



Globe T.O.

ACTING EDITOR: LISAN JUTRAS



CONDOS

Forget the perks, I'll take the cash

As the real-estate market sags, high-rise developers are now selling bragging rights as much as property. But will insider access to film parties and sports events – or the privilege of living in a sculpture – be enough of a draw? **Tara Perkins** reports

This week, Toronto witnessed the unveiling of the condo to end all condos. Backed by theatre impresario David Mirvish and designed by Frank Gehry, a giant in his field – known locally for the latest incarnation of the Art Gallery of Ontario, and globally for a stunning roster of buildings in places ranging from Bilbao to Prague – the new three-tower development was announced to much fanfare.

"I am not building condominiums. I am building three sculptures for people to live in," said a proud Mr. Mirvish of his new project, which will rise from the current footprint of the Princess of Wales Theatre. Even in a city accustomed to scores of cranes dangling over the skyline, citizens took notice. These were big names, yes, and even bigger ambitions.

But behind the project's blinding star power, there is a darker outlook. No project, not even one created by one of the world's most famous architects, is immune to laws of economics.

And right now, tens of thousands of new condo units are being built in a market with fewer buyers.

There were a record 196 condo projects under construction in the Toronto census metropolitan area at last count (the end of June). Sales of newly built high-rise units downtown this August were about half what they were a year ago, according to RealNet, a real-estate research firm. Prices are slipping – in August they were about 4 per cent lower than the year before – and many economists believe that a glut is forming that will cause prices to drop further.

Mr. Mirvish's tower unquestionably offers potential residents a unique opportunity. Not every condo offers the bragging rights that come with living in a Frank Gehry building. But as the market sags, the project's promoters may also have to respond as other developers have – by going to great effort to offer potential buyers something more than just a box in a tower. With perks such

as access to TIFF parties or tickets to sports games, condo developers not just selling a piece of real estate; they are selling a lifestyle.

Mr. Mirvish seems to have taken a page from their books. In addition to offering buyers the opportunity to live in a "sculpture," residents of his new 2,600-unit project will have special privileges at its art gallery and access to exhibitions, he said.

But will that be enough? The numbers suggest that even a stellar special-interest project will only get a project so far.

According to Urbanation, a market research firm, the number of unsold condo units in the Toronto area in June hit a high of 18,123 (a figure that includes projects that are not yet completed). "With plenty of potential resale condo supply coming over the next year, Toronto is quickly heading for buyers' market territory for the first time (depending on your definition) since the recession," economists at Bank of Montreal wrote this week.

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“They have to somehow differentiate themselves from the competition if they want to make sales.”

Ben Myers,
Urbanation

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ESSAY Liberation architecture

Radical buildings by visionaries like Libeskind and Gehry are helping free Toronto from the dry functionality of modernism

WILLIAM THORSELL

On Oct. 10, Daniel Libeskind will be in Toronto for a “topping off” ceremony at the L Tower, a startling 57-storey condominium at Yonge and Front streets. Six years ago, Mr. Libeskind was in town to top off the Michael Lee-Chin Crystal at the Royal Ontario Museum (where I was then director). It’s becoming a habit.

These radical buildings are generating debate in Canada’s premiere city, which is fine. But, even better, they are helping to liberate Toronto from the intellectual girdle of a spent architectural age defined by the International style. David Mirvish proves the case with his dramatic proposal to create a monumental cultural and residential precinct at King and John streets, designed by an unbridled Frank Gehry.

The International style in architecture was born of the Bauhaus movement in Germany after the First World War, rooted in values that sought “radically simplified forms ... rationality and functionality, and the idea that mass production was reconcilable with the individual artistic spirit.” (Wikipedia is quite good at describing this, noting the probable contradiction between “mass production” and individuality.)

The core idea in the International style was “less is more,” adopted and preached by its leading practitioner Mies van der Rohe, a German architect who decamped to Chicago in the 1930s. It embraced ideals of efficiency, reason and utility. It was, in essence, an ideology – an ideology akin to Puritanism, hostile to adornment, humour or “waste.” It was an expression of the Machine Age, ascetic industrialism triumphant over the romanticism of art deco, which competed alongside the Bauhaus for 15 years after 1925. The International style in architecture ultimately prevailed in its low-cost discipline to become, famously and infamously, the Architecture of the Box.

Some boxes are better than others. Mies van der Rohe’s were the best. As in any period of architecture, you will find wonderful and awful examples of the genre. The International style produced some of the most sublime forms, spaces and relationships in the history of art. Among them is the two-storey banking hall at Mies van der Rohe’s excellent TD Centre in Toronto, still the most beautiful room in the city, though not the most interesting.

