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# RESIDENTIAL INTENSIFICATION CASE STUDIES

## Built Projects

### SEAGRAM LOFTS

Waterloo, Ont.

3 and 5 Father David Bauer Dr.

#### Developer

Barrel Works Group Ltd.  
(Terra View Homes, with Kiwi Newton Construction)

#### Date completed

2001

#### Site area

1.09 ha (2.7 acres)

#### Number, type of residential units

103 loft-style condominium units;

40 in a seven-storey building,

63 in a 10-storey building.

#### Floor area

87 to 232 m<sup>2</sup> (935 to 2,500 sq. ft.)

#### Gross residential density

95 uph (units per hectare)

#### Landscaped open space

465 m<sup>2</sup> (5,000 sq. ft.) rooftop garden on each building

#### Maximum height

10-storey building 33.5 m (110 ft.)

#### Parking

153 total: 100 enclosed at grade,

53 open. Average 1.5 per unit.

#### Non-residential units

Live-work designation for entire site. Five units zoned commercial. Games room, gym, meeting space.

#### Pre-development usage

Distillery warehouses used to age up to 17,000 barrels of whisky.

#### Selling price

Starting at \$150,000, average \$216,377



Figure 1: Seagram Lofts, the redevelopment of two, former whisky-barrel warehouses in downtown Waterloo

Seagram Lofts is adaptive reuse of a brownfield site, which created residential property in the heart of Waterloo's downtown core from two, heritage, whisky-barrel warehouses. As part of downtown Waterloo's revitalization, the project was the subject of much public interest. The project created 103 loft-style condominium units with high ceilings and large windows. Complementing these features are original brick walls and barrel-wood, evoking the old warehouse feel.



Figure 2: The Seagram Distillers sign shows and commemorates the site's history.

## PROJECT OVERVIEW

Seagram Lofts is situated on a portion of the former Seagram Lands, a parcel of more than 4.5 ha (11 acres). The Lands were originally developed in 1857 as a distillery. In the mid-20<sup>th</sup> century, Seagram added two huge warehouses for whisky barrels. The warehouses were the last structures left standing after a devastating fire in 1993. The 150-year history of the site and its connection to the growth of Waterloo were key factors in the City's decision to save the heritage buildings.

City of Waterloo staff worked closely with the developers to give the site new life while preserving the site's heritage. They offered incentives, such as waiving development charges, free road and utility infrastructure and assistance with environmental concerns.

Seagram Lofts is on a site slightly larger than one hectare. The site was given a major overhaul. The land was cleared and the warehouses gutted, leaving only the original brick end-walls. The developer's goal was to preserve the heritage exterior while creating an interior that mixed modern styles with the feel of the original warehouses. This was achieved by re-milling wood from whisky barrels and using it for doors, stairs, window casings and baseboards.

The area around the site is largely retail and residential and the buildings are only one block from King Street, the central downtown business district. The project is just blocks from a large recreation centre, a major park and a trail network. The convenience of being located within 10-minute walk of shopping and amenities is a big draw for many Seagram Lofts residents, many of whom prefer to walk whenever possible.

There is both enclosed and open parking, which provides residents with an average of 1.5 spaces per unit.

A 465 m<sup>2</sup> (5,000 sq. ft.) rooftop garden on each building is accessible to all residents. Each garden offers prime views of the downtown and region.

## PROJECT SUCCESS: DEVELOPER'S PERSPECTIVE

*We built the parking garages from the original timbers. We had 750 cubic metres of barrel timber so we milled it. We made our own doors, stairs, window casings and baseboards.*

**Andrew Lambden, Barrel Works Group Ltd.**

The Seagram Lofts project was a challenge that was welcomed by the developers. Transforming old warehouses of this scale into attractive residential units is a monumental task, especially when trying to save only portions of the existing structure. The developer made great efforts to reuse much of the original brick and barrel-wood salvaged during selective demolition. This allowed the developer to retain the look and feel of the warehouses while actually creating almost brand-new buildings. The loft approach was utilized to enhance the warehouse atmosphere while also providing residents with the option of using their units as live-work studios.

