The Lazarus Effect
An Exploration of the Economics of Heritage Development in Ontario

The Heritage Resource Centre and Architectural Conservancy of Ontario
THE LAZARUS EFFECT

An Exploration of the Economics of Heritage Development in Ontario

Prepared for
The Architectural Conservancy of Ontario
By
Robert Shipley
Michael Parsons
Stephen Utz
of the
The Heritage Resources Centre
University of Waterloo

Generous support provided by the Ontario Trillium Foundation

January 2006
The Lazarus Effect

The Christian Bible contains a well known story of how Jesus brings a man named Lazarus back from the dead. In Western literature this story is often a reference when someone or something thought lost is resurrected.

Jesus, once more deeply moved, came to the tomb. It was a cave with a stone laid across the entrance. "Take away the stone," he said. When he had said this, Jesus called in a loud voice, "Lazarus, come out!" The dead man came out.

Foreword

Lazarus Effect, the title for this research paper, is apropos in so many ways that the analogies flow freely. Since becoming interested in both the plight of heritage preservation in the province and the success of many building renovation projects, I have often been outraged by the stock phrase of those opposing historic conservation, that it simply is too expensive an endeavour to be taken seriously. I am probably no less outraged than most of the interested parties who will read this report. Most of the collective response from conservationists has always been chogwash! Unfortunately, the people heritage proponents must convince, a group that represents the largest faction of built heritage owners, are not amused by hearsay, or by merely touring through local successful renovation projects, intriguing as they might be.

Dr. Shipley and his team provide thorough evidence and solid research in this document to prove, conclusively, that in its major centres and even in rural Ontario, preservation of built heritage can be, and is, economically competitive. The evidence and the research does, however, come up with a surprising and humbling reality. Our developer friends are indeed our friends, and we must work very hard to bring about professional alliances where we can work collectively to set the bar a little higher for conservation of built heritage in this province.

This research is the second paper that Dr. Shipley has prepared for the Architectural Conservancy of Ontario through the generous support of the Trillium Foundation. This research is vital to our cause, and I encourage its wide distribution to aid in the dissemination of the fact we all instinctively know — that conservation and adaptive re-use of our built environment re-energizes our communities and our lives within them.

Scott Valens
President
Architectural Conservancy of Ontario
NOTE: On April 18, 2005, a few days after the research for this report was completed, the Legislature at Queenís Park passed Bill 60, which amended the Ontario Heritage Act. Among the new provisions under the heritage legislation is the power that will enable municipalities to permanently prevent the demolition of designated structures. This will make the subject and findings of this report even more significant. There will now be a measure of stability for investors and building owners. They will know that certain buildings must be maintained. This should provide more opportunity for genuine heritage development.
Acknowledgements

This project was carried out under the direction of Professor Robert Shipley, the Director of the Heritage Resources Centre (HRC) at the University of Waterloo (UW). Much of the research and writing were accomplished by Michael Parsons, an undergraduate student, and Stephen Utz a masterís student ñ both in the UW School of Planning Program.

This research endeavour represented a joint project between the Heritage Resources Centre and the Architectural Conservancy of Ontario (ACO). The HRC staff members are particularly grateful to ACO Manager Rollo Myers, President Scott Valens, Vice-President Catherine Naismith, Past-President Chris Borgal, and former President Patricia Malicki for all of their time and effort to fund and, in other manners further assist this undertaking. In addition, thanks are owed to the eleven ACO Branch Presidents for enlisting their members to identify heritage development projects throughout the province.

This said, we are especially indebted to Marg Rowell and other members of the North Waterloo Region Branch of the ACO for their help in preparing the Ontario Trillium Foundation grant application.

Considerable gratitude is owed to Community Heritage Ontario (CHO) and Heather Thomson, liaison to the CHO from the Ministry of Culture, for their support in recruiting members of this organization to identify projects and developers for our purposes.

Additionally, Marcus Letourneau, Stuart Lazear, Michael Seaman and Leah Wallace, Heritage Planners for the municipalities of Kingston, Ottawa, Markham, and Niagara-on-the-Lake, are worthy of special credit for the contact lists that they provided. This project could not have proceeded as smoothly without their assistance.

Furthermore, the writers would like to thank all of those individuals who took the time to complete either the questionnaires or an interview, from which the bulk of the research was derived. Further recognition for these important individuals is noted in the list of Study Participants (Appendix B) at the conclusion of this report.

We would be remiss if we did not make mention of the special contribution of Mark Ravelle, Professional Quantity Surveyor and Principal of the BTY Group of St. Catharines, Ontario. Mark provided us with our primary costing numbers for new build construction, used throughout the report for the purposes of comparison.

Our most sincere appreciation is owed to Dolly Coelho and Selena Santi at the University of Waterloo for their administrative support throughout the course of this project.

Recognition is deserved as well for Dr. Susan Sykes, Director, and Susanne Santi, Manager of the Office for Research Ethics at the University of Waterloo for their thorough and timely approval of our research design.

Finally, special recognition must go to Nart Stas, a School of Planning masterís student who did much work to help prepare the interview guide.
Executive Summary

There is a wide range of heritage development projects around the province.

- Heritage development means the renovation for continued use or adaptive reuse of older buildings (generally 50 years or older)
- A sample of 132 projects was identified with the help of volunteers
- Only some are capital i Hî heritage properties (i.e. designated under the Ontario heritage Act)

Gathering financial data on any development is challenging

- Calculations had to be based on a small sample of 23 projects
- Some of the projects are at the high end of the market, but by no means all
- Each project is unique but there is a growing cadre of developers specializing in the field
- Some developers said they could complete heritage development projects for less money than new build
- On average, however, heritage development projects were slightly more expensive, but only slightly more

• What was clear, however, was that even when the cost was greater, developers were generally rewarded with a high rate of return on investment

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Residential</td>
<td>Projects often private &amp; too numerous</td>
<td>$155</td>
<td>$130</td>
</tr>
<tr>
<td>Reuse Residential</td>
<td>$144</td>
<td>$231</td>
<td></td>
</tr>
<tr>
<td>New Commercial</td>
<td>$95</td>
<td>$155</td>
<td>$165</td>
</tr>
<tr>
<td>Reuse Commercial</td>
<td>$111</td>
<td>$169</td>
<td>$102</td>
</tr>
<tr>
<td>New Institutional</td>
<td>$195</td>
<td>$195</td>
<td>Insufficient data</td>
</tr>
<tr>
<td>Reuse Institutional</td>
<td>$212</td>
<td>$200</td>
<td></td>
</tr>
</tbody>
</table>

Total cost per square foot to bring property to market.

Barriers to success can be enumerated

- Uncertainty in financing and difficulty in borrowing from banks
- Contradictions between different government departments ñ lack of reason in applying the building code, and unreasonableness in fire and other regulations
- Skilled labour shortages
- Community heritage proponents with no appreciation for practical building concerns
The characteristics of success were made clear

- Having a competent team of specialized professionals, architects, engineers and skilled trades is vital
- Municipalities that are supportive of heritage development are having better success
- Grants, tax relief, tax deferral, waiving of fees, relaxing of requirements and other incentives are part of the model for success in many cases, but not all
- Incentives are significant in small and medium sized cities, but less so in metropolitan environments
- Long term tenants provide developers with income certainty
- Flexibility in the use of space can also make renovation viable
- The existence of dynamic, risk taking, creative developers with a passion for beautiful old buildings is probably the single most important element

Conclusions

- Most of the buildings that are being given new life in Ontario are private sector projects
- There is a healthy and growing business in heritage development

Recommendations

- Much of the work falls outside the formal heritage process of identification and designation
- Improving the formal heritage process in order to provide a measure of certainty, protection and financial incentives would help stabilize the field
- Heritage advocates do not always recognize their allies in the development world
- Municipalities receive excellent compensation for incentives or tax relief granted to heritage developments; this comes in the form of increases in property value and local tax assessments

- Municipalities that want to promote smart growth, re-urbanization, intensification and dynamic places should adopt coherent policies that promote heritage development
- Municipalities should make the rules clear, some buildings should be preserved and people who redevelop them must be supported and their investment protected
- Building inspection and other regulatory functions should be reasonable, flexible, creative and better coordinated
- Heritage advocates should find and support the developers who love older buildings and are prepared to spend money on them
Table of Contents

1.0. Introduction 1
   1.1. The Story of a Building 1
   1.2. Birth 1
   1.3. Near Death 1
   1.4. New Life 2
   1.5. This Report 3

2.0. Background 5
   2.1. Need for Study 5
   2.2. Purpose 5
   2.3. Legal Precedents 5
   2.4. Existing Literature 6
   2.5. Funding and Administration 6

3.0. Methods 7
   3.1. Data Gathering 7
   3.2. Data Analysis 7
   3.3. Research Challenges 8

4.0. Interview & Survey Findings 9
      4.1.1. Special Character 9
      4.1.2. Building Location & Site Advantages 10
      4.1.3. Return on Investment (new build) 11
      4.1.4. Government Incentives 13
   4.2. Constraints of Older Building Reuse 15
      4.2.1. Uncertainty & Site Remediation 15
      4.2.2. Building Code and Parking 17
      4.2.3. Heritage Design Requirements 18
      4.2.4. Professional Experience and Skills 20

5.0. Conclusions & Recommendations 23
   5.1. Conclusions 23
   5.2. Recommendations 25

• Bibliography 27

• Appendices
   A. List of Identified Projects 31
   B. Study Participants 35
   C. Questionnaire 37
   D. Excerpts from Provincial Statutes Relating to Municipal Financial Aid 39
   E. Catalogue of Renovated Buildings 43

• List of Tables and Figures
   Table 1. Adaptive Reuse and Renovation Projects Identified 7
   Table 2. Cost of New Construction 8
   Table 3. Cost Per Square Foot of Renovation Reported in this Survey 12
   Table 4. Cost Difference Between Renovation and New Building 12
   Table 5. Available Incentives 13
1.0 Introduction

1.1. The Story of a Building

Perhaps the best way to introduce the concept of heritage development, which involves building renovation and adaptive reuse, is to follow the adventures of a specific building through the story of its life.

This is the story of the Merritton Cotton Mill in what is now part of St. Catharines. In an almost mythic tale, the origins of the factory are said to have involved capital from the Confederate States during the American Civil War and plots to circumvent the U.S. blockade.

The truth that is more certain is that the completion of the first Welland Canal in the 1820ies provided the two elements necessary for industrial growth. The canal itself allowed the cheap movement of raw materials and finished goods - not only around the Great Lakes but indeed to the wider world. At the same time, the pond system and water supply, required to operate the canal, provided hydraulic power as a side benefit. The constant water supply drove the turbines that drove the shafts and belts that drove the machines for a range of manufacturing.

Merritton, named after the mastermind behind the building of the canal, was a village at the base of the Niagara Escarpment, ideally located to prosper in that era of opportunity.

Before the great fire of the 1960s destroyed the larger part of the mill

1.2. Birth

It is uncertain what the first generation of buildings on the St. Catharines site looked like, but in 1884 a stunning set of red sandstone structures rose beside the canal. The largest section of this textile mill was a four storey block with impressive central towers. Beside it was a smaller, two-storey structure. By the turn of the 20th century, market conditions had shifted and a new industry occupied the site. The Independent Rubber Company manufactured boots and a boiler and a tall chimney were added to the facilities. By the 1940ies, conditions had changed once more and paper manufacturing replaced rubber. Another former cotton mill on an adjacent site became home to the Domtar Paper Company, and the former Independent Rubber mill became a storage facility.

1.3. Near Death

It was while being used as a warehouse that disaster struck the complex in the early 1960ies. Locals who remember that night recount that it was youngsters smoking in the building who set off the fire. By the time the professional firefighters arrived from St. Catharines, many local residents had already gathered. Among them were members of the old Merritton volunteer fire brigade. This department had recently been disbanded when the independent town of Merritton was amalgamated into the larger City of St. Catharines. While many of these men knew the buildings well and had worked in them, they are said to have refused to help the professional firemen since their services had been rejected by the
enlarged city. Fact or tall tale, the result was that by morning only a smouldering shell remained of the once beautiful four storey part of the old mill. The smaller section had survived.

Reconstruction begins about 2001

What began then was a long, slow decline as the building's maintenance was neglected and time began to show. Nevertheless, the building survived for a number of interesting reasons. For one thing, the Domtar Paper Company was well aware that their industrial process was not without impact on the neighbourhood. Papermaking is not without its unpleasant environmental side effects. It was in Domtar's interest to keep the old building on the property as a kind of buffer zone between the plant and the surrounding residential area. Several times they refused to sell the property for re-development.

Other factors were at work as well. A group known as the Welland Canals Preservation Association had been formed by some energetic citizens who had the dream of developing the old abandoned canal lands as a linear parks system and historic site. A hiking and biking trail along the old canal passed close to the old mill and made more and more people aware of the beautiful, if run down, old structure. The old mill was soon included on inventories of historic buildings and several times became the subject of innovative design proposals.

Reconstruction begins about 2001

A new roof and repairs to the chimney

Like many old treasures that survive, however, there are hidden stories. It is known to only a few that a couple of Domtar's local employees were lovers of old buildings and behind the scenes they may have done things to protect the mill from the wrecker's ball. At one stage the company actually hired the construction crew of the Welland Canals Preservation Association, who were building the nearby hiking trail, to replace part of the building's roof.

1.4. New Life

All of these things conspired to save the old Independent Rubber Company building until the day came that Domtar decided to cease papermaking operations in St. Catharines. The old building may have then entered its most dangerous phase. There was a buyer eager to acquire the site, flatten the building and put in a plaza.

But a local entrepreneur with experience in both building restoration and the restaurant business was also eyeing the site. His promise was to try his best to keep the building and develop it. The City of St. Catharines was also now responding to years of citizen calls for respecting heritage and seeing the cultural as well as economic value of older structures.

A coalition of interested parties came together to pursue ideas for the site's potential reuse. Domtar Paper
was anxious to leave the city with a good reputation. The business development office understood that this one interesting building might provide a model for the redevelopment of other sites. Those interested in heritage conservation were delighted that they were finally being taken seriously. The Mayor worked with all the parties and eventually the project got off the ground.

There is nothing easy about this kind of venture. There was ground contamination from the various former industries that had dumped waste into the old canals. There were questions of fire safety and structural soundness relating to the building itself. But slowly the old mill emerged from dereliction and decay and reasserted itself as the beautiful red sandstone monument that it is. People could hardly believe the lustre of the old stone once it was cleaned. When the years of refuse and brush was cleared from around the walls the building literally came back to life. That is the image that gives this report its title ñ Lazarus ñ the Biblical figure brought back to life.

The transformation, however, was not just architectural. Any building must have a life and earn its keep.

**The KEG in 2005**

From the start, the buildingís developer had had his eye on the ideal occupant for such a landmark. He persisted and eventually he persuaded The KEG Restaurant to become the tenant. Today, the restaurant is the top grossing member of the chain in the country and both the tenant and the building owner are making a handsome profit. The cost of bringing the building into productive use was less than it would have cost to build new.

