

THE VALUE OF HERITAGE DESIGNATION

While there is a growing consensus on the aesthetic value heritage buildings bring to an urban landscape, there is wide-spread perception that designating buildings or districts under the Ontario Heritage Act restricts property owners in their ability to develop their properties to the point where the value of their asset decreases.

This *UrbanInsights* bulletin analyses this validity of this perception by looking at a case-study of Hamilton, Ontario, a city with approximately 700 designated properties and about 6,800 listed properties of historic interest.

What is a Heritage Designation?

A heritage designation is a status a property or district receives when it is deemed to have significant historical attributes. The process of designation involves a systematic evaluation of a property using several criteria. In essence, a heritage designation does not restrict what you can and can't do to a property. Rather, it alters how you go about the changes. In general, if a property owner wants to add an addition to a house, a building permit is required. In the case of a designated building, a heritage permit is required as well. In most cases, a heritage permit is free of charge and obtaining one is a collaborative process with staff of a municipality. It is very rare that one would not be issued. Proposed changes are looked at in the context of the historic features of the overall structure to ensure that they are relatively compatible.

Ontario Heritage Legislation

Under revised heritage legislation, a designated building cannot be demolished without the issuance of a heritage permit by a municipality. Under the old legislation, a municipality could only delay demolition.

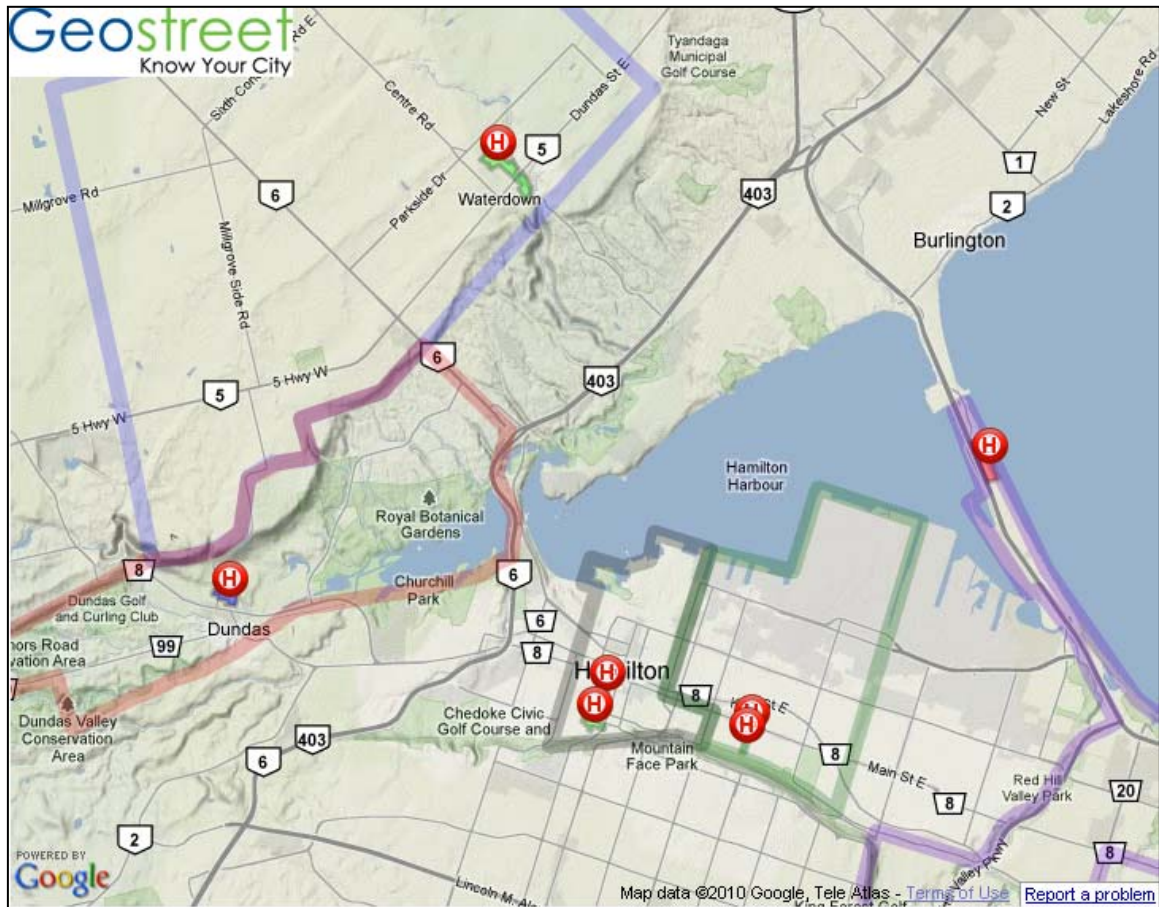
In addition, under revised heritage legislation, a city can have a Register of Historic Buildings that would allow for a 60-day period, while a building permit is being issued, to dialogue with owners about the heritage aspects of their proposed development.

