

Frequently Asked Questions for Heritage/Historic Building Valuation Methodology

Canada's heritage and historic buildings are an important part of this country's legacy. As such, the federal, provincial and municipal governments have created laws to protect their integrity.

Municipal heritage buildings are protected under the *Ontario Heritage Act*. The Act provides for the designation of heritage buildings through a municipal by-law.

Q: What does a heritage property designation do?

A: The designation recognizes the importance of the building, serves to protect its cultural heritage, encourages conservation of the building and promotes an understanding about the building.

Q: How does a heritage designation work?

A: Members of the community or the municipality may request the designation. Typically a report is created and the recommendation is forwarded to the municipal planning committee. If all concur, a Notice of Intent to Designate is published in the local newspaper and on the City's website, as required by the Act.

All heritage designations must be filed as an easement on the deed. The easement notes specifically what parts of the building are designated as heritage and to what degree (the reason for the designation – for example, materials used, location of an event, used for a certain purpose).

The heritage designation may impact the building valuation.

Q: How will a heritage designation affect insurance to value?

A: It's important to have a plan for reconstruction should an entire loss occur. Will you rebuild the heritage building to replicate it's previous look and function or will the site be used for an entirely different purpose unrelated to the past?

The future use of the site will help inspectors to properly value the building.

Q: Are Intact Public Entities inspectors trained in valuating heritage buildings?

A: Intact Public Entities inspectors are trained by Ventin Group Architects who specialize in heritage structures.

Q: How do you determine repair/replacement cost?

A: The cost to repair/replace is based on two components – the base cost and the heritage cost.

The base cost to repair/replace is determined using MSB and Hanscomb valuers, as well as owner input.

The heritage cost to repair/replace is determined by the experience and judgment of Intact Public Entities inspectors. This value is based on the complexity and difficulty of the construction requirements, availability of comparable materials and trades persons.

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