**1.5. This Report**

Saving and giving new life to the older buildings that give character and continuity to our communities has immeasurable social and cultural value. That goes without saying. But these structures are also properties that have an economic as well as cultural dimension.

This report will explore the nature, trends and details about heritage development as it is unfolding in Ontario today. We will look at many successes but, of course, building reuse does not always work. The old Preston Hotel in Cambridge has languished for years after several false starts.

We will look at the economic realities that exist and consider the prospects for the future of our past.

**The Preston Hotel has yet to be completed after several attempts at redevelopment**.
2.0 Background

Found primarily in the downtowns of our urban centres, older buildings represent an important aesthetic, cultural and economic resource as well as a non-renewable one.

Yet dozens, and perhaps even hundreds, of historic buildings have been demolished in Ontario over the past decades because owners, bankers and developers have argued that the costs of renovating and adapting these buildings for new uses is too high. Demolition of the existing buildings and replacement with new structures, the story goes, is the only way for investors to make a reasonable profit from the use of the subject land. Some even go as far as asserting that new-build is always more economical, renovation universally more expensive.

At the same time, a number of reputable developers, architects and investors in Ontario seem to be able to complete exciting and profitable projects which feature innovative building renovation. Many older buildings are not only suitable for new uses but often become key sites in renewal schemes and can become the premises of choice for the most dynamic businesses.

2.1. Need for Study

This is an important debate for a number of reasons. Recently, researchers and policy makers have recognized the necessity of having more residents in downtowns as a catalyst for central business district revitalization (Bunting 2000). Similarly, the recently adopted concept of Smart Growth has done much to spur the redevelopment of brownfield sites (Ontario Government, 2005).

It is difficult to balance the desire to preserve older buildings for historical and aesthetic reasons, the need for regeneration and the legitimate requirement of owners and developers to make their properties economically viable. Further complicating the matter is the fact that sometimes these aims are incompatible, while sometimes they are complementary.

2.2. Purpose

The need for this study to examine the costs of heritage development, which consists of building renovation or adaptive reuse, stems from the fact that a cacophony of information clouds this issue. As such, the specific purposes of this report are:

- To determine as far as possible what the characteristics of successful renovation projects are in terms of factors such as building type, architectural and marketing approach, financing and the regulatory environment;
- To analyze and present the findings in a form that will be useful in informing debate and decision-making on specific development opportunities and proposals; and
- To make recommendations on future research, public policy and effective citizen involvement.

But perhaps the greatest driving factor of all is that Municipal Councils, the Ontario Municipal Board and other decision makers are generally presented only with the owner/developer/lender’s cost analysis and are therefore unable to make truly informed judgments. This report will attempt to more fairly balance the arguments on both sides.

2.3. Legal Precedents

Developers and municipalities are not alone in reaching varying opinions on heritage development. From a legal standpoint, as George Rust-DiEye
(2004) explains, the Courts and the Ontario Municipal Board have it is alternated between a stance favouring preservation and supporting demolition.

As Friends of Eden Mills Inc. v. Eramosa (Township) (1998) found, the argument for demolition of the town's bowstring bridge was greater in the divisional courts mind than the case to preserve it. Central to this case was the conclusion that failure to consult with the local heritage committee (LACAC) and to follow specific steps found in the Ontario Heritage Act did not render the demolition decision null and void.

Conversely, in Toronto College Street Centre Ltd. and City of Toronto et al. (1986), the Court of Appeal held that the reasons for designating the interior of the building under the Ontario Heritage Act were plain to see and that the Act allowed for a broad interpretation of a heritage designation. This success story led years later to the opening of the Carlu Centre.

It is interesting to note that in each case which appeared before a judicial body, the developer has put forward an economic argument to support demolition even though this concept has repeatedly been refuted. As the US National Trust for Historic Preservation states, the idea that adaptive reuse is universally cost prohibitive is one of the single greatest myths in the development world today (2002, 7-8).

Historic preservation is typically judged to be a sound investment. By most accounts, it is more efficient and profitable to preserve a historic building than to construct a new one. Designating a landmark or district as historical typically maintains if not boosts the value of the property, and as an economic development tool, historic preservation has proved its worth. Nearly any way the effects are measured, be they direct or indirect, historic preservation tends to yield significant benefits to the economy.


What is unfortunate is that architectural conservation groups such as the ACO seldom have the financial resources to hire lawyers to contest decisions about building demolition.

2.4. Existing Literature

The bibliography at the end of this report lists 41 books and articles that relate to heritage development. Only 12 are Canadian. Only a few explore the business of adaptive reuse and renovation.

The excellent review of literature on the economics of historic restoration prepared by Randal Mason for Brookings Institution in Washington D.C., however, lists 272 works but appeared after this report was completed. Mason lists only two Canadian studies (Shipley, 2002; Ashcroft 2002). He concludes that much more research needs to be done.

It is hoped that this list of readings will be helpful to those interested in the field but it is evident that more Canadian work on the practical matters of heritage development is needed.

2.5. Administration and Funding

This investigation into the myths and facts surrounding heritage development represents a joint project between the Heritage Resources Centre (HRC) at the University of Waterloo and the Architectural Conservancy of Ontario (ACO).

Funding for the project was provided through an Ontario Trillium Foundation grant awarded in November 2004 to the ACO. Dr. Robert Shipley, Director of the HRC, was assisted by students and volunteers.
3.0 Methods

3.1. Data Gathering

In evaluating the cost of adaptive reuse in Ontario, volunteers from across the province were recruited to assist in the collection of data. The volunteers were recruited through the partner organizations; the Architectural Conservancy of Ontario and Community Heritage Ontario, through municipal planning departments, and through personal contacts. The volunteers were asked to provide lists of adaptive reuse projects with the associated contact information of the developer or owner of the projects.

Over the course of the research, 132 projects were identified. For 75 of these, information about size and building type was available (Table 1). A sub-set of 23 of these examples had floor space, building type and cost data available for analysis. Because some of those providing data requested that we maintain anonymity, we are not able to identify specific sources.

The research team contacted individual developers to describe the project and then sent a questionnaire to be filled out at the respondents convenience. In some cases respondents received follow-up calls.

Approximately 60 questionnaires were distributed and, in the end, we received 24 completed surveys; a response rate of roughly 40%. The questionnaire was two pages in length and consisted of 14 questions (see Appendix C).

Over the course of the research, 16 people were interviewed. Seven of the interviews were conducted in person while the rest were conducted by telephone. Most of the in-person interviews were conducted on the heritage development sites, allowing the interviewee to describe the projects in detail and provide insight into the key aspects and challenges.

Each person interviewed for the research is a player in this emerging heritage development market. Our list of candidates was not exclusive, and the criteria for conducting an interview generally came down to that of time availability and willingness to be interviewed.

<table>
<thead>
<tr>
<th>Table 1: Projects Identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td>Institutional</td>
</tr>
</tbody>
</table>

3.2. Data Analysis

For the purposes of analyzing the data, each project was categorized by its size in square feet. The difference between small and medium size categories was determined by applying the provisions of the Ontario Building Code (18,000 sq. ft.). The Large category (greater than 50,000 sq. ft.) was arrived at in consultation with architects. The information was then placed in a 9 cell matrix indicating residential, commercial and institutional type properties in each of the three categories, small, medium and large (Table 3). Two of the cells, small residential and large institutional, remain blank since in the first case
most projects are private and too numerous while in the latter there was insufficient data to report.

To the best of our ability we have tried to express the financial data provided in a common form representing the total cost per square foot to complete a project and bring it to market. That includes purchase as well as hard and soft costs and takes into account any incentives, such as the waiving of fees. The average costs per square foot for new development were provided by Mark Ravelle, a Professional Quantity Surveyor working in St. Catharines. They are estimates for the whole province.

<table>
<thead>
<tr>
<th>Table 2: Cost of New Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td>Institutional</td>
</tr>
</tbody>
</table>

3.3. Research Challenges
It was not difficult to find examples of heritage development projects from across Ontario. It was, nevertheless, difficult to find people willing to share the detailed financial information that we wanted in order to compare these projects with other property investments. We are not alone in facing this problem. In his analysis of almost 300 studies relating to the economics of historic preservation, Mason found that, the methods of determining the value of historic preservation vary widely, and several challenges persist in applying economic methods to the field (2005).

While it is agreed that heritage development has economic value, it is more difficult to determine whether the preservation or adaptive reuse of a particular property is more beneficial than an alternative use. Because these issues are subject to many local conditions, studies from other jurisdictions can be interesting and instructive but their conclusions cannot simply be applied in another location. Similarly, the market conditions, land values, availability of skilled labour and other factors vary widely even within a single jurisdiction such as Ontario.

Notwithstanding these limiting factors, this study has undertaken to gather as much hard data as possible within Ontario and to present it in a standardized form, in order to allow as fair a comparison as possible.

Because each of the projects surveyed are unique we have concentrated much of our interpretation on the interviews with developers which were rich in opinion and informed by a great deal of experience.

What is adaptive reuse?
Old buildings often outlive their original purposes. Adaptive Reuse, or Re-use, is a process that adapts buildings for new uses while retaining their historic features. An old factory may become an apartment building. A rundown church may find new life as a restaurant... And a restaurant may become a church.

About.com, Architecture Glossary What is Adaptive Reuse?, March 2005
4.0 Interview & Survey Findings

4.1. Benefits of Older Buildings

4.1.1. Special Character

i Fundamentally, builders love buildings.î
- Harry Stinson, March 16, 2005

Developers interviewed as part of this research told us that it is the building itself that usually catches their interest first.

The process of heritage development, the refurbishment of older buildings or their adaptation to new uses, often begins somewhat differently than other projects. Real estate development usually involves a use in search of a site. In the case of heritage development the situation is almost always a site in search of a use.

i You have to have the vision. The ability to see the opportunity where others do not,î suggested Margie Zeidler of Urban Space in Toronto.

Often the potential for heritage development comes from some unique quality in the style, construction or character of the structure itself. When Toronto developer Harry Stinson had the chance to purchase a building site near the corner of King and Yonge Streets in downtown Toronto, a site that provided the opportunity for multi-story tower, he looked at what was next door. The former Dominion Bank headquarters not only had room for about 200 condo suites but the grand old banking halls on the ground floors would provide a spectacular entrance to a luxury hotel.

Not all unique heritage features that might provide character, sales appeal or convenience need to be so spectacular. Many existing warehouse-type buildings simply provide big, open, flexible spaces that can be used in a variety of ways. This is the case with the old Carpet Factory buildings near King and Dufferin Streets in the east end of Toronto. Scott Valens, an architect and tenant in one of these York Heritage Properties buildings, points out how easy and relatively inexpensive it has been for the owners to accommodate new uses by simply moving partitions and replacing entrances.

A particular advantage of renovating existing buildings that was explained to us is sequential redevelopment. Tenants can be accommodated in one part of a building, providing ongoing income, while other parts of the structure are being remodelled. As well, there can be a sequential upgrading of facilities and the resulting increases in rent. An open space suitable for tenants such as a dance studio or gym, for example, might subsequently be divided into separate offices.

As long as the building fabric is solid and the essentials are there, older buildings can become new assets if there is a good location and potential occupants. The soundness of the structures as well as their unique and interesting features was something we heard about often from people in the field. i You just canít find buildings today that are built as well and as beautifully as a place like the former Victoria and Grey Canada Trust building,î said Muky Pundaky,
manager of the landmark on London's main downtown street. It is largely modeled after the Empire State Building in New York.

Principally, those we interviewed suggested that they took great pride in achieving sound heritage development projects in spite of the hurdles before them. As Paul de Haas, developer of the Bridgeport Lofts in Waterloo explained, Pride is an important factor to think of what it looked like then and what it looks like now. We assist with the municipal vision by taking an eyesore and turning it into gold. Other developers and architects noted that heritage development provided a special opportunity to make a statement and also to employ a set of skills that are far from universal. Their personal drive and commitment to achieve their vision trumped other considerations.

This is not to suggest that these individuals fail to pursue financial gain. Quite the contrary, some projects are selected almost exclusively because a tremendous profit could be realized and/or because the value of the on-site materials alone negated some of the financial risk. Nevertheless, heritage developers tend to engage in these types of development projects because they are passionate about buildings and the opportunities that they present.

4.1.2. Building Location & Site Advantages

We found out as time went by that the market value was higher than expected.

- Ed Newton, February 23, 2005

As with other real estate ventures the old adage - location, location, location, - often applies to heritage development. The former Merriton Cotton Mill in St. Catharines, described in the first section of this report, is a great example. In spite of its apparent advanced state of decay, the building featured an old chimney that was in clear view of the major north/south highway that cuts across the Niagara Peninsula. Developer Nino Donatelli, with his background in restaurant operation, could see the marketing potential of the site. The chimney now sports the characteristic illuminated red sign of The KEG restaurant chain.

Marketing is not the only location advantage that a potential heritage development site might have. Often an existing building, by virtue of its construction having pre-dated current zoning, might present a density opportunity. The Lofts on Mansion building in Kitchener has four floors, but is located in a neighbourhood of single-family residences with good access to transit and amenities. The building offered developer Paul DeHaas and his partners a chance to create an exciting project. It has been possible to add a floor and develop 30 new units without disrupting the surrounding neighbourhood since the building was already there.
In fact, the neighbourhood itself can be a key component in the decision to redevelop an older building. Alex Speigel, principal architect for the condominium conversions of the Loretto College and Tip Top Tailor buildings in Toronto, says they are in established, desirable neighbourhoods. They pre-sold in a week.

Other respondents echoed these points, citing location, historical façades and the right combination of market and demand as equating to success. However, each older building is, in fact, unique. There are very few rules, very few easy answers when it comes to either refurbishing them for a continuation of their former use or adapting them for new purposes.

4.1.3. Return on Investment

_Within ten minutes, I can figure out if the project will make sense financially._

- Ed Newton, February 23, 2005

While it was not easy to get developers to share the financial details of their projects, it appears that a central motivating factor in taking on an adaptive reuse project is the return that can be made on the investment. Due to the level of risk involved in the real estate market, the expected return on investment (ROI) is significantly higher than that expected from paper investments such as mutual funds, bonds, and stocks.

Yet with the limited information we received, it proved difficult to reach a single, precise conclusion of the return on investment anticipated by developers. Some developers suggested that a 20% to 30% ROI is the industry standard when investing in real estate. However, a small group of other developers suggested that 10% to 15% is the expectation.

There is, of course, a continuum that ranges from loss to bonanza. One developer interviewed forecast an ROI of 60% at the beginning of the project. As the project progressed, the forecast ROI was reduced to 20%, and in the end, the developer claims to have made only a 10% ROI. The reason for the lower return was that the project ran three years over the original time projection. At the other end of the scale, a developer told us of earning a 22% return on an investment of $1,300,000, which equated to approximately $300,000 over an eight month period.

