

# Turning new homes in an urban core project

They started with a small idea, but now they're big players in the booming condo market

BY TERENCE BELFORD

When Howard Cohen and Stephen Gross decided to form Context Development Inc. in 1987, what they had in mind was a modest condominium-development company. They would set themselves apart from the crowd by creating small architectural gems that fit as neatly into downtown neighbourhoods as do pieces from some urban jigsaw puzzle.

That is why they chose the name Context: Every project they took on would reflect the context of the neighbourhood that surrounded it. "Actually, Howard chose the name," says Mr. Gross, sitting across the conference table in the company's tightly packed lower Yonge Street office. "He is the one that does all the naming around here."

Just five years later, the projects have exploded in number and scope. The market Mr. Cohen gives them has escalated similarly from the mundane to the magnificent. Context, the developer of the mid-east Twenty Niagara Street, a row of 22 townhouses, now has under way Radio City, 420 units in a pair of high rises on the former CBC site on Jarvis Street. The company, which cut its teeth converting a former George Brown College building into the 145-unit Kensington Market Lofts is now nearing a 1928 Map Dunning-designed art deco industrial building on Lake Shore Boulevard West into Tipotoplofs, 230 leading-edge units. Tipotoplofs, more than 100 suites were sold the first three days the sales office was open.

Next on the agenda is the aptly named The Spire, a bamboo-slim, 30-storey-plus tower, rising from



Howard Cohen, right, and Stephen Gross of Context Development Inc. are developing a condominium at King and Sherbourne. "We take on projects that have leading-edge design and are architecturally different and we only do projects that reflect our personal taste," says Mr. Gross.

what was once the parking lot for St. James Cathedral on Church Street just north of King Street West.

"We never anticipated getting this big," says Mr. Gross as Mr. Cohen nods in agreement beside him. "But this is an opportunistic business. If the right project presents itself, then you have to take it."

There is a proviso to that statement, however. Context is now on the edge of having as much on its plate as it can handle with a staff of 15. Its Moose condo in the King Street East design district is nearing

completion. Radio City and Home, a Frank Lloyd Wright-inspired lofts/row project overlooking High Park, are under construction. Tipotoplofs is about to start and Spire is in the sales stage. All hands at Context are full.

"That is not to say that if the right piece of land in the right neighbourhood passed across their desks, the Context partners would not find a way to wedge a new project into their calendars. Anything south of Lawrence Avenue is fair

game, says Mr. Gross. The areas both love best, however, are Queen Street west of Spadina Avenue and King Street east of Yonge over to Parliament Street.

"Great distinctive neighbourhoods," says Mr. Gross. "Wonderful neighbourhoods," chimes Mr. Cohen.

Neighbourhoods are what the pair looks for. In fact, 30 years ago, encouraging urban neighbourhoods was Mr. Cohen's stock in trade. In the 1970s, he was hired as a planner by the City of Toronto and saddled with the job of bringing people back downtown to live. His first challenge was sorting out

Trifarm Court. The city wanted to extend the subsidized housing of Regent Park south to Queen Street. Local residents wanted none of that.

Mayor-to-be John Sewell championed the residents' case (then-alderman June Rowlands drove the city's position).

The councillor chosen to head the working group was David Crombie, who would also become mayor. Mr. Cohen had the ticklish job of creating a plan all three could

## The developers

An occasional series looking at major personalities in the development industry.

support. He did so by scattering pockets of subsidized housing throughout the community, housing that was—in context.

Mr. Cohen went from city planner to president of Harbourfront. There, his biggest achievement was the light rail transit (LRT) system that connects with Union Station. From Harbourfront, his next step was to private development as president of the Goldman Group. The magnificent Georgian townhouses at the foot of Casa Loma hill are one of his projects.

Next move was as president of The Design Exchange, which led to a brief stint as a consultant in partnership with Lloyd Alter and a small-scale foray into development. It was Twenty Niagara Street, which brought him together with Mr. Gross.

Stephen Gross's path to the

chairmanship of Context followed a distinctly different route. A chartered accountant with an MBA, he started his career in Canada with Metropolitan Properties in the late 1970s.

When Metropolitan decided to get out of the single-family housing business, he joined Context in Winnipeg as vice-president of finance in 1982.

In those years, Context was an often fiery partnership between Isreal (Izzy) Asper and Gerry Schwartz. Mr. Gross rose to become president of Context Global Communications and held that post between 1988 and 1994.

When he left, he joined old friend Gerry Schwartz in Toronto, who had by then severed his links with Mr. Asper and established Onea Corp., which today has more than \$19-billion in assets.

The pair started Waterloo Capital Corp. with Mr. Gross as a partner and president. Context started when Waterloo provided financing for Twenty Niagara.

"Waterloo has a subsidiary called Equivent, which provides financing to other developers. What I soon found was that I was seeing deals where Equivent seemed to be taking as much risk as the developers were. I figured if I was going to take the risk, I might as well be the owner too," says Mr. Gross.

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"It comes down to two principles," says Mr. Gross. "We take on projects that have leading-edge design and are architecturally different and we only do projects that reflect our personal taste."

The result? Context occupies a market niche that few faces little, if any, competition. That is why the pair has little fear of a downturn in Toronto's heated condominium market.

"Our niche is in our end users," says Mr. Gross. "People will always need places to live and our market will still be there even in a downturn market. We are better off than most. We do not have a big machine to lose or can scale down in a second."

"There will always be distinctive neighbourhoods where people want to live and that's our forte."

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