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Those people interested in historic houses and historic preservation tend to believe that a historic house is worth more than an old house. They tend to believe that a house that is registered on a national or state historic registry is worth more than a house that is not. Having appraised a number of historic homes and buildings, I am frequently asked, *how much* difference does it make? The correct answer is: it depends. It depends on how historic it is. It depends on the condition of the house, how well the house has been restored, where the house is located, who the famous resident was, how architecturally significant the house is, whether there is a use for the house, whether there is market demand, etc., etc.

The purpose of this article is to identify the value contribution of these factors based on my experience in the appraisal of a historic home in Southeastern Utah as well as my experience in appraising other historic homes. The historic home I appraised in Southeastern Utah is a 3,000 square-foot, two-story, Victorian house with a sandstone veneer which was built in 1903. It is located in a very small town with a scenic desert location. It is in a very remote area; approximately six hours from metropolitan centers such as Las Vegas, Phoenix, Albuquerque, Denver, and Salt Lake. The house was built by a master craftsman for a legendary cowboy. At the time of construction, this cowboy owned and operated the largest ranch in Utah and one of the largest ranches in the entire west. Books have been written about him and he was elected to the National Cowboy Hall of Fame. He can well be considered a legend in his own time.

Partly because of its scenery and its remote location, in the last decade the small town has become a haven for educated consultants in art, geology, archeology, and the like who are attracted to the area for its quiet difference. These people have taken an interest in the history of the location and have applied for and established a national historic district and have placed a number of the town's original homes on the national historic registry. Nevertheless, the population and the economy both remain very small.

As I was appraising the historic home of Al Scrup, the "Mormon Cowboy," in the small and remote town of Bluff, the question was, is the house worth more because it is on the historic register? Is it worth more because it is in a national historic district? Is the house worth more because it had a legendary owner? Since there are only 300 people living in this town, there are less than 100 total houses and there have been no sales in the last six months. There was very little local data to go by. However, there were two important listings in town and one five-year-old sale in addition to the one pending sale of the subject property itself. With this, the range of values indicated is from \$150,000 to \$550,000 and it becomes necessary to investigate sales of historic homes in other places. The study included nine other towns in Southern Utah and Southern Colorado.

Twenty-one sales and twelve listings of properties thought to be relevant were identified and verified. These sales cover about a five-year time period. More information was obtained on some than on others. However, the verification process revealed some trends that helped answer the frequently asked questions about the value contribution of the historic district, the historic registry, architectural significance, and famous personalities.

The data which is summarized and attached amounts to extensive research as it pertains to a specific case. It includes both sales and listings in eleven communities. The observations that can be drawn from the data are:

1. There are insufficient sales or listing data in any one community to be a reliable value indicator.
2. The prices for sales in all historic homes have a wide range.
3. The price seems to vary based on various factors such as condition, location, or historic significance of either architecture or famous owner.

**The following is a discussion of factors that affect value of historic homes.**

**Condition:** A historic home that is in mint condition or fully restored condition is worth more than one that is in poor condition or in unrestored condition. I have talked with contractors who have restored over 40 homes, with architects, and with historic home buyers. It seems that the rule of thumb is that if the cost to restore a building is more than 50% of the cost to replace it with a new building, then the new building will be the option of choice. If it is less than 50%, the restoration will be the option of choice. It also seems that the cost to restore a historic home generally would run no more than the cost to purchase the home in unrestored condition. Therefore, the effect of condition can be as much as 50% of the restored value. All of this depends on the starting condition and the degree of authenticity desired.

**Location:** Most every community has its historic points of interest, but only a few have organized and registered historic districts and the historic districts have varying degrees of maturity or influence. A historic home in a historic district which has an active historic preservation community, can be expected to be worth more than one that is not in such a historically active community, even though some of the other communities may qualify for a historic designation if applied for.

Owners and agents in and around a mature historic preservation district recognize that there is a significant difference in prices and values in a participating historic district. Buyers attracted to established historic districts frequently find that they have common interests with other preservation-minded neighbors. This adds a social aspect to the neighborhood. They also find comfort and protection in the historic preservation district. That is, they feel there is less risk of a loss in value and greater potential for increase in value due to the community activism in the preservation district.