Overall, the figures we gathered and interview responses indicate that the business of adaptive reuse seems to be very lucrative, if not always immediately. Margie Zeidler of Urban Space, discussed the risks involved in adaptive reuse, _Our risks involved in adaptive reuse, but we had to believe that the use for the building was there._

Comparing the costs of heritage development to new build represented one of the most interesting aspects of this investigation. The range of responses from those interviewed varied greatly. While some developers focus only on heritage development, others make comparisons constantly in preparation to approach banks and others for project backing.

Some claim that ROI is enhanced because of the savings involved in reusing existing buildings. Shawky Fahel, who has worked in Kitchener,
Waterloo and Brantford, claims that reusing existing buildings generally represents a savings of between 10% and 12% over building new. Carlos Ventin, one of Canadais leading restoration architects, was quoted by the London Free Press saying that i using existing buildings can cut construction costs by as much as 22% because you already have walls and a roof and floors. (June 31, 2004)i Toronto architect Scott Valens points out that if any of the existing building systems (hot water heating, plumbing, etc.) can be reused, it can result in considerable savings.

On the other hand, it was reported that some conversions can cost as much as twice that of new build scenarios. The estimated total cost to convert The Lofts on Mansion in Kitchener was estimated to be $7.9M, as compared to approximately $4M for a brand new building of the same size. However, as project manager Carl Dawson stated, i The retail value of loft units is already higher than conventional units and rising further still.i Margie Zeidler, commenting on the renovations of 401 Richmond and 215 Spadina in Toronto, said i Heritage buildings are less efficient, but not so much so as to prevent the business plan from working.i

The numbers we collected echo the comment of Ms. Zeidler that, even when the costs of conversion are somewhat higher, there is not much difference (see Tables 3 & 4). In fact, the average figures show that in two categories reuse cost less, while in three other categories the difference was eight percent or less.

So even in the cases where the conversion costs for redevelopment and, therefore, the price passed along to the purchaser are higher, all of those we spoke to had confidence that the market would bear the elevated costs. The top end of this market is found in Toronto’s 1 King West project where Harry Stinson has spent up to $300 per square foot to bring condo units on line but has sold most of them for over $500 per square foot. At the other end, we might find the Bridgeport Lofts in Waterloo that were built for university students and less than $400 covers a month’s rent. Yet both were profitable.

This is not to conclude that profits from heritage development are automatic. Heritage development

<table>
<thead>
<tr>
<th>Table 3: Cost Per Square Foot of Renovation Reported in this Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td>Institutional</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 4: Cost Difference Between Renovation and New Building</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Commercial</td>
</tr>
<tr>
<td>Institutional</td>
</tr>
</tbody>
</table>
projects in Ontario range dramatically in scope. While major loft conversions and prestige offices come immediately to mind, our surveying found that the total project costs can range from as little as $12,000 to $25,000,000.

4.1.4. Government Incentives

_The Seagram Lofts was the most challenging project we had ever been involved in. We wouldnít have gone near it unless there had been a huge endorsement by the municipality both at the Council level and the staff level._

- Andrew Lambden, November 20, 2004

Municipalities can be very helpful in providing encouragement through incentives for adaptive reuse projects that are mutually beneficial to both the city and the developer. Incentives can act as a kind of _loss-leader_ ñ encouraging development that has been shown to more than recoup its value for the local government through increased property values and corresponding tax revenues (Barber 2003).

Cities faced with the challenges of intensification, downtown improvement, and brownfield redevelopments are the ones that benefit most and have been most active in assisting potential investors. There are provisions in the Planning Act, the Municipal Act and the Development Charges Act that facilitate incentives including the Heritage Property Tax Rebates, provisions for brownfield development and fee waivers (Table 5 & Appendix D).

With Seagram Lofts, the City of Waterloo waived development charges, which would have amounted to approximately $700,000. Prior to the adaptive reuse, the site was taxed as a vacant lot. The site now contains approximately $24,000,000 of real estate and is generating approximately $270,000 a year in tax revenue ñ a significant increase from prior income.

The City of Brantford, in its efforts to encourage downtown revitalization, granted developer Shawky Fahel 25% of total development costs for Lawyerís Hall under the Downtown Business Performance Grants Program. Along with that direct grant of $317,000, the City of Brantford also waived their usual development charges.

<table>
<thead>
<tr>
<th>Table 5: Available Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Level</strong></td>
</tr>
<tr>
<td><strong>Federal</strong></td>
</tr>
<tr>
<td>Infrastructure Canada</td>
</tr>
<tr>
<td>Industry Canada (FedNor)</td>
</tr>
<tr>
<td>Millennium Fund</td>
</tr>
<tr>
<td>Canada Parks</td>
</tr>
<tr>
<td><strong>Provincial</strong></td>
</tr>
<tr>
<td>SuperBUILD</td>
</tr>
<tr>
<td>Northern Ontario Heritage Fund Corporation</td>
</tr>
<tr>
<td>Ontario Heritage Foundation</td>
</tr>
<tr>
<td>Trillium Funding</td>
</tr>
<tr>
<td><strong>Municipal</strong></td>
</tr>
<tr>
<td>Waived Development Fees Municipal Act Section 365.(1)</td>
</tr>
<tr>
<td>Property Tax Rebates Municipal Act Section 365.2(1)</td>
</tr>
<tr>
<td>Grants and Funding Ontario Heritage Act Sections 39. (1) &amp; 22 Planning Act Part IV Community Improvement, Section 28.(1) (7) Development Charges Act Section 5, subsections (1)(10) and (6)(3)</td>
</tr>
</tbody>
</table>
Incentive programs are not offered in every municipality. Shmuel Farhi, a major owner of older properties in London, wishes that city would take a position similar to other places on the matter of incentives.

We have found that incentives are mainly offered in secondary markets such as Brantford, Hamilton, and Kitchener. Primary markets are faced with similar challenges, though, as Toronto developer Harry Stinson said, tax or grant incentives are insignificant for projects of the magnitude of 1 King West. They are often unavailable in Toronto, so the City must look to other means if they want to assist developers. Height and density bonusing under Section 37 of the Planning Act is an option. In that arrangement a developer is allowed to build a taller building on some other site in return for saving an existing building.

Table 5 indicates some of the incentives available at the municipal level but shows that Federal and Provincial funds are also a growing factor in the financing of restoration and reuse.

One of the ways that governments can become involved in reuse projects is as tenants. When this works, such as the case of the old Waterloo County Gaol in Kitchener where provincial court functions are the long term tenants it can ensure success. In the case of the Elgin County Court House in St. Thomas, however, refusal of the Province to sign a long term lease may jeopardize the project.

Committed developers represent some of the strongest allies for municipalities and collaboration with them can be a very powerful force in urban redevelopment. Ed Newton, project co-ordinator for the Seagram Lofts, stated that The City of Waterloo was on side, mostly because we had such a positive attitude going into this project. They saw that we were going to finish the project and that they would be thrilled with the results. Shawky Fahel echoed the same sentiment in describing his interaction with the City of Brantford, where he says the Cityís co-operative attitude made all the difference in the success of his renovation of the Lawyers Hall.
4.2. Constraints of Older Building Reuse

4.2.1. Uncertainty & Site Remediation

Fundamentally, all development projects have to show the promise of making money otherwise they will not proceed. Similar to other development types, our interviewees indicated that there is a range of profitability attached to adaptive reuse but usually a greater degree of uncertainty. There are a number of reasons for this, including unforeseen costs and site contamination but the result is often difficulty in securing financial backing.

Three sources for financing heritage development were identified by the interviewees: personal equity, private investment, and bank loans. A fourth source was noted by about a third of the survey respondents as part of their fiscal plan - the availability of federal or provincial financing and/or municipal government incentives.

There are very few instances like the adaptive reuse of the Sir Adam Beck II Power Generating Station where the owner (Ontario Power Generation) is able to entirely finance the project. Typically, private developments require bank loans.

Banks are particularly hesitant to finance adaptive reuse projects because they believe the level of risk is higher than other real estate investments or development. Often, banks will place conditions on the financing and this can pose a challenge, as was the case for Ed Newton of the Seagram Lofts. Before the bank would approve the loan, 65% of the units had to be pre-sold, he explained. To reduce their level of risk, banks will often issue demand loans, a type of loan with no established maturity period that can be repayable on the demand of the lender at any time. At the very least, banks usually require the developer to have available a minimum of 25% of the total project cost.

Some developers of adaptive reuse projects have a limited track record in this type of real estate investment but even with experienced practitioners, the banks can be difficult to convince. Are the banks justified in their reluctance to readily support heritage development?

Developers we spoke to made it clear that there are always unexpected costs that pinch their carefully conducted pro formas. In some cases, such as the Seagram Lofts in Waterloo, unanticipated costs and delays reduced the bottom line to the extent that the project became only marginally profitable. This project was saved only by the fact that the market valued the converted lofts more highly than had been expected.

Many heritage developments do in fact involve certain cost premiums. In some cases, these additional expenses arise from the inefficiencies of the building shape. As Harold Ensslen, chief architect for the Ontario Power Generation (OPG) office building conversion in Niagara Falls said, Heritage buildings are not purpose built. Therefore, inefficiencies become virtually unavoidable when the required amount of floor area is spread out over more storeys. Costs can rise by 10% or more in these cases for hallways and washrooms.
In the case of the Bridgeport Lofts, one of the main challenges was dealing with the foundation and façade. The service bay, where trucks used to load and unload goods during the building’s previous incarnation, was located on the front of the building. The prior configuration of the building obstructed the aesthetic appeal and hampered transformation to residential use. To overcome the challenges in changing uses, the development team decided that they would cover up the service bay with recycled stone and bricks, at a cost of approximately $400,000.

From the 24 questionnaire respondents, we learned that the adaptive reuse of buildings required a complete gutting of the interior in eight cases and major interior work in another four. While exterior work was less frequently required, where applicable it involved one or more of: brick cleaning, structural repairs, foundation improvements and landscaping.

One of the largest costs that can loom over many adaptive reuse projects is site contamination. In the case of The KEG restaurant, the developer was faced with an unforeseen site remediation problem. The site was formerly home to the Merritton Cotton Mill and the Independent Rubber Company. The factory was surrounded by reservoir ponds for the locks system of the former Welland Canal. The plant discharged effluent into the ponds during its operation and when the old Canal was diverted, the reservoir ponds were filled with waste and debris. The nature of the disposed material was discovered in the soil during construction and the developer was faced with the cleanup of these ponds, at a cost of nearly $200,000.

In three major renovations in Toronto, Alex Speigel has seen his share of site remediation costs. “Environmental issues are the most common,” he says. “PCBs and asbestos, or lead based paint on the walls. The trouble is that you have to budget for this type of stuff.”

Because of the difficulties in securing bank loans, developers sometimes seek private financing for their projects to avoid restrictions and time limitations on project management. We found this to be the case more often in the smaller and medium sized markets but even in Toronto’s 1 King West project the financing was primarily private.

Nonetheless, those involved in this type of development found demand significant enough that the market would bear the additional costs that arose from uncertainty. No project investigated failed to report moderate to high income generation and many developers feel that bank reluctance to recognize the value of heritage and adaptive reuse projects, especially where experienced project management
4.2.2. Building Code and Parking

The code is problematic; it should be handled case by case and not by fitting the project in to a very general category.  
- Ed Newton, February 23, 2005

Ontario’s Building Code is a set of regulations guiding almost all construction in this province under the enabling legislation of the Building Code Act. The Act, and by extension the Code, are meant to create certain standards for safety, but are also designed to be sufficiently flexible so as to permit the adaptive reuse of buildings.

To this end, it is Section 11 of the Code that is most critical to heritage developers because of the discretion that it allows the individual building inspectors to accept variations in standards when faced with existing structures and inherent constraints. Along with the Building Code there are also separate fire regulations and planning considerations such as site plan approval and zoning. In the opinion of many developers the necessity of complying with the Code and other regulatory requirements frequently results in major expenditures that could not have been foreseen at earlier stages of projects.

In the case of the Seagram Lofts, the original plan called for using timber to support mezzanine floors. Unfortunately, the Code was interpreted as requiring that beams be constructed out of steel in spite of research that shows timber beams are just as fire resistant. The same inspector then required that the mezzanines be fire separated in the same way continuous floors are even though they were open at one end and could not have stopped a fire going from level to level.

In other cases, fire exits proved to be the greatest problem. For the Ontario Power Generation building in Niagara Falls, the exceptionally small building footprint made it difficult to provide the requisite number of emergency exits. Similarly, for The KEG Restaurant in St. Catharines, not only was fire separation between the floors a critical component of Code compliance, it was also necessary to add fire-rated windows adjacent to the fire escapes.

While unusual circumstances and the timing of inspection were mentioned by some of the people we spoke with, nothing was touched upon more frequently than the lack of coordination between inspectors and the various enforcement agencies. Harry Stinson, developer of I King West, as well as many other Toronto projects, suggested that, in some aspects of the project, he found the inspectors to be too lax in not requiring structural and safety aspects that he installed anyway. At other times, he found them unduly restrictive. Time delays from the lack of coordination represent part of the reason why costs escalate.

In the end, perhaps it was Shawky Fahel who best reflected the overall mood of the interviewees in stating that Building development agencies need to be a friendly partner.
Over and over again, we heard developers talk about the matter of parking. Even when people want to live, work and shop in the middle of cities, they seem to be unable to free themselves from their auto dependence. This means that even if municipalities are willing to waive parking requirements, many potential buyers or renters insist on parking spaces. London developer Joe Carapella says, ‘it is very naïve to suggest you’re going to have a building you can renovate and rent out without parking available. That’s a non-starter. (London Free Press, June 31, 2004)\textsuperscript{i}

People in Toronto, where there is extensive public transit, are beginning to see they can get along without cars but except for student accommodation such as the Bridgeport Lofts in Waterloo and Lawyers Hall in Brantford, this is not the case in most other parts of the Province. Creative solutions need to be found for this dilemma. Municipal parking structures, in which developers can buy spaces to meet their requirements, are one alternative.

Handicap accessibility is a further barrier to the success of many potential renovation projects. If a space is going to be rented or leased to a public agency then wheelchair accessibility will be a requirement. That can impact a building in at least two ways. There are aesthetic considerations regarding how ramps alter the appearance of a structure. Secondly, there are also cost implications if, for example, an elevator is mandatory. However, like other challenges, these considerations can be accounted for through a combination of innovative design and flexible enforcement of regulations.

\textbf{4.2.3. Heritage Design Requirement}  
\textit{i The current Ontario Heritage Act has led to a culture of compromise.}  
-Catherine Nasmith, March 14, 2005

Generally speaking, developers and architects working on adaptive reuse and restoration undertakings do not have to contend with any heritage requirements since only a few of the buildings they are working on are designated under the Ontario Heritage Act. However, they are loath to adversely affect a building’s appearance and/or structure. It is in their interest to preserve the aesthetic quality of their buildings, since it is those details and character elements that attracted them in the first place and which will be integral to the market value of the finished product.

