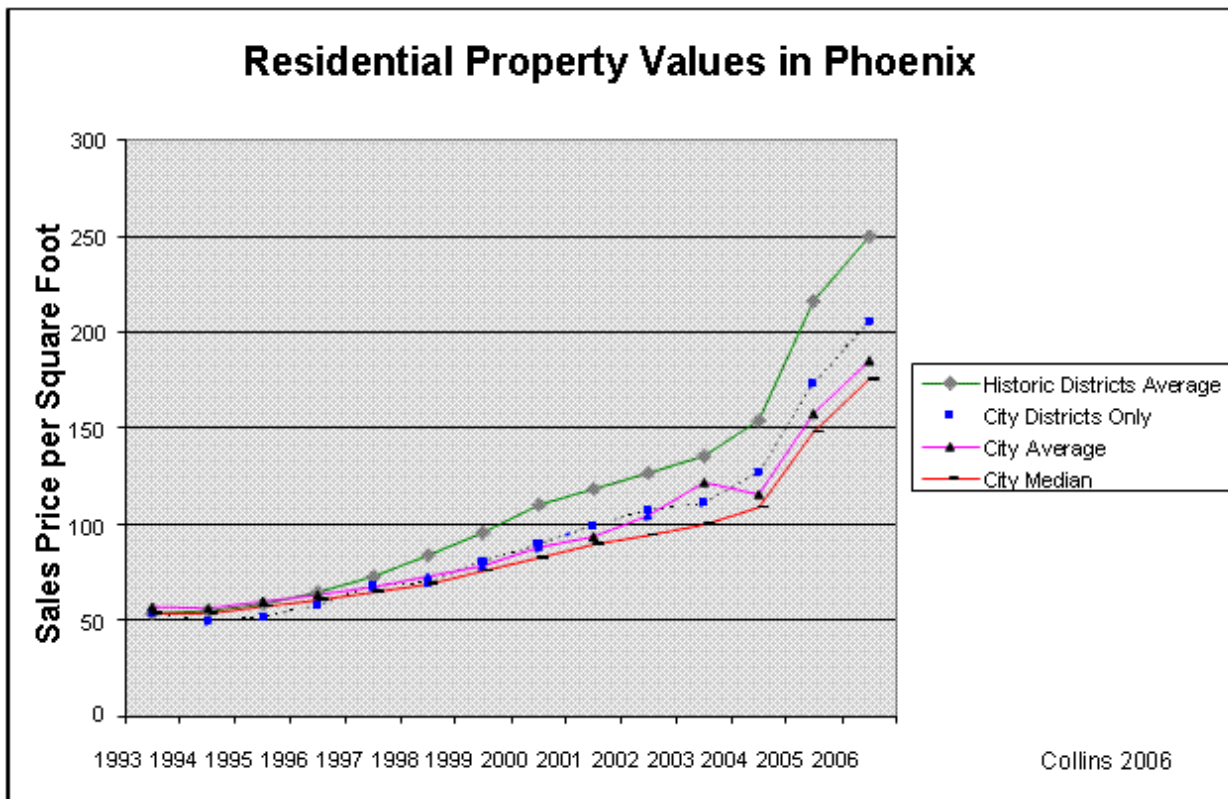


## Historic Designation and Your Property Values

One of the most frequently asked questions regarding historic designation is the effect it may have on private property values. In numerous studies across the country, economists have found that historic designation, either on the National Register of Historic Places or a local register or both, has no negative impact on the sales price of residential property. In many instances, the effect is highly positive with sales prices increasing at a higher rate than other comparable properties. Of course, the impact of historic designation can vary considerably according to the particular local conditions, but the general pattern is consistent and clear. Historic designation does not restrain property value growth compared with non-historic property and often is associated with accelerating growth well above that of non-historic property.



These conclusions are demonstrated in an economics study of historic designation in the City of Phoenix. Phoenix has had for many years an active historic preservation program and 35 neighborhoods are now listed on the City's historic property register, the National Register of Historic Places, or both. The results of the study are summarized in the chart below. Controlling for the size of the house, residential sales prices in City-designated historic districts can be seen to be increasing at a slightly greater rate than residential property in Phoenix as a whole. Furthermore, single-family, owner-occupied houses in National Register-listed historic districts enjoy an additional benefit from the State of Arizona historic property tax reclassification program, which translates to an even higher rate of return to homeowners.

Fears that historic designation will harm property owners' return on investment have been found to be groundless. By instilling pride in neighborhood, encouraging reinvestment, and controlling against incompatible development, historic districts are a valuable tool in maintaining the economic viability of older neighborhoods as livable communities for home-owning households.