



Property Value Protection Program

Guide for Completing a Claim for Loss of Rental Income 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 of Rental Income – 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 of Rental Income – Standard Route.** There are also guides for:

Loss on Sale – Simplified Route

Loss of Rental Income – Simplified Route

Loss on Sale – 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, 115 Toronto Road, Port Hope, Ontario, between 8:30 a.m. and 4:30 p.m.
- By mail at PVP Program Office, 115 Toronto Road, Port Hope, ON, Canada L1A 3S4
- By phone at 905.885.0291
- By email at pvpprogram@cnl.ca

Please note: Claims for loss of rental income submitted under the Standard Route must be filed within 40 business days following the period in which the annual loss was experienced.

Completing the Loss of Rental Income Claim Form – Standard Route

The claim form has three sections:

Section 1 – Owner and (Rental Unit) 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 (Rental Unit) Property Information

Property Address

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

Street Number and Name

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

Postal Code

The postal code for the rental 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

Property summary	
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

Property summary	
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)

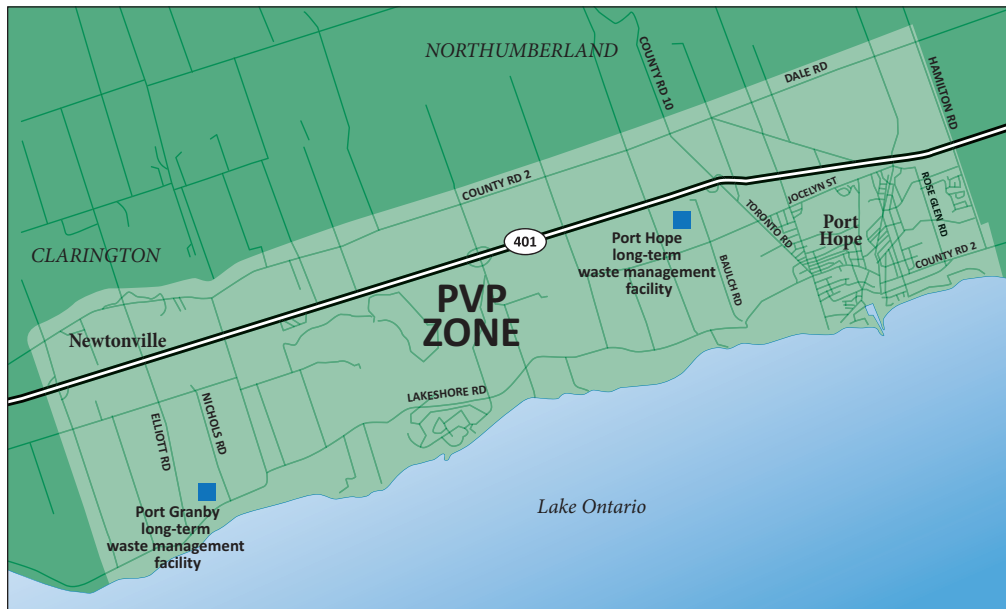
The name of the firm for which the contact works

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 rental 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 rental of the property (rental unit) (e.g., rental 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 40 days following the annual period of loss suffered by the claimant.

Date of Lease/Rental Agreement

Provide the date of lease/rental agreement as found on the agreement (see example below).

Sample Rental Agreement

1. Parties
The parties to this Agreement are _____ hereinafter called "Landlord," and _____ hereinafter called "Tenant." If Landlord is the agent of the owner of said property, the owner's name and address is: _____

2. Property
Landlord hereby lets the following property to Tenant for the term of this Agreement:
(a) the real property known as:

_____ and
(b) the following furniture and appliances on said property:

3. Term
This agreement shall run: _____
(a) for the period of _____ to _____, or _____
(b) month-to-month.

4. Rent
The monthly rental for said property shall be \$_____, due and payable by check on the _____ day of each month.

5. Utilities
Landlord agrees to furnish the following services and/or utilities:
____ Electricity ____ Gas ____ Garbage Collection
____ Snow Removal ____ Water ____ Oil

6. Deposits
Tenant will pay the following deposits and/or fees: _____ to _____
This amount will be refunded (plus interest) within thirty days following the termination of the tenancy; unpaid rent, charges for damages beyond normal wear and tear, and costs for reasonable cleaning may be deducted.

