

# CONNECTICUT LOCAL HISTORIC DISTRICTS AND PROPERTY VALUES



Prepared for: Connecticut Trust for Historic Preservation  
Prepared by: *PlaceEconomics*, Washington, DC, October 2011



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# Introduction

Connecticut is a state with a wealth of historic resources. Every corner of the state contains sites, structures, artifacts and landscapes that are today the physical manifestation of our rich heritage. It is the mission of the Connecticut Trust for Historic Preservation to nurture and protect those resources. One of the most effective means of assuring that our built history is available for generations to come is through the creation of local historic districts. Today in Connecticut there are 133 historic districts in 72 towns covering in excess of 8,000 buildings.

In addition, there are National Register of Historic Places districts which provide a wonderful means of identifying the importance of a neighborhood's architectural, cultural and historical importance. However National Register listing alone provides almost no protection for the properties within the district. Those protections come through the creation of a local historic district under CGS § 7-147. These local historic districts will include a board of volunteer citizens who review applications for architectural changes visible from a public right-of-way, new construction, and demolition. It is through this review and approval process that the underlying character of a neighborhood is maintained over time.

While the primary goal of a local historic district is to identify, protect and enhance historic resources, those actions surely must have economic consequences. Since one's house is usually the largest family asset, it is legitimate to ask, "What effect does being in a local historic district have on property values?" It was to help answer that question that the Connecticut Trust, with funding from the State Historic Preservation Office, commissioned this study – *Connecticut Local Historic Districts and Property Values*.

To get a broad understanding of the issue, we chose to look at four very different towns and cities in Connecticut: Canton, Milford, Norwich and Windsor. These communities vary widely in size, geography, demographics and economic condition. What they have in common, however, are inventories of wonderful historic buildings and local commissions to oversee the historic districts as they change and evolve.

We are very pleased by the results of this analysis. 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.

Everything wasn't good news, however. We have learned that in the four communities there are more than 3,500 homes over a century old, but 92% of them have no protections through a local historic district. For us at the Connecticut Trust this means that stewarding historic resources for future generations requires an ongoing commitment.

The positive economic lessons from *Connecticut Local Historic Districts and Property Values* will be one more tool to assist us and the citizens of our state to meet that commitment.

Helen Higgins, Executive Director  
Connecticut Trust for Historic Preservation

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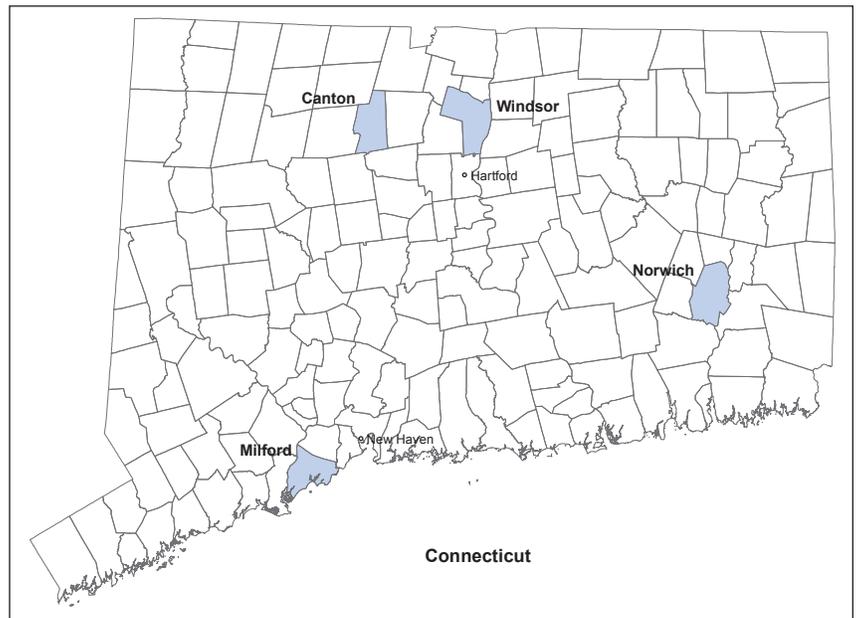
The State Historic Preservation Office is pleased to partner with the Connecticut Trust for Historic Preservation to produce this publication, which will become a valuable addition to every local historic district commission's preservation tool kit. There have been many good studies conducted across the country, in towns and cities large and small, analyzing the comparative values of properties within historic districts and without. While this analysis is a good reference point, people want specifics about Connecticut and their own town. Thanks to this excellent report, we can now provide more pertinent information and statistics for local historic district residents and commissioners here in Connecticut.