The International style also produced endless trash in post-war London and provincial cities in North America and beyond. The Miesian “box” almost invites low-cost knockoffs because its basic requirements are so few. It is a short distance from efficient to cheap, from “less” to mean. The International style facilitated



The L Tower, above, by Daniel Libeskind, below, embodies a new spirit of inquiry. MOE DOIRON/THE GLOBE AND MAIL



KEVIN VAN PAASEN/THE GLOBE AND MAIL

“**Function is not only efficiency. Function is delight; function is complexity; function is surprise; function is contemplation; function is provocation; function is aggression; function is poetry; function is mystery; function is doubt; function is love.**”

cross, not uncommon to ideologies of any stripe, but in the length of its teeth alone, its time has come.

(The last great gasp of modernism was Yoshio Taniguchi’s reiteration of the Museum of Modern Art – MOMA – in New York in 2004. How perfect was this? The climax of a century’s ideology in modernist architecture at the epicentre of modernism.)

Where is Toronto now? Toronto remains dedicated to the International style, in part because it is cheap to design and build, but out of conviction too. (The forest of new condos along Lake Ontario south of Front Street is almost homogeneous in its modernity, and thus cloying.) A so-called Toronto School of modernist architects has arisen, much admired, bringing more sensual pleasure to the strict functionality of the modernist ideal. The best of them – Hariri Pontarini, KPMB, Shim-Sutcliffe, Architects Alliance – create love-

ly forms and spaces in the modernist style, with an eye to luxe materials and indulgent foils in curves and visual effects. This is modernism in its maturity, letting go a bit, and it often works very well indeed. It will continue to pass the test of time.

However, Toronto, like London and New York, is now moving beyond modernism to embrace a new global spirit in architecture. It is smartly captured by Denmark’s bad-boy architectural star, Bjarke Ingels, who riffs off Mies van der Rohe’s “Less is more” to say that “Yes is more.” (His firm’s name is BIG; their URL is, perforce, big.dk. New era, eternal appeal.) He is saying yes to more than efficiency; yes to more than deference to the status quo.

The modernists’ insistence that form follow function was deeply informed by efficiency.

The “new architecture” keeps function at its centre, but defines function far beyond economics. Function is not only efficiency. Function is delight; function is complexity; function is surprise; function is contemplation; function is provocation; function is aggression; function is poetry; function is mystery; function is doubt; function is love. These are the “functions” of art itself, embracing the whole canvas of human experience and aspiration – “artitecture” unbound from the industrial ethic alone.

In fact, before the important architectural events of this decade, Toronto reached beyond the International style in several striking moments in its history. It did so when the case for symbolic power cried out for much more than another anonymous box fading into the background. The most amazing of these ex-

ceptions is Toronto City Hall, the result of an international competition in 1958 that chose the little-known Finnish architect Viljo Revell to build two facing towers, oft compared to hands cradling something – a circular building that has come to be known as “the clam shell” – fronting an expansive square on Queen Street. This blatant exception to the International style came to symbolize Toronto as a place of unusual creativity and potential (against all odds).

Subsequent years saw the arresting rise of the majestic CN Tower, Ontario Place and the Eaton Centre (by Eb Zeidler) – all outside modernism looking in, but delivering potent symbolism to a city without a hill, whose lovely lake hid beyond a wasteland of rail yards and freeways. Almost alone in the context of modernism, these rare structures carried the burden of giving Toronto particularity – a sense that there is, in fact, a *here* here. (Victorian neighbourhoods provided the other defining grace.)

And now the dam is breaking. Will Alsop’s “tabletop” structure for OCAD University broke the mould in 2004. It’s a charming pop-art *plaisanterie* perfectly suited to the subversive nature of the school. In 2007, Mr. Libeskind’s design for the ROM brought an intensity and poetic sensibility to bear on Bloor Street of almost unbearable force (outside and in). It parted the curtain on a new face of beauty, as intellectually and psychologically challenging as anything built in Toronto before or since – as much origami as a crystal.

Last year, in Mississauga, two beautifully curvaceous “Marilyn Monroe” condo towers designed by Chinese architect Yansong Ma appeared, the result of a rare international competition. This month, Mr. Libeskind’s second major building in Toronto reaches its height at Yonge and Front – a yearning, leaning, inquiring form that draws the mind to wonder.

