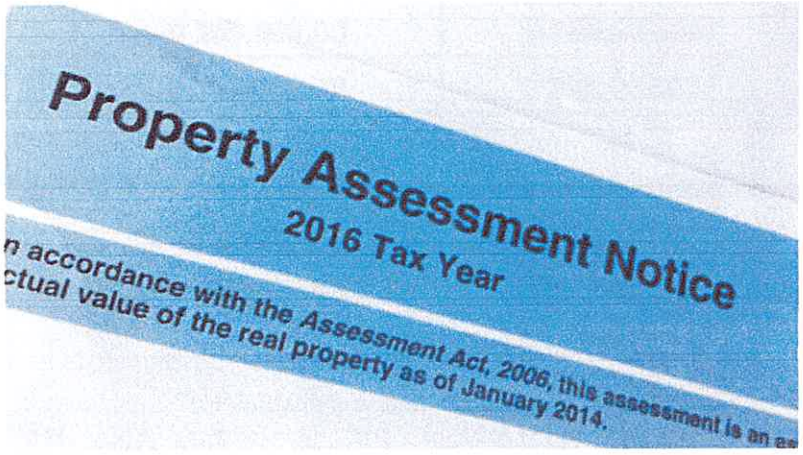
McEvoy 4

PROPERTY VALUES



A large aggregate operation can have a negative impact on property values in the community.

Residents and potential residents fear the negative impacts of a large industrial operation in their neighbourhood – noise, vibration, dust and airborne contaminants, traffic, water quality and quantity, etc. – and are less enthusiastic about living in, or purchasing property in, the area. The bottom line is that very few people prefer to live near a large pit or quarry. Reduced demand negatively influences property prices.

A study conducted by economist Diane Hite in 2006, and referenced by W.E. Upjohn Institute in the link below, suggests a large pit or quarry can reduce the value of residential properties within a half kilometre by as much as 25%, and homes within one kilometre by as much as 15%. A Caledon Property Values Report from 2009, prepared by The Centre for Spacial Economics, also references Hite's study and expands upon its

implications.

The pit or quarry doesn't necessarily have to be in operation, or even approved, to affect property values – the very fact that a license has been applied for can lead to a decrease in the value of nearby properties.

Initial Value of Property	Loss @ 15%	Loss @ 25%
$ 250,000.00	$ 37,500.00	$ 62,500.00
$ 350,000.00	$ 52,500.00	$ 87,500.00
$ 500,000.00	$ 75,000.00	$ 125,000.00
$ 700,000.00	$ 105,000.00	$ 175,000.00
$ 900,000.00	$ 135,000.00	$ 225,000.00

Ontario's Municipal Property Assessment Corporation has acknowledged the negative impact that aggregate extraction operations can have on property values, and have begun to reduce assessments on some properties.

Links / References:

W.E. Upjohn Report on Property Values (PDF)

Caledon Property Values Report (PDF)

Ben Lansink, Report on Property Values (PDF)

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