The conclusions that can be drawn from this report point to the importance of continued dedication to identifying and protecting the historic resources that tell the unique story of each of our cities and towns. By providing evidence that local historic district and property designation can offer assurances of economic stability and the promise of certain protections against unmanaged change, this report provides an effective response to the question so often asked: "what is the benefit of historic preservation?"

David Bahlman  
State Historic Preservation Officer

# Executive Summary

The relationship between property values and local historic districts was measured in four Connecticut communities – Canton, Milford, Norwich and Windsor. Included in the analysis were two local historic districts in Canton and Norwich and one district each in Milford and Windsor. The base comparison was the change in values of properties reflected in two revaluations for property tax purposes by the local assessor. In three of the cases those valuations were five years apart; in the fourth case, six years. In total data from more than 25,000 properties was examined.



The major findings, detailed on the pages that follow, were these:

- **Property values in every local historic district saw average increases in value ranging from 4% to over 19% per year.**
- **In three of the four communities the rate of value increase for properties within local historic districts was greater than for properties with no such protection.**
- **In “head to head” square-foot comparisons based on age and style, properties within local historic districts were worth more than similar properties not within the districts.**
- **Overall there appears to be a 2-4% value premium resulting from location within a local historic district.**
- **On a composite basis, the rate of foreclosure of properties within the historic districts was half the rate outside the districts.**
- **The comparative value increase is least where there are significant commercial and multifamily structures within the same neighborhood as single-family residences.**
- **In spite of these positive indicators, the vast majority of historic homes in these communities are not subject to the protection of local historic districts.**

# CANTON



## BACKGROUND

Founded in 1806, Canton is a small and prosperous country town 14 miles west of Hartford. It is part of the capital region but has a strong sense of being an independent community. Part of the town's identity is intertwined with the Collins Axe Company factory that prospered from 1826 to 1966. Many of the buildings in the mill area, called Collinsville, were built to house and support the factory's employees. The preservation and adaptive reuse of several downtown buildings resulted in *Budget Travel* ranking Collinsville among its 2007 "Ten Coolest Small Towns in Connecticut." The town was constructed along the Farmington River and today is the center of many outdoor sporting activities.

Canton has two local historic districts – Collinsville Historic District, established in 1988, and Canton Center Historic District, established in 1975. Collinsville Historic District is centered around the Collins Axe factory and includes remaining downtown buildings although not the factory itself. The district is a small historic manufacturing village with a mix of residential, commercial and industrial structures that are still in their original configuration, located just off State Route 169. Canton Center Historic District is north of Collinsville and generally runs linearly along Route 179, including properties 100 feet to either side of the road. The district is primarily residential and fairly rural, representing Canton's original town settlement as a rural agricultural community.

