



A MAN, A DOG and Future Considerations

BY DEAN HALL

> Photo by Steve Martin-Thompson Martin Photography

This project, of course, is the work of that consummate dealmaker, Shmuel Farhi, a developer extraordinaire who owns more properties in the downtown core and along Richmond Row than any other landlord. He often purchases buildings with high vacancies or heritage structures in need of rejuvenation that have been ignored by conventional wisdom because they don't promise quick returns to an investor. Farhi goes where others fear to tread because he has faith in his business sense and a vision of a long term plan that could well result in a true renaissance in the core. In the midst of a backlog of studies and stale rhetoric over future plans for the city's heart, Farhi, it appears through ample evidence, puts his money where his mouth is and gets things happening.

Born and raised in Israel, Shmuel Farhi arrived in Canada in 1986 at the age of 26 after a chance meeting with a fellow passenger on a flight to San Francisco piqued his interest in opportunities in the Great White North. During their conversation, London realtor Mary Bray sold him on the possibilities that a business partnership in real estate could provide. He first concentrated his efforts in St. Thomas where he purchased the old Elgin County Courthouse, which remains his signature acquisition to this day. The partners' initial success in buying heritage property culminated in a colossal deal involving the former Talbot Estate, which they bought for 1.5 million and sold for 3 million to Stonebridge International, all in one day. Farhi and Bray parted company and divided up their assets, but his game plan was set for future acquisitions down the road. After twenty years in the business, Farhi Holdings Corp. owns over eighty sites in London including landmark heritage assets like the former Scott's building and Central Library; office complexes like the Bell building, Royal Bank tower and former Canada Trust Building; residential highrise addresses like London Towers and Colborne Place; the entire block bordered by Richmond, Central, Wellington and Hyman streets; dozens of antique brick retail properties along Richmond Row; numerous downtown parking lots, as well as hundreds of acres of undeveloped land on the city's perimeter. His design-and-build leasehold arrangements, particularly with ministries of upper levels of government, dot the map from Sarnia to Cornwall and north to Hornepayne and Geraldton.

Such a concentration of ownership might well raise eyebrows but for the fact that Shmuel Farhi is completely open about what he does and how he does it. His business includes the rejuvenation of

historic structures, the retrofitting of more modern buildings and the design and build of new quarters for a variety of tenants. He is creating a legacy for his children by playing a high stakes game of Monopoly and enjoying every minute while doing it.

On a typical morning, Farhi alights from his Mercedes at his headquarters on the corner of Richmond and Dufferin Streets, then accompanies his passenger and constant companion, a beautiful black Newfoundland dog, up the stairs to his well-appointed office. The decor includes pictures of family, a variety of sports memorabilia, likenesses of Muhammad Ali and Shimon Peres, a bust of Alexander the Great and renderings of projects in the works. A wall-length window affords a splendid vista of St. Peter's Basilica and several blocks of stylish shops along Richmond Row. Farhi, who has referred to Lila the dog as his office stress manager, admits that while there is stress involved in the business, he feels particularly well equipped to work the long hours and make the key decisions necessary to success. He is bold, passionate, outspoken and aggressive in his manner and seems to run on a higher octane than most. "It takes me less than twenty seconds to make a decision," he asserts. "You have to be smart to come out a winner."

Farhi's approach has undoubtedly been honed by his personal history and the Israeli culture in which he spent his youth. Following the breakup of his parents' marriage when he was nine, he was placed in a kibbutz community where his surrogate parents taught him chess. Two weeks after learning to play, he was beating the adults. An obsession with the game developed into championship form and the writing of a book on chess openings by the time he was thirteen. He sheepishly admits that his prowess gained him admission to social evenings with elders whom he would take on several at a time in exchange for cookies and treats not available to other youngsters. This finely tuned skill set has served him well in the game of business, where planning many moves ahead is always a winning strategy.

