



RANDY QUAN/TORONTO STAR

SPACE AND AIR: Craig McGauley and his wife Cheryl Gushne relax in their Candy Factory penthouse loft on Queen St. W. The building, with its huge windows, wooden beams and floors and historic appeal, typifies what city dwellers are looking for in loft conversion projects.

Search for true loft

Chic condos in former warehouses are in high demand, but how long will the supply last?

BY LINDA BARNARD
SPECIAL TO THE STAR

Call it living the urban Toronto dream.

Owning a real loft — a warehouse or factory converted into residential units with soaring 12-foot ceilings, exposed brick and concrete columns or wooden beams — is more desirable than ever for those pursuing a city chic lifestyle.

Take the Candy Factory, on Queen St. W., for example. One of Toronto's pioneering conversions launched almost seven years ago in what was a scruffy part of the west end, the condominium now has cachet — and prices to go with it.

Craig McGauley and his wife, Cheryl, paid "under \$700,000" for their 2,300-square-foot penthouse, which they bought about a year ago. As original purchasers in the project more than four years ago, they'd had another unit in the building, which they sold when the penthouse became available.

It's a two-level, two-bedroom-plus-den suite, which also has a 700-square-foot terrace that faces south. The couple is so fond of their home, with its open design, exposed brick, wood beams and built-in original character, they can't see themselves ever going back to a conventional-type of living situation.

The building is "truly exceptional" says Craig McGauley, with an eclectic mix of neighbours with whom they've developed a



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LUXURY FINISHES: McGauley and Gushne sit at the island in their elegant kitchen, featuring granite countertops, stainless steel appliances, wood floors and extra-high cabinets.

real rapport — to the point where they've gone on a couple of "loft crawls," where owners make the rounds of a number of suites in an evening.

The surrounding neighbourhood is also changing rapidly. Just to the east, another conversion is underway (Queen West Vintage Lofts) and other townhouse and condominium projects are under construction.

"What people are looking for is designer housing, and loft conversions are at the front and centre of cool housing," explains

Brad Lamb of Brad J. Lamb Realty, a specialist in the downtown condo market.

Demand is high. Bidding wars on resale lofts are not uncommon, and there are only so many vintage warehouses in downtown Toronto available to be transformed into housing.

The result: prices are getting, well, lofty. Eve Lewis of MarketVision Real Estate says in the past three years, condo prices rose an



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MICHAEL STUPARYK FILE PHOTO/TORONTO STAR

TO BE TRANSFORMED: Loft projects soon to come on the market include Tip Top Tailors building, top, the Massey-Harris building, middle, and the Malthouse.

On the road to conversion

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average of 9.5 per cent a year; lofts, 17 per cent.

Lamb predicts his latest listing, Brock Lofts, a Parkdale conversion on Brock St. near Queen St. W. that opened last weekend, will all but market itself.

"We'll sell out in a month," Lamb says of the 23 lofts, which range in size from 500 to 1,600 square feet and start at \$129,900. "It's not the most beautiful warehouse in town (from the outside) but the inside is really a magic place."

So, what will happen when one of the most beautiful warehouses in town goes on the market as a condo conversion?

We'll find out in April when two landmarks are expected to go loft: the Tip Top Tailors building at 637 Lake Shore Blvd. W. and the former Massey-Harris executive offices at 915 King St. W.

Tip Top will be a large project — about 600 units, while the Massey-Harris lofts will be a boutique development with 46 lofts.

Context Development Inc. is the builder behind the Tip Top Tailors' conversion, a 1929 Art Deco masterpiece on Toronto's waterfront. Originally sold two years ago for commercial uses by now-bankrupt clothing retailer Dylex Ltd., it's now going loft.

"This is a real Toronto attraction. Everybody knows this building. It's a landmark," says Context president Howard Cohen.

Inside and out, it's impressive. The distinctive art deco façade, stunning lobby and spacious interior will combine to make this a prestige address, says Cohen. Mushroom columns, 13½-foot ceilings and huge windows will also add plenty of appeal.

The conversion will guarantee the building's survival. The exterior will be restored and a sixth-floor addition from the 1950s will come out, Cohen says. A new building, containing "soft" or replica lofts, will be added in the back, using plenty of glass and steel for an airy look.

Cohen, who has already built a number of popular projects, including Kensington Market Lofts and District Lofts, says this conversion won't be cheap and buyers should expect to pay at least \$300 a square foot — fast becoming the going rate for a true loft.

And according to the buzz among loft experts, the price will be well worth it for fans of these unique living spaces and Tip Top will sell quickly, if not for its cachet, then for the fact it's probably one of the last big conversions in the city.

John Maguire, a loft sales expert with Royal LePage Real Estate Services Ltd., says with a shrinking market, a gem like Tip Top will be a loft-buyer's dream. "That's going to be prime," he says, "the best in town."

But this project may signal the end of the large-scale Toronto loft conversions, says Lewis.

"I don't think there'll ever be another Merchan-

dise Building or Tip Top Tailors," she says, adding there will always be some potential for real lofts in smaller warehouses or factories, depending on how strong the commercial real estate market is.

Lamb agrees. Now that the commercial market has gone in the dumpster, he says "condo development is ... in vogue." Many of the dot-com crowd who wanted post-and-beam offices and loft-like spaces have moved on, freeing up former workspaces to be sold for residential conversion if the price is right. Lamb estimates developers have to pay no more than \$50 per square foot for industrial space because a loft conversion can cost more than putting up a new building.