In cases where the buildings being refurbished are designated there are few problems. The transformation of the Old Waterloo County Gaol in Kitchener, owned by the Region of Waterloo and converted into court facilities for the Provincial Attorney General’s Department, was marked by
cooperation and good will between the Region and local heritage advocates.

That situation is not always repeated. Part of the problem lies with the Ontario Heritage Act. Because, in the past, it provided for the recognition of buildings as historically valuable to the community but did not prevent their demolition, it led to a measure of uncertainty that was not conducive to either architectural conservation or good business. Toronto architect Catherine Nasmith says the old Ontario Heritage Act led to culture of compromise. Proposed changes to officially designated buildings had to be reviewed by Municipal Heritage Committees and approved by Municipal Councils; but when owners or developers became frustrated by the process, the Act only allowed municipalities to postpone demolition. Developers did not want to face delays and heritage experts knew that, in the end, their Councils could not prevent the loss of the structures. In fact, a 2003 study found that over 400 designated or listed buildings in 22 Ontario communities had been demolished over a 15-year period (Shipley & Reyburn).

All that meant that compromises about the details of renovation were often made in a way which pleased no one.

With the passage of important amendments to the Ontario Heritage Act in April 2005, a much greater degree of clarity around what can and cannot be done to recognized heritage buildings will go a long way to stabilizing the situation and providing the certainty heritage developers need in making business decisions. While this still impacts on some heritage developments where properties are designated, those buildings will serve as demonstrations projects in the industry. There is also the opportunity to forge new working relationships between heritage advocates and developers.

In our interviews, we found that many developers were antagonistic toward local heritage committees and historical preservation groups. At the same time, it is not uncommon for members of the heritage groups to be suspicious of those in the land development industry.

What was clear was that developers were often unaware of the ways in which clear heritage legislation might be of help to them, while heritage advocates did not seem to appreciate the passion and commitment to architecture demonstrated by many developers. An example of this was seen in London where Shmuel Farhi complained that he could be thrown in jail under provisions of the revised Heritage Act requiring proper building maintenance. But, next door to his beautifully restored Scott Building on London’s Dundas Street was a derelict and dangerous building. It was pointed out that, should the street become a heritage district, the provisions of the Heritage Act were aimed not at him but at the building owner next door. Mr. Farhi began to see the potential advantages. The derelict building was clearly diminishing the value of his property. Heritage developers were also generally unaware of the ways in which strong heritage legislation had proven advantageous to building owners in places like New York City where developers seek architectural listing.

Many developers related bad experiences in dealing with some members of the heritage community.
Londonís Joe Carapella says that worthwhile buildings have got to have an architectural style, from a certain period in the cityís history, or a famous person attached to it. Just because itís been there a long time doesnít make it a heritage building. (London Free Press, June 31, 2004)

But heritage proponents and developers do not simply disagree about what makes a building worthwhile saving. Sometimes confrontations over design elements can seriously jeopardize entire projects. Sometimes site plan control protects the exterior shell of the building and, in the words of Alex Speigel, it can be a challenge to deal with the heritage preservation people. Sometimes they are very inflexible and our experience is that flexibility is design.

More alarmingly, developer Harry Stinson still bristled telling about a debate with the Toronto Historical Board over the treatment he proposed for a downtown storefront years after the ordeal. His plan was to reconstruct the façade set back from the street and enclosed in a glass atrium. He says Historical Board members, whom he called ëtweedy academics,í argued for a year with him, and amongst themselves, about the proper way to proceed. Not only did this cost him money in lost time but, in the end, the outcome was to demolish the building, dump the broken fabric into Lake Ontario and put up a plaque.

The Historical Board may have a different story but the point is that no common ground was found between those who see themselves as defenders of heritage and someone who was prepared to spend his money to accomplish at least a measure of conservation. The clarity of the revised Heritage Act which allows for demolition control will hopefully bring a new spirit of cooperation.

4.2.4. Professional Experience and Skills

íHad no work been completed, the building would not likely be standing today.î
- Ed Dreidger, February 4, 2005

Challenges can surface in any profession at any time. However, in the opinion of those with whom we spoke, the obstacles to be overcome for heritage development projects are all the more acute. As a consequence it is often difficult to find adequately skilled and experienced people all the way from architects and engineers to appropriate trade workers.

Process of demolition- construction in the case of the Seagram Lofts

One architect recalled a project he had taken over part way through completion. Due to lack of knowledge about heritage buildings, the previous architect had advised the owners that they needed to replace all of the 102 windows in the building with metal ones costing $600 each. Our
interviewee was able, in the end, to repair the existing windows at a cost of $200 each.

Adapting buildings for new uses is a very challenging and complex process. Compared to new development where construction begins from the ground up, adaptive reuse projects are unique and, therefore, require a creative process in overcoming building challenges.

In the case of the Seagram Lofts, the façades of the two warehouse buildings were to be left intact. The conventional method for reinforcing façades during construction is in the use of shoring with steel support beams, where the interior can then be completely gutted prior to construction. The development team created a process of demolition followed by construction in a series of phases, which eliminated the need for shoring. This creative process saved the developers approximately $500,000.

Just as important as architects, engineers and project supervisors are the skilled trades that undertake the carpentry, brickwork, plastering and other detailed construction work. There is such a critical shortage of these workers - the average age of bricklayers in Canada is 58 – that a special task force on the subject has been organized by the federal government’s Human Resources Development Canada (HRDC). Developers we spoke to valued their skilled craftsmen highly and were anxious to find and, if necessary, train more skilled workers.

The analogy was made, and confirmed by the majority of those interviewed, that building a successful heritage development team evolves in the same approach as creating a good sports franchise. As one developer put it, “we have a pretty good group and everyone has a specific role.” In this type of environment, with daily challenges and unanticipated problems, it is generally held that experience is of benefit through transference of skills and knowledge. Naturally, this leads to an unavoidable conundrum. It is impossible to have the experienced professionals and trade workers that many consider to be a necessary component of success without, at some point, employing those who do not have such familiarity. To continue the sports metaphor, everyone has to start as a rookie.

It was not just the skill and experience of people working within the development industry that was addressed in our interviews. Undoubtedly, the most significant comment that we heard regarding the value of experience came with respect to the banking industry. Here experience seemed to mattered little because the bank’s set pro formas did not allow the lenders to see the advantages of heritage development – even for projects directly parallel with those successfully (and profitably) completed.
5.0 Conclusions & Recommendations

5.1 Conclusions

The existence of dynamic, risk-taking and creative investors, with a passion for beautiful older buildings, is probably the most important single element in the heritage development industry. We found most of these entrepreneurs to be a volatile mix of vision, hard-nosed business practice, and bravado.

Vision is the ability and perhaps, more importantly, the inclination to see what a project will look like when it is completed. Many people are impressed with renovated older buildings when they visit them in other cities or even other countries, but the same people will look at derelict or rundown premises in their own neighbourhood and think they should be torn down. The heritage developer sees past the current state of the building and can imagine its potential. This is somewhat similar to many heritage advocates but they tend to see what the building used to look like and they value that. The heritage developer sees what the place might look like in the future.

The hard-nosed business sense required of successful developers can be a bit frightening. One of our interviewees told a story about how he asked two roofing contractors to show up at the building site. When they were both there with their crews, he negotiated the best price. Is this business practice at the edge of ethics? Perhaps yes but, in some cases, it may be what is required to get the job done.

Bravado is probably a common trait amongst many successful business people across the economic spectrum. One has to be confident, forceful, and daring to survive when taking chances and risking ones own money and reputation are daily occurrences. Part of the reason it proved difficult for us, in the course of this research, to collect actual costs of various aspects of development projects was that our interviewees often gave contradictory information. Lamenting the high price of labour, complaining about the length of time for regulatory approvals and scolding municipal governments for not providing relief from taxes and fees, are all parts of the marketplace haggling behaviour that occupies much of developersí time and energy and these habits are hard to abandon when being interviewed.

What is clear, however, is that there is a healthy and growing business in heritage development and the people we talked to are in the vanguard of that business. According to the numbers of projects identified in different building type categories, the bulk of the action seems to be in medium and large residential projects (medium 18,000 sq. ft., to 50,000 sq. ft., and large, over 50,000 sq. ft.), medium sized commercial and small institutional (Table 1).

In terms of cost comparison with new build, the numbers prove interesting (Tables 6). In the medium residential category, reuse actually comes out to be a lower cost than new build. To some extent, that reflects projects such as the student housing developed in Waterloo and Brantford.
In the case of large residential, the cost in our sample is considerably higher on average for reuse projects. But here we found that mainly loft style condos were bringing a much higher rate of return in spite of (or perhaps because of) the larger investment. The same seems to be true in the medium sized commercial projects where a slightly higher cost is generally rewarded by high rents. The number for large commercial is somewhat skewed by the small sample size, while for large institutional projects there was only one example and so no calculation of average cost was possible.

The majority of buildings that are being given new life in Ontario are private sector projects. As well, many of the buildings are not formally recognized as heritage properties through designation under the Ontario Heritage Act. This is not particularly surprising, since the great majority of designated properties are private homes which have been left out of this study, while many of the adaptive reuse projects involve former industrial buildings which have often been left out of the designation process.

Where designated buildings are the subject of heritage development, however, the reviews are mixed. Some developers and architects, in the cases involving public sector projects, have enjoyed good working relationships and have been able to cooperate around issues of proper, highly authentic restoration. Quite often, there are additional funding sources to deal with such things as the restoration of the paintings in Castle Killbride, a 19th century mansion which became part of the Wilmot Township Administrative Complex in Baden near Waterloo.

On the negative side, a number of developers have had bad experiences with work on designated buildings. These ranged from delays caused by the time required for reviews of plans by committees to squabbles over design. Developers also complain, not about the Building Code as such, but about applications of the code and other regulations that are inflexible and unresponsive to the situation.

With regard to incentives, there is very good evidence from the United States and British Columbia that municipalities receive excellent return for tax relief and other

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Residential</td>
<td>Projects often private &amp; too numerous</td>
<td>$155</td>
<td>$130</td>
</tr>
<tr>
<td>Reuse Residential</td>
<td>$144</td>
<td>$231</td>
<td></td>
</tr>
<tr>
<td>New Commercial</td>
<td>$95</td>
<td>$155</td>
<td>$165</td>
</tr>
<tr>
<td>Reuse Commercial</td>
<td>$111</td>
<td>$169</td>
<td>$102</td>
</tr>
<tr>
<td>New Institutional</td>
<td>$195</td>
<td>$195</td>
<td>Insufficient data</td>
</tr>
<tr>
<td>Reuse Institutional</td>
<td>$212</td>
<td>$200</td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Findings
financial measures designed to stimulate building renovation and reuse (U.S. national Trust; Barber, 2003, Mason 2005). These gains are realized largely through increases in assessment and, therefore, in tax revenues. Of course, this benefit comes in addition to the primary aspect of building reuse, the maintenance of cultural integrity, livability of urban spaces and aesthetic continuity.

We concluded that heritage advocates do not always seem to recognize that they have very dynamic and creative allies in the development world. Heritage developers do not pretend to be cultural experts. Their interest in older buildings is more instinctive, but they see value in these structures as much as the heritage community. They see it in a different way Ŕ often perhaps, more like the original builders themselves. We would not advocate that developers always have their way in the realm of urban planning and city building. But what they do, they do well and they are awesome to watch when in full flight.

5.2. Recommendations

Municipalities that want to promote re-urbanization, smart growth, intensification and dynamic place making should appreciate the role that can be played by heritage development. Instead of adding to the current trends that are promising to remake cities in a better way, many planners and political leaders see heritage - the valuing of existing structures - as an impediment. Heritage considerations are not attempts to freeze urban change but only to direct it in constructive and rational ways. Municipalities should adopt coherent policies that promote building reuse as an integral part of their smart growth strategies.

Municipalities should make the rules for heritage development clear. Some buildings should be preserved. Some neighbourhoods and districts should be subject to design guidelines that protect the character of the area and, therefore, protect the investment of those who have maintained or renovated properties.

Building inspection for code compliance, fire inspection and other regulatory functions should be coordinated in a way that encourages safe and functional structures. This should be performance-based rather than rule-based. There should be a commitment on the part of municipalities to provide these inspections in a timely way.

Heritage advocates should find and support the developers who love older buildings as they do Ŕ and are prepared to find new uses for them, bring their development skills to bear on them, and spend money on them.

"The preservation movement has one great curiosity. There is never retrospective controversy or regret. Preservationists are the only people in the world who are invariably confirmed in their wisdom after the fact."

J. K. Galbraith, Canadian born economist and writer, quoted in 1999 by Richard Moe, President of the US National Trust for Historic Preservation.
Bibliography


27


Professor Masonís review of the literature concerned with the economics of historic preservation is probably the most complete work on the subject to have appeared recently.


