



# The Residential Specialist

November/December 2007

## History Buffs

Glen Sutcliffe, CRS, of W.C. & A.N. Miller REALTORS® in Washington, D.C., specializes in homes in the historic Georgetown and Kalorama Heights areas. Many of his clients are looking to buy within these historic districts — and gain access to the federal tax easements that can be applied to their homes.

Owners can obtain such easements by donating the façade of their home (in title only; the building remains intact) to a local historic association or some other IRS-approved “qualified organization,” which adds that portion of the house to its collection. The owner of the house then receives a tax credit for the appraised value of the donated portion of the structure. While façades are the most common element in this program, the National Park Service Web site lists interiors and landscapes as eligible entities for easements as well.

For buyers in Sutcliffe’s market, where many homes sell for upwards of \$2 million, such tax easements often translate to thousands of dollars. Largely for this reason, he believes,

these areas have a disproportionate number of façades that have already been donated. However, this transfer may only occur once in the building’s life and is carried through the home’s chain of ownership, resulting in limited control for homeowners regarding renovations and changes to that portion of the home. “I cringe when I hear other agents over-promising clients about renovations they can make to a historic home,” he says. “Like everything else, disclose, disclose, disclose.”

Before listing a home, Sutcliffe looks it up on the Washington, D.C., government Web site ([www.dc.gov](http://www.dc.gov)), which lists specific houses and designated historic districts. And although he is familiar with the easement process, Sutcliffe refers potential buyers of a historic home to a professional consultant who can walk them through the particulars, including appraisal and working with the local organization receiving the property. “It’s a bureaucratic process,” he admits, “but necessary for owners to get the best bottom-line results.”