

From Cynthia Longest

New Study of the Link Between Historic Districts and Economic Impact Includes Woodruff Place

At Indiana's annual statewide historic preservation conference held in mid-April in Columbus, an important paper studying the link between economic impact and historic districts, including Woodruff Place, was presented. As part of the celebration surrounding the 50th anniversary of the Indianapolis Historic Preservation Commission (IHPC), Indiana Landmarks commissioned a nationally respected economist, Donovan Rypkema, and his firm, PlaceEconomics, to test the theory that historic district designation has a positive economic impact.

Mr. Rypkema presented a sneak peek of the findings last November at the Indiana Landmarks Center, but revealed the full final report during a keynote address at the April 17-20 "Preserving Historic Places" statewide preservation conference in Columbus, Indiana. The 46 page study is entitled *Making the Connections: A Study of the Impact of Historic Preservation in Indianapolis*. The project began with the initial question "How does local designation affect the value of real estate?" and then expanded to other questions as data analysis continued.

The districts included in the study were Indianapolis' 13 local historic districts designated by IHPC, 5 conservation districts, and 19 others that are National Register districts but are not also local districts. Woodruff Place falls into the first category. (Examples of the other types are Cottage Home as a conservation district and Emerson Heights as a National Register District that is not a local historic district.) The study looked at statistics relative to the districts versus Indianapolis' Urban Compact Area (as defined by the Indianapolis Metropolitan Planning Organization).

Overall, the study revealed positive associations. Three themes emerged: Productive (Impact on Jobs & Employment), Resilient (Historic Districts as Stabilizers) and Livable (Quality of Life Measurements). As stated in the Introduction, the study "demonstrates how historic preservation has contributed to a more productive, resilient and livable Indianapolis."

Under the Productive category, a key finding was that "between 2010 and 2015, the local historic districts saw 9 percent population growth compared to the 2 percent growth" in the other parts of the city. The Resilient category had several striking findings – historic districts had foreclosure rates of only 6 percent compared to 26% in non-designated areas between 2008 and 2012; the city has 3000 abandoned properties, but only 2 percent are in historic districts; and between 2000 and 2015, property values have been significantly better.

For the latter, "on a value per square foot basis, historic districts gained value faster than the rest of the market and have held their value over time." From 2003 to 2015, local historic district per square foot values have risen from \$50 to approximately \$80. Compare this to homes not located in any district which started higher at about \$52 in 2003, rose slightly until the recession, then fell and stayed at approximately \$55. Finally, in the Livable category, a surprising to some finding was that local historic districts "are home to a wide distribution of household incomes, race and ethnicity."

Specific statistics regarding Woodruff Place (WP) include a lower foreclosure rate during the 2008-2012 timeframe than many other districts. At 7%, WP was just above Chatham Arch (4%) and Lockerbie Square (5%) but well below Old Northside (11%), Herron Morton (13%), Irvington (14%) and St. Joseph and Fletcher Place at 16%. As stated above, the city's overall foreclosure rate during the same timeframe was 26%.

One of the most striking findings was in the Quality of Life chapter of the report. As the study notes, “Urban vitality is built on diversity, and it has become a basic premise of placemaking that healthy neighborhoods are neither all rich nor all poor. Often, historic districts are accused of being home to only rich folks. While that may be true in some places, the historic districts in Indianapolis are home to households at both the bottom and the top of the economic rungs of the city.” Woodruff Place almost exactly mirrors the rest of Indianapolis’ Urban Compact Area in both income distribution and racial diversity, closer than any of the other districts measured. In the same chapter, appropriately under the Community Engagement section, Indiana Landmarks contributed a photo of Woodruff Place volunteers (see below).

Packed with statistics, graphs and interesting tidbits (see the “Environmental Benefits of Historic Preservation” on page 27 and “11 of Indianapolis’ 16 ‘Hot Spots’ are in Historic Districts” on page 19), the study is an interesting and relatively quick read. It can be downloaded from the Place Economics website at <http://www.placeeconomics.com/resources/making-the-connections-a-study-of-the-impact-of-historic-preservation-in-indianapolis>.

