

Queen's Park Neighbourhood Heritage Study (QPNHS)
Working Group Meeting

March 26, 2015

6:00pm – 7:00pm meeting (Committee Room #2)

7:00pm – 8:30pm speaker (Council Chambers)

AGENDA

1.0 Working Group Meeting Notes of February 26, 2015

2.0 Update from Research Groups

- a list of approaches/ideas based on your research that you feel would work in Queen's Park (please note why you think it would work and if there are any tips to help it succeed)
- a list of approaches/ideas based on your research that you feel would not work in QP and why.

3.0 Heritage Survey

- updated information will be provided at the meeting

4.0 Next Meeting

Next meeting will be Thursday, April 23, 2015
6:00pm – 7pm meeting (Committee Room #2)
7:00pm – 8:30pm speaker (Council Chambers)

*Please RSVP to Julie Schueck at
jschueck@newwestcity.ca
or at 604.527.4556*

Queen's Park Neighbourhood Heritage Study (QPNHS)

Working Group Meeting Notes of February 26, 2015

PRESENT:

Councillor Jaimie McEvoy, Chair
Maureen Arvanitidis (NWHPS)
Rebecca Bateman
Tom Bellamy
David Brett (QPRA), Vice-Chair
Bruce Cheng
Deane Gurney (QPRA)
Gary Holisko
Steve North (NWHPS)
Dave Vallee
Jennifer Wolowic

CITY STAFF:

Julie Schueck, Heritage & Community
Planner

Agenda Items:

1.0 Working Group Meeting Notes of January 22, 2014

- There were no corrections, additions or deletions

2.0 Updates from Research Groups

Group A: *Definition of the character of the neighbourhood in order to identify what should be retained and/or protected.*

Character defined as '**QUALITIES DISTINCTIVE TO**'

Synonyms of CHARACTER are '**Personality, Nature and Makeup**'

WHAT Qualities distinctive to QP, and what Personality/Nature/Makeup should be retained and protected is what we have in the Queen's Park area, ie: What is Queen's Park within the Royal City?

- In a name it speaks of the Queen and a Park.....
- Age of the houses
- Style of the houses
- Unique butcher shop
- Green spaces, Friendship Gardens, Tipperary Park, Sullivan Park, Queen's Park, Rose Garden, Spray pool, Petting zoo, treed streets and avenues, boulevards
- Bordered by commercial areas of 6th and 6th

- Sports facilities include hockey, field and box Salmonbellie LAX, soccer, baseball, tennis, NWTC @ 1890
- Armories and Westminster Regiment
- Hyack Parade and route
- Easter antique car parade
- City Hall and surroundings
- QP Annex
- Vagabonds/Bernie Legge
- Public and private school choices
- Religious denomination choices
- Political choices

Question: could the City hire summer students to document all of the houses in the Queen's Park neighbourhood?

Group B: *Lack of design guidelines for new construction, renovations, and restoration of single-family houses.*

- A percentage of the site should be permeable
- Landscape elements should be part of the guidelines
- Allow more square feet if people follow the guidelines for either new construction or renovations
- Consider waiving or reducing building permit fees for people who renovate or restore existing buildings
- Require deconstruction rather than demolition
- Laneway houses could be an incentive for people to retain their houses (The working group could survey existing properties and identify potential properties.)
- The 1990s guidelines are still good
- The guidelines from Vancouver's Kitsilano neighbourhood are good
- When plans come in for new houses, could there be an architect who reviews them for compliance to the design guidelines?

Group C: *New or stronger regulations to deter demolition and to provide incentives for the retention of older single-family houses.*

- Carrots are better than sticks
- Deconstruction is much better than demolition

Group D: *Identification of the types of densification, if any, which would be acceptable as a way to protect old buildings and that might provide affordability and diversity of housing types.*

- Consider laneway houses, townhouses

- Allow existing multi-family to be replaced with multi-family even if the zone is for single-family
- Allow stratification of larger houses
- If owners retain an existing house, they could get more square footage
- Agree with the idea of waiving/reducing permit fees
- It is important that we think long-term (10, 20, 30 years out)
- Summarized below is Charlottetown's heritage incentive program. Granting funds to heritage homes with \$1 million assessments in QP would be a tough sell, but if it were available to all relevant NW properties, it could help.
 - Charlottetown Heritage Incentive Program includes monetary incentives for development of individually designated properties and/or properties located in the Heritage Preservation Area.
 - Grants for exterior alterations are offered at 30% of total eligible costs to a maximum of \$4,000
 - General maintenance may be funded to a maximum of \$1,000.
 - Window replacements may be funded at 50% to the \$4,000 maximum.
 - Building permit fees are waived- You can apply every 2 years.
 - You can apply every 2 years.

Group E: Identification of ways to encourage buy-in from the community, the building industry and City Hall for neighbourhood heritage conservation strategies.

Community	Building Industry	City Hall
<ul style="list-style-type: none"> • Inform the community of what is in it for me/us to conserve heritage houses and buildings • Identify and eliminate the (top 10) myths re designating one's house a heritage building • Eliminate home owner fears of designating one's house heritage • Source out home owner fears through Real estate Agents/ Insurance Brokers/BC Assessment Personnel information seminars • Offer Education Programs to increase awareness of the 	<ul style="list-style-type: none"> • Inform the Industry (owners, developers and builders) of what is in it for them to conserve heritage houses and buildings • Clarify the rules of the playing field for owners, developers and builders • Offer solid rules on building • Provide incentives to retain older buildings and houses • Offer information seminars on eg. HRA • Educate the Industry on the value of retention vs tear down 	<ul style="list-style-type: none"> • Increase pro-activity in providing incentives to owners, developers and builders to retain heritage houses and buildings • Offer incentives to home owners to designate their house as a heritage building • Waive or minimize costs of permits for eg. tree removal/moving; wiring, renovating Heritage Houses • Assist in roof and drain tile replacement for Heritage House home owners • Increase funding to the Heritage Foundation to enable a larger number

<p>benefits of retaining heritage buildings and designating to heritage status</p> <ul style="list-style-type: none"> • Educate the public re availability of grants and incentives • Door to door information/flyer campaigns for all QP residents, heritage and non-heritage audiences alike 		<p>of applicants to receive grants</p> <ul style="list-style-type: none"> • Provide annual tax breaks to Heritage Home owners • Inform all residents that increasing the value of a Heritage House, in turn increases the value of all properties in the area/city
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3.0 Neighbourhood Heritage Survey Summary

The working group would like to see:

- all the written comments from the survey
- a summary of the last three questions on the survey
 - how the people who have lived in the neighbourhood less than 10 years voted in comparison to those who have lived in the neighbourhood more than 10 years;
 - how people in the 50-64 age range voted in comparison to the other combined age ranges; and
 - how the people who live in the “north” area of the neighbourhood voted in comparison to those who live in the rest of the area.