While buyers of historic homes in other neighborhoods do not feel as compelled to be in a neighborhood of like-minded neighbors, but feel attracted to the style of the historic homes they purchase. Most historic homes seem to sell simply for their utility and general appeal or style.

Another locational factor is proximity to population centers. Some historic neighborhoods are in the hearts of major cities, sometimes near the CBD or near a major university. Some are in small towns and rural areas, and some are very remote. Each attracts a separate market audience. The closer the historic neighborhood is to a population center, the more people know about it and the more people can access it, the more people can find utility in it. This leads to market demand.

Therefore, the values tend to be higher. Frequently, small towns, within an hour or two drive from an urban center, attract second home buyers as well as primary residents, thus increasing their values.

**Use:** Many of the historic properties are purchased for some type of alternate use. There is significantly more value to a historic house if it can be converted to a money-making use such as a bed and breakfast, a restaurant, an antique store, an office building, or similar uses. Frequently they are purchased for sentimental value or as second homes or retreats. Some are purchased by organizations or governments and used as museums. However, most historic homes are without alternative and profitable uses and are limited to their residential use and are purchased for utilitarian reasons.

**Significance of Famous Owner:** The significance of a previous owner residence varies considerably. The historic registers are full of homes that are documented and placed on the register because of their owner. These may vary in significance from the town's first mayor or the leader of the first symphony orchestra, to the owner of a major business to an elected official to a religious leader who is prominent in the community. Some have been as insignificant as the care taker of a cemetery to others as significant as the President of the United States. There are generals in wars, movie stars and a wide variety of personalities who are considered to have significant impact on the value of historic homes. These personalities can be categorized to local personality only, to state-wide, or national personality. If there is very little written about a particular person and he or she is not well known outside his or her community, having his or her name associated with the house will have little impact. However, if there are books written about the person and he or she has been

placed in various halls of fame whether in sports, entertainment, or government, and his or her name is well known and his or her contribution is known generally, then his or her name will increase the value relatively.

In the data provided, there are examples of well-known personalities who are religious leaders, particularly popular locally, but with only small national prominence, making no difference in the value. There are also examples of local personalities, famous only locally, but with name recognition from books that have been written about them adding significant value. Then, of course, there are extremely famous people such as President Abraham Lincoln or Davy Crockett whose homes have become major attractions.

**Discussion:** With the understanding that these are influencing factors, comparative analysis of the sales and listing data can be made. Even so, the comparisons must be general in nature because of the ranges exhibited in the data. In analyzing the impact of the location in a historic district, the listing of the subject on the National Historic Register, and the impact of the prominent personality having owned the house, paired data sets are identified from the array of data shown.

Sales Comparable #13 in Spring City, Sanpete County, Utah, was built for and owned by Orson Hyde. He was a member of the Twelve Apostles in the LDS Church and directed the colonization of Sanpete County in 1858 and for about 50 years after that. His home was built in 1865 and is a classic Greek Revival style house. This house is listed on the National Register of Historic Places, is in a designated national historic district comprising much of Spring City, and it is on Historic Main Street in Spring City. Its unconfirmed sales price was approximately \$250,000.

Sales Comparable #12, also in Spring City, Sanpete County, Utah, is a two-and-a-half-story house with a sandstone veneer. It is also located in the Spring City Historic District and on Spring City's Historic Main Street. It is listed on the National Registry of Historic Places, but the owner is less famous. While prominent in the community, he did not hold a state-wide position and does not have books written about him. This home was in unrestored condition and sold for \$150,000. This is coupled with Listing #9, across the street from the Orson Hyde House. It is a story-and-a-half Victorian brick house which is listed on the Register of Historic Places in Spring City Historic District and on Spring City's Historic Main Street. The current asking price is \$275,000. This house is in original, mint condition.

These homes can be paired with any number of the other sales or listings outside Spring City. Comparables #7 and #8 are in Ephraim, Sanpete County, Utah. Ephraim is only about 10 miles from Spring City. Ephraim has many majestic and historic homes, but it does not have a historic district and most of the homes are not listed on the Registry of Historic Places. Listing #7, priced at \$150,000, is similar in size and pairs to Sales Comparable #13, and shows about \$100,000 difference. Listing #8 in Ephraim pairs extremely well with Listing #9 in Spring City. They share the same realtor who reports that they are very comparable houses. The Ephraim Listing asking price is \$195,000 versus the Spring City asking price of \$275,000, showing about an \$80,000 difference for the contribution of the Historic Registry.