David Mirvish is bringing Frank Gehry back to Toronto just in time to do something with full conviction near the end of his important career. (Mr. Gehry’s work at the Art Gallery of Ontario was substantially limited by context, however fine that building’s specific attributes.) In Mr. Mirvish’s project, the juxtaposition of exuberant street-level forms with three proudly tall, “irrationally” sculpted towers for housing makes its neighbours seem old – as does the L Tower, which makes so much around it seem like the product of an ideology, rather than an individual, the product of a system rather than a soul.

Former Globe editor-in-chief William Thorsell was director and CEO of the Royal Ontario Museum from 2000 to 2010, and is a program consultant to Castlepoint Realty, one of the principals in the L Tower, on a separate project in Toronto.

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Condos: Toronto is quickly heading for buyers’ market territory

“It’s an extremely crowded market,” said Urbanation’s Ben Myers. “They have to somehow differentiate themselves from the competition if they want to make sales.”

Of late, developers have begun to do that by experimenting with practical incentives, such as free furniture or a year without maintenance fees or property taxes, which are proving to be more of a draw for buyers than the thrill of living near key sports or cultural sites.

Michael Bodsworth, 27, bought a unit in Maple Leaf Square in 2010, a condo project near the Air Canada Centre. He, like other residents, said it was neat that some Toronto Raptors lived in the building, and he ate numerous dinners at the Real Sports Bar and Grill. “The building’s atmosphere was fun,” he said.

But a little more than a year later, he moved to a different location where he could get more space for his money.

“If you think of the number one and number two reason why people buy it’s probably price and location, or location and price, depending on who is buying,” said Hunter Milborne of Milborne Real Estate Inc. “Incentives that relate to something that’s a necessity, like free common expenses for a year, are probably more valuable than theatre tickets.”

Barry Fenton, the chief executive officer of Lanterra Develop-

ments, one of the companies behind Maple Leaf Square, says its sports theme was such a draw that it enabled it to charge significantly higher prices. “We marketed our project at \$100 more per square foot than anybody else in the area, and literally it was because of the theming,” he said.

But residents weren’t that interested in access to games at the ACC. The builders had leased private boxes in the arena that residents could use for a fee, “but the funny thing is, hardly anybody used them,” Mr. Fenton said. “I could never figure it out. What I think was more successful was that we provided TTC passes to everybody for a year. We were one of the first developments to do that.”

Geeta Saini, a resident of Festival Tower, which sits atop the TIFF Bell Lightbox on King Street, said the movie-themed perks had nothing to do with her decision to move in. “It was location,” she said.

Indeed, brokers and realtors say that developers would be wise to focus on the things that take some pressure off of buyers’ pocketbooks, rather than other perks.

A couple of buildings in the city have been offering as much as \$30,000 worth of free furniture, some of it chosen by designers to take the hassle out of shopping. It’s an appealing idea, but not one that will woo people who already have their own furniture, agents said.

“I’ve only had one client this summer that took advantage of that furniture package, everybody else has essentially said, ‘I don’t want the furniture but if they can give me a discount instead, I’d take that,’” said Oliver Baumeister von Bretton, a broker with Re/Max 2000 Realty Inc. Incentives such as zero closing costs are more enticing to buyers, he said.

The heavy use of incentives to sell units may be a sign that developers are sensing trouble.

As the market heated up over the past decade, and really soared in the last five years, developers sought to cash in with a wave of new projects. There are large up-front costs involved in developing condo buildings, which tend to take at least three years to plan and construct, but once the units are sold and the keys handed over, the developer no longer bears the risk that the market will drop. So as long as it looked like the market would hold up for the next three years, the building frenzy kept going.

But now some developers are taking projects off the market after finding sales difficult. Mattamy Homes has abandoned what would have been its first real condo project downtown Toronto because it became worried about the amount of money it would have to spend up front, given the dampening outlook for the market in the coming years. The company recently backed out of a deal to buy the property sur-

rounding the Globe and Mail’s headquarters near Front Street and Spadina Avenue, an unusually large site that Mattamy had planned to build as many as seven or more buildings on.

“That’s not a call on a massive decline in the market, it’s more, ‘Let’s be a little bit careful here, let’s not go all in on a big site like that in a market that’s trending lower in volumes if not prices,’” said Mattamy chief operating officer Brian Johnston. “We sort of felt, why stub your toe on the way out of the starting gate? I think in any real-estate endeavour you’re going to go through cyclical highs and lows, but why start at a cyclical low?”

But sources involved in the sale

of the site say it is back up on the block and there is as much interest from developers now as there was when it was first on the market. And other developers are plowing ahead, including Mr. Mirvish, whose mega-project would encompass three towers stretching as high as 85 storeys.

In the current environment, they will have to work hard to make their buildings sell out – no matter how much name recognition they have.

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