Question: can the City create a development permit area that is all residential? Yes.

The formal portion of the meeting adjourned at 6:50pm.

Public Speaker 7:00pm

About 15 people attended.

Heritage consultant Donald Luxton made a presentation on the heritage conservation initiatives, in particular the creation of a heritage conservation area, in the First Shaughnessy neighbourhood of Vancouver, which is a part of the recent Heritage Action Plan.

Questions:

1) What do the realtors say about heritage conservation areas?

They worry about the effect a heritage conservation area may have on property values; but, there is evidence that protecting the authentic character of a neighbourhood and/or a building actually protects the property values. Heritage houses are like blue chip stock.

(The study mentioned that was done by the Victoria Heritage Foundation was conducted between 1987 and 1999. It tracked 142 designated houses and when compared with the average house in Victoria, taxes rose 26% faster for the designated houses during that time. At the time the comparison was used primarily to convince the City to increase their annual operating grant. More recent studies have been carried out by Robert Shipley through the University of Waterloo. A copy of this will be provided to the working group in the next agenda package, or refer to the July 2014 agenda package.)

2) What are the theories about the increase in demolitions in Vancouver in 2013?

It is unclear, but properties were being purchased primarily for demolition and rebuilding. Now in Metro Vancouver, 75% of a house must be deconstructed rather than demolished.

3) Should all city councils be instigating this 75/25 deconstruction requirements?

It is a Metro Vancouver policy.

4) How can owners be required to perform minimum maintenance on a heritage house?

Typically this requirement is only enforced if there is a complaint. If necessary the City will go in and do the work and charge it to the taxes for that property.

5) Any suggestions on how to educate people early, before they decide on demolition or even before they begin searching for a property?

One suggestion is through a heritage conservation area that lists all the properties on a schedule.

6) Are there any pre-1940 houses in First Shaughnessy that are not being recommended to be included in the schedule for the heritage conservation area?

The decision to use pre-1940 as the cut-off date was in order to cast a wide, general net. Research on the houses in First Shaughnessy has been difficult because until recently, the records were all held by the CPR and were not accessible to researchers. This research is being carried out now by the Vancouver consultant team. Once complete, the team can better analyze the relative heritage value of each house. All of the pre-1940 houses in First Shaughnessy form part of the First Shaughnessy Official Development Plan, and because this list was endorsed by Council, it is considered a formal list of heritage properties.

7) New Westminster has similar issues on a smaller scale; do you have any thoughts on how we can protect the heritage character of the Queen's Park neighbourhood?

Queen's Park is a very special neighbourhood. It is one of the truly cohesive neighbourhoods around, with a wonderful collection of houses with historic character. Heritage conservation areas are designed to protect the character of an area and could work for this neighbourhood. Look carefully at what is over- and under-built. Don't list every property. Consider whether you want to make the heritage conservation area harsh, gentle or somewhere in-between.

8) Are there heritage tools that allow an increase in density on lots?

In addition to the Heritage Revitalization Agreement, consider lowering the threshold to allowing stratification of large houses. There are pros and cons that need to be analyzed however.

9) Would listed/scheduled buildings in a heritage conservation area have similar restrictions to those protected with a Heritage Designation bylaw?

Similar. In a heritage conservation area, property is not downzoned (frozen in its density, size, shape, etc.). The potential

10) Do heritage conservation areas affect home insurance?

There are companies that will insure protected or listed heritage properties.

11) How do design guidelines work in a heritage conservation area?

The Standards & Guidelines for the Conservation of Historic Places in Canada is the first filter for how to deal with historic houses. New construction could be managed through design guidelines. It is important to prevent mock heritage designs.

Next Meeting:

The next meeting is scheduled for Thursday, March 26, 2015

6:00pm – 7:00pm in Committee Room #2

7:00 – 8:30pm in Council Chambers for public speaker

Heritage Designation and Property Values: Is there an Effect?

Robert Shipley
University of Waterloo
Ontario Canada

Appeared in:
The International Journal of Heritage Studies
Volume 6 Number 1, 2000

(approximately 6,000 words)

Abstract

This paper describes research that was designed to examine the assertion that historic designation of properties, under the heritage legislation in Canada's largest province, has a negative impact on the values of those properties. The actual selling price of subject properties was used to establish their value history trends, which were then compared to ambient market trends within the same communities. Almost 3,000 properties in 24 communities were investigated, in what is believed to be the largest study of its kind ever undertaken in North America. It was found that heritage designation could not be shown to have a negative impact. In fact there appears to be a distinct and generally robust market in designated heritage properties. They generally perform well in the market with 74% doing average or better than average. The rate of sale among designated properties is as good or better than the ambient market trends and the values of heritage properties tend to be resistant to down-turns in the general market.

Introduction

General

By international standards the process for recognizing the significance of heritage buildings in Ontario, Canada's largest and most populous province, is not very rigorous. The basis of heritage preservation is, of course, the same as in other jurisdictions; that each generation should attempt to pass on cultural values through heritage sites that represent them (Stovel 1991). It is true that in 1975 the Provincial Government proclaimed the Ontario Heritage Act. The guiding principles behind the Act can be found in the United Nations Educational, Scientific and Cultural Organization's *Venice Charter*, to which Canada is a signatory (UNESCO, 1964). The Venice Charter states in part that:

[it applies] not only to great works of art but also to more modest works of the past which have acquired cultural significance with the passing of time...[that] cultural property is the product and witness of the different traditions and of the spiritual achievements of the past and thus is an essential element in the personality of the peoples of the world...that it is indispensable to preserve it as much as possible, according to its historical and artistic importance, so that the significance and message of cultural property becomes a part of the spirit of people who thereby may gain a consciousness of their own dignity...and...that it is the duty of governments to ensure the protection and the preservation of the cultural heritage ... as much as to promote social and economic development (Carter, 1990).

