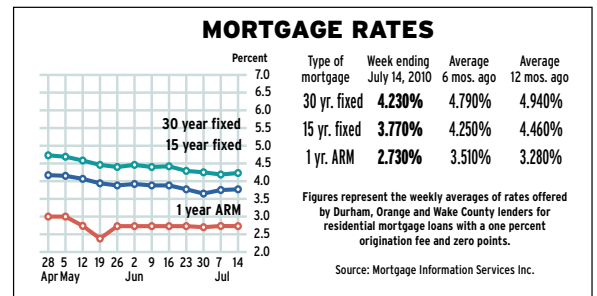


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## WORTH PRESERVING

BY NANCY E. OATES  
CORRESPONDENT

Myrick Howard, president of Preservation North Carolina, knows that when renovating an old house, less can be more. As the owner of two historic houses in Raleigh, he also knows that when it comes to using tax credits, more can cost less.

In 1997, the N.C. General Assembly approved a historic preservation tax credit program, beginning in 1998, that allows 30 percent of the money spent on rehabilitating a historic residence to be applied as a credit toward the homeowner's state taxes owed, and for an income-producing building such as a rental,

Historic Preservation Office before the work is performed is strongly recommended because if the office rejects any aspect of the plan, the property owner loses the entire tax credit. After the project is completed, the State Historic Preservation Office must certify that the work meets the Secretary of the Interior's Standards for Rehabilitation. Commercial projects are eligible for a 20 percent federal tax credit as well.

Howard used state tax credits to return the duplex he'd lived in since 1979 back to a single-family house in the late 1990s. Now he is downsizing. He put his house at 209 Hillcrest Road



In the home he's now selling on Hillcrest Road in Raleigh's Cameron Park, Myrick Howard has modernized the bathrooms and kitchen and screened in a section of the side porch.

CONTRIBUTED PHOTOS

a tax credit of 20 percent. The rehabilitation expenses must exceed \$25,000 within a two-year period. Getting the renovation plan pre-approved by the State

in Raleigh on the market, and he has bought a smaller duplex two blocks away on Woodburn Road that he plans to restore to a single-family residence.

### 3 steps for preservation tax credit

**Step 1:** Send proof to the State Historic Preservation Office that the residence is in a National Register Historic District or is a home on the National Register of Historic Places. For income-producing properties, send documentation that it is a certified historic structure.

**Step 2:** Describe the planned rehabilitation. Request a form from the State Historic Preservation Office.

**Step 3:** Request Certification of Completed Work. Send photos of the completed project to the State Historic Preservation Office to determine whether the work meets the Secretary of the Interior's Standards for Rehabilitation.

"I'll be spending at least \$100,000 to rehabilitate the Woodburn house," Howard said. "I'll be getting a credit of at least \$30,000. I won't have to pay state taxes for a number of years."

In the first 10 years of the state tax credit's existence, 181 homeowners and 90 owners of commercial projects in Wake County took advantage of the tax credit to perform \$108 million in renovations. In Durham County, 70 homes and 41 commercial projects using tax credits totaled \$178 million in rehab work.

"But for this program, we wouldn't have the American Tobacco complex or West Village

apartments in Durham," Howard said.

Paul Setliff, the Keller Williams Realtor in Raleigh who is listing Howard's Hillcrest Road home in Cameron Park, said that the charm of a historic house extends beyond the history, the architectural details and the craftsmanship of plaster walls and hardwood floors made from old-growth trees.

"Often the older neighborhoods are in better, more walkable locations," Setliff said.

Setliff knows firsthand the joys and tribulations of older-home

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## PRESERVATION

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living and maintenance. He lives in a 90-year-old house and is using tax credits as he renovates it.

“Older homes all have quirks,” he said. “They typically have smaller bathrooms and kitchens, and so many cooler things that newer homes don’t have.”

Howard’s Hillcrest Road house, for instance, has 100-year-old stained-glass windows, picture

molding on plaster walls, five fireplaces and a wraparound porch. Though he has modernized the bathrooms and kitchen and screened in a section of the side porch, he takes a light hand toward renovation.

Howard recommends working only with contractors and tradesmen who understand the tax credits. “Those credits have been in place 12 years,” he said. “If you talk to a contractor who hasn’t used them, I would say go to someone else. You wouldn’t go to a brain surgeon for heart surgery.”



The home Myrick Howard is selling in Cameron Park has 100-year-old stained-glass windows, picture molding on plaster walls, five fireplaces and a wraparound porch.

Doing less is better than doing more when it comes to renovating a historic home. Rarely does a historic home need to be gutted. “Let the building show its own character,” Howard said. “Don’t feel that every wall and every floor has to be perfect.”

In the smaller house he recently bought, he is taking time to “listen” to the house before he lifts a hammer. For instance, the dining room is smaller than he needs for entertaining. Rather than knock out a plaster wall, he realized he could add molding and a chandelier to a bedroom off the living room to transform it into a dining room.

Rather than a whole-house makeover, take what’s there and fix it, Howard said. A modern HVAC system and updated plumbing and electricity are the big-ticket items in a renovation. And to get the state’s tax credit blessing, preserve the existing windows. A good carpenter and \$4 tubes of caulk will go a long way in making sure windows that have been around for 100 years will last another 100 years — and waste less energy than a plasma-screen TV.

The tax credits are only for structures in a historic district or a building that is in the National Register of Historic Places ([www.nps.gov](http://www.nps.gov)). Start with your local preservation society for boundaries on historic districts (Raleigh: [rhdc.org](http://rhdc.org); Durham: [www.preservationdurham.org](http://www.preservationdurham.org); Chapel Hill: [www.chapelhillpreservation.com](http://www.chapelhillpreservation.com)).



Doing less is better than doing more when it comes to renovating a historic home, according to preservationist Myrick Howard.

Next, tell the State Historic Preservation Office (different from Howard’s nonprofit Preservation North Carolina) what you’re planning to do. Request a form from the state office. The description does not have to be detailed. A simple “refinish hardwood floors; replace heating/cooling system; update fuse box electrical system with circuit breakers” should suffice. Send “before” photos for cosmetic work.

Find the federal Secretary of the Interior’s Standards for Rehabilitation at [www.nps.gov/hps/tps/tax/rhb](http://www.nps.gov/hps/tps/tax/rhb). Consult the State Historic Preservation Office if you have any questions before you submit an application. The staff has a reputation of being

easy to work with.

Once the work is done, the homeowner sends photos of the completed work to the State Historic Preservation Office, which sends a Certification of Completed Work that allows the homeowner to begin taking the tax credit when he or she files taxes for that calendar year. The tax credit must be spread over a minimum of five years and a maximum of 10.

“The tax credit is a great incentive for buying an older house that needs work,” Howard said.

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