US National Trust for Historic Preservation http://www.preservationbooks.org/


## Appendix A – List of Identified Projects

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Project</th>
<th>Municipality</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alliston</td>
<td>The Gibson Cultural Centre</td>
<td>London</td>
<td>Idlewyld Inn</td>
</tr>
<tr>
<td>Alton</td>
<td>Alton Mill</td>
<td>London</td>
<td>Sterling Place</td>
</tr>
<tr>
<td>Brampton</td>
<td>Carnegie Library Building</td>
<td>London</td>
<td>Victoria &amp; Gray Trust Building</td>
</tr>
<tr>
<td>Brantford</td>
<td>Holstein Building</td>
<td>London</td>
<td>Scott Building</td>
</tr>
<tr>
<td>Brantford</td>
<td>Lawyersi Hall</td>
<td>Markham</td>
<td>Village Train Station</td>
</tr>
<tr>
<td>Brantford</td>
<td>Odeon Theatre</td>
<td>Milford</td>
<td>Mount Tabor Church</td>
</tr>
<tr>
<td>Brantford</td>
<td>Old Post Office</td>
<td>New Tecumseth</td>
<td>Museum Facility</td>
</tr>
<tr>
<td>Brantford</td>
<td>Old Shoe Factory</td>
<td>Niagara Falls</td>
<td>Ontario Power Generation Offices</td>
</tr>
<tr>
<td>Cambridge</td>
<td>Langdon Hall</td>
<td>Niagara Falls</td>
<td>Whirlpool Golf Course Club</td>
</tr>
<tr>
<td>Cambridge</td>
<td>School of Architecture</td>
<td>North Bay</td>
<td>Train Station</td>
</tr>
<tr>
<td>Cambridge</td>
<td>Stone Cottage</td>
<td>Ottawa</td>
<td>Aberdeen Pavilion</td>
</tr>
<tr>
<td>Clinton</td>
<td>Tavern to Senior Centre</td>
<td>Ottawa</td>
<td>Canalside Townhomes 30 Driveway</td>
</tr>
<tr>
<td>Guelph</td>
<td>Mill Lofts</td>
<td>Ottawa</td>
<td>Centre de Jour Guigues</td>
</tr>
<tr>
<td>Hamilton</td>
<td>Rousseau House</td>
<td>Ottawa</td>
<td>Centretown Infill &amp; Flora &amp; Somerset</td>
</tr>
<tr>
<td>Kingston</td>
<td>Artillery Park Barrack House</td>
<td>Ottawa</td>
<td>Dalhousie (281) Infill</td>
</tr>
<tr>
<td>Kingston</td>
<td>Belvedere Hotel</td>
<td>Ottawa</td>
<td>Dominion Chalmers</td>
</tr>
<tr>
<td>Kingston</td>
<td>The Woolen Mill</td>
<td>Ottawa</td>
<td>Glebe Community Centre Rehab</td>
</tr>
<tr>
<td>Kingston</td>
<td>Victoria Public School</td>
<td>Ottawa</td>
<td>National Research Council Building</td>
</tr>
<tr>
<td>Kingston</td>
<td>Wellington Street Brewery</td>
<td>Ottawa</td>
<td>Plant Bath &amp; Rehab</td>
</tr>
<tr>
<td>Kingston</td>
<td>Whig-Standard Building</td>
<td>Ottawa</td>
<td>Real Lofts</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Arrow Lofts Project</td>
<td>Ottawa</td>
<td>Royal College of Physicians</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Berlin Interior Hardwood</td>
<td>Ottawa</td>
<td>St. Charles School Lofts</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Gaol and Governors House</td>
<td>Ottawa</td>
<td>Sandy Hill Infill</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Kaufman Lofts Project</td>
<td>Ottawa</td>
<td>The Loft Tradition</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Mansion Lofts Project</td>
<td>Ottawa</td>
<td>The Stables Rideau Hall</td>
</tr>
<tr>
<td>Ottawa</td>
<td></td>
<td></td>
<td>Wallis House</td>
</tr>
</tbody>
</table>
### Appendix A – Identified Projects (continued)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Project</th>
<th>Municipality</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paris</td>
<td>Arlington Hotel</td>
<td>Toronto</td>
<td>200 Clinton</td>
</tr>
<tr>
<td>Paris</td>
<td>Art Gallery</td>
<td>Toronto</td>
<td>289 Sumach</td>
</tr>
<tr>
<td>Picton</td>
<td>Merrill House</td>
<td>Toronto</td>
<td>Candy Factory</td>
</tr>
<tr>
<td>Picton</td>
<td>Quaker Meeting House</td>
<td>Toronto</td>
<td>Carpet Factory</td>
</tr>
<tr>
<td>Picton</td>
<td>Ross McMullen House</td>
<td>Toronto</td>
<td>Cathedral Square</td>
</tr>
<tr>
<td>Picton</td>
<td>Waring House</td>
<td>Toronto</td>
<td>Claremont Hall</td>
</tr>
<tr>
<td>Queenston</td>
<td>Willowbank</td>
<td>Toronto</td>
<td>Hepbourne Hall</td>
</tr>
<tr>
<td>Richmond Hill</td>
<td>Lloyd Centre</td>
<td>Toronto</td>
<td>Imperial Lofts</td>
</tr>
<tr>
<td>St. Catharines</td>
<td>Keg Restaurant ñ Merritton Cotton Mill</td>
<td>Toronto</td>
<td>Kensington Lofts</td>
</tr>
<tr>
<td>St. Catharines</td>
<td>Lincoln County Courthouse</td>
<td>Toronto</td>
<td>Leadlay Building</td>
</tr>
<tr>
<td>St. Catharines</td>
<td>Lybster Mill</td>
<td>Toronto</td>
<td>Liberty Lofts</td>
</tr>
<tr>
<td>St. Catharines</td>
<td>Merriton Town Hall</td>
<td>Toronto</td>
<td>Liberty Village</td>
</tr>
<tr>
<td>St. Catharines</td>
<td>Elgin County Court House</td>
<td>Toronto</td>
<td>Market Block Building</td>
</tr>
<tr>
<td>Stratford</td>
<td>Avon Theatre</td>
<td>Toronto</td>
<td>Noble Court</td>
</tr>
<tr>
<td>Thorold</td>
<td>Maplehurst</td>
<td>Toronto</td>
<td>One Columbus Ave.</td>
</tr>
<tr>
<td>Thorold</td>
<td>The Flour Mill</td>
<td>Toronto</td>
<td>Richmond Mews</td>
</tr>
<tr>
<td>Tillsonburg</td>
<td>Livingston Centre</td>
<td>Toronto</td>
<td>Roncarelli Residence</td>
</tr>
<tr>
<td>Toronto</td>
<td>1 King W</td>
<td>Toronto</td>
<td>Sears Building</td>
</tr>
<tr>
<td>Toronto</td>
<td>5 King W</td>
<td>Toronto</td>
<td>The Soho</td>
</tr>
<tr>
<td>Toronto</td>
<td>6 Bratlett Ave.</td>
<td>Toronto</td>
<td>Studio One</td>
</tr>
<tr>
<td>Toronto</td>
<td>8-16 Croft St.</td>
<td>Toronto</td>
<td>The Brewery</td>
</tr>
<tr>
<td>Toronto</td>
<td>10 Sword</td>
<td>Toronto</td>
<td>The Creed Building</td>
</tr>
<tr>
<td>Toronto</td>
<td>20 Brockton St.</td>
<td>Toronto</td>
<td>The Flatiron Building</td>
</tr>
<tr>
<td>Toronto</td>
<td>41 Shanly</td>
<td>Toronto</td>
<td>The Gladstone Hotel</td>
</tr>
<tr>
<td>Toronto</td>
<td>47 Colborne St.</td>
<td>Toronto</td>
<td>The Industrial Revolution I</td>
</tr>
<tr>
<td>Toronto</td>
<td>115 Manning</td>
<td>Toronto</td>
<td>The Industrial Revolution II</td>
</tr>
</tbody>
</table>
## Appendix A – Identified Projects (continued)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Project</th>
<th>Municipality</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>The Knitting Mill</td>
<td>Windsor</td>
<td>Duff Baby House</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Lofts on Frederick St.</td>
<td>Windsor</td>
<td>Edith Cavell School</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Lofts on Sorauren</td>
<td>Windsor</td>
<td>First Church of Christian Science</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Loretto</td>
<td>Windsor</td>
<td>La Maison Francois Baby</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Merchandise Building</td>
<td>Windsor</td>
<td>St. Genevieve School</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Monarch Building</td>
<td>Windsor</td>
<td>St. Paul's Anglican Church</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Movie House</td>
<td>Windsor</td>
<td>Walkerville Town Hall</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Old Spaghetti Factory Restaurant</td>
<td>Wingham</td>
<td>Railway Station</td>
</tr>
<tr>
<td>Toronto</td>
<td>The Oxford on Markham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>The Peanut Factory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>The Victorian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>The Wrigley Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>Tip Top Lofts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>West 833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>Yorkland School</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unionville</td>
<td>Eckardt/Mckay House</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Alexandra School - 35 Alexandra Ave.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Bridgeport Lofts - 12 Bridgeport Rd. E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Button Factory - 25 Regina St. S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Seagram Lofts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Snyder - Seagram House - 50 Albert St.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Train Station - 20 Regina St. S</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo</td>
<td>Waterloo Hotel - 4 King St. N</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix B - Study Participants

#### Survey Respondents
- Monica Alyea  
  *Mt. Tabor Community Theatre*  
  Milford
- Marvin Barnett  
  *Gowlings Building*  
  Hamilton
- Rachelle Clayton  
  *McDonald House Museum on the Boyne*  
  Alliston
- Betty Lou Clark  
  *371 Waterloo Ave. River Walk Condo*  
  Guelph
- Hank Doornekamp  
  *The Woollen Mill*  
  Kingston
- Ed Driedger  
  *CPR Station*  
  North Bay
- John Edgar  
  *Artist Studio*  
  Paris
- Jeremy Grant  
  *The Alton Mill*  
  Alton
- Ted Handy  
  *Gibson Centre*  
  Alliston
- Mac Lewis  
  *Clock Tower Inn*  
  Newmarket
- William Metz  
  *The REAL Lofts*  
  Ottawa
- Elizabeth Plashkes  
  *Markham Village Train Station*  
  Markham
- Spriet Investments Inc.  
  *Sterling Place*  
  London
- Dr. Wyshinski  
  *Cosmetic Surgery Clinic*  
  Waterloo
- Ted Taylor  
  *Royal Canadian Legion*  
  Picton

#### Interviewees
- Brian Bechtel  
  *Gaol and Governor's House*  
  Kitchener
- Carl Dawson  
  *The Lofts on Mansion*  
  Kitchener
- Paul DeHaas  
  *Bridgeport Lofts*  
  Waterloo
- Nino Donatelli  
  *The KEG*  
  St. Catharines
- Harold Ensslin  
  *OPG*  
  Niagara Falls
- Shawky Fahel  
  *Lawyer's Hall*  
  Brantford
- Shmuel Farhi  
  *Elgin County Court House*  
  St. Thomas
- Andrew Lambden  
  *Seagram Lofts*  
  Waterloo
- Catherine Nasmith  
  *Architect*  
  Toronto
- Ed Newton  
  *Seagram Lofts*  
  Waterloo
- Muky Pundaky  
  *Former Victoria and Grey Canada Trust*  
  London
- Alex Speigle  
  *Loretto College*  
  Toronto
- Harry Stinson  
  *1 King West*  
  Toronto
- Scott Valens  
  *Architect*  
  Toronto
- Margie Zeidler  
  *401 Richmond*  
  Toronto
1) Name: _____________________________________________
Address: _____________________________________________
E-mail: _______________________________________________
Phone: ________________________________________________

2) Please indicate if you would prefer that the information concerning the specific name and location of the building remain confidential. (If confidentiality is preferred, the costs provided will be used in a general way to determine trends and patterns)

☐ Remain Confidential  ☐ Not of Concern

3) What is (was) your involvement in the adaptive reuse of the subject property?
☐ Developer  ☐ Architect  ☐ Contractor  ☐ Owner  ☐ Other

4) Location of Renovated Building
Address: _____________________________________________
City: _________________________________________________
Postal Code: __________________________________________

5) Is the building  ☐ Designated  ☐ Listed  ☐ Other

6) Approximate age of the building: _______________________

7) Please provide a short description of the building prior to renovation

_____________________________________________________

8) Please provide a short description of the zoning change required and any minor variance(s) required for the adaptive reuse of the subject property?

_____________________________________________________

9) Place a check in the most appropriate cell that corresponds with the new use of the building.

10) Please answer the following questions concerning the subject property
Building type: _________________________________________
Building size (ft² or m²): ________________________________
Number of units (if applicable): __________________________
Building Height (stories): _______________________________
Occupancy before renovation: ___________________________
Occupancy after renovation: ____________________________
Name of Building: _____________________________________

11) Please indicate the development costs of the project.
Land Acquisition ($) : __________________________________
Hard Costs ($/ft² or %): _________________________________
Soft Costs ($ or %): 
  Consultant Fees: ______________________________________
  Development Fees: _____________________________________
  Insurance and Bonding: ________________________________
  Building Permits: _____________________________________
Total ($) : ____________________________________________

12) Please provide a short description of the renovation that took place

_____________________________________________________

13) Were there incentives offered by government for the adaptive reuse of the subject property? Please indicate the level of government which provided the incentive(s) and a short description of the incentive(s)

_____________________________________________________

14) What were the conditions/characteristics for the successful adaptive reuse of your project?

_____________________________________________________

p.1

p.2
Appendix D – Excerpts from Provincial Statutes Relating to Municipal Financial Aid

Ontario Heritage Act

Part IV Conservation of Property of Cultural Heritage Value or Interest

Grants and loans

39. (1) The council of a municipality may pass by-laws providing for the making of a grant or loan to the owner of a property designated under this Part for the purpose of paying for the whole or any part of the cost of alteration of such designated property on such terms and conditions as the council may prescribe.

Section 22

Idem (2) Where an easement or covenant is registered against real property under subsection (1), such easement or covenant shall run with the real property and the Foundation may enforce such easement or covenant, whether positive or negative in nature, against the owner or any subsequent owners of the real property.  

Planning Act

Part IV Community Improvement

28. (1) In this section, community improvement means the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, reconstruction and rehabilitation, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary; (i améliorations communautaires)

Grants or loans

(7) For the purpose of carrying out a community improvement plan that has come into effect, the municipality may make grants or loans to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan. 2001, c. 17, s. 7 (7).

Municipal Act

Cancellation, reduction or refund of taxes

365. (1) The council of a local municipality may, in any year, pass a by-law to provide for the cancellation, reduction or refund of taxes levied for local municipal and school purposes in the year by the council in respect of an eligible property of any person who makes an application in that year to the municipality for that relief and whose taxes are considered by the council to be unduly burdensome, as defined in the by-law. 2001, c. 25, s. 365 (1).

Definitions

365.1(1) In this section, community improvement plan and community improvement project area have the same meanings as in subsection 28 (1) of the Planning Act.
Appendix D – Excerpts from Provincial Statutes Relating to Municipal Financial Aid (continued)

Municipal Act

Heritage Tax Rebate Program

365.2 (1) Despite section 106, a local municipality may establish a program to provide tax reductions or refunds in respect of eligible heritage property. 2002, c. 17, Sched. A, s. 69.

Definition

(2) In this section,

eligible heritage property means a property or portion of a property,

(a) that is designated under Part IV of the Ontario Heritage Act or is part of a heritage conservation district under Part V of the Ontario Heritage Act,

(b) that is subject to,

(i) an easement agreement with the local municipality in which it is located, under section 37 of the Ontario Heritage Act,

(ii) an easement agreement with the Ontario Heritage Foundation, under section 22 of the Ontario Heritage Act, or

(iii) an agreement with the local municipality in which it is located respecting the preservation and maintenance of the property, and

(c) that complies with any additional eligibility criteria set out in the by-law passed under this section by the local municipality in which it is located. 2002, c. 17, Sched. A, s. 69.

Amount of tax reduction

(3) The amount of the tax reduction or refund provided by a local municipality in respect of an eligible heritage property must be between 10 and 40 per cent of the taxes for municipal and school purposes levied on the property that are attributable to,

(a) the building or structure or portion of the building or structure that is the eligible heritage property; and

(b) the land used in connection with the eligible heritage property, as determined by the local municipality. 2002, c. 17, Sched. A, s. 69.

Notice to Minister of Finance

(5) A local municipality shall deliver a copy of a by-law under this section to the Minister of Finance within 30 days after the by-law is passed. 2002, c. 17, Sched. A, s. 69.