The Ontario Heritage Act gives responsibility for heritage to local governments. Individual properties can be designated under the Ontario Heritage Act and there is also a provision for the designation of "heritage districts". Entire neighbourhoods of historical significance can be recognized in an attempt to preserve the character of the whole area. The criteria for designation are quite general with guidelines require that structures be judged to have "historic or architectural significance" (Ontario, 1986).

To accomplish this recognition of heritage the Ontario legislation encourages municipalities to establish Local Architectural Conservation Advisory Committees (LACACs). However, these council-appointed volunteer committees can only recommend the designation of historically and architecturally significant properties to their municipal councils. Once designated any planned

changes to a property (usually just the building exterior) must be reviewed by the local architectural advisory committee, who can advise the local council which makes the final decision. In the end, if the owner of a designated property decides to demolish the structure there is only a waiting period of 108 days.

The fact that the province has delegated the responsibility of heritage designation to the municipalities has had at least two outcomes. On one hand the local community can be said to be best suited to determine its own heritage and sense of what is culturally significant. On the other hand the application of the Act's designation process has been uneven at best. Of the several hundred municipalities in the province, less than half even have architectural conservation advisory committees and only a handful of the largest cities have staff assigned to heritage conservation. It is also rare for a building to be designated without the consent of the owner. In the case of districts, once designated any individual owner within the area has the option to exempt his or her property from the provisions of designation. This all means that designated buildings are not necessarily representative of the type of buildings which might be most important to preserve. A new and more comprehensive Heritage Act was drafted several years ago in Ontario but has never been enacted. Other Canadian provinces, with the exception of Quebec, are little better off than Ontario (Carter 1990).

Need for Research

The relative weakness of heritage conservation legislation in Canada has at least a couple of causes. One is the all too common notion that little is old enough in such a young country to warrant preservation. The second aspect that discourages architectural conservation is the prevalent North American attitude toward to sanctity of private property. In general, people don't like property regulations. In this regard, one of the most frequently raised arguments against recognizing the special significance of certain historic properties through heritage is that the value of a designated property will be decreased. It is argued that designation restricts what the owner can do with his or her property. This in turn, it is said, limits the number of buyers willing to accept such restrictions, and therefore limits the demand with the result that the potential market price for the properties is diminished.

The perception that designation has a negative impact has even reached the courts. In 1992, an legal offer to purchase a home was not honoured and the subsequent civil trial featured the supposed loss of value due to the designation of the property as a central issue. The case is still being appealed. It is often real estate professionals, including agents, brokers and appraisers, who advise people that designation will have this downward effect on the future selling price of properties. This advice is offered on the basis of what might be called a “received wisdom,” or something that is accepted without proof. When asked, the proponents of this view can point to no research or systematic study that backs up their position. What they do sometimes have is anecdotal knowledge of some particular example. In fairness it must be said that the proponents of designation are often in the same position, that is, their assertions that designation is neutral or positive, are supported by specific examples.

It is important to remember when considering this argument, that heritage is about cultural values and not about economics. It should not be suggested that heritage designation is undertaken with the expectation of enhancing the market value of a property. However, property owners are justified in hoping that they will not be penalized financially for recognizing that their buildings have a cultural value to the community as a whole. If heritage designation is not being pursued because of misinformation about economics, then that notion should be addressed and a reasoned discussion about the issue ought to be joined.

The Antecedents and Development of the Present Project

While research has been done in the United States (Listokin & Lahr 1997), Australia (Urban Consulting Group 1995), Great Britain (Burman et al 1995) and previously in Ontario (Shipley 1992), there was clearly a need for further clarification of this issue. Reliable, systematically and statistically defensible data was needed to replace anecdotal information which can be specific, idiosyncratic and which can be selected to support either point of view.

The principal question dealt with in this study was initially addressed in the period of 1990-1992 by the present author as the subject of his report, *Exploring the Value of Heritage Properties* (Shipley, 1992a). That initial study examined property values within the cities of London and

Kitchener; populations 300,000 and 125,000 respectively. The methodology used in the current study has been adapted and refined from the approach used in the initial work. There are three notable differences from the earlier work. First, the current study relied on the use of local volunteers to gather the survey data. Second, the sample size and distribution was approximately seven times larger than the original study. Finally, the analysis of the data gathered on properties for this study focused only on sales that occurred after the time of designation whereas the previous survey considered the whole price history trend of properties that were eventually designated. The main reason for the latter point is that more time has passed since the designation of many of the properties and it is therefore more reasonable to look just at the period affected directly by the act of heritage recognition.

The results of the original study of London and Kitchener were that in 64.4% of the survey cases in London, the individual designated properties performed better than average in the city's real estate market. Another 33.3% of the cases showed that the performance of the designated properties was consistent with the performance of the market in London. Only 2.2% of the properties exhibited performance below the average real estate market (Shiple, 1992 a & b). These results were shown to be consistent with those for Kitchener as well, which had 60% of properties above average, 40% at the average and no designated properties performing below average.

The information derived from the 1990-92 study proved to be of considerable interest to people in the Canadian heritage community. It has been widely re-published in Ontario in heritage journals such as the Architectural Conservancy of Ontario's *ACORN* (Shiple 1997) and in popular and trade magazines such as *RE-NEW*, (1993). As well it has received national exposure through the journal of the Canadian Appraisal Institute (Shiple, 1992c) and in other provinces such as Alberta (Shiple 1994b). The work has even been recognized internationally in the *ICOMOS Canada Bulletin*, the magazine of the Canadian section of UNESCO's International Committee on Monuments and Sites (Shiple 1993). A recognition of the importance of the work can be seen in the fact that the author is regularly asked to both speak and write on the subject (Shiple 1992b, 1994a). Copies of these articles have often circulated to the owners of prospective designated properties and the work was frequently quoted at municipal council meetings. As recently as July 1998, reference was made in the popular magazine *Canadian Living* to the author's 1992 study.

In 1996, an interest was expressed by the Ontario Ministry of Culture, Recreation and Citizenship, as well as by the Architectural Conservancy of Ontario and individual LACACs in expanding the research. It became evident that collecting data for a large number of communities of varying sizes and geographical locations would strengthen the findings of the research. This would also prove to be more useful for local communities, as there would be a greater likelihood that the study would have included a community comparable to their own. The terms of reference for the current project were set out in April of 1998.

