



## Preservation Easement Overview

### **What is a preservation easement?**

A preservation easement is a legal agreement between a property owner and a qualified organization 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 Cincinnati Preservation 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. To receive a federal tax deduction, the property must be listed in the National Register of Historic Places or be a contributing building in a National Register or Certified Historic District.

### **Why donate?**

Donating a preservation easement offers property owners a powerful way to ensure the long-term protection of their historic property while potentially receiving meaningful financial and personal benefits. For many owners, donating an easement reflects a deep personal commitment to preservation and community heritage. The easement formalizes their role as a steward, safeguarding a piece of history as a lasting contribution to their community.

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 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 written permission from Cincinnati Preservation.

### **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.

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

Depending on its terms, an easement may require limited public access which is typically achieved through a home tour or other education events.

### **How much does it cost to donate an easement?**

Costs associated with easement donations will vary as donors can expect to incur costs for appraisals, accountant, and attorney fees. Depending on the property, there may be additional costs such as the preparation of a boundary survey or the National Register of Historic Places nomination. Cincinnati Preservation is available to prepare the National Register nomination for an additional fee.

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 consultation, photos, and legal work:
  - a. \$1000 for one- and two-family residential properties; and
  - b. \$2000 for all other properties.
- 2) A donation to the Preservation Easement Fund prior to or at closing. The donation amount is based upon the property's Fair Market Value based on an appraisal, or if not taking an IRS tax deduction, the most recent county auditor's valuation:

| PROPERTY VALUE    | DONATION AMOUNT |
|-------------------|-----------------|
| Up to \$250,000   | \$5,000         |
| \$250,000-500,000 | \$10,000        |
| \$500,000+        | \$15,000        |

*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 Cincinnati Preservation's Preservation Director, Raina Regan at [raina@cincinnati-preservation.org](mailto:raina@cincinnati-preservation.org) or 513-721-4506 for more information.