## STATISTICS

**County:** Hartford County

**Local Historic Districts:** 2

**National Register Districts:** 2

**Population:** 10,292

**Median Age:** 43

**Ethnic Makeup:**

White: 96%

African American: 1%

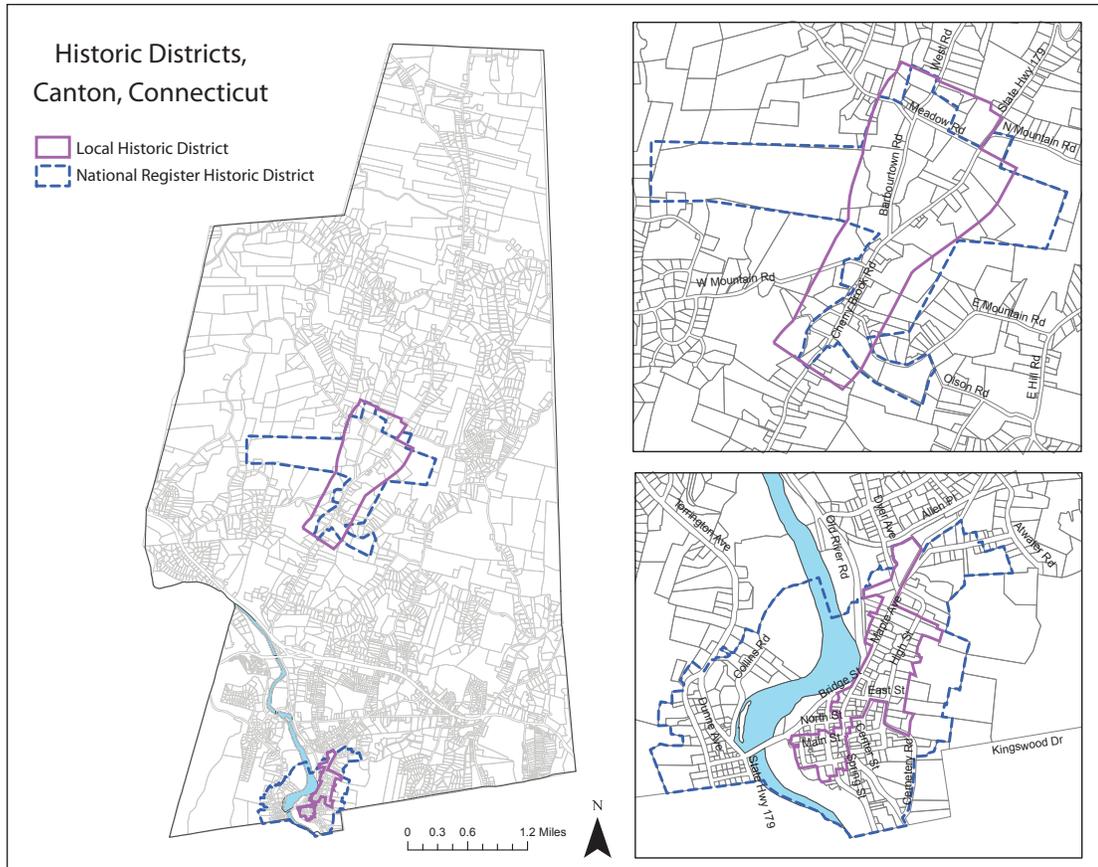
Latino: 2.6%

Asian: 2%

**Median Household Income:** \$86,912

**Owner-occupied Housing Units:** 3,394

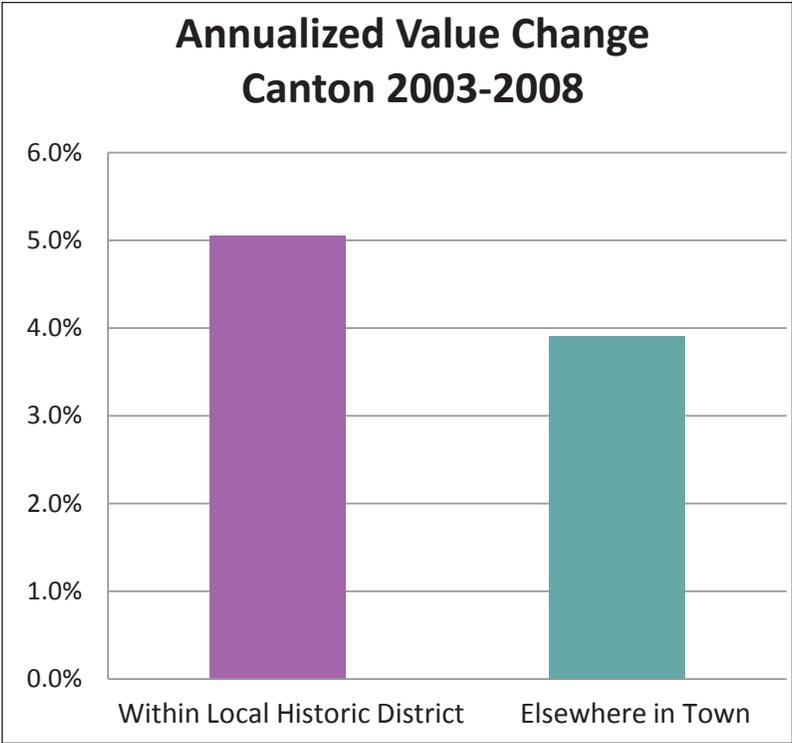
**Renter-occupied Housing Units:** 756



## FINDINGS

The base comparison for each of the communities was the change in value on a square-foot-of-living-area basis between the two most recent revaluations by the local assessor. In the case of Canton those revaluations took place in 2003 and 2008. The annual rate of value change for single-family residences within the two local historic districts was compared with similar properties not within the districts. An average property within the local historic district increased in value 5.05% each year between the revaluations while properties not within the historic districts increased 3.91% per year.

