

*The following material comes from the Standish Road NCD Study Committee's work preparing its report.*

## Could an NCD improve property values?

Across the Commonwealth, it is well understood that historic districts and neighborhood conservation districts are highly desirable. This is contrary to the popular belief that all restrictions encumber properties and act to decrease their value. Look at sought-after Nantucket, for example, where the entire island is one large historic district.

Wellesley has both types of districts: the *Cottage Street Historic District* and the *Denton Road Neighborhood Conservation District*. A comparison of home sales within these districts to sales throughout the Town proves that inclusion within a district is desirable and can act to increase a property's value. Specifically, these houses sell for a higher percentage of the listing price than houses not in a district. In addition, they sell faster with fewer days on the market.

The Denton Road NCD was established in 2008. Since that time, three of the houses that had opted in were sold:

- 44 Denton Road sold at 93.2% of the list price in 46 days (2009)
- 55 Denton Road sold at 101.9% of the list price in 18 days (2012)
- 15 Denton Road sold at 110.4% of the list price in 8 days (2014)

Although the sample size is small, the two most recent sales suggest that inclusion within the NCD did not harm their value. Both properties sold over asking in less than 20 days. Those figures are significantly better than sales town-wide. (See Dataset #1) For "non-new" construction (built pre-2000) in Wellesley, the median percentage of the list price at which houses sold since 2008 is 94.9%. The median number of days on market is 51. (The results are virtually identical when examining only older houses built before 1950.)

Furthermore, there have been four sales of properties on Denton Road that did not opt in. These sales suggest that the establishment of an NCD does not harm the value of properties that opt out of the district.

- 65 Denton Road sold at 95.4% of the list price in 364 days (2009)
- 46 Denton Road sold at 91.2% of the list price in 70 days (2011)
- 11 Denton Road sold at 100.3% of the list price in 86 days (2013)
- 48 Denton Road sold at 100% of the list price in 15 days (2014)

Similar conclusions hold for the Cottage Street Historic District, which was established by the Town of Wellesley in 1981. Since 2005, there have been 23 sales of single-family properties within the district. (See Dataset #2) The median percent of sales price to list price is 99.7% and the median number of days on market is 20. Given the larger size of this sample, these results are statistically significant and indicate that having restrictions on a property does not devalue it, but rather acts to increase its desirability to buyers. In fact, the differential in sales price is 4.65%, which translates to a \$46,500 increase for a million dollar property.

Given the data, there is no reason to believe that establishing an NCD will decrease the value of one's property.

Notes about the Financial Impact on Properties -- 4/6/15

*The Standish Road NCD Study Committee*

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**Dataset #1 – “Non-new” Construction (pre-2000) houses in Wellesley:**

Year	# of MLS sales	Avg. List Price	Avg. Sale Price	% List Price	Median DOM*
2005	323	\$1,187,566	\$1,144,455	96.4	41.5
2006	293	\$1,098,834	\$1,044,211	95.0	82
2007	285	\$1,133,051	\$1,078,072	95.1	55
2008	217	\$1,160,605	\$1,110,801	95.7	46
2009	226	\$1,078,392	\$1,005,258	93.2	64.5
2010	254	\$1,012,628	\$957,730	94.6	56
2011	226	\$1,083,812	\$1,023,091	94.4	51
2012	297	\$1,075,527	\$1,020,665	94.9	53
2013	258	\$1,189,405	\$1,151,895	96.8	23
2014	239	\$1,244,913	\$1,216,025	97.7	27

Since 2005: Median % List Price: 95.05% Median DOM: 52  
 Since 2008: Median % List Price: 94.9% Median DOM: 51

**Dataset #2 – Sales in Cottage Street Historic District since 2005:**

Address	List Price	Sales Price	%List Price	Sale Date	DOM
19 Cottage Street	\$1,250,000	\$1,250,000	100	04/28/2005	2
11 Cottage Street	\$1,200,000	\$1,257,000	104.8	07/15/2005	3
15 Cottage Street	\$699,900	\$675,000	96.4	09/07/2005	33
32 Cottage Street	\$620,000	\$620,000	100	10/19/2005	173
33 Cottage Street	\$1,395,000	\$1,317,500	94.4	03/15/2006	82
17 Abbott Street	\$769,000	\$769,000	100	06/28/2006	2
38 Cottage Street	\$480,000	\$425,000	88.5	11/14/2006	131
39 Cottage Street	\$1,195,000	\$1,301,000	108.9	02/20/2007	8
16 Weston Road	\$619,000	\$619,000	100	07/12/2007	2
32 Cottage Street	\$849,000	\$810,000	95.4	09/12/2007	184
40 Cottage Street	\$771,000	\$725,000	94.0	10/02/2007	63
21 Cottage Street	\$849,500	\$822,500	96.8	07/31/2008	18
39 Cottage Street	\$1,450,000	\$1,275,000	87.9	10/23/2009	115
18 Abbott Street	\$695,000	\$645,500	92.9	11/30/2010	36
33 Cottage Street	\$1,295,000	\$1,272,500	98.3	08/11/2011	36
47 Cottage Street	\$899,000	\$860,000	95.7	10/12/2011	100
17 Abbott Street	\$829,000	\$791,500	95.5	09/14/2012	76
8 Cottage Street	\$979,000	\$1,023,000	104.5	05/03/2013	19
19 Abbott Street	\$649,900	\$711,000	109.4	06/24/2013	2
32 Cottage Street	\$995,000	\$992,500	99.7	06/30/2014	12
47 Cottage Street	\$999,000	\$1,019,000	102	07/10/2014	20
17 Waban Street	\$895,000	\$895,000	100	08/09/2014	8
16 Weston Road	\$699,000	\$770,000	110.2	02/19/2015	20

**Total # of Sales: 23 Median % List Price: 99.7% Median DOM: 20**

Note: The data was taken from the Multiple Listing Service (MLS).

\*DOM = Days on Market