



Property Value Protection Program

# Guide for Completing a Claim for Loss on Sale Under the Standard Route



## Introduction

---

The Port Hope Area Initiative (PHAI) represents the Government of Canada's commitment to respond to community-recommended solutions for the cleanup and local, long-term, safe management of historic low-level radioactive waste in the municipalities of Port Hope and Clarington.

The Property Value Protection (PVP) Program is an integral part of the Legal Agreement between the Government of Canada and the two municipalities that defines the framework and sets out the responsibilities for the PHAI's two projects, the Port Hope Project and the Port Granby Project. The PVP Program offers compensation to eligible property owners within the designated PVP Zone (see map on page 6) if they experience:

- Diminution (loss) of value on the sale of a property
- Loss of rental income
- Mortgage renewal difficulty

## Before you start

---

This guide will help you complete the Loss on Sale - Standard Route claim form for the PVP Program. It provides step-by-step instructions to assist you in providing the information required to file your PVP claim.

It is important that you use the appropriate guide for the type of claim you are filing. **This guide is for Loss on Sale – Standard Route.** There are also guides for:

Loss on Sale – Simplified Route

Loss of Rental Income – Simplified Route

Loss of Rental Income – Standard Route

Mortgage Renewal Difficulty – Standard Route

If you require a different guide or need assistance with your claim, please contact PVP Program staff:

- In person at the PVP Program Office, 25 Henderson Street, Port Hope, Ontario, between 8:30 a.m. and 4:30 p.m.
- By mail at PVP Program Office, 25 Henderson Street, Port Hope, ON, Canada L1A 0C6
- By phone at 905.885.0291
- By email at [pvpprogram@cnl.ca](mailto:pvpprogram@cnl.ca)

**Please note: Claims for loss on sale submitted under the Standard Route must be filed within 120 business days of the closing date of the property.**



# Completing the Loss on Sale Claim Form – Standard Route

---

The claim form has three sections:

## Section 1 – Owner and Property Information

## Section 2 – Eligibility and Administrative Criteria

## Section 3 – Standard Route Claim Criteria

The following instructions will help you – as the property owner – fill in the information for each section. It also provides guidance on what type of additional information the PVP Program requires.

## Section 1 – Owner and Property Information

---

### Property Address

The address of the property for which you are filing the claim

### Street Number and Name

The physical address of the property, including any secondary address and “Also Known As” addresses

### Postal Code

The postal code for the property

### Civic Address (911 Emergency Address)

If applicable; usually used for properties in rural areas

### Lot Number, Sub Lot Part, Concession

This information can be found on your property survey or on your Municipal Property Assessment Corporation (MPAC) Property Assessment Notice as shown below:

Roll number	12 34 567 899 12345 1234
Property location and description	200 SOME STREET CON LP PT LOTS 9, 10 & 11 ALL LOTS 12, 13 & 14 IRREG
Municipality/Local taxing authority	ANY TOWNSHIP

### Municipality

Port Hope or Clarington

### Ward

For Port Hope properties only: Ward 1 or Ward 2



### Building Size (in Square Feet)

Found on MPAC Property Assessment Notice

<b>Property summary</b>	
Property type	Single Family Dwelling
Property information	Frontage: 50.00 feet Depth: 150.00 feet Lot area: 7,500.00 square feet
Building - exterior square footage	2,000 square feet
Year of construction	1995

### Lot Size (Acreage)

Found on MPAC Property Assessment Notice

<b>Property summary</b>	
Property type	Single Family Dwelling
Property information	Frontage: 50.00 feet Depth: 150.00 feet Lot area: 7,500.00 square feet
Building - exterior square footage	2,000 square feet
Year of construction	1995

### Tax Assessment Roll Number

Found on MPAC Property Assessment Notice

Roll number	12 34 567 899 12345 1234
Property location and description	200 SOME STREET CON LP PT LOTS 9, 10 & 11 ALL LOTS 12, 13 & 14 IRREG
Municipality/Local taxing authority	ANY TOWNSHIP

### Property Owner(s) – All individuals who have a legal interest in the property

List all owner(s) who are registered on title for the property and their spouses (as required by the *Family Law Act*). Mailing addresses and phone numbers are required for all parties. If you need more space for names, check the box at the bottom of Section 1, use a separate sheet of paper and include it with your claim form.

#### Last Name

The legal last name of all registered owners; if a property owner's current last name is different, include it in brackets: (current last name)

#### First Name and Initial

The legal first name of all registered owners; if a property owner uses a different first name, include it in brackets: (first name)

#### Mailing Address

The address at which you receive mail

#### Phone (Home)

Your home phone number



**Phone (Cell)**

Your cell phone number or secondary number (for example, work phone number)

**Email Address**

The email address you wish to use for PVP Program correspondence

**Authorized Contact – if different from the property owner(s)**

Complete this section if you, as the property owner, have someone acting on your behalf for the PVP claim process. The authorized contact must meet the age of majority.