Canton has a considerable number of houses built prior to the 20<sup>th</sup> century, some of which are included within one of the two local historic districts while others are not. When comparisons were made of these houses, it was found that the value of the historic district house was \$28,000 (8.8%) more, the value per square foot was



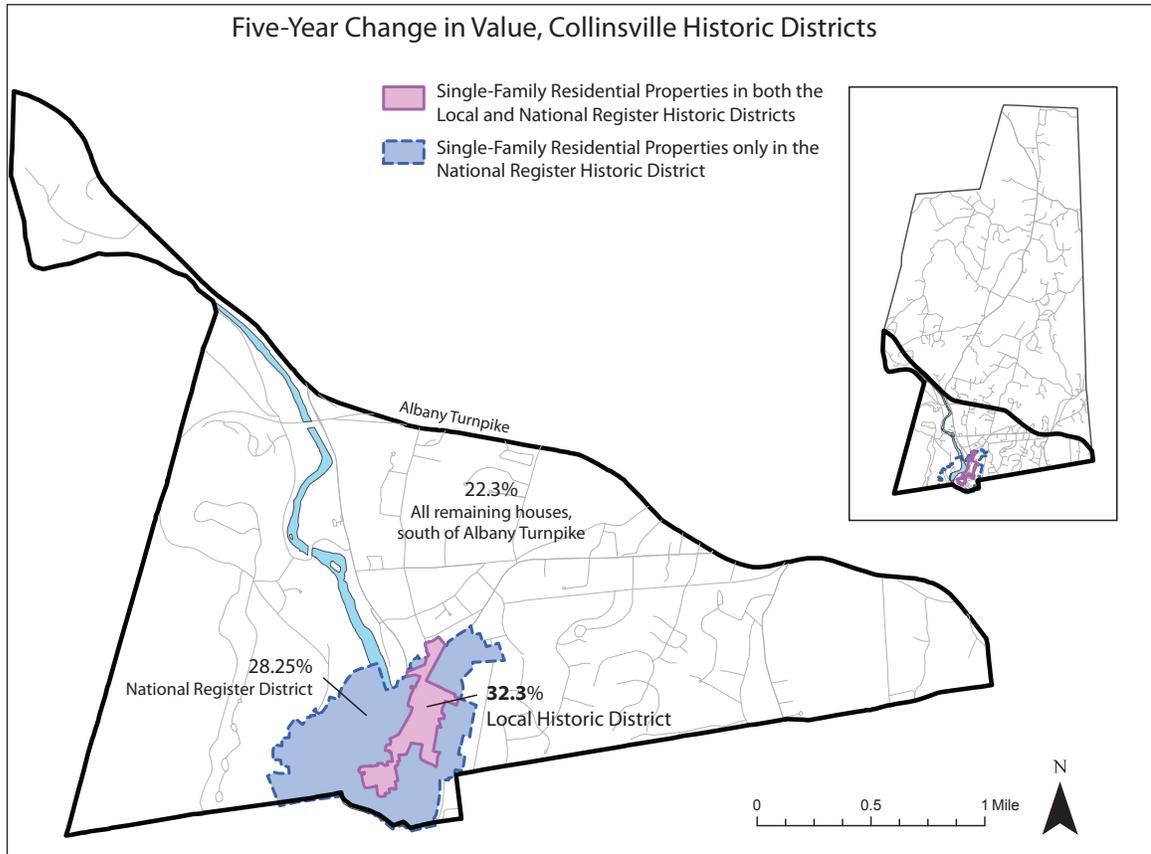
\$6.40 (4.2%) more, and the annual value change was approximately .6% higher.

These value comparisons were made with properties within the two local historic districts. However, Canton also has two National Register historic districts. Inclusion on the National Register does not place the same limitations on a property owner that local historic district/property designation does. Owners are free to make changes and alternations, although proposed demolitions of a property listed on the National Register can be challenged under CGS § 22a-15 to 22a-19a. It is only

in a local district that there is any review and approval process. As can be seen in the map on page 4, most properties that are in the local historic districts are also in National Register districts, but many National Register district buildings are not included in a local district and are, therefore, not subject to any design review and approval process.

This situation makes the Collinsville local historic district a particularly interesting example to evaluate. The entire local district is within the National Register district, but perhaps two-thirds of the National Register district is not included in the local district. And most of the area of Canton south of the Albany Turnpike is in

Pre-20 <sup>th</sup> -Century Homes in Canton			
	Value	Value/Square Foot	Annual Value Change ('03-'08)
Within Local Historic District	\$344,624	\$157.47	5.47%
Not Within Historic District	\$316,839	\$151.07	4.85%



neither district. So a comparison was made of the value changes in all three sectors: 1) within both the local and national district; 2) within the national district only; and 3) within neither historic district. The results can be seen in the map above: properties within the local district increased in value 32.3% over the five-year period between revaluations. Properties within the National Register district, but not within local oversight, increased by 28.25%. Finally properties in the neighborhood but in neither district increased 22.3%. What this appears to show, at least in this instance, is that around 70% of the value increase is attributable to overall market forces, 18% comes from the designation and recognition as a historic asset, and 12% is the share of value increase that local protections provide.