

REDEVELOPMENT

Market Street looks back – and to the future

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Special to The Globe and Mail

Published Monday, Jun. 02 2014, 2:28 PM EDT

Last updated Monday, Jun. 02 2014, 2:32 PM EDT

Toronto's Market Street boasts five cheerful restaurants, a bustling coffee emporium and a specialty food store. Its 150-year-old buildings are accented by outdoor patios, the entire street repaved with brick.

It's a stunning transformation for a historic street along the west side of St. Lawrence Market that for years had been all but abandoned and considered expendable as a wave of redevelopment swept in from all sides.

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It took vision, perseverance and a lot more effort than originally planned, but the redevelopment set precedents that should make it easier to preserve heritage sites in the future, says Eve Lewis, president and chief executive officer of Toronto-based Woodcliffe Landmark Properties.

She took on the project – which included the renovation of three heritage buildings and the construction of a new contemporary building – started by her late husband Paul Oberman, who previously had restored the former North Toronto CPR station, as well as a row of heritage Shops of Summerhill on Yonge Street.

“Paul had a vision of turning the street into a pedestrian mall, the way streets in Europe are designated,” she said. Planning for the restorations had just started when Mr. Oberman, 53, died in a plane crash three years ago. Ms. Lewis, who also has extensive experience in development, took up the project. “We have lost so much of our heritage in the city in the past. You should really try to protect buildings that are worth protecting and these are definitely part of the city's history.” But the challenges were just starting. “No heritage restoration is as straightforward as you first envision.”

“These were really old buildings and nobody had looked after them for decades. The buildings don't have basements because they are on pilings on reclaimed land,” created in the 1850s by filling in the

lake shore to make room for the railway. Fortunately, the fill was very stable and the buildings have remained intact for 150 years. “But age takes its toll,” she says.

Over the course of a decade, Mr. Oberman had acquired 87 Front St., a 150-year-old building to the west of St. Lawrence Market and two mid-block buildings that a previous developer had received approval to replace with an 11-storey condominium.

Number 10 and 12 Market St., built as the Armory Hotel in 1858, had sat idle for two decades since its last incarnation as the Old Fish Market restaurant. Next to it, six-storey 8 Market St. was considered a high rise when it was built in 1899. On the south end of the street an auto repair shop, totally out of keeping with the residential and commercial character of the market neighbourhood, has been replaced with a new building.

The most extensive restoration was for 10-12 Market, where the second floor was completely rebuilt. “The exterior had been painted and when the restoration team tried to strip the paint, the brick proved to be in such bad shape they had to take the outer bricks of the wall out one by one and turn them around so the fresh inside of the bricks faced out.” Because no one in Canada still makes that style and colour of antique bricks, Woodcliffe sourced new brick from a British factory to replace those that couldn’t be salvaged.

“The buildings needed totally everything – all new mechanical and electrical, even floors. Everything is new except for the walls and facades.” The architect, Toronto design and building company Den Bosch+Finchley, had to go back to the old drawings to do it right, and it was fortunate that they were still in a file, she says.

“It wouldn’t have been a heritage restoration if the total costs didn’t come to more than I expected,” Ms. Lewis says. It generally costs at least twice as much to restore a heritage building than it costs to build from scratch, she’s found. “And whenever you deal with heritage buildings there are always going to be unexpected costs.” (The company did not respond to a request estimating the total cost of the project.)

A lot of the “uh-oh moments” were underground. A huge unanticipated issue was the need to rebuild and waterproof the stone foundations of the building that faces Front Street that now houses an LCBO store and has new restaurants on its Market Street flank. That required city approvals to dig under the roadway to create enough room for the painstaking work. “Everything is so old and it wasn’t done to the same standards we expect today.”

The same was true of the infrastructure. In the 1850s, there were no sewers or indoor plumbing. A patchwork of services that had been added to the street over the years needed replacement.

Woodcliffe ultimately spent \$2-million to rip out the asphalt roadway and install new storm and sanitary sewers, water and gas mains. Then, Ms. Lewis wanted to repave the street with stone-coloured brick.

The company negotiated an agreement to split the costs of brick paving with the city, which owns the

St. Lawrence Market on the other side of the street. The city's \$500,000 share was covered from fees developers of new projects in the area pay for infrastructure upgrades, with help from the St. Lawrence Market neighbourhood business improvement association (BIA).

Another big challenge was negotiating the encroachment agreements needed from the city to allow the restaurants to use the sidewalk for outdoor patios.

In a trade-off, the city prohibited parking on the west side while patios are open in the summer months, and removable bollards separate the roadway from the sidewalk and patio areas. In the winter, the bollards will be removed to allow paid parking on both sides of the street.

"The willingness of the city was great, but the process and the time needed to go through it was excruciating," Ms. Lewis says. It took more than three years; the agreements were finalized last fall. "It's because everything we did – the cost sharing and infrastructure improvements – was new to the city. It's an approach my company had to pioneer and now others can benefit from it," she says.

In the process of rebuilding the entire block, they were able to provide amenities that other heritage redevelopments may also want to emulate. The entire complex has an internal corridor that was built along the rear of the buildings with access to a loading zone and garbage storage area accessible from the Esplanade, so nothing has to be loaded or unloaded from Market Street.

Ultimately, historical preservation has to be worth the cost and effort. Ms. Lewis says tenants are willing to sign on at rents significantly higher than comparable space in modern buildings.

"People like the feeling of being a part of history and they will pay extra to live or work or have a restaurant that has historic character if it's done right." Heritage restorations Woodcliffe has done can command a rental premium in excess of 25 per cent, she says.

It's a growing trend across Canada, says Ross Moore, Vancouver-based director of research for commercial real estate company CBRE. "While this type of space doesn't work for everyone, restored heritage properties are highly desirable. by technology and new media tenants, a key source of demand in office markets, not just in Toronto, but also Montreal, Vancouver and Calgary," he says.

"Markets such as downtown west in Toronto, Mile-X in Montreal, Yaletown, Gastown and Chinatown in Vancouver and the Beltline in Calgary are all home to older heritage properties and all are among the most vibrant in the country. This is reflected in vacancy rates that are generally lower than the overall market. I think it's fair to say demand for heritage commercial properties easily exceeds demand," Mr. Moore adds.

While Ms. Lewis had hoped to complete the Market Street project in the summer of 2013, it will finally celebrate its grand opening on Wednesday. She hopes eventually to get the city to agree to close off the street as a pedestrian zone "at least in the nicest part of the year from May to October. It was Paul's wish and there are a lot of people that want it to happen."

A block to preserve

87 Front St. E.

Built for the grain traders Edward Leadley Co. in 1858.

Current tenants: Barsa Taberna, Bindia Indian Bistro, Market Street Catch, an LCBO store and three floors of offices.

10-12 Market St.

Built as the Armory Hotel in 1858.

Current Tenants: Balzac's Coffee Roasters, Evolution Food Co., Olive & Olives.

8 Market St.

Six-storey office building built in 1899.

Current tenants: offices.

118 The Esplanade

Formerly a gas bar and auto repair shop. Replaced by new building designed by Taylor Smyth Architects.

Current tenant: Pastizza, a 5,000-square-foot Italian eatery.

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