Research Focus

Given the need to deal with the perception that exists in some quarters of the real estate industry, a null hypothesis was used for the focus of the study. The statement of the null hypothesis was: “if a given property is designated as having heritage significance, then the sale price trend of that property after designation will track lower than the average market trend for the community.”

The average market trend was used as the comparison in this study for three reasons:

- we looked not at the absolute price of the property, which may be above, below or the same as the average dollar value of properties in the community, but rather at the trend or trajectory of the values of designated properties - we compared trends
- because of the nature of designatable properties - they are by definition special in some way - it is difficult to find similar properties for comparison purposes. In some cases there are reasonable comparisons. An example of this is where one house in a row has been designated as representative of the type. More often this is not the case and so the average property value trend in a community is a better base line for testing the assertion that designation is generally a negative force.
- the average property value trend has been used in other reputable studies such as Donovan Rypkema’s “Preservation and Property Values in Indiana,” reported in the American Planning Association’s *Planning Advisory Service Memo* in June, 1998.

In addition to the main focus of the study, which is the property value trend of individually designated properties in Ontario, we also considered a number of related questions. Among these is the question of the price history trend of properties that are within designated districts.

Scope of the Research

The research described in this paper set out to examine the sales history trends of designated properties in as many Ontario communities as possible. Attention was given to size, character and geographical spread of the communities, in order to allow the findings to be applicable to all regions of the province. Participation was sought from a wide variety of communities with respect to the size and character in order to establish a sample which was broadly representative. In the end 24 communities participated in the study ranging in size from the former City of York (now part of Toronto) through medium sized cities such as London, Ottawa and Guelph, down to smaller places such as Port Hope and St. Marys. The communities also represented a range from the very urban, such a Kitchener, to the very rural, such as Mississippi Mills. The geographical spread covers places from the far south-west at Windsor to the north in Sault Ste Marie. In some cases there was not enough data available from communities to establish a market trend and allow analysis, but that information too has its significance. In the final analysis, data was available from 14 communities.

While the main focus was on individually designated properties data was also been gathered from a number of designated districts. These included Meadowvale Village in Mississauga, the Doon Heritage Conservation District in Kitchener, the Brant Avenue district in Brantford and the main street of Bayfield, Ontario. The great majority of the properties examined were residential but data was gathered on some commercial properties.

Limitations of the Research

As with all studies, several limitations must be recognized. The first limitation is the fact that this study dealt with only one of many issues affecting property values. While undertaking this work, the researcher visited Meadowvale Village in Mississauga. During that visit, several planes passed noisily overhead on their final approach to Toronto's International Airport. That phenomenon could be seen as having a potentially negative effect on local property values. On one side of the Village there is a Conservation Authority protected wetland area with a watercourse, marshes, walkways and wildlife. That feature could be seen as having a positive impact on local property

values. While it is virtually impossible to isolate one factor affecting property values, this study has done its best, by gathering data on a consistent basis from communities across the province and making the same comparisons in each, to draw some general conclusions about the single matter of heritage designation.

The second limitation concerns the fact that the study was a comparison of trends in property value using the average property value trend within communities. Sales history data about populations of properties rather than individual examples of architecture were being examined and the study does not purport to be a systematic set of property specific appraisals.

The final limitation concerns the small sample size within some of the individual communities. While lists containing large numbers of designated properties were collected to begin the project - a total of 2,707 - a great many of these were eliminated from consideration in the study because they were not in private ownership and therefore not in the market place. The numbers were further reduced because many of the properties had less than two recorded sales within the time period under consideration and therefore had no measurable sales history. In the end 328 properties with sales histories were considered. This sample was again reduced to 208 for analysis purposes because only properties with sales after their designation were included. The small sample within some of the individual communities was compensated for by the inclusion of many communities in the study. Whereas the results in a given community, such as Mississippi Mills, with only eight examples, may be inconclusive because of a small sample size, replication over a large number of communities serves to strengthen the findings of the study.

The Steps Followed

The first step in the research process was to obtain a list of all designated properties for a given community. This list was obtained through the municipal clerk's department. The list contained the street addresses of the designated properties as well as the year that each property was designated. The next step was to remove from the list all of the properties which were not in the market. Examples of these types of properties include churches, cemeteries, and municipal buildings. These properties were excluded since they are not available for sale on the free market.

It was left to the discretion of the individual researchers as to whether or not they wished to look at both residential and commercial properties, or only to examine residential properties. The decision was made largely on the basis of the total number of properties in a community and the number of researchers available in that community.

Sources of Information

Once the list for a community was established, it was necessary to seek out a source of sales history information for each of the properties. It was determined that real estate appraisers¹ would be the most convenient source for the information, since many of them keep sales records listed by street address. This is in contrast to local land registry offices, which require a legal description in order to search for the history of the property. Appraisers willing to provide access to their records were located in each of the study communities. The information was recorded on separate forms for each property. As the researcher examined the histories of each of the properties, those properties with fewer than two sales transactions within the study period (1976 to 1997) were eliminated. This was due to the necessity to record at least two points in order to observe a price trend.

The next step in the process was to establish a baseline property price for each of the communities. This information was obtained from the local real estate boards.² Year-end total numbers of units sold and total sales value (in dollars) were recorded for each year of the period being studied, where possible. The type of units included in the average corresponded to the type of properties examined by the researcher (residential and commercial together or residential only). This information was recorded for each of the municipalities. The total dollar value of sales for the year was divided by the total number of units sold in that year, giving an average unit price for the year. These average unit prices were used to create a baseline for the municipality from which comparisons were made.

¹ In Canada, appraisal is a regulated profession providing the service of evaluating property for a range of clients. For example a bank may require that a property be appraised before a mortgage can be obtained while insurance companies may ask that a home owner to have their property appraised establish its replacement value.

² Real Estate Boards in Canada are the trade associations of professionals who broker and sell property.

How the Information Was Used

For each designated property, a sales history was plotted for the time period between 1976 and 1997 or for whatever time period data was available. An average baseline price for the municipality was also plotted on the graph (Figure 1). The year of designation was also plotted on the graph. This allowed a comparison to be made between the market performance of a property before designation and its performance after designation. Properties that had no recorded sales after designation were left out of the analysis.

