



# Historia

BY JASON MILLER

**H**istoric homes have an appeal that is lacking in most new construction. Built when craft and longevity were valued more than a quick sale, these homes offer a patina of character that helps them to increase in value while they outlive several owners. Ensnared in dense, traditional neighborhoods that sometimes date back to the 18th century, they are more than old houses; they are the original building blocks of an urban growth pattern that Smart Growth advocates and practitioners are now revisiting and links to a past to which more and more Americans are longing to connect.

Not surprisingly, marketing historic properties requires that REALTORS® take an informed approach because, like newer properties, historic homes carry their own list of pros and cons. Those brokers who take the time to learn their target neighborhoods and understand their buyers' needs and motives are almost assured a sale. If you want to sell the "oldies but goodies," consider your colleagues' advice.

#### **Educate yourself and the buyer**

Start your sales effort by brushing up on your history before you shake that first hand. Learn how the city fits into the region, who designed the

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# FOR SALE

city, and how politics and economics shaped it into its current form. Discover the back streets, the not-as-prominent places where wonderful real estate often hides. Then study in detail the homes that make up the city's residential fabric.

"You have to know something about architecture," says Thomas Bennett, partner with Carriage Properties in Charleston, S.C., who sells properties that date from the early 1700s. "People know quickly if you don't know what you're doing. When I try to sell the suburbs, people know I don't know what I'm doing."

To sell historic Charleston properties, Bennett's firm analyzes the history of each house to determine who built the house. They pay attention to the prominent architectural features of each home, since it is often those features that move a buyer from "maybe" to "yes."

Nothing will kill a deal faster, though, than a buyer coming in with false perceptions of historic properties. Whether they're wearing rose-colored glasses or blind-to-the-benefits shades,

it's your job to give them sound, realistic advice. Start with the street on which their prospective home resides.

"You need to educate people as to the positives and the negatives of certain streets," says Bennett. "I tell people which streets flooded during a hurricane year and which streets didn't."

Make sure potential buyers understand the possible constraints of purchasing a historic property, says Connie Maffin, an associate broker with Coldwell Banker/Pardoe, in Washington, D.C. Virtually all of Maffin's properties are on the National Register of Historic Places and carry with them often stringent stipulations as to what can be done to them during renovation. Buyers looking for historic dwellings as investment properties may find themselves staring down regulations that prevent them from replacing rotted wood windows with vinyl or aluminum, for example (they must be replaced with wood windows — a costly endeavor). "If the buyer is ignorant of

constraints such as these, the result could be disastrous," says Maffin.

On the plus side, there exists a 20-percent federal tax credit for expenses incurred during renovation of an investment property. And in D.C., a facade easement program in the District allows the owner to give up 11 percent of the value of the residence as a charitable contribution — a sizable tax deduction.

Similar facade easement programs exist in Charleston, according to Ruthie Smythe, a broker with Charleston-based Lane & Smythe Real Estate, who advises historic-property REALTORS® to also learn what sort of local governing bodies may hold sway over a particular house. "Find out if [the property] is governed by a board of architectural review, for example, or if the easement transfers governance to another group, such as, in our locale, the Historic Charleston Foundation or The Preservation Society. You need to learn these restrictions before you get to the closing table. And you need to communicate the benefits — in this case a tax write-off — to the prospective buyer."

### **Sell the neighborhood — not just the house**

Much of the lure of historic homes comes from their surroundings: traditional, mixed-use neighborhoods that provide many of the residents' daily needs within walking distance, lessening and in some cases eliminating the need for a car. The depth and diversity of these neighborhoods, too, are huge selling points when marketing historic properties. So much so that some REALTORS® intentionally avoid showing the property first.

"You do not sell the property," says Cora Bett Thomas, president of Cora Bett Thomas Realty, a Sotheby's affiliate in Savannah, Georgia. "You invite the visitors into the community, and it doesn't take them more than half a day to realize what it's like to live here. Then it's just a matter of finding the right property for them."

Demonstrate the benefits of living in a higher-density, diverse neighborhood. "What makes Savannah saleable is that it's a community," says Thomas. "When customers come in from out of town, it's not unusual for them to look at properties for half a day, then go to lunch. The next day, if they return to that lunch spot, an employee there often will recognize them. That's part of the appeal for a buyer, and it's also part of the easiest thing about selling Savannah — it's a village. Because the Savannah College of Art and

Design is based here, there's an international flavor. It's almost a resort community, in a way, because we have more second-home buyers choosing Savannah over a mountain hideaway, for example."

Maffin tells a tale of car-freedom for her D.C. neighborhood dwellers, where her rowhouse offerings are gobbled up quickly. "We're the second-worst traffic-congested area in the country, so people want to live here because they can walk to work here or hop on the subway," she says. "A lot of my market is first-time home buyers (mid-20s to early 30s), and they want to be downtown. We have a lot of new construction going on downtown, but a lot of the bigger rowhouses on the edges of downtown have been converted to chic condominiums — and no parking! So a lot of people get parking at their office, and that's where they leave their cars. If they need it on the weekends, they go downtown and get it. I have three people in my four-unit building, and none of them even own a car — they all walk to work! If they need a car, they rent one or ride with a friend."

Walkability plays a large role in historic neighborhoods' appeal. In 1733, Savannah town planner James Oglethorpe created a series of squares around which he laid out the town. These squares still exist today, punctuating the more than two square miles of Savannah's historic district along the Savannah River. Within the district is abundant mixed-use buildings, live/work units, corner stores, rowhouses, commercial buildings, townhomes, and single-family homes — and all are within walking distance of the residents' major daily needs.