### Costs and financing

The project, financed entirely by the Royal Bank, cost \$25 million. This was lower than it could have been due, in part, to measurable assistance and co-operation from the City of Waterloo. The site, purchased from the City, cost \$1.1 million. The City agreed to treat \$1 million of the purchase price as a vendor take-back mortgage at an interest rate of zero per cent. Under the terms of the vendor take-back mortgage, actual payment was deferred and the developer made periodic repayments to the City. The low purchase price, the vendor take-back mortgage, along with the absence of development charges and infrastructure costs, helped make the project feasible.

#### Development Costs

Land and buildings	\$ 1.1 million
Building construction	\$ 21.6 million
Soft costs (e.g., taxes, DCCs, consultants)	\$ 2.3 million
Infrastructure	\$ 0 (paid by City of Waterloo)
<b>Total</b>	<b>\$25 million</b>

## Marketability and profitability

The downtown location and relatively higher purchase prices attracted mostly young professionals, but also included first-time buyers and older couples. This demographic was targeted using media such as newspapers, signage, the Internet and general community outreach. Salespeople with experience in the downtown market and buyer incentives were also instrumental in attracting prospective owners to Seagram Lofts.

Both buildings were 95 per cent sold-out within three years, which is considered a marketing success for such a large project. Some delays and additional costs involved in retaining heritage components resulted in slightly lower profit than expected. However, the exposure the developer gained from this high-profile project opened some doors and resulted in a few awards, such as Best Project of the Year (2000) from the Waterloo Region Home Builders' Association.

## Obstacles

The major challenge to the development came not only with reconstructing the warehouses and selling the new units, but also with the initial risk and financial investment involved in a project of such scale. In this case, the financial risk was immense.

Heritage redevelopments are often extremely time-consuming, with many unexpected situations that result in additional costs. Seagram Lofts was hampered with unexpected costs connected with saving the warehouse facades.

The developers were fortunate that there were no significant public objections, because they can often cost time and money. The neighbourhood was able to comment through open houses and community consultations and endorsed the plan.



Figure 3: The enclosed parking garages (in front) incorporate timbers from the old warehouses.

## Municipal support

As mentioned, the City of Waterloo council was unanimously in favour of the project and redevelopment.

With a project such as Seagram Lofts, with high upfront costs and profitability that is more difficult to achieve, the support of the municipality is fundamental to success. The developer said: "Waterloo has invested in the downtown area. There is a lot of political will and staff support...and the City readily provided assistance that was absolutely necessary for this type of project."

## Lessons learned

When embarking on a project of this size and stature, the political and economic environment has to be suitable to achieve success. Shared visions and goals between the developer and the municipality are also key elements in a necessary partnership. Unique projects like Seagram Lofts are financially risky, but also personally rewarding and reputation-building. Developers, therefore, need to have the dedication and interest to succeed.

## PROJECT SUCCESS: RESIDENTS' PERSPECTIVE

*They've done a nice job. The buildings were brought back to life; units incorporate original brick and the old wooden racking from the whisky barrels. I picked [Seagram Lofts] because of the character and style.*

**Resident**

## Affordability

Seagram Lofts suites range in size from 87 m<sup>2</sup> (935 sq. ft.) to penthouses as large as 232 m<sup>2</sup> (2,500 sq. ft.) Residents say that the costs were not high, considering the prime downtown Waterloo location, accessibility to almost every need, esthetic appeal and general convenience. The units initially started at \$150,000 and averaged \$216,777, although resident-approved upgrades and design features were incorporated at additional cost.

All of the residents surveyed were happy to pay what they did for their units and were impressed with the options and flexibility available to personalize the space. The zoning of ground floor units as commercial-residential allows for even greater opportunities to create a vibrant area.

## Design features

The resounding success of the Seagram Lofts redevelopment project is clearly evident in the residents' knowledge of and pride in their homes. All of the residents interviewed were aware of the history of the Seagram whisky distillery and could explain how the bricks and barrel wood were preserved and reused in the project. Residents enjoy the old warehouse look in the hallways and the additional sunlight the enormous south-facing windows allow.

The views are described as excellent by most of the residents, especially those from the penthouses and upper floors. The loft ceilings and large windows allow for a wider perspective, thus enhancing these already enjoyable vistas. For lower-level residents without prime vantage points, there is access to the rooftop gardens.



Figure 4: The huge windows offer grand views and allow maximum sunlight.

## Neighbourhood and transportation

Aside from design and character, the prime reason residents are pleased with Seagram Lofts is convenience.