Where a given property had incurred only two sales, and therefore was represented by a straight line on the graph, a conclusion as to whether that property was performing above, at, or below the performance of the general market was made visually (Figure 2). In instances where this conclusion was made more ambiguous by recorded fluctuations in the price history and in the baseline, regression analysis was used to produce trend lines on the graph (Figure 3). The slope of the trend lines was compared visually and a conclusion as to the performance of the property relative to the market was drawn. Properties performing above, at, and below the average (Figure 4, Figure 5, and Figure 6) were totaled for the municipality. The results for each municipality were then compared with one another and conclusions were drawn based on the resulting trends. While differences in the price trends of one property measured against an average may not be statistically significant by itself, when multiple properties in a wide distribution of communities exhibit similar trends, a stronger conclusion can be drawn.

How the data was gathered

It was decided that an effective way to gather the required information for the study was to engage the services of volunteers. Local Architectural Conservation Advisory Committees (LACACs) and branches of the Architectural Conservancy of Ontario, a non profit citizens' group, were approached in a wide variety of communities across Ontario. The research proposal was presented to these committees and volunteers were sought. A list of communities that were willing to participate was formed and the volunteers were contacted individually and sent further information about the project. Training workshops were organized in St. Marys, Stoney Creek, Almonte and Port Hope with the intention that one of the workshop locations would be convenient for each of

the participating communities. These workshops were three hours in length and provided a step-by-step set of instructions for the volunteers to follow. They also provided an opportunity for volunteers to question the research methodology in order to ensure that they were fully comfortable with the work being requested of them. A second goal of the workshops was to allow face-to-face communication amongst architectural conservationists from across the province.

At the workshops, volunteers were given instructions on how to fill out the required forms for each of the properties on their list. Many were provided with contact information for appraisers who had agreed to participate in the study. Appraisers were recruited in each of the participating communities in order to provide a source of sales history information for the volunteers. A past president of the Accredited Appraiser Canadian Institute, was able to arrange for the participation of most of the appraisers who contributed to this study.

Findings

Price History Performance of Individually Designated Properties

It was found that across the province the majority of individually designated properties, approximately 59%, performed better than average in their value history trend when compared to the average property value trend in their communities. Another 15% performed in a way that was judged to be comparable to the average performance. About 26% of the designated properties were evaluated as performing below the community average price trend (Table 1 and Figure 6).

When we look at individual communities we find that the combined above average and average figure generally ranges from about 62% in Windsor to as high as 87% in London and Mississippi Mills, 88% in Oakville and 92% in the Region of Haldimand-Norfolk. There was, however, one exception to this general trend. Among the nine properties surveyed in Prince Edward County, only two, or 29%, performed above average while seven properties, representing 71%, performed below average.

The way in which this comparison was made is outlined above in the section entitled **How the Information Was Used**. Given a graphed line that indicates the trend or history of the average real estate value in a community, we can assume that there would be around it a random

distribution of lines representing the value history of individual properties. Some of these would define tracks running above, the same as, or below the trajectory of the line representing the average. The assertion that heritage designation has a negative effect on property values would imply that lines representing the value histories of those properties would more often show a trajectory below the average. This latter assertion is clearly not the case.

Resistance to Market Downturns

It was found that individual designated properties tend to resist down-turns in the ambient market. This finding was arrived at by looking at data that related to sales trends in periods of market fluctuation. Where there were sales of designated properties that occurred at both high points and low points in the general market trend, comparisons to that general market were drawn. This analysis was undertaken for approximately half of the total number of sales records. In 21% of the cases, the designated properties fell in value at a greater rate than the average. In 32% of the cases they performed the same as the average. In 47% of cases, the designated properties went against the downward trend and did better than average (Figure 7, Figure 8, and Figure 9).

Rate of Sales of Designated Properties

It was found that the rate of sales among designated properties was equal to or greater than the general rate of sales of properties within their communities. This was done by compiling the numbers of designated properties in each community and comparing that first to the number of recorded sales of designated properties and then to the total numbers of individual residential properties as listed in *Canadian Markets* (1992, 1993) and the total number of sales as provided by the real estate boards (Table 2). These figures were averaged for the period covered. The number of individual residential properties was used as the overall number of properties in a community for comparison purposes on the understanding that the residential heritage designated properties being considered were generally in that same category.

In the relatively small community of Goderich, the general rate of sale was 3.5% while among the designated properties the rate of sale was 6.3%. In Port Hope the comparison was 8.2% among designated properties and 4% among the rest. Similarly, in larger places such as Kitchener and Brantford the rate of sale among individually designated properties was twice that of the general population. In other cities, such as London, Oakville and Windsor the rate of sales among designated properties was closer to the general trend but still above it. Only in the fast growing community of Whitby was the rate of sales among designated properties significantly less than the rate of sale of all properties.

It was found that the rate of sales among designated properties did not appear to be affected by how many properties in a given community were designated. In ten of the eleven communities for which data is available on the ratio of sales among designated properties, that rate is between 5% and 13.3%. At the same time, the ratio expressing the number of designated properties compared to the total for the community varied from as low as 0.04% and 0.03% in Kitchener and Windsor respectively, to as high as high as 0.25% in Whitby, 0.46% in Fergus and 0.86% in Goderich. Even in Port Hope, where it appears that an amazing 5.34% of all properties are designated, the rate of sales among those properties was 8.2%.

Market Performance of Properties Within Designated Districts

Data was collected for district designations in a total of five communities. Complete data was gathered for specific districts in Kitchener (Upper Doon Village), Mississauga (Meadowvale Village), Brantford (Brant Avenue) and Bayfield (main street). A random sampling of 10% of the properties in various designated districts was collected in Ottawa. The Kitchener and Mississauga examples are entirely residential. The Bayfield district is largely commercial. The Brantford case is a district in transition from residential to commercial in which only the residential properties were included in the survey. The Ottawa districts were varied but only residential properties were included.

In the Kitchener case, the value history trends of properties in the subject district were 60% above the community average and 40% consistent with the average or 100% average or above. In both the Ottawa and Brantford cases, the price history trends of residential properties within districts

were approximately 50% at or above average.