This paired set shows two sales and one listing in a well-established, mature historic district and two competing listings in a nearby community not in a historic district and homes not on the registry. Based on market history, we can assume that the listings will sell for values within 90% of their asking price. Sales Comparable #16, in Monticello, San Juan County, Utah, is in unrestored

and uninhabitable condition and pairs with Sales Comparable #12 in Spring City. This house sold for only \$50,000. While owned by a prominent person in the local community at one time, it is not in a historic preservation district and it is not on the National Registry of Historic Places, although the buyer intends to place it on the registry soon.

These comparison sets can be shown as follows:

**Pairing Chart**

Pairing #	Address	Date Sold (LR)	Price	Condition	Historic	Registry	District	Main Street	Books
S12	1900 East 100 North Spring City, Sanpete County, Utah	10/2002	\$150,000	Unrestored	Yes	Yes	Yes	Local	No
S16	117 East 200 South Monticello, San Juan County, Utah	1998	\$50,000	Unrestored	No	No	No	Local	No
<i>Dollar Difference</i>				<i>\$100,000</i>	<i>Percent Difference</i>				<i>67%</i>
S13	200 South Main St Spring City, Sanpete County, Utah	10/1/02	\$250,000	Restored	Yes	Yes	Yes	Very Prominent	Yes
L7	67 South 300 East Ephraim, Sanpete County, Utah	4/2003	\$150,000	Good	No	No	No	Local	No
<i>Dollar Difference</i>				<i>\$100,000</i>	<i>Percent Difference</i>				<i>40%</i>
L9	216 South Main Street Spring City Sanpete County, Utah	Current	\$275,000	Victorian Brick Authentic	Yes	Yes	Yes	Local	No
L8	65 North 100 East Ephraim City Sanpete County, Utah	Current	\$195,000	Victorian Brick Authentic	No	No	No	Local	No
<i>Dollar Difference</i>				<i>\$80,000</i>	<i>Percent Difference</i>				<i>29%</i>



**Analysis:** The difference in all three paired sets is about \$80,000 to \$100,000 which is between 67% and 29%. In the first paired set, there is additional influence in proximity of location. The Spring City sale is within an hour-and-a-half drive of Salt Lake City while the Monticello sale is about a five-hour drive from Salt Lake City. This factor could account for about 20% of the 67% leaving about 45% to 50% difference. In the third set showing on 29% difference, it is recognized that both parts of the pair are asking price and that the unsold house in Ephraim has been on the market for ten months indicating that the real difference may be more than 30%, perhaps 40%. Accepting pair #2 would leave us with a range of 40% to 50% difference in the three paired sets. This also factors out all other adjustments, leaving only the influence of three items; famous personality, listing on the National Registry of Historic Places, and location in a well established historic district.

It is fair to assume that each of these factors makes a contribution. Therefore, if we round the difference to 45% and assign 1/3 of that to each of the factors, we have about a 15% contribution for being located in a well established historic district, 15% for being listed on the National Registry of Historic Places, and 15% for having a famous personality who has books written about him or her and name recognition beyond the local community.

**Conclusion:** So to the question, does having a historic house on the National Registry of Historic Places, having the location in a historic district, or having the association of a famous personality contribute to value to a historic house? The answer is, probably, but it depends. To the question, how much does it contribute? The answer again is, it depends. But the results of this study would indicate that the combination of the three could contribute as much as 45% and that any one

of the individual elements of the three could contribute about 15%. Of course, this does not apply in every case. But, it may very well apply in many cases and is helpful in the valuation of historic homes.