Examples of authorized contacts include:

- Power of Attorney – Delegated written authorization granted to a person to act legally on behalf of another, including actions such as signing legal documents. In the case of a Power of Attorney or a Continuing Power of Attorney for Property, copies of the documents granting authorization to the person are required.
- Estate Trustee (Executor) – Person authorized to administer the estate of a deceased person. A copy of the document granting authorization to the person is required.

Should you wish to authorize someone such as a lawyer or Realtor to act on your behalf, notify the PVP Program Office in writing (by mail or email) of your decision to permit PVP Program staff to discuss your claim with the person you have authorized. You will still be copied on all correspondence.

**Last Name**

The legal last name of the authorized contact

**First Name and Initial**

The legal first name of the authorized contact; if the contact has a different first name, include it in brackets: (first name)

**Mailing Address**

The address at which the authorized contact receives mail

**Phone (Home)**

Home phone number of the authorized contact

**Phone (Cell)**

Cell phone number or secondary number of the authorized contact (for example, work phone number)

**Email Address**

The authorized contact's email address for correspondence

**Relationship**

The relationship between the authorized contact and the property owner (for example, lawyer or power of attorney)

**Firm name (if applicable)**

The name of the firm for which the contact works

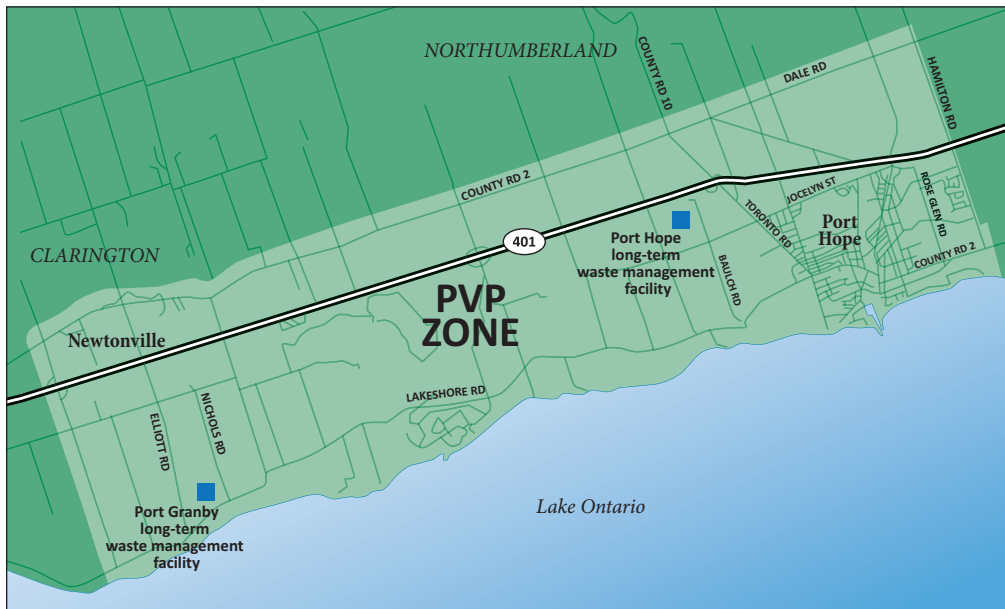


## Section 2 – Eligibility and Administrative Criteria

### A Is the property located in the PVP Zone?

Choose Yes or No.

You must own property in the PVP Zone, shown below, to be eligible to apply for compensation related to that property under the PVP Program.



### B Have all legal owners consented to the claim?

All legal owners (those registered on title) must consent to the filing of the PVP claim.

### C Was the sale an arm's length transaction?

“Arm's Length Transaction” means a transaction between unrelated persons or entities who are acting independently, as defined in the Canada Revenue Agency Income Tax Folio S1-F5-C1.

List issues, if any, related to the perception of the arm's length sale of the property (e.g., sale to a family member, etc.).

### D The PVP Program was established in October 2001, and will remain operational until two years after the long-term waste management facilities reach a state of long-term monitoring and maintenance. Provide the following information to confirm that the PVP claim has been submitted for processing within 120 business days of the closing of the sale.



**E Indicate which Port Hope Area Initiative project had an impact on the sale of the property.**

Choose either the Port Hope Project or the Port Granby Project.

**F Have you submitted a previous PVP Program claim relating to the property?**

Choose Yes or No.

