

Margaret Zeidler  
Witness Statement

1. I am President of Urbanspace Property Group Ltd., a company involved in making economic use of older buildings. My brief biography is attached to this statement.
2. I am familiar with the building known as 48 Abell, and I believe, on the basis of my experience with such structures that it can be retained on a commercially viable basis. I further believe that there is a substantial demand in this area for arts and culturally-related space for rent.
3. In 1994, I purchased the building known as 401 Richmond Street West. Construction began in 1899 and occurred in five different stages ending in 1934. It was originally used for tin lithography, that is, printing on tin boxes. The building is four stories in height and 200,000 sq. ft. in floor area. When I purchased it in 1994 it was about 30% occupied. A developer had bought it in the late 1980s with the intention of demolition and building two towers, but when the real estate market crashed the developer could not carry on. That allowed me to purchase it.
4. The building required few capital repairs, and over the first decade of my ownership needed capital repairs of only \$20.00 per square foot. Within 18 months of purchase, in spite of the fact that the real estate market had bottomed out, I was able to lease all the space so that it was 100% occupied. At that time no one could believe that rentals had gone so well but I knew (because I was on the Board of Artscape at the time) there was a pent-up demand for this kind of space. The building has remained 100% occupied since that time and has had a waiting list ever since – now numbering 150 tenants.
5. Most of the 130 tenants in 401 Richmond Street are related to creative businesses and the arts, including work space for artists, galleries and other display spaces, and graphics and information businesses.
6. 401 Richmond makes a reasonable return (12% capitalization rate). Based on my knowledge of rental rates in the King Spadina area I am aware that this return could be 30% or higher if rents were increased, but I have chosen to make a reasonable return in order to ensure that the building is used in ways that we think are appropriate and supportive to the arts and micro-enterprise. I consciously did this building as a commercial venture, without any subsidies from government or charitable foundations, so no one could say that it needed such subsidies to be successful. In fact even though many grants and subsidies have been available, I have never accepted any grant or subsidy. My experience has shown that this kind of success can be replicated elsewhere without subsidies or grants.

7. 401 Richmond Street West is a viable business. It makes me a living, and there are 12 employees as well as 130 happy tenants.

8. In 2002, I purchased the building known as 215 Spadina Avenue. The first section of the building, a two storey building, was constructed in the early years of 1900; next was a five storey building constructed between 1911 and 1913 surrounding the original structure; and the third section was a three storey addition to the original two storey structure (probably built in the 1930s). There are 100,000 sq. ft of space in the building.

9. I purchased this structure when it was in receivership. Two years previously, in 2000 when the building was almost fully occupied, I attempted to buy it but was rebuffed. The developer who did purchase the building at that time unsuccessfully began renovations. When I purchased it in 2002 it was entirely empty except for one retail store that was not paying the rent. After I purchased it we made the necessary renovations quickly, and in less than 2 years the property was fully leased and, like 401 Richmond, now has an extensive waiting list. We focused the tenancy on social and cultural entrepreneurs. As with 401 Richmond this is a profitable venture with a solid rate of return similar to 401 that would make any investor happy.

10. What I have learned from both buildings is that the space they provide is absolutely the most flexible available. There are high ceiling heights, and no slabs separating off space within the building, simply columns widely spaced to support the structure. Other developers are now realizing the importance of this kind of flexible space rather than purpose-built structures. The Centre for Addition and Mental Health (CAMH), located to the east of the Queen Street Triangle, will be all built in this way (over one million square feet across the site, including all the non-CAMH buildings). This kind of space is called the Warehouse Model, since it is by far the most flexible space available. Through the years it can be converted to any use.

11. I disagree with those who think that these building have no value since their architectural quality is not of a high enough standard to warrant designation and preservation. I believe that these kinds of buildings provide an extraordinary resource to the city, as ordinary-looking as they are. I believe that we should not seek out just the beautiful to preserve. One significant value of this kind of building is that can be so easily used by different kinds of users.

12. Perhaps of more importance is that older buildings such as these are usually inexpensive. Their original capital costs have already been written down. Their mortgages have usually been paid off so that economically they are a strong investment to retain and use. Most important, because of their lower costs, these buildings can support uses with the low incomes available to writers, cultural workers, inventors, and similar individuals.

13. Jane Jacobs stated that while old ideas can use new buildings, new ideas need old buildings. The reason for this is that new ideas are always risky, and thus they need space that is both low costs and flexible to be proven.