This does not restrict property owners in what they can do with their property; it simply allows the City a window of time to work with owners to achieve more historically-sympathetic development, or at the very least, document any historically-significant features before they are removed.

Analysis of the Value of Heritage Designation

A persistent question is whether designating properties under provincial legislation adversely impacts property values. The following analysis looked at assessed housing values within Heritage Conservation Districts in Hamilton, Ontario as compared to the average assessment value of the municipal ward in which they are located. All the properties were analyzed from within each of the 7 Heritage Conservation Districts which are geographically spread around the city (Figure 1). The results are shown in Table 1 with the property analysis in the appendix.

Figure 1: Heritage Conservation Districts, in Hamilton, Ontario



Source: Geostreet.ca/HCD/hcd.htm

Table 1: Residential Assessment Value within Hamilton, Ontario Heritage Districts as Compared to Average Ward Assessment

Heritage Conservation District	Cross-Melville	Durand-Markland	Hamilton Beach	MacNab-Charles	St. Clair Ave	St. Clair Blvd.	Mill St.
Average Property Assessment	\$495,706	\$452,478	\$362,322	\$307,400	\$300,575	\$225,286	\$229,653
Ward Location	13	2	5	2	3	3	15
Average Ward Assessment	\$288,800	\$157,000	\$200,100	\$157,400	\$126,600	\$126,600	\$336,000
Assessment Difference	+72%	+188%	+81%	+195%	+137%	+78%	-32%
Average Assessment Difference	+103%						

Sources: On-Line Property Inquiry, City of Hamilton
 City of Hamilton, 2010 Average Residential Tax Assessments by Ward
 Hamilton's Heritage Volume 1 - List of Designated Properties and Heritage Conservation Easements under the Ontario Heritage Act

Conclusions

This analysis demonstrates that residential properties within heritage districts tend to have significantly higher assessed property values (double, +103%) as compared to the average assessment value of the ward in which they are located. The exception appears to be the Mill Street Heritage Conservation District in Flamborough, an area which has seen significant new suburban residential development in recent years and is adjacent to the comparably more expensive housing market of the Halton region.

The Centre for Community Study (CCS) is a Hamilton-based, non-profit urban research group specializing in local public-policy issues providing research and services to government, foundations, and the private sector. The CCS has expertise in a variety of areas including: Urban trends and analysis; Community renewal strategies; Media analysis; Policy design; Organizational and strategic planning. For more information go to www.communitystudy.ca