Notice to upper-tier municipality

(6) A lower-tier municipality that passes a by-law under this section shall notify the upper-tier municipality of the amount of taxes to be reduced or refunded for lower-tier purposes under the by-law. 2002, c. 17, Sched. A, s. 69.

Criteria:

To be eligible for the tax refund, the property has the meet the following minimum criteria:

Designated under the Ontario Heritage Act (Part IV or Part V)

Subject to an agreement respecting the long term preservation and maintenance of the property (i.e., Heritage Conservation Easement Agreement)

On January 1, 2003, Bill 177 amended the Municipal Act. Under the amended Municipal Act, owners can now get a minimum of 10% to a maximum of 40% of the city share of taxes levied on the eligible portion of their heritage property. Province refunds the taxes levied by the municipality for educational purposes at the same percentages established by the city.
Appendix D – Excerpts from Provincial Statutes Relating to Municipal Financial Aid (continued)

Development Charges Act

5. (1) The following is the method that must be used, in developing a development charge by-law, to determine the development charges that may be imposed:

10. The rules may provide for full or partial exemptions for types of development and for the phasing in of development charges. The rules may also provide for the indexing of development charges based on the prescribed index. 1997, c. 27, s. 5 (1).

6. A development charge by-law must set out the following:

2. An express statement indicating how, if at all, the rules provide for exemptions, for the phasing in of development charges and for the indexing of development charges.

3. How the rules referred to in paragraph 1 apply to the redevelopment of land.
Appendix D – Catalogue of Renovated Buildings

Introduction

This section contains information about specific adaptive reuse and building restoration projects. For the most part this information was collected during the early part of 2005 from web sites advertising the sale or lease of the properties in question.

The majority of the projects are located in Toronto but there is a sampling from other municipalities across Ontario including Cambridge, Waterloo, Kingston, and the Niagara Region.

What is intended here is to give the reader a good idea of the range of building types, sites and uses of adaptive reuse and renovation projects. These might be visited and viewed as models for heritage development. As well, in many cases there is contact information for the developers involved.

Projects are listed alphabetically by the name of the municipality where they are located and by building name or address within cities with multiple examples.

Name: The Alton Mill
Address: 1402 Queen St., Caledon

Built in 1881, The Alton Mill is nestled on the banks of Shawis Creek in the Village of Alton, Town of Caledon. The Alton Mill is in the progress of being converted into a regional arts and heritage centre which will become the centre piece of this quaint village. The Alton Mill was originally a woollen mill and until 1982 was used for the manufacture of rubber products. The renovation of this significant heritage property will result in the creation of a mix of art studios, workshops, offices for creative professionals, heritage exhibits, special events space and a restaurant overlooking the millpond. The millpond will undergo an environmental rehabilitation to create a healthy ecosystem for fish and plants and a public park including trails and an interpretative boardwalk. Phase 1 of the mill renovation is complete and seven professional artists and crafts people have taken studio space. The completion of the project is expected to occur until 2007.

www.thehillsofheadwaters.com

Name: Langdon Hall
Address: 1 Langdon Dr., Cambridge

The house, with its sweeping vistas and meadows, was designed and built as a summer house for the granddaughter of John Jacob Astor of New York City. In 1987, William Bennett and May Beaton purchased Langdon Hall. In order to share with others its unique tranquility and luxury, it seemed quite natural for Langdon Hall to become a country house hotel. Langdon Hall is elegant and comfortable and provides guests with a home away from home. The country house atmosphere is characterized by peaceful reading rooms and intimate paneled lounges and bar. All 53 rooms and suites at Langdon Hall are carefully furnished; each different from the other, with most of the sitting areas warmed by open wood-burning fireplaces. indoors, there are billiard and card rooms, and recreational facilities, which include whirlpools, saunas and an exercise room. Outdoors, there is a tennis court, croquet lawn, and heated swimming pool. Langdon Hall is situated on 200 acres of lawns, gardens and woodlands.
The University of Waterloo School of Architecture is located in a splendid historic building – the former Riverside Silk Mill – located in the heart of the old Galt neighbourhood of Cambridge. Situated along the Grand River, the former industrial building provides spaces for design studios, labs, and classrooms. It also includes a superb design library, exhibition galleries, public auditorium, and café. As part of the historic downtown core of Galt, set within the larger City of Cambridge, the location is extremely attractive for a School of Architecture. The urban landscape in the surrounding community is one of the most beautiful in Ontario. There is a marvellous stock of heritage buildings nearby and the Grand River is a powerful presence. A Cambridge-based group of business owners and friends approached the University with the idea of providing a new home for the School. The Cambridge Consortium spearheaded the fundraising drive to cover a portion of the $27 million cost of creating the new school.
www.uwaterloo.ca

This 1880 landmark sat empty for 20 years until Wilfrid Laurier University, along with Cianfrone Architect Inc. from Hamilton and Vicano Construction from Brantford, developed a scheme that sympathetically converted the post office to the needs of the university. Brantford City Council supported the university's initiative with a $1.5 million forgivable loan. The renovated three-storey brick and stone building, located at the corner of George and Dalhousie Streets, became home to 58 students in September 2003. During renovations, the architect and contractor were careful to maintain the original appearance of the building while adding to the building. In the spirit of preservation, earlier changes and additions to the post office were respected rather than replaced. The building was painted many years ago, probably to conceal alterations and brick repair. It was decided not to remove the paint to restore the brick because of the mismatched brick repairs that would probably be uncovered.

The British Whig Building is a remarkable heritage building which forms a streetscape wall on the north side of the Market Square. Built in 1895, by architect Joseph Power, iThe Whig i was designed as an asymmetrical blend of heavy, rounded arches and roughly textured stone with classical pilasters and cornices. In the late 1990s The Whig Standard left its downtown premises and the property was purchased by Kincore Holdings Ltd. who held a design competition in 1998 for its restoration - won by Alexander Wilson Architect Inc. The design challenge was to restore the façade and to renovate the interior for a mixed use retail/office/residential facility. The façade restoration required the co-operation of a variety of trades and artisans, including the design and fabrication of custom copper friezes, cornices, and urns, new solid oak storefronts and single hung windows, new stain glass elements, and new Credit Valley sandstone base elements including soffits and arch elements.
www.cityofkingston.ca
The Idlewyld mansion was built in 1878 as a private home for Charles Smith Hymna, successful businessman, Mayor of London, Cabinet Minister in the government of Prime Minister Wilfrid Laurier, captain of Canadaís most successful national cricket team and seven-time Canadian Menís Singles Tennis champion. The Idlewyld was sold in the 1930ís to Ernest Moore, who transformed the mansion into luxury apartments. Another conversion, during the 1960ís, was to a nursing home. The Idlewyld was sold in 1985 and underwent 6 months of extensive refurbishment. The Idlewyld Inn officially opened as a luxury accommodation in July 1986. The original house included a formal parlour, a dining room with original Linsrusts-Walton wall coverings, an informal parlour for the lady of the house, a library with a private study, and a ballroom. The master bedroom was once directly attached to a sunroom, which is now the second floor landing of the main staircase. The third floor would have been used as servantsí quarters.

www.idlewyldinn.com

The stone mansion, sitting atop a hill facing the Niagara River, was built in 1834 by the Sheriff of Niagara, Alexander Hamilton. Regarded as one of the finest examples of colonial architecture in North America, it is one of only three surviving Greek Revival houses designed by renowned architect John Latshaw. The Willowbank School will provide a comprehensive restoration arts curriculum, aided in part by a $150,000 grant from the Ontario Trillium Foundation. Course offerings will include two- and three-year apprenticeship programs and hands-on workshops in restoring or reproducing heritage objects. The school will teach internal and external renovation techniques as well as restoration of furniture, books, textiles and landscaping; a Saturday morning lecture series is already underway for anyone interested in heritage preservation. Given the provinceís wealth of historic homes, and the rarity of such programs, Willowbank will be the only school of its kind in Ontario. The opening of this centre of excellence is good news for the heritage community.

www.trilliumfoundation.org

Built by Hugh Keefer in 1887, Maplehurst is a regional landmark. Second only to the home of William Hamilton Merritt, it is the most important residence connected to the development of the Welland Canal. Designated under the Ontario Heritage Act, Maplehurst is located in a dramatic setting with commanding views of downtown Thorold and the Welland Canal. The house is built of red stone in the Richardson Romanesque style. Notable features include: 9,000 sq. ft., grand staircase, 8 fireplaces, and 12 foot ceilings. Scheduled to open in 2005, the site is being transformed into a Heritage Inn, with fine dinning.

www.keeferdevelopments.com
Developer Harry Stinson is converting the landmark 1912 Dominion Bank headquarters at 1 King West to residential apartment units. The project features 200 apartment units in the former bank headquarters, and an additional penthouse level with 8 townhouse residences. A 6-storey interior garden atrium is integrated along with a private restaurant and lounge on the 12th and 13th floors. Along with the conversion, a 51-storey tower rising 578 feet with 362 apartment units is being developed along side the former bank.

One of the first loft style condominium buildings in Toronto, 6 Bartlett Avenue is located just north of Bloor Street and east of Dufferin Street. The building was completed in 1985 by Allan D. Gordon Associates. In fact, it won the Ontario Renews Awards in 1985 for its successful conversion to residential housing. The complex houses 13 units ranging from 1300 to 1600 sq. ft., and prices start at $300,000 rising to over $400,000. Condominium fees are the same for all units and are very reasonable (utilities extra). Every suite comes with one separate exterior garage space. Typical characteristics of this complex are low condominium fees, large cedar roof decks, fireplaces and three levels of living space. Security is provided through an Enterphone System. 6 Bartlett Avenue enjoys very little natural window light, as it is located on two lot lines. However, a 30 foot atrium with skylights brings tons of light throughout the space.

Located near Little Italy, just east of Bathurst and College St., Croft is a freehold development of 5 townhouse style lofts completed in 1989 by architects Littlewood Hess. This former armory is located on a very interesting back alley lane, giving the homes a decidedly forbidden yet trendy feel about them. The multi story 2000 sq. ft homes have the flexibility for a home office or separate apartment, typically living areas and a large bedroom are located on level 2. Level 3 consists of a den between two large terrace/decks. High ceilings, exposed brick, industrial design features and vaulted ceilings make for spectacular living. Prices start at $475,000. Croft is right from the pages of Architectural Digest.
Name: 10 Sword  
Address: 10 Sword St, Toronto

Completed by Peachtree Properties in 1997, 10 Sword Street is located in south Cabbagetown (north of Gerrard Street East and east of Parliament Street). The building consists of 11 suites ranging from 725 sq. ft. to 1800 sq. ft. Surrounded by single family homes in a residential neighbourhood, 10 Sword Street is conspicuous due to its size and industrial warehouse architecture. The suites have 12 foot ceilings, raw concrete features (columns and ceilings) and access to either private patios, private decks or shared decks. There are 8 indoor parking spaces. Condominium fees are very low but do not include heat/air conditioning, hydro or water. Many suites do have fireplaces and hardwood floors. 10 Sword Street is an infill-type loft building that offers great space for approximately $260 per sq. ft.

Name: 20 Brockton St.  
Address: 20 Brockton St, Toronto

Built in 1985 by Jackson Goad Architects, 20 Brockton is truly one of the more interesting loft developments in Toronto. Literally situated off a back alley, the building houses 18 suites, all with separate entrances. Lying between Queen Street West and Dundas Street West and east of Brock Street, 20 Brockton is conveniently located near the TTC streetcar line. All units are multiple-storey with very open concept designs. Ceilings are typically more than 10 feet in height. Many units have terraces or patios and fireplaces, and most do not have air-conditioning. All suites have outdoor parking spaces. The lofts range in size from 1100 sq. ft. to over 1600 sq. ft., and prices start at $270,000. All units have the same incredibly reasonable condominium fee that does not include utilities. Brockton represents excellent value for the money in west side Toronto.

Name: 41 Shanly  
Address: 41 Shanly St., Toronto

Formerly a machine shop, it was converted into 10 loft units in 1983. Located north of Bloor Street West and just west of Dovercourt, 41 Shanly Street was one of Toronto’s first condominium loft conversions. Units range in price from $240,000 for an 800 sq. ft. one bedroom, to $600,000 for an 1800 sq. ft. multi-bedroom suite. Some units have private garage parking while others have outdoor spaces. Due to the site constraints, overhead skylights and atriums typically provide the light. Every suite has a private roof deck and fireplace. Ceiling heights are also very high n up to 16 feet. Condominium fees are low for all suites (approximately $350) and include water, parking, building insurance and common elements (heat, hydro and air-conditioning are extra). 41 Shanly Street is an interesting condominium alternative and typically sells very well.
Just 6 lofts are housed in this interesting converted warehouse. Developed by Hans Monvik in 1986, most of the original building was lost in a fire thus the building is largely new. All the lofts have outdoor spaces (patios or roof decks / terraces), however only 4 units have parking spaces. Ceilings vary from 9 to 12 feet in height. The units range from a 900 sq. ft. one-bedroom to 1650 sq. ft. two-bedroom. Fireplaces and open concept living is the marquee of 115 Manning Avenue. Due to its back alley location and small size, most people are not aware of 115 Manning Avenue. Located, literally, a couple of blocks from Queen Street West and Bathurst Street, the location is terrific. Condo fees are very reasonable and do not include utilities. Prices start at $250 per sq. ft.

It is hard to imagine a location better for lofts than being just a few steps from the ultra hip & trendy College / Clinton intersection in Little Italy. Just 13 units are housed in this mews style development. Essentially, the building consists of two- and three-storey townhouse lofts with ceilings that typically range from 9-1/2 feet to 11 feet in height. Most units have private outdoor space like patios or decks, and some offer vaulted double height ceilings. Formerly a warehouse, architects Jackson Goad managed to preserve some of the original industrial features like wood beams, exposed brick and authentic hardwood floors. Prices at the development start at $300 per sq. ft. and units range from 1300 暴 2400 sq. ft. Condo fees are reasonable and do not cover utilities.
Name: 289 Sumach
Address: 289 Sumach St., Toronto

289 Sumach Street is located just north of Gerrard Street East and west of Parliament, in the south part of Cabbagetown. Ten suites are housed in this former Ontario Medical College for Women. Completed in 1984, most of the original 1890 facade has been maintained. Ceilings are very high (up to 15 feet). Layouts range from single-storey to multi-storey lofts and sizes range from an 800 sq. ft. one-bedroom to 2000 sq. ft. for multi-bedroom suites. Prices start at $240,000 and rise to the $600,000 range. Maintenance fees are low—typically $200 per month with air-conditioning, heat and hydro billed as an extra. There is no concierge. Many units have private terrace/decks and some have skylights, exposed wood ceilings, beams and brick.

