

A Public Policy Report published by National Trust Forum, a program of the Center for Preservation Leadership

## Approaches to Managing Teardowns

by Adrian Scott Fine

In 2002 the National Trust sounded the alarm when it put “Teardowns in Historic Neighborhoods” on its list of America’s 11 Most Endangered Historic Places. Now more than 40 states and nearly 500 communities in the country are affected by teardowns—the practice of purchasing and demolishing an existing house to make way for a new, much larger house in its place.

It’s a simple process, but teardowns can totally transform the streetscape of an established neighborhood and destroy its character. Sometimes the house planned for demolition is individually significant or it may be a contributing structure within a historic neighborhood. In many instances, the neighborhood does not have any type of historic designation or protection at all. But in all cases, there is a real threat that community character will be destroyed following the loss of existing houses and the construction of massive, out-of-scale new houses, most often referred to as “McMansions.” Teardowns destroy more than houses—neighborhood livability is diminished as trees are removed, backyards are eliminated, and sunlight is blocked. Teardowns alter a community’s economic and social environment, reducing the supply of affordable “starter” homes and driving out moderate- and fixed-income residents. Finally, the development practice of teardowns is unsustainable and harms the environment. It ignores the value of the embodied energy in existing houses, generates huge amounts of debris and waste, reduces the tree canopy, and increases pressures on existing community infrastructure.



*A comprehensive initiative to overhaul Denver’s zoning and land-use standards will also address teardowns, where more than 1,000 houses have been demolished in the city since 2003. Photo by James Lindberg.*

square feet. Many new homes are often much larger in size and feature desirable, up-to-date amenities that are not found in many older homes.

- Zoning and land-use provisions in most communities are inadequate, often dating to the 1950s and 60s, and do not take into account protecting existing, established neighborhoods or their unique character and context. These outdated codes permit much larger structures than what currently exist on the ground.
- People are looking for housing close to city centers, as an alternative to long commutes or the soulless character of outlying new subdivisions.

### What Is Driving the Teardown Trend?

Four factors are generally at work in the spread of teardowns:

- Real estate prices have increased dramatically in many communities, making it economically feasible and profitable for a growing niche market of homebuilders to demolish an existing house and build a replacement that will command a much higher price. The land, in essence, has become more valuable than the house.
- The average American house size has more than doubled since the 1950s; it now stands at nearly 2,500

### Where Have Teardowns Become a Problem in Recent Years?

Teardowns occur most often in fast-growing, desirable communities, and usually outside major urban centers—although they are found in big cities as well as in some rural, lakeside, and resort areas. Typically there is little vacant land on which to build, and public transit, good schools, and other public or scenic amenities are nearby. In a majority of instances, teardowns are being done by



*Without tools to manage teardowns, the overall character and charm of a historic neighborhood begins to disappear, replaced by a hodgepodge of “McMansions” and forlorn-looking older homes. Photo by Adrian Scott Fine.*

developers or speculative builders, leaving existing residents to feel they’ve lost control of their neighborhood.

## What Communities Can Do to Combat Teardowns

More and more communities are responding to teardowns through a variety of creative approaches and tools that attempt to address the loss of historic houses and the impact of oversized and incompatible new construction. Communities that identify the need to preserve community character before teardowns become commonplace and out of control are often more successful in building necessary support for implementing effective policies. Proactive steps include developing relationships, setting goals, and assessing the pros, cons, and application of various approaches. No single tool will solve the problem of teardowns, but rather a combination of strategies works most effectively.

Generally, communities address teardowns with two goals in mind: adopting measures that will help preserve older houses threatened as teardown targets; and/or influencing the type of new infill housing that is built in the community. Solutions to these objectives are varied depending on a community’s specific policies and concerns.

Some approaches seek to prevent or discourage demolition of older homes through measures such as local historic district ordinances and demolition delay ordinances. Others create policies to give homeowners and developers an incentive not to demolish existing houses, such as tax abatement programs, demolition taxes, and waivers on permit fees for rehabilitation.

More often, policies are created with intent to slow the amount of teardown activity by reducing or eliminating the economic pressure for teardowns in one of two ways:

- Changes to zoning and land-use regulations which limit the size, placement, and square footage of a new house.
- New procedures, such as design review and conservation overlay districts, that are geared more toward influencing the way in which new replacement houses may or may not be built in a community.

