



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	February 18, 2020
<b>SUBJECT/REPORT NO:</b>	Effect of Heritage Designations on Property Values in Hamilton (PED20030)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	David Addington (905) 546-2424 Ext. 1214
<b>SUBMITTED BY:</b>	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
<b>SIGNATURE:</b>	

## EXECUTIVE SUMMARY

On May 14, 2019, the City of Hamilton Planning Committee passed the following motion and added the item to the Outstanding Business List as Item 19K:

“That the appropriate staff from PED be requested to consult with the Realtors Association of Hamilton-Burlington in an effort to determine if they are aware of or possess any documented proof (attained through previous reports, studies or sales figure analysis) that a heritage designation decreases a property’s value in Hamilton” (Item 11.1, Report-008).

Cultural Heritage Planning staff met with representatives of the Realtors Association of Hamilton-Burlington on September 26, 2019. The Realtors Association were not aware of any local reports, studies or sales figures demonstrating that a heritage designation decreases a property’s value in Hamilton.

Further, staff intend on maintaining ongoing communication with the Realtors Association to share information related to heritage properties in Hamilton and to explore opportunities for education on the implications of heritage protection by including a property to the Municipal Heritage Register and by designation.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

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## **BACKGROUND**

The motion requesting consultation with the Realtors Association of Hamilton-Burlington was passed in response to concerns expressed at Planning Committee by multiple property owners that the inclusion of their property on the City's Municipal Heritage Register and protection through designation under the *Ontario Heritage Act* would have a negative impact upon the value of their property. Empirical data correlating the impact of heritage designation to property values at a local scale has not been readily available to inform the issue. As a result, concerns of a negative correlation have largely been anecdotal and based on individual perceptions instead of supporting data. In at least one circumstance, a resident indicated to Planning Committee that their realtor had advised that heritage protection would negatively affect their property's value and this, in part, formed the basis for the resident's objection to adding the property to the Register and designating the property in the future.

To date, staff are not aware of data or studies that establishes a negative correlation between heritage protection by means of including a property on the Municipal Heritage Register or through designation and a property's resale value. Available academic studies (Shiple, 2000; Singbeil, 2005; and, Shiple et al., 2011) have concluded that heritage designation has not had a negative impact on property values and in some instances properties with heritage designation have been shown to increase in value at a faster rate than similar, non-designated properties. Planning staff can provide copies of the academic studies upon request.

The purpose of staff's consultation with the Realtors Association of Hamilton-Burlington was to determine if realtors had access to local Hamilton data, sales analysis or studies that demonstrate a connection between heritage protection and reduced local property values.

## **CONSULTATION WITH THE REALTORS ASSOCIATION**

On September 26, 2019, Heritage Planning staff met with representatives of the Realtors Association of Hamilton-Burlington including the Manager of Member Services, the Manager of Communications and External Relations and the Manager of Information Technology.

The Realtors Association did not have data, sales analysis or studies that indicated that heritage protection through inclusion of a property on the Municipal Heritage Register or through designation has led to lower local property values. It was generally concluded that realtor assertions that heritage protection has a negative impact on property values was likely due to individual realtor perceptions that heritage protection depresses the market demand for such homes. This contention has not been supported by empirical data or studies that the Realtors Association have in their possession.

Discussion also included the potential to establish a productive working relationship among Heritage Planning staff and the Realtors Association through information sharing and education. It was agreed that staff can assist in clarifying the process and impacts of heritage protection with realtors through information workshops with the Realtors Association. This would assist in reducing potential confusion related to the meaning of heritage protection among realtors. Additionally, the Realtors Association agreed to look into providing average local sales figure data to assist staff in conducting further comparative analysis of property values between homes with and without heritage protection. Staff will report back to Planning Committee when this information becomes available.

### **OUTSTANDING BUSINESS LIST**

As this report addresses staff's consultation with the Realtors Association of Hamilton-Burlington regarding whether they are aware of or possess documented proof that a heritage designation decreases a property's value in Hamilton, it is appropriate to be identified as complete and removed from the Planning Committee Outstanding Business List.