



PRESS RELEASE



Canadian Mortgage News - National Archive 2007

Medicine Hat Celebrates the Grand Opening of Two Affordable Housing Projects

MEDICINE HAT, Alberta, May 18, 2007 — Federal, provincial, municipal and community partners gathered in Medicine Hat today to celebrate the joint grand opening of Medicine Hat Community Housing Society (MHCHS) and Classic Construction Ltd. affordable housing developments. The projects will help provide housing for lower income families, individuals and people with disabilities.

“Canada's New Government is working to ensure funding is available for projects like these to address the need for affordable housing in communities across the country” said the Honourable Monte Solberg, Minister of Human Resources and Social Development and Member of Parliament for Medicine Hat. “I’m pleased to see how the teamwork between government and partners can help individuals and families build better and stronger futures.”

The Medicine Hat Affordable Housing Centennial Development was made possible with a \$3 million grant from the Canada – Alberta Affordable Housing Program and by financial assistance from the City of Medicine Hat. The City of Medicine Hat provided land valued in excess of \$500,000, while the Community Foundation of Medicine Hat and Southeastern Alberta also contributed \$50,000 in seed funding for this development.

“This is a good start to addressing the need for affordable rental housing in Medicine Hat. However, we intend to work with all orders of government and the private sector to continue to meet this growing need,” said Peter Wilde, President of the MHCHS.

“These projects are excellent examples of what can be achieved when we work together to address the housing needs in the community,” said the Honourable Ray Danyluk, Minister of Municipal Affairs and Housing. “The Government of Alberta will continue working in partnership to provide affordable housing in Medicine Hat and throughout the province.”

Classic Construction Ltd., recognized by Alberta Venture Magazine as one of the ten fastest growing companies under \$20 million in Alberta, is opening its second affordable home ownership development in Northlands Pointe. Classic Construction Ltd. has developed a means of making home ownership affordable by sharing the profits with their buyers. Each unit in Northlands Pointe receives an equity subsidy that reduces the amount the purchaser must provide for a down payment. Each unit also gets a substantial monthly subsidy to reduce the effect of mortgage costs, condominium fees and utilities.

“We take particular pride in providing a reasonably sized, quality home at a cost well below the average market price in Medicine Hat,” said Classic Construction Ltd. President Murray Prokosch. “We are especially proud to share our financial success with the home purchasers, enabling many families to own a home, when previously, that would have been out of the question.”

Canadian Mortgage News - Medicine Hat Celebrates the Grand Opening of Two Affordable Housing Projects

The Medicine Hat Affordable Housing Centennial Development will provide 19 units for families and nine units for singles and persons with disabilities. Units are available for rent to persons on the social housing waiting list in Medicine Hat.

Classic Construction is marketing the 219 units in Northlands Pointe to young professionals, first time home buyers, lower-income families and retirees.

For further information contact:

Pema Lhalungpa
Office of the Minister of Human
Resources and Social Development
819-994-2482

Darren Rud
Coordinator
Homeless and Community Housing Department
Medicine Hat Community Housing Society
403-526-2154

Jace Anderson
Classic Construction Ltd.
Telephone: 403-529-1023
Cellular: 403-458-0197

Robert Storrier
Municipal Affairs and Housing
780-427-8862
To call toll free within Alberta dial 310-0000

Sophie Dupuis
Canada Mortgage and Housing Corporation
403-515-2986

Backgrounder

Medicine Hat Community Housing Society Centennial Housing Development

- Number of units = 28
 - ◆ Three-bedroom units = 12
 - ◆ Two-bedroom units = 7
 - ◆ One-bedroom units = 9
- Number of buildings = 5
 - ◆ Three-bedroom duplexes = 2
 - ◆ Three-bedroom eight-plex = 1
 - ◆ Two-bedroom eight-plex = 1
 - ◆ One-bedroom eight-plex = 1
- Of the one bedroom units, five are barrier free units for persons with physical disabilities.
- Rents, which include gas, water, sewer, and garbage removal, are less than 78 per cent of the CMHC determined average rent for a similar sized unit in Medicine Hat.
- Units are available for rent to persons on the social housing waiting list in Medicine Hat. Qualification for families and individuals is based on assets, income, current living situation, family size and other criteria.
- Government funding
 - ◆ City of Medicine Hat — Land contribution in excess of \$500,000
 - ◆ AHPI Grant — Governments of Canada and Alberta - \$3,016,890
 - ◆ Community Foundation of Medicine Hat and Southeastern Alberta — \$50,000

The Medicine Hat Community Housing Society is the property manager for the Alberta Government and City of Medicine Hat-owned subsidized housing. In addition, the Medicine Hat Community Housing Society administers the Alberta Homelessness Initiative and the Government of Canada's Homelessness Partnering Strategy.

Backgrounder

Classic Construction Ltd. Northlands Pointe

- Number of units = 219
 - ◆ Three bedroom units = 146
 - ◆ Two bedroom units = 73
- Homes are restricted to owner-occupancy only. The “Pride of Ownership” factor ensures the ongoing integrity of the project.
- Classic provides a substantial Interest Free Equity Loan towards the down payment. If the property is sold within the first seven years of the original purchase date, the down payment is re-paid to the Medicine Hat Community Housing Society.
- Classic provides a substantial non-repayable grant towards a subsidy that is provided to the home buyer. This subsidy is provided on a monthly basis and is available for a five or seven year period, as selected by the home buyer. In the event of resale, the subsidy transfers to the new buyer for the remaining term of the subsidy.
- Northlands Pointe is a registered condominium with a self-directed board of owner/members. This serves to help maintain the quality and curb appeal of the project, which positively impacts market valuation for owners upon resale.
- This is Classic’s second housing initiative. Northland Villas, Classic’s first project, and Somerset Villas, a project started concurrently with Northlands Pointe, have completely sold out.
- CMHC provided mortgage loan insurance flexibilities for this project which facilitated easier access to mortgage financing for the home buyer.