It was found that in Mississauga and Bayfield the properties within the designated districts were in very long term ownership situations with too few sales during the time period covered by the study to establish any value history trend. Of over sixty properties in Meadowvale Village there were only two sales listed in the conventional real estate records in a ten year period. This does not mean that no properties changed hands through inheritance, private sale or some other means but only that transaction data was not readily available. It might also be noted that the rate of sale of properties in Kitchener's Doon Village was considerably lower at 0.7% than either the average rate of sale within the city (4.0%) or the rate of sale among individually designated properties (8.1%) (Table 2).

An interview with Mississauga's Heritage Planner, explored the possible reasons for the situation in Meadowvale Village. He is in fairly frequent contact with residents of the neighbourhood and it is his opinion that people are happy with their homes and generally not interested in selling. He has never heard of a instance in the district where someone wanted to sell and was in any way discouraged from doing so by any real of perceived effect of the district designation on the potential selling price of homes.

Conclusions

This study involved a relatively small sample size and used as a standard of comparison the somewhat less than ideal measure of community average sales history. Both of these conditions result from the special nature of recognized heritage properties and are reasonable limitations for a province wide study of this nature. Only individual appraisal of properties might overcome these factors but appraisal also has its limitations. Appraisal is not an exact science. Depending upon whether an appraisal is done for a bank, which needs to know the minimum price it might expect for selling a property quickly, or a vendor, who wants to know the maximum that the market might bear for a property, appraised value can vary by as much as 30%. Furthermore, this entire study is aimed at exploring in a systematic way, the opinion that some appraisers already hold, without any evidence, that designation might be a negative factor in price.

In spite of these factors, it is nevertheless possible to draw a strong and clear conclusion from the data gathered in this study. Historic designation of properties under the Ontario Heritage Act does not in itself have any demonstrable negative effect on the value of those properties. In assessing the sales history trends of properties where a random distribution of patterns across the spectrum can be expected, the performance of designated properties is conclusively at or above average in all but one of the communities studied. This does not result from the designated properties being consistently above the average property sales figure for a community in absolute dollar value. There is a reasonable distribution of designated properties that are both above and below that value.

Far from showing any consistent negative effect there is in fact a positive correlation between designation, and an enhancement in the rate of increase in property values when measured against the average trend in property values within a given community. It is not suggested that this enhancement of value increase is a result of heritage designation. It is far more likely that it results from a reasonable investment in property maintenance and even upgrading. It is probable that the same concern and placing of cultural value on a building that leads an owner to seek or accept heritage designation also motivates them to suitably care for the property. These observations are speculative but what is clear from the data gathered is that when people recognize and, we suppose, properly care for a property, they seem generally to be rewarded in the market place.

It can also be concluded that there is a distinct and generally robust market for designated heritage properties. This robust market is demonstrated by three factors. In the first place, as shown above, designated properties generally perform well in their sales histories. Second, the rate of sale among individually designated properties is generally as good or better than the ambient market sales rate, regardless of how many designated properties there are in the community. Finally, the values of heritage properties are resistant to down-turns in the general market in almost 50% of the cases studied and no worse than the general market in about another 30% of the cases. The market in heritage houses is not the same as the general market but it is clear that there are an ample number of willing buyers who are prepared to pay a premium for this type of property.

One further observation from the present study might be made about the performance of heritage properties in the marketplace. These property values are probably affected greatly by other planning considerations such as the zoning of the properties themselves and the permitted adjacent land uses. In the cases of the Brant Avenue heritage district in Brantford and probably some of the districts represented in Ottawa, the change from residential to commercial zoning may be playing a significant role. When a building that was intended for residential use, and historically designated on that basis, is subsequently zoned in a manner that causes the value of the land for other potential uses to increase beyond the value of the historic building, then the historic designation is clearly compromised. Similarly, in the case of some of the subject properties in Prince Edward County, adjacent land uses such as large-scale hog rearing barns were permitted. Once again that condition compromises the original intent of the heritage designation bylaw. In these cases zoning considerations consistent with the principles of heritage conservation, special consideration under the minimum separation regulations and other planning instruments provided for in the Ontario Planning Act, should undoubtedly be considered.

Future Work

As important as the recognition of cultural significance through heritage designation is, it is investment in maintenance that ultimately ensures the survival of buildings. The question of return on investment in the case of historic properties is therefore a key topic of future research. Such research would be more involved than the work reported on in this paper since it would involve recruiting property owners who would be willing to share, with proper screens for confidentiality, personal financial information.

Although it is a difficult and complex task to identify properties that are genuinely comparable to designated buildings, this kind of comparison would result in valuable information in the discussion of the economic implications of heritage recognition. If this type of research were to involve the assistance of volunteers, as has the present project, much more involved training would be required. A broader and more detailed investigation of the effects of district designations would shed additional light on the impacts of defining heritage conservation areas.

The present study discovered that information concerning the time it takes to sell properties is not maintained with any uniformity or consistency in different communities. Information on time to sale for designated properties was gathered in one community but it was not possible to easily establish a baseline against which to measure the performance of the historic properties. A more involved and complex method for gathering this data will have to be developed in order to adequately analyze the issue of time to sale.

The questions of how heritage motivated planning interventions such as bonusing and special site plan agreements affect the values of non-designated properties should be examined in order to develop a more complete understanding of the effect of heritage designation on property values.

Applicability to Other Jurisdictions

While this study was intentionally specific to the Canadian province of Ontario, it may have broader implications for the issue of heritage recognition and property economics. The approach could certainly be applied elsewhere. The findings and conclusions are in line with studies in Australia and the United States and may help to reinforce those findings. The involvement of volunteers has a significance beyond the expediency of having the work of data gathering done by unpaid labour. Since in Ontario, and to some extent in other jurisdictions, the decision making around heritage issues is local, it is important that local community activists have a sense of ownership of pertinent data. They can better discuss and counter economic misinformation once they have participated in research such as the work that went in to this study.