**G Identify the PHAI project event that caused the diminution in value of your property (for example, the start of the PHAI's Highland Drive area remedial activities).**

See list of PHAI project events included with the claim form.

**H Have any of the property owner(s) received other financial compensation from any other federal, provincial or municipal program as reimbursement, in whole or in part, for financial loss resulting from the Port Hope Area Initiative?**

Choose Yes or No. If yes, fill in the other information related to the financial compensation.

Note: If financial compensation was previously awarded, the amount may be deducted from any PVP compensation awarded.

Has an employer of any of the property owners agreed to “buy-out” or “top up” the sale price of this property to a guaranteed amount as part of a relocation package?

### Section 3 – Standard Route Claim Criteria

---

By choosing the Standard Route, you are required to:

- A. Demonstrate the pre-project unaffected fair market value of the property**
- B. Demonstrate diminution of the property value**
- C. Demonstrate that the PHAI caused the diminution (causation)**
- D. State the amount of compensation you are requesting**
- E. Select an option for the timing for processing your claim**
- F. Provide the required documents**

**A Demonstrate the Pre-Project Unaffected Fair Market Value**

To demonstrate the unaffected fair market value of your property, you are required to:

1. Submit an appraisal estimating the value of the property as of the day before the identified PHAI project event, as if unaffected by the PHAI. This appraisal must be completed in compliance with the *PVP Program's Rules Schedule M - Appraisal Terms of Reference*. These requirements have been provided to local appraisal firms and are available from the PVP Program on request.

**B Demonstrate Diminution of the Property Value**

To demonstrate diminution of value for your property, you will be required to provide evidence of diminution equal to or greater than the PHAI evidence.

The PHAI engaged an expert on the impact of environmental issues on property values to look at possible project impacts in Port Hope and Port Granby. The resulting reports are available at [www.phai.ca](http://www.phai.ca). The expert examined data from 1998 to 2015 in Port Hope and Port Granby and found no PHAI impacts on property values. The analyses of property sales indicated that the PHAI had no effect on the sale price of each property analyzed.





It is difficult to establish the diminution of a single property value over time. The potential impacts of the PHAI will be similar on similarly situated properties; therefore, to determine diminution it will be necessary to look at the market of similarly situated properties that would experience or are predicted to experience the same project impact (if any).

Below are two options for providing evidence to demonstrate diminution of your property's value.

### **Multiple Regression Analysis (MRA)**

The PHAI considers a multiple regression analysis (MRA) the strongest evidence for properties in the Port Hope area. MRA is a statistical analysis technique to test for the significance of any impacts on a property value, after controlling for other influences on value that are unrelated to potentially adverse environmental conditions that may affect the property. The results of the analysis can indicate if there is any statistically discernible (significant) effect on sale prices that may be attributable to the environmental condition of the property by comparing the data to an otherwise similar group of properties in an unaffected condition. For more information, please see "Methods and Techniques for Contaminated Property Valuation" (<http://www.real-analytics.com/Methods.pdf>).

Contact the Appraisal Institute of Canada (AIC) at <http://www.aicanada.ca> or the Canadian National Association of Real Estate Appraisers (CNAREA) at <http://www.cnarea.ca> to find a qualified appraiser to complete MRAs.

### **Paired Sales Analysis (PSA)/Paired Data Analysis (PDA)**

The PHAI considers multiple paired sales analyses (PSA) the strongest evidence for the area surrounding the Port Granby site. PSA is a statistical analysis technique in which sales of properties from a designated area are paired with sales of otherwise similar properties located outside the designated area in order to determine the effects, if any, of one factor (e.g. the PHAI) on properties in the designated area. With sufficient properties, the impact of the adverse condition on a particular property or properties can be estimated. However, the appraiser must also consider the effects of other differences between the properties in the analysis. Such differences might arise from locational attributes unrelated to the project, as well as physical differences in the properties. For properties predicted to have a recognized PHAI effect from the project a minimum of three PSAs are required. In cases where a general PHAI impact is being claimed, a minimum of nine PSAs are required. For more information, please see "Methods and Techniques for Contaminated Property Valuation" (<http://www.real-analytics.com/Methods.pdf>).

Please contact the Appraisal Institute of Canada (AIC) at <http://www.aicanada.ca> or the Canadian National Association of Real Estate Appraisers (CNAREA) at <http://www.cnarea.ca> to find a qualified appraiser in conducting PSAs.

If you provide an MRA or PSA, it will be weighed against the PHAI evidence. In a case where equally qualified experts gave opinions on diminution, generally, the more market data that is analysed, the stronger the evidence. For MRA and PSA requirements, refer to Schedule A of the PVP Program Rules.