Appendix

Hamilton Heritage Conservation Districts – 2010 Property Assessment Values

Cross-Melville		Durand-Markland	
Roll Number	Assessment	Roll Number	Assessment
2518 26021016600	676,500	2518 02013013370	682,500
2518 26021016800	747,000	2518 02013751510	504,500
2518 26020010800	887,431	2518 02013751480	786,000
2518 26021017000	656,500	2518 02013017550	542,000
2518 26021017200	379,000	2518 02013015480	586,500
2518 26020014200	416,000	2518 02013015710	421,500
2518 26020014000	531,500	2518 02013015500	365,500
2518 26021017400	619,500	2518 02013015530	542,500
2518 26021017600	632,000	2518 02013015680	328,500
2518 26021017800	264,500	2518 02013015560	257,500
2518 26021018000	281,000	2518 02013015650	454,500
2518 26021018400	735,500	2518 02013015620	331,000
2518 26020018800	450,500	2518 02013900490	358,000
2518 26020018600	288,000	2518 02013900460	318,000
2518 26021018600	444,304	2518 02013900430	324,000
2518 26020011200	400,000	2518 02013900400	264,500
2518 26020011400	296,500	2518 02013900280	488,500
2518 26020011600	306,000	2518 02013900370	284,500
2518 26020010600	647,500	2518 02013900340	329,500
2518 26020010400	270,000	2518 02013900310	475,500
2518 26020011800	913,001	2518 02013017540	176,000
2518 26020010200	356,000	2518 02013017770	771,500
2518 26020010000	296,000	2518 02013017800	475,000
2518 26020012000	292,000	2518 02013017740	553,500
2518 26020009800	410,500	2518 02013017830	442,000
2518 26020009600	453,500	2518 02013017710	896,000
2518 26020012200	653,500	2518 02013017680	607,500
2518 26020009400	253,500	2518 02013017650	577,500
2518 26020009200	235,000	2518 02013017860	421,000
2518 26020012400	546,500	2518 02013017590	542,000
2518 26020009000	298,500	2518 02013017890	457,000
2518 26020011000	1,381,000	2518 02013017560	565,000
2518 26018000800	1,185,001	2518 02013017920	568,000
2518 26020012600	447,000	2518 02013017530	456,000
2518 26018000400	399,000	2518 02013017500	1,092,000
2518 26018000200	444,000	2518 02013017470	368,000
2518 26020016000	409,500	2518 02013017950	495,500
2518 26020014400	377,500	2518 02013017960	456,000
2518 26020013800	392,000	2518 02013018010	522,000
2518 26020014600	366,000	2518 02013018040	335,500
2518 26020013600	337,500	2518 02013850250	438,000
2518 26020014800	533,500	2518 02013850280	334,000
2518 26020015000	442,000	2518 02013850400	292,500
2518 26020015200	445,000	2518 02013850370	378,500
2518 26020015400	514,500	2518 02013850310	342,500
2518 26020013200	334,500	2518 02013850340	289,000
2518 26020015600	573,500	Average	452,478
2518 26020013000	511,000		
2518 26020015800	704,553		
2518 26020012800	351,000		
Average	495,706		

Hamilton Beach	
Roll Number	Assessment
2518 05051300150	142,500
2518 05051404900	978,500
2518 05051404700	1,613,500
2518 05051301570	288,500
2518 05051301540	282,000
2518 05051301510	342,000
2518 05051301480	358,500
2518 05051301420	300,000
2518 05051301390	390,500
2518 05051205860	229,000
2518 05051301360	380,000
2518 05051301300	331,500
2518 05051205890	139,000
2518 05051205950	179,000
2518 05051301270	317,000
2518 05051301240	293,000
2518 05051205980	89,500
2518 05051301210	309,000
2518 05051206010	231,000
2518 05051301180	361,500
2518 05051206040	263,500
2518 05051301150	307,500
2518 05051301120	463,500
2518 05051206100	181,000
2518 05051301090	467,500
2518 05051301060	490,000
2518 05051301030	325,500
2518 05051206220	155,721
2518 05051301000	277,000
2518 05051300970	309,500
2518 05051206240	235,500
2518 05051300950	499,500
2518 05051206250	277,000
2518 05051300940	394,500
2518 05051206370	198,500
2518 05051300880	337,500
2518 05051300850	327,000
2518 05051206400	181,000
2518 05051300820	387,500
2518 05051206500	103,500
2518 05051300790	318,500
2518 05051206510	98,000
2518 05051206525	99,000
2518 05051206490	131,500
2518 05051206550	165,000
2518 05051206802	265,500
2518 05051206760	271,500
2518 05051206770	289,000
2518 05051300170	1,240,500
2518 05051300120	115,500
2518 05051300100	1,950,000
2518 05051301450	301,500
Average	362,322

MacNab-Charles	
Roll Number	Assessment
2518 02013450130	716,500
2518 02013455760	239,001
2518 02013455730	241,500
2518 02013455700	N/A
2518 02013455670	425,500
2518 02013455640	265,000
2518 02013900040	478,500
2518 02013900100	257,000
2518 02013900130	200,000
2518 02013900160	251,000
Average	307,400

Mill Street*	
Roll Number	Assessment
2530 30336033800	276,000
2530 30331058200	211,500
2530 30331058400	161,000
2530 30331058600	269,000
2530 30331058800	248,000
2530 30331058900	306,500
2530 30331059000	225,500
2530 30331060000	272,000
2530 30338001600	264,500
2530 30338001400	299,000
2530 30338001200	223,500
253030338001000	262,000
2530 30337016100	481,000
2530 30338000800	237,000
2530 30337016200	396,500
2530 30337016400	295,500
2530 30338000600	339,000
2530 30337016600	372,000
2530 30338000400	350,500
2530 30338000200	371,500
2530 30337016000	375,500
2530 30337023800	406,000
2530 30338016400	359,715
2530 30337006800	342,500
2530 30336001600	253,000
2530 30337006600	295,000
2530 30337006400	225,500
2530 30337006200	226,500
2530 30336002400	276,500
2530 30337006000	195,000
2530 30337005800	276,000
2530 30337005600	254,885
2530 30336002600	306,500
2530 30337005500	328,500
2530 30336002800	263,000
2530 30337005400	327,500
2530 30336003000	371,500
2530 30337005300	325,500
2530 30336003200	413,500
2530 30337005200	252,500
2530 30337013800	228,500
2530 30336027400	314,500
2530 30337018200	160,000
2530 30337018000	277,500
2530 30337017800	255,000
2530 30336027600	316,500
2530 30337017600	267,000
2530 30336027800	275,000
2530 30336028000	297,500
2530 30337017400	425,500
2530 30337017200	291,000
2530 30336028200	232,000
2530 30337017000	262,500