"It's a walking city," says Thomas. "Restaurants, symphonies, art galleries, schools — you walk to them all."

Because they encourage their residents to get out of their boxes of steel and experience life at a stride, historic neighborhoods share a common thread: the reality of authentic community. People from many different social, economic, cultural, educational, and ethnic backgrounds are free to interact as they wish. Friendships can grow more easily. Acquaintances are all but unavoidable, making shared challenges easier to bear. Says Maffin, "During the heavy snow in February, everyone ended up a block away at the Whole Foods grocery store, for a party!"

Their diversity is a strong selling point, says Thomas. "In suburbia you find people in the same income or age bracket. It's absolutely the opposite



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here. I'm still amazed at how multicultural [Savannah] is: Greek, Irish, Jewish, and more. There's a lot of activity in the streets, but they're not packed. The streets are accommodating. Savannah is not just a place to live, it's a way of living. It's a place where people blend and mix. It is authentic; it feels real; it is real. That is what captures people — the mixture of the people: the artists, the students, the musicians. That's the attraction and part of the way we sell it."

Don't be afraid to address the higher densities in which historic properties are usually found, advises Lois Lane of Lane & Smythe. "Density appeals to some people — those who love

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### Know your market

"There's a whole group of people who like historic properties," says Bennett. "Others can get scared off when viewing a home that isn't as new as a suburban house. But this isn't suburbia, so you might lose some buyers who would rather have a house with 'no problems' than a historic house.

"The inspections, too, have gotten more difficult, which makes it more difficult to sell an older house. I had one architect who was turned off by the end of the day, because one engineer said that one home was standing out of habit only, but another engineer said it was fine."

In D.C., Maffin concurs, adding that the cost of living in a historic neighborhood can be daunting, too. "Last year alone we had a 33-percent price increase in the city. So when selling in more urban neighborhoods, such as Capitol Hill, Logan, and Dupont, you have to work a little harder to demonstrate the benefits of those neighborhoods. I had a couple from Iowa who seemed scared to death because the price tag was higher than they had expected. Another couple, from Richmond, VA, were about to downsize significantly — and found themselves paying double what they had for their house back home."

Meet your buyer on their terms, says Lane, and try to accommodate their needs, if possible. "If someone comes in who is used to living in 6,000 square feet — they may have trouble adapting to 3,000 to 4,000 square feet, which is the average in Charleston."

If they can adapt to the lesser square footage, you can take it from there, says Lane. "Some people are looking for a house that stands out very prominently; others want one that is more hidden or mysterious — they're two different kinds of buyers."



Get active in local politics, too, counsels Smythe. "I know what's about to be passed by the city council; I know what impact fees legislation is being passed. It's important to know what's coming down the pike, legislatively speaking. By serving on different committees within the city, you stay in the loop. Then bring the information back into your office and share it."

Finally, don't fight the suburban mindset. If you have a buyer who consistently asks for elements that they're only going to find in newer homes in suburbia, send them to the suburbs. Don't try to force them into an environment in which they will be unhappy, says Thomas. "They're really two different markets. No doubt about it."

### Don't try too hard

Suburbia is a one-trick pony when it comes to amenities offered. Plant shelves, exploding entries, coffered ceilings — they're all inside the houses that, too often, are built to last for the life of a 30-year mortgage — and not much longer. Historic properties possess an authenticity that comes from age, good proportion, and compatibility with good neighborhood design. Proof of their enduring qualities is right there in front of the buyer.

Because of this, "the houses sell themselves, the neighborhoods sell themselves, and the city sells itself," says Lane. "All we have to do is allow the buyer to experience life in a historic neighborhood."

The aesthetic of a historic place should never be downplayed, says Bennett, who grew up in Charleston and owns three houses in Savannah. Of Charleston he says, "Where are you going to go to find a place that's this beautiful — that isn't in Europe? Savannah has its squares, Charleston has the ocean. And they're both breathtaking. I would never leave Charleston."

In her market, Thomas pushes Savannah as America's most beautiful city — "The only city in America that looks European!" she laughs.

Your buyers may not articulate a desire to live in a beautiful place, but they'll find

themselves realizing it after a day spent immersed in beauty. If they don't, you can always appeal to their investment sense, says Lane. "Historic neighborhoods and property on the water are the best investments. Encourage your buyers to choose properties in neighborhoods where people are fixing up older houses, because there is no comparison in the rate of appreciation."

In time they will likely echo Bennett's sentiments on Charleston: "I sometimes think I want to move, but I never find anyplace better."

The role of historic properties within the larger context of Smart Growth is one that appeals to a sizable segment of real estate buyers. Buying an existing home in an enduring traditional neighborhood translates to one less family gobbling up a three-acre lot at the edge of town, several fewer car trips per week, and the opportunity for family members to interact with more than their lawn mower on the weekends. While the goal of downtown revitalization and New Urban neighborhoods is to create dense, mixed-use, mixed-income neighborhoods, rare is the development that can match the rich texture and scale of historic neighborhoods with an intact fabric of historic homes. They look better, last longer, and appreciate more reliably than virtually any housing option in suburbia. Smart Growth indeed.

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Historic neighborhoods and property on the water are the best investments.

#### HISTORIC PROPERTIES AT A GLANCE

- 12.8 percent of U.S. homes were built in 1920 or earlier (12.3 million out of 119 million homes)
- 25.3 percent were built in 1940 or earlier (30.2 million out of 119 million homes)
- 36.9 percent were built in 1950 or earlier (44.0 million out of 119 million homes)

Source: American Housing Survey (Census Bureau, 2001)