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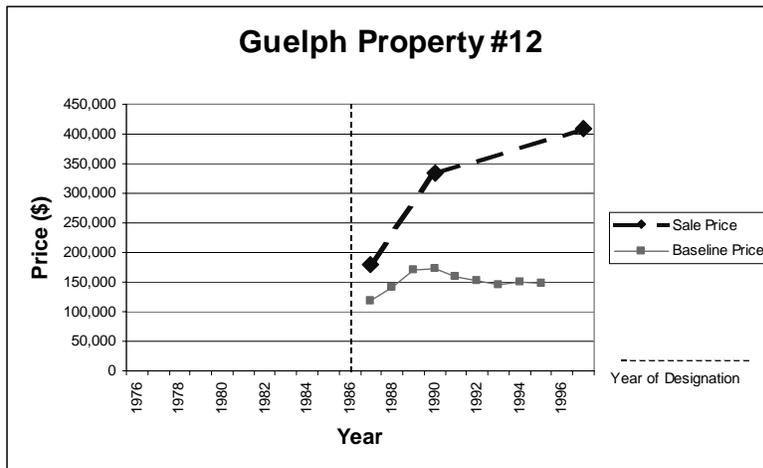


Figure 7 – Property resisting market downturn

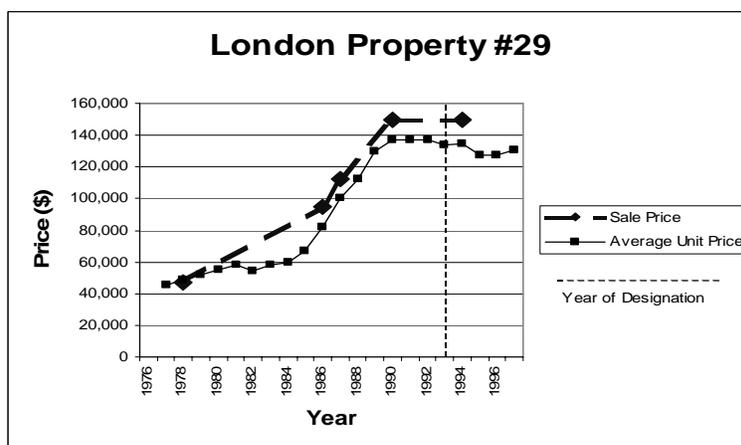


Figure 8 – Property following market trends

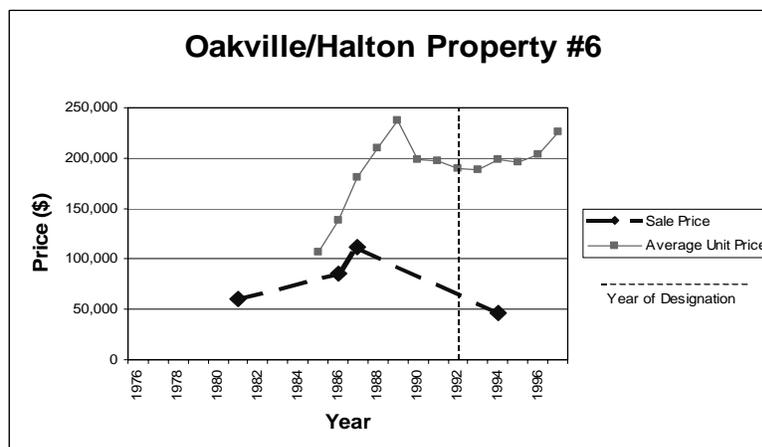


Figure 9 – Property performing worse than average in a depressed market

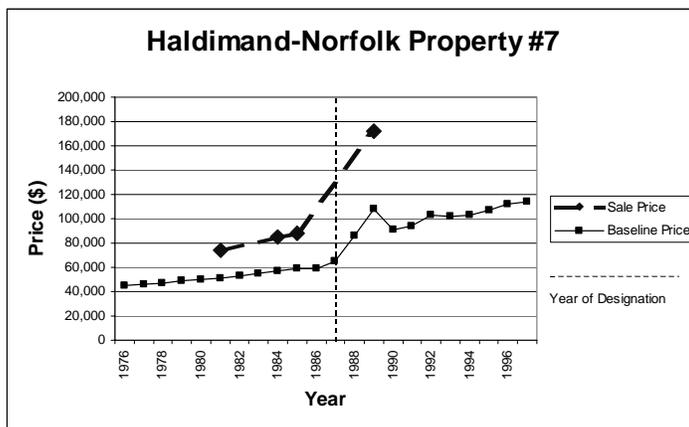


Figure 1 – Sample Graph

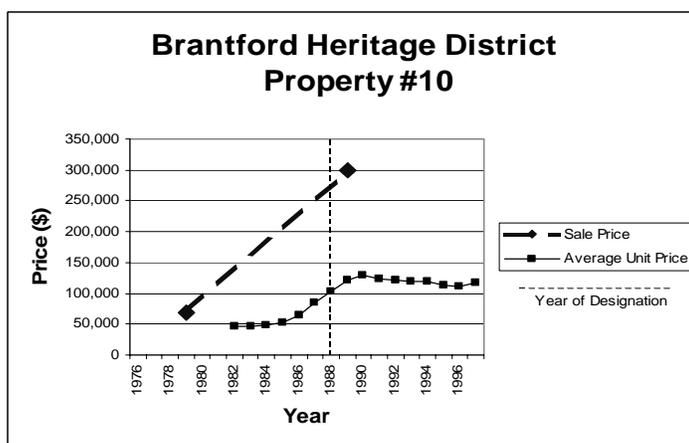


Figure 2 – Graph with two sales points

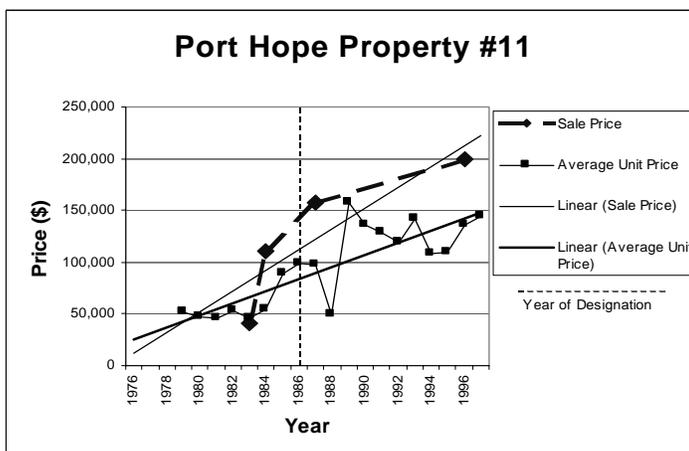


Figure 3 – Regression Analysis

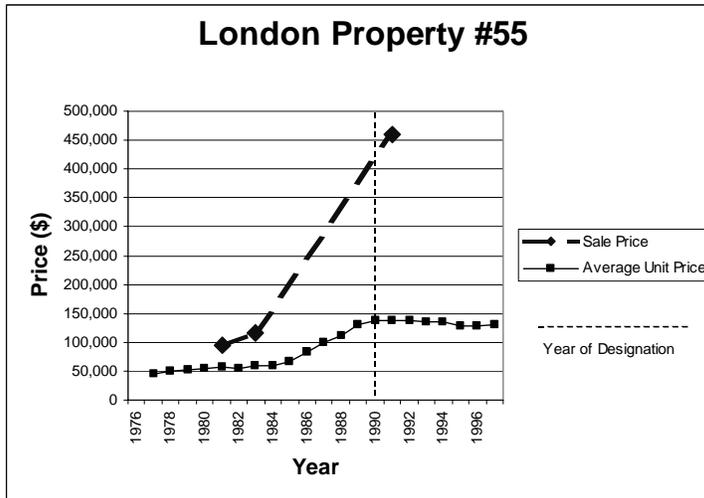


Figure 4 – Performing above average

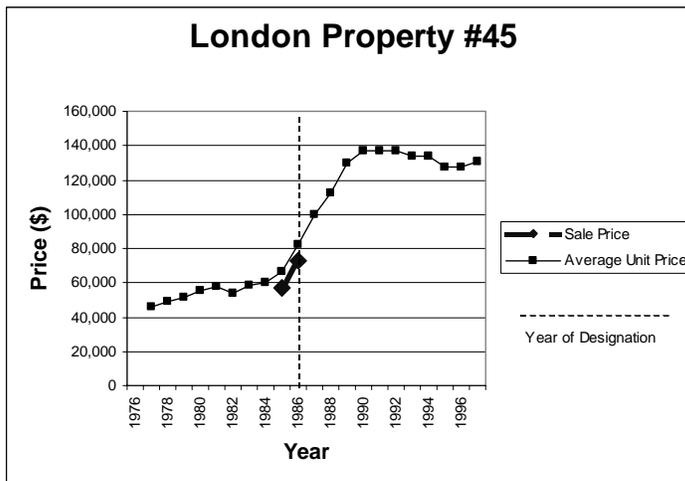


Figure 5 – Performing at the average

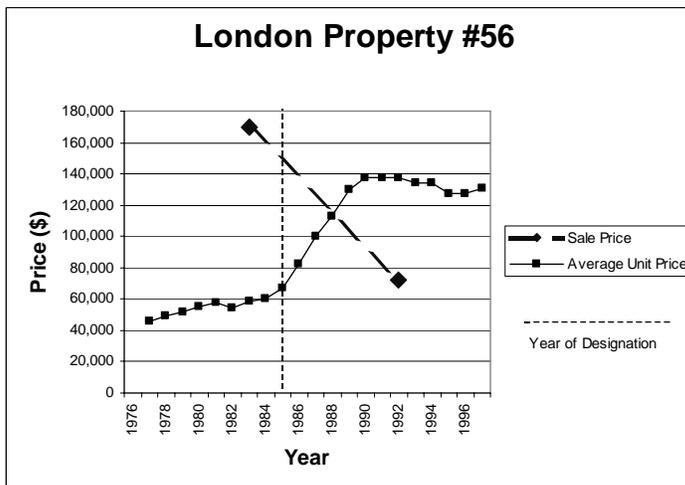


Figure 6 – Performing below average

Table 1: Comparison of Designated Property Performance Against the Average Property Performance Within a Community

Community	Above Average	Average	Below Average	Above Average + Average
Bayfield *				
Belleville *				
Brantford (Part IV)	33%	25%	42%	58%
Brantford (Brant Avenue, Part V)	41%	9%	50%	50%
Cambridge *				
Fergus *				
Goderich *				
Guelph	56%	22%	22%	78%
Haldimand-Norfolk	75%	17%	8%	92%
Kitchener (Part IV)	64%	21%	14%	85%
Kitchener Part V (Upper Doon)	60%	40%	0%	100%
London	74%	13%	13%	87%
Mississauga (Meadovale Village) *				
Mississippi Mills	62%	25%	12%	87%
Niagara Falls *				
Oakville	88%	0%	12%	88%
Ottawa (Part V)	53%	0%	47%	53%
Prince Edward County	29%	0%	71%	29%