Name: Candy Factory
Address: 993 Queen St. W., Toronto

Developed and finished by the Metro Ontario Group in 1999/2000, The Candy Factory is perhaps Toronto's most notorious condominium development. This building is graced with spectacular natural loft qualities and classic industrial architecture. The Candy Factory is a massive century old warehouse encompassing an entire city block at Queen Street West and Shaw Street, that was once the Ceda Candy Co. factory. 121 large lofts are housed over six stories, ranging from 800 sq. ft. to almost 4000 sq. ft. Typically, ceiling heights are a lofty 12 feet high. Most penthouses feature 2 levels and large terraces off the second level. Other features of The Candy Factory include real hardwood strip flooring, some exposed brick, mezzanine bedrooms, exposed fir columns and beams, exposed wood ceilings, floating spiral ductwork and granite counters just to name but a few. Many suites feature gas fireplaces and kitchens. Prices range from $270,000 to $1,200,000 ($270 Ñ $325 per sq. ft.).

Name: Carpet Factory
Address: 77 Mowat Ave., Toronto

Film and video companies, post-production firms, marketing and communication agencies, software developers, architects, boutique law firms are the core of a highly creative community at the southeast quadrant of King and Dufferin Streets, an area affectionately known as Liberty Village. At the centre of this community is the Toronto Carpet Factory, a 310,000 sq. ft. complex of eight buildings, on a four acre, one city block site, housing over 150 businesses. A centre of creativity, a full city block in size, it was originally built as a carpet manufacturing facility between 1899 and the 1920s. An historically listed, turn-of-the-century office complex featuring several buildings clustered around internal courtyards and laneways. They feature high ceilings, exposed brick and beams with large, operable and secure windows, and economical internet connectivity. Companies in the Carpet Factory maintain that the nature and quality of the office accommodation has enhanced their ability to recruit and retain employees.

www.torontocarpetfactory.com/
The buildings that occupy the corner of King and Church Streets in Toronto’s Flatiron District are believed to be the oldest remaining structures in the city. Built in 1841 by William Thomas, these buildings survived the Great Fire of 1849 and witnessed the return of our soldiers from World War II. The mid- to late-19th century was the hey-day of King Street East as THE street of Toronto and these buildings shared in the glory. But the end was just around the corner as bigger and more lavish shopping emporiums were beginning to sprout further along King Street towards Yonge Street. In 1938, Oak Hall was demolished to make way for a parking lot and for the next 50 years 107, 109 and 111 King Street East became a series of second hand clothing outlets, warehouses and, finally, empty store fronts. In the early 1960s, over 200 buildings were demolished in the blocks surrounding Jarvis, King, and Yonge and Front Streets. Either by divine intervention or momentary sanity by the City Council, this little corner was saved.

Completed in 1995 by the prolific loft developer Bob Mitchell, with partners, Claremont Hall is located west of Bathurst, just north of Queen Street West. Only 13 units exist in this former church hall. All suites face south and have some form of outdoor patio or deck. Ceiling heights range from 8 to 14 feet and all units have fireplaces. Parking is located underground with each unit having access to one space. Typical of Mitchell developments, the heating system is forced-air gas and central air-conditioning was optional. Units range from 600 to 1200 sq. ft. and prices start at $225,000 and rise to $370,000. There is one condominium fee for all units and the fees are very low (utilities are extra).

Hepbourne Hall is located just west of Dovercourt and just south of Bloor Street West. It was converted from a church manse by Bob Mitchell in 1992. Only 20 units are housed in this Gothic structure. Suites range from a 550 sq. ft. studio to a 2200+ sq. ft., multi-level, multi-bedroom loft. Prices range from $300 per sq. ft. to well over $325 per sq. ft. for the more interesting units. Parking is underground and many suites have open decks or patios. Ceiling heights are typically 12 feet and hardwood floors are a common feature. Maintenance fees are low (typically well below $200 per month); however, as with most small loft properties, facilities and concierge do not exist.
Name: Imperial Lofts  
Address: 80/90 Sherbourne St., Toronto

Imperial Lofts is the reincarnation of the Imperial Optical Warehouse and Offices, located on the northwest corner of Sherbourne Street and Adelaide Street East. Developed by Plaza Corporation and Gottdenker & Associates in 1997, the building consists of a 6-storey authentic loft building and a 3-storey art deco building. Sixty suites are housed in the complex. The 6-storey mill-style structure features exposed wood beams and brick walls as well as 10 1/2 foot ceilings. The 3-storey building features 10 foot ceilings, concrete ceilings and columns. Parking is available for residents of the building. Views of the city and surrounding area are actually quite good. Suite sizes vary from 780 sq. ft. to 1300 sq. ft., and pricing ranges from $280 - $300 per sq. ft. (prices are higher in the mill-style building). Condominium fees are very low (hydro extra). There is no concierge and few facilities.

Name: Kensington Lofts  
Address: 160 Baldwin St., Toronto

Developed by Context Developments at what was formerly The Provincial Institute of Trades and then George Brown College, Kensington Lofts sits in the middle of the Kensington Market. Completed in late 1999, this project consists of 3 different buildings on two on Nassau Street, and one on Baldwin Street. Ceiling heights range from 10 feet to an astounding 20 feet. 145 lofts are housed in this complex, many with large balconies or terraces. Suites start at 600 sq. ft. and get as large as 2000 sq. ft. Prices typically start in the $300 per sq. ft. range. Interior finishes include cork, bamboo or hardwood floors, kitchens are large and open, and many units have mezzanines. Facilities include a party meeting room. Condo fees are a reasonable $0.25 per sq. ft. plus hydro.

Name: Leadlay Building  
Address: 87 Front St. E, Toronto

The building is known as the The Edward Leadley Company Building, which was constructed by Mr. Leadley in 1848 as a hide and wool warehouse. Mr. Leadley subsequently altered the building in 1871 with the addition of a Second Empire slate-finished roof with dormer windows and a four-storey warehouse at the rear. The property underwent an extensive renovation process in the early 1970s, and again in the 1980s. In 1998, Tippin Corporation completed a restoration of the building’s exterior, which restored the building’s many historic architectural features. The interior units have retained much of their original character, while successfully incorporating modern amenities and services. One hundred and thirty four years since its original construction, 87 Front St. E. remains a notable landmark address in the St. Lawrence Market neighbourhood. Under the attentive management of Tippin Corporation, this property will soon enter its third century with renewed splendour and beauty.
**Name:** Liberty Lofts  
**Address:** 383 Adelaide St. E., Toronto

Liberty Lofts is situated just east of Sherbourne on Adelaide Street East. It is truly a rare occurrence to find such a handsome warehouse so close to the financial core. In a former life, the building was a Gillette Razor factory before it fell into vacant disrepair in the 1990’s. Core Architects did a magnificent job on this 46 unit real loft conversion. It is actually two warehouses in one, a turn of the century brick post and beam structure and a 1920's fluted concrete column structure. The architect preserved the interior courtyard by adding a skylit atrium. The elevator rises through the atrium with a window looking into the spectacular open space. 36 one-bedroom and 10 two-bedroom two level penthouses (with decks) are housed in Liberty Lofts. Only penthouses have parking (interior spaces at grade). Ceiling heights are a lofty 11-13 feet. Sizes range from 585 sq. ft. up to 1360 sq. ft. Prices range from $180,000 up to $400,000.

**Name:** Market Block Building  
**Address:** 65 Front St. E., Toronto

This historical building forms an integral part of the group of 19th Century buildings along the south side of Front St. E. The Market Block Building was built in 1872 for warehousing purposes and is listed on the City of Toronto’s Inventory of Heritage Properties. The building was extensively renovated in 1999 by Tippin Corporation. The building has retained its original character, while successfully incorporating modern amenities and services. Located in Canada’s financial centre within the historic St. Lawrence Market neighborhood in downtown Toronto, 65 Front Street East is home to professional firms seeking convenient, affordable, and fashionable commercial workspace. The Market Block Building offers the combination of an interesting history, architectural charm, natural environment, and modern commercial amenities sought by today’s urban professional. www.tippin.net

**Name:** Noble Court  
**Address:** 24 Noble St., Toronto

Located just off Queen Street West, in Parkdale (at Brock Street), 24 Noble Street houses lofts from 460 sq.ft. to 1200 sq.ft. Prices generally run at $260 per sq. ft. It is still possible to buy a loft at 24 Noble Street for under $130,000. Ceiling heights are a healthy 10-1/2 feet. Building features include; exposed brick, hardwood floors, massive timber columns and beams. Architecturally this building is superb, a real mill style loft. Renovated in 1989 as an office/industrial studio conversion by Greenwin Properties, it was rezoned in the mid-90is as live/work lofts. Maintenance fees are in the $0.30 per sq. ft. range plus utilities. The complex has limited first come first serve parking (20 spaces) and no facilities.
**Name:** One Columbus Avenue  
**Address:** One Columbus Ave., Toronto

Located off Sorauren Avenue, south of Dundas Street West in Parkdale, One Columbus Avenue was completed in 1996. Built by Jackson Goad Architects, the 5 story building is truly an authentic loft. Formerly the Rawlings Baseball Glove factory, its features include 10 foot ceilings, exposed brick, wood beams and columns. Just 10 lofts are housed in the building, ranging in size from 1300 sq. ft. to over 2000 sq. ft. Many lofts have private elevator access to their units. Due to the small building size, there are no facilities. Prices run from $250 per sq. ft. and condo fees are very low (hydro extra).

---

**Name:** Richmond Mews  
**Address:** 287 Richmond St. E., Toronto

Developed in 1997 by Alan Gordon, this loft conversion houses just 15 suites in a 5 storey warehouse located just east of Sherbourne Street on Richmond Street East (formerly an Instrument Factory). Ground floor units feature walkouts to private west patios, and penthouses feature large west roof terraces. As the original structure was an industrial warehouse ceiling heights are a soaring 11 feet. All suites feature hardwood floors in living, dining/kitchen areas. Windows are large multipaned panels of glass that allow for bright spaces. Units vary from an 800 sq. ft. single level one-bedroom to 1300 sq. ft. two-storey two bedroom. Prices start at $260 per sq. ft. Condo fees are less than $200 per month (utilities extra) and parking is located outdoors.

---

**Name:** Soho  
**Address:** 188 Eglinton Ave. E., Toronto

Located on the Yonge and Eglinton strip, The Soho is very popular, selling at prices in the $300 per sq. ft. It is one of the only loft alternatives in the area. Completed in 1998 by developer Bruce Greenberg, it was once a 1950s style office building with high ceilings. As a modern loft conversion, it works very well. Large, multi-paned windows, hardwood or concrete floors, 11 foot ceilings and excellent interior design features make The Soho an excellent loft alternative. Suites range from a 600 sq. ft. one-bedroom to 1100 sq. ft. two bedroom. Just 60 suites are housed in the building. Parking is available for lease below the building, facilities include a party room and a fitness room. Condo fees are a reasonable $0.25 per sq. ft. (utilities extra).
Name: Studio One  
Address: 121 Prescott Ave., Toronto

This 27-unit authentic loft building was developed in 1996 by Ontonio Gottdenker. Located very close to St. Clair Street West and Dufferin Street, suites range from 500 to 1000 sq. ft. They start at $120,000.00 and run to $235,000.00. Ceilings are a 11 feet high, and all exterior walls have lovely original exposed brick. Other loft features include exposed wood columns and beams, hardwood floors and very open concept studio layouts. Maintenance fees are currently less than $0.20 per sq. ft., utilities included. Central air conditioning was not provided, but all units do have one exterior parking spot. Some select suites have balconies.

Name: The Brewery  
Address: 90 Sumach St., Toronto

The Brewery is a massive six story former CBC prop warehouse located a few steps north of Queen Street East. Just over 100 lofts are housed in this fantastic development. Completed in 1998 by the Sorbara Group, The Brewery is one of the cities best conversions. Ceiling heights are 14 feet high. New windows were cut into the original façade offering huge panes of glass. Most penthouses have roof terraces and many other suites opted for optional balconies. As the building is so large, the units are necessarily deep, generally offering a window only at one end. Most suites feature concrete floors and ceilings with huge concrete mushroom columns. As an assortment of upgrading was available, many original purchasers have literally painted their own canvas to create magnificent authentic lofts. Suites range from 750 sq. ft. to over 3000 sq. ft. Prices start at $220,000 and can rise to more than $1,000,000.

Name: The Creed Building  
Address: 295 Davenport Rd., Toronto

The Creed Building houses 19 loft-style units and sits at the intersection of Bedford Road and Davenport Road, literally straddling the Bloor Annex and Yorkville. Developed in 1998 by Brian Timmons, Michael Hatch and Nari Thadani, the building was formerly the Creedis fur storage facility. Lofts range in size from 800 sq. ft. to 2100 sq. ft. Typically multi-storey, ceiling heights run from 8 feet to 13 feet Some of the features of this 3-storey Art Deco loft building are; terraces, patios, skylights, atrium, hardwood floors, gas fireplaces and open concept kitchens. Prices start at $300 per sq. ft., condo fees are reasonable (utilities extra) and once again due to its small size there are no facilities. If you're looking for a loft in Yorkville, this is currently the only show in town.
The Gooderham Flatiron Building is a Toronto landmark. It is one of the most famous and photographed buildings in Canada and is widely recognized as a symbol of Toronto’s prosperity. Designed by architect David Roberts for the Gooderham family’s head office in 1892, The Flatiron building is named for its unique shape. The Gothic-Romanesque structure was designated as a historical landmark in 1975 and has retained much of its original character and craftsmanship. The sandstone façade and green copper roof flashings remain intact, while the interior spaces feature pine and oak finishes with lofty 12 foot ceilings. The lobby’s brass fittings and chandelier, pine baseboards, and wainscoting have been restored to their original lustre. Toronto’s first manual electric elevator, with oak paneling, mirrored ceilings, stained glass and decorative iron grill, is still in full operation. The Flatiron Building demonstrates quite profoundly that the old and the new can coexist peacefully and beautifully.

Affordable, artful accommodations, hotel rooms and suites, short-term studio spaces, exhibition space, and event venues in a landmark hotel. The Gladstone Hotel is the oldest continuously operating hotel in Toronto. Susanna Robinson commissioned architect George Miller, who also designed Massey Hall, to build the Gladstone in 1889. The hotel is gradually being restored to reflect the building’s architectural history and looks forward to opening its newly renovated rooms to guests in May/June 2005. The Gladstone has three bars: The Melody bar (voted iBest Karaoke Bar four years running by Now magazine readers), the Art Bar, and the Gladstone Ballroom. The Gladstone hosts events for a vast range of artists and community groups. www.gladstonehotel.com/

Located on a quiet residential section of Richmond Street West, 676 Richmond Street West is probably the best located loft complex in Toronto. Originally a knitting mill, the building was converted to house 20 condominiums in 1997 by Mitchell and Associates. Suites range from a 750 sq. ft. one bedroom to 2000+ sq. ft. multi-level suites. Virtually every unit has a patio or a terrace. Prices start at $240,000 and rise to $700,000. All units come with an underground parking space, fireplace, high ceilings (10-16 feet) and hardwood floors. Separations between suites consist of concrete blocks, insulation and drywall (uncommonly good for a conversion). All suites are air-conditioned and most have huge windows. Many units have two storeys. Condominium fees are typically in the low $100s per month (hydro, heat, water and air-conditioning are extra). Due to the small size of the building, there is no concierge. Lofts sell very fast at 676 Richmond Street West.
The second phase of Bob Mitchell's successful 676 Richmond Street West, this 12-unit loft building was completed in 1997, literally carved from the former Decca Records warehouse. All of the lofts are multi-storey units. Lower lofts have a small section below grade and a large section above (south units feature patios at grade), upper loft units feature 3 levels and a terrace. The lofts range in size from 700 sq. ft. to approx 2000 sq. ft. Ceiling heights range from 12 feet to over 20 feet high. Most lofts feature hardwood floors, huge warehouse windows, skylights, multi level atriums, exposed steel joints and real fireplaces. Typical of Mitchell Developments, there is one low condo fee for all the units (utilities are extra) and no common facilities. All suites have one underground parking space. Prices start at $300 per sq. ft.