14. I am greatly concerned that structures such as these are being torn down on a regular basis in Toronto. It means that we are throwing away a resource of buildings that provide inexpensive space for people to live and/or work in. As my experience shows, these kinds of buildings can produce reasonable returns. Artists are excellent tenants and very responsible. My experience is that they always pay their rent and when there are economic problems they adjust their activities accordingly. My experience with commercial tenants has not always been that good - including the odd one which has moved out in the middle of the night without notice leaving substantial rental arrears. I find artists to be far more honourable than that.

15. I believe that to have a healthy city it is absolutely imperative that one keeps these kinds of structures. The city should have a policy to require that these kinds of buildings be retained even if they do not have the architectural detailing that would attract a heritage designation. These structures are a very substantial economic resource to the city as well as being a benefit to a reasonable investor. In the case of 48 Abell - the current owner has been running a successful business for many years renting this building as approximately 100 artists' live/work spaces. I suspect it is only because he thinks he can tear down such a valuable resource that he has gone into a partnership with a developer to build condominium towers. This is the sad reality - most sites in central Toronto with this kind of building are worth more once the historic buildings that stand on them are demolished. A recent offer to purchase 401 Richmond proved this to me. We received an offer which was for more than 50% of its current value - the purchaser intended to tear it down and build condominium towers on the site. Which he would have been able to do 'as of right' as 401 is not designated.

16. There are other reasons why older building should be retained, particularly concerning environmental impacts. Studies show that one-third of the material placed in landfill sites is construction waste - that's a real waste of good resources. A recent English study by the Royal Society of Chartered Surveyors has concluded that there is equivalent energy embodied in a single Victorian row-house as the fuel it would take to drive a car around the world five times. An American study concludes that the energy needed to manufacture and build with five bricks in a building is equal to the energy in one gallon of gasoline. Given the energy problems in our society these structures are environmental resources as well as social and financial resources. Both the United States and Britain have understood this and made arrangements to safeguard these buildings as part of their multi-billion dollar regeneration industries.

17. Further I strongly believe that retaining existing structures helps to ground any area going through a redevelopment phase. It provides a touchstone for what

happens around it - some might say lending soul and spirit to the area being redeveloped.

18. I have read the Halsall Report regarding 48 Abell Avenue. I am aware that structurally there is no problem in retaining this building. I believe it should be retained for the same reasons that I have mentioned in this statement. It would be nice if it could be used primarily by culturally related enterprises – as it is currently. It is currently economically viable and can remain so through any renovations or upgrades that need to happen in the future. I believe that other structures in the Queen Street Triangle should also be considered for retention.

Margaret Zeidler,  
July 27, 2006.

**Margaret Zeidler**  
Curriculum Vitae

**Work Experience:**

1994 – present	<b>Urbanspace Property Group Ltd.</b> (formerly 401 Richmond Ltd.) President	Toronto
1991-1993	<b>AMREF Canada</b> Executive Director	Toronto
1989-1991	<b>Zeidler Roberts Partnership PCL</b> Office Manager	London, England
1987-1991	<b>Zeidler Roberts Partnership/Architects</b> Designer	Toronto
1981-1983	<b>Zeidler Roberts Partnership/Architects</b> Communications and Public Relations	Toronto

**Education:**

1987	<b>B. Arch.</b> University of Toronto	Toronto
1985	<b>B.A. (Hons) Arch.</b> University of Westminster	London, England
1981	<b>B.A. (Fine Art History)</b> University of Toronto	Toronto

**Volunteer Activities:**

*Board Memberships:*

2006 -	<b>Tides Canada Foundation</b>
1998 – present	<b>Studio 123 - Early Learning Centre</b>
2001 – present	<b>Foodshare/Field to Table</b>
2001 – present	<b>ImagiNative Film Festival</b>
1993 - 2003	<b>World Literacy of Canada</b> (President 2001 – 2003)
1999 – 2001	<b>Doors Open Toronto</b> , Founding Steering Committee
1992 - 1995	<b>Theatre Passe Muraille</b>
1991 - 1994	<b>Toronto Artscape</b>
1987 - 1989	<b>Harbourfront Nautical Centre</b>

**Awards + Honours:**

2006	<b>Ontario Association of Architects</b> , Honourary Member
2005	<b>Order of Ontario</b>
2003	<b>Jane Jacobs Prize</b>
1999	<b>Heritage Toronto - Award of Merit</b> (for 401 Richmond project)