Increasingly communities embrace policies that respond to neighborhood disruptions caused by teardowns, such as limiting construction activity time periods and regulating debris removal procedures. They also pursue policies that address the environmental impacts associated with teardowns through tree ordinances, landfill tipping fees, deconstruction ordinances, and drainage standards. A growing number of communities have established “green” building programs. As such, preservation of historic buildings and conservation of historic neighborhoods are key green building strategies that can and should be integrated into green building initiatives whenever possible.

Communities can do a great deal to discourage teardowns and facilitate compatible new development. They have choices. But not all communities and states are created equal. The range of tools and development regulations that are available for use varies from state to state and community to community. As a community looks to manage teardowns and implement specific approaches, it must consider how regulations are enabled, written, and administered as part of state law that expressly allows local governmental units to enact specific development regulations. Following is a list of some of the primary tools and approaches—regulatory, voluntary, and incentive-based—that communities around the country are using to address teardowns. Again, no single tool is enough. To manage teardowns effectively and preserve historic neighborhood character, communities will need to develop a full kit of tools.

## Regulatory Tools

**Conservation Districts.** Increasingly neighborhood conservation districts are being used to address teardowns because they promote compatible development. As design review overlays and/or systems of special planning and zoning districts, conservation districts are similar to local historic districts with some key differences. They tend to focus more on preserving overall community character rather than specific historic fabric. Typically, conservation districts are used in residential neighborhoods with a distinct physical character that have preservation or conservation as a goal. While types of conservation districts vary greatly across the country, they often provide for review of demolitions and other major changes to existing properties, such as large additions.

Conservation district reviews, however, rarely include the “fine grain” design review items addressed by traditional local historic districts, such as windows, doors, trim, building materials, etc.

**Demolition Delay Ordinances.** Demolition delay ordinances prevent the demolition of a building for an established waiting period. During the delay period, communities can explore alternatives to demolition, such as buying the property. This tool is especially important for identifying and protecting historic structures that merit protection under historic preservation ordinances.

**Demolition Fees and Taxes.** As a deterrent to teardowns and to mitigate the community’s loss of affordable homes from demolition a community may establish a demolition fee or tax on demolitions. Fees are collected by a local government and generally only apply to residential demolitions and those defined as the demolition of 50 percent or more of the structure. Some communities use revenues from these programs to establish a housing trust fund that reinvests in preserving a community’s affordable housing, such as through a community land trust.

**Demolition Moratoriums.** A demolition moratorium protects the status quo by making it illegal to demolish properties in the affected neighborhood during a defined period, usually six months to a year. This approach is most appropriate in communities where the pace of teardowns is accelerating and few, if any, management tools are in place. This buys time for residents and local governments to develop permanent policies to better manage development and limit teardowns.

**Development Standards.** Many communities have turned to development standards to address teardowns. Those seeking to manage change in existing neighborhoods through development standards are increasingly focusing on context. They are studying the areas in which new controls will be applied and adopting new development standards—such as Floor Area Ratio (F.A.R.), maximum lot coverage, open space requirements, minimum setbacks, and bulkplane restrictions—which establish prescribed limits on the size and location of development on a given lot. These tools are most effective when used in combination with other building standards that are already in place in most zoning codes, such as setback requirements and height limits. Setbacks requirements stipulate a minimum distance that new houses must be from the street. Similarly, open space standards require that a certain percentage of a lot must remain undeveloped. Height or bulk limits restrict the scale of new construction, ensure adequate air and sunlight reach neighboring properties, and reduce the scale of new construction. While beneficial in many ways, such tools do not ensure compatible design.

**Downzoning.** Communities attempting to manage teardowns will sometimes pursue downzoning—a process that changes the current zoning for a specified area to a less-intense use. Downzoning generally changes the intensity by which property can be developed such as from multi-use to single family. Through this process, downzoning can reduce the economic incentive to demolish a historic house to make way for larger development, giving existing homeowners greater confidence that the character of their neighborhood will not be diminished by incompatible development. It is important to keep in mind that while downzoning will reduce the number of units allowed on a given parcel, it does not always change the development standards regarding the size of the structure that may be built. Proponents of teardowns often oppose downzoning measures, as it may limit their ability to maximize the value of their land.

**Floor Area Ratio (F.A.R.).** The Floor Area Ratio concept is being applied in residential areas to limit the size of homes relative to the lots they occupy. Floor area ratios regulate the amount of buildable floor area in relation to the size of the lot. For example, a 0.6 FAR would allow a builder to cover up to 60 percent of a lot with a one-story structure or 30 percent of the lot with two stories. FAR definitions may be included as part of citywide zoning changes or written into overlay district language for specific neighborhoods. These tools are most effective when used in combination with other building standards, such as setback requirements and height limits. Formulas for determining FAR ratios can be cumbersome and difficult to establish because of the lack of reliable data on existing square footages. FARs also require increased administrative oversight to ensure that gross floor area calculations are done correctly.