A large grocery store is across the street and restaurants and theatres are nearby. A huge park with pedestrian–cycling trails is a short stroll away. The transit system is convenient, with various routes available within blocks. Despite this, of the five residents interviewed, the three who are currently employed drive to work. In the Waterloo Regional Municipality nine per cent of workers walk, bicycle or take public transit to work.<sup>1</sup>

With a relatively large amount of housing for a downtown neighbourhood, residents describe the surrounding streets as being busy day and night. The diversity of residents within the Seagram Lofts properties ranges from young, single professionals to retired couples, creating a dynamic mix.

## PROJECT SUCCESS: MUNICIPAL PLANNER'S PERSPECTIVE

*The City of Waterloo purchased the entire Seagram's Lands, totalling 4.65 ha (11.5 acres), because Seagram had shut down its operations and been unsuccessful finding developers. The City and staff had a vested interest in preserving the barrel warehouses and requested development proposals that would fulfil such a demand. The opportunity to bring new residential and commercial units to Uptown Waterloo while holding onto the heritage of the site was of primary concern.*

### Neighbourhood opposition or support

The Seagram Lands had been cleared, save for the two historic barrel warehouses, and the City of Waterloo was eager to bring some vitality to the area adjacent to the city centre. This sentiment seemed to be shared by the residents and neighbourhood. Pre-development community consultations were held without controversy and were very encouraging of the proposal.

### Planning objectives

The City of Waterloo purchased the former Seagram property in 1997, but the zoning had already been changed to accommodate new development early in 1994 when Seagram had tried to sell the land to developers. This new zoning allowed for office–commercial or residential.

The City was enthusiastic about the project and was willing to compromise on some of the zoning bylaws to allow the Barrel Works Group to move forward. Some areas of leniency were density, height, required landscaped open space and the option for all units to have a live-work designation.

<sup>1</sup> Statistics Canada, 2001 Census

For example, height restrictions were extended from 25 to 28.8 m (82 to 94.5 ft.) and landscaped open-space was reduced from 30 per cent to 27 per cent. These exemptions were not drastic but were enough to make the project feasible for the developer.

The vision for the Seagram Lands is to "create a mixed-use development which would compliment the existing Uptown by unifying the surrounding Waterloo Park, Canadian Clay and Glass Gallery, and Waterloo Square."<sup>2</sup> The City enabled mixed use by introducing a live-work designation on the site. This is an increasingly popular way to assist individuals with private businesses and is becoming a trend in downtown cores throughout the country. The home professions permitted in the residential areas are: "office, artist studio, hairdresser, barber, beautician, [and] seamstress/tailor."

The City proposes a large public space, Millennium Square, on the Seagram Lands. This is another contribution the City intends to make to the vitality of the area.

### Does it fit into the neighbourhood?

The development is a unique preservation project and it was meant to stand out and be celebrated. Even so, the downtown surroundings complement the renovated Seagram buildings and their taller, larger block design. The remaining few acres on the Seagram site have yet to be developed but will more than likely be modelled along the same lines as the barrel warehouses and create a specific character for the area. The addition of the possible Millennium Square concept may bring a public centre to the new neighbourhood.

### Regulations and approvals

The zoning had been changed before the City bought the Seagram Lands and some public consultation had taken place at that time. The developer needed several minor variances, which were granted with no controversy. Examples of the minor variances are: shorter setbacks, a smaller amenity area, building heights over 25 metres, less landscaped open space and an allowance for live-work units. The approvals were easily obtained because the bylaw relief was still in keeping with the Official Plan and appropriate for the development, no objections were made from neighbouring properties and the changes were considered minor.

## LESSONS LEARNED

Seagram Lofts is a resounding success story in several respects. The partnership forged between the City of Waterloo and the Barrel Works Group was constructive. Both parties had something to gain and because they showed flexibility they were rewarded for their efforts. The restoration of the warehouses keeps some memory of the past alive while locating housing units near the city centre. By creating such a quality development in the initial phase of the larger site, the future developments have a high standard to meet and a unique character to build on.

### FURTHER INFORMATION

Further information can be obtained from:

**Developers:** The Barrel Works Group partnership, made up of:

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**Architect:** L. Alan Grinham Architects Inc.

