



Preservation Easement Overview

What is a preservation easement?

A preservation easement is a legal agreement between a grantor and a grantee that provides permanent protection from unsympathetic new construction, alterations and demolition.

How does it work?

Essentially an easement is the grant of an interest in a property, or a portion of an owner's property rights. In the easement agreement, an owner commits to preserving the property in its historic appearance, getting written permission from CPA to make alterations and refraining from demolition. An easement runs with the land and is binding on all future owners.

What properties are eligible?

An easement can be taken for any property – commercial, residential industrial buildings or open space. An easement can be donated before, during or after rehabilitation though the timing of an easement can have substantial tax consequences. In order to receive a tax deduction, the property must be listed on the National Register of Historic Places or be a contributing building in a National Register or Certified Historic District.

Why donate?

Why consider donating an easement for a property in a locally designated historic district with design controls? Historic designations can always be revoked; districts can be delisted. Easements, on the other hand, offer permanent protection.

What is covered?

Easements cover an entire building and its historic exterior features. They also can protect historic outbuildings on the property, such as carriage houses or garages. In addition, easements can cover interior features at the owner's request. All covered features or properties are listed in the easement document.

What if an Owner wishes to make changes to the resource?

Should a current or future owner wish to make a change to the protected portions of their property, the owner is required to submit to Cincinnati Preservation Association a request detailing the proposed work. Any proposed changes to the property must conform to the Secretary of the Interior's Standards for Rehabilitation. No changes to the resource will be allowed until the owner has received the written permission from Cincinnati Preservation. If Cincinnati Preservation does not respond within 30 days of receipt of request, the request is approved.

What happens once the easement is donated?

Cincinnati Preservation will schedule annual monitoring and site inspections with the owner. Cincinnati Preservation will evaluate baseline data about the resource and compare it with current conditions and will assess the resource to ensure its continued maintenance and preservation according to the terms of the easement agreement.

Protecting open space.

The IRS requires historic buildings and open space to be covered by separate easements, even if they are located on the same property. If your property includes acreage that you wish to protect, such as hillsides, farmland, wetlands or wooded areas, the conservation easement on this land must be donated to an entity whose mission it is to protect open space, such as the Cardinal Land Conservancy or the Hillside Trust.

Does an owner have to open the building to the public?

No, the owner does not have to open the house to the public.

How much does it cost to donate an easement?

Costs associated with easement donations vary as donors can expect to incur costs for appraisals, accountant, and attorney fees. Cincinnati Preservation will charge 2 fees, an application fee and a donation fee. The donation fee is used to offset the cost of monitoring the easement in perpetuity, including annual inspections.

- 1) One time application fee for of \$1000 for single and 2 family and \$2000 for all other properties for consultation, photos and legal work.
- 2) A Donation fee on the following schedule of the properties Fair Market Value based on an appraisal
 - a. up to \$250,000- \$5,000
 - b. \$250,000-500,000- \$10,000
 - c. \$500,000+-\$15,000

Enabling Legislation: Ohio Revised Code Ann. § § 5301.67 to 5301.70 (page 1990).

NOTE: Owners contemplating the donation of an easement are advised to consult with experienced and qualified real estate appraisers and tax attorneys.

Interested in donating a preservation easement? Contact CPA Executive Director, Beth Johnson, at beth.johnson@cincinnati-preservation.org or 513-721-4506 for more information.