

Conversions are building on city's history



Linda
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If you think conversion is just a way of scoring a point in football, you're not watching the real estate market. In Toronto, as in other major cities in Canada and in the U.S., conversions are big scorers off the gridiron.

I'm talking conversion as in "adaptive re-use," as the experts call it, changing a building from its existing use into new housing.

What usually happens in a conversion is that an industrial-use building is cleaned out inside and new residential suites are created. They often have the funky exposed brick, huge windows and high ceilings that are the hallmarks of loft living, coupled with the amenities of a new home.

Sites such as The Merchandise Building in the old Sears warehouse and The Candy Factory come to mind as classic examples of this kind of new-home-from-old building.

The latest issue of the Clayton Housing Report profiles a couple of interesting conversions that go beyond warehouses.

School conversion

The @lex in Waterloo was built using the shell of the Queen Alexandra Public School. The building now has 22 units selling from \$89,900 to \$199,990.

In Edmonton, Manulife Financial converted the 21-storey Centennial office building into a retirement residence now called The Churchill. Although these are rental units, it shows how effectively underused commercial properties can be adapted.

With Toronto chief planner Paul Bedford's outline for a new city plan calling for a huge hike in downtown housing, conversions make sense.

Vacant, residential land is at a premium. Builders have to be creative if they want to be able to house even a portion of the one million more residents the Toronto At The Crossroads report says the city should work to attract within the next 30 years.

Conversions are one solution, although according to Brad Lamb, president of Brad J. Lamb Realty Inc., "the sun is setting on this stuff," as traditional warehouse space becomes too scarce and too expensive to purchase for conversion.

Lamb, long considered the king of conversion in Toronto, is finishing Queen West Village Lofts, Liberty Lofts at Adelaide and Sherbourne streets and

the St. Lawrence Lofts by the St. Lawrence Market.

"It's incredibly popular," says Lamb of the trend. "The problem is it's becoming very unaffordable."

New lofts "literally sell in days," says Lamb.

People who buy from plans can expect their home to increase in value by 25 to 30% by closing, he says.

It is a niche market, says Peter Norman of Clayton Research. Conversions don't show up in new housing starts numbers.

Some of the benefits of converting cited in the Clayton report include these:

- Large, non-traditional spaces allow for unique designs;
- Historic buildings offer one-of-a-kind details and architecture;
- Older buildings provide heights and densities that are often prohibited by current zoning if they tore the building down and started from scratch;
- New urban building breathes life into a city's core;
- Conversions let people live and work in the same area.

Norman says he thinks the conversion market will have to expand to other types of buildings beyond warehouses, pointing to the Waterloo and Edmonton examples as ways to creating new housing.

"The future will not necessarily be in sexy, old buildings, but there is a future in other types of buildings," says Norman.

Disappearing fast

Lamb agrees, although he warns even that stock is disappearing fast and becoming too expensive for developers to buy and re-build.

"There's probably going to be another five major loft conversions in the next year and a half," adds Lamb.

He predicts builders may have to be more creative in getting new homebuyers the urban warehouse lofts of their dreams. The solution is simple: "We can build a warehouse new," he says.

Everything old is indeed new again.

If you can afford the \$300 per sq. ft. that many loft conversions are commanding these days and if downtown living is your thing, this could prove to be a wise investment — but you'd better act fast.

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