**Landscape architect:** Wendy Shearer Landscape Architect Ltd.

<sup>2</sup> City of Waterloo, *The Seagram Barrel Warehouses: A Call for Expressions of Interest for the Adaptive Re-use of the Historic Barrel Warehouses*

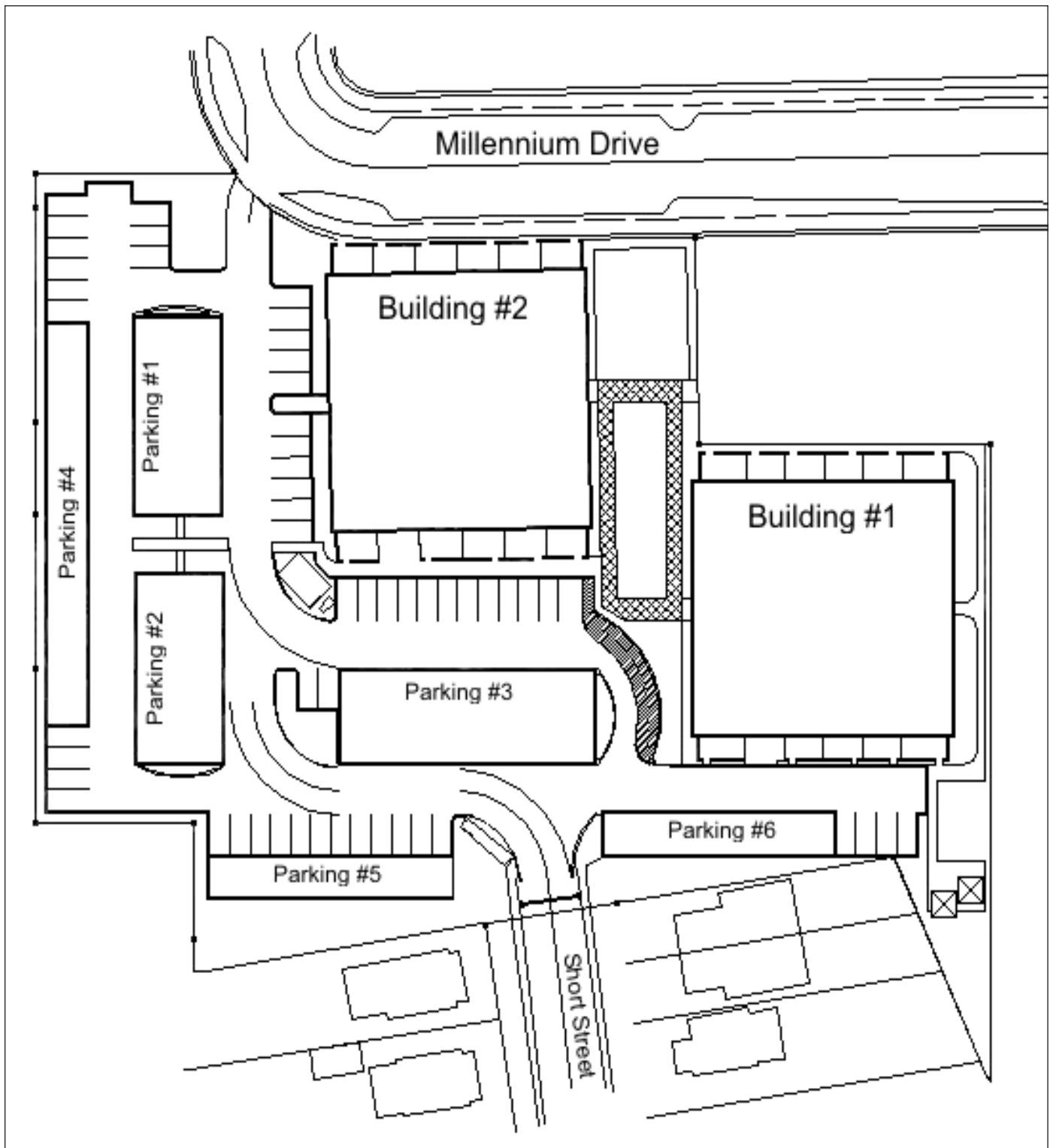


Figure 5: Site plan of Seagram Lofts including the two residential buildings, and the six parking garages (adapted from a drawing provided by L. Alan Grinham Architects)

**OUR WEB SITE ADDRESS:** [www.cmhc.ca](http://www.cmhc.ca)

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