### Historic House Sales Comparables - Listed by County and Date of Sale

#	Address	Date Sold	Sale Price	Date Built	Condition	Comment
Panguitch, Garfield County, Utah						
1	317 North Main St	4/22/02	\$89,000		Neat	New Loan. On Corner. Neat Looking. 2 Beds, 1 Bath
2	100 North 100 West	9/21/01	\$60,000	1905	Not Restored	In unrestored condition. The buyer has remodeled the house, "all new inside" and listed it for sale at \$185,000. It is now under contract at that price. It is a red trick, 2 story with 2 beds up and 1 bed and 1 bath on main floor. The parlor was built in 1905.
3	220 South 100 East	10/2/00	\$85,000		Original / Good	Cash, Currently Listed for \$159,900. Original Condition Good, Includes White Picket Fence.
4	220 South 160 East	10/1/00	\$85,000	1897	Fair	Old Sheriff's house. It has an old jail in the basement. It is on the historical record. The main floor has a kitchen, bathroom, large parlor, and den. The upstairs has a master bed with bath and 2 other bedrooms. The third floor has a large recreation room and is in fair condition. It has a look-out platform on the roof.
5	25 North 300 West	9/1/99	\$102,000	1878	Restored	Restored Condition
6	210 West 200 South	12/31/98	\$48,500		Poor	Poor Condition – Structure Was Good, Interior Was Demolished
7	298 East 100 North	9/4/97	\$59,500		Average	Average Condition
Moab, Grand County, Utah						
8	1266 N Highway 91	1999	\$650,000	1896	Recently Restored	Arthur Taylor House. This house was placed on the historic register in 1979 and restored in 1995. The property operates as the "Ranch House Restaurant". It has one acre of land and is in reasonably good condition. The buyer's reinforced the structure, added steel bars, and refurbished the interior.

### Historic House Sales Comparables - Listed by County and Date of Sale

#	Address	Date Sold	Sale Price	Date Built	Condition	Comment
Spring City, Sanpete County, Utah						
9	479 North 400 East	9/15/99	\$99,000	1900	Poor	Has 1,600 SF above ground. Built in 1900. Is on 1.06 acres of land. Includes historic outbuildings. Original windows and woodwork. Needs some work. Brick/sandstone headers. Stained glass windows, asphalt, stone foundation. Needs Work.
10	389 North 100 East	10/7/99	\$146,000	1908	Good Condition	Has 2,200 SF above ground. Built in 1908. Big brick 1 ½ story.
11	317 East 1700 North	12/17/99	\$108,000	1930	Good - Small Stone	Has 1,600 SF above ground. Built in 1930. Limestone construction. Outbuildings included. New addition and upgrades.
12	19 <sup>th</sup> East 1 <sup>st</sup> North	10/2002	\$150,000	1883	Not Liveable	1 ½ stories with attic rooms. Sandstone veneer and gabled front. Includes log granary and other buildings on the 1+ acre lot. The interior was not livable at the time of purchase. It was purchased by Rick and Linda Centker for cash. The buyers anticipate spending \$150,000 in restoration and plan to live in the house once it is completed.
13	200 South Main St	10/1/02	N/A	1865	Good Restored	Orson Hyde House. Built in 1865. Hall/parlor plan with Greek Revival influence. Good restored condition. Includes large lot with two outbuildings. 2 ½ story plan with operating beauty salon in the back wing. The price was held confidential. The rumored price was \$250,000.
Bluff, San Juan County, Utah						
14	Main Street		\$50,000	1880	Average	Old Fort in Bluff and surrounding buildings. Corinne Roring buyer.
15	400 East Mulberry	1998	\$300,000	1890's	Less than Average	Decker House. Now a bed and breakfast. This is currently listed for \$400,000. It is a large, two-story, stucco house, with a red roof. The restoration is not necessarily authentic. Located in the historic district and has five guest suites.