Port Hope	76%	5%	19%	81%
Sault Ste. Marie *				
St. Marys *				
Whitby	67%	17%	17%	84%
Windsor	54%	8%	38%	62%
City of York ³ *				
Average	59%	14%	26%	74%

³ Now part of Toronto

* Insufficient data

Table 2: Comparisons of Number of Properties in Communities to Sales and Designations

Community	Average Ratio of Total Number of Properties to Number of Designations		Average Ratio of Total Number of Properties to Sales	Average Ratio of Total Number of Designated Properties to Sales of Designated Properties	
	Part IV	Part V		Part IV	Part V
Bayfield **					
Belleville **					
Brantford	0.14%	0.22%	5.2%	12.2 %	20.6%
Cambridge **					
Fergus	0.46%	*	5.5%	6.9%	*
Goderich	0.86%	*	3.5%	6.3%	*
Guelph	0.12%	*	8.0%	8.9%	*
Haldimand-Norfolk **					
Kitchener	0.04%	0.06% ⁴	4.0%	8.1%	0.7%
London	0.17%	*	6.4%	9.8%	*
Mississauga (Meadovale Village) **					
Mississippi Mills	N/A	*	N/A	13.3%	*
Niagara Falls **					
Oakville	0.45%	*	13.7%	19.7%	*
Ottawa (Part V)	N/A	0.79% ⁵		**	4.6% ²
Prince Edward County **					
Port Hope	5.34%	*	4.0%	8.2%	*
Sault Ste. Marie **					
St. Marys **					
Whitby	0.25%	*	35%	5.0%	
Windsor	0.03%	*	6.6%	7.1%	*
City of York ⁶	0.01%	*			
Average	0.28%⁷	0.36%	9.2%	9.6%	8.6%

** Insufficient data available

* No data available

⁴ Refers to the Upper Doon Heritage Conservation District, one of two districts in Kitchener.

⁵ Estimate. All properties are designated under Part V of the Heritage Act and are drawn from a variety of heritage districts.

⁶ Now part of Toronto

⁷ Does not include Port Hope