## **C Demonstrate that the PHAI Caused the Diminution (Causation)**

To be awarded compensation, you are required to establish causation, as well as a correlation between a specified PHAI project event and the diminution of the property value by demonstrating that:

- a) There is a clear and logical causal chain between the PHAI project event, the effect of that event and the diminution.
- b) Each link in the causal path is demonstrated on a balance of probabilities.
- c) No other, non-PHAI event could have affected the amount of the diminution, including general market conditions, the marketing of the property, the presence of low-level radioactive waste on or near the property, or any other obvious factor that may have impacted the local market.

Note: The PVP Program Rules specify that a project effect means any effect that results from the PHAI and causes a diminution of a property's value. Any effect that results from the presence of low-level radioactive waste and not from the remediation of that waste is not considered a project effect as defined by the PVP Program Rules.

The PHAI currently identifies "Recognized Project Effect" as:

a) Actual, substantial, physical damage to a property that is the subject of a PVP claim

**OR**

b) Substantial interference with an owner's use or enjoyment of a property, which may lead to diminution of value of that property

Currently, the only Recognized Project Effect is the potential for nuisance noise. Stigma – the perception that a hazard exists – is not a Recognized Project Effect. There are different requirements for demonstrating causation related to a project effect and causation related to a Recognized Project Effect. The PHAI has evidence substantiating noise impacts in specific areas and recognizes the potential for nuisance noise in those locations. As a result, the burden of demonstrating noise impact – a Recognized Project Effect – on properties within the identified zones is less than demonstrating the impact of a project effect for which the PHAI does not have substantiating evidence.

Demonstrating that there was a diminution of property value between the date of a project event and the date of sale shows a correlation between the PHAI project event and the diminution; however, it does not demonstrate causation. It is reasonable to expect that diminution might have different causal paths, as described in the following sections:

(a) *Nuisance Effects*

The nuisance effects of the PHAI project (such as construction noise or the view of a construction site) might cause purchases to pay less for a property. If nuisance is the cause, it is expected the impact to be the same on similarly situated properties; two similar houses both exposed to the same nuisance should suffer the same relative diminution.

(b) *Stigma*

If the existence of the PHAI project is stigmatizing the community and has the potential to cause across-the-board diminution of values, it is expected that there would be an impact on the sale value of all properties within proximity to the PHAI project activities. At present, however, there is no market evidence to suggest that stigma related to the PHAI project exists. Any evidence of stigma effects must be based on broad market evidence.

(c) *Disclosure Effects*

As part of the PHAI's Port Hope Project, all properties in urban Port Hope and a few in the rural area will be surveyed for the presence of historic low-level radioactive waste. There will be a period of time between when a property owner becomes aware of the presence of waste and the remediation of that waste. It is possible that during this period some buyers may pay less for such a property, leading to diminution. However, if a property owner knew or could have known prior to purchasing a property that the property had historic low-level radioactive waste before purchasing the property – for example, if a prior survey had identified the historic low-level radioactive waste on the property – then a claim cannot be sustained.



## D Compensation Requested

Except as otherwise proved by either party, the Amount of Diminution is established by the following formula:

$$\text{Amount of Diminution} = (\text{Pre-Project Fair Market Value} \times \text{Comparator Market Change Rate}) \\ - (\text{Pre-Project Fair Market Value} \times \text{Local Market Change Rate})$$

The Amount of Loss cannot be greater than the lesser of:

- (i) The Amount of Diminution;
- (ii) (The Pre-Project Fair Market Value of the Property x Comparable Market Change Rate) - Sale Price; or
- (iii) 25% of the Sale price

Any Award will be determined by the PVP Program as the proven Amount of Loss less any compensation provided to any previous Claimant for the Property.

Claims filed for amounts more than can be proven by evidence (i.e. certified appraisal, MRA, PSA, etc.) that the Claim Examiner believes is not sufficient to prove the claim will be returned to the claimant to be revised. Claims not revised within 30 days will be denied.

## E Required Documents

Submit the documents as listed on the claim form.

### Acknowledgement and Required Signatures

By choosing to file your claim under the Standard Route, you acknowledge that:

- You are responsible for demonstrating the pre-project unaffected fair market value, diminution of the property, and that the PHAI caused that diminution.

By submitting a claim, you also acknowledge that the following information may be made publicly available:

- Address of property
- PVP Program compensation amount
- Date compensation awarded

By signing the *Loss on Sale – Standard Route* claim form, you and all parties certify that the information submitted is true to the best of your knowledge. You understand and agree that the claim will be processed in accordance with the requirements of the PVP Program Rules.