Located at the corner of King Street East and Frederick Street (east of Jarvis), literally steps to the St. Lawrence Market, is 180 Frederick Street. Housed in a former four story commercial building, just 12 suites are located on the top 2 floors (3rd and 4th) of the building. Completed in 1998, 180 Frederick has seen virtually nothing resold, however the suites should resell in the $300 per sq. ft. area. Lofts range from 760 sq. ft. to 1050 sq. ft. and all are one-bedroom units. Ceiling heights are a lofty 11 feet high. Other features include hardwood floors, open concept maple kitchens and large windows. Condo fees are very reasonable. Parking is available in the building on a monthly rental basis. Due to the small number of units in the building there is no concierge. 180 Frederick is currently the only loft complex in the St. Lawrence Market area.

Located in North Parkdale in a pleasant residential neighborhood, 347 Sorauren was initially a ball bearing factory. It is actually a composite of the initial mill style warehouse with two new additions. The first level generally features 15 foot ceilings, massive timber columns and beams. Some of the first floor lofts actually have private patios fronting on to a new park. The second level is a steel framed structure offering exposed steel joists and steep pan ceilings soaring to 12 feet. The building houses 48 lofts, and 70% of the floor area is on the first floor. Fabulous gothic features were enhanced by architect Jeff Kendall and developer Mel Brown. Prices range from $150,000 - $450,000 ($180 per sq. ft.). Condo fees are very low (utilities extra). Completed in 2000, Sorauren is part of an amazing residential transformation to this former industrial area.
**Name:** The Loretto  
**Address:** 387 Brunswick Ave., Toronto

Loretto Abbey, designed by architect Neil G. Beggs, was completed in 1914. The structure incorporates numerous Beaux-Arts Design principals popular at the time. The building is listed on the City of Toronto Inventory of Heritage Properties. It is a landmark in the popular Annex neighbourhood of Toronto. Loretto Abbey is being renovated to house a heritage collection of condominium residences and exclusive town homes. Restoration of this heritage building will be one of the most significant design and construction undertakings in the city. The existing building will be maintained and restored in keeping with its historic relevance and beauty. The Loretto will be comprised of a one-of-a-kind collection of elegant condominium residences that reflect the historic charm and high ceilings of the heritage building. The overall complex will be centred on an interior landscaped courtyard and amenities pavilion with most condominium residences and town homes including private terraces and balconies.  

[www.context.ca](http://www.context.ca)

**Name:** The Merchandise Building  
**Address:** 155 Dalhousie St., Toronto

Formerly the Sears warehouse, the Merchandise building is Toronto's largest loft development. A total of 4 phases and over 450 suites exist in this huge development. Literally encompassing an entire city block, this loft complex features 12 foot ceilings, exposed concrete ceilings, polished concrete or hardwood floors, and massive mushroom columns so reminiscent of the era when this wonderful building was erected (1930is). Designers Norma King, Cicconi Simone, and Brian Goldstein, have literally become city celebrities due to their ground breaking loft designs. Hats off to developer Cresford and architect Paul Northgrave for their great work in this oh so important development. Due to the depth of the original building; many of the lofts have a bowling alley look on paper; however great design has virtually eliminated this problem as the lofts are nothing short of spectacular. Sexy glass partitioned bathrooms, elevated bedrooms, granite open concept kitchens and huge solid maple sliding doors are some of the key features. Lofts range from 450 sq. ft. to 2500 + sq. ft. Two-storey penthouses feature huge terraces, and some atrium style lofts have balconies. Prices start at $280 per sq. ft. This complex is huge and literally crammed with facilities; 24 hour concierge, outdoor pool, party room, basketball court, fitness facilities, guest suites, common terraces but to name a few. Condo fees are a reasonable $0.30 per sq. ft. (hydro extra). The Merchandise Building is located at Dundas St. E and Church St., just steps to the Eaton Centre and Ryerson University. This awesome development literally changed the development industry in Toronto by showcasing the insatiable demand for lofts.
Name: The Monarch Building  
Address: 436 Wellington St. W., Toronto

The Worx was completed in 1998 by Waterloo Capital, John Berman and Matthew Rosenblatt. The building contains 34 suites and is located just west of Spadina Avenue on Wellington Street West. This is an authentic loft-style complex with 10-1/2 to 11 foot ceilings, exposed wood columns and ceilings, exposed brick and large windows. The building features one- and two-storey lofts ranging from 980 sq. ft. to 1800 sq. ft., selling at $300 per sq. ft. The top two levels (fifth and sixth floors) are two-storey penthouse units with terraces that would sell in the $350 per sq. ft. range. Condominium fees are a reasonably low $0.20 per sq. ft. (hydro extra).

Name: The Movie House  
Address: 394 Euclid Ave., Toronto

The Movie House is so named because it was at one time a Movie House. Developed in 1998, it is located on the north-east corner of College Street and Euclid Avenue. Just 18 units exist in the building and there are no parking facilities. The suites are of a multi-storey townhouse style, with the top level units having roof terraces. The living room/dining areas usually have 16 foot ceilings with a mezzanine overlooking the area below. Unit sizes range from a 730 sq. ft. one bedroom on one level, to a 1300 sq. ft. two bedroom on three levels. Pricing will typically be in the $300 per sq. ft. range. Maintenance fees are approximately $0.30 per sq. ft. (excluding heat, air-conditioning and hydro). The original facade of this complex was saved in the renovation and it is quite lovely.

Name: The Oxford on Markham  
Address: 75 Markham St., Toronto

Another Bob Mitchell development, 75 Markham Street was completed in 1986 and sits just northwest of Queen Street West and Bathurst Street. Just 16 suites are housed in this former picture frame factory. Most suites are multi-level and some have as many as four levels. Condominium fees are all typically less than $200 per month, plus utilities. All units have a fireplace and many have exposed brick and hardwood floors. Ceiling heights run between 10 to 12 feet. Other loft features include timber columns and steel joists. Many units have creative spaces and private roof decks or patios, as well as skylights. All units have underground parking spaces. Prices start at $300 per sq. ft.
The Peanut Factory is so named because it was at one time a peanut warehouse and processing plant located in the heart of Cabbagetown. It was re-developed in 1988 by Trivest. It is now 9 loft-style condominium townhomes. Most suites have two bedrooms, although one is a one-bedroom with den. The main level is a storage/utility area and a two-piece washroom. The second floor has 8 foot ceilings, two bedrooms, two washrooms and the laundry room. The third floor has 12 foot ceilings and a gigantic warehouse window at one end. The fourth level is the private roof deck, accessed by a beautiful floating steel staircase. Suites range from 1400-2000 sq. ft and sell for approximately $250 per sq. ft. All suites have real fireplaces and typically feel light and bright. Maintenance fees are a reasonable $200 to $250 per month (plus air-conditioning, heat and hydro).

The Wrigley Building, a 6-storey building, dates back to 1916. Freight elevators complement the industrial motif, and if you're lucky, a few units have a freight elevator that enters right into the loft! Naturally, the ceilings are superbly high, and property taxes and maintenance fees are incredibly low. Units have increased in value, as many have been upgraded and restored beyond what they were originally sold as. The Wrigley Building is located in the burgeoning area of Leslieville, a part of the city you'll see develop more and more as it attracts a greater number of loft-owners, who typically keep pulse with contemporary style.

Brad J. Lamb Condominiums
Loft Magazine
http://www.torontocondos.com
Retrieved: March 3, 2005

The Tip Top Tailor Building has been a distinctive art deco landmark on Toronto's waterfront for over seven decades. Completed in 1929, it housed the manufacturing, warehousing, retail and office operations of Tip Top Tailors Ltd., a menswear firm founded in 1910. The five-storey U-shaped structure designed by Roy Bishop featured expansive windows to bring natural light into the working areas of the factory. The stretch of blank façade above the fifth storey, initially built to support the rooftop sign, was completely enclosed as a sixth story in 1951. The Tip Top Tailors Building was listed on the City of Toronto Inventory of Heritage Properties in 1973. It was the most elegant industrial structure built in Toronto in the 1920s. It incorporates all the key elements of the Art Deco genre, including a symmetrical façade, strong vertical lines, multiple wall planes at the corners, an elegant two-storey front entrance with articulated brass doors, and numerous examples of geometric and figurative decoration.

www.context.ca
**Name:** West 833  
**Address:** 833 King St. W., Toronto

West 833 is located west of Bathurst Street, just east of Stanley Park. It was built by Triloft in 1998. It is comprised of an original art deco building (a 3-level former 1930s perfumery), along with a new seven storey loft-style concrete and brick structure. Suites range from 645 sq. ft. to 1614 sq. ft, ceiling heights run from 10 feet in the original building to 18 feet in the new structure. (Two-storey penthouses have 18 foot ceilings in the living/dining areas and 9 feet in other areas.) Prices start at $225,000 for a 1 Bedroom suite and run to the mid-$400,000 area for a large penthouse. Fifty-two suites are housed in this beige brick complex, along with fifty-two indoor parking stalls and three visitor parking spaces. Condominium fees are reasonable and include all utilities. Facilities include a conference room and a common roof park/terrace. There is no concierge. West 833 is a good example of the inventive new loft inspired housing recently completed in Toronto.

**Name:** Alexander School  
**Address:** Alexandra St., Waterloo

This former school has 30-inch exterior walls, 24-inch concrete floors, and interior walls thick enough to allow for built-in customized woodwork and optimal soundproofing. Eleven foot ceilings, 8 foot high windows, original birdseye maple hardwood floors and large, solid oak doors and banisters have been restored throughout, as have the original terrazzo floors in the 12-foot-wide corridors that still retain the school drinking fountains. The suites, which are all different, range in price from $169,000 to $219,000 and in size from 950 sq. ft. to 1402 sq. ft. The units feature maple cherrywood cabinets, maple framed silk window treatments, glass-block interior walls, extensive architectural millwork, granite counters and accents, gas fireplaces, six-foot whirlpool tubs and stainless steel sinks.  
www.jggroup.on.ca/alex/

**Name:** Bridgeport Lofts  
**Address:** 12 Bridgeport Rd. E., Waterloo

The iBoot and Shoe Factory had remained empty and derelict for 10 years when a Toronto development company purchased it for conversion to rental housing for students. Built around a central courtyard, this turn of the century building boasts 24 innovative loft units possessing modern design features. Six of the units are on one floor while the other eighteen occupy two floors of living space. Each unit is equipped with a modern kitchen and appliances, matching kitchen table and chairs, a desk in every bedroom, separate internet, phone and cable access in every bedroom if desired. Building amenities include central courtyard, laundry facilities, billiard room, bicycle room, security cameras and a full-time live in superintendent. Due to the demand for student rental accommodation, the 24 units are designed with a total of 105 bedrooms.  
www.pdhco.ca/
**Name:** Button Factory  
**Address:** 25 Regina St. S., Waterloo

The Button Factory was erected in 1886 to house the business founded by Richard Roschman in 1878. The building, a fine example of typical late 19th century industrial architecture, retains many of its original features. Its utilitarian design is softened by a gable roof with corbelled bricks under the eaves and segmentally arched windows. The windows themselves are purposely large, providing as much natural light as possible to the interior. In 1982, the building was designated by the City of Waterloo LACAC as a significant historical and architectural landmark. In 1993, the Waterloo Community Arts Centre made the Button Factory its home.

[www.city.waterloo.on.ca](http://www.city.waterloo.on.ca)

---

**Name:** Seagram Lofts  
**Address:** Father David Bauer Dr., Waterloo

Seagram Lofts is an adaptive reuse of a brownfield site, which created residential property in the heart of Waterloo's downtown core from two heritage whisky-barrel warehouses. As part of downtown Waterloo’s revitalization, the project was the subject of much public interest. The project created 103 loft-style condominium units with high ceilings and large windows. Complementing these features are original brick walls and barrel-wood, evoking the old warehouse feel. Seagram Lofts suites range in size from 935 sq. ft. to penthouses as large as 2500 sq. ft. Residents say that the costs were not high, considering the prime downtown location, accessibility to almost every need, aesthetic appeal and general convenience. The units initially started at $150,000 and averaged $216,777, although resident-approved upgrades and design features were incorporated at additional cost.

CMHC Report

---

**Name:** Snyder-Seagram House  
**Address:** 50 Albert St., Waterloo

The Snyder-Seagram House was designed by an American architect for Herbert Snyder, the owner of Snyder Bros. Furniture. It was built in 1903 by Charles Moogk, the Engineer for the Town of Waterloo. The impressive Edwardian house is interesting primarily because of its poured concrete construction. Other characteristics include the Palladian window located in a large dormer in the façade, a collection of bay windows and the curved verandah. The Snyder-Seagram house is designated a Heritage Landmark because of its historical and architectural significance. It is currently the office of Dr. Peter Wyshynski, a renowned cosmetic surgeon.

[www.city.waterloo.on.ca](http://www.city.waterloo.on.ca)
**Name:** Waterloo Hotel  
**Address:** 2 King St. N., Waterloo

Enjoy elegant accommodation in an 1890 historically-designated hotel. The Waterloo Hotel offers 14 deluxe rooms with fireplaces and fine antique furnishings. Each room is different with its own theme.

www.countryinns.org

---

**Name:** The Railway Station  
**Address:** 20 Regina St. S., Waterloo

The railway station is defined as a second class station in a style typical of Grand Trunk Railway stations. This Romanesque building has some significant characteristics, such as the sweeping hipped roof with flared eaves, the ticket office window that extends up and above the roof line, and a buff brick exterior with cut stone trim around the windows, doors and at the corners of the building. The building’s architectural drawings are quite well documented in the archives in Ottawa and were useful in restoring the exterior of the building, which the City undertook with the aid of an infrastructure grant in 1994. Today, the railway station is home to Paul Punchers, a men’s formal clothing retailer.

www.city.waterloo.on.ca