Still, he figures five to 10 more true loft buildings will be announced this year, along with a crop of "soft lofts" — new buildings constructed with the kind of open rooms and higher ceilings lofters crave. That's not a huge supply for a growing city — especially a city where more and more people want a loft. Lamb estimates there are about 1,200 real lofts in the city now, with the potential for another 900 or so to sell in the next 18 months.

Among them are the red brick Massey-Harris Lofts. Developer Canderel-Stoneridge has taken over the project from the Landmark Building Group and will turn the 120-year-old former head office into 46 lofts. Sales start in April.

Insiders say because of the building's heritage and unique décor, it will also do well among loft lovers. With the small number of units, each with different interior designs, it's ideal for people who don't want to live in a large building.

Gary Berman, development officer for Canderel-Stoneridge, says the 31,000-square-foot building is perfect for conversion. Unlike the large Candy Factory or Merchandise Building loft conversions, Massey-Harris lofts will be in a smaller building, yet one that still has exposed brick, post and beam, huge windows and 12- to 13-foot ceilings. A pair of vaults on each floor will be transformed into bathrooms in two of the lofts.

Prices will also be about \$300 per square foot for units ranging from 400 to 1,000 square feet.

Design team Cecconi Simone Inc. is doing the interiors, and the exteriors are being restored to their original state, says Berman, adding, "the design is really first-class."

A mid-size project also due to come on the market this spring is a loft conversion at 68 Broadview Ave. by the Sorbara Group, the same developers who did the popular Brewery Lofts on Sumach St. near Queen. The warehouse, with the distinctive water tower on its roof, will be converted into 150 to 160 units ranging in size from 1,200 to 1,400 square feet that will sell for \$220-\$240 per square foot. It has the huge windows, exposed brick and post and beam

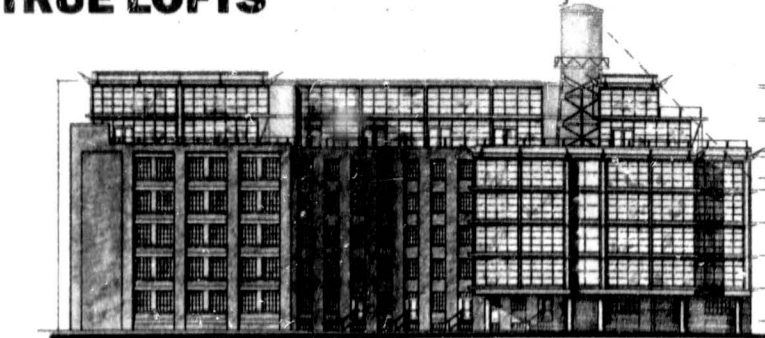
supports.

Also slated to come on the market this spring is the Malthouse, near River St. and Queen. Built in 1867 as a brewery, the four-storey historic landmark will have 26 lofts. The developer is Inaugural Source, which has already built townhouses on the site.

Leith Moore, vice-president of development for Sorbara, agrees there are not going to be many more opportunities for conversions in the city.

"There is very little left that is in a true loft building," he says.

Lamb is even more emphatic about the limited supply of city lofts. "If you want to buy (a real loft conversion) you've got a year and a half, and then



COMING SOON: Rendering shows plans for The Sorbara Group's conversion of 68 Broadview Ave.

it's over," he says, adding, "It's really hard to impart that to people because of my position as a real estate broker."

But builder Bob Mitchell, who's credited with one of the first legal conversions of a factory to residential use in 1981, says there are still buildings around that are suitable for conversion.

"The nature of the building changes. People aren't just looking at factories, but at churches and schools," he says.

His company, Mitchell & Associates, has a number of projects underway, including one involving a

church.

As neighbourhoods change and new areas become hot, buildings previously overlooked also become attractive for their loft possibilities, Mitchell says.

One example is the conversion of a former yarn factory, at 1001 Roselawn Ave., north of Eglinton Ave. and west of Allen Rd.

The four-storey Art Deco building, with 12½- to 13½-foot ceilings and oversized windows, will accommodate 137 units ranging in size from 756 to 1,096 square feet and priced from \$208,990 to \$272,990.

What makes this conversion unusual is its uptown location. Called Forest Hill Lofts, it's being marketed to first-time buyers, says Amanda Kirkland, of P & B Marketing. Half the units have been sold, she said.

So what makes a great loft?

Lofters say it must have plenty of open space, no walls or rooms, lots of windows and exposed brick. Wooden, concrete or cast-iron beams, as well as sliding barn-type doors are also good. Bathrooms are generally high-end, with premium goodies and fancy décor.

Among the favourite conversions listed by our loft experts was the Candy Factory.

Other completed or near-completed projects earning high marks are the Merchandise Building near Church and Dundas Sts., Brewery Lofts, Gotham Lofts on King St. W. and Industrial Revolution on Richmond St. W., as well as the more industrial i-Zone Liveworklofts on Carlaw Ave.

While loft fans flock to the wide-open spaces, the downside of a loft is obvious: complete lack of privacy for those living inside. And, in some conversions, residents have to get used to hearing what their neighbours are up to.

But try telling that to the lofters of Toronto.

"It's the quality of the space," explains Royal LePage's Maguire. "It's a combination of high ceilings, windows, open concept. They feel like they're living somewhere cool and it's not the kind of place their parents would understand. They like that."