

Historic Preservation Social Benefits

10 Benefits of Establishing a Local Historic District – by Julia Rocchi

- Local districts protect the investments of owners and residents of historic properties.
- Properties within local historic districts appreciate at rates greater than local market overall as well as faster than similar, non-designated neighborhoods.
- Local districts encourage better quality design.
- Local districts help the environment and are energy efficient.
- Historic Districts are a vehicle for education.
- Historic districts can positively impact the local economy through tourism.
- Protecting local historic districts can enhance business recruitment potential.
- Local districts provide social and psychological benefits.
- Local districts give communities a voice in their future.

Historic District Benefits – by Johnathan Mabry, PhD

1. Higher Property Values and Rates of Appreciation
 - a. Historic district designation typically increases residential property values by 5-35% per decade over the values of similar, undesignated neighborhoods.
 - b. Both nationally designated historic districts and locally designated historic districts outperform similar, undesignated neighborhoods, but districts that carry both local and national designation experience the highest relative increases in property values.
 - c. Values of newer properties within designated historic districts increase along with those of older properties.
2. Insulation from Extreme Market Fluctuations
 - a. Local historic district designation decreases investor uncertainty and insulates property values from wild swings in the housing market.
3. Stabilization of Residence
 - a. Historic district designation leads to increased levels of home ownership and longer residence by both homeowners and renters.
4. Increased Connections among Neighbors and Community Involvement
 - a. Designated historic districts tend to have higher rates of participation in neighborhood associations and improvement projects, which protects shared spaces from decline.
 - b. Proposed exterior renovations, demolitions, and new construction in locally designated historic districts are reviewed by neighborhood advisory groups and historical commissions, thereby ensuring community involvement in neighborhood planning.

Economic Benefits of Preservation – by Donovan Rypkema

Historic Preservation Financial Benefits

20% Federal Rehabilitation Tax Credit ([National Park Services – Tax Incentives](#))

- Total credit available equals 20% of the qualifying expenses of your rehabilitation.
- Tax credit is only available to properties that will be used as a business or other income-producing purpose, with a substantial amount being spent on rehabilitating the historic building.
- Applies to any certified rehabilitation of certified historic structures.
- A certified historic structure is a **building** that is listed individually in the National Register of Historic Places *or* a building that is located in a registered historic district and certified by the National Park Service as contributing to the historic significance of that district.
- Rehabilitation work has to meet the Secretary of the Interior’s Standards for Rehabilitation, as determined by the National Park Service.

10% Federal Rehabilitation Tax Credit

- Applies to any non-historic, non-residential Buildings built before 1936.

Tax Benefits for Historic Preservation Easements

- A historic preservation easement is a voluntary legal agreement that permanently protects an historic property.
- A property owner places restrictions on the development of or changes to the historic property, then transfers these restrictions to a preservation or conservation organization.
- A historic property owner who donates an easement may be eligible for tax benefits, such as a Federal income tax deduction.

Property Tax Assessment Freezes ([Illinois Preservation Historic Agency](#))

- Freezes the assessed value of a historic, owner-occupied, principal residence for a 12-year period after rehabilitation of a property.
- A minimum investment of 25% the property’s market value, as determined by the County Assessor.
- Must be a certified historic structure.
- **Benefits:**
 - Encouraging the preservation of historic buildings through promotion, recognition, designation, and reuse;
 - Increasing the value of the rehabilitated property;
 - Returning underutilized structures to the tax rolls;
 - Revitalizing and stabilizing neighborhoods and often increasing the amount of available housing in a community; and
 - Sustainably reusing the built environment.

For more information about other incentives, please [click here](#).