

# Developer's making Toronto's past prestigious

## Restoration reaps goodwill and good profits

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Toronto developer Michael Tippin, chairman of Tippin Capital Corp., is carving out an historical niche for himself.

Tippin has been scooping up prime heritage buildings and turning them into prestige commercial spaces in Toronto's central core.

His latest acquisition, the Gladstone Hotel, will be reborn as a boutique hostelry by the time Tippin and his partner, architect Eberhard Zeidler, are done with it.

The hotel, at the corner of Gladstone and Queen St. W., was built in 1889. It thrived in the days when trains stopped regularly at the Parkdale station across the street.

Tippin plans to restore the hotel, reduce the number of rooms from 60 to 42 and re-open the grand old building as a funky alternative hotel — catering to the artsy crowd and the "new economy" dwellers in west-end condos.

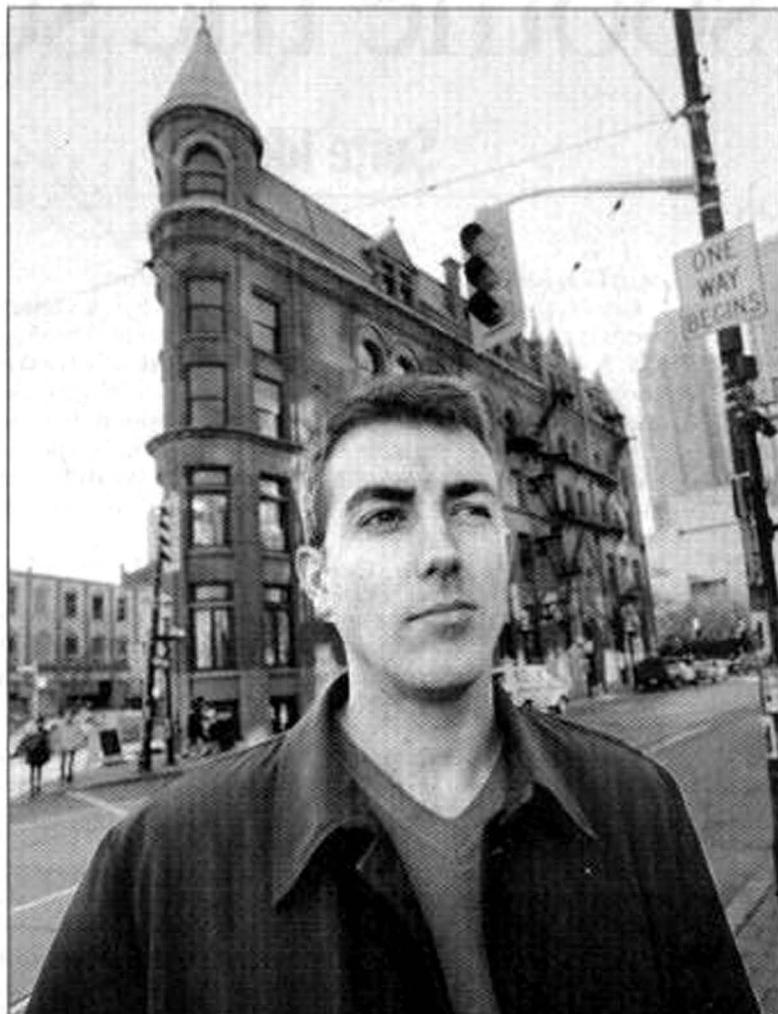
"Toronto doesn't have any small hotels like the one we're planning," Tippin says. "We're modelling it after The Chelsea Inn in New York City."

Tippin reckons it will be at least five years before the Gladstone's reincarnation will be complete.

The Flatiron Building at 30 Wellington St. E., built in the 1880s by the Gooderham family from the avails of their distilleries, is the flagship of Tippin's growing heritage empire.

Currently, tenants are paying \$35 per square foot — the highest rent in town — for the honour of doing business in this landmark building. Compare that to the \$30 per square foot at BCE Place.

"There is a limited supply of heritage buildings, and knowl-



DICK LOEK FILE PHOTO/TORONTO STAR

**OLD IS IN:** The downtown Flatiron Building, built in the 1880s by the Gooderham distillery family, is the flagship of Michael Tippin's growing heritage empire.

edge-based companies are looking for spaces in these buildings. They want lofts, not glass high rises," Tippin says.

He admits he's not interested in converting buildings into residential units, since financial returns would be lower due to problems such as rent controls.

Tippin and Greg Coleman, CEO of Capitol Vision Inc., are looking for investors who want to sink money into vintage buildings. They have set up a limited partnership with 53 shares.

For \$150,000, investors can buy into three 19th-century structures: the Flatiron, the

Leadley Building at 87 Front St. E. and the Market Block Building at Front and Church St.

According to Coleman, the assessed value of these buildings is \$17.5 million and, currently, all 55,000 square feet are leased to prestige companies and retailers. Coleman forecasts investors will realize an after-tax return on their investment of 8.57 per cent (\$12,855) in 2001.

Tippin says there is no point in getting involved with heritage buildings unless you are prepared to restore them properly.

"Then the goodwill generated is enormous," he says.