In Addition It is Agreed:

- Tenants shall not lease, sublease, or assign the premises without the prior written consent of the Landlord (but this consent shall not be withheld unreasonably).
- Landlord may enter the premises at reasonable times for the purposes of inspection, maintenance, or repair, and to show the premises to buyers or prospective tenants. In all instances, except those of emergency or abandonment, the Landlord shall give Tenant reasonable notice (at least one day) prior to such entry.
- Tenant agrees to occupy the premises and shall keep the same in good condition, reasonable wear and tear excepted, and shall not make any alterations thereon without the written consent of the Landlord.
- Landlord agrees not to use the premises in such a manner as to disturb the peace and quiet of other tenants in the building. Tenant further agrees not to maintain a public nuisance and not to conduct business or commercial activities on the premises.
- Tenant shall, upon termination of this Agreement, vacate and return dwelling in the same condition that it was received, less reasonable wear and tear, and other damages beyond the Tenant's control.
- In a dispute between the Landlord and Tenant which gives rise to any action in court, the losing party will pay the court costs and reasonable attorney fees of the successful party.
- Additional Terms: _____

We, the undersigned, agree to this Rental Agreement:
Landlord: _____ Tenant: _____

_____ Name	_____ Name
_____ Signature	_____ Signature
_____ Date	_____ Date

Date of Occupancy – This date can be found on the lease/rental agreement (see example above).

E Indicate which Port Hope Area Initiative project had an impact on the rental of the property (rental unit).

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

F Have you submitted a previous PVP Program claim relating to the property (rental unit)?

Choose Yes or No.

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

See list of PHAI project events included with this 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.

If the employer of any of the property owners agreed to “buy-out” or “top up” the rental price of this property to a guaranteed amount as part of a relocation package this will be taken into consideration.

Section 3 – Standard Route Claim Criteria

By choosing the Standard Route, you are required to:

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

A Demonstrate Pre-Project Unaffected Fair Market Rental Value

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

1. Submit an appraisal estimating the rental value of the property (rental unit), on the day before the 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 (Rental Unit) Value

To demonstrate diminution of rental income for your property (rental unit), you must 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. 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 (rental unit) income/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 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 rental 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 rental income, after controlling for other influences on income that are unrelated to potentially adverse environmental conditions that may affect the property (rental unit). The results of the analysis can indicate if there is any statistically discernible (significant) effect on rental incomes 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 an appraiser qualified to complete MRAs.

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

The PHAI considers multiple paired sales analyses (PSA's) the strongest evidence for the area surrounding the Port Granby site. PSA is a statistical analysis technique in which property rental information from a designated area is paired with information for rentals 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 a single 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, a minimum of three PSAs are required. In cases where a general PHAI project 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>)

PSAs can be obtained through an experienced appraiser. 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 an appraiser qualified 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 C of the PVP Program Rules.

C Demonstrate that the PHAI Caused the Diminution (Causation)

To be considered for compensation, you are required to establish causation, as well as a correlation between a specified PHAI project event and the diminution of the property (rental unit) 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 rental 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 (rental unit) that is the subject of a PVP claim

OR

b) Substantial interference with an owner’s use or enjoyment of a property (rental unit), which may lead to diminution of value of that property/unit

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 (rental unit) value between the date before a project event and the date of rental 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 renters to pay less for a property (rental unit). If nuisance is the cause, it is expected the impact will 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 rental 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 a property owner becoming aware of the presence of waste and the remediation of that waste. It is possible that during this period some renters may pay less for such a property (rental unit), leading to a diminution of the rental value. However, if a property owner(s) knew or could have known that the property had historic low-level radioactive waste before purchasing the property – for example, if a previous survey identified historic low-level radioactive waste on the property – then a claim cannot be sustained.

D Compensation Requested

The amount of Diminution is established by the following formula:

$$\text{Amount of Diminution} = (\text{Fair Market Rent of the leased premises} \times \text{Comparator Market Change Rate}) \\ - (\text{Fair Market Rent of the leased premises} \times \text{Local Market Change Rate})$$

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

- i) The Amount of the Diminution;
- ii) Unaffected Fair Market Rent of the leased premises x (Comparator Market Change Rate - the Actual Rent);
or
- iii) Lease amount x 25%.

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 Timing for Processing the Claim

Choose one of the two options available to you for the process timing of your claim

F 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 (rental unit)
- PVP Program compensation amount
- Date compensation awarded

The claim must be signed by all owners of the property.

By signing the 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, which include the PVP Rules.