## TEARDOWN STATISTICS

In 2002 the National Trust for Historic Preservation identified 100 communities in 20 states that were experiencing teardowns in historic neighborhoods. In May 2006 the National Trust then identified 300 communities in 33 states. By March 2008 that number had increased to nearly 500 communities in 40 states.

The New York metropolitan area is the epicenter of the teardown epidemic, with New Jersey ranking first in the nation in the number of places experiencing significant numbers of teardowns.

Major concentrations of teardowns are occurring in and around Atlanta, Austin, Boston, Chicago, Dallas, Denver, Los Angeles, New York City, Salt Lake City, San Francisco, Tulsa, and Washington, D.C.

**For more information go to the  
Teardowns Resource Guide at  
[www.PreservationNation.org/teardowns](http://www.PreservationNation.org/teardowns).**

**Historic Districts (Locally Designated).** Across the country, locally designated historic districts protect sites and neighborhoods from demolition, insensitive alterations, and out-of-character new construction. Many historic preservation laws include design guidelines that provide suggestions on how to build appropriately scaled additions and infill structures and may prevent the demolition of significant structures. As communities consider adding new districts in the future, it will be important to keep up with the need to survey additional neighborhoods, including those built in the post-WWII period. Many of the houses targeted as teardowns come from this pool of housing stock.

**Overlay Zoning.** An overlay zone is a special zoning classification that adds development and/or design constraints to the underlying zoning for a specified area or district, such as special height and/or bulk controls. Because overlay zones can respond to conditions specific to an existing neighborhood, they provide a targeted measure for protecting existing houses and discouraging incompatible development. Many local historic districts and conservation districts are adopted as overlay zones.

## Voluntary Tools

**Community Land Trusts.** Most often employed to protect open space and rural landscapes, the land trust approach enables communities to maintain a stock of affordable “starter home” housing that is particularly threatened by teardowns. Generally a nonprofit land trust approach works by acquiring properties either through purchase or land donations. The land trust retains title to the land while selling the house on the land at below-market value. By controlling the development rights for the land, the land trust can effectively set the resale price of the house, thereby maintaining affordability. Not all land trusts are set up to monitor changes to building exteriors. Also, strong local organizational capacity and a volunteer donor or seller is required.

**Easements and Covenants.** Key historic properties can be protected from demolition or out-of-scale additions through easements and covenants, which attach permanent deed restrictions that are monitored by qualified holding entities. Easements are voluntary and acquired one property at a time, whereas covenants are typically put in place on all properties immediately after construction. Although construction in many post-war developments is controlled by covenants, such covenants can be costly to enforce. While easements are typically enforced by organizations, their enforcement depends on strong local organizational capacity and expertise. Moreover, because easements are voluntary, the scope of protection may be limited.



*Conservation districts in Dallas ensure that a new infill house, on the left, fits in with the neighborhood character and is compatible with existing houses, on the right. Photo by Adrian Scott Fine.*

## Incentive-Based Tools

**Development Incentives and Bonuses.** Incentives are a great way to encourage compatible design and direct new construction in appropriate areas. For example, homebuilders may get square-foot bonuses for projects that include features such as front porches and detached garages at the rear that would make them more compatible with existing houses in the neighborhood. Incentives are often packaged together with regulatory changes in order to help make changes to development standards more politically palatable.

**Planning and Education.** An important step in addressing the teardown issue is to initiate discussions about the future of the community and what the residents want it to look like. This can be done through opinion surveys, town meetings, focus groups, interviews with key leaders, and design charrettes. The goal is to develop a common consensus for the future of the community. Ideally, these conversations occur as part of a comprehensive planning process, but in every case, it is important to involve a range of stakeholders including neighborhood groups, preservationists, architects, builders, developers, and real estate agents. Educating the people who buy and sell homes about the advantages of maintaining historic neighborhood character is another strategy to prevent the negative impact of teardowns. This can be done through historic home tours, training for real estate agents, classes in rehabilitation, and awards programs. This type of outreach can bring credibility and increased political support for protection measures.

*For more information go to the Teardowns Resource Guide at [www.PreservationNation.org/teardowns](http://www.PreservationNation.org/teardowns).*