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Monticello, San Juan County, Utah						
16	117 East 200 South	1998	\$50,000		Disrepair	F. I. Jones House. Buyer has spent approximately \$50,000 restoring the exterior. The interior is still in disrepair
Salt Lake City, Salt Lake County, Utah						
17	1037 E. South Temple	1/1/00	\$465,000		Mint	David O. McKay Home. Now being used as a harp store and residence. It is listed on the historical register. Beautiful 2 story bungalow house. Interior in mint condition. May need new wiring. Building sold for its function, not for the historical significance.
18	1172 E. South Temple	8/8/00	\$347,000	1906	Good Needed Updating	3,000 SF above ground. 85% basement finish. Updated with new kitchen, jetted tub, master bath, and hardwood floors. It was a conventional loan. Built in 1906.
19	955 E. South Temple	10/9/02	\$350,000	1911	Average to Good	100% Basement Finish. 2,386 SF above ground. 1,100 SF Basement. Built in 1911. 2 story bungalow house. All original woodwork. Leaded and stained glass. Pocket doors, etc. It appears to be in average to good condition.
Torrey, Wayne County, Utah						
20	NEC Main & 200 So.	3/12/03	\$80,000		Buyer Gutted	Old stone house. Had been rented previously. The buyer gutted the house and rebuilt the entire inside. The remodeling is now in process.
Cortez, Colorado						
21	17510 Rte G McElmo Canyon	8/3/01	\$145,000	1915	Average / Rock	Rock house on 6.24 acres. 1,706 SF main, 624 SF up, 2,330 SF total. Built in 1915. 11 Shares of irrigation water.

### Historic House Listing Comparables - Listed by County and Date of Sale

#	Address	Asking Price	Date Built	Condition	Comment
Panguitch, Garfield County, Utah					
1	100 North 100 West	\$185,000		Newly Remodeled	All new inside. Now under contract. Red brick, 2 story, with 2 bedrooms up and 1 bedroom and 1 bath on main floor. Parlor built in 1905
2	220 South 100 East	\$159,000		Original / Good	Cash, Currently Listed for \$159,900. Original Condition Good, Includes White Picket Fence.
Blanding, San Juan County, Utah					
3	SWC 400 South Main Street	\$265,000		Average Brick	The "Roger's House" Bed and Breakfast.
4	NEC 300 West Center Street	\$230,000		Average Brick	Historic residence not on the registry. In updated condition.
Bluff, San Juan County, Utah					
5	410 East Black Locust Street	\$149,000	1890	Good Stone Restored in 1985	Located in historic district. Victorian house. Has been on and off the market over the last year and a half. In good, liveable condition. The restoration is not entirely authentic. The house was restored in 1985. Built in 1890. 1,300 SF and on 0.25 acres.
6	400 East Mulberry	\$400,000	1890	Less than Average	Decker House. Now a bed and breakfast. This is currently listed for \$400,000. It is a large, two-story, stucco house, with a red roof. The restoration is not necessarily authentic. Located in the historic district and has five guest suites.

### Historic House Listing Comparables - Listed by County and Date of Sale

#	Address	Asking Price	Date Built	Condition	Comment
Ephraim, Sanpete County, Utah					
7	67 South 300 East	\$150,000	1888	Good / Real Showcase	Historic Pioneer House. Includes separate log cabin out back. Original woodwork, flooring, windows, etc. Original Danish builder, very traditional. Recent listing - April 2003
8	65 North 100 West	\$195,000	1900	Restored	This house shares a common real estate agent with #9 in Spring City. The agent indicates that it is a very comparable house. Comments are that it is lovely a turn-of-the-century home that has been restored, "with new kitchen." This house has been on the market for 10 months.
Spring City, Sanpete County, Utah					
9	216 South Main St.	\$275,000		Good Brick	This house is a 1 ½ story Victorian brick house in authentic condition. It has original moldings and hardwood floors. It is in good liveable condition. It has 2 ½ baths and 4 beds. It sits on 1.3 acres. It has 4 shares of irrigation water. The house is listed on the historical register and is in a historic district.
Glenwood, Sevier County, Utah					
10	155 South 200 East	\$105,000	1908	Average Brick	Hendrickson House. On 4.7 acres with 2,180 SF. Built in 1908. Has 3 beds and 1 ½ baths. This is a highly styled Victorian house which is 2 stories high.
Cortez, Colorado					
11	12493 Rte G in McElmo Canyon	\$229,000	1911	Well Maintained	Historic, well maintained, rock house on 3.83 acres with 2,600 SF. Built in 1911.
12	18311 Rte G McElmo Canyon	\$500,000	1899	Shell in Good Condition, Interior Needs Work	Historic rock house on 57.95 Acres with 1,085 SF main and 620 SF up. Built in 1899. Shell in good condition. Interior needs work. Creek passes through the property. Excess land is valued at \$10,000 to \$12,000 per acre. 142 Shares of irrigation water.