A Comparative Analysis of Property Values: Designated Historic Districts vs. Non-Designated Historic Neighborhoods
Part 1: Definitions
Definitions

• Control groups – neighborhoods that are not yet designated historic districts but that include historic houses similar to those of adjacent City of Houston historic districts. This study considers 3: First Ward, Norhill South, and the Bute Addition.

• Designated historic districts - groups of historic houses designated as City of Houston historic districts. This study considers 3: Old Sixth Ward, Norhill, and Westmoreland.
Definitions Continued

- Dollars per square foot - the appraised value of a property in dollars divided by the square area spanned by the property in feet.

- Improvements value - Harris County Appraisal District (HCAD) appraised value of the house or building on a property, given in dollars per square foot.

- Land value - HCAD appraised value of the land a property covers, given in dollars per square foot.
Part 2: Observations & Findings
Norhill Historic District vs. Norhill South – Improvements Values
Norhill Historic District vs. Norhill South - Improvements

- From 2001 to 2010, the appraised values of houses in Norhill Historic District and Norhill South are relatively close in magnitude (dollars per sq. ft.).

- The appraised values of houses in both areas decreased beginning in 2005, however, Norhill Historic District began a four-year rebound in 2006.

- The appraised values of houses in Norhill Historic District increased rapidly enough to surpass Norhill South in 2007 and stay above Norhill South from that point forward.

- Conclusion: In this case, the values of houses in the designated historic district appear to rebound faster from decreases and can eventually overtake the control counterparts.
Old Sixth Ward Historic District vs. First Ward - Improvements
Old Sixth Ward Historic District vs. First Ward - Improvements

- From 2001 to 2010, houses in Old Sixth Ward Historic District have substantially higher appraised values than in the control counterpart, First Ward.

- From 2001 to 2007, appraised values of houses in Old Sixth Ward Historic District more than double, and generally maintain, those new higher values until 2010.

- From 2005 to 2010, appraised values for houses in First Ward are in consistent decline.

- Conclusion: In this case, houses in the historic district are more likely to have higher appraised values and to increase in value compared to their control counterparts.
Westmoreland Historic District vs. Bute Addition - Improvements
Westmoreland Historic District vs. Bute Addition - Improvements

• From 2001 to 2010, houses in the Westmoreland Historic District have substantially higher appraised values than those in its control counterpart, Bute Addition.

• Both areas exhibit similar increases and decreases in appraised values with the only difference being a dip in the value of Bute Addition houses in 2008.

• Conclusion: In this case, houses in the historic district avoid temporary dips in value as compared to their control counterparts.
Norhill Historic District vs. Norhill South - Land

COMPARATIVE ANALYSIS OF PROPERTY VALUES
Norhill Historic District vs. Norhill South - Land

- From 2001 to 2006, Norhill Historic District and Norhill South had very similar appraised land values.

- For an undetermined reason, appraised land values in Norhill Historic District remained essentially constant from 2006 to 2010 and were lower than its control counterpart.

- Conclusion: Aside from a constant value from 2006 to 2010, Harris County Appraisal District sees no particular difference in land values between Norhill Historic District and Norhill South.
Old Sixth Ward Historic District
vs. First Ward – Land

Land: Old Sixth Ward vs. First Ward

<table>
<thead>
<tr>
<th>Years</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<td>Dollars per Sq. Ft.</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>30</td>
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</tr>
</tbody>
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Old Sixth Ward Historic District
vs. First Ward – Land

COMPARATIVE ANALYSIS OF PROPERTY VALUES
Old Sixth Ward Historic District vs. First Ward - Land

- From 2001 to 2010, appraised land values in Old Sixth Ward Historic District remained consistently higher than appraised land values in First Ward.

- For the entire period, appraised land values in Old Sixth Ward Historic District and First Ward increased and decreased at roughly the same rates.

- Conclusion: In this case, Harris County Appraisal District sees no reason to treat these two areas differently in terms of increases or decreases in land values.
Westmoreland Historic District vs. Bute Addition – Land
Westmoreland Historic District vs. Bute Addition - Land

- From 2001 to 2010, Westmoreland Historic District and Bute Addition had very similar appraised land values.

- For the entire duration, appraised land values in Westmoreland Historic District and Bute Addition increased and decreased at roughly the same rates.

- Conclusion: In this case, it appears that Harris County Appraisal District places no difference on appraised land values between the designated historic district and non-designated historic neighborhood.
Future Improvements: Norhill vs. Norhill South

Norhill Historic District vs. Norhill South – Projected Values
Norhill Historic District vs. Norhill South – Projected Values for Improvements

- The Norhill Historic District forecast shows a consistent increase in the projected value of houses from 2001 to 2013.
- The Norhill South forecast shows a more modest increase in the projected value of houses from 2001 to 2007, with a level-off of value from 2007 to 2013.
- Conclusion #1: In this case, houses in the designated historic district are much more likely to increase in value in the future.
- Conclusion #2: When considering the value of houses, Norhill South appears to be the best candidate from the control group for future historic district designation.
Future Improvements: Old Sixth Ward vs. First Ward

Old Sixth Ward Protected Historic District vs. First Ward – Projected Values

Years

Dollars per Sq. Ft.


Old Sixth Ward Actual
Old Sixth Ward Forecast
First Ward Actual
First Ward Forecast

COMPARATIVE ANALYSIS OF PROPERTY VALUES
Old Sixth Ward Historic District vs. First Ward – Projected Values for Improvements

• Both the Old Sixth Ward Historic District and First Ward forecasts project a decrease in the value of houses from 2009 to 2013.

• The projected rate of decrease for First Ward houses is almost twice the projected rate of decrease for Old Sixth Ward in that time.

• The projected downward trend for First Ward actually starts earlier, in 2006, while houses in Old Sixth Ward Historic District show increasing value at that time.

• Conclusion: In this case, houses in the designated historic district are more likely to hold their value longer and decrease in value at a slower rate than in the non-designated area.
COMPARATIVE ANALYSIS OF PROPERTY VALUES

Future Improvements: Westmoreland vs. Bute Addition

- Westmoreland Actual
- Westmoreland Forecast
- Bute Addition Actual
- Bute Addition Forecast

Westmoreland Historic District vs. Bute Addition – Projected Values
Westmoreland Historic District vs. Bute Addition – Projected Values for Improvements

- Forecasts for the projected value of houses in Westmoreland Historic District and Bute Addition are very similar in terms of projected increases and decreases from 2001 to 2013.

- From 2005 to 2010, both forecasts exhibit their largest deviations from the known data points.

- The Bute Addition has larger deviations (both high and low) from 2005 to 2010 implying more unpredictability in that time frame.

- Conclusion: In this case, houses in designated historic districts are more likely to have less volatile value changes than their counterparts in non-designated areas.
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