



HERITAGE REAL ESTATE

There is a strong perception that heritage designation can be detrimental to the value of the property. But the research does not support this perception. The approach to research is varied, and the studies often work with small samples and incomplete data, but collectively they make a compelling case.

In fact, conclusions in one report suggest: “Historic designation of properties... [do] not in itself have any demonstrable negative effect on the value of those properties... The performance of designated properties is conclusively at or above average... When people recognize and, we suppose, properly care for a property, they seem generally to be rewarded in the marketplace.”

Those quotes come from one of the largest Canadian studies, which surveyed 24 Ontario communities and 3,000 properties. Some of the findings found in this report:

- Considering house prices, 74% of heritage properties performed average or better than average in the market.
- The rate or number of sales among designated properties was good or better than the comparative market.
- Values of heritage properties tend to be resistant to down-turns in the general market.

The author of the Ontario study also looked at the effect of a market downturn.

- 21% of the surveyed properties lost value greater than the average.
- 32% performed at the same rate as the average.
- 47% performed better than average. That means, nearly 80% of the heritage homes held their value or did better during a repressed period.

Other studies by the Vancouver Heritage Foundation and the Oak Bay Heritage Foundation show similar results.

It is not known with certainty why heritage properties appear to perform well on the real estate market.

Several authors suggest the reasons could be:

- Reasonable investment by owners of the properties
- Maintenance and upgrades
- And well-designed additions and modifications

The supposition is heritage properties attract people for their particular aesthetics, something the owner wants to maintain in good condition. The authors of the studies often acknowledge the challenges of undertaking this type of research. Data can be incomplete, and samples can be small. Nevertheless, it is possible to make a compelling case when looking at the collected reports. One author wrote: Owners of heritage properties “seem generally to be rewarded in the market-place.”

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