Mill Street Continued	
Roll Number	Assessment
2530 30337016800	291,000
2530 30336030400	253,000
2530 30336030600	269,500
2530 30336030800	266,000
2530 30336032800	237,500
2530 30336033000	285,000
2530 30336033400	221,500
2530 30336033600	260,500
2530 30331061400	215,000
2530 30331008000	373,500
2530 30331008200	318,000
2530 30331008400	398,500
2530 30331008600	302,000
2530 30331059400	402,000
2530 30331008800	291,000
2530 30331059600	280,000
2530 30331059800	237,000
2530 30331009000	463,000
2530 30331056600	225,000
2530 30331051800	157,000
2530 30331053000	274,500
2530 30331057800	205,500
253030331057650	283,500
2530 30331057500	205,000
2530 30331057400	210,500
2530 30331052800	215,500
2530 30331057200	280,000
2530 30331052600	270,000
2530 30331057000	235,000
2530 30331052400	313,500
2530 30331056800	259,000
2530 30331052200	303,000
2530 30331052000	176,500
2530 30336002203	244,500
2530 30336002206	233,000
2530 30336002209	237,000
2530 30336002212	237,000
2530 30336002215	237,000
2530 30336002218	237,000
2530 30336002221	237,000
2530 30336002224	249,500
2530 30336002227	244,500
2530 30336002230	246,500
2530 30336002233	248,000
2530 30336002236	246,500
2530 30336002239	246,500
2530 30336002242	246,500
2530 30336002245	244,500
2530 30336002248	255,000
2530 30336002251	246,500
2530 30336002254	246,500
2530 30336002257	246,500
2530 30336002260	250,000
Average	229,653

*Commercial and mixed-use properties excluded

St. Clair Avenue	
Roll Number	Assessment
2518 03024207490	413,000
2518 03024207460	340,000
2518 03024207430	235,000
2518 03024506480	419,500
2518 03024506510	251,500
2518 03024603200	239,000
2518 03024603710	259,500
2518 03024603230	234,000
2518 03024603680	255,735
2518 03024603650	261,000
2518 03024603260	235,500
2518 03024603290	211,000
2518 03024603620	235,500
2518 03024603320	293,000
2518 03024603590	314,000
2518 03024603350	285,000
2518 03024603560	500,000
2518 03024603530	473,500
2518 03024603380	236,000
2518 03024603500	520,500
2518 03024603410	244,500
2518 03024603470	231,500
2518 03024603440	225,000
Average	300,575

St. Clair Boulevard	
Roll Number	Assessment
2518 03024207190	315,500
2518 03024207220	373,500
2518 03024601390	154,500
2518 03024604950	325,500
2518 03024606240	201,500
2518 03024604980	197,500
2518 03024606210	357,500
2518 03024605010	183,500
2518 03024605040	199,500
2518 03024606180	335,000
2518 03024605070	211,500
2518 03024606150	269,500
2518 03024606120	211,000
2518 03024605100	195,000
2518 03024606090	191,000
2518 03024605130	231,000
2518 03024605160	255,000
2518 03024606060	355,500
2518 03024605190	240,000
2518 03024605220	179,000
2518 03024606030	218,000
2518 03024606000	229,500
2518 03024605250	186,000
2518 03024605970	241,000
2518 03024605280	197,500
2518 03024605940	189,500
2518 03024605310	193,500
2518 03024605910	179,000
2518 03024605340	186,000
2518 03024605880	242,500
2518 03024605370	190,000
2518 03024605850	226,500
2518 03024605400	165,000
2518 03024605430	180,000
2518 03024605820	211,881
2518 03024605790	181,000
2518 03024605460	186,500
2518 03024605760	175,500
Average	225,286