Israel, with its rich and varied history, is a veritable museum of architectural heritage. Structures of Assyrian, Roman, Byzantine and Ottoman vintage are commonplace, as are the more recent Bauhaus-inspired neighbourhoods in Tel Aviv. "Look at that history," exclaims Farhi, as he shares photographs of places visited on a recent trip with his family to retrace his roots. His passion for heritage architecture is

infectious and makes it easy to explain his acquisitive nature when he sees a building he finds appealing. A recent purchase, the Keg Mansion on Jarvis Street in Toronto, the historic and opulent former home of Canada's famous Massey family, is indicative of Farhi's sensitivity to preserving the past as living and breathing structures that will also serve the future.

Taking on the rejuvenation of heritage buildings, however, poses a myriad of problems that must be taken into account when considering their future use. To refurbish a vintage location, one must contend with structural deficiencies, asbestos removal and installation of modern heating and cooling as well as information technology systems. When a project is completed, the increased tax assessment and cost of parking will undoubtedly drive up costs. To engage in this practice, Shmuel Farhi maintains the rationale that "the downtown is a must for the community." He argues that the core of a city is the only area that differs significantly from one municipality to the next and provides a unique identity. "The downtown belongs to the community and we must have a healthy downtown, a healthy core. Our downtown is not healthy yet. We're only in first gear." He notes that while the downtown has been spurred by improvements like the John Labatt Centre and the Covent Garden Market at the edge of the core, further inducements for property owners to take risks will be necessary to stimulate the rebirth of those blocks at the real heart. Mayor Anne Marie DeCicco-Best concurs. "The success of downtown redevelopment will be in forging partnerships and Mr. Farhi is one who is particularly skilled at developing those partnerships and making things happen."

Farhi, with his phenomenal rate of success, has faced his share of skeptics over the years, who questioned his motives and viewed him as an erstwhile outsider. His colourfully irascible side has surfaced on occasion when frustration has gotten the better of him. When pitted against uncooperative London city councillors in a discussion over downtown parking needs, he threatened to bulldoze his properties in the core. "When was the last time one of those big Hunt Club boys bought a vacant building in the downtown," he retorted. "Twenty years I've been here! I'm not a foreigner, I'm one of you!" Acceptance can take time, as witnessed by his relationships in St. Thomas. Once dismissed by local politicians there as "an idiot" and "as substantial as a cloud", he was nominated in 2004 by that city's business elite for an Ontario Chamber of Commerce Outstanding Business Achievement Award

which he subsequently won. Today, Mayor Cliff Barwick recognizes Farhi as “a man of his word who has preserved the historic courthouse and has an abiding love for heritage buildings. He may be based in London but he is an important presence much appreciated in St.Thomas.”

In spite of his bluster, Shmuel Farhi says he is definitely someone who “always looks at the glass half full. We are so lucky here in Canada. All we have to worry about is winter and bureaucracy. We plan things day to day; in Israel they plan hour to hour because you don’t know what will happen.” This dynamo doesn’t like to talk numbers when it comes to his accumulated wealth. “It’s not about adding another zero,” he quips. “It’s what you do with your zeroes.”

Farhi has become renowned for giving back to his community. He makes the operation of almost two dozen not-for-profit organizations possible by subsidizing or paying their rents to the tune of over a million dollars a year. He realizes that the combination of cutbacks in government funding and the economic downturn have hurt, so he is willing to extend a hand. “If you need a place to operate come to me. Any not-for-profit in need - we will have the door open.” His donation of the former Grigg Hotel property at Richmond and York Streets is a tremendous boost to the efforts of Youth Opportunities Unlimited, the agency dedicated to the retraining of underemployed youth, but Farhi’s crowning achievement is undoubtedly the raising of over five million dollars for research into heart disease. The Heart to Heart/ Dollar for Dollar campaign far surpassed its original goal and serves as a testament to his uncanny zeal in breaking boundaries.

Laura Gainey, Regional President of RBC, sums up the Farhi she knows well. “Shmuel is one of the most dedicated and passionate individuals I know. His love for his family, his community and his business is inspirational. He is definitely a dealmaker and has a keen ability to get things done. He is kind, compassionate and giving and so many causes have benefitted from his generous spirit. All of this to make the City of London a better place to live, work and play. His love of London is remarkable... the community has benefitted greatly from his strategic vision, his business savvy, his bigger than life personality and unquestionably his philanthropy.”

For a city whose downtown has existed for years on life support, the cure might well have arrived.